

DON'T LET QUALITY LEADS SLIP AWAY

EXECUTIVE TAKES ACTION WITH CRM SOFTWARE

As a sales executive of a computer software firm, I became consistently frustrated when comparing the number of leads that we generated every quarter to the number of new business opportunities we closed. Something just didn't add up so I decided to dig into this and find out what was going on.

MARKETING ISSUES

Initially my thoughts were as follows. Perhaps we were targeting the wrong companies, so the leads we were getting were just not prospects for our products and services. We sent out a lot of direct mail campaigns and bulk e-mail so this was quite possible. Everyone knows direct mail and bulk e-mail programs can help create brand recognition, but we were unsure if these would generate high quality leads.

SALES PROCESS ISSUES

Next, I had my staff review a sampling of 1,000 leads generated for a specific time frame. These leads were distributed to our direct sales organization and to our global distribution channel. We found out who contacted the lead and what response they received.

What I discovered opened my eyes to a significant problem that was going to take time, energy and an automated CRM system to fix.

ANALYZING OUR SALES TEAM

The company's sales organization consisted of internal sales representatives and channel partners working in more than 10 offices around the world. We had automated call center, but we did not have an automated system for tracking leads or the sales process. This was done manually by the regional sales managers and channel partners then submitted to me for consolidation. I had the honor of spending hours trying to determine how much of the quarterly forecast was real and how much was not. While this was a grueling exercise it was not irrelevant to the problem.

The first 1,000 leads analyzed uncovered the following:

<i>LEADS CONTACTED</i>	<i>CONNECTED/SPOKE TO</i>	<i>FOLLOW-UP SCHEDULED</i>	<i>LEFT MESSAGE/ SCHEDULED CALL BACK</i>
	REACHED	REACHED	DID NOT REACH
1000	213	19	627

* NUMBER OF BAD LEADS: 160 (No such company or person, bad telephone number)

The analysis is not unusual. The number of connections a sales person makes on the first attempt is traditionally quite low and 21% seemed pretty good. We had a fairly high amount of bad information, but you are always going to get this when you are purchasing lists. They are rarely as valid as the vendor claims.

It was the 'scheduled call backs' that concerned me. **How could we verify if the sales representatives actually scheduled a time to try to re-connect with leads they could not reach the first time?** Did they call back again and again until they got an answer, or did they simply move on to the new leads distributed to them? We didn't know and had no system or process to find out.



What I learned – we had no way to follow-up and properly nurture the leads we spent so much effort and money to get

ANALYZING OUR CHANNEL PARTNERS

“It is important to keep in mind that channel salespeople often sell other products and services, so you are competing for their time and expertise.”

When you have independent people selling your products and services your authority for managing them is somewhat limited. The best you can hope for is to create a trusting personal relationship so that the representatives share your concerns and cooperate with you as much as possible. Forcing them to adhere to specific policies and procedures traditionally does not go over well. As such, attaining this information from the channel partners, many of which were outside the United States, was very difficult.

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<i>LEADS CONTACTED</i>	<i>CONNECTED/SPOKE TO</i>	<i>FOLLOW-UP SCHEDULED</i>	<i>LEFT MESSAGE/ SCHEDULED CALL BACK</i>
	REACHED	REACHED	DID NOT REACH
1000	101	11	680

* NUMBER OF BAD LEADS: 219 (No such company or person, bad telephone number)

We worked diligently to obtain the information above and **we had no idea if the information was accurate** or simply an attempt by the channel partners to satisfy a short-term project that would fade away like others have in the past.

This led to one simple conclusion. We had a problem and it needed to be fixed quickly.

HOW WE FIXED THE PROBLEM

I mentioned earlier that my firm was a software manufacturer. We developed tools and applications that enabled businesses to capture, track, manage and share vital customer information with people throughout the organization. The tools enabled our customers to begin with a basic contact manager then tailor the program to their specific requirements. We offered little in the way of lead management or sales automation, but that was about to change.

Using the core of our cloud-based application platform we embarked on the development of a feature rich application for lead management, sales opportunity management and marketing. The project was driven by our internal requirements and the frustration shared by so many executives I had interviewed who were looking to address this business challenge.

