7 Best Practices in Lead Management

How to build greater marketing ROI and increase sales revenue

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"We spend 85% of our marketing budget trying to generate leads and sometimes don't even have an accurate count of how many leads were generated not to mention if any follow up was done. What a waste!"

-Frustrated Marketing Director
from Fortune 100 Company

Lead Management-The Missing Piece

U.S. companies spend over $8 Billion each year on product marketing. Yet only 10% of these companies invest in a process for efficiently capturing, responding to and managing the sales leads generated by marketing efforts. That disconnect manifests itself in numerous ways – poor relationships with customers and Partner Channels, decreased ROI, and substantial losses in sales. In fact, it's estimated that companies could increase sales revenues by a conservative 13% simply by implementing good lead management practices.

In addition to increased sales revenue, good lead management practices offer more subtle long-term benefits.

Companies can create positive brand perceptions by providng a positive customer experience throughout the lead management process. For example if a customer requests a product sample or catalog at a tradeshow and that request languishes in the pocket of a sales rep, the relationship with that customer may suffer. However, if follow up is made immediately, a company can improve credibility with the customer by showcasing good service at all points of the sales process.

Getting leads instantaneously to appropriate Partner Channels can also strengthen the sales in multiple ways. Companies can demonstrate to Partner Channels that they're working to increase business for everyone by sending channel reps pre-qualified sales leads as evidence of a commitment to the partnership.

Being able to track the outcomes of those leads enables a company to keep sales reps and Partner Channels accountable for sales outcomes, thereby strengthening their professionalism and sales performance.

So why, if there are so many benefits to utilizing an efficient lead management system, have so many companies failed to do so?

Companies' shortcomings with lead management primarily revolve around how leads are captured, qualified, responded to and distributed for follow-up – and how subsequent communications and measurement are executed. Solving these problems can be difficult, due to the lack of resources available in most marketing and sales departments and the administration required to consistently deploy sound practices. Even when a company knows it needs to better manage its leads, it may be challenging to get mind share devoted to the effort.

Lead management isn't nearly as glamorous or as visible as creative development or promotional marketing. Most companies need help in defining a lead management process that works for their particular business environment as well as assistance in implementing a solution. The NitroMojo lead optimization engine provides all the tools marketing and sales departments need to re-engineer the lead management process. The cloud-based system is built on seven best practices that have developed based on than ten years of successful lead management experience.

Best Practice:

Collect consistent lead information in one centralized location

Ensuring all leads are housed in a centralized location is the first critical practice of effective lead management. Accumulating lead response data in one centralized data format allows companies to accurately measure lead performance across media and venues, easily access respondent lists for additional marketing activities and standardize the lead follow-up process for your sales reps and Partner Channels. All too often, companies have silos of lead data – individual spreadsheets saved in various folders, boxes of paper leads from trade shows left in the corners of offices and business cards stuffed in sales reps pockets. When there is not a standardized and effective way to account for and follow-up on leads, then the investment in lead generation activities is lost.

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It's not enough, however, to have a collection of mismatched information. To ensure the accuracy of the data, data fields on lead collection devices need to be in consistent formats. For example, if a web site Contact form contains a size of opportunity indicator such as "How many employees are in your organization?" and the answer options are:

- Less than 100
- 100-249
- 250-499
- 500+

Then the same answer options to this question should be used on other response forms like a trade show lead machine or landing page.

Lead collection forms should also be standardized on any contact information fields.
In a database, fields for contact names are typically separated into first and last names. The fields for title, company, address line 1, address line 2, city, state, zip code, and country are likewise separate. This convention is used so that when marketers execute marketing communication to these contacts, that communication can be personalized with the contact's first or last name, street address, city, or other elements.

Any convention followed in database configuration should be used other printed or online forms as well. This means providing separate lines for first name, last name, as well as fields for title, company, etc. and ensuring consistency throughout all forms.

Best Practice:
Track all leads to a unique campaign

The ability to track any leads to a specific campaign or event is a critical step in marketing performance management (MPM) and in analyzing which messages and/or media resonate most with prospects and customers.

This requires that marketers pre-determine each campaign that will be monitored for lead generation. A campaign can be an independent event such as an email campaign or an integrated group of events that includes digital media, email and a webinar for example. How companies set-up campaign metrics depends upon their particular objectives for campaign measurement.

To ensure accurate measurement, campaign set-up should consistently contain all pertinent information such as the type of the media and the venue associated with it, the product or service promoted, media name, publication dates and possibly additional points of identification. Campaign information should be included in the lead data that is distributed to sales reps and Partner Channels. Reps' complete knowledge of what caused prospects to "raise their hands" in interest will significantly increase the results of sales follow-up efforts and improve the confidence in the quality of the opportunity .

Best Practice:
Fulfill information or sample requests with incredible speed

As discussed, the first phase in implementing effective lead management practices is streamlining the process for getting lead information into the database. Capturing and quickly processing lead information is fairly easy when leads come in from the Web, telephone or email links. With the right resources and processes in place, trade show and business card leads can be included in this centralized location. Trade show and business reply cards can be a bit trickier, but not impossible.

> ***"Amazing our customers with the speed and quality of our lead follow-up is a major part of our brand experience."***
>
> -Keitha Kessler,
> Marketing Manager
> Ergo Products
> Ansell Healthcare

The second phase of effective lead management is to ensure the speed and quality of information provided to customers who request it. Again, the right resources and processes are key.

Customers are increasingly dissatisfied with irrelevant and boiler plate information. They want information that is personal and applies directly to their business issues. No longer are standard emails or letters addressed to "valued customer" acceptable to the market. Adding the extra level of personalization can mean a little extra cost or effort but its worth it.

