

WHY FORECASTING IS STILL

# A Shot in the Dark



It's Friday morning, and you're thinking about Monday's management meeting – the one where you'll be presenting your mid-quarter sales forecast to the executive team.

You've just sent another reminder to the sales team to update their deal information in the expensive CRM tool you installed a year ago. After chasing down a few rogue reps (and hearing the usual excuses), you're finally ready to run the numbers. Immediately, you see that several deals are slipping. Uh-oh.

How did this happen? What caused last week's healthy forecast to take a turn for the worse? Are all our prospects getting squirrely at once? Are our reps falling down on the job?

The answer is neither. Like most sales organizations, your forecasting process is broken. It's archaic. That forecast you're scheduled to deliver on Monday morning? It may be nothing more than a shot in the dark.

Forecasting needs to be forward-looking and predictive of what deals will close based on behaviors happening in real-time. Many times, leaders rely on CRM analytics to help inform the forecast. Unfortunately, analytics only give you a look in the rearview mirror. More often than not, that view is informed by a gut feel from your reps.

# The real problem is much bigger than an overreliance on analytics.

The point of failure in sales forecasting is the sales process itself. As a sales leader, you've trained your team to focus on execution stages – qualify, discover, develop the solution, present, negotiate and close. So, when categorizing deals by stage, you should be able to predict close rates accurately... right?

Wrong. Something's missing. *The customer.*

Companies with sales funnel stages defined by the customer buying journey had **33%** more accurate sales forecasting and **40%** more salespeople making quota.

Source: Aberdeen Consulting Group



# The Role of the Customer's Buying Process in Sales Forecasting

The process of sales forecasting is fundamentally flawed because it fails to consider how customers buy. The stages in your sales process are all about how your team sells your company's solutions.

They fail to take into account the customer behaviors that move a deal through the pipeline. They likely also neglect the fact that the buying group may consist of 10 or more individuals.

For example, while your team focuses on qualifying and discovery, the customer is going through a different process:

- ▶ Becoming aware of the problem. Is it real? How big of a deal is it?
- ▶ Weighing the value of fixing the problem over doing nothing. Will the outcome be worth the risk, expense, and headache, or can we live with this problem?
- ▶ Determining if fixing the problem is a top priority. Our plate is already full; should we tackle this problem now?
- ▶ Researching solutions. Should we handle in-house or seek outside expertise? How are my peers solving this problem? Is it time to see a few demos so we know what's out there?
- ▶ Issuing an RFP. What exactly do we need to solve for? What are our specific requirements?

It's important to note that CRM tools reinforce the fundamental disconnect between the internally focused sales process and the customer's buying process. As a result, moving a deal to the next stage is as easy as having a good feeling about the customer or a great meeting.

**"94%** of respondents told us that they sell to groups of three or more individuals. Thirty-eight percent sell to groups of 10 or more."

*Source: Forrester 2021 Revenue Operations Survey*

Think about that for a second. Your company's entire planning strategy may hinge on whether Sales Rep A "feels confident" he can close the deal because he's having lunch with a VP next week.

Of course, a case of "happy ears" is only one danger. How many of your reps are sandbagging deals? How many don't have a clue what a viable Stage 4 deal looks like? How are those happy ears and sandbaggers skewing the data in your analytics package?

The sales forecasting process lacks evidence – a clear sign that demonstrates that the customer is progressing through their process. Thus, it lacks a verifiable result that gives your sales rep permission to move to the next step. It lacks a way to determine if a deal is in danger based on the lack of evidence from the customer.

Jeremy Donovan said in a [recent webinar](#) with Reveyg, "I used to think forecasting would be better if we could only take the humans out of the equation...but as with all things 'strategy,' great forecasts are a result of process, technology, *and* the people."



# Enter the Playbook – Accuracy's Best Ally

While sales forecasting requires both analytics and coaching, these investments are only as good as a company's ability to align the sales process with the customers' buying process. Without a vehicle to accomplish this, the forecasting result will always be the same – a costly shot in the dark.

Sales leaders need a playbook for their teams – a series of plays that push sales reps to identify the verifiable outcomes aligned with how the customer buys. This evidence-based selling is the only path to accurate sales forecasting.

In today's selling environment, the playbook needs to be an automated tool that sits inside a company's CRM solution and integrates with other critical business systems (e.g., contract management, finance, etc.). In this capacity, it functions as a coach and a gatekeeper.

It provides the sales plays that instruct the rep on when to deliver the right message (e.g., case studies, white papers, value decks) at the right stage in the customer's buying cycle to motivate interest. For example, for a rep to move a customer from one stage to the next, the rep must first identify evidence indicating the customer is ready.

The playbook also acts as a quality assurance engineer. As a sales manager, you can see roadblocks and red flags to success. If your rep doesn't have a decision-maker champion, an engaged economic buyer, or critical requirements confirmed – you'll know.



## The benefits of a playbook are numerous, and its impact is broad. They include:

- ▶ Bringing sales processes to life. Uses the buying behaviors of your customers to inform the selling process, leading to better outcomes.
- ▶ Eliminating sandbagging or over-optimism. Leverages evidence that justifies where each customer is in the sales cycle.
- ▶ Improving accuracy. Provides sales leaders with a realistic view of where every deal is in the pipeline—integrated with CRM tools to predict close rates and timing.
- ▶ Identifying and solving problems before they occur. Insights mean that sales reps and managers can quickly identify blind spots and relationship risks at every stage.
- ▶ Higher win rates. Delivery of the right message at the right time focuses efforts on high-value activities and systematically tackling roadblocks. With the right coaching from sales enablement alongside the playbook, companies can **increase win rates by 4%**.
- ▶ Faster sales rep onboarding. Playbooks guide sales reps – new and old – through the sales process, enforce transparency, and eliminate mystery. They serve as a guide, providing essential tools, assets, and tips when they're needed.



# The Post-Playbook Sales Forecast

Imagine preparing for your next sales or management meeting and not having to worry about forecast surprises. You know exactly how the sales team is performing, where the roadblocks lie, and how to tackle them.

As a result, your team is quickly approaching the projected win rate and deals are closing faster than ever before. Even the newest sales reps are contributing. You're headed for record forecast accuracy.

## This is the power of the playbook.

Interested in learning how Reveyg can help with your forecasting? Vincent Mauro, VP of Sales, Worksoft North America has first-hand experience.

*"One of the biggest benefits we've seen using Reveyg is related to revenue predictability. We've seen a 25% improvement in forecast accuracy, which equips us to make strategic business decisions."*

Read the full story here.



## About Reveyg

Reveyg is the global provider of only sales execution platform for account-based selling. The Reveyg platform is a game-changing source of insight for sales teams, helping them build trusting relationships within the key accounts that fuel revenue. Founded in 2005, Reveyg helps sales teams streamline sales processes, increase revenue, and create a predictable pipeline using our account planning and execution solution. More than 50,000 users from industry-leading companies like Fujitsu, Comcast, Capgemini, and Worksoft rely on Reveyg to manage over \$30 billion in revenue.

For more information about how to win more deals, faster, visit [reveyg.com](https://reveyg.com).

