

A high-angle photograph of an office meeting. Several people are seated around a table, some holding coffee cups and looking at documents. The image is overlaid with a blue and green color scheme and a network of white dots and lines, suggesting a digital or data-driven environment.

REVENUE
FUNNEL SCIENCE:

EXPOSED

Explore the deep, dark secrets locked inside your sales and marketing funnels.



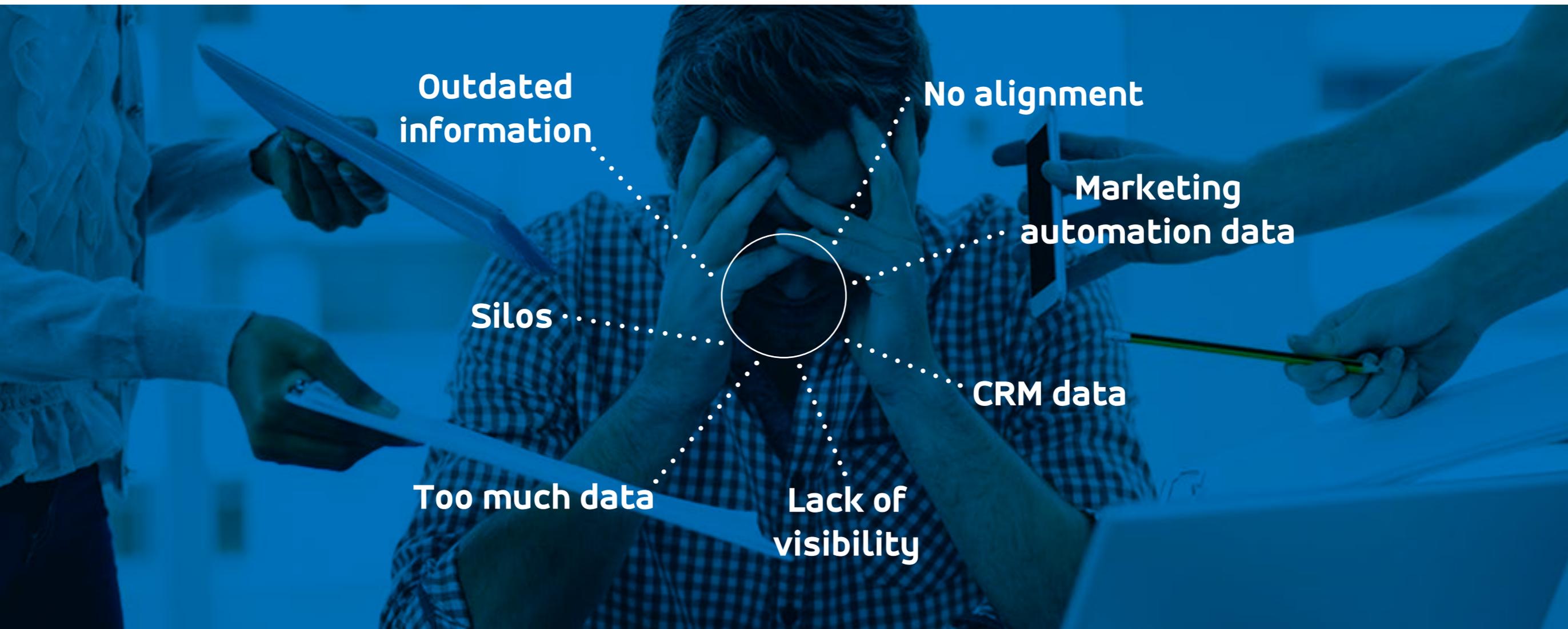
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Introduction

The explosion of marketing and sales technology has resulted in businesses having more data than ever before. The many layers of information, and the silos between marketing, sales, and other areas has made it difficult to obtain a clear view across the entire revenue funnel...or so many organizations have been led to believe.

Data always tells a story, but it is only valuable when you know where to look for it and how to use it. In this eBook, you will get an introduction to the Revenue Funnel Science methodology, and how it can reveal the truths hiding inside your sales and marketing funnel.



