



**BUILDING A LEAD NURTURING PROGRAM**

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**A Marketing Executive's Guide to  
Tying Marketing Effort to Revenue**

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# Introduction: Tie Yourself To Revenue

The economy is a mess. Most marketing activities are tough to tie to business results. The average tenure of a chief marketing officer is 22 months. Making any connections here?

How about this scenario: each customer who approaches your company is identified, the cost to source them is known, and their journey all the way to purchase is known. You can:

- Improve conversion performance at each stage of the sales pipeline.
- Predict sales performance in advance of sales forecasts.
- Identify each dollar of revenue that wouldn't be there without marketing efforts.
- Measure how much it cost your department to produce of those dollars – ROI!

Disciplined lead generation and nurturing programs do just that, and are satisfyingly measurable in their impact. That can make being a marketeer a lot more fun in tough times – and good.

## **Lead Nurturing Fundamentals**

Lead nurturing is the process of engaging with non-sales-ready prospects through content or social media to retain their interest and reduce leakage from the sales pipe. It also incorporates measuring that prospect's amount and type of interaction with your website and content until it reaches a threshold (a lead score) that suggests sales-readiness.

A real lead nurturing program is built on disciplined pursuit of the following actions:

1. **Do Your Homework.** Consider whether your business is right for automated nurturing; and whether you have politics to deal with first.
2. **Foster Interest Through Nurturing.** Keeping prospective customers engaged is what lead nurturing is all about. Develop the right processes.
3. **Feed Interest With Content.** Buyers traverse their buying process, consuming material appropriate to their learning style, buying stage, and role. Creating and serving them appropriate content at the right time is a core effort.
4. **Measure Interest With Lead Scoring.** Define what a sales-ready lead is. Figure out how to measure it and trigger hand-off to sales.
5. **Automate To Make It Practical.** Marketing automation software, riding on the shoulders of a CRM aligned to well-defined business processes, makes lead nurturing efficient and achievable.
6. **Drive From Metrics.** Watch your sales pipeline in real time, using appropriate KPI's and dashboards. If you can measure it, you can manage it.

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# 1. Do Your Homework

## First Off, Is Lead Nurturing Right For You?

The short answer is yes, of course – because every sales person nurtures their leads from first engagement to close.



The larger question is, do you need a formal marketing program to do it?

- If you're Boeing, on the left, you know every potential customer really well, and can cost-effectively engage each prospect personally thru direct sales. Good materials in the hands of a competent sales staff are enough.
- If you're Acme, on the right, with thousands to millions of prospective customers, particularly if the average sales price is low, then automated processes driven by marketing will almost certainly deliver meaningful ROI.

## Get Politics Out Of The Way

First, trends come and go; experienced executives and seasoned sales reps range from skeptical to darn cynical. You'll likely face plenty of resistance to a newfangled marketing program, particularly one that reeks of technology.

If this is your battle, consider a flanking maneuver. Lead nurturing is digital and empirical – you can get hard numbers to prove efficacy, and you can get them quickly. So keep it limited and start with a pilot or a trial before scaling up – you'll gain advocates and positive groundswell (while you debug your process) before you invest actual and political capital in a full-scale roll-out.

Second, have you ever (not) seen sales and marketing living in separate silos? Make sure you get alignment and commitment before you start. Know what sales considers a qualified lead, steel yourself to passing along only good-quality leads, and get commitment from sales to wrestle all truly sales-ready leads to ground. Put it in writing.

## Take Care! Don't Confuse Implementing New Software With Lead Nurturing.

There's a lot of buzz about marketing automation software, but that's the dog's tail. Bad sales process automated yields bad results.

Put technology before thoughtful analysis and process development and you'll be very disappointed.

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## 2. Foster Interest Through Nurturing

Lead nurturing will require very good understanding of your customers and their purchasing behavior. You will have to develop strong understanding before you can attempt to nurture them along. Then you will need to architect nurturing tracks that match content and delivery method to their buying journeys.

Appendix A of this white paper offers a checklist for implementing lead nurturing, but let's spend the next few sections discussing the meat of what each action represents and how to think best about executing successfully.

