DYL

The Ultimate Guide on

Lead Qualification and Scoring

Part 2 of 6

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Introduction

Impact of Lead Qualification

For many B2B companies across the world, it's important to convert prospects into high-paying clients. Unfortunately, it's not that easy. For many years, sales reps and marketing staff have spent countless hours with clients, optimized campaigns, and improved internal processes to ensure higher acquisitions and better conversions. However, because of advances in technology and strategies, it's easier to discover and use top performing techniques to qualify more leads and move them through your sales pipeline faster.

Throughout this eBook, we're going to explore how lead qualification and lead scoring can speed up your sales process, improve acquisitions on both marketing and sales campaigns, and increase your overall revenue without a lot of investment.

The Start

What is lead qualification?

Lead qualification is the second step of the lead management process. At this stage, businesses decide which prospects are most likely to convert to a customer.

Often, this is based on demographics, company backgrounds (for B2Bs), level of interest, and more.

Lead qualification is the second most important part of the lead management process, behind lead generation. After all, without lead generation, there would be no one interested in your product or service.

In 2023, ZoomInfo estimated companies are going to spend $4.6 Billion on CRM Implementation.

As the customer journey is constantly developing, leaders from around the world are spending more time improving the sales and marketing process.

Here's why lead qualification is so important:

Let's say you own a car dealership. You have 10 people who are interested in buying a car. If you take too long to talk to them, they'll leave the lot. But you only have one sales rep. How do you prioritize who you talk to and who you don't?

It's a tough question to answer. If you invest ten minutes on each prospect without considering their demographic or background, you will spend a lot of time and money on people who may not even have the money to buy the car. Or if you spend two hours with one person and forget the rest, how do you know the sale will work out? You don't.

Lead qualification solves that problem by enabling your sales team to make the best decision possible. You don't want to waste time or effort on someone who doesn't want to make a purchase.

PERCENT OF B2B COMPANIES THAT IDENTIFY 'CONVERTING QUALIFIED LEADS INTO PAYING CUSTOMERS' AS A TOP PRIORITY

57%

PERCENT OF B2B MARKETERS THAT FIND GENERATING HIGH-QUALITY LEADS THEIR BIGGEST CHALLENGE

61%

WHAT PERCENT OF YOUR MARKET IS ACTIVELY BUYING?

3%

WHAT'S PERCENT OF B2B COMPANIES HAVE THEIR SALES AND MARKETING ALIGNED?

8%

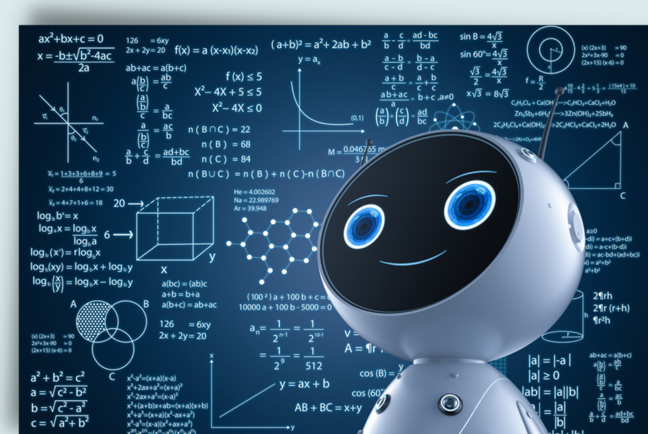
The Know

What is lead scoring?

Lead scoring is a model to determine if a lead is qualified to make a purchase and how important it is for your sales team to reach out. Typically, lead scoring helps with the lead qualification process by giving a real score to actions lead's take.

For example, if a lead opens an email from your marketing team, they would receive 1 point. If they click a link inside the email, they receive 2 points.

In the most used model, once a lead reaches a certain score, they are no longer considered a Marketing Qualified Lead, and marketing staff hand them off to sales as a Sales Qualified Lead (SQL). Simply put, SQL just means that your sales team is ready to contact the person or people.



