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## Case Study: Telus B2B Marketing Demonstrates The Value Of Lead-To-Revenue Management

Taking A Holistic View Of Managing Demand

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### EXECUTIVE SUMMARY

In the evolving economy, the Telus Communications B2B marketing organization found that it was more important than ever to crystallize the value of marketing's contribution to the bottom line. The management team evaluated key processes and practices, realigned the department, and implemented new processes, practices, and technologies to meet business goals and demonstrate the contribution of marketing. These efforts have resulted in an eightfold increase in the lead-to-close rate.

### SITUATION: THE ECONOMY AS A CHANGE AGENT

Telus Communications is a leading national telecommunications company in Canada that provides a wide range of communications products and services to consumers and business, including data, Internet protocol (IP), voice, entertainment, and video.

Economic pressures led to the consolidation of Telus' B2B marketing communications resources into a single shared services organization serving multiple business units. The marketing management team realized that, as a shared services organization, its success would be measured by the contribution it made to its business-unit clients' profitable revenue growth. The team knew that marketing accountability would be front and center; however, it had no way to attribute revenue to marketing, and it was possible that sales was not even acting on up to 95% of the leads that the team generated.

The Telus marketing team knew that it was generating lots of leads, but it had no way of determining if the leads were qualified for sales to call on. Furthermore, the team had no visibility into those leads after the hand-off to sales. Were leads being acted upon, and in what time frame? What was the outcome? Did it close? How much revenue did it generate?

Processes, in general, were largely manual, and therefore error-prone. Leads were being managed and reported using Excel and were being manually routed to sales via email. The sales team was providing email updates on the status of the leads — but the feedback wasn't consistently reported.

To better understand their challenges and the changes they undertook to meet these challenges, Forrester spoke with Jeff Lowe, Telus' VP of marketing communications, and Brad Pruner, Telus' director of marketing and sales force automation.

## TELUS TAKES A HOLISTIC APPROACH, INCLUDING PEOPLE, PROCESS, AND TECHNOLOGY

Telus realized that multiple actions were necessary to rectify the people, process, and technology limitations affecting marketing. The journey began with the following steps; the company:

- **Conducted a marketing review to identify key areas for change.** Telus asked Forrester to conduct a review of its demand-generation operations. The audit uncovered the need for Telus to shift away from an activity-based management focus on lead generation and lead volume to a more holistic management focus on lead-through-revenue conversion. The review identified a gap in quantitative and qualitative lead scoring and a need for automation, rule-based routing, lead nurturing to continue the dialog with prospects, and a stronger, closed-loop marketing-sales process.
- **Established the Telus Demand Centre virtual team.** Fed by multiple marketing groups, a virtual team was established from across multiple marketing departments to review processes, establish best practices, and implement marketing and sales automation. The virtual team established processes, gathered best practices, and was trained on the marketing automation technology. Later on in the project, this team trained field-marketing personnel on the technology platform and best practices.
- **Defined its lead-to-revenue taxonomy.** The Telus team established its lead-stage taxonomy, covering the entire lead-through-revenue process, including inquiries, marketing-qualified leads, sales-qualified leads, and closed deals. It used industry benchmarks to establish conversion target goals.
- **Collaborated with sales stakeholders.** As the Telus team worked to define lead stages, create detailed processes, and establish meaningful metrics, it consulted the sales and sales operations stakeholders in the process. Through its collaborative efforts with the sales organization, the team was able to gain agreement on lead-stage definitions, metrics, processes, and the lead-nurturing strategy.
- **Implemented technology to manage the end-to-end process.** One of the primary objectives of the Telus Demand Centre virtual team was to establish a marketing automation (MA) platform to manage the new processes and collect the granular lead data across the entire lead-through-revenue process. This team embarked on two pilot projects from two different vendors to test the value of marketing automation. One vendor was selected, and a full-scale rollout across B2B marketing was conducted, with a heavy focus on training and change management.

### Telus Made Technology Implementation A Management Focus

The Telus management team knew that technology could either make or break its lead-to-revenue transformation. To ensure success, the management team took concrete steps to align organizational changes with system changes, including:

