

5 Reasons Why Most Lead Generation Efforts Fail

BY TODD M. ZIELINSKI AND LISA BENSON

You're in business to make money. To make money, you need customers. To get customers, you need to convert qualified opportunities, and to get qualified opportunities, you need to start with leads. Generating the right type of lead that converts to a required sales volume is a complex process that creates struggle for many.

If you are struggling with lead generation, you are not alone. In a survey of B2B marketers (Technology Marketing), 80 percent of respondents reported that their lead generation efforts are only slightly or somewhat effective.

Why are so many lead generation efforts failing? We see many of the same issues come up over and over with companies, so we are sharing the top five reasons to which we attribute failed lead generation efforts.

Lead Generation Is Viewed as an Activity, Not a Long-Term Strategy

Many companies look at lead generation as an activity or project, when in fact, it should be viewed, planned for, and executed as a long-term business strategy. It takes planning, investment, and most importantly, patience. To be successful, a lead generation strategy needs the same commitment level that would be given to other business activities, such as implementing an ERP system, changing your operation to lean manufacturing, or rolling out Six Sigma.

A successful lead generation program starts with goals, but more than that, it is an integrated plan with supporting processes and technology to measure, monitor, and track your return. It is



consistent, and it is continually running, being monitored, and course-corrected when required.

Lead Generation Activities Are Assigned to a Salesperson, Intern, or Telemarketing Firm

There is a misconception that lead generation should be done by the sales team. They are already on the payroll, so the thought process is “why not?” However, if you look at the sales funnel, the salesperson’s job is at the end of the funnel—building relationships with fully qualified prospects and closing the sale.

All the activities higher up the funnel, the lead generation and nurturing activities, should be performed by a team with the right skill set for each activity.

Many salespeople are not “hunters.” They may be great account managers and may be customer-driven, but many have a fear of picking up the phone and lack the skill set needed to be a successful hunter.

Using your salespeople for lead generation is especially troublesome if you lack structure and process around your lead gen activities. Their efficiency levels will tank if they are spending valuable time chasing down “leads” that aren’t good.

Using an intern or another entry-level employee to do lead generation may seem like a great idea, but there are high burnout and turnover rates among this group. Plus, they lack the experience and the skill set to do it properly.

Some companies consider hiring a telemarketing company to make calls on their behalf. First, a successful lead generation strategy goes beyond making calls. Second, telemarketing firms tend to take on all different types of businesses. How well will they know your industry? Do they understand your products and services? Do you feel comfortable having them represent you? What is the quality of the leads they are providing to you? How much time will you waste on leads that don't fit or go anywhere?

Companies Have Muddled or Vague Ideas on How to Reach Sales Goals

We have had companies tell us that they need X number of leads a month. Our questions are “why?” followed by “how did you get to that number?” Part of the planning stage for lead generation is mapping out your goals, starting with desired revenue growth. How many sales do you need to reach that goal? What is the conversion rate at each stage—initial contact, meeting, RFQ, etc. How long is your sales cycle? Do you currently track this data, and are your conversion rates accurate? This is assuming that you are targeting the right types of opportunities.

There Is an Inaccurate Idea That More Leads Mean More Sales

Another misconception is that more leads will bring more sales. Many companies turn to outbound marketing and SEO tactics to draw leads to their websites.

And they do see increased website traffic and engagement. But how many are viable? Outbound marketing can be very effective if it's done right. The problem is, most of the time it lacks the strategy and processes to make it useful.

In the previously mentioned survey, 68 percent reported that their highest lead generation priority was to increase lead quality. This is a big challenge for many; 59 percent of the respondents indicated that generating high-quality leads is their biggest challenge. Many don't know how to go about increasing the lead quality because, not surprisingly, 37 percent of the respondents think their biggest challenge is generating a high lead volume. Many marketing efforts fail at bringing in high-quality leads, so the thinking is that you need to throw a wider net to capture them. This is the opposite of what should be done.

One of the reasons why companies want a high influx of leads is because they don't have a clear picture of whom they should be targeting. Effective target market profiling—dialing in on the right targets—will increase the efficiency of your lead generation process, resulting in a lower number of leads required to reach your goals. It is better to have five prospects a month who meet your requirements for spend, company size, location, etc., than to have 100 prospects that you know nothing about. How much time will you spend on those 100?

Nobody Is Following Up or Nurturing Leads Through the Pipeline

Not enough can be said about follow-up. Failing to follow up with leads can be costing your company revenue. If you have had a meeting or a call with a

lead, leave knowing the next steps, and follow up. For example, if you didn't get the RFQ when it was expected, call the contact and find out why. Sometimes people get busy and need a reminder. If someone says to call them back in three months, call them back in three months. Follow-up should be made a priority in your lead generation strategy.

If a prospect says that they aren't ready to buy, whether they are in a contract with another vendor or they just don't have a need today, keep in touch with them. Nurturing prospects through the sale process is critical. You want your company to be first to mind when they do have a need.

Are Your Lead Generation Efforts Failing?

If your lead generation efforts are failing, a white paper we've developed may be helpful, titled “Implementing a Marketing Infrastructure: Internal Versus Outsourcing.” It provides the components for a successful front-end marketing and sales infrastructure, as well as items to consider. Contact Todd Zielinski at tzielinski@athenaswc.com to request it. ■



Todd M. Zielinski is managing director and CEO at Athena SWC LLC. He can be reached at 716-250-5547 or tzielinski@athenaswc.com.



Lisa Benson is senior marketing content consultant at Athena SWC LLC. She can be reached at lbenson@athenaswc.com.