

## How secure is your Top Line Revenue Forecast?

The causes of poor selling and subsequent poor forecasting are quite simply down to the lack of skills of the sales people and the sales management. It does not matter whether the market is good or bad; poor selling skills and poor management will manifest themselves as lost deals and slipped forecasts. The only difference is that in bad market conditions everyone takes notice.

Sales teams are one of the largest cost items on the balance sheet. They can make or break a company so it is absolutely essential to recruit the right sales people and maximise the return of investment in them. It is a fact that all sales teams have their high and low performers. When company sales targets are set they are set on the basis of the whole sales territory achieving a target so if only 20% of the sales team are performing this can mean that as much as 80% of the sales territory is not producing. If after six months sales people leave or are fired because of poor performance then it can take another six months to get the new sales person to a position where they are taking orders. This is a significant expense to the company in terms of recruitment and remuneration, but as important is the loss of twelve months of revenue from that territory. The objective for every company is to get 100% of the sales team performing on 100% of the territory. So why is that not the case?

If the sales person does not have the skills to conduct a proper sales process then the information they supply to their management is flawed and open to subjective interpretation. If management cannot gain easy access to that information then they cannot monitor it or successfully measure it. Because they cannot rely upon it their forecast will be based upon subjective interpretation. Inaccurate forecasting is a clear indicator that good practice and process are not being followed.

## Customer Relationship Management and Sales Force Automation

It is common knowledge and accepted that the standard of sales people has dropped significantly over the last ten years. This is because in traditional companies such as IBM, Xerox and Dec sales people were trained in all aspects of selling for at least a year before they were allowed on territory. With the advent of Unix, client server and the dot com boom, companies were smaller and did not invest in training leading to a loss of good practice.

To address the lack of sales performance and to provide better management information a number of companies have established themselves as customer relationship management (CRM) and sales force automation systems (SA).

They have focussed on lead tracking, activity management, customer information repositories and forecasting modules. While all that information is very useful, the failure of those systems is that they deliver little value to the sales person and still rely upon probability-weighted information provided by sales people to produce a forecast. Besides the drop in standards mentioned earlier, sales people are by their nature arbitrary, optimistic characters with different levels of skill and experience. Therefore, there is no consistent standard by which the information they supply can be measured. The result is that the forecast is susceptible to a sales

Please email [Enquiries@idRisk.com](mailto:Enquiries@idRisk.com) for further details, or call 0845 22 55 606

person's arbitrary, optimistic views. To make matters worse some of the probability weightings imposed by those systems that take an average weighting and apply them to the forecast (i.e. £1m forecast with a 75% average weighting means a forecast of £750k) are fundamentally flawed. A sales person does not win 75% of a deal they either win a deal or they do not.

Most companies are only vaguely aware of the impact a poor sales organisation will have on other departments in the company. The first and main point of contact between the vendor and their prospective customer is the vendor's sales person. It is the sales person who is responsible for gathering intelligence about the customer that allows them to assess whether there is the right match of their company's products and the customers requirements. It is down to the sales person to either "qualify out" and save their and their company's time and money or to plan what is required in terms of resources and milestones to reach a successful sale. As the main source of that intelligence, it is essential that sales people provide "required" intelligence to other departments. Required intelligence may be customer's analysis of what were the unique features and return of investment that made them buy against other competitive products. That required intelligence allows marketing to profile the ideal customer candidate so that they can focus marketing campaigns a lot more effectively. This produces "sniper shot" marketing campaigns rather than a "scatter gun" approach that improves the quality of leads generated and focuses expenditure onto more successful lead generation programmes. Like wise by having a greater understanding of why deals were lost and against whom, marketing can sectorise successful or unsuccessful markets and produce better competitive knock out programmes. The above addresses the biggest complaint of sales people, which is the number and quality of the leads they receive. It also addresses the other complaints of territory and lack of information about competition. Addressing those issues is of immense benefit to sales people.

While CRM and SA tools profess to provide information to other departments, it is highly suspect what that information provides in practical use. Having the name and address of a suspect/prospect or a probability weighting provided by the sales person is of little use to product development who will be interested in new features a potential customer is requesting as part of the deal. Providing information on when a prospect is likely to place an order is little use to the finance department who want to know when they can recognise the revenue. Subjective information provided by sales people can waste an enormous amount of time and resource on the wrong deals and worse, detracts it from deals that require that resource to close them. This leads to a higher burn rate within the company as well as impacting the morale of departments who begin to question the credibility of the sales team.

To get an accurate forecast a standard has to be set for the required intelligence gathered that is of a quality that ensures its validity and is definable against known metrics. It needs to indicate to the sales person where they are in the sales process and what actions they need to take to bring the deal to a successful closure against a definable customer implementation date.

