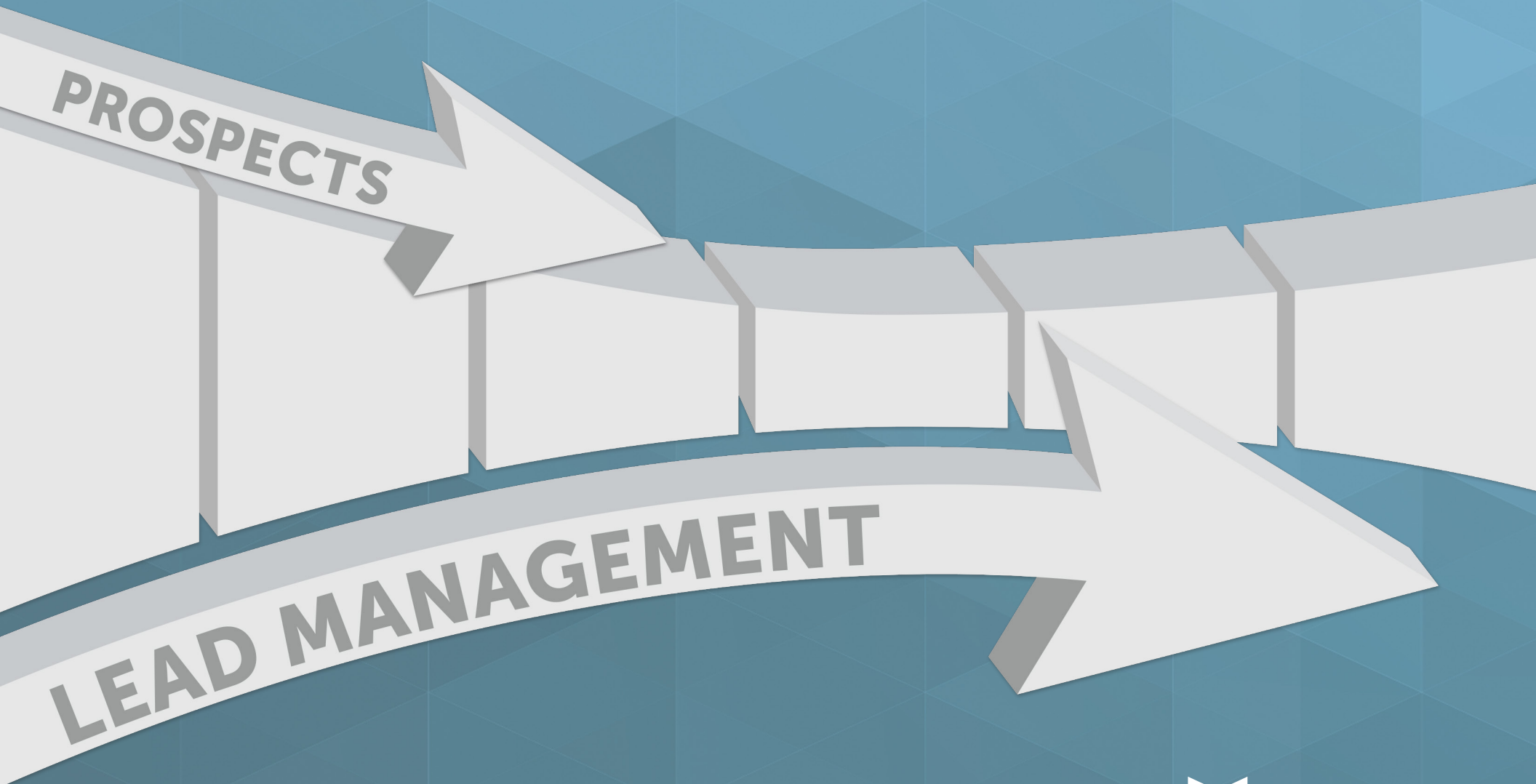


10 Steps to Improve Your

Lead Management Process



Introduction

It's a simple fact: Qualified leads are the lifeblood of any sales organization.

