

# Why Size Isn't Everything...

Assessing the true value of your organisation's sales pipeline

## WEBINAR FOR SALES LEADERS

Bob Apollo - Inflexion-Point Strategy Partners - 4<sup>th</sup> April 2017





# Bob Apollo

## Founder

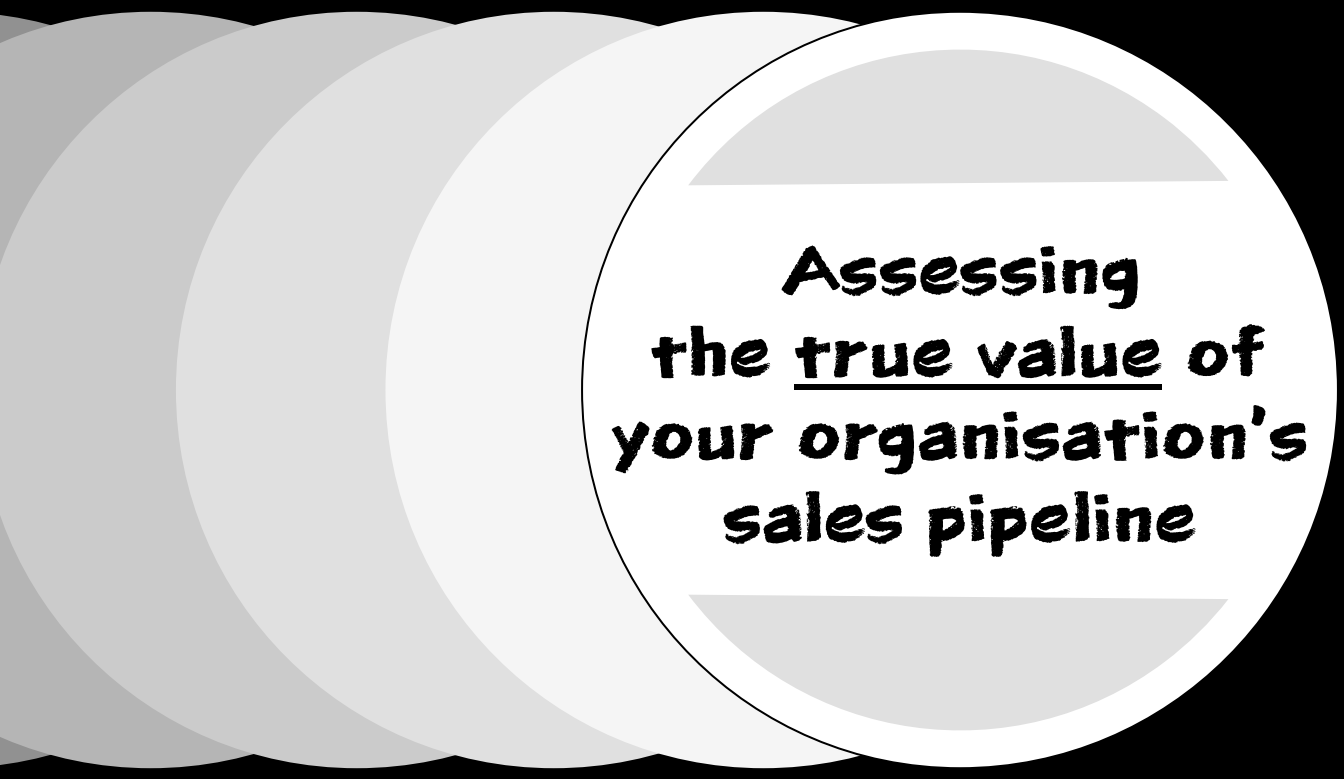
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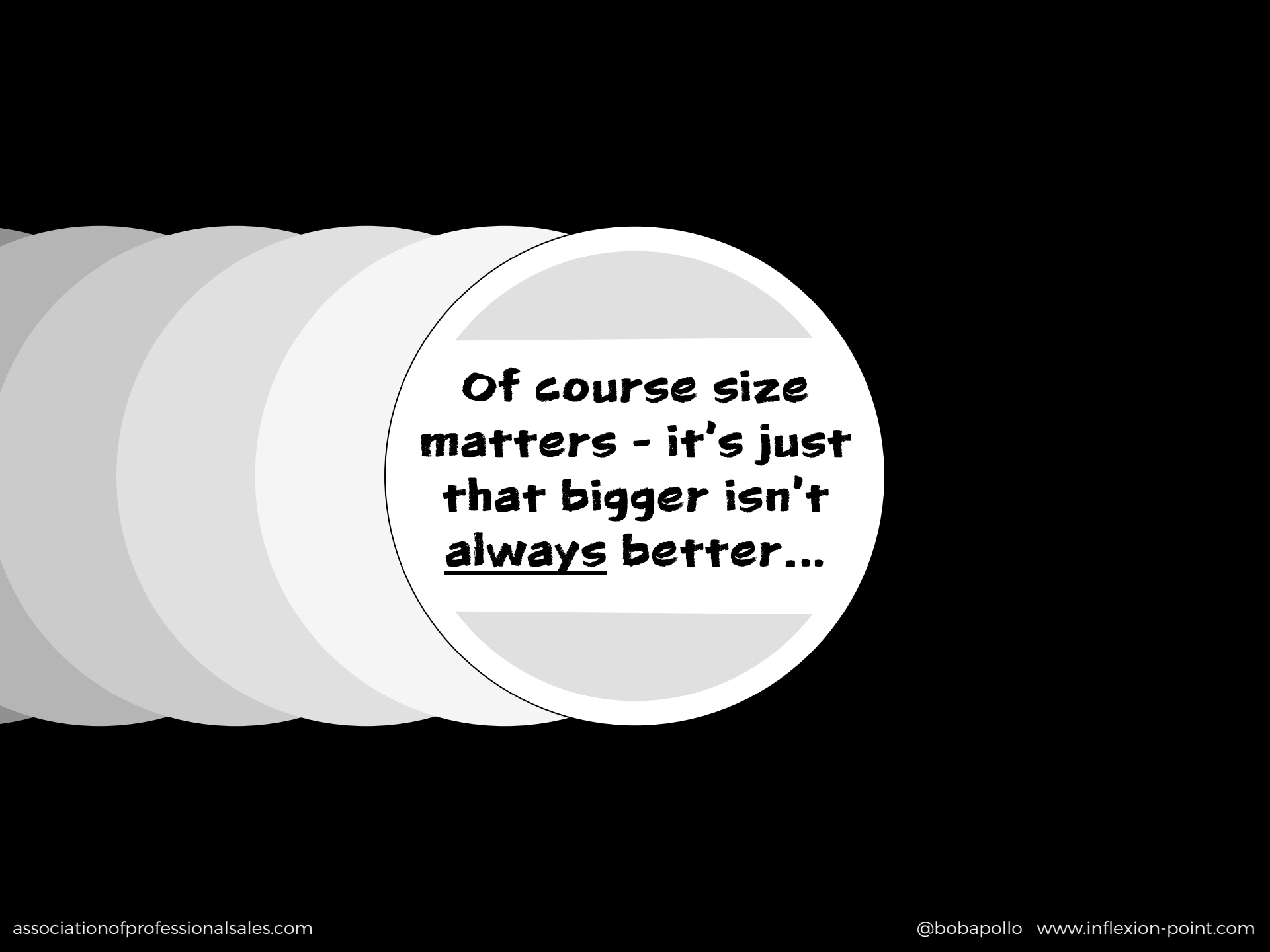


