

THE ULTIMATE REVENUE ENGINE

MAXIMIZING RESULTS THROUGH
INSIDE SALES & MARKETING AUTOMATION

By Jon Miller



Ken Krogue

 | insidesales.com

HOW TO GET THE RIGHT LEADS TO SALES AT THE RIGHT TIME & ENABLE SALES TO CONTACT THAT LEAD RIGHT AWAY

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CHAPTER 1

THE CHANGING NATURE OF THE BUYER

WORLD OF INFORMATION SCARCITY

It wasn't long ago that we lived in a world of information scarcity. If the buyer wanted to research any kind of complex purchase, whether it was a car, a million dollar software system or something in-between, the buyer had to get their information by talking to a sales rep. It was marketing's job to focus on brand building by leveraging advertising, trade shows, PR, and print. As a result, all leads - hot or cold - got passed to sales.



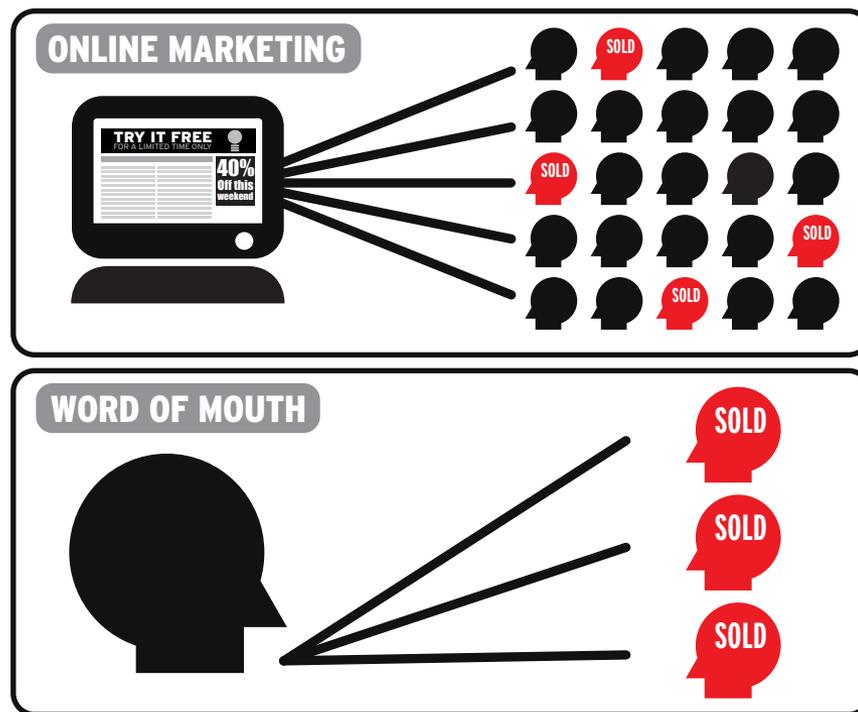
TODAY'S BUYER IS A HIGHLY INFORMED BUYER

All this access to information is changing how we interact with each other and how we buy. According to SiriusDecisions, buyers today want to complete 70 percent of their buying process before they ever engage with a sales person. This means that they want to do all the research and take advantage of this abundance of information before they interact. For example, think about when you bought your last car. You didn't go into the dealer without knowledge of the purchase price that the dealer paid. You knew exactly how much the car was worth because you had done your research. This same thing is happening with buyers in your market today. This change in buying behavior is driving a fundamental shift in terms of how we generate our revenue.

**BUYERS TODAY
WANT TO COMPLETE
70% OF THEIR
BUYING
PROCESS
BEFORE THEY EVER
ENGAGE WITH A
SALES PERSON**

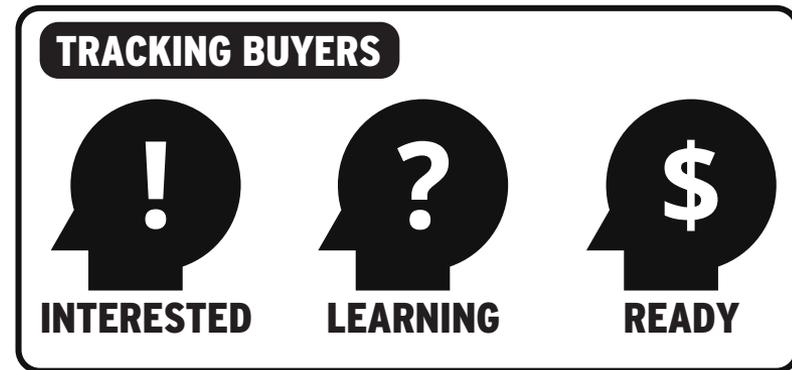
THE IMPACT OF THE INFORMED BUYER ON LEAD GENERATION

In today's informed-buyer world, your marketing process starts with having a very large top-of-funnel lead pool. You need to generate as many leads as possible. That means running more programs like webinars, tradeshows, social campaigns, and online ads. It also means leveraging your word-of-mouth and influence marketing. While advertising might influence a lot of people, it has a smaller impact on their buying decision. On the flip side, word-of-mouth influences fewer people but has a larger impact; both types of promotions work together to drive your funnel.



