

Generating Sales Leads

**8 STEPS TO BUILDING A
SALES LEAD SYSTEM**

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Introduction

The terminology will drive you crazy.

For the longest time, when we talked about generating sales leads, we called it “lead generation” - and that seemed to work pretty well.

But over time, we were using terms like demand generation, contact management, lead tracking, sales automation, marketing automation, CRM, inbound marketing ... and who knows what it will be next week.

But it all comes down to the same thing ... finding the most productive and cost-effective way to generate sales leads and nurture those leads through the sales process.

In this ebook we have outlined:

- multiple tactics for generating leads
- key strategies for maximizing response
- essential steps for qualifying and scoring leads
- powerful ways to nurture and engage your prospects
- proven methodologies for measuring your results

In short, we have given you the information you need to build your own Sales Lead System.

I hope you find this report helpful and that you will feel free to contact me with your questions, concerns, complaints or comments.

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Take a close look at your sales process

Before you begin any lead generation or lead nurturing effort, you need to get a handle on your sales process.

Start with a few questions:

>>Do you sell direct or through third parties?

>>Do you sell with outside sales people, inside telephone reps or both?

>>Do you sell by phone or the web?

>>How many sales people do you have?

>>How many new leads can they handle at any given time?

>>How many leads are they nurturing at any given time?

>>How do you define a qualified lead?

>>How long is your sales cycle?

>>How many steps do you have from initial inquiry to close?

>>Do you have a method in place to qualify and/or score your leads?

>>Is your sales department and marketing department aligned with your goals and strategies?

>>How do you monitor lead follow-up?

>>Can you determine cost per lead, cost per qualified lead or cost per sale for your lead generation activities?

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About this ebook

The sales lead industry has become very sophisticated in recent years.

You can see it with the latest in lead tracking, CRM and marketing automation software systems ... with the high-level tools for tracking and measuring response ... and with the widespread expansion of automation capabilities.

The good news is that today there is unprecedented potential to build and maintain a comprehensive closed-loop sales lead system that delivers qualified leads every day, every week, every month.

Unfortunately, many companies have yet to take advantage of these opportunities.

We developed this ebook to help illustrate – in a simple and systematic way – how both lead generation and lead nurturing can work within your organization as part of a year-round sales effort.

Whether you are starting from scratch or just looking for ways to improve your existing program, this Blueprint can help you develop:

- a system that continually generates new leads all year long – and stays in touch with those leads until they are ready to talk – for as long as it takes.
- a marketing approach to help position you and your firm as a thought leader in your industry without having to write a book or go on a speaking tour.
- a method for tracking and measuring every marketing activity so you can make decisions based on real results – and not your gut.

We hope you find the following pages helpful.

Why brand marketing doesn't work ... for most of us

There are two approaches to marketing – brand marketing and direct response marketing.

Brand marketing is what everyone knows and understands. It emphasizes exposure, repetition and eyeballs. For brand marketing to work, you need a big budget and a lot of time.

Brand marketing decisions are based almost entirely on creative preferences and gut instinct because it's not something that can be measured with any degree of certainty.

Brand marketing is what Madison Avenue sells – so naturally, most business owners think it's the right approach for them.

They are mistaken.

Direct response marketing is the approach most businesses should take. True, it is much less understood (by Madison Avenue too), but it's much more effective for generating leads and sales.

With direct response, there's no guesswork involved, and there's no waiting around for months before the campaign takes hold.

Instead, each and every marketing activity – even a single ad, email or direct mail promotion – can produce immediate results and can be measured for performance.

You can then leverage those results to repeat, expand and improve your performance every week, every month or every quarter.

Let Nike, Coca-Cola and Chevrolet spend their money building their brands. Use your money to generate a steady flow of new sales leads and new customers.

A Better Approach

Every year, companies will try a number of marketing tactics hoping to find something that works. Some of these tactics will work. Or will seem to work. Some will not. Or will seem not to work.

The problem is that too many of these tactics are judged by too little data, the wrong data or no data at all. Even more problematic is that these judgments are often made against unrealistic expectations.

