A Modeling Approach to Lead Generation
It’s no surprise that marketers have to deal with more data, coming from more places, than ever before.

But few marketers really utilize that data to optimize their value to the organization. Instead of flying blind, what they need is a framework to fuel faster revenue growth through data-driven lead generation planning and real-time campaign tracking to determine what’s working and what’s not.

Just look at this roundup of marketing technologies, all designed to help marketers do their jobs more effectively in different and distinct ways.¹

Overwhelming isn’t it? Each one of these technologies comes with its own interface, and spits out data in its own format. With so much pressure to track, analyze, and optimize performance, it is imperative for marketers to solve “the data problem” – and quickly. So for the 66% of marketers that don’t feel they can adequately handle the volume of data to do their jobs effectively, read on! This comprehensive eBook outlines how to:

- Establish a data-driven approach to lead generation
- How to establish a common framework across sales and marketing to improve conversion rates throughout the funnel
- And how to measure performance without spending your whole day in Excel

¹http://chiefmartec.com/2014/02/1000-marketing-technology-vendors-new-normal/
As we continue to grow, and set increasingly high revenue goals, the burden on the marketing "machine" gets heavier. We no longer have the luxury of doing what we can and hoping it’s enough. We need to take a more disciplined approach to lead generation to ensure we adequately support the sales team to accomplish our goals.

In terms of activity, we run marketing campaigns across all of the major channels. But how do you decide how to allocate time and resources across channels to ensure you’re doing enough? In the next section, we’ll go over how to create a data-driven marketing plan from the top down.
How to Create a Data-Driven Marketing Plan
First, calculate your marketing targets based on the company’s revenue goals.

1. Start with Revenue Targets
Begin by inputting your revenue goals by segment or product (2015 Target).

2. Input Sales Funnel Assumptions
Next, input your assumptions around growth rate, average selling price (ASP), win rate, and sales cycle. Look at historical performance (a trailing four-quarter average is a good place to start) and adjust based on your expectations for the coming year.
3. Calculate Opportunity & Lead Targets

Next, input the number of opportunities created in prior periods (in this case we go back four quarters, but you can adjust based on the length of your sales cycle) and calculate how many opportunities you’ll need to create in upcoming periods to hit the revenue targets.

Adjust the opportunity figures until the Total Closed in 2015 is greater than or equal to the Target.
4. Convert Your Targets to a Plan

Great! You have your opportunity targets. Now you need a plan that gets you there.

To the right is an example of how to structure your campaign plan to hit the opportunity targets for each segment. On the left hand side, list out all of your marketing channels and campaigns, and then input your expectations in terms of leads and opportunities by segment. Again, use historical performance and/or industry benchmarks as a guide. You may also consider incorporating different conversion rates by channel and/or campaign from lead to opportunity (for example, leads from the healthcare conference may only convert to an opportunity 5% of the time, while inbound calls and emails convert to an opportunity at a 35% rate).
How to Track Marketing Performance

Once you’ve finalized your campaign plan, it’s time to execute and track your performance. Unfortunately, this is where most marketers run into problems.

Common Issues

METRICS

› Lead definition is often incomplete (e.g. only captures net new engagements as opposed to leads that engaged a while ago, went away, and have now reengaged)
› Limited feedback on lead quality (e.g. lots of opinions, not a lot of data to back it up)

DATA

› Manual, time-intensive reporting from individual systems like Eloqua, LinkedIn, Salesforce, etc.
› Unable to see the big picture, only individual campaign performance
› Analysis is postmortem, so unable to make meaningful real-time adjustments

ATTRIBUTION

› Unable to track the full lifecycle of a lead to determine which campaigns/channels are actually driving revenue
What we need is a more sophisticated model to track the full lifecycle of a lead.

As opposed to generating leads and simply tossing them over the fence for sales to do with them what they please, we need a more structured view of all the stages from inquiry to deal to measure our effectiveness throughout the entire qualification process.

SiriusDecisions Demand Waterfall

The most widely used and adopted framework to track the full lifecycle of a lead is the SiriusDecisions Demand Waterfall. Similar to the leadgen model we discussed in the previous section, the Demand Waterfall is a shared framework between marketing and sales to measure their effectiveness throughout the funnel. It is comprised of three stages of qualification: marketing, sales, and close. Let’s review the definitions within each of these stages below.
How to Track Marketing Performance

Marketing Qualification Definitions

› Automation Qualified Lead (AQL): a system-generated qualification based on a lead’s profile and activity. The lead is scored by your marketing automation system (e.g. Marketo, Eloqua) and all leads scored above a certain threshold move on to the next step.

› Teleprospecting Accepted Lead (TAL): confirmation of handoff from marketing to lead development. The business development rep (BDR) will confirm that all contact information is complete and correct before contacting the lead. If the lead is junk (e.g. student, spam, etc.), the BDR should reject the lead.