THE IMPACT OF THE INFORMED BUYER ON LEAD GENERATION

However, most of these top-of-funnel buyers aren't ready to buy when you first meet them. You need to nurture, develop and track those relationships until you see buying signals. When this happens, fast track them to sales so that sales responds to that interest quickly and appropriately. Then close the loop and close the deal.



CHAPTER 2

MANAGING YOUR LEADS

SEPARATING LEADS

PROSPECTS ARE
NURTURED FOR
123 DAYS

The most important question all marketers should be asking themselves is, “What type of leads are we trying to get to sales?” The problem is the disconnect between what most marketing and sales departments call a lead. Here’s a secret: sales doesn’t just want names - they want “win ready” leads! If all they wanted were names, you could give them the white pages. Sales wants people who are ready to engage in an active buying cycle with a timeframe to buy. They want to be able to see a path to closure.

Marketo has done research and discovered that less than 25 percent of all respondents to marketing campaigns are ready to go to sales. 50 percent will need further nurturing and 25 percent may not have been an appropriate fit in the first place. At Marketo, on average, prospects are nurtured for 123 days between when they first engage with the company and when they are sales ready. Meaning, in any given month, almost two-thirds of all the leads that are passed to the Marketo inside sales team to qualify are people that have been around the system for more than a month and have been nurtured.

RESPONDERS TO MARKETING CAMPAIGN

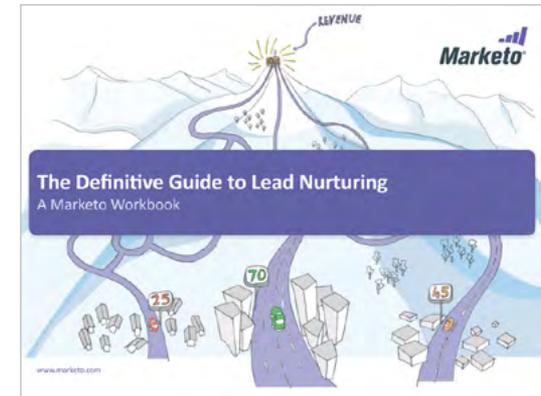
Ready to Go	< 25%
Further Nurturing	50%
Service Not for Lead	25%

Marketo research on own marketing campaigns

LEAD NURTURING

There is a big gap between when a lead first engages with your company and when they are sales ready. Lead nurturing is the process of closing that gap; it's the process of building relationships with qualified prospects that aren't ready to buy with the goal of earning their business. The challenge is to remain top-of-mind when that lead is ready to buy. Nurturing is the method that helps achieve this top-of-mind state. By staying in touch and building relationships, you can guide your prospects through the education process.

How do you nurture leads? Read the "Definitive Guide to Lead Nurturing" for some quick tips on this process. To summarize lead nurturing into one word: relevance. If your lead nurturing is not relevant, your prospects will opt out, or more likely, emotionally opt out and stop paying attention.



[Get this eBook](#)

THE 3 DIMENSIONS OF LEAD RELEVANCE

At Marketo, relevance is defined across three dimensions: buying stage, persona and customized messages. For early stage buyers, it is important that you don't overwhelm them with product information right away. They don't care. Yet. Early stage buyers are looking for more general thought leadership content. Conversely, mid stage buyers are more apt to search for more specific content such as a buying guide. Late stage buyers are the ones looking for your product specific content, such as data and pricing sheets.

Persona, the second dimension, requires that you speak to the needs and issues of your buyer. At Marketo, for example, their different personas are Molly Marketer, Sam Sales and Jack Executive. It's important that you define the personas for your industry so that you can keep your nurturing relevant.

