INSIGHTSQUARED

The Definitive Guide to

Pipeline Management

By Zorian Rotenberg and Mike Baker

Contents

Meet the Authors

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Zorian is a VP of Sales and Marketing at InsightSquared. He has been on management teams of several high-growth global software companies, ranging between $8 Million to $100 Million in sales, all growing over 100% annually. He was also the CEO of StarWind Software, a global software company with customers in over 50 countries. Zorian has been a speaker at a number of industry conferences and online events including the American Association of Inside Sales Professionals (AA-ISP), Inside Sales Summit, Chief Sales Officer (CSO) Insights, Mass Technology Leadership Council, The Conference Board, Heartland Technology Group, and B2BCamp among others. He has written for and contributed to The WSJ Accelerators Blog, Top Sales World, Salesforce.com blog, Revenue Marketing Podcast, DemandGen Marketing Report, OpenView Labs blog, and iMedia among others. Zorian has a degree in Finance and with minors in Applied Mathematics and in Computer Science from Lehigh University and earned his MBA from Harvard Business School.

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Mike is a content writer and journalist who enjoys diving into complex issues and exploring the world of data-driven business intelligence. Before coming to InsightSquared, Mike earned an English degree from Oberlin College and wrote for several newspapers, websites and marketing firms around the country.

Introduction

Correctly managing your open opportunities is an essential part of hitting your number, which is why your Pipeline is a primary factor of Sales success. Understanding the Pipeline, which is essentially a visualization of open opportunities, helps sales managers and reps improve forecasting, better understand why deals are won (or lost), and quickly identify bottlenecks or leakages in the sales process.

In other words, your Pipeline is your key for evaluating, managing and ultimately improving your sales process.

Used correctly, it can answer nearly every important Sales-related question. How many deals do you expect to close during the next selling period? Are you losing potential customers over and over again at the same stage of the sales process? Are you adding enough new opportunities to replace the ones you've lost and keep pace with your rising revenue goals?

This eBook will help you answer these questions by showing you how to best manage your Pipeline, which isn't always straightforward. Like fine-tuning the sales process itself, managing your Pipeline requires you to closely inspect (and clearly define) each opportunity stage, carefully track the right sales metrics, and keep a close eye on the opportunities that your reps are working on.

To help you accomplish these things, this eBook is broken into 3 sections.

- The **first chapter** focuses on the 10 best practices every Sales VP should follow to maintain Pipeline integrity and improve their sales process. How are Pipeline management and forecasting related? Which opportunities should your reps focus on? Why must you pay attention to your Pipeline History?
- The **second chapter** focuses on the specific keys to a healthy Pipeline that will set you up to crush your goals. How should you use conversion rates? Why it's important to analyze both Won and Lost deals? What does your sales cycle tell you about your Pipeline?

- Finally, the **third chapter** helps you hold the perfect Pipeline meeting. How often should you meet with your reps? Which opportunities should you drill into? How can you incorporate coaching?

Combined, these three sections will give you all the tools you need to better understand your Pipeline, refine your sales process, and achieve sales success.

Chapter // 1

The 10 Best Practices for Managing Your Pipeline

Summary

There is no denying that Pipeline management is a complicated process. It seems like every day there's a new metric to measure or counterintuitive tactic to employ. But, unfortunately, these ever-changing theories often do more to confuse than they do to clarify.

The truth is that Pipeline management is not about fads or silver bullets – it's about understanding the fundamentals of the Pipeline and keeping the process as consistent and repeatable as possible.

In this chapter, we provide you with 10 best practices to maintain Pipeline integrity and codify your sales process, including:

- Identifying the essential Pipeline metrics
- Formalizing your sales process
- Understanding your Strike Zone

#1: Separate Pipeline Meetings from Forecast Meetings

The Sales Pipeline is all about the top of the funnel. While the bottom may be filled with the more exciting, soon-to-close opportunities, the top is actually much more important in terms of the overall health of your Pipeline. Because of this, it is critical to separate your Pipeline Meetings from your Forecast Meetings, which focus more on the opportunities at the bottom of the funnel. Forecast Meetings are great chances to talk to your reps about the opportunities they expect to close soon, but they are not the optimal time to talk about general Pipeline health, which is determined by the quantity and quality of leads in the Pipeline as a whole.

When you hold your Pipeline Meetings – typically weekly; often on Mondays – you should ask your reps about the opportunities that have just entered their pipelines. Not only are these opportunities more in need of your guidance, but they also have a larger impact on the overall health of your Pipeline for the coming months.

We will explore the specific differences between these two meetings (as well as the blueprint for a perfect Pipeline Review meeting) in more detail in the third chapter of this eBook.

#2: Formalize Your Sales Process

For your Pipeline to function correctly, you must have a formal sales process with clearly defined opportunity stages that have no gaps or overlaps between them.

One common mistake many Sales Managers make is defining the stages from their point of view. Although this is natural, it ultimately creates a process that doesn't correlate precisely with buyer behavior and expectations. Instead, you should **map your stages from the customer's point of view**. In other words, instead of defining your Sales Pipeline by your selling process, you should line it up with the buying process.

This means changing stage names from things like "Qualification," "Meeting Scheduled" and "Present Solution" to more buyer-centric terms like "Acknowledge Pain," "Solution Comparison" and "Decision." It may seem simple, but these small changes can have a huge impact on how you track the buyer's journey and understand the sales process.

You can't stop at just formalizing your Sales process, though – you must share the definitions and structure with your team. Write it down, distribute it, and quiz your reps at meetings. Having a formal sales process that your reps don't understand is as bad as having no formal sales process at all.

#3: Inspect the 3 Essential Pipeline Metrics

Maintaining Pipeline integrity is essential for optimizing your team's Win Rate and keeping your sales process running smoothly. But what exactly is Pipeline integrity? Essentially, it comes down to being consistent and discerning about which opportunities you allow in your Pipeline so that you can maintain a healthy shape and keep your Win Rate high.

How do you distinguish between good and bad opportunities? In order to do this, you must understand the 3 essential Pipeline metrics.

1. Opportunity Dollar Size vs. Average Won Deal Size

How big is a certain opportunity? Is it significantly larger than the average deal your company wins? Size has a tremendous impact on your likelihood of converting an opportunity, so it is important to compare all opportunities in your Pipeline to your Average Deal Size.

2. Opportunity Age vs. Win Cycle

Just like size, an opportunity's age tells you a lot about how likely you are to convert it into a deal. Opportunities that linger in your Pipeline are often less likely to convert, so you should regularly track opportunity age and compare it to your average Sales Cycle for Won and Lost Deals.

3. Win Rate (Probability of Winning Your Opportunity)

How many opportunities does it take you to generate a deal? This inverse of this ratio (Opps : Deal) is your Win Rate, and it tells you a lot about how likely you are to convert a given opportunity.

#4: Beware the 5 Pipeline Killers

Once you start paying attention to the 3 metrics listed above, you'll start to notice that some of the opportunities in your Pipeline are outliers, which can clog your Pipeline. To maintain Pipeline integrity, you should remove these outliers from your Pipeline.