In this e-book, we'll examine why so many of the sales leads generated by marketing organizations—for a great deal of time and money—are ignored or underutilized. We'll also provide a systematized approach for improving your lead management process based on these key principles:

- Sales and marketing organizations are better served by spending marginally less on lead generation and more on the process of lead management.
- All leads are not created equal. Identifying "sales-ready" leads is a critical step in the lead generation and management process.
- Leads that are not sales-ready today should be nurtured and cultivated to be sales-ready in the future.

45%

of all sales leads will buy someone's product¹

YET

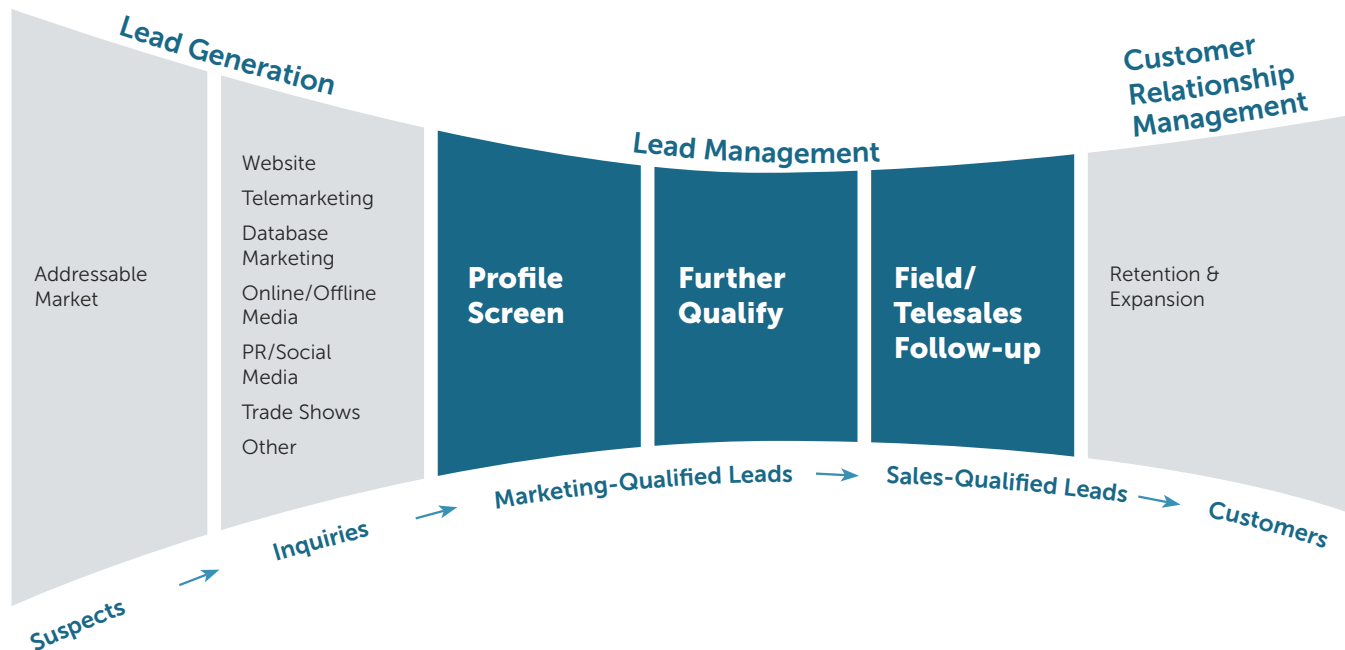
80%

of all sales leads are never followed up²

¹ Sales Lead Management Association
² BtoB Magazine, CMO Council Survey

The Prospect-to-Customer Lifecycle

Of the primary stages in the lifecycle, lead management can be the most challenging. But it can set you apart from the competition.



A well-defined process for the qualification, fulfillment and management of each step in the lifecycle will shorten sales cycles, **provide higher close ratios**, and actively engage your sales and channel partners. It will also help build an information-rich marketing database and greater marketing ROI.

Terms

Addressable market—The full universe of potential customers who meet your targeting criteria.

Suspects—The addressable market narrowed to a targeted group of companies and individuals that meet more stringent qualification criteria (i.e., industry, size, function, etc.).

Inquiries—Suspects that have engaged with your company or your content assets, revealing specific areas of interest along with other positive “behavioral body language” or buying signs.

