



Sales Funnel Management Best Practices: Part 1

Building a Healthy Funnel

1. Start by Selecting the Right Opportunities

Chances are you're already familiar with the concept of a sales pipeline, or "funnel." The funnel is a useful tool for organizing specific sales opportunities by their probability of resulting in a sale.

At any given moment, nearly 35 percent of prospects you're pursuing could be wasting your time. Without putting the right opportunities into the top of your funnel, you can't possibly hope to achieve Win-Win outcomes at the bottom.

Before you set out to pursue the opportunities in your universe, spend some time sorting your prospects using your *Ideal Customer Profile*. This will ensure that you're focusing your efforts on the opportunities that reflect the best probability of closing. The *Ideal Customer Profile* is a standard used to identify your best prospects and separate them from those who you perceive to be liabilities. It requires you to take into account your customer's firmographic and psychographic characteristics. Examples of firmographic traits are your customer's company size, budget, and the compatibility of your solution with their resources. Psychographic characteristics are the attitudes and values shared by the buying influences within your target account. By pursuing prospects that fit your *Ideal Customer Profile* you will be able to focus your time, energy, and effort on those opportunities that are most likely to result in a win-win outcome.

Without a disciplined methodology for identifying the right opportunities to pursue, resources are wasted on opportunities that will not likely result in profitable business. When this happens, your funnel could become distorted, being too heavily weighted on the top end, thus restricting a smooth flow of opportunities toward close at the bottom. Sales productivity would then be reduced, resulting in fewer opportunities in the final stages of the funnel.



Take the time to sort out your opportunities using your *Ideal Customer Profile*. This will help you determine which accounts to add to the top of your funnel. The result is that you'll be pursuing only those opportunities that have the best chance of closing. Isn't that time well spent?

2. Truly Understand Your Customer's Needs

Managing a healthy pipeline also requires a rigorous understanding of your customer's decision-making process. This means that you've got to get inside your prospects' head to understand their underlying needs and interests in the sale - what makes them say "yes." In order to achieve a true win-win outcome, you'll need to make sure you can create a fit between your solution and your understanding of what your customer seeks to fix, accomplish, or avoid in the sale.

Effective funnel management is a reflection of your ability to consistently identify the right opportunities, and to understand the true needs of your prospects. As a result, you will be able to keep your funnel moving and win more business while creating value where it's needed most.