Sales and Marketing can Love each Other: Six Steps to Creating the Best Sales Leads

By Mark Friedman, Partner, Cerius Consulting Group

The relationship between Sales and Marketing typically can be a challenging one; sales leads are often at the heart of the problem. Marketing executes an advertising or direct mail campaign or manages a trade show, then delivers a “bunch” of unqualified inquiries (which they usually call “leads”) to Sales thinking their job is done. Sales takes the “leads,” makes a few calls to qualify them only to find out that most are not interested or their target customer type. They look at Marketing NOT as a helpful partner in the sales process and as not interested in supporting of the company’s sales quotas. Marketing then receives feedback from Sales that their “leads” were no good and is suspicious of the sales department’s ability to “know a good lead if they fell over it.”

As dismal as this sounds, there are ways to break down these barriers. By following six simple steps, Sales is guaranteed a steady stream of qualified leads and Marketing has the information they need to gather better market intelligence AND track ROI for each program in the marketing mix.

1. Identify the ideal prospect profile

The best prospect for a company’s product or service can be found by mining its customer database. Skillful analysis of current customers’ (and often prior customers’) demographic characteristics can help a company target companies with a similar profile. Even companies who have not collected this type of information in a disciplined manner can exercise database techniques to perform a rudimentary analysis of their customers.

By gaining a better understanding of the customer profile, it is then a straightforward exercise to work with list brokers, trade magazines and other sources to find and acquire names of companies that match the target customer profile. The advantage of performing this segmentation analysis is that a company will spend less money purchasing lists of companies that do not match their profile, can do a better job evaluating which publications are their best advertising vehicles, and determine which trade shows match their target customer demographics best. All this additional information leads to a more efficient expenditure of marketing funds in programs with a higher probability of generating *qualified* leads for sales.

2. Look to Sales for useful marketing information.

Marketing listens to Sales regarding how they approach these accounts and what messages get them in the door to advance the sales process. This “real” information is invaluable in helping Marketing revise their messaging and positioning statements in the marketplace. They will also gain a better understanding of the competitive landscape.

The sales force is also a rich source for recommending product improvements or new options that prospects and clients are requesting. All of this helps marketing assist sales in their efforts and drives a more symbiotic relationship between both groups.

3. Agreement on what’s a qualified lead

Marketing and Sales need to agree on the criteria for a qualified lead. It is critical that Sales be involved in determining the criteria by which an inquiry is qualified as well as defining what is a qualified lead. Only then will the leads from Marketing be given the attention they deserve and followed-up on quickly.

When Sales receives non-qualified inquiries, their natural reaction is to ignore them. Why? A recent study may shed some light. A sales inquiry company analyzed millions of inquiries from many industries over a period of years. The analysis revealed that only 30% of all inquiries proved to be sales leads. Of that small group, 10% were hot leads, 40% were warm leads, and the remaining 50% were future leads (those leads that are not yet at a stage in the buying cycle to be worth personal attention).

4. Marketing qualifies all leads first

Marketing should qualify all inquiries before they are sent as leads to Sales. Although it is an added expense to pre-qualify all inquiries, there is a real cost associated with not qualifying them also. Valuable and expensive sales time should not be wasted on the pursuit of ill-defined and poor quality leads. If nearly one-half of all inquirers buy within a year, then, by definition, more than one-half do not.

One study showed that only 12% of all inquiries qualify for a personal sales call at the time of inquiry. The challenge is to distinguish the inquiries that have promise from those that don't. Today's communication technologies and techniques make this a manageable task, but it is a task that should be done by a lead qualification specialist, not by sales people who do not have the tools, the skills, or the time. Inquiries should be qualified and screened before they are sent to Sales.

5. Sales Force Automation software has a job to do

Sales needs to set up the SFA software to define the stages of the sales process.
By doing this, Sales makes it easy for Marketing to track the success of each Marketing program and the status of each qualified lead. When Marketing does not receive feedback on the status of the qualified leads sent to sales they cannot justify spending the money to generate and qualify inquiries and, even worse, there is no way to determine which programs are working and which are not. This typically results in marketing budgets being slashed, as there is no way to calculate the ROI for the money spent, which ultimately has a negative impact on the ability of Sales to hit their assigned quotas.

Part of this process requires Sales to define the various stages in a sale and then make sure forecasts are generated using these sales stages. Once this has occurred the Sales Force Automation software can then be modified to collect this information and create on-line forecasts and ROI tracking on marketing programs and campaigns.

6. Learn from leads that don't close

Sales and Marketing need to agree on the nature of information collected regarding why a lead did not result in business. Information collected on why an account did not progress to the next sales stage is quite valuable to both sales and marketing. It can assist in structuring an advanced training program for sales and can point to changes needed in product features and pricing. Both organizations need to agree on the likely entries for each stage and incorporate them into drop-down menus in their Sales Force Automation software

If these six steps are followed and maintained over time, the sales and marketing departments will find it much easier to support each other's objectives; the company will experience more efficient marketing programs that produce a steady stream of qualified leads; and increased sales will result.