

# White paper

## Key considerations for successful lead management

**Written by:**

Christine Mariconda

President

Mariconda Marketing Solutions

631.462.6139 **Tel**

631.462.6138 **Fax**

[cm@mariconda-marketing.com](mailto:cm@mariconda-marketing.com) **Email**

# Key considerations for successful lead management

Christine Mariconda, President, Mariconda Marketing Solutions

## Abstract

Lead generation is a critical part of the marketing mix. Even with a sound marketing strategy and flawless tactical execution of lead generation campaigns, companies will not achieve maximum marketing ROI without a fast and effective lead management process. Many marketing campaigns successfully generate leads, but fall short in managing them. For example, if unqualified, early-stage leads are passed to sales reps before they are “sales ready”, it is likely that they will be handled improperly, ignored or discarded. The key to maximizing marketing ROI is to complement communications activities with a seamless closed-loop lead management process. An optimized lead management process helps to ensure that leads are handled appropriately from the moment they are received through final resolution. A quality lead management system also helps to foster collaboration among sales and marketing teams. Companies that employ an optimized lead management process are more likely to drive revenue growth through their lead generation programs. There are several factors that should be considered when implementing a lead management process. This white paper covers key considerations for a successful closed-loop lead management system and provides tips for implementation.

## Introduction

Lead generation is a primary activity of most marketing departments and directly impacts marketing and sales success. Lead generation and management is typically defined as the process of quickly and effectively creating, nurturing, distributing and analyzing leads. The primary goal is to generate and follow up on quality leads that eventually convert into qualified opportunities and customers.

Unfortunately, the lead management process at many companies is sub-optimal. Market research suggests that well over half of the leads generated by marketing campaigns are never acted on because they do not reach the right person at the right time. Marketers often focus their efforts on the strategy, creative development and implementation of lead generation programs, and put less emphasis on lead management. In addition, they sometimes measure campaign success by the number of leads generated, not by lead quality. Lead quality must be considered and given equal (if not more) weight in measuring success. Instead of asking how many leads were generated, marketers need to ask how many “quality” leads were generated. A closed-loop lead management process helps to answer these questions and ensures that leads are channeled to the right person at the right time.

A closed-loop lead management process is the key to maximizing the return on investment of lead generation campaigns. Following are some of the fundamental building blocks for an optimized closed-loop lead management process:

- Lead generation planning & implementation
- Lead capture
- Lead grading and prioritization
- Lead nurturing
- Lead distribution and follow up
- Reporting & analysis

## Lead generation

Lead generation campaigns should not be focused solely on the number of leads generated, but the number of quality leads generated. There are many effective techniques for lead generation such as targeted direct mail, trade show exhibiting, webinars and online advertising. Choosing the right tactics for a specific campaign should include a review of campaigns that have and haven't worked in the past. This is one of the reasons why a closed-loop lead management process is so important. When implemented properly, a

closed-loop lead management process will provide valuable insights into the effectiveness of lead generation activities and guidance for future campaign strategy.

When planning a lead generation campaign, marketers need to focus not only on strategy, creative development and implementation of communications tactics, but also on what happens after the campaign is implemented: lead collection, fulfillment, qualification and distribution, campaign metrics and analysis.

Another important consideration when creating a lead generation campaign is the call-to-action in communications. How will you motivate customer response? How will you direct customers to respond? Once you motivate a customer to respond, it's important that you collect the right type of information that will help qualify the opportunity. All of these factors need to be carefully considered.

Nowadays most companies use the web as their primary customer response mechanism. It's a good idea to create dedicated web landing pages for your lead generation campaigns. A dedicated landing page enables you to reinforce the messaging in your original communication and also provides the mechanism to collect customer information. Your landing page should link to a customer lead form that captures contact information and segmentation data that will help you assess customer needs and lead quality.

A web contact form allows you to include mandatory data entry fields for critical information. The more data that you get from your customer, the better you will be able to assess lead quality and to follow up appropriately. Be careful, however, not to make your response forms too lengthy or to include an unreasonable number of mandatory fields. This may cause customers to abandon your response form.

For lead generation activities such as trade shows, when you're right in front of customers, be sure to collect the same critical information that you do via online forms. Take advantage of every opportunity that you have to collect as much information as possible about your customers' interests, buying intentions and specific requirements.

