

Start with a lead®

8 Critical Success Factors for Lead Generation

Brian Carroll, CEO InTouch and author of *Lead Generation for the Complex Sale*



The 8 Critical Success Factors

1. Mindset: conversation, not campaigns
2. Sales and Marketing act as one team
3. Clearly defined ideal customer profile
4. Universal lead definition
5. Effective lead management process
6. Database treated as a valued asset
7. Multi-modal lead generation portfolio
8. Consistent lead nurturing

Lead Generation = Build Relationships

Identify the right people and companies

Initiate a memorable conversation

Nurture them, regardless of timing to buy

Bonus Tip: 90% of B2B customers want their sales person to be more of a resource.
- Cahners Study

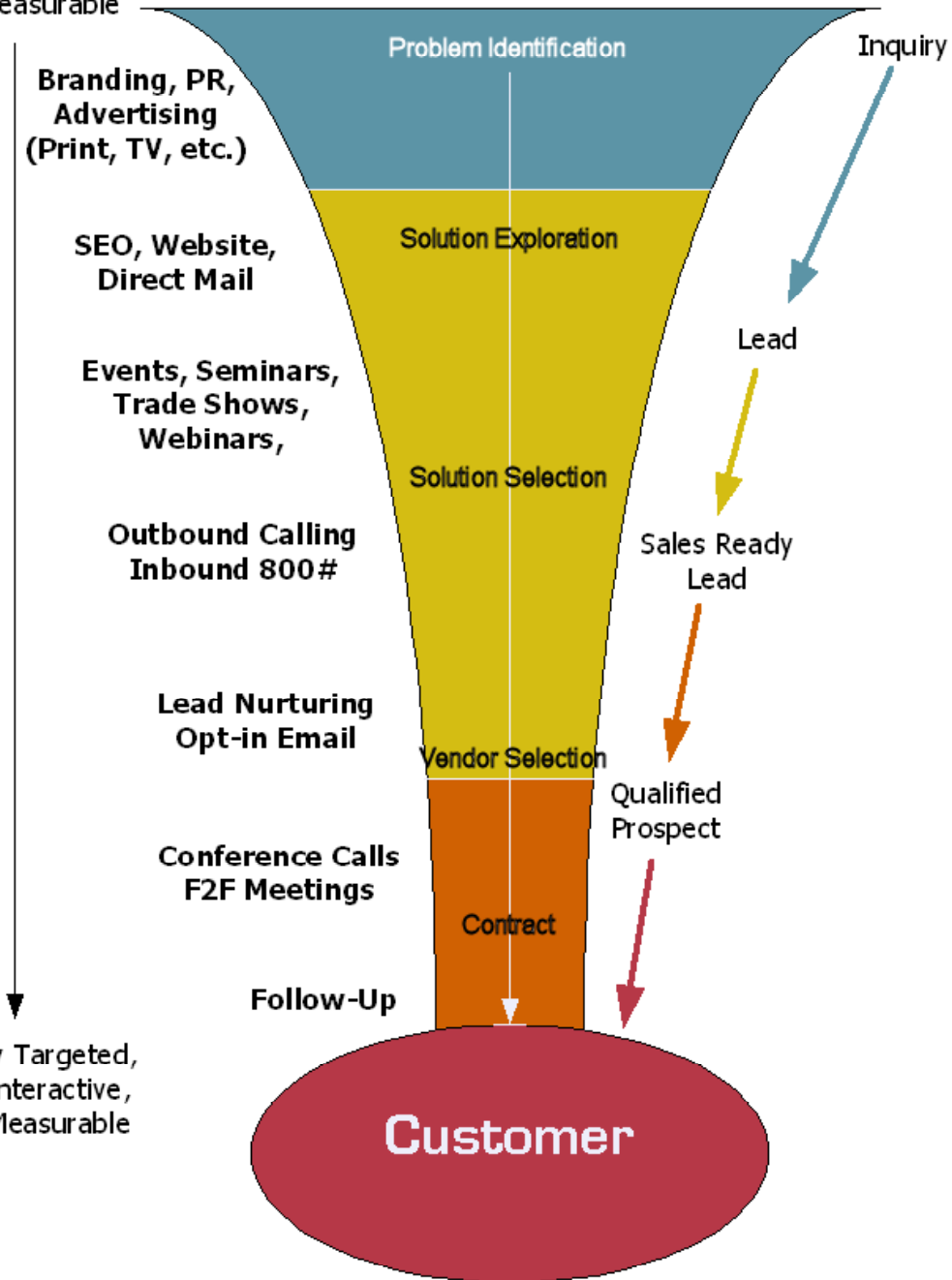
Factor 1: Mindset: Conversations vs. Campaigns

- The trusted advisor
 - They know you and had a consistent dialog
 - You are credible
 - They believe you can help them
 - They like you and want to work with you

“How you sell me is how you will serve me”

Broadly Targeted,
Less Interactive,
Less Measurable

Lead Generation Model



Narrowly Targeted,
Highly Interactive,
Highly Measurable

Factor 2: Marketing and Sales – One Team

- Our Culture – treat leads as a valued asset
- Shared vision – why are we here?
- Alignment of expectations
 - What gets measured gets done
 - How is marketing team measured?
 - How is sales team measured?
 - Tie the measurements together
- What's your job?
- Ability to track and manage leads (process)

Factor 3: Clearly Defined Ideal Customer Profile

- Sweet spot – ideal fit
 - Who do we serve?
 - What problem do they face?
 - What do we enable them to do?
 - What does that mean to them?

