

# Optimizing Lead Management to increase Sales

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# Lead Management is...

A component system of a classic supply chain problem. A supply chain is generally characterized as consisting of:

- Initial supplier
- Supplier
- Manufacturer
- Customer
- Final Customer

So, let's update the terms to be more familiar (for mortgage):

- Advertiser (typically external lead provider)
- Marketing (typically internal lead manager or marketing)
- Company (sales, loan officer, mortgage broker/banker)
- Funding source (typically warehouse line, wholesaler)
- Investor (Bank, Wall Street, etc.)

# So, we're optimizing a supply chain...

That's right when you are designing your lead management system you are really optimizing your total supply chain, from supplier to customer.

The key principles of optimizing a supply chain are the same principles we will focus on in optimizing our lead management system (meaning a general system, not necessarily software):

- Inventory management
- Manufacturing efficiency
- Distribution efficiency

For clarity and simplicity I will use the mortgage business to illustrate the remainder of this topic.

# Architecture of Lead Management

Now let's break down the supply chain problem into its components and processes to see how your lead management system put you in control without a lot of extra work:

- Lead Generation
- Lead Receipt
- Lead Distribution
- Lead Management
- Lead Analytics

What should each of this important processes be doing to maximize your ultimate goal of producing more revenue?

# Lead Generation

Any lead management system should facilitate the simple in-flow of your various methods and sources of lead generation.

This means little or no integration or formatting of the lead data you want in the system. Here are some of the common methods to look for:

## Data formats

- XML direct (real-time) post
- .csv (for data imports and list feeds)

## Contact/Address Book formats

- Microsoft Outlook, Mac Address Book, Mozilla Thunderbird
- GMail, Yahoo, Hotmail, Plaxo

# Lead Receipt

This is probably one of the biggest failures and efficiency losses in most lead management systems.

Often what we assume is happening in lead receipt is far from reality and a lot of time, leads, and opportunities are lost in this often undefined process:

Common failures:

- No verification or audit of receipt process
- Single point of receipt (one person, email inbox)
- No automation for distribution
- No de-duplication process

# Lead Distribution

There is a lot of debate over the right process for lead distribution. Much like in supply chain management, your primary concern is simple: effectively manage inventory (leads) to minimize inactive capital (money) and spoilage.

This is what you want:

- Ability to monitor capacity (agents available to call a lead)
- Ability to monitor leads without a first attempt
- Ability to monitor average time to first attempt
- Ability to monitor aging (spoilage) leads
- Ability to manage inventory (leads) or capacity (agents)

Ideally, you want your lead distribution process to manage your inventory in an inherent way, like a pull distribution system

# Lead Management

This is where the rubber meets the road and complexity kills!

That's right complexity kills deals. Once you have a lead and you are down to selling complexity is your enemy.

This is what makes a sale happen (beyond personal art when you make contact):

- Rapid initial contact
- Setting expectations and communicating process
- Building trust with follow-up and follow-through
- Addressing each client like they are your only one

Sounds pretty simple right...

# Lead Management

Easy? Yes. Until you try to scale it and have 5 or more sales people working an average pipeline of 100+. Then comes the complexity that kills a lot of deals.

The secret? Keep the complexity out of the sales person's way. They need to focus on contact, good conversations, and taking applications.

The (important) complexity of distribution, transfers, call back periods, routing, re-distribution, and more are critical pieces of your unique sales process. However, they should not fall on the shoulders of each sales person. Time spent organizing lists, tracking data, and messing with leads is a deal lost.

# Lead Analytics

This is a whole topic in itself and can be found here:

- <http://www.slideshare.net/wmrice/kaleidico-lead-metrics/>
- <http://kaleidico.com/resources>
- <http://blog.leadcritic.com/kaleidico/moneyball-for-internet-mortgage-originations>

The most important thing to remember here is that the focus of your reporting should be:

- Is my supply of leads matched closely to my demand for the leads or rather sales capacity to work the leads?
- Am I making money doing this?

# For more information

## Contact Kaleidico:

- <http://kaleidico.com>
- <http://kaleidico.com/resources>
- <http://bettercloser.com>
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