# LoopFuse Marketing Best Practices Exchange

## Lead Nurturing Best Practices for Small to Medium sized Businesses (SMBs)

# Contents

## Lead Nurturing for Small to Medium Sized B2B Companies

Lead nurturing is the marketing automation process of interacting with new and existing leads—usually via personalized emails—in order to help connect your sales team to qualified sales prospects that are ready to engage with sales.

For example, after someone comes to your website and registers to read a white paper, your lead nurturing program might initiate the following:

- *Send an email from a sales rep thanking the prospect for showing interest and an invitation to click a link to a free trial of your product*
- *Wait 2 days to detect them clicking on the free trial link and after that time*
    - *If they haven't clicked the link, send them a reminder email about the free trial*
    - *If they did click the link to the free trial page but didn't initiate a trial, send an email asking why and to reply back if they have any questions about the free trial you can help them with*
- *and so on…*

Lead nurturing flows like these are very easy to set up and monitor and, if done well, can make a positive impression on the prospect and keep them moving through the sales and marketing process. Lead nurturing automation is critically important for most small to medium sized businesses (SMBs), such as early-stage technology companies, services organizations and others. Here's why:

1. **It makes your sales and marketing machine more efficient** – Small teams within resource-constrained SMBs can process hundreds of leads per month per sales rep using lead nurturing without hiring legions of people to follow up on leads. By stimulating inbound sales inquiries and helping to automate lead qualification, lead nurturing reduces time spent cold-calling and manually following up on what could turn out to be unqualified leads.
2. **It gets you a higher return on your leads database** – It uncovers new sales opportunities within existing leads as their needs and budgets change over time.
3. **It creates a positive customer experience** – Pushing out relevant, actionable content at the right time to the right people from the right people can help prospects form a favorable impression of your company and move them through the buying process more fluidly.

### A unique perspective on the topic

As with other Loopfuse marketing automation best practices guides, we'll cover the topic from a practitioner's point of view. After covering lead nurturing basics, we'll feature some tips from actual Loopfuse customers to help you round out your understanding of lead nurturing and provide you with real-world advice you won't find in the theoretical papers on the topic.

## Why Sales and Marketing Need to Nurture Leads Today

As Internet marketing has enabled B2B buyers to research, compare, price and try out solutions themselves, they've become less dependent on sales people and less receptive to their outreach early in the sales cycle. So how can you ensure prospects are:

- Receiving the proper sales and marketing messages for their industry, need, and role?
- Positioning you correctly relative to the competition?
- Qualified or not?
- Keeping you in mind for new project opportunities if there was no immediate need at the time of initial contact?
- Ultimately interested in engaging with your sales team or purchasing online (depending on your sales model)?

Lead nurturing is a big part of the answer to these questions (along with related lead scoring, lead segmentation, web visit activity monitoring and other marketing automation programs).

Lead nurturing usually entails sending a series of thoughtfully timed, personalized emails to leads in order to conduct the relationship building, solution positioning, qualification and support that a sales person would usually provide.

With the right preparation and approach (and marketing automation system), lead nurturing is easy to implement and will increase the flow of sales-ready leads to your sales team.

## Implementing Lead Nurturing – A Practitioner's Perspective

As with other Loopfuse marketing automation best practices guides, we'll cover the topic from a practitioner's point of view. For Lead Nurturing, we asked Andy Ellicott, a marketing expert for early stage companies, to share his experience and best practices. Having headed up marketing for several early-stage B2B software companies such as Vertica, VoltDB, Nexaweb and others, Andy has put lead nurturing programs in place a number of times and has agreed to share his experiences, best practices and results. Hopefully, these real world examples will help you round out your understanding of lead nurturing and provide you with tips you won't find in the theoretical papers on this topic.

### Where have you implemented lead nurturing?

Ellicott: "I've done almost all my marketing within B2B software companies, usually early-stage (like Vertica and VoltDB) bringing new database management, business intelligence and application software development products to market.

