The Ultimate Guide to

Pipeline Management

INSIGHTSQUARED

Introduction

If you're tired of hearing your sales reps complain about not having enough pipeline, gripe about bad opportunities, or panic at the end of every month over whether or not their opps will close, you're in the right place.

By the end of this guide, you will have the framework you need to rationally assess your team's pipeline concerns, and, if they're justified, address them for good.

Your ability to create and maintain a healthy pipeline hinges on your mastery of three different aspects of pipeline management: inflow, visibility, and execution. We present detailed methodologies for improving your team's capacity in each of these areas, and conclude with outcomes we've seen from organizations that have successfully implemented them (spoiler: they win more deals).

Opportunity inflow is often the most acute pain for sales teams, so that's what we'll address first.

Priority 1: Develop Consistent Opportunity Inflow

THE CHALLENGES

Problems with pipeline inflow typically manifest themselves in three ways:

1. Reps are missing their numbers because they don't have enough opps
2. Sales leadership and ops don't know if the pipeline is good or not
3. It's unclear how much pipeline is actually needed to hit the number

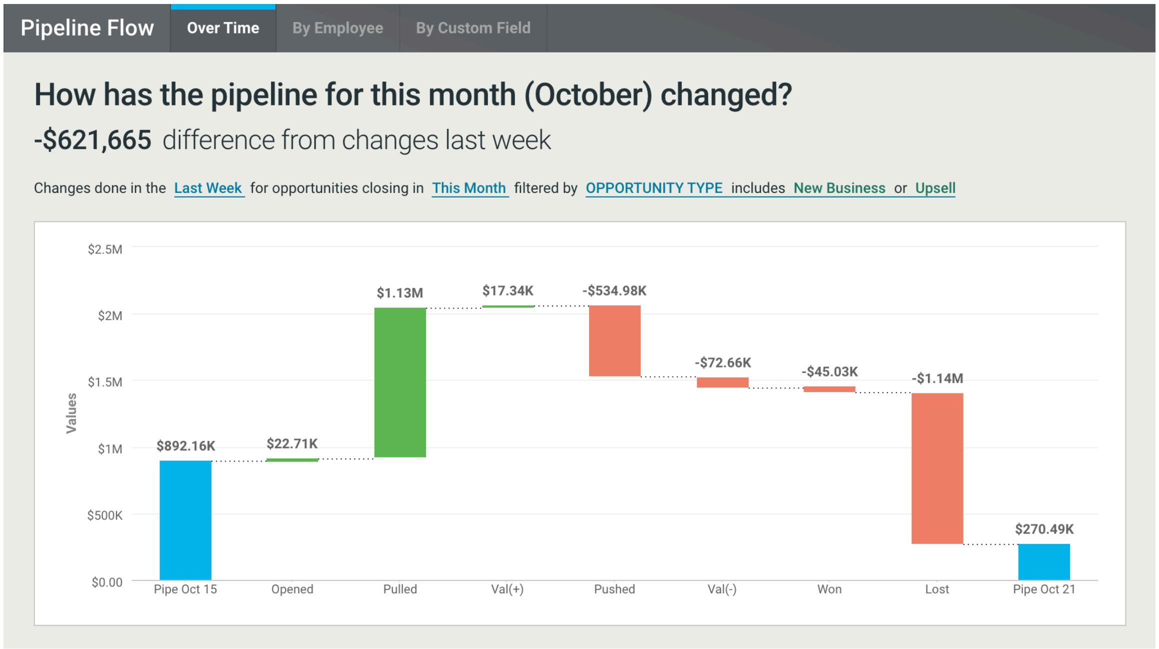
THE SOLUTION

Find out *exactly* how much pipeline you need. This solution sounds simple enough, but if you've spent any time trying to forecast or set goals, you know it isn't. That said, it's also not impossible. You can dramatically reduce frustrating guesswork by executing these steps:

1. Monitor trends in your pipeline inflow
2. Identify patterns in behavior
3. Understand coverage needs
4. Match input with output

STEP 1: MONITOR TRENDS IN YOUR PIPELINE INFLOW

Keep detailed records of your team's pipeline, both by opportunity count and by value. Zoom out and see the big picture, so you stay ahead of seasonal, market, and product trends.