And when a tactic is determined to be successful, too little is done to leverage that success for continued success in the future.

Here's a better approach:

Focus on systems, not campaigns

Most business owners come to advertising and marketing with big hopes and expectations.

They believe – or want to believe – that a single ad campaign or direct mail campaign is all they need to produce new customers.

If only this were true. A well-constructed advertising or direct mail campaign can produce immediate sales leads – and that's a good start – but one batch of new leads is not the way to build a new business program.

Leads are not customers – not yet anyway – and you need to be able to stay in touch with those leads until they are ready to talk and hopefully buy.

You need a consistent flow of leads not just every few months, but throughout the year.

And for that, you need a system – not a campaign.

Build a multi-step process

If your sales process requires multiple steps, marketing needs to support each step along the way.

1. It starts with an initial contact – either through lead generation efforts or referrals.
2. After the initial contact, qualification is needed to determine whether this new inquiry is, in fact, a serious and qualified prospect. With sufficient lead volume, you may need a lead scoring system in place to prioritize leads.
3. Once qualified, lead nurturing needs to take place to further educate the prospect and solidify the new relationship. The lead nurturing process could vary depending on the industry, job title or sales potential of the prospect.
4. Over time, if the lead does not convert right away, a follow up program is needed to stay in touch. Many prospects will buy eventually. You just need to be on their doorstep when they finally make that decision.
5. When you discover that a prospect has become serious, you have what is known as an opportunity, and you may want to create additional communications to support this step in the process.

Work with your sales team

Your marketing system doesn't replace your sales team.

Its purpose is to support the sales team and sales structure you already have ... to ultimately improve the performance of your sales effort.

We understand that not all companies have the same sales structure. Some have a dedicated new business team while others treat sales as a part-time exercise.

Some companies use outside sales teams, others rely on inside sales people and some use both. And then there others who depend on third parties to represent their services in the field.

Your sales lead system should be developed around your specific sales structure and your particular sales situation.

Plan for the long haul

This sales lead system isn't a short term fix.

It is a long-term solution designed to produce a consistent flow of new leads and customers not just for three, six or twelve months, for many years to come.

One of the advantages of direct response is that it allows you develop a repository of response data which will help you plan for the future.

With each individual marketing effort or campaign, you can review the results, then repeat, expand or adjust.

Over time you will find a combination of factors and activities that consistently produces the best possible response for you. This is known as your Control.

With an established Control, you will want to stay with what works but you should still allocate a small portion of your budget to try new things – always with eye on improving your results.

Measure everything

Although marketing is fully measurable across all media, most marketers don't take advantage of it – at least on a consistent basis.

Sure, most will measure front-end activities for individual marketing tactics ...

- response rates from direct mail
- open rates from email
- business cards from trade shows
- click-through rates from pay-per-click ads
- website visitors from search engines
- friends, followers and other connections from social media

But does this information give you enough to make your next-step decisions?

Probably not.

Chances are you will need to dig deeper to generate more useful data to more effectively evaluate the results of your marketing tactics.

And you will need to find some common denominator to be able to compare results across marketing tactics.

We hope this ebook will help.

Step 1 – Create your offer

In direct response – regardless of media – people don't respond to award-winning creative, clever prose or flashy design. They respond to offers.

Your offer is the key leverage point for determining both the quantity and quality of response – which affects both your response rate and your conversion rate.

We start this process with the offer in part to emphasize the importance of the offer no matter what tactic you are planning to use for lead generation tactic.

When you see the offer as the centerpiece – and not an afterthought – you will begin to see how the offer can be manipulated to deliver the response you need.

What is a lead generation offer?

Many people think of an offer as some variation of “buy one, get one free” or “10% off.”

To be sure, these are offers for certain types of products and certain types of direct response applications – but not for generating leads.

In lead generation, you want offers that provide educational information – a free white paper, a how-to guide or a special report covering a topic that is closely aligned to the service you are selling. **These types of offers are also known as “sales lead magnets.”**

Typically, these lead magnets are made available to your target audience with very little commitment other than turning over some contact information.