**Assessing  
the true value of  
your organisation's  
sales pipeline**

# YOUR SALES PIPELINE:



**YOUR WINDOW INTO YOUR FUTURE SALES SUCCESS...**



**Of course size  
matters - it's just  
that bigger isn't  
always better...**

# Urban Myths

- #1 Bigger Pipelines are always better
- #2 Top Salespeople have bigger pipelines
- #3 Golden Ratio = 3\* Coverage
- #4 Stage based probability

**THERE IS AN OPTIMAL PIPELINE VALUE...**

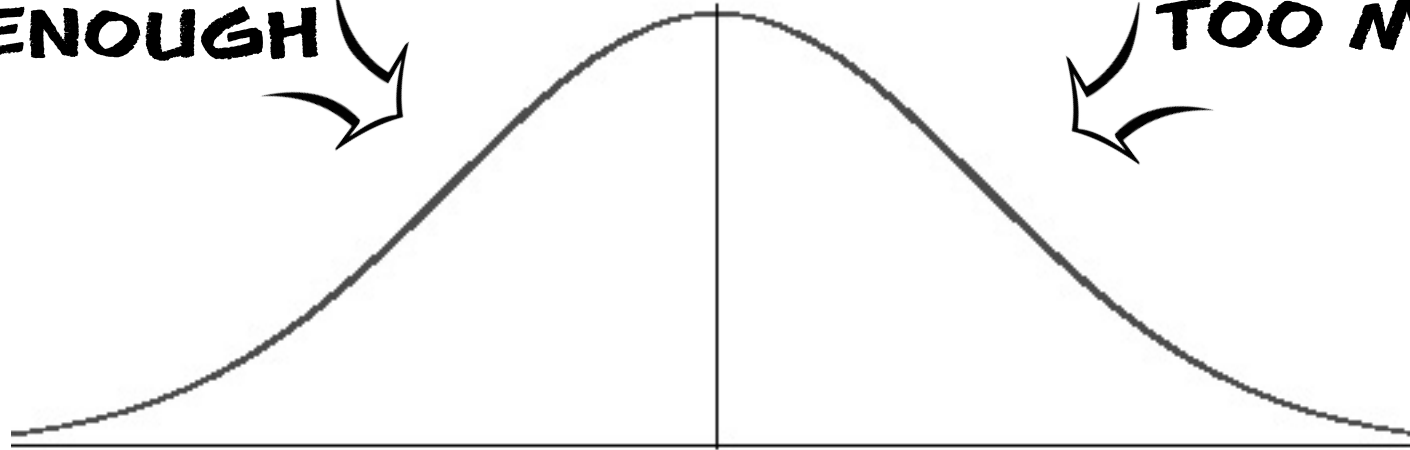
**JUST RIGHT**



**NOT ENOUGH**



**TOO MUCH**



**...IT JUST VARIES FROM ONE PIPELINE TO ANOTHER**

JUST RIGHT

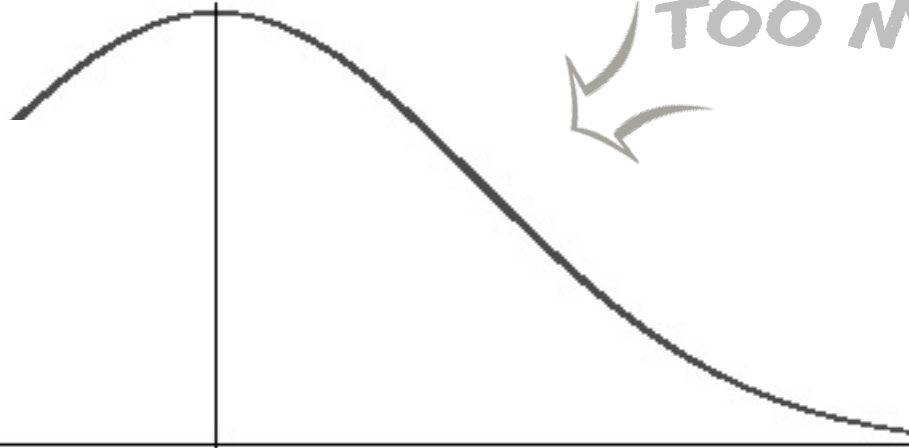


**NOT ENOUGH**



**Sales person doesn't have enough well qualified deals to work on - holds on too long to weak opportunities**

**TOO MUCH**

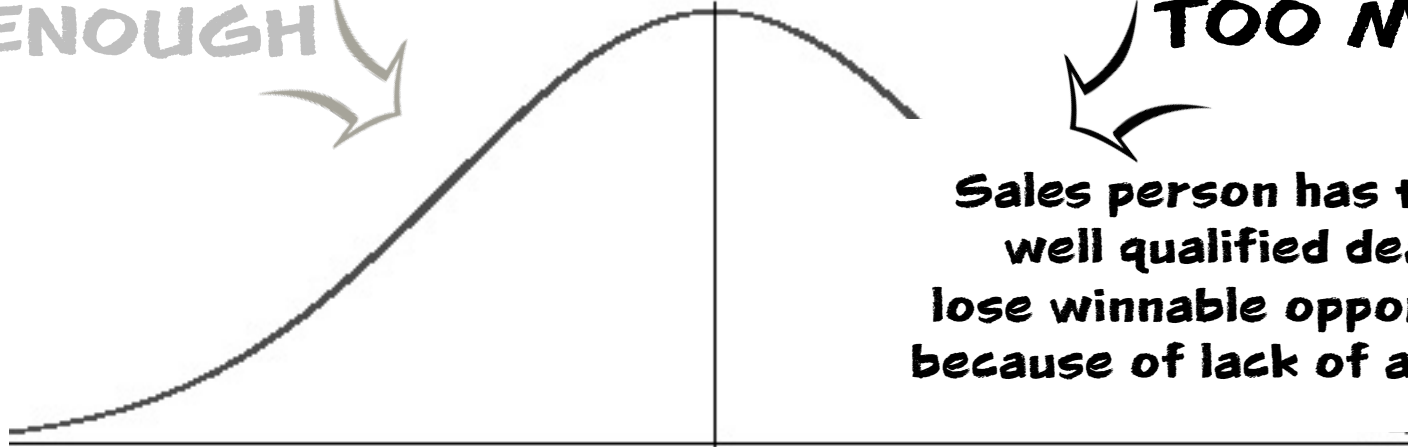




