The Life of a Sales Lead

-Brian Jeffrey, VP Sales, All Things Home

A sales lead, although inanimate, has a lifespan, after which it becomes of little or no value. So, what is the lifespan of a lead and why is it important?

What is a sales lead?

A sales lead is a salesperson's doorway to a possible sale. It's the start of a process that the salesperson is responsible for completing.

Costly scraps of paper

Many salespeople treat sales leads frivolously, as though somehow these are just scraps of paper without realizing that they cost the company a fair amount of money to acquire.

For example, a typical trade show can cost anywhere between $4,000 and $25,000, not including the cost of staffing the booth, etc. That's all in the hopes of getting leads that their salespeople will turn into sales. If a company walks away with 100 solid sales leads from a show, those leads cost the company between $40 to $250 each. That's hardly a piece of scrap paper!

Surprisingly, many companies squander these sales opportunities.

Survey results

Many years ago, I did a survey to determine how exhibitors followed up on their show leads. In that survey, I had a phantom attendee approach each exhibitor at the business show, express an interest in what they were selling, give them a business card, and ask that they contact us after the show.

The result was that **only 15 percent** of the exhibitors actively followed up on the leads received at the show. What the remaining 85 percent did with their leads remains a mystery.

The same logic applies to telephone call-ins or website inquiries. There is a tendency to discount the cost of acquiring those leads. We conveniently forget that companies spend many thousands of dollars on advertising and website design in the quest for sales leads.

Lead lifespans

The time for a lead to go from hot to cold to dead varies with where the lead originally came from. Prospects are inclined to cut a company some slack if they've left their contact information at a show booth, but not if they called or emailed the company. In the latter case, they expect an instant response, particularly in today's environment of instant-everything. This table shows how long it takes for a lead to die:

Lead Lifespans				
Lead Source	**Hot**	**Warm**	**Cold**	**Dead**
Trade shows	1-2 weeks	3-4 weeks	>1 month	3 months
Planned special events	1 week	2-3 weeks	1 month	>1 month
Website & email enquiries	5 days	1 week	2-3 weeks	1 month
Phone-ins	24 hours	2-3 days	1 week	2 weeks

Strike while the iron is hot

Obviously, we have a better chance of getting an appointment (and a sale) when the prospect is still "hot." Once the prospect starts to cool off, their attitude changes and, while we may still get an appointment, the prospect may already be put off by our apparent lack of urgency, which could be perceived as a lack of caring. Not very professional.

There is another old saying about "not flogging a dead horse" that applies to following up on cold or dead leads. Sometimes we can breathe life into a dead lead, particularly an email or phone-in lead, when properly handled. In this case, we need to be suitably contrite and apologetic when first approaching the prospect. We also need to be prepared for a cool reception and the fact that the prospect may have gone with another, more responsive, company.

Care & feeding of sales leads

Hopefully your company has a robust lead-generation program in place that feeds leads to the sales team. Many companies don't and expect their salespeople to "kill what they eat," i.e., find their own leads.

Obviously, it is important — very important — for salespeople to handle leads in a timely manner, particularly while they are "hot." As soon as a lead transitions from hot to warm (or cold) our chances of making a sale diminish substantially.

Bottom line

Any salesperson who feels timely lead handling is an imposition should try doing without leads for awhile.

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