The 7 Secrets to Working Leads Like a Pro

By Chris Kelly
Lead Generation Expert

NEXTGEN LEADS
Introduction

Secret 1  Leads are not one size fits all. Make sure you’re buying leads that fit!

Secret 2  Know the relevant metrics for your business like the back of your hand.

Secret 3  Work your leads tenaciously.

Secret 4  Don’t sound like a robot.

Secret 5  Commit to a reasonable test, but know when to move on.

Secret 6  Don’t lose the technology arms race.

Secret 7  Establish and maintain a positive relationship with your lead provider.

Next Steps
As someone who sells leads for a living, I’ve heard these and similar statements more times than I can count. Many insurance professionals are convinced that buying leads is not a viable option for them, which is surprising when you consider that, virtually without exception, all of the most successful insurance agencies in the country buy leads every single day, and derive most of their sales from leads. So where does this disconnect come from? Why do leads work so well for some and not for others?

A lot of salespeople seem to think that leads are like a magic wand: just wave them about and wait for deals to start closing. (And if no deals materialize, it must mean the wand is busted!) But just like most things in life, buying and working leads is a skill that has to be learned, practiced and honed. Two people working the exact same leads can have radically different results, with one finding a consistent source of profitable new business and the other throwing in the towel. The difference between success and failure lies in the processes, sales techniques, best practices and plain old common sense employed by the salesperson.

The purpose of this eBook is to arm you with the knowledge and resources you need to work sales leads effectively. Throughout this book, I will use health insurance leads as an example, but the secrets and techniques here are equally applicable in any business that deals with leads. If I’ve done my job, after reading this book you will know exactly what your next steps are to start working leads like a pro, closing more deals, and making more money.
SECRET #1

Leads are not one size fits all. Make sure you’re buying leads that fit!

One of the biggest mistakes that insurance agents routinely make is buying the wrong type of leads. What do I mean by that? Well, most lead vendors sell three distinct types of real-time leads.

1. Shared Leads
2. Exclusive Leads
3. Live Transfers
A consumer looking for health insurance fills out a form online, and several insurance agents (typically 3-5, but if you’re working with lower quality vendors it can be 10+) call the lead, hoping to be the one to pitch the consumer and close a deal. This is an “outbound” lead, meaning that you as the agent have to call the lead yourself. Shared leads are typically the cheapest real-time lead you can buy.

These are just like shared leads, except they are only sold to a single agent. Again, this is an outbound lead where the agent dials the consumer. These are more expensive than shared leads and cheaper than live transfers.

Also sometimes called a warm transfer, a live transfer is a lead where your lead vendor calls the lead on your behalf, per-qualifies the lead by asking some questions -- in the case of health insurance, these questions are likely to center around income and medical conditions -- and then transfers the call so that you can close the deal. This is an “inbound” lead because the call is coming in to you. Live transfers are the most qualified type of lead you can buy, and also the most expensive.
SO WHICH LEAD TYPE IS BEST, AND WHICH SHOULD YOU BE BUYING?

The answer is “it depends.” The general rule of thumb is that larger agencies and call centers do best with shared leads, independent agents do best with live transfers, and agents in the middle of the spectrum might do well with either, or with exclusive leads.

Shared Leads
Typically, one of the biggest mistakes an independent agent can make is buying shared leads, and this makes perfect sense if you think about the competitive nature of this lead type. A call center is usually going to have at least 10, and in some cases over 100, people calling their leads throughout the day. They are most likely going to be using a sophisticated automated dialer to ensure that each lead is called the second it comes in, and called repeatedly until someone picks up. An individual agent manually dialing these same leads is completely outgunned, and is far less likely to get through to the prospect than the call center.

If you’re an individual agent, don’t waste your time or money here.

Live Transfers
Live transfers really level the playing field. Since the call is coming in to you, the call center doesn’t have any advantage from its numbers or technology. In fact, since individual agents are more likely to be experienced industry veterans (whereas call center agents are more likely to be newer and less experienced), they are more likely to capitalize on a pre-qualified lead and close the deal. Live transfers also don’t require you to invest in a CRM (Customer Relationship Management software) or power dialer, which makes them accessible to any salesperson.

Therefore, live transfers are the best fit for individual agents.

