Lead Generation

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Executive Summary

According to the Bureau of Labor Statistics, approximately 20% of new businesses fail during the first two years, and 45% fail in the first five years – a trend that has been consistent for more than three decades. Surprisingly, the failure rate for tech firms, particularly those receiving external funding, is even worse. According to a January 2022 analysis by CB Insights, 70% of startup tech companies fail – usually around 20 months after first raising financing, with around $1.3M in total funding closed.

This high failure rate would seem to challenge the insight of the entrepreneurs, if not also that of the investors – especially when one considers the reasons for failure which, depending on whom one asks, tend to fall into a few categories:

- Not satisfying a need
- Bad business plan
- Lack of financing
- Bad location
- Inflexibility
- Rapid expansion

But does this make sense? What Private Equity firm would fund a business that didn't satisfy a need, or had a bad business plan? And who wouldn't throw good money after good? Or move if they had to. There is clearly something else going on.

After working with hundreds of businesses over the last 40 years, and speaking with thousands of business owners, investors and solution providers, it is clear, particularly lately, that most companies fail because they are ineffective at marketing and sales. And most are ineffective at marketing and sales because they have bought into a model of marketing and sales – one that is promoted enthusiastically by the digital platforms and the marketing profession – that, in most cases, simply cannot work.

In short, if your company is spending a lot of time and money on marketing initiatives, but these initiatives are failing to produce enough, or good enough, sales leads; and/or if your company is spending a lot of time and money on sales programs but they're failing to generate adequate, profitable revenues; you probably can't fix the problem by simply bolting a so-called "lead generation" activity onto your current programs. If you're like most businesses, you will probably have to rebuild your entire go-to-market strategy, from the wheels up, based on the Lead Generation concepts described below.

The Lead Generation Paradigm

Lead Generation, or "LeadGen" for short, is a powerful, hybrid Marketing/Sales strategy tasked with creating "Qualified Sales Leads" (QSLs), thereby filling a company's sales funnel with viable sales opportunities that have a high probability of closing successfully and profitably. Planned and executed *properly*, a Lead Generation strategy can ensure highly profitable revenue and market share growth for virtually any business at the lowest possible cost and risk, and in the least amount of time.

As opposed to the typical advertising or promotional program that may have a goal of generating exposures, impressions, clicks, downloads, connections, click throughs, traffic, attendance, inquiries, responses, appointments, demos, or some intermediate KPI; or a typical marketing campaign designed to establish a brand identity, position a product vis-à-vis competition, create awareness, or educate the market, for example; **the goal of Lead Generation is revenue production** - often using the Expected Value of the Sales Funnel as a core metric.

That is, while traditional approaches to Marketing almost universally demur on the subject of accountability for revenue, the Lead Generation paradigm embraces it. So, for example, instead of a Marketing department ceding responsibility for the achievement of a revenue goal because there are too many variables involved in moving an opportunity through the Sell Cycle, or because Marketing typically has no authority to control Sales resources, or because they lack adequate tools to influence the close rate, Lead Generation offers a powerful set of tools and techniques that enable both the Marketing *and* Sales departments to exercise effective control and accountability - from the earliest to the latest stages of the Sell Cycle.

Likewise, instead of the Sales organization tolerating the production of Marketing Qualified Leads (MQLs) that will likely never close, an effective Lead Generation strategy drives the criteria of a Sales Qualified Lead (SQL) back into the Marketing process, and enables virtually any qualification criteria to be effectively incorporated. Thus, instead of pandering to the organizational gap between Marketing and Sales, or resorting to finger-pointing when the company doesn't make its numbers, an effective Lead Generation strategy enables and encourages effective collaboration between Marketing and Sales, including the rapid debugging and remediation of failing programs without having to assign blame.

In brief, accountability in Lead Generation is based on the concept of the Sales Funnel as originally described by Miller and Heiman in their book "Strategic Selling". According to their time-tested approach, there pre-exist in markets suspects who are "above the funnel". This can be an addressable market, a list, a target market, a population, the public, or some other pool of potential buyers. By definition, these potential buyers are initially assumed to be unaware of the vendor's existence, products or value. But through various marketing, promotional and sales initiatives some of these potential buyers (or prospects) become aware of and interested in the vendor's product or, at least, identified as worth pursuing by the vendor, making them "C prospects". Then, following a series of steps in the Sell Cycle, and mirrored by the Buyer's

Journey, some of these become "B prospects", and some of these become "A prospects", and ideally some of these ultimately become customers.