1 BUYING STAGE

2 PERSONA

3 CUSTOMIZED MESSAGES

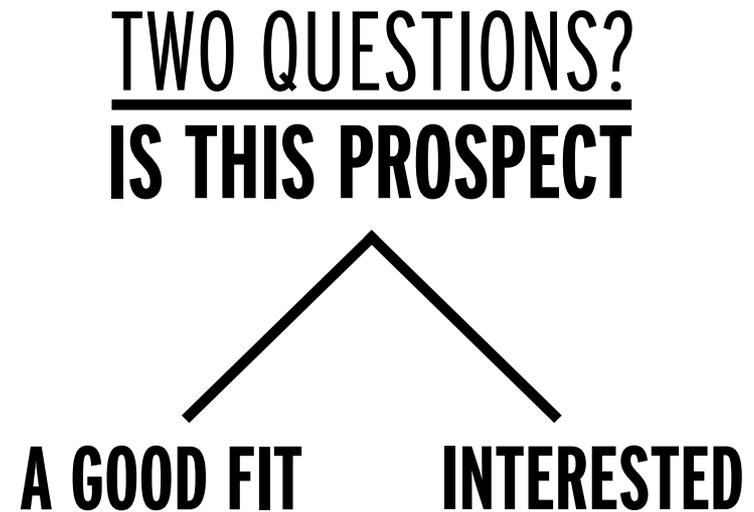
THE 3 DIMENSIONS OF LEAD RELEVANCE

4-1-1 CADENCE

Within each track, Marketo delivers the third dimension: customized messages. They customize specific messages, emails and landing pages by industry, company size and location to make sure the messages are specifically relevant for each type of lead. To ensure that the lead is receiving content that keeps their attention, Marketo uses something called the 4-1-1 cadence for content. That means that for every soft promotional and hard promotional message they should have four messages that are educational, informative or entertaining in nature. This cadence builds the relationship in an authentic way by sharing useful and educational materials. It also ensures that the buyer's attention is high when they want to send the soft or hard promotional message.

LEAD SCORING

Now that there are all these leads in the database and they've entered the nurturing process, the question is when is a lead ready to go to the sales team. This is where lead scoring comes in. Lead scoring is a methodology that involves both marketing and sales. It requires that the two departments work together to rank leads from the most sales ready to the least. Lead scoring is the only way you can know where your individual leads are in the buying cycle. While there are many different ways you could score leads, it's very important to score leads both on fit and interest. Fit questions should help determine if this prospect is a good "fit" for your solution. Are they a company your company wants to sell to? Interest questions, in contrast, should help determine if this prospect is interested in or needs what your company delivers. Like any relationship in real life, you have to have that mutual interest on both sides to make for a good match.



HOW TO SCORE LEADS

Marketo surveyed over 300 companies across all different company sizes and industries. The one common trait, they were all B2B. The industries included: technology, manufacturing, healthcare, and financial services. Among the questions they asked companies were: “How do you go about your lead scoring?”

Marketo correlated responses with their performance across various revenue metrics. The interesting thing was that companies that use this multi-dimensional lead scoring approach, based on fit and interest, had significantly higher revenue growth as compared to their peers that used other methods of lead scoring. Plus, their sales teams spent more time on productive sales activities, like closing deals. Clearly, there's value to having this multi-dimensional lead scoring.

**SIGNIFICANT
REVENUE GROWTH
BASED ON FIT & INTEREST
LEAD SCORING**

AN ALTERNATIVE METHOD OF LEAD SCORING

The other way to think of lead scoring is to look at where the information comes from. For example, there are two different types of information you can gather from a lead: explicit information and inferred information. Explicit information is what the prospect actually tells you by filling out a form. This type of information can't always be trusted. People either don't know the accurate information or don't put accurate information on the form.

Instead, focus on inferred information, which can be figured out from what the lead provides. For example, if you know the lead's email address you should be able to figure out their company, how many employees their company has, what industry they are in, where they are located, among other useful information. Typically, this is a process your lead qualifier team needs to go through during the prospect nurture phase. This process helps your team determine if there really is a "fit."

Then make sure you are using the best practices that will be discussed in the following chapter.

INFERRED

Name:

Email:

EXPLICIT

Name:

Email:

Title:

Direct Phone:

Company:

BEHAVIOR SHOWS INTEREST

To determine lead interest, look at behavior. At Marketo, they break behavior into two types: latent behavior and active behavior. Latent behavior expresses engagement with your company's content, while active behavior expresses sales readiness. An example of latent behavior might be attending a webinar or reading a blog. An example of active behavior might be watching a detailed product demo, visiting pricing pages or searching on the company's name.

To score a lead, combine the demographic fit score with the two kinds of interest scores, such as the engagement score and the buying readiness score. Based on a lead's score in these two different dimensions is how Marketo ultimately decides if a lead is a marketing qualified lead that gets passed to the inside sales team.

LATENT BEHAVIOR



**ENGAGEMENT WITH
YOUR COMPANY'S CONTENT**

ACTIVE BEHAVIOR



SALES READINESS

RESPONDING TO QUALIFIED MARKETING LEADS

At Marketo, they use the InsideSales.com [PowerDialer](#) integrated within the Salesforce® CRM to make sure they are contacting their leads as soon as they identify them as being sales ready. They also get very good reporting and metrics in terms of call volume, call time, and number of live connections, to name a few, which they use to manage and optimize profit.

