

BUILDING A PROGRAMMATIC SALES CAPABILITY

SUMMARY

Programmatic buying and selling of advertising is growing rapidly. While some publishers have embraced this new trend, others are only beginning to dip their toes in the water. A lot of publishers have existing direct sales forces in place – many of whom are worried about becoming obsolete, losing their jobs to machines. How publishers build their programmatic sales capability, compensate sales people, and set budgets is important not only for them but to the ecosystem as a whole.

STAGES OF BUILDING PROGRAMMATIC CAPABILITY

For a publisher, there is no right way to build a programmatic capability – it depends on the type of publisher, existing capabilities, current organizational structures, and many more factors. However, most publishers seem to go through a similar process in building a programmatic capability. Publishers are at very different stages of building their programmatic capability split across the three stages outlined below.

1. Build (or buy) the Ad Operations capabilities to create a programmatic offering.
2. Build an internal programmatic sales capability and a comp structure to avoid channel conflict.
3. The programmatic core becomes more like an internal consultant supporting other teams to sell programmatically.



CURRENT STAGES

Typical Stage 1 Capabilities

- Programmatic ops or business development person rather than sales focused
- Internal focus to build (or buy) programmatic offering
- Revenue/bonus target-based rather than compensated explicitly on sales

Typical Stage 2 Capabilities

- Start to build programmatic sales capability; often 1-2 separate programmatic sellers
- More external sales-facing but mainly reactive
- Set up compensation structure to limit channel conflict – most publishers create some degree of double compensation – ensuring both programmatic seller and account executive are appropriately incentivized
- Start to set internal budgets/goals for programmatic sales often at aggregate level rather than by account

Typical Stage 3 Capabilities

- Programmatic team works as internal resource for multiple sales teams generating leads
- Programmatic sellers may handle specific accounts but also help close deals for others sellers
- Compensation structure may evolve to more accurately reflect involvement of different teams in a sale
- Formal targets for programmatic sales though still not at the individual rep/team level
- Potentially negotiate programmatic targets to contracts with buyers

FUTURE STAGES

While it remains unclear exactly what the future will look like for different publishers as they look to build their programmatic and broader sales capabilities, several themes emerged.

Relationships Matter More Than Ever

The role of sales people is likely to evolve to become increasingly focused on growing and maintaining relationships with buyers and move away from a transactional media sales role. This means sales people will become trusted advisers to buyers to help them invest their campaign budgets through the most appropriate mix of channels. Programmatic will become part of the portfolio of things that sales people sell.

Focus on Higher-Value Add

With the increased focus on relationships and more time freed up from increased transactional-based media sales, sales forces will increasingly be able to concentrate on higher value-added creative opportunities such as integrated sponsorship and custom content. This will allow talented sales people to focus on goals better suited to their strengths and less on the mundane and manual part of media transactions.

Need for Continued Education and Evolution of Compensation Models

To ensure that publisher sales people don't fear "programmatic", it is important to ensure all direct sellers are trained to sell programmatic and to understand the value-creating opportunity this creates for them. IAB Digital Media Sales Certification and other training programs offer direct sellers the opportunity to continue to learn and expand their skills to become proficient in more technology-based forms of selling. In addition, achieving this shift will require an evolution of the compensation model to avoid channel conflict and ensure sales people are compensated on growing relationships rather than selling through one channel or another.

Learn More at iab.net/programmatic

Or Contact Carl Kalapesi, Director of Industry Initiatives, IAB • Carl@iab.net • Twitter [@carikalapesi](https://twitter.com/carikalapesi)

About iab.

On behalf of more than 600 leading media and technology members, The Interactive Advertising Bureau is dedicated to the growth of the interactive advertising marketplace, of interactive's share of total marketing spend, and of its members' share of total marketing spend. Learn more at iab.net

This IAB: Digital

Simplified was created by IAB's Programmatic Publisher Taskforce chaired by Alanna Gombert, Condé Nast. Representatives from About.com, BBC, Bleacher Report, CBSi, Condé Nast, Dish, ESPN, LinkedIn, Microsoft Advertising, New York Times, PGA Tour, Time Inc, Trip Adviser, Wall Street Journal, Washington Post and Wenner participated actively in the drafting of this paper.