Outdated information

No alignment

Marketing automation data

Silos

CRM data

Too much data

Lack of visibility

Chapter 1:

The Growing Sales and Marketing Disconnect

To some degree, every business has a ‘sea of passive aggression’ flowing between sales, marketing, operations, and finance. It occurs when the respective groups become more concerned about their own team’s success rather than the success of the business as a whole. Lack of alignment is a growing concern, as these statistics highlight:

Only **57%** of sales reps hit their quota ¹

According to sales leaders, the top barrier to sales success is **lack of qualified leads** ²

Almost **50%** of businesses say their sales and marketing alignment needs improvement ³

79% of all marketing leads never make it to the sales stage ⁴

Fewer than **10%** of B2B companies report good alignment between sales and marketing ⁵

B2B organizations with tightly aligned marketing and sales achieved **24%** faster revenue growth and **27%** faster profit growth over a three-year period ⁶

¹ CSO Insights 2016 Sales Force Demographics Analysis

² CSO Insights 2015 Sales Performance Optimization Study

³ Marketo 2016 Survey on the Future of Marketing

⁴ Marketing Sherpa: The Complex Sale: Lead scoring effort increases conversion 79%

⁵ Forrester Research

⁶ Top 10 Business Trends That Will Drive Success In 2015 - Forbes



Quick Quiz:

Are there Silos in Your Midst?

Curious to find out if your organization suffers from a siloed mentality? Your answers to these questions will help expose the truth:

Marketing Team:

- How do they define success? Is it based solely on the sheer number of marketing qualified leads (MQLs)?
- Are they more worried about quantity of leads than quality of leads?
- Do they know what happens to leads after they are handed to sales?
- Is there a formal handshake process between sales and marketing?
- If you asked a marketer to walk you through the stages of your entire revenue funnel, could they?
- Is marketing performance tied to revenue?

Sales Team:

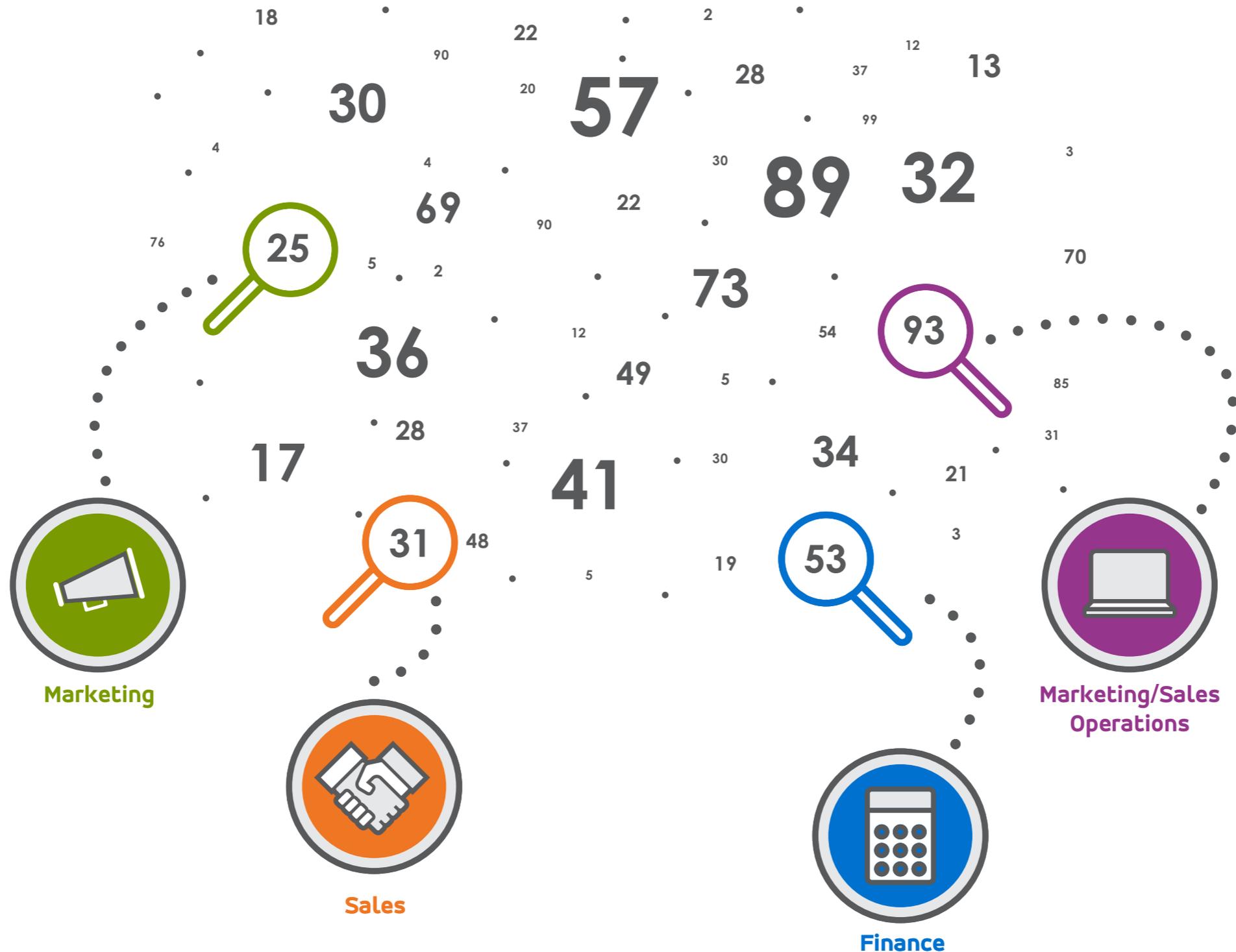
- How do they define success? Closed-won deals, pipeline, opportunities?
- Are they more worried about quantity of leads in the pipeline, or the quality?
- Do they know what demand generation activities marketing is running to generate leads? Do they even care?
- Do they know how marketing qualifies their leads?
- If you asked a member of sales to walk you through the stages of your entire revenue funnel, could they?

