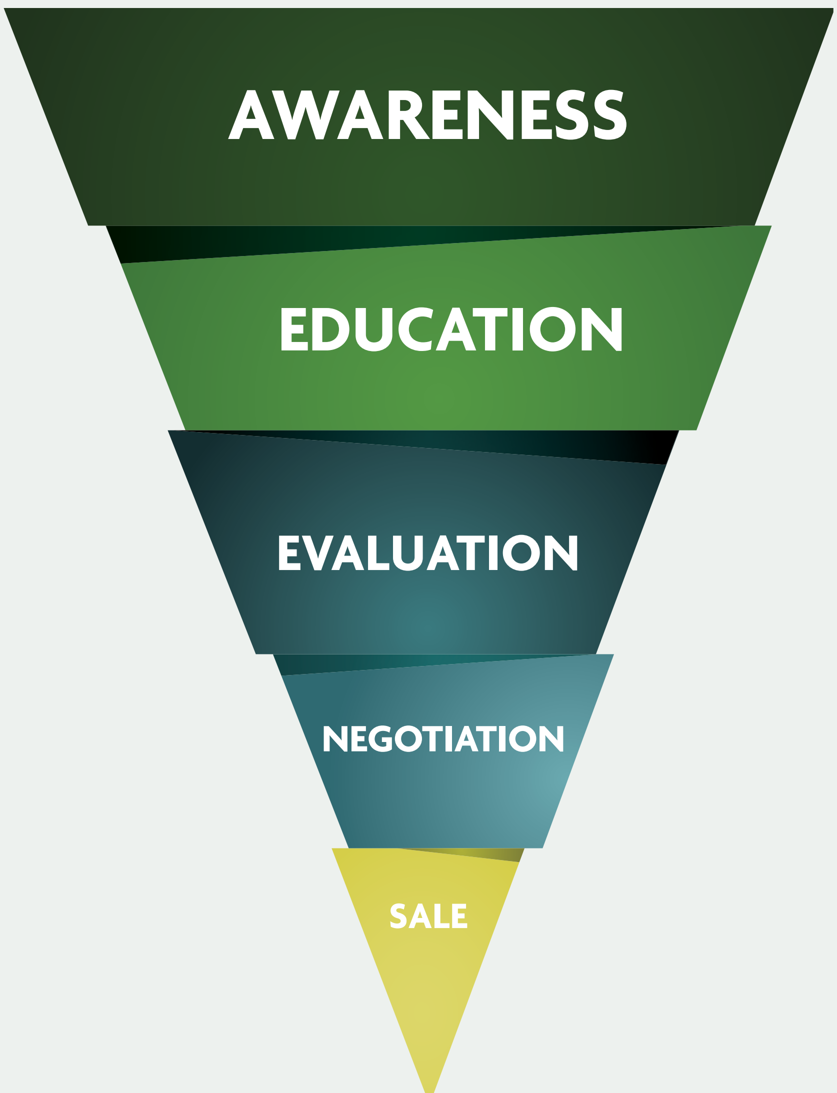
START UP With FERAS

Expert Advice to Help Your Consulting Startup Succeed

SALES FUNNEL CHECKLIST

for Consulting & Service Businesses



Are you struggling to manage your leads and close deals? If you don't know how to turn your leads into paying clients, your business will fail.

According to **Salesforce**, a full 68% of companies have not identified or attempted to measure a sales funnel, and the same survey showed that 79% of marketing leads are never converted into sales.

This checklist summarizes the key actions identified in our **Sales Funnel for Consulting and Service Businesses video** to:

-Cultivate the relationship with your potential clients through the stages of the sales funnel

