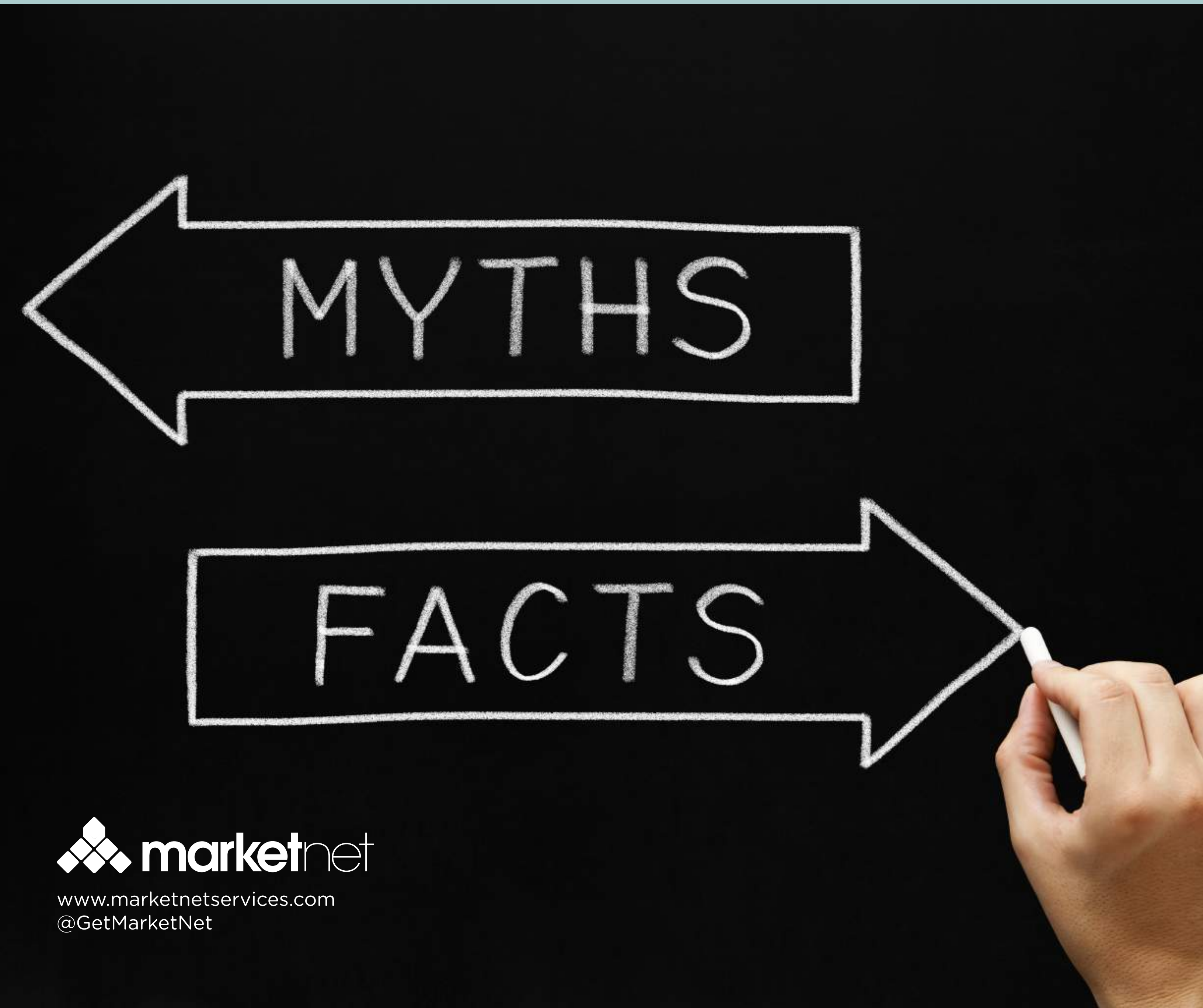
Resource / Lead Management

Five Misconceptions of Lead Management with Channel Networks



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Introduction

The tools for gathering and distributing sales leads in a *direct selling environment* are readily available and well understood.

Sales leads from a variety of electronic and traditional marketing media are collected, qualified, nurtured to be “sales ready,” and then deposited to the sales organization’s CRM system for conversion to a sale. You’re reasonably sure these leads will be pursued because today’s CRM tools make it pretty easy to track what salespeople are doing with the leads.

Consequently, if a salesperson is not making visible progress toward dispositioning the lead with a closed sale or request to be “put on the shelf” for later action, management may begin to take a dim view of that salesperson’s future with the company.

Sales lead collection and management for reseller channels, like dealer networks, are not as tightly controlled.

