

Build Your Own Automatic Selling Machine



6 Simple Steps to Quality Leads and More Sales

*What You Know About What Works in Marketing
and Selling is Wrong. Take Advantage of Affordable
New Techniques That Work*

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Table of Contents

Introduction.....	3
4 Reasons You're Throwing Money Down the Drain When You Pay for Advertising and Marketing.....	5
3 Radical Changes in the Way People Buy Today.....	11
4 Fallacies in Marketing and Selling that Cause You to Waste Money and Destroy Profits.....	19
2 Reasons What Your Sales People Tell You About Your Leads and Your Marketing is WRONG.....	28
3 Ways to Measure Advertising and Marketing Return Easily.....	34
6 Action Steps to Get More Quality Leads and Close More Sales.....	43
8 Metrics You Must Know about Marketing, Leads and Sales.....	51
About the Author.....	60
About SalesNexus.....	61

Introduction

Ask any sales person what he or she wants most in the world and beyond the wishes for peace, love and happiness, you're bound to hear things like:

- More sales
- To beat my quota
- To be the top producer in my company

Then ask them what they need to sell more... The #1 answer is bound to be "MORE LEADS" followed closely by "BETTER LEADS".

Whether you're spending huge sums on advertising and marketing to generate leads for your sales team or just handing them a phone book and leaving the rest up to them, in the end, each sales starts with a name and phone number or email address in the hands of your sales person. Let's call that a lead.

Sales people being sales people, they tend to take each and every lead they get and treat it the same as the next one, even though they may come from different sources and even be in entirely different markets.

Then they tell you they'd like more of them and you scratch your head and ask, "From where should we get more leads?"

At the right price, you'd be happy to get more leads for your sales team to sell to wouldn't you? But where?

Well, there is no simple answer. Any VP of Sales or business owner knows that this is really the million dollar question. Identifying a source of sales leads that's profitable for your business is without a doubt the ticket to future success!

In *"Build Your Own Automatic Selling Machine"* we're going to show you how to find that fountain of sales leads!

You can keep hoping to get lucky but, that hasn't worked so far has it? By following the simple guidelines here, you will identify the leads that are most profitable for your business and get more of them. There are no marketing consultants or steep retainers required.

All you have to do is build a system that tracks where each lead comes from, what you learn about each person and what happens to the sale. Whether you choose to invest in contact management systems, online CRM solutions or email marketing technology is up to you. Just get started.

If you want, just use a paper notebook to follow the steps outlined in the pages that follow. Once you begin, you'll instantly see more clearly where the process will lead and can make more informed decisions about investing in sales automation, marketing analytics and CRM systems when you're ready.

Today, we're going to get your business jump started. Please read on!



Chapter 1

4 Reasons You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

4 Reasons You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

Of all the places you spend money to run your business, you can probably explain in minute detail where it all goes and how that investment returns you profits.

When you write that check for marketing and advertising, don't you feel that rock in the pit of your stomach? You know something's not right about it, but you know you've got to advertise to keep selling. So you bite the bullet and spend some more cash.

It's because you're unclear about exactly how that investment is going to make you money. There is way too much gray area! Sure, you know what you're paying for. But do you know exactly how much profit to expect from the expenditure?

If you pay for a booth at a trade show, you don't know how many people will attend or how many will stop by your booth. If you pay for a magazine ad, you don't know how many people will see the ad or how many will call you.

In truth, you might as well head to Vegas and put that money on the roulette table, spin the wheel and see what happens. That's what you're doing when you spend on marketing and advertising today!

You would not be in business if you didn't know what you're doing. You've learned to be specific and clear about your expectations in every other aspect of your business. So why do we let ourselves throw money away like this?

#1 Reason

You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

Advertising and marketing vendors and consultants don't want you to know what the return on each marketing investment is!

It's not in the interest of someone selling you ad space or a direct mail campaign or their time to create campaigns to help you measure the return. It's much easier for them to inflate their invoice if you're clueless. So they point you to completely unmeasurable benefits like "branding". They tell you about their huge circulation numbers.

You are not a marketing guru. It's easy for them to throw around big numbers of viewers or readers or registrants—and it sounds great.

The fact is, there are hundreds and thousands of minute variables that go into a typical advertising campaign that can make or break the results. Often many different people and vendors are involved. No one wants to be accountable for the whole enchilada.

But you are. So you've got to hold them accountable just like you would a vendor that provides you with parts for your manufacturing process or your landlord. If the roof is leaking, it needs to be fixed.

And there is a HUGE leak in your marketing process!



#2 Reason

You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

You are not setting expectations for the vendors and consultants and you're not setting them for yourself.

So, it's not really the fault of all these marketing folks that you can't tell what you're getting out of your ad spending. Just like everything else when you run a business, it comes down to you. You are not tracking what happens when they do what you pay them for.

Sure, they run the ad, you show up at the trade show, your direct mail piece gets sent. And that's all you expect of the vendor. But that's not what you're really paying for. You want the phone to ring!

How many phone inquiries does it take to make that ad worth it? How many business cards do you need to collect at the trade show to make it pay off?

At a minimum, you should know the expectations in measurable specifics each time you write a check. If you spend another \$5,000 on updating your website, how is that going to result in more sales and more profits? If you can't figure it out, don't write the check!

When you start thinking this way, you'll find that the ad vendors and consultants working with you become extremely helpful. They can tell you what typical response rates are to this or that type of ad. Put them on the spot. Make them commit to a number. If you hit it, it was a win. If not, you won't be doing it again. You'll certainly get that extra bit of focus and creativity out of them to make your campaign a success!

#3 Reason

You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

"You can't manage what you can't measure"

Unfortunately, most businesses aren't organized enough to track the real results. If you've got an ad running in a magazine, a classified ad in the local paper, and a trade show all in the same month, when the phone rings, can you really tell how that prospect heard about you?

Well, the good news is that it's not hard to do. You've just got to start asking, "How did you hear about us?"

It really is that easy. Just ask. Track it on a simple piece of paper with tick marks if you have to.