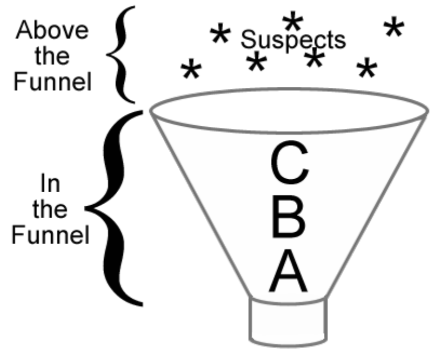

Figure 1 - Sales Funnel

What creates accountability in the process, according to the Lead Generation model, is that every prospect in the Sales Funnel is assigned a Potential Revenue (PR) and a Probability of Closing (PC) once they've been identified or, at the latest, once they've been qualified. The product of these two numbers (PR * PC) creates an Expected Value (EV), which is usually forecastable to be realized at some date in the future, and which, when aggregated over all prospects can generate a highly accurate revenue forecast for the company. And it is this common forecast that the Lead Generation program – which enjoins both the Marketing and Sales organizations - can be held accountable. And it is what makes a Lead Generation strategy unique, powerful, self-correcting and effective.

Type	**Prospect**	**Potential Revenue**	**Probability of Closing**	**Expected Value**	**Temp**	**Expected Close**	**Expected Value Forecast**		
							Mar	**Apr**	**May**
C	King Mfg	$100,000	30%	$30,000	Hot	5/12			$30,000
	PGT Co	$140,000	20%	$28,000	Cold	4/10		$28,000	
B	Arlen Ind	$80,000	50%	$40,000	Warm	4/20		$40,000	
A	Round Inc	$90,000	90%	$81,000	Cool	3/20	$81,000		
Total		**$410,000**	**44%**	**$179,000**			**$81,000**	**$68,000**	**$30,000**

Figure 2 - The Sales Funnel/Forecast

As potent a tool for creating accountability as this linkage of the Sales Forecast to the Sales Funnel is, because the Lead Generation paradigm also allows flexibility with regard to the ownership of any given lead at any given time, it leverages resources, it enhances responsiveness, and it prevents opportunities from falling through the cracks. This reflects the fact that the Sales Funnel has traditionally been used as a time management tool by salespeople. And, as such, it acknowledges that there will be times when the sales team, for example, can't work particular leads because of other priorities. And so those leads may have to be nurtured, potentially by Marketing or a business development function, or by someone else. But this is an easy problem to manage, using load balancing, if (and only if) everyone is accountable to the same revenue forecast.

Situation	Ownership	Type	Company	PR	PC	Temp	EV	Ownership	Situation
Beginning of the month	Marketing	C	ABC	$ 125	10%	Cool	$ 13	Marketing	End of the month
			DEF	$ 150	60%	Warm	$ 90		
			GHI	$ 50	40%	Cold	$ 20		
	Sales		JKL	$ 85	25%	Hot	$ 21		
		B	MNO	$ 100	20%	Warm	$ 20		
			PQR	$ 120	50%	Hot	$ 60		
			STU	$ 90	90%	Warm	$ 81		
		A	VWX	$ 110	70%	Warm	$ 77	Sales	
			YZ	$ 35	80%	Hot	$ 28		
		Total		$ 865	47%		$ 410		

Figure 3 - Dynamic Ownership of Sales Leads

This is illustrated in Figure 3, above on the right side, where the driver for load balancing of the Sales Funnel between Marketing and Sales is, in this case, the need for the Sales department to close business by the end of the month in order to make quota. The Lead Generation approach, supported by an appropriate CRM, can easily ensure that opportunities aren't neglected or delayed because of limited resources, changing priorities, or time pressures. And instead, it enables the company to dynamically reassign ownership, and continue to move the ball forward with as many prospects as possible, as quickly as possible.

