

# Leapfrog Lead Qualifying with SAFARI

## What is a Lead? What is a Prospect? What's the Difference?

Lead and prospect – for two terms that you likely hear on a regular basis, they're surprisingly difficult to define. Both terms are deeply ingrained in B2B processes, leading to a variety of company-specific (or even business-unit-specific) definitions. To make things more complicated, marketing automation and CRM systems contribute their own – sometimes differing – definitions for leads and prospects. In fact, many sources can't even agree on which of the two is more qualified; some say leads are qualified prospects, others say prospects are developed from leads, and still others say prospects are equivalent to sales leads.

For continuity sake, there needs to be a common understanding of the terms “lead” and “prospect” at a company level (at minimum). Continuing to use these terms without some sort of shared understanding is detrimental to all parties involved. What constitutes a lead? What constitutes a prospect? Where do leads and prospects fit in the sales process? Companies need clear answers to these questions.

***For the purposes of this discussion, it's important to note that a majority of the time, the term lead and prospect in B2B refers to a new/potential customer.*** The definitions – and all the marketing automation tools to nurture business relationships - do not address the “prospect” of selling ***an existing customer*** another product or system. Most OEM sales/marketing programs seek to gain new customers and increase business with the installed base. ***It is widely accepted that selling to the installed base is 5-7X more cost-effective than finding new customers.*** “Lead Generation” primarily focuses on finding new customers.

## Leads

One of the most difficult things about defining the term “lead” is that it covers a broad variety of qualification standards and positions in the purchase cycle. The most basic, top-of-funnel lead is an inbound web form completion. Web forms are usually completed to ask a question or download a gated asset. Just about anyone can complete such a form. Those who submit the forms are considered leads because they have shown interest, even though they may not have the authority, resources, or intent to purchase. These leads are just beginning to receive branded communications.

On the other end of the spectrum, “sales-ready” leads have been somewhat vetted. These leads have been checked to ensure they’re a good fit for the company and offering. They may have come in as a web form completion, but since then they have demonstrated sales-readiness through subsequent engagement. As the name indicates, sales-ready leads are ready for contact and hopefully they can be close by a sales rep.

To find a meaningful definition that covers the various subtypes and standards for leads, we have to take a step back. At the simplest level, what is a lead? This answer begins with the most basic, non-business definitions of the word.

### Lead [noun]

*1. A piece of advice or useful information especially from an expert*

“My sister got a lead on the job opening from her neighbor, who is the human resources director for the company.”

*2. A slight or indirect pointing to something (as a solution or explanation)*

“The police are now working on several leads generated by the evidence gathered at the crime scene.”

Source: Merriam-Webster Dictionary

Looking at this definition, two key pieces of information stand out; leads are information-based and they're indefinite. Applying this information to a sales context, we can conclude that ***a lead is information that indirectly points toward a sale.***

When we compare this definition to typically accepted examples of leads from either end of the spectrum, the definition more or less holds up. Both top-of-funnel and sales-ready leads have provided information and point toward a sale. Top-of-funnel leads have provided contact information and demonstrated some, albeit indefinite, sales potential. Sales-ready leads have provided the same information and demonstrated a greater degree of sales potential. In both cases, the information is typically user-generated and provides a contact method (thus enabling further communication and sales potential). With these two clarifications taken into account, the final definition is the following.

**Lead – An individual who has provided contact information and, in doing so, pointed toward a potential sales opportunity.**

## Prospects

Prospects tend to be classified in one of two ways. Some consider prospects to be contacts who fit one of a company's buyer personas, but have not expressed interest. Others consider prospects to be sales-ready leads that have moved on to the sales team. Again, we look to the simple, non-business definition of the word "prospect" to help evaluate these approaches.

## Prospect [noun]

1. Something that can develop or become actual

"One highly desirable prospect for the city is a major-league franchise."

Source: Merriam-Webster Dictionary

Comparing the definition of “prospect” to the definition of “lead”, we see that the word “prospect” is more closely linked to an outcome. The verbiage around “lead” discusses slight or indirect indications toward a subject, while that around “prospect” discusses the potential for immediate development and actualization. In other words, a lead puts you on the path toward an outcome, while a prospect is the final step before actualization of the outcome.

