

# 8 critical success factors for lead generation

By Brian J. Carroll



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The complex sale is not about mass marketing.

My book, *Lead Generation for the Complex Sale* (McGraw-Hill, 2006), was inspired by the inarguable fact that concerted lead generation endeavors were primarily that in name only until recently. Until now, “lead generation” was associated with direct mail campaigns, sometimes supported by a flashy website, sporadic trade show appearances, intense e-mail blasts or stabs at telemarketing, but with very little if any special attention brought to bear on the complex sale.

The complex sale is not about mass marketing. Rather, the complex sale focuses on the specific needs and wants of the target audience. It is valuable to businesses that are engaged in long-term sales processes that require prolonged education and nurturing of the prospect. These companies generally provide solutions to their clients, who tend to be more sophisticated, are targeted to solving specific critical business issues and are managed deliberately and with precision. The complex sale most often manifests itself in the environment of business-to-business marketing.

Marketers today are constantly reminded that the company needs more sales leads . . . now. Unfortunately, that immediacy quite often is at the direct expense of quality. A flood of ordinary, everyday leads does not mean that successful sales will follow. The challenge, therefore, is to tailor and adopt lead generation programs that will increase the odds of creating better sales leads, ultimately resulting in long-term, happy and profitable customers.

My firm operates on the premise of eight critical success factors underlying the kind of lead generation programs that will best serve today’s complex sale objectives. In terms of the properly reciprocating lead generation process, any one of these is as important as the others.

## The eight critical success factors for lead generation

Conversation, Not Campaign

Sales and Marketing as a Team

An Ideal Customer Profile

A Universal Lead Definition

An Effective Lead Management Process

A Foundational Database

Integrated Multimodal Tactics

Consistent Lead Nurturing



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When customers have a problem, you want them to turn to you first, someone they trust, for a solution.

## 1. Conversation, not campaign

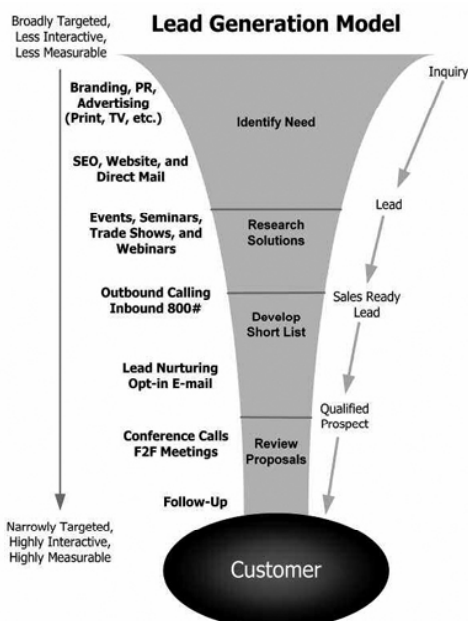
Lead generation isn't about instant gratification, but rather requires sustained effort to succeed, often over a relatively long period of time. Key words are consistency and time.

Companies don't buy; people do. The goal of well-developed lead generation plans, therefore, is to evolve relationships between people through dialogue that positions the lead generation effort as conversation to identify, initiate and nurture productive selling situations. Research shows that buyers in an executive position clearly choose the sales person who has not only been a resource but who has also developed an ongoing relationship with them, regardless of their timing to buy.

Customers regularly illustrate the need for sales people who call on them to understand both their business and their needs while being sensitive to the pressures under which they operate. Sales people who meet these criteria become known as trusted advisors, and trusted advisors get the sale.

Relationship building includes sustaining the relevancy of ongoing dialog. When customers have a problem, you want them to turn to you first, someone they trust, for a solution.

The objective is to wedge that level of trust into the affiliation as a relationship builder while always keeping in mind that the customer is thinking, "How you sell me is how you will serve me."



(Figure 5.2)

Buying process tactics funnel



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Companies seeking cooperation and teamwork often believe they can perform miracles by reorganizing the sales and marketing.