Resource: “What’s a Lead? Improve ROI With a Better Lead Qualification Process”

<http://www.targetmarketingmag.com/story/story.bsp?sid=39121&var=story>



Factor 4: Your Universal Lead Definition

- Allow leads to be scored and prioritized
- Defines the degree of sales readiness
- Requires buy in from sales and marketing

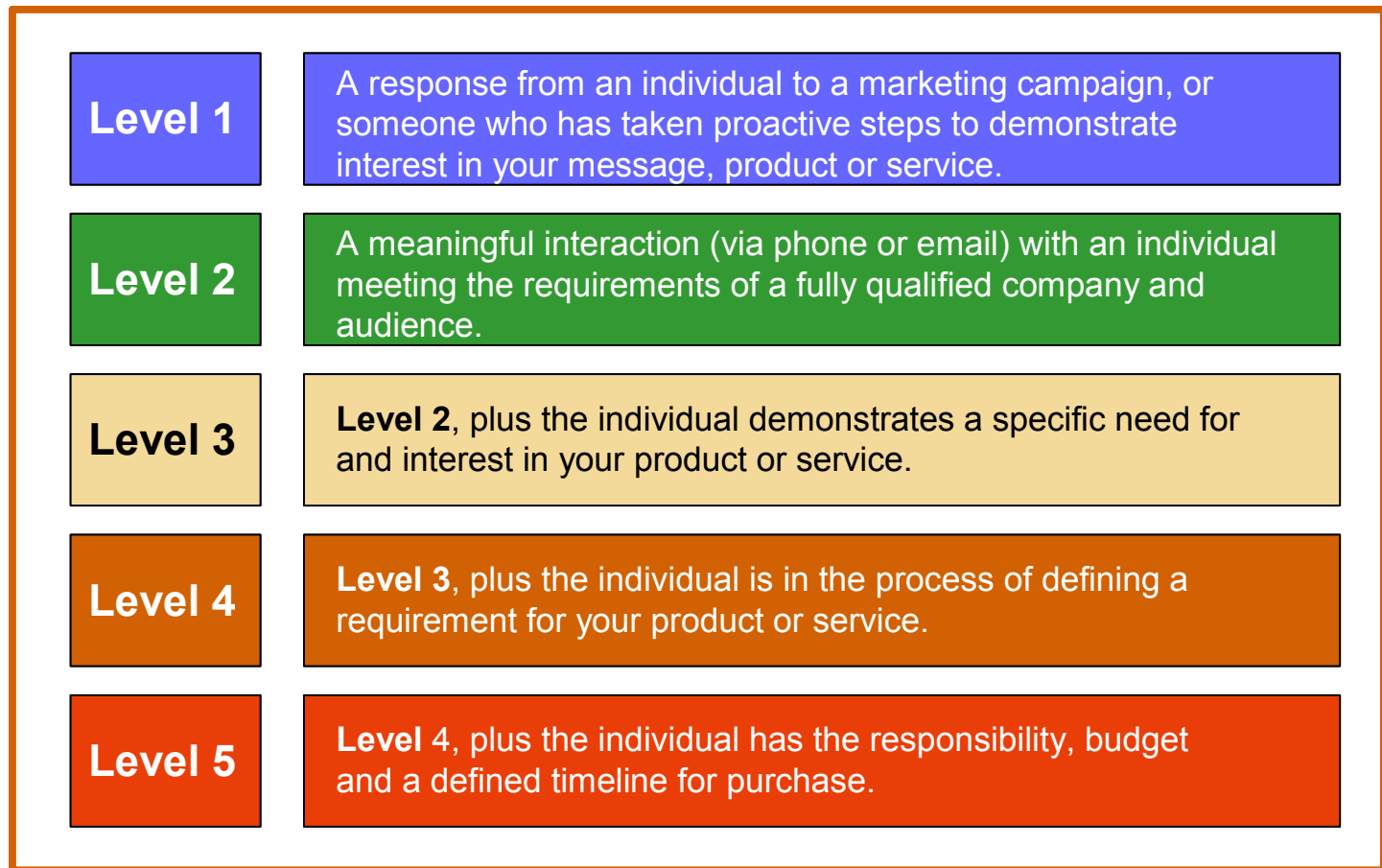


Resource: "How to Precisely Define a "Lead" Before Marketing Begins"