Dealers are independent, so it’s not easy to tell them what to do, even though you’re the one sending them sales leads. You may find yourself asking the following questions:

- Is it clear which dealer or distributor should get the lead, especially when multiple dealers may be covering a given area?
- How do I know if dealers will pay attention to leads sent to them?
- How do I find out what the dealer did with the lead?
- How can I ensure that a dealer’s response to my leads aligns with my brand message?

Reseller networks separate you from managing your sales leads directly. However, employing the right techniques and technologies will encourage dealer cooperation so you can achieve your sales objectives—and have the peace of mind that your leads are being taken care of. Basically, it comes down to two primary principles:

1. Make it easy for dealers to handle your leads.
2. Reward dealers for timely managing your leads and keeping you in the loop, and punish those who do not comply.

The Five Misconceptions

Misconception #1: Dealers won't pay attention to or will be slow to follow up on sales leads I send.

The Reality: Dealer salespeople are driven by generating sales. If you provide high-quality sales leads, they will pay attention. However, there are a few noteworthy impediments you must address or your dealers' follow-up may be slow or non-existent.

First, the lead delivery to the salesperson and initial response to the end user must be timely and convenient. This includes notifications that suit mobile media, assurance of quick viewing by the dealer sales rep or dealership sales lead administrator, and an ability to quickly contact and make an initial disposition on the lead. The key here is to enable the dealer salesperson to see and respond to the lead within 60 minutes.

Second, lead quality must be satisfactory. The quickest way to have a dealer salesperson abandon your leads is to send them inquiries that, over time, do not close at a high enough ratio to satisfy them or their management. This means that you may have to manage the initial response and nurturing to the point where the dealer salesperson can expect a higher proportion of leads to close.

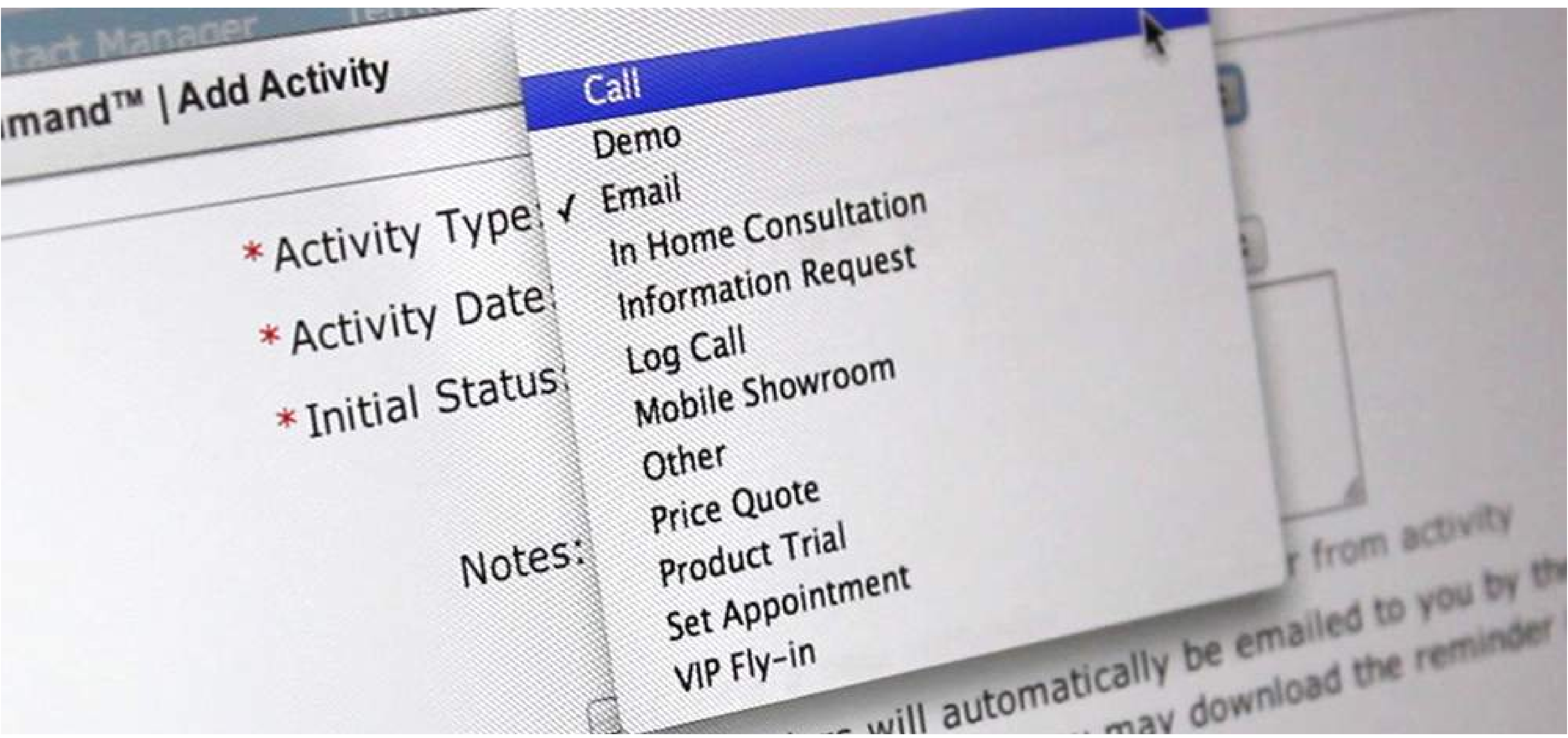
Third, as the lead sponsor, you must set performance expectations on how the lead must be handled. This includes how quickly a response to an inquiry must occur, the manner of the response to ensure your brand integrity, and what consequences may occur when a lead is not handled to your standards.