InsightSquared's pipeline flow report provides a straightforward visualization that shows you at a glance what's happening when your pipeline changes.

STEP 2: IDENTIFY PATTERNS IN BEHAVIOR

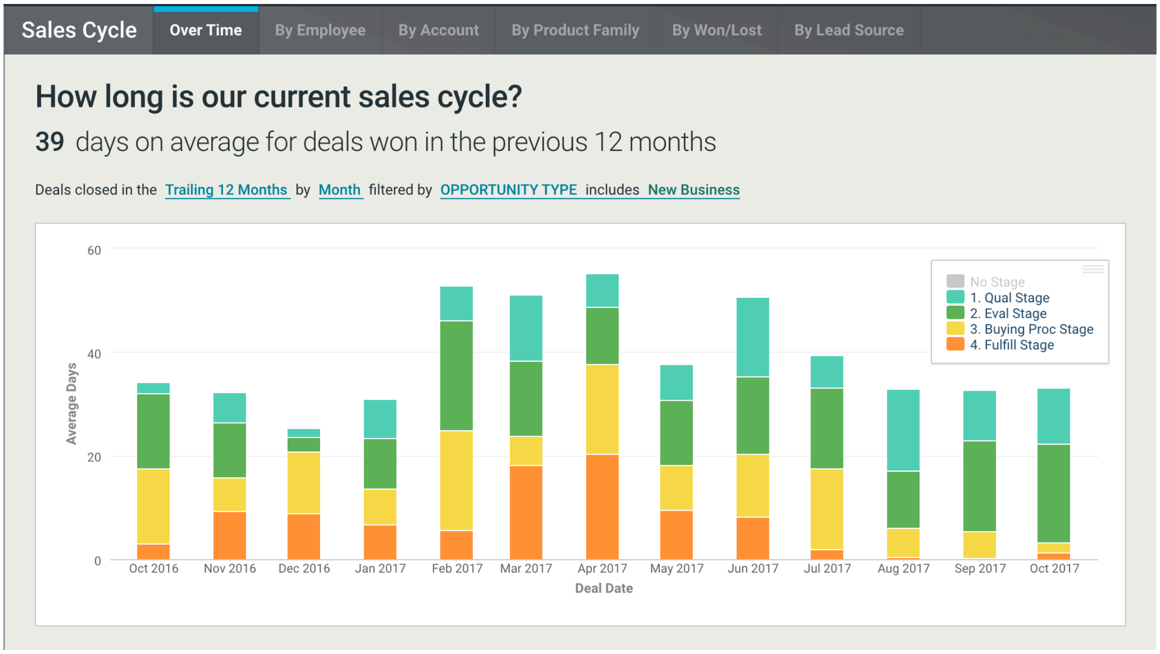
Run analyses to find out what actions influence pipeline flow. Do periods of higher inflow correspond with higher rep activity? Effective marketing campaigns? Product releases? Answer those questions to match input with output.

STEP 3: UNDERSTAND COVERAGE NEEDS

After getting a handle on your company's pipeline trends and the behaviors that stimulate pipeline growth, consider your sales reps' workload. How many opportunities do they expect to generate, and how many do they need to be successful? What does each mean for their quota attainment? How should pipeline trends affect your hiring plans?

STEP 4: MATCH INPUT WITH OUTPUT

Establish a sales process that enables you to maintain a steady supply of opps in every stage of your pipeline. This process can take many forms – you may train your reps to switch effectively between closing and prospecting as the need arises, or split into dedicated teams of development reps and closers. Either way, let the numbers dictate your decision.



Breaking your sales cycle into stages and visualizing the progression of opportunities enables you to spot chokepoints and work with your team to streamline your process.

CONCLUSION

These four steps lay the foundation for effective pipeline management, but that's only the beginning. As your company grows, the factors influencing your pipeline will evolve. For your sales team to be able to adapt and improve over time, your next step must be to create transparency in your pipeline.

