

# Lead Scoring & Management Roundtable –

6 Experts Answer  
Sherpa's Top 10 Questions

# Special Report

## [INTRODUCTION]

For many B-to-B marketing departments these days, the biggest challenge isn't getting a steady flow of new leads, it's figuring out how to handle leads on the back end before and during the pass-off to sales.

Everyone knows the biggest mistake you can make is simply to hand a fat pile of leads over to sales...without any sorting, qualification, scoring or tracking systems.

But, what's the best way to do all of this? MarketingSherpa asked six experts to join our exclusive Lead Management Roundtable. We posed 10 of the toughest questions B-to-B marketers often ask us about leads. Here are our questions and the practical advice (as well as sometimes debates) we received...

## [OUR PANELISTS]



**Beth Bartel**  
*Partner, Tocquigny*



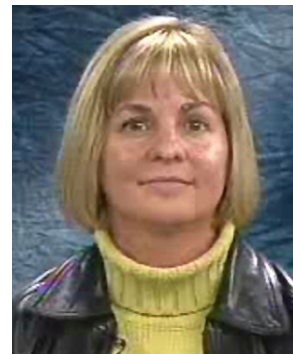
**Brian Carroll**  
*CEO, InTouch Inc.*



**Kevin Joyce**  
*CEO, Rubicon Marketing Group*



**Greg Lanier**  
*Director Marketing Communications, Infoblox*



**Kim Ryden**  
*Director of Lead Generation, ON24*

**[QUESTION #1]**

**Do you recommend that the sales team be able to see all leads marketing gets in ... or do you think you should only allow them to access the best, most sales-ready leads?**

RYDEN: I recommend that that sales team see most, but not all, leads. Nothing turns a salesperson off of a lead source faster than poor opportunities. Ranking allows you to sift the obvious “non-starters” from the list you expose to sales. This maintains their enthusiasm as they concentrate on the best opportunities first.

MCDADE: We definitely recommend that the sales force view only the most sales-ready leads. A lead farmer should nurture longer term opportunities until they are ready for sales to work. The more focused sales is on real sales opportunities, the higher the opportunity your company has of closing business. Providing sales with too many opportunities causes them to prioritize incorrectly and miss opportunities.

LANIER: I think it's a balance, but I'm a fan of full disclosure. Some of our best deals had their seed as seemingly non-useful leads. I'd rather focus time on giving sales teams good tools for sorting through leads so that they can make good decisions on where to spend their time. It's not always necessary that I make those decisions for them.

JOYCE: Sales needs the ability to “lower the bar” on the quality (or score) of lead for multiple reasons and thereby win access to that lead's information. Examples would be a sales person traveling to a remote geography and wanting to make a few extra visits while in the area. Another example is a sales manager opening up a new territory and wanting to give the new sales rep there, everything they have because he or she is idle at first.

CARROLL: Sales and marketing needs to be on the same team and on the same page, thus they need to have access to the same database. Realistically sales people will not need access to early stage leads, but to restrict them would put up another wall that cannot exist in any health team environment. After all, marketing needs to have access to the sales funnel in order to close the loop on leads sent to sale people.

If there is a solid definition of what sales ready lead is and everyone has agreed to that definition, then the ground rules are set. Sales will only work with leads that have been certified as sales-ready by marketing and sales can still have visibility into the marketing funnel, where they could possibly provide valuable insights.

**[QUESTION #2]**

**How complex should lead scoring be? Is a 25-point score more useful than a 5-point score? The more complex, the more work ... where to draw the line?**

RYDEN: This depends greatly on the specific product and sales cycle. However, less complicated is always better to start because it's easier to convince salespeople to accurately capture the information necessary measure results and tune your efforts for greater and greater success.

BARTEL: If a company is just starting out with a lead scoring initiative, it is best to keep it simple. As more data is tracked and results start showing themselves, revising the scoring and processes is recommended. Constant optimization of lead scoring is needed as market dynamics change, new products are released, etc.

LANIER: I think of my friend who is a nurse in a hospital. They have a 10-point “pain score” that she says frequently breaks because no one knows the difference between a 6 and a 7 for instance.

I think leads are the same way. In the real world, would you follow up differently on a lead if it was marked ‘7’ vs ‘6’? I’m a fan of 5-point scales.

MCDADE: It would depend on the number of data elements that are predictive of future behavior. As a dumb example, you could say that whether someone is renting or buying is a key indicator as to whether or not to offer renter’s insurance. If there are sufficient data elements, multi-variate regression analysis will have provide an output those elements that are discrete and predictive. For most B-to-B offers, however, there are two few variables to do anything more than a modified tree or step analysis. I believe that in the B-to-B world there are always the following variables to use (in order): sic, site type (hqd, subsidiary, branch...) Revenue, number of employees (either at a single location or enterprise wide depending on the offer), geography, domestic or foreign ownership.