Exclusive Leads
So what about exclusive leads? Exclusive leads are ideally suited to individual agents and small agencies who are looking to even out their workday with a constant supply of new people to talk to. It’s true that exclusive leads require more work than live transfers since you have to call the lead instead of having them call you, but live transfer volume isn’t always consistent. If you rely purely on live transfers, you may have long stretches of the day where you’re just waiting for your phone to ring, and you may not be closing enough business to keep the lights on. Exclusive leads help you stay busy by ensuring you always have fresh prospects to call or email.
SECTION SUMMARY

Individual agents should start with live transfers and supplement with exclusive leads to get more volume. Shared leads are best left to call centers.
SECRET #2

Know the relevant metrics for your business like the back of your hand.

How much money do you make on every deal? What’s the most you can afford to pay for a sale? How many people do you typically need to talk to close a deal? How long does it take you to get paid? What percentage of your “closed” deals never end up going through, or cancel after a short time? A surprising number of salespeople can’t answer one or more of these questions, which is sure death if you’re spending your hard-earned cash on leads.
An agent relying on referrals, networking and good old-fashioned shoe leather can afford to be in the dark on his metrics because the only thing that ignorance is costing him is his own time. But if you’re spending money on leads, not understanding your metrics can be very costly. Don’t worry, though: it’s pretty easy to figure this stuff out.

The main things to be cognizant of are your average Revenue Per Sale (how much money comes in when you make a sale) and your target or maximum Cost Per Sale (how much you are willing to spend on leads to make a sale).
If you have employees or rent an office, you might have to factor that in as well, but to keep things simple, the following example is for an independent agent working from home, with negligible overhead costs:

Pam is a health insurance agent. In addition to selling major medical insurance, she also sells supplemental insurance (such as dental, vision, life insurance or accident policies) and has negotiated advances with her carriers to frontload her commission. An average deal puts about $380 in her pocket up front, with some residual income in the future. Pam’s Revenue Per Sale is therefore $380. Pam isn’t working for free, and she expects to make $200 in profit on every sale. Her only real expense is leads, and that means that if she wants to make $200 per sale, she needs to spend an average of $180 or less per sale on leads ($380 - $200 = $180). She goes to a lead vendor who quotes $5 for shared leads, $10 for exclusive leads, and $30 for live transfers. What closing rate would she have to achieve on each of these lead types to hit her goal?

If algebra isn’t your thing, another way to pose this question is “how many of each of these types of leads could Pam buy for $180?” Well, she could buy 36 shared leads, 18 exclusive leads or 6 live transfers. If she closed one deal on each of these lead types, her Cost Per Sale would be $180, and her closing ratio would be 1/36 or 2.8% on the shared leads, 1/18 or 5.6% on the exclusives, and 1/6 or 16.7% on the live transfers. And there’s your answer. Depending on which lead type she chooses, she would have to achieve one of the closing rates above (or better) in order to keep her cost per sale under $180.

This math isn’t hard, but it’s important that you do it so you have some idea of whether you are meeting, or at least close to, your goals. An agent might get discouraged if she is only closing 4% of her shared leads, but if each of those leads costs $4.00, her Cost Per Sale is only $160, which most lead buyers would be very happy with. On the other hand, a 30% closing rate on live transfers might sound very good, but if each transfer costs $50, then the Cost Per Sale is $167, which might be more than you are willing to pay.
Know how much money you make on each sale and how much you’re willing to spend on leads to make a sale. Then, using the price of a lead, calculate the closing rate you need to achieve to hit your goal. For example, if you want a Cost Per Sale of $150 or less, and you are buying live transfers for $30 each, then you need to close at least 20% of your transfers.
SECRET #3

Work your leads tenaciously.

How many of your deals close on the first call? I can’t answer that question for you, but I can guarantee it’s less than 100%. In fact, it’s probably far less than 50%. But that doesn’t stop a huge number of agents from buying a bunch of leads, calling each one once, and then throwing up their hands in despair and concluding “the leads are junk” when they don’t get any sales.

Estimates vary on the ideal number of contact attempts to make, but most experts agree that you should call each lead at least six times before giving up on it.¹

If you’re calling your leads less than that, you’re wasting money. And yes, I did say six times. Some experts insist you should call ten times.