Another feature of this approach is that changing lead qualification criteria, driven by changing market conditions, competition, resource availability or clutter in the media might also require to leads get passed back and forth between Sales and Marketing for clearance, for requalification, or for implementation of specific steps that only one or another group can do. While the traditional "siloed" roles of Marketing and Sales, to say nothing of inflexible lead ownership rules, have difficulty accommodating such contingencies, no less enabling joint accountability for revenue, the Lead Generation model encourages it. This is why Lead Generation is sometimes thought of as "the missing link between Marketing and Sales".

We'll come back to the high-level view of Lead Generation in a moment. But next we need to take a deeper dive into the mechanics of Lead Generation.

Under the Hood

Lead Generation is a strategy for sales growth that utilizes the marketing mix, sales and sales management, information technology, third party solution providers and other tactics and activities to ensure the generation of qualified sales leads and the production of profitable sales revenue. As described above, Lead Generation is a hybrid marketing/sales strategy based on accountability for revenue, it is not a promotional technique. And so it represents an approach to managing Marketing and Sales to achieve a revenue result, and not a particular tactic, or even a particular phase in the Sell Cycle.

While this model of Lead Generation has been around (although somewhat neglected) for decades, it has become increasingly important since the advent of the Internet. That is, traditionally Marketing (using techniques such as advertising, print, direct mail, telemarketing and PR, for example) has been employed for creating awareness, branding, educating the market and, especially, generating leads (or opportunities to sell). And at least in this latter role, advertising, email marketing, and other promotional programs have typically resulted in the production of two distinct categories of outcome: (1) actual leads, and (2) "waste" or, more accurately, a negative Return on Marketing Investment.

The concept of "waste" in marketing was immortalized in the quote attributed to John Wanamaker who said, "Half the money I spend on advertising is wasted; the trouble is, I just don't know which half." With the exponential increase in the number of media, channels and technologies enabled by the Internet, some of which have been found to be extraordinarily ineffective by their users, many companies have discovered that they can waste virtually their entire marketing budget, resulting in historically high business failure rates; this even though many of those technologies ironically enable improved tracking and attribution.

This increase in the proportion of waste has led some practitioners to differentiate between a Marketing Qualified Lead (MQL) and a Sales Qualified Lead (SQL). Whether an MQL equates to "waste" is subject to debate.

The Lead Generation model, however, doesn't differentiate between an MQL and an SQL. Rather, Lead Generation seeks to only generate Qualified Sales Leads (QSLs), defined broadly as:

> An expression of interest by or an appointment with a qualified prospect (i.e. someone who potentially has the ability to buy), who has a qualifying need (i.e. a need that you can fulfill), and who wants to talk with you about how you can help. There may also be attributes of urgency, budget and/or authority that contribute to the definition, depending on the situation.

Unlike the binary MQL/SQL concept, the definition of a Qualified Sales Lead (QSL) in the Lead Generation model implies that there may be a spectrum of qualification, which is another advantage of the approach. That is, what constitutes a Qualified Sales Lead can be an expression of interest, or it can be an appointment, under this model. And, in fact, depending on the situation, it can be something weaker (e.g. an "intent signal", or even a name on a mailing list,) or it can be something stronger (e.g. a confirmed appointment, a BANT, or even an order). What constitutes a Qualified Sales Lead, in other words, isn’t static in the Lead Generation paradigm, but rather it can also be dynamic, varying depending on a wide range of circumstances, timing and conditions, which we'll discuss in more detail below.

This variability associated with changing lead qualification criteria, as well as the variable effectiveness of the sales process, both sensitize the Probability of Closing (PC), and can even impact the Potential Revenue, in the Sales Forecast, making it an important yet flexible management tool. Obviously, activities that increase the Probability of Closing and/or the Potential Revenue are good, and should be encouraged; while activities that decrease the Probability of Closing and/or the Potential Revenue are bad, and should be avoided. But the approach enables these to be more effectively managed. Adding "temperature" (which is sometimes used as a measure of the intensity of the prospect's willingness to pay, or WTP) to the characterization of a lead can provide additional insights into the funnel, as well, further improving management control and results.

With that as background, we can explore the Sell Cycle and the Sales Funnel in more detail, which will enable us to understand where Lead Generation fits, and how to use it to achieve success.

