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FRICTIONLESS SALES FORECASTING

The path to predictable revenue and sales alignment

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Part 1

Business Challenges with Forecasting

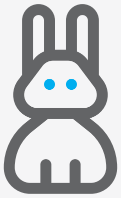
Your sales pipeline is the lifeblood of your organization. Sales forecasts indicate the health of the business, the performance of the sales team, the state of the market-fit and even the quality of your product. But if the sales forecast is such an important metric to understand and measure in your business then why do businesses tolerate unreliable and inaccurate forecasts? The truth of the matter is that the entire sales forecasting process is filled with friction that starts at the top and permeates the entire company.

The friction starts at the top

The board asks the CEO for an accurate sales forecast.

And trickle's down to the sales team

The VP of sales assigns inflated quotas to sales team.



Happy ears dominate

Hopeful sales reps misdiagnose the stage of the deals in their pipeline.

Everyone has their own spreadsheet

“The CEO, CFO, VP of sales and each sales rep have their own spreadsheet and sales forecast that is often not shared with each other.”

Part 2

How that Impacts the Sales Organization

The impact that a friction-filled forecasting process has on a sales organization can be devastating to the entire company but particularly to your sales team's morale. Look for these symptoms in your organization when the sales forecasting friction is high.

VP sales tenure is short

Only have a few quarters to have an impact and make a difference. Replacing your VP of sales will cost you millions of dollars in lost revenue.

High rep churn

Reps are leaving because they are not hitting their numbers. The average cost for replacing a sales rep is $115,000.

Misaligned management goals

CFO and VP of sales are not aligned and have difficulty bridging the gap.

Unpredictable revenue

Forecasts are littered with “surprises”, “misses” and “lost deals for unknown reasons”.

Part 3

What Effect Does the Friction Cause

The friction in the sales forecasting process impacts the day-to-day activities of the entire sales organization. The pressure and stress force sales leaders and sales reps to take shortcuts and skip important steps in the sales process. Poor CRM data is pervasive and unreliable which can have disastrous effects on pipelines, meetings and forecasts.

Undefined sales process

Reps fumble with deal stage due to poorly defined sales process. Every man for himself.

Bad CRM data

Reps are either burdened with CRM updates or ignore it all together creating unreliable data.

Bloated pipeline

Reps focused on too many deals and not on the RIGHT deals.

Unproductive one-on-one meetings

Managers and reps are both unprepared and focusing on the wrong deals and asking the wrong questions.

Part 4

Lesson on Fundamentals of Good Forecasting Techniques

FORECASTING TECHNIQUES

Focus on REAL DEALS

Have your forecast based on real deals in your CRM (your true pipeline) and not a subjective bottom-up roll up from Rep - to - Manager - to - VP. “Ideally, all of the pipeline is tracked in your CRM and not in a several different spreadsheets.

Common language

Have common language for important forecast categories such as committed deals and upside deals when dealing with forecasts across multiple sales teams.

It’s OK to move deals

Be ok with moving opportunities back in your sales stage if the buyer really isn’t at that aligned buying stage.

Stale pipe

Look for patterns around reps pushing deals forward and keeping deals in the pipeline for too long without any meaningful engagement with the buyer.

Get on the same page

Everyone needs to be looking at the same forecasting view.

Part 5

How to Get Started Now. If You Do Anything, Do This

BE OBJECTIVE

Check for happy ears

Reps are optimistic about most of their deals and don't always pick up on the non-buying signals.

Look for patterns

Look for evidence of buyer interest and priority by looking at patterns of communications, showing up for meetings, asking questions.

Document assumptions

Write down all your key assumptions and validate with the buyer directly.

FOCUS ON EARLY WARNING SIGNS

Reps hate to follow process. They hate journaling their activities even more. Look for these patterns in advance of it being a problem.

Identify the key elements you need to know to do your own deal inspection. Log reps activities automatically (or even manually!) and base your judgement on real data.

CRM

Get good at data exports from your CRM and do the math. There are rep behavior insights buried in the data. Dig for it.

FORECAST CALLS ARE NOT A SUBSTITUTE FOR DEAL REVIEWS

Everyone is focused on reducing back office and internal activities to give reps more time for customers but you have to slow down to speed up. If all you do is work in the business, who is going to work on your business?

Have regular forecast calls but get them done quickly. Make sure the reps do their own business review beforehand and walk in prepared. Every forecast call can't be about the manager giving the rep a lesson on running their business.

Talk about deal strategy during your deal review - not only for ones that are slated to close this month/quarter, but early stage ones so the momentum isn't slow. Focus on moving deals THROUGH the pipe and into your forecast.

See How AI Can Assist You as a Sales Manager

Get a Full Body Scan of Your Pipeline

Request a Demo

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