

Directive,

Q2>Q3 QBR

July 24, 2024

Prepared for



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ACV = Annual Contract Value

NSM = North Star Metric

LP = Landing Page

DSA = Dynamic Search Ad

PPC = Pay Per Click

TOFU = Top of Funnel

MOFU = Middle of Funnel

TAM = Total Addressable Market

ICP = Ideal Customer Persona

Engagement

Performance

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Performance

We Maximized Sales-Quality Lead Volume!

\$117K

Total Spend

+51% QoQ

\$600

Cost per SQL

-61% QoQ

195

Total SQLs

+195% Over Forecast

+282% QoQ

1.58%

Click > Lead Rate

-1% QoQ

232

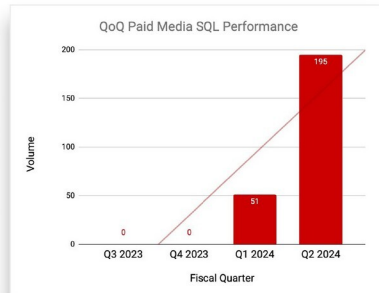
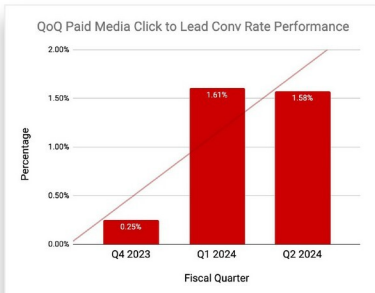
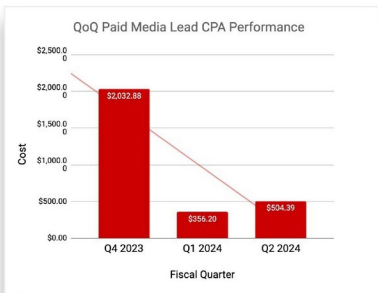
Hubspot Leads

+7% QoQ

Going into the new quarter we primarily focused on paid search to scale lead volume and capture existing demand. The shift toward leveraging 1st party data for conversion optimization allowed us to achieve growth QoQ - resulting in a **282% increase in SQLs while improving efficiency by 61%.**

We See Improved Lead and SQL Generation!

Starting in Q4 2023, we transitioned into HubSpot where we activated Google OCT. Providing 1st party data, in addition to continuous keyword & campaign bidding optimizations, has allowed the platforms to scale more efficiently making the most use of our ad dollars. However, there is an opportunity to improve our conversion rates.



Q2 FY '24

Channel Review

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Drove +283% More SQLs Efficiently

Putting an emphasis on more B2B-focused branded keywords, segmented by Product and Industry, has allowed us to make a huge impact on generating more demand while capturing more market share.

| Time period | Spend | Clicks | CTR | Leads | Click to Lead Rate | Cost / Lead | SQLs | Lead to SQL Rate | Cost / SQL |
|----------------|----------|--------|--------|-------|--------------------|-------------|-------|------------------|------------|
| FY24 Q1 | \$36,484 | 6,500 | 17.21% | 98 | 1.50% | \$374 | 17 | 17% | \$2,146 |
| FY24 Q2 | \$38,477 | 5,963 | 17.58% | 82 | 1.38% | \$467 | 65 | 79% | \$590 |
| QoQ Change (%) | +5% | -8% | +2% | -16% | -8% | +25% | +283% | +355% | -72% |

Moving Forward: Implement new dedicated landing pages and run A/B tests to improve our click to lead conversion rate for scaling lead performance; Swap out existing creative with new product & industry messaging from our new website to maintain strong ad rank and sustain click engagement

Drove +282% More SQLs Efficiently

Similar for Non-Brand, by putting an emphasis on more B2B-focused branded keywords within our account refresh has allowed us to generate demand through higher-quality traffic at a lower cost.

| Time period | Spend | Clicks | CTR | Leads | Click to Lead Rate | Cost / Lead | SQLs | Lead to SQL Rate | Cost / SQL |
|----------------|----------|--------|-------|-------|--------------------|-------------|-------|------------------|------------|
| FY24 Q1 | \$44,017 | 7,559 | 9.26% | 128 | 1.70% | \$343 | 34 | 26% | \$1,294 |
| FY24 Q2 | \$78,542 | 8,757 | 9.09% | 150 | 1.71% | \$525 | 130 | 87% | \$605 |
| QoQ Change (%) | +78% | +16% | -2% | +17% | +1% | +53% | +282% | +227% | -53% |

