Outbound Calling Strategies:
Accelerating Lead Efficiency

By Nima Hakimi, CEO & Co-founder, Convoso

Improving lead efficiency is critical to making your outbound center profitable. You could say everything points to improving your contact rate, and we're going to talk about ways to do just that by analyzing the right reporting metrics to calculate your true CPA, using smart dialing strategies, and maximizing the power of lead efficiency.

So today I want to share insights and strategies top outbound call centers use to accelerate lead efficiency and drive profitability. Here are the main areas we'll cover:

Looking at the Right Metrics

Smart Dialing Strategies

The Power of Lead Efficiency

Tools to Improve Lead Efficiency

Metrics & Reports that Improve Lead Efficiency
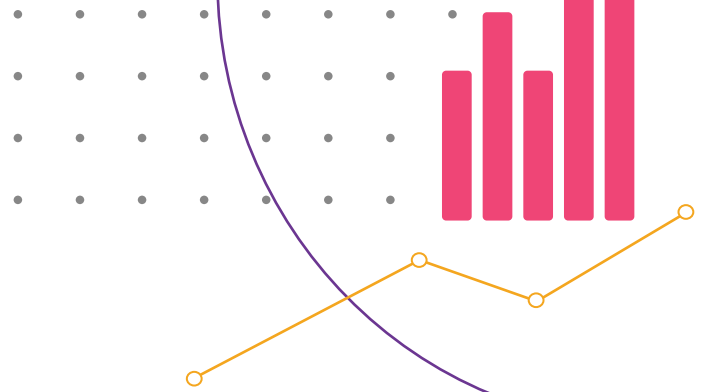
Are You Looking at the Right Metrics? In Real Time?

I've talked to hundreds of call centers about ways to improve efficiency. No matter your company size, the most helpful advice I can give about improving lead efficiency is to understand your true cost per acquisition.

CPL vs CPA – Know your true Cost Per Acquisition

Many call center managers zero in on their cost per lead (CPL) numbers. I agree that CPL is important. Who wouldn't want to pay less for leads? But CPL is just one piece of the puzzle. What's more critical is to know your true CPA. The best in class contact centers focus on their cost per acquisition at a lead vendor level, and how much revenue comes out of those leads.

Unfortunately, many contact centers don't measure CPA – they only look at it on a cost per lead basis. They're making strategic decisions about how they're operating their call center, but they don't have the whole picture.

If I opened a restaurant, and set menu prices based solely on the food costs, but didn't take into account what I pay the chef, the cooks, the waiters and waitresses... I'd be out of business.

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Metrics Lead the Way

The smartest path to lead efficiency is to really understand what's going on with those leads by persistently monitoring real-time reports that show you specific, active lead metrics.

Your agents, your leads, and the cost of the dialer are the major numbers in determining your cost per acquisition. But you also needto break that down on a lead source level so you know what the ROI is on an hourly basis by both agent and lead source.
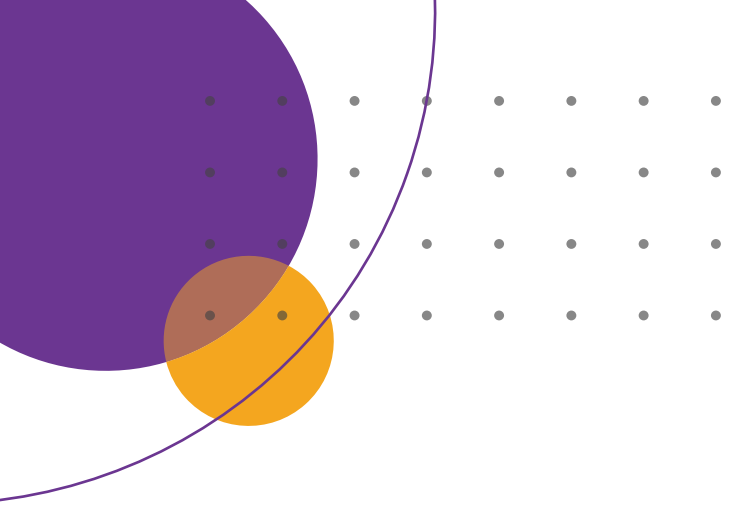
Proof Positive True CPA

Here's an example of what a difference it can make to your bottom line when you measure your true CPA.

There was a credit repair lead gen company out of Atlanta that was buying leads from several different sources. Some leads cost them $0.50 per lead, while another lead source cost them $1.00 per lead. The $0.50 leads were converting at about $37, whereas the $1.00 leads were converting at about $52.

So the company thought they were getting a higher return on the $0.50 leads.

The problem was they didn't have a way to factor in other relevant costs: the call center agent's time trying to convert the leads and the cost of the dialer.

