

DOTS Lead Validation

LEAD VALIDATION CASE STUDY & ROI ANALYSIS

PROBLEM

The fictitious Prometheus Corp spends nearly \$2M per year generating, purchasing, and following-up with its leads. An estimated 16% of their leads are incomplete, invalid, or fraudulent. These bad leads contaminate their CRM and waste over \$90K a year in telesales efforts alone.

NEEDED SOLUTION

- Automated system that removes these bad leads.
- Cost effective and accurate.
- Easy to implement and maintain.
- Real-time with no negative impact on new leads as they move through the sales pipeline.

PROPOSED SOLUTION

Implement Service Objects' DOTS Lead Validation into:

- Marketing Web forms (real-time).
- CRM import tool (real-time).
- Cleanse CRM of all existing bad leads (batch).

RESULT

The total cost per good lead with follow-up is reduced by \$1.89/lead, a 5% savings totaling over \$113K per year. DOTS Lead Validation enables Prometheus Corp to save money by:

- Not paying for telesales to follow-up with bad leads.
- Not paying for continued CRM marketing to bad leads.
- Identifying and returning bad leads.
- Salvaging leads by correction and point-of-entry validation.

Prometheus Corp also benefits from non-calculable effects:

- Better metrics lead to better business decisions.
- Fewer lead quality disputes strengthens teamwork.
- Enhanced data improves conversion rates.
- Previously wasted resources can now be re-appropriated to compound profits.

INTRODUCTION

For the last several years Prometheus Corp has ramped up their marketing, affiliate marketing, and outright lead purchases to drive sales. Between the three lead generation methods, the company averages about 5K leads per month, costing around \$30 each to buy or generate. In total, Prometheus Corp spends \$2M per year on leads and lead follow-up.

The problem is that many of their leads are bogus, costing them thousands in wasted telesales and CRM/SFA marketing efforts.

The poor lead quality also leads to political dissension between Sales and Marketing, and convoluted metrics make it difficult for management to make good business decisions. By implementing DOTS Lead ValidationSM, a real-time service that scores and enhances lead data quality, they are able to solve these problems and more.

INTEGRATING DOTS LEAD VALIDATION

The account representatives at Service Objects help Prometheus Corp decide to integrate real-time DOTS Lead Validation in two places. They also decide to run a one-time batch to remove all the existing bad leads from their CRM.

The first place to integrate real-time DOTS Lead Validation is into their marketing Web forms where they generate many of their leads. If the Web users input invalid information, they are prompted with a message provided by DOTS Lead Validation, requesting they improve their contact information. In this way, the incorporation of DOTS Lead Validation not only removes poor contact quality leads, but also results in many bad leads being revised into valuable leads.

The second place they decide to integrate DOTS Lead Validation is into their lead import system. Prometheus Corp already has an automated process that imports purchased and affiliate generated leads into their CRM system. With DOTS Lead Validation in place, bad leads are automatically returned in real-time before reaching the CRM. The good leads are added to the CRM as normal, but with corrected and appended information that helps telesales convert more leads into sales.

Once the strategic decisions are made, the developers at Service Objects provide custom sample code to ease the integration process. Similarly, the clean XML interface also adds to the ease of integration. Service Objects' developers also offer a best practices meeting to ensure the final integration is fully robust. The complete integration and testing goes very smoothly and completes in less than two weeks.

TELESALES SAVINGS

Prometheus Corp has a telesales force in charge of selling to all their leads. Generally they spend a few minutes looking at and researching the lead before placing one or more calls to it. On average, they spend 18 minutes per lead, at \$23 dollars per hour, costing $(18/60) * \$23 = \6.90 per telesales follow-up. The lead also receives materials from CRM marketing that costs \$2.50 per lead. In total, $\$6.90 + \$2.50 = \$9.40$ is spent to follow-up on each lead.

Using DOTS Lead Validation, Prometheus Corp identifies 16% of their leads as invalid.

By simply not following up on 16% * 5000 = 800 invalid leads they save 800 * \$9.40 = \$7,520 per month.

RETURN BAD LEADS

Some of Prometheus Corp's monthly leads come from affiliates and lead resellers. Often the affiliates and resellers will allow bad leads to be returned in a timely manner. By using DOTS Lead Validation within its CRM import tool, Prometheus Corp is able to identify and return 1% of all its monthly leads, saving $1\% * 5000 * \$30 = \$1,500$ per month.

SALVAGED LEADS

The rest of Prometheus Corp's leads are generated by their own marketing efforts. A Web form offering a free trial of their product generates many leads. By integrating DOTS Lead Validation they are able to identify bad leads and the reason they are bad in real-time. Armed with that knowledge, they alert the user of the problem, causing the user to input better information. DOTS Lead Validation also corrects addresses and appends phone information, often changing a bad lead into an actionable one. About 1% of the total leads generated are salvaged by this process, creating good leads worth $1\% * 5000 * \$30 = \$1,500$ each month.

