



## The Marketer Ra'ed Bilbessi

### A GREAT SALES FUNNEL FOR A GREAT 2012!

To make the sale, your company needs a systematic approach to developing business opportunities.

SALES PEOPLE, also known as business developers, live by what is referred to as a sales funnel, or sales pipeline: a systematic approach of moving business opportunities through a series of stages that eventually lead to sales. If your business runs a CRM solution or subscribes to a cloud-based version, you already have the right tool to make 2012 a great year, impress your boss, and earn a fat commission check by the end of it. If not, now is the time to squeeze one into the budget and make sure you're not sent into the field unarmed and ill-equipped.

So what does a sales funnel really look like? The typical stages consist of (1) identifying a business opportunity, (2) establishing initial contact, (3) identifying the need, (4) qualifying the opportunity, (5) identifying a suitable solution, (6) writing a proposal, (7) negotiating the contract, and finally (8) closing the deal. Depending on the type of industry you're in, these stages may vary, but in essence the concept remains the same. With that in place,

the challenges of the business developer are to (a) keep the sales funnel filled with real opportunities, (b) eliminate unlikely leads as early as possible, (c) write award-winning proposals, and (d) close as many opportunities as humanly possible by diligently and relentlessly following up on opportunities throughout the entire cycle.

Sounds easy enough, right? Well, not really. The difficulty begins with finding real opportunities. The business developer can easily fill the pipeline with tons of opportunities, but if they're not likely to materialize into sales, a lot of time and energy can be wasted. This is for example why at our firm we rate the first 3–4 phases with very low probability factors (a percentage that indicates the likeness of an opportunity to materialize into a signed contract). Hence, our sales funnel might have tons of opportunities that amount to hundreds of thousands of JDs, but the weighted total is only a relative small sum. We apply this method to make sure we don't get all too cozy and relaxed by large numbers that could essentially amount to little.

Then there comes the qualification phase. What you want to accomplish here is to eliminate leads that will probably waste your time and energy by writing proposals that hardly stand a chance. So there's a lot of questions to be asked. Does the lead really need the service or is it just phantom shopping for prices and ideas? One clear sign to back-off would be if the lead refuses to schedule an initial meeting and just wants a proposal emailed ASAP. Another sign is when a given lead demonstrates a history of frequently publishing tenders, but then ends up doing business with the same old service provider. In short, the more leads you disqualify early on, the fewer proposals you will have to write, and the

more of those you write result in closed contracts. Once you are at the proposal writing stage, your probability rate should jump up to anywhere between 30–50 percent, depending on whether it's a public tender or an RFP that was sent to you and a handful of carefully selected competitors. Anything less and it's probably not worth the time it takes to write a customized proposal.

What will really help you in building your sales funnel and allocating probability ratios is your track-record. Historically speaking, how many identified opportunities actually end up as signed contracts? This is the most critical ratio and it determines the number of opportunities needed at all times so you can meet your sales targets. So if your overall closing ratio is 25 percent and your quarterly sales target is JD 1 million, your sales funnel for that quarter must boast a total of JD 4 million to make it happen. And since moving opportunities through the funnel takes time, those JD 4 million worth of opportunities better be in there and approaching the later stages before the previous quarter ends. But the timing depends of course on the typical ratios and periods between your different stages, so take those into careful consideration as well.

Sounds complicated? Again, not really. It's just a systematic and quantified approach for what you're already doing: developing opportunities for your business. But it's easier if everything is well planned, organized, and documented. Plus, if you have all of the above in a CRM solution, you won't have to meet with your boss on a daily basis to brief him on where you stand. ❶

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