

## “Lead Nurturing” Interview

Interviewer: Paul Gladen / Guests: Jeff McKay & Chris Aitken

January 9, 2013

**Paul Gladen:** Hello everyone. This is Paul Gladen, partner with Muzeview. And, I'm here today with Jeff McKay, of Prudent Pedal, and Chris Aitken, one of my partners here at Muzeview. Prudent Pedal is a marketing consulting firm that helps professional services firms drive profitable long-term growth. The firm supports firms who want to grow but do not have the resources to deliver a strategic marketing approach. Jeff's strategies have helped the world's top professional services firms achieve industry leading growth rates, optimize marketing investment, and maximize brand value. Jeff was the SVP of marketing at Genworth Financial, the global marketing leader at Hewitt Associates, and held senior roles at Towers Perrin and Andersen. At Muzeview, Chris helps our clients achieve practice growth by helping those firms and their professionals focus on industry trends and their clients' critical business issues. Prior to joining Muzeview, Chris was a partner with senior client facing and management positions with Arthur Andersen, KPMG Consulting, BearingPoint, and LECA. Welcome gentlemen.

**Jeff McKay:** Hi Paul.

**Chris Aitken:** Hi Paul, good to be here.

**Paul:** So, today we are going to be talking about "lead nurturing" and its role in professional services. So, Jeff, perhaps you can get us started and define, or set out, "What do we mean by lead nurturing and why is lead nurturing different from lead generation?"

**Jeff:** Great question to start off. I think most people probably wouldn't differentiate between the two, because they are kind of opposite sides of the same coin. For me, lead generation, it's more focused on the immediate "buy & sell now". It's about identifying targets with budget and buying authority, and a need to fix a problem, and a timeline to do that, where lead nurturing is much more about meeting a client or prospect where they are in their buying process. And we can get into more detail about that, but I guess the bottom line is nurturing is about meeting the prospect where they are, not where we necessarily want them to be.

**Chris:** It feels Jeff, too, that the whole difference sort of boils down to...are you looking at a single interaction and trying to get value from that client or prospect the first and only time they come to your site, or are you looking to establish yourself, as you were saying, as a trusted source of good content and good authority information, because you're providing them with things of value over a period of time.

**Jeff:** I think that's a great way of looking at it. It is, I believe "lead nurturing" is more consistent with the way the best professional services firms work, and that's around trusted relationships.

**Paul:** Presumably, Jeff and Chris, that sort of reflects that professional services is selling a complex, sophisticated service to their clients. So, it's a complex sales and complex buying process?

**Chris:** That's right. The thing that's interesting is professional services is this sort of intangible good, in most instances. So, the person, who is buying a service from you, is inherently having to trust that you will have the ability, and the skills, and the knowledge to deliver. And one of the interesting things becomes the way to demonstrate that, or at least one of the ways of demonstrating that is through your thought leadership efforts.

**Paul:** Right.

**Chris:** So, in effect, it becomes a method on the front end, by which you can establish your relationship, if you don't already know the client, but you can also then, even with existing clients demonstrate knowledge in a new area, or demonstrate knowledge of an emerging trend or an emerging opportunity for your clients.

**Paul:** Okay. So we've started looking into what lead nurturing is here and some aspects of that. But, why should firms care about lead nurturing. I mean, firms are often sort of pulled in many different directions with their marketing and business development. Why is this something that they should be focusing some attention on and putting some investment into?

**Chris:** It's a good question, Paul, because really what it comes down to is...if you're only focused on lead generation, that client or prospect might hit your site at a point where they, themselves, are not ready to buy anything immediately. Without lead nurturing, leads fall through the cracks, because you end up squandering the investment you make in lead generation, if you have no way of continuing to nurture and develop the relationship that you have with that prospect over a point of time until they've learned enough, or until they know enough, to be in a position where they're, in fact, qualified to give to a partner, or another business development or sales professional. Jeff, this is one of the things we've talked about, previously, where it's a source of pretty big disconnection between marketing and business development, right?