<http://www.startwithalead.com/article.asp?ARTICLEID=283>

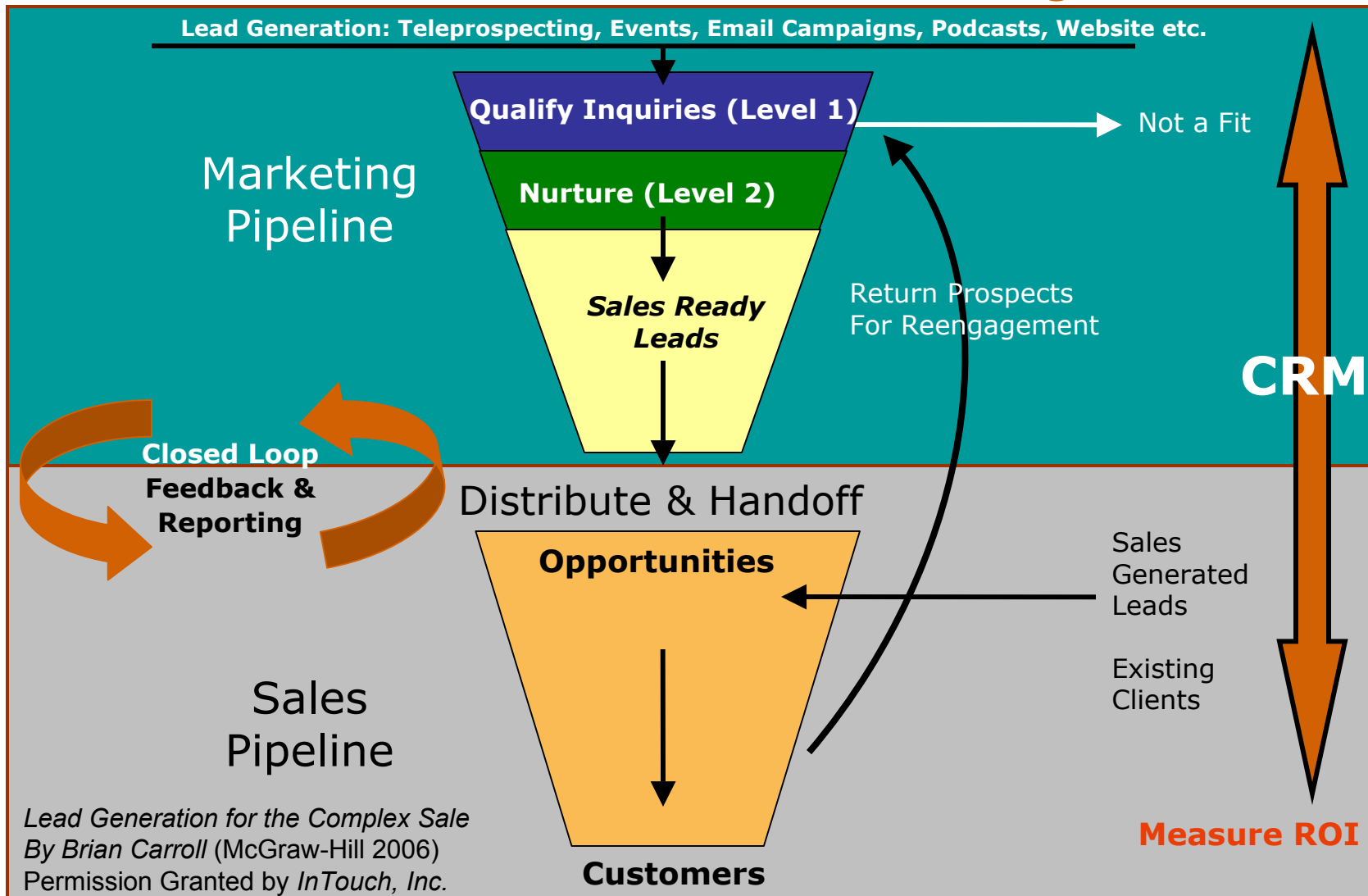
Factor 4: Your Universal Lead Definition Spectrum for Sales Lead Definition

Hand off
To Sales →



Source: SiriusDecisions Lead Spectrum 2006 Lead Metrics Study (used with permission)

Factor 5: Effective Lead Management



Factor 5: Effective Lead Management

Tracking and Managing Your Leads

| Step | Status | Description |
|------|------------------|---|
| M-0 | Raw Inquiry | New inquiry awaiting qualification |
| M-1 | Qualifying | Actively qualifying inquiry to determine if "sales ready" or nurture |
| M-2 | Nurturing | Nurturing is in progress |
| M-3 | Sales Ready Lead | Lead qualified by phone as "sales ready" and sent to sales to be pursued |
| S-1 | Sales Ready Lead | Sales Rep calls and determines if lead is actually a viable opportunity |
| S-2 | Opportunity | Viable opportunity sales rep actively pursuing |
| S-3 | Profiled | Completed written proposal profile and review opportunity assessment |
| S-4 | Proposed | Proposal delivered and reviewed with potential customer via phoned or in person |
| S-5 | Committed | Potential customer verbally agreed and gave "yes" to proposal - agreement sent |
| S-6 | Active Contract | Agreement is approved and signed with start-up retainer invoice sent |
| S-0 | Reengage | Was Prospect and dropped out of the sales pipeline and starting over |
| M-0 | Follow-up | Sent to marketing for qualification, rescheduling or continued lead nurturing |
| M-0 | Returned | This clearly wasn't a lead - returned back to marketing / teleprospecting team |