Imagine how much fun you're going to have! A month or two after the ad runs, you can sit down with vendor and show them, "This is how many inquiries we got from this ad." Do the math with them. "We spent \$1,000 and got 20 inquiries. That's \$50 per lead." That may be good or bad in your business. If it's bad, then I bet you get a better deal on your next ad run with that vendor. Or maybe you don't bother next time. If it's a good result, then you're probably going to want to spend more money next time. The difference is that you'll be making decisions about investments that you believe in and because you know what to expect.



#4 Reason

You're Throwing Money Down the Drain When You Pay for Advertising and Marketing

You're letting them baffle you with their bullshit.

OK, so nothing we've discussed is rocket science. Only one problem... these guys are creative types. They're expert at painting pretty pictures with words and images and putting the right spin on things. The advertising industry has convinced generations of entrepreneurs and business people that advertising is a creative process and you can't really measure creativity.

If there is one thing you need to take away from this is that you cannot buy into that thinking. If they refuse to help you set expectations and measure the results, then it's probably because they know they won't measure up. Move on.

Find marketing and advertising partners that understand how important measuring the results is and offer solutions to make it a reality for you.

The concept of measuring the return on your advertising investments is not new, but its becoming much more crucial. The world is changing. You can no longer rely on one medium to promote your company and your products. You've got be in a lot of different places and the list is growing.

If you don't have measurable expectations for each channel, that rock in your stomach is going to get much bigger and its going to eat you alive.

In fact, the changes taking place in the way people buy and the way those changes affect small business marketing is our next topic!



Chapter 2

3 Radical Changes

in the Way People Buy Today

*Use These Changes to Increase Profits Without
Spending More on Marketing*

3 Radical Changes in the Way People Buy Today

Use These Changes to Increase Profits Without Spending More on Marketing

In the pre-Internet days, a publication called “Consumer Reports” was very popular. Those of us that pre-date Gen X, Y, etc. remember how often Consumer Reports was cited in advertising. If your company was reviewed positively by Consumer Reports, you were darned sure going to let me know that. Their specialty was doing in-depth tests of all the important components of each product and then comparing all the major competitors side by side. What made them unique is that they did not accept advertising. This enabled Consumer Reports to conduct their analysis objectively and just as importantly, it gave their readers the impression they were uninfluenced by advertising dollars. Relatively high subscription payments from readers were the only source of funding to pay for all that exhaustive research.

Why did so many readers pay such a high price for Consumer Reports? Because it helped them make smart purchase decisions. People wanted to feel like they “got a good deal” or made the “wise choice”.

In addition to reading serious publications like Consumer Reports, other options were going out on your own by visiting stores and the library, checking with the Better Business Bureau, and talking with friends and colleagues.

Lots of time was invested in all of this investigation. Then, once you selected your short list of products and vendors, you had to start calling or visiting vendors and negotiating the price and terms.

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As recently as 10 years ago, making a truly wise decision and getting a good deal involved a LOT of time and diligence.

So it's no wonder that the Internet has become a crucial step in most people's buying process. What most people don't realize is how much the Internet has changed things.

As an example, just think of your last car purchase. Your buying process probably included all the above steps with the addition of some Internet searches. In the past, you might get out and visit some dealerships early in the process and "kick some tires". And what's the one thing we all detest about visiting a car lot? When it gets down to negotiating, there's the inevitable process where the sales rep keeps going to check with his manager on the pricing, financing, etc. Why is it so frustrating? Because they leave you sitting there waiting not just once but several times in a visit. Sometimes for 30 minutes or more at a stretch!

When you were buying that car, when you did your searches on the Internet, you probably found some vehicles online that you requested more information about. That probably meant waiting for a sales rep to receive your request and call you. I bet you ended up spending a lot more time with the sales people that called you back quickly! We hate to wait. Especially when we're ready to buy!

So the Internet has become the place to go for quick research and a quick response. In fact, virtually all buying processes involve two separate activities on the Internet. First, you do your research. Second, you reach out to vendors you've selected to actually begin the negotiation process.



#1 Radical Change in the Way People Buy

The Internet is the first place people go to do research to aid in their purchase decision and when it's time to contact your business.

Even if people have to visit your physical location to make their purchase, you can bet they will look you up online to check store hours, get a map and maybe even request some info before they visit.

Your company needs to be a resource for customers during every step in their buying process. In fact, you can reach a much wider market via the Internet than you can via other media for the same money. You can expand your marketing reach and fill your funnel with far more prospects than you have today. But first you have to be sure you have what your customers want in at least three points in their process of deciding to do business with you.

We've already talked about two of them—the research stage and the contact stage. However, the most valuable step is actually the first step. It comes before the prospect has even decided to make a purchase. Maybe they are not even aware that the type of thing you sell is available. They're just sitting out there suffering from a problem that you can cure for them.

Imagine if you were able to become a resource for folks with that particular problem or challenge before they decided to do something about it! Now you're engaging with your entire market and positioning yourself and your business as a trusted authority on the subject. Who better to do business with when the time comes?

#2 Radical Change in the Way People Buy

Reaching a wider audience is no longer done through branding your product and service to the masses. It's done through branding yourself and your company as a trusted information resource for people with problems you can cure.

In upcoming chapters of "Build Your Own Automatic Selling Machine", we're going to get specific about how to get yourself and your company in front of the right audience at the right times.

First though, let's consider another way that the Internet has changed the way people buy. Remember the story about Consumer Reports earlier? The magazine filled a need for objective research for consumers. In the old days, if you were lucky, you had a friend, relative or colleague you could call on for advice about an upcoming purchase. For most of us, that meant we had one or two people we could call on about a given subject. Sometimes we just didn't know anyone with the right sort of experience. That meant we were left talking to Uncle Bill, who seemed to know a little bit about everything...

The process of reaching out to people you know is a natural human instinct. Advice from friends suffers from at least three flaws:

- A.** People tend to think highly of their own decisions, which leads them to recommend things they've previously bought or visa versa.
- B.** People tend to tell others what they want to hear. Your colleagues are not likely to tell you anything that disagrees drastically with your point of view. They'll skew what they say about their real feelings to make them more compatible with yours.
- C.** It's time consuming to make contact with people and get their advice.

