

Are They Hot or Not?

*A guide to aligning sales and marketing
by implementing lead scoring*



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The growth of the Internet has increased friction between sales and marketing. Buyers don't wait for a sales person to call them anymore. They get most of their education on the web. They're using search, attending webinars, and downloading white papers.

As buyers increasingly use these online channels, marketing meets prospects earlier than ever in the buying process – often long before they are ready to engage with sales. This is one reason that, on average, **only 25% of new leads are sales ready**, so you need a way to find the hot ones and pass them to sales before a competitor contacts them or they go cold.

With lead nurturing, marketers deepen the relationship with each prospect over time, interacting in a variety of settings, learning more about each other's needs and capabilities while progressing seamlessly from one interaction to the next. And you know when to commit more resources to the relationship as well as when to pull back and give the prospect some space.

A 10% increase in lead quality = 40% increase in sales productivity. Scoring means passing fewer, but higher quality leads, to sales. This means win rates and revenue go up, and sales reps don't waste their time on deals that result in no action. By not wasting their time on low quality leads, reps can focus their time on the high quality leads and get more wins.

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Lead Scoring

Lead scoring is an integral part of lead nurturing, so you can determine your prospect's level of interest in your solution (engagement), as well as your interest in your prospect (demographics targeting).

In this paper, we will quickly give you detailed tips about how you can use lead scoring as a way to align sales and marketing. Working with your sales team, you must determine the traits that make up your "ideal" prospect, decide the level of engagement needed to create a top qualified lead, and then review your scoring methodology.

Who's your target?

When dating, you might decide that your ideal is a doctor between 35 and 40, in your geographic area, with his own practice and privileges at several hospitals. It would also be nice if he likes dogs, since you have two prize labradoodles. So over the course of your first couple of dates, your goal is to find the answers to these questions.



In the B2B business world, you do similar things. You first identify your ideal target, i.e. who, where and what kind of customers you are seeking. You probably already have this information. For instance, Sue, the marketing manager at ABC Didgets, worked with her sales team to determine that her ideal targets are IT vice presidents and directors of businesses with more than 100 employees in North America. Her longer-term plan is to specifically target the healthcare and pharmaceutical verticals.

While Sue's demand generation programs might attract prospects with other demographics, she uses lead scoring to float her targets to the top. She has decided to use a basic points system for scoring. For instance:

Demographic	Score
Job Function = IT Manager or Director	+5
Job Function = sales or account manager	-2
In the US or Canada	+4
More than 100 employees	+3
Healthcare or pharmaceutical company	+3

Scoring for all of these demographics doesn't have to take place on your lead's first visit. As a matter of fact, your form completion rates rise dramatically when you ask a minimal amount of information. So after you collect the basic information – name, title, company, and email – use progressive profiling to fill in the blanks.

Progressive profiling uses smart forms to recognize existing leads in the database. Forms can be automatically completed when the answer is known, or a different form can be presented. The idea is to make the information request as easy and as innocuous as possible.

Fit scoring into your current processes

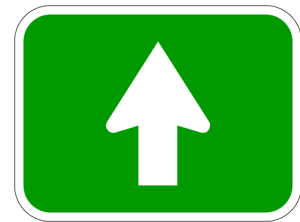
Many companies automatically send newly acquired leads to their tele-qualification team. Lead scoring can help prioritize their call lists, by moving the leads with more activity to the front. The phone call then becomes a great way to gather the information needed for scoring, rather than asking for it on a form or buying it from the lead vendor.

Your typical BANT questions – determining your prospect’s budget, authority, need and timing – are still part of your scoring process. You may elect to ask some questions on follow-up forms or as part of your tele-qualification process.

If you have a manual qualification process – for instance, you manually change lead status from open to prospect in salesforce.com – that change can be pushed back to your lead scoring and trigger a score change.

What do they do?

As you move along in the dating process, you discover that he likes the symphony (as do you), but while he doesn’t share your interest in the ballet, he’s happy to attend an occasional recital. You’ve also discovered that he remembers your anniversary with jewelry, will surprise you with flowers for no reason, and likes to curl up on the couch with you, watching old movies. In your imaginary dating score card, he’s rapidly moving up to the “qualified” status.



For a B2B marketer, the prospect's qualification is also best defined not just by their words, but by their actions. At ABC Didgets, Sue scores a prospect’s engagement, including their incoming activity source (the lead source), which emails they respond to, which forms they complete, as well as the pages they visit on the company’s website. For example:

Activity	Score
Clicks link in email	+3
Completes form	+5
Visits product benefits page	+3
Visits any company web or blog page	+1

What else should you consider?

