

Working Smarter with Sales Funnel Charts

What you'll learn:

1. *What is the sales funnel?*

2. *What is a sales funnel chart?*

3. *How to create a sales funnel chart*

4. *How to use the sales funnel.*

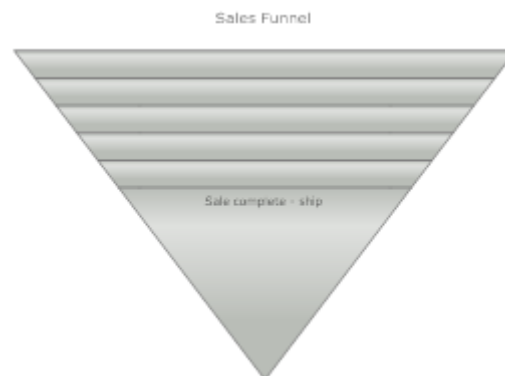
1. What is the sales funnel?

Once you have a clear understanding of who will buy your product and why, it's time to put a sales process into place.

A sales process is the series of steps you take to achieve a sale. This usually starts off with some kind of outreach to your market to identify prospects, qualify them into real leads and then move these leads into completed sales. At each stage you lose some of the population: Not all prospects become leads; not all leads become sales. This is why a sales process is often called a *sales funnel*: It narrows as you reach the completed sale.

2. What is a sales funnel chart?

A sales funnel chart is an inverted pyramid that shows all of the steps in the sales process.

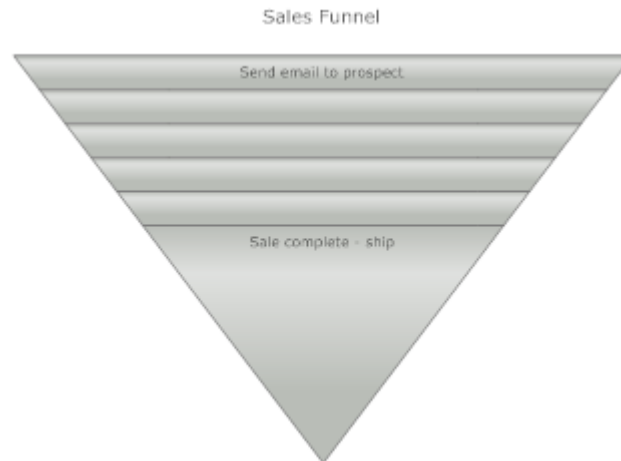


3. How to create a sales funnel chart

Step 1: Define the first step of the sales process

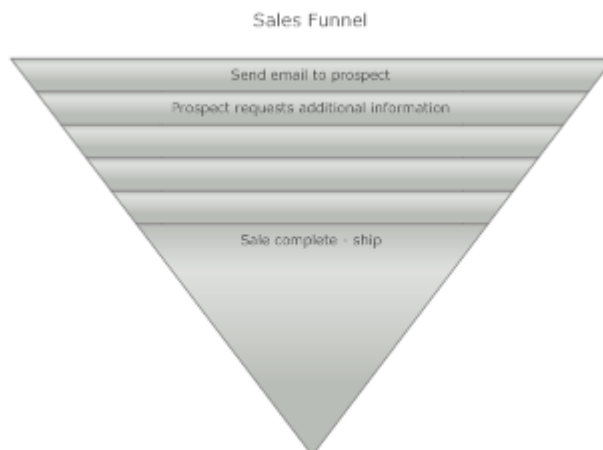
The first step in most sales processes is usually some form of outreach to the target market: Direct mail, advertising, or cold-calling, etc.

Type a description of the first step in the first row of your sales funnel chart.



Step 2: What happens next?

Enter a description of the next step in the process in the second row of the chart. In our example the prospect who received an email clicks through to a web site and requests more information.



Step 3: Repeat this for each step in the process.



4. *How to use the sales funnel*

As customers pass through this process you can start to measure the success of each step: What percentage of emails sent result in a request for more information? How many inquiries lead to a quote? How many quotes lead to a sale? How much revenue is generated from each mailing?

This makes it easier to identify ways to improve your sales process. If too few inquiries are coming in, the problem exists in the early stages of the process—list selection or mail-piece design, perhaps. If too few proposals lead to a sale then pricing could be the problem.

Once you learn the average number of leads that result in a proposal and the number of proposals that result in a sale you can forecast sales much more

accurately by looking at the number of potential customers in each step of the funnel.

A sales process is essential if you want to generate revenue predictably and efficiently. The sales funnel chart is an excellent tool for representing and communicating the sales process.

To watch a video on how to make a Sales Funnel Chart with SmartDraw [click here](#).

This document is part of the *Working Smarter Series*—a collection of publications describing proven tactics for improving business operations, provided free by SmartDraw.com. To download a free trial of SmartDraw, visit www.smartdraw.com

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