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## Inflate Your Sales

By Susan Allen

Saturday, 30 June 2007

A world-class lead management process has several key components. Many manufacturing company executives think they have their sales act together. They implemented a crm system or another contact management application. They invest in lead-generating activities like trade shows and a lead subscription service. They have a high-quality sales force. so what's the problem? Could it be the "processes" are the company's real achilles heel?

Every high-performing sales organization has achieved a delicate balance between technology, people and process. The sales process, and more specifically the lead management process, is highly complex, particularly in a manufacturing enterprise that might sell through distribution channels. Lead creation, qualification, prioritization, dissemination and follow-up are critical to instill accountability and calculate ROI. Ultimately, an effective lead management process dramatically reduces the cost of sales by permitting the field sales organization to focus on closing deals, not chasing unqualified leads.

### Mastering the Lead Process

A world-class lead management process has several key components, but it is the rich data collected throughout the marketing and sales cycle that is the true foundation of an effective lead process. Starting with lead generation and continuing through the prospect's decision, collecting, housing and mining the right information are critical elements to evaluate the overall effectiveness of sales and marketing programs. Communication with the sales organization and the channel partners is also critical. Making a strategic investment in an improved lead management process provides many benefits to the sales organization. Be aware, however, that with it comes heightened sales performance expectations and significantly increased accountability. Up-front communication will ensure buy-in and eliminate surprises. Here is a proven-effective lead management process, the foundation of which is the detail and information collected and considered at each step:

**1.) Lead creation** – Marketing, whether via an agency or an internal group, is largely responsible for lead creation. During annual marketing planning sessions, the team gathers to consider the right allocation of resources for the upcoming year. Many of these decisions are made based on what was done the previous year, the demographic or target audience of a particular publication and the budget available. Sadly, it is rare that any marketing spend decision is made based upon return on investment from the prior year. When undertaking a lead creation campaign, it is imperative for the company executives to gain clarity on the desired campaign results and get real answers to these questions from the agency or marketing group:

How will you know whether the campaign was a success?  
 How many leads is the campaign expected to generate?  
 What are your revenue projections for the campaign?  
 What alternatives did you consider and reject? Why?  
 What evidence do you have to support your estimates? If the return is not expected to at least double our investment, why should we proceed?  
 What are the intangible benefits of the campaign? Brand promotion, etc?

**2.) Lead qualification & prioritization** – Once a company decides on its lead creation campaigns, has clear answers to its questions about program expectations and is comfortable with the projected ROI, the company is creating interest and leads are flowing. They come from a variety of sources, including the phone, Web, card swipes from trade shows and business reply cards. The problem, however, is that in most



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situations, the sales force, whether direct or independent, tends to ignore them because they are unqualified. An effective lead qualification program is critical to build trust with the sales organization and promote accountability for lead follow-up. Creating a lead qualification and prioritization system requires the management team to:

Understand what specifically is a qualified lead in each sales territory.

Be aware of how the reps will leverage these qualified leads with their channel partners. (e.g., will they be using the leads to build rapport with distributors, wholesalers or retailers?)

Work with the reps to establish a classification system to distinguish hot leads from cold.

Develop a protocol for nurturing the warm and cold leads.

Specifically, what will the inside sales group or outsourcing provider do to move these leads to the next level?

Implement or modify a sales database, contact management system or CRM to include answers to the qualification questions and lead classification.

Create an inside sales function or outsource it to a lead management provider to follow-up on each lead and qualify it to territory specifications.

**3.) Lead dissemination** – The leads are flowing; the company is tracking its campaigns and management now has the ability to qualify and classify leads. The next issue is to get them into the field. Simple, right? According to Gartner research, "70 percent of leads are never pursued because they do not reach the right person at the right time." Sending leads effectively requires strict adherence to process and must have sales buy-in. Consider these three recommendations:

Identify the best way to notify each sales rep and/or channel partner of a hot lead. In many organizations, this includes a combination of e-mail, text message, fax and phone call.

Send any "hot" lead from the inside sales group to the field reps and/or channel partners the minute it is qualified using the preferred method of contact for each.

Establish clear guidelines on expected response times. Identify how quickly a field sales rep or channel partner should act upon a hot lead.

