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When a Lead Isn't a Lead and What to Do About It

How to find and convert high-value sales prospects.

by [Dan McDade](#)

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Lead management challenges occur in almost every company. The pressure to deliver as many leads as possible is intense, and the right sales lead-qualification processes can fall through the cracks. For example, a high-dollar marketing campaign is deemed a success after it generates an avalanche of leads. But months later the actual impact on revenue is negligible, or worse, not measurable. Executive management wonders, What happened? Did sales drop the ball on all of those glorious leads? Or were the leads, as sales claims, junk?

Most often, the truth is that lead management failure lies someplace in the middle. The problem, in the end, is that sales gets too many low-level prospects mixed in with the occasional, almost accidental, ready buyer so that most of the true leads are lost in the shuffle. In other words, large numbers of leads are being turned over to sales without going through the proper sales lead-qualification process. This results in frustration for field sales, unpredictable and inaccurate sales forecasts, and unacceptable return on marketing investments.

The above scenario identifies a key gap between marketing and sales when it comes to lead management, namely, the absence of activities and sales lead-qualification processes that accurately identify, prioritize, and qualify the best prospects so that sales efforts are optimized. In a recent Gartner report, Research Vice President Kimberly Collins wrote, "Marketing's role in the lead management process is often viewed as demand creation or lead generation. To better support sales' ability to drive revenue, marketing needs to broaden its role in lead collection, qualification, prioritization, augmentation and distribution." ("Marketing's Lead Management Role Expands Beyond Lead Generation," Kimberly Collins, Gartner, April 5, 2005)

Based on many years of executing successful business prospect-outsourcing programs, I've found the key factor in helping leading organizations fill this gap between their marketing and sales activities has been delivery of sales lead-qualification services that go beyond simple lead generation to qualify the best business prospects and deliver them as ready buyers. When companies change their focus from lead quantity to quality, forecasts become much more accurate, and sales performance is dramatically improved.

This may seem like a common sense approach, but appropriate sales lead qualification actually represents a major shift from the way most companies operate today. Spending big on mass-marketing campaigns and then sending a volume of inadequately qualified leads to sales are standard operating procedures that for many companies are not working.

Many organizations have challenged themselves from the outset by failing to properly identify their target market--thereby making sales lead qualification even harder to do right. For example, how many companies claim their customer base is the Fortune 500? Closer examination reveals this thinking can waste resources and time, since the target is too broad. Conversely, go too narrow and you can miss out on bona fide sales opportunities.

The following lead management methodology has repeatedly proven itself with our client organizations. By implementing this six-step sales lead qualification approach for producing high-value prospects, companies can reduce marketing dollar waste while increasing sales:

- Prospect data warehousing--leveraging tools and expertise to identify and define your real market
- Prospect data enhancement--acquiring and appending both firmographic and customer-specific data
- Prospect segmentation--identifying and prioritizing highest-value segments on which to focus attention
- Opportunity qualification and nurturing--qualifying ready buyers now and nurturing longer-term opportunities
- Opportunity distribution--delivering qualified opportunities to the right sales representatives with the right information at the right time
- Opportunity validation--creating a closed-loop system that assures opportunity value and measures ROI

This approach is a high-level look at lead management methodology, but it describes a proven framework from which companies can begin to think about refining their lead generation and lead management activities. When the aforementioned sales lead qualification steps are successfully implemented, companies can begin to better target and understand their markets, and sales reps can receive the prequalified, ready buyers they need to close sales more efficiently. At the same time, metrics around revenue, sales quotas and forecasts dramatically improve since opportunities in the pipeline and forecast are far more predictable and reliable.

Again, this is a major shift in lead management philosophy for many business organizations today. If your company measures its marketing success based primarily on lead volume, it might be time for a change. Moving from quantity to quality lead generation practices can deliver significant payoff.

About the Author

Dan McDade is the founder and president of PointClear, whose sales and marketing professionals deliver the sales opportunities clients need to grow revenue, correctly cover client markets, and add predictability and surety to client forecasts. Before founding PointClear, McDade served as vice president of marketing for direct mail firm Jackson & Perkins, and as president of UST, The Business Marketing Group. Please visit <http://www.pointclear.com/>

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