LEAD SCORING: POINTS WIN PRIZES

Scoring and nurturing your best leads relies on close collaboration between sales and marketing. Brett Matthews reports

In today's decidedly fragile economic environment, when business is increasingly difficult to come by, it's hard to believe that potentially good sales leads are being squandered on a mammoth scale. Yet according to eMarket2 managing director, Norman Campbell, a huge percentage of sales leads are never followed up – an assertion supported by numerous studies.

But why? In a great many cases, it's because leads are passed from marketing to sales too early. The two, it would seem, don't always see eye-to-eye when it comes to differentiating between tyre kickers and those who are ready to buy.

Collaboration is key

The need for close collaboration between sales and marketing is vital when establishing an effective lead scoring and definition process. "The definition of when a lead is ready to be passed to sales needs to be agreed between marketing and sales, and regularly reviewed in the light of experience and business circumstance," says Ian Rawlins, managing director of The Newbury Group.

In looking at his firm's own approach to working with sales and marketing teams on this issue, Campbell suggests that they need to draw up a universal lead definition, with leads only being passed over when they've ticked the right boxes. This box ticking process is, essentially, lead scoring.

The role of technology

Before looking at lead scoring itself, it is worth touching briefly on the role of automated marketing in the lead scoring process. Is technology a must-have? This question was put to a number of observers

For more information go to www.b2bm.biz/knowledgebank/demand-generation

and the consensus came as no great surprise: essentially, the greater the volume, the greater the value of – and need for – automation. Paul Teshima, senior vice president of customer strategy and success with Eloqua, for example, talks of the power of being able to integrate lead scores in real-time into CRM systems.

Geoff Wells, client services director at Slipstream, suggests the need for automation in B2B isn't as great as in B2C simply because the numbers being dealt with aren't as significant. He says: "[In B2B] you still need a vigorous lead scoring process but you have to remember there are different dynamics at work and people interact with the brand differently."

On balance, says Wells, automation is not compulsory. "The principles remain the same whether you automate the process or not," he says. "You still need to define parameters, to move scores from one stage to another."

Scoring leads

Rawlins suggests that scoring criteria is generally based around establishing two types of information: profile information and the potential size of the opportunity; and the buying status of the lead and stage that the company is at towards makinga purchase.

This ties in with Wells' suggestion about lead scores being based on a mixture of explicit and implicit information. The former might include information provided by, or about, the prospect – company size, industry segment, job title, and so on – while implicit information is gleaned from monitoring prospect behaviour, such as website clicks and tradeshow visits.

The actual process of scoring leads is usually done via a points system with both explicit and implicit information being given a score. In terms of implicit information, a basic interaction, such as clicking on your website, might be scored as two points. More intimate interactions, such as making contact via email or talking to you at a trade show might be scored higher.

For explicit information, a senior role with buying authority might be ranked as an A, while a middle ranking manager with little buying power might be a C. A final score of A1 would clearly be ripe to be passed across to sales, while a C2 might require more nurturing from marketing.

The need for speed

There are other considerations that can influence the score of a lead. Teshima suggests that lead scoring needs to be increasingly dynamic in the digital age, where there is an abundance of touch points for every business.

> The definition of when a lead is ready to be passed to sales needs to be agreed between marketing and sales, and regularly reviewed

Ian Rawlins
managing director
The Newbury Group

Key considerations to lead nurturing

- **Multi-channel marketing** can generate an abundance of leads, making a lead scoring system increasingly essential.
- **Greater collaboration** between sales and marketing on lead definition can help to prevent leads being passed to sales too early.
- **Leads scores are based on wide-ranging information** about the buyer's profile and current stage in the buying cycle.
- **A robust lead nurturing programme** can help to revive leads that leak from the sales funnel.

"Speed of information is extremely important and we would advise businesses to incorporate 'recency' into any score," he says. "A lack of activity [for example web visits] for 30 or more days, for instance, might see a score drop by around 50 per cent."