### **Do you know your customer well enough?**

Define your target customers. Who are they, what do they care about, what do they get rewarded for, what's their role, and what are their responsibilities? Personas are a popular way to do this, but use the method that fits your organization best.

1. Who are the members of your decision-making unit (DMU)?
2. What are their business priorities and specific needs? Think about how you serve material appropriate to an operations executive, a marketing individual contributor, and a CIO – they have different needs.
3. What's the buying process they move through?
  - a. Learning. "What is this new type of widget I've been hearing about?"
  - b. Shopping. It's comparison time. Set up bakeoffs and head-to-heads.
  - c. Buying. They're ready to commit – they need the information necessary to seal the deal.

Define the appropriate material to serve to them. Which pieces line up best with their needs at which time in the process? Section 3 discusses this in more detail.

### **Develop tracks**

Defined roles, buying processes, and timing provide the insight necessary to establish a unique way to feed material to each prospect. Develop a process for each drip or touch, then bake it into a track in the automation software.

You may have a handful of tracks to start with, but those will likely proliferate over time as you learn how to segment your customers with increasing granularity and serve them personally.

### **It's Like Telling a Joke Well – Timing Matters**

How does the buying process progress in your industry? What's the sales cycle? Think carefully through how your customer (each role) will progress and what they'll want at each appropriate step. Then build into your tracks appropriate time delays between each drip of content delivery.

## Think permission

This is permission-based marketing, not interruption marketing. Prospects must want to receive what you're sending. Give them the opportunity to decline or even self-select the pace of material delivery as suits their appetite.

## Don't Be Narrow-Minded: Nurture Unknown, Existing, & Former Customers

Start with your priority areas to keep your effort manageable. However, make sure you think about every aspect of your business that can be impacted by nurturing to get the most from the program.

It's easy to think about nurturing only a selected fraction of your prospect pipeline – perhaps you're just focusing on solving leakage from one specific part of the sales funnel. That's leaving money on the table.

- Nurture existing customers – why not think about continual upsell if you have a broad product line, you get repeat customers, or you want to keep customers informed to solicit referrals?
- Bring previous customers back to the fold. Why not position materials to the folks who left you for another? They may be ready to come back.
- Treasure the strangers. Create materials and nurturing for prospects who elect to remain anonymous. Automation software will track them until they reveal themselves, and you will have history to build upon.

## Get Your Sales Buddies On Your Team

If your organization is siloed – there's a lack of tight synergy and communication between sales and marketing – this is pretty critical. A big benefit of lead nurturing is tighter integration of sales and marketing; but it means you have to put the effort into it.

First, you must sell sales. This program will be highly aligned with ongoing sales efforts, with many automated emails going out with a sales person's name in the "From:" line. Ever meet a sales person who was comfortable having you "mess with their customer", particularly in an automated fashion? They had better buy into what you're doing. Remember that an entrepreneurial limited trial can get you that commitment through proof better than a polished presentation and argument.

Next, formally define that criteria for hand-off in writing. Best practice is to execute an SLA (Service Level Agreement) between sales and marketing. You'll want firm agreement and commitment to define:

- What *sales* considers the characteristics of a sales-ready lead to be?
- What sales commits to with respect to handling the lead in a timely fashion?

## It's A Journey, Not A Destination

You'll get it wrong to start with. Content you've built high expectations into will fail to provide lift – and other pieces will surprise you with positive results. Your timing will be off. You'll assign people to the wrong tracks. Your scoring threshold will be wrong.

Set your expectations appropriately. A/B testing should be part of your process. Expect to observe, learn, test, and incrementally improve. Forever.

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## 3. Feed Interest With Content

Content is the foundation of a lead nurturing program (it's a bigger commitment than the automation software itself). And content marketing should not be confused with marketing copy and product slicks.

**Think: "I will not advertise; I will publish. I will not advertise ..."**

Lead nurturing mandates investment in the creation of varied and engaging content. To generate a foundation for support of a protracted buying process, you are chartered to create interesting and compelling educational materials that help your customers make their own decisions.

It's op-ed, not strictly objective journalism, as you clearly have a point of view. But it is not advertising, and specific mentions of your company and solutions should be avoided, particularly in pieces best suited to educational stages of the buying process.