### Lead capture

When sales leads start rolling in, you need to capture them in a centralized database. This is essential for an effective closed-loop lead management system. All leads, whether raw or qualified, should be consolidated in one spot. The lead records should include the same data fields that you typically use for your contact forms. The lead record should also include information that characterizes the lead such as lead source, inquiry date, etc. Whenever possible, basic data

hygiene should be performed as leads are added to the database, e.g., standardized addressing and formatting of data. This improves deliverability of information when print and email fulfillment is used to follow up with customers.

### Lead grading and prioritization

Lead grading is an important step in the lead management process regardless of the particular tactic used to generate interest. Lead grading helps to separate "raw leads" from "sales ready leads". In this stage of the process, marketing is focused on evaluating the readiness and willingness of potential customers to buy. For effective lead prioritization, rules for lead grading should be defined and documented. The rules may need adjustment over time, but they need to be strictly stated at all times; for example, "all leads with a buying timeframe of less than 3 months are 'A' grade leads".

When leads are graded based on predetermined business rules, they can be prioritized and distributed accordingly. Lead grading and pre-qualification should always trigger the path a lead takes—whether a lead requires further nurturing, is passed to a sales rep, or dropped.

Lead grading helps to ensure that only "sales ready" leads are channeled to your sales reps for immediate follow-up. Sales reps don't waste time following up on marginal leads and/or those that require further nurturing. Conversely, early-stage leads can be followed up through targeted direct marketing, inside sales, and/or other tactic.

### Lead nurturing

Lead nurturing is very important for proper lead management. Unfortunately, it's a step that is often neglected in the lead management process. Lead nurturing is basically the process of progressing a lead from an early-stage "unqualified" lead to a "sales ready" lead that warrants the attention of a sales representative.

Many leads that are generated via marketing activities may not be "sales ready". Not all customers are ready to buy the first time they inquire about a product or service. Many customers are in the early stages of investigation when they inquire. Passing leads on to sales prematurely often results in poor follow up. For example, if early stage leads are passed to sales reps, it is likely they will be ignored or even discarded. It also gets expensive to pass leads to sales prematurely. It often takes time for a sales rep to get in touch with a prospect and to qualify the lead; the opportunity cost for time spent on unqualified leads adds up. A prospect should be qualified - and meet a minimum grade - before sales follow up is required.

The best lead management practice is to nurture early-stage leads over time. It's best to segment early-stage leads by product, buying intention, and/or other criteria, and then reach the prospects with targeted communications that address their specific needs. Once leads are elevated to "sales ready" status, they can be passed on. It's important to remember that a cold lead today may evolve into a hot lead at some point in the future - all leads need to be handled in an appropriate way. Nurturing leads through targeted mail or other means lets you stay in touch with prospects that have long-term buying interests until they are ready for sales.

### Lead Distribution & Follow Up

Lead distribution is the process of getting leads to the right person or group at the right time. Depending on the company, leads may be distributed according to territory, lead source, level of urgency, new vs. existing customer, or other criteria. With the right process and technology in place, this step can often be automated based on predetermined criteria, which reduces administration and expedites distribution.

Lead distribution is more than simply forwarding leads to sales reps and distributors via email or fax. Effective lead distribution requires that leads are routed to the appropriate person or group—at the right time—based on predetermined rules. Timing is critical when it comes to lead management. A delay in contacting a hot prospect can easily result in missed sales opportunities. Mechanisms should be in place to alert sales reps of "hot" leads via e-mail, text message, etc. - whatever is most effective for the particular organization.

Standard business rules must be established for lead follow-up activities. Everyone involved with the lead management process needs to have a clear understanding of expectations for lead follow up - sales representatives, distributor representatives, sales managers, marketers, etc. The following types of questions should be answered and documented:

- What leads require mandatory follow up by sales?
- If your sales structure has multiple layers, define specifically who is responsible for follow up.
- How quickly must leads be acted on?
- How should customers typically be contacted?
- Will customers automatically receive information from corporate headquarters, e.g., print, e-mail, etc.?
- When is it acceptable to abandon a lead, e.g., after how many contact attempts?