JUST RIGHT



NOT ENOUGH



**TOO MUCH**

**Sales person has too many well qualified deals - may lose winnable opportunities because of lack of attention**

# JUST RIGHT



**Sales person has enough well qualified opportunities to work on - gives each deal appropriate attention**

NOT ENOUGH

TOO MUCH



JUST RIGHT

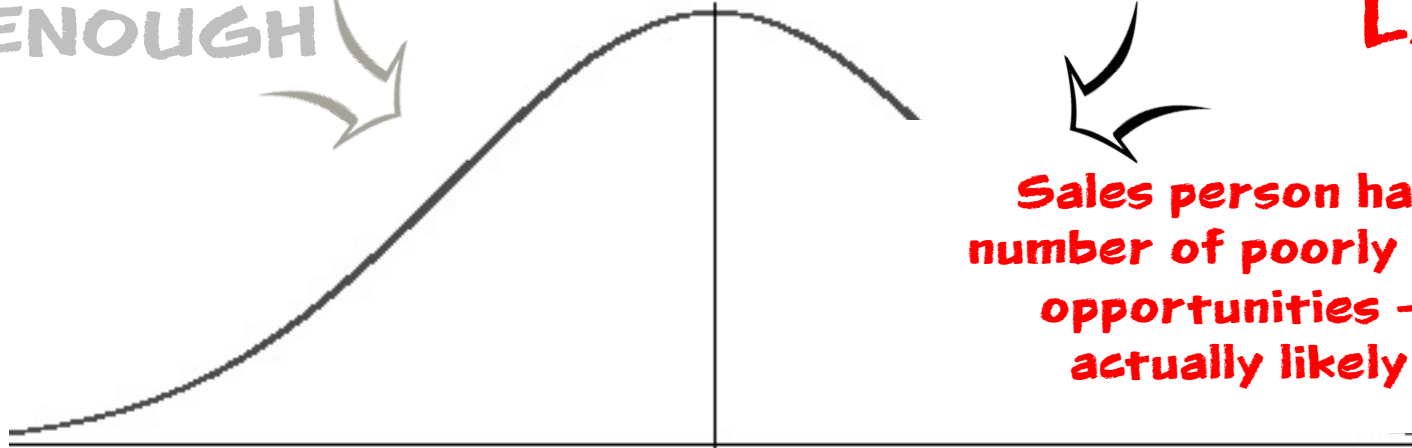


**DECEPTIVELY  
LARGE**



**Sales person has a large  
number of poorly qualified  
opportunities - few are  
actually likely to close**

NOT ENOUGH



## **EXISTING CUSTOMERS:**

**Tend to have higher win rates and more predictable sales cycles: require lower pipeline coverage targets and support larger quotas**

