

MARKETING FUNNEL DIAGNOSTIC

WORKBOOK

**A one-hour self-assessment
against the five first principles.**

How to use this workbook.

This is a self-assessment, not a sales tool.

In about an hour, you'll rate your current marketing against five mental models: The First Principles of Marketing. You'll come out with three things:

- A clear-eyed picture of where your funnel actually breaks down.
- A prioritized action list — what to fix first, what to defer, what to ignore.
- A different way of thinking about marketing problems going forward.

There are no trick questions. There are no "right" answers we're hoping you give. The rating scale is honest: 1 means "no, this isn't true of us" and 5 means "yes, this is genuinely true of us." Anything in between is partial credit you should be honest about.

If you find yourself wanting to inflate scores to feel better, the workbook is already working. That impulse is the thing that lets best practices replace real thinking.

What this workbook is.

A tool you fill out alone, or with two or three people from your team. The questions are designed for the person accountable for marketing outcomes: a CMO, VP, founder, or head of marketing. Works the same whether you sell to businesses, consumers, or both.

What this workbook isn't.

A scoring algorithm that pretends to know your business better than you do. A grade card. A consultancy sales pitch. A best-practices checklist.

Take your time. Be honest. The first time through, most people learn something they didn't know.

The Five First Principles.

Most marketing advice is borrowed. Someone tried something, it worked, and now the next person does it whether it fits or not. That's how you end up with a marketing stack that doesn't compound. Just a pile of tactics that look impressive in a deck and produce nothing in pipeline.

First Principles Marketing starts somewhere different: at the actual mechanics of how customers decide, how systems behave, and where value gets created. Then you reason up from there.

These five mental models are the operating layer underneath good marketing. Each one is a way of seeing a part of the system that best practices systematically ignore. Together, they're how marketing actually works.

1. Understand how customers actually decide.

Decisions are messy, social, and rarely rational — but marketing is built on assumed rationality.

2. See your market as a system.

Most marketers see competitors. The system sees feedback loops. Competitors are players in the system, not the system itself.

3. Connect marketing to value.

If marketing doesn't tie to cash flow, it's decoration. Awareness is not value.

4. Strategy is what you choose not to do.

Most "strategies" are wish lists with PowerPoint formatting. Real strategy is the discipline of exclusion.

5. Ask better questions.

The quality of your marketing starts with the quality of the questions you let yourself ask.

PRINCIPLE 1

Understand how customers actually decide.

Marketing is built on a polite fiction: that customers compare features in a structured way, weigh trade-offs rationally, and arrive at a decision through reasoned analysis. They don't. Real decisions are messy. Customers look for cues, trust their network, narrow to two options early, and choose the one with the fewest reasons to say no.

When you understand how decisions actually happen, you stop optimizing the funnel for the customer your dashboard described and start designing for the customer who exists. There's a gap between the customer you assume and the customer who's actually deciding. That gap is where most marketing budgets quietly go to die.

If your marketing strategy assumes customers will read your value prop, weigh it against three alternatives, and choose rationally, you're marketing to a customer who doesn't exist.

Diagnostic

Answer each question honestly. Tally your score at the end of the section.

- 1. We can articulate, in plain language, the actual decision criteria our customers use — not the criteria we wish they'd use.**

Not the features we want them to evaluate. The actual cues they act on.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 2. When we talk to recent customers, we find at least two things that surprise us about how they decided.**

If you never find surprises, you may not be asking real questions.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 3. Our marketing acknowledges that customer decisions are messy, social, and influenced by their network — not a structured rational comparison.**

Look at your highest-traffic landing page. Does it assume rationality, or messiness?

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 4. We have made a meaningful change to our marketing in the last 90 days because of something we learned about how customers actually decide.**

Specific, attributable change. Not a tagline tweak.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 5. We measure decision-making behaviors (e.g., how prospects research, who they consult, what makes them hesitate) — not only conversion outcomes.**

Outcomes tell you what happened. Behaviors tell you why.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

Reflection

What's the one thing about how your best customers decide that you'd bet most of your competitors don't know?

Section score

Add up your ratings (each question scored 1–5).

Total for Principle 1: ____ / 25

PRINCIPLE 2

See your market as a system.

Most marketers see competitors. The system sees feedback loops. Pricing shapes perception. Perception shapes positioning. Positioning shapes buyer behavior. Buyer behavior shapes pricing again. The loop runs continuously, and every cycle compounds the last. Competitors are players in the system, not the system itself.

