How to Optimise Lead Transfer to Sales and See the Revenue Grow

A whitepaper by

QUANTUM MARKETING

It's the Age-Old Scenario

Marketing departments invest time and budget into demand generation campaigns and pass the leads to sales, but typically less than 50% of the leads are actually followed up. Often the figure is less than 25%, depending on the organisation and motivation of the individuals. There are exceptions, of course, but all too often campaign managers face the challenge of demonstrating ROI on their marketing spend in the face of diminishing returns and a wasted lead generation budget.

There are many reasons why this happens. Aside from agreed lead criteria such as timeframe to purchase, budget availability and definition of need, individual sales reps often operate on their own criteria that govern their prioritisation of leads, such as account name and potential deal value. Leads that don't meet this criteria can languish at the bottom of the list without any true follow up. In addition, each sales person will differ in how many times they'll attempt to make contact with the prospect, and some will move on to the next if they don't call back. If leads are reported with the minimum of information about the prospect's behaviours and preferences, sales may not see its value, and assume that the prospect is not ready to make a decision. Likewise if leads are reported too early sales may be unwilling to engage and then choose to devote their energy on bigger fish or lower hanging fruit.

The impact of this is that the longer a lead stays on the list without follow-up after the initial contact, the less receptive the prospect will be, potentially having formed a negative view of your company. And ultimately, they will probably buy from one of your competitors.

On top of this, once leads are passed to sales, it is famously hard to track down the outcome of the leads, making it extremely difficult for campaign managers to justify their spend, often jeopardising the chance of getting that budget again.

So How to Bridge this Gap?

The answer lies in the quality of the lead handover process. There is little point in generating awareness or leads if they are not well qualified, communicated or reported on.

Companies that are seeing little value in their lead generation efforts, and a reduced impact of their marketing spend on revenue, need to invest some time looking at the way they prepare the ground for leads to be communicated to sales.

In a typical lead generation campaign, if 100 leads are generated for a business with an average deal size of £100,000, that's a potential revenue of £10m. Of the leads that are followed up, generally half of these would be accepted as opportunities. Out of those opportunities, only half again would actually turn into business. So if only 50% of leads are followed up, that translates into a revenue yield of £1.25m. But *hang on* – **a LOSS of £8.75m!**

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Following the same model, that business would have to invest a huge amount of time and effort to generate enough leads to recover that lost revenue potential. And just think: if only 25% of leads are actually followed up (which is often the more realistic scenario) then they would only see £625,000 of revenue and 94% of their marketing budget yielding no return at all.

To avoid this scenario and save marketing departments or their external marketing suppliers being occupied by generating fruitless leads, or chasing for follow-up reports that are not forthcoming, a dedicated lead handover service is a practical solution which actually works for marketing, sales and the prospect.

By a professional lead handover service, we mean a lead management model that ensures leads are passed to sales teams in a secure, facilitated and transparent process. It provides a valuable facilitation mechanism between all parties and drastically increases the success rate of any campaign.

Lead Handover in Practice



By establishing a formal handover process with clear criteria and owners you ensure a lead never goes off the radar.

It's critical to establish your lead acceptance criteria, as well as rejection guidelines for sales to provide clear reasons for rejecting a lead. In this way, marketing can learn what to look for and refine the messaging used in current and future campaigns.

An effective lead handover process is fully transparent. Every lead is examined and decided upon; at first in terms of whether it should be taken into the formal hand over process, and then, once handed over, it is fully qualified by sales in the presence of the lead originator, and fully reported on. Lead handover calls are recorded and fully transcripted, which serves as a record of the initial decisions taken. This creates a essential level of security for all parties, as well as a process that would withstand external scrutiny.

The key to success is that each lead is owned by marketing who remain accountable for it until sales commit to take it on as an opportunity they agree to progress.

Leads categorised as not ready to be progressed by sales are held by marketing for nurturing activities to take place, such as feeding the prospect relevant content and maintaining contact, ensuring they remain receptive and open for future re-engagement.

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To close the loop, leads that are formally handed over and accepted by sales should be given a follow-up courtesy call around six weeks later to check that the opportunity continues to be progressed. The output of this exercise provides extremely valuable insight into the sales process.

While the lead handover process works very well with direct sales teams, vendors also see huge benefits of gaining better visibility on how their channel partners are following up on opportunities.

Vendors are empowered to identify areas of sales best practice, including the best sales performers. This immediate transparency enables organisations to replicate best practice in campaigns going forward.

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The Impact in Numbers

This approach really ensures that only sales-ready leads go into sales – surely the holy grail itself?

But what is the true impact on pipeline and revenue?

Over a year ago a global high tech B2B organisation asked Quantum Marketing to execute a high visibility global campaign to profile customer data and identify sales opportunities. This campaign prompted Quantum to formalise its lead handover service and almost 1,000 global sales-ready leads were returned in just eight weeks. This generated over $70m of anticipated sales accepted pipeline, and with the help of the formal lead handover service and the buy-in from local sales reps, immediate revenue was pushed through the sales cycle; a rapid acceleration of the typical six months + sales cycle. Sales reps also scored the quality of the leads with an average score of four out of five, with five being excellent.

On top of the revenue impact, the visibility obtained on the sales process was so invaluable to the client that the lead handover reports went straight to the client's executive office, and the global sales teams were mandated to follow up all leads.

For a before/after view, a different campaign that was achieving a 5% conversion of lead to sales opportunity rate and saw that rate leap to 45% (a nine-fold increase) as soon as the lead handover service was introduced.

Quantum's lead handover service is now matured and well trusted by customers, and a current campaign for a global technology hardware vendor being fulfilled by a channel partner in the UK has so far achieved an 81% lead acceptance rate. After three weeks, 75% of those accepted leads have resulted in £100k+ revenue and £350k further identified pipeline, with further growth expected.

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The True Value

Aside from the clear returns demonstrated in revenue and pipeline, when asked about the service, customers often tell us that the most valuable benefits of the service is the visibility and transparency it creates. This has important benefits for both sales and marketing teams, and any external agencies who may be contracted to manage the handover service:

- Sales teams are operating within clear parameters and agreed guidelines so there is less potential for contention.
- It's not hard for sales to fully buy into a process that delivers confirmed telephone appointments with interested prospects.
- Sales are enabled to invest their time in these tangible opportunities instead of leads of unknown quality.

- Marketing benefits by having a visible record of where the leads go, thus protecting their budget and enabling them to demonstrate higher ROI.
- Metrics on the ratio of accepted leads to opportunities shed a much needed light on the process and enable both sales and marketing teams to make plans based on real results.
- Both marketing and external suppliers providing the lead handover service are able to observe the qualification process and positioning used by sales, thereby receiving regular education and real time feedback to refine their processes.
- External suppliers protect their reputation through having recordings of the sales managers' response to leads.
- And finally, the prospects themselves benefit by participating in a visible process; they understand who is involved, and by taking part they are more likely to have a concrete need.

While a formal lead handover service can be managed by vendors internally, or by external agencies, without question making the small investment in a formal lead handover service more than pays for itself. This is demonstrated not only in an immediate increase in pipeline and measurable ROI, but also in making huge strides to increase the synergy between marketing and sales.

About Quantum Marketing

Quantum Marketing offers business-driven B2B professional marketing services for the global technology industry. Our award winning marketing expertise and the insight we gain from talking to business and technology decision makers every day helps us create practical and integrated marketing solutions that deliver results and true ROI.

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