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## **SALES FUNNEL**

A sales process, also known as a sales tunnel or a sales funnel is a systematic approach to selling a product or service. Reasons for having a well thought-out sales process include seller and buyer risk management, standardized customer interaction in sales, and scalable revenue generation. A major advantage of approaching the subject of sales from a "process point of view" is that it offers a host of well-tested design and improvement tools from other successful disciplines and process oriented industries.

Specific steps or stages in a sales process vary from company to company but generally include the following elements:

1. Initial Contact
2. Application of Initial Fit Criteria
3. Sales lead
4. Need identification
5. Qualified prospect
6. Proposal
7. Negotiation
8. Closing
9. Deal Transaction

A formalized sales process is generally more common for companies that either have complex sales cycles, large revenue risks that require systematic assurance of revenue generation, and/or those that choose to use a more consultative sales approach (e.g. Saturn, IBM, and Hewlett-Packard).

An effective sales process can be described through steps that walk a salesperson from meeting the prospect all the way through closing the sale. Often a bad sales experience can be analyzed and shown to have skipped key steps. This is where a good sales process mitigates risk for both buyer and seller. A solid sales process also has the dramatic impact of forecasting accuracy and predictability in revenue results.

Many companies are developing their own sales process; however, off the shelf versions are available from a number of companies in the sales performance improvement industry. A large number of these methods have been described by their promoters in books available to the public, primarily addressing tactics employed by an individual sales representative. These provide a customizable process and a set of electronic tools that can be freestanded or can be integrated if required with the company's SFA, CRM, or other opportunity management system.