Although Miller and Heiman conceptualized the Sales Funnel in 1986, many people and companies have customized it to reflect their own view of the sales process, if not to serve an alternative agenda, over the years. After developing many successful marketing, sales and lead generation programs for hundreds of different companies over the last thirty years, we've settled on a version that covers most situations, particularly in the B2B space, which also by design aligns with several proven approaches to sales training, as well as with recent developments in understanding the "buyer's journey".

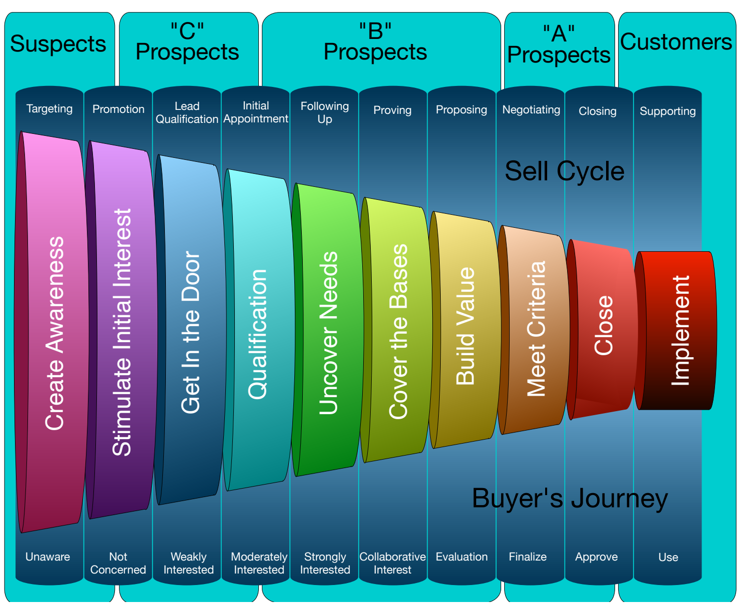

Figure 4 - A Typical B2B Sell Cycle Overlaid on the Sales Funnel

While it's not required to hew to this particular version (the specific steps will typically be different for, say, a B2C campaign), the main thing to note in Figure 4 is that the model effectively ties together three of the most important management tools, when it comes to Sales and Marketing, into one framework: the Sales Funnel, the Sell Cycle, and the Buyer's Journey. This is because they are, in fact, three views of the same process linked, under the hood, to the Sales Forecast discussed earlier. (If you can't link them, by the way, it's a clue that your process will fail!)

While it's beyond the scope of this overview to show how these concepts fit together at a detail level, it's important to understand the general process in order to understand how and where Lead Generation fits in, and how it can be leveraged to ensure success.

In this regard, Buyers or suspects typically start out as unaware of the Vendor, and unconcerned with what the Vendor can do for them. Moving from left to right in Figure 4 through a series of steps, usually driven by an increasing awareness of need, and the value that the Vendor can offer in satisfying that need, the Buyer becomes first weakly interested in the Vendor and their products, and then progressively more strongly interested, until the Buyer decides to evaluate and (ideally, from the Vendor's perspective) approve the purchase.

Driving the Buyer through this process (usually) is the responsibility of the Vendor, who executes a series of steps to identify and target potential Buyers, promotes to them in order to create awareness and stimulate interest, qualify them, magnify the need, create urgency, fulfill their purchasing requirements, and persuade them to buy.

This, though, brings us to a core issue associated with Lead Generation: While some marketers equate Lead Generation to "promotion" on this diagram, or use the term Lead Generation interchangeably with advertising, telemarketing, email, pay-per-click or some other promotional technique, doing so is taxonomically and functionally incorrect – and it's often intellectually dishonest. This is because the output of a promotional activity is, by definition, a promotion; while the output of a Lead Generation strategy is, by definition, qualified sales leads. And the difference cannot be more stark.

For example, when expectations are set for a typical promotional program, while it's often *hoped* that there will be some positive impact on revenue, it's almost never directly held to account. At best, there may be KPIs associated with clicks, hits, views, impressions, responses, downloads or some other metric. But most often it's simply the placement or insertion that's rewarded, with a nod to a KPI. Given that these KPIs don't exist on the Sales Funnel or forecast, there's no way to link the promotional activity to the actual production of revenue. And therefore, promotion can't be accountable; and second, or third order, accountability doesn't count.

