Are MCA Leads Worth It? ROI, Approval Rates, And Deal Flow

Description

The Leads Ware House

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This article discusses how funding companies can determine if it makes sense to buy MCA leads in terms of ROI, CPA, and deal flow. It also highlights how approval rates and a solid lead strategy can positively contribute to ROI.

Based on analysts, the MCA market is on a strong upward trajectory that will continue for the next five years and beyond. Many funding companies are busy figuring out how they too can achieve strong sales growth. Should they buy MCA sales leads to connect with business owners who have the highest probability of getting approved and taking on additional funding? Are they worth the money? If so, which leads might be the most profitable? Should their lead strategy and mix of leads change? Many questions, but first it is good to understand how MCA providers can assess if MCA leads are worth it.

How to know if MCA leads are worth it

When deciding whether to buy MCA leads, one of the first questions most business owners will ask is, â??What is the cost per lead?â?• Makes sense, as it is an important consideration. But where it goes wrong is when business owners focus *only* on per-lead pricing. The price of MCA leads ranges from $0.02 to $200 or more per lead (read our blog, â??How Much Do MCA Leads Cost in 2026?â?•). An MCA provider focused only on per-lead pricing can make poor lead choices. For example, they may decide to only buy the lowest-priced leads, assuming they will be getting a better value for their money. But cheaper leads are often lower intent and require more time and resources to convert. What may seem like a great deal based on lead pricing may end up producing a lot less revenue and profitability than higher-priced leads.

There are better measures for determining if MCA leads are worth it, including:

- **Return on investment (ROI)** â?? ROI is simple in theory. How much revenue did your sales team generate from the leads you purchased? What was the total amount you paid for the leads?

Then put it through the ROI formula, which is revenue divided by total lead spend. The lead spend is pretty straightforward; it is based on the cost per lead and number of leads purchased. The revenue component is a bit more involved. The revenue a funding company generates from a lead can be impacted by several different factors, including the leadâ??s quality, age, business owner intent, speed and ease of closing, and more. Ultimately, buying MCA leads is worth it if you can generate the desired level of revenue with your lead budget.

- **Cost per acquisition (CPA)** â?? CPA is a widely-used metric that measures the lead **cost per deal**. It is calculated as total MCA lead spend divided by the number of MCA deals closed. For example, assume a lead budget of $3,000. A funding company could purchase 30 MCA applications/submissions data leads for $100 per lead, and close 6 deals (20% close rate). The CPA would be $500 ($3,000/6). Most MCA providers have an idea of the cost per deal they would deem acceptable, or they rely on industry benchmarks. If used the right way and as part of a solid lead strategy, many different types of MCA leads can deliver strong CPAs. Buying MCA leads is worth it if they help you close more deals and achieve your CPA targets.
- **Deal flow** â?? One of the most important metrics in assessing the value of MCA leads is deal flow. Deal flow is the number of deals a funding company generates over time. Beyond just the total count of deals though, companies are also looking for consistency in the number of deals. If leads can help drive a consistent deal flow, this gives companies a valuable advantage â?? a more predictable revenue stream. MCA providers can improve their deal flow by increasing lead volume, enhancing their follow-up and sales process, and effectively targeting business owners who are most likely to be approved and take on additional funding.

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How approval rates contribute to ROI

Approval rate is critical. MCA providers need to close deals to generate revenue and realize strong ROIs. But to close deals, they first need approvals. Many factors impact approvals, including:

- Business revenue
- Time in business
- Industry in which the business operates
- Cash flow that can support an additional payment

Funding companies need MCA leads that connect them with business owners who qualify and have a strong likelihood of being approved. Otherwise, they spend valuable sales time pursuing dead ends and ROI suffers.