- Target leads tend to be technical IT people, with some overlap to business buyers
- I've used lead nurturing within traditional enterprise software, software as a service (SaaS) and open source software companies.
- I've typically supported a direct sales force with a global reach (directly or via internet) and with 3-6 month sales cycles and deal sizes ranging from tens of thousands of dollars to millions.

As a startup marketing guy, I'm very dependent on lead nurturing. Startup "buzz" usually generates a lot of interest and we capture way more leads than our sales people can process. Lead nurturing email campaigns allow us to process incoming leads without having to hire legions of sales people and also make a great impression on early adopters. A few months after the launch, the buzz dies down and so does the new lead flow—stay-in-touch lead nurturing campaigns allow us to uncover new sales opportunities within our existing leads database so we don't have to spend so much acquiring new leads. To sum up, lead nurturing allows us to achieve the sales and marketing throughput of a much larger company even though our budget and team is small."

### Is lead nurturing for everyone?

Ellicott: "To varying degrees, yes. I think that the higher your leads-to-salesperson ratio is, the more value lead nurturing provides. As I mentioned before, I've seen lead nurturing enable sales people to process hundreds of new leads per month. It's also really useful finding new qualified opportunities that are always popping up within a marketing database containing 1000's or 10,000's of leads.

But I have also worked with companies that sell expensive technology into really niche markets with maybe dozens of potential customers (e.g., specialized financial e-trading customer service software). They have a slow new lead flow, which sales can easily process. Sales teams appreciate the stay-in-touch nurturing, but get zero-to-no benefit from new lead nurturing."

### How did you get buy-in to initiate lead nurturing?

Ellicott: “I think it’s most important to get buy-in from sales. Lead nurturing is used to emulate what sales people do and many of the nurturing emails go out under a sales person’s name.

In startups, marketing usually precedes the hiring of sales people, so there’s not much buy-in required, you just put nurturing in place to handle in-bound leads in the absence of sales. Plus, in my markets (DBMS, BI, et al.), creating an automated sales and marketing machine is expected, and you’ll hire sales people that are receptive to the lead nurturing concept. Just make sure you tune it to their liking once a sales team is in place.

Lead nurturing (especially of new leads) can be a tougher sell within established companies. I recently got lead nurturing off the ground at a pair of 10-year old companies with direct sales forces. They weren’t too open to it initially—they didn’t think it would do anything they weren’t doing already or couldn’t do themselves (sound familiar?). In this situation, you can either throw a bunch of lead nurturing benefit stats at them and start a political debate, or you can just whip up a small nurturing campaign to wow the sales people. I took the latter path and wowed the sales teams by getting leads to complete an on-line survey that collects new information about their situation, plans and needs.

One of the companies sells to IT organizations that need help migrating old software to the web – here’s the survey I created: http://www.surveymonkey.com/s/QSY9WB7. When sales started to see the data this survey collected from leads, they hopped on board the nurturing train and eagerly began brainstorming new ways to help them interact with leads via nurturing.

All I needed to set this up was access to some leads (I grabbed a couple of hundred cold leads and permission from the sales rep to email them) and a free www.Surveymonkey.com account to create the survey, and a free Loopfuse FreeView account to email survey invites to my list and track email response rates. It only took a few responses to convince sales that every new and existing lead should be invited to take this survey to help them find qualified leads with active web migration projects or plans. Be sure and position the survey as a “help us improve our service” or an “annual industry research study” to make it more inviting to prospects (and even offering a reward to survey takers like randomly selecting one every few weeks to win a free gift).

Today, 9% of all new leads opt in to the survey and 50% of survey takers claim to have an urgent web migration need. I’ve had similar results at other companies—surveys are a good thing.

To sum up—you need to sell sales on nurturing, first and foremost. If you meet resistance, pick a pilot project; on-line prospect surveys are a great choice. If you’re within a small or medium sized business, you probably have access to everything you need to do a pilot: leads and mass-emailing/marketing automation software. And for those concerned about cost…setting up the pilot survey flow took 1 day and the software I used to execute it was all free.”