The other tool that their sales development reps (SDR) rely on is [Marketo's sales insight](#) product. This tool is inside the Salesforce CRM system. Their SDRs can see the lead score in a nice intuitive, stars and flames layout. Stars show the quality of the lead fit and flames show the interest or urgency of the lead. An SDR can also go in and see all the behaviors this person has expressed that makes them sales ready. They can then drop that person into a predefined marketing campaign to further nurture them. This is the 101 version of how Marketo is using their own solution to enhance sales results.

insidesales.com 



[POWERDIALER FOR SALESFORCE](#)



[MARKETO SALES INSIGHT](#)

CHAPTER 3

THE INSIDE SALES PERSPECTIVE

THE SALES/MARKETING HANDOFF

In order to ensure all your leads are being contacted and the hard work of marketing does not go to waste, sales and marketing need to perfect a handoff process. This handoff is absolutely critical.

Your company needs to develop a process within the sales team where a rep takes a quick moment at the time of handoff to look over the lead record, check the lead score, investigate the interesting behaviors in the nurture process and all other relevant information available from the marketing lead tracking tool. Once the rep has done this research, he or she knows how to begin the conversation more effectively, with more relevance to each specific lead based on their past behavior.

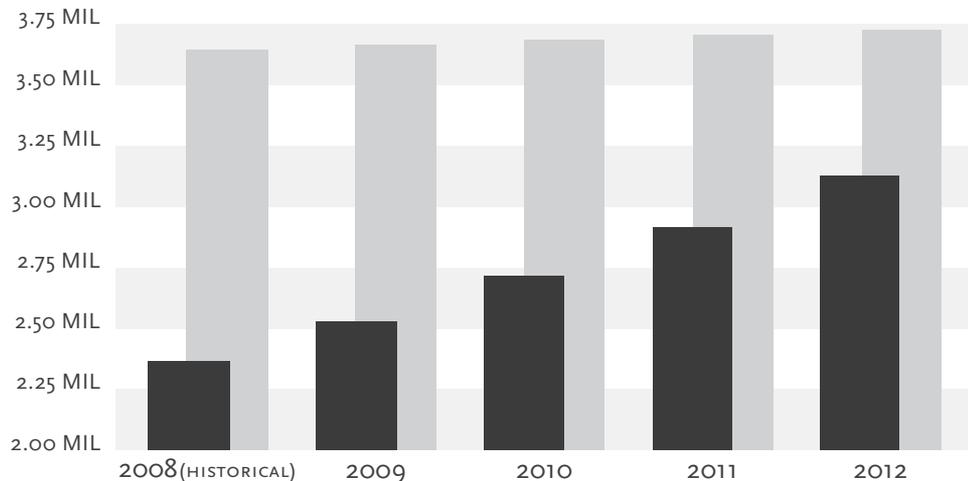
InsideSales.com advocates using what we call “immediate response” - a concept based on [lead response](#) research that indicates the ability to make contact with a lead decays rapidly over time.



GROWTH OF INSIDE SALES

When talking about the growth of inside sales, we're talking about the entire inside sales industry. According to a study conducted in conjunction with infoUSA, the inside sales model is growing 15x faster than the traditional sales model. It is taking off and seems to be the optimal response mechanism to leads that have been scored and nurtured by marketing automation solutions.

INSIDE SALES GROWING 15X FASTER



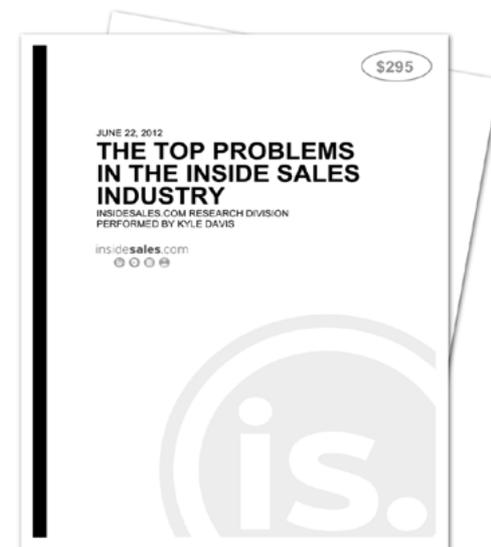
INSIDE SALES VS. OUTSIDE SALES PROJECTED GROWTH RATE (■ / □)

COMMON OBSTACLES FACING INSIDE SALES REPS

In a recent national research study conducted by InsideSales.com, we asked salespeople the following question: "What are the top obstacles that you face in trying to respond to marketing qualified leads?"