One final piece of advice comes from Wells who warns against over-complicating scoring, "If you do, it becomes increasingly unusable," he says. "We must also remember that any score needs to be taken with a pinch of salt. It provides an indication of where a prospect is and how well qualified they are but it is only an indication."

Ready for handover?

Let's pretend, then, that a lead has reached a pre-agreed score that has been established by sales and marketing. What's the next step? In theory, the lead is ready to be passed to sales. Yet, as Wells rightly points out, a score is only an indication.

For more information go to www.b2bm.biz/knowledgebank/demand-generation

A person might fit all the criteria yet not be ready to make a purchase – and vice versa.

With this in mind, Rawlins suggests that telephone contact prior to handover is excellent best practice. "If a lead scoring model is being used we would argue that when reaching a pre-agreed score, the next step is telephone contact to verify the scoring model and add further information," he says. "Our view is that sales people should spend their time selling and therefore either within the marketing function or within internal sales support there needs to be a telephone role to thoroughly qualify a lead before handover to the sales team."

Leads that slip through the net

Claire Edmunds, managing director of Clarify Solution Selling, talks about the 'sales lead twilight zone,' a place where marketing produces leads that meet sales criteria and are accepted – yet that fail to ever contribute towards the sales forecast. "The 'twilight zone' is where perfectly viable opportunities are left to go cold, or get picked up by the competition," she says.

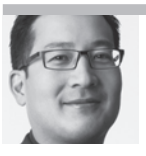
Lead nurturing is fundamental to addressing this leakage. "Of course all sales funnels leak, which is why there is a huge need for effective lead nurturing, and also opportunity nurturing in the 'twilight zone'," says Edmunds. "Lead nurturing and opportunity nurturing are all about minimising this leakage. A key consideration is to understand the needs of each prospect, and to communicate with them according to their buying cycle rather than your sales agenda."

Adam Sharp, managing director of CleverTouch Marketing, suggests that Google and voicemail – "allow people to hide and self-educate until they are ready to talk to somebody." In light of this, Sharp suggests lead nurturing has taken on greater significance and encourages marketers to invest more time and resources in a nurture strategy.

Continuous improvement

Invariably, issues will arise with any lead scoring system and tweaks will be necessary. In order to ensure any problems don't become endemic, Teshima recommends that for the first six months, a lead scoring system should be reviewed on a monthly basis and possibly on a quarterly basis thereafter. This review offers sales and marketing the chance to look at which types of leads have the best conversion rate and amend scoring if necessary.

> Speed of information is extremely important and I would advise businesses to incorporate 'recency' into any score



Paul Teshima
senior VP of customer strategy and success
Eloqua

Rawlins concurs with the need to build flexibility into any system, "We work closely with clients to understand and agree on what constitutes a good lead," he says. "We continually refine this definition on a per-client basis throughout the life of the campaign based on feedback, analysis and review."

The role of agencies

The size and sector of your business will clearly influence where and when agency support is required in defining and scoring leads. Campbell suggests that while it's not generally the role of agencies to tell businesses how to score a lead, it can be helpful to have an independent third party between marketing and sales to remove any politics or personal issues when it comes to defining leads.

Another area where agencies can prove invaluable is in cleaning up data. Sharp points out that, in an era where an integrated marketing campaigns can involve 10–15 different channels, businesses often generate huge amounts of data. "CRM has become the final dumping ground for all this data," he says.

While marketers might be tempted to start again and buy a new list when faced with such a scenario, Sharp suggests that they think again. "With the right tools and knowledge an agency can very quickly clean up the data and give a business confidence in it – and this will be less expensive than buying a new list," he says.

• Training workshop: Sales and marketing integration – Maximise leads and revenue on page 48.
• Webcast: 'Defining a lead – marketing versus sales', July 28 at 2pm. Visit ww.b2bm.biz/webcast/defining-a-lead/

For more information go to www.b2bm.biz/knowledgebank/demand-generation