14 Tips
for
Lead Generation Optimization

Getting new leads is great, but turning them into lifetime customers is what really counts. The true challenge facing companies today is the art of building lasting relationships with customers and finding more prospects like their best customers.

And the first vital step in this process is how you handle your leads.

Lead generation, qualification, and follow-up provide the framework for that critical first impression your prospects get of your company. That's why the evaluation and management of these leads is the key to successful lead systems and retention programs.

Sales leads are costly to develop, yet many companies waste their leads by not having a well-developed system to generate qualified leads and follow-up on them at every stage of the sales cycle. They spend too liberally and close too few deals.

Surveys show that more and more sales and marketing professionals are taking a closer look at their lead management processes. Since large portions of most marketing budgets are spent on generating new leads, it is vital to measure effectiveness.

Companies must demand honest, accurate assessment of lead quality and the creation of lead tracking systems. Both are critical to developing new business and keeping their most profitable customers.

1. Analyze your current lead process. Ask yourself, does a formal lead process exist at all? How do you get and process leads? Are you generating true, qualified leads for your salespeople and distributors? Do you monitor the progress of all lead follow-up activities? You must develop an outline of all steps needed to improve your lead system.

2. Maintain an up-to-date database. If you don't already have one, properly plan and create a computerized database of your current customers and prospects. Collect and maintain information such as: full name and title, company name, address, phone, fax, email and website, product interest, buying time frame, SIC codes, annual sales, industry information, and any other data that relates to their company, business and industry.

3. Profile your best customers. Identify who they are, where they are, what they sell, what they buy, how often they buy, industry, size of company, etc. By profiling your best customers, you can create models based on them that will enable you to find more just like them. This will bring down your cost of acquiring new customers and increase the profitability of your current customers.

4. Identify your best prospects. Once you have analyzed your best customers, use this picture to target your best prospects. After that, define your trade areas, determine your market share. Purge those lists against customers, suppliers and

competitors.

5. Personalize and communicate your message. Make sure you have adequate staff and resources to prepare copy and creative materials, plus manage the printing and mailing process. It's important to personalize your messages and address your customers' and prospects' needs. Reach key buying contacts by tailoring personal messages targeted to their specific desires. Targeted messages get read! Also, extend your communication efforts to include your website and email.

6. Process inquiries quickly. As inquiries come in, update the database, append demographic information, differentiate the value of the leads, and create management reports. It's important to prioritize your database to make sure you're contacting those prospects who have the most potential.

7. Fulfill requests immediately. When and how you communicate with your prospects is crucial to maximizing sales. And, if you're on track, by fulfillment time, your lead has been properly scored, so you know exactly what level of information to send out. After distinguishing the higher-quality leads, personalize follow-up letters and materials.

8. Pre-qualify leads. Salespeople should be selling, not qualifying. Through telemarketing and/or direct mail surveys, develop an effective qualification process that divides leads into three qualified groups: identified the decision-maker; have talked to the decision-maker about product usage; have set up an appointment for your sales rep or distributor.

9. Assign the leads. Prospects with high sales potential should be assigned to primary reps, while the secondary prospects may be better server by a distributor or dealer. Balance your sales territories, define individual trade areas, and distribute qualified leads immediately via fax, email, or www. Longer term leads should be managed by a central database – (such as a CRM system) and programmed to assign and alert each sales rep to make a timely call back.

10. Track lead contact. Monitor the progress of every qualified lead at every stage of the sales cycle. Generate a weekly report for senior management that recaps sales results, follow-up activities, plus measures adherence to the process and ranks sales representatives' performance. These follow-up reports should be by individual, geography or sales territory. This type of reporting can also benefit the sales representatives if you identify problem areas by region, territory, distributor or dealer.

11. Perform ROI analysis. Lead management systems should be considered an investment that requires a return. Make sure you have established a process to consistently update the database with closed sales information to get the most out of your marketing dollars. Create weekly ROI reports for management that show the percentage of leads per source turned into sales, the dollar volume of new sales, the average cost per sales, and the total return on investment. In most cases, a maximized lead management system will return your investment in the system by 500% to 1500%!

12. Direct Marketing – develop a direct marketing campaign to move lower level leads to a higher qualified lead. Product trial, image building, or customer referral programs may be implemented.

13. Implement Customer Relationship Management. Maintain and expand relationships with existing customers through email, fax broadcasting, newsletters, promotional programs and courtesy calls. This will encourage the sale of related products and re-orders. Your goal is to turn customers into lifetime advocates who will help sell others on your company.

14. Consider outsourcing if you don't already have an effective lead system in place. Benefits of using an established outside source include: they have sophisticated methods to generate, qualify, track, follow-up, report on, and manage leads; they can warehouse materials, create copy, manage the print and mailing process, and provide and array of reports; they can greatly reduce management's burden of running its own program and spare the overhead expense of dedicated personnel.

Additional Points to Consider

- At least 50% of your sales success depends on having an accurate, up-to-date database.
- Lead tracking and measurement can increase the close rate by 25% to 50%
- 60 % of the prospects that companies send promotional materials to are actually non-prospects.
- 63% of all leads turn into a sale for somebody within a year.

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