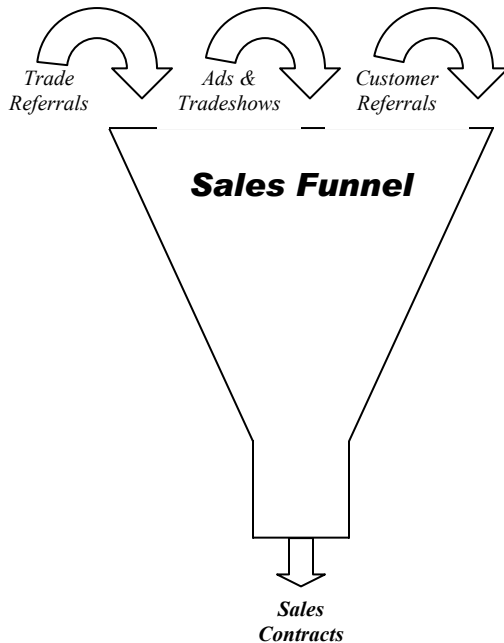


Sales Funnel and Workload (Chapter 13)

PRH Sales Cycle and Close Rate



Sales Activity	Yield	Per Month
Sales Leads – Intro Call	100%	21
Prospects -- First Meeting	80%	17
Second Meeting (quote)	80%	13
Closed Sales Contracts	45%	6
Close Rate	29%	

Bill defines the steps in the process he must go through to sell a system and the customer yield of each step. He finds that his “sales cycle” consists of four major steps, and on average, 29 percent of the prospects he meets with initially end up buying a system. With this information, he is able to work backwards to determine how many new leads he must identify each month to attain a desired level of sales. In this case, to close 6 sales per month, he must put 21 new prospects into the “sales funnel” each month and shepherd them through each step of the sales process.

***An Interpreneur's Journey:
The birth of a "new economy" business***

Sales Workload

Work Element	Yield	Funnel Activities	Hours per Activity	Hours per Month
Introductory Call	100%	21	0.5	11
First Meeting	80%	17	2.5	43
Prepare Quote	80%	13	3	39
Second Meeting	--	13	1.5	20
Hand-holding	--	13	1.5	20
Sales Contract	45%	6	2	12
Net	29%		11	145

Next, Bill needs to figure out how much work it takes to start 21 new prospects through the sales process and ultimately sell 6 systems per month. He defines the major work elements of the sales cycle and estimates the average time it takes him to do each. Through this analysis, he learns that it requires an average of 145 sales hours to sell 6 systems.

Bill's Total Workload

All Activities	Hours per Month
Sales activities	145
Trade shows (arrange, set-up, show, close)	40
Other marketing (networking, following up on referrals, keeping in touch, etc.)	24
Administration	20
Total	229

Of course, Bill is running a startup so he must do more than just sell. He also has to handle all the marketing activities needed to generate those new sales leads each month as well as some administrative duties. When Bill adds up the time required for these other activities, he discovers that he must put in an average of 229 hours per month to sell 6 systems. If you assume an average of 8 hours per workday and 21 workdays per month, you only come up with 168 hours per month. So, Bill must put in the equivalent of an extra 7.6 workdays per month. That does not leave a lot of time for family or fun. If he wants to increase sales, he will need help.