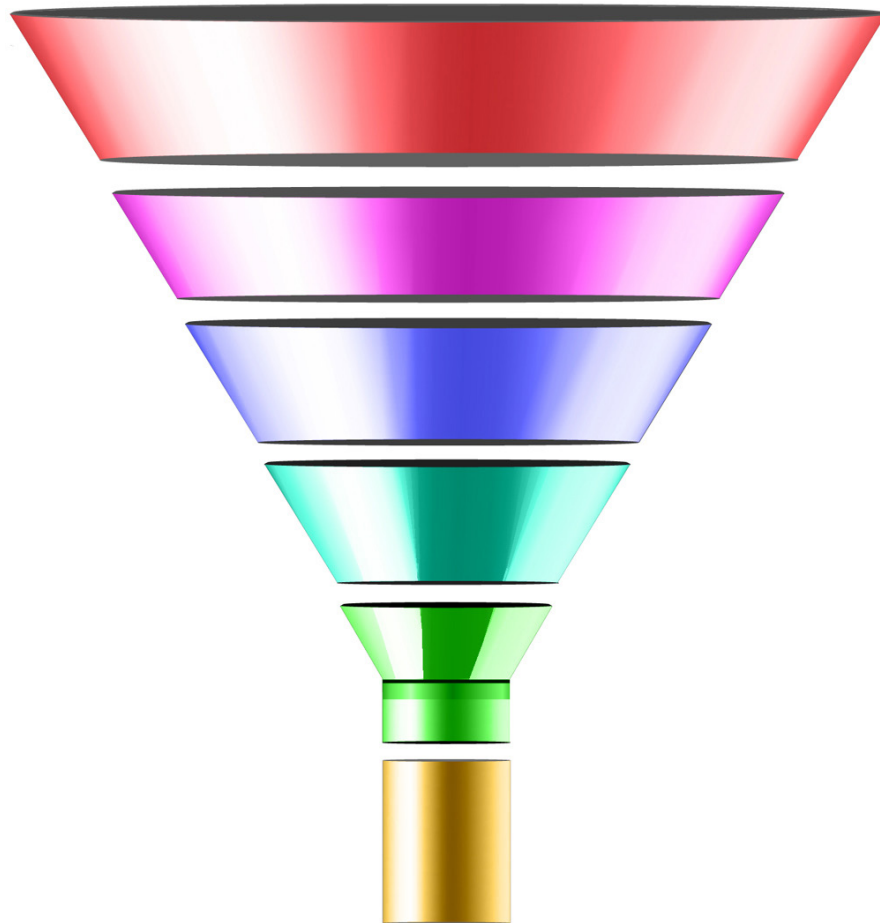# 9 Tips

for the VP of Sales

to Leverage the Sales Funnel to Achieve Plan

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BREAKTHROUGH
SALES PERFORMANCE

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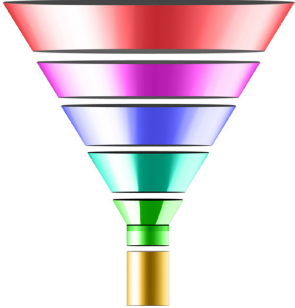*Don't assume your first line sales managers know how to coach to the sales funnel.*

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Introduction

Welcome to the third white paper in our 9 Tips series on the sales funnel. This one is for the Vice President of Sales or otherwise head of sales for the organization.

If this sounds like you then you'll find these 9 Tips relate to your level of responsibility and give you insight into maximizing the value of your sales funnel process to achieve plan.

These 9 Tips are the result of what I've learned from working with numerous heads of sales probably just like you over my 19-year sales training career, and of what I've heard from the sales thought leaders and other professionals I've had the privilege of meeting and networking with.

The 'challenge question' for you is this: Why take time to evaluate and enhance your company's sales funnel process?

The sales funnel remains one of your most valuable tools and functions because its impact is pivotal to all of your responsibilities such as forecasting, lead generation and nurturing, business development, your sales process, and more. It's also pivotal to many other parts of the business like the CFO's office, IT, and even manufacturing.

As you read the 9 Tips I hope it inspires you to ask "*Are we getting as much from our sales funnel as we can? Have I provided enough leadership to this function as I could?*" If the answer to either question is "no," invite us into the conversation. We're here to make you better.

Mark Sellers
Partner, Advantage Performance Group
Author, *The Funnel Principle*, named by Selling Power a Top Ten Best Book

1

Set a clear and simple vision for the role of the company's sales funnel.

