

**From:** Mike Teitelbaum, Business Operations Manager

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**Subject:** Sales Funnel Analysis – Lead Quality, Conversion Performance & Optimization Strategy

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## 1. Executive Summary

This report outlines key findings from a sales funnel performance analysis, with a focus on lead quality, conversion velocity, and optimization opportunities. The objective is to identify bottlenecks and deliver actionable recommendations that support accelerated growth and increased ARR.

### Key Metrics:

- **Signup → Paid Conversion Rate:** 17%
  - **Drop-off Rate (MQL → Demo):** 25%
  - **Average Stage Duration:** 4 days (MQL → Demo), 7 days (Demo → Paid)
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## 2. Data-Driven Insights

### A. Lead Quality & Filtering

A comprehensive lead scoring model was applied to assess the quality and conversion potential of inbound leads.

- **Lead Quality Score:** 80% of leads qualified using relevance-based filters.
- **Indicators of Low-Quality or Fraudulent Leads:**
  - 5% from flagged regions (e.g., Afghanistan)
  - 3% included job titles with spam-like patterns (e.g., excessive characters)
  - 10% lacked critical funnel timestamps (MQL, Demo, Paid)
  - 12% failed validation for high-impact roles (e.g., VP, CTO, CEO)

### B. Funnel Conversion & Sales Velocity

The funnel progression from Signup → MQL → Demo → Paid revealed performance gaps.

- **Primary Bottleneck:** 25% drop-off between MQL and Demo
- **Velocity Observations:**
  - MQL → Demo: 4-day delay
  - Demo → Paid: 7-day delay
- **Strategic Opportunity:**
  - Investigate process inefficiencies and headcount allocation
  - Target 1–2 day SLA reduction to improve velocity by ~10%

## C. Lead Source Attribution

Inbound performance was evaluated by source to inform marketing spend.

- **Paid Search:**
    - Contributed **53.24%** to ARR at conversion
    - Totaling **≈74,975.40 ARR**
  - **Paid Social (TikTok):**
    - Represented **0.1%** of inbound leads (June 1–14)
  - **Recommendation:**
    - Double down on high-performing inbound channels
    - Reassess and refine the paid social strategy (e.g., brand voice, post cadence)
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## 3. Strategic Recommendations

To refine pipeline efficiency and improve ROI, additional layers of analysis are recommended:

1. **Sales Rep Performance Data**
    - Evaluate individual contribution to stage-by-stage conversion
    - Identify reps with lower throughput and tailor enablement accordingly
  2. **Post-Conversion Churn & Retention Trends**
    - Integrate churn tracking at 3-, 6-, and 12-month intervals
    - Prioritize interventions for accounts showing early signs of disengagement
  3. **Marketing Attribution Accuracy**
    - Enhance tracking granularity at campaign/ad level
    - Refine CAC-to-LTV forecasting by channel
  4. **Product Engagement Correlation**
    - Track trial users' login frequency and feature usage
    - Use behavioral indicators to support high-intent lead prioritization
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## 4. Next Steps

- **Streamline Sales Motion:**  
Launch targeted improvements to reduce conversion friction at MQL → Demo and Demo → Paid stages.
- **Enablement & SLA Optimization:**  
Conduct sales process audits and rep training to improve conversion speed and win rate.
- **Data Infrastructure Enhancements:**  
Build out dashboards incorporating churn, sales performance, and full-funnel attribution to guide strategic planning.