-Understand and respond better to each lead's unique desires and concerns

-Close more deals

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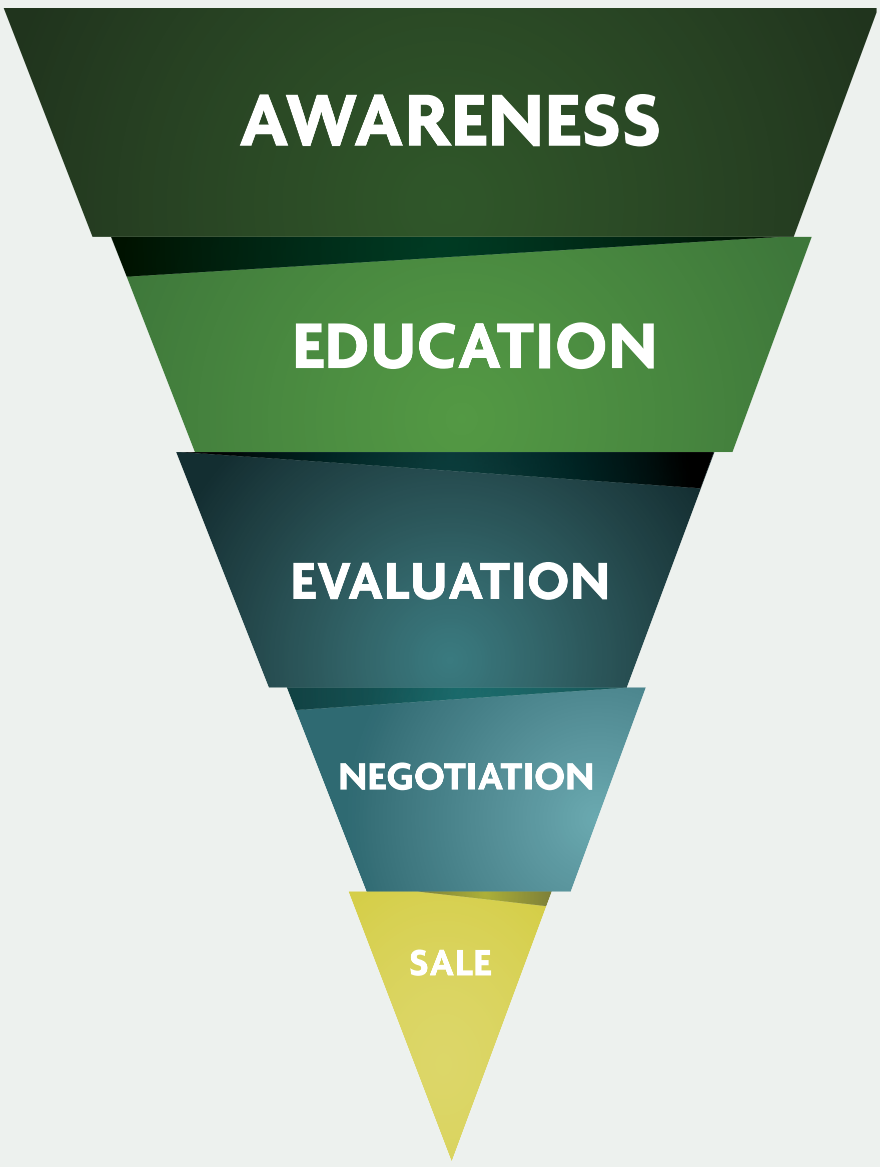
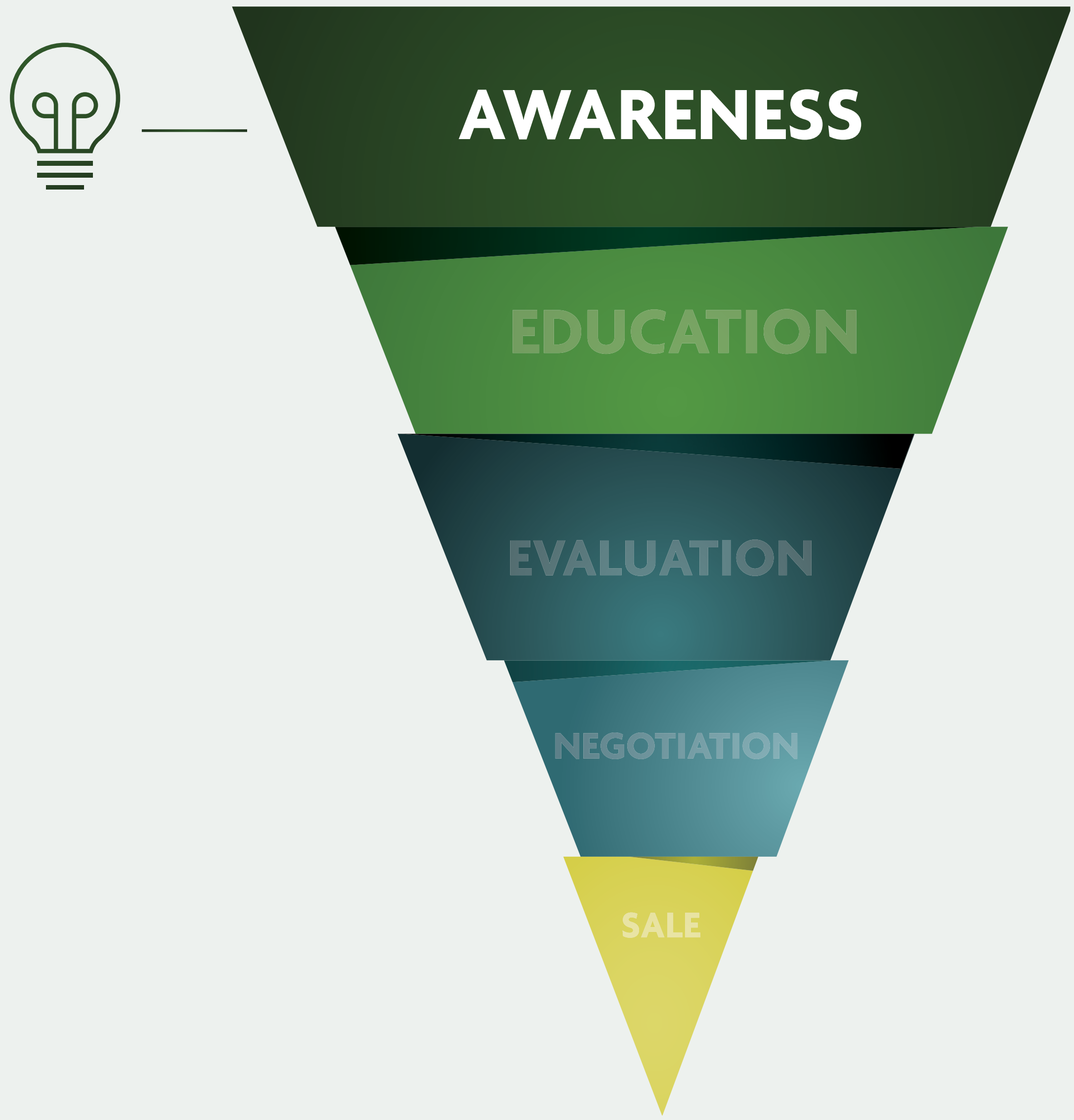
5 SALES FUNNEL STAGES



