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 or distribution partners, 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 increase brand perception by building good customer relationships through the lead management process. For example, the response to a customer request for a product sample or catalog made at a tradeshow - if that request languishes in the pocket of a sales reps, the relationship with that customer may suffer. However, if follow up is made immediately, a company can increase credibility with the customer by showcasing good service at all points of the sales process.

Getting leads instantaneously to appropriate channel partners can also strengthen the sales line in multiple ways. Manufacturers can show channel partners 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 then track the outcomes of those leads enables the manufacturer to keep sales reps and channel partners accountable for lead outcomes, thereby strengthening their professionalism and performance.

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

Companies' issues 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 to define lead management issues in addition to assistance in implementing a solution. The NitroMojo lead optimization engine provides all the tools marketing and sales departments needs to re-engineer the lead management process. The thin-client system is built on seven best practices that MillerPierce, the developers of NitroMojo, have developed for more than ten years of 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, easily access respondent lists for additional marketing activities and standardize the lead follow-up process for your sales and channel partners. All too often, companies have silos of lead data – individual spreadsheets saved at random, boxes of paper leads from trade shows left in the corners of offices, 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 this data collection, all 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 must be used for this question on a trade show lead form.

Lead collection forms should also be standardized for 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 create a letter or other type of marketing communication, that communication can be personalized with the contact's first or last name, street address, city, or other element.

Any convention followed in database configuration should be used in 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 event that includes direct mail, trade show and email. How companies set-up campaign metrics depends upon the objectives of campaign measurement.

To ensure accurate measurement, campaign set-up should consistently contain all pertinent information such as the type of the medium, product or service promoted, medium name, publication dates and possibly additional points of identification. This information should be included in the lead information that is distributed to sales reps and channel partners. Reps' complete knowledge of what caused prospects to "raise their hands" in interest will significantly increase the results of sales follow-up efforts.

Best Practice:
Fulfill information or sample requests within 24-48 hours

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 business issues. No longer are standard form letters addressed to "valued customer" acceptable to the market. Adding the extra level of personalization can mean extra cost. Is it worth it?

MillerPierce, the developers of NitroMojo, has studied this issue extensively through proprietary tools it developed for its clients. The firm 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 for the additional ROI is an obvious choice.

Best Practice:
Immediately forward leads to sales or channel partners

Another way to significantly increase close rates and revenue is by having sales reps or channel partners follow-up on customer responses within 24 hours. By utilizing a lead management software system, complete lead data can be emailed 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.

MillerPierce 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

Effective lead management systems give companies the ability to automatically follow up with customers and prospects through an e-mailed survey. In these lead management systems, results of the customer surveys are routed internally so improvements can be made in marketing, sales and product development. Automatically re-connecting with customers and prospects through a lead management system achieves four objectives:

- Measuring marketing ROI based on customer feedback. This process provides an audit of the information that has been provided by the sales force and channel partners as to the 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 find the answer as to "why?"
- Achieving a continual stream of product satisfaction data. Feedback from customers and prospects is essential in the product development cycle.
- Engaging customers in an open dialogue. This continuous 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 will receive communication. For some businesses it is within 24 hours; for others it may be four months. The communication is typically sent via email to lead contacts with email addresses, but can also be a manual process for those without email addresses. In some cases, a follow-up phone call makes the best business sense. The tone of the 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 find information about why a sale was or was not made. 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 yearly satisfaction survey. A year from now will be 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 channel partner 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 effective business practice to invest $2,500 of a budget and not know where it's going.

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.

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 mediums. 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 lead contacts and can begin this relational communication strategy. By segmenting the database and driving unique 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.

MillerPierce'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 thin-client lead optimization engine software that contains the ***essential functionality*** that marketing and sales people need to do their jobs more effectively and efficiently.

Marketing teams can create campaigns through various media, track the leads brought in through each campaign, measure ROI, score leads based on various factors and forward those leads to the sales people or distributors who can make the sale happen.

Sales managers can enable workflow processes with their internal teams and distribution channels, measuring the progress made toward closing deals. They can project sales targets and know who is and who is not performing. Sales team members easily see their hottest leads, update contact records with vital information, request fulfillment from marketing, see who else in the organization is contacting their leads, forward leads to distributors and measure, in real-time, the success of their distribution channels.

While some lead management systems only capture data about the leads, NitroMojo automatically gets feedback ***from*** the leads with its patent-pending Voice of the Customer technology. This feedback from the market can dramatically improve the sales and marketing process, even helping to win back deals that may have been lost.

And unlike CRM systems that require cumbersome implementation and management, as well as multi-department involvement, NitroMojo can be implemented for and by the people who need it. The NitroMojo team of technical experts and sales/marketing consultants will listen to how your processes work and customize the product to fit your needs – all for a price that sales and marketing leaders can afford.

When marketing and sales teams have this functionality at their fingertips, they'll be able to:

- Identify the performance of any media or any campaign, tracking cost-per-lead, cost-per-sale and return on investment. This information can better arm marketing teams to respond to the changing needs of the target.
- Identify the strengths and weaknesses of inside, direct and distributor sales forces and help improve performance of all three.
- Receive prospect feedback on products, customer service and the sales cycle
- Ensure that valuable leads are never lost through the marketing and sales processes

NitroMojo was developed by building on the proprietary lead management tools that MillerPierce, a full service marketing firm, had established for its clients for more than ten years.