***Both of the aforementioned interpretations fit the criteria for a prospect; the former describes a prospective lead, while the latter describes a prospective sale.*** Technically, both are prospects, though one is a sales prospect and the other is a lead prospect. Because, most people who use the term “prospect” are referring to sales prospects, we have adopted the latter interpretation.

**Prospect – A qualified and interested individual who, through two-way interaction, has demonstrated they are preparing to make a purchase decision.**

## The Difference

**Obviously, sales prospects are further along in the sales process than even the most qualified leads.** Beyond this, there are two key distinctions between prospects and leads.



**The single biggest difference between prospects and leads is their engagement; leads are characterized by one-way communication, while prospects are characterized by two-way communication.**

A lead has reached out to a company – through a form or sign-up – and provided their information. Once the company has that information, they enter the lead into their nurture process, wherein the lead receives communications from the company with hopes of driving further engagement. More qualified leads may engage with the content, but there is no sustained back and forth. **Prospects, on the other hand, are created after a sales-ready lead is contacted by a rep.** In order to be elevated to the status of prospect, the lead has to engage in dialog with the rep. This could take the form of a chain of email messages, a phone call, or a meeting.

The other key difference between leads and prospects is the methods of communication. Leads are typically contacted in large groups or as part of an automated program. In either case, processes are defined by the marketing department. Messages come from general addresses (marketing@company.com, newsletter@company.com, etc.) and calls to action are related to consuming additional content or connecting in on additional channels. Prospects are usually contacted on an individual or small group basis. Messages come from associated reps and are highly personalized to the recipient. Calls to action for prospects usually center on keeping the dialog going (scheduling a call, requesting a quote, etc.).

## Leads

- Top-of-funnel to middle-of-funnel
- Varying levels of qualification
- Predominantly one way communication
- Mass communications from general business address
- Several steps from actualization

## Prospects

- Lower/middle-of-funnel
- Qualified for purchase intent and ability
- Predominantly two way communication
- Personalized communications from individual rep
- One step from actualization

In the IT/OEM business, the real work begins once a lead becomes a prospect and is therefore considered sales-ready. At this point, casual communications end and actual proposals for sales presentation have to be generated. This process typically starts with Inside Sales. Their job is to find out exactly what the customer wants, so sales engineering can put together a detailed proposal. Since OEMs and their partners in channel sales have limited resources to assemble proposals, Inside Sales must help determine where the prospect ranks in terms of sales/margin potential. The amount of resource put into the sales effort typically focuses on the top 20% of opportunities.

### Lead Levels

Level	Source	Description
1	Automated	Casual   Website Visit   Trade Show   Article
2	Automated	Lengthy Website Time   Multiple Website Visits   Webinars
3	Automated/Human	Action Request   Download   Calculator
4	Automated/Human	Action Request   Quote   Meeting   Inside Sales/Engineering Req'd
5	Human	One-on-One Discussion   Clear Interest in Solution

### SAFARI Leapfrogs Lead Qualifying

OEMs that understand the potential of selling to their installed base can bypass the lead qualifying process by developing proactive sales proposals for every customer. Sales Analytics for Advanced Revenue Insight (aka SAFARI) is a SaaS platform that enables OEMs to create a comprehensive database of their installed equipment – specs; power consumption; depreciation; maintenance agreements/history; leases in place; HVAC and Rackspace requirements. Once the data is in place, SAFARI can add new equipment specs and produce dozens of actionable proposals to replace legacy systems. The platform provides a portal for effortless proposal distribution to sales and/or customers.

***Instead of guessing at the intent and value of leads/prospects who are seeking information, SAFARI directly provides this information in a context that is customer-centric. Proactive Proposals bypass Levels 1-4 and jump right to Level 5 – a sales conversation about specific and relevant products/services.***

## **About Sales Analytics**

Established in 2002, Sales Analytics, Inc. (SAI) specializes in helping companies manage the technology-buying lifecycle of their customers in the critical areas of technology refresh and customer-information systems.

Based in Morgan Hill, California, SAI uses unprecedented computer modeling to identify actionable and immediate selling opportunities — a breakthrough in the management of a company’s customer install base.

Our ground-breaking technology is coupled with our commitment to earn the trust of, and build long-term relationships with, our clients. Our high-touch customizable approach empowers organizations of all sizes the framework and knowledge to grow their sales and marketing, and maximize their customer install base revenue and satisfaction.

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