Finance & Operations:

- How do they define success? Is it all about the bottom line?
- Do they keep close watch over the number of paying customers the business has – but know nothing about the customer's journey to get there?
- If you asked a finance or operations team member to walk you through the stages of your entire revenue funnel, could they?

Ultimate Guide to Revenue Funnel Science

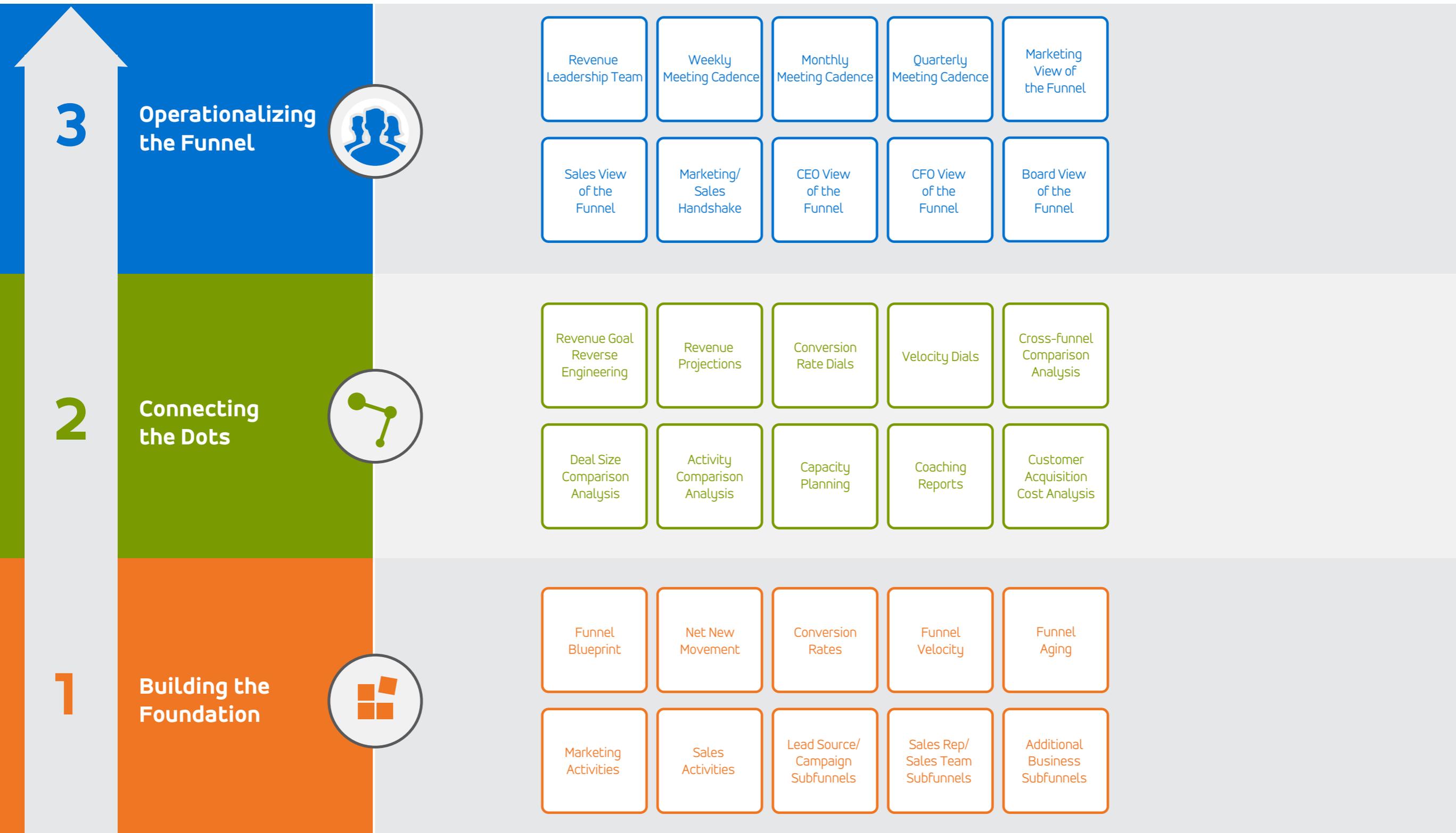
Is each group in your organization focused only on their respective data and goals?



Chapter 2:

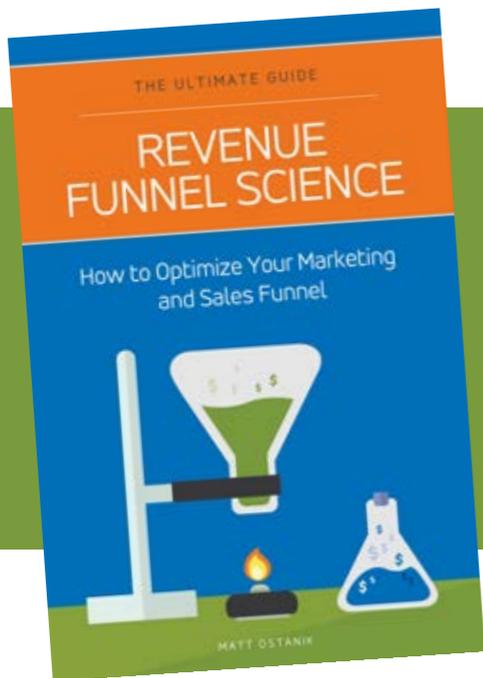
Examine the Skeleton

Before we examine how Revenue Funnel Science works inside an organization, let's start by showing you its bones.



This eBook won't dive into each of the components of the framework, but the book, [Ultimate Guide to Revenue Funnel Science](#), book does if you are interested. This discipline goes beyond setting up just another dashboard or identifying key performance indicators (KPIs) to monitor.

As organizations take on even more data and technology in the coming years, being able to take a deep look into marketing and sales funnels will be more challenging. Businesses that begin implementing the Revenue Funnel Science framework now will have a leg up over the companies that will be rushing to embed this methodology down the road.



