

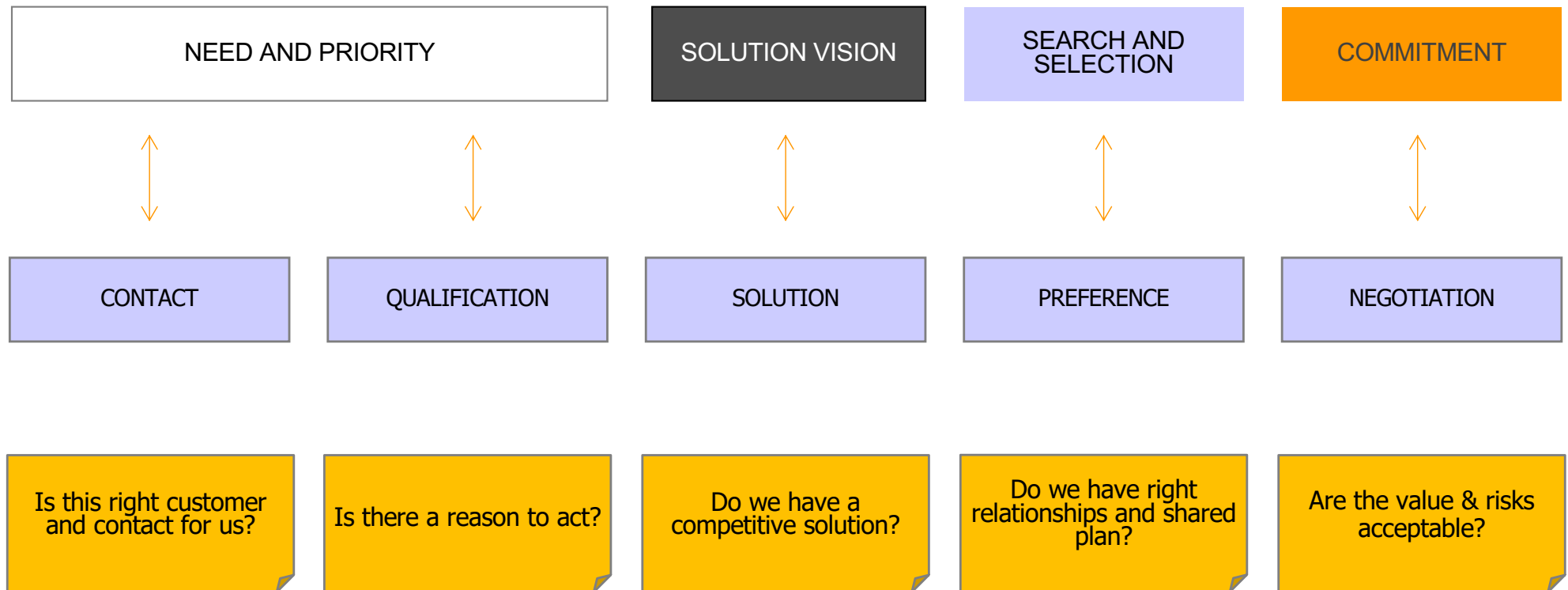
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SALES FUNNEL MANAGEMENT

