

The Funnel System

For better sales results in any economy

Many salespeople believe that they are controlled by factors outside themselves so they try to control their prospects' buying decisions. They concentrate on the end result and not on what has to be done to get the sale. But if you think of your sales as a funnel, you can easily take back that elusive control.

The top of the funnel is very wide and has a great deal of qualifying and prospecting activity going into it. As you move further down the funnel, it narrows into sections devoted almost exclusively to sales approaches followed by interviews, quotes, proposals, and general cultivation of prospects. Finally, coming out the bottom are the sales, very few in comparison to the activity that went into the funnel. Keep in mind that what goes into the funnel is controllable sales activity while what comes out is uncontrollable sales results.

What this tells us, is that selling is not an absolute. Not everybody you call on will give you an interview. Similarly, not everybody who gives you an interview will want you to submit a proposal or quote, and so on. In fact, all salespeople have ratios that relate their controllable selling activities to the uncontrollable actual sales results they achieve.

There are four shorter term factors that influence the ratios between the controllable sales activities. These are: the salesperson's selling skill, his or her focus on the needs of the marketplace, the level of trust that the marketplace has in the salesperson, and the economy.

SKILL

A salesperson who has a great deal of selling skill will have much smaller ratios than one with limited skill in selling.

Assuming the same average size sale, if they are both being held responsible for like end results in terms of sales dollars, the funnel for the skillful one will be narrower and the ratios smaller than those for the unskilled salesperson. This means the unskilled salesperson will have to engage in more controllable selling activities (calls, approaches, interviews, quotes, etc.) than

his or her skilled counterpart. On the negative side, it also means more rejection.

FOCUS

The same scenario occurs when the salesperson focuses on specific needs of the prospect versus a presentation of all features and benefits of the product or service. Some salespeople do not focus on the needs of the prospect. Instead, they present all the features and benefits of the product or service. They hope that by doing so, they will hit the prospect's hot button, thereby causing him/her to take the buying action. This tactic results in a larger funnel and wider ratios.

On the other hand, the consultative salesperson focuses on specific needs and asks need-identifying questions which enable the prospect to talk about the benefits they want instead of playing a guessing game. The result is a needs-oriented presentation, smaller ratios, and more sales. Traditional salespeople make sales also. The problem is they have to put more numbers into the funnel to do so.

TRUST

The trust that prospects have in a salesperson also has the same expansion and contraction effect on the funnel and ratios. If a salesperson has lots of credibility in a territory and has a good rapport with the potential clients, his or her ratios will be smaller. However, if a new salesperson of equal sales ability enters into the same territory, his or her ratios will be quite different. The new salesperson has not had time to establish trust and, therefore, will have to engage in more controllable sales activity to get the same results the other was getting.

ECONOMY

Finally, the economy has a contraction /expansion effect on the funnel and ratios. When the economy begins to soften or takes a downturn for a particular industry, the ratios begin to balloon, and the top of the funnel automatically widens. On the other hand, when the economy is good for that industry, the funnel contracts and the

salesperson's ratios get smaller. In other words, for salespeople to get the same results in a bad economy that they achieved when the economy was good, they simply have to put more numbers into that widening funnel. Again, this is indicated by the growing ratios.

The bottom line with using the numbers approach is the fact that you have to work harder when there is a downturn in the economy. However, the beauty part of it is

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that with ratios and good records, the level of increased activity can be individualized and quantified, thereby putting control of one's destiny in the salesperson's hands.

Therefore, during a downturn in the economy, salespeople and managers who understand the numbers approach to selling and know how effective it can be, simply raise the controllable weekly sales activity objectives in response to the economy. They know that this will ultimately bring them more sales. At the same time, no one wants numbers just for the sake of numbers. They want them for the results they bring. Hence, they monitor and manage the activity to ensure the quality of the process.

Using the numbers approach to selling will not totally eliminate negative effects of any economy. But it will help. And every little bit of help, helps.

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