Sales Funnel Management

Part of: Habit 8 – Funnel & Pipeline

Why you need it: Funnel Management is the process of measuring, managing and improving how leads move through the entire sales process

Execution

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Project time	Level	Audience	Benefit
1 week+	Involved	Sales Leader	Practical Advice

About this guide

This guide give 3 key steps to funnel management:

- Define stages
- Define metrics
- Take action

Tips for success

- People & behaviours play a role (not just process)
- A great funnel still needs to be used
- Use funnel to drive volume and conversion at the top

What you'll get out of it

- Clarity on how well your sales funnel is managed
- Ideas on how to improve

Useful links

- Execution: Pipeline & Funnel Managements
- Execution Overview
- Sales Excellence
- Sales Excellence toolkit

Sales Funnel

Sales funnel and pipeline are closely related disciplines, but they serve slightly different purposes. The funnel covers the entire sales journey- including the earlier stages before opportunities are qualified – focussing on volume, conversion rates and where prospects drop out. The funnel includes all of the pipeline activity which tracks active, qualified opportunities with the aim of progressing them to close.

Why it matters?

- Helps identify where leads drop off ("funnel leakage")
- Improves lead quality by focusing on what converts
- Identifies how effective the sales process is
- Aligns marketing, business development and sales teams

Step 1: Define Sales Funnel Stages

Be clear on the stages of your funnel that you need to track – here are some typical examples:

1. Lead generated
2. Lead qualified
3. Opportunity created
4. Proposal Submitted
5. Negotiation
6. Closed- won/lost

Sales Funnel

Step 2: Define your metrics

You need to be able to track and measure the stages of your funnel. Here are some typical examples of metrics you might use:

- Lead-to-qualified conversation rate
- Qualified-to-opportunity/quote- rate
- Opportunity/quote-to-win rate
- Cycle time (lead to close)
- Drop-off points

Step 3: Take action!

Both sales people and managers need to take action continuously to ensure effective management of your sales funnel.
Here are some typical examples:

Question	Action
Are we generating enough qualified leads to support future pipeline?	Feed the pipeline early
Where are we losing people in the funnel?	Spot sales process or value proposition gaps
Are our sales team focused early enough in the funnel?	Early involvement drives quality
Are departments collaborating to move lead through the funnel?	Collaboration reduces leakage