# consensus

## Interactive Demos for Presales

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## The Current Cost of **Demoing**

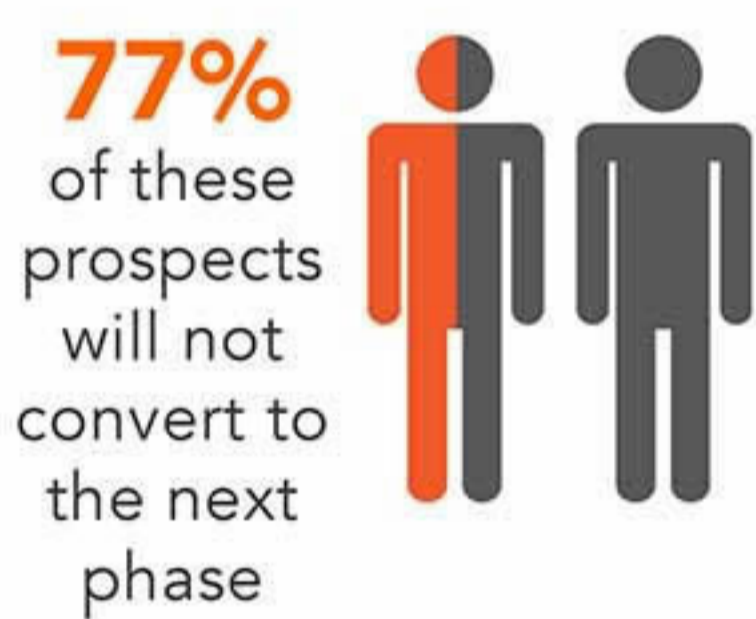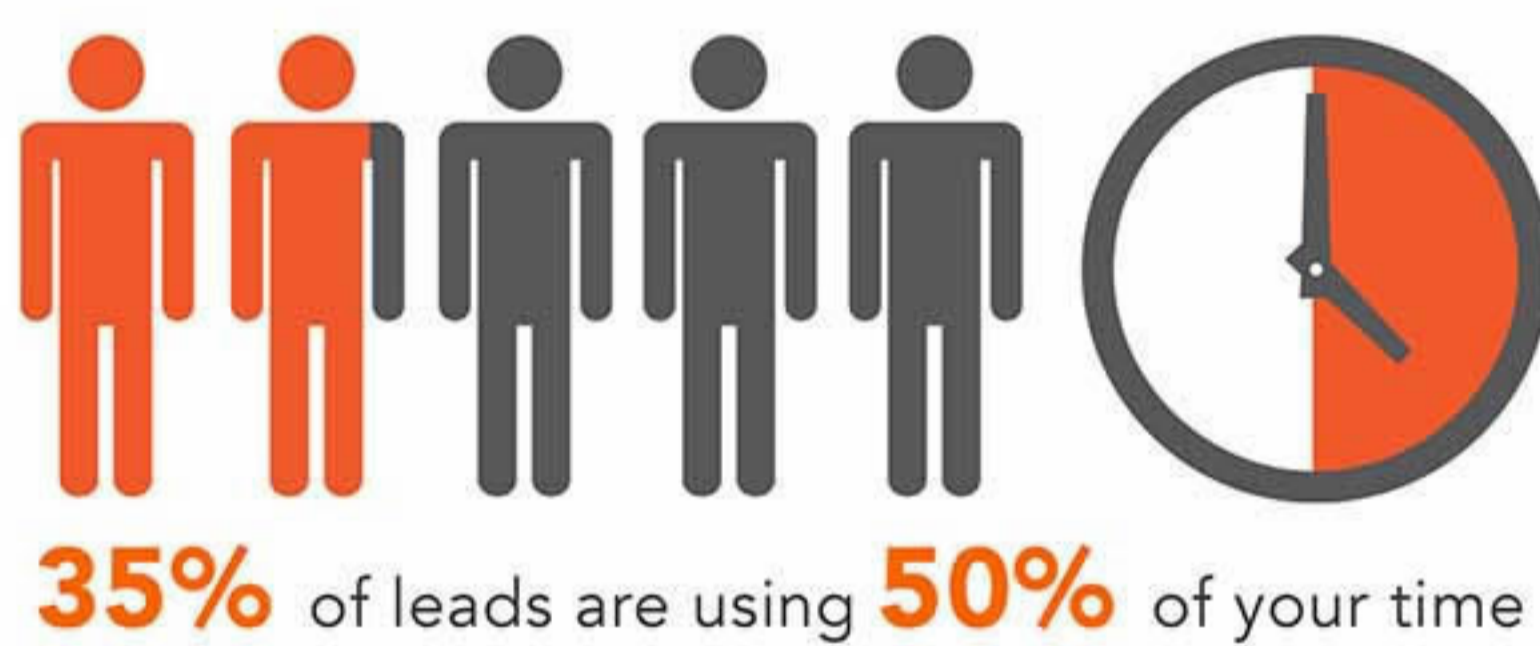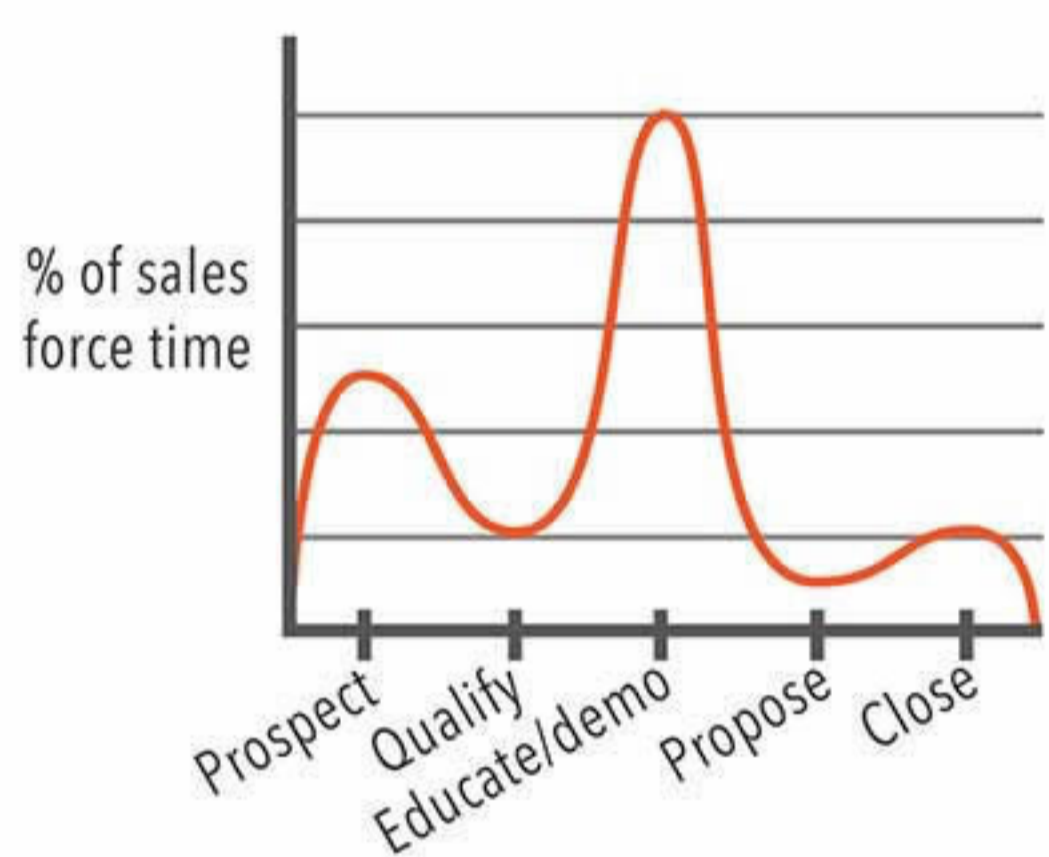| | Funnel | Conversion |