But how do you know which to purge? Watch out for these 5 signs of Pipeline Killers:

1. **Age in Stage** – Stalled deals convert at much lower rates than quickly progressing ones. Look for opportunities in your Pipeline that have **stayed in the same stage** for as long as your average Lost Deal and flag them as at-risk.

2. **Non-Linear Stage Leaps** – The beauty of the Sales Pipeline is that it matches up so well with the buyer's journey. Therefore, if **an opportunity goes through the Pipeline haphazardly** without a linear progression, it usually means that that opportunity is less likely to convert.

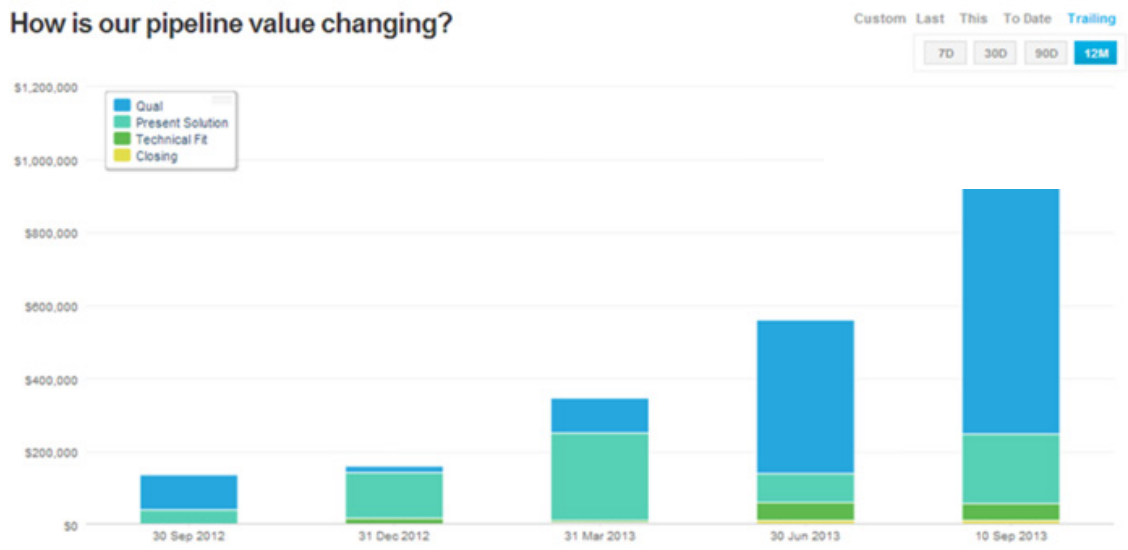
3. **Opportunity Size** – An opportunity's size dictates a lot about how it will act and how likely your reps are to convert it. Inspect the opportunities in your Pipeline and flag any opportunities that are more than **3x your average deal size**.

4. **Deal Size Changes** – If an **opportunity's expected value changes 3 times** or more, it is less likely to convert and should be flagged.

5. **Time Slippage** – Does one of your opportunities keep having **its close date pushed back**? If so, it is probably less likely to close at all. Flag it.

#5: Understand Historical Pipeline Trends

You need to understand your Pipeline history in order to put your current Pipeline in the proper context. So instead of simply taking a snapshot of your current Pipeline, look at how it has changed over time. Is it bigger than it was last quarter or year? Is it growing equally across all stages or are you predominantly filling it with early-stage opportunities (as shown in the figure below)? Is it growing commensurately with your growth goals? Also, you should remember that the size of your Pipeline can be measured in two ways – by $ value or by # of opportunities – and you should track both to obtain the most accurate understanding of where your Pipeline stands now and how it has changed over time.



#6: Assess Your Opportunities Early to Achieve a Narrow Sales Funnel

A bigger Pipeline is not necessarily a better Pipeline. In fact, it is more important to ensure that your Pipeline is filled with the right kind of opportunities than it is to simply have a large volume of opportunities. How can you accomplish this? By paying more attention to early-stage opportunities than to late-stage opportunities. As a Sales Manager, you have much more impact at the top of the funnel than you do at the bottom, so you should regularly talk to your reps about the opportunities that have just entered their pipelines. Skipping this step will result in a bloated and unpredictable Pipeline that is likely to hurt your Win Rate and jeopardize your credibility.

How can you give your Pipeline a narrower shape? By more stringently qualifying the opportunities at the top of your Sales Funnel. Instead of letting unlikely-to-convert opportunities progress down the funnel (and soak up your reps' time), you should exclude bad opportunities early and keep only strong opportunities in the bottom half of your funnel. This will help you create a Sales Funnel that doesn't vary much between the middle and the bottom, like the Funnel represented in the figure on the right.

#7: Regularly Purge Your Pipeline

Unless you regularly prune your Pipeline, it will become bogged down with unlikely-to-convert opportunities. As we mentioned in the entry above, **a smaller Pipeline filled with consistent, high-quality opportunities is better** than one stuffed with low-probability ones. Keep close tabs on your Pipeline and don't be shy about eliminating low-quality opportunities.

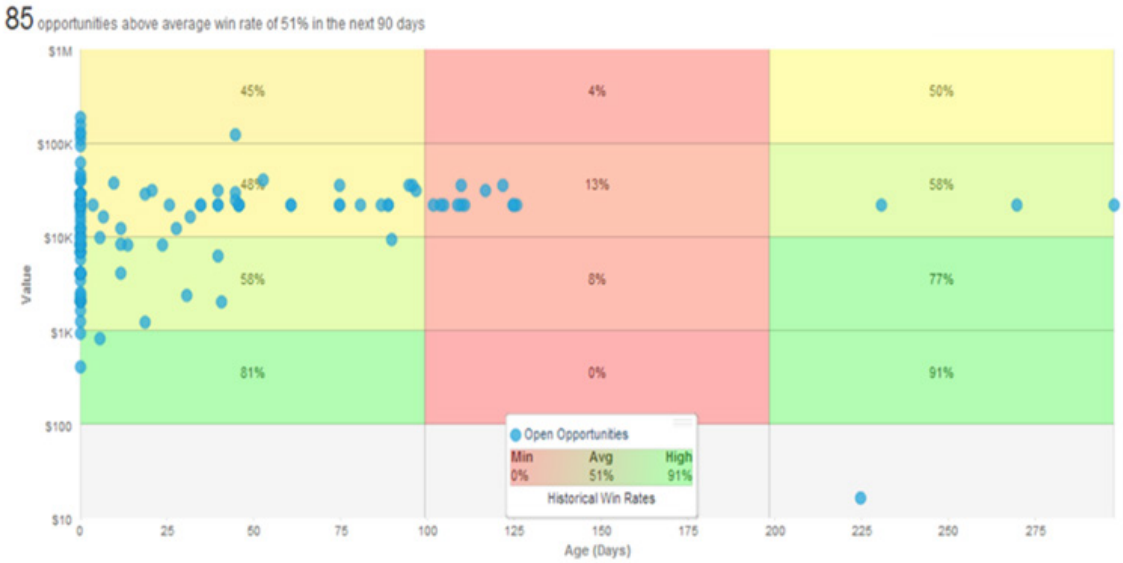
What are the consequences of failing to regularly purge your Pipeline? **It will skew your Won/Lost analysis** and impair your forecasting ability. Unless you are careful about closing opportunities, you will be left with a large number of open opportunities (most of which should really be Closed-Lost) and an unwieldy and unreliable Pipeline. Keep your data clean by being fastidious about properly closing out unlikely-to-convert opportunities.

