

Punkfrog Sales Process

Configure the CRM to Support Sales

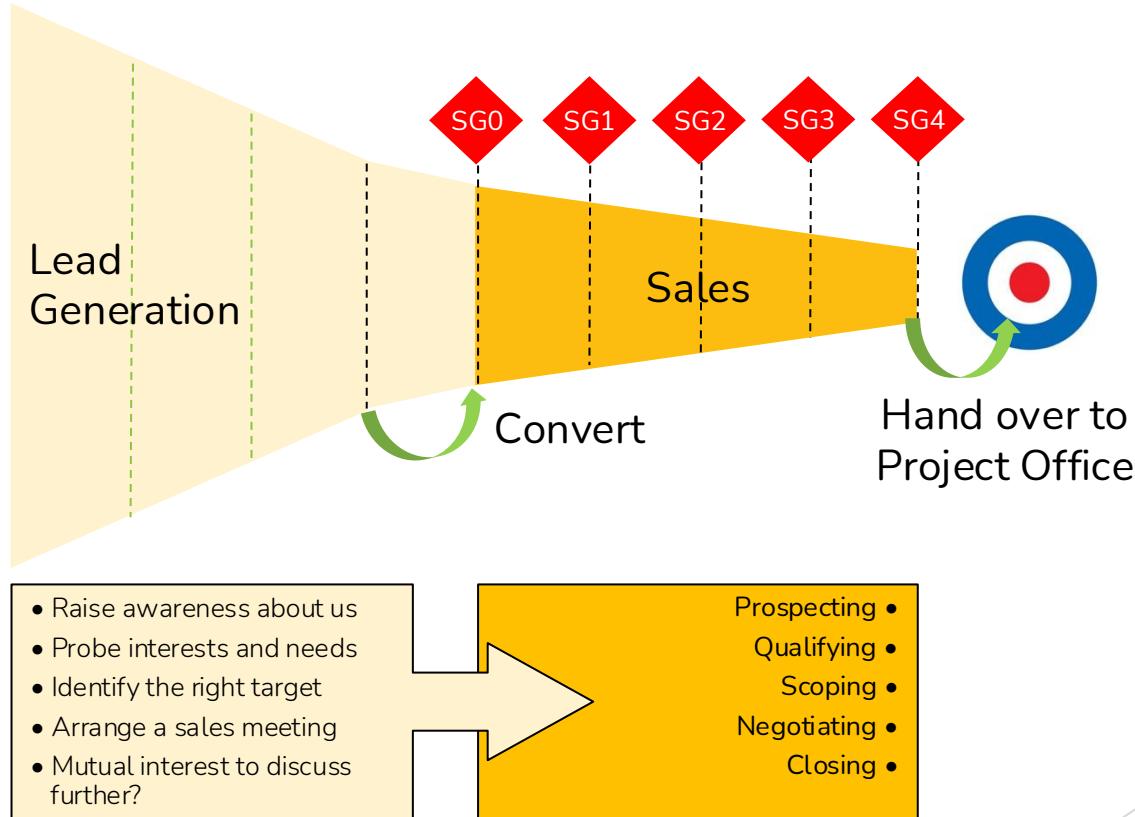


Benefits of the Sales Process

- ▶ Defined in 2003, and refined over 21 years of applied sales in 6 companies, and adopted by 5 customers.
- ▶ Common language & terms, to avoid misunderstandings & misinterpretations
- ▶ Consistency of understanding and application within the team
- ▶ Minimises arbitrary judgements & decisions
- ▶ Increases productivity, efficiency, and effectiveness - even more so if supported by a CRM system
- ▶ Sales Gates are based on progress (business value) rather than process steps
- ▶ The Sales Manager can predict the probability of the result



