

THE LEAD MANAGEMENT MATURITY MODEL

by Stephan Wenger



HOW TO USE LEAD MANAGEMENT TO BUILD A RELATIONSHIP BETWEEN SALES AND MARKETING

Your marketing department does not get along well with sales? Do sales claim that marketing is only spending budget? Marketing does not contribute to the sales targets? And above all, management does not know whom to believe and how to overcome this situation? If any of those apply, this article provides answers—it is a step-by-step guide on building a relationship between marketing and sales. The missing link between these two departments is Lead Management. The Lead Management Maturity Model provides an actionable framework to help you solve this tight spot.

THE PURPOSE OF THE LEAD MANAGEMENT MATURITY MODEL (LMM-MODEL)

The LMM-Model provides a framework for developing an organization in dependency on its marketing, lead management, and sales departments.

It was first published in 2021 in the book "[B2B Marketing Handbook](#)". Stephan Wenger contributed to this book with a chapter on "Successful Lead Management" and introduced the LMM-Model. [Get the Lead Management Maturity Article here.](#)

Marketing is a team effort across the whole customer journey. This includes the marketing funnel, lead funnel, and sales funnel. According to the "[State of Marketing](#)" report by Salesforce, marketing owns lead generation in only 32% of all cases exclusively. However, 65% claim that marketers contribute or co-own the process. This underlines how important a close collaboration between marketing and sales is. It sets the scene for the LMM-Model.

The Lead Management Maturity Model, therefore, combines two approaches:

- The Marketing & Sales Relationship status.

Kotler, Rackham & Krishnaswamy introduced four relationship types between these two departments: undefined, defined, aligned, integrated.

- The maturity of the Lead Management process.

This perspective answers how well and comprehensively a lead management process is established at your company. 4 Phases are used to describe it: No Lead Management, Definition of Lead Management Terminology, Defined Lead Management Process, Dedicated Lead Management Department.

Here is a first glance at how the Lead Management Model combines these two approaches:



MARKETING & SALES RELATIONSHIP STATUS

The COVID-19 pandemic accelerated digitalization of communication and customer-centricity. Marketing typically owns digital communication. That makes it more important than ever that marketing and sales closely collaborate. Still, the two departments rarely get along well. Reasons can be found on grown company structures. Responsibilities between marketing and sales are blurry.

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All too often, organizations find that they have a marketing function inside Sales, and a sales function inside Marketing.

(Kotler, Rackham & Krishnaswamy, 2006)

Marketing is not measured by output KPIs that are clearly linked to revenue. Typical B2B sales tend to be old-fashioned and neglect digital communication. This might be an overstatement. However, back in 2006, Kotler stated in "Ending the War between Sales and Marketing."

Having this in mind, 4 relationship types between marketing and sales can be defined:

- Undefined

The relationship between the two departments is undefined. Both departments have grown independently and are not actively managed. They follow their own targets, and they act without knowing much about what the other discipline does.

- Defined

The defined relationship is characterized by defined rules to avoid disputes. Each department has clear boundaries and responsibilities. The two groups have a basic understanding of tasks important for both. To some extent, they use the same language, such as "how to define a lead".

- Aligned

Marketing and sales are aligned and have clear responsibilities. However, rules and processes are flexible and are built on mutual understanding. The two departments aim for the same goal and respect each other's competence. Marketers work with sales on important accounts and/or opportunities.

- Integrated

In a fully integrated setting, the boundaries between the two disciplines become blurry once again, however, in a positive, beneficial way. Processes and used language are shared to commit to a common goal fully. One cannot exist without the other. Marketing and sales are no longer strictly separated but benefit from each other's core competencies.

Lead Management holds an important role in evolving from an undefined an integrated marketing-sales structure. A common goal of the sometimes blurry interface leads and how to handle them. This basic principle is further incorporated into the Lead Management Maturity Model (LMM-Model)

LEAD MANAGEMENT

The definition of Lead Management covers the lead funnel and links it to both the marketing and the sales funnel:

"Lead management is defined as the methodology, process, and software to generate, nurture and qualify leads using sales and marketing strategies."

The three core functions of modern Lead Management are:

- Lead Generation includes all measures to create cold leads and marks the interface between Marketing and Lead Management.
- Lead Nurturing is the central task of Lead Management and is defined as the methodology and processes to convert a cold lead into a qualified marketing lead.
- Lead Qualification is the end of the lead funnel. This step is the interface between lead management and sales. Therefore, it reasons lead management output.

As described, the LMM-Model combines the relationship status between Sales and Marketing and the maturity of the Lead Management process. Maturity is described with 4 phases:

- No lead management

There is not Lead Management department, and the organization does not actively manage leads. Typically, new sales opportunities are created by the sales team without a prior lead status.

- Definition of lead management terminology

The organization uses definitions for the most important lead management terminology. The related parties like Marketing and Sales have a basic understanding of according processes. However, lead management processes are yet not fully developed; there is no established system or software in place.