Ultimate Guide to Revenue Funnel Science



Chapter 3:

The Growing Sales and Marketing Disconnect

The Revenue Funnel Science methodology breaks down the silos and exposes what is happening across the entire funnel – good or bad – so all areas of the organization can obtain a clear picture. Having a clear picture of what’s happening today will also help you plan for the future as you set new goals and strategies.

How do you know what to examine?

In a world that lives and dies by pipeline and opportunities, how are sales goals set, and how is quality defined? Does it all seem more like a game of luck?

Most businesses are not even hitting their revenue goals, and truth be told, the ones hitting them are probably not making them aggressive enough. The Revenue Funnel Science methodology will help you set more accurate, and in many cases, more aggressive goals. Because you can dig into the data and make forward-looking decisions like these:



Sales Effort:

- Pinpoint your top sales reps, and examine what are they doing differently. Compare their actions to what your average and low-performing reps are doing. This is an opportunity to replicate actions and outcomes across your organization to enable sales growth.
- Examine the top and middle sections of the funnel to see what's happening. Analyze what types of MQLs are converting at the best rates, and collaborate with marketing to grow those types of leads.
- Determine precisely at what point in the funnel are leads dropping off or leaking out, and how to tweak the sales activities going forward to either nurture sooner, or prevent leakage.
- Find out which sales activities have proven to be most successful and work with the team to direct more effort towards those activities, and focus on the time and stage in the funnel these are happening.
- Look at conversion, velocity and volume at each stage for reps to see who might be falling behind. The problem might be that they have too much to work – or not enough work.
- Track the data from won opportunities to identify all their touch points as they moved through the funnel and duplicate the patterns with future leads.



Sales and Marketing Operations Planning & Goals:

- Leverage insights you have from past revenue-generating activities to uncover the successes, and make adjustments to activities that are not contributing to the goals.
- Use your current funnel aging, velocity, conversion rates, and movement to project where your funnel will go in the future if your current metrics and team size remain the same. Comparing this against your current goals will uncover if you are on track, or where gaps are that need to be closed in order to meet the goals.
- Based on the calculations above, you should also make projections about what revenue growth should be expected over the next twelve months.
- Review the criteria that was used to set original goals, then correlate the path of that criteria in relation to your revenue funnel. You should be able to identify the activities and stages that played the biggest role in the successes.
- Determine what your largest driver, (or drivers in some cases) is. Is it occurring at the top or middle of the funnel? For example, if 80% or more of closed won deals come from opportunities created from outbound calls by your business development team, then the number of calls those reps make is a key driver. Knowing these drivers is the key to future planning and projections.



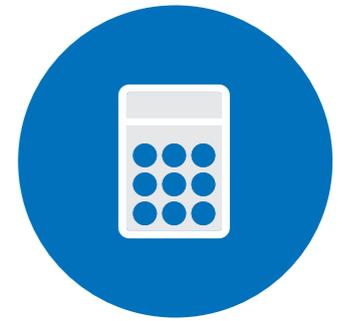


Marketing Strategy:

- Track marketing leads and every touch they have had through the entire funnel. Identify where they exit, and why. Identifying the marketing-sourced leads that convert to closed deals and building the flow of those successes into future plans will deliver increased results.
- See if you are tracking the right goals. Are you striving for a certain number of marketing qualified leads (MQLs) that tie a specific dollar amount of opportunities being created for sales? This is another perfect opportunity for marketing to look down the funnel and see how those MQLs perform past the marketing stage...are they generating revenue for the business?
- When you segment your marketing and demand generation activities and review the performance of each, it will become clear which activities drove the most leads. Then you can break the leads down and determine which activities produced the most quality leads. Those are the initiatives you want to do more of, and they can provide the foundation for developing future activities.
- Find out if you have the right mix of inbound and outbound activities. Reviewing the history of those efforts as they moved through the top of the funnel will help you see what has been successful, and ensure you are bringing leads in effectively through both channels.