## **NEW BUSINESS:**

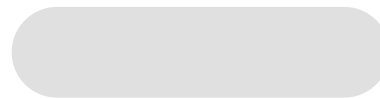
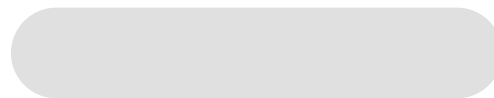
**Tend to have lower win rates and less predictable sales cycles: require higher pipeline coverage targets and support lower quotas**



### **OTHER FACTORS:**

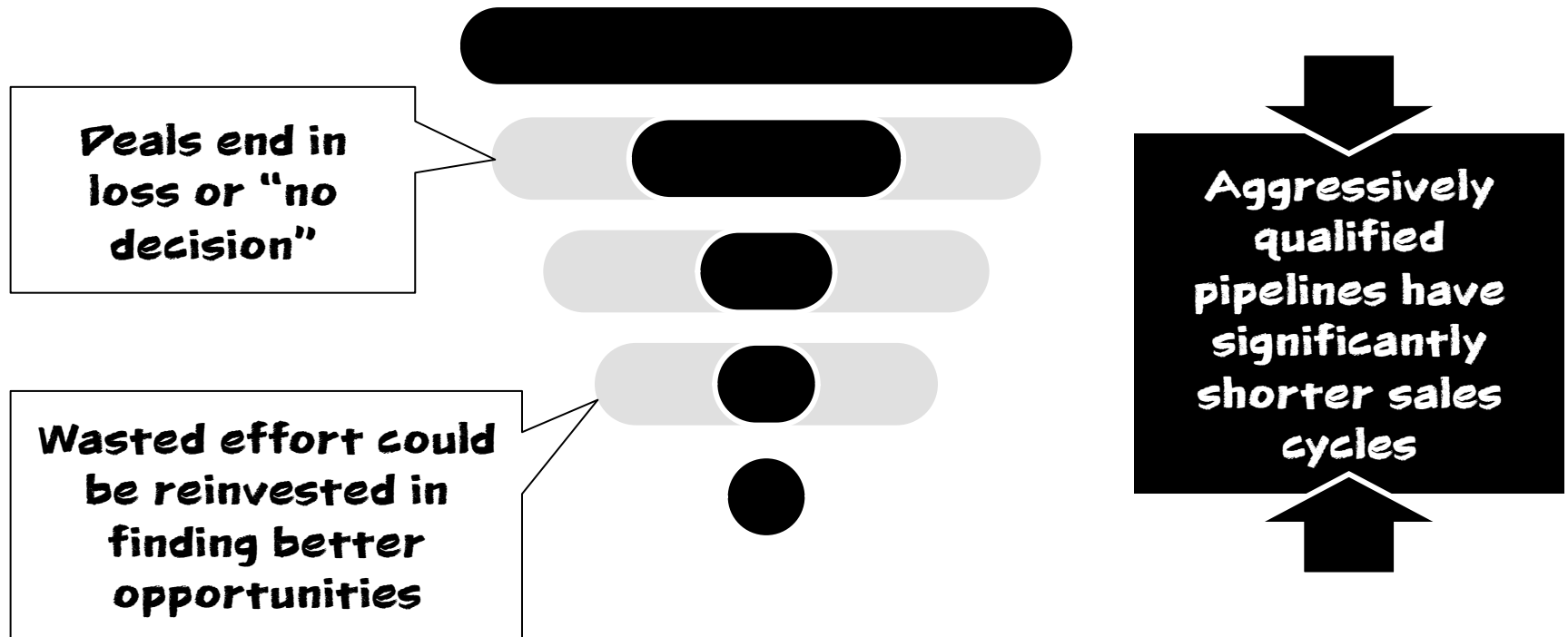
- **Product Type**
- **Transactional vs. Complex sale**
- **Transactional vs. Strategic Purchase**

# Which Pipeline Would You Rather Have?



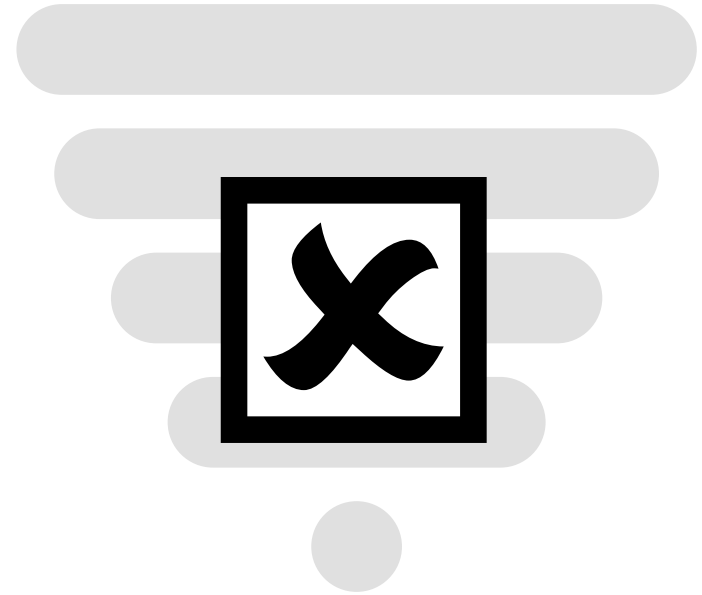
**Appears to  
have much more  
potential**

