



WHITE PAPER

The Cost of Ignoring Aged Leads



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Introduction

In a recent Forrester Best Practices document, “Improving B2B Lead Management,”ⁱ the authors lay out a “Lead Management Maturity Model” describing four levels of lead management Maturity based on whether and how companies acquire, qualify, evaluate, and identify “the hottest leads” for sales. Beginning with the least matured, “Sales accommodators” proceeding through “Lead qualifiers” and “Prospect incubators,” and arriving at perfection with “Lead management masters,” the paper is chock-full of great ideas, trends, and advice, all backed by research, both from “qualitative perceptions” and the more trendy, “Big Idea: Left Brain Marketing quantitative facts.”

Working with real world, day to day sales situations, issues tend to be more fundamental . . . In our client discovery meetings, we walk through the entire sales process as a way of providing an understanding of a client’s core sales and marketing message. During 90% of these meetings over the last 5 years, after explaining how they acquire leads, how they distribute them to the sales team, and how they train new salespeople to “work” a lead, one of the client’s top salespeople almost invariably mentions that he or she has a pile of leads on his desk about two feet deep . . .

Salesperson: “I never get deeper than about the top three or four leads.”

Creative: (To the sales and marketing team around the table) “How do you process leads that don’t close right away?”

Salesperson: (Looking around the table at his colleagues), “Not sure—Bill, do we recycle them or put them back in the cue somehow?”

“...Lead management practices must extend beyond simple prospect acquisition...”

- Forrester Best Practices

Bill: “Uh . . . after a certain period of time, we resell them.”

[Brief silence.]

Creative: (To the top salesperson) “Well, what do you do with the rest of the leads in your pile?”

Salesperson: (looking a little sheepish): “I guess, nothing. I just never get to them—and I make a good living working just new leads most of the time.”

Sound familiar?

“Quantitative Factsⁱⁱ”: 100,000 Aged Lead Survey Responses

SoftVu has since worked with this client and many others in this and other verticals to find the gold hidden in aged leads, and to create best practice automated marketing solutions to help companies understand the value of paying attention to aged leads, and learn how to recycle the “hand raisers” back to the top of the pile.

From that experience, we’ve collected extensive data regarding aged leads, and have developed many best practices in-line with industry standards for nurturing aged leads through to sales. This paper shares our front-line findings about aged leads, then points the way to best practices for lead qualification and nurturing.

Exactly What Am I Missing When I Ignore Aged Leads?

Our internal data consistently show that 58% to 76% of aged leads remain viable for a significant period of time after initial contact.ⁱⁱⁱ So, by ignoring aged leads, your sales team is missing somewhere in the neighborhood of 600 to 800 live leads per every 1,000 leads you bring in the door . . . these are leads you talked to once, but who will now probably buy your product or service from someone else.

A Closer Look . . .

Frontline salespeople tend to focus on the high-probability “hot leads” that recently came in the door. They don’t have time to stop and sweep through a list of aged leads on a regular basis. (or, they just don’t see the value in doing it—which in effect is the same thing). But, by ignoring aged leads, salespeople rely on shoppers to remember them after a single contact, find their way back, and then ask if they could still be a customer, please. The reality is that most of the time that strategy just doesn’t work—when you ignore aged leads, you’re inviting the competition in on your deals.

What am I supposed to take away from this?

The simple message is, “Stop ignoring aged leads!” But, how you go about doing that is not quite so simple.

There are three primary takeaways here . . .

1. The vast majority of aged leads are still viable (and most sales teams ignore them).
2. Staying in front of your potentials results in significantly more closed deals.
3. Your sales staff is doing a good job if they’re just keeping up with new leads (someone else needs to qualify and nurture leads after the initial contact).

... of 100,000 Aged Lead Survey Responses Across 38 Companies ...

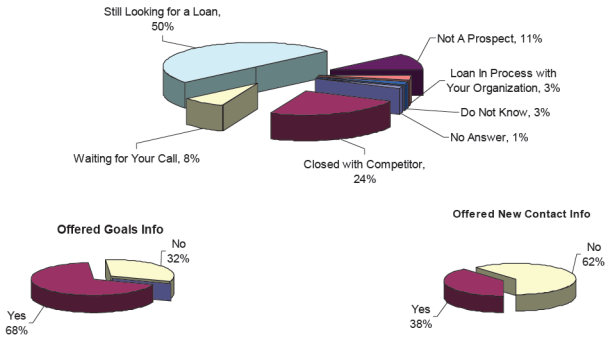
	Still in the Market	No Interest/Closed with Competitor	Don't Know/No Answer
Number of Respondents	57,857	23,789	18,354
Percentage of Respondents	58%	24%	18%