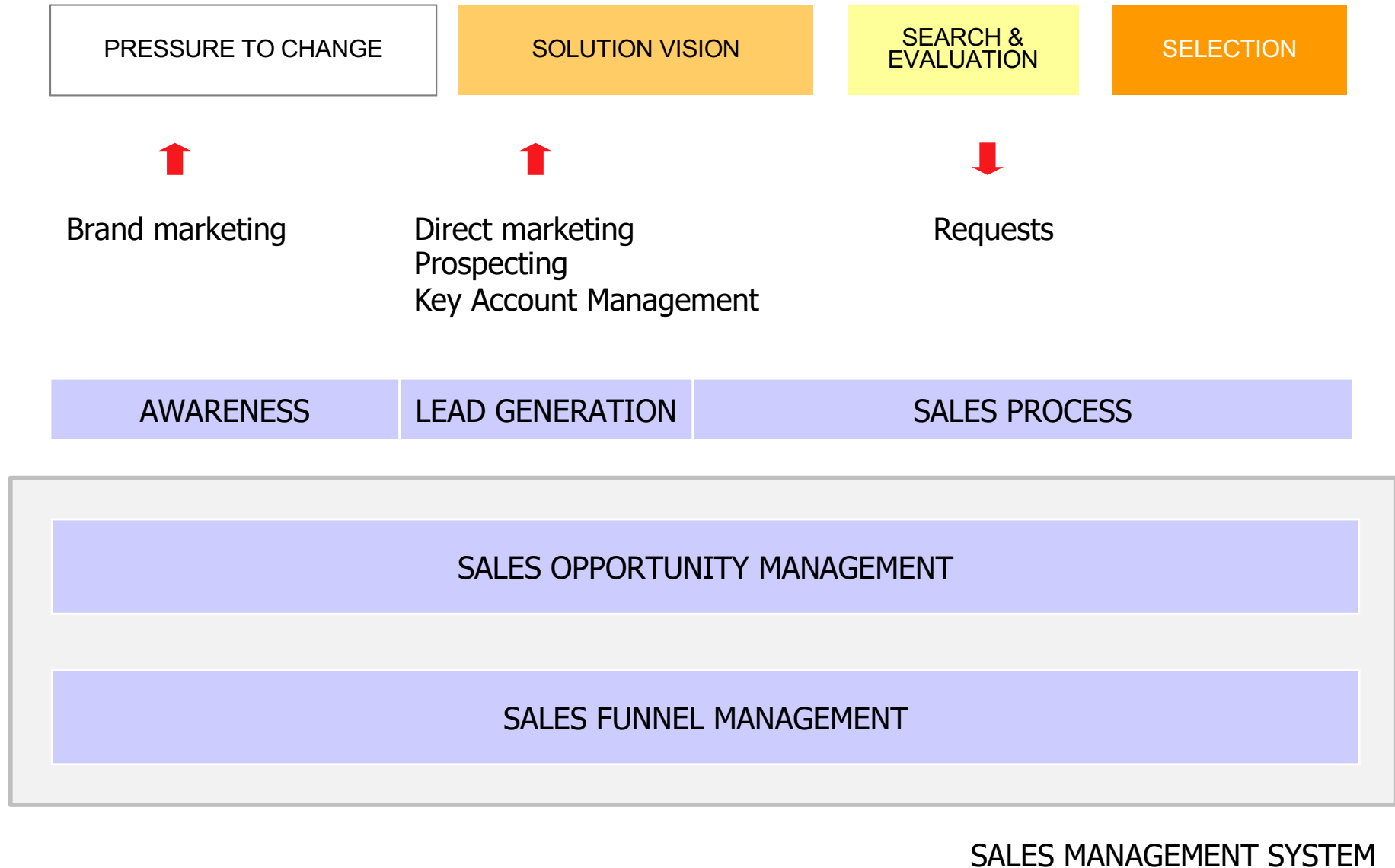
25.11.2021

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