# Which Pipeline Would You Rather Have?

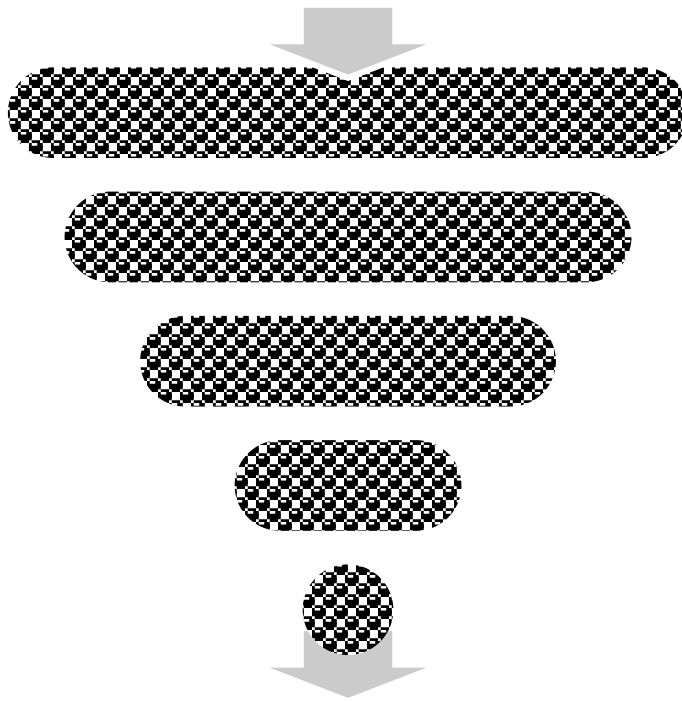


**If you're going to lose, you'd better lose early!!!**

# Which Pipeline Would You Rather Have?



# **Transactional vs. Strategic Sales Pipelines**

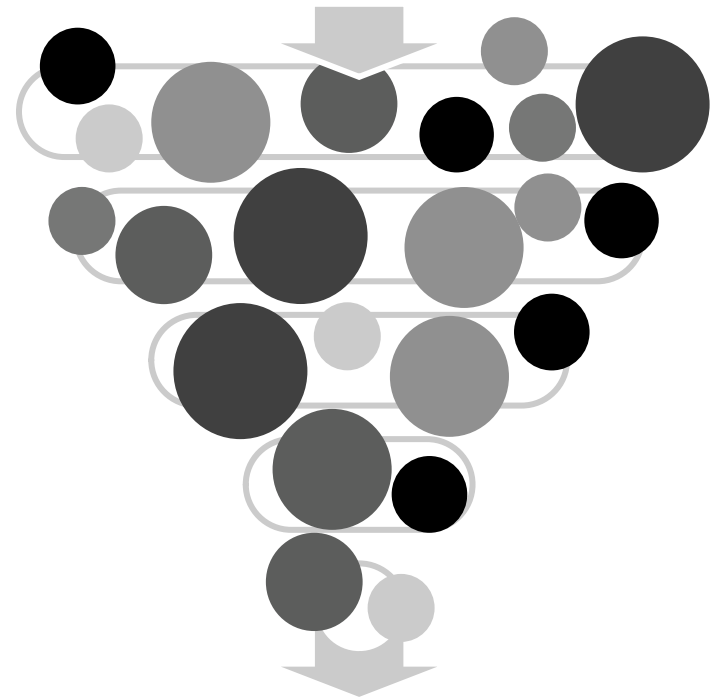


- **Relatively high-volume, low value**
- **Consistent conversion from stage to stage**
- **Statistical probabilities can be effective**
- **OK to use stage-based percentages**



# Transactional vs. **Strategic** Sales Pipelines

- **Relatively low-volume, high value deals**
- **“Outlier” opportunities more common**
- **Inconsistent conversion from stage to stage**
- **Statistical probabilities generally ineffective**
- **Avoid using stage-based percentages**