## Buying process tactics funnel

Mapping out your sales process can ensure conformity with the customer's buying process, driven by a clear understanding of needs and the impact of those needs on both that company and its customers. Inevitably, every potential customer has a different buying process.

Does everyone involved in the lead generation program understand your prospect's buying process? This can be viewed from the perspective of the modalities it employs at each buying step. I use the model illustrated here to develop the correlation in specific instances between steps in the buying process and the sales effort together with tactics that might work at each stage. The key business issues for each individual in the buying process must be understood and addressed. Consistency is critical.

Each touch, or contact, should add value through its ongoing relevance to the targeted individual, and consistency extends to the style of delivery of the message. Because the sales team is responsible for much of the customer's perception of the company, concerted care must go into developing the ongoing, relevant communication the sales team will employ in its relationship-building efforts with customers.

All companies go through steps in their buying process, of one kind or another. We can't force them to skip steps, but we can help with lead nurturing by instilling regular and meaningful communication that aids their progress and their process.

## 2) Sales and marketing as a team

The best mindset, strategy and tactics – and the most astute sales and marketing individuals – are for naught without the collaboration of everyone involved. The unrealized potential can be likened to the batteries in a flashlight. If the batteries aren't inserted in the right direction or are otherwise out of proper contact, their latent power is unusable.

Likewise, the harmonious interaction of sales and marketing is crucial. If they are askew and going in dissimilar directions, sales and marketing will not empower a successful complex sale or sales lead strategy. Bottom-line sales performance reflects just how well sales and marketing are working together.



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Focus on prospective companies with the most likelihood of becoming profitable customers.

Lead generation, consistently the most significant touchpoint between sales and marketing, offers a variety of opportunities for improving teamwork. However, the workflow of both departments is linear and seems determined to go only in one direction. Without bidirectional communication, effective lead generation suffers for lack of a closed-loop feedback process and consequent poor results. With a feedback process in place, each department has a better sense of what the other needs in order to accomplish their mutual goals. Melding inherently diverse viewpoints and inputs in today's commoditized business environment is important to a well-oiled marketing and sales machine that produces good sales leads and positive results.

The solution for building bi-directional communication between the two, resulting in lead generations programs that flourish and generate acceptable ROI, starts with the proper direction and management from the senior executive level. Like the complex sale, lead generation, with all its facets and interactions, can usually be sparked only by the CEO who believes in it.

It is incumbent on marketers to view the sales team as its prospective customer, both from the standpoint of problems and opportunities. The sales team thus becomes so integrated that it has program ownership just like everyone else. Taking that further, if sales is the other customer to marketing, why not, in the interest of developing answers, position marketing as the customer of sales?

Companies seeking cooperation and teamwork sometimes believe they can perform miracles by reorganizing the sales and marketing departments. Interdepartmental reorganization appears to offer little value to lead generation programs. What matters most is having everyone on the same page, integrated and respecting one another as pro forma customers.

### 3) An ideal customer profile

The ideal customer profile uses the unique attributes of prime customers to help prescreen potential opportunities. The ideal customer profile helps identify decision makers and key influencers and ultimately serves as the basis for defining a sales-ready lead.

The goal of the ideal customer profile is to focus on prospective companies with the greatest likelihood of becoming profitable customers. The ideal customer profile is a basic framework with which to pursue a potential customer – and to determine when to pass, should it become clear that the opportunity wasn't as good as first inferred.



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Learn the size and scope of the market and where the sweet spot is.

Of major importance is collaboratively defining what a sales-ready lead actually is. An initial step is to create a profile of the ideal customer. The ideal customer profile will be the main focus of how you spend your energy, time and budget in surveying the most productive opportunities.

Learn the size and scope of the market and where the sweet spot is. Then, target what are considered to be your best potential companies and contacts. Compare these to the best and the worst of your current customers.