This table summarizes aggregated data from the last 100,000 aged lead survey responses for the 38 SoftVu clients whose data we reviewed. All clients were within a single industry vertical.^{iv}

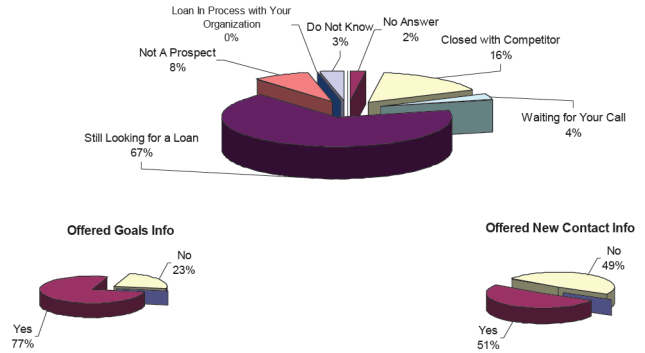


“...your sales team is missing 600 to 800 viable aged leads out of every 1,000 new leads...”

Actual survey results. Smaller Lender | 429 responses . . .



. . . and for another typical lender. Larger Lender | 645 responses



What Should We Do?

For one thing, you can show your sales team the anatomy of a typical leads “pile” so they understand the opportunities they’re missing by just skimming the surface of their own stack of leads.

Besides providing a first step in developing good lead nurturing practices, aged leads survey responses paint a clear picture of the potential opportunity lost when sales ignores aged leads. The data shown above are typical results for two different companies.

Getting the Picture is Just the Start

But it’s not enough to just explain and complain. According to Forrester’s research, to move to the next level, companies need to define and consistently follow standard procedures for qualifying, classifying, and routing leads; target messaging to “buyers at different stages of interest and consideration;” and to roll these programs out a step at a time, “extending best practices across the organization over time.”^v

In practical terms this means you need to add consistent, effective processes to . . .

1. Identify which aged leads are still viable,
2. Stay connected with viable aged leads with relevant, timely messages, and
3. Route “new” leads and recycle viable “aged” leads back to your sales team in a timely fashion, so they can stay focused on high probability leads.

Timing

Live, one-to-one sales is mostly about timing. If, like the famous Woody Allen quotation, “eighty percent of success is showing up,” then in sales, the other twenty percent is knowing exactly *when* to show up and what to say when you do. In other words, if you could always be in front of a buyer at exactly the right time, with exactly the right message, you optimize your chances of closing a sale.

If you have no systems in place to do that, your salespeople don’t have the time or inclination, and you’ll miss out (by Woody Allen’s estimation) on 20% or (by our estimation) 58% of the success available to you.

How do I find out more?

SoftVu helps salespeople automatically “show up” at the right time with the right message by building personalized, targeted, concise messages sent automatically across your entire sales cycle from initial contact to close (and beyond, to repeat business and referrals).

To learn more about SoftVu’s automated marketing communications platform and how our best practice solutions can help your business, please visit www.softvu.com or call 888-930-3673.

“...marketers need capabilities that enable them to track, qualify, and nurture leads until they become viable opportunities that warrant a handoff to sales....”

- Forrester Best Practices

- ⁱ Best Practices: Improving B2B Lead Management, Laura Ramos, Elana Anderson, and Jennifer Joseph, October 4, 2006. Copyright Forrester Research, Inc.
- ⁱⁱ Ibid (see footnote 6). Forrester sees the notion of “quantitative facts over qualitative perceptions” as central to “Left Brain Marketing” the “new era” of marketing, brought on by the advent of media fragmentation, addressability, and interactivity.
- ⁱⁱⁱ Aged lead responses reported here are from surveys sent out as early as five days to as late as 36 months after initial contact.
- ^{iv} Note that our data are from collected responses. On average, our aged lead surveys perform at about a 20% response rate, so these responses represent the approximately 20% of the larger total population of leads for these 38 clients who were free to choose not to answer the survey. Those who did respond do constitute a representative, random sample.
- ^v Ibid, pp 7-8

About SoftVu. A leading provider of marketing automation systems, SoftVu was founded in 1999. SoftVu has earned a reputation for engaging customers with personalized, relevant, and timely communications to help businesses close sales. The company creates automated campaigns for lead generation and incubation, sales follow-up, and client retention programs. SoftVu solutions include on-demand marketing automation software, creative and campaign management professional services, and industry-specific marketing Best Practices. For more information about SoftVu, visit www.softvu.com.