# Conclusions

**There is no 1 universal ratio**

**Need to match to specific circumstances**

**Qualify accurately and early**

**⚠️ Distrust stage probabilities in strategic sales**



**What should  
we be  
measuring?**

# The Usual Suspects...

**# of Opportunities**

**Value of Opportunities**

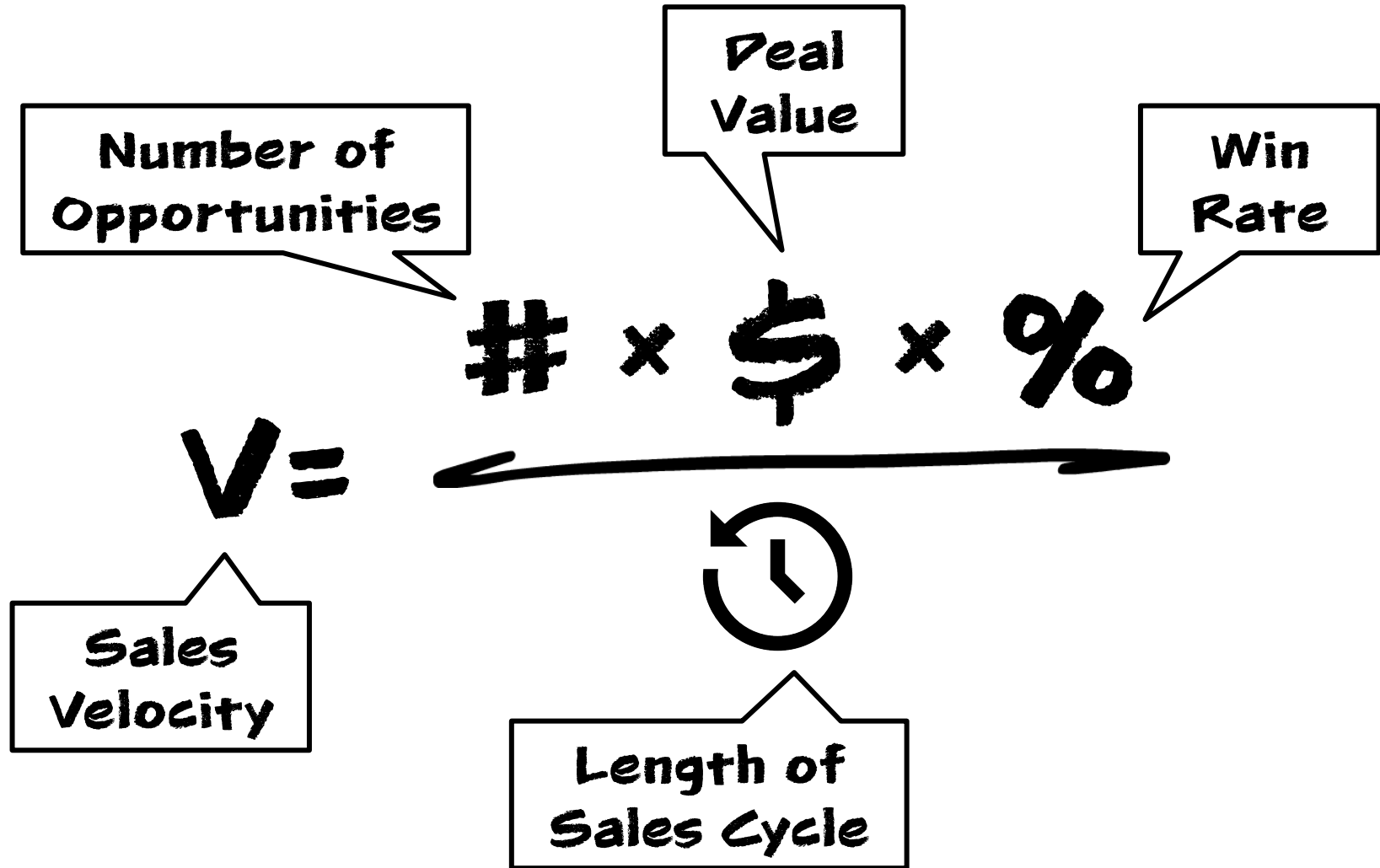
**Pipeline Stage**

**Close Date**

**Win Probability**

**...**

# The Sales Velocity Equation...



# Options for Increasing Sales Velocity...

- Increase # of Transactions
- Increase \$ Deal Value
- Increase % Win Rate
- Shorten ⌚ Sales Cycle

# **Stage Consistency is Critical...**

- Clear definition of what each stage means**
- Clear definition of what sales people are expected to know and do at each stage**
- Clear definition of what verifiable, evidence-based indicators act as milestones between stage**
- Insist on sales people placing opportunities at the appropriate stage**
- Measure progress between stage (time in stage, conversion rates)**
- Highlight any “deviations from the norm”**

# The Additional Data Points...

# of Opportunities

Value of Opportunities

Pipeline Stage

Close Date

Win Probability

**Opportunity Quality**

**Stakeholder Engagement**

**Activity Quality + Level**

**Critical  
Qualifiers**



# Opportunity Quality...

- **Fit vs. Ideal Customer Profile?**
  - **Nature of Problem:**  
**Critical vs. Important vs. Irritating?**
  - **Clear Economic Case for Change?**
- **Alignment with Corporate Priorities?**
  - **Problem/Solution Fit?**
  - **Pipeline Entry Stage?**
  - **Compelling Event?**
  - **Competitive Situation?**
  - **Clear Correlation to Win Rate**

# Stakeholder Engagement...

- **Is Prime Contact a Mobiliser capable of driving the Change Agenda?**
  - **How many Stakeholders have you Identified?**
  - **How many Stakeholders have you Actively Engaged?**
- **Where is the Real Power in the Deal?**
  - **More Stakeholder Engagement = Higher Win rate**


# Activity Quality + Level...

- Number of Activities
  - Type of Activities
- Quality of Activity vs. Best Practice
  - Number of Advances
    - Momentum
    - Responsiveness
    - Willingness to Engage
  - Stakeholder Involvement
- **Strong correlation between quality and amount of activity and win rate**

**In Complex B2B Sales, Opportunity Quality, Stakeholder Engagement and Activity Quality + Level are FAR better predictors of success than a standard stage-based probability**