What do they have in common? Rank the current customers by most profitable, best revenue, easiest to do business with. Evaluate the characteristics of each and identify the key attributes shared by your best and worst customers. Then add current revenue and profitability data and anything else that might be appropriate and assess the relative strength of your list of possibilities.

Those at or near the top should be accurate reflections of your ideal customer profile. Take the top and bottom customers and prospects and build a more detailed profile. Populate the profile with such things as:

Annual revenue

Standard Industrial Code (SIC) and North American Industry Classification (NAICS)

Number of employees

Level of contact and functional area

Local, regional or national scope

Business situation

Psychographics aspects

Psychographics aspects may be corporate values, culture, philosophy, leadership and internal/external factors that have an overt affect on the company.

Determine the most important attributes to replicate. It should be readily apparent that there is a marked difference between those on the best customer list and those on the worst. Does a best customer show the inclination to be well managed with long-term growth, while a worst customer exhibits continual reorganization and declining revenues? There will be other attributes specific to an industry. From these factors, you'll be able to determine your ideal customer profile. If launching a new company, product or service, this data



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Many companies lack a clear understanding of what a sales lead actually is.

## 4) A universal lead definition

A universal sales lead is one that has been determined to fit the profile of the ideal customer. It prioritizes and defines the degree of sales readiness. It has been qualified as sales ready and it spells out the responsibilities and accountabilities of the corporate lead generation team members (the sales and marketing people) and requires their buy in.

Many companies lack a clear understanding what a sales lead actually is. They fail, as a result, to make lead definition a credible part of their marketing efforts. There is consensus that sales functionaries fail to act on nearly 80% of the leads they get, largely because most of the leads aren't qualified, or because appropriate buyers haven't been identified and targeted.

John Coe, in *The Fundamentals of Business-to-Business Sales & Marketing* (McGraw-Hill), says: "The job of marketing is to develop a lead generation system that matches the readiness of the buyer with the expectations of your sales person."

A universal lead definition allows leads to be scored. Lead scoring is the method of assigning a numerical value to responses gathered during the lead qualification process.

Creating a universal lead definition for any given opportunity starts with ferreting out what sales and marketing consider to be the characteristics of an ideal sales opportunity. For each opportunity, it's important to know what constitutes a good sales lead, what initiative or need makes this a good fit and what information is necessary to determine if the lead is worth a follow-through. Who are the economic buyers and influencers? What does the prospective company value? What is its culture? Are there common business issues?

From there, it's critical to determine what information is required to qualify the lead in terms of how the company currently qualifies a prospect. This includes questions necessary to get must-have and nice-to-have answers.