Misconception #2: Dealers won't report back to me on what happens to the leads I sent them.

The Reality: Dealers will act on and report back to you on sales leads if you provide a few key elements in your program.

Once again, lead quality must be satisfactory. Since the first step in reporting back is to view the lead, your lead quality must provide sufficient incentive for the dealer sales rep to see the lead as quickly as possible.

Provide a system where activity recording and reporting is easy. This can be done either using a system that can be easily linked to the dealer's internal CRM system or by utilizing a system where the recording tools are basic, easily understood, and quick to use.



A set of incentives should be installed to encourage lead activity recording and lead disposition reporting. This can include leveraging already existing dealer incentive programs to reward dealer behavior and the receipt of more and/or higher sale amount leads for those dealers who provide timely feedback on sales leads.

Utilize a system that can automate recording of viewing and routine lead activities. This makes it easier for dealer sales reps and gives you visibility of those dealerships that are actively pursuing your leads.

Misconception #3: Dealers will sell my competitors' products when I send them a lead.

The Reality: Our systems generally show that most dealers will sell the lead sponsor's products versus their competitors. However, there are a couple of items to understand when considering this issue.

You need a way to measure whether this is occurring. Only if dealers know you can track this behavior will they be less apt to pursue it on a large scale basis. They should also understand the consequences of switching leads away from your products, which should include the prospect of no longer receiving any leads from your system if the behavior continues.

Although the lead may have initially spawned from your marketing system, leave the dealer some latitude to determine if a competitor's products may be better suited to the prospect's needs once they've done the work to completely understand the need. As long as this behavior is not widespread, it makes the dealer look like the expert. If that dealer is a good spokesperson for your products over time, this will eventually pay off for you.

Misconception #4: My salespeople or sales administrator should see each lead to determine which dealer should receive it.

The Reality: Passing a lead through an administrator or territory manager before it gets to the targeted dealer salesperson wastes time and hinders possible conversion.

The expectation of consumers is to receive follow-up activity from an inquiry within 60 minutes. Although it may feel more comfortable to pass any leads through your internal sales organization to select the best dealer for that lead, that extra step can have a couple of adverse consequences:

