



Case Study: How a Life Science Startup Uses Lead Scoring to Optimize Sales Efforts

This transcript was lightly edited for clarity.

Chris: Greg Krueger is the vice president of Global Sales at ViroCyt. And today, we're going to be talking about some of the things that a sales team is looking for from their marketing partners. Greg, welcome to the Life Science Marketing Radio.

Greg: Well, thank you for inviting me.

Chris: My pleasure. First, before we dive in, tell me a little bit about ViroCyt so that the listener has some context around that company, and where this discussion is coming from.

Greg: Well, we're very early stage startup company. We've been commercial for about a year and a half that we've been selling something that was ready for the commercial market. We make a virus counter. It's really the only instrument quite like it on the market. It gives us real time, biologically relevant particle counting. And our typical customer base are vaccines, protein production, gene therapy. And we're moving along quite well trying to professionalize our approach to marketing and sales. And I'm looking forward to talking about that.

Chris: Cool. So, one of the things that always comes up when you're talking to sales people and I've had this experience is, we're always looking to generate leads as marketers. And then there's always this wave that we're riding between quality and volume. If we got a lot

of good leads they'll say, "Stop sending me all these crap leads." And if we don't have enough leads they'll say, "Send me everything you've got."

Greg: True. True.

Chris: You've worked a few places. So what are your thoughts on this? What seems to work well and what doesn't?

Greg: Well, certainly, everyone's going to say, "Well, I want the highest quality leads as possible." What that exactly means can be so different from company to company. If I could have the perfect lead I would say, "Well, the company definitely has a need. We know who the decision maker is and funding has been approved, and go get it." But those who rarely come that way and they'd certainly generally aren't developed along the way at a company.

I have worked to places where we hired an outside lead qualification company to actually go through, and do some of that qualification so that when it was handed off to sales, we knew that this was a real lead. We coached the lead generation folks extensively to ask the right questions and to really understand our product, and whether not there was a need there.

Working for a startup at this point and that we have such a very focused product, and really only one major product, our quality is paramount because we don't have the resources to go after volume. For a much larger company that has a wide breadth of products, having that quality or the volume is a great idea, but we just are not in that position. So we request and have come up with the lead scoring system to try to nurture our leads before they're handed off to sales.

Chris: Okay. So, and that was interesting. You say for a bigger company, the volume is okay because if they don't want exactly what you have, you might have something else they want. Is that what you're thinking?

Greg: True. Yes, absolutely. And if you have more of a commodity type of product, volume is king. The more people you see, the more likely you are to get somewhere. That's so much true when you're a very focused product, that you can put a lot of effort into very marginal leads, and really just spin your wheels and spend money. So, for us, as a small company which it's paramount that we get that done.

Chris: So we'll come back to lead scoring in a second, but the other thing you said that caught my attention, or I want to ask you about is what has been your experience at many companies about really defining what a lead is between sales and marketing? How often do you perceive that everybody is really clear about what that is?

Greg: I would have to say that in lot of my experience it's not real clear here. A lead is everything from, "We bought this name from a list. This person stopped by our booth. We had a conversation," to this person contacted us and said, "I need to be able to do X and I don't have the product, and I think you do."

And of course, those are all approached very differently with people who...the thing that you always have to worry about or the thing that you always wonder about is how many of these folks are truly great leads that they understand what they need. They understand what you offer and they're saying to you, "Please come and help," versus people who say, "You know, I love technology."

And you've got a really new technology here. And boy, I truly like to spend a lot of time talking about it. No, no, I don't do anything like that." And you need to sort through that sometimes. I've certainly had customers who after purchasing a product has said, "I want to hear about everything that you bring out. It may have been irrelevant to me, but I just love it."

And that's absolutely fine because you've already got somebody that you're...as a customer. And you're willing to work that through. And if they're really willing to partner with you, they're going to say, "Oh, that would be great for Joe down the hall or Maria over there." But that's where you run into a little bit of a problem with both volume leads and even self-selected leads. Sometimes they're just self-selecting because they think it's neat technology.

Chris: Yeah. Let's talk about lead scoring a little bit. Tell me, I understand what it is, but just for general purposes, for people who might not know about lead scoring. Tell me a little bit about what...how you see it.

Greg: Well, what we've been doing obviously, we collect names, we collect accounts, etc, from lots of different places, and a lot of those come in. As I said, someone gets on our website. They submit a form saying, "Send me some information," or, "I'd like to sign up for your webinar," or something like that.

Again, we don't know anything about them. We don't know what their need is. In our case, we don't know what their viruses of interest are. For example, why they need to quantitate. So it's a bit of an amorphous lead that we don't have any information. And we found a bit counterproductive to simply say, "Oh, somebody's on the website. We should go call them." And first of all, it's too soon.

A lot of people are just looking. They're kicking the tires to see if this is a good idea or not. And when you go after them, what they perceive as aggressively, it puts them off. Some folks I think, I've even seen a salesperson who would send a message out saying, "Hey, I saw you on our website." Well, that's also a little creepy. It's something that puts people off in a hurry.