**Jeff:** Yeah, I think that's spot on. We've already talked a little bit about the importance of building relationship. But, for me lead nurturing, really, is about having the most effective and efficient sales and marketing operation you can have. I'd love to share a couple of quick stats with you that, I think, really make the business case for lead nurturing. Nurtured leads have a 23% shorter sales cycle. I don't know any firms that wouldn't like to move their pipeline along in a shorter timeline. 9.3% of firms achieve higher sales quota. I don't know many partnerships that wouldn't like to have more of the partners, and those people with revenue boogies, hitting those at a higher level. I think that lead nurturing and focusing marketing around helping partners and business developers be more effective, like just these couple of simple stats say...make it imperative that firms are looking at this. I think there needs to be a fundamental shift in marketing and professional services firms from all this brand building and brand awareness to a focus on lead nurturing, because, I think, it just fundamentally shifts the tactics and focus of your sales and marketing organization.

**Paul:** So, Jeff those are some pretty compelling stats. What sort of different, or what are the techniques and processes, that lead nurturing use that, sort of, delivers that result and

differentiates from what we might call the random acts of marketing that the many firms are currently engaged in.

**Jeff:** I think there are several. They really need to work together. I think that's the key, and I think that's why so few organizations do it well. But, I think first and foremost, and Chris alluded to this when we began the conversation, is it's really about aligning your content, your thought leadership, your marketing, to the way buyers buy. And, I think most firms do a really good job with their thought leadership about introducing new issues into the market place. But, moving them from that awareness of the issue through the way they approach the buying decision within their company culture, or their unique buying process, is where we, normally, kind of skip a lot of steps and then jump straight into proposals. So, I think, really adjusting the delivery of our messages with when and where they want that information. So, that's number one. Number two, you cannot do that unless you have a technology platform that enables that. And, that's kind of a three-tiered platform. You need a content management system, you need CRM, and most importantly you need marketing automation that is really triggered by that client or prospect's interaction with that information. And then, third, and I alluded to this a little bit earlier, is a different focus on what you're measuring and what your expectations are for marketing. When you align metrics with producing qualified leads, it really changes behavior of the team and the tactics that they're using to nurture those leads, build brand, and in the end, drive revenue for the firm.

**Paul:** And Chris, I know marketing automation is something you've spent quite a lot of time looking at and thinking about. What are some of the things that firms should be thinking about as they look at that as a tool to help them do this as Jeff has outlined?

**Chris:** Well, I think even before you step into the question of the technology itself, it's getting agreement internally on things like... "What is the definition of a qualified lead?" So, at what point should a lead that's working its way through your various systems and content programs be given to somebody in business development or sales? And there are a number of factors that could come into that. It could come into their title and level, whether they're an influencer versus the decision maker, what sort of time frame they're on, what sort of budget they have available. But, getting an agreed upon definition of "qualified" is an important place to start. Then secondly, the point that Jeff was making a minute ago about the three tiers of content, CRM, and automation. It's understanding, and this doesn't have to be very complex, but it's understanding what kind of path would you like somebody who's expressed interest in a particular topic area, or in a particular service line, or a particular business issue. What path would you like to lead them through? So, the key to automating this stuff is to have clear in your own minds what is an ideal set of paths through your content, through interacting with your professionals, whether it's on webinars, whether it's reading white papers, whether it's them coming to events. There are many choices there, obviously, but the marketing automation is only most effective if you already know what it is you're trying to automate, and you've thought carefully about the common conversion paths through your site and through your content. And then, I think the third thing is the actual technology, itself. There are players at different ends of the market. This is becoming increasingly affordable even for small and midsize firms, because the large firms obviously have the benefit of armies of marketing and business development professionals who can potentially

do some of these things manually. I think one of the advantages for the small or medium firms, that perhaps don't have the same resources, is that for only a few hundred dollars a month they can have a tool that makes them operate and have the same reach and marketing outreach scale as firms with much higher resources. So, there are a couple of things, at least, to think about.

**Paul:** O.K., and Jeff, Chris has set out a few things there in terms of getting started. What else would be important for firms to think about that are, sort of, embarking along this path? And what's a sensible time frame? And what are some sensible milestones that would help them get a sense of whether they're succeeding with their efforts?

