

# Lead Generation:

## 2.2 | Strategic Planning



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### | Introduction

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.

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.

*In our three **Lead Generation** white papers, we outline a series of critical success factors that will best serve your needs in today's world. Now, with our second in the series papers, after we've identified and defined our ideal customer, it is time to ensure we understand what a lead truly looks like, as well as how to manage them.*

### | Strategic Planning

- ▶ 1. Universal Lead Definition
- ▶ 2. An Effective Lead Management Process
- ▶ 3. A Foundational Database

## 1. 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**.

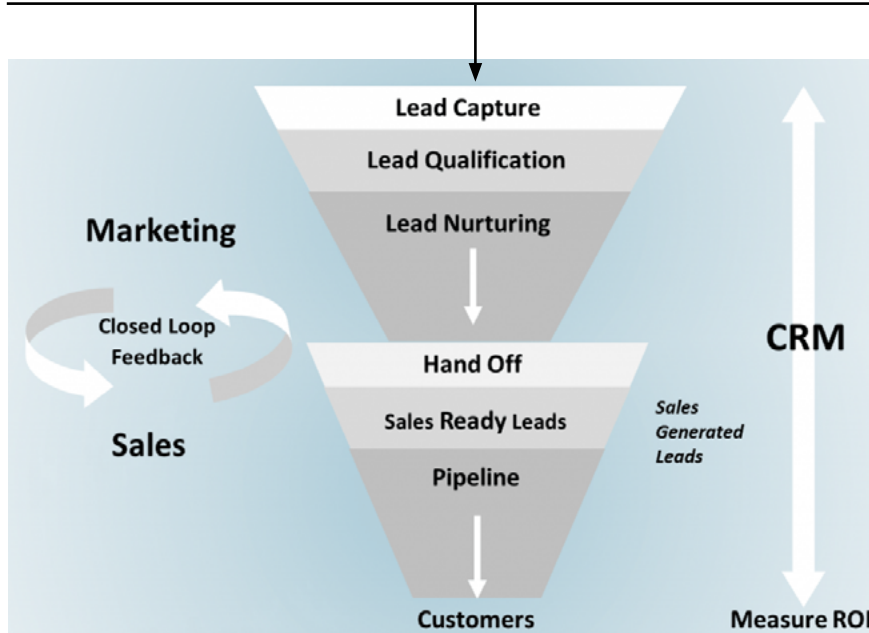
Creating a universal lead definition for any given opportunity starts with ferreting out what sales and marketing consider to be the characteristics of an ideal sales opportunity. For each opportunity, it's important to know what constitutes a good sales lead, what initiative or need makes this a good 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.

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

## 2. An Effective Lead Management Process

E-mail, Direct Mail, Print Media, Website, Outbound Calls, Webinars, Trade Shows



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.

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.

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**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.

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

### 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

### | 3. 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.

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.

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

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.**

## | Summary

As you can see, identifying and defining a lead isn't as easy as it may appear. Common definitions and understandings of the process and funnel, by both sales and marketing, have to be agreed upon in the beginning. If not, your marketing tactics may be successful, but your internal misunderstandings may cause confusion. Agreed upon definitions, lead scoring and lead management processes, combined with proper database management will send you on your way to success.

*Please check out our other two **Lead Generation** white papers (2.1 and 2.3) where we discuss how to get started with database development and objective setting, as well as creating and nurturing leads.*

## | About StratMarketing Group (StratMG)

With 95%+ in customer satisfaction ratings and 100s of projects, our proven methodology has successfully generated more than \$100M+ in sales for our industrial manufacturing customers. We help build deep and meaningful relationships with their prospects and customers which in turn is a catalyst to organic sales growth.

We consistently exceed objectives by leveraging complex technologies and analytic methodologies to deliver simplified sales, faster. Our methodology breaks the process into three main categories:

- ▶ Make Customers
- ▶ Manage Customers
- ▶ Monetize Customers

## | Specialties

Demand Generation | Marketing Automation | Go-to-Market Strategy | Marketing Operations  
Marketing Services | Marketing Strategy | Lead Management | Lead Nurture  
Database Marketing | Sales-Marketing Alignment | Lead Qualification

## | Let's Talk

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