

# **Sales Department Accountability**

## **80% of Marketing Leads are not Followed Up by Sales! How to Turn the Tables and put Marketing back in the Driver's Seat**

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It is an absolute waste of your marketing investment if your sales team fails to follow up on 80 percent of leads marketing produces. If your demand generation campaigns are not resulting in as many sales as you expect, the problem might not just be in the quality of the sales leads going to your sales representatives, it might also be in the amount of attention sales reps are giving to the leads they receive. This white paper will help you increase lead-to-sales ratios by improving integration between your marketing and sales teams.

### **Integration and Accountability are Mandatory**

For their own survival, marketers must address head-on the fact that 80% of marketing leads are not followed up by sales teams. Otherwise, marketing will always be considered a cost center and CEOs will not consider marketing executives to be strategic partners. Further, marketers must dispel any perception among sales representatives that sales leads provided by marketing are not worth their time.

Lead-to-sales conversion wouldn't be an issue if every sales lead flowed smoothly from the beginning of the marketing lead "funnel," through the sales lead funnel and became a sale. Unfortunately, the reality is that each stage of both the marketing funnel and the sales funnel loses a significant number of sales leads. In addition, there is significant decay as the lead progresses between stages. When a lead gets stopped at a certain stage (the usability or qualification stages, for example) it often "disappears," never to become a sale. This results in inefficiency and lower conversion rates.

To significantly reduce the number of lost leads, companies must align people, process and technology components between marketing and sales departments. This enables Marketers to:

- Execute campaigns and maintain systems that provide sales teams with only sales-ready leads (defined below) and that continuously nurture leads that get stopped at any point in the funnels.
- Demonstrate the quality of the leads they produce in terms of sales dollars and other measures.
- Monitor what happens to leads provided to sales teams and to hold sales representatives accountable for working on such leads in a timely manner.

### **Bi-Directional Integration Required**

Aligning marketing and sales as described above requires full, bi-directional integration between marketing and sales systems. This is the only way to make sales activities visible to marketers and marketing activities visible to sales teams.

Market2Lead is an on-demand marketing automation product that provides such two-way integration by combining data from marketing and sales systems in a single data warehouse. This data mart enables Market2Lead to automatically credit sales opportunities to marketing campaigns and to nurture opportunities through different stages of the sales process based on sales disposition and opportunity attributes.

### **Why Would Sales Teams Cooperate?**

The marketing department would be the sales department's best friend if the marketing department could prove that it can:

1. Decrease the time it takes to close a sale
2. Increase size of individual sales

The time required to close a deal is directly proportional to the prospective customer's readiness to buy. Closely integrating marketing and sales processes enables marketing departments to provide sales departments with only nurtured leads that are sales ready – the ones on which representatives can close most quickly. The result is higher sales productivity (less time spent on each sale) and higher lead-to-sales conversion rates.

Marketers can positively influence the size of a deal by interweaving a context-sensitive messaging framework with an opportunity-centric campaign approach (which is different from the normal contact-centric campaigns that marketers typically conduct) and by personalizing these opportunity-centric campaigns to the different stages of the sales process. By doing so, marketers can strongly impact mindshare, timeshare and brandshare, resulting in increases in the sizes of individual sales.

### **Recipe for Success**

Once a marketer convinces a sales executive of the sales benefits of closer integration and accountability, the next step is to work together to precisely define “sales-ready lead.” The two should base the definition on the attributes of leads that in the past have converted well. For example, the definition of a sales-ready (“A”) lead might include various combinations of attributes such as:

- The prospect has requested a call from a sales person.
- The prospect is identified as a decision-maker.
- The prospect has indicated a timeframe for a purchase decision.
- The prospect has spent a certain amount of time reviewing information on the company Web site, or has downloaded a certain number of white papers or similar resources.

Once the marketing and sales executives agree on a definition of sales-ready lead, the two should enter into a “service-level agreement” (SLA). The SLA requires the marketing team to generate leads that meet the new definition of sales-ready and specifies how quickly sales representatives will call prospects upon receiving sales-ready leads (e.g. within four hours).

### **If you Cannot Measure you Cannot Manage**

Such an SLA will be effective only if the activities of the marketing and sales teams are measured against it. The marketer must frequently look at the number of leads and/or opportunities that are at each stage in the marketing and sales process. Executives must also measure the time required for a lead to reach each stage and which campaigns are having the most impact on stage-to-stage transition. Such data is available in analytical dashboards provided by products like Market2Lead.

Measurements such as those above enable marketing executives to hold sales teams accountable for upholding their part of the SLA. They also enable marketers to see and understand patterns and trends. That information allows marketers to adapt their campaigns and nurturing systems as necessary to increase the number of highly convertible leads they provide to sales departments.

Full integration between sales and marketing systems also enables companies to provide new financial incentives for marketing team members. For example, Market2Lead compensates its marketing team for every closed deal that resulted from marketing activity.

### **Proving Marketing Influence without IT or Sales Staff Input**

It is nearly impossible to persuade a sales representative to follow a marketing process or credit a marketing campaign while working on an opportunity. Market2Lead enables marketers to harmonize sales and marketing data based on codified business rules that require no IT or sales intervention. As a result, marketers can show sales executives exactly how much impact marketing is having on sales and what is happening to marketing-influenced sales opportunities, regardless of the lack of sales representative cooperation.