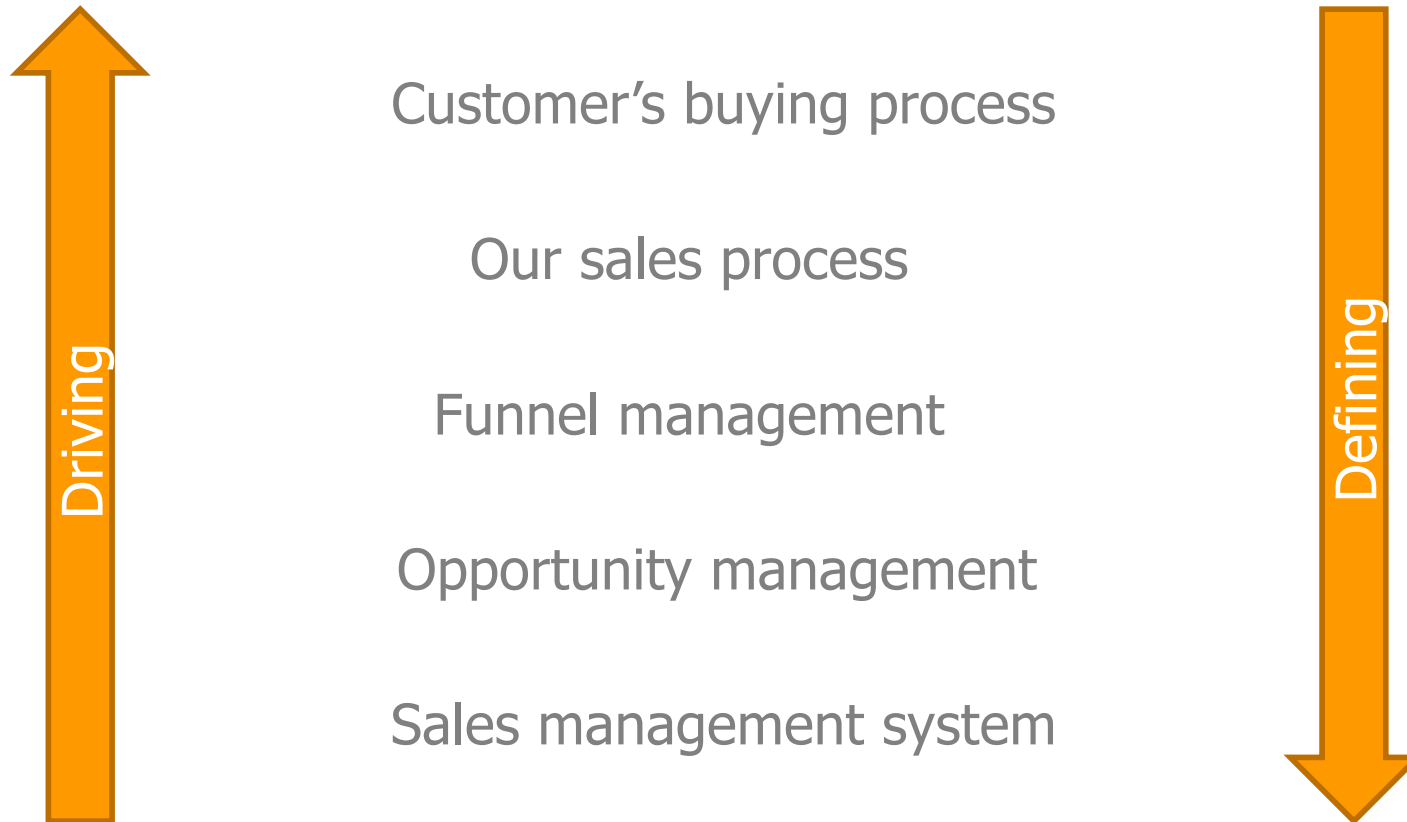
BUYING, SELLING, AND OPPORTUNITY MANAGEMENT



