

# Optimizing ROI: Converting Marketing Qualified Leads to Sales Qualified Leads

## Background

Lab equipment marketing teams start their search for new customers by generating marketing qualified leads (MQLs)—contacts who have requested additional product information from an existing campaign. Sources of MQLs include email, social media campaigns, website banner ads, and outreach at webinars and trade shows. It's the job of field sales representatives or an inside sales team to turn MQLs into sales qualified opportunities.

But first, MQLs must be converted into Sales Qualified Leads (SQLs). SQLs in this process are prospects whose needs have been qualified for buying potential and are sales ready. The MQL-to-SQL conversion process is critical to sales revenue and marketing return on investment.

In many organizations, however, conventional processes fail to convert the vast majority of MQLs.

**An estimated 80 to 98 percent<sup>1</sup> of MQLs delivered to sales representatives are not actionable.**

If all MQLs are handed to a sales team without qualification, representatives lose motivation to follow up. They often assign MQLs low priority—or disregard them altogether. MQLs that are not actionable waste their time. They lead to low conversion rates and suboptimal return on investment (ROI).

## Achieving optimal conversion rates

Optimization of MQLs to SQLs may need investment into infrastructure and personnel. The case study that follows identifies requirements to raise conversion rates.

Additionally, it also illustrates a turnkey solution: outsourcing the process to lead qualification specialists.

Additional factors that impede  
MQL-to-SQL conversion

### PRIVACY REGULATIONS

**Privacy regulations create roadblocks to lead generation.**

Anti-spam laws in the U.S. and General Data Protection Regulation (GDPR) in Europe make it difficult for new campaigns to reach new audiences and potentially reducing MQL generation

### COVID-19 PANDEMIC

**Since the pandemic began, biopharma has increasingly restricted vendors' ability to contact employees through workplace phones.**

Before the pandemic, researchers were already becoming less likely to answer phone calls from unknown callers.<sup>1</sup> The pandemic accelerated that trend as employees returned to the office. The high volume of unanswered calls hampered efforts to qualify MQLs. High-salary sales reps working to qualify leads needed extra time to reach prospects. The inefficiency was challenging to an organizations' bottom lines and lowered sales staff motivation.

To complicate matters further, many biopharma firms reconfigured their phone systems, replacing live switchboard operators with automated attendants. In the process, researchers were often stricken from phone directories. It became increasingly difficult to reach a prospect without a direct-dial or mobile phone number.

Additionally, many smaller biopharma firms eliminated lab phones and even desk phones. For sales teams, this reduced the frequency of outreach—the number of contacts made per hour. Also, a growing number of researchers could only be contacted on their personal mobile phones. On mobile devices, recipients typically answer only 19 percent of calls from unknown callers.

Sales reps have been hit with a double whammy: declining ability to reach the target customer, plus an already low percentage of actionable leads. These factors weaken motivation to follow up on leads. Ultimately, they lower conversion rates.

## Rethinking the MQL-to-SQL conversion process

The process used to qualify leads varies based on company size, structure, and resources. Mid- to large-sized companies may employ inside sales groups to prequalify MQLs. These groups then deliver actionable leads to the field team. (See Fig. 1, below.)

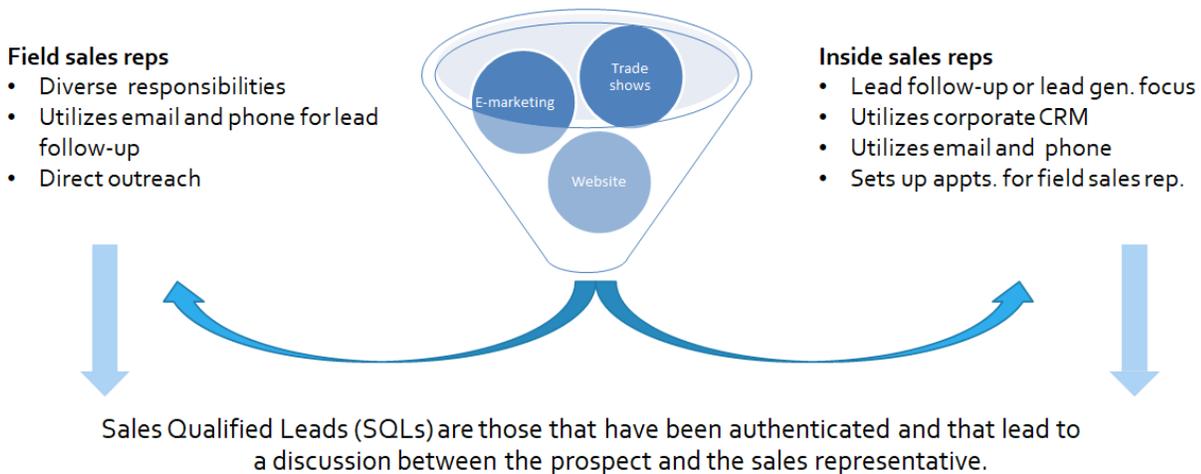
However, standard customer relationship management (CRM) software programs are not optimized for qualifying leads. Their limitations make the process inefficient.