Not surprisingly, the number one response was "making contact with leads." The number two response was "accessing the correct decision maker in the company." Number three was "knowing who was the right person to contact and when to make contact."

All three of these top obstacles are related and come down to what we call "contact ratios." So the big question is, how do you dramatically improve contact ratios so that your team can wring all the value possible out of the leads that have been generated through your marketing teams? Begin by implementing the seven rules to increase contact ratios.



[Download a free Executive Summary](#)

CHAPTER 4

7 RULES TO INCREASE CONTACT RATIOS

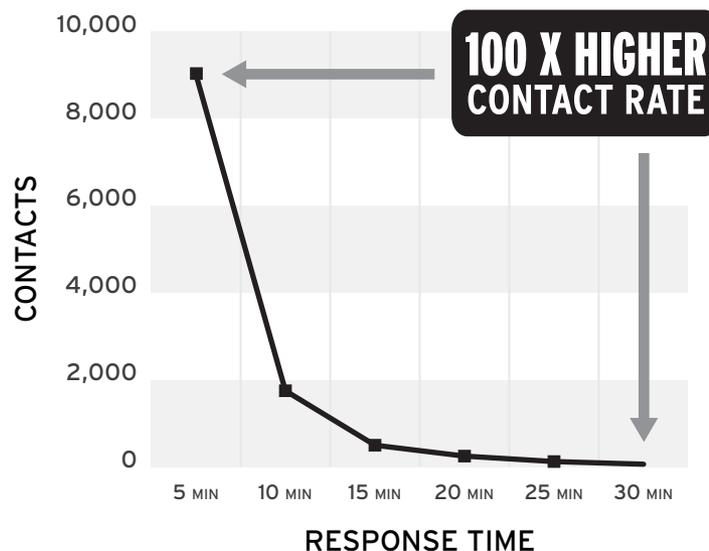
RULE 1: IMMEDIACY

The first rule is what we call “immediacy,” which means calling leads back as fast as you can. The research that substantiates rule number one came from our [Lead Response Study](#) conducted with Dr. James Oldroyd.

What the research shows us is how fast a lead cools off. A lead that is contacted within five minutes has a contact rate that is 100x higher versus waiting even 30 minutes.

Even more interesting is the impact on the qualification rate (the ability to set an appointment and move the lead into the sales funnel). The qualification rate is 21x higher if you call back within five minutes versus 30 minutes.

CONTACTS MADE FROM FIRST DIALS



RULE 1: IMMEDIACY

Let's think about this. If you call someone who has submitted a form within the past 5 minutes, you know they're probably still sitting at their computer right next to their phone. Knowing this behavior, it makes sense that a person is more likely to answer a call and be impressed by your swift response.

Recently, at InsideSales.com, a client submitted a lead on our website. We called them back in nine seconds. The lead said: "Whatever it is you just did, I'm going to buy it!" We have found it is impressive when somebody calls back really quickly. It's a sign of hustle and proactivity. That's the kind of company people want to do business with. Besides the fact that there is top-of-mind awareness because you contacted them so fast, there seems to be an emotional response that says, "Wow, that was impressive."

To summarize rule number one: call back quickly. It's really that simple.

CALL BACK QUICKLY

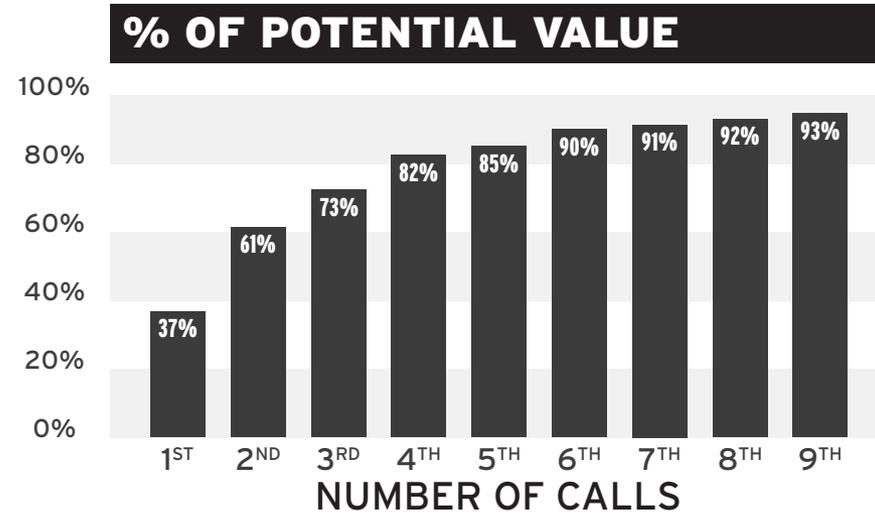
HOW QUICK IS YOUR SALES TEAM?