### Who do you nurture?

Ellicott: "Everyone!

I've seen some companies exclude certain lead segments from nurturing, typically groups of people with zero potential to become a customer…students/academics, people outside of sales territories, etc. What a missed opportunity for PR and market development! Don't overlook the fact that un-sellable leads can still blog, tweet and talk about your solution. Use lead nurturing to provide them with useful content and a good user experience to increase the chances of them returning the favor with word of mouth advertising for you.

At the highest level, I organize leads into 3 major categories, which are described in more detail below, along with the percent of the leads typically falling into each category at any point in time and why/how they're nurtured:

| Category | Description | % of leads in Category | Why nurture them |
|---|---|---|---|
| Out-of-Profile leads | People from companies that are unable to purchase our product. Usually includes independent consultants, students, competitors, job seekers, or people from geographies in which we have no sales/distribution support.<br><br>We filter these leads via questions on our lead capture forms, like: Industry? and Country? | 50% | Even though they cannot buy, they sometimes influence those who can via word of mouth, blog, and Tweet. So we try and do our best to supply them with content to support their work activity and that they'll hopefully relay to others. |
| In-Profile Leads (IPLs) | People from companies that marketing has qualified as having the ability to eventually own our product. | 45% (I've seen this range between 35% to 55% of all leads.) | To help reveal BANT leads (people with Budget, Authority, Need and Timeframe for buying) to sales, facilitate their buying process, and stimulate inbound sales inquiries.<br><br>To make sure they maintain awareness of us if and when a budgeted need for our product arises. |
| Qualified Sales Leads (QSLs) | In-profile leads that meet BANT criteria and that ***the sales team*** (not marketing) has qualified and added to their sales pipeline forecast. | 5% (assume 10% of in-profile leads will be accepted as QSLs by sales. I measured this for a year and reality | Sales takes over the nurturing of QSLs.<br><br>It becomes important to exclude these from certain (but not all) |

| | | | |
|---|---|---|---|
| | | matched the assumption…10% of in-profile leads)<br><br>***At any point in time, 5% of your leads database is likely shopping for a product like yours, even if they weren't when you captured the lead in the past. Use lead nurturing to uncover these opportunities in your marketing database.*** | nurturing campaigns. |

NOTE: Some organizations have a business development team that is interested in the subset of out-of-profile leads that hold value as potential technology, referral or distribution partners. It's useful to segment those out to make it easy for business development follow up, and, for some companies, it may be worth nurturing partnership leads to help with partner recruitment, partner selling, etc."

### How do you get started?

***Ellicott: "Understand your target prospects and their buying behavior***

It's really important for the marketing team (with input from customer-facing people in sales and service) to identify the types of people you want to capture as leads and the process those people typically follow (and the information they need) when shopping for offerings like yours. This is fundamental to almost all marketing functions, so hopefully you already have this covered.

Sometimes called "personas," you'll paint as detailed a picture as you can of the type of person you consider to be your ideal lead. For a B2B product or service, it'll include information like:

- Job title/function, geographic location
- company size
- company type
- industry
- can afford to spend $X on an offering like yours
- the top 3 challenges/problems the person faces (and that you solve)
- what competitive products they already use or might also be evaluating
- what motivates and excites them professionally
- how they like to communicate (e.g., email or phone, at a business or technical level), etc.

After you agree on whom your leads will be, then agree on how they prefer to shop, what key decisions they'll make, what information they'll need to decide in your favor and how and when they like to receive that information.

You can map out what information you want to push out to whom and when to help them move from Researching your product to Trying your product and hopefully, Buying your product. After mapping out the prospect types you'll capture and how they shop, planning effective lead nurturing flows is possible."