It's tempting to think that defining a vision of the sales funnel for your sales organization could be over the top or unnecessary. Isn't the role of the sales funnel so obvious and so fundamental to not need a vision? I think that's exactly why a vision is needed. The sales funnel's simplicity belies the critical nature of its true role.

Let's start with the purpose of setting vision. Vision helps people see. Seeing is powerful. It is a catalyst. Business vision is often associated with seeing where the leader wants his or her organization to go. Vision lights the path.

Remember a few years back the ING ads that asked, "Do you know your number?" It showed people walking down the street, getting on an elevator, etc. carrying a big foam number with them. The number was the amount of money they needed to retire. It was an effective way to see where you need to get.

I equate vision with "why". Vision and "why" share the common goal of emotionally moving people. People who are moved make great strides. Your sales force deserves to know "why" you want to emphasize or improve your sales funnel process.

There's another reason to set funnel vision. The sales funnel is at risk of becoming taken for granted. Some on your staff might wonder, "*Why do we need a sales funnel process or a new one?*" If they take if for granted they'll let their bad habits fester and inspire more bad habits and they won't get the most out of it.

How do you set vision for the sales funnel? You could re-emphasize its importance. You could explain its centrality to the rest of the sales process like your sales call planning approach, your key account strategies, your marketing and lead gen and lead nurture efforts, and your forecasting.

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2

Involve your sales staff in defining the sales funnel process.

To set yourself up for success for your sales funnel process a couple of things need to happen. One, the funnel needs to be completely customized to how your customers buy and two there has to be a set of "funnel rules" for how it will be managed.

Make sure you involve people like your sales managers, top sales people, training staff and others who can contribute to both of these efforts.

It's a big mistake if you try to design the funnel stages and these "funnel rules" by yourself. You're missing a big opportunity for buy in, ownership, and keen insight from the very people you're relying on to make you successful.

The first large scale Funnel Principle project we did was with a large division of Goodyear. We had 15 people participating in the funnel design and funnel rules process. Today, 11 years later, they're still using it.

There are several reasons why this works.

One, when people are asked to give input and that input is used they feel more ownership to the process.

Two, more ownership often results in defending the outcome. Your front line sales managers will drive its use in the trenches where it counts. This is the kind of behavior that you need to avoid a low ROI from a fancy training event and make it fundamentally change the way your people sell for years to come.

Three, you'll get better insight. Think of a design-funnel rules off site where your top sales person or two is there, top sales managers, enthusiastic training personnel, maybe sales ops, even marketing and you've got an inspiring roomful of energy directed at an important outcome.

3

Invite other company departments into the design process.

If you're a sales leader who believes and says "sales is everyone's responsibility" in the company, are you doing all you can to involve everyone in your sales process?

One of the first departments to invite into the process is marketing. The historical divide between sales and marketing is like the fallen Berlin wall, no longer relevant for today's world.   Today's marketing leaders know the importance of the customer buying process and they often take ownership to generating revenue. Gone are the days of marcom and throwing trade show leads over the wall and washing their hands of the outcome.

Collaboratively designing a customer BuyCycle Funnel with marketing's input is the smart approach. Marketing will be more effective at early stage lead generation and in handing off sales ready leads to your sales force.

Another department to collaborate with is finance. The role of the CFO or senior finance executive has changed a lot. CFOs take a more active role in sales forecasting and strategic planning. A good friend of mine was CFO for a line of business at a regional bank and she created a very effective sales forecasting process that her CEO relied on every month.

Finally, don't forget about IT. That "can't live with them, can't live without them" gang. Makes me think of a joke a client of mine used to tell about lawyers. He said you could make fun of them all you want but when you need one you'd better have a good one.

IT can play a key role in things like sales funnel reporting and analytics. If you have your eye on a CRM product they'll need to know how it works with existing systems. Like a cop that pulls you over being nice may not get you out of the ticket but being smarty or sarcastic is guaranteed to get you one.

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4

Commit regular time to working on the process, not in it.

Recently I had an inspiring "skull session" with a client where we brainstormed the future of sales process for his global sales force. Mitch showed my colleagues and me a photo of his white board of sales process ideas. It reminded me of the "pi" chalkboard scene with the child character Piscine in the movie Life of Pi, the entire wall completely filled with scribbles, notes, ideas, and figures. What counts is this white board makes sense to Mitch.