A few powerful companies, such as Microsoft, are investing in Machine Learning to discover better scoring models, improve qualification, and find out the best methods so they can improve their customer journey.

Why is lead qualification and lead scoring important?

Lead qualification and lead scoring help your marketing and sales teams cut costs and avoid waste. They also empower your teams to drive a more productive environment by providing real leads who are interested in your product or service. When your sales team can focus on the most important duties and tasks, they can improve your company's conversion rates and speed up your sales funnel.

Lead qualification and scoring reduces the time spent on leads who don't want to become a customer or aren't qualified to make a purchase. This means both your marketing and sales teams have a better lead pool and prevents investment that can lead to loss.

How different leads work in qualification and scoring

Through the lead management process, there are several different leads. The type of leads that apply to both qualification and scoring are Marketing Qualified Leads (MQLs) and Sales Qualified Leads (SQLs).

When a lead enters your initial pipeline, they start as an Unqualified Lead (UQL). From there, many companies qualify UQLs to MQLs because they have a first name and email address.

At the moment of marketing qualification, marketing typically sends emails, texts, or voicemails (sometimes) and they try to interact with leads as much as possible. When leads interact with marketing content, they receive points.

Once they've interacted with enough marketing content and they have a high enough score, marketing passes them to the sales team as a SQL. At that moment, they are qualified based on demographics, research, and other criteria to see which stage to put them at in the sales funnel. Often, leads begin at the start of the sales funnel.

At the start of the sales funnel, a sales representative will reach out to the lead and determine if they're worth pursuing further. Let's take a deeper look at strategies you can use to qualify leads.

Defining your process sets up success

The most important part of your lead qualification and scoring activity is defining your process. Without a process, you're bound to fail. Oftentimes, companies use a few questions to find their process. Here are a list of a few questions you can use to determine your lead qualification and scoring:

1 What qualities should your ideal lead possess?

- **A** You can list out certain demographics, especially by creating a buyer persona
- **B** List any kind of information that important to the type of potential buyer you want
- **C** What interactions should the lead take to become a quality lead?

2 What information do you need to market to new leads?

- **A** How many times have they clicked an email?
- **B** How many times have they downloaded your content?
- **C** How many times have they been on your website?
- **D** How often do they go to your website?

3 At what moment should your sales team reach out to a lead?

- **A** Is it after they reach a certain score?
- **B** Do you use a scoring model? What does it look like?
- **C** If you don't use a score, what are you using?

Once you answer these questions, dive further into each one. Be as thorough as possible and provide as many details with your answers.

If you cannot answer these questions, or your answers are only a few sentences, then you should follow a proven process that works for companies across the world. The first step to this process is the research phase.

The What

Research

Nowadays, it's easier to find out information with an easy google search. There are many methods to gain new insights, especially with social media, websites, and content.

For example, if you want to know more about a certain person, you can pop their name in LinkedIn and add them.

Or if you want to see more about a company, you can find out most everything online or through various databases like Apollo.io, ClearBit, G2 Deals, Lead411, Adapt, Rocket Reach, ZoomInfo and more.

Most of the time, the information you want is about the organization or company that reached out to your business.

If you're a business to consumer company, you'll want to look into individual demographics, but that's harder to access.

Because this step is mostly for B2B companies, here's a list of things you can focus on in your B2B qualification process:

Focuses in B2B Process

1 Company Information

- A Website
- B Address
- C Number of Employees
- D Annual Revenue
- E Mission Statement
- F Vision Statement
- G Marketing Content
- H Product and Services
- I Executive Staff

2 Positive Internal Changes

- A New Hires
- B New Leadership/Executives

- **C** New Products/ Services
- **D** New Software and Tools

3 Things to be careful of

- **A** Layoffs
- **B** Low or Zero Funding
- **C** Loss of Leadership Executives

If you're having a difficult time finding out this information, you can use a multitude of tools such as LinkedIn Navigator, Crunchbase Pro, ZoomInfo, or Apollo.io.

