



**Driving Topline Revenue:
Connecting Lead Generation and Lead Nurturing**

Market Leader Solutions

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Driving Topline Revenue, decreasing costs, improving organizational performance. The better part of the past 10 years, these objectives have consistently been the top 3 to 5 priorities for CEOs, no matter the company size, industry, or location. These issues are even more critical for the Small to Medium-sized Businesses (SMBs) who frequently operate with scarce resources and fierce competition.

Yet, many SMBs spend marketing and sales dollars at a level of 50% or higher waste. The result is wasted money, effort, and new business development opportunities. How ironic with the scarcity of resources that such waste is allowed to persist without clear resolution.

Current Problems

In our new business development practice, here are the top 3 complaints we hear most often:

1. My sales reps need more people to talk to.
2. I only want to talk to those that are ready to buy right now.
3. Our sales revenue has too many peaks and troughs – or feast and famine.

In reality, these are only symptoms of deeper underlying problems. The real problems underneath those symptoms most often are:

1. Disjointed, inconsistent, or non-existent lead generation and lead management processes
2. Not measuring the best performance indicators
3. Emphasizing lower value activities

In a moment we'll talk about how to systematically resolve these 3 core problems, but for now let's also address the cost of missed opportunities.

Missed Opportunities

There is no line on a balance sheet representing missed opportunities; however, they do exist and they are costly to the business. Long term leads that require nurturing to convert to sales represent the most significant missed opportunities.

Two key statistics recently reported reveal why:

1. 25% proactively generated leads are short-term, leaving another 75% as long-term leads requiring 3, 6, 12, up to 24 months of nurturing¹
2. Often the long-term leads produce the best customers who spend 47% more²

¹ Schultz, M. (2006) Wellesley Hills Group, Making Lead Generation Work for Professional Services

² (2008) Aberdeen Group, Lead Nurturing: The Secret to Successful Lead Generation

Additionally, studies over the past 30 years have shown that it takes a minimum of 6-8 contacts or touches to close a sale. In the old days, this was an office visit, phone call, or direct mail piece. Web 2.0 Strategies provide an automated means to accomplish the same result.

The lesson to be learned is that by nurturing every prospect, a stronger opportunity exists to talk with more people and to talk with them when they are ready to buy. Based on nurturing cycles, this also reinforces the need for consistent lead generation activities in order to avoid peaks and troughs.

Diagram 1:
Automated Lead Management vs. No System

		ALM	Nothing
Sales and Marketing Budget	25% ready now	ROI with reduced cost per lead/sale	ROI, but higher CPL
	25% not now, but can be converted	2x ROI via nurture	Unfortunate waste
	25% not now, can't convert	Calculated waste	Waste
	25% not a fit, likely ever	Calculated waste	Waste

*Assumes properly profiled and targeted list

In a side by side comparison (Diagram 1) of companies with automated lead management and those without, the benefits of structured pipeline management are clear.

The group in the middle, the elusive 50% of suspects, represent an opportunity to capture significantly more sales. By investing disciplined effort in lead management, sales are nearly doubled and cost-per-lead is reduced by 40% or more.

Connected Processes

The most basic system that maximizes sales and marketing efforts has 3 primary components:

1. Pipeline categories with lead tracking and monitoring
2. Sustained lead generation efforts
3. Lead management, whether automatic or manual

Companies who don't at least have this much in place, represent the bottom 15% of performers. However, best in class companies have implemented the ideal connected process.

The ideal connected process also includes:

1. Clear, target market identification including psychographics and demographics
2. A clean list with current contact information
3. Lead scoring and lead prioritization
4. Automated lead management system

Aberdeen Group reports that best in class companies are more focused on lead scoring and lead prioritization as one of their top 3 strategies because this derives the highest ROI per lead and focuses sales efforts (Diagram 2).

Automated lead management is designed to routinely communicate, educate, and engage the prospects. Some examples are:

- whitepaper
- articles
- webinar
- speech
- case study

Essentially, you need to build a relationship through multiple communication channels with your prospects. Help them understand that you are familiar with their specific problems and routinely solve them.

Establish yourself as a thought leader. Build trust.

Key Performance Indicators

Measuring the most important key performance indicators creates the opportunity to effectively manage the connected lead generation and lead management processes. In this case, the top 3 Key Performance Indicators (KPIs) are (in order by priority):

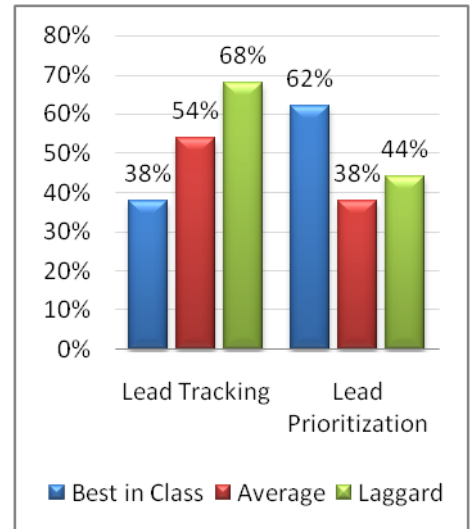
1. Lead to sales conversion
2. Lead to sales revenue
3. Cost per lead

Ironically, market laggards reverse the priority by using cost per lead as their highest ranked KPI. The danger is that cost per lead is the only metric that can't be affected by process.³

Focus

Baseball legend, the late Ted Williams (last player in Major League Baseball to bat over .400 in a single season - .406 in 1941), stood in the batter's box with the same size bat and all the same rules as everyone else. What made him different? Numerous interviews help us conclude that his focus – what he thought about and how he executed - was different than everyone else's. In business and in sales, the process is very similar. Most of the steps are the same, but some companies stand out as best in class, others middle of the pack, and still others that are the laggards.

Diagram 2:
Strategic Actions to Implement
a Lead Management Solution



Source: Aberdeen Group³

³ (2007) Aberdeen Group, The Automating Leads to Sales Benchmark Report

When connecting lead generation and lead management processes to sales, here is what best in class companies do:

- **Process** - 52% have a systematic approach with automated workflow
- **Organization** - 81% of best-in-class are focused on reducing the sales cycle
- **Knowledge** - 100% use metrics to measure lead-to-sales conversion rate performance in a systematic way
- **Technology** -
 - 95% use email marketing
 - 90% use marketing collateral repository
 - 85% use contact management

SMB Leadership Imperatives

The benefits of implementing a connected lead generation and automated lead management system reveal the opportunities to:

- increase sales revenue 10% to 50%
- reduce sales and marketing resource waste up to 40%
- acquire better long-term customers

Most SMBs are stuck trying to determine how to begin connecting lead generation and automated lead management processes. The imperative is to start something ASAP, mimic the best in class, continually measure, and tweak to improve.

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To impact top-line revenue growth, our Business Development and outsourced sales solutions capitalize on extensive experience leading several companies to record sales and organizational growth. We've simply applied best practices and efficient systems to offer cost-effective solutions.

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