Our development effort culminated in what has today become a top rated CRM system and an eBook called [Smart Practices That Pay, Leveraging Information to Achieve Selling Results](#). Continue reading for an overview along with some examples of what we did.

LEAD MANAGEMENT

The first thing we created was the ability to capture, rate, and color-code leads, so that we could place them in specific categories for future follow-up. Leads were rated (A, B, or C) then scored on a scale of 1-5 based on sales readiness using a sales methodology agreed upon by management.

“HOT LEADS” were color-coded red. These are leads where our sales team was highly engaged in selling our products or services. Next were “WARM LEADS” which were color-coded yellow. These are leads with good potential, but they were not making any decision for the next four to six months. These are critical leads that you simply cannot let fall through the cracks but more often than not, they do (and they did with us). “COLD LEADS” rated and color-coded blue had limited future opportunity, but were not leads we wanted to discard.

The screenshot displays a CRM interface for lead management. At the top, there is a form for editing a lead list. The 'List Name' is '(C) Cold Leads' and the 'Owner' is 'Strobe, Bill'. The 'Description' is 'Leads that do not require immediate follow-up - place in drip marketing program.' Below this are buttons for 'Save', 'Save & Close', 'Cancel', and 'List Permissions'. A search bar is present with the text 'Perform a quick search for Lead information.' Below the search bar are buttons for 'View', 'Import Leads', 'New Lead', and 'Delete', along with a 'Move To' dropdown. The main part of the screenshot is a table of leads. The table has columns for 'All', 'Company', 'Primary Contact', 'Phone', 'Email', 'Assigned To', 'Rating', 'Status', 'Source', and 'Industry'. The 'Source' column is highlighted with a red box. The table contains six rows of lead data. At the bottom, there are navigation controls including 'Page: 1/1', 'Records/pg: 100', and '6 Records Go:'.

<input checked="" type="checkbox"/>	Company	Primary Contact	Phone	Email	Assigned To	Rating	Status	Source	Industry
<input type="checkbox"/>	Royal Supply Co.	Flagg, Dave	440-322-5411	mkscott@dtyergage.com	Strobe, Bill	★★★★☆	Assigned	Cold Call	Health Care
<input type="checkbox"/>	Johnson Engineering	Jones, Tim	732-555-5555	tjones@johnson.com	Strobe, Bill	★★★☆☆	Assigned	Cold Call	Manufacturing
<input type="checkbox"/>	Washington University	Slovin, Robert	766-220-9100	r.slovin@washu.edu	Strobe, Bill	★★★☆☆	Assigned	Website	Education
<input type="checkbox"/>	Titon Auto Supply	Williams, John	732-660-1010 EXT 229	jwilliams@titon.com	Strobe, Bill	★★★☆☆	Assigned	Referral	Manufacturing
<input type="checkbox"/>	International Floors	Winston, Steve	212-630-4410 EXT 2363	swinston@intfloors.com	Strobe, Bill	★★★☆☆	Assigned	Referral	Business Services
<input type="checkbox"/>	GrangerTools	Moyer, Chuck	809-442-2200 EXT 22	cmoyer@grnager.com	Strobe, Bill	★★★☆☆	Assigned	Trade Show	Manufacturing

By creating the above criteria, we now had a uniform snapshot of our leads and a plan of attack to nurture them from leads to customers.

THE “DRIP MARKETING” LEAD NURTURING PROCESS

Drip marketing is a strategy that says, like the constant drip of a water faucet, your marketing effort should be repetitive and consistent. It is a way to keep your company name, product and service in front of your warm and cold prospects until they decide to engage you or ask you to unsubscribe from future mailings. Here is what we did:

- For the hot leads (red), we did not have to do anything. Our sales team was already engaged with these new opportunities.
- For warm leads (yellow) we decided to send something to them EVERY MONTH. We often provided sales tips and techniques or something that was educational and would be of value to their business. Our objective was to build a relationship. We earned their trust over time. They could open future mailers and see that we were not simply trying to sell them a CRM system.
- For the cold leads (blue) we did the same but after the first week we scheduled the mailers to go out ONCE A QUARTER. We knew that there was no immediate interest here, but we still wanted to make sure these potential prospects knew who we were and what we provided. This way, when and if their business requirements changed, they would remember us and call us first.