*"For one of my own businesses, **The Sales Funnel** structure helped us grow from the restaurant down the street as our very first client all the way to signing deals with Google, Salesforce, the US government, and many other high-profile organizations.*

***The Sales Funnel** helped us build our sales muscle, and it can help you build yours."*


AWARENESS
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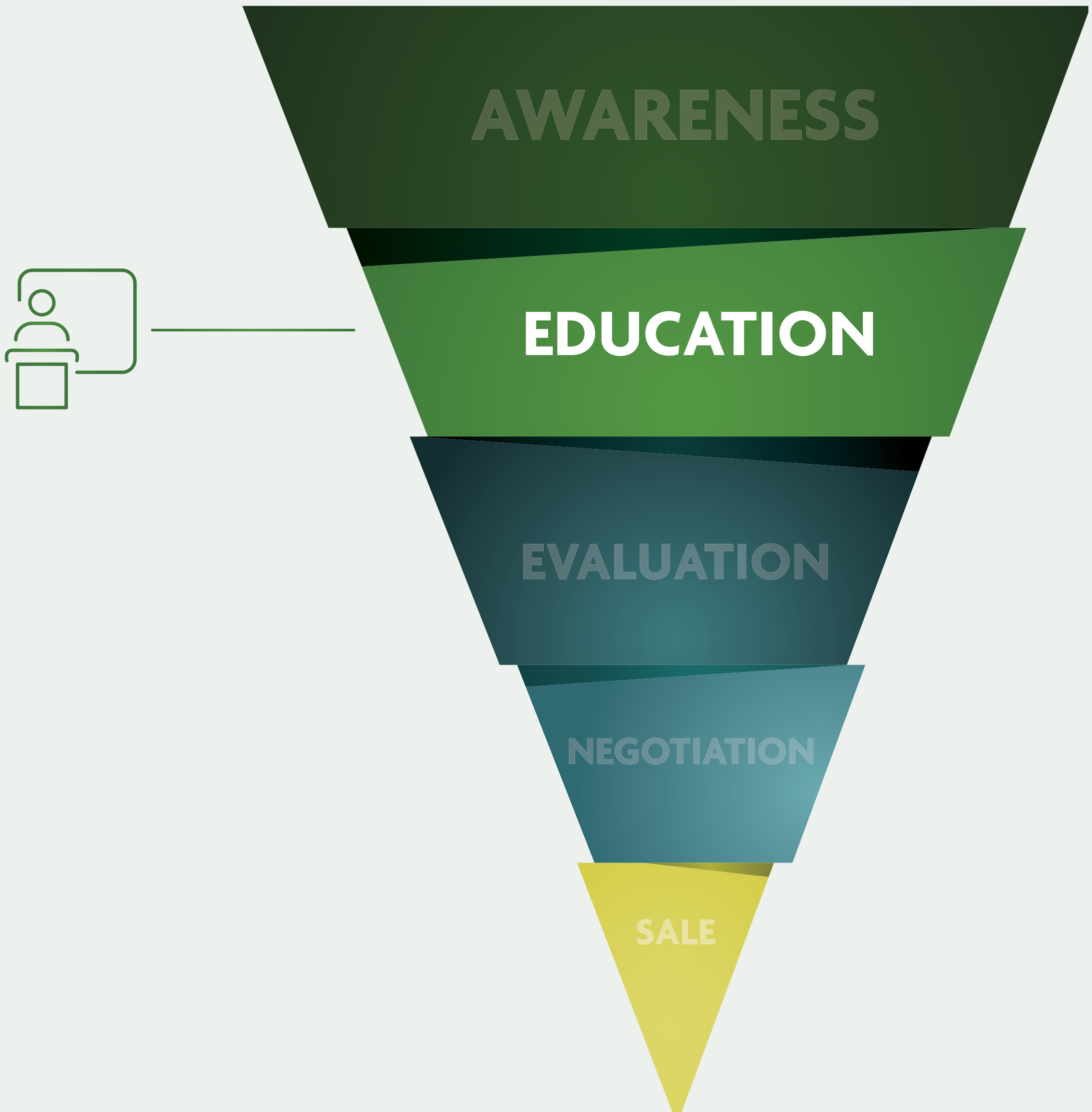
AWARENESS

At this stage, leads that you have generated through your marketing efforts are just entering the sales funnel. The leads have a rudimentary knowledge about your company and/or services. Now is the time to begin expanding that knowledge, understanding their needs, and qualifying their likelihood of purchasing.

At the Awareness stage, take the following steps:

- ❑ ***Call*** - *reach out and try to schedule a call.*
- ❑ ***Educational materials*** - *provide educational material in a variety of formats (service descriptions, blog posts, short videos, case studies, white papers, etc.) that you have produced and that speak to the needs of the lead and other potential decision makers.*
- ❑ ***Qualifying questions - ask:***
    - ❑ *What's the specific need or pain point they're trying to address?*
    - ❑ *What is the ideal outcome?*
    - ❑ *Are they looking to buy the service now or later?*
    - ❑ *Do they have a budget?*
    - ❑ *Are they speaking with your competitors?*
    - ❑ *Have they had experiences (positive or negative) with other service providers?*

- ❑ ***B2B -*** *particularly for a B2B service, also ask:*
  - ❑ *Who are the stakeholders?*
  - ❑ *Will other individuals or teams be involved in the decision making process? (Exercise subtlety and good timing when asking this.)*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EDUCATION

If in the Awareness stage you determined that the lead is qualified enough to continue working with, the lead is now said to be in the Education stage.

The steps that you take in this stage are a continuum of the lead education that you began in the awareness phase. You're now deepening the engagement with your lead by offering even more tailored education.

You're not yet trying to figure out exact budgets, negotiate, or close a deal. You're just further educating your lead about how your services can address their pain points.

Always remember that it's not about you; it's about your potential client.