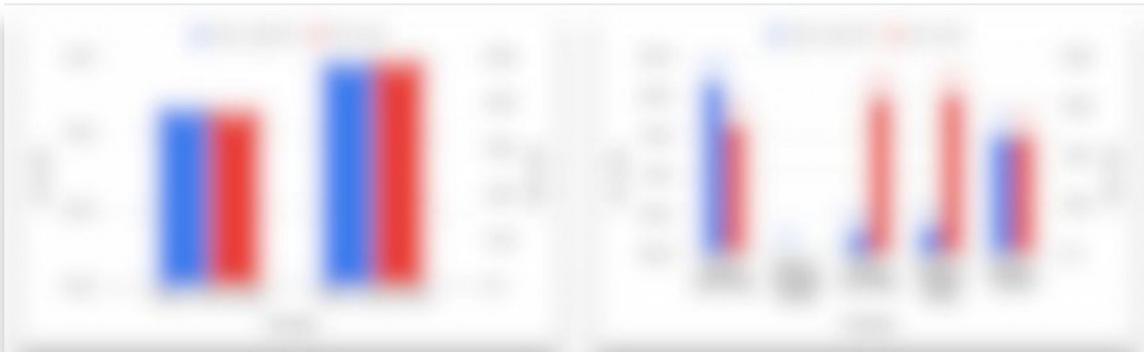
Moving Forward: Implement new dedicated landing pages and run A/B tests to improve our click to lead conversion rate for scaling lead performance; Swap out existing creative with new product & industry messaging from our new website to maintain strong ad rank and sustain click engagement

Improve User Experience for Industry-Focused Keywords

In addition to optimizing our ad messaging to align with intent for our industry-focused keywords, we need to improve the entire user experience and test different elements on our landing pages - this will lead to higher conversion rates but also better efficiency.

Brand

Non-Brand



Moving Forward

Paid Media Strategy

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Empowering Future Growth

We will **reactivate our full funnel strategy** across our primary verticals, **tap into the future of AI**, and **continue to fine tune our search campaigns** to scale down funnel performance as we continue to improve our demand generation.

Reactivate Full Funnel Strategy

- Restart Programmatic with Military/Defense Prospecting and General Retargeting
- Restart Endemic within Other Priority Verticals (i.e. Industrial)
- Explore ABM Tactics

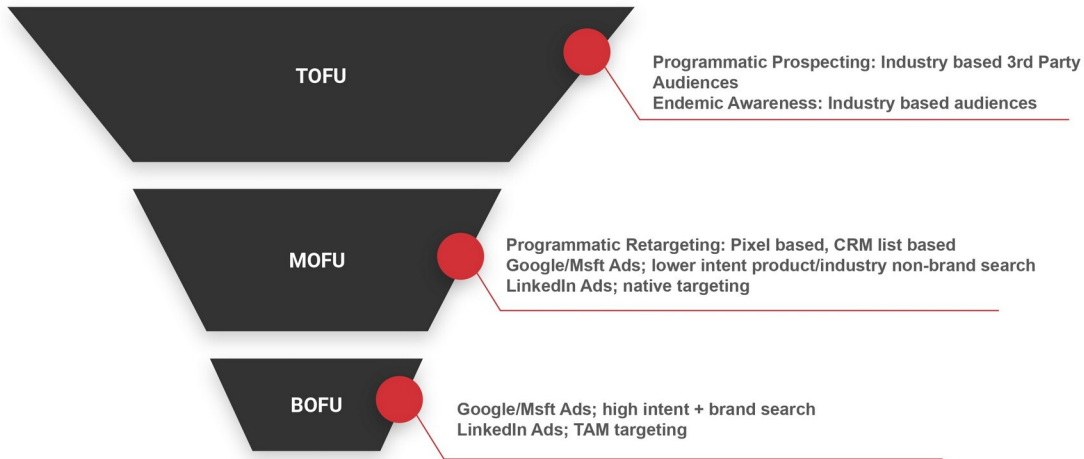
Fine Tune Search to Scale Performance

- Dive into CRO with New Website Pages
- Explore Bid Strategy Testing within Google Ads

Tap into the Future of AI

- Explore Performance Max within Google Ads
- Explore Demand Gen within Google Ads
- Activate Enhanced Conversions for Conversion Optimization

Funnel Mapping by **Channel Tactic**



Let's Explore Incorporating ABM into the Mix!

