

Sales vs. Marketing

Why Do **70 Percent** of Sales Leads Fall By the Wayside?

By Susan Allen

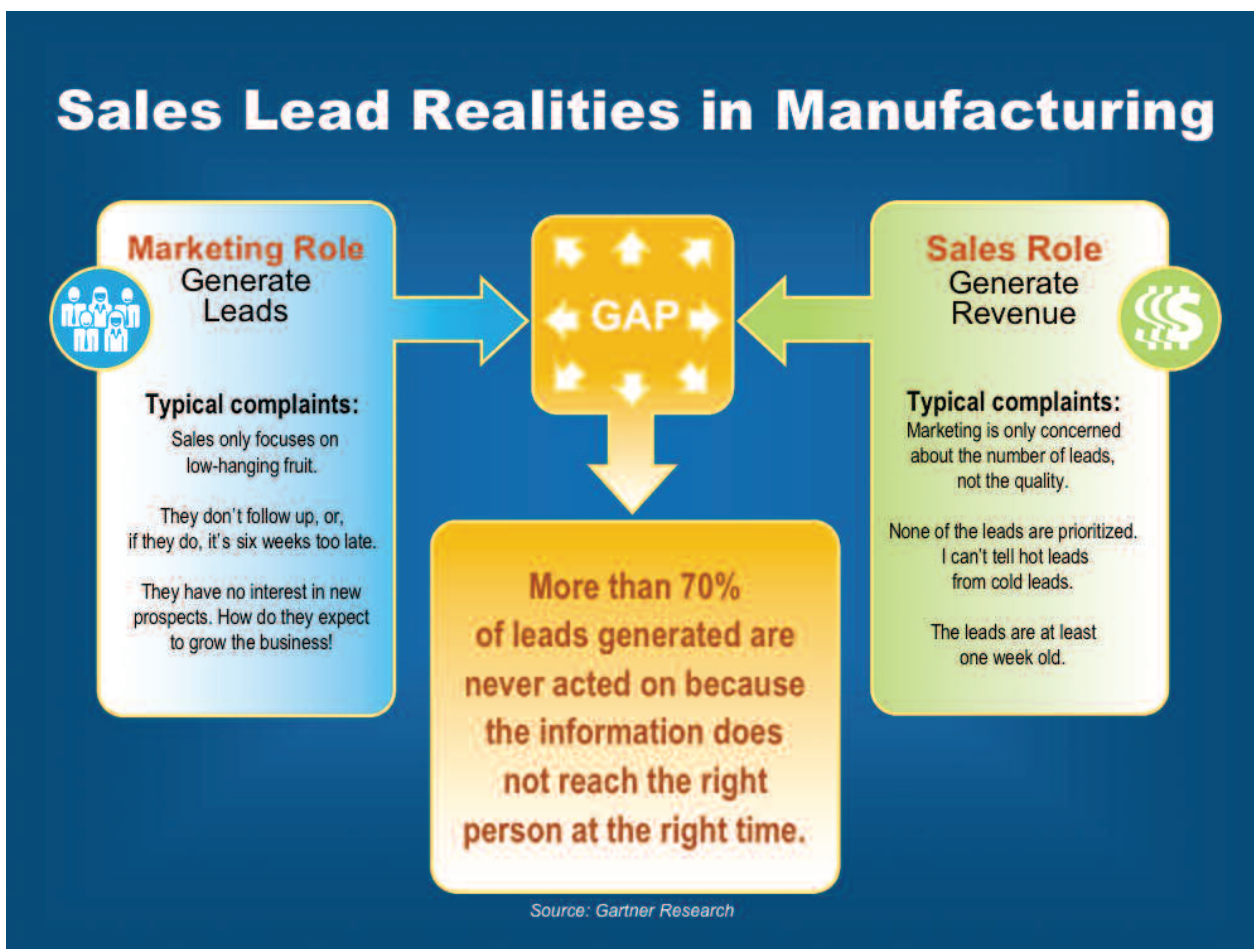
A rift between sales and marketing is nothing new in the metal construction industry. Marketing generates leads and wonders why sales can't close them. Meanwhile sales reps grumble about the lack of quality leads marketing sends their way. The result: Nearly three-quarters of the leads metal manufacturers, distributors, builders and commercial contractors spend money to generate are never pursued.

Ironically, companies spend millions of dollars on marketing and sales activities but pay little or no attention to the ever-widening breach between the two departments. The burgeoning gap leaves executive management wondering whom to hold accountable and functioning as the mediator between two opposing sides. Identifying and remedying this situation are critical to the continuing success of the sales effort at any point in the metal construction supply chain. Qualifying, prioritizing and distributing leads effectively and efficiently should be every organization's goal.

