

How to nurture and accelerate leads through the SiriusDecisions Demand Waterfall®



The essential guide to lead nurturing

This eBook covers how to develop lead nurturing campaigns in the context of the SiriusDecisions Demand Waterfall® from SiriusDecisions, offering scenarios of various campaign types and showing how Microsoft Dynamics Marketing can be used to plan, execute and track them.

As the buying process grows more complex and buyers hold sales reps at arm's length until they are nearly two-thirds through the process, marketing plays a bigger role in moving leads through the waterfall. Marketers must expand their focus

from nurturing early-stage leads to developing campaigns that nurture leads at every stage of the SiriusDecisions Demand Waterfall®. Through effective nurturing, marketing can engage prospects at every stage of the waterfall by proactively providing personalized content that is relevant to where they are in their buying journey.

According to SiriusDecisions, "Lack of focus and too much complexity are primary reasons why many lead nurturing efforts underperform, while simple and focused flows typically deliver superior results."

4 ways that lead nurturing has evolved over the past year¹

by Terry Flaherty, Research Director of Demand Creation Strategies, SiriusDecisions

1. "The role—and goals—of lead nurturing are expanding into several different areas of the sales waterfall, including recycling old leads that did not qualify with the sales team;
2. Using marketing automation technology, marketers can automatically trigger nurture campaigns based on certain behaviors from prospective buyers, rather than manually construct campaigns for particular lead segments;
3. Relevancy has become a key focus, with marketers constructing content and nurturing campaigns based on where particular leads are in the buying cycle; and
4. The touch points where lead nurturing can take place have changed drastically. Now marketers can use channels including social media, ad networks and dynamic web sites to engage buyers."

¹ <http://www.demandgenreport.com/industry-topics/demand-generation-strategies/2867-marketers-refine-segmentation-strategies-to-boost-lead-nurturing-success.html#.VRmYbUt9oRY>

Adopt a formal, yet flexible, lead nurturing process

A lead nurturing framework is essential for a systematic, repeatable and complete process for lead nurturing. According to SiriusDecisions, an effective lead nurturing framework focuses on the following key conversion points:

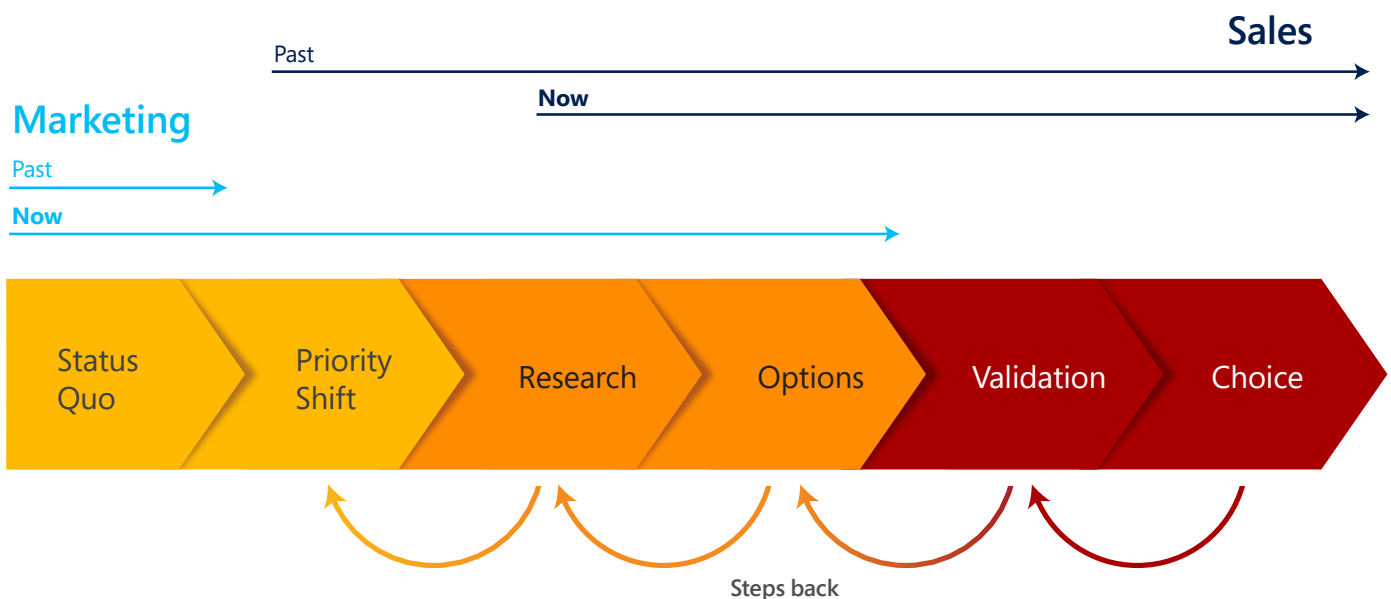
- Inquiry to marketing qualified lead (MQL)
- MQL to sales accepted lead (SAL)
- SAL to sales qualified lead (SQL)
- SQL to closed/won business