[Find out with a lead response assessment](#)

RULE 2: PERSISTENCY

The next rule is to call back persistently. Our research has found that the average sales rep only makes 1.3 phone calls on a lead before giving up. This graph shows the percentage of value that could be wrung out of a lead based on the number of call attempts made.

By making one phone call you get about 37 percent of the value of your leads. If you make two phone calls you gain 61 percent of the value. The interesting part of the graph is at call number six. That's where you're getting 90 percent of the value from these leads.



RULE 2: PERSISTENCY

At InsideSales.com, we encourage our reps to make at least nine phone calls on every inbound lead. On outbound calls we suggest six phone calls. These are the best practices. We've proven from hundreds of different datasets that this seems to be the sweet spot. Think about it logically, if your contact ratio is at 10 percent then you need to make 10 phone calls to make one contact.

The morale of this story is to be persistent and keep calling. People are giving up way too early in the process and leaving a lot of opportunity on the table.

FIND OUT HOW PERSISTENT YOUR SALES TEAM IS IN FOLLOWING THROUGH TO REACH VALUABLE LEADS

[Request A Lead Response Assessment](#)

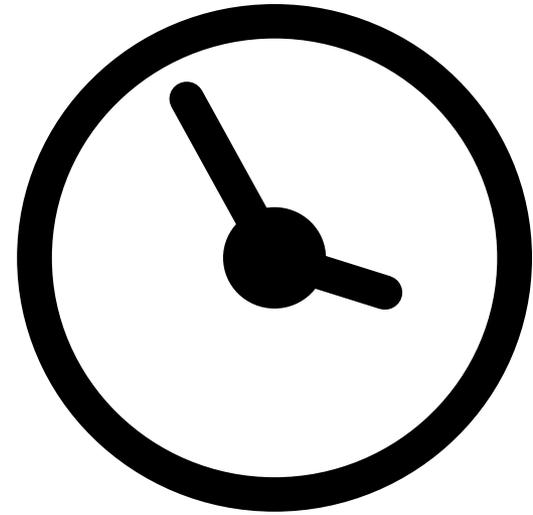
IF CONTACT RATIO IS 10%
10 PHONE CALLS
= 1 CONTACT

RULE 3: OPTIMIZE CALLS

The third rule is to optimize the calling process. This means that you need to find the optimal time to call a company or person. The research that comes to mind is a study conducted by FranklinCovey which discovered that, although pretty rare, in some instances it's not good to call back immediately.

The case in point was a situation where people who had been shopping on the FranklinCovey website opted out halfway through the shopping cart experience. These shoppers were actually quite frustrated if they got an immediate call from FranklinCovey. After some research, FranklinCovey found that the best time to call the shopper was the following day between 3:30 and 4:00 p.m. to encourage the shopper to continue their experience and check out.

To understand this phenomenon, several of these shoppers were called and asked: "What was it that made you upset when we called you back immediately?"



BEST TIME TO CALL

RULE 3: OPTIMIZE CALLS

What was found was really interesting. Many of the shoppers had not input their credit card information because they had misplaced their credit card. They exited the sales process to begin looking for their misplaced card with the thought they might try again another time. In that instance, it's actually better to call back another time to encourage the shopper to finish their experience after they have found their credit card and are no longer worried about where they might have left it.

A simple way to optimize your calling time is to ask people when the best time to contact them is. This can be done by putting a field in your web form. If the prospect specifies afternoons, than that would be the optimal time to reach them vs. in the mornings. This concept of optimizing your call time is a combination of research and asking. It's a very important best practice that seems obvious but is rarely done.

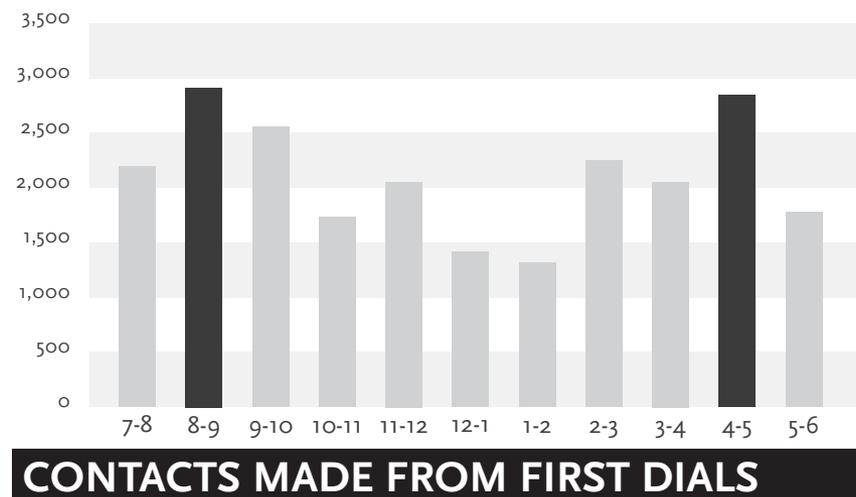
**SIMPLE WAY
TO OPTIMIZE
ASK**

RULE 4: TIME OF DAY

The research around best time of day actually comes from the original research study by Dr. Oldroyd across many different types of businesses. In this study, the best time of day was found to be 8 to 9:00 a.m. or 4 to 5:00 p.m. to maximize contact. In fact, the research shows the lunch hour is the worst time of day to make contact. When you think about it the research makes sense. People are busy or gone and contact rates go down.