Build Your Own Automatic Selling Machine

#2 Radical Change in the Way People Buy

So here we are with the Internet making all our research easy and fast. It's also very quick and easy to reach out to vendors for information. When you've got a problem and you've decided to fix it, most of us are not disciplined enough to put the brakes on and wait a week or two while we reach out to selected friends and colleagues.

Where do we turn for that crucial "advice from a friend" component of our buying process?

Online communities. Some would call it Social Media. Twitter, LinkedIn, Facebook, MySpace, Yahoo Groups, etc. They're all the rage right now of course. For many business owners and sales managers, they seem to be a way for employees to waste a lot of time talking with friends about non-work related stuff. However, these communities fill an important function in most buying cycles. They connect the buyer—your prospect—with others that can lend some advice in a very fast and organized way.

If you haven't tried any these online communities yourself, then put this book down now and sign up for LinkedIn or Facebook. Join a group related to the industry you're in. Ask a question that a prospect of yours would ask. Watch how many folks response and how varied their input interests are. The key question is how many of your competitors can you find in the community?

Recently Google began indexing LinkedIn, Facebook and Twitter internal pages, among other sites. This means that when your prospects start their research by doing a Google search, they're going to see recent discussions about related topics in online communities right alongside the regular web page results.

Back to the human need to connect with other humans for advice. These sites make that so easy and so fast, you'd have to be crazy not to post a question about an upcoming purchase.



#3 Radical Change in the Way People Buy

Online Communities are a rapidly growing touch point in the purchase process because they provide fast access to the experience and expertise of hundreds or thousands of people rather than the two or three people most of us know to ask.

The good news here is that this trend is still relatively new. Even in many high tech but very specialized fields, you may be the first of your competitors to take advantage of this trend. Many of the sites also make it extremely easy to monitor what's being talked about related to your business or industry quickly.

Your short list of near term objectives for online communities should be:

1. Identify the communities you need to participate in. Ask your customers where they spend time. Don't try to be everywhere.
2. Figure out how you can keep tabs on topics of interest to you in these communities efficiently. Many, like LinkedIn, Facebook and Twitter, make it very easy.
3. Start getting involved in discussions that are related to your area of interest or expertise and/or business. More on this in upcoming chapters.

For most business owners that have been around for a few years, the website is an online version of your brochure or catalog. You've probably spent some money on the design of the site, as well as Search Engine Optimization and Pay per Click advertising. As discussed in our first chapter, "4 Reasons You're Throwing Money Down the Drain When You Pay for Advertising and Marketing", you probably weren't pleased with the results and felt you overpaid.

#3 Radical Change in the Way People Buy

That has to change. As you read the following chapters of “[Build Your Own Automatic Selling Machine](#)”, you’ll probably want to spend more time and money on your online presence. That’s good. However, we’re going to make sure you know what you’re getting and how to measure it first. Overtime, your online presence must become the most robust and appealing of the “interfaces” with customers and prospects you have.

In the coming chapters, we’re going to get very detailed about how to get you in front of a much wider audience as a trust expert in your field. You will have the opportunity to control the prospects buying process before they even know they’re buying anything!





Chapter 3

4 Fallacies in Marketing and Selling that Cause You to Waste Money and Destroy Profits

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As you search for ways to grow your business, you eventually find yourself talking to advertising and marketing consultants. It usually starts with bringing in someone to design a good looking brochure or other collateral for you. You begin to ask these same people for suggestions and ideas for getting more exposure for your business. “Getting your name out there”, “Raising our profile”, etc.

Advertising firms will be pleased to create a “campaign” for you. They’ll charge you for every minute of their time to produce “creative” and to make “media buys”. They’ll start to tell you about the old marketing axiom that says a person must see your ad three times before it really sinks in. They’ll start to use the word “brand” a lot.

No doubt, your brand is important. However, if you’re a small business and you’re not sitting on a huge pile of money that will allow you to completely saturate your marketplace with your company’s brand, then “branding” will not grow your business.



#1 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

All Marketing and Advertising Starts with Branding First

Wrong! Think about it... When you think of strong brands, who comes to mind? IBM, Frito-Lay, Coca-Cola? No question that those brands have real value. Those names have been beat into our heads since we were all children. They've also been very consistent. A Coke today is pretty darned close to a Coke 40 years ago. Heck, these companies names are part of our language.

Think about the last few Coca-Cola ads you've seen. They're really not about the product at all. They're about emotions—happy times, good friends, etc. The objective is to create a connection in your mind between the word Coke and these positive emotions. That's great for Coke. They spend billions of dollars on this type of advertising because their product is already literally everywhere. As you go through your daily life, you are presented with the opportunity to purchase a Coke in the break room, at lunch, at the gas station, in the grocery store, etc. If you've got a warm and fuzzy feeling connected to their name, as you're walking down the aisle it may cause you to stop and grab a six pack.

You don't have that kind of money or time. You need to generate sales. Huge media buys (TV, Newspapers, Radio, Product Placements, etc.) are not an option. If you've just introduced a new caffeinated beverage, what are you going to do? How can you possibly chip away at the huge mountain of history and branding that is Coke?

Not by trying to beat them at their own game, that's for sure!

#2 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

Small Businesses CAN Afford to Go Head to Head with the Big Guys

That's right! We're just not going to try and beat them at branding. That would be insane. You need to connect with customers who have a need for your product or service. If you're selling to businesses, what are the problems you solve or the opportunities you allow customers to take advantage of? That's how you're going to "brand" yourself.

In B2B selling, it can be difficult to even get a list of specific people that want or need what you have to sell them. There is no magazine written specifically for refinery production supervisors with employees with problems following safety regulations, for instance. For many businesses, it comes down to this—you can't afford to advertise in magazines, etc. that are read by your audience because they're also read by thousands of people that aren't going to be interested in your product AND your competition has run up the cost of that advertising.

In our last chapter, we talked about the new ways in which people buy. Internet searches are a key step in the buying process for most people now.

You can cut through the challenges we've discussed by positioning your company and your services at the point where the customer begins to look for solutions to the problem your service address—his Internet search. In a later chapter, we're going to give you 6 simple steps to generate qualified sales leads you can afford. For now though, let's focus on the how you get in front of the customer.