At the Education stage, take the following steps:

- ❑ ***Open-ended questions*** *- when you're interacting with the lead, ask open-ended questions to understand their:*
  - ❑ *Real concerns*
  - ❑ *Objections*
- ❑ ***Demo*** *- if your consulting or service involves software, a web platform, or a physical product or system, schedule a demo online or in person as suitable.*
- ❑ ***Educational materials and success stories***
  - ❑ *Follow up with additional educational materials that relate specifically to the lead's needs*

- ❑ *Add commentary that further ties materials to the lead's specific use case*
- ❑ *Success stories - share relevant case studies*

❑ ***Timeliness*** *- don't let communication between you and the lead lag in this or any stage of the sales funnel*

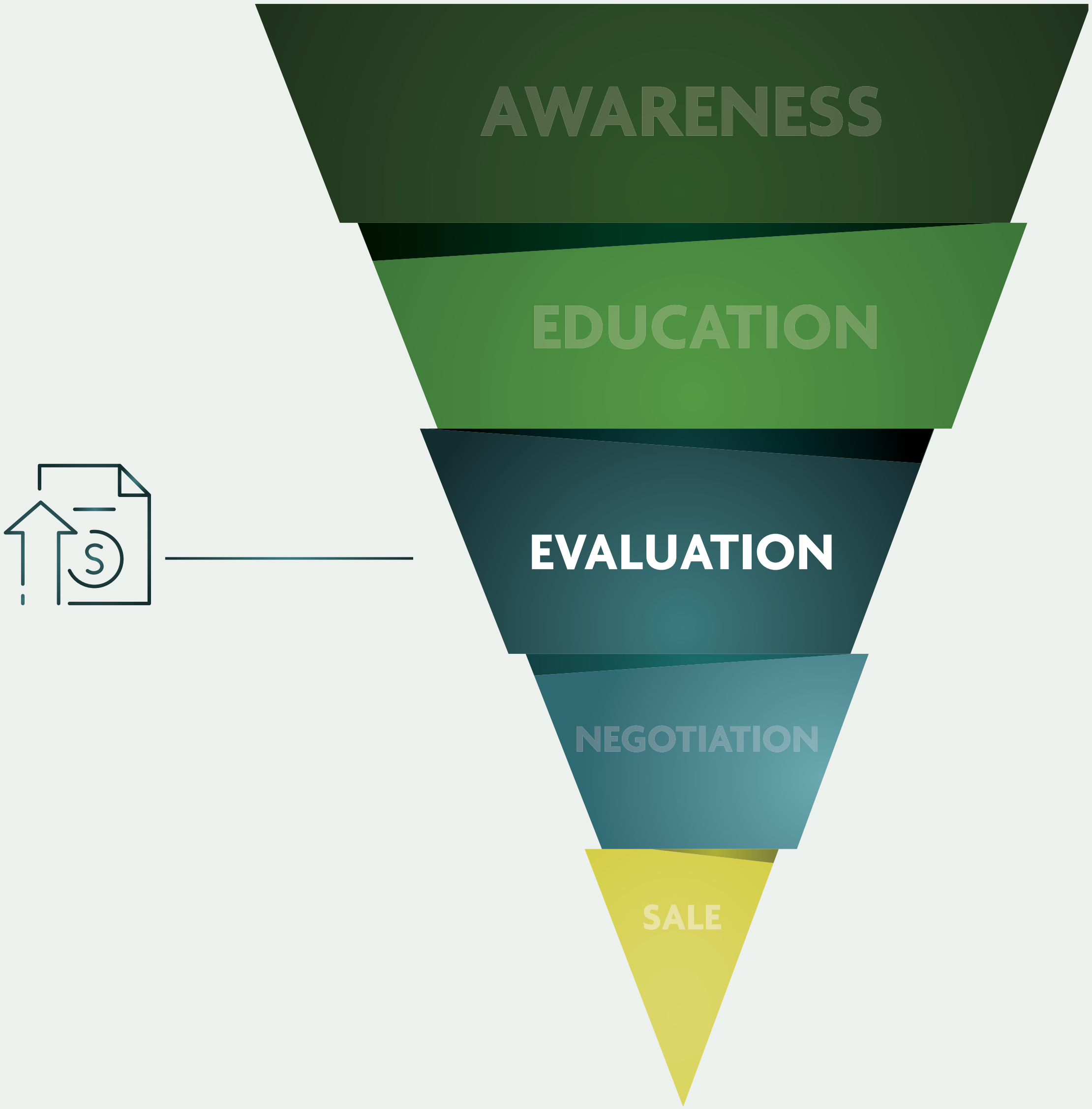
❑ ***Proposal***