#8: Find Your Strike Zone

Once you start regularly purging your Pipeline, you'll come across an obvious question: How do you know which opportunities to eliminate? The answer is to look closely at your "Strike Zone." Just as every baseball player knows which pitches he personally has the best chance of hitting, every company should know which types of opportunities it is more likely to convert into customers.

Which metrics should you use to determine your strike zone? We recommend that you look at every opportunity's size and age. Opportunities significantly older or larger than the deals you typically win should be flagged as at-risk, as they are most likely outside of your strike zone.

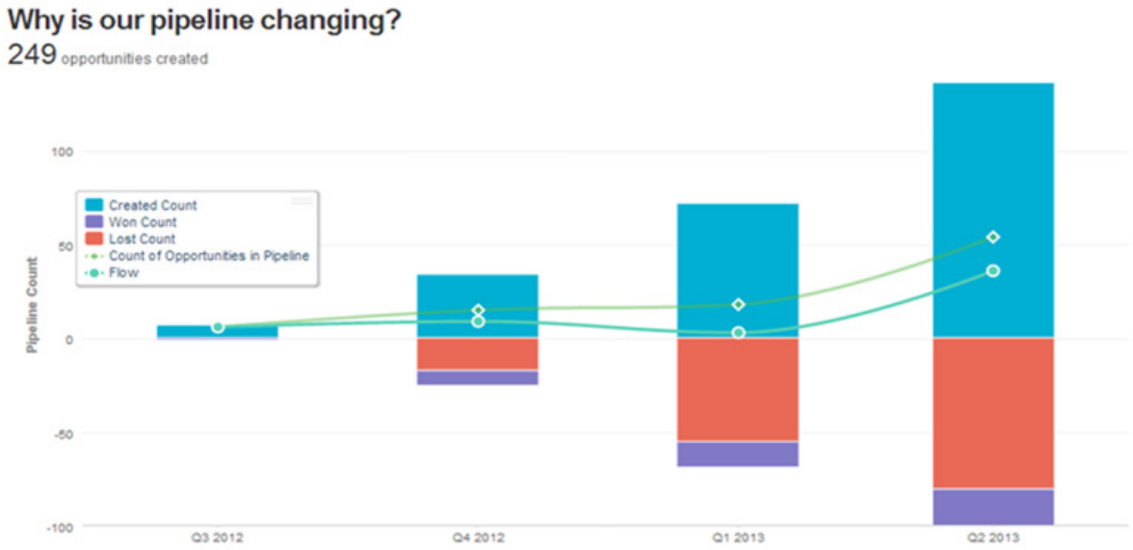
In the image above, for example, you can see that the company shown has a much more



difficult time closing deals that are more than 100 days old and expected to be worth more than $100,000. Knowing this can help the company in question focus on the right opportunities.

#9: Understand Your Pipeline Flow

It's not enough to simply add new opportunities to your Pipeline – you must add enough to replace the opportunities that have flowed out as Won and Lost Deals. This is your Pipeline flow. Every month, your Pipeline loses a certain percentage of its open opportunities as either Closed-Won or Closed-Lost. To prevent your Pipeline from shrinking, you need to create more new open opportunities than you lost, which means carefully tracking your Pipeline's flow over time and increasing your Pipeline commensurately.

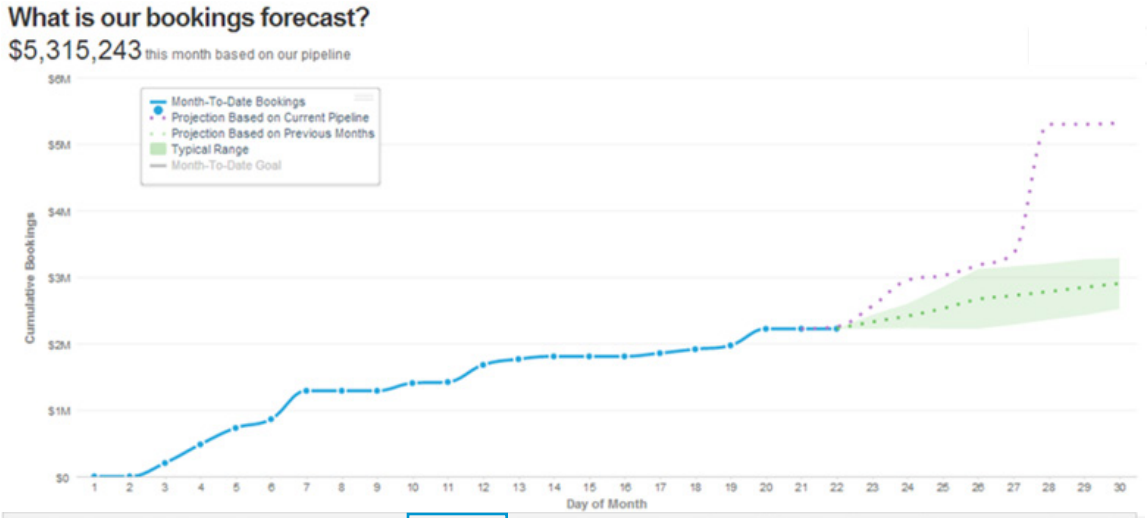


Looking at newly created opportunities (the blue section in the image above) is not enough – you must also compare your created to your closed count (both Won and Lost) to determine how many net opportunities you have added. This is represented by the turquoise line labeled "Flow" in the image above.

#10: Forecast by Pipeline Stages

If you want to use your Pipeline to help you make accurate bookings forecasts, you need to synchronize them. The trick is to correctly define your Pipeline stages and use them to help you predict the likelihood of a deal closing. If an opportunity makes it to a certain Pipeline stage – and you know that opportunities that make it that far have a certain likelihood of turning into deals – you can evaluate the likelihood of that opportunity ultimately converting.

However, forecasting is much more accurate if you define stages from the buyer's point of view instead of your sales reps'. So, instead of solely relying on outdated and subjective forecast stages like "Commit" and "Strong Upside," you should incorporate objective forecast stages that correlate more directly with Win Rate. With this information, you can accurately weight open opportunities by their likelihood of closing based on historic conversion rates for the stage they're in. In other words, your forecast is equal to the value of opportunities multiplied by their stage-specific probability of closing.