Next Step

Contact

The second step to a good qualification process is contact. As we mentioned previously, it's important that your sales representatives get on the phone with interested prospects.

Regardless if they're extremely qualified or not, having a one-on-one conversation gives you insight to their problem and how you can help them.

Here's a few questions your sales representatives should ask:

A. Why did you reach out to our company?

B. What problem are you trying to solve?

C. Do you use any software or tools that solve your problem?

D. If yes, what's the problem with the software or tool that you're currently using?

E. If no, why are you trying to solve the problem now?

F. What is your timeline for implementation?

G. Who makes the final decision about the purchase?

H. What is your budget?

Once you find out the above information, you can assess whether the lead is qualified. A great place to start is by understanding if your product can actually solve their problem.

If it can, the first thing to do is to come up with a list of benefits your software or tool can offer, beyond their fundamental problem.

The Plan

Qualification Strategies

The last step is qualification. There are many qualification strategies, lead scoring techniques, and questions that will help you determine who is worth spending your time on and why you should move them through your sales funnel.

So far, we've explored the core of all strategies which begins with the research phase and contact phase. Afterwards, your sales team lead should decide if a lead is ready and have a set plan to convert them to a customer.

Other Qualification Strategies

While it may be tempting to try the first process we discussed above, there are many proven processes that are simpler or even more complex for your qualification process.

Below are a few examples you can use for qualifying leads:

BANT

BANT is a sales qualification method that was invented by IBM in the 1950s. IBM was one of the first companies to offer electric typewriters and other office machines. During the 50s, the United States encountered postwar recovery, which gave rise to the era of business computing. During this time, IBM dominated the marketplace by using a series of sales methodologies to set themselves ahead of other competitors. Amongst those methodologies was BANT.

BANT stands for:

1 Budget

Can the lead afford your product? It's very important to determine the budget of your prospect, because if you don't, you might spend a lot of time and money on a company who can't afford it.

2 Authority

Does the point of contact have enough power at their company to approve the purchase? By focusing on the correct person right away, you're eliminating the time to find out if the company is qualified. Just to mention, it's always a good idea to try a multi-pronged approach, where you're communicating with both the person who can approve the purchase and any influencers within the company.

3 Needs

Does the company have a problem that your product or service can solve? If you can't solve a problem, prospects will think your company isn't worth the investment.

The same logic applies to you. If the lead doesn't have a problem you can solve, it's not worth your time. Only focus on people or companies who need your product.

4 Timeline

How soon does the prospect need to make a purchase? If it's within the next few months, then you should continue to focus on the prospect. If it's within the next 6 months, check in within three months. If it's over 6 months, try to check-in when the timeline is within 3 months.

CHAMP

CHAMP is a sales qualification method that was invented by Zorian Rotenberg in the 2010s. Zorian started his career as an analyst at Merrill Lynch's FIG (Financial Institutions Group). He worked on more than $100+ Billion of financing transactions.

Afterwards, he became a member of executive teams at several SaaS companies and helped them grow with an annual revenue growth rate of 60% - 100%. After working with these companies, he compiled everything he learned from his experience and put together a program called CHAMP, that many companies use today.

CHAMP stands for:

1 Challenges

Can your product solve every-day problems? If you can't solve a problem, that's popping up frequently, you need to reconsider your time and investment for the prospect.

2 Authority

Are you speaking to the decision maker? If you aren't, it could mean wasted time that you should've spent elsewhere.

3 Money

Does your prospect have the money to consider the purchase? If they don't have the money, it's a waste of time. You need to find out how much revenue their company brings in and if they have funding. If it looks like they're in a good financial standing, pursue further conversations.

4 Prioritization

Can your product or service solve the most important problems in their day-to-day work? This is a huge consideration when speaking with prospects. If your product or service solves hundreds of insignificant problems and zero big ticket problems, you'd have better luck reaching out to another prospect.

