**From:** Mike Teitelbaum, Business Operations Manager  
**Date:** 19 February 2025  
**Subject:** Sales Funnel Analysis – Lead Quality, Conversion Performance & Optimization Strategy

**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)

**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)

**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

**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.

**Prepared by:** Mike Teitelbaum **Title:** Business Operations Manager