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Are Your Leads Falling Through the Cracks?

by Candyce Edelen & Erika Schwartz Alter, PropelGrowth, May 2009

In most sales organizations, there is a gap through which qualified, but not "sales-ready" leads tend to fall. Cahner's Research found that as many as 80% of those qualified, discarded leads will eventually buy. That's a lot of revenue that could fall to your competition if you're not recycling those leads and cultivating relationships that will keep your company top of mind until the leads are sales ready.

Now, if Marketing is doing their job well, they're generating demand, and providing sales with a steady flow of qualified leads. And if Sales is doing their job well, they're focusing on the "closable" opportunities, nurturing the near-term opportunities, and prospecting for more "sales-ready" leads to keep the pipeline full.

But who's taking care of the qualified leads that are too early in their buying process? What are you doing to nurture those who aren't near-term opportunities until they're ready for future deals?

Organizations that have a well-defined process for nurturing qualified, non sales-ready leads have seen 20% revenue increases, according to a recent Demand Gen report.

As we mentioned last month, it's crucial to nurture your qualified leads. When you add consistency and methodology to your follow-through, you can more effectively maintain dialogue and build relationships with your qualified leads until they are ready to buy.

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What is a "Sales Ready" Lead?

Before we go on, let's take a moment to define some terms. All buyers go through some form of a buying process, which usually begins with them being unaware that they even have a problem or need — or possibly just unaware that there are solutions available. Once aware of their need, they begin looking for possible solutions and establish a vision for solving their problem. They then evaluate their options, consider recommendations and ultimately make a purchase.

When new leads are generated, there is no way initially to know where the prospect is in this process. It's only as you interact with the lead that you have the opportunity to gauge their progress and know how ready they are to buy.

In PropelGrowth's vernacular, a "qualified" lead is a prospect that meets your basic criteria for a lead — for example they match your specific marketing criteria, they are likely to have a business need your company can address, and they have adequate revenues and size to be able to afford your product or service. They may or may not be ready to buy...you don't know yet.

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A “sales-ready” lead is a qualified lead that is further along in the above-described buying cycle. They have identified that they have a need, they are investing time and money in figuring out how to address the need, and they want to figure out what options are available to help them solve that problem. They’re ready to talk to a sales person in hopes that your company offers a solution that can help them solve their problem.

Minding the Gap

Every sales person wants to have a pipeline completely full of sales-ready leads that they can convert to qualified opportunities with near-term closing potential. And both Sales and Marketing spend enormous amounts of time and money looking for those ideal opportunities.

Marketing efforts can generate a lot of leads, and well-functioning marketing departments are effective at turning well-qualified leads over to sales. Until sales contacts those leads, it’s hard to tell which ones are actually sales-ready.

Since sales people have limited time and are faced with an urgency to achieve their monthly, quarterly, and annual goals, they are likely to focus the vast majority of their time and attention on the leads that represent sales-ready opportunities, while the earlier stage leads end up on the backburner. This is where the gap occurs.

Sales probably make contact with the early stage leads on occasion, but usually their follow through is ad-hoc. They may call or email the non-sales ready leads a couple of times every 4-6 months — but if the lead does not respond, they don’t persist. The leads eventually end up in a “dead” pile until a sales person decides to contact them again. This approach does little to cultivate the relationship or influence the buying cycle.

Meanwhile, Marketing has worked hard to create and deliver those qualified leads, only to learn they’ve slipped through the cracks. This can be particularly frustrating for marketing teams who measure their effectiveness by tying lead generation programs to closed deals.

There is a Better Way

When your company applies a formal methodology to capture discarded leads and consistently follow through until they’re sales ready, then you can close that gap between marketing and sales.

Nurturing leads effectively requires process and methodology to cultivate continued relationships. Both Marketing and Sales should be in consistent and persistent contact with your leads, providing relevant information and communications that keep your company top of mind, and also help you to learn more about them: their needs, where they are in their process, and how you can influence their awareness and research. By methodically delivering impactful content and regularly touching your non sales-ready leads, you will maintain consistent dialogue and effectively stay by the lead’s side as they move through the early stages of their buying process. Your company will have the advantage of influencing the prospect’s definition of the problem and their vision of how to solve it, so when they’re ready to engage in the research and evaluation stages of the cycle, you’ll have a clear advantage over the competition, and it’s your company they’ll call.

PropelGrowth Can Help

PropelGrowth offers a proven methodology for nurturing your discarded leads until they are ready to go into the pipeline as qualified, sales-ready opportunities.

Contact us directly to schedule an Executive Briefing.

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