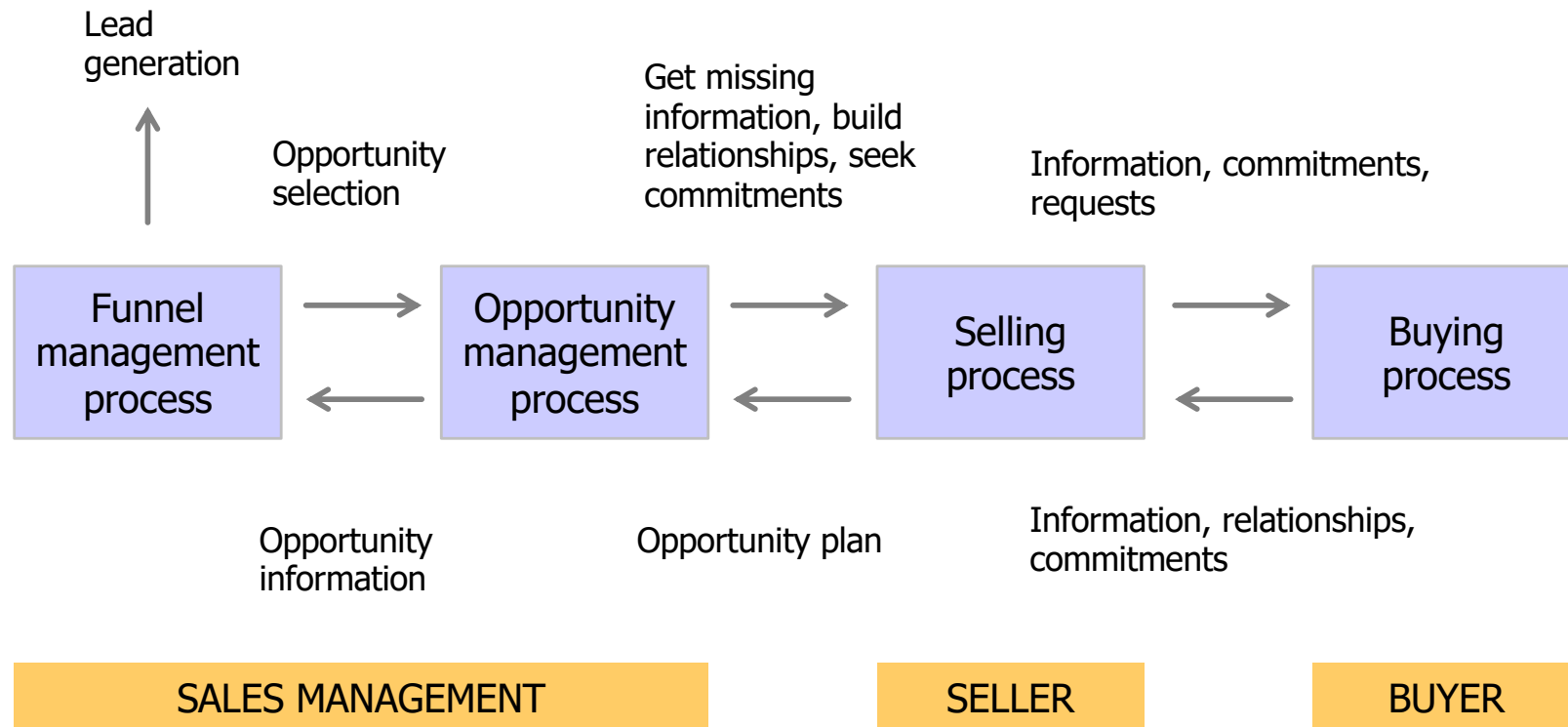
SALES MANAGEMENT PROCESSES



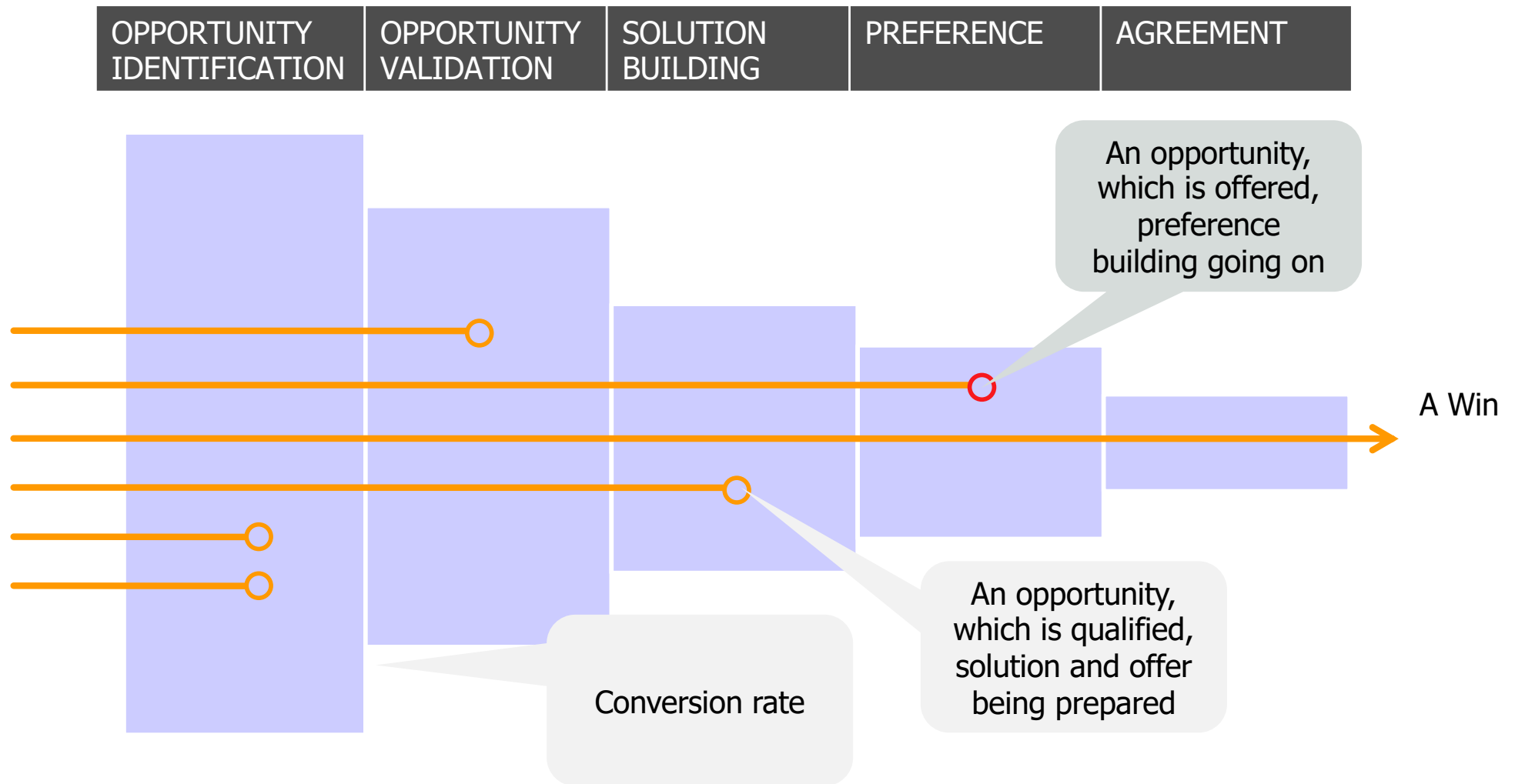
SALES MANAGEMENT KEY CONCEPTS



FUNNEL MANAGEMENT FRAMEWORK



SALES FUNNEL



EXERCISE

How do you know which stage an opportunity belongs to?