Most people only date one at a time, but as a marketer, you're probably seeing thousands (or tens of thousands) of leads per quarter. So you need a more formal lead scoring solution. If you've worked with your sales team to determine your ideal target and the basic activities they will be scored on, you have built the foundation. Besides these basics, there are other things that you should considering while building your initial scoring matrix:

1. **Lead Score:** This is the lead score for each prospect. It's the sum of the individual scores for each activity your prospect has acted upon. In Sue's case, a score of 25 determines a "warm" lead, while a 65 is "hot."
2. **Company Score:** If you receive multiple leads from the same company, you might want to bump those leads up by a certain amount. Company score can also be the total scores of the contacts in the company.
3. **Product Score:** Have different scores for each product line, since the buyer's interest will vary based on source and behaviors.
4. **Score Decay:** If your prospect hasn't had any activity for a certain period of time, say two weeks, and then you might want to automatically deduct points.
5. **Sales-Ready Leads (SRLs):** Sue and ABC Didgets' sales team have decided that 65 is the score that denotes a sales-ready lead, meaning that it will be sent to sales to follow-up.
6. **Recycle:** After the sales follow-up, some prospects may be determined to not really be sales-ready, because of changes in internal budgeting, management, etc. These prospects should be returned to marketing for additional nurturing.

Give leads a company score. More leads from the same company are a good indicator of a pending project.

When you're ready to review

Just as you evaluate your current dating situation, you need to evaluate your lead scoring process. Maybe some things need to weigh more heavily than others. Maybe that webpage visit isn't indicative of being ready to buy. Some things to do to help in the review process:

1. **Close the loop:** Your marketing automation tool should seamlessly integrate with your sales automation tool, to more effectively "close the loop" between marketing programs and actual sales.
2. **Talk to sales:** While numbers are helpful, also talk to your sales team. They may have insights that you haven't considered.
3. **Evaluate:** As you move through the scoring process, you'll probably discover that some of the assumptions you made are incorrect; for instance, that downloading a particular white paper means that they are close to buying or that sending a



particular email would elicit a good response. Don't forget that marketing is constantly changing. You'll want to stay flexible and be ready to change your lead scoring process as you experiment with new nurturing tactics and learn what works.

Aligning sales and marketing is top of mind in many companies. By implementing lead management, including lead nurturing and lead scoring, businesses can move toward a single revenue pipeline, while producing more educated, qualified, and sales-ready leads.

Marketo Lead Management

That's where Marketo's lead management software comes in. Lead management software automates the time-consuming tasks marketers do to effectively capture, nurture and score leads:

- Email marketing
- Campaign management
- Landing pages and forms
- Data quality and de-duplication
- Lead scoring and analytics

Lead Scoring and Analytics

Marketo scores leads based on demographic and behavioral activity data, including web site and blog visits, where both known and anonymous visitors are tracked. Unlike many lead management system, Marketo scores on both the lead (person) and the company. Best of all, it's easy to set up Marketo to follow your current lead scoring schema.

Built for B2B Marketers

Marketing is a dynamic job, and marketers need flexible, dynamic lead management software that lets them quickly and easily create and modify campaigns themselves, without requiring lots of training, IT assistance or outside consultants.

Unlike older demand generation applications that require tons of up-front investment, integration, and training, Marketo Lead Management was purpose-built for B2B marketers, and understands that marketers don't want to design static workflows that are hard to change.



Fast and Easy

Marketo Lead Management works the way you do, with a drag and drop interface to create event-triggered and automated drip nurturing campaigns, create landing pages and smart forms that recognize known visitors, and build personalized emails in your templates. And Marketo Lead Management is Software-as-a-Service, meaning there's nothing to download or install. You can be up and running without up-front fees in less than one day.

Learn More

- Call: 650-655-4830
- Email: info@marketo.com
- Visit our website: www.marketo.com
- Visit our blog: blog.marketo.com

About Marketo

Marketo provides sophisticated yet easy on-demand marketing software that helps mid-market and enterprise B2B marketing professionals drive revenue and improve marketing accountability. Our demand generation solutions automate lead generation campaigns and lead management activities – including email marketing, lead nurturing, lead scoring, and landing page optimization – to help marketers generate and qualify sales leads, shorten sales cycles, and improve conversion rates. At the same time, our marketing analytics give marketers the tools they need to measure results and demonstrate marketing accountability, helping turn marketing from a cost center into a revenue-generating part of the company.

Marketo's on-demand marketing products are easy to buy because they don't require complex implementation or upfront fees, easy to own because they don't require IT support, and easy to use without specialized technical skills or significant training. Pricing starts as low as \$1,500 a month, and qualified customers who commit to running a production campaign can get started with a free trial that includes set-up, training, and integration.