If your firm produces articles, reports, research or other helpful information, you likely already have the content you need to produce a number of effective offers.



Choose a compelling title

Picking the right offer topic is essential, but after that, choosing a compelling title can make all the difference in the world.

You need a title that will not only summarize the report – in clear, benefit-oriented terms – but will also get the attention of your audience.

In creating your title, develop several possibilities. The more titles, the better. Then pick the top two or three.

At some point, you'll want to test out these titles to see which pulls best. You could see significant variations in response for the same report with different titles.

Become a thought leader

When you create educational content, you also help to position yourself (and your company) as a thought leader and the expert solution provider on the topic.

You will build your reputation within your industry, and if your content is published online, your reputation will also build with the search engines.

Over time, you may be able to create several of these reports which could make your website a popular destination for anyone doing research in your field.



Step 2 – Select a lead generation tactic

There are many tactics available to you for generating leads – both online and offline.

Some are “one-to-one” tactics like direct mail and email, and others are “one-to-many” tactics like advertising, search marketing and public speaking.

One-to-one tactics allow to you reach individuals on a personal level potentially with targeted precision. With the right list selection, you can be sure everyone on your list at least qualifies as a prospect.

One-to-many tactics are good too – largely because they can generate leads at a lower cost. However, these leads can come from anybody including competitors so your initial lead quality may suffer.

Choosing your tactics

While you may have an initial preference for one or two tactics, chances are several more could work for you.

As a rule, it makes sense to use as many tactics as you can – whatever you can afford in terms of time and money.

After you see how each tactic performs individually, you can then decide to either expand your use of that tactic or remove it from your plan.

You may find that several tactics work well for you.

To determine the relative effectiveness of each tactic, you will need to use the same offer across all tactics.



Step 3 – Execute lead generation

Once you have selected a tactic (or several tactics), it's time to execute that tactic – which includes planning, creative and production.

For our purposes, let's look into Online Tactics and Offline Tactics:

Online Tactics

Online marketing, in its many forms, has taken over the marketing world. Here are some of the tactics you could employ to generate leads.

>**Email** – Although email is best used as a lead nurturing tactic, it can also be used to generate leads. Faster, cheaper and easier than direct mail, email provides one-to-one targeting of your best prospects.

>**Website Lead Capture** – When people visit your website (no matter how they got there), you need to give them a reason to connect with you – to leave their contact information so you can continue the conversation moving forward. By using offers on your website, you will be providing the incentive for visitors to convert into sales leads.

>**SEO & Content Marketing** – The search engines want to send traffic to your website but only if you can answer the questions being asked in search inquiries. Content marketing is about answering questions related to the business you're in. It's not promotional content; it's educational content. That's what wins in SEO.

>**Industry Search Marketing** – Getting found on Google is one thing, but you also want to be found in search engines that focus on your industry. Many potential buyers will turn to their industry search engines to find products and services they need.



>**Local Search Marketing** – Often overlooked as just an extension of SEO, Local Search is actually a separate form of search requiring a different set of tasks. Best suited for local businesses, it can also be used for regionally focused businesses.

>**Pay Per Click Search Advertising** – Through Google Adwords (and other search engines), you can place small text ads on search engine pages and pay only when someone clicks on your ad. Which keywords you select and how you bid on those keywords are the key challenges. Use your offer to convert those clicks into leads.

>**Online Display Advertising** – There is no shortage of online advertising opportunities. You can find a website, a news site or a blog that serves your market – or find a network that helps you reach multiple websites or blogs. Use your offer to capture your sales leads.

>**Social Media Engagement** – Many people use social media for fun, but it can also be used to expand your audience and generate leads. Finding the right social media platform is key. There's no cost involved in social media engagement, but it does take time.

>**Social Media Advertising** – Whether or not you personally use social media, the fact these social media platforms have extensive reach. You can use social media for paid advertising to target your best prospects.

