


PART I:



Sales Pipeline - How to Overcome 3 Primary Pipeline Challenges



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Accurate Sales Pipelines

Creating and maintaining an accurate sales pipeline is one of the top goals and responsibilities for any sales leader. Organizations count on their ability to accurately predict revenue so that it can be used to effectively manage operations, the supply chain, and even the market. Without it, it is likely that an organization will operate ineffectively, and the tenure of the sales leadership is always in question.

If it's strong and well-built, a sales pipeline means your company is likely to hit growth targets. However, building pipeline comes with its own unique set of challenges.

HAVE YOU EVER WONDERED?

- > What is the difference in my pipeline by region or by team this week versus last week?
- > What has moved in and out of the pipeline?
- > What is the average number of days in each stage of a sale by team, by region or by customer?
- > What is the average time a complete sales cycle takes by team, by region or by customer?
- > What is the total revenue won and lost and what is the reason for lost revenue?
- > Which opportunities have changed their forecast rating and have they progressed or stalled?
- > How long does it take us to go through each stage in the sales cycle?
- > How accurate historically has the team, region or sales individual been in winning a deal that they have committed?
- > How accurate historically has the team, region or sales individual been in bringing a deal in on or before the date that they committed it?
- > How accurate has your forecast been when you said:
 - > Deals would be won on a specific date?
 - > Deals would be won for a specific amount?
 - > Deals would be won?

If you are like most companies, you don't have the answers to all of the questions above, or, if you have the answers, they may not be accurate.

In order to build a more accurate sales pipeline, let's first define what it is: A sales pipeline aggregates individual customer sales funnels into a composite picture that measures the health of all sales prospects¹.

The health of a sales pipeline is often reflected by the following four metrics:

- 1 The number of deals in the pipeline.
- 2 The average size of a deal in the pipeline.
- 3 The close ratio, or the average percentage of deals that have been closed.
- 4 Sales velocity, or the average amount of time it takes to close a deal.

A sales pipeline also visualizes the lifecycle of various customer prospects, from initial interaction to deal close². Let's take a closer look at the lifecycle of prospective customers.

THE LIFECYCLE OF PROSPECTS – YOUR POINT OF VIEW

- 1 Gather incoming leads
- 2 Qualify into a marketing-qualified lead (using methods such as lead scoring),
- 3 Further qualify to a sales-qualified lead.
- 4 Engage a qualified lead into a sales cycle.
- 5 Register the deal as closed, on hold or lost.



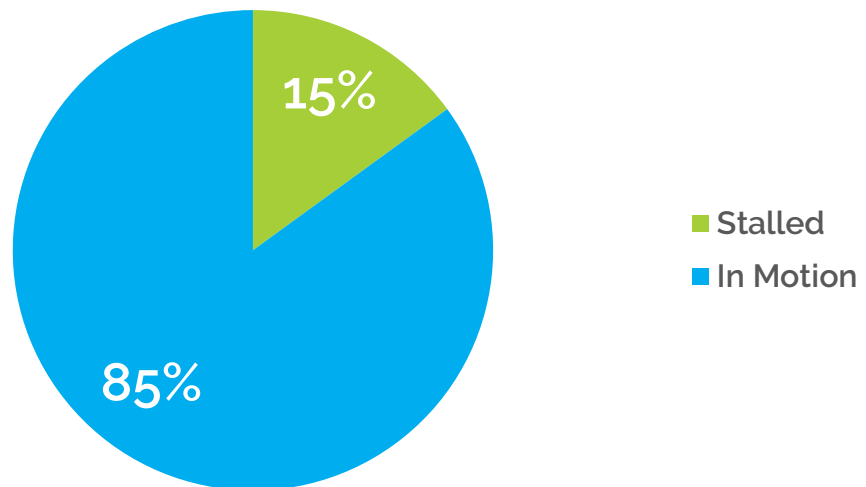
SALES PIPELINE CHALLENGES

There are several challenges in building a healthy sales pipeline. Some of the main challenges are:

STALLED DEALS

A deal looks ok, but is likely to be stalled. Over 85% of deals in the average pipeline are stalled. But that's where the money is³! The longer a deal is stalled, the less likely it's going to happen.

DEALS
STALLED IN
AVERAGE
PIPELINE



Let's walk through common deal stall causes and their fixes:

Not Helping The Customer Buy: Selecting the vendor or solution is probably the easiest part of the buying process. That's where so much time is focused. But deals stall out long before the customer reaches this point.

