

The Sales Funnel

Coaching Questions

“What does your sales funnel look like?”

Topic Introduction

Selling is often looked at as an art rather than a science, which can be frustrating. By analyzing your sales funnel you are able to make it a bit more objective and determine where effort could make a big difference.

Discussion Questions

- What are the stages of your sales funnel? Do you have a...
 - o Qualified stage?
 - o Awareness stage?
 - o Interested stage?
 - o Ready stage?
 - o Closed stage?
 - o Other?
- How long does each stage of your sales funnel typically take? Could any of these be shortened?
- How many prospects are you able to manage at each stage?

Key Learning

Every business' sales funnel looks slightly different in terms of stages, length, and number of prospects in each stage. This should be reviewed on a regular basis as this mix often changes.

“How do you keep your sales funnel healthy?”

Topic Introduction

A healthy sales funnel keeps prospects moving through the funnel and continually has new prospects entering the funnel.

Discussion Questions

- How do you get new prospects into the funnel?
- How do you spend time on moving prospects through the funnel?
- How do you keep up momentum for your sales funnel?
- How do you manage your time prioritization in new prospects versus hot leads?

Key Learning

Time and resources need to be spent on all parts of the sales funnel, but priority needs to be made to the prospects closer to closing.

“How do you focus on the higher priority sales prospects?”

Topic Introduction

Finding time for sales is hard enough. Finding time to keep the entire sales funnel healthy can be even more challenging.

Discussion Questions

- Is there anything that you can automate in your sales funnel? Can you send out bulk email follow ups? Send out bulk thank you cards? Host a customer appreciation night for all of your customers at once?
- Is there any part of your sales funnel that you could outsource? Can you hire an assistant? Can you hire a sales person? Can you outsource your drip marketing?

Key Learning

Think strategically of how you will continue to fill your funnel while minimizing your effort.

Examples

Real Life Example: What does your sales funnel look like?

A marketing consultant had been in business for 8 months and told me that their problem was the close. There are a lot of questions that we could have asked to determine if this was true, but the easiest way was to simply figure out how many prospects were in each part of the sales funnel.

We first identified the stages and then wrote the number of prospects in each stage.

Stage 1: Who was a qualified customer? Who could potentially be your customer? He had done the market research to show that there were 10,000 qualified customers.

Stage 2: Who had he told about his business? Who was aware of the business? He had told 30 businesses.

Stage 3: Who had shown some interest and had become a warm lead? He had 10 businesses he put in this part of the funnel.

Stage 4: Who had he closed? He had closed 3 of the businesses so far.

Without doing any math, it was obvious that he simply hadn't told enough people about his business yet. The marketing consultant had done zero marketing himself!

Real Life Example: How do you keep your sales funnel healthy?

Any professional service provider has to balance getting the sale and performing the sale. Unlike a product, a professional service provider's currency is:

1. Expertise. Customers want to be reassured that you have the expertise by meeting you in person. This means that time has to be allocated to both delivery and the sale.
2. Hours available in a day. This creates a ceiling to how much income a service provider can make based on how many hours they decide to dedicate to working and well as making sure that you always have work available.

A consultancy firm would spend anywhere from eight to ten hours to close a new customer, which would include the initial meetings, proposal writing, presentations, and contract negotiations. A lawyer would be the same with going to networking events, a coffee, or an initial assessment.

When a contract is landed, the client often has a time sensitive issue or there is a lot of work to be done upfront. What this results in is less time to be doing the initial prospect development to get them into the funnel.

But if this work isn't done, a few months down the road, the consultant or lawyer won't have any work to do. These hours are then wasted.

Keeping your sales funnel healthy, means that you need to make sure that you have prospects throughout the funnel (including the beginning) at any given time.

Example: How do you focus on the higher priority sales prospects?

A laser measurement company had highly technical workers within the firm. All of them had mathematical, programming or an engineering background. This suited the business' strategy and helped with closing new clients and customer service as everyone on the team was an expert and highly credible.

However, although they were well structured for the close and the delivery, they were extremely weak on opening a sale (the beginning of the sales funnel). How did they overcome this to continuing to focus on the high priority existing clients and hot prospects?

1. A focus on a highly credible and highly ranked website.
2. Outsourcing the telemarketing to generate awareness into new geographical regions.
3. Building an email contact list.