

Making Lead Management Work to Maximize Return on Marketing Investment



projectline

www.projectlineinc.com

Contents

- Introduction..... 3
- New Pressures to Show Return on Marketing Investment 3
- Difficulty Linking Marketing Activities to Sales Results 3
- Lead Management Status Quo 4
 - Major Obstacles to Improving Lead Management..... 5
- A Better Way Forward: Data-Driven Lead Management 5
- Need to Connect People, Processes, and Tools 5
 - Case Study in Applying Marketing Operations to Lead Management 6
- Conclusion 7
- Marketing Operations at Projectline 7

Introduction

Marketing organizations need to show a causal link between specific outreach activities and bottom-line metrics, such as new customer acquisitions and sales revenue. But measuring return on marketing investment is notoriously hard to do. Lead management is at the heart of this problem. Marketers recognize the formidable challenge of tracking leads from an ever-expanding array of channels throughout an increasingly complex purchase decision process. But what's the solution? Clearly, technology alone cannot make the difference. Instead, marketing organizations need to adopt a holistic approach to lead management that focuses on three key goals:

- Helping cross-functional teams synchronize efforts
- Optimizing lead management workflows
- Closing critical gaps in software systems

By coordinating people, processes, and tools to manage leads throughout the sales process, organizations can more accurately measure and take steps to maximize return on marketing investment.

New Pressures to Show Return on Marketing Investment

The landscape of business-to-business marketing has fundamentally changed. In the past, marketing teams focused largely on raising brand awareness through creative work, such as graphic design, advertising, and copywriting. For the most part, marketing departments operated independently from the rest of the organization.

This is no longer true. Autonomy has given way to accountability. Marketing departments must be able to prove how their efforts contribute to new leads, customer acquisitions, sales, and revenue growth. In short, department leaders are on the hook to demonstrate return on marketing investment.

Difficulty Linking Marketing Activities to Sales Results

To win support for continued marketing investment, department leaders need to demonstrate the direct impact of marketing expenditures on tangible business outcomes, such as growth in market share, increased sales, greater customer value, and increased profitability. As any seasoned marketer can attest, this is a daunting challenge.

Lack of alignment between marketing tactics and sales objectives magnifies the difficulty of measuring performance. Marketing staff contend with the pressure of keeping the sales pipeline primed with prospects. At the same time, sales personnel routinely clamor for more efficient lead routing and better insight into the value that each opportunity represents. Communication gaps between the two functions make linking closed deals to marketing-generated leads practically impossible.

A multitude of causes is driving the evolution of the marketing function to a fully integrated and accountable line of business, including:

- **Cost consciousness**—Executives advocate a leaner approach to business that calls for an “all-hands” commitment to trim operating expenses.
- **Technology improvements**—Software tools for coordinating and automating marketing processes have matured, providing support for enterprise initiatives to increase marketing efficiency.
- **Social media adoption**—Widespread social media adoption has literally changed the conversation between businesses and prospective customers; today's marketers need to be much more agile in synchronizing cross-channel campaigns with sales teams to keep customers engaged.

Lead Management Status Quo

Lead management comprises the methodology, organizational roles, processes, and technology systems dedicated to providing sales teams with qualified prospective customer information. This critical function dictates how organizations capture customer inquiries, rank leads, and apply communications tactics to leads at each phase of the purchasing process. In short, lead management serves as the main bridge between marketing and sales teams.

Yet, despite the obvious strategic importance, many enterprises do not have consistent, repeatable lead management practices in place. In some cases, companies lack the means to acquire leads and nurture prospects. As a result, these companies lose a significant number of leads each year.

Deficient lead management practices, which are often related to the growing complexity of marketing campaigns, are a common source of misalignment between marketing and sales functions. As shown in **Figure 1**, today's marketing staffers typically need to mine and monitor responses from numerous channels while navigating a labyrinth of workflows to distribute leads to sales staff. Faced with the pressure of continuously feeding the demand pipeline, marketing teams tend to focus on quickly pushing leads to sales contacts in high volumes, rather than evaluating and classifying responses in a more systematic way. Predictably, in this scenario, sales personnel cherry pick the most promising leads and overlook the others, which results in high lead churn rates and wasted opportunities. Without standardized processes for lead qualification, routing, and nurturing, organizations find themselves ill-equipped to classify opportunities, engage prospects with appropriate follow-up communications, and close the loop with sales teams to measure campaign performance.