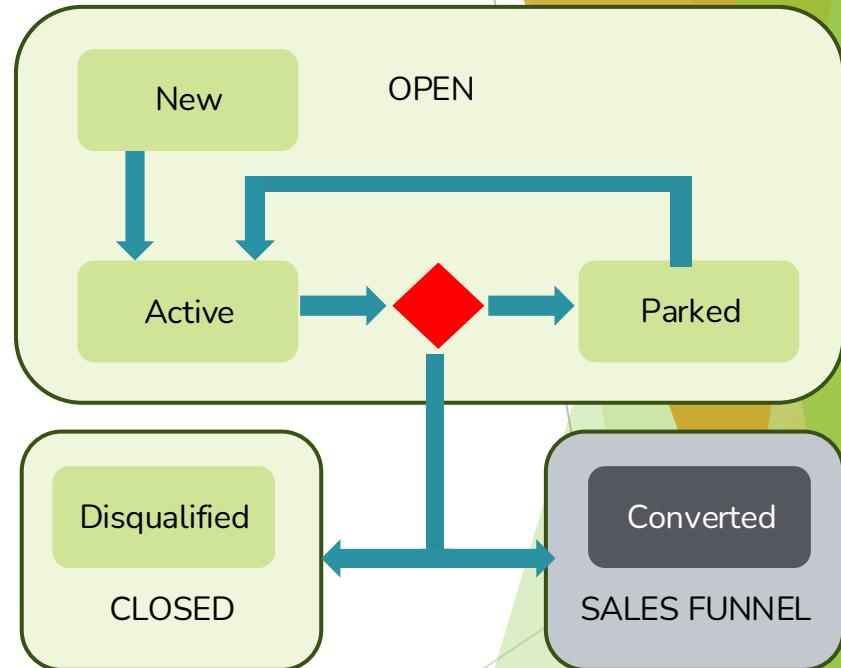
Lead Generation Vs Sales



Lead Generation

Leads are related to people (Contacts)

- ▶ Register every lead (person)
 - ▶ Leaves a trail/record
 - ▶ Avoids conflict & wasted effort
- ▶ Use tags to group by solution or industry
- ▶ Always define Next Step
- ▶ CRM automates conversion



Sales

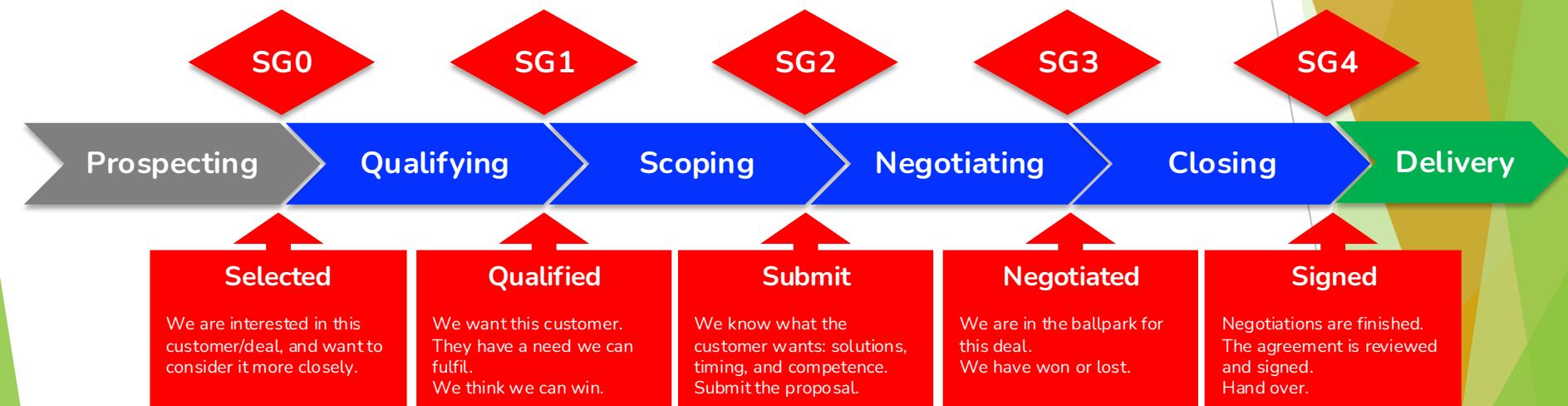
Opportunities are related to Companies (Organizations)

- ▶ Collect the right information at the right time.
- ▶ Effort increases the further you go - qualify aggressively.
- ▶ Process all sources of income.
- ▶ Weight phases to estimate potential funnel revenue.
- ▶ Set up a task in Activity with due date for next step.
- ▶ Keep value, end date and phase up-to-date (SISO).
- ▶ Housekeeping - demote, merge, assign.
- ▶ Maintain parity within phases using checklists.



Sales Process & Sales Gates

Necessary and Sufficient Sales Phases



- Go/NoGo Decision Points are based on progress that increases the likelihood and value of the deal, rather than procedural steps.
- Present SG summary at sales meetings.
- SG checklists can be templates in CRM (or Word documents).
- Prospecting is used instead of the lead funnel. Converted leads move directly to SG0.

