How to Build an Online Lead Generation System

A sales and marketing playbook for software companies
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Leads are the lifeblood of every B2B company. Traditionally, lead generation was an outbound effort, with sales and marketing teams drawing from a playbook of email lists, cold-calling, advertising and tradeshows. For a long time, the “dialing for dollars” method worked – hit enough people and eventually you’ll make your numbers.

As technology has gradually taken over our lives, demanding our constant attention, time-starved professionals have become adept at filtering out everything but what is most relevant to what they are doing in that moment – including your emails and phone calls. So what is a sales driven organization to do?

The answer lies in moving from a push based mindset to a pull based model, with content acting as the front line in the battle for prospects’ attention. The advantage of this approach is that it allows you to reach your target at a moment when they have indicated a preference for information through a web search or participation in social media.

In this paper, we’ll take a detailed look at some of the challenges software marketers face, and lay out 6 steps to creating a successful online lead generation program.
Step 1: The Reality Check

Over 90% of leads generated by Marketing and transitioned over to the sales team are NEVER even opened by a rep.

To a marketer, this is a frustrating statistic: how will the marketing team ever prove its value to the organization if nothing generated by your initiatives results in a sale?

Have you heard any of the statements in your organization?

“We generated 50 leads from that tradeshow 6 months ago but nothing has closed.” – Marketing

“This contact has no purchasing authority, they’re too junior.” – Sales

“I have no idea what’s happened to the leads we keep sending to sales.” – Marketing

“I tried following up with that lead but didn’t get in contact, it’s not a lead.” – Sales

“You guys have a really low closing rate.” – Marketing

“You keep sending us crap leads.” – Sales

It’s Time to Break the Pattern

Look under the hood of your Customer Relationship Management (CRM) system (assuming you have one) and you’ll probably discover that the majority of leads in the database are just a name and a number. In other words: junk. Of those that have more information attached to them, many end up latent or dead by the time anyone has taken a closer look.

It’s not surprising when a small start-up doesn’t have a lead qualification process in place. In its infancy, a company is usually focused on generating leads as quickly as possible rather than qualifying them. Almost everything goes into the funnel, but very little comes out.

But it’s not just the start-ups who lack a lead qualification process. Many mid-size companies with sizeable sales and marketing teams don’t either – and soon enough they inexplicably start to see their sales numbers decline.
Step 2: Alignment

So what needs to happen? First and foremost, alignment between sales and marketing is key. Having a candid roundtable meeting to discuss what makes a good ‘lead’ can be an eye-opening experience and reveal the source of the disconnect. For instance, more often than not, when sales asks for ‘leads’ what they are expecting are ‘opportunities’. Until you’ve reached a common understanding on language and process, any system will just amplify the friction.

Defining the key stages of lead generation is an important step. Here are some standard definitions for the main terms typically used in a lead qualification process:

**SUSPECT** – A name, contact information and business fit. No actual contact has been made.

**LEAD** – A name, contact information and business fit. Inbound and/or outbound contact has been made.

**OPPORTUNITY** – A name, contact information, business fit, and three of four qualifying criteria– budget, need, authority, and timeline – have been established.

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Turning Leads Into Opportunities

Many companies define the value of an opportunity using the budget, need, authority, and timeline (or BANT) scoring method. Originally developed by IBM, BANT criteria can help you determine:

a) If there’s a budget that’s aligned with your solution

b) Who holds the authority to make the purchasing decision, and whether the person you are talking to has any influence

c) How urgent is the business need, and therefore how sensitive they are to pricing or other variables

d) The timeframe for implementation, allowing you to prioritize and time your sales efforts

If you can’t fill in three of those four criteria, then you’re likely not at the stage where sales needs to engage.

But even if you’re not there yet, don’t just throw these leads away! Transfer these unqualified leads to an automated marketing drip campaign where they can be nurtured though relevant offers, including white papers, case studies and webinars. Individualized follow-ups should also be scheduled in a CRM system every few months to maintain a personal relationship. If and when the lead becomes ready to move forward, then it’s time for sales to get involved – but until then, keep the process as automated as possible.
Step 3: Accountability

Once both teams have come to a mutual agreement on what differentiates a lead from an opportunity, the teams need to decide how and where the hand-off occurs and ensure there is clear accountability. Creating accountability on both sides of the house is critical to the success of the entire sales and marketing organization.