Marketing-qualified leads (MQLs), also called “sales-ready leads”—Prospects confirmed by marketing to have met the qualification threshold agreed to by both sales and marketing. Some companies require that the sales person “accepts” the lead, confirming that all criteria are met. This is called a sales-accepted lead, or (SAL).

Sales-qualified leads (SQLs), also called “opportunities”—When a lead is engaged directly by the sales team and moves into the full selling cycle, as a ready and qualified buyer.

10 Steps to Improve Your Lead Management Process:

- 1 Understanding the Mindset of Your Sales Force
- 2 Mapping the Sales Cycle of Your Best Customers
- 3 Capturing Lead Data Consistently and Promptly
- 4 Fulfilling Leads Appropriately
- 5 Identifying Marketing-Qualified Leads
- 6 Distributing Marketing-Qualified Leads to Your Sales Force or Channel Partners
- 7 Managing the Sales Pipeline Through Reports and Metrics
- 8 Getting Your Sales Force to Update the Status of Leads
- 9 Nurturing Non-Marketing-Qualified Leads for Future Benefit
- 10 Preventing the Process from Rotting Over Time

Implementing an effective lead management process is not complicated, but it requires careful planning and strong discipline.

1 Understanding the Mindset of Your Sales Force

Frustration with the sales force seems to be universal, over lead follow-up, order processing, communication of activities, or organization and attention to detail.

It's not uncommon to hear statements about salespeople being overpaid, not working hard enough or coming across as unfocused prima donnas, etc. It is also very common to hear edicts on prospecting and lead follow-up, as if making such proclamations actually means they will happen.

The fact is, most sales people are hard-working, well-intentioned folks simply doing the best with the resources and tools they're given. It's also a fact that most sales people will focus on what they believe will net them the most money, even if that means servicing existing customers or spending significant time developing opportunities deep into the pipeline, at the expense of following up new leads.

The challenge for your organization is to recognize the "blockers" that keep the sales team from promptly and effectively following up sales leads, and to develop processes and support materials that break down those blockers. Do they need better information about each lead? Do they need better assets to support a more effective follow-up? Do you need to create a better reporting system to determine which sales people are following up? Is it a question of better integration between your CRM and marketing automation system?

Integrating sales & marketing strategy into your process

While understanding how your sales team sells is important, it only represents a portion of the process. Overlaying information from your overall strategy, such as growth markets, margins on products, competitive threats and the like, must also be looked at as you lock down your processes.

**Don't just sell more.
Sell more of what you
want to sell.**

2 Mapping the Sales Cycle of Your Best Customers

Before you can improve your lead management process, you need to know how well it's working (and where it's not).

You should begin by documenting how the process works in your organization. We recommend interviewing some of the more productive members of your sales team—including direct sales and channel partners—to determine best practice follow-up methods. See sidebar for the types of questions to ask. Draw out a simple flowchart to illustrate the process.

inquire



learn



evaluate



justify



select



This mapping exercise will help you determine your process options and discover what works best for your organization. It will also help you uncover the largest gaps. Common process disruptions include overlooking leads due to perceived quality, slow follow-up timing and lack of time for ongoing contact.

Ask the right questions

To assess the strengths and weaknesses of your current sales process, ask your sales team:

- Who are the key decision-makers and influencers in the sales process?
- What key criteria do you use to determine if a lead is worthy of follow-up?
- How do you define a marketing-qualified lead?
- How do your leads decide whom to buy from?
- Which support materials do you use at each step?
- What questions or objections arise at each step that help either move the contact along, or take it out of the cycle?
- What is the typical length of time between steps?
- For longer-term prospects, what is the typical time frame for future follow-up, and how do you keep in touch in the interim?
- What are the biggest “blockers” to aggressively following up on sales leads?

3 Capturing Lead Data Consistently and Promptly

The most fundamental part of the lead management process is often the most overlooked.

The old saying of “garbage in, garbage out” definitely applies to the capture and follow-up of sales leads. The mapping process identifies key criteria needed to understand the quality and timeliness of an inquiry or engagement with your assets (i.e., type of company, size, scope of opportunity, urgency of interest, functional responsibility, specific requirements, etc.). These criteria should be engineered into every possible touch point of prospect interaction.

