WHITE PAPER

Five reports for the weekly sales forecast call

BUSINESS INTELLIGENCE

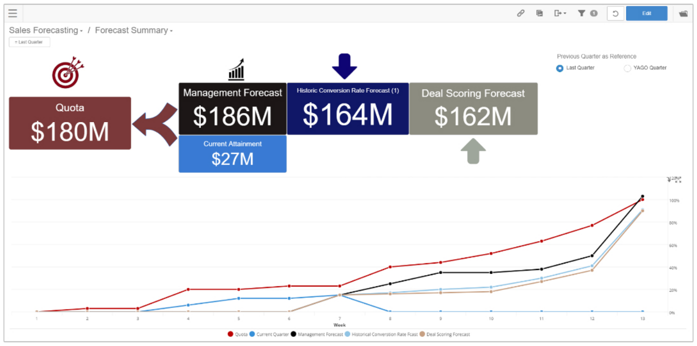
Sales forecasting, if done right, helps achieve sales targets. Although there is no method that can predict future outcomes with 100% certainty, this summary showcases five reports that can improve the likelihood of meeting revenue goals, based on the sales pipeline, the team's execution skills, and the depth of a prospect's engagement. Use the information to allocate resources to key deals, focus executives' time, and reach sales goals in the short and long term.

1. Opportunity stage forecast report

Having a solid grounding on the past close rates, provides what it takes to get a good estimate on future results. For example, if about half of the deals that reached stage five at the same day of the last quarter end up closing, that means there's fifty-fifty shot for all the deals that are in that stage at the exact same day of this quarter. By applying win rates of all past opportunities to current opportunities with the same stages and days-in-quarter, users can arrive at a forecast that is close to future performance.

For this report to provide close estimates of future sales, however, it requires using accurate data. For instance, without accurate deal value, predictions will never be accurate. The best way to remediate that is to use analytics as a way of exposing data issues. For example, by making pipeline progression and conversion rates part of an organization's daily dashboards, users can see how often deal stages and amounts change, and why. This ensures that reps pay closer attention to their deals, keeping information accurate and up to date, ultimately helping to better predict and forecast future sales revenue.

Opportunity stage forecast report



2. Deal score report

Having a forecast is one thing. Knowing which opportunities to focus on to hit that forecast is another. In this report, a smart forecasting engine would incorporate factors such as deal size, age, stage, time spent in a given stage, the frequency of movement within stages, company size, industry, and decision-makers' profile to score an opportunity's likelihood of closing.

Either the user or the smart forecasting engine may decide to distribute the weight evenly across all these factors, or account for some more than others. For some companies, factors like compelling events such as demo meetings held during the sales cycle may increase the likelihood of a deal closing and therefore should be given a higher weight in scoring.

Other factors to consider for scoring include: the external data points, such as opportunity lead source, product data, or whether the prospect is a repeat client versus a new one. For that reason, while in many cases, primary information for forecasting comes from a customer relationship management (CRM) system, other sources such as an enterprise resource planning (ERP) system, marketing automation, general ledger, and financial systems are essential to score opportunities accurately.

3. Digital signals report

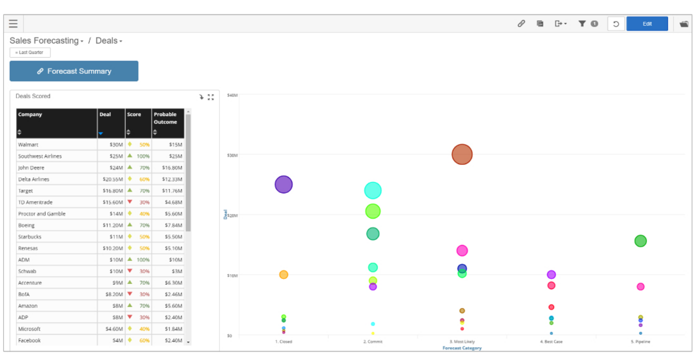
Even though historical-based forecast reports are good best-case estimates for projecting future win rates, to truly align sales cycles with clients' buying cycles, analyze the customer's behavior during the sales cycle.

This report can help users focus on the most likely-to-close opportunities based on the customer's digital behavior. By visualizing data from website traffic, media ads, events, content downloads, on-demand demo, and webinar views or email open rates and matching that with data from CRM systems, users can identify the most active prospects.

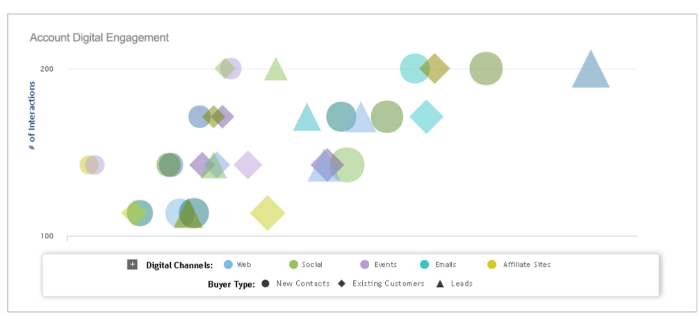
This report can also reveal new activity from dormant leads, notifying reps of new interest from older opportunities.