Finance:

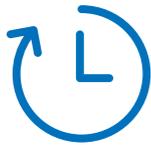
- Determine the customer acquisition cost (CAC) by adding up all marketing and sales costs and dividing by the number of new customers acquired in the same time period. Drill down even further to determine things that are factoring into this number, such as: lead source, geos of leads, and sales vs. marketing costs.
- You can reverse engineer goals by starting at the bottom of your funnel and working your way up. If you have a specific monetary revenue goal, start at the top and determine how many leads will need to be generated in order to produce the desired outcome, and what touches along the way could have a negative or positive impact on it.



Revenue Funnel Science exposes these areas in an unprecedented way. You can scientifically determine what your future goals should be based on past performance. This is how you pave the way for future revenue growth.

Tools Needed to Expose the Revenue Funnel

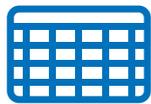
Here's the stash of tools you will need to analyze funnel data analysis, construct forward-looking forecasts, and make conclusions that can be shared across the business.



Marketing Automation: Helps you examine the top stages in your funnel, even before a prospect is deemed marketing qualified or has interacted with sales. This data can be extremely helpful to forecast where your funnel is headed in the future, and it allows you to more effectively build a holistic view of the entire buying cycle.



Business Intelligence (BI): While BI tools provide data that is very helpful to Revenue Funnel Science, they are not a one-stop solution when it comes to managing your marketing and sales funnel. A BI tool can act as a great rear view mirror to show you what happened yesterday, but does not do a great job at showing you what is expected tomorrow.



Microsoft Excel: Like the standard Phillips screwdriver or trusty hammer that you have had for years, Excel is a dependable component of Revenue Funnel Science. You can rely on Excel to dig into the data, manually crunch one-off scenarios, and produce quick charts and visualizations. However, Excel doesn't create the data, you need the other solutions to do that, and Excel work is incredibly manual.



Microsoft PowerPoint: Whether you love it or hate it, it is hard to argue that PowerPoint is the common denominator of most business meetings. PowerPoint is also an important tool in the Revenue Funnel Science toolkit. It is the perfect conduit for sharing findings, and is a format that participants can pull up and touch again later to make sure they really understand and continue to be aligned.



Funnel Intelligence: This emerging software category focuses specifically on providing the data, insights, and forward-looking projections needed for Revenue Funnel Science. While these calculations can be painstakingly made in Excel, funnel intelligence software can take 200 hours of Excel work and produce the same result automatically – creating value for the organization.

Chapter 4:

Building for the Future

We have said that Revenue Funnel Science is “forward-looking”, but why does that matter to your business?

- Revenue growth should be methodical, not incidental; using historical information and identifying trends will provide the backdrop for future revenue. What changes can you make today to improve the outcomes tomorrow?
- Siloed organizations are only concerned about their own short-term goals and how to meet them. Nobody is looking at the bigger picture and identifying future growth opportunities that benefit the entire business. If the MQL goal is met, what is happening to those leads further down the funnel that marketing should be aware of?
- The best business intelligence solutions on the market today are essentially powerful rearview mirrors. The data they provide clearly shows what happened yesterday, but that is where the analysis stops. Revenue Funnel Science uses learnings from the past to focus on where the business is headed in the future. For example, based on your current funnel momentum, how is your revenue projected to grow over the next twelve months?



“Traditional B2B companies remain comfortable in their silos, deaf to the message that they must transform”

[Forrester Research](#)

- Is the value of a solution based on its ability to produce a single report for a business leader? Finding an easier or faster way to get reports is a tactical way of determining value. Forward-looking means thinking more strategically about what other reports are needed to fully understand the big picture.

Conclusion

Now you have been exposed to the Revenue Funnel Science framework. It holds the key to unlocking the stories that your marketing and sales data could tell – if only given the chance. Revenue Funnel Science is that chance, and if you start to ask the right questions, examine your funnel holistically, and engage all areas of your business in the conversations, you will start to see what the future holds for your marketing, sales and operations teams, and ultimately, the revenue they will generate.

➤ To take a deeper dive into Revenue Funnel Science, download [The Complete Guide to Revenue Funnel Science: How to Optimize Your Marketing and Sales Funnel.](#)