Factor 6: Your Database is a Valued Asset

- Regular pipeline analysis
 - # Of inquiries? (Weak)
 - # Of leads? (Okay)
 - # Of leads in sales process? (Better)
 - # Of closed deals? (Best)
-
- Sales reporting
 - Conversion rates by sales stage
 - Closed loop feedback
 - Calculate investment per sale



Factor 6: Your Database is a Valued Asset

Tracking ROI Based on Closed Deals

| | Unique | % of all leads | % of leads advancing |
|---|--------|----------------|----------------------|
| Sales Handoff - Sales Ready Lead | 149 | | |
| Pipeline - Opportunity | 102 | 68.5% | 68.5% |
| Pipeline - Profiled | 75 | 50.3% | 73.5% |
| Pipeline - Proposed | 28 | 18.8% | 37.3% |
| Pipeline - Committed | 15 | 10.1% | 53.6% |
| Contract | 11 | 7.4% | 73.3% |

Lead Generation KPIs

| | |
|---------------------------------|-------|
| Lead to Opportunity Rate | 68.5% |
| Lead to Proposal Rate | 19% |
| Lead to Win Rate | 7.4% |

Bonus tip: Jointly review your definition of a sales lead frequently to ensure it stays relevant

Factor 6: Your Database is a Valued Asset

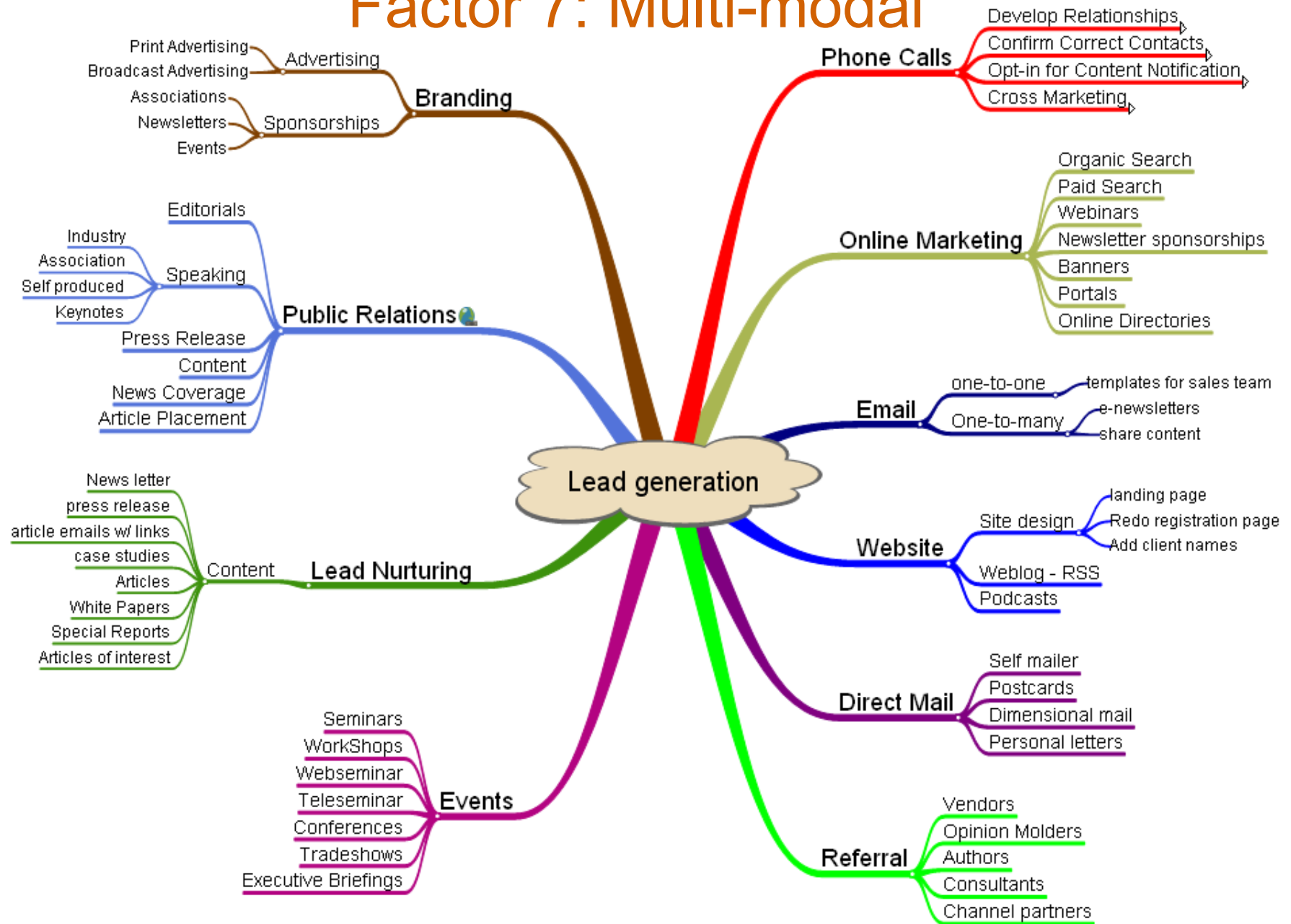
Executive Dashboard for ROMI

Total Marketing Budget \$1,000,000

| | Outbound Phone | Email | Website | Direct Mail | Seminars And Events | Advertising | Alliance Referrals | PR | Online Marketing |
|---|----------------|----------|----------|-------------|---------------------|-------------|--------------------|----------|------------------|
| % of Budget | 30% | 2% | 5% | 20% | 15% | 17% | 5% | 4% | 2% |
| Budget | \$300,000 | \$20,000 | \$50,000 | \$200,000 | \$150,000 | \$170,000 | \$50,000 | \$40,000 | \$20,000 |
| Inquiries | 0 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Cost per Inquiry | N/A | \$40 | \$100 | \$400 | \$300 | \$340 | \$100 | \$80 | \$40 |
| % of Qualified Leads | N/A | 5% | 10% | 5% | 10% | 5% | 15% | 5% | 10% |
| Sales Ready Leads | 250 | 25 | 50 | 25 | 50 | 25 | 75 | 25 | 50 |
| Cost per Lead | \$1,200 | \$800 | \$1,000 | \$8,000 | \$3,000 | \$6,800 | \$667 | \$1,600 | \$400 |
| Close Rate | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Number of Sales | 25 | 3 | 5 | 3 | 5 | 3 | 8 | 3 | 5 |
| Cost per Sale | \$12,000 | \$6,667 | \$10,000 | \$66,667 | \$30,000 | \$56,667 | \$6,250 | \$13,333 | \$4,000 |
| Total Number of Sales | 60 | | | | | | | | |
| Average Size of Sale | \$200,000 | | | | | | | | |
| Total Revenue | \$12,000,000 | | | | | | | | |
| Total Marketing Return on Investment | 1200% | | | | | | | | |



Factor 7: Multi-modal



Factor 8: Consistent Lead Nurturing

Relevant and consistent dialog with **viable** potential customers, **regardless** of their timing to buy.

Bonus Tip: 90% of B2B customers want their sales person to be more of a resource.
- Cahners Study



