Guide to Lead Scoring

Quantify the value of your sales leads and manage pipeline effectively with Lead Scoring

LeadFormix Guide
**Lead Scoring with LeadFormix**

Lead scoring is a method of quantifying the value of a sales lead by categorizing its probability to generate revenue. With this information, Sales executives and managers can manage their pipeline more effectively by optimizing sales resource allocation. LeadFormix automatically evaluates the leads for FIT and BEHAVIOR - like email response, website visits, downloads and campaign membership - to prioritize leads for sales so they don’t spin their wheels on leads that aren’t ready to buy. Lead scoring gets marketing and sales teams to agree on the right FIT for leads (job title, role, industry or size) and significance and recency of the activity (last month’s tradeshow visit versus attendance at yesterday’s webcast).

With Lead Scoring, the best leads always rise to the top, so the sales team knows where to focus their time. Marketers are able to build a scoring model to rank prospects, as well as segment them based on the most appropriate messages or follow-up communication channels (e.g. phone, email, and direct mail). The overall objective of lead scoring is to make difference to conversion rates and reduce acquisition costs.

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**Segment Your Customers**

Segmentation is the secret weapon of an effective scoring algorithm as identification of the key segments can be coded into the algorithm. Segmentation in fact, has value beyond scoring as it will help in building specific marketing programs/communication to suit specific segments. This would facilitate in the movement of the prospect in the buying cycle as the messaging is relevant to their needs.

3 simple rules to be followed for segmentation-

**1: Mutually Exclusive:** There should be no overlap which means that no customer can be a member of two segments at the same time.

**2: Number in a segment:** A segment needs to have a substantial members to justify the cost of building specific marketing campaign for the segment.

**3: Homogenous:** All segment members should be alike in terms of some specific characteristics like either they value or do similar things or in similar ways.
The best way to get started is to pull out the existing customer lists & look at their
demographic profiles, their purchase patterns, information consumption patterns and
product usage patterns. In one way, lead scoring is all about the use of existing
customer profiles to predict the potential value of a prospective customer

### Defining a Lead

The foundation of prioritization and effective scoring is the definition of a “sales ready”
lead which marketing and sales need to work together to formulate the key attributes. If
this does not happen then sales team will either complain regarding the lead quality or
just ignore the leads. Lead scoring initiative should start pitching to Sales team and
winning their buy-in to the process. Organization wide approval on lead definition
(including what constitute to ‘hotness’ of a lead) is an important pre-cursor to launch of
marketing & nurturing campaigns.

### Lead Scoring Methodology

The best way to go about designing lead scoring is to start simple and make it iterative
with inputs from the sales team, insight from the existing data and experimentation (AB
testing) from Marketers. It is somewhat analogous to agile development methodology
in software development.

**Here are few tips which will help in establishing the scoring algorithm:**

- The actual score doesn't matter whether 50 points or 500 points, The important thing is
  that the point value is relative to other activities so in the end, the higher the score, the
  more actionable the lead is.
- Low score should not mean bad lead but it could be that a person is early on in their
  buying process, their need is not fully developed yet, they don't trust you enough to
  share their information with you, or a whole host of other reasons.
- All successful processes are ongoing in nature, so important to tweak the scoring
  algorithm by analyzing the scores of leads constantly.

*For Marketers, understanding of what makes up a lead score is far more important
than a score itself as they can use this input to optimize the scoring algorithms.*
Lead Scoring Templates

Instructions:

- Weigh the importance for each lead scoring criteria in the matrix below. Be sure that your total weight equals no more or less than 100%. Change criteria to suit your key qualification questions.

- In the "Lead Scoring" tab below, rank each Prospect (Green, Amber, Red cells) on a scale of 1-10 based on their Profile and Activities.

- Grade each prospect (A,B,C) based on their total weighted score. Sort all prospects by their total weighted score.

- Send results to sales reps and monitor progress through the funnel.

<table>
<thead>
<tr>
<th>Lead Scoring Criteria</th>
<th>Profile</th>
<th>Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Company</td>
<td>Buying Cycle</td>
<td>Contact</td>
</tr>
<tr>
<td>Weighting Scale</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Definitions:

- Company: Does this prospect work for a company that is in your target industry and size?

- Buying Cycle: What stage of the buying cycle (research, budgeting, vendor selection) is your prospect in?

- Contact: How senior is your contact? Are they a decision-maker, influencer, or end user?

- Interest: Did the prospect demonstrate keen interest in your offering?

- Actions: Has the prospect taken any action to show intent such as download whitepaper, view webcast, visit website, etc?

- Recency: How long ago was the prospect acquired? Have they responded to any marketing recently?
Rank each prospect on a scale of 1-10 for each lead scoring criterion. Based on the weighted total, grade the lead in the Lead Score column, and then sort by weighted total.

