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## Building A Successful B2B Sales Development Organization Part II: *Managing the Lead Generation Funnel*

*by Mike Gospe*

This is the second part of a three-part series on architecting a highly effective Sales Development function.

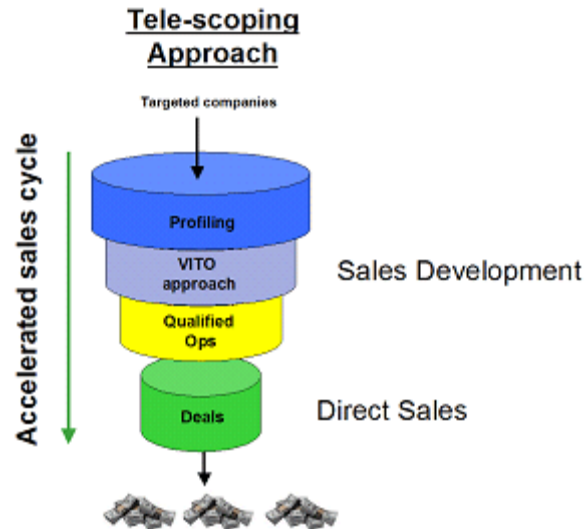
Fact: The integration of telephone sales into the lead generation mix can increase response rates from 2 to 15% over direct marketing alone. But how do you equip your sales development group to perform like a team of Michael Jordans and guarantee these results?

When Sales Development (SD) teams fail to produce results it is usually for one of these reasons:

1. They fail to build a good list and profile targeted companies BEFORE contacting them.
2. They use a generic, untailored script that doesn't engage the target.
3. They lack a definition of a qualified lead and thus send poorly qualified leads to sales.

In this article, we'll walk you through the "best practice" process used by many large and small businesses today. Successful companies embrace this process with discipline and determination. One company improved the number of qualified leads by more than 30% each month by invoking this process. ***More than \$2M could be directly attributed to leads that were generated in the first 3 months.***

Large and small businesses are benefiting today by using a disciplined process to build lists of targeted suspects and then nurture them before handing them over to sales. Most successful B2B sales processes begin with a Sales Development Rep (SDR) reaching out (i.e. proactive calling) to suspects and then using a consultative sales approach to understand the suspect's pain and qualify them one by one.



### Step 1: List Selection

All SD activities need to start with a good list of likely suspects. Unfortunately, most subscription, event, and web lists are usually out of date due to the recent high turnover of executives. Successful SD teams invest in building their own in-house list first using these rules of thumb:

- 1) **Start with the end in mind.** At the end of the year, what companies do you want to list as customers? For early stage startups, it is critical to capture name-brand customers first who will be willing to give you a credible reference. For more established businesses, it may be more important to gain deeper penetration in existing accounts. In that case, build a list of other divisions/departments within your customer base.
- 2) **Use executives' rolodexes to quickly make contact** with target accounts where there is a prior relationship. This is a good way to gain some market traction quickly. However, don't let this be your marketing strategy as it will not scale if used alone.
- 3) **Less is more.** Since internal resources are limited, focus on marketing efforts and market segments that have something in common. Do not try to be "all things to all people." If possible, target 1-3 verticals or functional areas and develop messages and tools relevant to those audiences.
- 4) **Have a central repository for list management.** Watch out for "death by spreadsheets." If you use multiple spreadsheets for various lists/programs, it will be a difficult, manual process to analyze the results of your efforts. Investing in a good Sales Force Automation (SFA) system is key to success. Plan for this investment now.

### Step 2: Profiling

Just having a list of names is not sufficient to achieve success with any marketing or sales outreach programs. Profiling an account is the process used to investigate and capture key information about that account so as to make your conversation with them more relevant.

- Research the target industry – What are the top competitive challenges facing companies in this industry?
- Navigate to key decision makers and influencers
- Discover their pain points and current initiatives
- Understand their organization chart: divisions, partners, locations
- Gain insight into their current vendors

Bottom line: The more you know about the account, the better your chances in establishing credibility quickly and getting your suspect's attention.

### **Step 3: The VITO Approach**

VITO stands for "very important top officer." *Selling to VITO*, a top-selling book by Anthony Parinello, details this sales methodology. Whether your intended contact is the CEO, line of business manager, or executive assistant, you want to have the most relevant, meaningful conversation you can with that person. That means:

- Find out who they are and how to pronounce their name.
- Treat them with respect by acknowledging their time constraints.
- Have a clear objective for every call you make, whether to gain approval for a 10 minute conversation, educate the prospect on the benefits of your solution, or close on a face-to-face meeting or demo.
- Develop a very specific call guide and/or email for the intended target.
- Use this approach to understand their pain points BEFORE you begin the sales pitch.

### **Step 4: Qualified Opportunities**

Prior to making any calls, work with the recipient of qualified leads (inside, field or channel sales) to clearly define the attributes of a qualified sales opportunity. In general, the definitions below provide a good starting point for that discussion.

- **"A" Suspect**  
Pain is a fit, project is identified (i.e. they have a list of requirements), timeframe may be sooner than 3-6 months, evaluation timeline is discussed, budget is identified, and a rough amount is indicated.
- **"B" Suspect**  
Pain is a fit, project is identified, timeframe is between 6-9 months, budget is identified, but the amount is not indicated.
- **"C" Suspect**  
Have expressed interest, pain is vaguely identified, no project plan in place, timeframe is unknown or greater than 9-12 months, budget is not identified.

Pass "A" and "B" leads directly to sales for continued follow-up. "C" suspects and those who have only a minimal interest at present but may have interest in the future should be "nurtured" through additional marketing and sales development activities (e.g. continue to invite them to future webinars).

### **Step 5: Tips on Targeting Suspects**

The primary purpose of the SD role is to quickly qualify the suspect for their need/pain, authority, and budget. A good rule of thumb is, for every 10 appointments scheduled, 1 will turn into a customer, 2 will immediately say "no" and 7 will want to "think it over."

As Michael Johnson, president and CEO of Michael Johnson Sales Solutions, a sales

and training consulting services company, notes: Don't waste time on suspects who want to "think it over." They are "no's".

### **Putting it all together**

Whatever process you use, implement it consistently. Teams of Michael Jordans are confident because they know what is expected of them, and they know how to perform each step in the sales development process.

- 1. Find suspects:** They invest the time to build and nurture a list of targeted suspects.
- 2. Profile them:** They research each company and individual on the list prior to making their first call.
- 3. Engage them:** They use this research to engage in a meaningful and relevant conversation with the suspect.
- 4. Qualify them:** They are quick to qualify the suspect against Sales-approved criteria.
- 5. Sell them or abandon them:** And, they confidently pass qualified suspects to sales, as well as abandon unqualified suspects so as to not waste their time.

Having a clear profile and qualification process is a requirement for success. But successful SD teams also share some common behaviors, motivators, and performance requirements. In Part 3, we'll share some interesting and insightful tips and tricks leading companies are using for hiring, training and motivating high-performing SD teams.

KickStart Alliance provides a ½ day workshop titled, **Building a Successful B2B Sales Development Organization**. Please contact Mike Gospe at [mikeg@kickstartall.com](mailto:mikeg@kickstartall.com) or 650-464-7662 for more details.

To review the first article in this series, please visit [http://www.kickstartall.com/documents/KS\\_Articles/Building\\_a\\_Successful\\_Sales\\_Development\\_Organization\\_Part\\_1.htm](http://www.kickstartall.com/documents/KS_Articles/Building_a_Successful_Sales_Development_Organization_Part_1.htm)

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