#1 Salesforce Analytics

# The Top 10 Forecast Killers (and How to Address Them)

Many Sales Managers struggle with forecasting, and one of the main reasons is that they let outliers and red herrings into their forecasts. Don't let these 10 common killers taint the accuracy of your forecast.

## 1 // Timing

More often than not, buyers know what they're looking for and generally don't hesitate to buy once they find it. Therefore, opportunities that languish in the pipeline tend to convert at lower rates than quickly progressing opportunities. Study your pipeline and look for opportunities that have lingered in the same stage for significantly longer than the average duration of Won Deals.

## 2 // Average Deal Size

Most companies have better luck closing deals of a certain size. Opportunities that are more than 3x your company's average deal size typically convert at lower rates and take longer to convert when they do, and should therefore be flagged in your forecast.

## 3 // Slippage

Frequent close-date pushes and sales-price changes are indicators that an opportunity may be unlikely to convert. If an opportunity in your pipeline changes close date or value three times or more, you should mark it as at-risk in your forecast.

## 4// Stalled Engagement

If a deal is scheduled to close soon but your reps haven't engaged with the opportunity for more than two weeks, it should be flagged or removed from your forecast.

## 5 // Stage

Regardless of when your reps expect a deal to close, opportunities in the first stage of the sales cycle should not be in your forecast – they are still far from becoming a Closed-Won deal and it is overly optimistic to rely on them. Instead, limit your forecast to opportunities that have steadily progressed down the funnel.

## 6 // Negative Velocity

Opportunities that stall or move backwards in the late stages of the funnel should be removed from your forecast, as their chance of converting into deals diminishes with each day.

## 7 // Title

Deals can only be signed by decision-makers, and if your rep has a late-stage opportunity in his pipeline but he isn't yet speaking to a decision-maker, that opportunity should be flagged as at-risk in your forecast.

## 8 // Lead Source

Not all lead sources create opportunities that have equal chances of converting. Analyze your historical win rates for different lead sources and go through your forecast and flag opportunities from low-probability lead sources.

## 9 // No Competitor

Customers who are ready to buy have usually analyzed the other options in the marketplace. If they haven't compared your product to others, they are probably not actually ready to buy and should not be in your forecast.

## 10 // Late Random Additions

Large deals (at least 2x your average deal size) that are added at the last minute should be flagged as at-risk.

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