Ideally, your framework will align with your buyer's process. At the same time, remember that this process does not necessarily follow a smooth, linear path. In fact, the path to purchase is often

characterized by starts and stops, rest stops, sidetracks, and detours. Plus, different people will likely jump on and off that path as the buyer's organization conducts its due diligence and gets closer to a purchase decision. In other words, it's impossible to accurately predict or determine which content, offers and messages a prospect will respond to at any given time.

That means when you create a nurture program, you must align it to a specific stage in the buying cycle and determine what needs to happen for the lead to move from one stage—or nurture stream—to the next.

The B2B Buying Process



Aligning with the sales waterfall

Not so long ago, lead nurturing involved marketers engaging contacts with the goal of qualifying and passing them along to the sales group. While the ultimate goal is still the same, the nurturing should happen at every stage of the waterfall. In other words, marketing is no longer simply nurturing early-stage leads. It also needs acceleration streams for leads in the middle and late stages—when sales is already engaged with the leads. And, even those streams will need to vary based on the lead's activities to date. The waterfall introduces a formal framework that will help marketing and salespeople ensure transparency around lead generation and lead nurturing, making the various nurture streams work more effectively.

With that said, the following are three major campaign categories or strategies aligned with the sales waterfall. At all stages, marketing can run multiple campaigns to move leads down the waterfall.

The waterfall is a view of joint marketing-sales activities. The sales pipeline starts with SQLs and is considered part of the SiriusDecisions Demand Waterfall®.

Awareness/ Reputation

This is focused on the early stage of the waterfall, when buyers are seeking education that helps them decide whether or not to pursue a solution. At this point, campaigns should be focused on building awareness, interest and urgency, and might revolve around white papers, articles, eBooks and infographics that challenge the status quo and highlight the risks/costs of not making a change.

Demand Creation

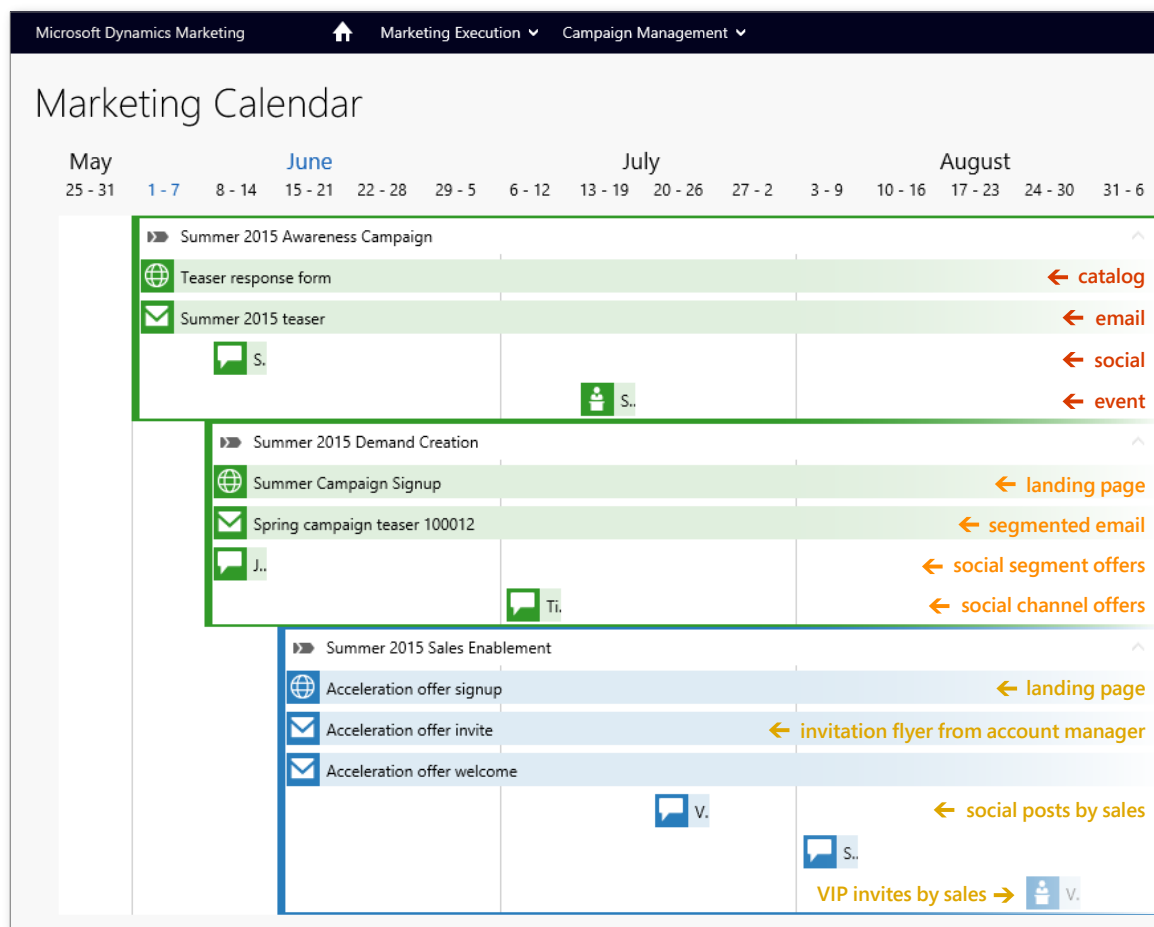
At this stage in the waterfall, buyers are evaluating and weighing their solution options. Campaigns at this stage should focus on helping the buyer make those comparisons while emphasizing the importance of moving forward with a purchase. These campaigns might revolve around solution briefs, analyst reports, checklists, and vendor comparisons.

