



Lead Nurturing and the Role it Plays in Sales Development



Introduction: Earning The Sale

Think of the best sales person from whom you've ever bought something. You'll probably describe them as being low-pressure, helpful, informative, interested and fair. Sure they are highly motivated to close the deal. After all, that's their job. But the good ones know that to earn the deal, they have to first earn the customer's trust, something that has become harder to do as customers have become less accessible and sales cycles have become longer and more complex. Because of this, B2B sales is increasingly becoming a numbers game, and those numbers typically work against us before they work for us.

Under intense pressure to increase customer acquisitions, sales teams are clamoring for more leads. In an attempt to help, marketing departments are doing everything they can to attract and capture the names of anyone and everyone expressing any sort of interest in their company's product or service. White papers are being written and webinars are being scripted. Online advertising and e-mail programs are created to generate traffic and lead activity. Landing pages are built to welcome prospects and make them feel comfortable enough to share their name and number. These names, numbers and e-mails are being gathered and entered into whatever CRM and/or lead processing system is in place and we're off and running, right? Not necessarily.

Remember, before you get the deal, you have to earn the trust. In a world where prospects research products online and evaluate in anonymity – not returning phone calls or meeting in person – lead nurturing helps to do this. Through lead nurturing, your company can maintain contact and effectively build a relationship with a prospect, providing valuable content, guidance and support until that prospect is ready to meet with a sales person.

Lead nurturing will not only make your sales team more efficient by letting them focus on qualified, "ready-to-buy" leads, done well it will also boost your bid-to-win ratios and average order size. The key is doing it well.



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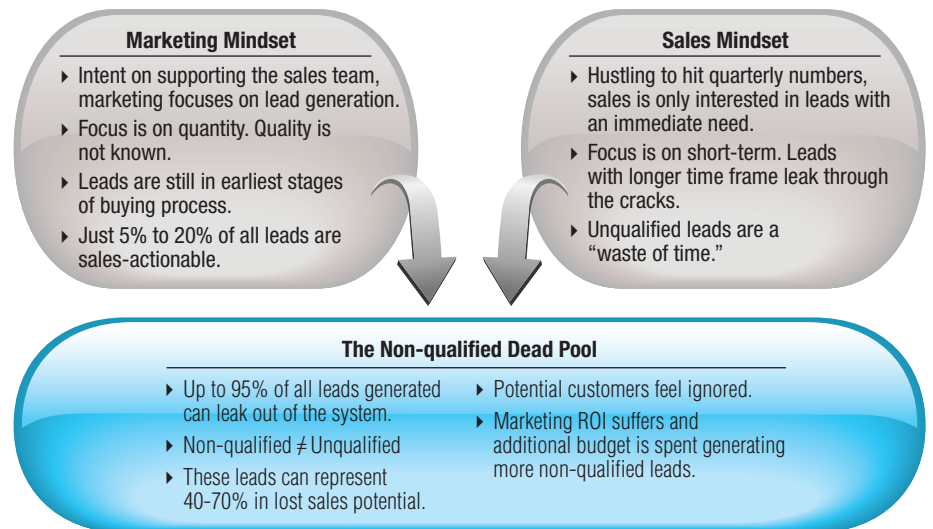
Chasing Leads: The Process is Broken

According to a variety of studies, anywhere between just 5% and 20% of incoming leads are sales-actionable when first identified. Although they are viable prospects who are very likely to purchase in the future, they simply aren't at the point in their buying cycle where they want sales contact. Therefore, it's not advisable to push these leads out to sales reps, who often complain about the "poor quality" and "lack of readiness" of the leads they receive – and legitimately so!

Sales is interested in the 5% of the leads that are "hot." The other 95% get tagged cold and fall into some sort of dead pool, despite having every intention of buying down the road. These lost opportunities not only represent significant lost revenue for the sales organization, they also diminish the return on marketing's investments, causing the rift between sales and marketing to widen even farther. Lead nurturing can change this.

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Figure 1. **The Lead Development Process is Broken.**





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Lead nurturing allows you to establish and maintain a dialogue with prospects as they evolve from being passively interested, to actively searching, to fully engaged and sales ready. Essentially, they prevent leads from leaking through the cracks.

The Benefits of Lead Nurturing

Before reviewing the best methods of implementing a lead nurturing program, let's consider a few snippets of research on the value of lead nurturing.

- Lead nurturing generates 20% more sales opportunities.

*DemandGen
(lead nurturing consulting firm)*

- 7% points higher win rates on marketing-generated leads.

*CSO Insights
(Sales consulting firm)*

- 2X increase in bid-win ratio and 47% higher average order values

Aberdeen Group

- 48% of all deals come from lead nurturing. 50% more sales-ready leads from lead nurturing.

