

Ready to Connect with More Leads and Improve Sales?

BY DAVID A. ROSEN

Just recently CSO Insights published the results of a survey which reported that one of the top priorities of sales executives for calendar year 2006 was optimizing lead generation. That finding was supported by the fact that over the last two years, there has been a marked increase in investments in inside sales, telequalification, and other Lead Qualification & Management (LQM) programs.

Companies ranging in size from \$10M to Fortune 1000 companies are getting a tremendous number of new leads from some extremely impressive marketing efforts such as great content, white papers, trial versions of the product, online ads and trade shows, very few of these leads are being contacted by a person in sales or from other parts of the company. Once you obtain leads, the objective should be to transfer them quickly to sales reps who will qualify them and will convert them to QSO (qualified sales opportunity) status.

However, even when a lead is given to dedicated inside sales teams who are solely responsible for connecting with all of the leads, still less than 10 percent of the total leads generated are being reached.

How Do You Reach and Connect with More of Your Leads?

The fundamental challenge is to help a sales rep contact and qualify more leads and convert as many as possible into QSO status.

Currently lead qualification is probably the least understood and least attractive part of the sales process for a sales rep and sales managers. A lot of time and effort is spent in generating leads, but statistics show that 80 to 90 of new business leads are never acted upon, poorly worked, or lost. CSO Insights reported that in 2006, sales reps spent, on average, less than 18 percent prospecting and less than 36 percent of the time actually selling! So it's no wonder that they're picking and choosing (a.k.a. "Cherry Picking") the leads that they want to qualify. But, is that the most effective process for Lead Qualification and Management (LQM)? Probably not.

LQM is the place in the sales funnel where the interaction begins between a salesperson and their prospect. This is where the primary focus should be for a rep. Even dedicated qualification or inside sales teams face the same choke-point of reaching less than 10 percent of the contacts that they attempt to reach. This is where a small change in their daily activity can have a monumental impact on their daily productivity and overall effectiveness.

Here are three proven, best practices to improve sales effectiveness and productivity:

1. Focus on the right metrics: Number of Positive Outcomes vs. Number of Raw Leads

All B2B organizations want to create and deliver more leads. The real problem is that if you create and deliver more leads, there is still a choke point in qualifying them. In order to alleviate the choke point the rep must be as productive as possible in connecting with the prospects involved in the campaign or calling program, so that they can work toward a positive outcome.

The most common positive outcomes that keep the prospect moving forward in the sales cycle is to set up a meeting, schedule a call with a sales engineer to determine how exactly your solution will help them, create a proposal, conduct a detailed goal discussion to try to uncover what goals or challenges the prospect has, or set up further discussions with constituents in the buying process. None of these occur unless the rep can have a phone conversation with the prospect.

Let's say a rep is given 100 leads. The first thing they do with them is call. Sounds good, right? Well, when they call it's likely that they will only reach a prospect 7 percent of the time. That means that only seven of the leads will be "touched." The reps are frustrated in not being able to reach these contacts, and have told us they know more about different voicemail system technologies than they know about their prospect base.

So, if you give the rep 200 leads they will only reach 14 contacts. But, the reality is in today's selling environment that they will only be spending time on less than 100 leads a day. So instead of counting the number of leads thrown over the wall from marketing to sales or the number of dials a rep makes a day, why not measure:

1. Live Connect Rates (what portion of the leads are contacted)
2. Number of Qualified or Disqualified QSOs
3. Conversion of Leads into QSOs

These metrics are a more effective way to focus on the revenue impact to the business rather than call detail records from phone systems.

2. The sales and marketing database is a real lead "swamp". Focus on cleaning it up and unleashing the revenue potential within.