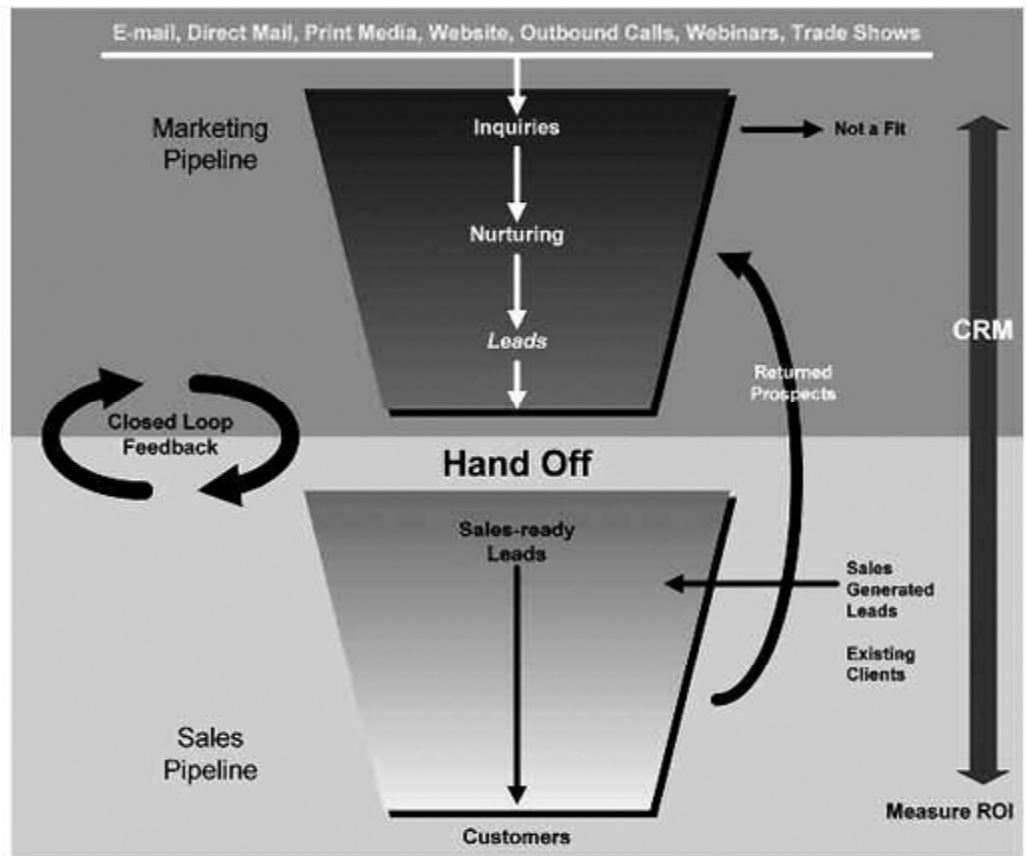




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Inquiries can be dealt with centrally for prequalification before sending them on to sales.

## 5) An effective lead management process



### Lead management program

Lead management has the role of watching and directing the conversion of sales leads into customers. This simple model shows how the well-organized lead management program should look. The “funnels” representing marketing and sales functions illustrate the lead management process and its components, together with their interaction. The success of the marketing funnel directly impacts that of the sales funnel.

The effective lead management program implements and enforces standard, universal lead-scoring definitions and establishes a clear process for handling and distributing inquiries and leads. Inquiries can be dealt with centrally for prequalification before sending them on to sales as sales-ready leads.





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In lead generation, tracking leads must be ready to go when the program starts.

Such a program is geared to identifying best opportunities based on application of a consistent methodology based on your sales process and the buying process of your potential customers. It assigns clear responsibility for lead tracking and closed-loop feedback. Measurement of sales performance against objective criteria is thus enabled, such as sales lead acceptance and the degree of follow-up by the sales team. It also facilitates mechanisms and incentives for sales team feedback, and updating measures revenue contribution to ultimately drive better return on marketing investment.

Breakdowns in the lead management process often occur when lead generation is viewed not as an ongoing conversation but as a series of campaigns without substantive integration. The inclination to indiscriminately seek more leads, regardless of quality, without properly managing those on hand can also impair the process, as can handing off inquiries to sales without appropriate lead qualification. Other detriments to sound lead management include the lack of:

- Multimodal tactics - an effective lead nurturing program
- Sales closed-loop-feedback incentives
- An effectively utilized or well-maintained database
- Conformance with the lead generation program in general

Effectively tracking leads is often a challenging aspect of lead management, particularly in companies where sales activities seem to be perpetually in a black box and only sales knows what's inside that black box. In such cases, fully 80% of sales leads that go into the black box are ever seen again.

In lead generation, tracking leads must be ready to go when the program starts. A company is a collection of processes. Process mapping, a highly regarded procedure for creating common vision and shared language, focuses on the processes most important to lead generation. This basic sales process is an example.



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The properly designed and well-maintained database is the hub of all lead generation activity.