*Marketo
(lead nurturing software)*

- 60% of senior-level marketing executives using lead management automation indicated better leads as a result, and a more robust pipeline.

Forrester Consulting

These results aren't surprising. The rules of B2B selling have changed. Customers have gotten busier. They are harder to reach by phone, don't answer e-mails and are not likely to meet in person until they are absolutely ready. Yet, they have taken some action to indicate they have an interest in your product or service. Lead nurturing allows you to establish and maintain a dialogue with these prospects as they evolve from being passively interested, to actively searching, to fully engaged and sales ready. Essentially, they prevent leads from leaking through the cracks.

STEP ONE:

Focus on the Process

Using technology to automate your lead nurturing process will clearly help you increase the efficiency with which you market your company. Automated campaigns control and streamline prospect interactions, strategically offering relevant content and positioning your firm as a trusted resource until the lead is finally ready to buy. But the best marketing automation system on the planet won't provide the results you expect unless you evaluate and adjust internal processes first, and doing so will require total collaboration and cooperation between sales and marketing.

In a recent study conducted by Forrester Research among senior-level marketing executives using lead management automation, 6 out of 15 respondents indicated that focusing on process was a necessary first step. When asked what key lessons were learned along the way, fully one-third of the respondents urged getting sales and executive buy-in early. The top pain points they experienced involved lead scoring/qualification and better alignment with sales. If the goal of any lead nurturing program is to develop a bigger, stronger and more highly qualified sales funnel, defining the buying stages within that funnel and potential obstacles and/or informational needs that occur at each stage is a necessary first step. To do this without input from the sales team is to invite failure. What group understands the sales process and customer needs better than sales? And without their input and buy-in, any marketing-generated lead nurturing program will not only be flawed, it will also be ignored.

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Work with sales to clearly define the characteristics of a fully-qualified, sales-ready lead.

Here are some best-practice steps to take when developing an effective lead management, qualification and nurturing process:

- 1- Establish a lead management team consisting of people from sales and marketing. Assign one or two team leaders and make them both responsible and accountable for the programs success.
- 2- Work with sales to clearly define the characteristics of a fully-qualified, sales-ready lead.
- 3- Develop a lead scoring system to evaluate lead quality. Select the criteria (e.g., budget, buying authority, need and timeline), assign values to each and run trials on how values can change based on individual lead parameters and responses.
- 4- Determine who your best customers are and evaluate their buying habits. Learn how they buy from you and uncover any patterns in their behavior. Profile their buying team and consider what goes through each member's mind as they move through the buying cycle. Are they aware they have a problem? How will this new product, service or technology help their company? Are there better alternatives? Are they tested and proven in the field? Are these companies credible and financially stable? Can we afford to make the change? What is the ROI?
- 5- Take what you've learned to establish a "typical" buying process. Define the steps most customers take as they move from their initial interest and research stages, to evaluation and testing, and finally to a purchase. Map the informational needs of each member of their buying team at each stage of the process.
- 6- Create a content development plan that mirrors the buying process. Evaluate the content you currently have and determine what gaps exist. Brainstorm methods of teaching the prospect in a manner that builds credibility while highlighting your strengths. Don't be afraid to challenge their assumptions.
- 7- Reach consensus on how leads will flow through the process and at what point(s) a personal contact will be made by telemarketing and/or sales. Include feedback mechanisms for sales to report back on lead quality and progress.
- 8- Agree upon the metrics you will use to measure the program's success and ROI. On the front end, these might include things like response rate, leads generated, click-thru rates (CTR) and cost per lead (CPL). On the back end, you should be looking at total qualified leads, cost per qualified lead, qualified lead percentage, pipeline thickness, and ultimately bid-to-close ratios, average deal size and lead-to-sales revenue.

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Focus your message on your customers' informational needs and not strictly on your capabilities. Remember, you want to engage them in dialogue; not just tell them your story.

STEP TWO:
Create Content and Offer Strategies

As discussed above, the content you create is vital to the success of any lead nurturing program. Relevancy is key. Focus your message on your customers' informational needs and not strictly on your capabilities. Use all available media (email, white papers, webinars, podcasts, blogs, social media, technical and customer service forums on your Web site, case studies, surveys, road shows and seminars, etc.) to convey this information and encourage interaction. Remember, you want to engage them in dialogue; not just tell them your story.

