

## LEAD MANAGEMENT

### What Lead Management Is and Why Companies Employ Lead Management Systems and Practices

Getting a handle on leads is a huge issue at many companies. As leads come in from different sources and are recorded using varying methods without a central repository, it becomes difficult, if not impossible, to know their status. Marketing executives can't see what's happening to the leads after distributing them to sales, and often leads go untouched because the sales staff can't tell the good leads from the "junk" leads.

It all adds up to wasted lead generation dollars, frustrated staff, lost revenue and lost chances to secure potential long-term customers. To solve these issues, a company needs a comprehensive lead management system built on best practices. Ultimately, lead management systems coupled with consultative best practices advice:

- Reduces the cost to generate leads
- Decreases customer acquisition expenses
- Shrinks sales cycles
- Converts more leads into sales
- Measures the ROI and effectiveness of lead generation programs

This paper explains why lead management systems and practices are adopted by companies that want to gain market share and wisely use their sales and marketing resources, and it answers frequently asked questions about lead management. Research facts and real-world results are used to explain the benefits of lead management.

**Between 40% and 80% of leads generated by the typical marketing department fall through the cracks because sales people and channel partners lose leads or complain that most of the leads sent to them aren't worth their time and ignore them.**

## WHAT IS LEAD MANAGEMENT?

Lead management is a disciplined set of processes and procedures that ensures no inquiry is lost and all qualified leads are pursued by sales. Lead management processes and systems dictate how an inquiry is captured — "Contact Us" Web pages, contact centers, trade shows, hard copy inquiries, individual sales people and more — and what happens to it afterward.

After an inquiry is captured, a company's defined set of business rules determines how leads are qualified, how they rank (hot, warm or cold), which specific product information should be sent to the lead, and which sales team member should receive specific leads. The process also includes the nurturing of prospects who aren't ready to buy through periodic targeted communications that move prospects closer to buying, shortening the sales cycle and converting previously discarded leads.

Tracking results and measuring the ROI and effectiveness of lead generation programs are also essential elements of lead management.

### The Rule of 45

**"45% of all inquirers will buy a product from someone."\***

Lead management programs and systems enable companies to increase their market share among this 45%, helping a company to win more sales.

\**"Managing Sales Leads: Turning Cold Prospects into Hot Customers,"*  
by James Obermayer. Thomson/Raycom Communications, 2007

## LEAD MANAGEMENT SYSTEMS

A lead management system automates all lead management processes from beginning to end, including

- Capturing inquiries
- Qualifying leads
- Ranking (or scoring) leads
- Distributing leads to the appropriate sales person (dealer or distributor), either within the lead management system or forwarding the lead to a sales force automation system
- Nurturing leads
- Tracking leads

### Complete Visibility

The system becomes the central repository for all leads, providing complete transparency and visibility into what's happening with each lead in real time. An automated lead management system allows sales people to see all of their available leads in one central location. Sales and marketing managers can view and analyze lead follow-up rates for specific sales people, dealers, distributors and regions.

**“The end purpose of lead management for marketing is to better understand campaign effectiveness. This ultimately means closing the loop from the birth of a lead to the sale.”**

*“What’s in a Lead?” Destination CRM magazine online, January 9, 2007*

### Reporting, Tracking and Measurement

A robust lead management system includes the ability to:

- Report on the sales status of leads – which leads resulted in sales, which bought a competitor’s product, and which leads haven’t been touched by sales
- See which sales people, distributors or dealers are working their leads
- Measure the effectiveness of lead generation programs to determine which lead generation programs produced the highest quality leads and measure ROI for lead generation expenditures
- Determine how much revenue is in the pipeline

### Lead Management Systems Follow a Company’s Rules

An automated lead management system processes inquiries according to a company’s specific business rules:

- The characteristics that make a qualified lead
- The characteristics that define a hot, warm or cold lead or a lead interested in future contact
- The point in the process when each lead is distributed to sales
- The specific communications used to nurture prospects (delivering the right message to the right person at the right time)

### Fast Processing for Fast Action

An automated lead management system replaces labor-intensive manual processes to both speed the delivery of leads to the field and reduce costs. The faster a qualified lead is passed to sales channels, the more likely a sale will be made.