#2 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

We know you can't afford to broadcast yourself to the masses in hopes that those that actually need a product like you sell will see your ad three times and respond to it. We also know that those that do have a problem your company can solve will likely go to the Internet and start searching for solutions as one of their first steps.

Your challenge is to be there. Be at the top of the results when they do the right search. They type "how to fix a broken widget" into their search engine and up comes a link to your website. Think about how that changes your advertising and marketing challenges.

Instead of trying to "get in front of" the thousands or millions of people that could possibly one day need your products, you just need to jump out in front of the ones that have begun to look for solutions.

We're not going to get into all the details of Search Engine Optimization, Pay per Click Advertising, etc. There is plenty already available for free on the Internet for you to read and I bet you're not interested in editing HTML pages anyway. You can hire someone to do all that for you and it shouldn't be too expensive.

Your job is to create something of value that you can give to your prospect for free. I know, we're talking about growing your sales. Remember, someone who doesn't know your company at all just did a search on the Internet and your company has come up in the results alongside several others. You know, by virtue of what they searched for, that they have a problem you can solve for them. What you need now is to help them see your company as a resource to solve their problem or conquer their opportunity.

#2 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

So, you create a resource they can use to understand their challenge more clearly, analyze possible solutions and essentially become an informed buyer. A report on the Top 10 Reasons Companies Suffer From Whatever it Is That Your Customers All Suffer From. A Buyers Guide that tells them the key questions to ask themselves and vendors when buying the things you sell. A “Free Consultant” or Needs Assessment can even be an effective offer in many cases.

When someone takes advantage of these resources, you know they have a problem you can solve and that makes them a lead. You can create a marketing funnel that leads highly qualified leads directly to your sales team. They take advantage of your report on the Top 10 Reasons... and at the end you offer them a free consultation.

In addition to getting this sort of free offer in front of your market via search engines, you may be able to do this through direct mail, telemarketing and other means. In fact, that’s what’s so powerful about this approach. It works through all mediums. If you write a free report to hand out at the big industry trade show, you can also publish it on your website and you may be able to get it included in the trade association’s post trade show newsletter, etc.

It’s important to think about this process in terms of quantity. If you specialize in custom designed valves for processing plants that handle a certain type of material, you wouldn’t want to offer a free consultation to every processing plant you can find. That would leave your sales team spending a lot of time with prospects that may be highly interested in learning about the cool, innovative product you’ve come up with but, have no need to buy it because they don’t work with materials that require it.

#3 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

More leads is not always better

Your sales team is the engine of your business' growth. Why would you want to pour bad fuel into the engine? What happens to an engine that runs on bad fuel? It deteriorates. Your sales people will get frustrated if they're spending all their time on leads that don't buy. You'll have more problems with keeping them motivated and more importantly, your cost to close a real deal will go up.

The number one objective is to develop a marketing funnel that feeds your sales team with highly qualified leads. If they've read the free report, downloaded the buyer's guide and requested a free consultation, they have essentially qualified themselves and educated themselves. They've basically turned themselves into a slam dunk for your sales team!

As you build your marketing funnel, you'll have to experiment a bit. You may find you get a lot of response to one offer but, getting the prospect to take another step in the process is tougher. You'll need to get analytical about managing your marketing funnel. Using a good contact management, lead management or CRM solution is crucial. You need to measure each step in the funnel and track where your sales people are spending their time and what's working and what's not. It's a mistake to try and manage this process by listening to anecdotes from your sales team. (more on that later) You need hard data to make decisions confidently. A good CRM system can provide that information while also helping your sales team be more productive.

#4 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

Relationships are not about being face to face

Just as you can't afford to blanket the marketplace with your "brand", you can't afford to have your sales people flying all over the world talking to every prospect that demonstrates curiosity in your products. That is a sure-fire profit killer.

Maybe an average deal for you is \$100,000. That sort of sale can justify a lot of travel expense and sales time. However, if you've got to visit 10 customers 4 times each to get one order and still pay for building and delivering your product or service, the numbers don't look as good anymore. It's also about time. The amount of time your sales team spends on each lead defines the maximum number of sales you can make. Increasing the profitability of your sales effort means reducing the amount of time spent with leads and preserving their time to work with and filter a higher volume of leads and focus quality time only on highly qualified prospects.

Especially if you're selling a big ticket item or a long term relationship, the tendency is to "get in front" of prospects and build relationships. There are lots of ways to build relationships that don't involve a face to face visit.

In fact, relationships are really about trust, credibility and empathy. The marketing funnel process you're going to build will create credibility for your company by offering your prospects bite sized pieces of your knowledge and expertise. Delivering the content can help build trust. But, most important is empathy. Asking the right questions of your prospect and listening to their unique answers shows that you're both knowledgeable and appreciate the specific needs of each prospect.

#4 Fallacy in Marketing and Selling that Causes You to Waste Money and Destroys Profits

Demos and presentations can be done over the Internet. A phone call that involves you asking open ended questions and listening a lot can build a much stronger relationship than an expensive trip where you roll in with your overhead projector and walk the prospect through 20 slides.





Chapter 4

2 Reasons What Your Sales People Tell You About Your Leads and Your Marketing is WRONG

2 Reasons What Your Sales People Tell You About Your Leads and Your Marketing is WRONG

Most businesses spend a lot of money on marketing and advertising. It's a big slice of the pie each month. It's also probably one of the areas you have the least accountability for. As we discussed in an early chapter, many small businesses just don't know how to measure the results of their marketing efforts.

But you need to know right? You need to be able to direct your advertising and marketing dollars to things that work. Things that generate profitable results. But typically all you can do is look at sales results in aggregate and try to make judgments about many discrete marketing channels.

The big guys do it by spending even more money on research, surveys, etc. That's great if you've got the time and money. In most small businesses, you find out how the marketing is working by asking your sales people. After all, they're the ones in the organization that speaks to most of the respondents to your marketing. This seems perfectly logical but it's not.

Part of this is obvious. Bonus and commission plans can incentivize sales people to paint a skewed picture of the situation.