DISCUSSION

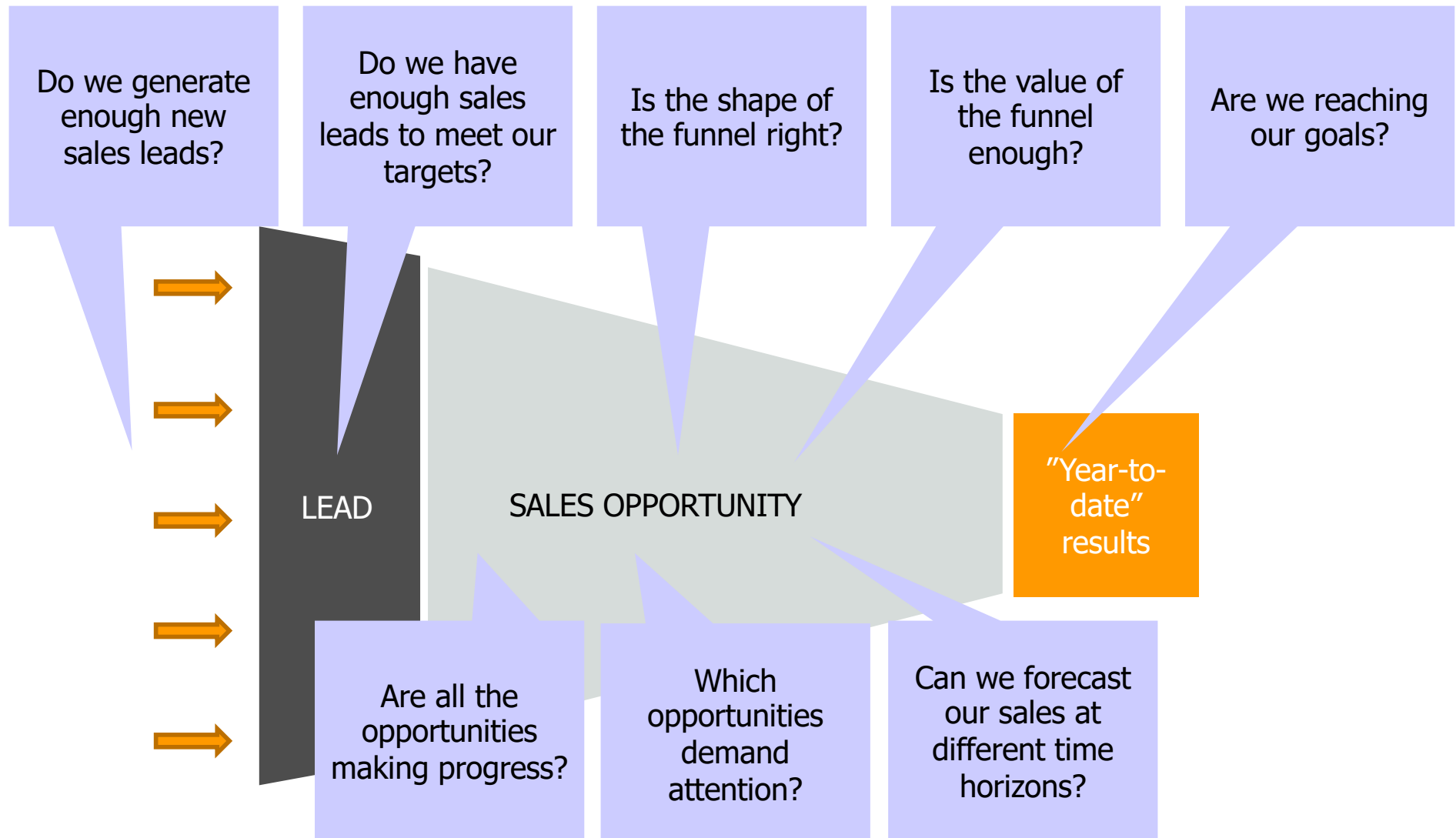
Let's discuss the following question for 5 mins:

You have a (large) number of active sales opportunities at different stages of the sales process

1. What different **information** would you like have of this portfolio of opportunities to manage the "sales funnel"?

Prepare to share your findings with the rest of the group by using Zoom "chat"