Gate Checklists

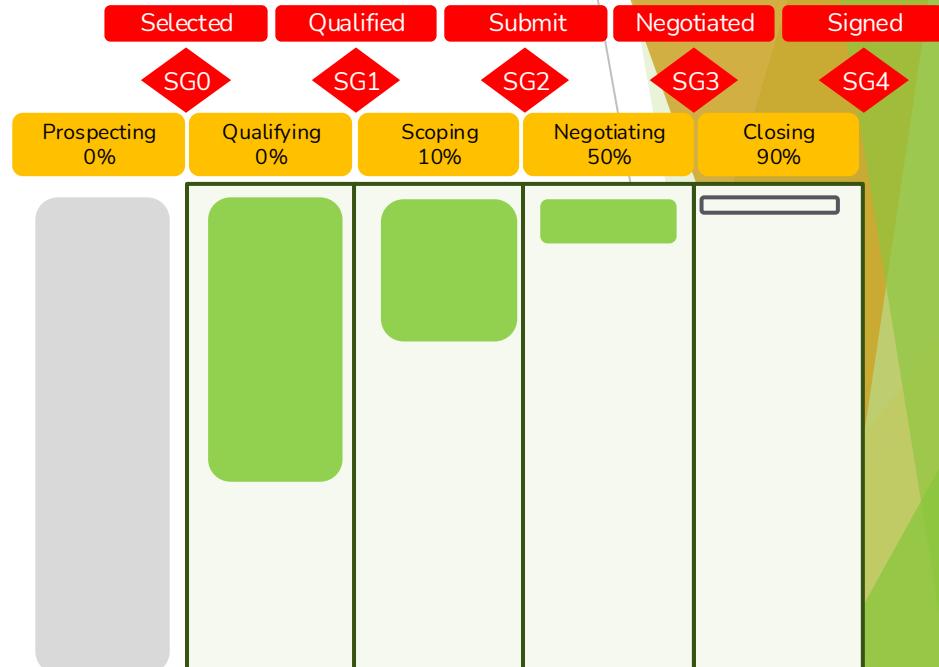
Assure Consistency in the Funnel

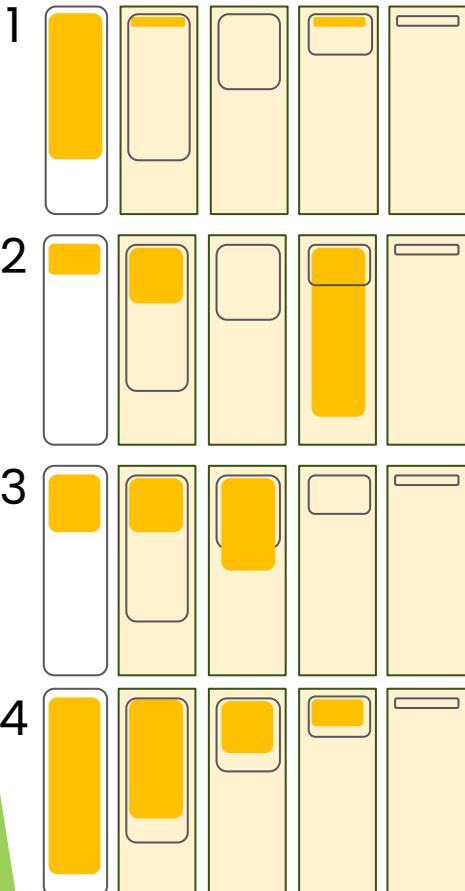
- ▶ Prospecting
 - ▶ Lead conversion directly to SG0
- ▶ Qualifying
 - ▶ Is there a real opportunity?
 - ▶ Can we compete, and win?
 - ▶ Worth winning?
 - ▶ Resourcing
- ▶ Scoping
 - ▶ Solution description
 - ▶ Organisation of work
 - ▶ Competence required
 - ▶ Timing
 - ▶ Payment terms & conditions
- ▶ Negotiating
 - ▶ Scope is a good fit
 - ▶ Pricing within 20%
 - ▶ Rough timing discussed
- ▶ Closing
 - ▶ Agreed pricing
 - ▶ Agreed product specification
 - ▶ Agreed closing date
 - ▶ Agreed delivery date
 - ▶ Contract reviewed but not yet signed
 - ▶ Creditworthy

Funnel Management

Keep in Good Shape

- ▶ Sales Manager can visualize the “health” of the pipeline, and take necessary action if needed
 - ▶ Form, shape
 - ▶ Flow, velocity
 - ▶ Applies to teams and individuals
- ▶ Sales Gate criteria must be applied consistently
 - ▶ Position in the funnel must always mean the same thing





Funnel Management

Interpret Behaviour from Shape

1. The Monotasker
 - ▶ All the eggs in one basket, then next egg
 - ▶ Needs to spread the risk, and maintain momentum
2. The Proposal Machine
 - ▶ Probably getting recognition based on #proposals submitted
 - ▶ Needs to be rewarded by hit rate: Wins/Proposals
3. The Procrastinator
 - ▶ Busy being busy.
 - ▶ Needs to execute, to avoid promotion sideways.
4. The Balanced Performer
 - ▶ Keeps stoking the revenue fire.
 - ▶ Needs to be publicly praised to encourage the same behaviour in others.