Close Date	Opportunity	Owner	Stage	Age	Total Value	Personal Win Rate	Company Win Rate	Forecast Contribution
24 Apr 2013	Opportunity #10259	Russ Tamblyn	Stage Demo	3	$56,252	88%	57%	$49,221
28 Apr 2013	Opportunity #8050	Russ Tamblyn	Stage Demo	211	$35,334	88%	57%	$30,918
28 Apr 2013	Opportunity #8542	Russ Tamblyn	Stage Demo	215	$21,823	88%	57%	$19,096
28 Apr 2013	Opportunity #3981	John Houseman	Stage Trial	99	$37,412	85%	76%	$31,719
28 Apr 2013	Opportunity #6729	John Houseman	Stage Trial	73	$124,705	85%	76%	$105,728
23 Apr 2013	Opportunity #5191	John Houseman	Stage Trial	29	$187,058	85%	76%	$158,593
24 Apr 2013	Opportunity #10281	John Houseman	Stage Trial	2	$47,171	85%	76%	$39,993
26 Apr 2013	Opportunity #1578	John Houseman	Stage Trial	8	$124,705	85%	76%	$105,728
28 Apr 2013	Opportunity #796	John Houseman	Stage Trial	72	$155,882	85%	76%	$132,161
26 Apr 2013	Opportunity #8872	Lynn Redgrave	Stage Trial	22	$6,235	82%	76%	$5,129
26 Apr 2013	Opportunity #1601	Lynn Redgrave	Stage Trial	22	$4,988	82%	76%	$4,103

Chapter // 2

The Keys to a Healthy Pipeline

Summary

The Pipeline best practices from the first chapter should form the foundation of how you approach Pipeline management. But you can't stop there – you need to take a few small but important steps to help you **optimize your Pipeline and improve your sales process**.

That's what this chapter is all about. In it, we share with you the most essential and easily implemented tips to help you maintain a healthy Pipeline:

- Why it's important to analyze your Pipeline by rep
- How to compare Won and Lost deals
- What the limitations of Pipeline coverage are

Design Your Sales Process for Effective Pipeline Management

Your Sales process is all the steps your reps must take to sell your product, and as we've discussed, it should be mapped to the steps your buyers take to buy from you. Doing so will help you identify the actions that your reps need to perform to successfully move an opportunity from one stage to the next. Therefore, you must design and formalize your Sales process and explain it to your reps so they can identify what actions they need to perform to move an opportunity to the next stage.

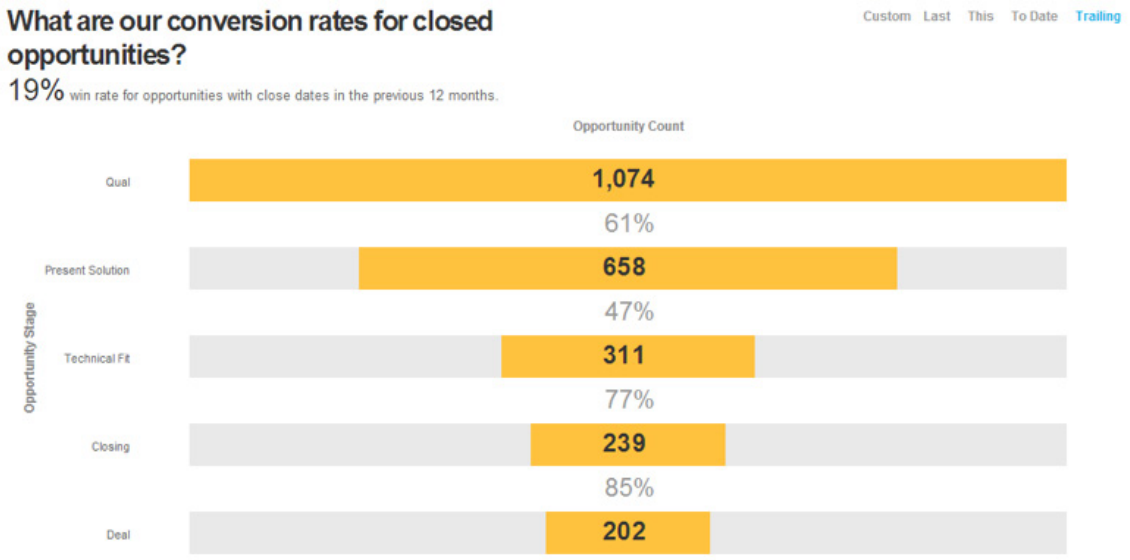
How important is this? According to CSO Insights, a formalized Sales process leads to a:

- 53% increase in forecasted deals won
- 65% increase in reps making their quotas
- 88% increase in companies hitting their bookings targets

Know Your Conversion Rates by Stage

At its core, Pipeline management is about tracking open opportunities as they move through your sales process. Therefore, if opportunities are stalling in particular stages, you must look into the problem and address it.

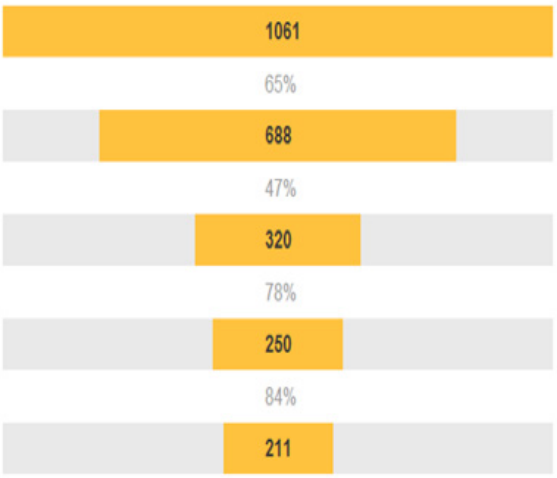
The most effective way to do this is to analyze your sales funnel by stage. Are you losing a large share of deals in the same stage? Is your Win Rate increasing or decreasing over time? Is your Win Rate affected by deal size, lead source or campaign type? Only by carefully analyzing your sales funnel can you answer these questions, and only by answering these questions can you measure, manage and refine your sales process.

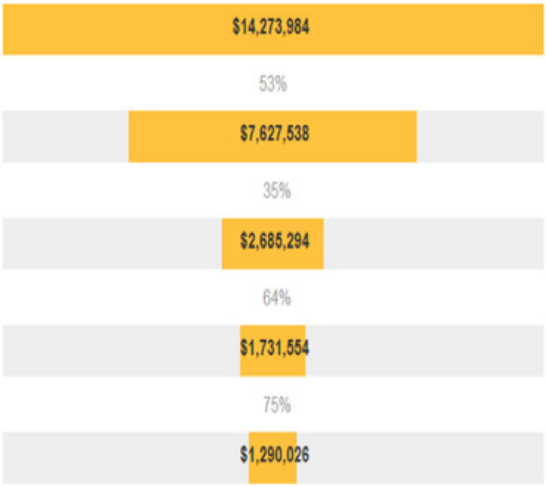


Analyzing your sales funnel by stage will help you answer important questions about your conversion rates.