MEDDIC

MEDDIC is a sales method that was created by Dick Dunkel of PTC, in 1996. While he was working under the leadership of Senior Vice President John McMahon, he collaborated with Jack Napoli to bring this sales method to life.

After spending thousands of hours on sales calls, he found that there were six common qualities to the answers and questions of his conversations.

MEDDIC stands for:

1 Metrics

By measuring the output, what can the prospect get out of your solution? Having actual numbers to back up your data is very important for prospects to decide.

2 Economic Buyer

Who is the decision maker?

3 Decision Criteria

Why do the prospects need your product or service?

4 Decision Process

Which process do your prospects follow to evaluate a purchase?

5 Pain Point Identification

What challenges can your product or service solve?

6 Champion

Are there any influencers in the prospect organization that believe in your product or service and can act as a 'champion' for it?

ANUM

ANUM is the last sales method that was founded by co-founder of insidersales.com, Ken Krogue.

After previously using the BANT framework for years, he realized that Authority means more than both Budget and Money. Therefore, he came up with a method that focused on the person, rather than anything else.

ANUM stands for:

1 Authority

Are you speaking to the decision maker?

2 Need

What are their needs/problems and how can your product or service solve them?

3 Urgency

How soon can they make a purchase?

4 Money

You can apply these strategies throughout your lead qualification stage. Typically, you can use these strategies at the beginning of your sales process. However, you might find out this information with a bit of research or through the use of online business information tools.

Hidden Truths

Secrets to Score Better

Most businesses use a generic point system to score their leads. While this works, there's always room for improvement. Say, for example, what happens when you score a lead in the Marketing cycle versus the Sales cycle? Or what happens if you score a lead as a UQL? These are all vital questions you should answer before you create a lead scoring system.

On the next page, you'll find a system to score leads in the Unqualified, Marketing, and Sales cycle.

Scoring Your Leads

1 Unqualified

Unqualified simply means you've gained a lead without enough information to send any type of content, material, or have any interaction. It can also mean they lacked too many core qualifications to make them a qualified lead, as part of the sales funnel. Unqualified is typically just one piece of information.

For example, if a lead calls in and you miss the call, you only have a phone number. Or if you got someone's name at a sales conference, but nothing else, they're unqualified. Or if someone's reached the sales funnel, you hop on a call and find out you're not talking to a decision maker and they don't have the budget for your product or service; they are now unqualified.

When you score leads, you should never assign values to unqualified leads, unless you score based on fields. Field scoring is a completely unique system, wherein you give leads a base score, based on the number of correct fields that apply to a lead. For example, you receive lead information and you have 20 fields about company details filled out. You might give them a score of 20. Based on that score, you would then transfer them to the marketing department.

Typically, unqualified means you shouldn't entertain any further interaction unless you have enough information. We do not recommend scoring unqualified leads.

2 Marketing Leads

At the moment a lead enters the marketing cycle, track every interaction and score based on their level of interest. That means, every click, email opened, website visit, video watched, social media post like, etc, acts to qualify a lead.

Typically, there are three stages to a Marketing Qualified Lead, for layman's terms we're going to refer to them as 'Cold', 'Warm', and 'Hot' (However many companies use different terminology).

At the top of your Marketing Cycle, or 'Cold' stage, you should focus on Awareness and Discovery based content. That means Blog posts, social media posts, landing pages, and more. This content should spread simple ideas of what your business offers. The content should not be complex. Keep in mind that the average interaction for this stage is three.

As they move towards the second stage or 'Warm', focus on content around consideration. This includes Case studies, Webinars, Podcasts, eBooks, and more. The content should talk a bit more in depth about what your company offers and what other people have gotten from your company. Again, don't talk about your product. Provide value first. The average interactions for this stage is four.

At the last stage or 'Hot', send content that is Us vs Competition, Testimonials, Success Stories, and Promotions. This content can be in depth as possible, in different forms - both written and videos, and should offer a unique perspective. At this point, you want to talk about your product. This is where product marketing shines. The average interactions for this stage is two.