As head of worldwide sales he sees his role as caretaker of the company's sales process. He regularly commits time to working "on" it. He is constantly thinking of ways to validate its effectiveness and enhance it. He reads a lot of books and articles on selling and coaching. He attends sales conferences. He has a peer group he interacts with. Over the years he has added several elements to it including our Funnel Principle model.

Sometimes the enhancements are inspired by new thought processes for selling. Sometimes they're driven by new markets to pursue. Sometimes they're driven by new benchmarking data on sales effectiveness. Sometimes the inspiration is having new products to sell. It's easy to see that there are many reasons to stay on top of your sales process effectiveness.

One consequence of not working on the process like Mitch does can be having no sales funnel process at all and therefore no way to measure success. Another consequence is having a random collection of sales methods that have come together via a reactive approach. They don't integrate and sometimes they're not used any more. Sometimes these are "flavors of the month" that the sales force doesn't buy into and therefore doesn't result in measurable change in selling behavior. Staying in reactive mode puts you at risk of losing credibility with the sales force. You're effectively training them to think, "*Oh, this is just another passing fad... I'll just stick with what works best for me and this will all blow over.*"

Led by vision and powered by a limitless curiosity for improvement, Mitch does better than any sales leader I know at that which all sales leaders must do: He sets aside time to constantly fine-tune his company's sales process. As they say, there is no finish line in the race towards success.

5

Design and implement the process manually before integrating it into CRM.

CSO Insights published a report on over a thousand sales force automation implementations, aka CRM that is now about 12 years old.

It revealed that a third of CRM investments made by companies surveyed resulted in no gain in sales effectiveness and another third resulted in only small improvements.   Given what many of these executives paid for the CRM it was a tough lesson in ROI for many.

Unfortunately when the words "sales funnel" or "sales pipeline" come up the first thing many sales leaders think of is CRM and automating the process. There is a downside to moving too quickly in doing this.

For one there's a missed opportunity to emphasize that the funnel process is about getting better at selling, not about logging data into a system that produces reports. Also, executives that never had funnel visibility became punch drunk on what they now see, only to realize later that what they see they cannot trust. Often the data is "bad". The funnel is not kept up to date. The deal values and close dates are wild guesses. The stages are off. So much for visibility.

No CRM technology fixes a problem of bad data. That's done literally one conversation at a time between a sales manager and salesperson during Funnel Audits and deal reviews.

Changing funnel stages to "map" to the customer buying process is an important first step to aligning your team's selling to how the customer but it's not a magic wand. Stage definitions don't guarantee that sellers will use them to drive their selling strategies and behaviors.

Why not decouple your sales funnel process from the CRM at first and focus on changing selling behavior, not on what screen shots should look like? It might seem a bit laborious but it gets to the root of what you're trying to solve and will likely save you a lot of time later.

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6. Don't short cut sales funnel training.

This has been one of the casualties of what has become a too casual approach to the sales funnel. Maybe it's that the funnel has been around for so long that it's tempted some sales leaders to think 'everybody gets it'. After all how hard can it be? You fill the top, work the leads through, and close business. Ba da bing! New sales!

Maybe it's the thinking that something so fundamental shouldn't need any training, or something that someone uses day in and day out has become 'second nature' or common sense. Too often common sense isn't too common.

There are at least two flaws to the case for skipping sales funnel training. 1) Doing and using is not practicing. Salespeople might do and use sales funnels but seldom practice doing and using. How do they get better by not practicing? 2) Doing and using can over time lead to well earned bad habits. I've earned my share of them.

This isn't intuitive and could even be somewhat controversial. It takes a strong sales leader to step up and lead the way and provide sales funnel training and convince the team of its value.

Compare it to riding a motorcycle. Every year we read about veteran riders who suffer accidents often because their senses have become less sharp. Unfortunately it only takes a slight distraction to lead to a disaster. The experts in riding motorcycles – riders – strongly suggest that riders, especially veterans take the time every year to get retrained on riding.

If you want your sales force saw to be sharp you have to sharpen it. Commit to sales funnel training or live with the consequences.

7

Don't assume your first line sales managers know how to coach to the sales funnel.

When you consider the impact a single front line sales manager has on a given business it's easy to conclude that companies would not think twice about investing in these managers to make them as effective as they possibly can be.

Yet it's not so.

