

Marketing Minute ~ Stop Sales and Marketing Leaks

It's a sad fact of our profession, but the truth is that more than 70 percent of leads generated by marketing lies untouched by sales. Such sales and marketing "leakage" occurs when marketing spends significant dollars on large-scale campaigns that deliver large volumes of leads but very few bona fide prospects. This, generally, results in sales reps largely ignoring marketing efforts.

You can actually link inefficient lead generation and the resulting leakage to how sales and marketing departments are measured. Gartner analysts have noted, "Marketing is typically measured on the quantity of what it produces, while sales is typically measured on revenue generation. These groups can actually work against each other if marketing is producing more leads at the expense of lead quality" ("**Alignment Is a Top Priority Among Marketers**", Gareth Herschel, Kimberly Collins, Adam Sarner, Michael Dunne, Gartner, Jan. 5, 2006).

For many companies, massive investments in sales and marketing are not producing the expected return. Even with improvements in the economy, the processes and initiatives that worked a few years ago just aren't getting the job done today. Some basic changes can help stop the leakage of sales and marketing dollars and drive dramatic revenue growth. By mastering these, you can plug the hole to stop the leakage, and grow your company faster and more profitably than your competition:

1. Market focus and intelligence

Who's your target customer? If like many businesses, you say "the Fortune 500" or "companies in XYZ industry," you're not as focused on your prospective customer base as you should be. By applying marketing intelligence to identify and target your highest-return segments (i.e., your most likely prospects), you can improve sales performance while actually decreasing marketing costs.

2. Define the offer and message and deliver them through the appropriate media

You can test messages and offers. For instance, brief surveys are useful to gauge customer interest in new products or service options. Additionally, firms spend millions of dollars each year on one-off ads or high-profile campaigns that win awards but little business. As a result, many companies are successfully moving away from these efforts to a mix of media such as phone calls, email and direct mail to build familiarity with targeted prospects.

3. Marketing measurement

It is critical to correct problems between sales and marketing in order to align revenue-building activities. A company will know it has issues in this area if it measures its marketing on quantity of leads, or worse, cost per lead. Our experience has been that when companies change their focus from lead quantity to lead quality, forecasts become more accurate, and sales performance dramatically improves. While this may seem like common sense, it represents a seismic shift in the way many companies think today.

4. Identify and leverage your sales force's strengths

Carefully assess how you're deploying your team and make sure you follow the No. 1 rule of deployment: Send your best rep to the best prospect in the best place at the best time. Notice this does not say to deploy demographically, by vertical industry or by any other arbitrary assignment of territories.

5. Accountability in sales activity from pipeline through forecast

We've established that marketing cannot simply load the pipeline with low-level leads – instead, leads must be legitimate and closeable. Similar accountability is required in sales activity. Just as marketing has the onus to ensure lead quality, you should also monitor and measure sales force outcomes. Assess leads and implement a closed-loop system that measures ROI on sales activities and identifies steps in the process requiring adjustment.

These five techniques are just a few ideas that can help stop sales and marketing leakage and deliver desired results. Try incorporating them and be rewarded with growth and success.

