Designing a Lead Lifecycle in Salesforce®

A Best Practices White Paper
for Response Management

Better data. Better marketing.

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Using Salesforce® to track your marketing data is a natural choice, particularly if your sales organization is running its operations there as well. However, using Salesforce for marketing has some limitations. Specifically, the ability to track every response from your marketing programs and understanding what happens when they get passed to sales for follow up is challenging. The lack of visibility into follow up on marketing responses makes it hard for marketing to understand which campaigns provide the best quality leads for sales or have the most impact on generating new business. Plus potential opportunities and revenue can be left on the table. At Full Circle Insights, we've experienced these challenges firsthand and have collected a set of best practices in this white paper around designing an effective lead lifecycle to get the most out of your marketing and sales efforts.

To be transparent, this document is a recommendation of best practices that are delivered in our Full Circle Response Management solution. After reading this paper, we hope that you'll want to learn more about us.

Just so we're on the same page, let's start with a series of definitions, then discuss the common challenges faced in marketing and sales operations, and lastly make recommendations for effective use of Salesforce to get the information you need to drive more revenue.

Because a lead—either an Inquiry or a Target—can be represented in Salesforce as either a Lead or Contact record, organizations should give careful thought to how to engage in a consistent and measurable manner with both types of Salesforce objects.

The Words We Use

What is a Lead?

The term "lead" (lower case) has many definitions among different organizations and even within the same organization. For the purpose of this white paper, a "lead" is a set of information about an individual that represents a possible selling opportunity. In this context, a "lead lifecycle" represents the recurring selling opportunities to an individual over their lifetime.

In Salesforce a "Lead" (upper case) is an object where an individual's personal and company data is stored in a single record. This Lead record can be converted into as many as three objects: an Account, a Contact, or an Opportunity. Conversion typically occurs when a Salesforce user qualifies the lead in some manner such as identifying a selling opportunity or detecting that the person is already part of a target or strategic account. After conversion, this individual's data does not show up as a Salesforce Lead record again unless a duplicate is created. For more information on the Lead conversion process please see Addendum A.

For the purpose of our lifecycle discussion let's think of a lead as a person who you want to engage for qualification. A lead generated by a marketing program is often called an Inquiry because the person exhibited some behavior representing a "hand-raise" indicating interest. A lead generated by a sales program is often called a Target because it is usually a "cold" name with whom a sales representative initiated contact. Because a lead—either an Inquiry or a Target—can be represented in Salesforce as both a Lead or Contact record, organizations need to give careful thought about how to engage in a consistent and measurable manner with both types of Salesforce objects.

Much of the following paper is dedicated to discussing how we recommend managing Leads and Contacts in the early stages of the marketing and sales funnels. We will refer to this process of managing Leads and Contacts in Salesforce as Response Management.

Evolving the Lead Lifecycle

The design of your lead lifecycle system is crucial to how your response management process is built. First and foremost, you must move beyond the traditional lead-centric linear model, where leads can only enter your funnel once, to an iterative lifecycle model where you engage with all of the responses in Salesforce, whether the person is a Lead or a Contact. An iterative model reflects your true engagement patterns with people in your database over time and provides complete visibility into how prospects interact with your marketing programs as shown in Figure 1.

First and foremost, it is important to move beyond the traditional lead-centric linear model to an iterative lifecycle model where you are engaging with all responses in Salesforce irrespective of whether the person is represented as a Lead or a Contact.

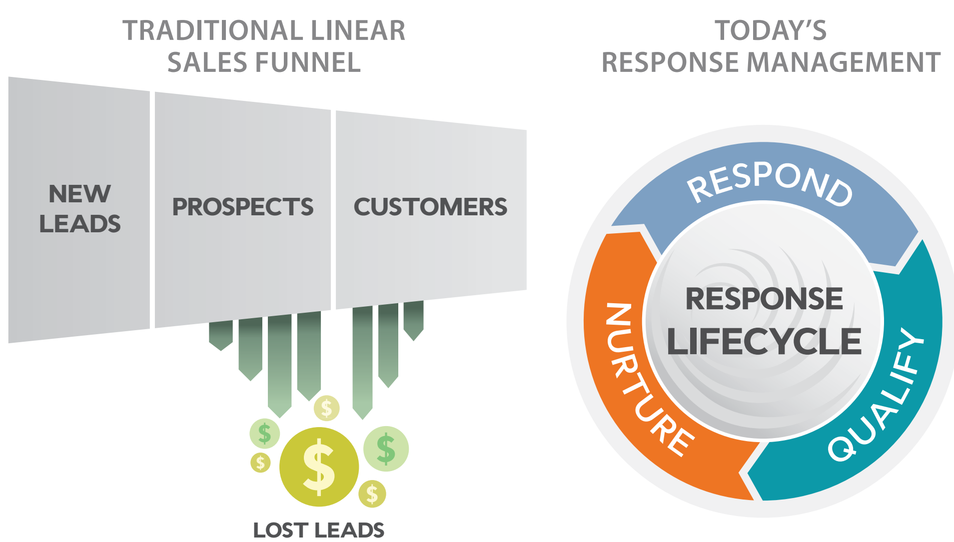

Figure 1. The traditional linear funnel vs. today's response management lifecycle.