Sales Enablement

In this last stage of the waterfall, buyers are seeking assurance that their decision will be the right one. Here campaigns and tools should be geared toward positioning the organization as the best choice and providing tools and information that help justify the decision. This could include ROI/TCO calculators, case studies and testimonials or other information that demonstrate the value of the organization's solution.

Aligning with the sales waterfall

At every stage, the campaigns need to be tightly aligned with the buyer's interests, needs, and preferences for both information and content and channel types/formats.



Awareness Campaign

Multi-channel program driving brand awareness

Demand Creation

Multi-channel program including offers based on channel and segment

Sales Enablement

Four times to nurture leads

It's important to address reconstituted leads, because when they sit in the pipeline, they are registered as part of the forecast, which can be misleading.

Here are the four points when leads need nurturing:

1. **Pre-MQL.** This is when someone shows interest in your organization's offering, likely as a result of marketing's demand-generation efforts; at this point, marketing knows little about the contact. Here, the lead should be entered into a general lead-nurturing program intended to separate those with true buying potential from all others.

Once leads have been handed over to sales, marketing may still need to run programs and campaigns that inspire the leads to want to purchase. The following are three scenarios when that needs to happen:

2. **Creating Demand.** Active/recycled leads. This is a marketing-qualified lead (MQL) that sales rejects and sends back to marketing for further nurturing. For example, marketing may have decided the lead fit the MQL criteria for right industry and relevant title. However, sales may have decided the lead was not sales-ready because the contact had no defined budget or time frame for purchase. Marketing needs to nurture this lead by creating demand so the person's organization will be prompted to make a purchase.
3. **Passive/recycled.** This is an MQL that sales passively rejects by letting it lie dormant. The reasons for this neglect can vary but what's important is that sales and marketing come to agreement on how to handle the lead. For example, they could agree that after a certain amount of hours or days, marketing will reclaim a lead if it hasn't progressed further down the pipeline.
4. **Reconstituted.** This is a sales-qualified lead (SQL) that a sales rep was unable to close. However, instead of kicking the lead back to marketing for further nurturing or deleting the lead from the

database, the sales rep leaves it in the pipeline to languish, often leading to a 'dead pool' of leads. To best re-engage these leads, marketing should meet with the sales rep to understand activities and engagement to date. By marrying these lead types with the major pillars of the lead nurturing framework, organizations can determine lead readiness.

Both passive/recycled leads and reconstituted leads have already been engaged by sales but require additional nurturing until they are truly a priority lead for the sales team. The goal is for marketing to run programs and campaigns that tightly complement the sales rep's engagement with the lead to date.

By building some flexibility into the lead nurturing process, you can move prospects from one nurture stream to another as needed. For instance, it would make no sense to encourage someone to contact a sales rep after reading a white paper about industry trends. By the same token, if a potential buyer is showing signs that she is ready to make a purchase, it would be foolish to send her educational content or offers designed for prospects early in the buying cycle. At the same time, an infographic highlighting potential cost savings will likely resonate better with the financial decision maker than with the person interested in buying your product to streamline departmental processes.