Approval rates will vary by lead type. There are many different types of MCA leads that funding companies can use to connect with business owners (read our blog, â??What Are MCA Leads? Types, Costs, And How Funding Companies Use Themâ?•). Here are some examples of how approval rates are different across lead types:

1. **Applications/submissions data (higher approval rate)** â?? These data include business owners who have completed and submitted a full MCA application within the last 30 days. Their high intent and the fact that they have already submitted qualifying data makes these business owners highly likely to be approved.
2. **UCC leads (moderate approval rate)** â?? UCC (Uniform Commercial Code) leads are created when a funding company makes a UCC filing, which confirms that a business owner received

funding from them within the last 30 to 90 days. The value of these leads is based on the fact that many business owners who take on funding are likely to do it again. These leads can be cultivated for possible upselling or consolidating multiple positions. Getting approved for additional funding is likely but not necessarily a lock, so these leads usually have a moderate approval rate.

3. **Business data leads (lower approval rate)** â?? Business data leads are raw data about business owners and their businesses. These business owners have not necessarily expressed any prior interest in MCAs; they have landed on the list based on their location, industry, or possibly another filter. Lacking strong business owner intent and prequalification data, a smaller percentage of these business owners are approved.

In selecting the right MCA lead mix to maximize ROI, MCA providers should consider how likely the business owners are to be approved for funding. More approvals means more deals. More deals means more revenue and stronger ROIs.

The ideal MCA lead strategy

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It is a risky strategy to put your entire lead budget into one lead source. Each lead type has its own unique strengths, and can help funding companies fulfill a different objective. And, even the strongest leads can fall short of expectations if an MCA providerâ??s sales process, follow-up, scripting, and technology are weak. Our most successful MCA clients use a balanced lead mix to drive ROI. For example, they may use:

1. **Business data leads** for their outbound sales team effort
2. **Aged MCA leads** to increase the lead volume in their sales pipeline
3. **Applications/submissions data** to get quicker closes with high-intent, qualified business owners

Strategically allocating your budget dollars across your lead mix is also important. Consider a lead budget of $5,000. An example of an appropriate allocation of lead spend might be:

- $2,000 (40%) for business data leads
- $1,500 (30%) for aged MCA leads
- $1,000 (20%) for UCC leads
- $500 (10%) for applications/submissions data

This allocation can help funding companies achieve their key objectives, including a strong pipeline, consistent outreach, and a balanced and consistent deal flow.

And, to drive the greatest return on their lead investment, MCA providers should avoid these common mistakes:

1. **Not following up on leads appropriately** â?? In an ideal world, MCA salespeople would reach out to a business owner, connect and close all in the same outreach. In reality, it could take more than 10 outreaches to even connect with a business owner. To close deals and drive up ROI, sales teams need to follow a strong cadence and not give up on MCA leads too early.
2. **Not focusing on tech** â?? Without the right tech, your sales team cannot effectively connect with your leads. No connections, no deals. â??Spam Likelyâ?• labels, 10DLC, and domain authority are not just theories; they are realities. Companies that ignore the need to maintain their tech will

not close deals.

3. **Having monolithic scripting** â?? A business ownerâ??s path to funding varies by lead type. So, your scripting should also vary. It is important to use scripting that is appropriate for where they are in their funding journey. If you donâ??t, you may find that you are chasing business owners instead of closing deals.
4. **Choosing the wrong lead provider** â?? The best lead providers will be able to provide high-quality O&O lead sources, reliable aged MCA data, fast delivery, and deep marketing expertise.

Conclusion

In the strong MCA market, many MCA providers are assessing how best to grow their businesses to keep pace. MCA leads can drive strong ROIs, CPAs and deal flows if funding companies understand how they work. Successful companies are using a balanced mix of MCA leads to focus on business owners who are most likely to be approved and take on additional funding. By optimally allocating their lead spend and avoiding common mistakes related to follow-up, tech and scripting, funding companies can not only keep pace, but they can grow their market share. Are you ready to talk about how you can grow your MCA sales pipeline?

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About the author

James Schulze is the President and CEO of The Leads Warehouse, a marketing data company with over 20 years of experience in bringing lead generation solutions to companies selling into the home, automotive, financial, insurance, health and life, and legal sectors. He works directly with clients to optimize conversion strategies and ROI across multiple verticals.

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If you are serious about growing your MCA business, the right blend of sales leads is critical. Our team works with funding companies to maximize their ROI on MCA sales leads. Call **1-800-884-8371** or visit The Leads Warehouse to get started.

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