This is not to disparage sales people. They're just trying to increase their commissions by selling more. However, if your sales compensation structure and your business priorities are not aligned well, this can amplify their perception of the value of certain types of leads.

#1 Reason

What Your Sales
People Tell You
About Your
Leads and Your
Marketing is
WRONG

Sales people see volume as good

You have to search long and hard to find a sales person that won't tell you they can use more leads. More leads means more opportunity to them. More leads means more need for the services of a sales person. You may believe more leads is better also. If so, please see Reason #2 below!

You may sell into multiple markets or sell an assortment of different products or services which require marketing in different channels. So, you run an ad in a trade magazine for product A, attend trade shows to market product B and do "pay per click" search ads for product C. It's very common for sales people to perceive leads from a trade show to be far more valuable than others. They'll even "feel" like there are more of these leads than others when trade show leads are the lowest by volume.

I say "feel" because most sales people have no means of actually knowing how many leads they're getting. Frankly, unless they're paying you for the leads, they have little incentive to keep track.

Trade show leads "seem" important and valuable to sales people because of the amount of time spent on trade shows and because they actually have met these people already. Sales people are relationship oriented. When they're looking at a stack of 50 business cards from the trade show that they spend 2 days on last week, all of whom they met personally, they're going to see those as "warmer" leads than the 500 names of CFOs in an excel file that you just purchased for them to cold call. Also, if they are more experienced with a certain type of lead or product or company, they'll perceive those as more valuable. So, when you ask your sales people about the leads, they're going to over emphasize the ones that are warmer and most familiar to them.

#1 Reason

What Your Sales
People Tell You
About Your
Leads and Your
Marketing is
WRONG

This may seem like a minor point but, it can be huge in terms of dollars! If you spend \$10,000 on a trade show plus 2 days of your sales person's time and get 50 leads, you've got to close at least 20% of them or your average sale better be well over \$2,000 or both or its just unprofitable after you take sales compensation and operational costs out. On the other hand, if you may be able to spend \$5,000 to get 100 leads via your website and your sales person hasn't invested a minute yet.

Which brings us to...



#2 Reason

What Your Sales
People Tell You
About Your
Leads and Your
Marketing is
WRONG

Can't measure sales results from leads any better than you can

It's really all about the quality of the lead. If you're not using contact management software or a CRM solution to track the leads by source and tie that to results, then you can bet your sales people aren't either. Sure, you probably have one or two sales people on your team that tell you they use Outlook or contact management systems like ACT! or Goldmine to track the leads you give them but, the fact is that's not really their job as you've defined it and so, it's likely to get inconsistent attention at best.

Even if you are using an online CRM to capture contact information for all leads that come in, where it came from and which sales person it was given to and your sales people are adding in the actual results once they make contact with the lead, it's probably not happening all the time. If a sales person is given 100 leads in a month and they forget to log in the results for 5 or 10 of them, it can skew the analysis of this information tremendously.

What you want to know is how many leads came in, tied to each marketing channel and whether they were qualified and if they made a purchase. Seems simple doesn't it? It's simple for your CRM system to give you a nice analysis of this information but, it's another thing to get to the point where you have it all in one place so the analysis can begin. If you're not using any kind of CRM today, just try and track the leads that come in next month. If you are using a CRM solution already, you know what I mean.

You may be able to capture and track all leads that come in via your website. You may even have the front office trained to track all the call ins that happen when your ad runs in the local business journal. But what about referrals or trade show leads? Those go straight into your

#2 Reason

What Your Sales People Tell You About Your Leads and Your Marketing is WRONG

sales people's hands... Even once you've figured out how to capture all the leads, it's getting a good read on the quality of those leads that's key. And it's the most difficult part of the equation.

After all, it has to be objective for it to be really useful. Just like your sales people will have a tendency to see volume as good for its own sake, they'll also have vague "feelings" about the quality of leads from certain sources that have more to do with the difficulty of getting in touch with those leads and generating the first real conversation about need than anything else.

To make it work you have to boil down lead "quality" to a series of objective measurements. Are they in the right industry for you? How much are they currently spending on products or services like yours? Maybe for you it's as simple as how many employees they have or what their annual revenue is or how much they spend on telecom each month. For many small businesses trying to carve out a niche for themselves, it has to be much more specific.

If you're using a contact management system or CRM solution, put fields in the system for your staff to enter the answer to these questions. If not, use a spreadsheet or even a printed "lead sheet" with blanks to input these answers. This way you'll be able to measure leads based on each of these criteria and you'll know which of your sales people just aren't asking the right questions.



Chapter 5

3 Ways to Measure Advertising and Marketing Return Easily

3 Ways to Measure Advertising and Marketing Return Easily

In previous chapters we've discussed how frustrating it can be to invest in new marketing and advertising campaigns. Let's face it, you're unable to really measure the results of your advertising and marketing campaigns. Sure, you may notice that the phone rings a bit more frequently when your ad runs in the local paper. But, as we've touched on previously, the phone ringing may not be a good thing. If you can't tie each sales back to the specific advertising that the customer responded to and each lost sale to the marketing they experienced, then you're guessing.

When you are able to track advertising in this way, some very powerful things begin to happen. Your ability to objectively evaluate advertising options greatly improves. Your negotiating position with advertising and marketing vendors improves. Your ability to hold these vendors accountable to promises and expectations they set improves.

These things should enable you to have significant impact on the cost of and quality of leads. If you can reduce the average cost of each lead by 10% and increase the quality of each lead by 10%, that could be big for your business couldn't it?



Well, that's just scratching the surface! After all, getting the leads is not really the most challenging part of acquiring customers is it? It's closing the deals. It's hiring, training, motivating and managing all those sales people to take the leads your marketing generates and turn them into customers.

There is no question that the single most effective way to ensure the success of a sales person is to provide him or her with the highest quality leads. If 80% of your sales people are over quota this year instead of 20% like last year, what does that mean to your bottom line?

OK, hopefully I've got your attention now! So let's get specific about how we can measure the results of your advertising and marketing, channel by channel, ad by ad, so you can maximize the most profitable and do away with the duds.