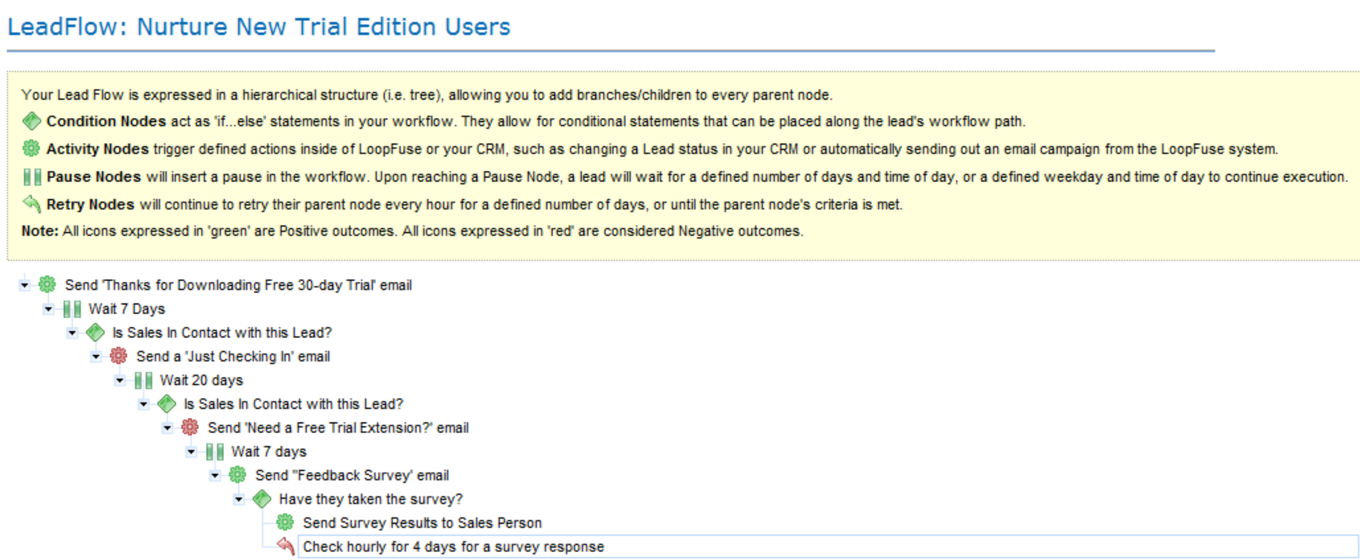
### Describe some of your nurturing programs

Ellicott: "We have different lead nurturing campaigns in place to do different things based on who's being nurtured (by industry, by role) and where they are in the buying process (gathering info, using a free trial, or inactive).

Here are some examples of campaigns used to nurture new and existing leads.

#### *Nurturing to process new leads*

Here's a simple lead flow I used to nurture users of a free trial:

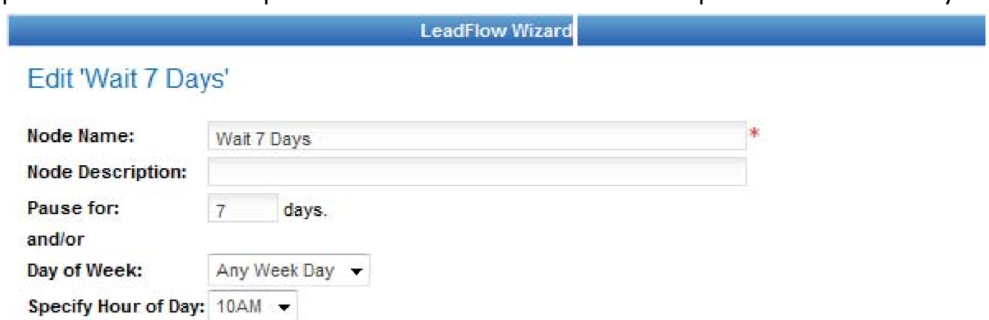



The picture above shows what the lead flow looks like in Loopfuse. It only took half a day to set up, including time spent writing the nurturing emails and testing. Hopefully, it's pretty self-explanatory; there are a few things worth noting:

- **Emails don't come from sales people** - Since we're dealing with leads who are technical, we send our emails from a technical support director, not a sales person. We found that reply rates rose by 30%;, presumably because the prospects feel the relationship is more "peer to peer." The technical support person brings the sales person into the loop when prospects reply to an email. We also feel that giving them free access to named technical support people during the trial -- pre-sale --sends a positive message about the kind of customer experience we want to create.