## Sales process table

Step	Status	Description
0	FYI	Review requires special attention
1	Appointment	Lead qualified by marketing and sent to sales to be qualified
2	Qualifying	Sales person is determining if lead is actually a viable prospect
3	Prospect	Sales person actively pursuing
4	Profiled	Completed written proposal profile and opportunity assessment
5a	Preproposal	Confirming initial plan prior to formal proposal
5b	Proposed	Final proposal delivered
6	Committed	Agreement delivered and verbal yes to proposal
7	Active Contract	Agreement approved and signed
A	Nurturing	Was prospect and dropped out of the sales pipeline
B	Follow-up	Sent back to marketing for requalification, rescheduling, or lead nurturing
C	Rejected	This clearly wasn't a lead - returned to marketing
	Not a fit	Lead advanced beyond step 3 in sales process - sales person decided not a fit

## 6) A foundational database

Your database is a valuable asset. While still one of the most overlooked tools in lead generation strategies, a clean, updated database is unequivocally essential to the success of any lead generation program.

The properly designed and well-maintained database is the hub of all lead generation activity and communication. It is the rallying point for collaboration between marketing and sales and promotes a spirit of cooperation among other diverse corporate groups including information technology, whose responsibility it is to create and implement the database.

Because many are involved in the complex sale, it's important that the useful information about a prospect is captured in a single central location that is accessible to all. The centralized database enables collection and consolidation of information from many sources into a uniform format.

The ideal customer profile and universal lead definition should drive the fields in the database, and such fields as those required to expedite the steps in a lead generation program, of course, must exist to capture the required data points. Control of the lead passes from one person to the next with all of the applicable information fixed in one place.



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To be successful in generating leads for a complex sale, marketers can't rely on one specific tactic.

It must be clear to the sales department that the database is a vital component requiring the commitment to keeping it dynamic and functioning. Marketing's responsibility is to maintain that awareness and to respond immediately to feedback from sales.

Building the database is not complicated. With the ideal customer profile and universal lead definition in place, strong database design is already well under way. Database fields necessary to lead generation practice reflect attributes specific to the ideal customer profile and universal lead definition and may include industry identification and description, annual revenue, employment size, geographic information, budget and decision timeframe. Also necessary are standard fields like company name, address, telephone and fax numbers, contact names and titles, web site address, e-mail addresses, division/subsidiary/parent company relationships and a unique identification number.

Tracking or status fields can help track leads through the entire lead generation process and facilitate reporting. These fields may focus on status codes (where the lead is), assignments (specific handlers), activity dates (most recent or impending lead activity), lead source (origin) and forecasting tools (close probability, estimated revenue for sales planning).

The value of the database is only as good as the buy-in of everyone on the lead generation team.

## 7) Integrated multi-modal tactics

To be successful in generating leads for a complex sale, marketers can't rely on one specific tactic; rather, they must leverage a portfolio of tactics. An informed strategy is required for reaching the targeted decision makers, a strategy with multimodality of tactics and repetition of message as key elements.

A multimodal lead generation plan heightens the response rate potential, due to the fact that it more effectively impacts contacts and their spheres of influence. While overcoming the inherent challenges associated with timing, this enhances audience awareness as well.

So, what about multimodality of tactics? The CEO who asked his marketing manager about the most effective tactics for generating leads and got the response "all of them" probably wasn't pleased that it takes more than one.

The objective of initiating dialogue with a prospective company can be fulfilled in many ways. It might be by way of an initial face-to-face meeting. Or, he or she may have been motivated by other means to make contact with you. Regardless of how dialogue has been established, other tactical modes to keep it going – e-mail, direct mail, business events, et al. – should be ready and waiting to be brought into play.