And it's also a major reason why many companies fail.

On the other hand, the output of a Lead Generation strategy is, by definition, a Qualified Sales Lead – something that exists right on the Sales Funnel: as a qualified prospect who has a qualifying need, and who wants to talk to you about how you can help. Unlike promotion, a Lead Generation strategy is explicitly designed to populate the Sales Funnel, and if it doesn't, then it has failed; while a promotional program is designed to push out message, and it can easily succeed in that role while failing entirely to drive the production of revenue.

While this direct connection to revenue production that characterizes Lead Generation clearly differentiates it from promotion, other differences show that it's more than simply a matter of hobbled attribution, or even how one characterizes the output (see the earlier MQL versus SQL discussion). It is, in fact, the entire process of putting together an effective Lead Generation strategy that differentiates it from promotion.

Before we explore that process, though, it's helpful to understand how the generation of qualified sales leads fits into the Sales Funnel, and why the approach is so important, beyond just the benefit of revenue accountability.

First, it should be obvious that in order to generate a qualified sales lead, an initiative usually has to do more than just make people aware or push out content. Because you're trying to stimulate interest, and get the prospect to want to engage with you and take some action to move the sales process forward (i.e. you want to create, at least, a C prospect, if not a B or an A prospect), it's often necessary to understand and target the prospect's needs, behaviors, and triggers. And in order to activate those triggers, you may need to reposition your product, brand or company. And you may also need to convert that interest into action, which often requires causing a response, which often means justifying their time and overcoming objections. And the program will almost certainly need to qualify the leads to make sure that they're worth the salesperson's time. These issues, though, illustrate that the impact zone for Lead Generation in the Sales Funnel can be anywhere in the first four, or even first five, steps of the Sell Cycle, shown below, not just the first one or two.

Figure 5 - The Lead Generation Impact Zone

In other words, a Lead Generation strategy can, and should: (1) create awareness, (2) stimulate interest, (3) get you in the door, (4) qualify the prospect, and potentially even (5) uncover needs. Anything less leaves money on the table, and is a recipe for failure.

The implications of this impact zone, and the accountability of Lead Generation, allude to a point mentioned before. Specifically, it's almost impossible to append an effective Lead Generation strategy to a failing Marketing program and expect it to fix the problems, or for it to be that "just one thing we need to do" in order to get a payoff, without changing the foundations or assumptions underlying the Marketing program. Largely because Lead Generation is strategically supraordinate to most of the components of the Marketing (and Sales, for that matter) process, but also because the assumptions underlying them are often deeply wrong and need to be corrected, the Lead Generation considerations either need to precede the development of the Marketing program, or (more practically) the owners of the Marketing program need to subordinate their priorities to it.

This has been illustrated in hundreds of cases we've worked (and companies we've been asked to fix), particularly since the advent of inbound marketing, where a business may have spent hundreds of thousands of dollars on their Web site, SEO, case histories, collateral material, sell sheets, sales training, pay-per-click, blog posts, LinkedIn connection requests, banner ads, click funnels, conversion pages, content, emails and even telemarketing efforts, only to generate virtually no qualified leads. Almost to an instance, these programs were developed not with Lead Generation in mind, but as a set of tasks the company was told they should do, either by a Marketing professional, employee or vendor, none of whom would be accountable for sales. So when they try to tack on a Lead Generation program to salvage some ROI, it almost always fails because the pre-requisites and underlying assumptions were fatally flawed.

And to be clear, accountability alone doesn’t solve the problem, as illustrated by the number of catastrophic failures resulting from pay-per-lead programs, commission-only sales reps, so-called “guarantees”, and back-end deals. “Skin in the game” doesn’t guarantee success, it usually just guarantees that a lot of time will pass before you find out that you’ve missed the market. And then the company goes under.