Factor 8: Consistent Lead Nurturing

Developing A Lead Nurturing Program

1. Understand your audience
2. Develop your strategy
3. Execute and Track

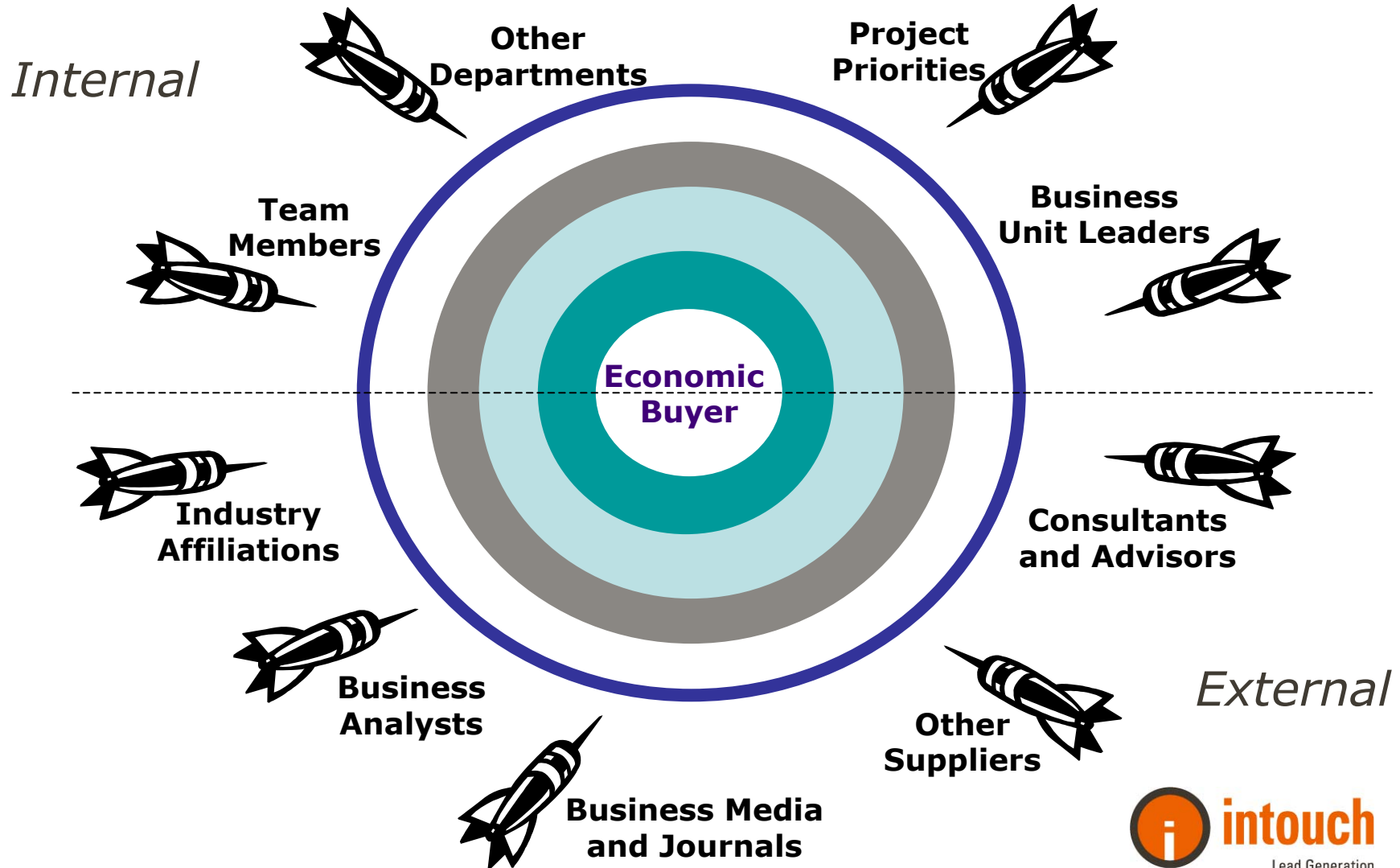
Developing A Lead Nurturing Program