These touch points include:

- Website contact forms
- Landing pages for online and offline marketing campaigns
- Trade show lead forms
- Direct mail response cards
- Inbound calls
- Internal and external thought leadership downloads

In addition to having prospects self-qualify with important criteria, there are many other ways to overlay basic information regarding industry, size and contact data such as phone numbers and email addresses. The more complete the data is on every new lead, the stronger the foundation for quickly identifying the appropriate follow-up.

What makes a lead marketing-qualified?

Studies show that making a lead sales-ready will dramatically increase your overall close rate. The four key requirements of a sales-ready lead are:

- Budget
- Authority
- Need
- Timing

The acronym B.A.N.T. is commonly used to refer to these four criteria.

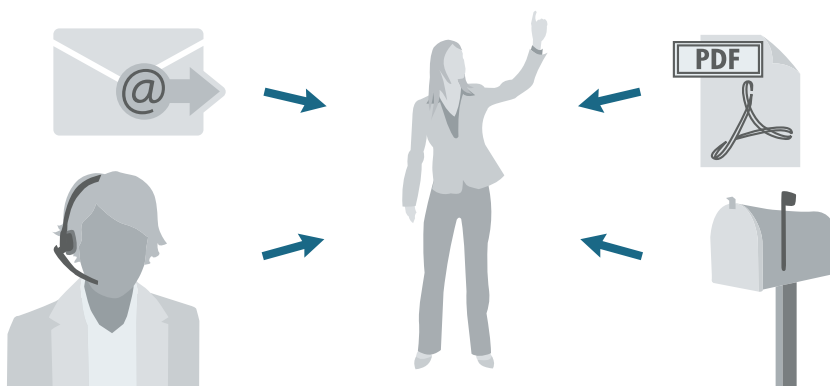
4 Fulfilling Leads Appropriately

Fulfillment refers to the methodology and process of providing what the contact has requested as part of the lead generation process.

Over the years, the fulfillment process has evolved from one-size-fits-all postal delivery (of, say, a catalog or capabilities brochure) to customized postal and e-fulfillment based on area and level of interest, media source, quality scoring and the like.

The purpose of your fulfillment efforts should be to:

- Quickly acknowledge the prospect's response.
- Take the prospect deeper into the interest/buying cycle, providing more detailed information on products or services of interest, including product information, data sheets and links to interactive sales or product demos.
- Establish credibility for your organization through higher-level brand positioning.
- Provide another opportunity for the prospect to self-qualify as sales-ready.
- Identify the specific individual or organization responsible for sales follow-up.



The case for snail mail

While the world continues to move toward online communication, we believe that there is real value to using both e-fulfillment and delivering hard-copy materials to your most qualified prospects.

- Hard-copy materials serve as a more tangible and constant reminder than electronic files.
- Many of your competitors have probably discontinued traditional mailings, so your materials will serve as a differentiator.
- Personalized postal fulfillment protects against spam filters and/or simple email fatigue.

5 Identifying Marketing-Qualified Leads

Typically, the biggest disconnect between marketing and sales groups is over the generation and follow-up of “qualified leads.”

Marketing thinks, “We spend lots of money and intellectual effort to generate these great leads.”
Sales thinks, often emphatically, “These leads are @#%*.”

The truth is, both are right. Studies show that making a lead sales-ready will dramatically increase your overall close rate, and enhance the level of engagement and responsiveness from your sales force or channel partners.

Processes for sales-readiness screening might include:

Lead scoring—Automated scoring based on demographic and/or behavioral criteria.

Visual—Manual review of screening prospect information.

Research—Enriching prospect information through third-party tools.

Telephone screening—Validating information already provided, or providing context and detail as an enhancement to that data.

Email or direct mail screening and secondary qualification—Performed through additional response mechanisms provided in fulfillment.

The frequent complaint is that “this is doing the sales person’s job” or “isn’t this what we pay them for?” We will not argue the merits of that thinking here, other than to state unequivocally that you will more than recoup your investment in making leads sales-ready vs. simply generating more leads that go uncontacted.

A word about technology

There are myriad technology solutions designed to help manage prospect and customer data and relationships.

