White Paper

The Five Factors Needed for Sales Conversions

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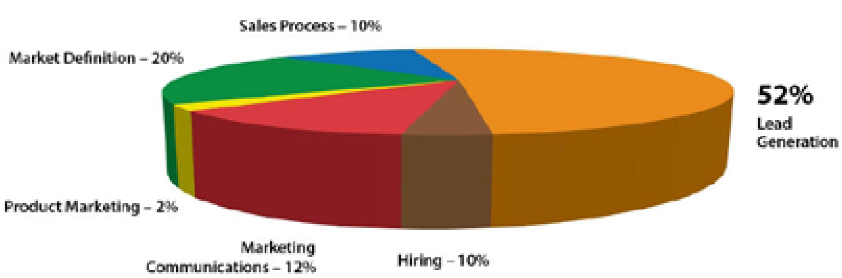
There's a difference between lead generation and lead conversions. And while many sales and marketing organizations focus on the funnel and lead flow, what they're really after, particularly for business-to-business companies, is the conversion. So how do we measure and improve the rate of lead-to-opportunity conversion?

According to a study by SiriusDecisions, 52% of B2B marketers say lead generation is their #1 problem. As an agency specializing in both online and traditional lead generation campaigns, that's nice to hear.

52% of B2B marketing organizations say lead generation is their #1 marketing challenge



Source: SiriusDecisions

But when you listen to them, they're actually struggling something entirely different. Almost without exception, when you talk to marketing VPs about what they're really trying to solve, it has nothing to do with generating more leads or even improving the quality of the leads they generate:

- "I don't know what happens to the leads I give the sales force."
- "I can't tell what sources generate the best quality leads."
- "My salespeople/my channel don't follow up on the leads I give them."
- "My salespeople want all the leads in their territories, but there's really too many for them to pursue."
- "My CRM system doesn't work."
- "My conversion rates of leads to opportunities is inconsistent/too low."

When we meet with sales and marketing VPs at companies both large and small, they are plagued with sales and marketing integration issues. More than anything, sales process issues, and the handoff of leads from marketing to sales, are the paramount challenges B2B companies face today, and the recession has only exacerbated that problem. It's not that we don't have enough leads; in truth, we're just not doing a good job of finding the diamonds in the rough, converting them to opportunities, managing the process, and tracking the results, so we know what works and what doesn't. Seems simple. And some of us even admit it, according to the SiriusDecisions report, where 10% of marketers did in fact admit that "sales process issues" were their #1 concern.

This is hard work, which is why so few companies really solve it. It's not a question of lead flow, or technology, talent, personalities or boundary issues between sales and marketing. It's all of the above.

When we consider the barriers to proper lead conversion-to-opportunity, there actually are five factors we see in organizations today that prevent true conversion from working effectively.

1. **Lead flow.** This is where most organizations start (and unfortunately end!), and it's certainly the core component of lead generation. Your funnel has to be large enough to support your sales goals, and it has to be adequately focused so that they're generating opportunities within your sweet spot. Last, your process has to be mapped out in detail, to identify any breakpoints in the process. In fact, we've identified nine common breakpoints present at many companies, such as lack of lead quality scoring to incorrect decisions that call for handing off all leads, before pre-qualification, to the sales force.

2. **Technology.** Companies with even a relatively small lead flow of a few hundred a year quickly become swamped in their ability to track, pursue and sustain leads over time. That's certainly the case if you're generating thousands of leads annually. Simply put, leads are like money in the bank, and they must be cared for and nurtured over time. How many quotes closed last month, and what industry segments closed fastest? How will you keep in touch – affordably – with B and C quality leads over time as their needs evolve to A quality opportunities? What salespeople or sales reps need help in closing, with opportunities being left on the table? Those are all questions that Customer Relationship Management (CRM) technology can answer. This is an era when ROI for marketing is critical, and no lead generation program can function and improve over time without the analytics to measure it, and the technology to manage it.

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3. **Sales Training.** We're at the point when most companies stop their pursuit of lead management improvement with the above two factors – generate more leads, and buy a CRM program. All problems will disappear, correct? Not likely. Your sales force requires constant training, teaching and skills development on the latest industry factors, the customers most likely to buy, the newest products you're delivering. Particularly for remote salespeople, for independent sales reps or agents, investments in sales training are critically important in improving their ability to generate and close opportunities.

4. **Proper Roles/Handoffs.** When is a lead turned over to the sales force? When does a lead go to the inside team versus the field salesperson? The roles and handoff protocols are different for every sales organization, and they must be defined with clarity as part of the lead tracking process. Best practices in most organizations call for only sending A quality leads out to the field, thought that's not universal. And, in the absence of the inside-outside sales structure, it's important to think through how leads will be handled so you don't distract your sales team from pursuing true opportunities, as opposed to wasting time pursuing low quality contacts. However you define handoffs in your organization, it's important that they be defined.

5. **Shared Commitment.** The elephant in the room: separate leaders for the sales and marketing teams who don't see eye-to-eye. The fact is, none of the above will work correctly if the people who lead sales and marketing organizations don't work together with the same, shared vision for efficient lead flow. If the marketing leader installs a CRM that is ignored by the sales team, the results are predictably non-existent. If the sales team pursues a market segment with no training, leads or targeted sales materials, closing those opportunities will take far longer and cost far more. Both organizations, if they are separate, just approach lead and opportunity management from the same perspective, with the same commitment, and the same passion.

Goldstein Group Communications, a technology b-to-b agency, brings an unusual combination of corporate communications management and engineer-level writing capability to its national client roster. With deep experience in electronics and industrial markets, the agency is able to draw on its skills to articulate with impact and clarity the technical advantages its clients bring to their customers. Unlike other agencies, staff members for the most part have built their careers on the corporate side of the desk, rather than as agency executives, a perspective that results in a higher level of accountability and measurability in the agency's programs.

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