CARROLL: Lead scoring can be complex and often begins as a relatively uncomplicated grading system that is then gradually enhanced as the process gets up and running. Lead scoring is only recommended when there is a large number of inquiries to screen. The numerous variables to weigh in screening suggest that the process be as uncomplicated as possible at the outset, before attempting a scoring system. Lead scoring does afford visibility into the lead pipeline as well as the sales pipeline.

Communication is the key. It doesn’t matter by what name you call a lead as long as it is meaningful to the sales force. Salespeople don’t care if a lead is A, B, C or Q. All they really care about is whether the leads they are given are sales-ready. They will not adjust their behavior just because marketing classifies a lead as having a score of 200 instead of WARM. Most follow the path of least resistance to get to the destination of making quota. Communication, teamwork, and shared vision are, as a result, essential.

JOYCE: Nobody deliberately chooses more complexity over greater simplicity. However the scoring system (and all the fields required to make it work) should support the determination of when to pass qualified lead opportunities to sales, and profiling of the leads so lists can get generated for marketing campaigns. Put in the minimum complexity to make these two functions work effectively.

### [QUESTION #3]

**Have you tested scoring by psychographic, news-based, or competitive factors versus simply company size/budget and readiness to buy? Any unusual factors proven useful lead scoring?**

JOYCE: Yes, no, yes.

Location, have they used ours or a competitor’s product/service before (familiarity with the solution), strategic account vs other, record of previous “marketing touches”, against a particularly weak competitor (high points), for a specific product, pending litigation, etc.

MCDADE: What we call “firmographics” are generally more internal than external. Though, external events certainly influence internal events. It is interesting that a provider of solutions that reduce energy consumptions in a large PC network may sell to one company on savings and another company on CO2 reduction simply based on the focus of the CEO of that company.

RYDEN: Any information that can be gained that allows you to define a better target profile is worth doing.

#### [QUESTION #4]

**Is where a lead initially came from an important part of the score (aside from marketing track-back activities for future lead gen campaign budgeting?)**

BARTEL: Yes. It will take time to determine the importance once you have your scoring down and have closed several leads. If most of the leads that close are generated from seminars vs. tradeshow, then the value of a tradeshow lead will decrease. This does not mean it's not an important lead, it just means it may take longer to close, more education required, etc.

RYDEN: Although the obvious benefit in scoring leads is to allow sales resources to quickly focus on the best opportunities, it's vitally important for the marketing organization to understand what sources are producing the best leads. That tell marketing what's working and where to spend their money the next time around.

JOYCE: Example -- a lead from a referral usually gets high marks, a lead from a

whitepaper download may get medium marks and a lead from a purchased list would get the lowest marks for the “source” attribute in a scoring system.

MCDADE: Where a lead came from is an important part of pre-qualifying a lead. A trade show name or bingo card respondent are probably not as strong a source of names as would Web hits or inbound telephone inquiries. Depending on the “bribe,” direct mail responses could be stronger than Web hits or telephone calls if by “raising a hand” the respondent was demonstrating product interest instead of “bribe” interest.

#### [QUESTION #5]

**How can scoring systems handle prospects that are “evangelists” or “critical influencers” but \*not\* final decision-makers? It's more complex than ready-to-buy or not.**

RYDEN: Roles within the decision making process need to be comprehended within the definition of the scoring criteria. Some “leads” will be more appropriately (and better) handled by functions like marketing or corporate communications than by sales.

MCDADE: I am assuming that the score would be for a company or department and that influencers would be identified, as would decision makers, in the appropriate parts of the company record. If a decision-maker is not identified or has not been reached (and hence interest has not be confirmed) then it is probably not a lead).

JOYCE: Indeed, many of the leads in business



to business lead funnels are those people designated to do the research and formulate proposals and not the final decision makers. The scoring system can allocate points based on title of the contact (as well as many other factors).

Also remember that the scoring system can allocate different points to the same variable (such as title) based on what you are using the score to do. If one is scoring to determine lead readiness to handoff to sales, one might give a CIO title a larger point rating, but if one is scoring to generate a mailing list for a DM piece focused on technical influencers, the CIO title could get a low number.

**CARROLL:** Dealing with special situations like this is why numerical lead scoring system can some times be challenging. In fact, I would only recommend numerical lead scoring if your organization is managing hundreds of leads and inquires in a lead management system.

