

Lead Generation 101

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Sample of Content:

Once you get your streamlined sales force up to speed, it's going to need more people to talk to. Leads! We need more leads. Who hasn't heard that recently? Learn hard hitting ways to get more leads into your business.

Content:

Part seven of a series on Turnaround Tactics

Once you get your streamlined sales force up to speed, it's going to need more people to talk to.

You already have a lead generation program in place. But is it working? Is it sufficient? Probably not, otherwise you wouldn't be reading an article called "turnaround tactics." So you have to stoke the lead machine.

Step one is to decide what a lead is worth to you, so you can know what to spend on getting one. Do you know the lifetime value of your typical customer? Do this calculating for revenue and profit: add the initial sale plus all subsequent add upsells, resells, back-end products, over the entire life of your customer. Average this across your customer base, and voila - lifetime customer value. Your fist sale may be \$50,000, but with service alone over five years that figure will double. Throw in an upgrade, and two further product sales down the road, plus some consulting fees - the number could exceed \$250,000. But don't use these estimates - do the math and find out.

You also need to know your conversion ratios. How many suspects make a lead, how many leads make a new customer, and so on. Break down your conversion ratios by lead source, as your customers from referrals will typically convert better than public speaking leads, which will convert better than trade show leads, and so on.

Combine cost per lead and conversion ratios and you know what the cost of acquiring a new customer is. Which tells you how much you can spend to get that customer, as well as which lead sources are most efficient. Now you know what to do more of, and what programs to kill off.

It's time to add new programs.

In truth, there are a fairly limited number of ways to get new leads. The typical-and generally effective methods include:

- * referrals programs
- * endorsement programs
- * direct mail
- * direct email
- * web site promotion (both search engine and pay-per-click)
- * advertising (all forms: print, radio, TV, web, email, billboard, skywriting, you name it)
- * telemarketing
- * by-lined articles, editorials and other press mentions

- * public seminars, conference and association public speaking
- * trade shows
- * lead swapping
- * couponing
- * directory listings and,
- * joint ventures and strategic alliances.

Of course there are other more exotic ways to generate leads, and I'm sure you can come up with your own.

In addition to the programs you already have in place, your next move will be to start testing new systems. Some of the fastest ways to generate leads are based on your existing relationships: affiliates, strategic alliances, endorsement programs and referral programs. I would try these first. And if you are a good public speaker, I'd look to get out in front of your target market with a smart message. Now that you've honed your selling proposition, this should be easy.

Pick two programs and track very carefully. If one work wells and cost-effectively, increase your resources for this program. If they don't perform, kill them quickly and try another approach.

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