Here are the key areas that need to be defined:

1) INFORMATION GATHERING
Standard questions and information that needs to be provided by marketing to sales. This should include:

- Originating lead source
- Account profile (industry, products/services, locations, etc)
- Core business problems and reasons for requiring new software
- Key players and their role in the decision-making process
- Possible competition (other software companies they are speaking with)
- Timelines for purchasing
- Budgets
2) COMMUNICATIONS

All communications up to the point of hand-off should be saved and stored in the CRM. Any other touch points the customer has had with the company should be documented. For example, have they watched a demo of a specific product, or downloaded a white paper? This information will help sales better prepare for their initial conversation and increase the likelihood of a sale.

3) HANDOFF

When an opportunity is ready to be handed off, there should be an actual transition, where marketing can brief sales on the opportunity with a conversation. On the CRM side, marketing can now convert the lead to opportunity, making it the responsibility of sales to follow up with the key contact.

4) VALIDATION

For a lead to become an opportunity, sales need to weigh in and confirm its acceptance of the opportunity. If sales validates it as a true opportunity, then it should be added to the sales funnel and actively owned by the rep from that point forward. If it has not been properly qualified, there should be reasons provided back to marketing so they can ensure better qualified opportunities going forward. This should then be converted back to a lead and stay that way in the CRM.

It’s important to note that defining and implementing a process will not create immediate results – so don’t expect deals to start closing overnight. The goal of this exercise is to ensure that you are not filling your CRM with leads that have no chance of conversion. It’s important to focus on quality over quantity, and take the time to come to a mutual agreement on the responsibilities of both teams.

Hard Facts

Organizations with tightly aligned sales and marketing teams had 36% higher customer retention rates and achieved 38% higher sales win rates. – MarketingProfs

Companies with dynamic, adaptable sales and marketing processes had an average of 10% more of their sales people on quota. – CSO Insights

Aligned organizations achieved an average of 32% annual revenue growth while less aligned companies reported an average 7% decline in revenue. – Forrester Research

B2B organizations with tightly aligned sales and marketing operations achieved 24% faster growth and 27% faster profit growth over a three year period. – Sirius Decisions
Step 4: Lead Generation – It’s a Numbers Game

Establishing a target number of leads helps marketing know what they are striving for in their initiatives, and provides sales with an expectation for how many opportunities they should expect to receive. But how do you know what that number is?

Basing your targets on at least some historical analysis will help provide you with a starting point. As you begin analysis of the last year’s performance, questions to ask yourself include:

- How many deals did we close?
- What was the average deal size ($)?
- What was the average length of sales cycle (# months)?
- What was the conversion ratio from opportunity to closed deal?
- What was the conversion ratio from lead to opportunity?

From this you can start to define target numbers. Here’s a quick example:

2014 Target revenue: $4,500,000
Average deal size: $150,000
Need 30 closed deals
Close rate at opportunity stage: 1 for every 5
Need to generate 150 ‘opportunities’
Conversion rate from lead to opportunity: 1 for every 10

This means you will need to generate 1500 leads through your marketing initiatives.

Once you have this information you can assess your existing lead sources by segmenting each initiative and tracing them to the leads and sales generated. This will help you decide which tactics to keep, which to beef up, and which to eliminate in the coming year. Did that webinar series generate 50 leads but the email campaign only result in 3? This information is critical to start tracking now to build a statistically relevant number of results.
Step 5: Content Creation – Laying the Foundation

In order to meet your targets, you’ll need a digital marketing strategy that is efficient and nimble. You’ll want to spend sufficient time planning so that you can move decisively into execution mode without second guessing your approach.

Effective B2B software marketing teams have the ability to churn out quick, brand-aligned content pieces by leveraging an existing messaging matrix. This matrix is a rich resource that combines your messaging across the following – company messaging (mission, vision, values, value propositions, elevator pitches, executive bios, boilerplates), vertical/industry-level messaging, product-level messaging, and more.

It is imperative to involve the key stakeholders across the organization in this process – executives, product management, legal, sales. As painful as this may sound, getting their buy-in up front will save you the hassle of trying to get approvals for each individual content item down the road.

The messaging matrix is one of the most powerful tools you can arm your marketers with. If you haven’t created a matrix yet, now is the time to build it. Keep in mind it should be created in a format that is easy to update and share across your organization.
Step 6: Execution

Ready to get started? Here are 14 ways you can create quality leads and turn these leads into sales, while keeping your marketing and sales teams on good terms.

1. Commit to a Blog

According to HubSpot, businesses who blogged 16–20 times per month got over 2 times more traffic than those that blogged less than 4 times per month. And those who blogged at least 20 times per month had 5 times more traffic than those who blogged less than 4 times per month.