“But wait,” you say, “calling each lead six times is difficult and labor intensive!” Yes, it can be, but having a process helps. When a fresh lead comes in, get in the habit of calling, and if you don’t get an answer, emailing the person immediately. It’s perfectly fine to have a template email that you just update with the person’s first name in order to be more efficient. If you don’t hear back, call again an hour later and keep doing it until you’ve made at least six call attempts.

¹ Ken Krogue Reveals Why Inside Sales Is All About the Leads
http://www.insidesales.com/insider/inside-sales/inside-sales-leads
Here’s a tip that works for many salespeople: don’t leave a voicemail until your final attempt on a lead.

The fact is that a lot of people don’t want to talk to someone who’s trying to sell them something. If you leave a voicemail and the person decides they don’t want to talk to you, they are more likely to recognize your phone number when you call again and not pick up. And yes, people will do this even when they just filled out a request for the product or service you’re providing. It’s maddening but it happens all the time! If you don’t leave a message and just keep calling, eventually most people will become curious and take the call. Even if they’re a little annoyed at your persistence, you’ve at least gotten them on the phone, which is a lot better than talking to an answering machine. If you’re trying a lead for the final time you have nothing to lose, so you might as well leave a voicemail.

As you scale up the number of leads you’re buying – and especially if you start hiring additional agents – you will probably find that consistently making the correct number of attempts on a lead is difficult, if not impossible, without the aid of technology. This is why most call centers use dialing software that takes the guesswork and tedium out of calling (see Secret #6 for more on that).
SECTION SUMMARY

If you don’t get an answer on the first call, keep calling back until you do. Call each lead at least six times, and don’t forget to follow up with an email. Most sales do not happen on the first call!
SECRET #4

Don’t sound like a robot.

Think about the last time you heard a really boring sales pitch over the phone, and about all the products you bought from that salesperson... Oh wait, chances are you didn’t buy anything from them, and instead hung up as quickly as possible, possibly after making a rude comment.
It’s natural when you’re saying the same thing day in and day out that it starts to sound a little wooden, a little forced. After all, you’re only human, and it’s very difficult to sound as excited about your pitch the 1,000th time you’ve said it as you did the first. But guess what?

Try to deliver every pitch like it’s the most important one you’ve ever made, and you couldn’t be more excited to be giving it. People will feed off your excitement and be much more likely to hear you out.

This book isn’t about sales techniques, so I’m not going to spend too much time on this subject, but it’s important when buying leads that you don’t “overdose” on calling and start to sound like a robot. Break up your day by taking frequent breaks, doing exercises at your desk and playing with your dog. Don’t have a dog? Well, then I just feel sorry for you. Also, try splicing in some live transfers to break the monotony of always being the one making the call. It’s always nice to have a qualified prospect contact you! You will find that the better your attitude is and the more energetic and positive you sound on the phone, the more sales you will close.
SECTION SUMMARY

All your lead provider can do is help you get someone on the phone: it’s up to you to close the deal. Treat every pitch like the golden opportunity it is, and make every conversation count. Stay positive!
SECRET #5

Commit to a reasonable test, but know when to move on.

The “ten lead test” is the surest mark of a lead newbie that I know. “Now Chris, I’m going to buy ten leads from you, and if I close one I’ll know the leads are good, and if I don’t I’ll know they’re bad.” Sorry, but no, you won’t know that. You might close three of those leads or you might close zero, but either way your sample size is far too small to draw any meaningful conclusions.
Leads are a numbers game, and that means that the larger your numbers are the more confident you can be in your conclusions. Someone who has bought 1,000 leads from a vendor will probably have a good idea of quality (though depending on the lead type, even a thousand leads can be on the low side for testing). Someone who’s bought one or five or twenty leads will not have a good idea of quality. At such small numbers, the leads might be terrible but you get lucky and close one, or the leads might be excellent, but your luck isn’t and you close zero.