They were making critical decisions about their call center's operations based on only a part of an equation, an incomplete picture. Once we got them working with Convoso's real-time analytics to calculate their true Cost Per Acquisition, they determined that their agents were spending 50% more talk time trying to convert the cheaper $0.50 leads.

With this new data they shifted their budget to the $1.00 leads and **increased their profitability by about 40%.**

"You pay $1000 for a list that converts into $15,000 in revenue and it takes 100 leads, which is $150/lead in revenue. Another list bought for $1000 converts into $30,000 in revenue, but takes 400 leads. In the second case, your revenue per lead is very low at $75/lead.

Now factor in your agent's time in terms of how much you're paying themper hour to get that conversion. And, you have to look at your manager's time. In this way you get a more **accurate picture of total revenue** when you look at the value of your lists and leads. Then it becomes really apparent where you should spend your time, and where you want to invest in the future.

—*John Gallagher, CEO,*
Thrive Marketing LLC

Smarter Decisions from the Right Analytics

I can't stress enough how critical it is that call centers have a system with these reporting capabilities. The best way to improve lead efficiency is to arm yourself with real-time analytics so you can get insights at the list and list vendor level. Then you're making smarter decisions right away. And here's some of what will happen:

• You'll stop wasting agent effort on low performing lists

• You'll increase effort on higher performing lists

• You can redirect your budget to vendors offering the higher performing lists

John Gallagher, numbers guru and call center KPI expert, gives a great example of why you want to analyze your call center lead metrics from a more comprehensive perspective.
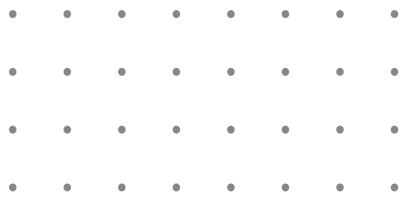
Are You Using Smart Dialing Strategies?

You may have quality leads. But if you're applying a low-grade dialing strategy with inadequate tools, you're still a long way from Lead Efficiency. And that good money you spent for quality leads is a waste.

Stop Overdialing

The problem call center operators run into is the impulse to call and call and call. The same number. Over and over. And, that's OVERdialing.

When call centers buy more expensive, quality leads they sometimes resort to calling those leads as much as possible to try to "get their money's worth."

But the real trick to lead efficiency is the strategies you're using to contact them. And, the metrics you're using to track and manage the lists and agents.

> Redialing strategy is huge. We spend a lot of time finding out the correct redial strategy schedule. By making sure that you have good lead providers as you continue to do these optimizations, you can actually scale back your lead buying because your contact rates are going up s o much that you're able to convert just as many, if not more sales with fewer leads.
>
> If we're talking about call center profitability, lead costs are one of the biggest expenses. So being able to grow your agent force numbers-wise, but scale back your lead purchasing—you can actually spend less and make more money.

—Kyle Andersson, Director of Operations,
Digital Market Media

When I talk to a call center manager, I want to know how they're working those leads. How are they recycling their leads? Most people's dialers are not set up effectively to convert leads. They just keep dumping the leads in and dialing.

The Power of Lead Efficiency

Once you understand your true cost per acquisition and you're implementing smart dialing strategies, you're on your way to optimizing lead efficiency. Your contact and conversion rates will increase.

On top of that, even though compliant data is getting more expensive, you can still be profitable. Then, one of two things will happen. 1. You can buy fewer leads while converting more OR, 2. You can buy the same amount of leads, but add agents to grow your business.

Leads costs are one of your biggest expenses [which is why we look at CPL and CPA]. So you need to shift your mentality away from buying and dialing increasing numbers of leads.

Buying more and more leads is NOT going to solve your problems. You'll hit a wall and you won't catch up as new leads get stuck and you're just dialing the old ones. It becomes a big mess.

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Good Leads = Productive, Happy Agents

With good quality data your agents have more conversations and convert more leads. These happier agents not only produce more [increased revenue], but they tend to stick around longer [lower turnover and training costs].

That's when we get into Agent Efficiency—because Lead, Agent, and Manager Efficiencies are, of course, inter-connected and work together to drive ROI.

Breaking Up the Calling Pattern

We encourage call centers to start breaking up the pattern of just persistently calling leads and hoping somebody answers. Use workflow dialing with omnic-hannel scheduling capabilities to increase chances of contacting the lead. You might start with the phone call, followed by an SMS message, then an email.

The more you call somebody, the less likely they're going to answer the phone. That's just the reality. You also need to look at how many times a lead goes to voicemail. Because, at some point, you want to stop calling that lead.