Prospects, customers and search engines all love the content generated through blogging. Prospects do because it helps them understand what your customers do. Customers appreciate it because it helps them stay up to date with your offerings and your thought leadership. Search engines like it because each post represents another page that they can index for a specific topic and feed it to others who are searching those words.
2. Create Infographics

An infographic is information presented in graphic form. Not only do infographics tell a visual story, good ones will communicate a persuasive message. By joining numbers and visuals in simple ways, you can relay information that engages a target audience.

In general, less is more. It’s important to determine the one thing you want to communicate and what you want the audience to do or feel about it.

3. Don’t Give Up on Your Newsletter

According to Exact Target data, 42% of subscribers are more likely to buy from a company after subscribing to their emails.

The key to putting them to good use is to follow a few best practices: send your newsletter at the right time of day (i.e. before 10 am on a Monday or after 4 on a Friday are typically not good times), provide options for how often a subscriber will receive the piece, and make sure you’re only sending to people who have truly opted in. Sending a newsletter to someone who never wanted it in the first place is not the way to create a warm opportunity.
4. Write Whitepapers, Articles and eBooks

Whitepapers, articles and eBooks can be highly effective tools for establishing credibility and promoting a product or service. Whitepapers, which are a cross between an article and a brochure, should focus on trends in the industry, problems faced by the reader, and how they can be solved. Articles and eBooks can go into greater detail and truly position you or your company as a thought leader. Invite comments and dialogue to make them even more engaging.

5. Demonstrate Value Through Case Studies

Writing case studies can help your leads envision how your product or service would fit into their lives. Showcasing the results and experiences of real customers can often stimulate consumers to purchase your product.
6. Highlight Testimonials

Allow your customers to talk about their experience with your product or service in their own words. According to a Bazaarvoice survey, more than 8 out of 10 people say that opinions and recommendations from people they don’t know indicate brand quality and influence what they buy.

7. Webinars/ Webcasts

Conducting a meeting, presentation or training session over the internet is a convenient way to provide value to a large number of people. Webinars and webcasts provide an interactive educational forum and, since you can archive them, webinars can be viewed at a later date by anyone, anywhere.
8. Create Videos

Search engines and consumers love videos. Whether you’re delivering a “how-to” message or providing advice or information, videos are an opportunity to showcase your brand, and express your personality. Be sure to keep them short – under 2 minutes is best – and experiment with different formats to keep them engaging.

9. Analyst/ Blogger Reviews

Build your industry profile and authority by contributing to other blogs and inviting comments to your own. An active dialogue shows you are engaged in the industry and collaboratively trying to improve it.
10. Develop a Community Site

A community site offers a forum to cultivate discussions with broad groups of people across an organization or interest group. Encouraging discussions and knowledge exchange among users earns you social equity as the facilitator, and provides insight on what topics and solutions are most relevant to stakeholders.

11. Virtual User Conferences

These interactive presentations allow you to share and present to stakeholders, partners and customers virtually, without anyone having to leave their own offices.
12. Social Media, Social Media, Social Media!

Having an active social media account on Facebook, Twitter and LinkedIn is no longer a “nice-to-have” it’s a “must-have” when it comes to online lead generation. In fact, companies that actively use social media to connect with prospects and customers see great results.

Not only is social media an effective way to create exposure for your business online, but it is also a proven way to engage with your audience – and establishing this connection will in turn generate leads for your business.
13. Search Engine Optimization (SEO)

A good SEO strategy puts your website front and centre when Internet users are looking for the types of products and services you sell. By considering the actual keywords they’re typing, and the search engines they’re using, you can optimize your site by editing the content, HTML and associated coding to increase its relevance to online queries.

14. Create an eLearning Series

Putting all these ideas into practice requires new thinking and skills at an organizational level. eLearning is a convenient and time effective approach, allowing your employees to learn and hone new skills in an online environment, such as a website with a self-produced video series. Break your series into chapters and allow users to save their place so they can come back, allowing them to learn during breaks in their busy schedule.
Conclusion

Putting a successful, content driven lead generation system has the power to transform your organization’s sales efficiency – but it also requires patience and a long term strategic commitment from the c-suite as you work through planning, budgeting and resource issues. The fact that it’s not easy means that many organizations lack the will and long term focus to put a comprehensive program in place, giving those that do a huge competitive advantage.

Talk to companies outside your industry that have implemented programs that you admire and get a sense of how they approached it and what results they have seen. Talk to agencies that work in the lead generation and inbound marketing space to get ideas and search for potential partners. The sooner you start, the further ahead you will be as your competition also begins to wake up to the fact that the future of lead generation lies in online knowledge leadership.