Measure Pipeline by Both Count and Value

When measuring your pipeline, it is important to evaluate not just the number of opportunities in it, but also the value of these opportunities. Both of these metrics are important for assessing the health of your pipeline, so a picture that doesn't take both metrics into account is incomplete.



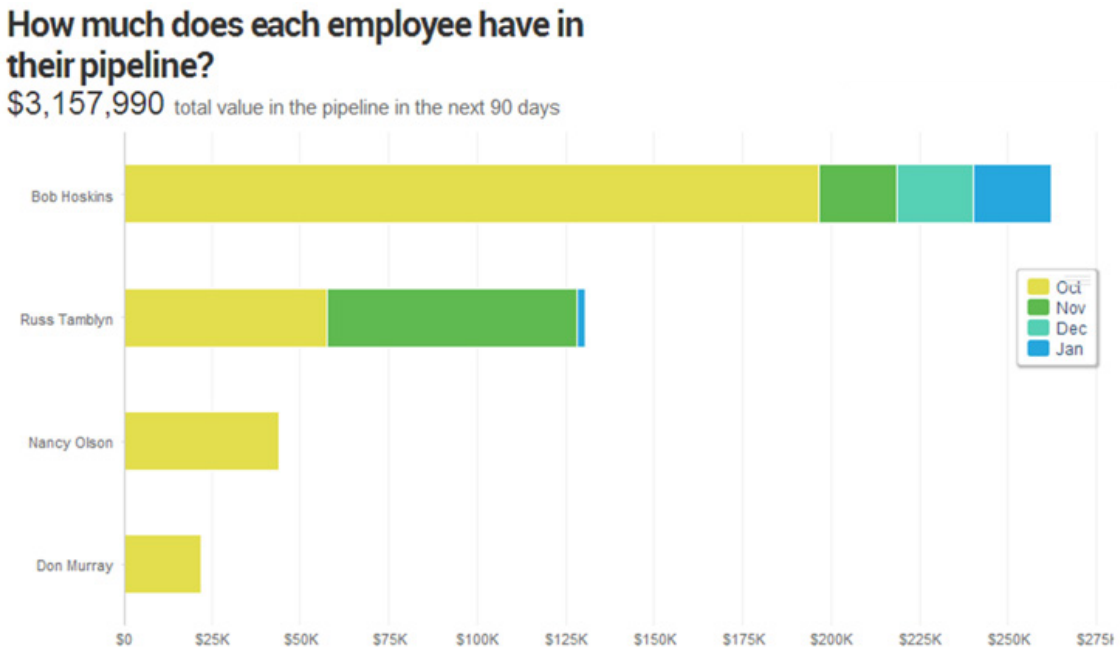


Believe it or not, the two images above correspond to the same company's Pipeline. The difference in their shape is a factor of how the Pipeline is measured. The figure on the right shows the Pipeline by count while the figure on the right represents the Pipeline's monetary value. As you can see, the funnel shown on the right tapers off considerably at the bottom, indicating that some of the larger opportunities are falling out earlier in the process, which is an important piece of information for the company to know. Analyzing your Pipeline by only one metric (count or value) will not give you a full picture.

Measure Pipeline by Individual Rep

Sometimes you need a more detailed understanding of your Pipeline to best manage it. One of the most effective ways to achieve this granularity is by analyzing your Pipeline not just in aggregate, but also by individual rep. Are your reps working a relatively similar number of opportunities? Does one rep have a large number of opportunities set to close in the current selling period while another has only early-stage opportunities? Regularly analyzing your reps' individual Pipelines will help you answer these questions and ensure that **your Pipeline is not just healthy on a team level, but also in terms of your individual reps**.

Measuring your Pipeline by individual rep will also help you ensure that your reps have enough opportunities in their Pipeline to hit their targets. To do this, you should work backwards to figure out exactly how much Pipeline (based on their individual Win Rates and Average Sales Price) they need to meet their bookings goals.

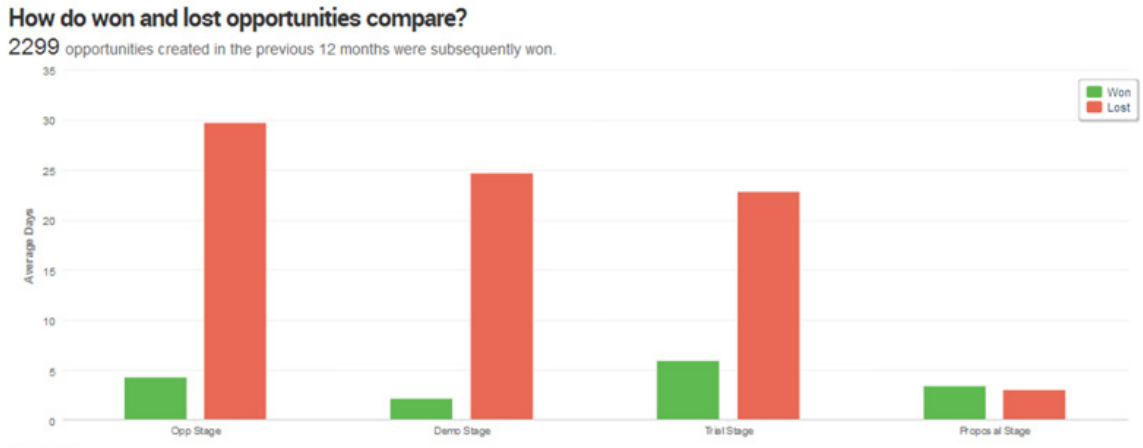


Analyzing your Pipeline by individual rep helps you ensure that all of your reps have enough opportunities in their Pipeline to hit their targets.

Compare Won and Lost Opportunities

Time kills all deals. Knowing this, you should regularly check to ensure that open opportunities aren't falling too far outside your normal age range for Won Deals. And to do this, you must compare your Won Deals to your Lost Deals by Sales Cycle. Opportunities that ultimately convert into Won Deals and those that end up Closed-Lost tend to act very differently in your Pipeline, and retroactively analyzing the behavior of both will help you predict the outcomes of open opportunities.

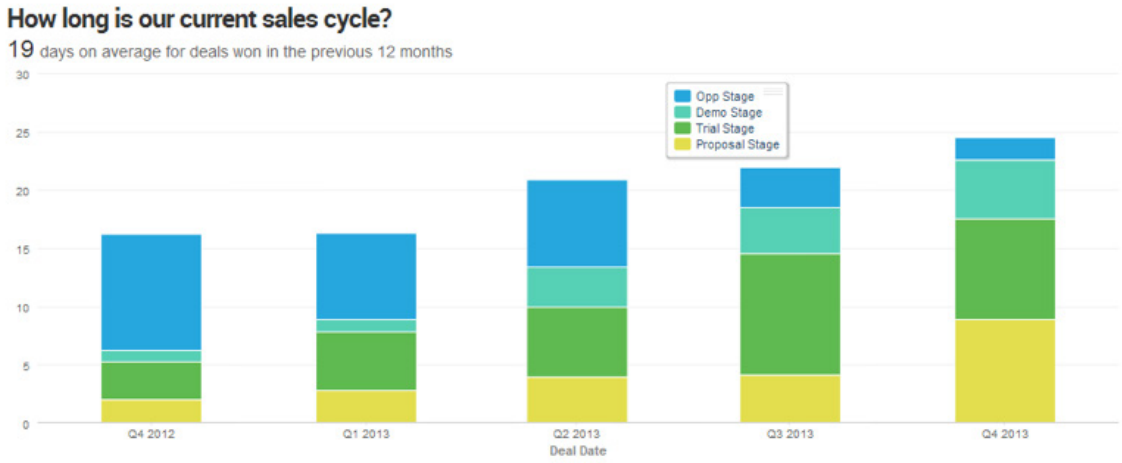
For example, as the image below demonstrates, **winning opportunities typically travel through the Pipeline much more smoothly and quickly than eventual losers**.