The New Name

All records relating to an individual (a Lead or Contact record in Salesforce) are subject to a lifecycle within the Salesforce database. Initially an individual's information is considered new, and flows into Salesforce as a new Lead record either immediately if they fill out a web form for example, or after the lead is qualified and scored through a marketing automation system then sent to sales for follow-up. Sales representatives then engage with the individual and qualify the person's sales readiness. The individual is then either considered sales qualified and converted to an Account, Contact, or Opportunity, or is disqualified and remains a Lead record. Those disqualified Lead records can be categorized into two basic buckets: 1) people you want to stay in touch with, and 2) people you never want sales to engage with again, such as competitors, individuals who will never have a need for your product, or records with bad data.

Your initial sales engagement with an individual is a clear progression. Even if you mature them through nurturing programs prior to the initial sales engagement, at some point the leads are subject to qualification or disqualification.

Your lifecycle design should address how to re-engage with individuals after this initial engagement, whether they remain a Lead record or are now a Contact record.

Many organizations become lead-centric with both their marketing and qualification team metrics because the lead qualification model for new names is very linear, simple, and easy to track. However this model encourages a false emphasis on new names rather than looking at engagement volume across the whole database. Your lifecycle design should address how to re-engage with individuals after this initial engagement, whether they remain a Lead record or are now a Contact record.

The Existing Record

To ensure you don't lose sight of a lead after your initial follow up, you must define rules of engagement for existing names in Salesforce. Once the initial name has been generated, the person is part of your lifecycle eco-system where you will continue to communicate with them in hopes that they become a selling opportunity. This individual's record can exist as a Lead or a Contact in Salesforce, but this is where some organizations will run into problems.

The lead conversion model is very linear and easy to monitor because a Lead is created, assigned to a rep if subject to qualification, and converted if considered sales qualified. A Contact, however, typically does not have a status field and cannot be 'converted', or even qualified in the same sense that a Lead can. Additionally, Lead engagement can be managed through assignments, where only actionable records are assigned to a sales representative for follow up, so you can easily see what a sales representative owns, what records they still need to engage with, and the disposition of those records. In contrast, a Contact record is always owned by a sales representative, so not only are notifications less effective, there is little visibility into required follow-up or aging within the Contact database.

These two factors alone create such a big hurdle for sales development managers to measure and compensate their teams that they tend to only assign and work Lead records, leaving the Contact database to the account representative to handle. Unfortunately, the account representatives that own Contacts are less likely to follow up on a response notification because they are focused on closing open opportunities and achieving quota. This lack of visibility on follow up within the Contact database leaves potential opportunities untouched and money on the table.

Elements of Lifecycle Design

Reports—Define at the Beginning

Before engaging in a lifecycle design, you must identify which reports management and operations require in order to understand the health of the business:

- Which campaigns generate new names?
- Which campaigns generate pipeline or influence revenue?
- How many qualified responses are you generating?
- What is the ROI on campaign performance?
- Are reps following up? If so, when?
- What is your conversion rate through the funnel from Inquiry to Closed/Won?
- Is your demographics profile accurate? Who are you really selling to?
- How do you want to segment and interpret your campaign data?
- Do you need to interpret campaign performance in terms of revenue types? Product lines? Opportunity types?

These reports are critical to your report design considerations. Be sure to get a concise list of reports and definitions before beginning this process.

When Does the New Name Get into Salesforce?

One of the first considerations for lifecycle design is to determine where the new name should reside: in a marketing automation system, in Salesforce, or in both? Some organizations choose to keep a new name in their marketing automation database until it reaches a qualification level for engagement. This may be appropriate if an organization has a free or open-source version of their product and generates a very high volume of low quality leads. If you choose to keep the new name in the marketing automation system, you may lose visibility into some critical metrics:

1. You will not capture the date the name was created unless you use a custom field. The Create Date in Salesforce will not accurately reflect the date you generated this name. Instead, Create Date will reflect the date the name was synchronized to Salesforce from your marketing automation system.