#1 Way to Measure Advertising and Marketing Return Easily

Create a system to track leads from first contact through to close

Now, don't lock up your checkbook so fast... I'm not proposing that you run out and spend thousands of dollars on expensive solutions. In fact, this is one area where things can and should be extremely simple. Heck, if you can draw up a one page "lead sheet" that your reps can use to quickly check off the results for each and every lead, great! You'll need someone to sit down periodically and tabulate the information but, this type of low-tech approach might be the best place to start for many.

Regardless of what method or technology you choose, here's what you need to know about each lead:

Where did it come from? Be specific here. If they found you on the web, you need to know exactly how. If they did a search first, then you've got to know what they searched for. If they saw an ad in a magazine, you need to know which one.

Are they qualified? In any business, there are 3 or 4 questions you can ask any lead and know if they're likely to become of customer. You've got to be sure you ask these questions every time and record the answers. (See our recent eBook—Double Your Sales in 2010—for more discussion of how to qualify leads)

What are they likely to buy, for how much and when? Ultimately, we want to project the total amount of sales that can be expected and the projected time frame for each and every advertising option you have. This info is clearly crucial.

Did they actually buy and if so, what and for how much?

#1 Way to Measure Advertising and Marketing Return Easily

A couple of other things that are important to find out:

- What's this person's role in the purchase decision?
- Are they currently working with a competitor?

Again, if you can come up with a low-tech way to capture this information consistently for every new lead, that's great. After all, this is going to require some changes in your processes and methods for your customer facing team so, you should keep it as simple as possible. However, if there are more than one person in your organization dealing with each potential customer or if the volume of leads that anyone in your team is considerable, then writing it all down can get to be a problem. Remember, all your analysis will be skewed if this information isn't gathered consistently.

So, investing in a good contact management solution or CRM can be wise. Keep in mind the purpose of this exercise... You're going to reduce the average cost per lead, increase the average quality of each lead and ensure that your sales people beat their quotas and your company grows!

Basic requirements for your contact management system or CRM solution that will allow you to measure your advertising results effectively:

- Allows you to document the above information quickly and easily for each and every lead
- Allows you each person on your staff that will interact with the lead or prospect before purchase to update the same contact management or CRM database
- Allows you to mine the information captured to see the number of leads from each advertising source and quantify the portion that buy, aren't qualified and/or are still in process.

#1 Way to Measure Advertising and Marketing Return Easily

That's it. Remember, simplicity is key to success here. This is a means to identify the most profitable advertising channels for your business, it's not an end in itself. Don't get enamored by CRM solutions that do everything anybody could ever want but, cost thousands per person and take months to implement. That could defeat the purpose.

Regardless of whether you choose a low-tech approach or a high-tech online contact management solution or web based CRM system, you've got to be able to learn this information about each lead. So where is that data going to come from?



#2 Way to Measure Advertising and Marketing Return Easily

Ask the prospect

Again, we're going for simple. Sure, you could invest in all sorts of technology, fancy survey emails or even telemarketing surveys to gather all this info but, how long is that going to take to put together? What will it cost? Believe it or not, many sales people will push back and resist asking the specific questions you need answered. You'll need to help them understand how you're going to use the information to provide them more leads that are higher quality. It's crucial that you follow through too. You can set your efforts back by months or years if you force this on your sales team and then fail to use the information.

Be clear—every person that has contact with the lead before they purchase is going to need to be consistent in asking the decided upon questions and recording the answers.

#3 Way to Measure Advertising and Marketing Return Easily

Make it automatic

Hey, wouldn't that be cool? If you're completely ecommerce, then it may be possible. All this data can be gathered by your website and shopping cart. However, if your customers typically talk to a human being at your company as a part of their decision making process, then there is going to be some manual data entry. No matter how shiny and new and innovative your contact management or CRM solution is, it's the information that your customer tells your sales person that is likely to be the most valuable to you in measuring the effectiveness of the advertising that drove him or her to your company.

So, you should focus on automating all the other steps along the way and making it as quick and easy as possible for the sales person to add their contribution.

For instance, you can easily have different 800 numbers that you publish in each ad so you'll know how the lead found your company when you pick up the phone. If they're visiting your website first, you can build tracking into your web forms that will capture what terms the lead searched for in Google to find you. Many online contact management systems and web based CRM solutions allow your web forms to post new sales leads directly into the database with tracking information embedded.

If you're using a contact management system or CRM solution, then required that the sales rep fill out all the key data we've discussed when they create or update the lead's record. Also, make sure it's easy for the sales rep to see what key information has yet to be gathered on each lead so they can ask those questions.

#3 Way to Measure Advertising and Marketing Return Easily

I'm sure you've got the idea. In the end, we want to see a table something like this:

- # of Leads Qualified Closed
- Trade Journal Ad 100 50 20
- Paid Search 200 50 10
- Radio Spot 50 25 15

Add the costs for each of those ads and you can calculate which is most profitable. You'll be amazed to find that what you think you know is wrong and how much opportunity is available when you redirect spending to the most profitable channels.



Chapter 6

6 Action Steps to Get More
Quality Leads and Close More Sales

6 Action Steps to Get More Quality Leads and Close More Sales

So at this point we know that throwing money at advertising and marketing firms is not an option. We need a way to generate leads that doesn't involve putting up huge sums with no way to know how and when it will come back to us. Ideally, we'd like a way to invest a relatively small amount, measure the results closely, make adjustments to increase the profitability and then ramp up the investment, the leads and the profits according to our needs.

Of course. And while we're at it, let's also say that we want our sales people to get involved only when we know we have a highly qualified lead.

Believe it or not, this is not as tall an order as it appears to be. The basic principle is to design a lead funnel, a series of steps that each lead can go through that will ensure that they want and need what you're selling. At each step, you offer the lead something and their choice tells you if now is the time for your sales team to talk with them.

So how do you decide what these steps are? What do you offer to the leads at each step in your funnel?

The first one is the hardest so, try to get yourself in the head of your customers. Talk to them. Ask them what questions were going through their mind when they decided to start looking for a solution like yours. What is it that everyone in your audience or market needs or desires?