The point here is that you need to be willing to do a real test with a lead vendor if you want to get any kind of accurate assessment of quality. Yes, this means spending money with no assurance of success, but it’s the only way you can be somewhat sure whether you’ve found a good lead source or not. To make things easier, most lead companies will offer a sign-up bonus to new customers to help them offset the cost of testing. NextGen Leads (my company) does this, and you can find more details at the end of the book on our sign-up bonus program.
There is no hard and fast answer to this question, and unless you have a PhD in statistics, it’s probably not worth your trouble to calculate with statistical significance the actual number of leads you would need to buy to be certain of their quality. (And even if you did calculate that number, it’s probably much higher than you’re willing to spend on a test!) So how much should you spend before assessing quality?

A good rule of thumb is to take your target Cost Per Sale (CPS) and devote 2-3 times that amount on testing a new source.

So if your target CPS is $150, I would recommend spending $300 - $450 testing a new source. And again, depending on your sign-up bonus, your actual spend may be quite a bit less than this.

After spending this amount, look at how the leads performed. If you closed one or two deals from your test, you might be fairly close to your target CPS, and a conversation with your account executive (see Secret #7 below for more on that) is likely to help you get to your goal. If you’ve closed 3 or more deals, there’s a good chance you’ve found a solid lead source, though you’ll want to wait until you have a larger sample size before you can be sure of that conclusion. If you haven’t closed any deals, let your account executive know. If they don’t offer any insight or help, consider cutting your losses and moving on.
SECTION SUMMARY

Once you’ve decided to try a lead source, commit to a reasonable test so you can get an accurate assessment of quality. A good rule of thumb is to devote 2-3x your target CPS to a test. If the results are dismal after committing that amount, only then should you consider moving on.
SECRET #6

Don’t lose the technology arms race.

This section is really aimed at people who are a little more advanced in their lead buying than the average agent, but I think every salesperson should aspire to reach the point where the technology arms race becomes relevant, so even if you’ve never bought a single lead, please read on!

Pretty much everyone who buys leads starts out the same way: they sign up for an account with a lead provider, set up a campaign, and start buying a few leads at a time with the leads delivered to their email address. When a lead comes in, the salesperson picks up his phone and starts dialing. If he doesn’t get an answer, and he’s smart, he tries again every hour or so until someone picks up. Rinse and repeat, pretty simple.
This is all well and good if you're an individual agent buying a few leads a day. But what if you're buying a lot of leads, say more than ten a day? What if you aren't just buying leads for yourself, but for an entire sales floor of five, ten or even 100 people? Do you think the scenario I laid out above will work? In case you're wondering, the answer is no, it won't.

At some point as you scale your business, you will need to leverage technology to help you stay organized and efficient. At the very least, you're going to want a basic CRM (Customer Relationship Management) and a calendar program. CRMs range in price from cheap or free to quite expensive, and calendars are pretty much always free (I use Google Calendar which is free and works well).

If you're just starting out, a bare bones CRM should be just fine. All you really need is a place to store your leads, make notes, update contacts as they (hopefully) progress toward becoming a sale, and keep track of appointments.

Most lead vendors should be able to easily integrate with your CRM, which means they can send your leads directly to your CRM without you having to manually enter them in.

Make sure you do this! It is incredibly important that you have one central place where you can go to quickly look up all your leads and take action on them as necessary.
But what if you’re buying dozens or hundreds of leads per day, and you have several people calling them? How do you know if a lead hasn’t been called yet, or conversely, if it’s been accidentally called 20 times in 20 minutes? How can you be sure that you’re calling the leads the correct number of times at a reasonable interval, and that nothing is falling through the cracks? And maybe most importantly, how do you keep your fingers from falling off with all the dialing you’re doing? This is where a power dialer comes in. A power dialer is a piece of software that automatically dials your leads following rules you specify, makes sure each lead is dialed the correct number of times, and tracks the status of your leads. In many ways, a power dialer is similar to a CRM (and in fact, pretty much all of them include basic CRM features), but a power dialer goes further in that it actually dials your leads for you.

For example, you can set your power dialer to automatically dial a lead the second it comes in, and keep dialing it once an hour until you’ve dialed it six times. You can set your dialer to sort the list of leads you’re dialing so that the ones that came in most recently or the ones that have been dialed the least number of times get priority. In this way, you can efficiently churn through an enormous number of leads while being sure that you are dialing as efficiently and thoroughly as possible.

Obviously, in order to do this, it’s important that your lead vendor sends your leads directly to your dialer (side note: NextGen Leads can easily integrate with any dialer software). It is critical that you do this, because if you don’t you miss out on one of the biggest benefits of using a dialer: the ability to immediately dial a lead the second it comes in.