Consultants and experts in Sales and Marketing operations have studied this issue extensively and over an extended period of time and utilizing strong measurement tools learned what combinations of activities work to deliver consistent, superior sales results. For instance they found that improving the speed of response to customer inquiries, personalizing information and ensuring customers get what they requested (or an explanation as to why the request isn't possible) typically increases sales conversions and order amounts between 10-23 percent. Considering the fact that the average cost to generate a business-to-business lead is $100, spending another 5 percent to implement better fulfillment practices to achieve the additional ROI is an obvious choice.

Best Practice:

Immediately forward leads to the Sales team or Partner Channels

Another way to significantly increase close rates and revenue is by having sales reps or Partner Channels follow-up on customer responses within 24 hours or less. By utilizing an effective lead management software system, complete lead data can be emailed or sent by text message instantaneously and accessed through a multitude of mobile devices. This ensures that no matter what the medium or the campaign, respondents to marketing efforts do not fall through the cracks.

Research shows that for every day a lead is ignored, the conversion rate decreases .75 percent. In today's competitive business environment, companies can't afford to let leads sit for over two weeks, losing 10.5 percent of the conversation rate. Automatic routing of leads with an expectation of quick follow-up is vital.

Best Practice:
Re-connect directly with customers and prospects in an appropriate time frame

While marketing automation helps to push out content quickly, it is important that a lead management systems have the capability to automatically collect feedback from customers and prospects on their experience with the sales process, where they are in the purchase process and next steps they would like in the customer relationship. The data collected from customers should be immediately routed to those who have can use it to immediately impact the sale or the customer relationship. In addition data collected from End Buying customers achieves four other objectives:

- Measuring marketing ROI more accurately on customer feedback. This process provides an audit of the information that has been provided by the sales force and Partner Channels on closure rates and revenue generation of the leads marketing has brought in.
- Monitoring the competitive environment. If the company is losing sales to competitors; customers and prospects can provide the answers to “who" and "why?”
- Acquiring a continual stream of product satisfaction data and new product ideas or improvements. Feedback from customers and prospects is essential in the product development cycle.
- Engaging customers in an open dialogue. This continuous two-way communication helps companies build relationships over time. In today’s business environment, relationship marketing and selling is more important than ever before.

“Having a continual pulse on your marketplace is not an option, it is a vital necessity.”

Developing and implementing this practice begins with determining the time frame in which customers and prospects are requested to provide their feedback. For some businesses within 24 hours makes sense; for others it may be four months. The request for feedback is typically sent via email to lead contacts with email addresses, but can also be implemented via telephone or other communication methods if email addresses are not available or invalid. The tone of the request communication is in line with customer service, not sales. Customers and prospects must know that the follow-up is being done to assess the company's response to their requests and improve their customer experience. It's essential to communicate that the connection is being made to better serve them.

In the fast paced, highly competitive marketplace of today, having a continual pulse of your marketplace is not an option, it is a vital necessity. Businesses can no longer afford to rely on information gathered in a annual or semi-annual satisfaction survey. By the time the information is analyzed and a decision has been made on actions to be taken, it's too late.

Best Practice:
Monitor sales follow-up activity

Let's make the assumption that each lead a marketing team generates costs a company $50. Let's also assume that each internal sales rep or outside Partner Channel receives 50 leads per month from these marketing efforts. Using this scenario the company invests $2,500 per month to generate leads for each sales rep. Yet, most marketing departments and sales managers have no idea what happens to leads once they are passed off to their sales people. In a day and age where every dollar must be accounted for, it's not an acceptable business practice to invest $2,500 and not know with some certainty what the returns are.

Monitoring follow-up activity is not about being a "big brother" to sales people. It's about being accountable for the results of a marketing investment. Gaining trend information on conversion rates, pipeline timelines, campaign effectiveness and more is a critical component of lead management. This information doesn't come without monitoring a lead's progression through the sales process and measuring outcomes and barriers along the way.

Best Practice:
Build on-going relationships with lead contacts

Customers and prospects are bombarded with marketing messages on a daily basis from the entire gamut of medias. A great way to break through that clutter on a permanent basis is to make your marketing communications a ***dialogue*** rather than a ***monologue***. Not only do response rates go up, loyalty also surges.

If a company implements the above best practices effectively, it will have built a comprehensive and centralized database of End Buying customer contacts and can begin a relational communication strategy. By segmenting the database and driving personalized focused marketing efforts, companies can illustrate that they have "met" the contacts before, know a little bit about them and their needs and provide them only relevant information and special offers. They will also provide a solid resource for getting feedback on new product concepts and conducting field trials of prototypes.

NitroMojo's client experiences have overwhelmingly shown that response rates are typically 300 times greater when prospects are engaged in a dialogue. Sales conversion rates can be even more impressive.

"I like the fact that you are responsive to inquiries. Thank you for caring about my opinion!"

-Customer Quote from lead follow-up Best Practices in Lead Management

Conclusion

Companies can take advantage of significant opportunities to better target marketing messages, increase sales revenues, build their brands and create customer loyalty simply by implementing these Seven Best Practices in Lead Management.

About NitroMojo

NitroMojo is a cloud-based sales and marketing optimization technology that captures and manages End Buying customer information and integrates it into the operations of B2B companies. Included in its functionality are all the components necessary to implement the best practices contained in this document including forms management, data management, campaign managment, automated and integrated End Buying customer dialog, sales opportunity management and over 40 dashboards that provide business intelligence and customer segmentation never before possible.

With NitroMojo Sales managers can enable workflow processes with their internal teams and Partner Channels, measuring the progress made toward closing deals. They can forecast sales with greater accuracy and know who is and who is not performing. Sales team members have full visability on Partner Channel and End Buying customer information and activity as well as touches from within their organization.

For more information or a demo go to **www.nitromojo.com**