To optimize your contact rates, make sure your reps are available during the best call times. For example, if you have a sales department meeting at 8:00 a.m. and your research indicates that is your best call time, you probably ought to move the meeting to around lunchtime and free up that time for your sales reps to be more productive.

BEST TIMES TO CONTACT 8-9 AND 4-5



CONTACTS MADE FROM FIRST DIALS

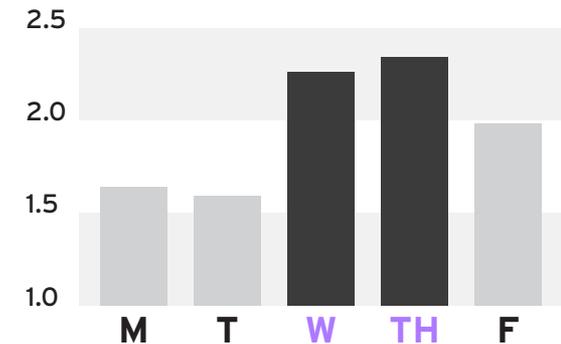
RULE 5: DAY OF WEEK

When looking at which days of the week were better for making contact, it was a surprise that Tuesday was the worst day of the week. In fact, Wednesday and Thursday are the two best days to be calling, based on the research study group. Dave Elkington, CEO of InsideSales.com, helped present this original research and asked audiences the question, "Why is it that Tuesday is so bad?" The funny thing is that they all said the same thing. The hypothesis is that people get slammed on Monday and dig themselves out all day Tuesday. By Wednesday they are free to start looking for new things to do. However, Friday is a fairly poor day of the week to reach out if you want to make contact. People are ready to go for the weekend and aren't interested in starting new projects before the weekend.

We encourage buying sales tracking tools that capture the data necessary to enable you and your team to do research to determine what is the best day of week and time of day for your target clients.

BEST DAY OF WEEK TO MAKE CONTACT WEDNESDAY & THURSDAY

INITIAL DIAL TO LEADS THAT BECOME CONTACTED



RULE 6: DIRECT DIAL NUMBERS

A direct dial number is the desk line or cell phone number of the person you're trying to reach. While there used to be a stigma against calling cell phone numbers because everyone had expensive, per-minute usage plans, for the most part everything is fine now thanks to the introduction of unlimited calling plans. Sales reps using direct dial numbers have dramatically increased contact rates over sales reps that don't. This research was shared by Steve Richards of [Vorsight](#). This chart features six reps who participated in the study. Notice rep number six was able to set 33 appointments and of the records in his database, 97.6 percent included a direct dial line, showing a strong correlation of direct phone numbers and higher contact rates.

If a sales rep really wants to contact somebody, he or she needs to use the prospect's direct line. By using Google with a wild card search in the phone number and the person's name - for example, "Ken Kroque (801) ***-****" - Google will often return results with direct phone numbers. Other tools that can be used to find direct dial numbers include: LinkedIn, Zoominfo, InsideView and Data.com.

By including a field on a web form that asks for a direct dial number, marketing can help double response probabilities for sales people.