**4.) Lead outcome and accountability** – Having put in place a process for qualifying, prioritizing and disseminating leads, management has every right to expect accountability from the sales organization. Here's how:

Track all of the leads distributed to each sales rep and channel partner.

Make it a policy that reps and channel partners identify the outcome of each lead provided. Remember, this is part of the bargain. The company made an investment in a lead management process, and feedback on each lead should be mandatory. This can be accomplished through a CRM application or other simple contact management tool with a bit of customization. The detail should include when and how the prospect was contacted, status (open/pending, won, loss), rationale for purchase decision (e.g., price, service, reputation) and competitors considered.

Leverage the inside sales organization or outsourcing provider to follow-up on each closed lead, whether won or lost. The call will promote customer satisfaction, while at the same time ensuring the sales rep or channel partner accurately reported the rationale for the lead outcome. This call also has the added benefit of allowing the manufacturer to collect additional data about its new customers or prospects.

**5.) Lead program measurement** – The company has come full circle. Now evaluate the effectiveness of the lead management program by using the expectations established in the lead creation phase. Manufacturing executives need to conduct a lead "post-mortem" on a monthly or quarterly basis depending upon the nature of the campaign:

Did the campaign meet or exceed expectations? If not, why not?

What can we do to improve lead qualification and response?

Are our reps and channel partners actively engaged? If not, why not?

How will our marketing budget allocation change over time based on outcomes?

### **Bumpy Road to Implementation**

Making the decision to implement an aggressive lead management process ensures the sales organization can maximize the time it spends selling, while optimizing the marketing expenditures to achieve the highest impact on revenue. Just be prepared for the challenges that are likely to evolve. They include:

**1.) Underestimating the fear of accountability** – Implementing a lead management process in a manufacturing organization can be seen as a paradigm shift in the way the company does business. In the vast majority of entities, the marketing organization was never pressed for expected outcomes and the sales channel, particularly for those selling through distribution, was rarely, if ever, pushed to provide updates on lead outcomes. Clearly, marketing and sales may give push-back on the new process or try to circumvent it.

This, however, is far from the biggest challenge companies face. The real issue is this: Is the company ready for what sales and marketing accountability will mean in the organization? Manufacturing executives largely see marketing and sales as domains into which they dare not tread, focusing instead on their core competencies of manufacturing process optimization, logistics and product development. Presidents and CEOs often leave the “marketing and sales stuff” to the experts. With a lead management process, top executives enter into largely uncharted waters and must be prepared to deal with the fallout. They may learn that the people they perceived as the best reps are not doing one-tenth of what they could be doing to sell your product. They may find that the distributors they were relying on are actually recommending a competitors’ product when it is in their best interests. In addition, they might discover the marketing team is not nearly as strategic as they once thought. A lead management process will dramatically decrease your cost of sales and increase your ROI on marketing activities for companies ready to take the plunge.

**2.) Assuming today’s record sales will continue** – Many companies do not seek to implement a lead management program because sales are up. The irony is that when sales are down, they usually don’t have the resources needed to implement a lead management program that would bolster sales. A lead program implemented will improve performance today, but more importantly will propel firms past competition in a down market.

**3.) Ignoring the techies** – The guys with the tape on their glasses who work hard but don’t really talk to anyone need to be part of this discussion. A lead management program without an effective technology backbone cannot possibly succeed. Include them during the early planning stages to ensure they understand the requirements and can identify the right modifications to existing software or recommend a new solution.

**4.) Undervaluing the resources needed** – Don’t be lulled into thinking, “I’ve got this covered.” The internal resources available today may be great, but they are likely not enough. Adding to staff, reassigning staff or finding an outsourcing partner is crucial to implementing a full-scale lead management program. Most companies need access to a skilled inside sales professional as well as an in-bound lead management individual to capture all of the leads in the database and send any required literature to the inquirer. Companies will also require support from the technical side on database maintenance and report generation. If management is concerned about the investment to build the organization internally, consider outsourcing initially until the program has been tested and perfected. Then examine the cost of both an external provider and bringing the activity in house.

Although mastering the lead process may not be quick or easy, it is the best way to ensure the continued growth of an organization. Mobilizing the resources and starting the planning process are the most difficult aspects of lead management program implementation. Conquer this initial hurdle and the project will build its own momentum, gather stakeholder support and build common ground between the sales and marketing organizations.

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