That means directing investment towards the writing. Sourcing your content marketers from journalism careers is an effective approach; you'll be hiring people with a core competency in writing. They'll also tend to think first about what will be most interesting to the customer, rather than what you want the customer to hear.

### **Invest in Building a Catalog Aligned With the Buying Process**

You will need a suite of content designed to match the customer's buying stage.

#### 1. Learning

The customer's desire is for agnostic material, not chest-beating. Deliver:

- Third-party white papers
- Thought leadership webinars and videos
- Research and trend reports.

#### 2. Shopping

It's comparison time. Customers start to match need to product; this is the beginning of the trust relationship. Serve them:

- Product data sheets
- Comparison charts
- Spec sheets
- Demo's & trials,

#### 3. Buying

You're establishing and deepening trust to the point of commitment. Prepare:

- In-depth product capability
- Case studies
- ROI analyses

### **For Efficiency, Combine Content Marketing With SEO & PR Efforts**

Nothing feeds the search engine spiders better than fresh content, particularly that which is valuable enough to generate high-authority inbound links. Your content marketing program should be part and participate with your SEO efforts.

And PR is largely about selling your story to the media who cover your industry. Great content is founded on good story-telling. Few pieces of content are more compelling than those under the logo of the media channels your customers consider most credible. Get our drift?

### **Repurpose, Repurpose, Repurpose**

Creating a library of content, which will require continuous updating and refreshing, is a non-trivial exercise. To keep this manageable and affordable, think in terms of creating an editorial calendar that leverages a few pieces of material into many different forms and formats.

Begin, for example, with a 1,500 word white paper. Break it down into half a dozen "chapters" to serve as blog posts, Tweet out the headlines, post abstracts as Facebook page entries, and create 2-3 webinar slide decks that re-use the material. Reformat it as e-books, YouTube clips, and even podcasts.

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## 4. Measure Interest With Lead Scoring

Lead nurturing is all about getting sales-ready leads into the hands of sales reps. The trick is making sure you know when they're sales-ready.

### **Quality, Not Quantity – Learn to Assess Sales-Readiness**

“Cold, Warm, Hot.” Send that bunk classification to the garbage bin where it belongs. A prospect is either sales-ready, or they are not. There are appropriate indicators that tell you whether they have crossed that threshold.

If they are not at the threshold, *do NOT push them across it*. You'll shove them away before they ever arrive. And it doesn't take many unqualified leads for a sales rep to conclude they're all junk and not worth their time. Then your precious efforts to achieve alignment will be history.

### **Establish Your Scoring Process**

Figure out which customer information and activities will provide you with the basics of a scoring mechanism, then categorize and score appropriately. Expect, of course, to adjust this over time as you learn to match expectations to actual behavior.

Prospect characteristics

- Title
- Functional area
- Role – both in the organization, and in the purchasing decision
- Industry vertical

Prospect level-of-interest-related activities

- Content downloaded
- Quantity of downloads
- Cross-correlation of leads – multiple contacts from the same organization
- Web activity related to interest – product pages, pricing information, sequence
- Web activity not related to interest (negative score) – career pages

Information gathered in direct engagement

- Existing solutions
- Budgetary commitment
- Application fit

Be practical about what information you'll actually get from them. A score for a perpetually blank field does you little good.

### **Consider Utilizing Progressive Profiling**

Likely that you'll have only a few scraps of information about your prospect when they formally self-identify and enter your sales pipeline. And engagement and conversion rates fall if you request too much information too early.

As appropriate to your sales cycle, exercise patience in collecting all the requisite information about a contact. Marketing automation software can be very helpful here –



where you have a stream of content to offer, request new bits of information about the lead each time they acquire more material from you. This progressive profiling can work like this:

- Initial contact: name, email, company
- Next contact: request their title as they register for the next bit of material
- Next: request their industry and buying role

### **Be Ready To Move Faster. And To Take a Step Backwards.**

Prospects certainly feel no need to maintain the carefully defined path you've prepared for them. Identify scoring triggers and accelerators to spur immediate action:

- Are they opening every email you send?
- Are they downloading every piece of content?
- Are they visiting product- or pricing-focused pages on your website?