Tracking age in stage for Won and Lost opportunities, is a great way to evaluate the open opportunities in your Pipeline and their likelihood of eventually converting into deals. Has an opportunity lingered in the same stage for much longer (6x, say) than the average Won Deal? If so, you should have your rep perform an activity on that opportunity in an effort to either push it to the next stage or purge it from the Pipeline.

Study Your Average Sales Cycle

A lengthy (or increasing) sales cycle is often a byproduct of an unhealthy sales process. Regularly measure your sales cycle to ensure that you are closing opportunities in as timely a fashion as possible and that no single stage is holding up most deals. Breaking down your analysis by stage can help you quickly identify these problematic stages so that you can coach your reps to improve their ability to move opportunities past sticky points.

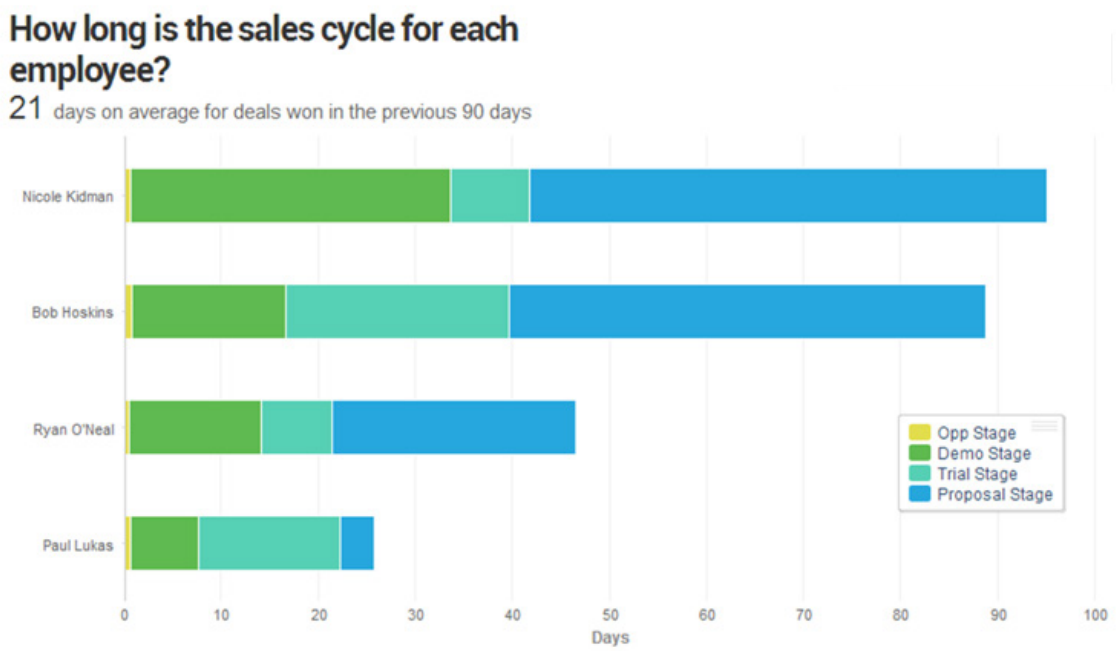


In the figure above, for example, you can see that the company shown is taking longer and longer to close deals. What's accounting for this change? Which stages are lengthening the most? And, most importantly, what can you do to shorten your sales cycle?

Study Your Average Sales Cycle by Rep

You shouldn't only look at your average sales cycle in aggregate, though; you should also analyze it by employee. This can give you a much more detailed look at why your sales cycle is changing and what you can do to correct the problem. Is one of your reps closing deals appreciably faster than others? Learn what this rep is doing and use this information to coach your other reps to achieve similarly speedy sales cycles.

In the figure below, for example, you can see that Nicole Kidman typically spends a lot longer in the demo stage than Paul Lukas. What is Paul Lukas doing to quickly move opportunities past the demo stage?



Prioritize High-Probability Pipeline

Because your reps don't have an infinite amount of time to work deals, you must prioritize their Pipelines to ensure that you're giving your team the best shot of hitting its goals. How can you do this? By analyzing your Pipeline and highlighting the opportunities with the highest probability of becoming Won Deals. As we discussed in the first chapter, this involves knowing your "Strike Zone" and understanding which characteristics help you identify the opportunities that are most likely to convert.

To do this, look at the following 4 criteria:

1. **Positive momentum** – Opportunities that have stalled in their progression down the Funnel are less likely to convert into Won-Deals, and a rep who owns a stalled opportunity should either perform an action on it or cut his losses and move it to Closed-Lost.

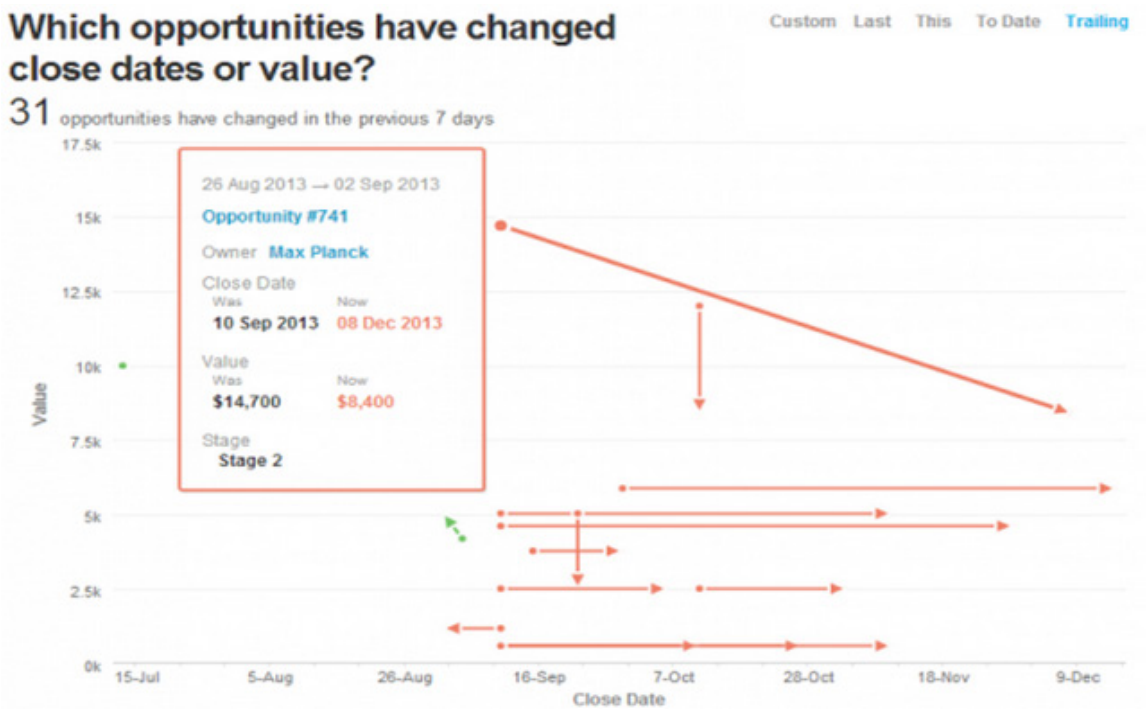
2. **Deal size**—Large opportunities behave differently than smaller ones (they usually progress through the Funnel more slowly and convert into Deals less frequently), so you should think carefully about which large deals you want your reps to prioritize.