A better dialing strategy is to use autom-ation that will move that lead into another list and perhaps call it back 30 days from now. And maybe again in 60 days.
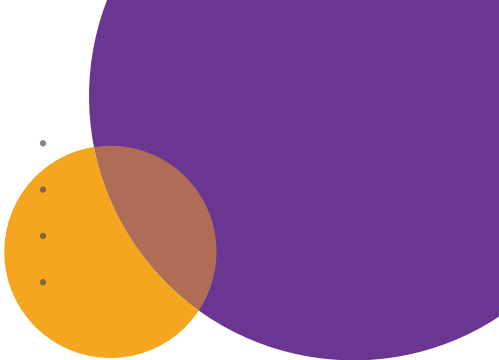
Tools You Need to Improve Lead Efficiency

The number one dialing strategy to improve lead efficiency is to increase contact rates.

Contact rates go up when you wrangle the right efficiency tools that optimize your dialer with the best dialing strategies. Here are some of the tools we recommend to help improve the effectiveness of your dialer.

Omnichannel Automation

Intersperse your dialing strategy with a sequence of text messages, emails, and voicemail drops.

Lead Recycle/Redial Logic

Configure your dialer with a custom schedule to redial at different time gaps based on the outcome of the call. For example, a new lead is called instantly, but if there's no answer, set the schedule to try again in 10 minutes, then again in 1 hour, then again in 3 hours, etc..

Caller ID Reputation Management

The number one dialing strategy to improve lead efficiency is to increase contact rates.

You don't want to get flagged. Your dialer should limit the number of calls placed per caller ID and rotate multiple Caller IDs per area code. When you get new DIDs, make sure they weren't previously used and marked as spam.

Answering Machine/Voicemail Detection

Work to reduce false-positives in voicemail detection to keep agents from burning out.

Smart Voicemail Drops

Automatically leave a series of different pre-recorded messages based on when and the number of times the call goes to voicemail to make it sound more personalized and get more people calling back. For example, on 3rd dial with voicemail leave an introductory message, skip the 4th time, and on the 5th attempt with voicemail, leave a final reminder message.

Use Tier-1 Telco Carriers to Improve Connection Rate

Using Tier-1 telco carriers means a higher connection rate, giving your agents an increased chance of reaching a lead.

> **This List Conversion Report will show you who you're talking to and if it's working. I can see if a list is burnt because our contact rates are super low. I can see a list that's converting. And more importantly, I can turn off lists where we talked to a lot of people and it didn't result in sales.**
>
> *—Heather Griffin, SVP Inside Sales, Momentum Solar*

Metrics & Reports that Improve Lead Efficiency

You can't improve what you can't measure. Tracking metrics for lead efficiency requires you to stay on top of specific metrics, while also taking a more compr-ehensive view.

How many leads were transferred? What's the revenue from those leads? What's the actual ROI on it—meaning what was the cost to convert those leads? You want to track which agents are producing, with how much revenue on an hourly basis.

In our blog "16 Essential KPIs for Lead Gen Call Center Profitability" we outline the key metrics to guide your day-to-day management decisions and boost call center ROI. Here's a summary of top lead and list KPIs tracked by most successful outbound call centers.

TOP LEAD KPIs

Cost Per Acquisition (CPA)

Understand the true costs of conve-rting each lead.

Connection Rate

A short term, daily snapshot related to the efficiency of the leads.

Lead Conversion Rate

The percentage of calls/leads resul-ting in a successful sale or transfer. A low conve-rsion rate increases your cost per lead and impacts your company's overall revenue.

TOP LIST & LIST SOURCE KPIs

Contact Rate

The key to understanding list quality and how well your campaigns are performing. It also indicates whether your agents and software are reaching the right leads at the right time. Your dialer needs to dial fewer leads while delivering the same number of qualified leads to your agents, so you're spending less to earn the same or better results.

Average Talk Time

If talk time is higher than average on a list, make sure it's converting.

Total Revenue and List Profit-Loss

Use a List Conversion Report to view profitability of different lead and agent costs per List. Analyze the right metrics to know data quality of your data by combining revenue, billable hours, and the number of dials to determine list performance and lead source trends. Get statistics such as # of dials, avg talk time, # of sales / transfers, answering machine %, etc.

Outbound call center managers need to access reports and metrics all in one dashboard. That's why we developed flexible customizable dashboards where admins can pull in the metrics they need most for their operations.

Get dramatic results for YOUR virtual call center.

Request a Demo

ABOUT CONVOSO

Convoso is the leading innovator of cloud-based omnichannel contact center software. Our call center customers report dramatic increases in contact rates of 30% and more, giving them higher conversions and significantly improved ROI.

The Convoso system works best with 10 or more seats, and scales efficiently to over 1000 seats to meet enterprise level requirements.

See for yourself with a live demo how Convoso can help to boost the productivity of your virtual contact center.

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