Step 1: Understand Your Audience

Interview your best clients and prospects

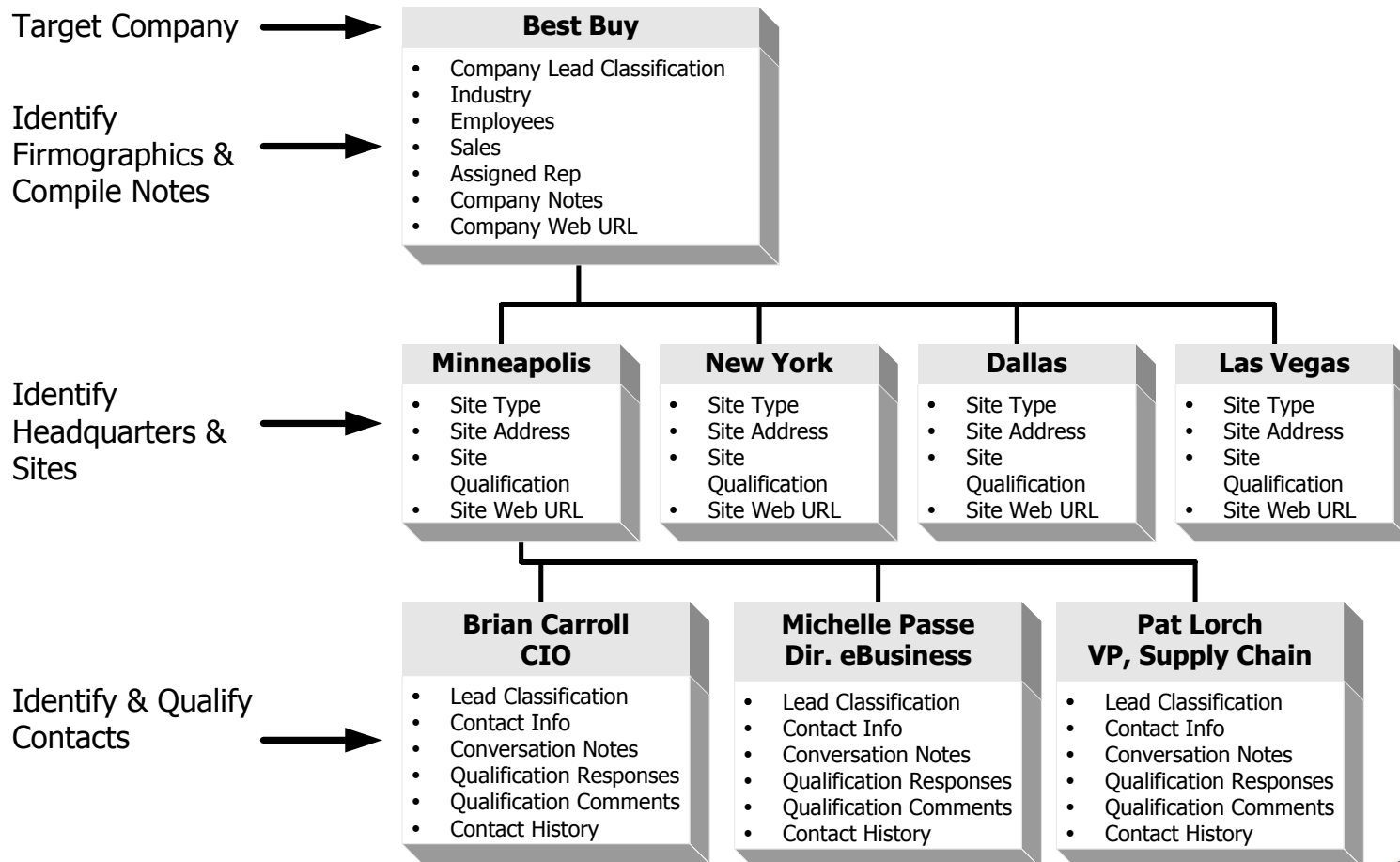
- What are their priorities and challenges?
- What difference did you make?
- What's your value proposition?