Lead nurturing framework: a checklist

	Pre-MQL	Recycled: Active	Recycled: Passive	Reconstituted
Entry	<ul style="list-style-type: none"> • Target market agreement (companies, entry points) • Complete, clean list (owned or purchased) • Inbound marketing strategy 	<ul style="list-style-type: none"> • Disqualification reasons • CRM-to-MAP prospect feed • Visibility rules (e.g., can sales still see active nurture prospects) • Service-level agreements (if any prospects will go to tele) 	<ul style="list-style-type: none"> • Time thresholds for lead inactivity • Warning system (first-time manager, sales rep) • Service-level agreements (field to tele) 	<ul style="list-style-type: none"> • Aging opportunity parameters • Segmentation rules • List-pull process
Treatment	<ul style="list-style-type: none"> • Need-based campaign structure • Decision-based demand program • Conversion-optimized Web site • Content • Information collection strategy (categories, gating approach) 	<ul style="list-style-type: none"> • Hierarchical touch strategy (reason, category of interest, vertical, role) • Scripts/templates (if tele is involved) • Information collection strategy 	<ul style="list-style-type: none"> • Teleprospecting scripts • Email templates • Pre-call/post-call content 	<ul style="list-style-type: none"> • Multi-touch reconstituted program • Content to serve • Information collection strategy
Transition	<ul style="list-style-type: none"> • Lead-scoring schematic(s) • Lead definition threshold(s) 	<ul style="list-style-type: none"> • Lead-scoring schematic(s) • Tele triggers/definitions • Sales removal permissions 	<ul style="list-style-type: none"> • Contact rules (number of times deleted/emailed) • Requalification rule set 	<ul style="list-style-type: none"> • Lead-scoring schematic
Disposition	<ul style="list-style-type: none"> • Marketing automation / CRM linkages • Service-level agreements (marketing to tele, marketing to field) • Lead bypass rule set • Procedural rejection rules 	<ul style="list-style-type: none"> • Service-level agreements (marketing to tele, tele to field) • Lead bypass rule set • Procedural rejection rules 	<ul style="list-style-type: none"> • Non-qualifier/no contact pass (tele to marketing) • Qualifier pass (tele to field) 	<ul style="list-style-type: none"> • Non-qualifier/no contact pass (into long-term recycling) • Qualifier pass (tele to field)

The role of lead scoring

While there can be multiple types of lead nurturing, one of the most important activities is deciding when someone gets entered into—or removed from—a nurture stream. In other words, you need a formula for determining how to treat each lead based on the lead's characteristics and activities. That's where lead scoring comes into play.

Lead scoring is a method for determining the relative quality of one prospect compared to another, helping identify leads that are ready to interact with sales, those that need further nurturing and those that aren't a good fit for your company. A common lead scoring model is one based on two dimensions:

- Explicit—or demographic—data
- Implicit—or behavioral—data

What's an explicit score?

Most companies determine a lead's explicit score based on demographic data submitted by the contact (such as via a landing page form), or through data acquired via a third-party directory of business information. Once the relevant fields are identified—for example, company name, company email address, phone number, and country—the marketing team assigns scores to each field with input from sales. The weight of these scores depends on the value the organization places on each field.

What's an implicit score?

Implicit scores are based on a lead's activities and interactions with the organization, such as website visits, content downloads, email opens, event attendance, and webinar participation, to name a few. In many cases, this score takes into account both frequency and recency of these activities. In other words, someone who repeatedly visits the company's website, downloads numerous content assets, and attends a webinar in a two-week period will get a higher score than someone who visited the site once, downloaded two assets and hasn't revisited the site or engaged with the company in over a month.

Lead Scoring Rules and Examples

The table on the next page shows best-practice scoring using marketing automation (e.g., Microsoft Dynamics Marketing).

