

Sales Sustainability™ – “Lead Generation Process” (LGP)

>> A well-defined lead generation process is one element in developing new business, improving sales performance, ensuring growth and absolutely essential to achieving sales sustainability.

Who will keep your company in business in the coming years? Who are your prospects? What are your sales people doing to turn these prospects into customers? By developing future customers, as part of the sales cycle, we make sure that sales go up not down. If you aren't asking yourself these questions, your business will likely have declining sales in the future. *Our goal should be to increase market share, develop new customers, and become the company of choice for new customers.*

Where are leads generated in small business? Most often we don't know or even quantify the sources of our new leads. Failure to identify the sources of our leads is a common issue in small business. Yet we invest in a variety of sources for leads and need to keep our salespeople actively developing new business. *Since these leads are the source of our future sales we need to make sure that our salespeople are following up on prospects.*

Most salespeople will say that the leads come from inquiries over the phone. Is this really true? Did the prospects find us by just calling or did they hear about our company from another source? You guessed it, they likely found us from another source and the phone call is the result of that lead generator. The phone call is an outcome but not the source of the lead. As business managers we need to know the source because it might be a very good investment in the future. If we don't know why or how the prospect found our company, your salespeople aren't performing their role. *Salespeople should always ask and document how the prospect found your company.*

We cannot measure the effectiveness of our marketing efforts if we don't know how a prospect finds our company. Without knowing the source, we are still in the mode of waiting for the phone to ring. Develop a lead generation process as your first step toward proactive sales but make sure it includes a measurement step. Leads for your salespeople should be coming from a variety of sources as a direct result of your investment in key areas. These areas include: advertising, customer service, referrals, new business development projects, web site hits, fringe marketing, and trade shows. *Measure the sources of leads so you can direct your*



efforts to those investments which produce a positive (ROI) and which effectively increase your customer base.

The lead generation process is driven by investment in marketing, infrastructure, practices, and sales resources. It is a significant investment in the future of a business. Different industries, target markets, and customers will respond to different lead generation sources. As a small or medium sized business, we need to know where to invest our limited resources to ensure we produce leads, in terms of both number and quality, for our sales force to convert into customers. Marketing and management assess the effectiveness of each investment by the leads generated and sales performance. *Your lead generation process should include a marketing and management review on a quarterly basis.*

The sales manager should evaluate the effectiveness of the sales team to move leads toward prospects and eventually into solid customers. This should be part of your sales cycle based program and include metrics which are measured and evaluated monthly. But this is not an element in the overall lead generation process; it is an evaluation of the sales team to implement their program. The lead generation process requires an objective evaluation by decision makers outside of sales. *Sales should have an input into the process but management needs to evaluate the quantity and quality of leads generated by specific investments and sources.*

So why all this focus on lead generation if we invest in sales resources? Most businesses feel that sales should develop their own leads. This is a valid argument if we are hiring outside salespeople with a background in business development. However if our sales team is based upon inside sales and customer service this view may not apply very well. Usually inside sales and customer service people are not trained in lead generation, prospecting, or business development. This makes them ineffective without a strong lead generation process. *It is very likely that most businesses require lead generation to keep their people active in selling.*

All businesses require sales leads to ensure that their customer base continues to expand and that they avoid concentration risk. Accept that your sales force requires new leads to remain active in their selling. *The key is what lead generation methods produce the best results for your company, your industry and your sales force?*

Survey your current customer base for the methods that reach them before



you consider changes to your existing process. Do they respond best to advertising in trade journals? Which journals reach them? Do they have buyers that search specific sources or the internet? Do they visit the same trade shows every year? These are good questions for an independent survey of the existing customer base. Now what is your long term strategy? Is it to reach the same market or expand into different market area? If it is to expand we need to survey contacts or new prospects in those markets. *It is very likely that the methods which are effective in your lead generation will vary with different markets and different product lines.*

Plan to adjust your lead source investment and activities to reach different target markets or to sell different products & services. Why? Different prospects may use different methods to determine potential suppliers. Our objective is always to identify and reach the prospects which will allow us to meet our specific sales objectives. These objectives may be based upon sales revenue, margins, products or services. Likely the objectives will be based upon several of these areas. As such we need to prioritize our investments in lead generation based upon past performance and the future needs of the business.

Where does this all lead? The answer is it leads to leads for your sales people. The people you count on to generate new sales and expand your business every day. It gives them the opportunities they need to achieve your objectives and build a sustainable business enterprise. Many businesses operate without a defined lead generation process and they wonder why sales decline. They expect leads to come in to their sales people but they don't have a method for either evaluating or investing in sources. So when sales decline they can't explain if it is new conditions or poor sales performance.

Sales sustainability requires a well defined lead generation program to produce long term, viable, profitable, loyal customers. *Invest in a lead generation program today.*