After they've moved along the process, you can drop poor leads or put them back at the beginning of your funnel if you think they're not qualified enough. After they move from the last stage, you can place them in the Sales Cycle.

3 Sales Leads

Sales is very similar to marketing, however, you're primarily having one-on-one conversations, and you tailor every communication to the customer. Rather than general ways you can improve a customer's life, it's about who you're talking to more than anything else.

During the sales cycle, you typically have three stages just like the marketing cycle. This comes down to 'Contact', 'Nurture', and 'Offer'.

At the beginning of your sales cycle or 'Contact', you need to have an initial conversation about whether the other person is qualified enough for your product or service. This is where your qualification strategy comes in. You need initial research and then you reach out and connect in a one-on-one conversation.

You'll always find out more from a call or conversation than anything else. Prospects are more willing to open up and talk about their problems, and you can find out more information, rather than relying on texts or email. This stage typically includes one interaction.

Once you find out they're qualified, you need to move to the 'Nurture' stage. At this point, everything is game. That means calls, emails, texts, faxes, and any kind of end-game sales content. Provide every piece of content you can that will help them decide. Your content should primarily focus on their problem. If you don't have content that focuses on their problem, it's going to be a lot harder to make the sale. Videos are a great way to open up a conversation and check-in. This stage is the longest and differs from business to business. Typically, this stage includes nine to twelve interactions.

At the very end, you move to the 'Offer' stage. At this point, you've qualified the lead, interacted with them a lot, and felt it's time to move forward. During this stage you should have a one-on-one conversation with the decision maker and offer your product at a price point.

You might face an objection at first, but make sure you continue to talk about the benefits the prospect will receive and the problems that you can solve with your product. This stage typically includes three interactions.

Simplified Scoring

At the end, you should get a scoring system that looks a little something like this (keep in mind each interaction is worth 4 points):

1 UQL

A No Scoring

2 MQL

A Cold

- Score at least three interactions. Score >= 0 - 12

B Warm

- Score at least four interactions. Score >= 12 - 28

C Hot

- Score at least two interactions. Score >= 28 - 36

3 SQL

A Cold

- Score at least three interactions. Score >= 36 - 40

B Warm

- Score at nine to twelve interactions. Score >= 40 - 88

C Hot

- Score at least three interactions. Score >= 88 - 100

Performance Indicators

Testing and Monitoring

Once you've implemented a lead qualification and scoring model, it's time for testing and monitoring. This step helps you improve your lead qualification process and scoring model. Here are a few questions you should ask yourself:

1. Are leads qualified too early in the marketing stage? Why or why not?
2. Are leads receiving enough information in the marketing cycle?
3. What questions do leads have during the initial contact of the sales cycle?
4. How can I improve the process?

Key Metrics

Key metrics are the backbone of building a great lead qualification and scoring process. The better the metrics are, the better you can serve leads. Here are some important key metrics you can include:

1. Length of Qualification Process
2. Average Interactions Required for Marketing Qualified Lead
3. Average Interaction Required for Sales Qualified Lead
4. Cost Per Acquisition
5. Cost Per Lead
6. Sales Time Spent on Lead
7. Time to Close
8. Percent of Content Interacted

Conclusion

Improving your lead qualification and lead scoring process will not only speed up the timeline of your marketing and sales efforts, but will also convert more leads while cutting unnecessary time that sales spend on unqualified leads.

When you can qualify incoming leads, you're prioritizing which leads are the most important because they have the highest likelihood of conversion. Lead scoring helps you qualify leads through the use of a value system with marketing and sales interactions.

Your qualification and scoring strategy is vital to the success of your sales and marketing teams. By following a scoring model, you measure the effectiveness of your process and continually improve the customer journey.

As you complete your plan, testing and monitoring will continue to reward your company with ways to improve your system, which will cause faster revenue generation.

PART 2 OF 6:
LEAD MANAGEMENT EBOOKS

LEAD QUALIFICATION AND SCORING

Next steps?

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