Priority 2: Attain Pipeline Visibility

THE CHALLENGES

After establishing a consistent inflow of opportunities, common challenges most sales teams continue to face include:

1. No one knows what the common characteristics of a good sales engagement are
2. The pipeline numbers don't reflect reality
3. No one knows what is going on when pipeline changes

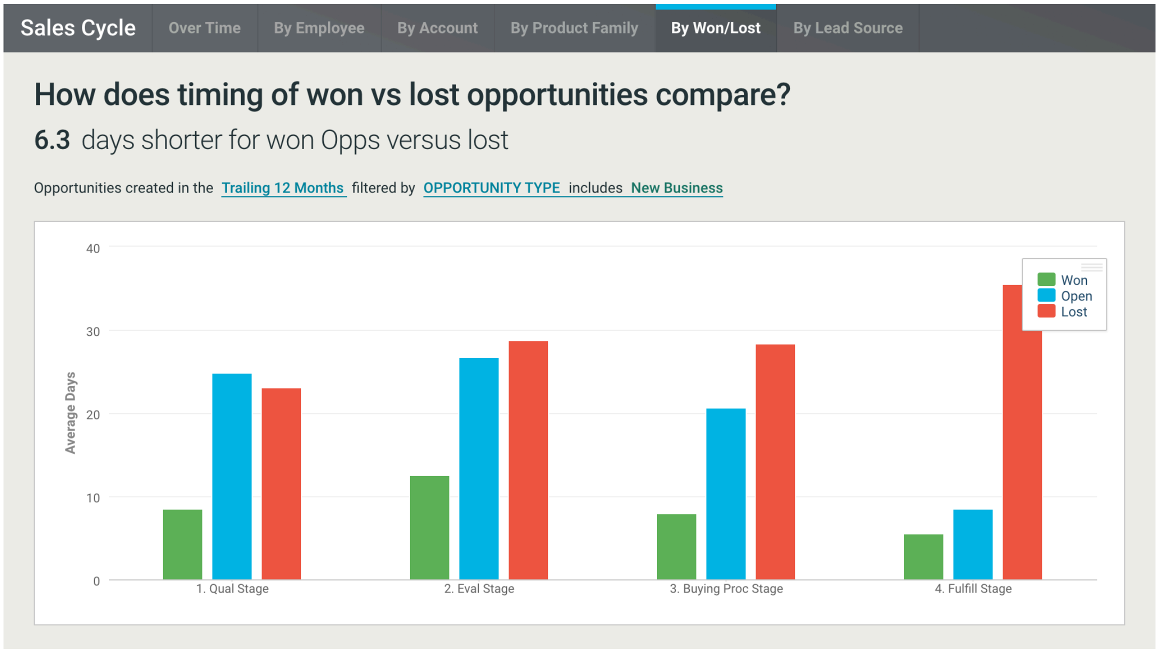
THE SOLUTION

Implement and enforce measurable, repeatable sales processes. The root blocker of pipeline visibility is lack of consistency. To get a better handle on what's happening in your pipeline, develop a plan of attack for your reps to follow, and find ways to measure their performance effectively. Here are the four steps that will accomplish those goals:

1. Define quality
2. Develop a playbook
3. Record performance
4. Manage to the numbers

STEP 1: DEFINE QUALITY

Quality isn't subjective when it comes to sales opportunities. Compare your closed-won and closed-lost opportunities and follow the path they all took from opening to closing. You will find patterns for both. Use those patterns to create a framework that allows reps to assess the quality of an opportunity as soon as it hits their pipeline.