Step 1: Understand Your Audience



Step 1: Understand Your Audience

Your Database is the Hub



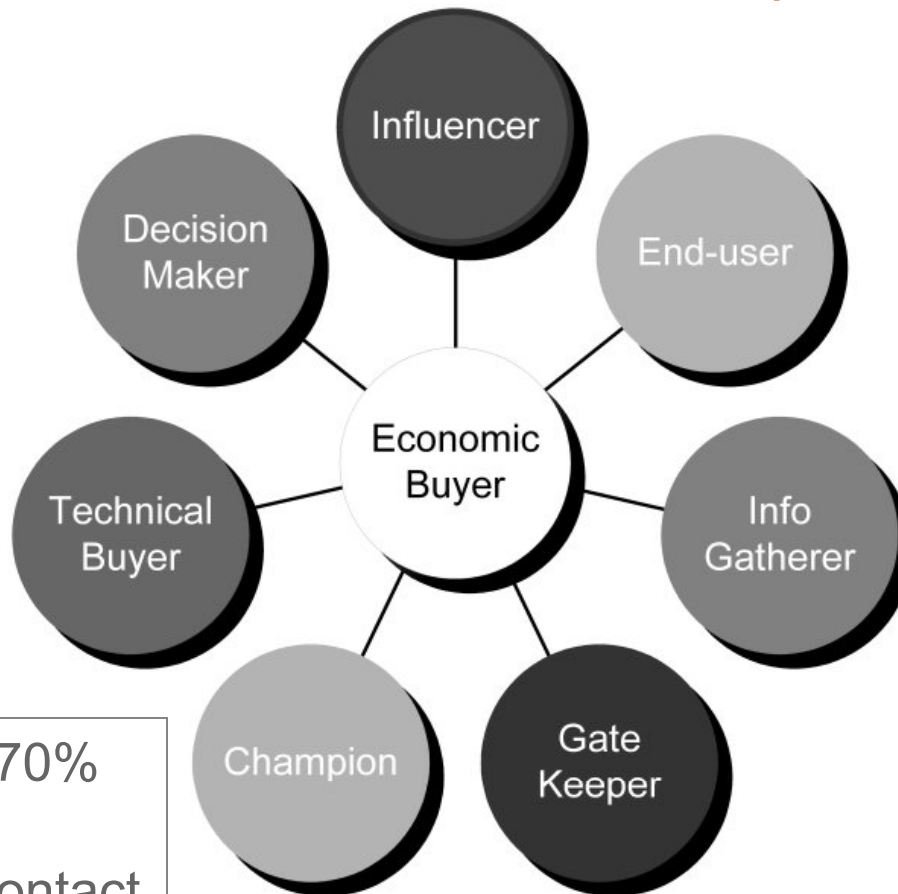
Step 2: Develop Your Strategy

Your one-year plan

- Whom do you want to nurture? (viable)
- Message Map (relevant)
- Organize content (relevant)
- What frequency? (consistent)

Step 2: Develop Your Strategy Whom Do You Nurture? (Viable)

**Champions
for your
solution**



**Influencers
for your
solution**

In a complex sale - 70% of brand perception comes from direct contact with sales person.

Step 2: Develop Your Strategy

Be Relevant

- How do they work?
- What is their functional role?
- What are their anticipated needs?
- What are their priorities and challenges?

Step 2: Develop Your Strategy

Message Map Based on Role (Relevant)