**Improving any of these factors will increase average deal values, shorten sales cycle and increase win rate...**

**...Improving ALL of them will transform the potential of your pipeline**



**How can I  
possibly analyse  
all this data?**

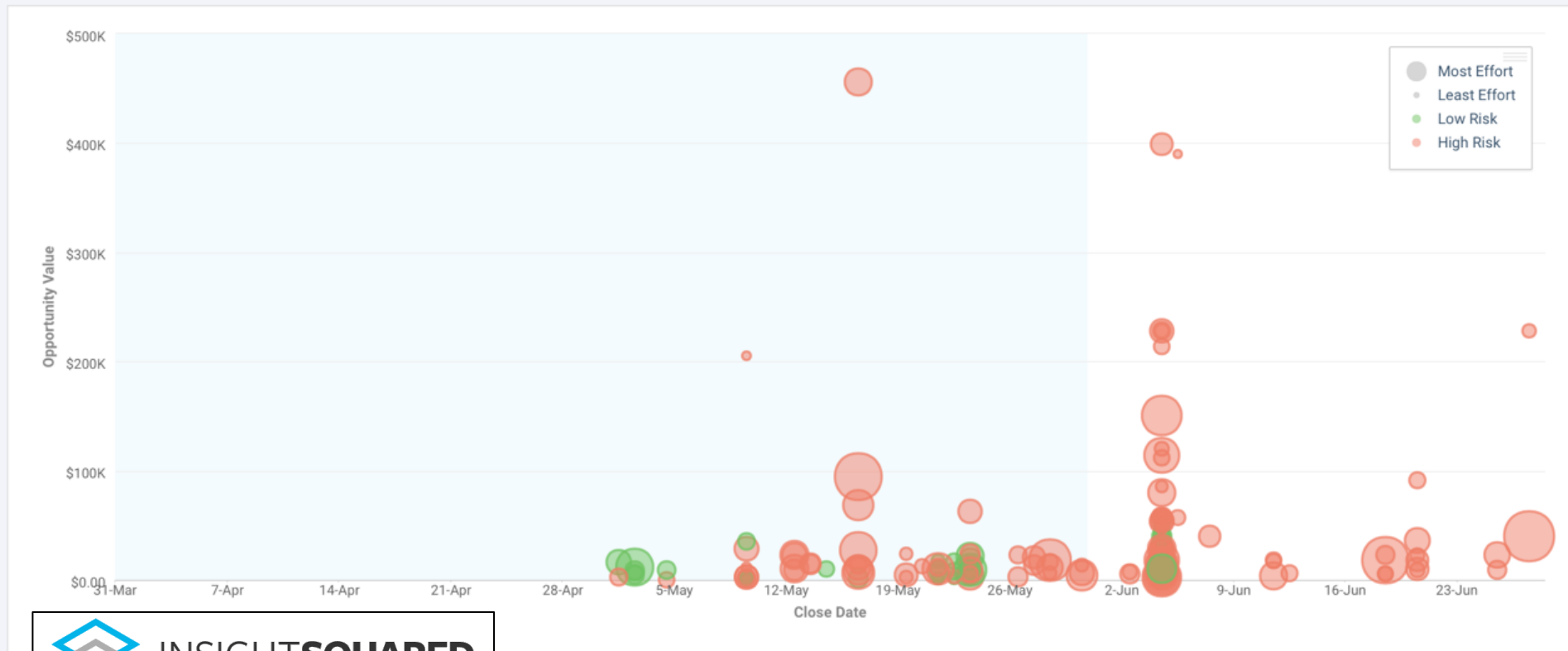
**Unleash  
the Power  
of Analytics!**

# The Power of Visual Analytics...

What is the current state of our pipeline?

\$6,725,375 of value with close dates this quarter (Q2)

Close Dates [This Quarter](#) with [no filters applied](#)



# Focus on Outliers/Manage by Exception...

	Risk	Close Date	Opportunity	Owner	Value	Stage	Days in Stage	Momentum	Last Activity
✓	●	02 May 2016	Summit Hotel - New Business	Arthur O'Connell			21	1	Opp Sourced, 36 days ago
✓	●	02 May 2016	Landstar System - New Business	Darius Clemens	\$16,200	3. Buying Proc	7	4	Call, 2 days ago
✓	●	03 May 2016	AFC Enterprises - New Business	Bruce Dern	\$11,628	3. Buying Proc	2	12	Call, 2 days ago
✓	●	03 May 2016	Moog Inc. - New Business	Frederic Forrest	\$6,700	3. Buying Proc	10	3	Call, 6 days ago
✓	●	03 May 2016	Ocwen Financial - New Business	Frederic Forrest	\$4,560	3. Buying Proc	6	4	Call, 6 days ago
✓	●	03 May 2016	Principal Financial - New Business		\$8,400	3. Buying Proc	2	14	Call, 6 days ago
✓	●	05 May 2016	T. Rowe - New Business		\$8,980	3. Buying Proc	2	11	Call, 2 days ago
✓	●	05 May 2016	Alliance California - New Business	Catherine Burns	\$0	2. Eval	18	2	Connect, 14 days ago
✓	●	10 May 2016	Ultrapar Participacoes - New Business	Joe Smith	\$11,400	2. Eval	38	1	Opp Sourced, 37 days ago
✓	●	10 May 2016	Blyth - New Business		\$35,200	2. Eval	10	2	Opp Sourced, 27 days ago
✓	●	10 May 2016	Westell Technologies - New Business		\$205,200	1. Qual	37	0	Opp Sourced, 36 days ago
✓	●	10 May 2016	Invesco Plc - New Business		\$2,400	1. Qual	14	12	Connect, 6 days ago
✓	●	10 May 2016	First Trust/Aberdeen - Upsell	Joe Smith	\$28,500	2. Eval	101	5	Call, 13 days ago
✓	●	10 May 2016	Novatel Wireless - New Business	Catherine Burns	\$1,200	2. Eval	6	8	Opp Sourced, 9 days ago
✓	●	10 May 2016	Novatel Wireless - New Business	Catherine Burns	\$2,400	2. Eval	21	2	Call, 14 days ago
✓	●	10 May 2016	Novatel Wireless - New Business	Catherine Burns	\$1,200	2. Eval	23	5	Connect, 3 days ago
✓	●	10 May 2016	Endeavour Silver - New Business	Isabelle Adjani	\$2,700	2. Eval	22	5	Call, 9 days ago

