Disrupting Pipeline Reviews

6 Data-Driven Best Practices to Drive Revenue

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Introduction

Selling isn't easy. According to the data, neither is hitting quota. In their "2017 World-Class Sales Practices Report," CSO Insights revealed that the percentage of salespeople making quota dropped from 63% to 53% from 2012-2016. Last year alone, quota attainment fell 4.2% from 57.2%, illustrating the relentless pressure in the market.

What separates under performers from those who are able to make or exceed their number?

In CSO's "Sales Performance Optimization Study," research shows that sales teams who consistently achieve success rely more heavily on the *science* of selling and optimize key processes with data, rather than relying on the *art* of selling.

Sales has adopted a new tech stack for several key processes including prospecting, gathering intelligence and driving engagement. However, when it comes to pipeline reviews, the majority of sales teams are still using CRM reports and spreadsheets, and relying on experienced guessing and gut feel to drive decision-making. Not embracing new technologies is akin to moving backward and continuing the downward trend. This approach puts sales teams at risk of continuing to miss goals.

The sales teams that experience the greatest success in the future will capitalize on advancements in technology, and adopt a data-driven approach that reduces reliance on human judgment.

This guide provides six ways to leverage data to optimize pipeline reviews, and provides a framework for a smarter, more productive process, so that sales teams can drive towards quota.

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Pipeline Reviews Today – Unpredictable and Outdated

Ad Hoc Pipeline Review Process

Globally distributed B2B tech companies with multiple offices and product lines often do not have a standard agenda or process across regions or business segments, leaving them without a repeatable framework for success. Individual business units and managers will often define their own process, with little or no standardization across the company.

Additionally, pipeline reviews are often turned into deal reviews, as untrained managers dive deep into deals, rather than conducting a comprehensive, holistic health review. To ensure that pipeline reviews aren't jeopardized by poor execution, sales teams need to establish a standardized, data-driven pipeline review process.

Antiquated Tools – CRM Reports and Spreadsheets Just Don't Cut It

A significant problem sales teams face when conducting pipeline reviews is working in antiquated tools with limited visibility and few data insights. Currently, most sales teams in B2B tech organizations conduct pipeline reviews in either a spreadsheet or by using a CRM report.

While CRM systems are excellent at providing the current status of a deal, they do not provide historical context or trends. This puts sales managers in a position to either rely on memory or their own notes to determine what changed week over week in the pipeline. As teams grow and product lines are added, this method simply isn't scalable.

Inaccurate Human Judgment

Each week, a significant amount of guesswork is involved as reps and managers are asked to make predictions or manual calculations during reviews. Gut feeling, instinct and experienced guessing drive decision making, while historical performance data and other predictive indicators available through modern technology, haven't been adopted.

Relying on human judgment creates huge margin for error. CSO Insights 2017 World Class Sales Practices Study found that 47.6% of the sales leaders surveyed reported that they were only accurate at predicting deal amounts and close dates about half the time. That means that 50% of the time, even leadership is inaccurate at making these predictions. Perhaps even more concerning, an additional 11% weren't sure of their accuracy.

The Result of Not Using Data-Driven Processes and Tools

Not having defined processes, and using tools that provide few data insights and that rely on human judgment, breeds frustration across the sales organization.

- **Neither senior sales leadership nor the sales operations team has a consistent view of pipelines,** since managers and individual business segments are using different processes.
- **Identifying which deals aren't progressing at the right speed and need attention is challenging.**
- **Future period pipeline review is usually ignored** or "back burnered" as the immediate need of producing results in the current period blinds the sales teams from focusing on long-term goals.
- **Inadequate time is spent reviewing new opportunities and pipeline generation** since the current "tops-down" pipeline review method tends to focus on deals at the end of the sales process.
- **Forecasting becomes very difficult** because the pipeline review process does not provide a consistent view.
- **Reps are frustrated** with a process that has little value add for them, cuts into time that could be spent selling, and is primarily viewed as a data entry exercise where old data is rehashed.
- **Managers are frustrated** because they lack the tools to see how pipelines and deals have changed since the prior week, making it difficult to immediately surface which deals need further discussion, and which deals are on track.

There is a better way.

Reimagining Pipeline Reviews

Make no mistake, revenue growth is directly impacted by getting the frequency, approach and quality of pipeline management right.

A recent study conducted by the Sales Management Association found that sales teams at B2B enterprise companies who spend at least three hours per month talking with each sales rep about their pipeline had 11% greater growth. Companies that train their sales managers on pipeline management had 9% greater growth.

Fortunately, advances in technology now allow companies to get out of spreadsheets, work within collaborative systems that access real-time data from CRM systems, and optimize the pipeline review process with data.

Modern platforms keep a complete history of all deals, historical performance, and all current and past pipeline metrics for easy comparison. Below are six best practices that harness big data to drive strategic pipeline reviews and boost revenue.

All of this amounts to a radical shift in the way that pipeline reviews are conducted, the amount of time it takes to prepare, and makes the lives of sales managers and reps significantly easier.

Best Practices

1. Select a Regular Cadence

Pipeline reviews should be done on a regular basis, with a weekly cadence recommended.