So what we do is we collect those names and we look at what they have done. And we scored each of those. Let's say, if they click a page, it's worth a point, for example. If they download a content, it's worth 10 points. If they sign up for a webinar, it's worth 13 points. Just various things that we're scoring out and we're still figuring out what those numbers should be.

And when they hit a certain score, we consider them marketing qualified, and we hand them off to sales. So, as marketing works these names through and nurtures them, we're getting a little more sophisticated, trying to figure out exactly if there's content that indicates they might be a buyer. If there's content that indicates, maybe they're a decision maker. Content that indicates that they've moved to a certain point, and we're also working on some of the content to say, "All right, well if our magic number of 70 that makes the marketing qualify."

When do we start to ask them, send them email for example that's a little more pointed towards sales, "Hey, would you like a demonstration? Would you like a visit to have a presentation to you and your laboratory to fully understand the virus counter?" That's how we're approaching the lead scoring and what we're referring to as marketing qualified leads. Setting up the scoreboard or the score chart. Then accumulating that score and then going after that lead when it's been fully qualified. It's a working progress.

Chris: Yeah, brilliant. So, I love the explanation of everything. A couple of questions came up that I hadn't thought of. So, when you say you're looking to see if a particular piece of content indicates that they are ready to buy, or that they are a decision maker, are you saying that they have already downloaded a piece of content and you're trying to correlate

that backwards with what you now know about people, or are you trying to figure out what content would help you...Should you create a piece of content, or you could say to yourself, "I know if they download this thing, they are definitely in the market?"

Greg: Well, they're definitely related too. We have classic content. Shall we say like a data file or something that most companies offer, some white papers. We also have a case studies and we're trying to really look at: does a decision maker truly look at the bigger picture? Is there something here where we talk about improving a process, and therefore improving your bottom line? If that's there, is that more of an indication that they're a decision maker? Because they're looking at things beyond, well, what's its sensitivity, or can I look at those particular virus, those kinds of things.

So, you're absolutely right. We're doing both. We don't really have that killer content right at the second or the targeted content that should make that clear, but we're definitely working. And well, what does that mean?

Chris: Nice. Well, yeah. I just that...I thought that was interesting because I never really thought about the backwards looking possibilities of. After you've accumulated a lot of data, you might be able to go back and look at how you score people and go, "If we adjust our score this way, we can be and we can increase our quality by some fraction to know that."

Greg: Yeah, absolutely and we definitely are working at that. And with the tools that we have today with the publishing and all of that, we can quickly tweak a piece with some new text, or whatever to see if that makes any difference. We're very early stage is trying this thing and as I said, we're a startup so our resources are pretty tight. But we see it as paramount to our success that we do a good job with this. Because again, we can't chase volume leads.

Chris: Right.

Greg: We have to make sure we're choosing the best leads.

Chris: I can imagine in a larger company... and I'm curious about your own company. Does it take a certain amount of discipline among the sales team to understand the strategy and buy in to the whole thing like, "We're not going to send you everything right away?"

Greg: Yes, that's a very good question and a very good observation because obviously a sales person, "Give me a lead. Give me a lead. Give me a lead." And to have the concept that, "No, we're sitting on this until..." Yeah, it's very difficult. So we've had the heart to hearts and said, "We were going to change it so that every visitor of the website doesn't come to you immediately."

But we're going to work this program and we've just made it very clear that we have to work this program. It's part of the measurables for the company. But we're turning out enough every...I run the new report about every two to six weeks depending on volume that we've had come in. And we're turning out enough leads that it's making a difference.

And so far we have probably...I'm just trying to think. I mean we've certainly have some very good hits. I won't really go into numbers specifically, but we've had some excellent hits. People that we did not know were in the market. So that's indication to us that our marketing qualified lead project is asking some of the right questions. I don't think it's ever going to be finished. We'll always be tweaking it, but I think we're asking, or scoring correctly I should say, and that we are turning out some people that are qualified.

Chris: And I can imagine, tell me if you think this is true, that the payoff is...imagine you don't start this way and you're little more loose with sending leads. It becomes harder to make that transition...just one for a change process. And two, that people will get wrapped up, chasing lower quality leads, and miss some opportunities.

And it's probably better to suffer the impatience now. And then, as your volume picks up, they're going to be really grateful that they're not spending time on low quality leads. And that everything they get, they know exactly what to do.

Greg: Absolutely, and yeah, it's going to be some pain before the whole payoff happens. But I myself, I'm very pleased with how we've gotten people. It just were not on our radar screen. It's potential leads, but based on their activity, have now qualified, and upon contacting have said, "Yeah, come on in. Actually that sounds a great idea to look at your product."

And that, of course, is the big payoff for salesperson too, that the person they're talking to is at least on paper well-informed, is making a good decision, or is making a decision based on evidence that they want to see you. Rather than in the early days of databases, and things like say, salesforce.com where you would be informed of somebody, filling out a form, and

becoming a lead. People would send out email saying, "Hi, my name is XYZ and should you have any questions about our product, please call me." And there just was no value in that.