#1 Action Step to Get More Quality Leads and Close More Sales

Offer something that every potential prospect for your product or service will be interested in

Remember, this is a funnel or a series of steps. The first one should not be too exclusive. It should be highly attractive to people that need and want what you're selling and people that likely will need or want what you sell in the future.

The first step is not a free trial or an appointment with a sales rep or a buyer's guide. Those are things you offer later in the process. Up front you want to offer something that someone with a general interest in the subject will find interesting. We want their accepting the offer to tell you that they could be a prospect some day. If you sell an industrial pump, you might want to write a quick guide titled "Are you spending too much keeping old pump equipment running?".

Responding to your first offer doesn't indicate a readiness to buy. But, it indicates that this is someone who is within your market space. You want to establish trust and credibility with this person so that when they are looking for what you sell, they reach out to you. That's why you've got to have a plan to nurture the relationship regularly.

#2 Action Step to Get More Quality Leads and Close More Sales

Nurture leads automatically

These are not hot leads. You're going to be worrying about closing the hot deals in your pipeline every day. That's why your lead nurturing efforts have to be automatic. You'll put it off or forget about it if it requires you to stop what you're doing.

Plus, there are email marketing systems, auto-responders, online CRMs or just simple contact management systems that are affordable, easy to set up and can do the job for you. At a minimum you need a contact management system or CRM that can keep track of which leads have accepted which offer and let you know when it's time to make the next offer.

Mix it up. Some of the leads that accepted your first offer may actually be ready to buy. Give them that chance! Don't force them to accept each offer in the sequence you determine. If the final step in the funnel is to attend a demo or schedule a 30 minute consultation, then there's no harm in presenting that option to new, early stage leads.

#3 Action Step to Get More Quality Leads and Close More Sales

Let the offers qualify leads for you

A buyer's guide is a perfect qualifier. If a lead wants to learn how to buy what you sell, then they are much more qualified than the lead that's only been willing to read your report on effective maintenance schedules.

Attending a webinar or demo is a good strong qualifier. Anything that involves the lead investing their own time or money. But give them options. If they're not ready for the buyer's guide, have something else with involving less commitment on their part as well.



#4 Action Step to Get More Quality Leads and Close More Sales

Build your sales process to fit the offers the lead responds to

You're sales person isn't going to pick up the phone and call each lead that responds to the first offer. The idea is for them to invest their time only in leads that have responded to offers that really qualify them as near term buyers.

Be sure that your process makes it easy for your sales people to respond appropriately to each lead's actions. If they responded to your first offer and then immediately requested the buyer's guide, they just might be very hot. Don't make that lead wait. Call within hours. However, if you're going to call leads that respond to earlier offers, be sure the sales person is not going for the close immediately. In that situation, their objective is really to steer the lead toward the next offer in the funnel.

Again, a good contact management system or CRM will help. With a CRM that tells the sales rep which offers each lead has responded to, they'll know how to handle each one. Many CRMs can even allow the sales rep to change the email campaign that the lead will receive based on what they learn on the call.

#5 Action Step to Get More Quality Leads and Close More Sales

Measure lead quality and close rates

A subtle change in the offers you make can have tremendous results. Some offers will attract the wrong sort of lead unexpectedly. Believe it or not, the worst thing you could do is generate too many leads of the wrong type. In that situation, your sales people are spending lots of time on leads that don't buy.

For these reasons, you've got to know the metrics of your funnel. For everyone that responded to step one, how many closed? And the same for each step. When your sales people talk to the leads, what is their judgment of quality?

These metrics will allow you to find the offers that are working and the ones that aren't and adjust accordingly. Your CRM should make it easy to track these metrics and analyze them.

#6 Action Step to Get More Quality Leads and Close More Sales

Hold your team accountable to following the process

This is not selling 101. Most sales people have that “go for it” attitude. They’ll want to call all the leads. That may be a huge mistake from the stand point of time invested in unqualified leads. Make sure they understand when to get involved and what to do in each situation.

Make sure they document things properly as we’ve discussed above. Again, this is not throwing sales people at leads and hoping for the best. This is a finely tuned funnel. You can’t tune the funnel without data. The sales team is going to be a big part of gathering that data.

Communicate these concepts to the team and then make sure they’re held accountable. If they document the quality of leads only 80% of the time, that can completely skew your analysis.

If particular sales people are having trouble following the process—taking the right action at the right time or documenting results, you’ve got to know about it and you’ve got to address it.

I’ve always found that the best way to encourage participation and buy-in by the sales people is to take advantage of their natural competitiveness. Use your CRM to run a report of how many leads have been responded to by each sales person and how many had the results documented properly. Put that report in front of the entire team at sales meetings. None of them want to be on the bottom of this list.



Chapter 7

8 Metrics You Must Know about Marketing, Leads and Sales

8 Metrics You Must Know about Marketing, Leads and Sales

Can we get real at this point? If you're a race car driver, you need to know how fast your car can go and how far you can go on a set of tires. If you're a farmer, you need to know how many bushels of wheat or beans or whatever an acre of crops are going to produce. Whatever your business, you certainly would measure the results of each effort so you can use that information to predict future results.

Why is it that most business owners don't measure what's happening in their sales and marketing efforts?

Really?! Can you really quote any hard data about your marketing and sales processes other than what you spend on ads and marketing, what your payroll is and how much you sell each month?

Sorry but, that is NOT going to cut it!

Think about this in the farmer example... If all you know is how much you spend on seeds and equipment and supplies during the year and then how much you sell your produce for after the harvest then yes, you can figure out if you made money or not. But, you can't do anything about it. Next year, you can say "I lost money on that wheat crop last year so, I'm switching to corn this year because the seeds are cheaper." That's no guarantee of better results. You need to know how many plants grew on an acre, how much water they got, how many plants died due to disease or bugs, etc. With that information you can adjust next year – plant closer together, bring in a watering system, etc. and get better results. You can also compare this crop with alternatives more clearly.

It just makes sense right? If you've got a sales team to manage, then you either measure the process or get used to firing sales people regularly and constantly training new ones that won't last. The key to hiring and keeping sales people is making them successful. How can you help them if you don't look under the hood?