**Jeff:** I think Chris made some really good points. And, I think our listeners should really pay attention to the points that he made, because what I'm seeing is they tend to underestimate what's involved in this. And, the counsel to start slow is really important. An approach like this, using marketing automation and lead nurturing and developing the content that enables that, it takes time. There are very specific type of capabilities that you need, and I think, often times, if firms do this, they jump in too quickly, and they don't think about the structural and cultural changes that have to take place ahead of implementing anyone of these technologies or strategies. So, I think that's great counsel to say..."Really think about where you want to go and what's it going to take to get there?" And, if you've never done this before, it makes sense to do research around what's involved. But, start small, for sure. And, where you start, really, will be dictated by your culture, and the resources, and the capabilities you're starting with.

**Chris:** Building on that a little bit, one thing that people should remember is that, in most instances, clients and prospects aren't just coming to your website through your homepage. It's far more likely that they will have found you through Google, and deep-linked somewhere deep inside your site. So, the question is if they land on a blog post, or a white paper, or on an event, or whatever, what are you going to do from that point forward? Now, that you've got their attention in that moment, how do you get them to take the next step of engaging with your firm? And, I agree with Jeff that you need to map all these things out and think about simple, early steps. But, the trick is to pilot some simple things, measure the results, and then refine. The key is to not allow yourself to get overwhelmed, so that you end up doing nothing, because these tools do make it relatively straightforward to start in very simple ways. So, it could be as simple as somebody who's come in, in a particular topic area, and downloaded a white paper. There could be a predetermined sequence of what e-mails, what videos you're going to push towards them, what events you're going to invite them to. It could be as simple as that as a starting point.

**Paul:** Right. Chris, so I think you make a really good point there about people arriving deep in your website, but also about this question we started with in terms of the distinction between lead generation and lead nurturing. So, you've done something effectively to generate a potential lead that's triggered someone to come to your site. What have you done to make sure that you, now, almost, sort of, give that potential lead the option and have them give you the permission to enter into this nurturing phase? It's a really good example, this transition from lead generation to lead nurturing. This has been a really good discussion in terms of setting out what lead nurturing is and what some of the steps are that people are going to need to take. Before we wrap this up, do

either of you have a closing thought or two that people should take away as they think about how to make this work inside their organization.

**Chris:** I guess my thought would be that these things are very well suited to experimentation. So, I would pick a single practice area, or pick a single topic, and be in a position where you can experiment on a small scale before trying to roll something out, across multiple practices or across the whole firm. And, the second thought that I'd provide is that different people inside your organization will react to these kinds of programs with different levels of skepticism or enthusiasm. Rather than trying to convert the people who express skepticism, I'd focus on finding the early evangelists, so to speak, and actually measure and generate results with those people inside your firm. You'll then have success stories that you can use to build support across the rest of your organization.

**Jeff:** And Chris, I think that second point is an excellent one. I've seen that play out a lot of times. So, I think that's a very important point. I think, traditionally, professional service firms have just emphasized branding so much, and there just needs to be a shift away from allocating so many resources to just brand awareness and brand building. And, shifting some of those resources into some of these other technologies and capabilities is, I think, a reasonable and doable transition. I think, longer term from a strategic perspective, unless you are moving your marketing organization towards lead nurturing, I think you're sub-optimizing your marketing investment, because you're left with two choices. The first one is, this kind of broad based branding which gives you scale, but it's not personalized to the buyer's journey that we've talked about. Or, you go to kind of pure one-to-one selling and let the consultants, lawyers, accountants make the contacts. That's more personable, but it's not scale-able. Lead nurturing gives you a balance of the two, and I think, that's what really allows marketing organizations to be much more effective, much more efficient, and more importantly, and consistent with the cultures of the firms, more relationship-oriented.

**Paul:** Great Jeff. I think that 's an excellent point to finish on both in terms of the return on the investment, marketing being able to demonstrate return on investment, and that relationship point is, clearly, something that should resonate with professionals inside of these firms. So, Jeff, Chris, thank you very much, indeed, for the insights you've shared today. I think lead nurturing is a topic that we're going to hear plenty more about in the professional services space over the next 12 months and beyond. So, hopefully, this has been a good introduction and discussion of some of the key issues. Thank you very much gentlemen.

**Jeff:** Thank you, Paul.

**Chris:** Thanks a lot, Paul.