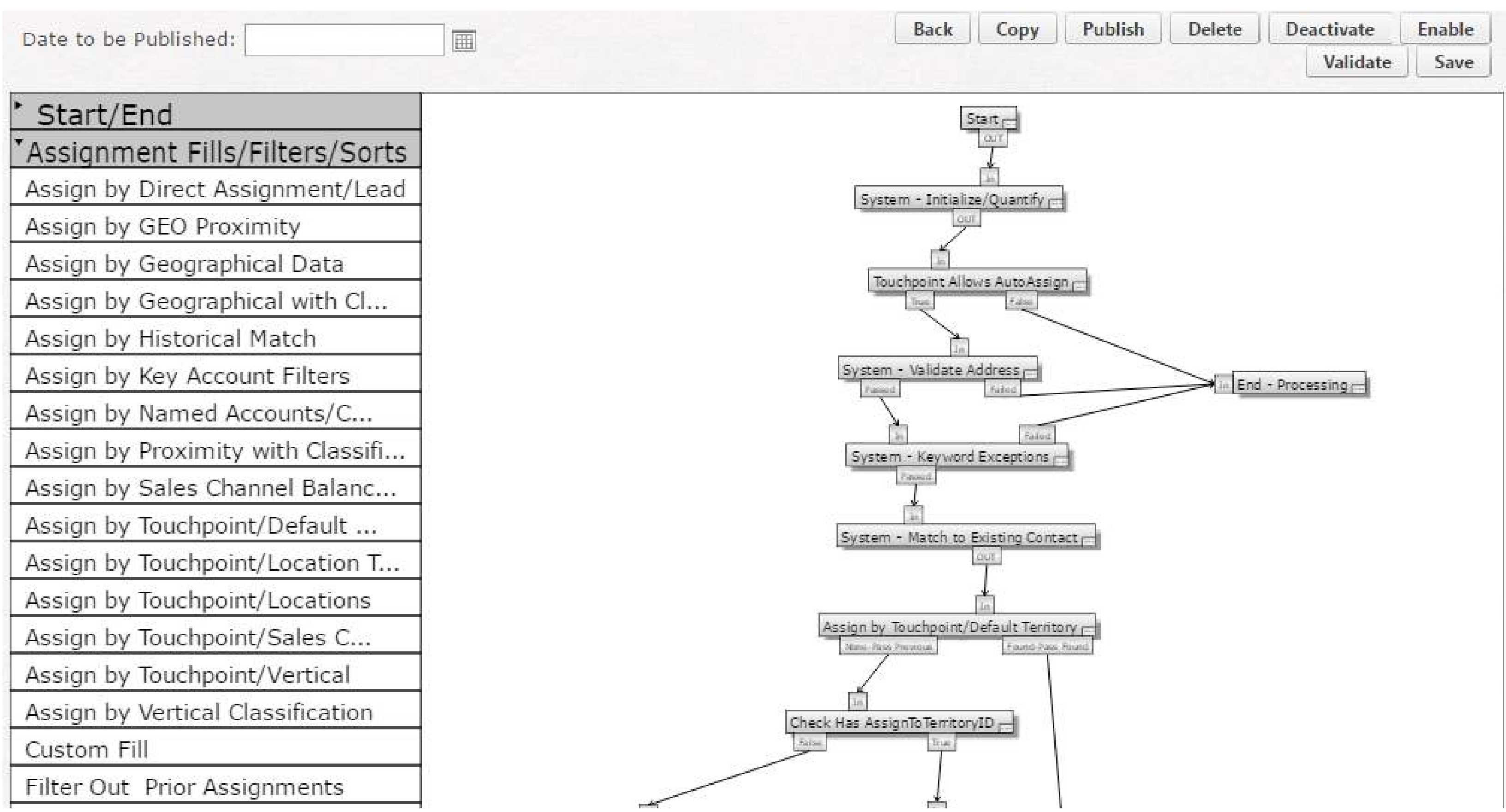
- The lead administrator or territory manager may not be readily available, resulting in a delay that could cost you a sale.
- The territory manager may not have a fair method of selecting which dealerships should receive the lead.

It is better to utilize a process and lead management system that quickly distributes leads to dealers and dealer sales reps based on a predetermined set of rules that take into account what's important for your marketing and sales strategy. This includes an equitable split of leads among your dealers as well as rewarding traits of the dealerships in the areas of brand loyalty, product mix, size, customer service, and other relevant capabilities.

Misconception #5: Dealers will view any lead distribution system as unfair.

The Reality: Your ability to provide reasonable disclosure on lead distribution "rules" should provide your dealers with comfort that they'll receive their fair share of leads.

These rules should not only support your lead management strategy, but your overall sales and marketing strategies. The system you utilize should also be able to adapt distribution ratios in real time as the behavior of your dealers improves. As dealers increase their support of you in areas such as speed of leads viewed, leads closed, average transaction size, and end user ratings, your system should escalate the proportion of leads they receive at the expense of other dealers in the area.



Ultimately, communication is key. Make sure your dealers understand your sales goals and lead management expectations. Respect their independence, but be strict in your rules. Ensure that you're getting leads to your dealers as quickly as you can and providing them with easily navigable technologies for recording lead activity. Use these methods to set your business up for success, and continue to remind yourself that you are working *with* your dealers to make sales.

MarketNet Solutions Inc. focuses lead management solutions on dealer and distributor networks, including those with complex territory coverage and multi-brand resellers. MarketNet's systems include an array of tools and protocols for:

- Touchpoint recording
- Inquiry response
- Sales lead qualification and nurturing
- Sales lead distribution
- Follow-up and reporting

All lead management deployments reflect the unique nature of the client's channel environment, competitive position, and sales and marketing strategies.

MarketNet Solutions Inc. Contact:
Jerry Troke
(800)-790-6638
jtroke@marketnetservices.com

www.marketnetservices.com | 800.790.6638
14998 Cleveland Street, Spring Lake, MI 49456