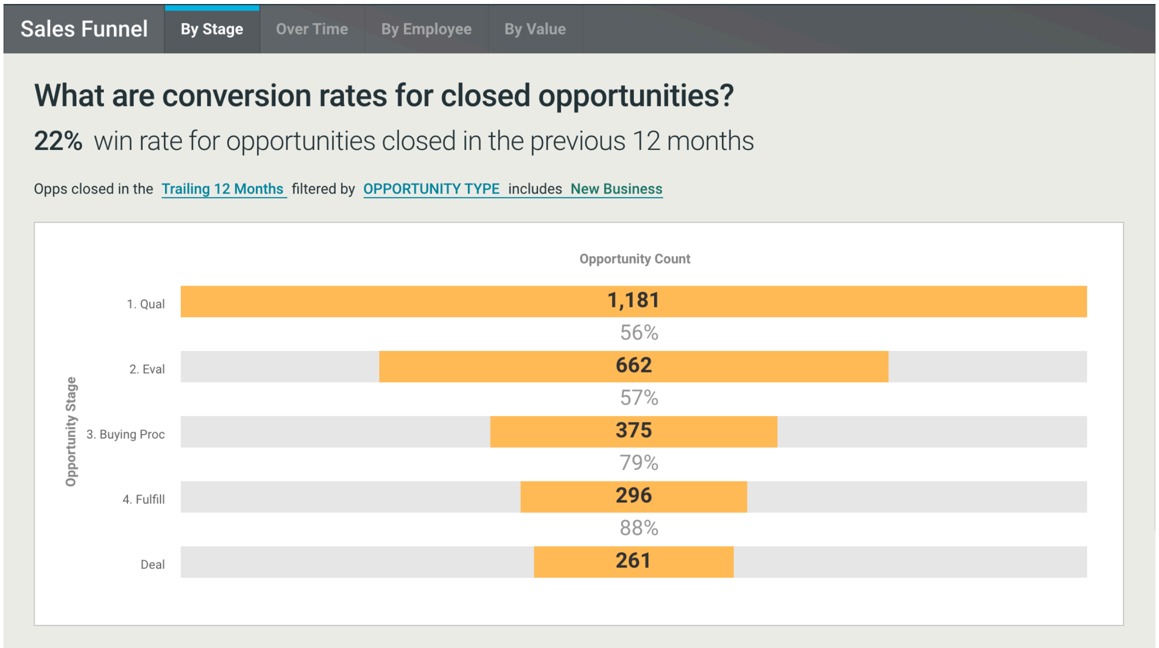
Reviewing your sales cycle for closed-won opps enables you to identify the common path that companies take to become customers, and helps you quickly sort high- and low-quality opps.

STEP 2: DEVELOP A PLAYBOOK

After defining the characteristics of high-quality opportunities, you should establish guidelines for how those opportunities should be treated. Turn those guidelines into a playbook, and incorporate it into the daily routine of your sales reps. This will solidify your sales process and facilitate the recording and analyzing of performance.

STEP 3: RECORD PERFORMANCE

Start recording sales cycles by stages, monitor won and lost rates, and compare the trajectory of opportunities from different sources. Continue adding more metrics as required by the stage of your business. This data will allow you to manage performance over the long run, and act as a barometer for your team's performance over shorter periods.



A sales funnel that tracks conversions of opportunities between stages is a good staple for monitoring performance and providing reps with performance goals to shoot for.

STEP 4: MANAGE TO THE NUMBERS

Use data gleaned from measuring opportunity performance to create a team standard your reps can aim for. What is the average amount of time opps spend in each stage? What is the typical win rate for different sizes of opps? Start to create a data-driven culture where everyone knows the averages and seeks to surpass them. This is the final step for eliminating opacity in your pipeline and creating a culture of accountability within your sales team.

CONCLUSION

Solving challenges related to pipeline flow and visibility are big victories, but you're not done just yet. The effort you put into overcoming those challenges won't pay off fully until you improve sales execution in the later stages of your sales process as well. The next section takes you through the steps that will get you over that final hurdle.