3. **Sales Cycle** – Opportunities that have lingered in your Pipeline for significantly longer than your average Won Deal are less likely to convert, so you may want to discourage your reps from investing too much time into working them.

4. **Engagement** – Most Won Deals require a fair amount of attention from the reps working them, so opportunities that haven't been engaged with as much are typically less likely to covert.

Monitor Opportunity Changes

Maintaining a healthy Pipeline means having an accurate and up-to-the-minute picture of it – and to achieve this, you must closely monitor any changes to open opportunities, especially for deals past Stage 2. If an opportunity has its expected value or close date changed multiple times, it may be less likely to convert. Check in with your reps regularly to see how the opportunities in their Pipelines are changing. A weekly Pipeline Review meeting (covered more fully in the next chapter) is the perfect time to do this.



The figure above shows the changes to opportunities over a certain time period. Decreases to expected value and close-date postponements are typically viewed as warning signs that a given opportunity may not convert. They are shown in red in the figure above.

Understand the Limitations of Pipeline Coverage

Many Sales Managers subscribe to the shopworn belief that your Pipeline should be 3x as big (in terms of value) as your revenue quota, but this is imprecise and overly general. In reality, your **Pipeline coverage ratio depends on your individual reps' Win Rates** and the quality and current stage of open opportunities. Instead of simply making your Pipeline 3x your quota, you should focus on maintaining Pipeline integrity and honing your sales process.

In fact, there are **5 major limitations of the Pipeline Coverage Ratio**:

1. **It's close-date agnostic**. Even if you add 100 new opportunities to your Pipeline, you won't be able to close them immediately, so you need to adjust your coverage based on the close date for these opportunities, not just their presence in the Pipeline.

2**. It's stage agnostic**. In the eyes of the Pipeline Coverage Ratio, all opportunities have the same likelihood of closing. Of course, this isn't the case – early-stage opportunities are significantly less likely to close than their late-stage counterparts. Your Pipeline coverage should account for this, but a rigid 3x coverage ratio does not.

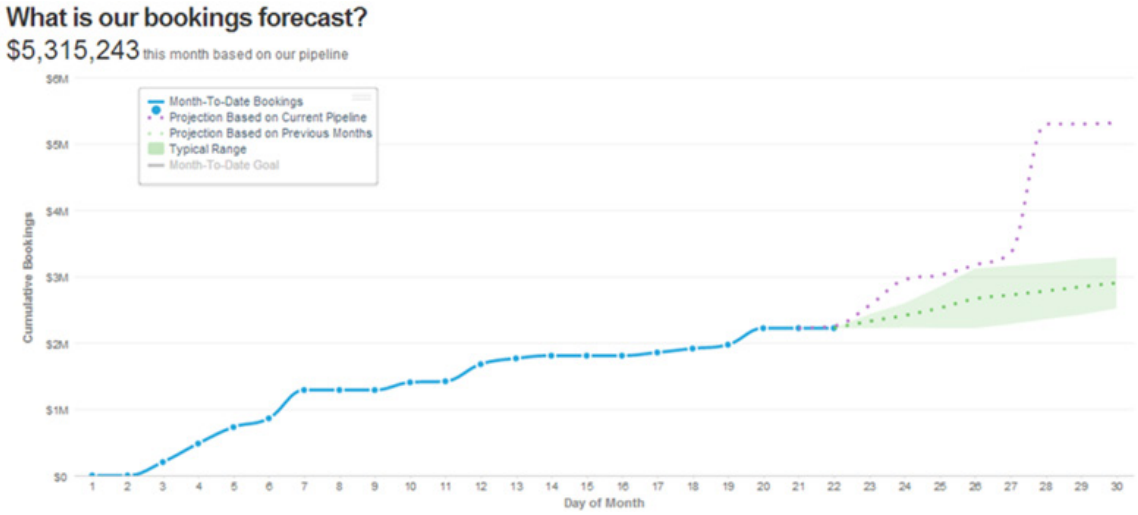
3. **It's deal-size agnostic.** Very large deals are different from small deals – they can skew your Pipeline value up and they typically convert at a lower rate – but the Pipeline Coverage Ratio treats all sizes of opportunities the same.

4. **It's dependent on your sales process.** Do you close deals when timing is an issue? Do you cohort your Pipeline by opportunity size? The answers to these questions affect the amount of coverage you need but are not considered for a 3x Pipeline Ratio.

5. **It's an unreliable forecast.** Many Sales Managers use Pipeline Coverage Ratio as a proxy for forecasting, but the truth is that it is inaccurate and lazy. Your forecast should be metrics-driven and take into account the specific opportunities in your Pipeline and the specific reps working them.

Make Your Bookings Forecast Metrics-Driven

The last entry told you to make base your forecast firmly in metrics – but how can you do this? One effective way is to multiply the $ value of all opportunities in each stage by the historical, rep-specific conversion rate from that stage to Closed-Won. No forecasting model is perfect, but we have found that this provides a reliable figure and a simple way to understand the flow of your sales process.



In the image above, the metrics-driven bookings forecast is represented by the purple dotted line. As opposed to the green dotted line (which represents the historical projection), the purple line takes into account the specific opportunities in the Pipeline (and their respective current stages) and the Win Rate for the reps who own them, and predicts a more successful month than the one predicted using just the outcomes of previous months.

Grow Your Pipeline

For all this talk about emphasizing Pipeline integrity over Pipeline volume, you still shouldn't overlook the importance of having a growing Pipeline. There are many moving parts of this process, but here are 3 simple steps to help you grow your Pipeline.

1. **Look for root causes** – Are you targeting the right prospects? Are your reps working new leads quickly enough? Identifying overarching trends will help you focus on the right methods to quickly and reliably grow your Pipeline over time.