- **The "Is Sales In Contact with the Lead" steps** – These checks are really important to include in lead nurturing campaigns. In these steps, Loopfuse checks the lead's status in our CRM (Salesforce.com) to see if the sales person has set the status to "Contact Made." This means the sales person reached the lead via phone and already has a dialog going; if the status is NOT Contact Made, then the flow sends an email. This avoids looking uncoordinated if a sales person manually checks in with a trial user and then the lead flow sends a similar email.

- **The "Just Checking In" email** – we send this 7 days after the person started their trial, and there are two important things to mention:
    - Be sure you can control when the email is sent. The emails are meant to come from our sales reps, so they should be sent during business hours. If the seven-day anniversary of their trial start occurs in the middle of the night or on a weekend, Loopfuse will wait until 10:00 a.m. the next business day to send the email. People will see through the personalization attempt if the email arrives from a sales rep at 2:00 a.m. Sunday.




    - We keep "just checking in" emails very simple, text-based and straightforward to look like a person actually wrote a personal note to the prospect. Our assumption is that people feel a greater responsibility to reply to a personal note than they do an email with that branded-graphics-laced-marketing-newsletter look to it. Here's what the email looks like:

      *Hi @@first_name@@*
      *I'm checking in to see how you're doing so far. Have you been able to to get the trial software installed and running? Please let me know if you need any help with your evaluation.*

      Nothing fancy. No special offers. No trying to schedule a meeting. No sales qualifying questions like "what's your interest" or "what's your time table?" Our focus is simply to open a dialog with the prospect.

      Here's the type of response we get:

*Thanks a lot for the mail. I went through your website and few online articles to get me started. It would be really helpful to go through written material first and then probably have a call around the doubts rising from the study. Let me know your thoughts!*

Now the communications channel is open and we've earned the right to further the conversation with the lead and find out more about that lead's needs, plans, etc.

We get a 26% open rate on this email and a 10% reply rate. We haven't played with the timing of the email to see if that makes a difference, but plan to see if sending it three days after the trial starts instead of seven improves the metrics.

### *Nurturing existing leads*

A qualified sales lead is the right person (with a need and authority to purchase) at the right time (with a budget and a deadline to meet). Since "the right timing" can occur months after we capture a lead, we continuously reach out to our marketing database to make sure they keep us top of mind for when a newly budgeted and scheduled need/project arises.

Therefore, we email existing leads about once a month (sometimes twice) to let them know about new content. The key to successful "stay-in-touch" campaigns is placing great content in front of people so that:

a) They consume it, and maybe offer some new qualification info up in return (e.g., in a webinar registration form or survey).
b) They don't unsubscribe from your mailing list(s).

**Regarding "great content":** I've read quite a bit on the topic of lead nurturing, and I've heard many marketing experts advise you not to promote your product in stay in touch campaigns; just provide thought leadership to build your brand. Personally speaking, I'm not so on board with this. Nothing against building brand and offering thought leadership - nor am I suggesting you take an aggressively salesy tone - but I don't agree that you should actively avoid promoting your offering within these campaigns.

Here's why: The B2B leads you capture—the people--are responsible for evaluating, buying, and using whatever type of solution you're selling. It's their job to make buying decisions. So, help them do their job: don't be shy about pushing out customer testimony (to help them feel safer about a purchase and to reference sell internally), pricing specials (might now be in their budget), new product news (you might have just filled what had been a show-stopping gap in your product). Promoting thought leadership is fine as long as you relate it back to why your offering is the fastest/best/most economical way to apply it and benefit from it.

