



**A 2012 RETROSPECTIVE:**

FIVE YEARS AFTER THE ORIGINAL

# **LEAD RESPONSE MANAGEMENT**

RESEARCH PAPER

PRESENTED BY DAVID ELKINGTON, CEO OF [INSIDESALES.COM](http://INSIDESALES.COM)

**AND DR. JAMES OLDROYD, PhD AT  
THE 2007 MARKETING SHERPA BUSINESS-TO-BUSINESS  
DEMAND GENERATION SUMMIT**

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## **FUNDAMENTAL REASONS YOUR SALES TEAM ISN'T GETTING THE RESULTS YOU EXPECT AND NEED** (as reported in the Harvard Business Review\*\*)

Five years ago we opened up one of the largest sales and call data sets ever compiled to one of the world's most respected schools of thought. Using a scientific approach, Professor James Oldroyd—at the time a faculty fellow at MIT—set out to answer one question: “When should companies call Web-generated leads for optimal contact and qualification ratios?” Or, more simply: “When's the best time to call an interested contact to enter them into the sales process?”

Since then, the data has transformed the process of remote professional sales, and founded an entirely new industry surrounding the process of responding to sales inquiries.

### **The original study's two most dramatic conclusions:**

- 1. COMPANIES DON'T RESPOND FAST ENOUGH, AND**
- 2. THEY DON'T RESPOND PERSISTENTLY ENOUGH TO LEADS.**

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\*\* <http://hbr.org/2011/03/the-short-life-of-online-sales-leads/ar/1>



IMAGINE WALKING INTO NORDSTROM'S TO LOOK AT SHOES, ONLY TO BE SHOVED OUT THE DOOR AND TOLD YOU'LL BE CONTACTED IN 24 TO 48 HOURS. FOR MOST REMOTE PROFESSIONAL SALES TEAMS, THIS IS THEIR APPROACH TO RESPONDING TO NEW, MARKETING-GENERATED LEADS.



## YOU'VE SEEN IT HAPPEN IN EVERY INDUSTRY

Companies that didn't adapt. Didn't update processes and technologies to face the new realities of their industry—and ended up out of business. Lead Response Management (LRM) isn't a new concept; every business fundamentally understands that they need to reach out quickly and professionally to new prospects.

Yet in spite of 50,000 downloads of the original LRM study, and articles in the Harvard Business Review, Inc.com, and CBSMoney's (formerly BNET) "Sales Machine" blog, repeated studies show:

**The average company continues to be terrible at responding to their marketing-generated inquiries.**

The most recent ReponseAudit™ targeted 3,051 attendees and sponsors of Dreamforce 2011. Check the results in the table on the right.

### SEEING THE TREND HERE?

Companies invest hundreds of thousands, even millions of dollars building sales and marketing teams. They develop Web sites, campaigns, and strategies, to generate opportunities for its sales team. But then they fail to follow-up quickly and persistently.

### AND WHY DOES ANY OF THIS MATTER?

**Because every time a prospect slips through the cracks—especially when a sales team had every opportunity to change that outcome—you're wasting the time, money, and effort it took to produce that lead in the first place.**

**#FAIL**

## DREAMFORCE 2011 RESPONSE AUDIT RESULTS

### 1. Immediacy of Response

ATTEMPT TYPE	AVERAGE RESPONSE TIME
Phone Call	1 Day, 18 Hours, 15 Minutes
Email	19 Hours, 14 Minutes
Overall Average Response Time	42 Hours

**#FAIL**  
**#FAIL**  
**#FAIL**

### 2. Persistency of Response

METRIC	RESULT
Total Average Responses, All Types	2.2
Average # of Phone Calls Made to New Leads	1.0
Average # of Emails Sent to New Leads	0.9
Percent of Companies That Never Responded	51.4%

**#FAIL**  
**#FAIL**  
**#FAIL**  
**#FAIL**

“ THE ODDS OF CONTACTING A LEAD IF CALLED WITHIN 5 MINUTES VERSUS 30 MINUTES ARE 100 TIMES GREATER ”

## BUCKING THE TREND

So how do the great companies avoid failure, and maximize every sales and marketing opportunity? The answer isn't rocket science:

1) Contact your leads and do it fast, and 2) be persistent—don't give up too soon.