Account-based marketing (ABM) is simple at its core:

- Determine the companies you want to win
 - Find the decision makers and solution advocates, and what they need
 - Reach only them with well-segmented messaging and tight targeting
 - Activate them into meetings
 - Nurture these accounts through the sales process
-
- ...this isn't just net new, this can also be used for existing account growth!

ABM Allows Us to Do More with Less

Reaching *more* people and accounts doesn't mean generating more sales and revenue.

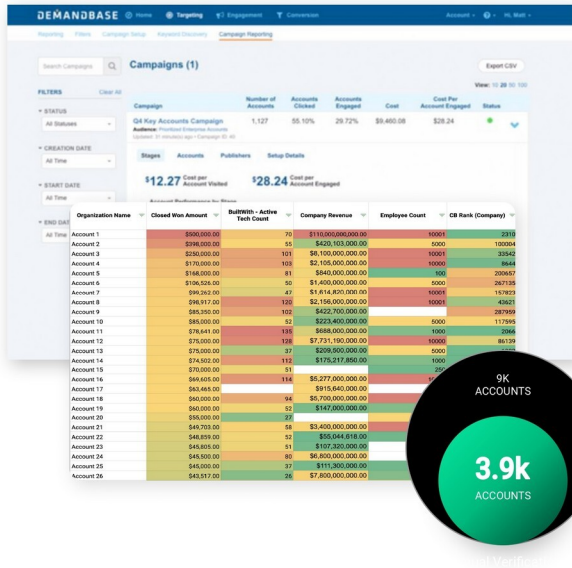
Reaching fewer of the **right people** allows us to spend less and win more - which allows us to invest more, faster.



ABM Works When it's Data-Backed

Our preferred ABM process leverages first-party data to verify and enhance your TAM and create precise customer segments.

- Pinpoint Job Titles by Closed Won/Closed Lost, most common industries by volume and ACV, and most profitable ICPs.
- Enrich your customer list to discover trends within categories like industry, employee size, funding status, IT spending, and more.
- Tier out audience lists to determine which firmographic traits offer highest ACV and revenue potential.
- Layer intent based data to ensure we first reach those actively in market.
- Manually verify account lists.



With Defined ABM Lists We Can Project More Accurately

Using benchmark and internal historical data, platform-level projections help guide investment per channel.

| Formulas & Inputs | | Per-Month Over Time | | |
|---|--------------|---------------------|-------------|------------|
| LinkedIn Conversation Ad Estimates (Total) | | 3 Months | 6 Months | 12 Months |
| Total Audience Size: | 89,790 | 89,790 | 89,790 | 89,790 |
| Total Sends | 53,874 | 17,958 | 8,979 | 4,490 |
| Cost per Send | \$2.00 | \$2.00 | \$2.00 | \$2.00 |
| Total Ad Cost (if we hit everyone) | \$107,748.00 | \$35,916.00 | \$17,958.00 | \$8,979.00 |
| Est. Open Rate | 55% | 55% | 55% | 55% |
| Est. Opens | 29,631 | 9,877 | 4,938 | 2,469 |
| Est. in Platform Leads | 237 | 79 | 40 | 20 |
| Est. Cost/Lead | \$454.55 | \$454.55 | \$454.55 | \$454.55 |
| Est. Intro Calls (Leads X 50%) | 119 | 40 | 20 | 10 |
| Lead > SAL % | 28% | 28% | 28% | 28% |
| SALs | 66 | 22 | 11 | 6 |
| Cost/SAL | \$1,623.38 | \$1,623.38 | \$1,623.38 | \$1,623.38 |
| GC Cost (Intro Calls X \$105) | \$12,445 | \$4,148 | \$2,074 | \$1,037 |
| Total Ad Cost (if we hit everyone) | \$107,748 | \$35,916 | \$17,958 | \$8,979 |
| GC Cost (Intro Calls X \$105) | \$12,445 | \$4,148 | \$2,074 | \$1,037 |
| Total Potential Budget (Ad Costs + Gift Card costs) | \$120,193 | \$40,064 | \$20,032 | \$10,016 |
| LinkedIn Conversation Ad Est. Results (w/ GC Costs) | | | | |
| Est. Cost/Lead | \$507.05 | \$507.05 | \$507.05 | \$507.05 |
| Est. Cost/Intro Calls | \$1,014.09 | \$1,014.09 | \$1,014.09 | \$1,014.09 |
| Est. Total Cost / SAL | \$1,811 | \$1,811 | \$1,811 | \$1,811 |

Example

The Winning ABM Approach!