This real-time insight can create the incremental business that would otherwise not have been captured. Combining web, social, email, and product activities with lead, opportunity, and account data in a CRM system helps reps tune into customer signals and decide what opportunities to prioritize and which ones to mark as less likely to succeed.

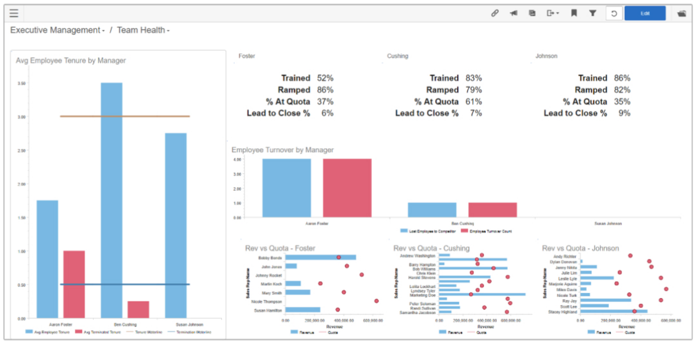
Deal score report



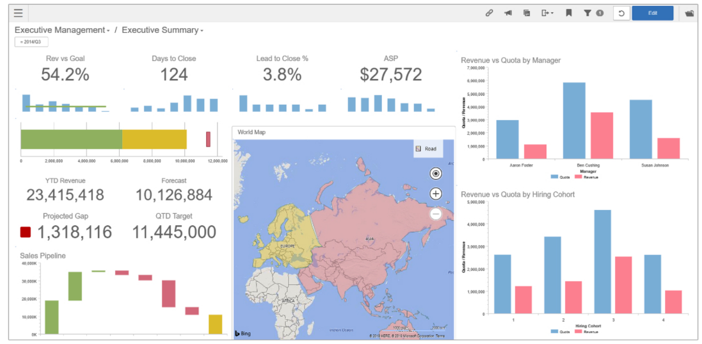
Digital signals report



Rep performance report



Pipeline velocity report



4. Rep performance report

This report provides sales managers better visibility into the sales process, helping them recognize the reps that close their deals the quickest—accelerating revenue and making or exceeding their quotas along the way.

In addition to basic rep productivity metrics that measure performance against plan, by geo, territory, and peer-to-peer win rates, this report takes sales performance a step further and ties it into coaching and training.

By analyzing data from both salesforce automation (SFA) as well as human resources (HR) and learning management systems (LMS), this report shows how reps perform compared to their cohort group with the same level of training and ramp time.

This analysis compares current rep performances as well as current team performance against historical records. With this approach sales leaders can make coaching and feedback more meaningful, timely, accurate, and most importantly individualized and in-context of the individual rep's training, ramp time, and learning progress.

This report also compares the individual rep's forecasts against their actuals and prior performance. As reps often fall victim to two opposing tendencies when forecasting their own deals—sandbagging and happy ears—this report helps sales leaders use a data-driven, objective and more accurate approach to sales forecasting instead of an intuition-based and gut-feel one.

- **Sandbagging**—When reps intentionally underestimate the number or value of deals they expect to close in a given selling period.
- **Happy ears**—When reps are overly optimistic about their chances of converting a given opportunity.

5. Pipeline velocity report

Correctly managing open opportunities is an essential part of hitting the right numbers. Instead of only looking at opportunities at the bottom of the funnel—those that are soon-to-close—don't overlook early-stage opportunities that have moved through the pipeline more quickly than is usual.

The beauty of pipeline velocity is that it tracks the buyer's journey. For example, if an opportunity goes through the pipeline haphazardly without a linear progression, it usually reflects poor opportunity management or a lukewarm buyer—both are great indicators that it is less likely to close.

Smart analytics—using the power of artificial intelligence (AI) and machine learning—can be used to automatically find meaningful relationships between a given sales key performance indicator (KPI) such as likelihood to close or estimated days to close and the countless business variables in the CRM system, and then automatically generate visualizations and dashboards that explain what drives the KPI's behavior.

Closing thoughts

Accurate forecasting relies on critical planning with respect to a customer's buying preferences and behavior, as well as the sales team's ability to execute. Today's SFA systems, while good at automating the process of managing leads, opportunities, and campaigns, fall short of planning a sales strategy.

Strongly performing sales organizations are finding new ways to use the power of smart analytics to lower the cost of sale, increase forecast accuracy, and take their existing sales technology stack to the next level.

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