After 7 years of working with business owners, sales executives and marketing gurus, I know that it's just not easy to get the data that matters. Think about it like this... If you're not doing it now because you can't figure out how to, then your competition probably isn't either. What if you figured out how to measure your marketing and sales processes so you can turn them into an Automatic Selling Machine?

Warning—most contact management, CRM and marketing analytics vendors are going to try and sell you more than you need, over complicate the challenge and expand the cost and cause you to fail to get what you really need—some real numbers you can use.

Sure, using a [CRM solution, contact management system or marketing analytics](#) solution can make measuring your process very easy but, only if you keep it simple.

That's our objective here—to highlight the short list of things you need to measure so you can make it happen with or without software.

Really, you can use a piece of paper or a simple excel sheet to do this. My experience helping businesses implement [CRM solutions](#) tells me that you're better off starting very simple and getting some data than spending 6 months trying to find and implement more complex marketing analytics and [CRM systems](#).

Build Your Own Automatic Selling Machine

The basic components of any marketing and sales funnel are Unqualified Leads, Qualified Leads, Value to your company, Won Sales and Referrals. That's it. No reason you can't start keeping that info in a spreadsheet right? In fact, if that's all you have to have, setting up a contact management system to do it is easy too.

Again, the problem is that you'll get dazzled by all the other things the various [CRM solutions](#) can do for you and things will get complicated fast.



#1 Metric You
Must Know
about Marketing
and Sales

Total number of leads coming in

Simple right? Well, it is but, it means you need to know about all of them. All the referrals your sales people get that they never mention to you. All the call-ins that come in but, never get called back by a sales rep, etc.

#2 Metric You
Must Know
about Marketing
and Sales

Where does each lead comes from?

How did they hear about you? What ad did they respond to? Where did you meet them? Who referred them to you?

Again, simple stuff but, the key is to be sure you get this information for each and every lead you talk to. If you get 100 leads a month and fail to collect this information for 5 of them, it could really throw off any analysis you do.

#3 Metric You Must Know about Marketing and Sales

How qualified is each lead?

This one is tougher. The reason is that you have to decide on objective criteria that makes a lead qualified. Do they have a need for what you sell? Do they have the money for it? The answers don't necessarily need to mean that are absolutely going to buy from you. Just that there is a basic fit between their needs and situation and your company. They're worth your time. Choose the 4 or 5 questions you have to ask every new lead and start capturing the answers for each and every lead. I know, you won't be able to get all that information for all of them. That's OK. If you don't get it all, they're not qualified.

#4 Metric You Must Know about Marketing and Sales

What's the value of the sales opportunity?

Best case scenario, what can you sell them in the near term? What is this opportunity worth to your company? Pretty simple.

#5 Metric You Must Know about Marketing and Sales

What market segment do they fit in?

In every business, you have a few segments you have developed unique solutions for. It might be business vs. residential or small vs. large. You've got to know where they all fit.

#6 Metric You Must Know about Marketing and Sales

Product you propose to them

This could be a direct one to one relationship with the segment they fit in but, it's usually not that simple. Some customers will request certain solutions even though it's not what you'd recommend for them given the segment they're in, etc. Again, you've got to track this for each lead.

#7 Metric You Must Know about Marketing and Sales

Won or Lost

Did they buy or not? Simple right? What about if they just say "call me later"? (that's a No if they don't buy within a reasonable amount of time BTW)

#8 Metric You Must Know about Marketing and Sales

Did they give you a referral?

Why do you need to know this? Well, you need to know if they were asked for one thing. Also, this is a great measure of the satisfaction of that client. Let's face it... You can value customers by how much they spend but, a customer that gives you referrals is much more valuable than one that spends the same and doesn't give you any referrals.

That's it. That's all you really need to know!

With this information you can look at each and every source of leads, every advertising expense and determine its value to you.

	Trade Show	Cold Calls	Web Site
Cost	8000	6000	1000
Leads	90	200	40
Qualified	17	21	20
Value (avg)	2000	1000	1400
Won (%)	20%	30%	40%
Referral (%)	15%	25%	30%
ROI	450%	1000%	2240%

Powerful Insight into Marketing Return

You'll compute the cost of each dollar in sales based on the source of the lead and you'll be amazed at how different it is from one marketing channel to another. Variances of 100% or more are common.

Build Your Own Automatic Selling Machine

Really, just start putting each new lead in a spreadsheet with columns for each of the metrics above and keep it up to date.

In fact, if you don't have a centralized [contact management system](#) or [CRM solution](#) in place today, creating this spreadsheet is a great way to start looking for a [CRM system](#). You can share the sheet with potential vendors and they'll be able to see what you need to measure.

Just get started tracking and measuring these things right away. Even if you're not sure where this is leading, I promise you it will uncover valuable insights that will lead you to more profitable and sustainable growth.

About the Author

CRAIG KLEIN brings his engineering training and his sales management experience together to build measurable, consistent sales processes for his clients.

As CEO of www.SalesNexus.com, Craig works with small startups and Fortune 500's to create systems that give sales people more time to sell and more leads to sell to while giving management the accountability that is so elusive in sales.

Craig spent 10 years selling multi-million dollar, multi-year contracts to energy companies such as ExxonMobil, BP, Shell and Chevron. The long, complex selling environment within these energy behemoths gives Craig a keen sense of the risk of mis-allocated sales time. Craig has developed lead acquisition and selling systems for major financial firms like Wachovia and Countrywide.

Craig's superior ability to discern a business owner's goals, challenges and needs stems from his strong belief that listening skills are far more valuable than speaking skills.

Craig is the author of three books read by thousands and has written many articles on sales, lead acquisition and nurturing and entrepreneurship.

His blog, <http://sell.sell.sell.salesnexus.com> has provided advice and insight to thousands of readers.

About SalesNexus

www.SalesNexus.com offers hosted, web based contact management and CRM solutions to small and medium sized businesses in all industries, around the world.

SalesNexus' focus is on helping customers affordably tailor their solution to each business' unique processes and needs.

To learn more about <http://www.SalesNexus.com>.