

The Real Cost of Sales Leads

Do you know what your real cost per sales lead is? This simple question can challenge your approach to evaluating marketing programs and sales partners.

To accurately calculate your true cost, consider all expenditures, including technology, prospect list acquisition, target markets research, management and integration of all marketing efforts into the sales funnel, sales collateral development, prospect follow-up requirements, and the labor it takes to represent what you sell.

The price of outsourced sales support is a natural concern, and we are often asked about our cost to arrange qualified sales meetings. This number is determined by several factors including the nature of what is being sold, the title of the decision maker sought and the average size of businesses to be targeted for the client.

Title of decision maker and average size of targeted businesses are the key elements in the cost equation; they define the scope of commitment and strategies required to identify, nurture with appropriate follow-up, and convert a "sales suspect" into a meaningful, qualified sales appointment.

In sales involving complex services targeted to senior executives, most companies we've worked with find that their lead cost simply averages "\$x,xx" regardless of the actions taken to identify prospects. That's because sales leads obtained from the Web, tradeshow, email and mailings need to be qualified with an inside sales process. Otherwise, "information gatherers" can't be distinguished from truly qualified prospects with definable needs and urgency for action.

Further, despite an attractive initial cost, you might discover that it takes thousands of emails to produce a single meeting with a qualified senior executive prospect. (If you can obtain the prospect's email address and ensure your email is not rejected as SPAM.)

Across activities, it's the quality of the leads generated and the opportunity savings created for your sales force, whose resources are best spent selling, rather than qualifying and nurturing prospects that creates savings. Lower quality leads breed lower revenue results, a disaffected sales force and increased investment.

When considering outsourced sales support, it's necessary to develop a realistic understanding of total absolute and opportunity costs.

Evergreen Advisors LLC provides expert sales lead generation, market research and market communications to technology and professional services firms. Evergreen's Data Service provides sales and marketing organizations with proprietary prospecting databases and unified data resources.

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