

Best of Miller Heiman Sales Performance Tips Funnel Management Best Practices

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Introduction

Miller Heiman's award-winning *Sales Performance Tips* (formerly Miller Heiman *eTips*) have been helping serious sales professionals around the world win business since 1998. Miller Heiman's newest white paperseries "Best of Miller Heiman *Sales Performance Tips*" includes carefully selected tips that address a pressing topic faced by sales professionals.

In this issue, we focus on how you can effectively managing your sales funnel, also known as the sales pipeline. The sales funnel describes the actual conversion of prospects into sales. It is called as such because it includes the conversion ratio at each stage of the sales cycle, which has a funneling effect. Prospects are theoretically fed into the top of the funnel, and converted sales drop out at the bottom.

Part 1: Building A Healthy Funnel

Start by Selecting the Right Opportunities

Prospecting and qualifying occurs at the top of the funnel. By putting the right opportunities at the top of your funnel, you are setting yourself up to pursuing only those that have the best chance of closing.

Truly Understand Your Customer's Needs

Managing a swift funnel 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.

Part 2: Three Ways to Unclog Your Funnel.

Opportunities in your funnel that aren't going anywhere may keep you from reaching your quota. These three steps work in collaboration to keep your sale moving forward.

Part 1: Building a Healthy Funnel

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% 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 in Miller Heiman's *Strategic Selling*® workshop 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 demographic and psychographic characteristics. Examples of demographic 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?

Truly Understand Your Customer's Needs

Managing a swift funnel 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". *Conceptual Selling*® explains that the *Customer's Concept* is what your customer seeks

to fix, accomplish, or avoid in the sale. 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 *Customer's Concept*.

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.

Part 2: Three Ways to Unclog Your Funnel

Opportunities in your funnel that aren't going anywhere may keep you from reaching your quota this year. Here are three things you can do today to keep those sales opportunities moving forward.

1. Use Your Plan for Finding, Winning, and Keeping Business

Getting back to the basics of your sales plan will create a healthier funnel. It doesn't matter if you're prospecting new opportunities or developing new business with an existing customer, you have to have a strategy for managing the opportunity at every level of the funnel.

Having the right plan is like having a blueprint for managing the complexities of a sale. You have to map out the right people, and sell to each of their

different interests and motivations. This plan will help you manage change and remove surprises that are common in complex sales so you can keep the sale moving forward.

2. Make Great Sales Calls

To make year-end quota you have to be making great sales calls now! That means making each and every call you make count. Each call should be centered on the customer's underlying needs so you can gain incremental commitment. Before the call, have a plan for how it contributes to moving your sale forward in your funnel. Otherwise, you're just wasting time.

3. Access Key Decision Makers and Win Their Approval

In today's selling environment, decisions have been elevated. You've got to connect with higher-level executives to win the deal. Not only do you need to access these key decision makers, but you've got to make an impact once you get in front of them. Differentiate yourself and connect with how they make decisions, so you can win their approval.

These three steps work in collaboration to keep your sale moving forward, from generating new prospects, to closing the deal. Use them together and you will put yourself in a much better position to reach your quota this year!

Miller Heiman's workshops, *Strategic Selling*®, *Conceptual Selling*®, and *Executive Impact*SM support this selection.

You may visit www.millerheiman.com/publications and subscribe to receive *Sales Performance Tips* each month via email. You may also call 877-678-0272 to speak with an expert.

About Miller Heiman

Miller Heiman has been a thought leader and innovator in the sales arena for almost thirty years, helping clients worldwide win high-value complex deals, grow key accounts and build winning sales organizations.

The company is headquartered in Reno, Nevada and has offices around the world. More information can be obtained by visiting the company's website at: www.millerheiman.com.