

Lead Management Best Practices for 2020

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Leads have been the source of a long-standing battle between marketing and sales. Marketing claims that reps don't follow up on the leads they generate. Salespeople, on the other hand, argue that most leads aren't worth the time and effort necessary to pursue.

In 2013, CEB (now part of Gartner) found that a startling 49% of sales reps ignored more than half of the marketing leads they received. That's now surprising given that MarketingSherpa found that 73% of marketing leads were not sales ready.

For almost ten years now, tech vendors have been promising that automation offers tremendous sales-and-marketing hope. We've watched the Martech sector explode in both the volume and variety of solutions—so much so that Scott Brinker's 2020 Marketing Landscape includes more than 8,000 vendors!

Vendors are selling, and companies are buying. Gartner reports that marketing departments allocate almost a third of their budgets to technology and automation, with no signs of slowing their investment.

And yet, recent research suggests that lead conversion has not improved significantly. According to a Marc Wayshak study, more than 70% of sales reps report that fewer than half of prospects are a good fit for what they are selling.

So, what's the answer?

It's not enough to simply generate leads. They need to be the right leads. So, while automation is the most effective way to scale your lead generation, qualification and even nurturing, you still need to start with a solid foundation. You need a lead management program that delivers quality.

To get the most out of your sales and marketing automation and deliver leads in the quantity and quality that your sales reps require, you need to implement best practices in lead management. You can start by answering the following questions:

What's Your Lead Qualification Process?

Before you can automate lead qualification, you must define the qualification process. Each lead must qualify on several levels:

- **Marketing Qualified Lead (MQL):** This is a lead that has indicated an interest based on a positive response to your marketing efforts, such as social media content, a video, free e-book, advertising or an email campaign. One way or another, your MQLs have raised their hand. For instance, they've filled out an online form, asking for more information or they've clicked on an ad and visiting your website or landing page. They're curious. Marketing can follow up and nurture leads with additional emails, newsletters and content to measure interest. By measuring ongoing engagement, they can determine when an

MQL is ready to send to sales for further qualification.

- **Sales Qualified Lead (SQL):** This is a lead that is vetted (often by inside sales or telesales) as to readiness to buy. Sales needs to set its SQL criteria based on what it considers an acceptable level of intent, the urgency to purchase and where the prospect is within the buyer's journey.
- **Sales Accepted Lead (SAL):** These are leads that pass sales qualification and are deemed viable sales opportunities.

Lead scoring helps to automate the qualification process by assigning values to leads based on the company demographics and firmographics and behavioral insights gathered. These scores help sales prioritize leads and determine the appropriate response. But be careful, if your scoring is not optimized, you can receive more leads than you can handle, or not enough leads and lose out on potential opportunities.

What's Your Response Rate?

Speaking of response, James Oldroyd's lead response management study is still the standard for how to follow up. For example, his work shows that following up on a lead within five minutes versus waiting just 30 minutes can decrease your likelihood of connecting with a prospect by as much as a hundredfold.

The bottom line is this: To the early bird goes the worm. According to InsideSales.com, as many as 50% of sales go to the vendor that responds first.

Who's Your Ideal Customer?

You'll need to work closely with all your stakeholders to create your ideal customer profile (ICP). Include sales, marketing, product managers, support and finance in this exercise, and together create a detailed picture of your perfect customer based on:

- Sales history
- Industry statistics

- Pain points you can solve
- Customer life cycle and lifetime value
- Likelihood to buy into upselling and cross-selling opportunities.

What's Your Message?

The more you know about what triggers your ideal customers' buying decisions, the better you can tailor your marketing and sales messages. Your objective is to deliver the right message at the right time and in the right place. To do this effectively, refine your ideal customer profile through segmentation. Within your ICP, you can define some market segments (smaller, homogenous clusters of customers) that provide more specific insight based on:

- Buying habits and patterns
- Pain points
- Motivating events and triggers

To reach your prospects best, tailor your message by segment. Keep it focused across all content you develop for each segment.

Are You Keeping Leads Interested?

Here's why you never want to overlook the follow-up on good leads:

- According to the Online Marketing Institute, nurtured leads make 47% larger purchases.
- Forrester Research reports that well-nurtured leads generate 50% more sales and for 33% less cost.
- Bulldog Solutions estimates that lead nurturing can lower the percentage of marketing leads that salespeople ignore by as much as 80%.

Once you have an opportunity in hand that's qualified, scored and profiled, you can build follow-up and nurturing campaigns around your targeted message to move a prospective customer closer to making a buying decision.

Are You Learning From Your Results?

With all the standalone tracking tools and sophisticated analytics built into marketing automation platforms, you can easily track, measure, analyze and adjust your lead management practices. Here are some of the metrics and key performance indicators (KPIs) you should consider:

- **Lead Acquisition Cost:** If you want a good ROI, it's essential to keep a close eye on what you're spending to acquire a lead. While you should always look for ways to reduce the cost of acquisition (without lowering the quality of leads coming in), you can also use this metric to budget for marketing campaigns.
- **Lead Conversion Rate:** If your conversion rates are low, you have a problem. Perhaps your lead generation is flawed and you're attracting leads not interested in your product or services. Or your lead scoring needs adjusting. Or maybe there's a problem in your sales funnel that hampers your close rate.
- **Bounce Rate:** This is the number of visitors who are drawn to your website but leave after viewing the page where they landed. If you have a high bounce rate, perhaps there is a disconnect between what drew someone to your page and the message they receive on that page. Or maybe you have failed to include links to additional information or provide a call to action.
- **Session/Viewing Averages:** This is the amount of time visitors spend viewing your content. You want to know what they are viewing, how they came to your website (from **where**) and how much time they spend digesting a particular page or piece of content. This data will help you to score a lead as well as determine if your content is effective.

With the right metrics in hand, you can improve your lead management.

And with the best lead-management practices, you can get the greatest return from your investment in sales and marketing automation. Plus, you can deliver the quantity and quality of leads needed to drive sales and boost revenue.

Call us at +1 813-320-0500 (US) or +39 06 978446 60 (EMEA), or contact us online to learn how you can manage your leads successfully to transform them into sales.

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