ABM MODEL

Partner with sales to identify target accounts for MM and ENT.

Layer on intent audience based on fit, buying stage, keywords they search for, etc.

Identify Target Accounts

New LinkedIn messaging is persona-specific but not geared towards specific accounts or industry

Engage with Personalized Marketing Campaigns

Digital Ads Management

Convert and Expand

Align

- Understand accounts, buyer personas, sales stages
- Map content assets & offers to buyer personas
- Identify distribution channels (e.g. LinkedIn, Display)

Build

- Create campaigns with account and persona-based targeting
- Build personalized ads and landing pages

Measure

- Measure brand impressions, site visitors, and engaged accounts from ads
- Measure opportunity influence from ads
- Measure view-through conversions (VTC) and click-through (CTC) conversions

Optimize

- Optimize campaigns based on engagement
- A/B test personalized messaging in creative
- Optimize budget allocation between channels and campaigns

Even Small Increases in Landing Page Conversion Rate will Compound Growth

Launching net new landing pages and refining our creative will convert more high-intent visitors on page, and contribute significantly towards achieving our goals.

In this model, increasing Click to QSU from 5% to 7.5% (+50%) will scale revenue.

We believe Performance Creative x CRO is the key unlock to achieve this increase due to:

- Our creative experience and case studies, and the current upgrade potential with Uber Freight
- Calculation is based on an achievable est. CPC and 24K clicks

| | | | | |
|--------------|--------------|-------------|--|--|
| Ad Budget | \$133,000.00 | | | |
| Est. CPC | \$8.00 | | | |
| | | | | |
| | Current | Increase By | | |
| Click > Lead | 1.58% | 0.50% | | |
| Lead > SQL | 84.05% | | | |

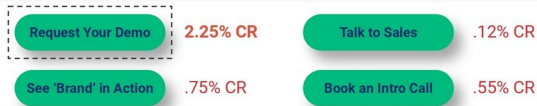
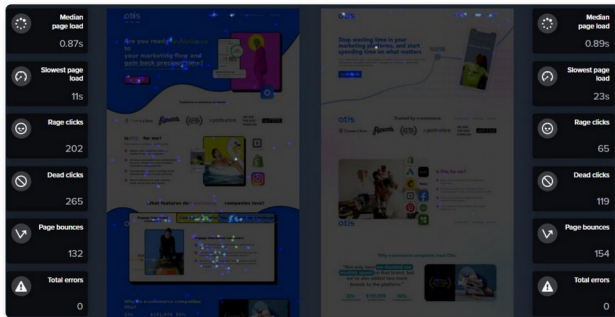
| | | | | |
|-------------|---------|----------|----------|-------|
| Clicks | 16,625 | | | |
| | | | | |
| | Current | Scenario | Variance | + / - |
| Leads | 263 | 346 | 83 | 32% |
| SQLs | 221 | 291 | 70 | 32% |
| Cost / Lead | \$506 | \$385 | -\$122 | -24% |
| Cost / SQL | \$602 | \$458 | -\$145 | -24% |

Validating Design Strategies Through Data



Dedicated landing pages provide a foundation for ongoing refinement and optimization through A/B testing. With our tech stack we can:

- Create LP variations tailored to your ICP, test design elements, CTAs, copy and form fields.
- Analyze user patterns and traffic data to identify pain points and quickly implement necessary improvements.
- Refine content that lead to higher conversions, removing the guesswork and achieving better results.



*CTAs we've tested with other clients

Bid Strategy Optimization and Testing Will Lead to New Efficiencies

We are here at the end of Q2:

- HubSpot lead stages flowing into Google (OCT)
- Proportional values set across each stage
- Maximize conversion bid strategies in use across all campaigns
- Campaigns set to optimize to aligned lead stages (Leads and SQLs)
- Primary conversions: all lead stages



Where we need to move forward going into Q3:

- Set SQL conversion actions for BOFU campaigns to drive higher-quality
- Test maximize conversion value to gradually implement across the account
- Portfolio vs individual bid strategies (where budget and conversion data is limited)

Enable More Accurate Measurement With Enhanced Conversions

- Recover conversions that would otherwise be lost due to browser restrictions
- Access to more observable first-party data informs machine learning models that help fill measurement gaps
- Stronger, smarter conversion models help you better optimize campaigns with automated solutions like Smart Bidding



of lead generation marketers cite **improving the quality of leads** as their most important objective.



of lead generation marketers at the same time want to **increase the number of leads**.