When you map the system instead of the players, you stop reacting to last quarter's competitor moves and start designing for the dynamics that will determine the next ten quarters. Reactive marketing departments live inside the player view. Compounding marketing departments live inside the system view.

If your competitive strategy is a list of competitors and their features, you're playing checkers against a system that's playing chess.

Diagnostic

Answer each question honestly. Tally your score at the end of the section.

- 1. We can draw our market as a system diagram — nodes, edges, feedback loops — on a whiteboard in under 10 minutes.**

Not a competitive landscape map. An actual system: who influences whom, where the loops compound.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 2. We understand the second- and third-order effects of competitor moves, not just the first-order surface reaction.**

When a competitor lowers pricing, do we know what cascades?

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 3. We can name three feedback loops in our market that compound over time — and which side of each loop we want to be on.**

Examples: brand momentum, switching costs, network effects, search authority, partner ecosystems.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 4. Our roadmap is designed for the system dynamics we expect over 12+ months, not just the next quarterly threat.**

Look at your roadmap. How much is forward-positioning vs. reactive defense?

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 5. We know who in our market influences buying decisions besides the buyer (advisors, peers, reviewers, communities, influencers), and we have a strategy for each.**

Most buying decisions are influenced by people who never show up in your data.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

Reflection

Sketch the system: who in your market influences whom, where do feedback loops live, and where are you currently strong vs. weak in the system map?

Section score

Add up your ratings (each question scored 1–5).

Total for Principle 2: ____ / 25

PRINCIPLE 3

Connect marketing to value.

If marketing doesn't tie to cash flow, it's decoration. Brand metrics are not value. Awareness is not value. Engagement is not value. Revenue that compounds is value. Everything else is activity dressed up to look like progress.

When you measure what creates value instead of what creates activity, the half of your marketing spend that wasn't working becomes obvious. The other half becomes worth defending. You also stop fighting battles you don't need to fight. Whether brand and demand are at odds. Whether content is "working." Whether your top-of-funnel is healthy. Cash flow is the arbiter of all of it.

Awareness is the participation trophy of marketing KPIs. If you can hit it by spending money, hosting an event, or tweeting, it's not a goal. It's an excuse.

Diagnostic

Answer each question honestly. Tally your score at the end of the section.

1. We can trace marketing dollars to cash flow within the buying timeline. Not just "contributed," but actual revenue attribution.

If marketing spend doubled tomorrow, we'd know within one quarter whether it created more cash.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

2. We can name what % of our marketing budget goes to activities we can't prove drive revenue.

And we're comfortable defending that number to the CEO, or actively shrinking it.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

3. Our top three marketing KPIs are revenue or cash-flow linked. Not awareness, engagement, or impressions.

Open your dashboard. Are the top three numbers measuring activity or value?

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

4. If our marketing budget was cut 50% tomorrow, we know which half would survive — and which half we'd quietly admit was decoration.

If you can't name what would survive, you don't actually know what's working.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

5. We have stopped a marketing activity in the last six months specifically because we couldn't prove it drove value.

Active discipline of cutting. Not just maintaining or adding.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

Reflection

List three marketing activities you currently run. For each one, write down the path from that activity to actual cash flow. If you can't write it down in one sentence, you have a value-connection problem.

Section score

Add up your ratings (each question scored 1–5).

Total for Principle 3: ____ / 25

PRINCIPLE 4

Strategy is what you choose not to do.

Most "strategies" are wishlists with PowerPoint formatting. Every channel, every audience, every tactic on the same page, with no hierarchy and no exclusion. That's not strategy. That's a plan to spread thin and hope.

Real strategy is the discipline of exclusion. The hardest call in marketing is naming what you'll stop, what you won't pursue, and what you'll deliberately ignore. Focus beats breadth every time. Focused effort compounds. Spread effort cancels. If your roadmap doesn't have a section labeled "Things we are not doing," you don't have a strategy. You have a wishlist.

Strategy is a list of no's. If you can't name what you're not doing this quarter, you don't have a strategy. You have a calendar.

Diagnostic

Answer each question honestly. Tally your score at the end of the section.

- 1. We can name three things we are deliberately NOT doing this quarter — channels, tactics, audiences, projects.**

Specific, named, deliberate. Not "we're focused on X" without naming what we said no to.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 2. Our roadmap has a section explicitly labeled "Things we're not doing" or equivalent.**

Most don't. The ones that do, win.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 3. When we say no to a new channel, tactic, or initiative, it's deliberate — based on first principles — not accidental or based on bandwidth.**

"We don't have time" is not a strategy. "This doesn't fit" is.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 4. Our marketing team can describe what's IN our strategy AND what's deliberately OUT — without having to look it up.**

Strategic discipline is portable in heads, not just docs.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 5. We have killed an active marketing initiative in the last six months because it no longer fit the strategy.**

Active exclusion, not passive neglect.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

Reflection

What's the most expensive thing your marketing team is doing right now that probably shouldn't make next quarter's roadmap — and why haven't you killed it?