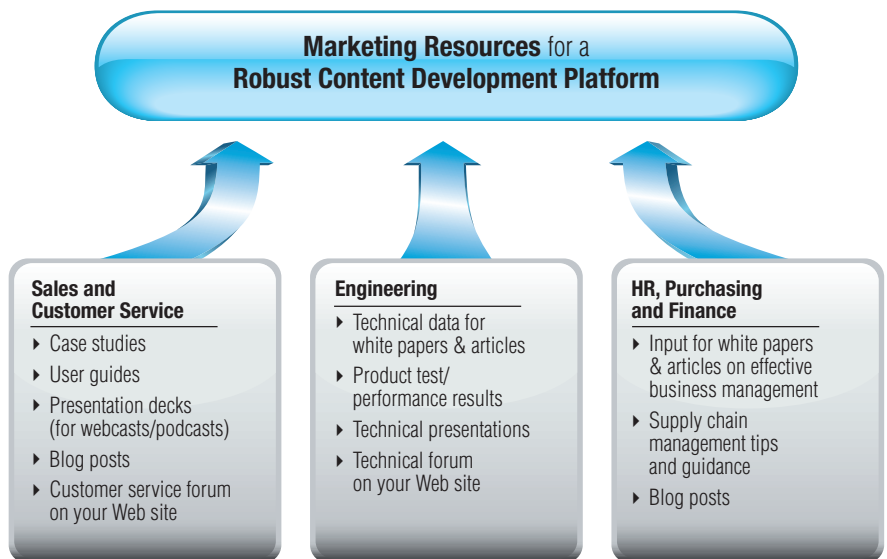
A common problem companies have when implementing lead generation and nurturing programs is finding the resources to generate

all the content your prospects and customers desire. The key is to distribute the assignment among as many resources as possible. Obviously, whether developed internally or with the assistance of your marketing communication firm, marketing will typically take the lead, but sales can be an invaluable resource when developing everything from case studies and user-guides to webinars and blog posts.

Use your engineering team to provide the information needed for technical articles and white papers. Depending on your customer profile, you could even tap your HR and finance departments to generate materials that, while not specifically promoting your products and services, will help your customers manage their business effectively, reinforcing and building upon the relationship you have with them.

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Figure 2. **Content is King!**





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Evaluate which system's features and capabilities will best fit your needs.

STEP THREE: Evaluate and Select a Marketing Automation Vendor

There are a wide variety of automated demand generation and lead nurturing providers available. Each offers different tools to generate, monitor, nurture and evaluate leads. You'll want to evaluate which system's features and capabilities will best fit your needs in each of the following areas.

- Email Marketing – large batch emails; personalized, individual emails sent in an automated, preplanned e-nurturing sequences; and drip campaigns.
- Data/List Management – ability to organize and maintain prospect lists for nurturing campaigns; ease of access to data and integration with your CRM.
- Transaction Fulfillment – personalized responses sent to customers within seconds of interaction.
- Customized Web Analytics – ability to capture and measure Web site activity on your site (forms, surveys, etc.) that other Web analytics programs may not provide.
- Integration – optimization and measurement of campaign performance by integrating email marketing and Web analytics.

- Reporting and Analytics – Real-time reporting on marketing results, allowing you to evaluate and change tactics midstream to optimize campaign performance.
- Multichannel Delivery – delivery of messages across email, Web sites, landing pages, RSS, SMS and social media.
- CRM Integration – ability to interface with CRM database on an ongoing basis.

Evaluating these marketing automation programs and their capabilities and becoming proficient in their use can be a daunting, time-consuming task, particularly if your sales and marketing teams are already under great time constraints. Instead, you may want to use a 3rd party integrator that is a licensee of a program and fully trained in its use to manage the planning and implementation for you. Most qualified marketing communications agencies should also be able to fill this role. Involving your marcom agency would be additionally beneficial in that they could help you plan the program (evaluating targets, content strategy, lead scoring, business rules, etc.), develop offer strategies, content and creative products, and execute and manage the campaign.

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Don't try to do everything that the lead management tool can possibly do in your first campaign.

STEP FOUR: Monitor and Improve

In addition to increasing the number of sales-ready leads, an effective lead management and nurturing program will pay additional dividends in a variety of ways. Through consistent monitoring and improvement, you will:

- Continue to reduce the cost of qualified leads.
- Improve your ability to measure the effectiveness of your marketing and lead generation programs.
- Further understand your customers and their buying habits.
- Enhance the collaborative relationship between sales and marketing.
- Increase lead-to-sales ratios and ultimately revenue.
- Expand the program to gain additional sales opportunities and business with existing customers.

A Few Final Words

Referring back to the Forrester Consulting research we discussed earlier, another key lesson that was conveyed by marketing professionals that had already implemented lead management automation was to manage the expectations of the program among the executive team.

“Keep management expectations from escalating. Sales and executives can fall into the trap of thinking lead management tools automatically boost the flow of leads in the pipeline. It is also tempting to put new technology investments through their paces early. Successful marketers avoid these challenges by setting — and defending — project timelines that start with simple contact activation campaigns and demographic lead scoring and progress to more complex nurturing campaigns that trigger off of changes in behavior and interest.”

As one respondent summarized: “Don't try to do too much at first. Don't try to do everything that the tool can possibly do in your first campaign with it.”

Source:
Forrester Consulting