- ❑ ***Boilerplate*** *- if your service is straightforward and does not require a lot of customized terms, you can send a boilerplate proposal at the Education stage (or even during awareness as requested)*
- ❑ ***Customized*** *- if you'd need to significantly customize a proposal, it's usually best to hold off sending till the Evaluation stage*
- ❑ ***Sections*** *- be sure to include the following:*
  - ❑ *Summary of client requirements*
  - ❑ *Scope of work*
  - ❑ *Timeline and milestones*
  - ❑ *Client obligations*
  - ❑ *Pricing - fixed price vs. hourly (or hybrid)*
  - ❑ *Payment terms*
  - ❑ *Legal considerations*

❑ ***CRM*** *- continue to record relevant details and update status*

Additional resource:

CRM: *An Essential Tool for Every Consulting Business*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EVALUATION

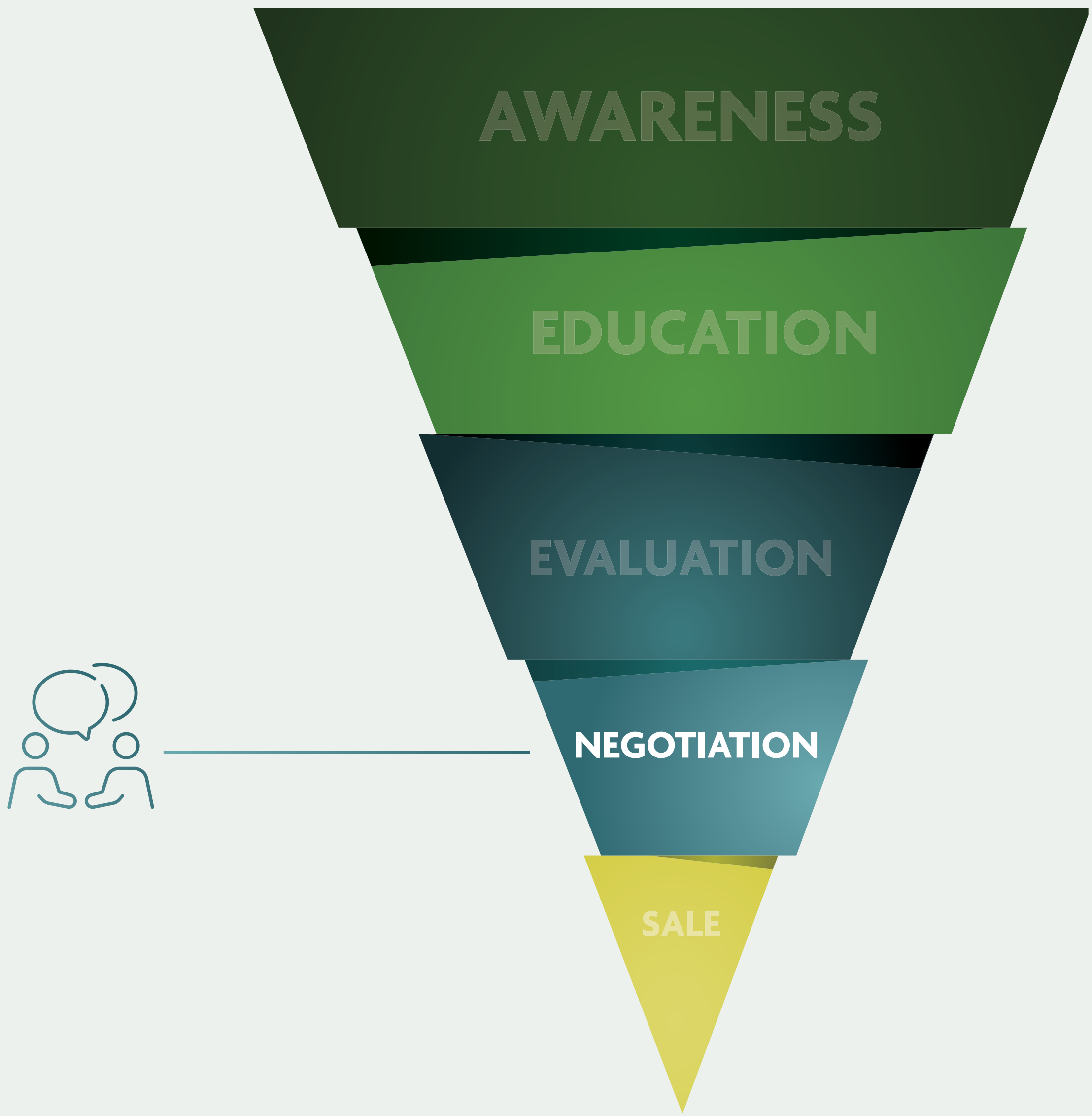
Once you have progressed your lead past the Education stage, they are considered to have entered the Evaluation stage.

