



A White Paper on
Sales Pipeline Acceleration
Achieving Enhanced Business Performance

The importance of speeding up your sales pipeline

The success of any business depends on acquiring, growing, and retaining profitable relationships with customers. The heart of the process is the sales pipeline – where sales opportunities are managed from qualification to closed sale. Correspondingly, sales pipeline performance is essential for reaching the level of success a business seeks to achieve.

Many businesses struggle, though, with myriad pipeline management challenges such as determining which accounts should be of highest priority, what actions will best spur the sales process, and whether and how to reapportion pipeline opportunities to maintain a healthy distribution across the sales force. The results of failing to address these challenges include lengthening sales cycles, stalled opportunities, and results versus forecast that bring unpleasant surprises.

The difference then for the most successful sales organizations is identifying and taking the intelligent steps needed to achieve measurable improvements in sales pipeline performance.

Addressing the challenge

In order to address the challenge, clear steps can be taken to enhance sales pipeline performance:

Define Your Sales Pipeline Process

As a foundation for success, it is critical to understand the distinct stages of the sales pipeline. Each business is different and the investment of time to define a process that specifically matches your business needs is well worth the time. By way of example, the stages might include lead qualification, customer need assessment, opportunity prioritization, customer decision, and opportunity close out. Understanding each stage in enough detail to be able to describe clearly how to advance from one stage to the next is critical. Another key aspect to understand and document is the typical time required to move from one stage to the next -- this aids in assessing whether an opportunity is moving along appropriately or is stuck.

“Through 2010, on average, enterprises will miss the equivalent of 10% of total annual sales in ‘lost opportunity’ revenue that could have been captured as a result of better visibility on sales activities.”
Michael Dunne, “Sales Analytics: Turning Insight into Opportunity.”
Gartner Group, September 2006.

On-demand Visibility into Opportunities

Across a given time horizon, sales opportunities will evolve with new opportunities emerging and some current opportunities declining in priority or ceasing to be worth pursuing. On-demand visibility allows rapid and appropriate response to these changes. Visibility that also includes customer and current opportunity profitability, stage within the sales pipeline process, and the latest activity history all provide insight and illuminate the overall health of the pipeline. A healthy pipeline will have opportunities distributed in a relatively balanced manner across all stages – and an uneven distribution provides cause for addressing the imbalance before it has a negative impact on the sales forecast and ultimately realized revenue.

Create a Process to Monitor Performance

Improved sales pipeline performance can only be achieved and sustained if the on-demand visibility is integrated into the larger context of the sales planning and execution process. A typical process might include sales management setting sales force revenue targets, reviewing the pipeline periodically for performance and issues, updating forecasts and reviewing results against

efficiency and effectiveness metrics while sales reps throughout are qualifying and managing pipeline opportunities and updating data about each opportunity.

Preferably, across and within this process, management and the sales team will have aligned goals. Achieving this alignment depends upon metrics that go beyond merely high-level revenue targets. Examples of ideal metrics include:

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- percentage of sales reps meeting quotas
- number of leads in the pipeline (by rep, type, age, geography, etc.)
- pipeline velocity (expected time for opportunities to move from one stage to the next)

Providing on-demand access to this information – to sales management as well as sales reps – facilitates the necessary alignment and unambiguous communication throughout the sales cycle.

Combine Analytics and Action

With an appropriate foundation of visibility and on-demand information, a business can not only be more proactive with their planning – it can harness sales analytics to drive well-timed and appropriate action. For example:

- what-if analyses to test actions that might close pipeline gaps or free stuck opportunities
- mining customer buying behavior to help sales and marketing identify customers with the highest propensity to buy

Through this more advanced use of sales analytics and insight, the broadest possible set of stakeholders can be engaged – and kept well informed – and doing so can ensure unpleasant surprises are avoided and business objectives are reached.

Business Intelligence

Business intelligence (BI) refers to information technology products that help businesses store, find and analyze the information they need to make better decisions. If business intelligence used to be a rearview mirror showing where a business had gone off the road, business managers today want BI to serve as a global positioning system, showing them where they are and the shortcuts to their destinations.

BI, particularly in a software as a service (SaaS) model, can also save money, and time, by providing a low-cost, easy-to-implement solution with pre-built Dashboards that communicate complex sales performance information in a single visual representation and Scorecards that communicate an enterprise's progress against *Key Performance Indicators (KPIs)* or metrics.

In today's globally and highly competitive business world, any business seeking to improve their sales pipeline performance results needs to consider investment in information management software tools that deliver the vital pipeline visibility data to participants and managers of the sales process at the optimal time and in the right format.