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Lead Scoring Simplified: 5 Steps to Get Started with a Scalable System

Maybe you haven't decided on the right criteria to prioritize your leads. Or maybe you've stumbled over trying to explain the differences between explicit and implicit data to your sales team. Either way, if you're one of the many marketers who have yet to implement a lead scoring system—don't worry; you're not alone. Recent research shows less than half of BtoB marketers are currently scoring leads.

Lead scoring is ranked as one of the most difficult functionalities within a marketing automation solution, largely because the model involves several variables that are influenced by both sales and marketing functions. Demonstrating this complexity, a common thread heard from companies that have an existing lead scoring system is that they have gone back and reworked their scoring system several times before they land at the right model.

One of the most important things to keep in mind for companies looking to launch or rebuild a scoring system is that there is no quick fix or silver bullet solution to scoring. While the early discussions around lead scoring focused on the benefits of shortening sales cycles by prioritizing the prospects who are ready to close, the reality is that scoring can have a much bigger impact over the lifecycle of a lead when it works in conjunction with lead nurturing practices.

Successful lead scoring is rarely based on a singular event. There are very few instances where a CIO shows up at your site on a Monday, downloads a white paper and then makes a series of other actions to trigger a sales call, which leads to a closed deal on Friday. The more likely scenario is a CIO anonymously spends time on your site the first go-around. Then that CIO may come back the next week and download a white paper. After digesting that information, that CIO may eventually provide the demographic details and budgetary signals to become designated as a sales qualified lead.

When executed properly, lead scoring is really **about engagement, not conversion**. Profiling and tracking leads based on a combination of factors, such as activity and demographic data allows you to **Identify and prioritize** those prospects demonstrating buying behavior Tag high-value contacts who need more follow up to warm them up for a sales call.

In order for **both activity and demographic scoring** to work, companies will often re-score contacts and also adjust their overall weighting metrics based on shifting market conditions.

In order to help companies get started on a simple and successful path to lead scoring, we have put together the following five tips to prime both sales and marketing for success.

1. Keep It Simple with Realistic Goals

The worst case scenario for marketing is trumpeting the value of lead scoring and then continue having to turn over suspects lacking the maturity or authority to get a deal done. We recommend marketers start out with a trial lead scoring program based on simple numeric criteria that factor in key demographic and activity information.

For example, a company can assign numeric values to various activity and demographic factors based on the path of recent customers. Consider this model:

Activity-based Scores:

Attending a webinar	(1 to 10 pts)
Downloading a white paper	(1 to 10 pts)
Multiple visits to Website	(1 to 10 pts)
Viewing an Online Demo	(1 to 10 pts).
Requesting pricing information	(1 to 10 pts)

Demographic-based scores:

High-value title (CXO)	(1 to 10 pts)
Rep from key prospect company	(1 to 10 pts)
Key industry prospect	(1 to 10 pts)
Geographic location	(1 to 10 pts)
Company size by revenue	(1 to 10 pts)

The criteria can be weighted to match your company's hot buttons, with a higher point total given to a demo than a white paper download, for example. Many companies are having success by putting **increased focus on activity-based scores** over demographic scores. Demographic data can be unreliable, as respondents often use a false title or leave that part of the form blank. Activity reporting is transparent and can reveal the real interest of an anonymous buyer.

A lead scoring system is only as good as the underlying data driving it, so emphasizing activity-based scoring can also help to make sure a **company won't miss a lead due to inaccuracies** in their database. Imagine a CIO from a Fortune 500 company is spending time on your site and opening your emails, but your database has that firm filed as a $10 million company instead of a $10 billion firm. Ultimately, using a combination of activity-based and demographic scoring will produce the best results.

2. Build a System That Can Scale

In many cases, it helps companies to work backward and determine what an ideal sales-ready lead looks like first. Then they can develop processes for identifying those prospects at an early stage and nurturing that contact to a point where their demographic profiles and activity signal that they are ready to be handed off.

While BANT (Budget, Authority, Need and Timing) still represent a great model for prioritizing ready buyers, an engagement-based scoring model can also identify AINT(Authority, Interest, Need and Timing). Since many buying cycles have been delayed during the recent economic downturn, BtoB organizations can successful identify and prioritize the prospects who are qualified and likely to buy but still need some hand-holding.

In this model, "future likelies" —the right executive at the right company with interest in your solution— will be put on an accelerated track with the goal of helping them secure the Budget and Timing components of the BANT equation.

A multi-level scoring approach allows your marketing department to:

- Test different weighting levels
- Blend scoring and activity metrics to demonstrate heightened engagement
- Prioritize those prospects who appear ready to be handed over to sales.

Multi-level scoring also allows you to increase the complexity of your model as you can gain a better understanding of your prospect behavior and map that to the buy cycle.