>**Remarketing** – How many people visit your website but then leave without making any connection with you? The vast majority, right? Well, all is not lost thanks to Remarketing. Using the Google platform, you can push more advertising to past website visitors in an effort to bring them back and convert them into sales leads.



Offline Tactics

Offline is considered traditional marketing. While less popular today than online, offline marketing continues to produce results, in some cases, better results than online.

>**Direct Mail** – The tactic of choice for many lead generation programs, direct mail can be personalized to whatever level you want. You can target pretty much anyone – and know with confidence that most of the mail will at least get through to your target audience. And once you have a program that works, you can leverage your quantities to deliver a predictable number of leads on a regular basis.

>**Telephone** – Other than a face-to-face meeting, no tactic is more interactive than the telephone. It may take a while to reach someone, but when you finally get through to your target prospect, you can get immediate feedback on their interest level and lead potential. However, using the telephone for lead generation can be a very frustrating and time-consuming process.

>**Print advertising** – This may seem like old school, but print advertising can still work. Pricing is going to be higher than online, but check it out on a small scale. The results may justify the added expense. If it works, go larger and see if your results follow suit. Again, make your offer the centerpiece of your ad.

>**Trade shows** – Assuming the trade show is well matched to your target audience, this can be a great opportunity to put yourself in front of prospects. Use this opportunity to talk with prospects face to face, but also use your offer as an incentive for collecting leads from those who don't stop to talk.



Step 4 – Capture your leads

An often overlooked component of lead generation is the process for capturing leads. Don't take this step for granted. If you want to generate the maximum number of leads from your lead generation efforts, use multiple response channels.

Response channels are the methods people use to respond to your offer. Which response channels you use will depend on which lead generation tactic you are using. Here are your choices:

>**Landing page** – A landing page is dedicated page focused entirely on your offer and promotion. It should not have all the usual navigation and other distractions you are likely to find on your home page because you want prospects to focus on responding.

>**PURLs** – These are personalized landing pages which assign a unique landing page URL to every person on your contact list. When a prospect clicks on the landing page link (or go types in the landing page URL), much of their contact information is already filled in when they arrive.

>**Reply mail** – Whether you are using Business Reply (pre-paid) or Courtesy Reply (unpaid), the reply card (or reply slip with envelope) is still a very effective response channel.

>**Telephone** – Telephone (both toll-free and standard numbers) continues to be an important response channel – especially for those prospects who want immediate answers or estimates.

>**Fax** – Less popular, but what harm can it do if you give prospects a fax number?

>**Web** – If you have to send people to your website (and we don't recommend it), make sure your home page has your offer and a way to capture their information.



>QR Codes – A relatively new technology for the growing number of smart phone users, QR Codes allow prospects to scan in a printed code with their phone and immediately be taken to a dedicated landing page or website. QR Codes can be placed on direct mail, print ads, signs, posters and other printed formats.

>Mobile Text Messaging – Often used on billboards and radio advertising, prospects can type in the keyword on their mobile phones to register for a contest or respond to an offer.

Take advantage of automation

While all response channels have merit, the newer technologies – landing pages, PURLs and QR Codes – also bring you automation. When prospects respond to your offer through these response channels, their contact information is collected and automatically entered into your database.

At the same time, prospects will receive a confirmation email and will be given immediate access to the report you're offering. And you will have confidence knowing everything was handled without any human involvement.

How much information to capture

During this step, you need to decide how much information you need to collect from your prospect. While it is desirable to gather complete contact information along with answers to key qualifying questions, remember the more you ask of your prospect, the lower your response rate will be. So you need to strike a balance.

If your only follow-up contact is going to be email, then just an email address might be sufficient. But that depends on the nature of your business and your sales process. If you are planning to follow up with a phone call, you will want to ask for more identification including a phone number.



Step 5 – Qualify your leads

In an ideal world, every lead we generate would have the potential for becoming a customer.

Of course, that's not the case. In the real world, some of your leads have good potential meaning they have the ability and interest to buy in the near term.