### Feedback

A key component of close-loop lead management requires that sales reps provide feedback on lead quality; for exam-

ple, did the customer have a genuine interest in the product/service? If possible, reps should also provide information on final resolution, e.g., did the customer order or buy a competitor's product? Sometimes due to very long buying cycles or complex distribution channels it is extremely difficult to pinpoint the final resolution of a lead; however, even in these circumstances basic feedback can still be helpful. A set of lead qualification questions should be established and sales reps should be required to provide feedback. Sales feedback also enables marketing and sales management to keep track of the status of leads in the queue.

### Reporting and analysis

In the last stage of the process, the "loop" is closed with reporting and analysis. With customer and lead information combined with sales feedback, marketing effectiveness reports can be generated. Post-campaign analysis and reporting is key in demonstrating the success of lead generation activities and identifying ways to improve future campaigns. In this step a variety of metrics should be reviewed and analyzed on a regular basis. Following are some examples:

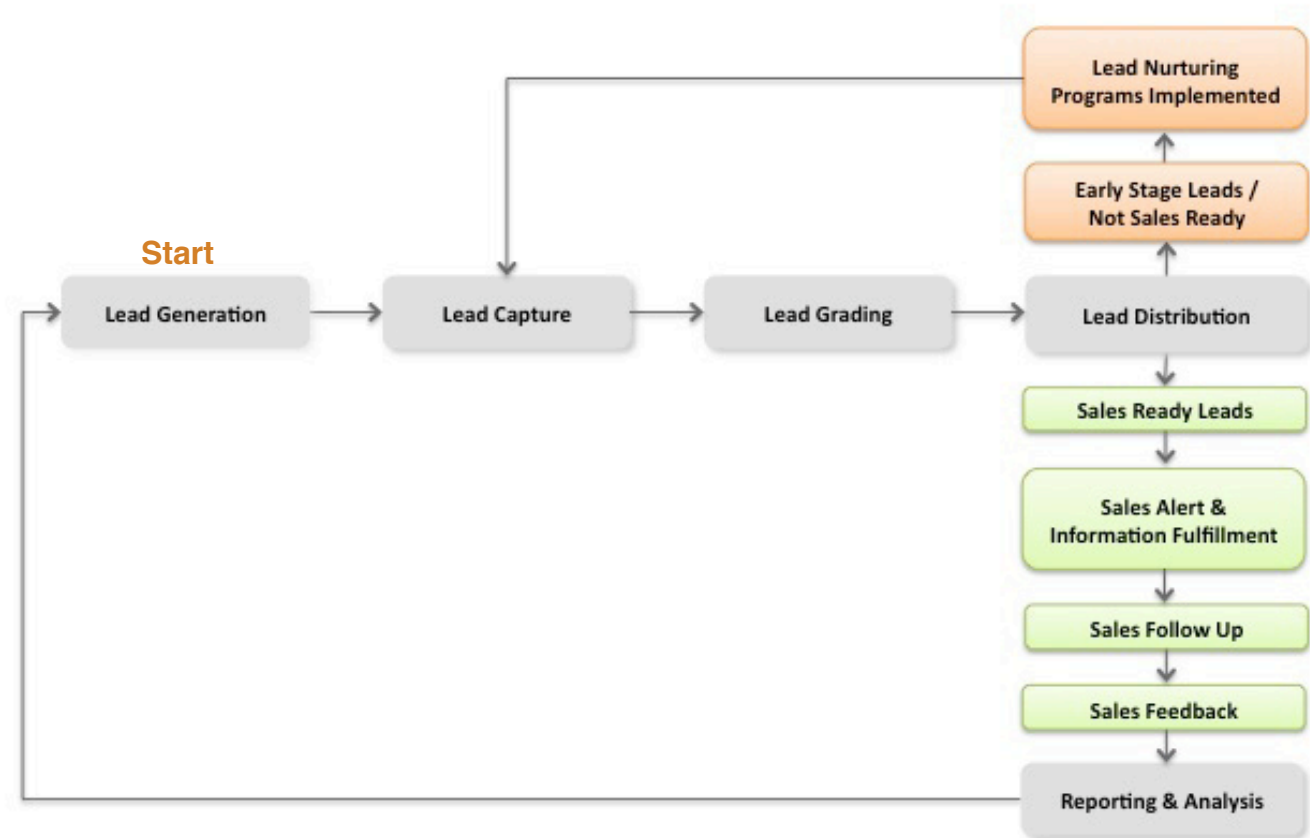
- Lead quality and effectiveness analysis (by campaign, source, product and/or other criteria)
- Product/service interest analysis
- Lead source analysis
- Individual and sales group follow-up performance
- Lead flow by territory
- Lead fulfillment activity analysis

When these metrics are accurately reported, marketing can identify the programs that work best and sales managers can identify issues with sales follow up.