3. Make Scoring a Shared Sales & Marketing Process

Alignment around an effective scoring model starts by defining what an ideal prospect looks like and establishing what questions need to be answered before that prospect is turned over to sales. Rather than asking sales to start from a blank page, it is often helpful to ask them to simply fill in the blanks for the ideal leads.

Depending on your industry and product category, the process for defining the demographic profile of an ideal lead might look something like this:

Industry Verticals: Financial Services, Insurance, Professional Services
Target Titles: CFO, VP Procurement, Director of Finance
Company Size: $100 million and above; 50 employees and above
Geography: North America

Once you've established the profile for model leads, the next set of questions comes with what questions/criteria need to be checked off before they are contacted by sales. **Budget, Authority, Need, Timing** are common items salespeople look for to consider a prospect a qualified lead; but this may not be realistic given that, in many cases, reliable BANT information isn't attainable from anything less than a sales call.

This is the point where tracking activity comes into play. For example, some salespeople look to immediately engage with anyone who has visited a pricing page, watched a demo or accumulated a total number of visits or page views. A balance must be struck between sales and marketing to maximize use of the prospect information they do have and structure an appropriate engagement strategy.

While **multi-level scoring** may deliver a list of prospects who meet a company's criteria, organizations with the ability to share **real-time alerts** across sales and marketing have the ability to see and react to "new" visitors with low activity scores or low scoring titles from a prospective customer. They can be especially powerful in cases where a lower-level title is collecting information for a CXO. Consider this example:

> Activity-based scoring identifies and prioritizes a visitor who has clicked through on several emails, viewed multiple pages on the Website, and then downloaded multiple white papers.
>
> After being alerted to this activity, although the title doesn't meet profile criteria, the salesperson engages the contact and finds that research is being done on behalf of a high-value CFO. By contacting the assistant at the right time, a demo is scheduled with that CFO and the deal is closed two weeks later.

4. Close The Loop On All Leads

Disqualifying leads may not be as sexy as identifying ready buyers, but the process of scoring those raw leads that require more nurturing is often more important to the long-term success of a lead scoring program than the quick wins. The process of scoring all raw leads helps to ensure that early stage leads are **returned to marketing** for ongoing education. Rescoring also allows marketing to slide a contact downward when they become inactive and their information ages.

The ability to rescore contacts as they respond to drip marketing messages often helps a company analyze the impact of various lead types in converting raw leads in to qualified opportunities. The ongoing dialog between you and the prospect also helps to establish continual feedback, which will in turn support further updates to the metrics within your scoring system.

For instance, if 50% of your most recent customers came through a webinar program, you may want to adjust the score for that webinar and give a heavier weighting. Everyone in the database who viewed the webinar should be re-scored—typically driving more qualified prospects to sales. In the Web 2.0 world, the buying process is not static, and marketers need the ability to size up which efforts are providing the strongest contribution to sales.

5. Provide Accurate & Understandable Reporting To Sales

Once you have tested a few different scoring models and are able to share insights, make sure that sales has a clear understanding of how the scores were developed and how different activities **may change that score** in the future. Providing this kind of feedback to sales is where simple A, B, C or 1,2,3 rankings fall short and don't really tell the story of changing buying behavior.

While it is important to factor in a combination of activity and demographic based data into your scoring, it is equally important to provide imbalanced insights to sales. For example, with a scoring system with imbalanced weighting, you could end up with the following scenarios:

VP of Finance registers for a White Paper = 50 points based on demographics
Same contact only visits home page = 1 point for web activity
Total Score = 51 points

Executive Assistant registers for White Paper = 1 point based on demographics
Same contact visits 5 pages on Web Site = 50 points for Web activity
Total Score = 51 points 50 for 51

If the threshold for passing a lead to sales was 50 points, sales would not have enough information to consider either lead qualified.

However, with proper weighting of activity and demographic scores, a truly qualified lead would likely be a combination of factors, such as:

IT Director registers for White Paper = 25 points
Clicks through email and visits 4 Web Pages = 26 points
Total Score = 51 points

In this final scenario, the contact likely has the authority to make a buying decision and is clearly displaying buying behavior so this lead should be gladly accepted by sales and will likely convert into an opportunity.

Conclusion

It is important to keep in mind that lead scoring is not a one-size-fits-all practice; it **requires customization to work effectively** within each company. However, using pre-set criteria to weight your raw leads will increase the odds that you will identify prospects who are actively engaged in the buying process.

Routing these qualified leads to sales in a timely manner can not only increase the efficiency of your sales team, but it will also identify the raw leads that need further engagement. Once the hard work has been completed, lead scoring can have a huge impact on the overall success of your demand generation efforts. It can validate marketing's impact on the pipeline and also strengthen alignment between sales and marketing.