The wireframes depict a healthy funnel.

Funnel Management

Weighting Revenue Potential



- ▶ Funnel phases should be weighted realistically to avoid unrealistic revenue expectations.
 - ▶ During Negotiating 50% is realistic: a 50% win rate from proposals submitted is considered very high.
 - ▶ Any sales person knows that Closing is not 100% guaranteed, even though we “just need to sign”.
 - ▶ It is wishful thinking to set any probability on a deal until it has passed SG1, where “we want this customer, they have a need we can fulfil, and we think we can win.”
- ▶ Ensure opportunity values, end dates, and phases are kept updated so that financial forecasting is accurate.

High weighting, especially in early funnel phases leads to unrealistic management expectations, which are bound to collapse due to the nature of the funnel.

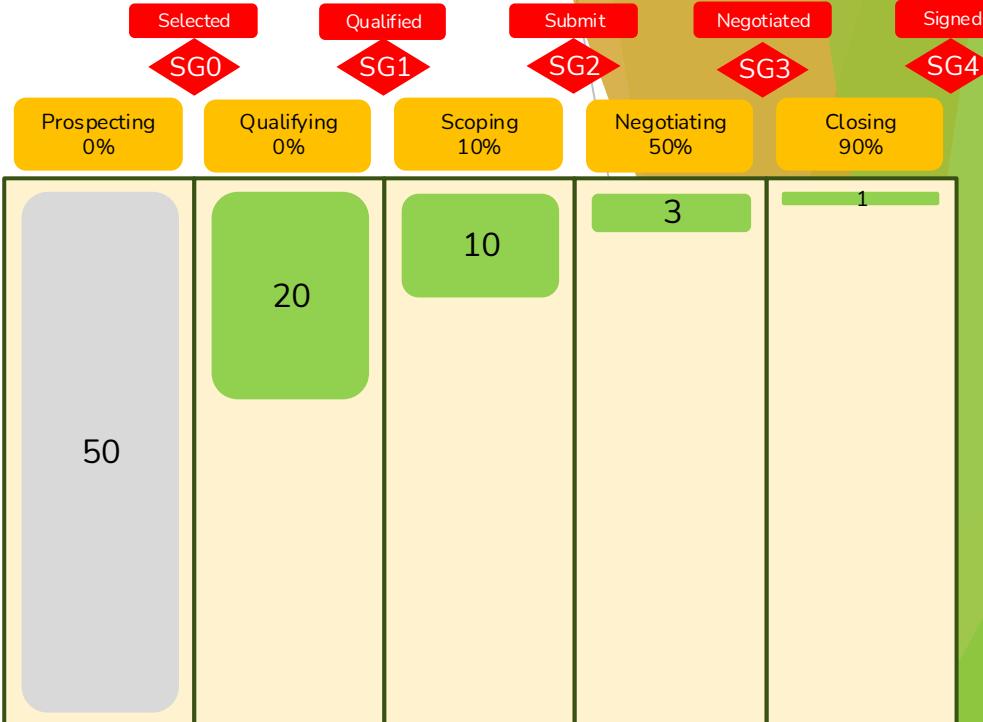
Performance Metrics

Key Quantities

- ▶ # selected (passed SG0, in “qualifying” phase)
- ▶ # qualified (passed SG1, in “scoping” phase)
- ▶ # submitted (passed SG2, in “negotiating” phase)
- ▶ Weighted value of the funnel

Sales Efficiency

- ▶ Sales coverage = SG1 : SG2 : SG4 (10 : 3 : 1)
- ▶ Sales funnel velocity = Average time per phase
- ▶ Sales cycle = Time period SG1 → SG4
- ▶ Qualification ratio = SG1 / SG0 (40%)
Low => prioritisation is under control
- ▶ Success rate = SG4 / SG1 (20%)
=> Validates qualification (expected vs. actual result)



- Aggressive qualification minimizes effort and maximizes results.
- “Creathorn’s Law™” describes how metrics shape behaviour.

Create an Efficient Sales Funnel with the Punkfrog Sales Process

→ Get started or learn more: enquiry@punkfrog.se

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