

Lead Generation for Logistics Services: Who's Job Is It, Anyway?

Asking salespeople to fill, as well as close,
the sales pipeline can lead
to inefficiency, poor results and attrition.

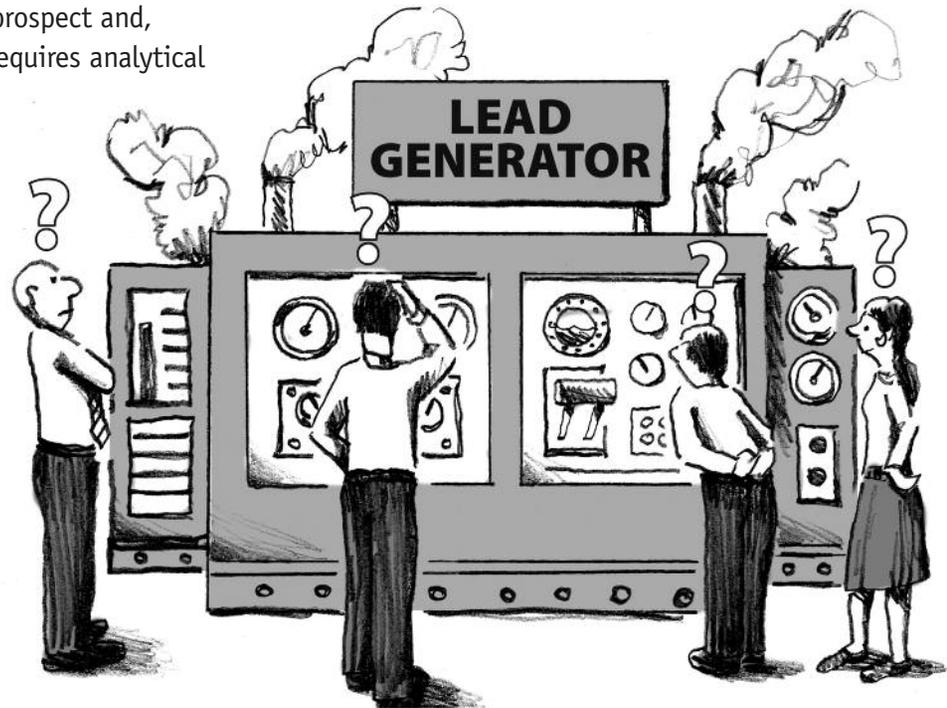
During a phone discussion on marketing with the senior executive of a large, warehouse-based logistics firm, I shared my perspective that many such companies make salespeople work too hard to unearth sales opportunities. After a brief silence, the executive said, tersely, “That’s what I pay them for.”

We agreed to disagree and some seconds later the discussion ended. But the question remains: Should salespeople at logistics businesses be responsible for filling, as well as closing, the sales pipeline? There is evidence that logistics businesses continue to invest a majority of “marketing” dollars into pure sales activities. But why do they rely more on the Sales function and not a robust Marketing capability for lead generation? Here are some reasons:

Management views sales and marketing as one and the same function.

Actually, the skills required to attract prospects to your brand’s value proposition are different than those required to develop a relationship with the prospect and, eventually, to convince her to choose your solution. The former requires analytical skills to define the value proposition and identify prospects that offer the best fit.

Next, strong communication skills and an understanding of available media and tools are required to communicate this value through the most effective channels. Success in attracting the right kinds of prospects allows salespeople to put their focus where you want it – on understanding and solving the prospect’s challenge.



There is an assumption that if you hire great sales people they will drive great sales results.

Knowledgeable, motivated salespeople are worth their weight in gold. Many logistics businesses rightly seek them out without recognizing that they are just part of the equation. The other part is giving great sales people opportunities to succeed.

To use a sports analogy, many basketball teams with great scorers have found themselves in the loser's circle. Why? Because the team lacked a player who could deliver the ball to its superstars. Marketing's role in the sales process is like that of a basketball point guard – a position whose primary role is not to score but to create opportunities for teammates. Logistics businesses that ask salespeople to generate all their leads, as well as work and close sales opportunities, ignore the fact that these roles, while complementary, require different skill sets.

Demanding this dual focus from sales may also lead to attrition. Great sales people like to sell and make money. It pays their mortgage and puts their kids through college. If they find themselves in organizations that require them to spend significant time finding, not selling, prospects – activities many don't like and aren't good at – they will leave.

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“Can you handle one more?”

Marketing is viewed by executives at logistics businesses as an expense, not an investment.

That's because many such businesses fail to adequately measure marketing results. Given no evidence of marketing's ROI, these CEOs understandably invest where they can gauge the return – namely, in feet on the street. Champions of marketing within logistics businesses must measure the effectiveness of existing marketing efforts to make the case for increased investment. That means having a CRM system and established procedures to log and track leads through each stage of the buying cycle.



“Okay, run it past me one more time... how will increased web traffic help us get to ten million in new sales?”

There is no recognition of the shift in how high-value services are purchased.