Lead Scoring Rules and Examples in Microsoft Dynamics Marketing

Rule Name	Example Condition and Result	Notes
Explicit Data—Contact demographics and background		
Lead Contact: Custom Field	Region = “East Coast”, Score +10	You can create any number of custom contact fields and use their values to compute lead scores. This is the most direct way to make use of demographics in lead scores.
Interaction: Email Address	Contains “microsoft.com”, Score +10	Tests for the email address of a contact that interacted with a landing page or event. Lets you look for contacts from a specific company or top-level domain.
Interaction: Phone	Contains “(212)”, Score +5	Tests the phone number of a contact that interacted with a landing page or event. You might test for a specific area code or just test to see if any phone number has been submitted.
Implicit Data—Email campaign interaction		
Lead Contact(s): Email Message	For each open, score +5	Interactions with your marketing emails can be an important early indicator of customer interest, both positive and negative. Often your scoring will start here, with the ultimate goal of enticing customers to submit a landing page, at which time you will know who they are and can engage them further with the right nurturing campaign.
	For two or more clicks, score +10	
	For each hard bounce, score -20	
	For each forward, score +5	
	For each unsubscribe, score -10	
Implicit Data—Website behavior		
Lead Contact(s): Web Site	Visited product pages, score +5 per visit	Dynamics Marketing is able to track contacts as they explore various areas of your website. Depending on where they go and what they do there, website behavior can be a strong indicator of customer interest. You can establish a wide variety of tests based on this behavior, as illustrated by these examples.
	Visited product pages for at least 30 minutes, score +10 per visit	
	Visited job opportunities page, score -10 per visit	
	Viewed at least 10 pages from upcoming event schedule, score +15	
Implicit Data—Landing page and event interaction		
Interaction: Landing Page	For each submission, score +15, but devalue by 5 per week	Landing pages provide a registration form where contacts can sign up for newsletters, downloads, events, etc. They are one of the primary ways in which contacts submit information back to marketing. Any valid landing page submission requires effort on the part of the contact and therefore represents significant interest.
Interaction: • Event • Session	For each registration, score +15	Registration and attendance at sales events are a strong sign of customer interest. Dynamics Marketing has built-in features for managing registration and attendance at events and individual sessions, and these records are available for scoring leads.
	For each attendance, score +25	
Interaction: • Campaign • Program • Name • Description • Priority • Due Date	Campaign equals “Spring 2015”, score +10	Many of these values are generated automatically when a lead interaction occurs, for example in response to a landing page setting. For example, the Description is able to hold values submitted for a custom landing page field, such as the vegetarian preference indicated in this example.
	Description contains “Vegetarian”, score +10	
Explicit Data—Lead characteristics		
Lead: Custom Field	Waterfall stage equals “SAL”, score + 20	You can create custom lead fields as needed to support your internal processes and use their values to compute lead scores. You might use a custom field, for example, to track leads through the demand waterfall, labelling them as AQL, MQL, SAL, SQL, recycled, etc.
Interaction: • Names • Priority • Sales Rating • Source Code • Type • Status	Sales Rating equals “Hot”, score +20	Many of these values are generated automatically when the lead is created, for example by a landing page setting or lead-assignment rule. Marketers and/or salespeople can also set or edit them manually. You can use these values to categorize your leads, support internal processes and create scoring rules.
Lead: • Campaign • Program • Due Date	Campaign equals “Spring 2015”, score +5	Typically, lead records are created automatically when a contact submits a landing page. When created, the lead record stores data about the creation context, such as the name of the campaign or program for which the landing page was created.
	Due date less than “Aug 2015”, score +5	

Lead scoring components

Demographics

Individual

The person embodied in the lead record.

Examples include:

- Job title
- Level
- Department

Corporate

The organization to which the individual is related.

Examples include:

- Industry
- Revenue
- Employee count
- Vertical

Activity

Categories

Activity types that signal a prospect's interest.

Examples include:

- Web site visits
- Trial registration
- Email clicks

Frequency

The incidence of multiple activities.

Recency

The time that has passed since the activity transpired.

Whatever lead scores and labels—i.e., cold lead, warm lead, and hot lead—you decide upon, **they should help both marketing and sales prioritize their efforts.**

Types of lead nurturing streams

Now that we understand when leads need nurturing and how to score them, let's discuss how to align nurturing streams and content with the customer journey and buying cycle.

- **Random Sequential.** This is when marketing knows nothing about the prospect (i.e., it's a pre-MQL) and sends or offers arbitrary information and hopes it resonates.
- **Aligned Sequential.** In this more sophisticated form of nurturing, marketing sends content aligned with each stage of the buyer journey based on signals given off by prospects, with the goal of moving buyers through the process. One drawback of this approach is that it assumes what information the prospect needs, when in fact the prospect may want or need different information.
- **Aligned Adaptive.** In this nurturing model, marketing analyzes the prospect's behavior and offers customized information that truly

satisfies the prospect's interests and needs. This is the optimal nurturing strategy but difficult to achieve—according to SiriusDecisions, very few organizations are able to do this.

