

Making the Case for Lead Management and Lead Nurturing Programs

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Are your efforts to adopt lead management practices and implement winning lead nurturing programs stalled? Do you have the necessary resources – people, content and supporting technology – to push the needle forward and deliver more qualified leads to sales? Do your executive management and sales team “get it?” While working with a number of high tech software companies during the last year, I discovered that the executive management teams of these firms were not convinced they needed to expend resources to expand programs for lead management and lead nurturing.

Statistics Support Focusing on Lead Management and Lead Nurturing

If you're facing the same challenges at your company, you may benefit from sharing the statistics I used to persuade executive management teams to devote significantly more resources to adopt lead management practices and lead nurturing programs. This data is from B2B high tech software companies as reported by a number of B2B sales and marketing authorities, such as Aberdeen, Gartner, Marketing Sherpa and Sirius Decisions, over the past few years.

- Only 5-10% of new lead inquiries are “sales-ready.”
- 70-80% of the other inquiries are latent demand that will buy within 2 years, BUT are not called on by sales.
- 87 out of 100 deals are left behind by sales.
- It takes 7 to 9 proactive communications to gain a B2B decision-maker's attention.
- Best-in-class sales and marketing teams generate 4x more closed deals than average teams from the same pool of leads.

Convert Existing Leads vs. Generate New Leads

Additionally, you'll want to stress to your executive management team that they need to optimize their efforts at converting the leads they already have into deals rather than only generating leads at the top of the funnel. In every conversation with CEOs and the sales team, the #1 demand is “more leads,” but what they are really asking for is more “qualified” leads. That means that B2B marketers need to focus on the 70-80% of all new inquiries that are NOT sales-ready.

To get the executive team's attention, use [Sirius Decisions'](#) recent study showing the sales and marketing waterfall conversion numbers of average, good and best companies. If you look closely at the numbers below, you will notice that market leading firms:

- Close over 4 times the number of deals as “average” firms
- Close twice as many deals as “good” firms.

These statistics make for a compelling case, especially with economic times that demand that businesses make every opportunity count.

Funnel Stage	Average	Good	Best
Inquiries	10,000	10,000	10,000
MQL	5% 500	7% 700	10% 1000
SAL	58% 290	65% 455	75% 750
SQL	50% 145	58% 264	60% 450
Closed	22% 32	26% 69	30% 135



Source: Sirius Decisions 2010

Cost Comparison of Lead Generation vs. Lead Nurturing

Finally, I developed two budget scenarios of program costs required to impact the number of closed deals. Scenario 1 involved generating more inquiries at the top of the funnel. Scenario 2 involved lead nurturing campaigns to increase the conversion rates at each step in the waterfall. The cost difference was significant. Scenario 1 was almost twice the cost of Scenario 2, even though Scenario 2 included the additional expense of replacing the old email “blaster” with a new marketing automation system.

Lead Nurturing is Cost Effective

The case is extremely compelling FOR lead nurturing supported by marketing automation technology. Use these stats and ideas to build a compelling case for lead nurturing program investments at your company. With buyers looking closely at alternative ways to solve their most pressing business problems, taking time to build the relationship until they are ready to buy makes a significant difference.

The name of the game for market leading firms is client acquisition strategies that focus on lead quality vs. lead quantity. With a 4x improvement opportunity, what CEO and CFO would not listen to reason?

Listen to this [podcast](#) to hear more about the [thought leadership approach](#) to lead nurturing and the results that were achieved for one of Henry Bruce’s clients.

About Henry Bruce

Henry Bruce is the President and founder of the [Rock Annand Group](#), a client acquisition strategy consulting firm focused on the B2B software industry. Henry is a passionate B2B sales and marketing strategist and blogger who brings over 30 years of operational software experience to his engagements. As both a services provider and in-house marketing executive, he has played a transformative role in driving marketing and sales programs that achieve the desired results and create alignment and synergy between sales and marketing operations.

You can learn more about Henry by connecting on [LinkedIn](#), following on [Twitter](#) or the [FOCUS](#) business community. Or you can [Contact](#) him directly via email or call him at **203-870-9076** to find out how to move your company's performance from "average" to "best".

About The Rock Annand

The Rock Annand Group is a client acquisition strategy consulting firm focused on the B2B software industry. Software technology clients hire The Rock Annand Group when they're looking for a go-to-market program with a quick return on investment in less than 90 days or for someone to turn around the entire marketing program on an interim or long-term basis. Check out the [company website](#) to learn more.