2. You will not capture the complete campaign history in Salesforce. Any marketing campaigns the individual responded to prior to its creation in Salesforce will not be reflected in Salesforce.

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Salesforce CRM is designed to give you a complete picture of your engagement with an individual when data quality is good.

Data Quality

Duplicate Leads or Contacts in Salesforce are a common source of dirty data. You should leverage a system that de-duplicates your data before it gets into Salesforce. Salesforce is designed to provide a complete picture of your engagement with an individual when data quality is good. Marketing automation tools typically de-duplicate based on email address. Other third party tools such as CRM Fusion and RingLead can facilitate de-duplication, and CRM Fusion's PeopleImport tool is good for imports that do not necessarily match on email-only criteria.

Be sure to train your reps to always check for a duplicate before engaging with a record and what steps to take if a duplicate is found. Reps should know which records and fields take precedence and how to merge leads into duplicate contacts.

Scoring

Another consideration for lifecycle design is scoring. You can score leads typically in two ways—outside of Salesforce in a marketing automation system or predictive marketing solution and/or within Salesforce itself. Scoring usually has two components: demographic information (what we know about them, and how well that fits our customer profile) and activity information (what they did). However you choose to score, you will want to keep in mind that many scoring systems are progressive. These systems keep incrementing over time. In other words, at the time of scoring they evaluate all of the scoring criteria so that the score is cumulative.

In a lifecycle system you need to think about scoring as a mechanism to promote a person to sales engagement. When thinking about a person with whom sales has already engaged and disqualified, should they keep the same score? Or should the score be zeroed out allowing them to promote up again to a qualification score? Ideally a person's activity score at minimum should be reset on disqualification so that the individual could be promoted again for engagement. A person's demographic score should either be disregarded after initial engagement, or deprecated so there are additional opportunities to promote back up after initial disqualification. In the latter, the individual would reach the engagement threshold sooner if their demographic score is higher, as shown in Figure 2.

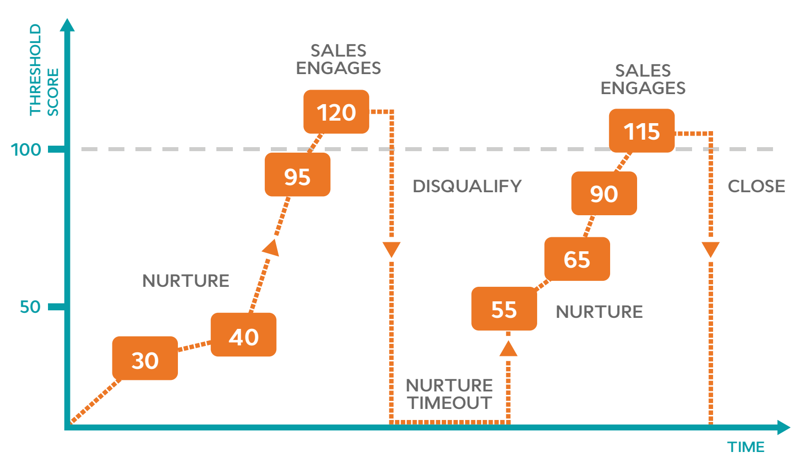

Figure 2. Example of a scoring cycle. In this example, scores increment as an individual responds to campaigns and sales engages with the prospect at a threshold score of 100. When disqualified, the score is reset to zero and then it resumes incrementing after a nurture timeout period. This scoring model supports an iterative nurture and qualification cycle.

Response History—What Did the Person Do?

You'll want to think about what meaningful information you want to store in Salesforce that allows sales representatives to understand what a person did. Keep in mind that you don't want to clutter the application with every marketing touch point. Typically, a sales representative doesn't want to see 20 outgoing email campaigns. Instead, they want to understand what forms were submitted and what key assets a prospect engaged with. The Salesforce Campaign object is an excellent way to track user responses because it supports both Lead and Contact records. Usually a rep will want to understand what action is prompting follow up and what additional activity the prospect has engaged with. For example, a rep may follow up with all live webinar attendees, but after the webinar, some individuals may have downloaded a white paper or participated in a free trial. See Figure 3.

You'll want to think about what meaningful information you want to store in Salesforce that allows sales representatives to understand what a person did.