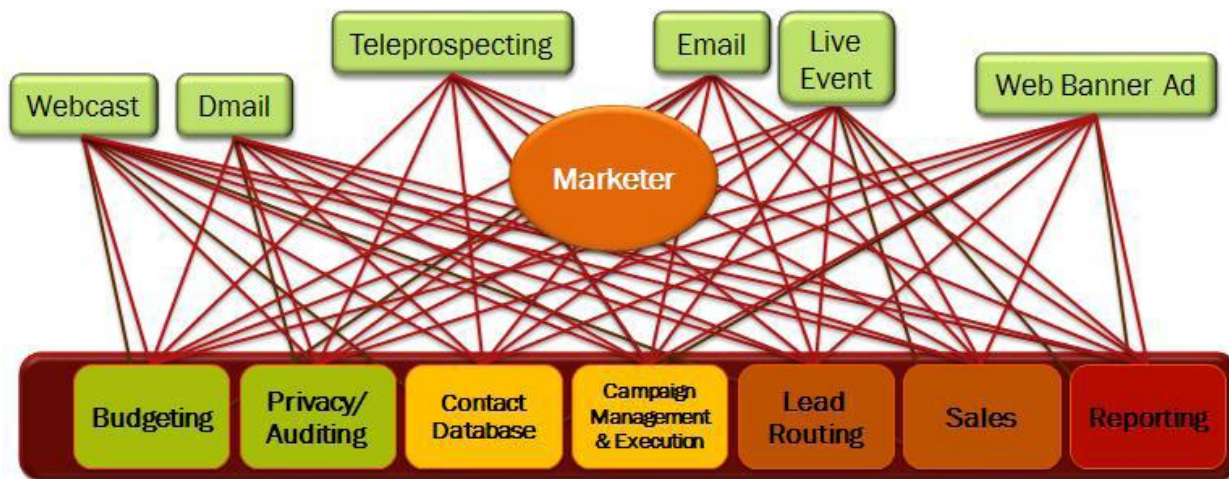


Figure 1. Marketers face the challenge of managing leads from multiple sources and must navigate a complex web of workflows to distribute leads to sales teams.

Some of the major obstacles to improving lead management include:

- **Lack of integration of marketing and sales data**—Relying on separate systems for managing marketing and sales data complicates allocation of sales revenue to marketing-generated leads.
- **Inefficient processes**—Manual workflows and other communication deficiencies undermine lead management, making it difficult to correlate marketing activities with benchmarks for customer acquisition and revenue growth.
- **Knowledge base constraints**—In many cases, staffers have limited experience or training in executing a data-driven approach to lead management, likely increasing the cost and weakening the immediate impact of such an initiative.

A Better Way Forward: Data-Driven Lead Management

Marketers need to embrace a more analytical approach to lead management through adoption of marketing operations principles. By applying operational best practices to ensure that lead qualification, routing, nurturing, and reporting processes are fully integrated and proactively managed, marketers can help sales teams get better leads and close more deals.

In implementing a more rationalized strategy for lead management, marketing organizations need to start by taking basic steps focused on the following areas:

- **Gap analysis**—Perform a high-level capabilities assessment that evaluates the staffing resources, process flows, and technology assets that support lead management to determine gaps.
- **Data quality assurance**—Consolidate and cleanse lead tracking data sources to enable streamlined, consistent performance measurement.
- **Process optimization**—Define simple, repeatable processes and automated workflows wherever possible to govern lead capture, qualification, handoff, and performance tracking tasks; provide ongoing staff training on these processes; and adopt a strategy of continuous improvement.
- **Reporting and business intelligence**—Deploy such tools as marketing dashboards and web-based analytics programs to provide real-time visibility into the health and performance of the lead management function.