**PAYS IN STAGE**

**UNFEASIBLY EARLY STAGE**

**UNUSUALLY HIGH DEAL VALUE**

**LOW MOMENTUM**



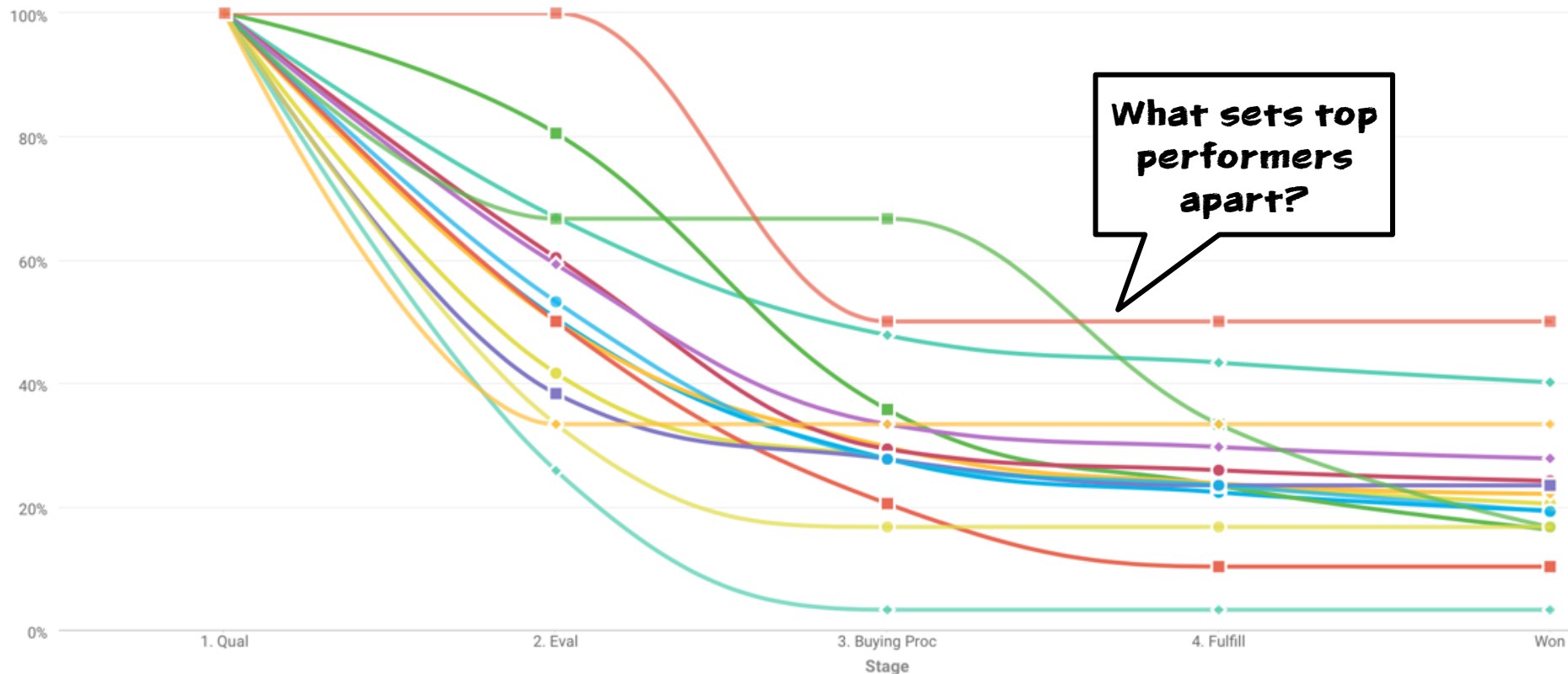


# Compare Individual Pipelines...

How can our employees improve their sales process?

22% win rate for opportunities closed in the previous 12 months.

[Trailing 12 Months](#) filtered by [OPPORTUNITY TYPE](#) includes [New Business](#)



**Stop Managing Complex  
Sales Pipelines with  
Inaccurate, Oversimplified  
and Out-dated Approaches!**

# Checklist...

- **Chose the pipeline coverage model that best reflects YOUR situation**
- **QUALIFY rigorously - if you're going to lose, make sure you lose early**
- **Insist on consistent STAGE definitions**
- **Intense FOCUS on Opportunity Quality, Stakeholder Engagement and Activity Quality + Level**
- **STOP relying on fixed stage probabilities**
- **INSIST on accurate data and invest in sales analytics**
- **FOCUS, PRIORITISE, LEARN and WIN!**

# Thank You!

## Continue the Conversation?

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