



Six Steps to Generating Ready-to-Buy Leads

There's an old joke that goes something like this: What is the one thing that sales and marketing executives can agree on? Answer: They agree that the other one is doing a poor job when it comes to handling leads. Indeed, salespeople often moan that marketing gives them long lists of not-so-well-qualified names while marketers counter that sales reps don't do a good job of following up on those leads. It's not that simple, though. In fact lead management is such a complex problem that the fix usually requires a complete overhaul of your current process, says Kostas Peters, President and CEO of Parcus Associates, LLC, a Rochester, NY-based company that provides Management Consulting solutions, specializing in Sales and Marketing (www.parcusassociates.com). To send your reps only after ready buyers and eliminate the time they spend chasing unqualified leads, Peters says sales managers must work with marketing to address six areas.

1. Clean up your prospect data warehouse. Typically, Peters finds that companies maintain lists of leads in multiple places – an SFA system, an Excel spreadsheet and old databases. Quite often these lists include names that no longer are qualified, are duplicates or are for products the company no longer sells. Thus the first step in Peters's sales opportunity management solution is to put together a single, clean, de-duplicable database.

2. Enhance the data. In other words, determine whether the names on the list are fully qualified. For example, if you sell a product for Macintosh computers confirm that all the names in your prospect database are Mac users. Anyone who isn't should be removed from the database to an archive. Or, if your list includes a lot of law firms but your sales reps have never been able to close a sale to a law office, move the names to an archive so your reps aren't wasting time sorting through leads that are highly unlikely to buy.

3. Segment your prospects. To paraphrase George Orwell, all leads are not created equal. This step determines which leads are more equal by breaking them down into segments. For example, say marketing did a direct mail piece to 1,000 people and got a 5% response rate. Instead of targeting all 50 names with equal energy, Peters recommends breaking the 1,000 names into, say, four segments of 250, with each segment roughly matching by company size, revenues, industry, location and so on.

When you do that you'll likely find you got a 10% response rate from your top group, a 6% response rate from the second group, 3% from the third group and 1% from the fourth group. Obviously your top priority would be to call on the first group.

4. Qualify and nurture your opportunities. Here you're looking for the prospects who are ready to buy now and nurturing those who will be ready to buy soon. Peters says there's an old rule that states roughly 5% of your market is ready to buy at any given point in time. So if you've got a 90-day sales cycle, 5% of your leads will be ready to buy during the next 90 days, another 5% will be ready to buy in 90 to 180 days and so on. For its clients, Parcus Associates determines which leads are ready to buy now and should be handed off to its clients' sales reps. Then it nurtures those leads that will be ready over the next two or three sales cycles.

5. Educate your sales reps. In most companies there's a chasm between the group that generates the leads (marketing) and the group that works the leads (sales). This step aims to plug that hole. Peters says that when a lead is ready to be handed from his organization to a client's sales rep they hold a conference call during which they educate the rep about the lead – everything from company information to the lead's personality, voice tone and how he or she should be approached. "You need to hand off a lead so there's traction," Peters explains.

6. Validate your opportunities. In this step you figure out what happened to the opportunities that weren't closed so you can determine whether there's a problem with an individual rep, with some aspect of your product, with a territory or something else. Peters says that in Parcus Associates's monthly scrub of the reports it receives from its clients they typically find that in the instances where the lead couldn't be reached or was dead, the rep didn't really work it, he says. In those cases Parcus Associates goes back to the lead and facilitates a conversation between the rep and the lead. "If you follow this process you'll find you sell more and need fewer salespeople," Peters concludes. The reason is that the process takes the burden of extraneous tasks off the shoulders of your salespeople and allows them to spend 100% of their time doing what they do best – selling.