They stall out because:

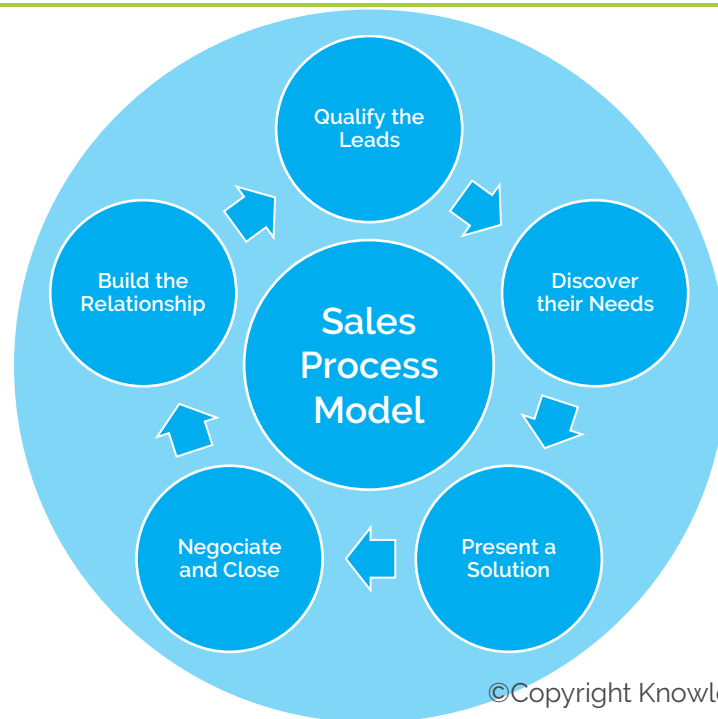
- > The customer doesn't know how to buy
- > They can't align the diverse agenda's/priorities/interests in the organization
- > They can't get the attention of their management to make the issue a priority.
- > Other projects come up, they shift their attention, and they do something else.

THE FIX: ONE OF THE GREATEST VALUES YOU CAN CREATE IS HELPING THE CUSTOMER BUY. IF THEY'VE NEVER, OR SELDOM BOUGHT BEFORE, WHAT SHOULD THEY BE LOOKING FOR? WHO SHOULD BE INVOLVED? HOW DO THEY MAKE THEIR ISSUE IMPORTANT TO MANAGERS? ALSO, HOW DO THEY PUT TOGETHER THE BUYING TEAM, ALIGNING INTERESTS, PRIORITIES, AND AGENDAS? IF THEY AREN'T BEING GUIDED THROUGH ALL THE BUYING PROCESS, AND THEY CAN'T DO IT THEMSELVES, REGARDLESS HOW STRONG THEIR NEED TO BUY, IT WON'T HAPPEN.

No Clearly Defined Sales Strategy: As a busy Sales leader, you have numerous meetings, and share a lot of information, but the team just isn't moving forward. Often, this is a result of not having a defined sales process (or not using it). The sales process defines the critical activities, events, triggers to help move your customer through the buying process, and your team through the sales process.

THE FIX: LET THE SALES PROCESS BE YOUR GUIDE. IN EACH MEETING, AGREE ON NEXT STEPS AND ACTIVITIES. AGREE ON THE ACTIONS, DATES FOR COMPLETION AND WHO IS RESPONSIBLE. DOCUMENT THESE AND SHARE THEM WITH THE CUSTOMER. MOST IMPORTANTLY, YOU'VE GOT TO HAVE AN OPPORTUNITY PLAN OR STRATEGY. DID YOU KNOW THAT ONLY 65% OF COMPANIES HAVE A DEFINED SALES PROCESS?⁴

SALES PROCESS MODEL



When the number of stages in your sales pipeline exceeds four or five, it usually becomes more difficult to explain the specifics of each stage. The sample sales process model above ensures that you stay aligned to your prospect's challenges.

Not Paying Attention: If no one is keeping an eye on the pipeline or holding the team accountable, then updates likely won't happen. Not paying attention is the worst of all. In many pipelines, there are a significant number of deals that have been "in process" for 2, 3, or 4 times longer than the average sales cycle—and no one is challenging them. The sales person isn't looking at it. Even worse, management isn't challenging them, or holding the team accountable for keeping an accurate, up-to-date pipeline.

THE FIX: IT'S EACH SALES PERSON'S RESPONSIBILITY TO MAKE SURE EACH DEAL IS MOVING FORWARD. IT'S MANAGEMENT'S RESPONSIBILITY TO COACH THEM, TO HELP THEM MOVE DEALS FORWARD. WHEN SOMETHING GETS STALLED, HELP THE SALES PERSON FIGURE OUT WHAT TO DO.

A DEAL REALLY DOES NEED YOUR URGENT ATTENTION. HOW DO YOU SPOT IT?

