

Lead Flow Planning  
How to make it work.

**GET MORE  
LEADS!**



# Lead Flow Planning – How to make it work.

Lead flow planning is critical to the success of any B2B business and some consumer businesses depending on the product category, which are usually high ticket purchases. A college degree would also be considered a high ticket purchase, so lead flow planning is also critical to other industry sectors like higher education.

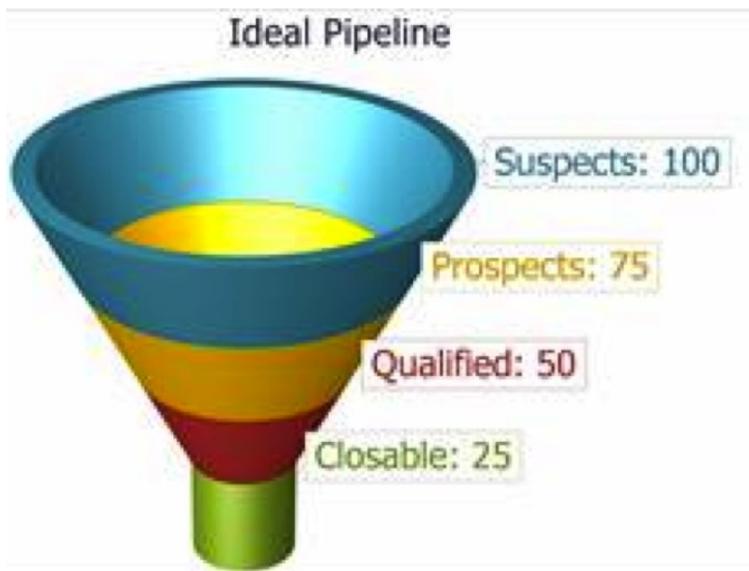
The first question you need to ask before determining how many leads you really need is “how many real leads are there in the pipeline?” And by “real leads,” I mean the ones that are in the pipeline, sales has qualified them and sales is currently working them and they have a high probability of actually

closing (whether by your company or some other company).

Then you need to know what the real length of your closing (sales) cycle is from the point of lead generation to actually closing a sale is. Most companies don't have a good handle on this one. Most have no clue how fast they really close a sale from the point of generation to the point of closing. And, because of the digital revolution, a lot of people are walking around thinking the

closing (sales) cycle has gotten a lot shorter and the fact is that it hasn't. The buyer may start the exploration process without your assistance, but that is still part of the process even if they are using the web to collect reams and reams of digital content from you and your competitors. But, there is still a bunch of face-to-face, one-on-one selling that goes on in the B2B and high ticket consumer worlds. So, knowing the length of the cycle is extremely important because you need to know this period of time because it has to be factored into when the leads need to be generated.

As a marketing guy, I used to love management coming to me today and asking me to generate leads for this quarter because we are not hitting our



numbers and we need more sales. I would look at management and remind them or point it out, if they didn't know or didn't remember that it takes weeks and even months to set up a campaign to generate new leads and then you have to factor in how long the close (sales) cycle is for a lead once it's generated.

If for example the closing cycle is 90 days long and management comes to me and says we need leads so we can generate sales for next quarter and next quarter starts next month, I explain that the programs we are now working on, are for generating leads one or two quarters out, or in some cases even longer. It's not something that you can turn off and on. You can't suddenly go out and find 100 new prospects that have a high probably of turning into sales this quarter because sales and we the company are missing our numbers. So these are important questions and even the big guys, the IBMs of the world often fail to acknowledge this fact.

From a marketer's perspective there is nothing more embarrassing than sitting in a meeting with a bunch of senior sales executives wondering where their future sales are going to come from because guess what folks the pipeline is empty and it will take three months or longer to fill it back up. Why is the pipeline empty now, they ask. Because the pipeline was full 12 months ago and management decided that we didn't need to spend any more money at the time on lead generation. So, we stopped running marketing activities and didn't put any more new leads in the pipeline and the ones that were there were either converted into sales or dropped out as viable sales opportunities.

I say embarrassing, because it was for the people in the room who made the decision to cut back, but it was also funny because I was sitting there with an "I told you so look" on my smiling face. And, I had told them so. For those of you who like to keep your jobs, it's not the best way to make friends sales and organizational management. It was a painful experience for all of us, and no business can afford to make this mistake today.

So how many leads do you really need is a very important question that all B2B marketers and many B2C marketers really need to know and understand. Knowing how your leads flow through your qualification and management process is also critical. Knowing when an inquiry is really a qualified lead is



critical. Knowing how long it takes to convert a qualified lead to a qualified opportunity that can be turned over to the sales organization is also critical. Knowing how long that cycle is paramount to determining how many leads do you really need.

Lead flow planning is something that most, make that the majority of businesses don't do very well or even understand how to do.