### Automation

Once a lead management process is defined, technology can be applied to streamline the process and to automate reporting. It's important to keep in mind that technology should not be considered until you have an optimized process defined. Companies that rush to implement automation tools before an effective process is defined will often find themselves automating a bad process.

If your current lead management system is sub-optimal, thoroughly assess the current process before making any changes. First, conduct an audit of your current process. Review and document all of the steps in the process. Survey sales reps, marketers, sales managers and other people in your organization who have a vested interest in the process. Find out what's working and what's not. Then compare your process to best practices by conducting a gap analysis. Seek



A closed-loop lead management process like the one shown above helps to maximize marketing ROI through optimized lead distribution and follow up. “Sales ready” leads are distributed to the sales organization for follow up, while early-stage leads are nurtured to sales ready status.

consultation from an industry expert if you’re not familiar with lead management best practices. After your current process is documented and analyzed, create a blueprint (process map) for your new, optimized process. Be sure to consider all aspects of closed-loop lead management: data capture; lead fulfillment, grading, distribution and follow-up; reporting and analysis. It’s also essential to define business rules for key areas such as lead qualification criteria, follow-up timeframe, etc. If you need help, consult an industry expert.

After you have the process in place, it’s time to evaluate software and web-based solutions that will help to streamline and automate the process. If you’re currently using an SFA or CRM system, evaluate your existing application first to see if it can handle the new process; if not, you should be able to find applications specifically designed for lead processing and management that can be integrated with your existing CRM system.

Once you finalize your process and select an automation solution - plan, plan and plan some more. Create a detailed listing of your project tasks and timelines. Closely coordinate tasks with all concerned and communicate to everyone involved with the process. Be sure to consider training and support of your new lead management system. Finally, when you’re ready to implement your new lead management process, it’s essential that you get buy-in from all process stakeholders. Clearly communicate to each of your key constituents, “what’s in it for me?”. After you implement your new lead management process, continue to monitor it and get feedback from your stakeholders and make adjustments over time as needed. There are many steps involved with effective lead processing and management, but the end result of higher marketing return of investment will be well worth the effort.

# About the author



Christine Mariconda is the President and founder of Mariconda Marketing Solutions, a full-service marketing consulting and communications company based in New York. Christine is a marketing communications professional with 20 years experience working for startup and global companies.

She has expertise in a wide range of disciplines: marketing strategy and planning, branding and corporate identity, traditional marketing communications (print advertising, direct mail, trade shows, print catalogs, public relations, etc.), online media (website design, search engine marketing, e-mail marketing, social media, etc.), as well as lead management, including the development and implementation of closed-loop sales force automation systems.

Prior to establishing Mariconda Marketing Solutions, for over 15 years Christine held senior management positions at market-leading companies serving the life science research, pharmaceutical, biotech, analytical chemistry, clinical and related markets. As Executive Director of Communications and e-Business for

Brinkmann® Instruments and Eppendorf®, Inc., Christine ran a full-service in-house advertising / marketing communications department that was responsible for all marketing communications activities in North America. Christine was also responsible for local corporate identity management, internal corporate communications, lead process management, customer database development, and the implementation of a Sales Force Automation application. As a member of Eppendorf's Global Creative Committee, Christine provided strategic and creative input for a wide range of global projects. Throughout her 20+ years in corporate life, Christine helped to evolve some of the most well known brands in the laboratory products and analytical instrumentation industries.

Christine's background also includes a strong academic foundation. She has a Bachelor of Science and a Master of Business Administration in Marketing.

Learn more about Christine's background at:  
[www.linkedin.com/in/christinemariconda](http://www.linkedin.com/in/christinemariconda)

## Mariconda Marketing Solutions

Tel: 631.462.6139

Fax: 631.462.6138

Email: [cm@mariconda-marketing.com](mailto:cm@mariconda-marketing.com)

Web: [www.mariconda-marketing.com](http://www.mariconda-marketing.com)

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