- **Lead scoring to identify the status and stage of a lead.** With the marketing automation platform now in place, the team developed a lead scoring system. Every time a new lead is created or the lead contact interacts with the Telus website or marketing asset, Telus progressively captures more detailed information about the lead.
- **Lead nurturing to ensure leads do not fall out.** Lead-nurturing strategies ensure that marketing follows up on leads that are not yet sales-ready to ensure they do not fall out of the lead-through-revenue process. With a lead strategy in place, Telus created several nurturing campaigns to continue the conversation with prospects until their lead scores indicate that they are qualified to pass to sales.
- **Content marketing to ensure that marketing touches are valuable to customers.** In the marketing automation platform, campaign flows are built to automate the nurturing process with content that fits the prospect's need and buying stage. Telus mapped unique content to educate, consider, and evaluate stages.
- **Integration with sales through sales force automation systems.** By integrating the marketing automation (MA) platform with its sales force automation (SFA) system, Telus has closed the loop with the sales team and gained visibility to the lead's complete life cycle. Once a lead reaches the predefined score, indicating that it is ready to be acted on by sales, the MA system passes it to the SFA system. The SFA system applies its routing algorithms and assigns the lead to a salesperson. The lead scores are passed to sales and help prioritize the follow-up actions by the sales team.
- **Rules that keep salespeople empowered to manage their accounts.** After speaking with a prospect, the salesperson may determine that the prospect is not ready to buy. In the past, with no institutionalized way to return leads back to marketing, these leads might have been lost. Now, with the MA-to-SFA integration in place, Telus provides a simple way for sales to return a lead back into the marketing process. Empowering sales personnel to make these determinations improves lead scoring and tracking and accelerates sales adoption of the changes.

### Next Steps: Telus Plans For An Era Of Predictive Modeling

With end-to-end processes and lead stages defined, metrics established, and the MA platform in place, Telus is now collecting data about its lead-to-revenue process. Over time, as the database builds, it will have sufficient information to begin predictive modeling, creating the ability to know how many leads Telus marketing will pass to sales in a future period and predicting how many will close. Telus expects the data to support ROI-based contention models for tuning its contact strategy and enabling advanced profiling.

## RESULTS: IMPROVEMENT COMES IN SEVERAL AREAS

The Telus team realized the following improvements from its efforts:

- **The close rate increased eightfold.** Most organizations would be happy with doubling their close rate; the Telus team experienced an eightfold increase in close rate. This improvement is attributed to the use of lead scoring in combination with SFA integration, keeping the sales team fed with a stronger pipeline of highly qualified leads.
- **Unactioned leads dropped to 8.8%.** A material drop in unactioned leads was attributed to the use of lead scoring, which increased sales' understanding of the value of the lead. Scoring also helped prioritize the work of the salespeople by helping them identify the leads most likely to close first.
- **The cost per lead was reduced.** A welcome benefit of the process was a 30% reduction in the cost per lead. The Telus team attributed this to the efficiency gained through the use of MA and the use of social media to create an inbound flow of leads at a lower cost per lead.
- **The marketing-sourced pipeline grew.** With the success of the lead-to-revenue approach and the implementation of MA technology, the Telus team has increased its marketing-sourced pipeline goal threefold in 2011. This will have a significant positive impact on the return-on-marketing-investment as Telus marketing drives a greater percentage of pipeline and revenue.
- **Conversations with sales improved.** Today, the Telus marketing and sales teams are enjoying different kinds of conversations. These conversations are centered on lead follow-up, disposition, and how to improve the acceleration of leads through the process, which are exactly the kinds of productive optimization discussions that are core to a company's success.
- **The marketing team has full lead visibility from creation to close.** For the first time, the Telus marketing team has full visibility to the status of leads from creation to close. It also has visibility into leads during the sales process, providing valuable information about the sales process and the disposition of leads passed to sales. This new level of visibility provides insight into earlier-stage buying signals that lead to closed deals. With this insight, Telus is poised to accelerate leads through the process.

## RECOMMENDATIONS

### HOW TO APPLY TELUS' BEST PRACTICES

Tech marketing teams that want to be drivers of profitable revenue growth and to strengthen their strategic value should learn from Telus' results. Tech marketing organizations must:

- **Establish a holistic lead-to-revenue approach.** Tech marketers must realize that simply focusing on generating more leads is less effective than establishing processes, lead stages, and metrics to manage demand end-to-end. A holistic approach to demand management, including lead scoring and lead nurturing, leverages the original investment in generating that lead.
- **Implement marketing automation technology.** Effectively managing leads from creation to close is complex and requires automation. Marketing automation supports database management, campaign execution, lead scoring, lead nurturing, integration with SFA, and reporting across the entire life cycle. Granular data gathered about the status of leads enables tech marketers to continuously monitor progress against goals and optimize tactics, processes, and investments.
- **Use lead scoring to deliver a quick win.** Lead scoring can offer sales teams new value from marketing: a prioritized list of leads with attributes that were agreed to with marketing. Lead scoring organizes the work of sales and helps justify its time investment in pursuing that lead.
- **Become a strategic business partner with sales.** When marketing takes responsibility for the end-to-end demand management process and has detailed data about the process stages, it completely changes the nature of the conversation with sales, and its strategic value to an organization is clear. It moves activity-based discussions to the background and moves results- and outcome-based discussions to the foreground. Revenue becomes the common goal that everyone is focused on, and conversations shift to improving processes and results.