Typically businesses fill up the pipeline with a lot of contacts and then dump them in sales' lap and let sales go through the process of cherry picking which ones are worthwhile to continue working.

And software automation and CRM software don't solve the problem. If you don't have the strategies, practices and processes in place all the software is going to do is show you when the pipeline is empty, best case, and worse case it may even make the situation worse.

The goal of the marketing technology industry is to save time and eliminate people from the process, whatever it is. People are usually the biggest cost factor in any cost of doing business. So, get rid of people and let technology do the work and we'll save money. The problem is that when you put technology in place to do what requires hands-on people to work through the process like selling a new client on your services and product, it fails.

Just like asking salespeople to report on lead status through a system rather than sitting down with them and going over their portfolio of prospects one by one, one-on-one, is also a huge mistake. Sales people are terrible at reporting and all technology has done in many cases is increase the amount of reporting that they have to do. Whatever your title, CMO, VP of Marketing & Sales or other related management titles, you and sales need to know the real facts on the status of a lead/prospect. Usually the best way to get that is directly from the horse's mouth...your sales executive. Are they really working the leads or are they skimming for stuff that will close and



close fast without having to work them. So, the critical factors in lead flow planning that you need to remember are:



1. How many leads (real leads) are in the pipeline?
2. What's the status of those leads in the pipeline? What is their projected value? When are they expected to close?
3. How long is your closing (sales) cycle, from the day a lead is generated, directly or indirectly, outbound or inbound, to the date of projected close?
4. What are your typical conversion rates: from inquiry to lead; lead to sales qualified lead, sales qualified lead to opportunity; opportunity to qualified opportunity and finally to a close (sale)?

You also need to know how many sales people you have, how much time they actually spend selling, how many selling days are there in the period, etc. Once, you know these factors and a few others which you can find in our lead flow planning tools, you can work backwards to determine how many leads do you need to add to your pipeline and when.

To help you with this process, use our lead flow planning apps to conduct what-if-scenarios and help you forecast the leads that you need in your pipeline:

#### [Lead Flow Planning Calculator for a Given Sale Cycle](#)

This tool calculates the sales leads needed in the pipeline to achieve a given revenue target for a specific period based on the values entered into the input boxes on this tool. The computations are tied to a specified period and not a specific marketing program or campaign.

#### [Lead Flow Planning Calculator based on a Desired Revenue](#)

Use this tool to calculate the size of your marketing campaign and the number of leads that you need to generate from the campaign in order to achieve the desired gross revenue for the campaign based on the average transaction value.

You may use these tools online absolutely FREE or if you wish to purchase them, use this discount coupon "LF35" to receive 35% off on the purchase of either or both of these tools.

In addition to these tools, DWS Associates can offer you pipeline planning and management services. We don't design or sell marketing automation or CRM software, but we do have tools to build custom lead flow plans based on your business model and industry. We can help you forecast your needs and then develop plans and programs to use these systems to manage leads all the way through the conversion process to close of sale. Software, even if it's the right application for your business will not help you achieve your sales objectives if the planning, practices and behavioral processes are not in place and followed.

## For more information on Demand Generation and Lead Management...

Be sure to visit our website to find out more about these topics at <http://goo.gl/BUhQBu>. While you're there, take our online quiz about your current demand generation/lead management practices to see how you are doing. It's a quick 18 questions and you'll be given a score immediately upon completion. <http://goo.gl/XNYI3F>.

To find out more about our services in the area of demand generation and lead management, contact us at (651) 315-7588 or email us at [info@dwsassociates.com](mailto:info@dwsassociates.com).

# About the Author

Dudley Stevenson, founder and CEO of DWS Associates, has over thirty-five years' experience in consumer marketing, business-to-business marketing, and direct marketing, including developing, planning, and implementing go-to-market strategies. He's also the author of "Marketing Direct: Breaking Through The Clutter." Working with organizations ranging from start-ups to Fortune 100 companies, he and his team have helped clients such as IBM, SAS Institute, Sony, Neiman Marcus, Arizona Highways, Marshall Field & Co., Mrs. Field's, UNICEF, SSA Global Technologies, Hartmarx, and Patagonia implement successful direct marketing programs. A longtime member of the Direct Marketing Association and the American Marketing Association, Stevenson is also a sought-after speaker. He's given hundreds of presentations and workshops on marketing and direct marketing. His "Marketing Planning 101" workshop alone has reached more than sixty thousand marketing and sales professionals.

# About DWS Associates

Founded in 1982, DWS Associates is a full service marketing firm that develops and implements multi-channel marketing programs for organizations targeting business-to-consumer and business-to-business audiences in global markets. Our focus is on data-driven, innovative lead generation, lead nurturing, retention, and referral programs that attract, engage and retain profitable customers. Our staff is highly experienced in market research, competitive intelligence, business intelligence and analytics, strategic planning and campaign management - so we help you increase sales and marketing performance while building strong, unique, differentiated brands.