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Ready to Connect

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We talk with many companies who have sales and marketing databases with anywhere from 50,000 to millions of contacts. That typically means that a sales rep has more than 5,000 contacts, in their current territory simply sitting in their database. But, these are considered to be old, "stale" leads and not worth any of their time. Most sales people want to focus on the new leads that are "fresh." Now that we have established a "choke point" in contacting these leads, this implies that less than 7 percent of the contacts in the sales and marketing database have ever been contacted by a sales representative. The problem is realistically worse. We have talked with hundreds of sales and marketing VPs who believe that less than 5 percent have truly been contacted. Not a great return on anyone's investment in generating leads

For complex products, the cost of acquiring each lead could be \$20 to \$50 each or higher. So if a company creates 20,000 new leads a year, they have spent \$400,000 to \$1,000,000 to acquire these contacts only to reach 7 percent of them. So the true cost comes to at least \$230 to \$600 for each live connect, not including the cost of sales people or their tools. That's a lot of money and a huge resource

tied up in leads sitting stagnant in the sales and marketing database aka "lead swamp."

3. Develop an easy, yet systematic prospecting method with supporting tools.

Because reps spend less than 18 percent of their time prospecting, it is important for them to be as productive as possible. Reps hate to cold call and left to their own devices, will do what they have to do. A systematic and consistent process for prospecting and developing calling programs can greatly improve the productivity of reps as they call and connect to build relationships with prospects that will ultimately build their sales pipeline.

Combining regular "blitz" days or calling programs with a process to clear the choke point is a very powerful program that should double or triple the quantity of qualified opportunities and positive outcomes, which in turn greatly expands the sales pipeline and revenue productivity of sales teams.

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WarpSales Calling Program Links Sellers With Buyers at Warp Speed

The Challenge: One vice president of sales for an inside sales team was challenged with an underperforming quarter. The sales team sells complex products ranging from \$20,000 to \$100,000 and needed to fill their pipeline quickly.

The Solution: They chose to pilot and use Acrelic's WarpSales™ solution along with proven techniques, to escalate their team's productivity.

The Result: In the first day alone, their sales reps averaged 28 live qualifying conversations against 70 leads. Between the training on the first day and their WarpSales calling program, this was accomplished in less than six hours. They added more than \$2 million of net new business to their pipeline and they were hooked!

Acrelic's WarpSales is the first solution to break the sales choke point. Sales teams using WarpSales average a 35 percent qualifying conversation rate. This is an average across thousands of reps who have used WarpSales. This customer's average is even higher today.

Another barrier Acrelic has overcome is the conversion rate. Typically customers have started with an average of 10 percent conversion rate from a discussion to a qualified sales opportunity (QSO = positive outcome). The WarpSales process is having a powerful effect on conversion, as our customers now average closer to 17 percent. These are the results from the WarpSales calling programs that help identify the prospects in the reps territory who are most likely having challenges or trying to achieve the goals that their solutions are able to resolve.

Once they "raise their hands" (show themselves in WarpSales), the rep is able to connect, at an incredibly high rate. Sales reps almost always comment that the calls they make through WarpSales

calling programs are not cold calls, but rather "warm" calls and are more fun and attractive to the reps -- an added benefit to be sure.

The Net Benefit...

Leads at the top of the funnel, when worked systematically, are fully leveraging their marketing investments. The real benefits can be summarized by:

- Increased ROI on Lead Generation Programs: Marketing sees that leads are no longer cherry picked and that more than 30 to 40 percent of the new leads they generate are qualified (and disqualified) as opposed to 10 percent that are contacted.
- Sales Reps are enthusiastic about calling: Reps call and contact more leads from marketing since they are getting a higher connect rate and feel like they are calling "warm" leads making it more comfortable to call
- Greatly improved productivity across a whole sales team: A systematic approach to LQM increases the revenue attainment across sales teams and enables a higher level of qualifying conversations, on average 35 percent versus less than 10 percent
- Improve the Quality of the Database: By reaching a higher portion of the "lead swamp," reps avoid future distractions and time wasted on calling contacts who would not have been previously contacted. Higher connect rates means a higher disqualification rate in addition to qualification rate.

A 20 to 30 percent across the board lift in revenue per rep is possible if you manage to a systematic, well organized sales process. More time spent on improving sales rep performance in the LQM phase, means exponential gains in both productivity and performance.