Test Performance Max Format within Core Industries to Maximize Results

- Complement to existing Search campaign structure
- Using first-party customer lists, in addition to search themes & company size firmographics
- One campaign = all Google Ads inventory: YouTube, Display, Search, Discover, Gmail, and Maps
- Dynamic ads based on channel and user

| | Search | PMax | % Difference |
|---------------------|--------|-------|--------------|
| Click > Lead CVR | 2.03% | 0.86% | -58% |
| CpLead | \$492 | \$195 | -60% |
| CpSAL | \$603 | \$319 | -47% |

**Example client data from last 60 days (May 11-Jul 9)
pulled directly from Google Ads*

Drive Action With Google Demand Gen

- Find and convert consumers with immersive, relevant, and visual creatives that grab attention and spur action in the right moment
- AI-powered designed to drive demand from customers within the mid-funnel and generate more conversions, website traffic, and actions.
- **Strategy:** Explore new offers before final purchase to determine if we can generate new demand



New Quarterly Roadmap

What We Expect to Achieve!

\$133K

Total Spend

+14% QoQ

\$719

Cost per SQL

+18% QoQ

185

SQLs

-4% QoQ

1.45%

Click to Lead CVR

-4% QoQ

242

Leads

+4% QoQ

Based on Q2 2024 performance, seasonality, as well as evaluating historical data with the roll out of new landing pages and campaigns across multiple channels, the expectation is to hit an NSM of **185 SQLs** this quarter.

Q3 Budget Allocation Plan

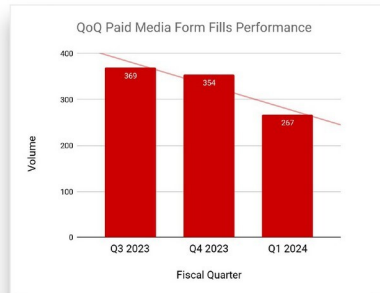
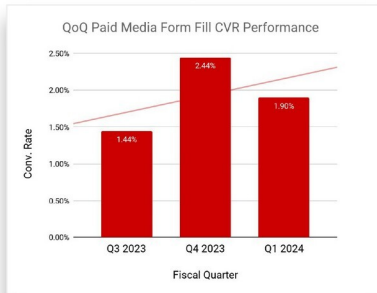
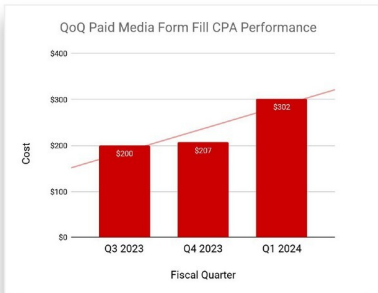
| Objective | Channel | Platform | Campaign | Monthly Budget | % of Budget |
|-----------------|--------------|------------|--------------------------------|----------------|-------------|
| Awareness | Social | LinkedIn | ABM-Focused | \$10,000 | 5% |
| Awareness | Endemic | Trade Pub | Industrial Focused Display Ads | \$15,000 | 7% |
| Awareness | Endemic | Trade Pub | Fire/EMS Focused Display Ads | \$15,000 | 7% |
| Awareness | Programmatic | StackAdapt | Prospecting | \$30,000 | 14% |
| Lead Generation | Programmatic | StackAdapt | Retargeting | \$7,500 | 4% |
| Lead Generation | Search | Google | Brand & Non-brand | \$133,000 | 63% |

Appendix

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Despite Moving Away from Tracking Form Fills

Going into 2024 we started making the transition away from optimizing toward form fills and fully leveraging our 1st party data to maximize lead and SQL volume. We completely removed tracking & optimizations to form fills starting in Q2 2024.



Directive's **win/win** referral program!

Any time that you refer someone to us that we provide a proposal to, you'll receive...

A Visa gift card for **\$250!** If your referral chooses Directive to be their partner, you'll receive a second **\$250** Visa gift card.

AND we will make a \$500 charitable donation in YOUR name!

If there is anyone in your network you think could use paid media, SEO, video, revenue/marketing ops help please send them our way!

Directive,