- The defined lead management process

The organization has a defined lead management process in which lead statuses are clearly described. Further, responsibilities and the lead management process are actively managed and further developed. This lies with either the marketing or the sales department, as there is no dedicated lead management department. Lead management software helps support the lead management process.

- Dedicated lead management department

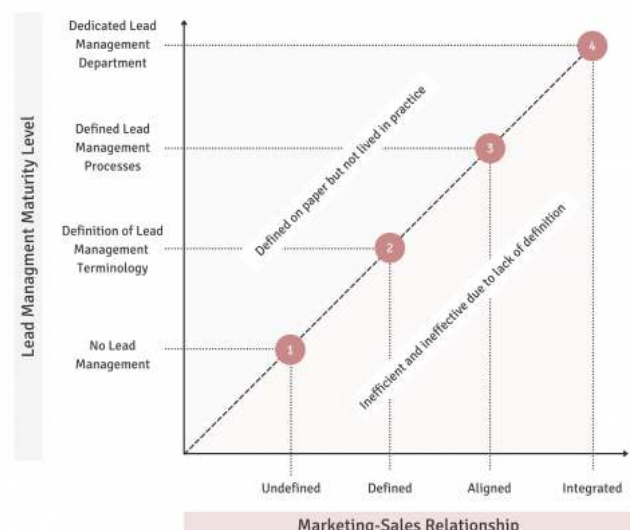
A dedicated Lead Management department is established. This department must generate, nurture, score and qualify leads. The department is closely interconnected with Marketing and Sales. Responsibilities are clear, and a common understanding of terminologies, processes, and aims is established. A lead management software is deeply integrated into the CRM system and mutually used by all departments within the company.

Based on these concepts, the Lead Management Maturity Model can be applied.

OVERVIEW OF THE LEAD MANAGEMENT MATURITY MODEL

The following summarizes the LMM-Model. Read a detailed description of the Lead Management Maturity Model in this article.

The LMM-Model has 2 axis, 4 crossing points, and 2 areas above and below the path to the ideal state of Marketing, Lead Management, and Sales.



- The x-axis describes the 4 relationship types between Marketing and Sales.
- The y-axis describes the 4 maturity phases of Lead Management.
- The 45° path with its 4 crossing points is the path to the ideal state of the three departments.
- Subsequently, the two areas below and above the ideal path are:
 - Lead Management is defined on paper but not lived in practice.
 - Lead Management is inefficient and ineffective due to a lack of definition.

THE FOUR CROSSING POINTS IN THE LMM-MODEL

The 45° line is also defined as the aimed state of developing lead management. The four crossing points describe milestones in the development process:

- Undefined Relationship – No Lead Management

This is the initial step where both the marketing-sales relationship and lead management are undefined.

- Defined Relationship – Defined Lead Management Terminology

A base definition marks the second milestone within departments and topics.

- Aligned Relationship – Defined Lead Management Process

An aligned relationship between marketing and sales with a defined and implemented lead management process describes the third milestone. This state of the organization is marked by clear responsibilities and rules on how to develop a potential customer to a closed sale.

- Integrated Relationship – Dedicated Lead Management Department

The most mature organization has a dedicated lead management department that takes over responsibility for the lead funnel. This department supports the already fully integrated marketing and sales departments.

ABOVE AND BELOW THE PATH OF THE LMM-MODEL

The area below and above the path to the ideal state indicates the shortcomings of organizations:

- Above the path – Defined on paper but not lived in practice

The missing practical implementation is distinct for the organizational states above the path. Lead management maturity is more developed than the relationship between marketing and sales.

- Below the path – Inefficient and ineffective due to lack of definition

States below the path indicate that the sales and marketing relationship is more advanced than lead management maturity.

SUMMARY OF: THE LEAD MANAGEMENT MATURITY MODEL

The LMM-Model is a management framework that builds on two perspectives and outlines how to connect Marketing and Sales, helped by Lead Management. The two perspectives are:

First, the 4 relationship types between Marketing and Sales:

- Undefined
- Defined
- Aligned
- Integrated

Second, the 4 maturity levels of the Lead Management Process:

- No lead management
- Definition of lead management terminology
- The defined lead management process
- Dedicated lead management department

By combining the two aspects in a model with the x-axis (Marketing-Sales-Relationship) and y-axis (Lead Management Maturity Level), you get 4 crossing-points on a path to the ideal status of all three departments.

These 4 crossing-points are:

- Undefined Relationship – No Lead Management
- Defined Relationship – Defined Lead Management Terminology
- Aligned Relationship – Defined Lead Management Process
- Integrated Relationship – Dedicated Lead Management Department

Ultimately, by entering your company status, you will be either on the ideal path or find yourself below or above this ideal line. That means:

- Above the path – Defined on paper but not lived in practice
- Below the path – Inefficient and ineffective due to lack of definition

This basic overview of the Lead Management Maturity Model provides a first guide on how to develop your organization actively. By connecting Marketing and Sales via Lead Management.