Evolution of Pre-MQL Nurture

Random Sequential

- Nurture as an afterthought
- Leverages existing content
- No logical flow of content or alignment to buyer's journey
- All prospects experience same flow



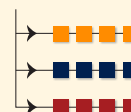
Aligned Sequential

- Content grouped into buyer's journey stages
- Flow follows buyer's journey
- All prospects experience same flow



Aligned Adaptive

- Content grouped into buyer's journey stages
- Nurture is highly modular with streams for buyer's journey stage
- Flow is highly adaptive
- Every prospect has relevant experience aligned to its buyer's journey stage



Advanced lead scoring in Microsoft Dynamics Marketing

Establishing a single lead score is powerful and essential for marketing automation. However, more advanced marketing organizations are realizing that it can be limiting to score along a single dimension because a lead's status can change depending on the stage of that lead or the product or service interest, for example. Sophisticated lead scoring functionality within Microsoft Dynamics Marketing allows you to:

- Create advanced segmentation and targeted campaigns based on buying stage and type of lead nurturing stream
- Manage multiple leads for the same contact for different products
- Score differently based on campaign type, for example, acceleration campaigns or awareness campaigns
- Combine leads from an organization for complex solution sales

Accelerating leads through the pipeline

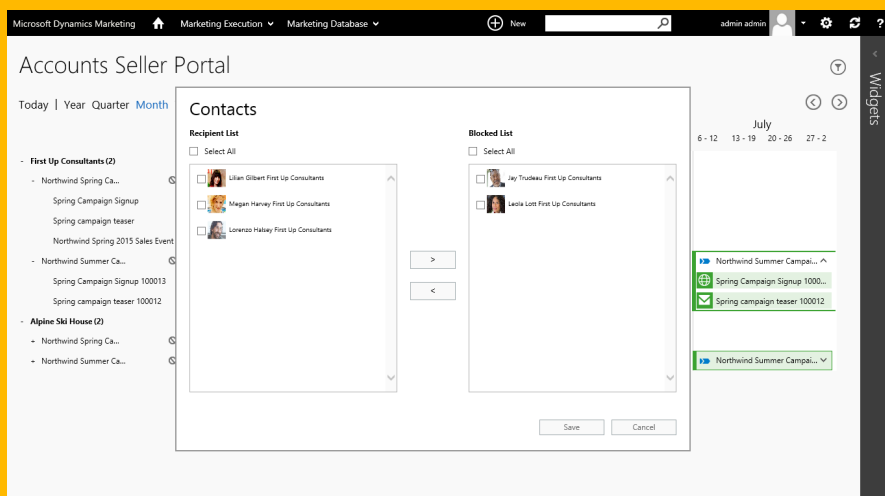
Once marketing hands a contact over to sales, the lead is in the pipeline. That means any campaigns designed to nurture leads beyond early-stage leads are technically campaigns meant to accelerate movement through the pipeline. These campaigns can be classified as one of three types:

- **Rapid entry.** This type of campaign¹ is focused on moving leads to a SAL status more quickly. Let's say the prospective buyer is a Director of Information Security and the company is offering a cloud-based service to thwart cyberthreats. The campaign could offer a free threat assessment to those who agree to a demo with sales in the next two weeks.
- **Intra-pipeline.** Here marketing creates programs and enablement focused on moving stalled deals between the early and middle stages of the waterfall. Staying with the Director of Information Security, a sample intra-pipeline campaign might feature an eBook highlighting the top trends keeping information security leaders up at night—and the risks of doing nothing. The eBook call to action could be an invitation to an exclusive webcast moderated by a respected industry analyst.
- **Last mile.** This is when marketing creates programs and enablement to encourage late-stage deals to move to closed status. Last-mile acceleration programs focus on late-stage opportunities that face a final barrier to completion. Sales and marketing must jointly agree on criteria for opportunity selection (e.g. likelihood of close, deal size, strategic importance). Again, let's assume the Director of Information Security is hesitant to sign a contract due to budget concerns. The campaign could revolve around a TCO calculator and an offer of the first three months free.