The LRM study definitively shows that your odds of reaching a new sales lead drop **over 10x** if you wait longer than the first hour of shown interest, and the odds of qualifying that lead decrease **6x** after the first 60 minutes.

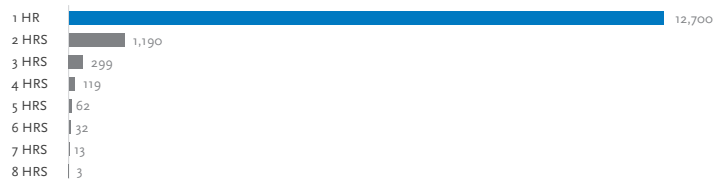
The bottom line:

**Response times to new sales leads should be measured in minutes and seconds, not hours or days.**

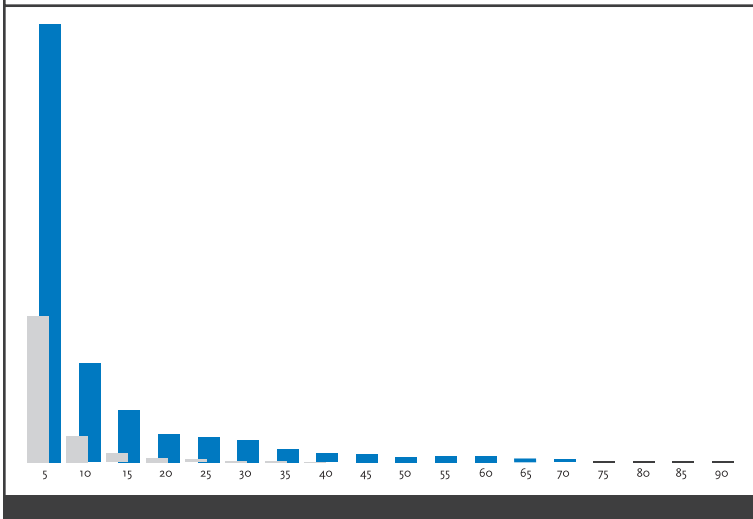
### RESPONSE TIME FROM CREATION BY HOURS: INITIAL DIALS TO LEADS THAT BECAME QUALIFIED



### RESPONSE TIME FROM CREATION BY HOURS: INITIAL DIALS TO LEADS THAT BECAME CONTACTED



### RESPONSE TIME FROM CREATION BY 5 MIN: LEADS THAT BECAME CONTACTED / QUALIFIED ( / )



## THE FIVE-MINUTE MARKER

Winning and losing in sports is often a difference of inches. In lead response management, every second can make a difference. To push the level of accuracy even further, we took the first three hours after a lead was generated and broke it up into five minute segments.

The findings are even more incredible: the odds of contacting a lead if called within five minutes versus even 30 minutes are **100x greater**.

Note too that your odds of entering the Lead into your sales cycle increase **21x** if called within five minutes compared to 30 minutes.



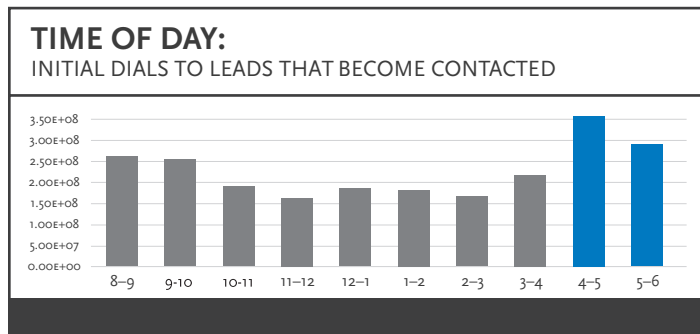
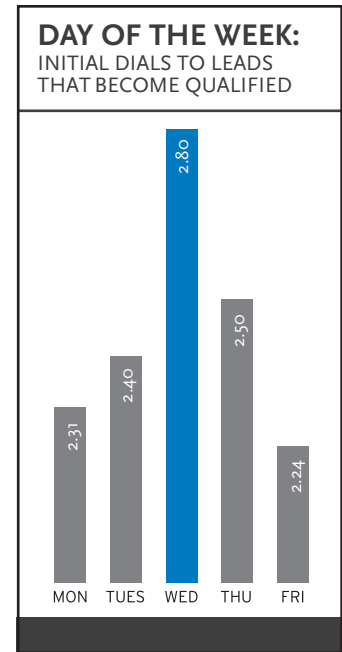
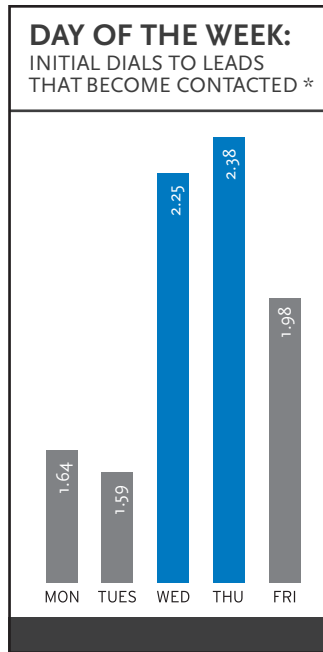
AVOID CALLING DURING LUNCH HOUR, AND DURING THE “MEAT” OF THE WORK DAY WHEN PEOPLE ARE MOST BUSY.