Priority 3: Seize Opportunities

THE CHALLENGES

If you've really solved for pipeline flow and visibility but you're not seeing a corresponding boost in bookings, you're likely struggling with one or more of these problems:

1. Reps wasting time trying to close objectively bad opportunities
2. Reps aren't running the right plays at the right time
3. Reps don't organize their pipeline effectively and good opportunities die on the vine

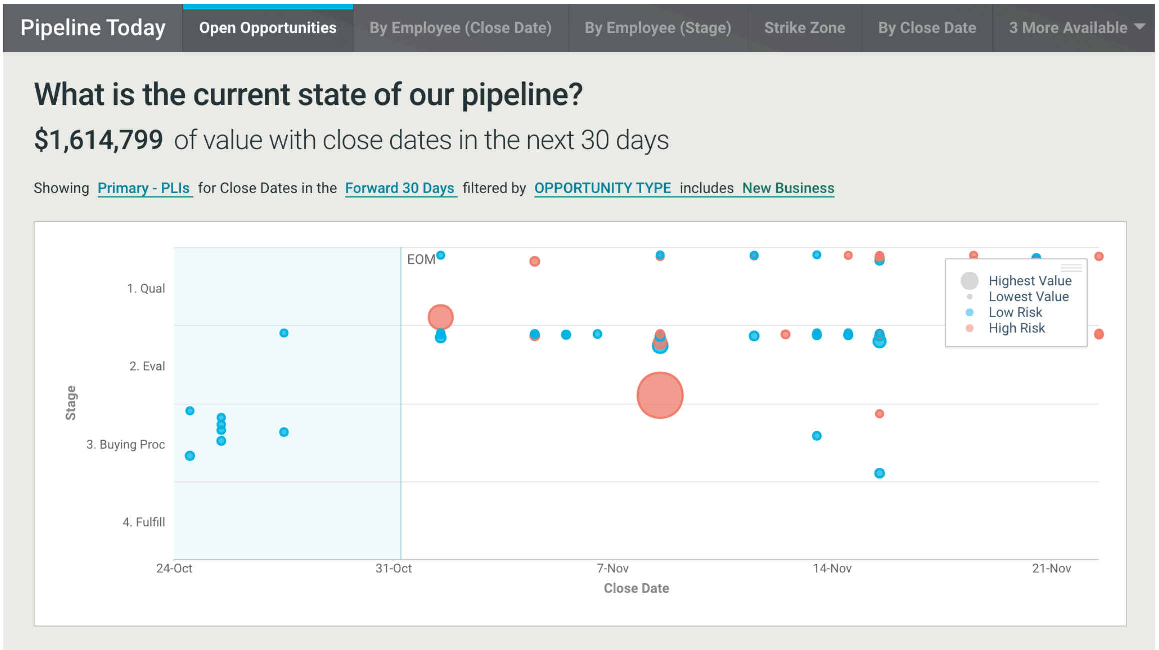
THE SOLUTION

Teach reps to prioritize opportunities effectively and make adjustments early and often. It's disheartening to coach a team that's not executing, but the good news is you've already done most of the hard work required to solve the problem. Here are the final steps to get a return on all the time you've already invested into optimizing your pipeline management:

1. Clean the pipe regularly
2. Catch problems early
3. Reinforce good behavior

STEP 1: CLEAN THE PIPE REGULARLY

Have reps compare every opportunity to your playbook guidelines, and purge opportunities that aren't a fit. Identify sales stages where the majority of opportunities are being lost, and find ways to keep a higher percentage of your opps moving in the pipeline. Protect your team against "happy ears" by having them clean their pipeline on a weekly basis.