Building an Effective Lead Generation Program

Developing an effective Lead Generation strategy can be a complex undertaking - not necessarily in its own right so much as because the components needed for an effective Lead Generation strategy are often not done, or are done poorly, when developing a traditional Marketing or Sales program. As a result, you may not be able to just plug in certain critical components, such as a better positioning, value proposition, media plan, or even the features and benefits of your product, if you've already built your go-to-market strategy on ones that don't work. You may have too much invested in collateral material, documentation, training, channels and sales decks, for example, and it can be expensive and unpopular to change - even if staying with what you have means failure. (Of course, many marketers, and even many salespeople, are willing to fail as long as the job market remains strong.)

Building an effective Lead Generation strategy, though, almost always starts with the basics: an identification of the market you want to go after, the specific needs you want to satisfy, and the products and/or services you can sell to satisfy them. Assuming that a reasonable business case (accounting for things like willingness-to-pay, competition, addressable market size, etc.,) either formal or informal, can be made for the initiative, the next step is to put together your pre-requisites, or the foundation on which a Lead Generation strategy is built.

Because this is an overview, we won’t go into detail about how to develop the pre-requisites for a Lead Generation strategy. And different strategies may have slightly different requirements. But the foundation on which an effective Lead Generation strategy is built generally consist of the following:

1. Case histories – actual cases if available, or prospective cases for new products
2. Needs analysis – detailed descriptions of the relevant needs, pains, problems and unmet goals of potential buyers
3. Applications analysis – descriptions of how the product is, or will be used, to solve the needs
4. Economic value to the customer (EVC) analysis derived from the applications
5. Competitive analysis

These analyses enable you to begin to answer some key questions from the prospect’s perspective (which is the only one that matters) such as: (1) Why someone should talk to you, (2) Why someone should meet with you, and (3) Why someone should buy from you. If you can’t answer these questions in a compelling way, then the program is more likely to fail.

These pre-requisites enable you then develop the core elements of the program:

1. Statements of value proposition
2. Positioning statements
3. Targeting criteria
4. Available media and channels
5. Initial benefit statements
6. Screening criteria and questions
7. Probing questions
8. Objections and rebuttals
9. Concrete steps in the buyer's journey

Although some of these elements may seem relevant only to a cold calling or telemarketing campaign, they actually apply to *any* kind of campaign within a Lead Generation strategy, including digital marketing, content marketing, advertising, networking, SEO, social media or PR, to name just a few. That said, since a cold calling program presents a relatively high set of marketing hurdles, it provides a useful test. But every tactic in the strategy ultimately needs to incorporate these core elements if it's going to work.

Thus, for example, the Web site needs to answer the question of why someone should buy from you, it needs to show what needs the product satisfies, it needs to explain who should buy, and it needs to handle objections. And the same holds for white papers, advertisements, blog posts, emails, social media, trade show booths, Amazon listings, and more. A strategy developed using the Lead Generation model, however, can handle this easily.

With the core components built, the penultimate issue, for purposes of this overview, is the question of conversion, which is a major challenge for many marketing programs. For example, many programs are designed either without consideration for how leads are going to actually make it into and through the funnel, or how engagement with the prospect is going to be caused (including being caused often enough) and qualified affirmatively. And so they fail. In most cases the company will scramble to improve a low conversion rate by tweaking a page, a form, a process or some content; but that also often fails – usually because conversion was an afterthought, tacked onto a marketing strategy or tactic that was bad to begin with.

In the Lead Generation model however, the conversion problem is solved up-front when you develop the pre-requisites, usually when you're doing the Needs analysis (which includes analyzing response behaviors). Therefore, it can easily be designed directly into the strategy, and into its supporting tactics. Much like building a traditional DM/DR campaign, the response triggers and processes are built in from the beginning so you don't have to try to fix something that can't be fixed. This results in qualified leads entering the funnel (instead of trying to fix them later) which is, of course, the entire point of the process.

The final consideration for this overview is how the Lead Generation paradigm addresses both failure and success in the remaining phases of the Sell Cycle, i.e. when the lead is in the hands of the Sales team. Regarding the failure of a lead to make it through the funnel, the Lead Generation approach is designed so that leads can be passed back for requalification, regeneration or resurrection, if needed. And since everyone is working off the same sales funnel, it's easy – done by simply changing the ownership of the lead.