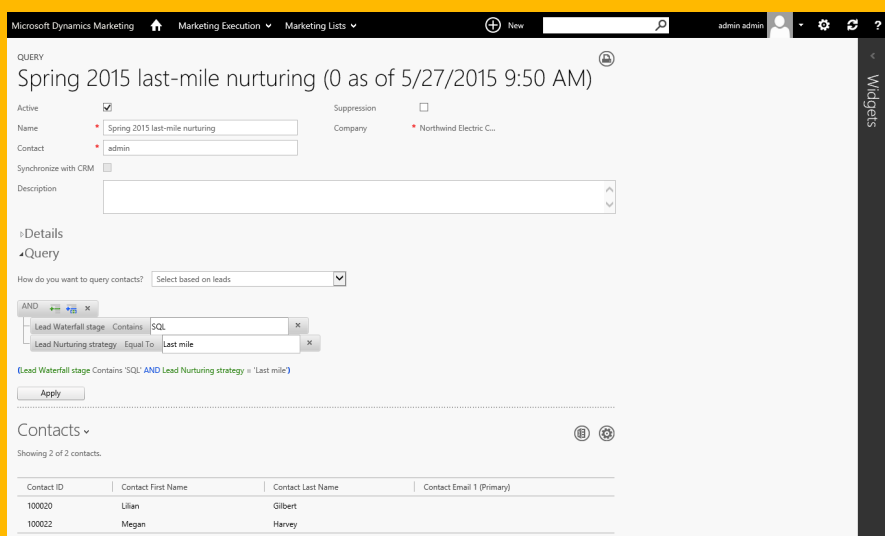
For every type of pipeline acceleration campaign, it's important for marketing to work closely with sales to understand the likely reasons the lead has stalled. That way, marketing can enter the lead into the nurture stream most likely to move the lead forward. At the same time, because sales owns these leads, marketing should keep reps in the loop about all acceleration campaigns and activities.

¹ <https://www.siriusdecisions.com/Blog/2014/Feb/Getting-Ready-for-Pipeline-Acceleration.aspx>

How sales gets a view into marketing campaigns in Microsoft Dynamics Marketing:



Marketing professionals use Microsoft Dynamics Marketing to design automated nurturing, acceleration and last-mile campaigns, while salespeople, who know their contacts best, can go directly from Dynamics CRM to the **Account Seller Portal** to inspect each campaign and make sure that precisely the right contacts are included in each of them. A Contacts Seller Portal is also available, which focuses on individual contacts rather than accounts.



Queries (dynamic marketing lists) enable marketing professionals to establish dynamic criteria for including contacts in a given campaign. These criteria can include factors such as lead score, waterfall stage, nurturing strategy, and much more. Salespeople have access to marketing-qualified leads directly in Dynamics CRM, and can edit lead settings to ensure that they will be drafted into the appropriate nurturing campaigns. In this example, the site admin has created a custom lead field named "Nurturing strategy"; a lead already marked as sales qualified will be added to the last-mile campaign as soon as a salesperson sets its Nurturing-strategy field to "last mile." Alternative nurturing streams might be triggered by other values set here.

Marketing and sales should work together to ensure the success of pipeline acceleration campaigns.

Accelerating leads through the pipeline

Use the Right Acceleration Tactic

As we just mentioned, it's important to match campaign tactics to the reasons that a lead is slow to move through the pipeline. SiriusDecisions developed a pipeline acceleration tactics framework that helps marketing do just that.

The *what* element of the framework is broken into four options or tactics:

- **Information void.** When a buyer is hesitant or uncertain about moving forward, it's often due to lack of understanding or enough information to make an informed decision. For example, let's say the Director of Information Security referenced above is worried about the strength of the vendor's offering. Marketing could fill that information void by offering an analyst report or solution comparison table showing vendor rankings.
- **Customer proxy.** First-time buyers often need reassurance that they are making the best choice. With that in mind, marketing and sales could offer videos and case studies, a free pass to an upcoming user group meeting, and even arrange executive-level customer reference visits for deals with a potentially high value.
- **Financial.** A financial stimulus can involve one or more offers, such as discounts, more favorable payment terms, or even a free add-on.
- **Enablement.** Sometimes a lead isn't moving forward because the sales rep is struggling to adequately educate the prospect and move beyond roadblocks. In such cases, marketing can create offerings such as ROI calculators, playbooks and training refreshers to be used by individual reps at their discretion.