Lead scoring enables you to have a more stringent lead definition requirements, thus more detailed and perhaps accurate reporting, but can sometimes leave out the element of good judgment. In cases where your experience tells you that a lead is sales-ready, or would best be in the hands of a salesperson, you should create an exceptions code or status. This would allow the lead to be passed on to sales without meeting the minimum lead score and would also alert the salesperson that the lead will have special requirements.

Ultimately, deciding when to hand over these exceptions, those leads that do not include the final decision-maker, you should ask the following question, “Can marketing continue to nurture this opportunity until they are more

sales-ready or is this a situation best handled by a salesperson.” This is why communication and cooperation between sales and marketing is so important.

#### **[QUESTION #6]**

#### **Should follow-up telemarketing for lead scoring purposes be budgeted and supervised by the marketing or sales department?**

**MCDADE:** Marketing should own this function. In sales, inside sales people become glorified admin and the function is usually decentralized which renders it almost useless. The measurement of marketing's effectiveness should be in how many fully baked opportunities (with revenue and estimate close date) are turned over to sales and whether or not sales accepts them. If a sales rep does not accept a lead, I recommend that you automatically turn it over to another sales rep without regard to territory!

**CARROLL:** A single source within the selling company should have the responsibility for tracking, qualifying, and managing leads until they are sales-ready. This should be marketing. I also recommend an independent functionary between sales and marketing, which is to create a teleprospecting team who qualifies the opportunities before they are handed over to sales. Once the lead is qualified, the teleprospecting team can even continue to have meaningful dialogue with the prospect in the interest of identifying, nurturing and capturing longer-term opportunities.

We need to remember the sales team is either doing selling activities or prospecting activities. It's like a teeter-totter

-- when prospecting, the teeter-totter is up and when pursuing a hot deal it is down. If we as marketers view the sales team as our customer. And we're committed to help the sales team sell. Then we must help our sales people by going beyond the basic lead. We need to help them cultivate and develop opportunities until they are mature sales ready leads.

Avoid assigning these two distinct functions to the same people. The up and down cycles that it can create will likely effect you ability to growth predictably.

JOYCE: It shouldn't matter who manages them. If the boundaries between sales and marketing around lead qualification were to get fuzzy -- that's good. It means the company is on the right track. Some companies will put it in one department, others in another. It depends on number of sales offices, locations, type of product or service, length of the sales cycle, field marketing presence, abilities of the management teams, etc.

### [QUESTION #7]

**How can you get the sales team to maintain scores -- feeding back data and info about a lead to marketing after that hand-off has been made? We all know sales folks don't much like spending time in record-keeping -- how can you get them involved in this?**

BARTEL: This is where systems come into play. For lead qualification and sales opportunities, marketing and sales should be accessing and using the same system. The marketing prospecting systems should be kept separate and should feed into the lead systems once scoring has taken place. If a sales rep or telemarketing rep makes any calls, changes

scoring and/or hands-off a lead, the system should keep track and notify all parties in that particular sales region.

Another area that works well is to incent sales reps to maintain records and pay out additional sales commissions on the number of leads sales closes.

MCDADE: There is an old expression that sales people do what you pay them to do, not what you want them to do. The reason companies lack visibility and consistency with regards to their pipeline (reporting coming out of CRM/SFA systems) is that there is no penalty to sales reps to either not work a lead or not report on the lead until it is closed-won.

Sales reps do not like to put themselves at risk by accepting a lead and the potentially losing it. So, they keep information close to the vest until they are either forced to provide information or they are close to closing business. Penalizing sales for not accurately forecasting is essential to getting the CRM/SFA systems use.

RYDEN: First, always include sales opinion-leaders in the process of defining the ranking criteria. That will give the resulting ranking scores a baked-in credibility within the sales team. Second, remember that quality leads are precious in their scarcity and are therefore a valuable currency for you to use when dealing with salespeople. Highly ranked leads are especially so. If a salesperson is lax in follow-up, send the leads to someone else.

With one client we agreed that if the SFA tool didn't record the sales feedback to marketing (within 1 week of being passed the lead), the salesperson would receive no compensation for a subsequent sale to that lead!

JOYCE: From our experience sales don’t “maintain the scores”. They do get to execute a simple pulldown “lead quality feedback to marketing” mouseclick after they have established a first contact with the lead. Sales management has to buy into this and help enforce it. Marketing has to report the follow-up percentage -- if sales didn’t click the feedback button it may look like they are not following up.

#### [QUESTION #8]

**When does an individual lead’s score “go bad” in your system? Just as with contact lists, lead score precision must degrade over time as a record ages ... how do you recommend handling that?**

CARROLL: Any lead that has not moved forward or that has not been verified for more than one business quarter will need to be re-qualified. Those leads should be filtered out by date and considered a priority for re-qualification.