SALES FUNNEL MANAGEMENT

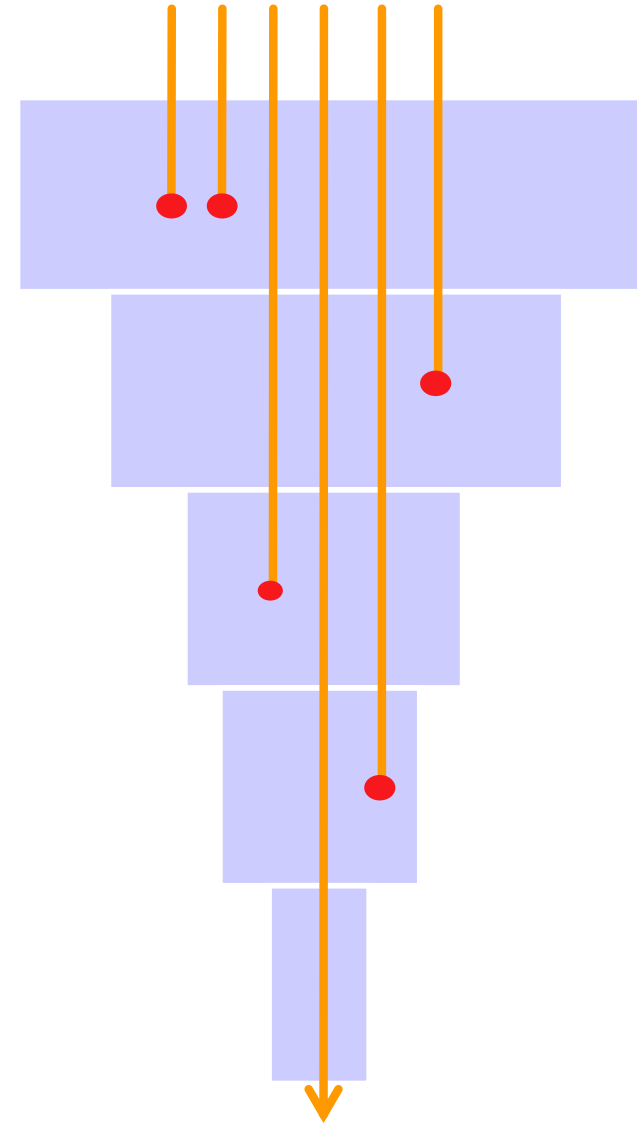


FUNNEL MANAGEMENT HIGHLIGHTS

WHAT?	<ul style="list-style-type: none">• Plan and predict• Identify opportunities needing attention• Analyze sales efficiency (with conversion rates)• Plan marketing and lead generation actions• Forecast sales
WHY?	<ul style="list-style-type: none">• Generate enough leads to feed the funnel• Direct sales and marketing activity to accelerate the funnel• Understand reasons for win/loss at different stages of the funnel• Improve overall sales efficiency• Forecast short term, medium term, long term sales
HOW?	<ul style="list-style-type: none">• Compare actual sales funnel to target• Determine sales funnel SHAPE, VALUE and SPEED• Decide on actions

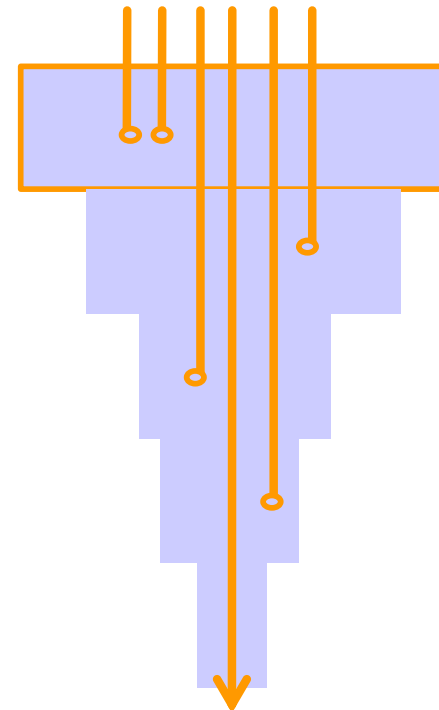
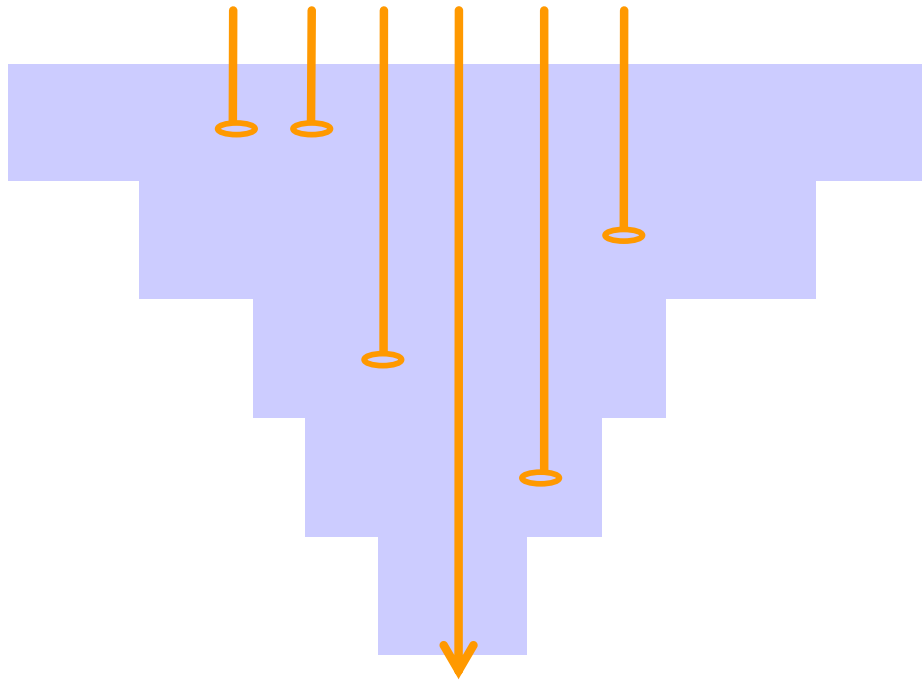
SALES FUNNEL KEY CONCEPTS