Campaign History | Add to Campaign | Campaign History Help

Action	Campaign Name	Response Status	Response Date	Response Score	Net New Name	MQL
Edit | Del | View	Huge Industry Conference	Resolved - Already Engaged	6/30/2015 11:07 AM	175		
Edit | Del | View	Business Week Ad	Open - Not Contacted	6/24/2015 1:05 PM	135		✓
Edit | Del | View	October Monthly Newsletter	Resolved - No Action Required	3/13/2015 11:07 AM	95		
Edit | Del | View	Forbes Ad - C	Resolved - No Action Required	1/14/2015 11:07 AM	14	✓	

Figure 3. This campaign history example from Full Circle Response Management shows individual actions over time. In January, the respondent was a net new name when they responded to a Forbes ad. The initial score was set to 14. The response status was set to Resolved – No Action Required because the respondent's score was below the 100 threshold. Then they responded to a second campaign also below the score threshold.

The response to the Business Week Ad, caused the score to exceed the threshold score of 100 which made them a marketing qualified lead (MQL), and the response status was set to Open – Not Contacted. This campaign is the campaign which tipped the individual to a sales engagement, became the active response that sales works on, and the campaign that is credited as the tipping point campaign for any subsequent revenue attribution. The individual also attended a huge industry conference which incremented the score, but because sales was already engaged with this person, the response status is set to Resolved – Already Engaged.

Facilitating Engagement

You may also consider providing sales reps with additional information they can use in following up on a response. Making it easy to see the offer, and the recommended follow up facilitates sales and improves communication between sales and marketing.

Nurturing—Some Considerations

There are two points in the response lifecycle for nurturing activities:

1. When the name is new—You may wish to nurture before you send the lead to sales if your response volume is high and the source of the names is low quality.

2. After sales engagement—whether disqualified, or sold to.

Many organizations prefer not to nurture prospects that sales representatives are actively engaged with, either in the qualification or selling process.

How Do We Know Whom to Nurture?

You need clear ways to understand who is eligible for nurture activities. Many organizations prefer not to nurture prospects that sales representatives are actively engaged with either in the qualification or selling process. Avoiding nurture with engaged prospects is typically managed by looking at the status of the record in Salesforce. For example, with Lead records you can assess the Lead status or Lead owner field. On the other hand, understanding the current engagement with Contacts will require creating and maintaining a process around a custom Contact status field that indicates your engagement level with the company.

In addition, you may wish to exclude current customers from promotions for products they already own and instead target them for up-sell, cross-sell, or renewal campaigns. Make sure your data in Salesforce supports this type of segmentation and that your marketing automation system is capable of supporting these complex nurturing requirements. See Figure 4 for an example.

EMAIL DRIP PROGRAM

Figure 4. A segment of a drip nurture program. When a lead has been disqualified, it enters the drip program. There is a pause in contacting the Contacts and the list is filtered by several key criteria prior to sending the first email.

Disqualification Feedback

In the lifecycle design, we recommend adding the ability for sales representatives to give feedback on why an engagement was disqualified. Ideally this is done using picklists in Salesforce to facilitate reporting. Disqualification should fall into two high level categories: those you will continue to nurture, and those you will not engage with again (junk, bad name, competitor, etc.). You can use disqualification feedback for refining demographic and activity-based scores.

Nurture Time-Outs

Nurture time-out is a mechanism that facilitates a forced "time-out" after a sales representative has completed a sale or disqualified the Lead or Contact. The nurture time-out inserts a wait time and prevents a name from returning the next day or next week to a sales representative when that person engages in a qualified activity. Below are a couple of concepts to think about when implementing nurture time-outs:

1. Determine if you want time-outs—how long they should be and if there should be different time-out criteria depending on the disqualification reason.
2. Ensure that certain behaviors will bypass time-outs—for example, a contact form from the website should always drive engagement even if the person is in a nurture time-out.

Nurture time-out is a mechanism that facilitates a forced "time-out" after a sales representative has completed a sale or disqualified the Lead or Contact.

Returning from Nurture

Salesforce Leads and Contacts are, by default, in a nurture state prior to sales engagement. This is true whether the name is new or existing or whether it's a Lead or Contact record. You will want to consider who owns Leads and Contacts when the record is in a nurture state. Leads in nurture state can be owned by a Nurture Queue or can be set to a status that sales representatives ignore. Queue ownership is not possible with Salesforce Contact records, so they must remain owned by a Salesforce user.

Be sure to define how a record returns to a sales representative from a nurture state, and what types of notification and visibility will support reengagement. As a Lead or Contact, returning from nurture state can involve an ownership change, notification or status update, or a combination of all three. Be sure sales representatives understand that these records are just as valuable as a new name so that they follow up on all records requiring engagement—not just on the new names.

If you are re-assigning Leads and Contacts, be sure you are clear on who owns a record. For example, if a sales representative previously engaged with this record, does it have to return to the same sales rep? If so, how will you handle assignments if that sales representative is no longer at the company?