In addition, sales teams rarely monitor key performance indicators (KPIs) to determine whether their efforts are effective.

If properly implemented, software changes and KPI monitoring raise the MQL-to-SQL conversion rate and optimize returns. Another key to increasing conversion rates is targeted use of various modes of outreach: phone calls, emails, text messages, WeChat, and LinkedIn.

Figure 1

### Typical sales process for lead qualification of outbound marketing programs



### JBC LEAD CONVERSION METRICS

Share of MQLs that are non-actionable when delivered to sales teams	Share of phone numbers of MQLs which are mobile numbers <sup>1</sup> as opposed to direct dial lab office numbers	Share of incoming calls to mobile phones from unknown callers that are answered <sup>2</sup>	Share of MQLs who respond to a mix of emails, phone calls, or text messages within seven contact attempts	Share of SQL conversions lost when reps attempt to reach a new MQL no more than three times before declaring the lead dead
<b>80 to 98%<sup>1</sup></b> (estimated)	<b>50 to 60%</b>	<b>19%<sup>2</sup></b>	<b>60%</b> (approximate)	<b>20 to 30%</b>

## How to optimize the MQL-to-SQL conversion process

By enacting a few key changes to process, oversight, and infrastructure, sales operations can enhance efficiency and team motivation. However, investments are needed in software and possibly in personnel. Organizations unable to make such an investment can still optimize the process by outsourcing MQL conversion to a sales lead qualification specialist.

### CHANGES NEEDED

#### Inside sales representatives

- **Strong science background:** It is vital that members of inside sales teams have college degrees in the sciences. Sales reps must be able to engage prospects in conversation on complex, technical topics.
- **Knowledge of language and culture:** In addition, sales staff need to speak and understand local languages and cultural dynamics when communicating with prospects in certain geographic areas. For example, warm calls and WeChat have proven to be an effective form of outreach in China. Yet, prospects in those markets have not been receptive to such outreach from representatives unfamiliar with their language and culture.<sup>1</sup>
- **Time zone compatibility:** When calling outside of the U.S., the call center should be located within the target region. That way, calls are made during prospects' working hours. Alternatively, U.S.-based callers should work split shifts so that their hours align with the workday overseas.

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#### Customer relationship management systems (CRMs)

- **Streamlined interface:** Many CRM interfaces require multiple screens to view and edit prospect profiles and contact information. A multi-page format is cumbersome to use. It can keep contact rates up to three times lower than those achievable with custom-built systems. High-volume calling is most efficient when using a CRM with a streamlined interface.
- **Support for text messaging:** Most representatives and inside sales teams only use email and phones for contacting prospects. These functions are integrated into the CRM. Text messaging can boost the success of outreach and qualification by 10 to 15 percent. However, it needs to be integrated into the CRM. Otherwise, efficiency and oversight are lost.
- **Integration of local messaging apps:** In China, WeChat is the preferred source of messaging and initial outreach. To maintain efficiency and outreach frequency, it needs to be integrated into the sales process. Inside sales representatives need to be able to easily identify a WeChat ID.

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#### Key performance indicators (KPIs)

Organizations should monitor KPIs to ensure that their lead qualification efforts are cost-effective. Programs should meet the following benchmarks:

- **Number of converted MQLs:** Should comprise roughly 13 to 20 percent of viable MQLs generated by marketing programs.
- **Dial frequency:** Number of dials per hour should be greater than 30.
- **Contact frequency:** Number of conversations per hour should be greater than or equal to three.
- **Attempted dials per MQL:** Should be up to seven attempts.

### SIX STEPS TO BOOST CONVERSION RATES

- Stratify sales responsibilities, using telemarketing agents with technical expertise to prequalify MQLs or generate leads.
- Expand outreach channels to include text messaging and WeChat. Utilize each prospect's preferred mode of contact.
- Monitor the number of times a representative attempts to reach a prospect.
- Utilize a CRM platform designed for high-volume prospecting.
- Develop simple tools to ensure that representatives follow up on converted or new MQLs.
- When conducting outreach internationally, ensure that inside sales representatives speak local languages and adhere to local customs.