- Sales funnel SHAPE
 - The funnel shape is determined by the "conversion %" between sales process stages
 - Low conversion % → wide funnel
 - High conversion percentages → narrow funnel
- Sales funnel VALUE
 - Sales funnel value is the sum of the sales values of all opportunities
 - Important to decide which funnel stages are included
- Sales funnel SPEED
 - For how long an opportunity stays at each funnel stage



FUNNEL MANAGEMENT GROUP ASSIGNMENT

- Why is wide funnel good?
- Why is narrow funnel good?
- What is an ideal funnel shape?



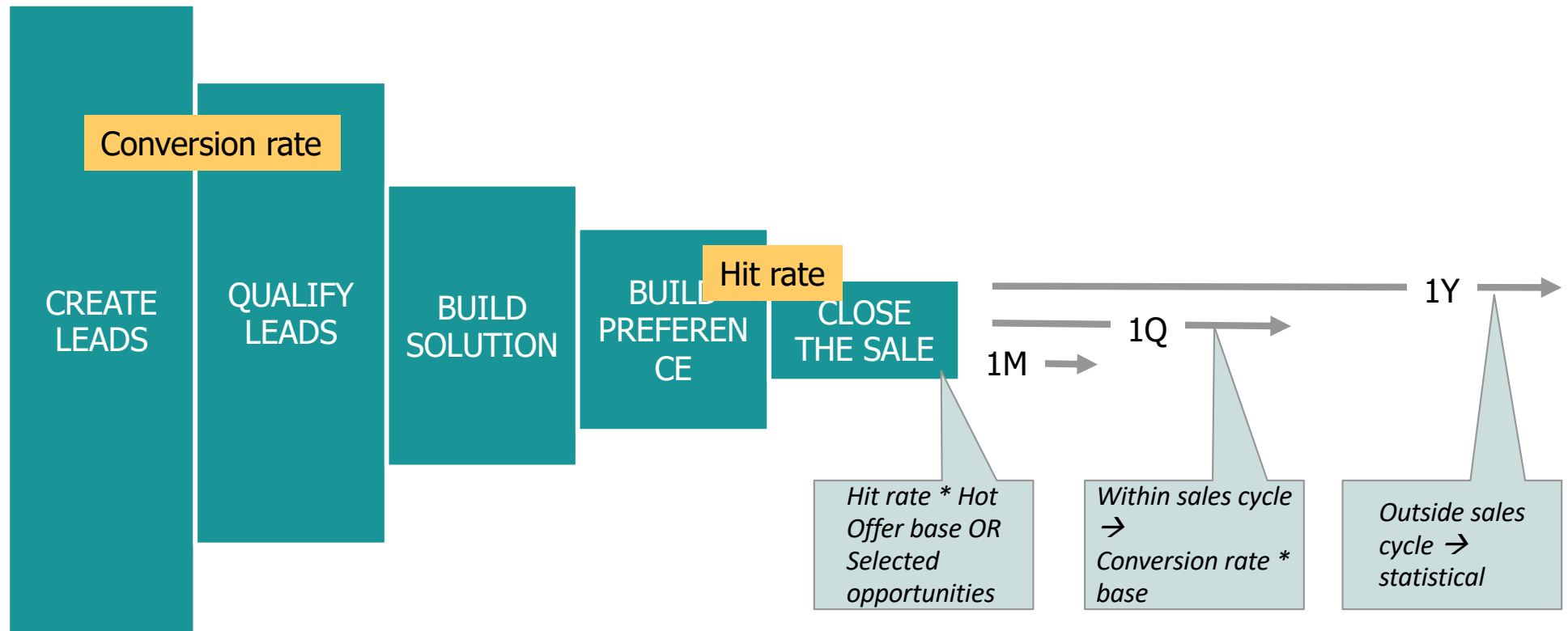
PROBABILITY OF WINNING A SALES OPPORTUNITY