Similar to the thinking in (6) that veteran sellers over time just 'get' the funnel, some sales leaders can think their sales managers just get how to coach; that they know how to do it intuitively. These sales managers might be very smart. They might be hard working. They might be experienced in the business. None of this is a direct guarantee of effective coaching.

Even if front line managers have gotten general purpose coaching training it's not the same as knowing how to coach to sales funnel management. It would be like thinking that, if I'm a golfer and I get a lesson in chipping it will also help me with my driving off the tee. It's a different part of the game and it deserves a unique attention. Plus for some people coaching, like managing, doesn't come naturally so there's an embedded handicap that must be overcome.

Here's another reason to invest in sales coaching. It strengthens the bond between manager and rep and keeps your best sellers working for you. Bill Eckstrom of EcSell Institute says, "Top sales people don't leave their companies, they leave their bosses." And we all know the high cost of losing key salespeople. When a sales manager adds value to a salesperson's professional life turnover goes down and the seller is happier. And happy sales people contribute greater discretionary effort.

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8

Design your funnel stages around how your customers buy.

Any surprise that this one is so far down the list of 9 tips?

I've learned many things since I published *The Funnel Principle* 7 years ago. Sales leaders often start and stop with the task of defining sales funnel stages. They pop them into the CRM tool, send an email to the troops about the change and away they go.

Getting the funnel design right is key but it's only one part of the entire process you have to create. Pro golfer Sergio Garcia recently said about not winning a major (yet) in his career, it's important to win one but he won't let his entire career body of work be defined solely by that. Similarly, your sales funnel process can't be defined only by the funnel stages.

Designing your company's sales funnel stages right is important because so many things depend on how it's designed. For starters, the stages guide your salespeople to decide where each opportunity belongs, which determines the basis of their sales strategies, how they move opportunities along. The stages are the basis for your funnel value. You don't want to be wildly off on that.

I recall a head of sales for one of my clients having a sales funnel before we worked with him that we estimated to be overvalued by 6X the real value. It was due to a wrong sales funnel design. That's like thinking you have a $600M funnel when you really have a $100M funnel. Ouch. Finally, your managers' coaching is based on the funnel design, so it's only logical that coaching from managers should also align to the customer's buying cycle.

One of the mistakes I've seen in funnel design is not being specific enough is defining how your customers buy in your selling environment. Another mistake is not defining the most pivotal stage of all, something we call "commit funding". Finally, it's crucial to include several people in the design so that buy-in gets firmly established. Failing to do these things can have serious consequences that affect the foundation of the entire process.

9

Use your sales funnel process to become a better leader.

When I reflect on the sales leaders who have hired me over the past 20 years to help transform their organizations and results, one theme stands out as contributing to the success of our efforts – their leadership.

These men and women are using the sales funnel process as the initiative to drive change through their organizations at regional and global levels.

It wasn't easy for any of them. Driving change in any sales force can be a challenge. But convincing their teams that their fate depended on a renewed commitment to the funnel? Really?

They saw the connection between the behaviors that good sales funnel management required and the results they needed. The sales funnel process was not the end but the means to it.

Those behaviors are things that a salesperson and a sales manager could control. Like setting better priorities in where to spend their time; qualifying real opportunities and disqualifying fake ones; having a relentless focus on building funnel value; TVR; getting to the right stakeholders for each sale; using their teams to sell; and more.

These leaders realized that their current sales funnel approach had become either outdated or severely discounted as a useful process to drive the right sales behaviors. They capitalized on what was new about sales funnel management today, such as the "buying process" framework, BuyCycle Funnel, and the link between the funnel and effective opportunity management.

They were successful for many reasons including implementing many of the tips you've just read. They were successful because they kept things simple and they stayed on message.

I wish you continued success on your journey toward greater sales performance for your teams.

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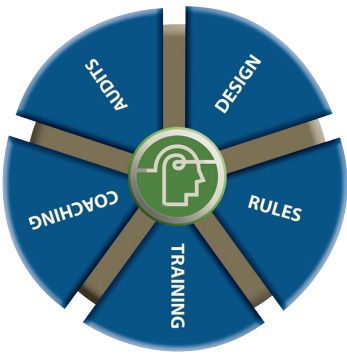
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About Mark Sellers

Mark Sellers, an Advantage Performance Group partner, is an international sales consultant, CEO and founder of the sales consulting firm Breakthrough Sales Performance®. In 2008, he published *The Funnel Principle*© book and introduced a game-changing standard in the sales funnel called The BuyCycle Funnel™.

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