Rep Visibility and Aging

You will want to ensure that your system can do the following across Lead and Contact records in Salesforce:

1. Assign or notify rep that they should engage
2. Have clear visibility into rep follow up and response aging

Sometimes organizations resort to creating tasks on Leads and Contacts to gain this type of visibility. Depending on the volume, this may not work well because it obstructs a sales representative's ability to manage their schedule. Be sure to get sales to agree to auto-task creation before doing so.

Creating Opportunities and Campaign Attribution

When a Salesforce user creates an Opportunity from the left-sidebar "Create New" drop down, from Quick Create, from an Account, or from the Opportunities tab, Salesforce does not associate these Opportunities with a Campaign and no revenue from these Opportunities will be attributed to any Campaign.

If you want to attribute revenue to Campaigns in Salesforce you need to be aware of how the primary Campaign is associated with the Opportunity. Revenue attribution is associated under two conditions:

1. During Lead conversion, revenue is attributed to the most recent campaign touch.
2. If the Opportunity is created from the Contact record using the "New Opportunity" button, then the revenue is attributed to the most recent campaign touch.

However, when a Salesforce user creates an Opportunity from one of the following four ways:

1. From the left-side bar "Create New" drop down,
2. from Quick Create,
3. from an Account, or
4. from the Opportunities tab.

Salesforce does not associate these Opportunities with a Campaign and no revenue from these Opportunities will be attributed to any Campaign. This limits your ability to understand how marketing influences pipeline and revenue or how revenue is attributed to different campaigns. The lack of visibility here not only impacts your campaign attribution, but also affects key metrics like campaign or channel ROI.

If you clone an Opportunity, the primary Campaign associated with the original Opportunity will persist, but this may not be the correct attribution. Consider whether or not to allow sales representatives to clone Opportunities. In addition, consider how you want to manage campaign attribution for system-generated Opportunities, if you have them.

Keep in mind that the default behavior in Salesforce, when associating a Campaign to an Opportunity, is to attribute the most recent Campaign, which is not necessarily a response from your prospect. For example, the most recent Campaign could have been an outbound email Campaign that was never opened by the recipient. You may want to consider using Campaigns only for inbound responses or leveraging a solution built on the Salesforce1™ platform like Response Management to make sure you get visibility into every campaign that touches an Opportunity.

The Big Picture

In this paper we've described some challenges and recommendations for managing the responses to all your campaigns whether they originate from marketing or sales activities. If you consider all of these elements in your lifecycle design for response management, you will be able to achieve the following:

- Understand your engagement level and who should be nurtured
- Ensure that you are nurturing and qualifying your whole database including both Leads and Contacts
- Gain visibility to sales representative follow-up and increase the number of revenue opportunities
- Leverage a mechanism for engaging with existing records
- Empower sales to give feedback on quality to help all teams work better together
- Derive meaningful, actionable management reports

All of these results can only improve sales and marketing operations, increasing revenue and margins all along the way. If you would like to see how we've addressed these issues, contact us for a demo of Response Management: www.fullcircleinsights.com/schedule-a-demo.

Addendum A—Lead Conversion in Salesforce

A Lead contains information about a person and their company. During conversion a Lead can be converted into as many as three records: a new Account, a new Contact and a new Opportunity. Field values previously stored within the Lead record will be transferred to the new records you create. For example, company information on a Lead record will now be on the new Account record you created.

During conversion you can associate a Lead to an existing Account and even an existing Contact. In fact, if you have a duplicate Lead and Contact, the only way to merge those records is to convert the Lead to that existing Contact. Creating an Opportunity during conversion is optional but if you know there is a selling opportunity, it is best to create it during conversion.

The decision to convert a Lead will depend on your company's criteria for conversion—typically at the point of qualification as defined by your company.

When a Lead is converted it is no longer available for editing or viewing. However, keep in mind that you can access converted Lead information through reports.

About Full Circle Insights

Full Circle Insights provides Salesforce users a complete marketing performance management solution answering their marketing questions in one place. Our solutions help drive more revenue from every campaign with best practice response lifecycle management, powerful weighted campaign influence models, and comprehensive marketing and sales funnel metrics. Built 100% on the Salesforce1 platform, our products are compatible with the leading marketing automation solutions. Founded by former CRM executives, product managers, and marketing automation specialists, our team is passionate about giving marketers the answers they need to optimize campaign performance, plan with confidence, and grow revenue.

Learn more at **www.fullcircleinsights.com**.

Better data. Better marketing.

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