### FOLLOW-UP FINDINGS: DAY OF THE WEEK

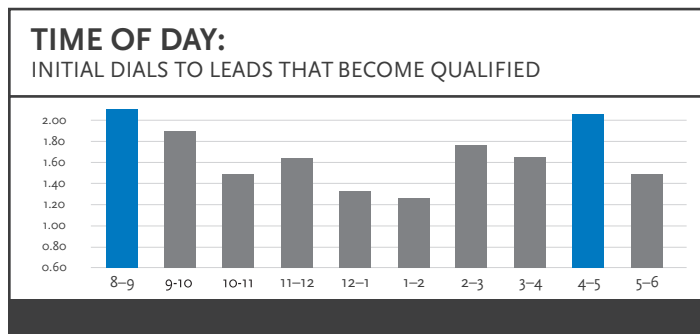
Once you’ve solved problems 1 and 2 (speed and persistency of response), the LRM study shows that if you dig a little deeper, the time of day and day of the week can also play a role in prospecting success. The best days of the week to both contact and qualify a new lead are Wednesday and Thursday.

In fact, a sales rep is **50% more likely** to both contact and qualify a lead on the best day of the week—Wednesday—than on the worst day, Tuesday. Notice too, that Friday is a great day for prospecting to make contact—but your chances of actually qualifying a lead are lower than any other day of the week.



### TIME OF DAY

Want to make contact with your sales leads? The beginning and end of the day are your best bets. Between 4 and 6 PM, a rep has a **114% greater chance** of making contact than at the worst time, between 11 AM and Noon.



To qualify a decision-maker, 8-9 AM and 4-5 PM are the best times, and are **164% better** than calling at the worst time, between 1 and 2 PM.

It seems intuitive, but the data’s conclusive: to have the highest chance of contacting a lead, avoid calling during lunch hour, and during the “meat” of the work day when people are most busy.

**The value of your sales agents’ prospecting time increases significantly if they’re calling at the best times to make contact.**



REAL, MEASURABLE SALES GAINS CAN BE HAD IN A MATTER OF DAYS, OR EVEN HOURS, BY UPDATING A SELECT FEW PROCESSES AND SYSTEMS. CONTACT [INSIDESALES.COM](http://INSIDESALES.COM) NOW TO FIND OUT HOW.



**SINCE 2007, THERE'S BEEN PRECIOUS LITTLE IMPROVEMENT IN LEAD RESPONSE MANAGEMENT PRACTICES.**

**AVOID THE #FAIL.** Solve the riddle of 1) immediate response and 2) persistent response, and gain an immediate competitive advantage in your market. Close more sales, and leverage every ounce of your marketing and sales budget and efforts.

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**TAKE THE SALES CHALLENGE!**

2 REPS → 2 WEEKS → DOUBLED RESULTS

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toll-free: (877) 210-0342  
fax: (801) 853-4089



[www.insidesales.com](http://www.insidesales.com)  
[sales@insidesales.com](mailto:sales@insidesales.com)



34 East 1700 South  
Building A, Suite 113  
Provo UT 84606