CALCULABLE SAVINGS

Overall, Prometheus Corp calculates a drop from \$39.40 to \$37.51 in the cost per lead including follow-up. This accumulates to a savings of \$9,450 per month and over \$113K per year.

"DOTS LEAD VALIDATION ALSO CORRECTS ADDRESSES AND APPENDS PHONE INFORMATION, OFTEN CHANGING A BAD LEAD INTO AN ACTIONABLE ONE."

NON-CALCULABLE BENEFITS

Management is able to make better business decisions because their metrics are far more accurate after eliminating bad leads from the calculations. Teamwork prospers between Sales and Marketing because there are fewer disputes over the leads passed between them. Sales increases its conversion rates using the corrected and enhanced contact information provided by DOTS Lead Validation. Finally, management is able to re-appropriate its previously wasted resources to maximize profits.

"FINALLY, MANAGEMENT IS ABLE TO RE-APPROPRIATE ITS PREVIOUSLY WASTED RESOURCES TO MAXIMIZE PROFITS."

WHAT'S NEXT?

CALCULATE YOUR OWN SAVINGS USING OUR INTERACTIVE ROI CALCULATOR:

<http://www.serviceobjects.com/products/composite/lead-validation/interactive-roi-calculator>

LEARN MORE ABOUT DOTS LEAD VALIDATION BY VISITING THE PRODUCT PAGE:

<http://www.serviceobjects.com/products/composite/lead-validation>

FROM THE PRODUCT PAGE YOU CAN:

- Sign up for a Free Trial Key for our XML Web Service interface
- Submit a Free Batch of leads to see the output of the service
- Try a few Free Online Lookups ("online demo" link at bottom of product page)

PLEASE CALL US AT 1.805.963.1700 TO DISCUSS DOTS LEAD VALIDATION OR SET UP A FREE ONLINE PRESENTATION.

DOTS LEAD VALIDATION ROI ANALYSIS FOR PROMETHEUS CORP

LEAD DATA

LEADS PER MONTH	5000	Marketing Generated / Affiliate Generated / Purchased
COST PER LEAD	\$ 30.00	Avg \$ Cost per lead

DOTS LEAD VALIDATION

% BAD/FRAUDULENT	16%	% of leads with invalid contact information
% PREVIOUSLY NOT RETURNED, NOW RETURNED	1%	% of leads you can now return that you couldn't before
% SALVAGED	1%	% leads that were initially bad that our service salvages

FOLLOW-UP COST

HOURLY TELESALLES PAY \$/HR	\$ 23.00	Hourly pay for telesales
AVG TELESALLES MINUTES/LEAD	18	Time spent on research and 1-3 calls per lead
MARKETING FOLLOW-UP TO CRM/SFA	\$ 2.50	Cost of continued marketing to one lead
Follow-up Cost Per Lead	\$ 9.40	Total Cost of Following up with one Lead.

MONTHLY COSTS

	TRADITIONAL	DOTS LEAD VALIDATION	
COST FOR LEADS	\$ 150,000.00	\$ 150,000.00	Same
SAVINGS OF RETURNED LEADS		\$ (1,500.00)	Don't purchase bad leads
SAVINGS OF SALVAGED LEADS		\$ (1,500.00)	Spend less by salvaging leads
FOLLOW-UP COST OF GOOD LEADS	\$ 39,480.00	\$ 39,480.00	Same
FOLLOW-UP COST OF BAD LEADS	\$ 7,520.00		Don't follow up with bad leads
COST OF DOTS LEAD VALIDATION		\$ 1,129.00	Cost/Lead goes down with volume
Monthly Total Cost	\$ 197,000.00	\$ 187,609.00	

SUMMARY

TOTAL TRUE COST PER LEAD	\$ 39.40	\$ 37.51
SAVINGS PER LEAD		\$ 1.89
SAVINGS PER MONTH		\$ 9,391.00

Savings per Year \$ 112,692.00

INTANGIBLE SAVINGS

- NON-CONVOLUTED MARKETING METRICS LEAD TO BETTER BUSINESS DECISIONS.
- FEWER LEAD QUALITY DISPUTES STRENGTHEN TEAMWORK BETWEEN DEPARTMENTS.
- CORRECTED AND ENHANCED CONTACT INFORMATION IMPROVES SALES' CONVERSION RATES.
- PREVIOUSLY WASTED RESOURCES CAN NOW BE RE-APPROPRIATED TO COMPOUND PROFITS.