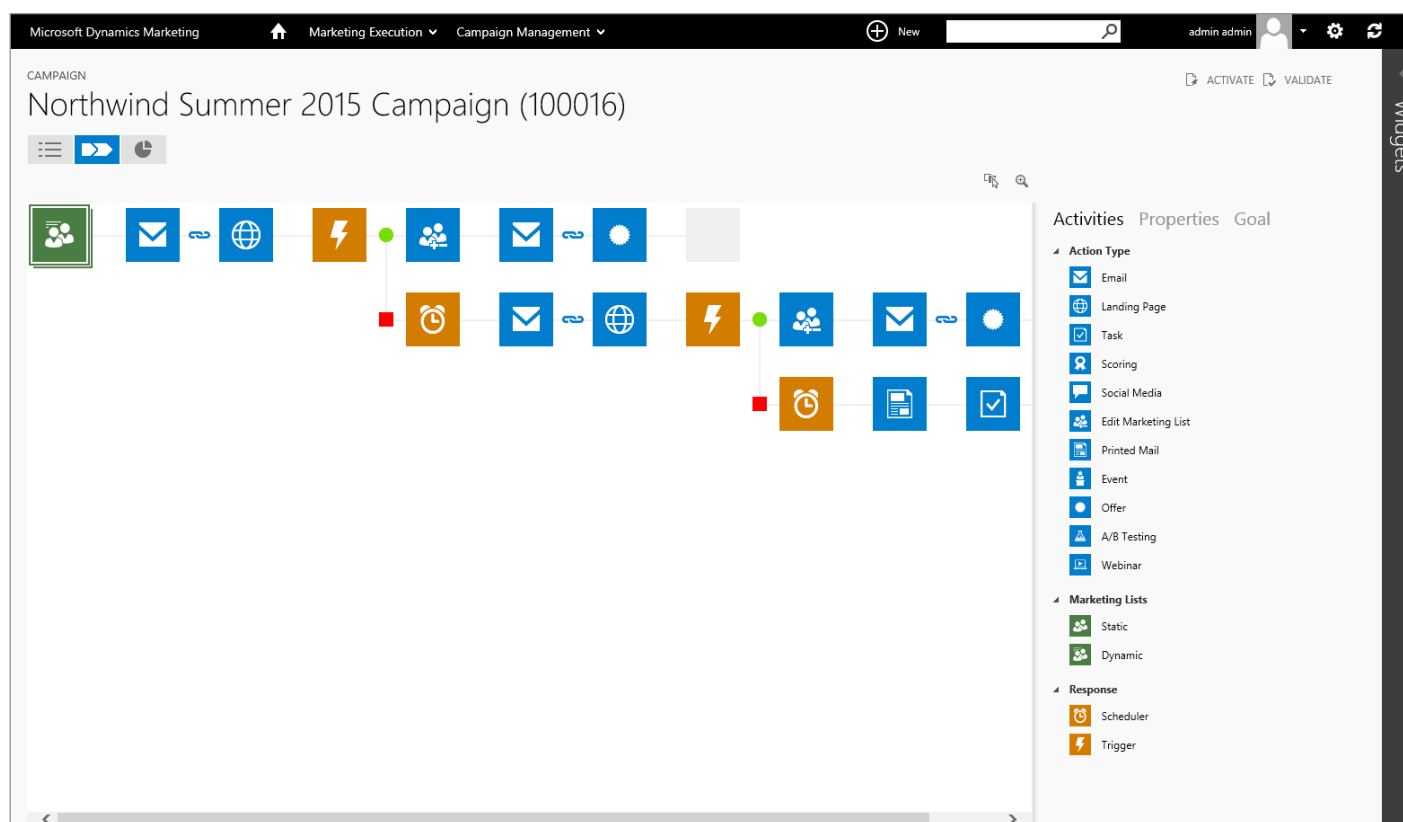
The *how* component of the framework or program is divided into three elements:

- **Command and Control.** This is when marketing runs programs on its own, with no involvement or input from sales.
- **Opt in.** For this type of program, sales can opt a lead in or out of a program.
- **Situational Selection.** This type of program is triggered by a given sales situation, such as the time a lead has spent in a given sales stage without progressing.

Microsoft Dynamic Tip: Empower Sales Reps

Once a lead is in the sales pipeline, sales reps should have the opportunity to opt that lead in or out of a campaign. Within Microsoft Dynamics, sales reps can indicate this preference by account. They can also create a segment of leads that they would like to see entered into a specific nurture stream.

Sample trigger-based campaign



Use the campaign-automation canvas to design an automated campaign workflow for each of your nurturing strategies. In this example, the campaign begins with a dynamic marketing list containing contacts for this type of targeted campaign based on demographics and/or implicit data. These contacts receive an opening teaser email, which invites them to visit a landing page to sign up for a special offer. A trigger tile then monitors the

landing page for responses. Contacts who fill in the form go down the top path, where they are added to a new marketing list (thus qualifying them for next-stage nurturing or acceleration) and receive a follow-up mail linked to the promised offer. Contacts that do not respond after a few days are sent down the bottom path, where they may receive a follow-up or alternative offer.

Putting a lead nurturing framework into play

Here's how an effective lead nurturing framework works in action:

1. Marketing develops campaigns and enters leads into the appropriate nurture stream based on a combination of agreed-upon criteria with sales and lead scores
2. When dealing with pipeline acceleration, marketing works closely with sales to design effective campaigns
3. Where relevant, sales opts leads in or out of the campaign
4. Marketing runs the campaign, extending the offer or content to the prospect
5. The lead is then scored based on the prospect's response (or lack thereof)
6. Once the lead reaches a certain score, it is moved to the next stage of the pipeline

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