

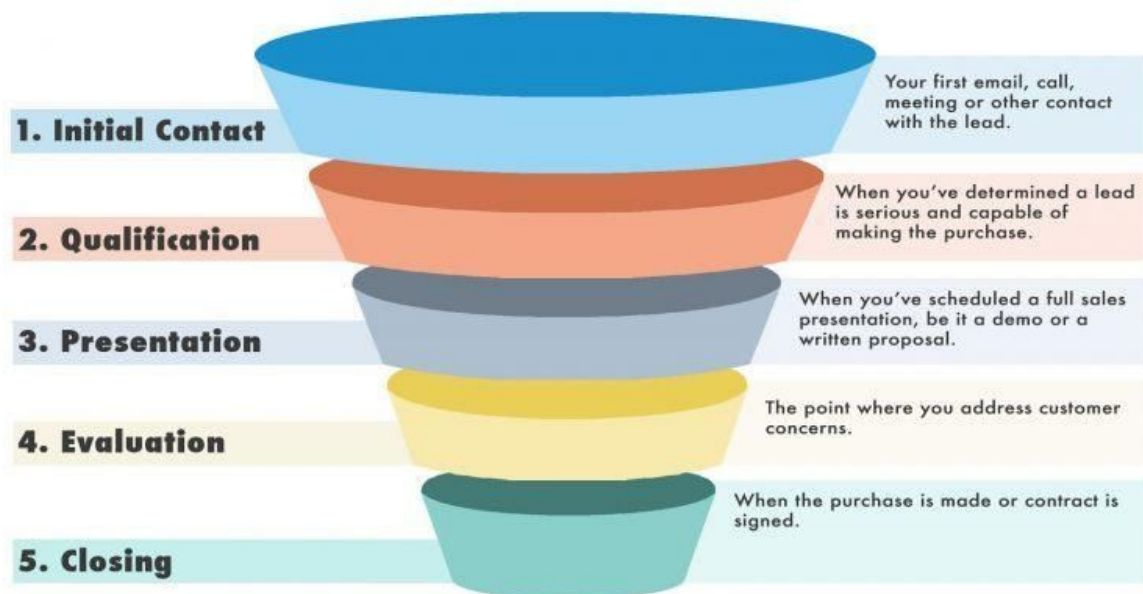
Starting with sales - Creating and managing your sales process

To ensure that you are consistently achieving your sales goals, you should take a strategic approach to the sales process.

One way to do this is through what we call the **sales funnel**.

General Sales Funnel: 5 Steps

Generalized sales funnel that can be applied to any small business.



Source: www.fitsmallbusiness.com

The sales funnel is a visual representation of the process that your customer goes through from when they first learn about your product to when they finally purchase it.

At each stage of the process, the numbers of customers reduce due to different reasons. Take a furniture business, for example.

Example 1: Using the example of a furniture business, a sales funnel may look like this:

Steps	Potential customers
Number of customers contacted	50
Number of customers who expressed interest	30

Number of customers who came to view the furniture	18
Number of customers who placed orders for furniture	10

As you move down the funnel, the number of potential customers reduces.

For example, the number of customers who came to view the furniture are less than those who expressed interest in buying the furniture.

So how is the sales funnel used?

1. To spot gaps/problems in the sales process

While it's normal for the number of customers to reduce, a drastic drop in numbers could indicate a problem.

For example, in a particular month, if the number of customers who viewed the furniture is a lot lower than those who expressed interest, it could mean several things. Perhaps the viewing area is too far for most customers. Or they did not have a good experience speaking with a customer representative over the phone.

Whatever the reason, you should try to find out what is making you lose customers along the way and try to get more potential customers to the end of the sales process.

Another aspect that's important to look at is the **conversion rate**.

2. Sales strategy and planning

When the furniture business contacted 50 clients, they eventually got 10 customers buying their furniture.

In this case, the seller knows that to get 10 clients, they should reach 50 potential customers. If they want to make 100 sales, then they need to contact at least 600 ($50 \times 12 = 600$) customers.

This means that based on their financial goals, they can plan and monitor their sales goals to ensure they are making profits each month.

It is also possible that your funnel may also have fewer parts. For example, if the customer is a referral, you don't need to contact them and you might not need to show them your furniture products.

To come up with the steps, think of the stages your customer goes through from when they first hear about your product until they actually make a purchase. Break these down into simple steps.

Example 2: Here is a possible example for a business selling clothes on Instagram. Notice that the steps are different from the furniture business example.

Steps	Potential customers
Number of customers reached on Instagram	400
Number of customers who expressed interest	100
Number of customers who made contact via Whatsapp	45
Number of customers who ordered clothes	18

Additional reading materials

1. How to improve your sales skills
<https://hbr.org/2017/05/how-to-improve-your-sales-skills-even-if-youre-not-a-salesperson>
2. 3 powerful skills you must have to succeed in sales:
<https://www.forbes.com/sites/womensmedia/2011/08/22/3-powerful-skills-you-must-have-to-succeed-in-sales/#7e70767025f8>
3. 10 tips to kickstart your sales skills: <https://www.entrepreneur.com/article/222521>
4. Selling skills assessment:
<http://www.tomhopkins.com/blog/sellingskills/selling-skills-assessment>
5. The sales skills every entrepreneur needs:
<https://savvyentrepreneur.co/sales-skills-entrepreneur/>
6. Your company's success depends on your sales skills:
<https://www.entrepreneur.com/article/247930>