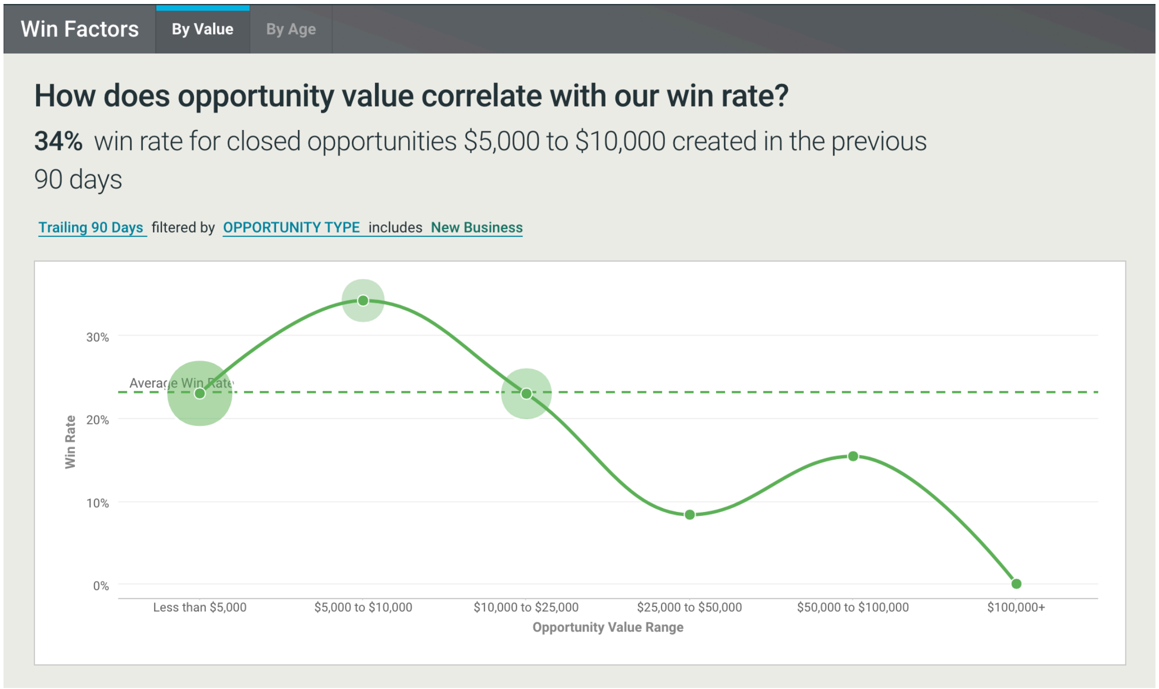
The pipeline today report provides full visibility into all open opps, which saves your team hours prepping for pipeline review meetings and organizing their opps.

STEP 2: CATCH PROBLEMS EARLY

Find out which reps consistently push deals or seem to be perpetually short of pipeline, and ensure they are applying the right tactics to all of their opps. Coach them out of bad habits early. If you notice such problems becoming widespread, reinforce the sales process through incentives and further training, or update the process to solve the problem.

STEP 3: REINFORCE GOOD BEHAVIOR

Use the visibility you've created in your pipeline to highlight best practices, and then spread them across the rest of your team. Create transparency within your sales organization by providing dashboards and access to reports that put individual performances side-by-side. Provide incentives to be a leader on metrics like sales cycle, win rate, and stage-to-stage opportunity conversions.



The win factors report exposes the subsets of opps your team is most likely to win, allowing you to identify and prioritize high-quality opps.

We'll conclude by outlining the return you get from applying this strategy to improve your company's pipeline flow, visibility, and sales execution.

Conclusion

Predictable pipeline inflow gives you the ability to predict performance more reliably. As a result, you'll set more realistic goals and plan incentives accordingly. That's the only real recipe for a happy, productive sales team.

Pipeline visibility allows you to measure in-the-moment performance and diagnose inconsistencies in performance before they become real problems. The days of losing half your pipeline overnight and not knowing where it went are over.

Improved execution on pipeline means less time explaining why you missed your number, less sleep lost wondering how your team will perform next month, and more free time for you to focus on strategic thinking and the big-picture of your company's future.

A sales team without any pipeline issues is a sales team in an envious position. It's not an easy position to reach, but once you're there you'll see the benefits far outweigh the costs.

About InsightSquared

InsightSquared helps sales operations professionals break the cycle of spreadsheets by equipping them with actionable, real-time reporting on virtually all sales KPIs. Fast growing technology companies like, Bazaarvoice, Gainsight, and Pendo rely on the company's solutions to forecast more accurately, better manage pipeline, tailor rep coaching based on individual performance, and conduct data-backed planning and analysis. For more information, visit www.insightsquared.com.