Section score

Add up your ratings (each question scored 1–5).

Total for Principle 4: ____ / 25

PRINCIPLE 5

Ask better questions.

The quality of your marketing starts with the quality of your thinking. The quality of your thinking starts with the questions you let yourself ask. "How do we get more customers?" is a worse question than "why do qualified leads ignore us?" One produces tactics. The other produces insight.

Most marketing teams are very good at executing. They're undertrained on asking. They reward people for delivering answers, and quietly punish people who ask hard questions because hard questions slow things down. The teams that compound treat asking as the work, not as the prologue to the work.

If your team meetings are full of answers and short on questions, the strategy is already dead. You just don't know yet.

Diagnostic

Answer each question honestly. Tally your score at the end of the section.

- 1. In our most recent marketing leadership meeting, the best moment was a question someone asked — not an answer or update.**

If you can't think of the best question from your last meeting, the meetings are about execution, not strategy.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 2. We have a regular practice of asking "why do qualified customers ignore us?" not just "how do we get more customers?"**

Both questions matter. The first one produces compounding insight.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 3. When we don't know something important, we investigate it — talk to customers, run a small study, read the data — rather than guess or invoke best practices.**

Best practices are the default when we stop investigating.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 4. We deliberately train (or model) the skill of asking better questions on our marketing team.**

Not just "we hire smart people." Active development of the skill.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

- 5. Our team is rewarded for asking questions that change the direction of work, not just for executing existing plans on time.**

Incentives. Look at how promotions actually happen on your team.

Rate yourself: 1 · 2 · 3 · 4 · 5
(1 = honestly no · 5 = honestly yes)

Reflection

What's the question about your marketing you haven't asked because you're afraid of the answer — and what would happen if you asked it tomorrow?

Section score

Add up your ratings (each question scored 1–5).

Total for Principle 5: ____ / 25

SCORING

What your scores mean.

Add up your scores from each principle. Total possible: 125.

100–125 · First Principles Operator

You're already operating at a level most marketing teams aspire to. The workbook is a sanity check. Look for the one principle where you scored lowest — that's where to push next.

75–99 · Mixed Practice

Some principles are landing, others aren't. Look at your lowest-scoring section. That's where your biggest leverage is. The compound effect of fixing your weakest principle is larger than incrementally improving your strongest.

50–74 · Best Practices Dependency

You're getting work done, but you're substituting borrowed wisdom for first-principles thinking in multiple places. Don't try to fix everything at once. Pick the two principles where you scored lowest, and work on them for one full quarter.

Below 50 · Reset Mode

Whatever you're doing right now is producing activity, not value. That's fixable. But it requires a deliberate reset, not incremental improvement. Start with Principle 3 (Connect marketing to value). Get the value question clear before anything else.

A note on honesty: most people score themselves 10–15 points higher than reality. If you scored above 100, do this workbook a second time after a week and compare. Real high scores survive the second look.

WHAT NOW

Your action plan.

Whatever your score, the next step is the same: pick the principle where you scored lowest. That's your highest-leverage area for the next 90 days.

Step 1: Name the principle

The principle where I scored lowest:

Step 2: Name the one change

If I could only make one change in this principle area over the next 90 days, what would I change?

Step 3: Name what stops

What current activity, project, or tactic do I need to stop or pause to free up the capacity for this change?

Step 4: Name the proof

How will I know in 90 days whether this change worked? What specifically will be measurably different?

Don't add this change as a new initiative on top of everything else. That's the trap. Real change requires you to subtract first.

NEXT STEPS

Want help applying this?

You filled out a one-hour self-assessment. That's the work most teams skip. You're now ahead of most teams.

If you want help turning this diagnostic into a 90-day action plan, or if your scores surfaced something you don't yet know how to solve, there are three ways to engage with Marketing Systems Guild from here:

Schedule a free marketing audit

A 60-minute deep-dive into your marketing with us. We'll walk through your workbook results, identify the highest-leverage moves, and tell you what we'd do if we were running your marketing. No obligation. No pitch.

Schedule at: www.marketingsystemsguild.com/audit-request

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