A deal looks ok, but is likely to be stalled. Over 85% of deals in the average pipeline are stalled. But that's where the money is³! The longer a deal is stalled, the less likely it's going to happen.

Great deals suddenly go quiet, but then what? How do you stop this from happening?

The hardest thing about selling today is that customers don't need you the way they did in the past⁵. In recent decades, sales reps have become adept at discovering customers' needs and selling them "solutions"—generally, complex combinations of products and services. This worked because customers didn't know how to solve their own problems, even though they often had a good understanding of what their problems were. But now, increasingly sophisticated procurement teams and purchasing consultants are armed with troves of data, and companies can readily define solutions for themselves.

In fact, a recent Corporate Executive Board study of more than 1,400 B2B customers found that those customers completed, on average, nearly 60% of a typical purchasing decision—researching solutions, ranking options, setting requirements, benchmarking pricing, and so on—before even having a conversation with a supplier. In this world the celebrated "solution sales rep" can be more of an annoyance than an asset. Customers in an array of industries, from IT to insurance to business process outsourcing, are often way ahead of the salespeople who are "helping" them. It makes it a lot harder to spot prospects who really need your help. That's why you must use your pre-defined sales process and keep it updated. You become an asset to your prospects instead of a nuisance.



PROSPECTS AND DEALS FALL OFF THE RADAR AND THEN ARE FORGOTTEN

Yet, these prospects and deals are the most profitable. 80% of prospects who eventually buy are originally marked as bad leads⁶.

We've all been there. The meeting's gone well, your prospect seems enthusiastic and you're confident that within a week, a significant sale will be made. Like any pro, you closed the conversation with a follow-up phone call scheduled in and have even sent a friendly email thanking them for their time. Great!

Then, unexpectedly, they go quiet. The day of the follow up comes and goes, there's no response on email and the prospect's office repeats the phrase: "I'll pass on your message." What causes a prospect to fall out of contact? The answer can depend on where you are in the process with them, and can include:

The prospect's needs have changed, or they feel you can no longer meet them

- > They have changed their mind or have gone with a competitor
- > They're busy
- > There's a lack of urgency at their end
- > They're away from the office unexpectedly

It's important to note that there is a good indication following a successful meeting that their silence has nothing to do with you or your business. But even if this is the case, finding out what's happening at their end will equip you to drive the process forward.

Solve the challenges above by:

- > Defining sales stages
- > Determining where the buyer is in the buying journey
- > Determining the health of your pipeline
- > Track with a CRM solution and update, update, update

Conclusion

Sales pipeline can be tricky for any company. At the end of the day, you need to deliver simple to understand, actionable insights that are in context of the customer relationship.

Stay tuned for the second eBook in this series where we forecast accuracy and how it goes hand in hand with your sales pipeline. Accurate forecasting helps you to maintain full control of your pipeline and its management.

ABOUT ALITHYA

ALITHYA IS AN AWARD-WINNING MICROSOFT DYNAMICS PARTNER, WITH OVER 10 GLOBAL AND NATIONAL MICROSOFT AWARDS. WE HELP PROFESSIONAL SERVICE FIRMS IMPROVE THEIR CUSTOMER EXPERIENCE BY USING TECHNOLOGY TO EMPOWER THEIR TEAMS ACROSS SALES, SERVICE AND MARKETING. WE ALSO HAVE UNIQUE ADOPTION AND TRAINING SERVICES TO ENSURE YOUR FIRM UNDERSTANDS AND EMBRACES THE LATEST TECHNOLOGIES, ULTIMATELY PROVIDING IMPROVED LEVELS OF SERVICE FOR YOUR CUSTOMERS.

¹ <https://www.superoffice.com/blog/sales-pipeline-management-tips>

² <http://searchcrm.techtarget.com/definition/sales-pipeline>

³ <http://customerthink.com/stalled-deals>

⁴ www.thesuccessfulsalesmanager.com

⁵ <https://hbr.org/2012/07/the-end-of-solution-sales>

⁶ <http://www.accordantpartners.co.uk/get-more-enquiries/when-a-prospect-vanishes>

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About Alithya

ALITHYA GROUP INC. IS A LEADER IN STRATEGY AND DIGITAL TRANSFORMATION IN NORTH AMERICA. Founded in 1992, the Company counts on 2,000 professionals in Canada, the United States and Europe. Alithya's integrated offering is based on four pillars of expertise: strategy services, application services, enterprise solutions and data and analytics. Alithya's Microsoft practice covers a wide array of capabilities, including Dynamics, Azure, business and advanced analytics, digital solutions, application development and architecture.

www.alithya.com | MSsales@alithya.com | 866 420-7624