

# Professional Service Providers



## **Research Supports the Importance of Sales Lead Management**

By: Mark Friedman, President of The Velos Group

According to several recent Business-to-Business (B2B) company research studies, effective Sales Lead Management pays off big time. Not only in terms of increased sales and profits but also with increased business valuation for an exit strategy.

### **Operational Research**

A Forrester Research study found that firms that fell into the top tiers of their Sales Lead Management Maturity Model enjoyed better sales, follow-up rates and closed a higher percentage of marketing-generated leads.

Of those companies that fell within the top two tiers, 46 percent report that sales reps follow up on 75 percent or more of marketing-generated leads, and 35 percent of companies close 10 percent or more of leads. Of those companies falling within the lower two tiers, only 28 percent of companies report that sales reps follow up on 75 percent or more of marketing-generated leads, and only 19 percent close 10 percent or more of leads.

### **Netting it out:**

Top-tier companies close almost twice as many leads as Lower-Tier companies. What are the consequences for your company?

The study went on to indicate that B2B marketers can no longer afford to emphasize lead volume against lead quality. This practice reduces sales efficiency, increases costs, and fuels the gap between sales and marketing. Does this sound familiar?

The Velos Group recommends evaluating your current unique business processes to identify how to optimize the handling of all inquiries and leads to ensure that no qualified leads are “dropped through the cracks.” Once these processes are designed, they should then be mapped on to your Sales Force Automation (SFA) or Customer Relationship Management (CRM) software.

Through the aggressive use of this software and monitoring the progress of all qualified leads, your company will be headed down the road to increased lead follow-up and Sales Lead Management top-tier status.

### **Exit Strategy Research**

A survey commissioned by Sage Software reveals that small and mid-sized businesses must use their customer relationship management (CRM) database as a

tangible asset and a differentiator to obtain the best value from their business as an **exit, succession, or transition**. Having customer data in a single CRM system is a valuable asset according to 70 percent of respondents with exit strategies. Having a central record of all customer relationships is a significant business and financial asset for companies seeking an exit, whether the exit strategy is a trade sale, succession, venture capital funding, or public offering.

According to Sage Software, having a CRM system provides a strong negotiation tool in which to maximize the value of your business because it provides any future owner or manager insights into the customer base and opportunities. This not only allows them to hit the ground running, but also minimizes disruption to customer service.

The Velos Group strongly recommends the creation of a centralized, customized Customer and Prospect database with a comprehensive Account Profile built into it. Once created, the company should import all inquiries and leads the company had generated along with existing prospect and customer information. The company should then request the sales reps provide the company with all relevant information from company-generated inquiries, leads, prospects and customers.

Once collected, this information should also be imported into the database. It's Okay to ask for all sales rep contacts, but be aware, if the company did not generate the initial information, most sales reps will not provide the information back to the company. Some might, but don't expect it. Application security then can be incorporated to grant sales reps the access privileges they need, but no more, and also make it more difficult to export or delete important company information.

Once the database is up-to-date, then all information regarding customers, inquiries and leads should first be entered into the database. By doing this, the information in the CRM database will become a valuable corporate asset and will increase the company's value.

### **Conclusion**

Effective Sales lead Management increases sales results and sales productivity and also positions the company for a higher valuation. Increased consistency and predictability of revenue and profits with a solid customer database in place is the key.

### **About the Author**

Mark Friedman is an experienced, results - oriented executive with over 20 years of proven success in managing Sales, Sales Lead Management, Telemarketing, Marketing and Customer Service. Notably, world-renown consulting giant Accenture and the Distribution Research and Education Foundation have recognized one of his programs as a Wholesale Distribution Industry Sales "Best Practice"; the program

overview was published in “Maximum Sales Velocity: How to Build a World-Class Sales Organization” by David P. Woodrow.

Mark possesses the outstanding ability to assess a company’s current Sales Chain and make recommendations for dramatically improving sales results and productivity while providing the infrastructure to determine ROI for each Marketing activity. Among his accomplishments was revamping a moribund program generating a mere \$175,000 in revenue per year and increasing the “top line” to over \$113 Million in 3 years. Additionally, he has increased sales volume by over 50% in call center environments at several companies by integrating Out-Bound Telesales capabilities with the In-Bound Customer Service group. Mark has proven that he is a high-energy achiever and team builder in an often – neglected area.

His articles on Sales Lead Management have appeared in Network World, Sales and Marketing Excellence, Sales and Service Excellence magazines, the PMMI Newsletter and MHEDA Journal.

Mark is a Vistage Expert Speaker and has spoken at national events, such as the PMMI (Packaging Machinery Manufacturer’s Institute) Marketrends conference, the 50<sup>th</sup> annual MHEDA (Material Handling Equipment and Distributor’s Association) conference and the CGNA (Controls Group North America) conference about Sales Lead Management.