Step 2: Develop Your Strategy

Filter and Organize Relevant Content

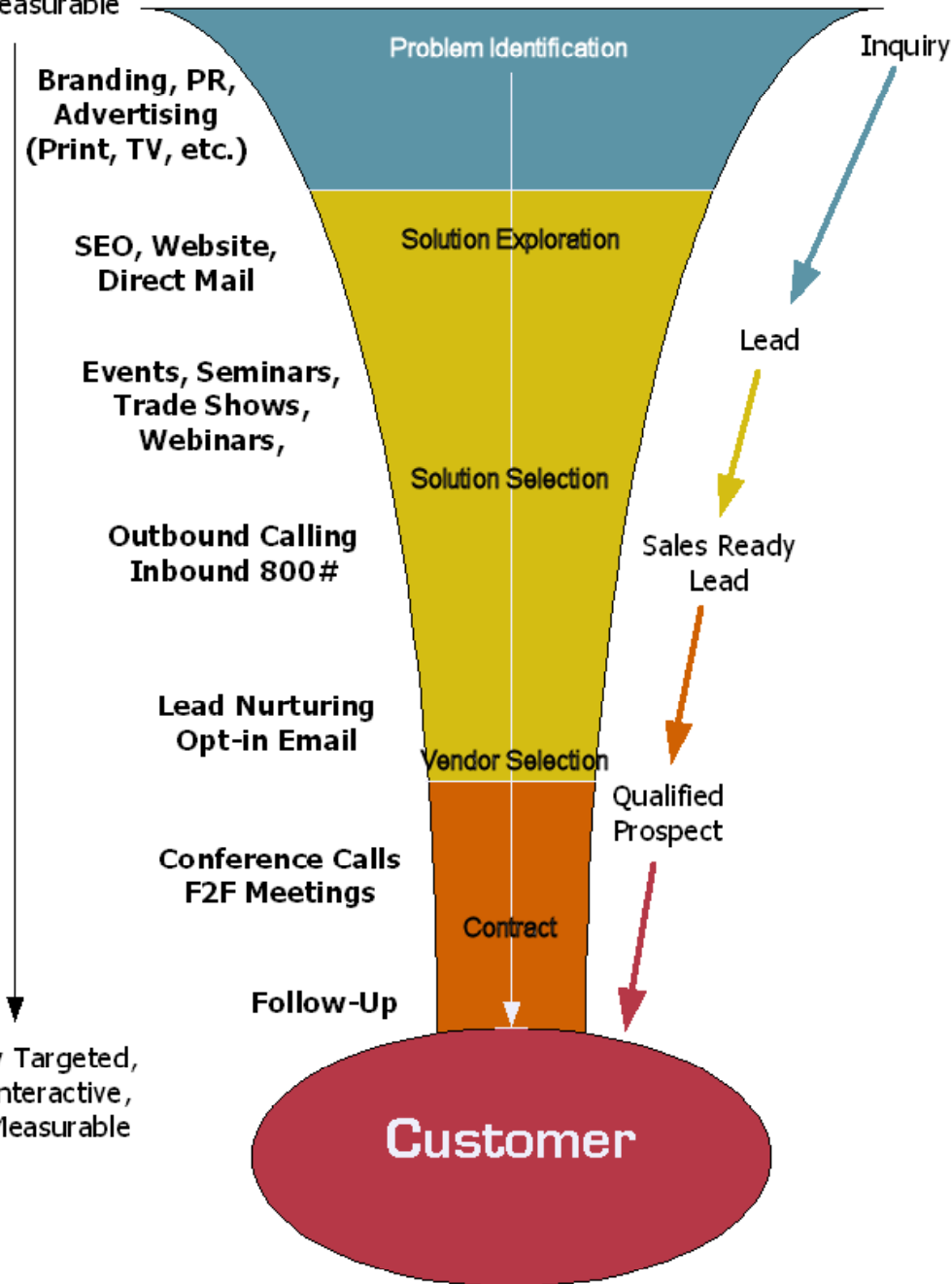
- Third-party articles
- By-lined articles
- White papers
- Research reports
- Newsletter/E-Newsletter
- Events: webinars, seminars, teleseminars
- Archived media (recorded events)
- Podcasts
- Blog posts
- E-books
- Case studies / Success stories

Step 3: Execute & Track (consistent)

- Define tactics for execution
- Use a multi-modal approach
- Develop your timelines (regardless of timing to buy)

Broadly Targeted,
Less Interactive,
Less Measurable

Lead Generation Model



Step 3: Execute & Track

Execution Multi-modal Lead Nurturing

(Consistent)



Step 3: Execute & Track

Lead Nurturing Timeline (Consistent)

Plan A

| | |
|-----------------|--|
| Initial contact | Introductory phone call and follow-up e-mail. |
| Month 1 | E-newsletter with voice mail alert to check. |
| Month 2 | Recent customer success story via e-mail. |
| Month 3 | Personal direct mail invitation from salesperson to forthcoming seminar with follow-up call. |
| Month 4 | Case study and personalized transmittal letter. |
| Month 5 | Recent Internet article of interest via e-mail with follow up call. |
| Month 6 | Just touching base note via e-mail. |
| Month 7 | Free report via direct mail with follow-up letter and call. |
| Month 8 | Prospect calls you to become a qualified lead. |

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Case Study: Before Lead Nurturing

- No early stage leads actively nurtured
- 1 Contact engaged per company
- 2 touch points per contact
- 40% contacts provide e-mail addresses
- 21% Lead to Opportunity Rate (sales pursuit after hand off)
- 4% Lead to Sale Rate (sales converted from marketing leads)

Resource: "On marketing going beyond the Lead for Sales"

http://blog.startwithalead.com/weblog/2007/03/drive_your_lead.html



Case Study: Year-End Results Achieved

- 88% of early stage leads actively nurtured (none before)
- 3+ contacts engaged per company (200% improvement)
- 8 touch points per contact (300% improvement)
- 89% more opportunities in sales pipeline from leads
- 7% Lead to Sales Conversation Rate (75% improvement)

- Regular marketing pipeline analysis
- Sales reporting
 - Closed loop feedback
 - Conversion rates by stage

Thank you



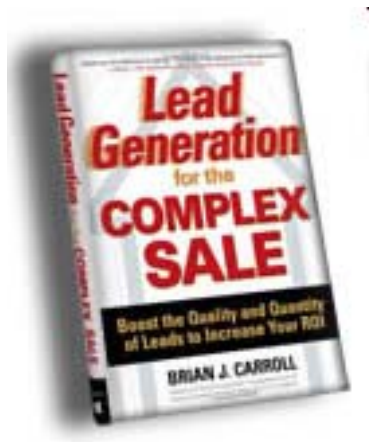
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Other lead generation resources:

www.startwithalead.com

www.leadgenerationbook.com

<http://blog.startwithalead.com>