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CRM Tips: Don't Let Leads Die Prematurely

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Even if you're not a Monty Python fan, "Bring out your dead" from The Holy Grail movie is a sick but funny sequence. That vignette is surprisingly relevant to how you handle leads in your CRM system.

CRM Definition and Solutions

Most leads are declared dead too early. Many a sales rep will give up on a lead after a couple of e-mails or phone calls. All too often, reps don't even go that far, declaring leads as unqualified without even having a conversation with the individuals. The irony here is that the reps will scream for more leads after having preemptively dropped 70 percent or more of the leads that were presented to them.

But database marketers know better, and have the measurements to prove that more than half the revenue flow can come from leads that are more than 9 months old. Of the leads that are rejected by Sales, industry data shows that 60 to 80 percent of them will buy something from somebody within the next year. Unfortunately, if your CRM system effectively throws away "dead" leads, those purchases will be going to your competitors.

Why does this occur? In many markets, prospects have a very long inquiry and research phase that precedes their actual purchase cycle by many months. For example, a project manager may be vaguely interested in integration middleware for the next phase of a development project, but in fact have neither the need nor the budget to act now. They may be looking for a placeholder to put in next year's budget, and are not interested or able to start a sales cycle. The sales rep encounters this lead and declares them dead because this prospect can't help them make their number this quarter. And this isn't just a B2B phenomenon: haven't you looked for information about convertible cars when you're daydreaming on a rainy day?

The solution is to treat every lead as the beginning (or update) of a customer relationship. Leads shouldn't be treated as a one-shot go/no-go on your company. Use your CRM system's campaigns feature, Website cookies, and deduping software to put all of a lead's touchpoints and responses in a unified lead (or contact) record. Use lead scoring features to help reps prioritize which leads the reps pay attention to, and make sure that the algorithms account for explicit (profile) scores, implicit (behavioral) scores, and decay (time-sensitive) factors.

Perhaps most important, set up a database flag (using record types, queues, ownership, or other CRM mechanism) for the "dead" leads. This is the core of your remarketing database, which drives the ongoing lead-nurturing process. The "dead" leads receive off invitations to email threads, webinars, events, or other "in case you're interested" calls to action. Lead-nurturing systems are typically separate from the CRM system (see last month's article on Marketing Automation), but the two must be tightly integrated. The remarketing database is invisible to the sales team, but will continue to generate new responses from leads that are over a year old. The moment a lead takes new action indicating serious interest (e.g., registering for a trial account), the lead scoring system instantly bumps him/her up to active lead status that is visible to the sales reps.

Of course, the reps may rapidly disqualify the lead again — that's their prerogative. But the CRM system needs to be set up to keep the relationship going essentially forever. Forever here is defined as "until their contact information is no longer valid" or "until they unsubscribe." If your lead-nurturing information is sufficiently interesting and relevant to the audience, you'll have a surprisingly few unsubscribes. However, when someone unsubscribes, this must be processed in all systems within a few business days. Even though the FTC seldom enforces CAN SPAM fines, customers and prospects can be surprisingly impatient and surly about bungled unsubscribes. Grumbling in Twitter, Facebook, Blogs, and Forums is a far more immediate and real risk for your company.

The Twin Challenge

This article has talked about the need to attend to leads over long periods. That's where lead-gen profitability comes from. But there is a twin challenge: responding quickly enough to leads before they go cold. It is almost impossible to be too quick in responding to a lead, and recent studies by Professor James Oldroyd of MIT indicate that lead response rates drop dramatically within minutes of a Web registration. Providing a professional response to a lead in near real time really sets companies apart. Statistics show that a prospect's attention moves on to other things very soon, and the vast majority of Web site visitors will have no recollection of a company within 48 hours of visiting its site.

So it's imperative that leads make it into the CRM system and that a drip marketing sequence starts the same day. This requires important changes in lead cleansing, deduping, and importing processes, plus setting up SLAs between the marketing events, marketing, telesales, and sales teams (including reports that show SLA metrics). Even if no sales rep has time to get back to a lead for 3 days, a relevant and informative series of "drip" emails (that pretend to come from a pre-sales person) keep the lead informed and motivated so they don't go cold.

David Taber is the author of the new Prentice Hall book, "Salesforce.com Secrets of Success" and is the CEO of SalesLogistix, a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel, and India, and David has over 25 years experience in high tech, including 10 years at the VP level or above.

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