2. **Increase activities** – Sales is a function of activities, so if you want to increase sales, you need to increase the number of activities your reps perform. However, it's not only about increasing the sheer number of activities – it's about performing more of the right activities and increasing activity efficiency ratios.

3. **Get help from other departments** – If you want to add more opportunities to your Pipeline, you need to increase your lead flow, which means getting help from other departments like **Partner, Channel** and especially **Marketing**. In terms of Marketing, identify the lead sources that have the highest conversion rates and fuel them. Identify the campaigns that have been the most successful and re-launch them. Finally, go after Closed-Lost opportunities and make a renewed effort to convert them.

Chapter // 3

How to Hold the Perfect Pipeline Review Meeting

Why it's Important to Separate Pipeline and Forecast Meetings

In the best practices chapter, we discussed why you should keep your Pipeline Management Meetings and Forecasting Review Meetings separate. It is also important to know what purposes these meetings serve, how you should conduct them, and exactly how they differ.

Here is a simple chart to help you plan and execute these two critical meetings.

#1 Salesforce Analytics

Pipeline Management vs. Forecasting Review

Bi-Monthly Pipeline Review Meeting	Weekly 1:1 Sales Forecasting Meeting
• **When:** Every 2 weeks - in the first few days of the month and one mid-month.	• **When:** Weekly, typically each Monday morning.
• **Who:** Sales Manager, Sales Development Reps, Inside Sales Reps.	• **Who:** Sales Manager, VP of Sales, Inside Sales Reps.
• **What:** Review the top of the sales funnel or early stage pipeline for the future selling period.	• **What:** Deal inspection of middle to bottom of the sales funnel - later stage deals far along in the pipeline.
• **Why:** To ensure the sales reps have sufficient early stage pipeline to achieve sales goals in the next month or quarter.	• **Why:** To accurately assess the present reporting period and coach reps to close forecasted deals and to purge stagnant pipeline.

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Another way to distinguish between Pipeline Management and Forecasting Review meetings is by the questions you ask at each. Forecasting meetings should focus on questions like “When is this deal expected to close?” and “What is the likelihood of this opportunity converting?” Pipeline Management meetings, on the other hand, should emphasize questions such as “Are you adding enough new opportunities?” and “Are opportunities progressing through the Pipeline as you expected?”

The Who, What, When and Why of the Pipeline Review Meeting

The Pipeline review meeting is one of the cornerstones of sales management, but many sales managers don't really know how or when to run one. Here are the Who, What, When and Why of the Pipeline review meeting:

- **Who:** Sales Manager and either a Sales Development Reps, or an Inside Sales Rep.
- **When:** Every two weeks – once in the first few days of the month and one mid-month.
- **What:** Review the top of the sales funnel or early-stage pipeline for the upcoming selling period.
- **Why:** To ensure your sales reps have enough early-stage opportunities to achieve sales goals in the next month or quarter.

Within this framework, there is plenty of room for individual differences that will allow you to tailor your Pipeline review schedule to your own context. For example, a two-week cadence is appropriate for established reps, but sales managers often meet more regularly with inexperienced reps to both maximize coaching opportunities and closely monitor their reps' opportunity input.

The Two Goals of the Pipeline Review Meeting

In the last section, we explained that Pipeline reviews ensure that reps have enough Pipeline to hit their goals. While that's true, it only scratches the surface of what Pipeline review meetings can accomplish. In fact, these meetings have two other major objectives for the Sales Manager:

1. **To inform them about the opportunities in each rep's Pipeline**. Excellent Sales Managers are intimately aware of their reps' Pipelines, and this means understanding every new opportunity that enters, not just the Pipeline's overall size.

And it also means knowing about all changes to opportunities. Did a rep push the close date of an opportunity back? Did he adjust the expected deal size for one? Detail-oriented Sales Managers will bring these changes up in a Pipeline review meeting and discuss them in detail with his reps.

2. **To provide coaching opportunities to their reps**. These one-on-one meetings are the perfect opportunity for managers to coach their reps. Did they enter the opportunities properly? Are they falling victim to "happy ears" and overly optimistic about certain opportunities? Pipeline management is a task that reps play a large role in, so managers would do well to educate them on the proper way to handle it.

How to Incorporate Coaching into Your Pipeline Reviews

Too often, Sales Managers use Pipeline Reviews to run through the play-by-play of a rep's weeks and activities. “What happened this week? Why didn't this deal close? What activities did you perform on this opportunity?" This line of questioning isn't necessarily a bad thing – it just isn't enough for a Pipeline Review meeting. Above all else, Sales Managers should be coaches, and these meetings are the perfect venue for coaching their reps.

How can you incorporate coaching into these meetings? Ask your reps not about the activities they've performed on their opportunities, but about how they plan to manage their Pipelines going forward. “Okay, so these are the 3 opportunities you expect to close in the next week. What are you going to do with the other 22 in your Pipeline? Should any of them be kicked back to Marketing for more nurturing? Are you having trouble closing one of them?" This dialogue will not only help you better understand your reps' Pipelines (which will improve your forecasting), but also find areas where they are struggling and coach them through.

Use Pipeline Reviews to Analyze Early-Stage Opportunities

Many sales managers use Pipeline review meetings to look at a rep's soon-to-close opportunities, but this is exactly the wrong approach. Managers have little control over late-stage opportunities – their fates are pretty much already sealed. In other words, **a manager's ability to affect the outcome of opportunities declines over tim**e.

Instead, sales managers should use these meetings to dive deeply into early-stage opportunities. Where did they come from? Were the entered into the system properly? When does the rep expect them to close? Used in this way, Pipeline review meetings are one of the most effective ways for sales managers to understand their reps' Pipelines and adjust their strategies to hit their number.

As HubSpot's Mark Roberge says, "I think one of the mistakes a lot of managers make is focusing on opportunities that are already deep in the funnel. Your influence over that is so small. You should always focus on the early-stage opportunities."

Conclusion

The way your reps manage their open opportunities plays a huge role in the overall success of your sales team. And in order to help them more effectively and and efficiently do this, you must have a deep understanding of how the Pipeline functions in your specific context. Where is your team losing the largest share of its opportunities? How many opportunities is each of your reps juggling? Is your Pipeline growing fast enough to replace closed opportunities? How does your Pipeline relate to accurate forecasting?

These aren't necessarily easy questions to answer -- they require an in-depth understanding of your Pipeline and a nuanced knowledge of your sales process. By reading this eBook, you should have learned the fundamentals of managing and measuring your Pipeline -- the essential metrics, industry best practices, and cutting-edge thought leadership.

But now what? Now that you know how to stay in control of your Pipeline, what can you do to achieve even greater Sales success? You should be able to use the information compiled in this eBook to further refine and perfect your sales process. A thorough understanding of your Pipeline helps you move past the basics of sales management and on to advanced sales leadership tactics like data-driven forecasting and metrics-backed sales coaching. Pipeline management is only one piece of the puzzle, but it is an essential one. And with Pipeline mastery comes the foundation you need to build a strong, agile, and data-driven sales process that will achieve results and fuel predictable growth.

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