Dialing leads the second they come in is why big agencies do so well with shared leads and are able to outgun independent agents.

A you might have guessed, dialers are not cheap. Some have a monthly subscription model and others have no monthly cost, but require a significant investment upfront to install. If you go the latter route, go on Yelp or leverage your network to find a reputable IT professional to install it for you, and make sure they will be available for follow up questions and consultation because you will have questions. (Dialers aren’t simple, either!)
Section Summary

If you’re buying more than half a dozen leads a day, invest in a (cheap or free) CRM at the very least to help you stay organized. If you want to grow an agency or call center, invest in a power dialer, and if you go the Do-It-Yourself route, invest in a good IT professional as well!
SECRET #7

Establish and maintain a positive relationship with your lead provider.

Lead vendors are people too! Lead generation is an industry that many (often fairly) see as dishonest and dirty, but when you paint all lead generators with the same brush you do them and yourself a disservice. Oftentimes it feels that new customers who have had a negative experience with another lead vendor are looking for a reason for things to go wrong, maybe to confirm their own biases, and sure enough that’s usually what happens when they go in with that attitude.
The fact is that lead generators couldn’t stay in business unless a meaningful number of customers were seeing success with their leads. So instead of approaching a new lead generator with a negative “this will never work” attitude, try to make an earnest effort to make the relationship successful. Tell your account executive what you are trying to accomplish, and what your metrics for success are (Secret #2), so they can help you reach your goals. More often than not, they will be able to provide insight and advice on how to use their platform to better achieve your goals.

They want you to succeed with their leads because they know you will keep buying if you do, so try to think of the relationship as a partnership, where success means both sides are coming out ahead.
Building a strong relationship with your lead vendor also means giving frequent feedback, both positive and negative, so they know what’s working and can course correct where necessary. If you’ve just finished a test and the numbers aren’t quite where you need them to be, let your account executive know.

They might be able to offer you an additional bonus, discount or some other help to get you to where you need to be.

If you have a really good week with the leads, share that as well, so the lead vendor can look at their data and try to increase volume on their best performing sources.

Keep in mind that this is a two way street. If you start complaining a lot after doing a “ten lead test” or express frustration when every single lead you buy doesn’t turn into a deal, you might discourage your account executive from trying to help you. They may conclude that it is not worth their time to try to grow your account, and that means they’re less likely to reach out to you with promotions, advice and new features. The more respect you give, the more you will get, and it is always in your best interest to have a strong, positive relationship with your account executive.
SECTION SUMMARY

Maintain a positive relationship with your lead vendor and your account executive especially. The better your relationship, the more likely they are to make the extra effort to ensure that your lead campaign performs exceptionally.
If you’ve gotten this far, chances are you’re pretty serious about working leads like a pro. Great! Here’s what you should do next.

1. (Shameless self-promotion alert!) Sign up for an account at nextgenleads.com. You will be assigned a dedicated account executive who will provide you with a free consultation, and help you design a lead campaign that fits your needs.

2. Decide whether you want to buy shared, exclusive, or live transfer leads. For individual agents and small agencies, the best approach is typically to start with live transfers and supplement with exclusive leads. If you have a lot of agents working your leads, shared leads will probably yield the lowest Cost Per Sale (CPS).

3. Commit to a meaningful test. At the bare minimum, you should spend 2-3 times your target CPS before drawing any conclusions about quality.

4. Establish a strong relationship with your account executive, and provide frequent detailed feedback so she can provide you with the best service possible.

5. If you’re doing well with leads and you want to scale up (and maybe even hire additional sales staff to help you work your leads), invest in a CRM and/or dialer. This is the only way to stay organized as you expand, and ensure that you’re getting the highest Return On Investment on your leads.
From the Author:
I hope you found this book useful. If you have, and you want to start working high quality leads like a pro, I encourage you to sign up for an account at nextgenleads.com. Our job is to help you grow your business, and we love what we do!

Chris Kelly is an expert in online advertising and lead generation. After starting his career at Google, he went on to form a highly successful online advertising company and an insurance agency. He is the co-founder and CEO of NextGen Leads.