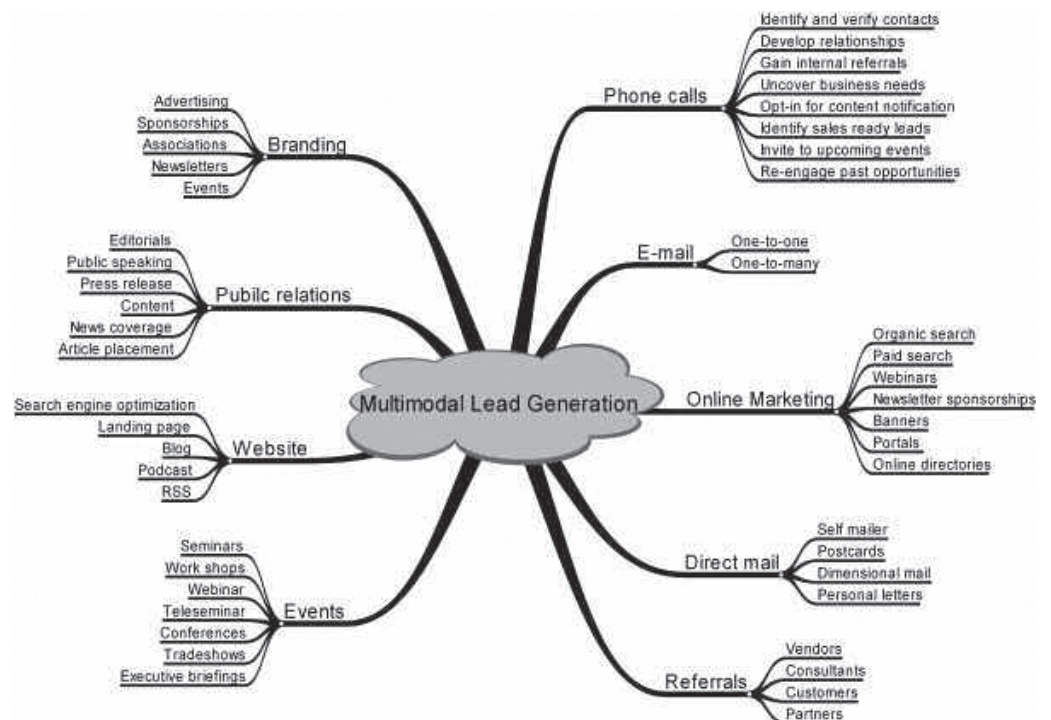
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What tactics are you using to good advantage?  
What tactics are your competitors using?

A client shared this analogy: "I look on our lead generation efforts, particularly in the present economy, as I would a financial portfolio. If I can't measure the tactics or programs in terms of return on investment to the organization – leads generated, business closed, opportunities in the funnel – then why should I expect the company to invest in my fund?" Which is to say, strive to maintain an assortment of researched and/or proven best-fit tactics.

What tactics are you using to good advantage? What tactics are your competitors using? The flexible and iterative multimodal approach calls for a thorough evaluation and systematic planning of the various lead generation methods. Success depends on a balance of push tactics that encourage the contact to action and pull tactics that create a strong impression of your company and build brand awareness.

Analyzing, measuring and optimizing tactics is what it's all about. Complacency is not. Tactics that perform well and underperforming tactics should be quickly identified and dealt with as required. And there is close correlation between tactics and budgeted spending; when the two are close together, you will achieve the end-result of optimal return on investment.



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A sustainable, long-term lead nurturing process is proactive, intentional and actionable.

## 8) Consistent lead nurturing

In a broad view, the secret to successful lead generation is the underlying process of lead nurturing. Lead nurturing converts inquiries into qualified leads and starts the qualified leads on a trajectory to capture sales. It essentially follows up and turns qualified leads into future sales opportunities by consistent and meaningful dialogue, regardless of timing to buy.

Lead nurturing is not a single marketing campaign, but rather a series of steps and communication tactics with the objective of developing and building a relationship with the potential customer. The relationship will result in conversations that may convert to sales.

