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Lead management far from easy task Identify prospects and know what to do with them

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There are multiple steps in managing sales leads, such as qualifying prospects, sending them what they request (fulfillment), getting sales on board with a willingness to report results, analyzing success and failure, and reallocating resources.

Sound easy? Far from it.

"The marketing function is often well-defined, but political issues get in the way," said Mark Friedman, a partner at Cerius Consulting Group. "Marketing can say they generated, say, 1,000 leads last month, but sales will claim those leads are just tire-kickers. If you can't determine the value of the qualification function, all bets are off."

Two trends appear to be improving lead-management analysis and efficiency: lead scoring and automation.

Lead scoring is a system whereby points are assigned to a prospect rather than designating the prospect "warm" or "hot" anecdotally. Someone who elects to fill out a Web form, for example, might get more points than those who respond to TV spots—and certainly more than names on a purchased list. Scores can go up or down depending on intent to purchase, time frame or input from sales after contact.

"We're seeing lead scoring more and more," said Mike Emerson, chief marketing officer at Aprimo, a marketing technology and consulting company. "Clients who have installed these systems have formal ways to categorize the potential value of leads and the products they're interested in, and can distribute them to sales in a rigorous fashion."

This is particularly important, Emerson said, when b-to-b companies have complex distribution channels and need to optimize lead management and direct leads to the right reseller at the right time.

"We invest a lot of money in procuring leads for our network," said Jim Quinly, VP-marketing and business development at ThyssenKrupp Accessibility (TKA), which sells home elevators primarily through resellers. "There are not an infinite number of dealers out there. They're my channel partners. I need their feedback, and I need to know if it's working or not."

This process is a two-way street, Quinly said.

"Without feedback from sales, you're in a fog," he added. "The numbers aren't relating to anything. It's essential we have that feedback from the resellers; it affects our business as well as theirs."

TKA uses a lead management system from AdTrack Corp., which scores leads, evaluates their sources, distributes them to the sales channel and analyzes success. The process also boosts efficiency: Three years ago, prior to automation, Quinly was able to process 5,000 leads a year. In 2007, he anticipates moving 33,000 leads. Reports pinpoint his most effective marketing programs so he can shift dollars in those directions.

"People love lead scoring because it's working," said Thor Johnson, senior VP at Eloqua, a marketing services company.

Eloqua surveyed its customers both before and after implementing a lead scoring system, using Eloqua's technology combined with the companies' own CRM systems. Sources included advertising, trade shows, search engine optimization, public relations, direct mail and e-mail.

Following the implementation of its lead scoring process, Eloqua's close ratios jumped 30.5%; revenue per closed deal rose 17%; and total company revenue went up 17.8%.

Curiously, the number of sales leads dropped 23%.

"You may have fewer leads passed along to sales, but they're better ones with higher value," Johnson said. "And sales will be spending less time on bad leads."

If marketing wants to push more leads into the funnel, it can always use looser scoring criteria or designate lower point thresholds.

"What we've found is that automation is the holy grail," said Alisa Barber, director of lead generation at eFunds, a payment services company for banks. eFunds uses Sage's SalesLogix CRM system to funnel and manage leads to its 35 in-house salespeople, focusing primarily on the needs of smaller community banks and credit unions in the U.S.

Barber said the crafting of qualifying questions is vital. Often, she said, prospects "don't know what products they want, but they know their needs," so Web questionnaires are created with this in mind. Sales contacts the prospect within 48 hours and continues the relationship monthly. Educational Web seminars help nurture the leads, and everyone signing up gets more qualifying questions.

All agree on the value of a strong acceptance rate by sales of the leads given to them.

"If you have that basis of trust and have the feedback from the sales organization, you can see what needs to be changed," Friedman said. He added that 80% of all leads delivered to sales aren't followed up on; improving this single metric is a key goal of any lead management system, he said.