Whether you use an old contact management program like ACT!, a more robust CRM solution like Salesforce.com, or an even more complex and fully integrated set of tools from your business management system, technology alone will not solve your lead management challenges.

Determining the right combination of technology, process, logistical support and management oversight is key to executing at a high level. Many companies are trying to do far more with their CRM systems than they should.

6 Distributing Marketing-Qualified Leads to Your Sales Force or Channel Partners

Lead comes in; forward to the field. Simple, right?

Did you send the lead to the correct territory or sales rep? What information have you given them to provide context? How will information about the lead be updated? How will you track the effectiveness of follow-up?

Even organizations with fairly homogeneous direct sales organizations and robust CRM systems seem to have trouble when it comes to effective lead distribution. Overlay the use of independent reps and/or distributors, and the complexities multiply. Regardless of the technology platform you use, distribution rules and processes should incorporate the following:

- Rep assignment based on geography, industry sector, account or other documented business rules
- A method of communication that allows for portability, easy access and updating
- The ability to quickly reassign the lead, if necessary
- Parameters for turnaround—ideally real time, but no more than two days

Also include as much detail as possible about the lead, including:

- All contact information, such as phone, email address and website
- Which marketing initiative they responded to
- Which fulfillment they received and when
- What qualifying information they provided
- Other qualitative notes available from phone qualification
- If there was a previous response, how that response was resolved

Complete and accurate information will allow the sales person to spend less time researching or going down unproductive paths, and more time addressing customer needs.

The early bird gets the worm

There are countless studies on the importance of fast and professional follow-up of qualified sales leads. This is particularly true today, in this era of instant information and anytime/anywhere communications.

The benefits of fast follow-up include the ability to set the tone for all other callers that come after you, and creating an overall impression that your company has its act together.

Follow up fast on initial response, follow up fast when moving to sales-ready, and follow up fast once in the field. Your close rates will go up!

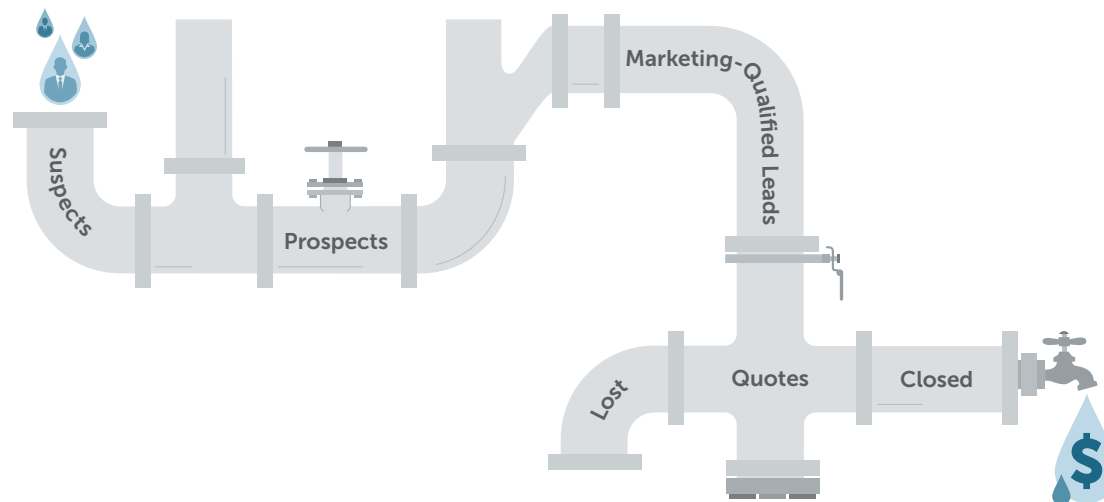
7 Managing the Sales Pipeline Through Reports and Metrics

The most effective sales organizations leverage real-time intelligence

There are two key reporting functions that are critical to understand the status of your pipeline and allow you take meaningful steps to improve you effectiveness:

Initial follow-up—A summary of how quickly leads are being contacted and the percentage that go into the quote pipeline. This report is typically handled by the sales rep and rolled up to regional managers. The active management of this activity will help identify territories that are under- or overstaffed, and will quickly identify where leads are slipping through the cracks.

