

**About the Author**

Walt Denny is the president of Walt Denny, Inc., an advertising/public relations agency that focuses primarily on home products clients such as KitchenAid brand, L.E. Johnson Products and Whirlpool Corp. "The Home Products Agency" was established in 1989. For more information, please log onto [www.waltdenny.com](http://www.waltdenny.com).



**W**hen a potential customer expresses interest in a company's product or service—whether it's by completing a website form, calling an 800 number or sending an email inquiry—how often do you think a typical marketing or sales department follows up on that lead? And how long will it be before that same prospect purchases the product or service he is interested in? The answers may surprise you.

According to a Reed Publishing Co. survey from 2001, more than 70 percent of sales leads are never followed up on. Moreover, 43 percent of the prospects who were never contacted bought the product or service they had inquired about within 13 months—often from a competitor

# Taking the Lead

## Effective Lead Management Guides Sales and Customer Relationships

who did take the time to do the requisite lead qualification and follow up. Not having a strategic sales lead management process in place inevitably results in lost opportunities. Consequences can range from drooping product sales to being driven out of business by eager competitors.

Just as advertising plays a key role in business by piquing a target market's interest and public relations by enhancing a company's credibility, sales lead management plays a critical role in helping companies build their businesses by managing customer relationships over time. If done effectively, lead management is a strategic process that can yield significant short-term and long-term benefits including improved sales cycles, a higher number of sales that close and greater overall customer satisfaction and loyalty. Many companies, however, have not honed their lead management programs and as a result are missing the boat when it comes to sales growth opportunities.

by e-mail recipients—a mistake that can permanently compromise prospects' perceptions of your business. Regardless of the tools you use to generate and manage sales leads, tracking your return on investment (i.e., cost per lead) for each program is essential so you can repeat what works and quickly eliminate what doesn't.

While the channels chosen for lead generation and management are key, swift and specific follow up on leads is even more important. Whether a lead is generated and qualified using a web-based response form or bingo card, if you don't follow up on that lead promptly, the customer is likely to look elsewhere.

Following up on leads can take a lot of time. One solution is to place your lead management function into the capable hands of an advertising or public relations agency. Outsourcing lead management enables companies to relieve the burden on in-house staff, generate more qualified leads and provide swifter follow-through and better customer service.

Managing the customer relationship means handling lead fulfillment in a

### What Can Generate Leads for Me?

While businesses worldwide have been hit by scandals and a poor economy, smart business owners—particularly small businesses—are benefitting by continuing to advertise and get their name out to potential customers when their competition is cutting back.

Everything is an advertisement for you—direct mail, e-mail / Internet marketing, advertisements in local newspapers and directories, fliers, referrals and even your business card at tradeshows. Each of these gets your name out to your customers and potential customers. But which campaigns are working?

It is critical to track your leads from advertisements in order to find out which advertising is paying off. Understanding where your 0 valuable leads are coming from will help you determine which messages are working for your business as well as which demographics are seeing your advertisements. These facts will guide you in making sure your Yellow Pages ad is worded properly or your fliers were distributed in the right areas. All tracking efforts will help you determine where you should put your money in the future.

More traditional methods of tracking include using different headlines for ads placed in different avenues or using a numeric system that allows you to see which ad the customer saw. Get your employees in the habit of asking the customer where they heard of your business—that will be your best data collection method.

There also is an enormous variety of lead tracking systems / software available that you can find with a quick search on the Internet. You will have to do some research into which one will fulfill your needs.

Although determining where your leads are coming from will help you determine where your efforts should be placed, it also is important to track which of those leads actually result in sales. It's great that your Yellow Pages ad is bringing in calls and walk-ins, but are you *closing* more sales with your newspaper ad?

Just remember, if you are spending money on advertising and then the extra expense of tracking leads, make sure your sales staff actually is following up on them.

### More than 70 percent of sales leads are never followed up on.

An array of lead management tools are readily available to companies of all types and sizes. In addition to leveraging the traditional trade publication "bingo" response postcards, direct mailer reply cards and basic telemarketing strategies, more companies are generating and qualifying sales leads through their websites and e-mail marketing campaigns for flexibility and affordability reasons. In fact, when a Reed Publishing study asked trade publication readers what their preferred channel was for requesting information from advertisers, their preference for the Internet was shown to increase by a whopping 560 percent between 1998 and 2000.

E-mail is one of the most cost-effective relationship management tools, as long as you employ opt-in technology so your company isn't perceived as a "spammer"

timely manner, which may entail mailing a product brochure or replying to an e-mail inquiry with very specific information. At the same time, you must gather the facts you need to better understand your customer on multiple levels including his communication preferences (e.g., e-mail or phone contact) and readiness to purchase (e.g., is he ready to buy now, in six months or not at all).

Effective lead management can be a time-intensive process for both your marketing and sales departments, but the payoffs can be huge. Whether you keep your lead management function in-house or entrust it to a qualified agency that works closely with you, taking the lead by implementing an effective program can help ensure that you stay in the lead in today's competitive business environment. **WQP**

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