## Case study

The case study below demonstrates how outsourcing the lead qualification process can increase conversion rate, and ultimately, ROI. The study is based on a before-and-after analysis of MQL-to-SQL conversion rates for a JBC Associates client. It was performed and analyzed by JBC Associates. To respect the client organization's privacy, we refer to it only as "Company X."

### PROGRAM GOALS AND DRIVERS

Company X, a multinational organization, had an MQL-to-SQL conversion rate that was below industry standards. While it garnered a high volume of leads, many sales representatives failed to follow up adequately with prospects.

To address the problem, JBC partnered with its client to qualify all incoming MQLs from outbound marketing programs. Leads were culled from web forms, webinars, and trade shows. The goal was to deliver only actionable leads to the company's sales representatives.

In addition, Company X wanted an unbiased third party to establish key sales metrics. It planned to use these metrics to identify optimal marketing programs and set baseline standards for its marketing programs' ROI.

### METHODS

Company X provided JBC Associates with more than 3,000 leads gathered during the previous year. All prospects had opted in to be contacted.

Each lead was fully qualified within about ten days. Initial contacts attempts were made within 24 to 48 hours after leads were received. Callers attempted to reach each prospect up to seven times. Email, WeChat, and text messaging were also used.

Prospects were contacted by life science professionals with sales backgrounds. They qualified MQLs and set up appointments for Company X sales representatives.

All contact attempts were documented and monitored with Biobank Customer Contact, JBC Associates' proprietary CRM. In addition to phone calls, the system supports use of email and text messaging. The CRM provided key metrics of interest to Company X for each geographic sales territory. At the same time, if no appointment is scheduled with a prospect, Company X understand detailed information about the reason for no appointment and can adjust its marketing

### RESULTS

JBC Associates attempted to contact each prospect up to seven times. With seven contact attempts, it succeeded in reaching 50 to 60 percent of researchers. Instead of relying solely on phone calls, it used multiple means of outreach. Researchers either picked up their phones, answered an email, or replied to a text message.

### JBC ASSOCIATES

For more than a decade, JBC Associates has forged successful sales operations for life science tools companies. Its customized CRM system is ideal for managing high-frequency contacts. It maintains an organization optimized for global lead generation and lead qualification.

Providing various options for outreach enables callers to use an MQL's preferred mode of contact. Options include phone (land line and mobile), email, text messaging, WeChat, and LinkedIn. A proprietary contact center within the CRM monitors contact frequency and process, then optimizes them to yield the highest possible percentage of qualified leads.

JBC Associates agents hold degrees in the life sciences and have backgrounds in sales. They can deftly discuss complex technologies with prospects. Their in-depth knowledge and outreach skill enables them to deliver a high volume of actionable leads to clients.

In most organizations, inside sales representatives only attempt to reach a prospect up to three times. After the third attempt, they do any of the following three things:

- Close the lead
- Mark the lead as unreachable
- Note that the MQL is not interested *without* actually speaking to them

Limiting outreach to three calls per prospect puts a lid on conversion success rates. JBC Associates found that a significant share of prospects could be reached *after* the first three contact attempts. Continuing outreach—completing up to seven contact attempts—is critical to raise conversion rates. A large share of prospects who ultimately will respond proceed to schedule appointments with sales reps.

**Table 1: Success rate in reaching MQLs after the third contact attempt**

<b>Outcomes after the third contact attempt</b>	<b>Success rate</b>
MQLs reached	45%
Appointments made	30%

Sales reps. who stop outreach after three failed attempts lose significant sales opportunities. Of the MQLs who can be successfully contacted, **45 percent** are reached after the third contact attempt. Even more concerning is that **30 percent** of MQLs who proceed to request meetings with sales representatives are reached after the third contact attempt. By stopping outreach prematurely, organizations may sacrifice nearly one third of appointments with prospects.

JBC Associates' processes, software tools, and team expertise increased MQL-to-SQL conversion by 50-100 percent. Within that range, the success rate varied by product type and market segment.

## Outcome: Roughly doubling actionable sales leads

Lead qualification can be vastly improved by refining standard operating procedures, optimizing technology, and employing qualified personnel.

The JBC Associates lead-qualification program roughly doubled MQL-to-SQL conversion rates for its client as highlighted in this case study. Additionally, data provided by JBC enabled the marketing group to more effectively evaluate vendors used for promotion of campaigns and marketing impact within various geographies. Figures documenting ROI improvement are not available for public release.

### Sources:

1. JBC internal confidential metrics from 2016-2022. Please contact us for details about these metrics and methods for transforming your organization's MQL-to-SQL conversion.
2. ["Most Americans don't answer cell phone calls from unknown numbers,"](#) by Colleen McClain, Pew Research Center; Dec. 14, 2020

## Contact us

Find out how JBC Associates can improve your marketing teams ROI through their proven techniques.

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