Opportunity management—Both summary and details of the active quote pipeline, allowing for meaningful, forward-looking projections, comparative stats on close rates, escalation opportunities to help close and an understanding of “why lost,” if applicable. Active management of this function will increase close rates and identify opportunities for training, process refinement and other remedial activities.



Key performance indicators

Understanding these key factors in your organization will help compress your sales cycle:

- Suspect-to-Prospect Ratio
- Prospect-to-“Sales-Ready” Ratio
- “Sales-Ready”-to-Quote Ratio
- Quote-to-Close Ratio
- “Lost-to” Whom and Why

8 Getting Your Sales Force to Update the Status of Leads

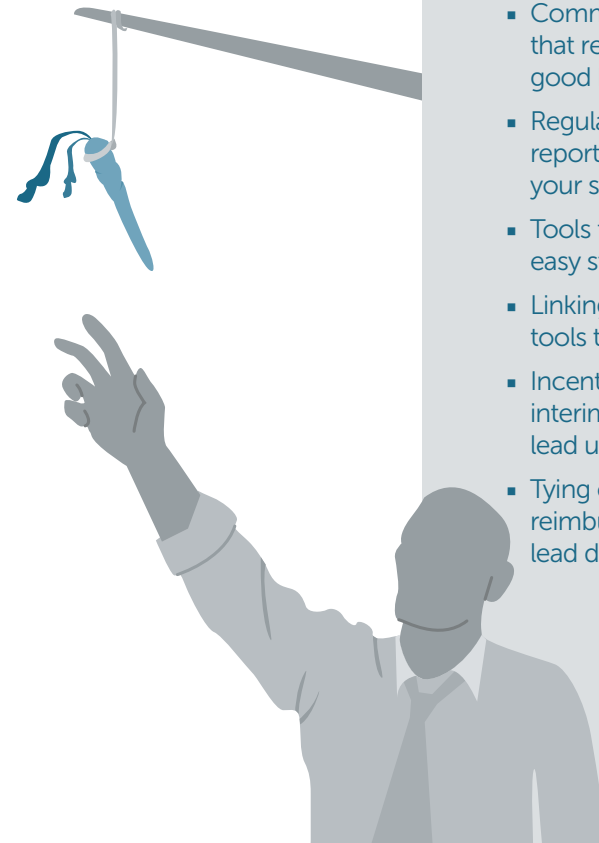
This is, of course, the holy grail of successful lead management.

You might not want to hear this, but given a well-thought-out process and basic technology tools for distribution and updates, **the single largest lead blocker we see is a lack of real commitment on the part of management to establish and reinforce good habits.**

Sales people naturally resist any attempt to formalize a disciplined feedback loop, partly for the obvious reasons: It takes too much time, and they don't want to use the technology or system required. But much of the resistance comes from a sales person's innate desire to be independent, to follow "their" system and to let their performance speak for itself. This attitude becomes particularly difficult when the sales people showing the most resistance are your top producers.

It's shortsighted to let this behavior continue. What are the opportunity costs of poor follow-up? What kind of example does it set for others on the team? And what levels of transparency and reliability really exist, especially when the economy turns down and you're scrambling for every piece of revenue you can get?

A real commitment to a successful lead management program means putting pressure on everyone, including your top producers, to follow the process.



The carrot or the stick?

There are a number of possible ways to ensure timely and successful lead updates, including:

- Clear communication of the short- and long-term benefits to the sales person
- Committed management that regularly reinforces good behaviors
- Regular reviews of relevant reports with each member of your sales team
- Tools that allow for quick and easy status updating
- Linking estimating and quoting tools to actual lead information
- Incentive rewards for meeting interim sales goals, including lead updates
- Tying compensation and expense reimbursements to fully updated lead data

9 Nurturing Non-Marketing-Qualified Leads for Future Benefit

Frequently, a lead that has been deemed “unqualified” gets relegated to the bowels of your database, never to be contacted again.

This is a mistake. Remember the statistic that 45 percent of all sales leads will buy from someone—and it has been our experience that this number is much higher if measured over an extended period of time (years, as opposed to your standard sales cycle).