	WHY is this important?	HOW do we know?	WHAT do we do?
Where are they in their buying cycle?	<ul style="list-style-type: none"> Customers are investing time, resources and money to progress their buying process The further they in the process, the more likely they are to buy 	<ul style="list-style-type: none"> We need to decide, what are the "<u>verifiable buying actions</u>" that we would like to see happening 	<ul style="list-style-type: none"> We assign the PROJECT PROBABILITY depending on where they are in their buying cycle: Assessing NEED Defining SOLUTION PURCHASING the solution
How likely are they buying?	<ul style="list-style-type: none"> Customers buy, IF <ol style="list-style-type: none"> Their reason to buy is strong The solution is valuable The decision makers are personally motivated to buy 	<ul style="list-style-type: none"> We have a set of test questions to evaluate the opportunity, SEE NEXT PAGE 	<ul style="list-style-type: none"> We INCREASE the probability, IF <ol style="list-style-type: none"> Their NEED is compelling The SOLUTION is valuable DECISION MAKERS are committed (= they personally win)
How likely are they to buy from us?	<ul style="list-style-type: none"> We win, IF <ol style="list-style-type: none"> The overall solution vision is better fitting than competition The solution value is higher than competition The relationship to decision makers is better than competition 		

SALES FUNNEL CRITERIA

What is this?	What opportunities belong here? Example criteria	Project probability	Examples of verifiable buying actions	Increase project probability, IF	Increase OUR probability, if
TARGET MARKET	<ul style="list-style-type: none"> Any customer that meets our customer selection criteria 	0%			
LEAD 0-5	<ul style="list-style-type: none"> We have decided to contact the customer OR Customer has shown interest We have a contact person 	0 – 5%	<ul style="list-style-type: none"> Inquiry 		
QUALIFIED LEAD 5 – 25%	<ul style="list-style-type: none"> We have collected enough information (usually by meeting) to be convinced that the customer is likely to buy We believe we have a solution We have submitted a budgetary offer 	5 – 25%	<ul style="list-style-type: none"> Sales call with customer to understand the needs Budgetary offer Next steps agreed 	<ul style="list-style-type: none"> Customer has a compelling need 	
OFFER 25 – 50%	<ul style="list-style-type: none"> We have contact to customer to refine the offer We have contact to customer's decision makers Our solution meets customer's criteria We understand customers needs and solution criteria to say the project % > 50% 	25 – 50%	<ul style="list-style-type: none"> Offer submitted Offer evaluation with customer Next steps agreed 	<ul style="list-style-type: none"> The solution value is high 	<ul style="list-style-type: none"> WE has unique solution value, the overall solution is better than competition (in customer's opinion!)
HOT OFFER 50 – 75%	<ul style="list-style-type: none"> We understand customers needs and solution criteria to say the project % = 100% OUR solution has unique value to customer AND OUR relationship to decision makers is strong enough to convince us that OUR% > 60% 	50 – 75%	<ul style="list-style-type: none"> Offer refining with customer Negotiation 	<ul style="list-style-type: none"> The decision maker's are personally motivated to buy 	<ul style="list-style-type: none"> OUR relationship is stronger than competitions Buyinghistory
ORDER 90 – 100%		90 – 100%	<ul style="list-style-type: none"> Negotiation 		

SALES FORECASTING



SALES FORECASTING CHECKLIST

Should the opportunity be included the forecast?	Y/N
• Is the win probability high enough?	
• Is the forecasted close date safely within the forecasting horizon?	
• Does the opportunity meet the funnel criteria?	
Challenge the Close Date	
• How strong incentive the customer has to decide within the expected close date?	
• Is the expected close date achievable from the current stage of the opportunity, i.e. is there enough time for sales process to achieve the expected close date?	
• How “hot” is the opportunity? How recently have we met the customer’s decision maker? How is the sentiment?	
Challenge the likelihood of winning	
• How well does the win probability comply with the Opportunity Coaching?	
• What are our solution differentiators?	
• How strong is our relationship?	