

## NNC SERVICES

# OUTSOURCED B2B LEAD-GEN BRINGS 40% INCREASE IN SALES ROI

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## INTRO

**"B2B lead-generation is not mass marketing"**. This is common knowledge. Or...is it? In order to get results, simplicity is the key: ask simple questions, know simple facts and perform simple actions, but with a high impact.

This white paper aims to do just that, in order to provide you with some relevant numbers and, finally, to draw the line on **why lead-generation outsourcing is far more efficient and profitable than doing it in-house**. To anticipate, **an outsourced lead-generation department can bring with up to 43% better results** than an in-house one. Read below some real-life examples on how you can achieve this result and find out more benefits of outsourcing your lead-gen activities.

## HOW IN-HOUSE LEAD-GEN GETS DONE

As far as any non-core business activity is concerned, "in-house" usually means everyone's involved, and nobody is responsible for the result. Lead-generation is in most cases a non-standard process, performed occasionally – mainly when the sales team is running out of contacts or meetings to fill-up the sales agenda.

Other in-house factors contribute to lead-generation being more of a wasted effort rather than a continuous flow into the sales funnel:

- **Lack of follow-up on events attended.** Business events, tradeshow or conferences in which company executives, sales people and other employees get involved are just as good an opportunity as any other to get leads (maybe better than many others, in fact). But without follow-up on the prospects identified there, your return on the overall attendance costs is close to null; this costs usually are a large proportion of the marketing and sales budgets.
- **Lack of follow-up on telemarketing campaigns.** These campaigns are expensive enough as it is, but lack of continuous follow-up determines a loss of even that small number of meaningful, well-qualified opportunities identified due to telemarketing efforts.
- **Feedback from the market is not used.** Every market interaction is feedback: emails on the office email address on the website, clicks on your online expensive ad or LinkedIn messages asking for a professional advice. Not taking advantage of this interaction, again, means losing an opportunity.
- **Incorrect targeting.** Not talking to the decision maker means you've lost time, no doubt about it. Unfortunately, people generating leads in-house will often stop their research when they find any company executive. They will fail to see that manager doesn't have the power of attorney, and the person to talk to in that particular company is a specific C level manager addressed with a clear proposal.

- **Using a unique channel to generate leads.** This is the most often encountered, yet the most nonperforming lead-gen strategy with most companies. Channeling all your efforts on a single channel like telemarketing, or direct e-mailing, can be a risky game: once everyone on the market is doing the same thing, there's too much noise for you to be heard. The consequences are a reduced number of leads from this sole channel and never developing a constant stream of opportunities.
- **Leaving it on the team's junior.** Leaving the activity on the sales team's newcomer is one fatal mistake since it is sure to cost you much more than if your most senior person would handle it. The time spent in inappropriate meetings with the wrong prospects is one of the most often reasons invoked on disqualifying cold calling or other sales activities performed by juniors.

FIGURE 1 – THE REAL COSTS OF IN-HOUSE LEAD GENERATION

<b>Internal resources needed</b>	<b>1</b> dedicated lead-gen expert
<b>Sales cycle length</b>	≈ <b>12 months</b> . 2 additional months spent in training (for new employees)
<b>Internal costs</b>	≈ <b>8,500 €</b> /year in salary ≈ <b>1,500 €</b> /year in benefits
<b>Average target contract value</b>	<b>100,000 €</b>

- ✓ Percentage of investment in revenues: 10%
- ✓ 10,000 € in expenses to get 100,000€ in revenues
- ✓ **ROI 10:** for each euro spent , you get 10

## MEET THE OUTSOURCED LEAD-GEN DEPARTMENT

Outsourcing your lead-gen department means giving this responsibility to a company for which this is core business, and masters the right tools to deliver qualitative results. As opposed to telemarketing, for instance, you won't get 200 "leads" per month, you will get (depending on the size of your company and the industry you're in) maybe 2, but these 2 leads have a far greater chance to turn into contracts.

Here is why:

- **Clear client profiling.** Lead-gen specialists use multiple methods to find out every bit of useful information about prospects and to draw out the picture of the perfect client: likes/dislikes, needs and behavior. Most importantly, these specialists **consider the sales process exclusively from the client's perspective**, thus making it easier for them to understand what the client wants.
- **Correct targeting.** You get to talk to the person who makes the buying decision, because the outsourced lead-gen team researches each company in depth, finding the latest, most relevant data.
- **Qualified leads.** You will never waste time on a meeting with someone who hasn't expressed a clear need for your products/services, or who doesn't have the necessary budget to acquire them. Instead, you only get meetings with people who understand what you are selling, need it, and afford to buy it.
- **Follow-up & feedback.** All opportunities are followed until they become qualified leads, or they are determined not to be valuable. Also, the outsourced lead-gen team has the ability to use market feedback to get more leads.
- **Multi-channel approach.** A good B2B lead gen partner will use a complex mix of lead generating channels, including networking, online and offline communication, list building from many sources, the newest communication channels with the prospect's social groups, etc. This significantly reduces the risk to be associated with the outputs of just one channel to generate leads.
- **Engaged responsibility.** It takes 6 months to 1 year for you to consider whether a member of your internal lead generation team is qualified and is producing results. It takes much more if you are considering the time required for him to be trained to your industry, your methods of generating leads etc, and in the meanwhile, if this person is not the one for the job you have to start over. By comparison, it takes you 1 month to see whether your lead-gen partner is up to the contracted expectations.

FIGURE 2 – OUTSOURCED LEAD-GEN DEPARTMENT COSTS

<b>Outsourced resources needed</b>	Extended lead-gen and consulting team
<b>Sales cycle length</b>	≈ <b>3 months</b> - no additional time required for training, due to specialization.
<b>External costs</b>	≈ <b>7,000 €</b> for a 3 months average lead-gen contract
<b>Average target contract value</b>	<b>100,000 €</b>



- ✓ Percentage of investment in revenues: 7%
- ✓ 7,000 € in expenses to get 100,000€ in revenues,
- ✓ **ROI 14,3**: for each euro spent, you get 14,3

## CONCLUSIONS

Bottom line of lead-gen outsourcing is that it can deliver sales leads better than you can, reducing cost, reducing risk and increasing your opportunities for business development.

- ➔ **Increase speed-to-market: 3 months of lead-gen outsourcing bring you the same results as 12 months of in house lead-gen, with smaller costs & bigger ROI**