Actual marketing analytics dashboards from a Market2Lead customer demonstrate such reporting abilities. For example, a dashboard showed that 61 percent of opportunities that were in the prospect validation stage were not influenced by marketing, but only 39 percent of opportunities that were influenced by marketing remained in that stage (Fig. 1). The same dashboard showed that fewer marketing-influenced opportunities were at the development and evaluation stages than opportunities not influenced by marketing. But at the business negotiation stage, the numbers were nearly equal, indicating that marketing-influenced opportunities got to that stage more quickly. A dashboard from the same Market2Lead customer showed that deals influenced by marketing were on average 10 percent larger than deals not influenced by marketing (Fig. 2). This kind of knowledge can have a large impact on sales team cooperation.

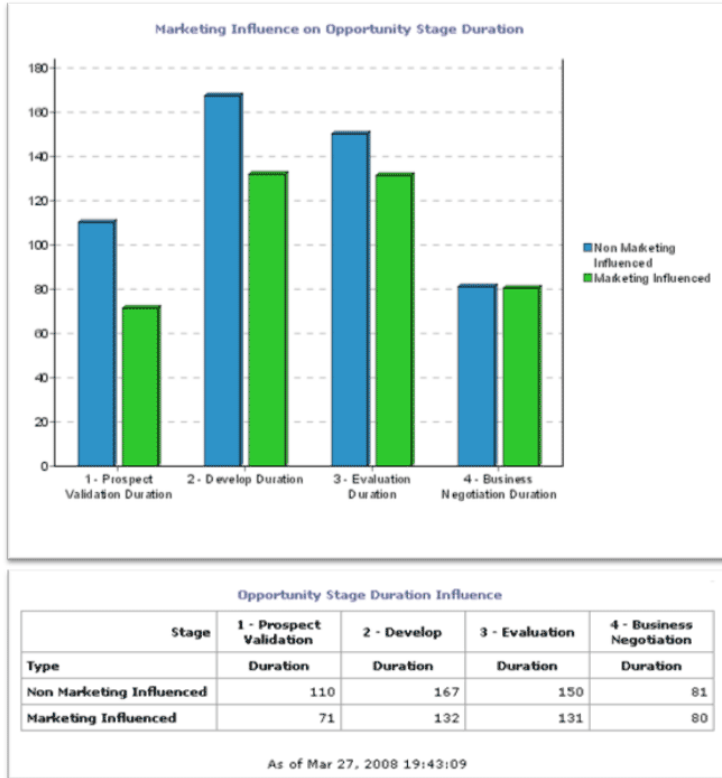


Fig. 1: Market2Lead influence on Deal Time

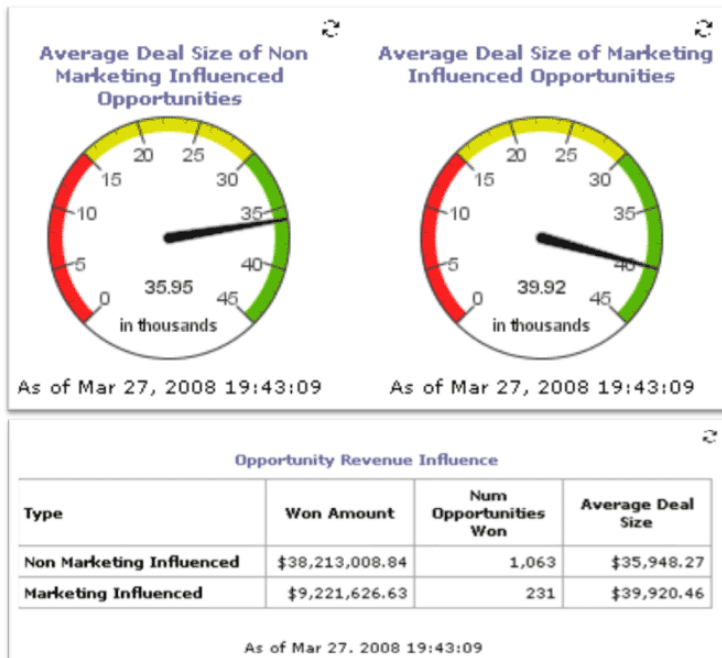


Fig. 2: Market2Lead influence on Deal Size

## **Summary**

Integrating marketing and sales processes and systems can help put an end to the perennial conflict between marketing teams and sales teams over the reasons leads are not converting to sales. Integration allows marketers to demonstrate the positive effect they have on the sales process and allows them to monitor what happens to leads after they enter sales systems. When combined with a service-level agreement between marketing and sales executives that precisely defines sales-ready leads, such integration can increase sales team productivity, decrease the amount of time required to close each sale and increase the size of individual sales. But for such integration to have a lasting effect on lead-to-sales conversion ratios, sales teams must have visibility into the activities of marketing teams and marketing teams must have visibility into sales team activities. And marketing executives must hold sales teams accountable for upholding their side of the service-level agreement.