Once you agree to a specific cadence, hold your reps accountable. Meetings should only be skipped for valid reasons such as an important customer meeting or scheduled PTO. If a meeting is missed, it should be rescheduled within one day. If it cannot be rescheduled for that week, a virtual Pipeline Review meeting should be held.

2. Develop a Standardized, Data-Driven Agenda

There should be a set agenda for the meeting with a defined start and end time.

The agenda should be strictly deal and pipeline focused. If the rep needs a new laptop, is unhappy with his or her support team or compensation plan, those important conversations should take place outside of this meeting.

Typical Agenda for Data-Driven Pipeline Review Meetings

A. Review Summary Data for Rep

- Quota
- Deals closed-to-date
- Pipeline velocity by category and sales stage

B. Review Deals in Pipeline for Current Period

- Focus on what's changed since last week
- Review 9 summary attributes for each deal, including:
  1) deal size
  2) sales stage
  3) forecast category
  4) close date
  5) next steps
  6) industry of prospect
  7) competition
  8) current installed solution
  9) compelling event
- Discuss next steps

C. Review Next Quarter Pipeline

- Review next quarter quota
- Review deals in pipeline expected to close next quarter
- Review quantity and quality of deals added to the pipeline
- Review delta and come up with prospecting game plan with SDRs and Demand Generation team

Best Practices

3: Review What Changed Since Last Week

In a typical pipeline review, working within a spreadsheet of deals exported from a CRM report, deals are sorted by forecast category and sub-sorted by deal size.

Sales managers and reps start at the top of the list and work their way to the bottom, reviewing each deal. As managers and reps plod their way down through the biggest deals in "commit" and "best case," they rarely make it to the bottom of the list. Instead, they waste time looking at the wrong deals, while overlooking deals that need immediate action. Unless managers have kept their own notes, they typically can't see what's changed in the pipeline since last week.

With advanced platforms, changes to the pipeline are at sales managers fingertips and viewable by changes made that day, over the last week, or the last month. Seeing these changes ensures that deals that right deals rise to the surface for discussion. To optimize reviews, deals should be grouped into three main buckets for discussion:

A. **Deals that have had positive movement,** which includes deal amounts that have increased or close dates that have been pulled in.

B. **Deals that have had negative movement,** which includes deal amounts that have decreased or close dates that have pushed out.

C. **Deals that have had no movement.** This brings to light deals that are stagnant. Modern tools will flag deals that are at-risk and have been stuck in a stage for too long, so that you can take action early.

Leveraging this format, rather than sorting deals in a spreadsheet, offers sales teams a smarter, more productive way to look at their pipeline, review all deals at a high level, and stay laser focused on the deals that need to be reviewed that week.

4: Plan for Next Quarter

Whether sales teams forecast monthly or quarterly, the majority of pipeline reviews focus on deals that are in-forecast for the current period, with little to no attention being paid to the following period until the beginning of a new quarter.

Starting the next period with a large percentage of pipeline in stage 1 of the sales cycle, puts teams at a severe disadvantage. With advanced technology, managers can get out ahead and plan, aided by views 180 days into the future. With the use of data and predictive technology, managers can see exactly how much additional pipeline is needed today to hit future targets and eliminate the "mythical 3x pipeline estimation."

Best Practices

5: Review New Deals

The essence of building quality pipeline is making sure that you are constantly adding new deals to the pipeline, and yet most pipeline review processes hardly touch on this.

With an optimized system, managers can view net new opportunities, and provide positive feedback to reps who are focusing on prospecting, adding new deals to the pipeline, and progressing early stage deals. Managers should be able to easily access a list of new deals that have been added to the pipeline over the past week, and know immediately whether those deals are in-forecast for the quarter. Armed with that data, managers can easily identify which reps are excelling at prospecting and will have enough pipeline for next quarter, and which reps may need a coaching conversation.

6: Let an Optimized Pipeline Drive Accurate Forecasting

Optimizing the pipeline review process provides an excellent starting point for the forecast.

After reviewing the entire pipeline, a more informed discussion about the mostly likely and best case forecasts can be achieved. After a data-driven pipeline review, it is harder for a rep to “sandbag” a number, or on the other end of the spectrum, submit an overly optimistic number. After a properly run pipeline review process, the manager is in much better shape to add positive or negative judgment to the rep forecast or the aggregate forecast because he or she has a deep understanding of the pipeline.

Ready to implement these best practices?
Contact us today @ aviso.com to learn how!

Aviso is the only platform on the market purpose-built for forecasting, pipeline reviews and deal reviews.

Armed with Aviso's advanced forecasting technology and AI assistance in the form of unbiased machine learning recommendations, sales, sales operations and IT teams at companies such as Apttus, Splunk and MongoDB deliver accurate forecasts, keep deals moving through the pipeline, and make smart selling decisions to close more deals. Driving the movement towards the data-driven sales org, we've revolutionized pipeline reviews, and cut prep time in half for forecasting calls and deal reviews, so that reps can get back to selling and sales ops team can get out of spreadsheets.