You're now in the phase in which the lead may begin to evaluate you the most carefully. They are likely to compare you to competitors, and — in a B2B scenario — work through the evaluation with other internal stakeholders.

It's the "hottest" stage with constant customer communication via emails, calls, and one-to-one meetings.

At the Evaluation stage, take the following steps:

- ❑ ***Proposal*** - *if you have not already delivered a proposal to* your lead, the evaluation phase is probably the time.
- ❑ ***Positioning and objection handling*** - *place the services in the best possible light and deal with any customer's objections.*
- ❑ ***Differentiators*** - *if you're not competing on price, highlight differentiators between you and your competitors (e.g., your team has certifications and other service providers don't, etc.).*
- ❑ ***References*** - keep on hand a few references with whom you can put the potential client in touch as warranted
- ❑ ***CRM*** - continue to record relevant details and update status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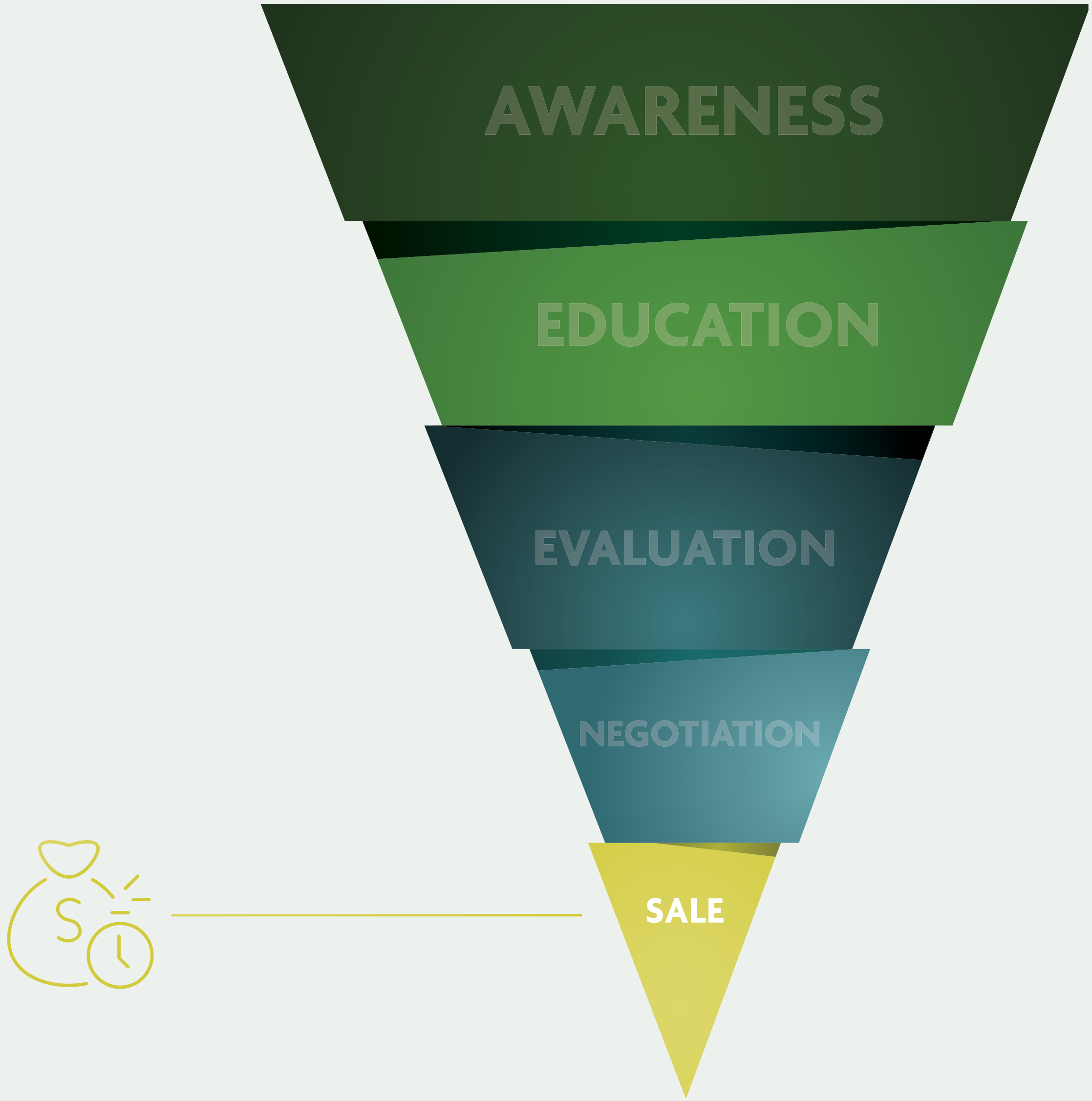
NEGOTIATION