The best thing about the drip-marketing program was that it was all automated using our CRM system.

<input checked="" type="checkbox"/>	Step Name ▲	Trigger	To List	Action	When
<input type="checkbox"/>	Auto Responder	On Add	(C) Cold Leads	Send Email	Immediately
<input type="checkbox"/>	Email after 1 week	On Add	(C) Cold Leads	Send Email	In 7 Days at 08:00:00 AM

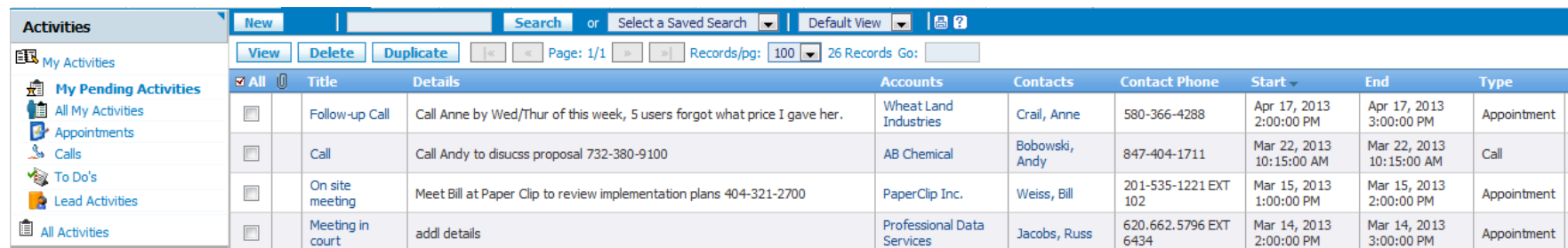
WHY DRIP MARKETING WORKS

Marketing professionals use a term called the “[Rule of seven](#)” which says that the human mind does not recognize a product or service until they see it seven times. This can be via a television advertisement, website ad, radio broadcast or podcast, a billboard or a mail campaign. I thought we were all smarter than this, but the experts have this down to a science. I know they are right because we have had prospects who indicated they saw us at a trade show or received an advertising promotion, neither of which was ours. That may not matter. What matters is that they were familiar with our company and our product because of our automated drip marketing campaign.

GETTING OUR CHANNEL ONBOARD

We provided a link to the CRM system for every channel partner allowing them to see and only see their leads, their sales opportunities and their accounts. This made it very easy for them to follow up on every new lead and manage the lead from introduction to closure. For management it enabled us to see when the lead was assigned, when it was followed-up and what future activity had been scheduled for this potential opportunity. If we did not see follow-up activity we could contact the partner immediately to find out why. We made a deal, however: no follow-up activity – no new leads.

The Activities screen allowed management to review the number of telephone calls, appointments and follow-up activity scheduled by the sales organization and by individual representative.



All	Title	Details	Accounts	Contacts	Contact Phone	Start	End	Type
<input type="checkbox"/>	Follow-up Call	Call Anne by Wed/Thur of this week, 5 users forgot what price I gave her.	Wheat Land Industries	Crail, Anne	580-366-4288	Apr 17, 2013 2:00:00 PM	Apr 17, 2013 3:00:00 PM	Appointment
<input type="checkbox"/>	Call	Call Andy to discuss proposal 732-380-9100	AB Chemical	Bobowski, Andy	847-404-1711	Mar 22, 2013 10:15:00 AM	Mar 22, 2013 10:15:00 AM	Call
<input type="checkbox"/>	On site meeting	Meet Bill at Paper Clip to review implementation plans 404-321-2700	PaperClip Inc.	Weiss, Bill	201-535-1221 EXT 102	Mar 15, 2013 1:00:00 PM	Mar 15, 2013 2:00:00 PM	Appointment
<input type="checkbox"/>	Meeting in court	add details	Professional Data Services	Jacobs, Russ	620.662.5796 EXT 6434	Mar 14, 2013 2:00:00 PM	Mar 14, 2013 3:00:00 PM	Appointment

