WHITEPAPER
SALES OPTIMIZATION & LEAD MANAGEMENT

By: ActiveConversion

Executive Summary

To achieve sales growth with existing resources, businesses are increasingly turning to sales optimization. Lead management and lead scoring reduce wasted effort by identifying the best qualified prospects, while automatically nurturing the rest. These solutions can also facilitate sales and marketing alignment by ensuring that investment in generating leads is not wasted.

Lead management frees up time for sales representatives to focus on high yield activities like engaging qualified prospects and closing sales. Lead scoring optimizes sales resources by allowing sales representatives to concentrate on the 10 to 25 percent of leads that are likely to close instead of wasting time qualifying leads.

Marketing automation systems like ActiveConversion integrate well with CRM applications like Salesforce.com, providing the right information to the appropriate sales representative at exactly the right time, further contributing to sales optimization.

Introduction

In today's economic environment many businesses have predictably cut budgets, including investments in sales resources. Yet these same firms have also increased sales quotas. For sales organizations this translates to increases in sales targets with no corresponding increase in headcount. For individual sales representatives this means increasing their own productivity to achieve expectations.

In their 2010 Sales Performance Optimization survey, research firm CSO Insights found 85 percent of 2800 global sales organizations surveyed raised sales representative revenue quotas, while investment in sales resources is expected to either decline or remain frozen. With so many firms facing similar challenges, a response has emerged. To achieve sales growth with existing resources, businesses are increasingly turning to sales optimization.

What is Sales Optimization?

Optimization means selecting a strategy that yields the highest result given one or more constraints. Since labor constitutes the largest component of sales costs, B2B sales optimization is largely focused on increasing productivity through various forms of automation, including lead nurturing, lead scoring, lead routing and customer relationship management (CRM).

Lead nurturing and lead scoring are integral components of marketing automation solutions. By automating certain processes these technologies can free up time for sales representatives to focus on high yield activities like engaging qualified prospects and closing sales. They can also reduce wasted effort by automatically identifying the best qualified prospects, while nurturing the rest.

Today, B2B buyers leverage the internet to make purchase decisions. As a result, they begin to research vendors online long before they buy. Engaging prospects who are not ready to buy is costly for any sales organization. Contacting prospects too early annoys them and the resulting unsatisfactory interaction makes sales representatives even less motivated to follow up on similar leads.

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In the meantime, the marketing department is dismayed that so few leads are actually followed up by the sales department. Although concerned about this apparent dysfunction within their organizations, executives are also concerned that the leads generated by marketing are simply "lost" along with the investment in generating those leads. These companies need sales and marketing alignment and al most 80% of companies have this problem (Aberdeen Research, 2007).

By implementing a lead management system, the quality of leads will increase while the quantity of leads will decrease. Marketing will see a higher percentage of leads being followed up and sales will see a gratifying increase in the quality of leads presented to them. Companies that have implemented these tools have experienced a 30% or higher lead to sales conversion rate.

Companies can facilitate sales and marketing alignment and diminish a major source of friction between departments by optimizing processes where marketing delivers qualified leads to sales at exactly the right time.

Lead Management

Industry surveys indicate that only 10 to 25 percent of all leads are sales-ready, meaning prospects are interested and ready to buy. A similar percentage of leads are not qualified at all. This means 50 to 80 percent of all leads generated can result in wasted effort if handled inappropriately.

Typically prospects begin to research potential vendors online long before they are ready to buy. Lead nurturing is the process of communicating with prospects who are not ready to buy. A lead nurturing program transitions prospects through the cycle with timely and relevant information. Marketing automation solutions like Active Conversion automate this process, reducing costs.

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A significant advantage introduced with marketing automation systems is the capability to alert the appropriate sales representative at the moment any lead becomes sales-ready. This further reduces the load on the sales force and increases their effectiveness.

With lead management, B2B companies can realize outstanding return on investment. If 15 percent of leads are sales-ready and another 10 percent are unqualified, that leaves 75 percent of leads that could be nurtured into sales- ready status. If just one out of every five of the remaining leads is successfully converted, that's the same as doubling the number of sales-ready leads overall.

From a marketing perspective, that's the equivalent of doubling raw website traffic. The ROI of implementing lead management compares very favorably when compared to other online marketing investments.

Lead Scoring

An automated lead scoring system assigns values to leads based on objective criteria. These consist of online behaviors that indicate interest or sales-readiness. Online behaviors may include return visits to the website, form submissions, file downloads and/or responding to email. The lead score determines the appropriate action for that lead.

A point value is assigned to each online behavior. For example a return visit may count twice as much as a file download. If a corporate blog is maintained, visits to the blog may be different in value from visits to the website. The relative weightings of online behaviors reflect interest level. A versatile lead scoring system will encompass a range of interest from a variety of online behaviors.

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Various online scenarios are modeled to delimit a threshold that characterizes a qualified prospect. The threshold will be a value that all of the vario us scenarios exceeds. When a lead accumulates points and exceeds this pre-defined threshold it is ready to be presented to sales, earning the designation, "sales-ready." Sales representatives are more productive when they can concentrate on the 10 to 25 percent of leads that are likely to close instead of wasting time qualifying leads.

Customer Relationship Management

Customer relationship management (CRM) systems manage a company's interactions with customers and prospects by collecting and organizing information while synchronizing business processes.

When CRM is focused on sales processes it may be referred to as sales force automation (SFA). The core of SFA is contact management, a system of tracking and recording transactions in the sales process for each customer or prospect. Since it is structured around a monolithic database, SFA provides additional functionality to analyze and report the data collected.

Information can be summarized for the benefit of the individual sales representative, sales managers and the entire sales organization as a whole. Standardized and custom reports provide a comprehensive means to gain insight into sales forecasts, territories and opportunities.

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Although CRM applications are relatively flexible, they are essentially passive. Analyzing data usually requires initiation by the user in the form of a query, with results presented in the form of a summary report.

Marketing automation systems like Active Conversion automatically analyze data and deliver actionable information in real-time. Popular CRM sy stems like Salesforce.com are well integrated with applications like Active Conversion. For example if a prospect accumulates enough lead scoring points to exceed the "sales-ready" threshold, an alert along with the accompanying information is sent directly to the prospect's file with the appropriate sales representative's Salesforce.com account.

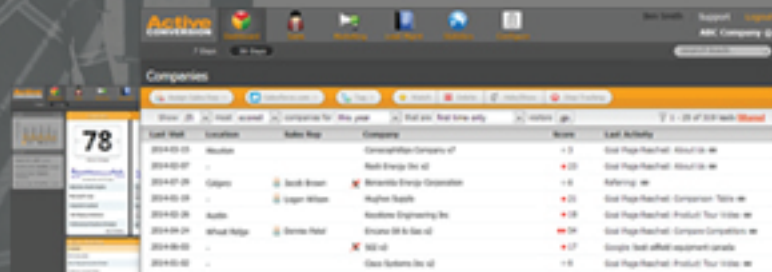1-877-872-2764

Conclusion

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A RESULTS-DRIVEN SALES AND MARKETING SYSTEM

UNIQUELY ENGINEERED FOR YOUR INDUSTRY

About ActiveConversion

ActiveConversion specializes in developing repeatable online sales and marketing systems for industrial companies. Our technology-based system employs best practices in online marketing and lead generation, and delivers measurable results to our customers. Since 2004, we have completed more than 500 successful projects to help companies succeed online. For more information, visit activeconversion.com or call 1-877-872-2ROI.

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