You cannot rely solely on sales to fill the pipeline for large logistics opportunities. Today, big-ticket products and services are bought not sold. Smart logistics professionals with a problem are tapping the internet and their contact networks to get smarter – on how to solve the problem and which service providers can help.

Let's say ACME Manufacturing has a logistics challenge. They want to establish a supplier warehouse under a vendor managed inventory (VMI) model. But they've never done it before and could use some advice from experts who have. They're at least a year away from pulling the trigger, but they begin gathering data. Success with a sales-focused approach would require a 3PL salesperson to place a call during ACME's research phase. Serendipitous at best.

How could marketing tactics increase the chance of triggering a dialogue with this same prospect?

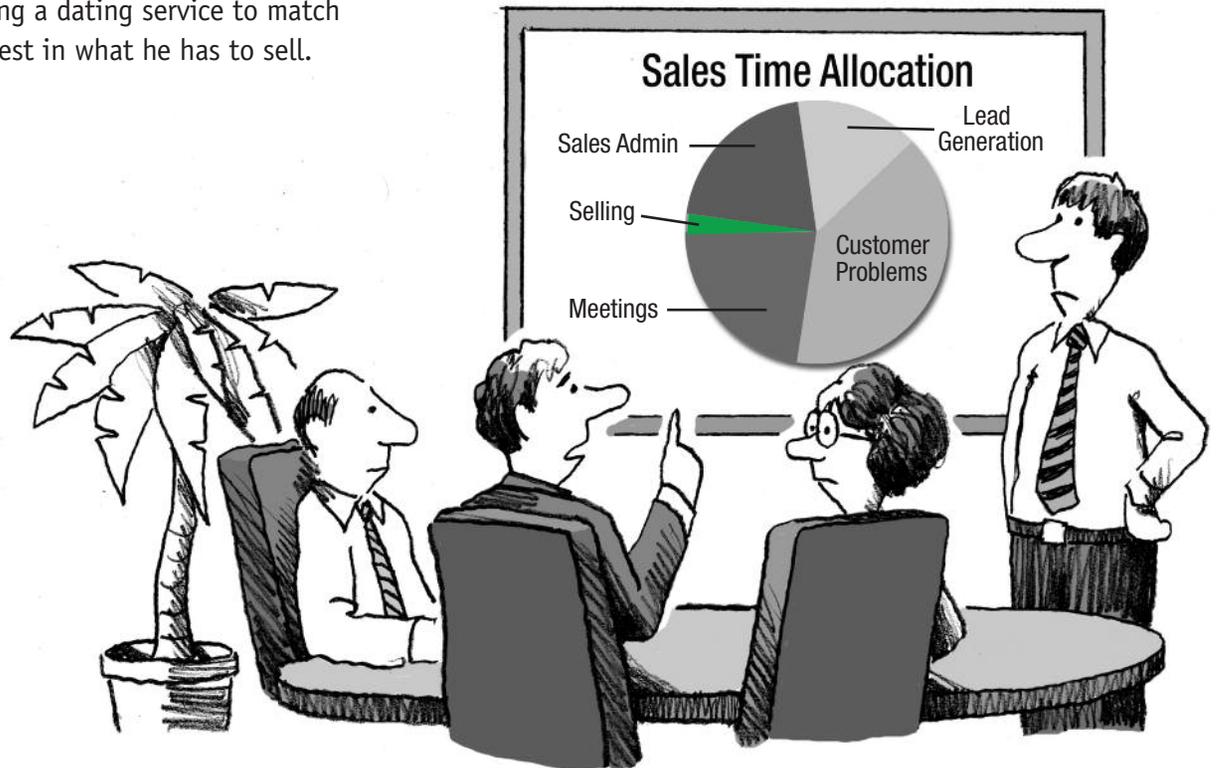
- Create great content on your website and optimize that content for the most popular VMI-related phrases
- Secure a speaking engagement at a relevant conference
- Publish a white paper on the subject
- Secure a story in a trade magazine on how your company solved that very problem for another manufacturer
- Write several blog posts on various aspects of the VMI challenge

These are just a few of the tactics you can use. What do they all have in common? All are designed to get the prospect to *find you*. And they are tactics that require marketing, not sales, acumen.

“Today, big-ticket products and services are bought not sold.”

It's neither realistic nor smart to completely divorce sales from lead generation activities. But the goal should be to maximize selling time.

One busy owner of a growing regional warehousing company attributes his success, in part, to increased investments in search engine optimization, sales groups, e-mail campaigns, content creation and other prospecting tactics. For him, it's the difference between going on an endless series of blind dates hoping for the right match, or using a dating service to match him with prospects that already have an interest in what he has to sell.



“Herb, I think I see why you’re behind quota.”

LET SALES SELL

Salespeople who are asked to fill, as well as close, the sales pipeline are less effective. They would benefit from marketing efforts that establish a clear value proposition for the brand or service, heighten brand awareness, and generate leads that put them in front of prospects who have a problem and are looking for answers.

About the Author

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The 5 Deadly Sins of 3PL Marketing examines common marketing mistakes made by 3PLs, and how to fix them.