So, with that said, here's what content I usually promote in stay-in-touch nurturing campaigns:

| Content | |
|---|---|
| Webinars (~1 per month) | Webinars are great not only because they draw nice-sized audiences (dozens to hundreds), but also because you can use webinar sign-up forms and audience polls during the webinar to draw new lead qualification info. out of people. Sales can use that info to prioritize their follow up with event registrants.<br><br>For example, for a webinar on modernizing legacy IT applications to the web, I'd cite an industry expert "XYZMarket Analysis says IT modernization is a top priority for 67% of CIOs polled" and then ask the audience or registrants: "How important is modernization to your firm" and allow them to select from the following:<br><br>a) We're actively addressing it<br>b) We plan to address it within 12 months<br>c) It's not a problem for us<br><br>Somebody who answers b) is a better lead than the others. They are more likely to be in considering what they'll need to buy to complete their project. We use the answer to this type of question to tailor our phone and email event follow up.<br><br>Customers presenting their case studies are my favorite topic. Webinars on relevant new technical, market, regulatory trends are also effective. In both cases, be sure to explain why your offering is the best/only way to achieve great results.<br><br>We promote webinars via two invite emails to the whole mailing list (or a list subset if it's a very narrowly focused webinar topic). |
| Customer success stories | As soon as new customer case studies or customer-related press announcements are published, we push them out to leads that would find them relevant (same industry, region, etc.) with a cover note from a sales person asking whether they'd like to set up a meeting to discuss whether they have a need or initiative to achieve similar results. |
| White papers | As new papers are published, we push them out to mailing list sub-segments that would find them relevant, along with an FYI-toned email from their sales rep. |
| New Product Announcements | As new products or product upgrades are released, we'll email our list about the new functionality. There might be new features that fill a product gap that turned them off when they were a new lead. |
| Just checking in emails from sales | About once a year—usually during prospects' budgeting and strategic planning season (between October and December), we'll help sales email cold, in-profile leads a personal note asking whether they have new projects planned for next year for which our offering might be a fit. It never hurts to ask. |

**Stay-in-touch email timing** –Limit the number of monthly nurturing campaigns to two (three max) per month.

**Permission-based lead nurturing** – Emailing people who have not opted in to receive emails is risky; it could negatively impact your ability to mass email and also result in negative publicity (I've seen people call out spammers on Twitter). Therefore, always include an unsubscribe link within your nurturing emails and follow other CAN-SPAM act compliance best practices."

### Andy Ellicott's Keys to success

- Work with sales – nurturing should emulate what they would do.
- Experiment with content, timing, sender – for example, I've seen emails from a named customer support person instead of a sales person can get a better response rate, plus it boosts positive brand and customer experience perception.
- Always be selling – tie thought leadership back to your offering.
- Have a clear call to action – nurturing emails should ask for a reply or to click a link, so you can measure response and level of prospect interest and engagement.
- Ok to give away a little control – don't worry about competitors ending up in your nurturing loop. The sales benefits of nurturing outweigh the risk of a competitor being handed the keys to a demo or white paper.
- Nurture out-of-profile leads—could be word of mouth marketing and evangelism value in them.
- "Personalized" notes should look like they came from a person – use simple language, ask for a reply, text only, no glitzy branded graphics (save those for your newsletter and other mass mailings).

## Additional Info / Next Steps

Visit the LoopFuse Marketing Best Practices Exchange to learn more about lead nurturing.

You'll also find other papers that cover topics such as:

- Customer Relationship Management (CRM)
- Lead Qualification
- Lead Capture
- Web site design
- Pay Per Click Advertising (PPC)
- PR/Social Media/Networking
- Mass Emailing
- Events marketing
- Direct mail
- Advertising
- Marketing Launches
- Reporting