Be prepared, as well, that more prospects will likely move backwards in the process than leap ahead, as well. Sales progress is seldom linear, as your prospects priorities may change, a competitor may introduce doubt, or they may lose traction with their approving superiors.

So, be sure to build in mechanisms to score both accelerators and decelerators.

### **No lead left behind**

Know when - and how - to recycle a lead.

What does that mean? Customers will take that step backwards after they've been passed to sales. And you will make mistakes in qualification, particularly in the early days, when you send leads to sales.

Design mechanisms, and be prepared to reclaim those leads into the marketing-driven nurturing process until scores once again rise to indicate sales-readiness.

### **It's a journey, not a destination. Yes, we just said that 2 sections ago.**

Set your expectations appropriately - it will likely take you six months or more to get your scoring process to the point where thresholds actually match perceived customer readiness for progression. You will be quite involved in developing and enhancing processes along the way.

Be disciplined about establishing a control, testing and observing, and continually rolling out improvements. If this is not a core competency, seeking outside coaching can help you reach success faster.

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## 5. Automate to Make It Practical

You can't manually nurture a prospect any better than a sales rep can – you'd be worse at it. So you need automation software to make it work. And that software is pretty sexy stuff.

Here are a few of the things Marketing Automation Software can do for you:

- Set up multiple, customized tracks to serve different customer profiles.
- Act as a nurturing "proxy" for sales and marketing – sending personalized emails with information, offers, and updates.
- Monitor prospect behavior on your website – what their interests and activities are, plus automatically identifying sales-ready behavior like visiting product or pricing pages.
- Score leads with no human interaction.
- Identify triggers and alert sales reps.

Overall, MAS is a productivity engine

- For marketing: automate campaign management and lead qualification, reducing labor and increasing volume.
- For sales: allow them to spend more time engaging and selling to more sales-ready prospects, and less time on admin and prospecting activities.

### **Integrate and Build your IT Systems With Care**

Define your processes thoughtfully. If your organization lacks process-discipline DNA in sales and marketing, you will struggle to success with basic prospect management, much less lead nurturing.

While CRM and MAS software can typically be managed by a sales operations or marketing department without assistance from IT, system architecture should match your business processes well. And while the platforms are pretty flexible, once you've built a database of meaningful size and embedded bad practices in its use, substantial redesign becomes painful.

### **And Choose Carefully – Not All MAS Platforms Are Alike**

There are many marketing software platforms out there; they are not all the same. Horsepower, cost, and maintenance all differ widely. You will want to match the MAS to your process intensity needs, your budget, and your ability to maintain it.

Conduct your evaluation – and trials – carefully. Outside experienced assistance can be very helpful in cutting through the vendors' promotional noise.

### **If You Lack a Well-used CRM, Do NOT Pass Go ...**

A good CRM is necessary for soup-to-nuts management system for leads. Marketing automation software complements a CRM, making lead nurturing possible. Not only must you have one, but you must use it as a day-to-day foundation for sales and marketing processes.

If you don't already have a functional CRM in daily use, crawl before you walk – it's a prerequisite. Shelve your lead nurturing plans until it's in place.

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## 6. Drive From Metrics

### **If you cannot measure it, you cannot manage it.**

Lead nurturing is both imminently measurable – and demanding of measurement.

Knowing what your sales funnel looks like is necessary to designing the tracks you'll measure from.

- Characterize your sales processes.
- Know what your conversion and lift metrics are between each stage.
- Associate costs for each stage.
- Develop a funnel chart that matches your business.

You will want an automated dashboard to visually monitor that pipeline via the funnel share, and the KPI's that impact its performance.



### **This is Program Output; It's Also Your Starting Point**

Your sales pipeline dashboard will monitor your progress and reveal where opportunity lies, but it also shows you where your processes and data collection are have holes. Conducting an analysis of your pipeline *before you start* is therefore a requirement.

### **Monitor ROI**

Building a lead nurturing program is not a budget-buster, but neither is it a trivial investment. You will almost certainly need to construct a defensible ROI to sell it to your management.

Appendix B includes guidelines for projecting cost and return.