**Vanquisher provides that standard, process and intelligence.**

Please email [Enquiries@idRisk.com](mailto:Enquiries@idRisk.com) for further details, or call 0845 22 55 606



### The Vanquisher Solution

Vanquisher is the first sales validation tool with an integral qualification process. It offers the ability to increase the close ratio by implementing an easy to follow format for managing the deal as well as managing the sales force. It also offers a way to duplicate the best sales practice from top producers. Moreover, Vanquisher will help validate the product direction and value proposition. Because Vanquisher retains the intelligence gathered from the sales people there is less exposure to account management turnover.

The Vanquisher panels are designed to implement that standard throughout the company so that every one of the sales people and the management have the same understanding of where they are in the sales process. By providing multilevel views and an audit trail, Vanquisher supplies all departments with a clear understanding of the near term and future events upon which the closure of the forecast depends so that all departments can plan their resources accordingly. This promotes a proactive rather than a reactive approach to sales.

Vanquisher raises the standard of the sales force because of its self tutoring capability, supporting the sales person in their decisions and account planning, making sure that all sales people are performing at the highest level of their capabilities. Vanquisher will act as a reminder to experienced sales people and will help bridge the skills gap of less experienced sales people.

Vanquisher removes arbitrary guesses as to what is a suspect and what is a prospect. It removes probability weighting that can be spurious and replaces it with qualitative and quantitative information. That is information that is of a quality that can be relied upon and is measurable. It ensures that essential customer intelligence is gathered so that the next actions drive the sales process forward to completion and that other departments can view and use that information to plan their resources more effectively.

Vanquisher retains the intelligence gathered so that it becomes a corporate asset that can be used for sales and customer profiling. By the very nature that the information is retained it will also provide an audit trail. If spurious information is put in and the forecasted deal does not close it will in time provide an indication that the information the sales person in inserting is questionable?

Vanquisher is ready to use and requires no installation or management from the I.T. department. There is virtually no cost of ownership. For managers, Vanquisher merges all sales people's daybooks into one management report that provides drill down capabilities to the same level of detail as the sales people. Vanquisher will sort all opportunities into least qualified ie suspect, to most qualified prospect. Using that information Vanquisher provides reports that show the exposure of the company against target taking into account prospects, orders and product shipped. Vanquisher also provides profiling reports on sales people and teams. This negates the effort and duplication that management currently have to put into cutting and pasting information for forecasting and reporting.

Please email [Enquiries@idRisk.com](mailto:Enquiries@idRisk.com) for further details, or call 0845 22 55 606

## What are the benefits?

- ⊙ **Improved forecasting accuracy** - Restores management and company credibility resulting in better morale, a better closure rate and improved valuation.
- ⊙ **Management collaboration** – All managers have a common understanding of the composition and status of the sales forecast that allows them to plan their resources more effectively. This greatly reduces the time spent on the wrong deals and promotes working collaboration amongst the management team.
- ⊙ **Revenue recognition** – Finance departments have a greater confidence in predicting when a deal can be taken to revenue allowing them to manage cash flow a lot more effectively.
- ⊙ **Customer and sales profiling** – Provides an indication of the ideal sales and customer profiles. This allows for a more targeted approach to ideal prospects that improve win ratios and assists in the recruitment of best sales person for territory. Greater sales success minimises the turnover and cost of sales recruitment and focuses marketing costs on the right customer profile resulting in a better return of investment for the sales person and marketing.
- ⊙ **Account planning** – Intelligence is gathered and retained which is immediately accessible by sales and all management. It allows all personnel involved in a sales campaign to understand the current position and to be actively involved in the account planning process. This results in less time spent sourcing information and more time-spent account planning, resulting in greater deal closure.
- ⊙ **Best practice** – Vanquisher provides best sales practice on line that bridges the skills gap in sales teams. It means that all sales people will perform to a higher standard resulting in 100% of the team performing. This results in greater sales productivity and closure, full territory coverage, reduced staff turnover and higher revenue and profit streams. Winning teams also means better morale, promoting a winning atmosphere.

Contact John Shrimpton for more information:

<b>Email</b>	<b><a href="mailto:John.Shrimpton@idRisk.com">John.Shrimpton@idRisk.com</a></b>
<b>Mobile</b>	<b>+44 (0)7970 065467</b>
<b>Office</b>	<b>+44 (0)845 2255 606</b>
<b>Fax</b>	<b>+44 (0)845 2255 931</b>

Please email [Enquiries@idRisk.com](mailto:Enquiries@idRisk.com) for further details, or call 0845 22 55 606