Alternatively, the model enables you to know exactly where the process went off the rails, and why. And therefore, you can usually work backwards in the process to correct a wrong assumption or other core element.

Likewise, when a prospect becomes a customer, the process is explicitly designed to enable resells and upsells, treating the customer like a prospect again, and validating the cyclical nature of the Sell Cycle.

Summary

Contrary to popular lore, Lead Generation is not some tactic you can bolt onto a failing marketing program in order to save it. Rather, Lead Generation is a fundamental business growth strategy that incorporates, and bridges the gaps between, the Marketing and Sales functions. It represents a different, but time-proven, paradigm about how business growth is achieved. And, most importantly, and for most businesses who adopt it, it works.

The remainder of this book describes how to develop the pre-requisites and core elements for building an effective lead generation program, and then how to incorporate it into various marketing and sales strategies.

[Editor's note: For more information about Lead Generation, and how to design an effective Lead Generation strategy for your business, please contact LeadGen.com.]

Epilog

In putting together this overview of Lead Generation, for clarity there were several issues that were glossed over, particularly some misconceptions about Lead Generation. Some of them are the result of vendors feathering their own beds, and others born of ignorance. Some are addressed below:

- One area of confusion regards the definition of a "lead". That is, some people define a "lead" as the identity, and sometimes the demographic attributes, of a potential sales prospect (i.e. of a suspect) or, alternatively, as a name on a mailing list or in a database, or alternatively as constituents of an addressable market. The paradigm of Lead Generation, however, stipulates that a sales lead is "qualified" - meaning, to most users of the function (who are typically salespeople) that the prospect (i.e. *not* a suspect, in the Sales Funnel model) has a relevant need and is interested in talking to the vendor about how the vendor can help. And there can be, and often are, additional qualification criteria (for example, BANT) that can help define a qualified lead. But a qualified lead is never simply a name on a mailing list.

- Another common misunderstanding about lead generation is what it means to "generate" a lead. In that regard, it doesn't make sense to spend a lot of money, or have an elaborate process or strategy designed to "generate" sales leads if a lead is just a suspect or a name on a mailing list. At best it might require market research to discover its existence, or data entry to put the information into a database. But it wouldn't require promotion, or a qualification process, no less positioning, the uncovering of needs, or the development of a value proposition. Despite this, many people confuse the purchase of leads from list vendors with the creation of qualified leads using a Lead Generation program. Likewise, it's also common to conflate the production of clicks, traffic, impressions, attendees or even demos with the creation of genuine revenue opportunities by a Lead Generation strategy. While this misconception is often the result of promotions and misrepresentations by list vendors or other marketing solution providers, it unfortunately often results in disappointment by the salespeople tasked with closing them, or worse, failure of the business.

- A third area of confusion regards where in the Sell Cycle Lead Generation fits, and how the success of a Lead Generation program is measured. As indicated above, Lead Generation is designed to create qualified sales leads, and fill a company's sales funnel with viable sales opportunities that have a high probability of closing successfully and profitably. As such, the goal of a lead generation program is not only to stimulate interest, but to assure the cost-effective production of revenue. It does this by employing a variety of tactics and tools beyond promotion, and so it involves several steps in the Sell Cycle. And it is accountable for revenue (or, at least, the expected value of the sales funnel), as opposed to a subordinate KPI such as clicks, traffic, demos or appointments. Consequently, it spans several stages of the Sell Cycle, at least, if not the entire process.

- Finally, Lead Generation is often confused with a specific tactic or activity, such as telemarketing, advertising or pay-per-click. Lead generation however is a strategy, it is not a tactic or a specific activity, and therefore it is positioned hierarchically above, and broader than, its constituent plans and activities. By way of illustration, many businesses use the GOSPAM model (which stands for goals, objectives, strategies, plans, activities and monitoring) to plan and achieve their goals. Lead generation, in this construct, is a strategy designed to achieve a revenue objective, supported by a variety of plans and activities that can include marketing and other sales functions, as well. It is not a tactic or activity.

There are certainly other misconceptions regarding Lead Generation in the literature. But as long as Lead Generation, as defined above, is the principal consideration when developing your Marketing and Sales plans, you should be okay.

Because if it isn't, you won't be.