Need to Connect People, Processes, and Tools

The marketing operations discipline prescribes a holistic approach to optimizing lead management—one that examines how people, processes, and tools come together throughout the marketing life cycle. This effort includes prioritizing staff training and development, defining lead handoff and follow-up mechanisms, and evaluating technology solutions for improving marketing automation.

Relying on an embedded, outsourced team to apply marketing operations principles to lead management has several advantages. An embedded consulting team provides the cross-organizational perspective necessary for end-to-end process optimization. With a panoramic view, the team serves as the glue between marketing and sales, helping organizations optimize campaign setup, management, and performance tracking. Outsourcing process coordination and administrative tasks enables organizations to quickly scale marketing operations initiatives and free up internal staff to pivot toward strategic activities. An independent embedded team can help connect people, processes, and tools in a more effective way, which means marketing leaders can stay focused on lowering costs and maximizing their contribution to the bottom line.

Case Study in Applying Marketing Operations to Lead Management

Business Problem:

The field marketing group of a technology vendor spent 30 to 50 percent of its time handling administrative tasks, conducting campaign setup within internal tools, tracking leads, and managing reports. In addition, because responsibility for lead management was highly distributed among members of the group, there were no consistent practices in place across the company. This, in turn, made it extremely difficult for senior managers to obtain an accurate view into total return on marketing investment and provide a reliable sales pipeline forecast.

Strategy:

The technology vendor turned to Projectline to centralize campaign setup and lead management functions. This approach enabled the marketing group to remove the burden of administrative tasks from its internal staff. It also gave the embedded team a clear mandate to help establish consistent, repeatable processes for campaign setup, lead management, and campaign performance evaluation.

Results:

This strategy saved the vendor money because the marketing group was able to focus on campaigns. It also streamlined all marketing campaigns nationwide, which led to the distribution of higher-quality leads to sales while simplifying measurement and reporting of return on marketing investment.

Metrics:

- *Projectline helped its client increase the volume of tracked marketing campaigns by 343 percent year-over-year because marketers were able to focus on what they were hired to do: build an opportunity pipeline instead of getting mired in administrative tasks.*
- *By pinpointing lead drop-off points in the handoff between marketing and sales, as well as CRM routing processes, the Projectline Lead Management Support team was able to preserve valuable customer data within the sales pipeline, saving more than U.S. \$5.5 million in marketing-generated opportunity revenue.*
- *The Projectline Business Intelligence division worked closely with the client to automate lead tracking processes, resulting in substantial efficiency gains and savings of an estimated \$14 million in the opportunity pipeline.*
- *The Projectline Marketing Support team has streamlined service offerings across the campaign life cycle into a consolidated approach, easing the setup and operation of marketing systems and tools and minimizing duplication of data capture efforts. As a result, the Projectline team reduced churn on marketing stakeholders and saved its client \$315,000 in event setup costs, freeing up budget resources for allocation to other more strategic goals.*

Conclusion

Today's marketers are under mounting pressure to demonstrate the direct connection between marketing programs and sales impact. But, for many companies, deficient lead management practices keep getting in the way. To build an opportunity pipeline that generates higher conversion rates, more closed deals, and increased profitability, department leaders must focus on fixing lead management first. By partnering with an embedded, outsourced team of professionals that can focus squarely on aligning people, processes, and tools, organizations can optimize and quickly scale lead management workflows. With an enhanced ability to track leads throughout the purchase decision process, marketers can close the loop with sales to evaluate and take steps to maximize return on marketing investment.

Marketing Operations at Projectline

The Projectline Marketing Operations team is dedicated to helping organizations drive end-to-end marketing process optimization, bridging the gap between marketing and sales. As part of our Marketing Operations offering, we provide a centralized team that works to optimize lead management and provide consistent and comprehensive data on campaign performance to empower marketing decision makers.

To find out more about how Projectline's expert Marketing Operations team can help your organization, write to extraordinary@projectlineinc.com or drop us a line on our [website](#).