So what we've done with this is we've gotten somewhat of a self-selected customer. They are relatively well-informed based on what they've downloaded. And we can then engage with them on a much higher level, right from the start. We hold back some content sometimes so that we can then go back to them with an email that provides value to them.

Because again, just informing them that, "Oh, I'm your sales rep. When you're ready, come to me," is pretty useless. But if we can come back with saying, "Well, here's a case study on the virus of interest that you let us know what you're looking at. We just got this done. You're the first person to receive it." That has a ton of value.

Chris: I love that. In fact, that remind me of something else I was going to ask when you were talking earlier. Talking about sending someone an email as their score began, and I was wondering if part of the strategy is to send an email that you hope will trigger them, and maybe put them over the top as they're approaching the qualification score. And maybe it doesn't really matter, but it sounds like...

Greg: Well, we haven't really experimented yet with the email that puts them over to the top. As much as we have, once they're over the top, coming back to them with value.

Chris: Right and that makes total sense.

Greg: So that we introduce ourselves and now a sales rep is associated with, "Oh, value, excellent."

Chris: Yes. I like it. Yeah, that's a much better idea. So, for companies that aren't doing lead scoring yet, is there have been something you say this is something people should know if they're doing lead scoring?

Greg: Well, we are so early on. I think a lot of what I've talked about here is being implemented absolutely, but a lot of it is more of a...this is the way we hope it all winds up. As I said, we are getting some good leads. But I would say it's really very important to...we get so much information on people and we have so many names that we can go after, and depending on where your company is in the width or the breath of their product line. Things like that.

You really need to figure out some way to go after those best accounts because it's just getting more and more expensive. I mean look at what salespeople might spend on hotels, and flights, and all this kind of thing. And really, it comes down to the survivability of the company and the bottom line of the company to say, "We're only going after the best leads." And with something like lead scoring, you can turn out the best leads, I think. And I think we're beginning to see something.

Chris: Yeah, that's fantastic. This is the first...I mean, I've been aware of lead scoring for a while, but this is the first real case study I've talked about, or talked to someone about actually doing it. So, this is fantastic.

Let's shift gears a little bit and just wrap up. So, of course, marketers are always in addition to leads, trying to measure other things that impact their contribution to sale. So, it's nice to pull up page views, and downloads, and time on site, and things like that. And some of those, a page view, or a download, those can be scored as well, and that definitely provides value. But are there other contributions that marketing can make to help the sales team but aren't so easy to measure that people might be missing because they have this measuring mindset? Not to say that measuring is bad, but just things you're missing that you wouldn't measure.

Greg: Well, as a broad statement, I would say that the biggest thing that marketing, and I've been in marketing for many positions that I've been in for many years. The thing that one always has to be aware of is measuring effectiveness as opposed to measuring activity. And I think we, as marketers sometimes fall into, checking things off of our list and saying, "Hey, look what I did." When in reality what you've done is spend time and finished a task, and checked it off of your list. It hasn't been really measured against what did that do for us here.

And I think it begins very early on. If you look at marketing all the way back to the product management side, being able to talk to customers and translate those needs into features for your product. I think that's not easy to measure per se, but if you come out with a product that's new to the world, and has new to the world features, those are all things that you as a marketer figured out through talking to customers and finding out where the difficulties were

So I think that's one very nuts and bolts thing that is not so easily measured. I guess you could measure that in terms of sales, by people saying, "Oh, I bought it because it had this

feature." But in a greater sense, it's hard to measure. I think there's a lot of times where salespeople will sometimes pursue a sale and not see the whole picture.

For example, a very important customer that may have multiple sites, etc. And of course, as a salesperson, there's a rational self-interest. "I need this sale. I need to make my quota, etc, etc. And I think marketing can help out there and having them see the whole picture to say, "Well, let's not just go after this sale. Let's go after 14 sales around the country to all their other sites." Things like that that aren't always available, or aren't always obvious to a salesperson because you are very focused.

So I think being in a bigger picture isn't really measurable per se, but it's something that's very important for the sales folks, for the marketing folks. Keeping in touch with thought leaders and opinion leaders. Those things are very important to product development, to understanding trends to be able to say, "You know, guys, you really should be going after this area. We haven't done that before, but our product looks like it would fit very nicely." Those are the kinds of things that I think are important for marketing that is hard to measure, but really makes a difference on the sales side as well.

Chris: Excellent. Well, this whole conversation has been fantastic. I really like the in-depth conversation about the lead scoring. I think that's going to be really helpful for people listening. And then, I would consider the icing on the cake to go beyond measuring lead quality, and expand marketers' minds to think about the things they can't measure but they could do that will make a difference for their company.

So Greg Krueger, this has been fantastic. I want to thank you for your time, and I look forward to talking to you again sometime.

Greg: I do too, Chris. Thank you again for the opportunity.

Chris: All right, my pleasure.

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