|---|---|---|
| Prospect 100% of Leads | 1000 | |
| Qualify 50% of Leads | 500 | 50% |
| Educate/Demo 35% of Leads | 350 | 70% |
| Proposal 8% of Leads | 80 | 23% |
| Close 7% of Leads | 70 | 88% |
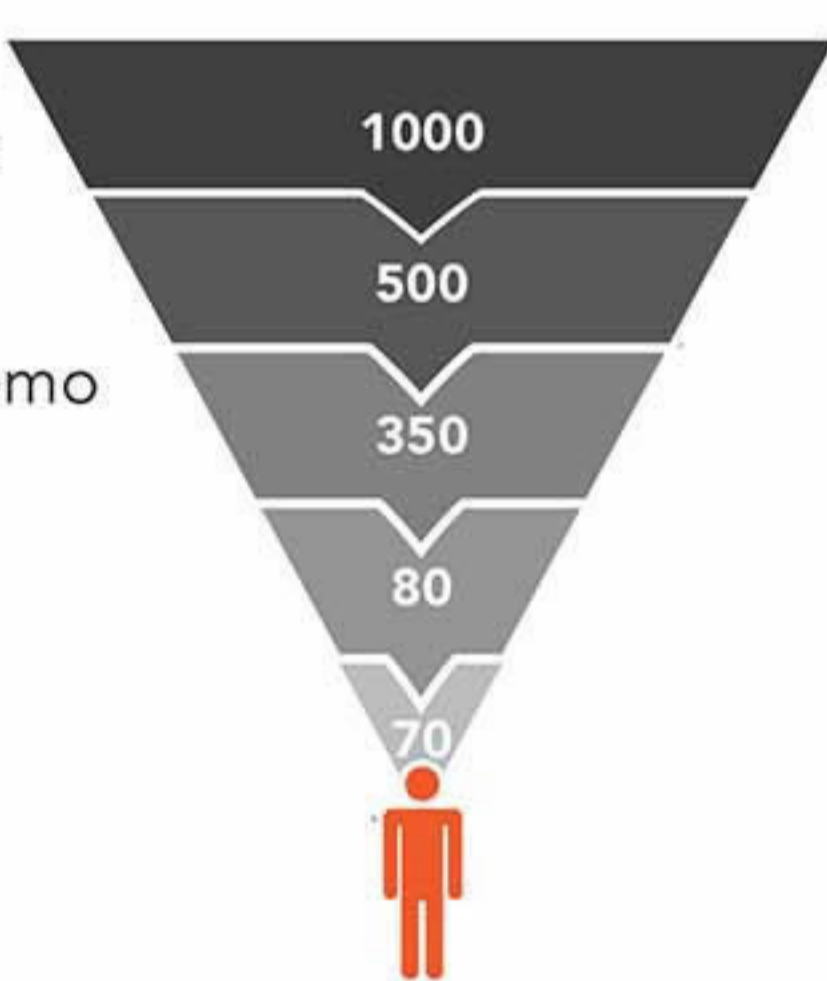
### Consider a sales funnel

