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CMO Close-Up with Grant Johnson, CMO, Pegasystems

By Kate Maddox

Grant Johnson is CMO at **Pegasystems Inc.**, an enterprise software company founded in 1983. In the following interview with CMO Close-Up, he talks about how the company competes against deep-pocketed software giants and uses lower-cost marketing tools such as social media and account-based targeting to reach its target audiences.

CMO Close-Up: *You compete with large enterprise software companies such as IBM, Oracle and SAP. How do you go up against these marketing giants?*

Johnson: Well, we certainly don't outspend them, so we have to be both differentiated in our messaging and very creative in our marketing tactics. From a differentiation standpoint, we are anti-status quo, and we relish the challenge of being unlike the big guys. One of our sustainable advantages versus the big software players you mentioned is that we have not acquired a bunch of companies or tried to cobble together a number of different products and technologies as a result. Our core software offering is based on a single, unified solution that we can configure to meet a broad array of customer service and operational agility needs.

CMO Close-Up: *What types of companies are in your target market?*

Johnson: We focus on the [*Forbes*] Global 2,000 companies and have a target account model, meaning we have sales reps who call on named accounts in the several verticals we serve, such as financial services, healthcare, insurance, communications, life sciences, energy and the public sector. We've been growing at 25% to 30% a year for the past several years, and we've regularly added new verticals and named accounts along the way. Many of the world's most respected brands and market leaders rely on Pega software to become more customer centric and improve both the customer experience and their operational efficiency. For example, American Express, Charles Schwab, JP Morgan, MasterCard, Farmers, GE Energy, etc.

CMO Close-Up: *What are your primary marketing vehicles?*

Johnson: For customers, we have a variety of ways we reach them with marketing messages. We have community and social media sites they can participate in, as well as opt-in monthly e-newsletters. In addition, we have implemented a website technology that enables us to serve up customer-specific landing pages so they can experience Pega.com in the most relevant way. For example, if someone is visiting our site from JP Morgan Chase, the site serves up a page with financial services case studies, webinars, events and content that would be relevant to them. For prospects, we take more of a content and community marketing approach, as it's more about trying to attract them and engage them versus

market to them. For example, we have created a learning series called “The BPM Professor,” which our chief evangelist has created to help educate the market on what BPM [business process management] is all about and how we're different at Pega. We have other webinars and content ... tailored to a variety of roles, whether someone is in IT, operations or on the business side. We aim to provide thought leadership and insight to help them do their jobs more effectively. So even if they are not in the market now, they will consider us when they're ready to buy a solution like ours.

CMO Close-up: *Do you do any traditional advertising?*

Johnson: In terms of what is called traditional advertising, we definitely do not do TV. We have an account-based model, and 65% to 75% of our business is repeat business, so broad-based advertising would be wasteful. We do some traditional print advertising to reach targeted verticals, including financial services, insurance, healthcare and telecommunications. We also sponsor white papers, do rich media banners and traditional marketing including events and webinars.

CMO Close-Up: *Are you using social media in your marketing?*

Johnson: Yes, we have a significant social presence with Twitter, LinkedIn and Facebook, and we also have a roster of regular bloggers on our own site that we leverage for engaging customers and prospects. Some of these blogs end up on industry publications' websites, too, which is a bonus. This gives us a great medium to show our thought leadership. When we decided to increase our focus on CRM marketing last year, I began blogging more, partly to challenge my team to do more by “walking the walk,” and partly because I like to share my experiences and opinions in an open and collaborative forum.

CMO Close-Up: *What are some of your biggest challenges as CMO?*

Johnson: When I arrived at Pegasystems two and a half years ago, I set an agenda to build a motivated, high-performance team that delivers outstanding results. I think we've largely achieved that goal. I also implemented a global brand development strategy, refreshed our Web presence and significantly bolstered our demand generation capabilities. We'll cross \$500 million in revenue this year, which is fantastic; but I now face two new challenges in terms of continuing to increase our social media presence and driving community engagement and awareness to new levels. In addition, we just announced an enterprise marketing solution, so executing a cogent go-to-market strategy that enables us to accelerate market traction is key, along with fostering continued growth across a broader set of vertical and horizontal markets.