But many more do not meet these criteria. They either have a long term interest or no interest at all. Some may even be competitors.

This will vary with the method you used to generate the leads in the first place.

If you are using direct mail or email – and you carefully selected your list – you could expect a large percentage to be qualified.

On the other hand, leads that are generated from media or search engines don't have any such selection criteria so you could receive responses from pretty much anyone.

Use the phone to qualify

Regardless of the source of your leads, at some point you need to find out which leads are most qualified, which are least qualified and which fall in the middle.

This is called Lead Qualification or Lead Scoring – and this is best accomplished with a phone call.

A telephone qualification call is not a cold call.

This is a follow-up call designed to answer key questions about the prospect's need for and interest in your product.



You can make these calls yourself or you can use an outside professional.

If you find that too many leads are turning out to be unqualified, you may decide that the phone is too expensive given the small percentage that qualify.

This is sometimes the case with trade show leads if, for example, your sales people simply scanned the badges of everyone who walked by.

In this case, you may consider replacing the phone with online surveys to qualify these prospects.

Get the answers you need

Keep in mind the goal of qualification is not to sell your services or promote your business. The goal is to get answers to some key questions, such as:

- Do you have a need for our service?
- Do you have an interest in our service?
- Do you have a budget for our service?
- Do you have decision-making authority?
- What is your timetable for making a decision?

At the end of each completed call, you will be able to assign a score based on how the questions were answered.

This will help you establish a priority list for each prospect – and it will help you identify the appropriate follow up contact strategy.



Step 6 – Nurture your leads

Not all of the leads you receive will be ready to buy right away. Some will take a few weeks, a few months or even longer before they will be serious about making a purchase.

That's why you need a lead nurturing program. A lead nurturing program will keep your name in front of these leads and, over time, will help to build trust and credibility with your prospects.

Short-term vs. long-term

Your nurturing program will have both a short-term and long-term component.

When leads start coming in, it's important to start lead nurturing right away. Strike while the iron is hot, as they say. When prospects respond, you are on their radar at least for a short period of time. Don't miss this opportunity.

Several months later, you'll still have many leads that haven't converted – but you still want to stay in touch. Selling is all about timing, and even an occasional email or postcard could result in some surprising sales down the road.

Mostly email, but ...

Email is the clear choice as the most effective way to develop a lead nurturing program. It's targeted, fast and cheap. And so much of it can be put on autopilot. Email is very seductive in this way.

But don't overlook the mail. A follow-up mailing could have a dramatic impact if only because no one else is doing it. Keep in mind too that some prospects don't use or check their email very often.

With direct mail, you have many choices in format – a sales letter, a self-mailer, a postcard or a printed newsletter. As with email, it's best to look at your direct mail not as a single touch, but as a series of touches spread out over time.



And don't forget the phone. Your sales team should understand that not every call to a prospect has to be a sales pitch. You can use the phone to build your relationships with prospects by providing helpful information and continued engagement.

Look for content to engage

Lead nurturing is most successful when you can engage your prospects with additional levels of response and interactivity. And this is accomplished through content.

You'll not only be solidifying your relationship with your new prospects, you'll also be able to see – thanks to email tracking – which prospects are most engaged in your content.

You can use your emails to invite your new prospects to

- join a webinar
- watch a video
- view a slideshow presentation
- watch or read a tutorial
- read some frequently asked questions
- respond to a survey or a poll
- participate in research
- download a case history or customer story
- download additional white papers

Of course if creating this type of content is just not practical for you from a time or money standpoint, consider a simpler lead nurturing program – one that combines simple email messages with follow-up postcards.

This approach won't engage your prospects as much, but it will keep your name in front of them. And that's important too.



Step 7 – Review your results

Once your leads are in and you've had an opportunity to qualify all or most of your new prospects, it's time to review your results and evaluate the performance of your lead generation efforts.

With your first lead generation campaign, you will be able to establish a baseline of performance against which you can measure subsequent campaigns.