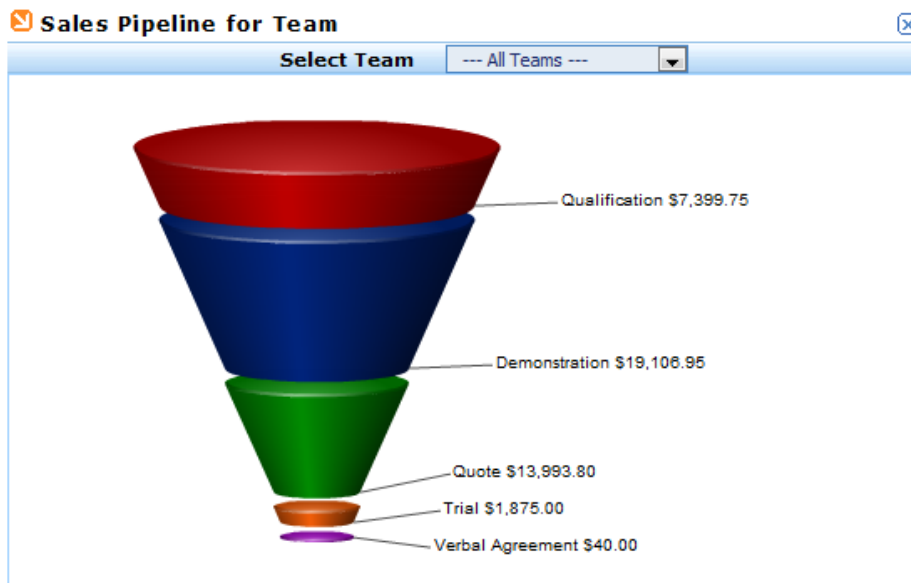
We also agreed to include channel leads in the drip marketing campaigns just as we did with our internal sales team. This provided exceptional value to them and fostered a spirit of cooperation between us. Like our internal team, they could focus on the most promising opportunities while we nurtured the others.

SALES MANAGEMENT CLOSES THE LOOP

While we have discussed the value to the business and our sales organization, management also benefitted from the implementation and automation of our sales process. As a management team we had the ability to see sales representative activity, measure their performance against quota, follow every lead from first contact to closure and “close the loop” on every lead by seeing the following:

- 1) How many new leads were generated and from where
- 2) How many leads were converted to sales opportunities
- 3) How many of those opportunities turned to sales orders
- 4) What was the dollar volume of those sales

The CRM system provided us with a series of pre-built reports outlining the 30-60-90 day forecast or a quarterly roll-up. Pre-built analytics gave us a graphical snapshot of business activity. Managers could view sales analytics by individual sales representative, by team or by the entire sales organization. Clicking on any of the stages displayed each of the opportunities within that stage.



HOW THE TEAM AND CHANNEL REACTED

We were thrilled with the results. Our sales team now had the ability to capture, track and manage leads. We created automated marketing programs that would put their name and product in front of the less qualified prospects, while they remained laser focused on the most qualified ones. One sales person said, “*This is like having a full time administrator working for you.*” The CRM system also displayed a complete history of the conversations and correspondence that took place with every lead. Scheduling follow up calls was a breeze. Appointments showed up in their calendar and alerted them prior to the meeting date and time. Nothing – and I mean nothing – fell through the cracks.

It took a while but using the CRM system, we addressed the core inefficiencies that were significantly affecting our business.

- Leads were captured and properly distributed
- Reports illustrated where the leads came from, and who was following up with them
- Leads were ranked according to defined criteria and color coded for follow-up
- Drip marketing programs enabled us to touch every lead with minimal effort
- Pipeline analytics enabled us to manage each lead through the sales cycle, and highlighted future business by sales stage

Forecasting improved – close ratios went up, revenue increased. Problem solved. Addressing this problem was not rocket science. It required a commitment by the management team, the sales organization who benefited significantly and the CRM software vendor that provided us with the automation we needed to address this common but difficult business challenge. To the readers, I hope this is valuable to your business.

ABOUT THE AUTHOR:

Larry Caretsky is the CEO of Commence Corporation, a leading provider of [online CRM software for small to mid-sized enterprises](#). Caretsky has more than 30 years of experience in the industry and has held executive level positions in several fortune 100 software firms. He is considered an expert in CRM and has written numerous white papers on the subject and the eBook [Smart Practices that Pay: Leveraging Information to Achieve Selling Results](#) mentioned in this article.