MCDADE: Unlike B-to-C where lead score is somewhat predictive for three-six months, the B-to-B environment is much more unstable with people coming and going from jobs frequently and corporate mandates changing almost as often. That being said, a B-to-B lead probably has a shelf life of about one month in most situations and not all short-term leads will be acted on short-term due to moving corporate goals and targets.

LANIER: We use a 90-day rule. If a lead hasn’t been touched in 90 days, we “downgrade” the lead but keep marketing to them. If they respond to a new offer or marketing initiative, we upgrade them again based on the new touch.

JOYCE: The score doesn’t become less precise but rather a score can decay after a period IF the company chooses to add an age criterion to its scoring mechanism. We generally advise this for most business-to-business clients.

#### [QUESTION #9]

**Do you recommend segmenting your house database by lead score and creating different types of marketing and education materials for each segment? Any tips?**

RYDEN: Yes. Always start by keeping it simple, and measuring the effectiveness of your program. The biggest pitfall that we see companies encounter is overcomplicating their programs. As you gain knowledge and experience by measuring your results, you can refine your efforts, but keep it simple to start.

MCDADE: Most companies do a terrible job of marketing to their customer list and we absolutely recommend the same rigor when it comes to segmenting and marketing to customers’ lists -- assuming that the size of the list dictates that approach.

JOYCE: Absolutely, this is what it is all about! Targeting (or segmenting).

Ensure that your lead database has all the fields to support profiling (based on scores) of the data in ways that are useful not just for weekly management reports but also for launching marketing campaigns:

- How many contacts do I have with valid email addresses?
- How many VPs of Marketing are in my database?
- How many have I touched, or touched us in the last year?



- How many prospects do I have in the PNW?
- How many contacts have opportunities associated with them?
- How many actual companies are represented in the database?
- What touches specifically have happened?
- Can I give a high score to people that attended a specific webinar?
- Is it an installed base customer with a support contract coming up for renewal in less than three months?

If you can't segment your leads database based on scores and use it to proactively market to this set of prospects you are missing half the value of maintaining it. Then it is just a sales funnel, not a marketing leads database!

LANIER: Rather than marketing scores, we tend to segment by content type. In other words, if someone has come to an event on a particular topic, they are then part of that topic group. That way, we can offer them more targeted content in the future and up our chances of a meaningful interactions with them.

CARROLL: Yes, but most marketers have not yet mastered the lead scoring system yet. If you are in the enviable position of having a well functioning lead scoring system that both sales and marketing are using productively, then segmenting your database by where your prospects are in their buying process can be extremely beneficial.

The goal is to connect the lead generation modalities and messages with where the prospects are in their buying process. Ultimately, lead generation programs must take into account that your value proposition has to match up with the target's needs and at the right time.

Effectively segmenting your database by buy stage can help you send marketing and educational material that is appropriate to the prospect. For example, a prospect that is in the early stage of information gathering might be more interested in white papers, articles, and third-party industry analysis than an invention to a meeting and greet event that might be more appropriate to a prospect that is in the vendor selection stage. The idea is to recognize the different types of information requirements at each stage of your prospect's buying process. This is one of the ways you can position yourself as a trusted adviser.

#### [QUESTION #10]

**What's the biggest mistake you ever made in lead scoring (aside from perhaps neglecting to do it)?**

McDade: Making assumptions is probably the biggest mistake. I remember one time making the assumption that the savings on carrier route pre-sort mail would be a significant factor in success and that we should buy CRT names on marginal lists. As it turned out, exactly the opposite was true. That offer was more attractive to a rural audience and using only CRT names would have killed the response. So, a substantial cost per thousand marketing cost savings would have killed the results.

RYDEN: Making things too complicated. The more complex the program, the less buy-in you will receive from those people that need to accurately capture information and provide feedback to make future initiatives more effective.

JOYCE: Failure to maintain good data in the database which results in scores that are flat out misleading. Data management and the

processes supporting it are vital to ensuring a functional lead management solution.

**BARTEL:** The biggest mistake is not getting buy-in from sales and developing integrated processes and marketing tools to help convert leads to closure. It is imperative that marketing and sales work together, they are aligned behind the same goals and that they are both incentivized to generate, qualify and close leads.

### Useful links to related resources:

**Infobox** [www.infoblox.com](http://www.infoblox.com)

**InTouch** [www.startwithalead.com](http://www.startwithalead.com)

**ON24** [www.on24.com](http://www.on24.com)

**PointClear LLC** [www.pointclear.com](http://www.pointclear.com)

**Rubicon Marketing Group** [www.rubiconway.com](http://www.rubiconway.com)

**Tocquigny** [www.tocquigny.com](http://www.tocquigny.com)

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