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# Appendix A – Program Design Checklist

## Step 1 – Begin with the End in Mind – KPI’s and Dashboards

You won’t use this until your program is running – but you can’t start without it:

- Analyze your sales funnel
- Select appropriate KPI’s
- Figure out the holes in your existing data and processes

If there is no one in your organization with practical experience in lead nurturing, hiring an appropriate consultant can help you analyze your funnel, perform a gap analysis, set cost expectations, and determine what return is reasonable to expect.

## Step 2 – Design your program

- Set your SLA between marketing & sales
- Prioritize marketing efforts (acquisition or acceleration), based on sales funnel dynamics
- Characterize the roles of your buyers – personas, or otherwise
- Characterize your buying process – the stages your prospects move through
- Develop content strategy
- Design a lead scoring process
- Develop a plan for progressive profiling
- Evaluate necessary hygiene on your existing database
- Develop a budget and an anticipated program ROI

## Step 3 – Select the appropriate technology platform

Got CRM? Using it as a routine part of your business? If not, fix that before you begin thinking about lead nurturing.

With CRM in hand, pick the right MAS, one that:

- Matches the process sophistication required for your organization.
- Matches the internal management resources you have available to apply to it.
- Matches the contract and cost appropriate to your organization.

## Step 4 – Staff appropriately

Lead nurturing programs don’t run themselves, and they need a lot of attention in the early days as you discover how your initial design actually works and adjust.

Generally, you will need a dedicated marketing manager running your program in the early stages, which can scaled back to something on the order of a quarter- to half-time responsibility as your program matures. The skillsets are similar to a combination of those you find in your search marketing managers analytical ability and your CRM administrator’s system expertise. And can be shared between the two.

If you cannot devote a full-time resource to building the program, you can likely engage a consultant to help build the program and get it running, then transition it as a part-time responsibility to a member of your team over time.

#### Step 5 - Implement

Get the heavy lifting done:

- Complete necessary data hygiene
- Develop and assemble content
- Integrate your chosen MAS with your CRM
- Build nurturing tracks, with appropriately synchronized content
- Align existing pipeline prospects into the appropriate track

You will most likely require an implementation consultant to customize your MAS choice and integrate it with your CRM platform. Often this can be resourced from your existing CRM consultant, if you have one. It's not a monumental project, but don't underestimate it and reflect carefully before attempting to complete it internally.

#### Step 6 – Launch and start the journey

It is very valuable to launch your nurturing program with appropriate expectations. Lead nurturing is not an assembly line which you turn on and immediately begin harvesting results from. It will take time to see results, and it will absolutely require adjustments, continual monitoring, and improvement.

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## Appendix B – Predict Nurturing ROI

This appendix offers a sample approach to measuring lead nurturing impact. Your organization – both in characteristics and in scale – will certainly vary. However, it offers a methodology you can adapt. [The supporting spreadsheet is available from The Hunley Group on request \(www.thehunleygroup.com/contact-us/\)](#).

### Sales Funnel Characteristics

Stage	Conversion Rate	Volume	Targeted Improvement	New Conv. Rate	Result
Raw Prospects		50,000	-		50,000
Qualified Leads	50%	25,000	5%	52.5%	26,250
Sales-Qualified Leads	35%	8,750	-	36.1%	9,188
Close Rate	10%	875	4%	10.4%	956

### Costs

#### Startup Expenditures

Program Design	\$60,000
Content Generation	\$50,000
Software Implementation	\$20,000
<b>Total Launch Costs:</b>	<b>\$130,000</b>

#### Annual Operating Costs

Marketing Manager	\$50,000	(50% FTE)
Ongoing Content Generation	\$25,000	
Software Licensing Fees	\$36,000	
<b>Total Operating Costs</b>	<b>\$111,000</b>	

**Total Investment, Year One: \$241,000**

### Business Results

Average Revenue Per Sale:	\$24,000
Current Revenue:	\$21,000,000
Gross Margin:	40%
Gross Profit:	\$8,400,000

Incremental Sales:	81
Improvement:	9%
Incremental Revenue:	\$1,923,000
<b>Incremental Profit:</b>	<b>\$772,800</b>

### Return on Investment

**Year One Results / Costs: \$772,800 / \$241,000**

**Year One ROI: 321%**