<table>
<thead>
<tr>
<th>Prospects</th>
<th>Weighting</th>
<th>Company</th>
<th>Buying Cycle</th>
<th>Contact</th>
<th>Interest</th>
<th>Actions</th>
<th>Recent</th>
<th>Weighted Total</th>
<th>Lead Score</th>
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<tbody>
<tr>
<td>Lead 1</td>
<td>20%</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>8</td>
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<td>9</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>10</td>
<td>8.2</td>
<td>A</td>
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<tr>
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<td>7</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>10</td>
<td>7.9</td>
<td>A</td>
</tr>
<tr>
<td>Lead 4</td>
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<td>8</td>
<td>8</td>
<td>4</td>
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<td>2</td>
<td>7</td>
<td>5.6</td>
<td>C</td>
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</table>

Deriving Value from Lead Scoring

- Optimizing lead sources and media channels: Identifying the sources for your best leads is critical for reducing acquisition costs and improving lead quality. To establish a baseline, evaluate the distribution of lead scores by source and media channel. Which generate the best-scoring leads? Then reinvest capital from lower-performing sources into those that yield the highest returns.
• Ability to determine which leads should be routed to which sales agents: Creating the best customer experience while improving efficiency and effectiveness means routing prospects to the sales agents with the most appropriate skill level or product knowledge based on each lead’s interests and propensity to make a purchase. Some leads convert well regardless of which sales agent they talk to. Why route those leads to top agents if they are just as likely to convert with a less-experienced agent? Marketers can develop lead scoring models that match “agent sensitivity” appropriately, allowing less-experienced agents to handle the leads that will purchase anyway.

• Involves customizing lead nurturing communications, based on potential value: Tailoring lead nurturing for each lead segment, based on such attributes as potential lifetime value helps improve conversion rates. Customizing messaging, offer or pricing, based on the preferences and interests indicated by a lead’s score further boosts results.

How to Set Up Scoring in LeadFormix?

LeadFormix supports multidimensional scoring across both profile and behavior of the leads and can be done based on both known and unidentified leads. The scoring can be based on profile attributes (Company Name, Size, Revenue etc) which is entered by the user or automatically identified by LeadFormix, behaviour (email response, registration/attendance of a webinar, form fill, visit to a particular page, source of visit, copying content etc) or based on the individual or company parameters mentioned in CRM (e.g. current lead status, current customer or not etc). All of these can be combined to provide a single score which is available at both individual and company (sum of all individuals belonging to that company) scores. These scores can be used to define importance of the lead and can be used to push leads into CRM or send automated reminders to sales teams for further action.

Find the Scoring icon in the below screenshot. Click on it to start with setting scores.
We have four options under Scoring,

1. Activities
2. Demographics
3. CRM
4. Advanced

Refer below screen shot

1. Activities
Activities are scored at the individual level, i.e., the score is incremented on each action, e.g., if the same lead visits the page scored more than once, then the score is incremented each time. To prevent biasing of the score due to a single activity, a maximum score value is provided to cap the score that can be assigned to a single activity. The actions that are considered are:

a. Pages Visited for all visits or for specific page URLs only
b. Downloaded – Add a specific URL of a download page or there are three checkboxes to select, All PDF, All DOC, All PPT
c. Source of visit - Add source of visit name like Google, Yahoo, LinkedIn. You can further choose from the drop-down options like contains, does not contain, any of these words, all of these words. This feature will help you add score based on the source of the lead.
d. Email - This feature helps you to assign scores based on an email campaign sent. The options for which you can assign scores are, email opened, email clicked, email not opened, email opened but not clicked, and email unsubscribed.
e. Forms – Based on whether a form was submitted or abandoned, you can assign scores.

Refer below screen shots:

**Screenshot 3** (Score of 3 has been assigned to All Visits under Pages Visited)
Screenshot 4 (under source of visit, find the drop down menu)

Screenshot 5 (under email, find the drop down menu)
2. Demographics

In this section, only the profile of the individual/company is considered. Unlike an activity, most profile level characteristics don't change over time and so are considered only one e.g. Company name or Company Industry. If it does change for e.g the total time spent, then the latest value will be considered at any time e.g if the score for time spent is designated as follows:

Time Spent < 100 secs – 10

>100 – 20

If the time spent is currently less than 100, the score is incremented by 10 and if the total time spent changes, the score is incremented only by 10 more to 20(20 for > 100 and not to 30). The parameters considered under Demographic are:

a. Company name – add a company name and assign a score
b. Size – Choose the company size from the drop down options and assign a score
c. Revenue - Choose the revenue size from the drop down options and assign a score
d. Industry - Choose any industry from the drop down and assign a score
e. Location – Choose any location from the drop down and assign a score
f. Job title - Add the job title in the box provided and assign a score.
g. No of Visits – Specify the number in the box provided for no of visits and assign a score.
h. Total time spent - Specify the number in the box provided for total visits and assign a score

3. CRM
Specific values from CRM can be used to define the scoring. For this to work, the CRM integration should already have been done. Please refer to the document for the particular CRM that you use. The fields under CRM are considered only once for scoring like demographics. The scores will be synchronized when a visit happens from a lead/contact/account and matches the conditions specified.
4. Advanced

Scores considered under profile / demographics are attribute level, in that they consider the occurrence of a single event. If multiple parameters are to be considered at once, for e.g. score if some from the US, visiting from Google search, fills a form, then the saved search can be used to create this rule and score based on it. The scoring works like activity and is scored after every visit.

How is Scoring finally done?
All the rules so defined will be combined to create the score. The score will be calculated at 2 levels – individual level and company level. If there are multiple people from a single company who are identified, then the score of such individuals is combined to show the score. To see the score of any company or individual, click on the leads page and find the Score field as shown in the screenshot below.

Clicking on the score provides a breakdown of all the activities that resulted in the score being obtained. The breakdown shows the rule and the date when the visit that was scored happened. If the rules are changed later, the score is not recalculated for the older visits.
Lead Score can be an important filter to identify the most important prospects or to push the leads to CRM. To accomplish this first step would be to add a saved search with the scoring threshold (let's say greater than 50) as shown below.
This saved search can be used to define alerts in the saved search page or as rule to push data into CRM. To learn more about setting alerts read Admin document and for
understanding pushing data into CRM read the appropriate CRM guide at the Help section.