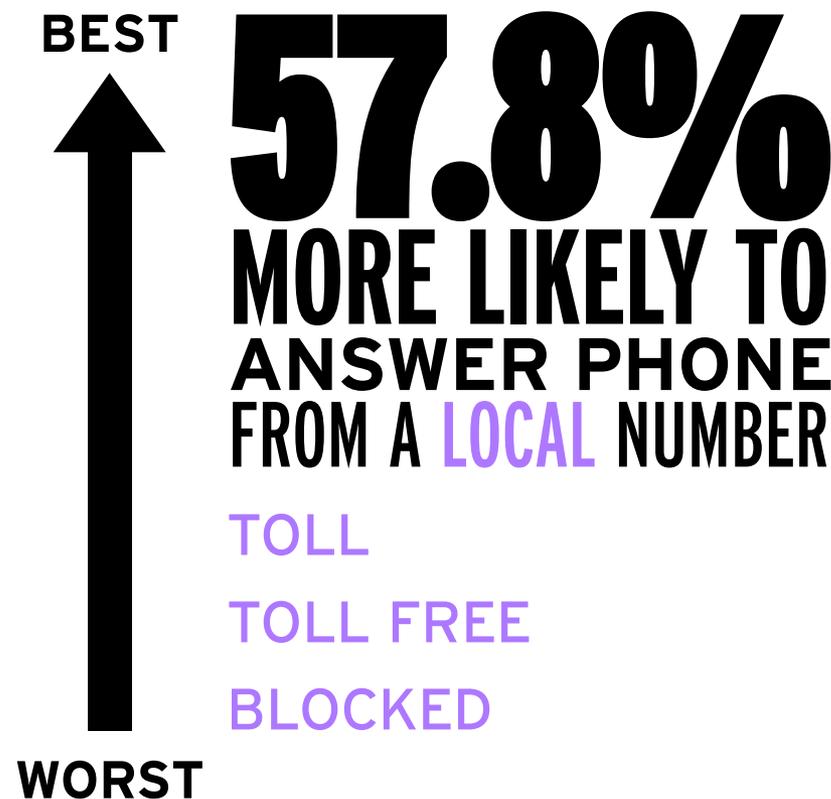
REP	AVERAGE MEETINGS PER MONTH (LAST 3)	% DIRECT LINES ON CONTACT LIST
1	11	51%
2	13	45%
3	20	76%
4	22	74%
5	29	87%
6	33	97.6%

Source Vorsight

RULE 7: GET THE RIGHT TECHNOLOGY

When you've mastered all the best practices that consist of skill, you can continue improving by incorporating technology that aids in increasing contact ratios.

For example, LocalPresence™, an InsideSales.com product, increases the chances of a lead answering the phone. In fact, Marketo uses and loves this product because they have seen increased contact ratios with decision makers. The product is based on research that looked at Caller IDs. For example, if you're busy at work and you get a call from a blocked number the odds of you answering are slim. You probably wouldn't answer a toll-free number, either. You would think it was a sales person trying to sell you something. If it's a local number, however, our research shows that you're 57.8 percent more likely to answer the phone. That's exactly what LocalPresence™ does; it presents a local number on the Caller ID.



CHAPTER 5

THOSE ARE THE RULES; HERE'S THE REALITY

AVERAGE RESPONSE RATES

If you aren't fully convinced these seven basic rules will increase your contact ratios, here is more research to back them up. This graph is a summary of the many lead response studies we have conducted across many companies. We call this our ResponseAudit.

A ResponseAudit starts with a secret shopper web form submission. We have developed a system that automatically tracks how long it takes for a sales person to get back to the lead via a call or email, and how many attempts are made. To begin the process, our business intelligence team submits the test lead. What the data tells us is that it takes a sales rep on average 48 hours and 44 minutes to make their first contact attempt in response to a lead. That's two days!

	COMPANIES	AVG RESPONSE TIME
OMNITURE SUMMIT 2008	526	54:06
DREAMFORCE 2008	124	44:31
DREAMFORCE 2009	2,875	41:07
CLOUDFORCE 2010	472	49:49
LEADS CON EAST 2010	57	56:05
DREAMFORCE 2011	3,051	57:28
AA-ISP 2011	159	40:24
AA-ISP 2012	696	39:20
TOTAL AVG HOURS		48:44

Internal InsideSales.com Study

WHAT IS YOUR TEAM'S RESPONSE RATE?

[Find out with a lead response assessment](#)

AVERAGE RESPONSE RATES

Imagine going into Nordstrom on a Monday and asking to look at a pair of shoes. What if their shoe salesperson responded, "Why don't you come back on Wednesday morning and I'd be happy to help you." That doesn't even make sense, but that's how most sales teams are responding to Internet leads.

InsideSales.com conducted studies that measure the percentage of leads that actually get contacted and found that only 27 percent of Internet leads get contacted. On average, 73 percent of Internet generated leads never get contacted by a sales rep. This study has been conducted on more than 10,000 companies and consistently finds the same results.

**ONLY 27%
OF INTERNET
LEADS GET
CONTACTED**

PROVIDING SALES WITH 'WIN READY' LEADS

To summarize the key takeaways from this eBook:

- Sales people don't want campaign responders; they want "win ready" leads.
- The reality is that only 25 percent of people who respond to a campaign fit that profile.
- A discipline process needs to be in place for finding and scoring leads, so sales-ready leads can be fast tracked to the sales reps.
- Best practices can be followed to make sure sales-ready leads get contacted - quickly - before their value degrades!

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HOW TO BUILD A HIGH VELOCITY SALES TEAM

Presented by Ken Krogue, President
& co-Founder of InsideSales.com

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