Lead generation initiates and perpetuates the requisite dialogue in the quest of opportunities that are relatively imminent. Lead nurturing, on the other hand, keeps the conversation going over time, building solid relationships and allowing the creation of interest in products and/or services while bringing the leads to salesready status whenever the buying opportunity presents itself. The sales-ready state of such leads is the result of good lead nurturing and ultimately brings in better-qualified leads, higher close ratios, stronger sales pipelines and shorter sales cycles.

A sustainable, long-term lead nurturing process is proactive, intentional and actionable. It incorporates multimodal tactics designed to move prospects from awareness to interest to trial to action. The key is to dynamically integrate your execution, always aligning marketing efforts with sales initiatives. The result offers the greater probability that sales will adopt the working discipline of nurturing leads on a long-term basis.



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The sales person provides insights and solutions rather than making sales pitches.

A lead nurturing program might ask:

- Who do I want to nurture?
- What problems does the prospect face?
- What is the prospect's top priority?
- What does the prospect worry about?
- What is my messaging?
- What is the best way to deliver my messaging?
- What action should the prospect take?
- Should my product or service be demonstrated?
- What are the incentives or inducements?
- How often should I stay in contact?
- Which tools require direct sales involvement?

A crucial aspect of lead nurturing is the ability to provide valuable education and information to prospects. By enlightening prospects about the ways your business can fulfill their needs, you earn the distinction of expert and trusted advisor. The sales person provides insights and solutions rather than making sales pitches.

A carefully crafted lead nurturing program anticipates the prospect's questions and responds with timely answers. This inspires awareness that you are creating value by providing useful information. Relevancy is the key. By consistently offering relevant content in the context of lead nurturing, the potential customer's inner dialogue will be inclined to respond, "You and I have been talking for quite awhile. You understand me, my company and my industry. You have given me useful and pertinent ideas on this issue. You have helped me sell the idea to my colleagues and they understand and accept it. I realize this is going to be a challenging project, but I think you can do it. Let's get it going."

The true value of lead nurturing comes from the disciplined technique of staying in touch while providing the "right" information throughout the evaluation and buying processes. The result is optimized mind share, efficient budget spending, profitable relationships and increased business.





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## To conclude

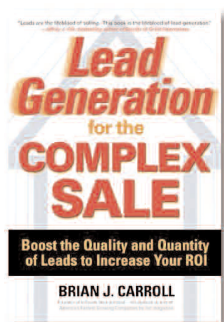
The complex sale requires a proven approach that depends on diligence and intelligence. Lead generation specialists are committed to the long-term proposition that digging for leads, educating prospects, navigating the nuances of the complex sale and creating new, high-level return on investment is what has brought lead generation to the position it enjoys in the marketing hierarchy today... vis-à-vis the eight critical success factors.

## About the author



Brian J. Carroll is founder and CEO of InTouch Inc., one of the first companies to provide lead generation solutions for the complex sale and recognized by Inc. Magazine as one of America's fastest growing companies. He speaks to 20,000 people a year on improving sales effectiveness and lead generation strategies. Carroll has been featured in publications including The Wall Street Transcript, Sales and Marketing Management, and Inc. His blog, <http://blog.startwithalead.com>, is read by thousands each week.

## About the book



With the complex sale emerging as the norm in today's business-to-business environment, it's more challenging than ever to keep a consistent stream of qualified leads in your sales pipeline. Now, you can boost your quantity and quality of leads through a proven methodology.

Lead Generation for the Complex Sale arms you with a proven approach to generating qualified leads for complex sales.

The complex sale, a synthesis of consultative, competitive, and team selling that targets potential buyers for team service solutions, is the norm in today's B2B environment. You'll learn to define your ideal leads and target your sales approaches; align sales and marketing to optimize the number of leads; build strong lead pipelines; use multiple lead generation vehicles, including phone, email, PR, referrals, speaking, podcasts, blogs, events; and much more.

Order your copy from Amazon.com, Barnes & Noble.com or 800-CEO-Read





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If you have a challenge for us, feel free to ping us. We might just surprise you.

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