

Lead Generation

Turn cold into warm calls.



by Jim McAvoy

WHAT DO GARGLING BLEACH, crawling over broken glass, and having a root canal done without Novocain have in common? These are activities that high-performing salespeople would rather do than spend time “cold-calling” and focusing on lead generation activities.

Lead generation is now center stage. Although technology has helped in the gathering of leads, the conversion factor has not increased. *How do salespeople reliably increase their reservoir of qualified leads and ultimately convert them to revenue?*

Few salespeople enjoy prospecting—as they lack the time or interest to efficiently and effectively execute the tasks associated with successful prospecting. Hence, 60 percent of sales leaders say their sales departments are not qualifying leads as well as they should.

Yet effective lead generation is vital to sales force effectiveness and productivity. In fact, the 2009 B2B Lead Generation Benchmark Study found that:

- Companies that invest more of their marketing budget in lead generation have better sales results.
- Most (60 percent) of the companies report that their outside sales teams find less than half of their opportunities in the sales pipeline on their own, and 40 percent report that their outside sales teams find less than 30 percent of the pipeline opportunities needed.
- 94 percent of participants use more than four lead generation tactics.

Proven LEAD Approach

A proven approach to converting cold calls into warm calls and driving organic revenue is the *five-stage process* known as LEADS:

1. Lay out the plan. This helps you advance your strategy and understand the associated tradeoffs involved when selecting specific prospects to pursue. One component is the “funnel of probability” which shapes the volume of prospects needed to arrive at desired revenue targets. Here is one example:

- Identify 400 qualified names, meaning these contacts are potential buyers.
- Each buyer has one need per year

and you receive 10 percent of them.

- This yields 40 at-bats—and you win 10 percent of them.
- This results in four wins—roughly one contract per quarter.
- Average contract is \$50,000 incremental revenue per quarter.
- Annualized (x 4 quarters) equals about \$200,000 of organic revenue.

Before launching its six-month lead generation program, Company ABC laid out its strategy that included ground rules (mode and frequency of communication), milestones and desired outcomes. It was decided that: 1) face-to-face meetings would take place when possible; 2) an e-mail listing the relevant details of the conversation would be sent to the sponsoring client; and 3) a weekly—eventually monthly—status

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report would be provided. Milestones were set in terms of activity and productivity to streamline the work and ensure that we were progressing in the right direction and with enough velocity. We created a pipeline report to track the number of attributed situations and associated revenue. To maximize results, we created a blend of “P” (Process) measures and “R” (Result) measures to track key statistics, such as the percent of firms that agreed to dialogue with Company ABC or redirect us to colleagues, along with those that declined or didn’t reply.

2. Evaluate and research. This step incorporates decision-making criteria (basic baseline data including company contact data and Web site links) and pinpoints the location of relevant data (contact data of individual prospects).

Company ABC already knew that half of its revenue was derived from the financial services industry. We analyzed prospective clients and identified 50 candidates that met important criteria such as annual revenue, number of employees, geographic

location and existing relationships. This information was captured in the “tiered account listing tool” that helped us focus on batches of 10 firms at a time. From here, the master database was created, and we populated the data fields with information, including line relevant decision-makers’ names, titles, addresses and contact data.

3. Approach the prospect. Lay out a strategy that includes multiple types of deliberate and intentional approaches in various combinations. The master database is used as a central depository to track progress with scores of prospects.

With a succinct script in hand, I was prepared to make a warm call. For instance, two weeks into this campaign, I called a line executive knowing that she was a decision-maker for this offering.

4. Dialogue with the prospects. This step emphasizes counter-intuitive concepts, requires asking a few high-impact questions, and utilizes a four-step model focusing on professional courtesy and connecting with the prospect in a value-added and respectful manner.

Contact was made between 7:30 and 8 a.m.—one of the best times to contact a prospect (along with 5 to 5:30 p.m.). First, I asked if she was in the midst of a deadline; this counter-intuitive approach gives her a chance to get off the phone, offers her respect, and ensures that she is present if she chooses to engage with you. Next, I led her through a dialogue to explore several issues, such as her priorities, concerns and expectations. Before ending the call, I asked what prompted her to continue sharing information to determine the crux of her needs. Afterward, I sent a follow-up letter (she was not comfortable sharing her e-mail address). I followed up with her in two weeks and set an on-site meeting.

5. Seamlessly hand off. This phase focuses on how best to efficiently and effectively hand off a qualified lead to the assigned sales professional.

The meeting went well, and our preparatory research was validated when we discovered their needs were in line with our expectations. Over the next few months, we orchestrated follow-up meetings with senior executives from both firms, resulting in an assessment that concluded with the final multi-year/multi-million dollar contract signed in nine months.

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ACTION: Turn your cold calls into warm calls.