



## Gone Fishing

by

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**A**s a kid, did you ever play the card game “Fish?” You’d try to make pairs of cards by asking your opponents if they had such and such. If not, they’d tell you, “Go fish,” and you would have to pick up another card, hoping it matched something in your hand. If you guessed poorly, you’d wind up with a fistful of cards – the exact opposite of the objective, which was to pair out of cards first.

In some respects sales lead generation/demand creation – that is, trying to find worthwhile opportunities to pursue – feels like playing this kids’ game on a global basis.

A fish of a different sort all too often comes into play once you close your sales leads. To hear accountants tell it, businesses usually play one of the following inventory management games: LIFO or “Last In, First Out;” FIFO or “First In, First Out;” and FISH or “First In, Still Here.”

So what happens in between your fishing for new leads and fulfilling your orders? To find out, let’s play the “Life of an Order” game.

### Rules of the Game

**D**uring the height of the reengineering craze several years ago, one of the exercises many consultants, CEOs and other high-priced types conducted was called “Life of an Order.” This exercise required people to literally pin orders on their chest (I’m not making this up) and go and find the first employee charged with processing a new order. The “order” would say something like, “I’m an order for whatever this form has on it. What do you do with me?” The employee might reply, “I log you in, give you a number, determine which components will be needed to fulfill this request, then put you here in my outbox. Generally, you sit in my outbox for half a day, then you go over to procurement for parts ordering.”



And so the exercise would go, sometimes with the “order” sitting at each employee’s desk for the allotted time frame. You can imagine how quickly this game reached the point of diminishing returns in companies that didn’t move orders in a timely fashion. Nevertheless, it was a way for companies to trace their internal order-handling processes and identify a way to improve them. “Order to Cash” or “Order to Money” were other typical names given this exercise, but what always struck me as missing in all these was the ever-significant “Lead to Order”.

Now, imagine trying to do this exercise if your company has complex sales, protracted sales cycles, and individual (read inconsistent) sales-process execution. The approach of pinning paper leads to people and having them walk/wait around through a typical sales cycle would be a consultant’s dream. They could send in 50 young associates and never see them again until they were old and gray. Hmmm.

All of this is not to say that no good came from the resulting process reengineering, or that no improvements or new efficiencies were realized. They were. But you can also play the game of following a lead without the pinning-it-to-your-shirt silliness.

## Who’s on First?

**O**kay, I’m a lead. What happens to me? In a surprising number of cases the answer is: Not much. I haven’t seen any recent figures, but a few years ago I read a magazine article that suggested 80 percent of all leads are never followed up. In quoting this to sales managers over the years, their reactions and comments generally have confirmed this figure.

At the same time, sales reps consistently classify “lead generation” as one of their biggest time sinks. Why the disconnect between “We gotta have more leads” and those same people not following up on the leads they receive? One word: Accountability.

Who’s responsible for pursuing, tracking and reporting on the eventual disposition of each lead at your company? As soon as you start asking questions like this, people will start asking you “what defines a lead?” Good question.

At its most basic, a lead is either an expression of interest and/or the identification of “suspects.” Prior to automation, getting a better definition was often impractically expensive, but that has changed. Your company can now apply a series of sieves to classify leads. They can automatically be divided, for example, between:

- A) Looking to buy immediately;
- B) Planning to acquire something within 9-12 months;
- C) No budget (i.e., no purchase planned within a year);
- D) No fit



In last month's article, I suggested a number of other company-specific criteria (and scales) you can use to define leads. What I'm suggesting now is that, if you want to improve your system of lead generation/demand creation, you must also track and provide feedback on the eventual disposition of every lead that makes it into your pipeline. Whether a lead turns into real business, falls out, sticks around an eternity, recycles or whatever, what it should *not* do is evaporate. And, whatever does happen should be reported back to your marketing people.

## The Follow Up

**L**et's get more specific. Your company participates in a trade show. Visitors to the booth are systematically recorded so you can follow up with mailings within 48 hours of the show close. Now, are these visitors real leads?

As any good consultant will tell you, "It depends." Mainly, it depends on your definition and processes. In general, however, I would say the people on your list still need more qualifying before they can be considered bona fide leads.

One test you can apply is to ask yourself whether you want all of these show attendees to go straight into the sales pipeline. Almost universally, salespeople would say no to this. Many companies, recognizing the high cost associated with direct sales, will have telemarketing/telesales follow up with these kinds of prospects, asking preliminary questions that can be used to categorize and distribute them. (All these actions and qualifying scripts/criteria are clearly defined and understood within your company – right?)

Whether an individual trade-show inquiry makes it into the pipe or not, the disposition should be recorded and final statistics compiled.

Here again, you're likely to be hit with some distracting questions: What if the rep asked someone to stop by the booth or identified certain prospects before they showed up at the booth? What if prospects don't buy for two years? What if they don't meet our lead criteria but are "strategic" customers for other reasons?

Let me give you a little coaching on how to keep on track. If the question begins with "what if," don't spend a lot of time coming up with an answer. What you want to focus on right now are the generals, not the exceptions. You can get to the details later, when you have more experience and/or data to make reasoned decisions about them.

"But what about hits on our Web site?" What about 'em? Do you have a set process for following up on them? If not, you can ignore or alienate such huge numbers of potential customers that the 80 percent principle will seem more critical than ever. Matterhorn Consulting did a survey that found response times range from two minutes to six months and counting – including second requests.



By the way, there's no "right" answers here in my opinion. What I'm suggesting is that you track *your* answers about lead follow-up. Compare them to what you set out to do, poll your stakeholders (telesales staff, field sales reps, customers, etc) about how they feel your process could be improved, try some changes and iterate.

## Follow Through, Too

**I**'ve discussed in earlier columns how sales (and the application of process to it) is a different game than manufacturing, which is a more controllable, quantifiable process. Lead generation is another point of sales-process distinction: Inquiries that make it into the pipe (*i.e.* became leads) only to fall out somewhere later in the process are not all scrap. Some, in fact, don't fit your ideal profile. Others, however, fit in every regard and were trucking along until their company was hit by reorganization, they lost their budget or some other external event reset your sales cycle to zero.

Sales operations typically do not (and should not) have a mechanism to track these. Rather, your CRM system should. Whenever a good-fit opportunity is lost, you need some sort of lead cultivation, drip irrigation or incubation system to follow through with the lead at low cost, on a regular basis, for a defined period of time.

If you don't, you're missing a good bet on winning new sales – and are needlessly expanding your universe in some very unhelpful ways.

**Want to make sure your “leads” actually lead to a new sale or at least give you new insights? Then follow these guidelines:**

- 1. Define what makes a quality lead**
- 2. Define your process(es) for handling various leads you generate**
- 3. Insist that no leads evaporate; rather, have your CRM system provide quick/easy disposition**
- 4. Compile stats**
- 5. Look at your performance and try improvements**
- 6. Repeat**

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