The qualification and capture process must include building an information-rich database of people who have contacted your company, know your product line, have expressed interest in buying and can be engaged in an extended dialogue and nurturing process to ultimately become sales-ready. This engagement can come in many forms, including:

- Email
- Direct mail
- Telemarketing
- Social media
- Direct personal contact of the sales reps

When put together in the aggregate, this consistent and ongoing communication ensures that your company is positioned appropriately when a prospect moves into a serious buy mode. It should be noted that all of these types of prospect engagement initiatives are relatively inexpensive when compared with the cost of generating new prospects and leads.

Engagement is the key

A variety of drivers enable consistent and ongoing communications with your database contacts:

Time-specific continuums—

Typically consisting of a series of momentum-building messages to make the case for your company and products.

Event-driven follow-ups—

Geared around data such as a specific budgeting cycle, fiscal years, defined replacement cycles, trade show attendance, etc.

General brand awareness—

Typically highlighting customer case studies, new products and services, thought leadership and financial credibility.

Promotional outreach—

Frequently promoting specific products or services that are relevant to past interest and packaged and/or priced attractively.

Behavioral triggers—

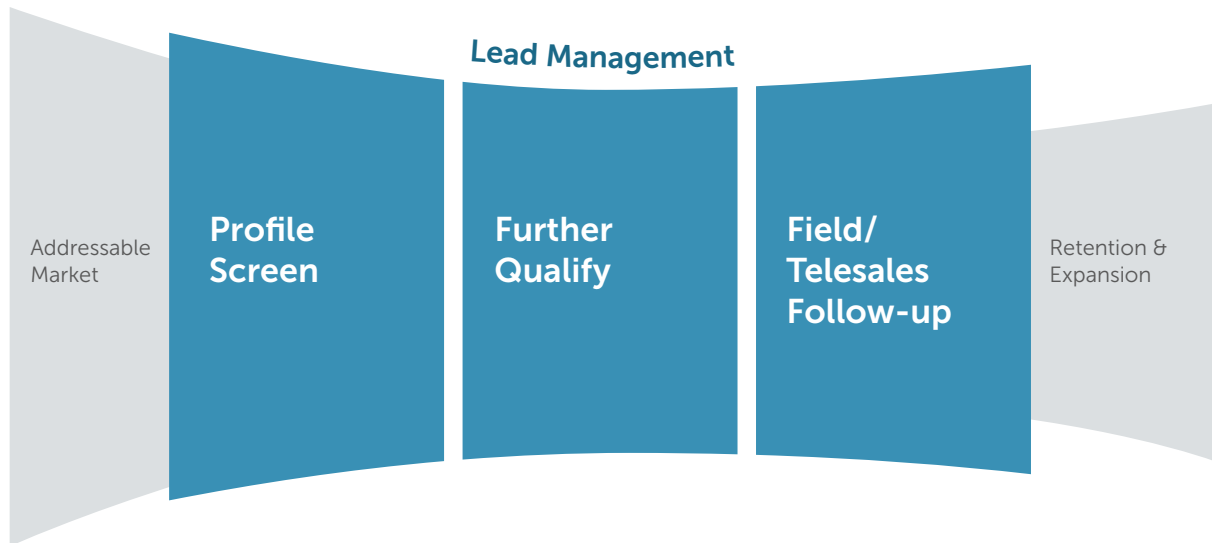
Based on interactions with your digital assets (i.e., website activity, landing page click-throughs, content downloads, etc.).

10 Preventing the Process from Rotting over Time

In the end, it's all about execution.

Technology by itself, no matter how robust, means nothing without back-end processes and reviews in place to make sure it's all working. Each step outlined here is as important as the next, and we're sure you can identify others that are specific to your organization.

To ensure continuous improvement, we recommend a review of the entire process every six months, at minimum. (Initially, we believe a quarterly review is appropriate.) Invariably, you will encounter obstacles that are unanticipated or difficult to resolve. **But don't let this discourage you, as the first sign of process degradation will signal to your entire team that it's not important, or that you are not committed to it.** The flip side is also true—if your team sees you're always working to refine and improve the system, they'll climb on board and become highly participative in the process.



If you'd like to discuss how The Mx Group can help you improve your lead management process, call us at 877-504-7770



The Mx Group

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