Look at the numbers

With direct mail, the first level of performance is usually measured by the "response rate" – and we'll measure that too – but response rates don't work when you're comparing direct mail with other media.

For that, it is best to measure your "cost per lead."

But don't stop with the response rate or cost per lead. Remember not all leads are equal – and not all campaigns are going to produce the same number of qualified leads.

For this reason, it is important to also calculate your "qualified response rate" or better yet, the "cost per qualified lead."

Why not the order rate?

You may be wondering why we haven't mentioned measuring your "order rate" or "cost per order."

This is the ultimate measurement, of course, but for many firms, the sales cycle can run several months or more. And you're not going to want to wait that long to do your response analysis. Using the "qualified response rate" provides a reasonable interim measurement.



Talk to your sales team

The numbers are important, but they only tell part of the story.

You should also hear from the people in the field. Your sales team can offer invaluable information for improving your program. You should invite their feedback and incorporate their ideas into your program.

Remember your sales people can make or break your lead generation efforts. Keep them engaged and involved in all planning decisions.

When your sales people are involved from the beginning, they will be invested in the program and more likely to handle your leads in a thorough and professional manner.



Step 8 – Revise and repeat

When you treat lead generation as a system – and not as a single campaign – you can benefit from previous actions.

That's because with every lead generation effort you implement, you learn something new – and you can act on that knowledge with each successive effort.

Understandably, when you find something that works, you want to repeat that action and perhaps roll it out to a larger audience.

At the same time though, you want to continue to explore variations in the program to see if you can improve on those results. Set aside a small percentage of your budget (5-10%) to test new approaches.

Not all of your adjustments will be winners of course. Not to worry. Your investment will be minimal, but the payoff for finding better results will be well worth the effort.

To ensure accuracy of your tests, be careful to change just one variable at a time. Otherwise, you're going to have successful efforts, but you won't know what caused the success.



What's Your Next Step?

In this ebook, we have outlined a complete end-to-end sales lead system that you can start right away to support your organization's sales process.

The process is simple and, we hope, logical, but it does take time, effort and some expertise to implement successfully. It also calls for some discipline in maintaining a 12-month program, in creating compelling content and in tracking and measuring your results.

More than anything else, this is a process that requires commitment – from marketing, from sales and from senior management.

Start today!

Whether you do this in-house or hire an outside firm to handle it for you, we urge you to get started immediately. Don't wait around for everything to be perfect.

How we can help

We developed this program with the understanding that no two clients are alike. One-size-fits-all doesn't work with what we do. Our work needs to be customized to fit the individual needs and budget of each client – which is why we offer a flexible menu of services:

Complete Program – We will work with you to plan, develop and implement a complete program to fit your needs and budget.

Development Only – If you prefer to handle the implementation yourself, we will work with you to develop all the materials you need for your program.

Piece by Piece – If you already have some of the pieces in place, we will work with you to develop whatever you need.

Coaching – If you prefer to do everything yourself, we offer one-to-one coaching to keep you on the right track.

To learn more or discuss your marketing challenges, contact Bob McCarthy at 508-473-8643 or bob@mccarthyandking.com

About the Author

Since 1984, Bob McCarthy has been a copywriter, consultant, creative director, project manager, list researcher, and direct marketing instructor.

Working with a wide range of businesses, he has been responsible for planning, creating and executing dozens of lead generation and lead nurturing programs.

After several years as a newspaper reporter and public relations coordinator, Bob started his direct marketing career in 1980 as a copywriter for The DR Group, one of the first direct marketing agencies.

In 1984, he went out on his own as a freelance copywriter. He is currently president of McCarthy & King Marketing, Inc. – a Milford, MA-based firm providing complete lead generation, direct marketing and creative services to support the sales process.

In addition to his client work, Bob spent 10 years teaching direct response copywriting at the Bentley College (Waltham, MA) Direct Marketing Program, and two years teaching mailing list research at the Merrimack College (Andover, MA) Direct Marketing Program.

Bob is a past president of the New England Direct Marketing Association (NEDMA).