Recognizing the Symptoms

There are a number of telltale signs that point to a problem lead-management process. Identifying them is the first step toward finding a remedy to closing the marketing/sales gap. Accordingly, it's important to address these key issues:

- No actual sales pipeline reporting. Company execs, in metal construction particularly, are eager to talk with their sales staff about the sales projections. They focus on the number of companies in the pipeline, number of calls the sales team made and projected value of new contracts. Typically, everyone leaves these meetings feeling very positive about the future and certain there's a windfall right around the corner. There's just one problem: The criteria that serve as the basis for discussion are purely subjective. The number of companies in the pipeline is only relevant as compared with how many



companies there could or should be in play. The number of calls only matters when results were achieved. The projected value of new contracts is almost always inflated and must be attached to the probability of success.

- No data on which to base marketing decisions. At the annual marketing meeting, much like at the sales meeting, a good time is generally had by all. Perhaps the

important in the construction market.

- No process for lead maturation. The third potential sign that marketing and sales functions are not working well together is the lack of a lead-prioritization formula agreed on by all parties. When left to their own devices, sales will focus on the lowest-hanging fruit. This makes perfect sense for a commissioned sales force. More often than not, the leads marketing generates require nurturing before they bear fruit. Without a clear understanding of and agreement on the lead-maturation process, the marketing and sales organizations are working at cross purposes. There is no clear definition of what qualifies a lead, no prioritization scheme (hot, warm, cold) that dictates the next appropriate step and no clear lines of responsibility.

Finding a Cure

To close the gap between sales and marketing for metal construction companies requires three things:

- A commitment from the executive leadership.
- The ability to recognize the problem.
- A systematic way of implementing a program.

An effective lead-management program drives accountability between the sales and marketing teams and increases the visibility company executives have into sales and marketing activities. It also serves as the bridge between the two departments and ensures leads are not falling through the cracks.

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ad agency or Web design firm is there, along with some members of the executive team and generally small but capable marketing staff. The meeting most likely focuses on the creative aspects of marketing—the brand image, cool Web site features, newly created ad slogans and artwork, or the new trade-show booth for the METALCON International show this fall (metalcon.com). The budget emerges based on what looks good, what feels right and what the team did last year. The marketing team does not consider, nor does it possess data, about the number of sales generated by individual marketing activity. They may have number of leads generated, but that is simply not sufficient. Increasing brand equity is certainly a crucial component of marketing activities, but generating highly qualified leads that result in revenue is equally as



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In addition, a lead-management program has six critical elements:

- 1.** A lead-generation (marketing) program that is based on and measured by revenue created, not number of leads generated.
- 2.** A rapid-response lead team that responds immediately to any and all leads generated, regardless of source—trade show, Web, advertisement, etc. The lead-response team may be a marketing function or an inside sales support person, depending on organizational structure and preference.
- 3.** A clear set of criteria for qualifying and prioritizing leads. The lead team must qualify each lead to the specifications of the sales force, and, based on these criteria, the response team must assign a lead priority. The priority will dictate the next steps for each lead type and identify the hand-off point to sales.

- 4.** A real-time lead-distribution system. Based on priority, the organization should have a method for distributing qualified leads from the lead-response team to the sales force, independent rep organizations and other sales channel partners. Timeliness is critical when responding to leads in the metal construction industry.

- 5.** A feedback mechanism. Whether the lead goes to an inside sales force, a field sales force, and independent rep or channel partner, there must be a mechanism to capture the lead resolution. This may be through a CRM system, Web-based application, fax reply form or phone call/e-mail. Without understanding whether the sale was won or lost and why, the company cannot make data-driven marketing and sales decisions.

- 6.** Analysis of the outcome. Using the data, assess the return on investment, or ROI, for each marketing ac-

tivity; review sales activity based on market size and potential; and examine win/loss rates and rationales to identify patterns by geography, sales rep or marketing tactic.

Preventive Care

With a lead-management system firmly established, a company needs only to review the process on a quarterly basis. The company should explore ways in which the data has helped make marketing and sales decisions, as well as any additional data that should and could be collected. It

needs to bring the marketing and sales teams together to ensure the lead prioritization and distribution systems are working as intended. Most importantly, the company should pay special attention to the feedback mechanism and its usage. Without that data, ROI is impossible to calculate. [MCM](#)

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