**Research shows that closing rates greatly increase when sales responds within 48 hours of inquiry.**

### Qualified Leads and Ranking = Productive Sales People

By studying the inquirer’s answers to qualification questions, an automated lead management system ensures leads are truly qualified before moving them to sales. Along with qualifying an inquiry, the automated lead management system also determines how a lead should be ranked (or scored) – hot, warm or cold – before the lead is distributed to sales. Sending qualified leads keeps sales motivated to follow-up on every one.

**“Research shows that typically, only 10-15% of sales leads are truly “sales ready” at the moment the leads come in. Another 15-20% are completely unqualified.”\***

**How do sales people know which is which and what happens to the remaining 70%? Sales lead management systems enable companies to identify and distribute the most qualified leads to sales.**

*\*Ann Holland, President of MarketingSherpa*

### Prospect’s Improved Perception of the Company

When sales people can quickly contact a lead after an inquiry is captured, prospects will develop a high perception of a company’s customer service, thinking “If their sales people are that responsive, the company must be good to work with.”

### Automatically Fulfill Product Literature

An automated lead management system can determine which products interest an inquirer and send specific product literature via email or direct mail.

## Nurturing

Nurturing is the process of sending timely and targeted communications to prospects to move them closer to buying. Nurturing is automated through the lead management system and includes email messages, sending electronic literature or automating hard copy direct mail fulfillment. Among the many benefits of nurturing:

- Sales people are freed up to concentrate on hotter leads
- Marketers know that information sent to a prospect is targeted and brand-correct
- The sales cycle is shortened
- It costs less to nurture a lead and continue moving the prospect towards a sale than it does to generate a new lead

An Aberdeen Group report says: “Effective lead nurturing means organizations can reduce lead generation budget and maximize revenue by focusing on quality and not quantity of leads.”

## HOW MANAGERS USE LEAD MANAGEMENT SYSTEMS

For company managers, the first key use of the lead management system is for getting reports on the status of the sales funnel. They’re quickly and easily able to see which leads are ranked hot, warm or cold. Dashboards in the system visually report on the win/loss ratio, how many leads are in the pipeline, and the status of these leads (e.g., in contact and in process, appointment set, sold, no interest).

In addition, managers use the lead management system to:

- See the sources of leads
- Analyze which lead generation tactics produced the leads and which produced the highest quality leads
- Calculate the true ROI of their lead generation programs
- Track and compare not only the lead volume, but the quality of leads by source and by campaign
- See which sales people or dealers are actually working their leads

## THE IDEAL SOLUTION

The reason companies use a lead management system is clear: An automated lead management system enables companies to work in an ideal world where the most qualified leads are immediately distributed to sales.

Marketing departments spend thousands of dollars to generate leads. An ideal solution — a lead management system — makes the most cost-effective and productive use of those leads to get the strongest ones in the hands of motivated sales people. Simply put, sales are increased while costs are decreased.

## LEAD MANAGEMENT SUMMARY

### The Bottom Line is a Better Bottom Line

Ultimately, lead management increases sales and cut costs. Companies implementing lead management systems and programs reap measurable benefits, including:

- Money saved by no longer using manual labor to capture and distribute leads
- Efficiency of having leads captured and stored in one location
- Creation of higher quality sales-ready leads through qualification and ranking before passing leads to sales
- Quick distribution of leads to sales channels, allowing for quicker follow-up on leads that are sales-ready
- Increased sales due to focus on qualified, sales-ready leads
- Real-time information so marketing and sales managers have instant visibility into the status of leads and so managers can better manage sales people and dealers
- Detailed reporting for effective analysis of which lead generation programs produce the most qualified leads, which leads are most likely to convert into sales and more, enabling the marketing department to measure ROI and better spend their lead generation budgets

### About SmartLead by AdTrack

Since 1981, companies have relied on SmartLead's customized lead management systems and best practices to smoothly and seamlessly manage leads from the moment the leads are generated, through qualification, ranking, nurturing and distribution to sales people or channel partners.

SmartLead is the only full-service lead management company with:

- Dedicated account managers to advise clients on best practices and implement their programs
- Web-based lead management and sales force automation systems
- Insightful analytics system
- In-house marketing services: contact center, direct mail, email, printing, Web hosting and fulfillment/warehouse

SmartLead by The AdTrack Corporation

6060 Huntington Ct. NE

Cedar Rapids, IA 52402

(800) 735-3237

[www.smartlead.com](http://www.smartlead.com)

[www.smartlead.com/blog](http://www.smartlead.com/blog)