After the lead has evaluated you, the proposal, and their current preparedness for the service, they can possibly come back with some items they want to negotiate on.

At the Negotiation stage, take the following steps:

- ❑ ***Anticipate*** *questions on:*
    - ❑ *Pricing*
    - ❑ *Time and frequency of delivery*
    - ❑ *More services for the same price*
    - ❑ *More warranty*
- ❑ ***Proof of concept*** *- be prepared to offer a proof of concept that reinforces the demo that you may have provided in the Education phase.*
- ❑ ***Add-on incentives*** *- identify smaller and less time-consuming add-ons that you can offer as an incentive for closing, e.g.:*
    - ❑ *Technical or product support*
    - ❑ *Training*
    - ❑ *Extra month's service*
    - ❑ *Free trial*
- ❑ ***CRM*** *- continue to update*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SALE

Once you and the lead have agreed to the price, the service, and the terms of the proposal, the lead is now considered to be in the sales funnel's final stage, the Sale stage itself.

Now it's time to get the proposal signed and get your first payment.

At the Sale stage, take the following steps to fully close the deal, and also to ensure that the engagement starts off on the right foot:

- ❑ ***Attorneys*** *- lawyers may become involved from the client's end, which normally slows down any signatures. You may in cases need to engage a lawyer on your end to work with the client's lawyer. Be prepared.*
- ❑ ***Expectations*** *- clearly reiterate final terms in the proposal, including:*
    - ❑ *Timeline and milestones*
    - ❑ *Payment plan and dates*
    - ❑ *Cancellation and refund policy*
- ❑ ***Payment***
    - ❑ *Make it easy for the lead to sign and process payment using e-sign services (i.e., don't go cheap and do slow, manual signatures)*
    - ❑ *Allow as many payment options as possible, including check, wire, or credit card*

   - ❑ *Big companies issue purchase orders (PO), and you have to wait to get the PO before you can invoice and get paid, so you may have to chase down any delays with the PO.*
- ❑ ***Kickoff*** *- once you receive your first payment, schedule an internal kickoff and a client kickoff as needed*

You can then begin delivering the excellent service that you have successfully sold, build long-term client relationships, and benefit from word-of-mouth and social referrals.

Look out for resources on service delivery and client retention from Start Up With Feras in the future.

Learn More

Are you thinking of turning your expertise into a new consulting business?

Having built and sold companies in Silicon Valley and abroad, I'm here to help you make good, informed decisions about entrepreneurship. If you decide to pursue the startup journey, I'm here to help get your consultancy or professional services startup through the first critical stages and avoid the pitfalls that derail many new ventures.

I'm passionate about giving back, and I want to help you succeed.

Questions about your startup idea or new venture?

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