Consensus analyzed a typical sales funnel from a mid to enterprise level company and examined the conversion rates of prospects. Our sales funnel had 5 stages, Prospecting leads, qualifying leads, educating and demoing to leads, service proposal and negotiations, and finally closing/winning the customer. We asked ourselves, "Where are the bottlenecks in this sales process?" We found that one of the largest drop off points for prospects occurred during the education and demo phase of the sales funnel.

### What are the costs per stage?

Suppose your sales team spends four hours educating prospects each day. This was the case for our mid to enterprise level company. That meant that 50% of the company's sales team's salary and time goes towards demoing. We asked the question, "If 50% of your sales team's time is used educating prospects, shouldn't they be educating all of the prospects in your sales cycle?" Unfortunately, many prospects had left the sales funnel before they reached a sales associate. Furthermore, in the sales funnel we found that only 35% of the total prospects made it to the education and demo phase. This meant that 50% of the sales team's time was used by 35% of the total prospects! You may be thinking, "All of these prospects are converting into customers though, right?"

### Sales funnel cost curve

% of sales force time

Prospect · Qualify · Educate/demo · Propose · Close

**35%** of leads are using **50%** of your time

**77%** of these prospects will not convert to the next phase

A sales associate with a salary of **$71,600** is losing **$27,566** demoing to prospects who will not convert

### Measuring the costs

The conversion rate between the education and demonstration phase to the proposal and negotiation phase was a small 23%. This amounted to an enormous loss of efficiency in the sales process. What was the dollar amount of that inefficiency? In the case of our mid to enterprise level company's sales associate with a salary of $71,600, $27,566 dollars of the salary was being spent educating and demoing to prospects that would not convert. Over the entire team of 10 sales associates, close to $300,000 dollars was being lost to this inefficiency.

A ten person Sales team loses **$275,660** each year demoing to prospects who will not convert

You could hire **3.85** additional sales associates with those savings

## Customer engagement is changing.
## Direct Sales is being replaced by self service alternatives.

**96%** of the top 50 online retailers feature videos on their websites

**69%** of consumers watch videos 2 or more times for information intensive products

**52%** of marketing professionals worldwide cite video as the type of content with the best ROI

**41%** of consumers are more likely to share product videos than other product content

**40-60%** is the open rate for emails containing personally relevant videos

**250%** more time is spent watching personally relevant short-form videos

## How would you automate your repetitive sales processes?

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Sunday Sky. "State of Online Video." . http://info.sundaysky.com/Portals/165863/docs/sundaysky-2012_state_of_online_video_report-12-03-2012.pdf
"Invodo Video Statistics." Invodo. http://www.invodo.com/resources/statistics