› Teleprospecting Qualified Lead (TQL): a lead ready for sales attention based on BDR qualification. The lead meets the requirements for transfer/handoff from BDR to sales rep.

› Teleprospecting Generated Lead (TGL): a lead sourced through BDR outbound efforts (i.e. did not engage with any previous marketing campaigns) and meets the requirements for transfer/handoff from BDR to sales rep.

› Marketing Qualified Lead (MQL): a lead ready for sales attention based on marketing and/or BDR qualification (i.e. the sum of inbound/outbound BDR transfers plus leads passed directly to sales reps)

Sales Qualification Definitions

› Sales Accepted Lead (SAL): confirmation of handoff from marketing or lead development to sales. The rep will confirm that all qualification criteria has been met before contacting the lead. If the lead is not qualified (e.g. wrong territory, missing info), the rep should reject the lead.

› Sales Generated Lead (SGL): a lead sourced through sales outbound efforts (i.e. did not engage with any previous marketing campaigns or go through an BDR)

› Sales Qualified Lead (SQL): a qualified opportunity, sourced through inbound/outbound efforts

Closed Business

› Customer: a closed won opportunity
Why it Works

Within the Demand Waterfall are obvious metrics that are jointly owned by marketing and sales. Let’s review them below.

Production Metrics

› Performance against plan for all waterfall stages (e.g. MQLs/segment, MQLs/rep, % to plan)

› Heavier emphasis on “handoff points” — i.e. AQLs, MQLs, SQLs as signals of lead quality

Conversion Metrics

› Performance against plan for all funnel assumptions (e.g. % MQLs the convert to SALs)

Activity Metrics

› Calls/emails logged against each lead within a given time period

› SLA compliance (e.g. % leads accepted/rejected on time, % leads called on time, % leads that received appropriate number of calls/emails) by segment, by rep, by lead score
How to Set Up Smart Reporting Systems

Once you’ve nailed down the metrics you want to track, it’s just a matter of getting all the data in one place and setting up smart reporting systems. Below is an example of a marketing dashboard that shows performance against KPIs using the Demand Waterfall framework. This kind of view allows you to see how you’re performing at the highest level against plan, as well as drill down into specific channels and campaigns to understand what’s working and what’s not.
Common Pitfalls to Avoid

Excel Hell

Since marketers rely on so many tools to get things done, figuring out what’s working and what’s not across different campaigns and channels is a real challenge. First you have to get the data all together, in the same format, and ready for analysis. But who has time to pull CSV exports from Eloqua, Google Analytics, Salesforce, LinkedIn, Twitter, Facebook, Wistia, and GoToWebinar (just to name a few) and hack it together in Excel? Based on a recent survey, 62% of marketers are frustrated by how long it takes to create reports on marketing data. And if it takes too long, you end up not analyzing your data as often as you should. Often marketing reporting becomes a post mortem exercise, which makes it impossible to iterate on campaigns you’re running right now. That’s not going to work. Marketers need to find a way to get their data together and set up recurring reports so you can spend more time analyzing performance and less time data jockeying in Excel.

Real-Time Campaign Tracking

Say you launch a campaign on March 1, and by March 13 you’ve generated 143 leads and 2 opportunities. Your boss asks how the campaign is going...how do you respond? How do you know if your current results are good or bad? If the goal was 70 leads and 1 opportunity, then you know things are going well. But what if the goal was 200 leads and 10 opportunities – have you failed? Or do you expect more leads to come in, and more leads to be converted to opportunities over time? What you really need to know is what the goal is at this point in the campaign, and then compare performance against that. This concept of lag should be based on campaign start and end dates, as well as your funnel assumptions for lead to opportunity to deal. For example, if you know the campaign is running through the end of April, you could assume a linear distribution of leads from March 1 to April 30. Then based on when the leads come in, you could assume how long it should take for those leads to be converted to opportunities – let’s say on average it’s 10 days. Then it’s just a matter of simple math to determine how you’re doing against your lead and opportunity goals. In this case, you can confidently say you’re hitting it out of the park!

http://www.business2community.com/marketing/15-stats-data-driven-marketing-0711702#Q0xCBsBF4MMfMQb2.99
Are you ready to take a stab at creating your own lead-generation model? Contact a sales rep to get started or visit our marketing solutions page for more information.

About Logi Analytics

Logi Analytics is the leader in self-service analytics, delivering tools designed to meet the needs of users, IT and product managers. At Logi, we are re-imagining how software can empower individuals, and the organizations and products that serve them, with analytics that can be embedded directly into the business applications people use every day. From interactive dashboards to ad hoc queries and visual analysis, Logi enables users to explore and discover insights, and make data-driven decisions.

More than 1,600 customers worldwide rely on Logi. The company is headquartered in McLean, Virginia, with offices in the U.K. and Europe. Logi Analytics is a privately held, venture-backed firm. For more information, visit LogiAnalytics.com.