

## Pipeline Management Overview

We have recently been involved with a client who wants to get their pipeline management in order. Their first reaction to this initiative is to throw money at the problem. Let's throw out ABC and implement the latest XYZ because it is;

- web based
- integrated to Outlook
- integrates pricing through a Bill of Materials
- etc. etc. etc.

All these are good reasons - however, the reason why your enterprise is not managing pipelines well is - because the salesperson does not see the enterprise imperative for them to do this activity accurately - and - your sales managers are not managing the task of evaluation with sufficient focus to detail. Sweeping statements and I can hear the groans from those I've managed and who have managed me!

### *The reasons a tool is required*

We believe the following reasons - with their supporting arguments are the reasons why this activity is crucial to a team's success - the tool/concept/cig packet should;

1. capture static information about the team/individual opportunities and show progress towards their goals,
2. individual opportunities must be captured and cannot be removed until a final "game over" status has been reached,
3. each opportunity should be "aged" to focus minds on our "reason for life" to progress opportunities through IDENTIFY, QUALIFY and CLOSE
4. each opportunity should be placed into value bands that will show progress towards targets - monthly, quarterly and yearly
5. each opportunity passes through a **BUYING** life cycle and must be managed against that
6. each opportunity passes through a **SALES** life cycle and must be "evaluated" against an IDEAL ISP and PQP (see below) - as this progress advances, the likelihood of success advances and therefore a "de-risking" criteria could be



calculated that will - when applied to the value of the opportunity - define its value to the organisation.<sup>1</sup>

- a. an Ideal Sales Process (ISP) needs to be defined for that team/person; product set; market place etc. (therefore flexibility)
  - b. the opportunities life cycle through that ISP must be monitored regularly against a set of Project Qualification criteria (Project Qualification Profile - PQP)
7. a single "digital dashboard" glance should display the "credibility" of the salesperson who manages this pipeline. Should they consistently predict "*close and value*" accurately then their opportunities should carry more weight than others - should they continually slip dates, regress in a sales cycle or loose opportunities with "need-gone-away" the model should highlight this for management by exception,
  8. "closed" opportunities are where we as salespeople sometimes wander off to go onto other things! The model must give a simple way of matching "sign-off" or invoicing of the opportunity to closed status - it should also show the aging of these activities as they will be relevant to making a year-end
  9. while protecting the opportunity from being "manipulated" outside the system, the model should roll-over months to enable a clean and uncluttered view of the opportunities on the radar screen
  10. lastly, the model should give us a graphic view of the criteria in play - the year, quarters, months together with coverage (overall pipeline) billed amount, awaiting billing and next year against targets

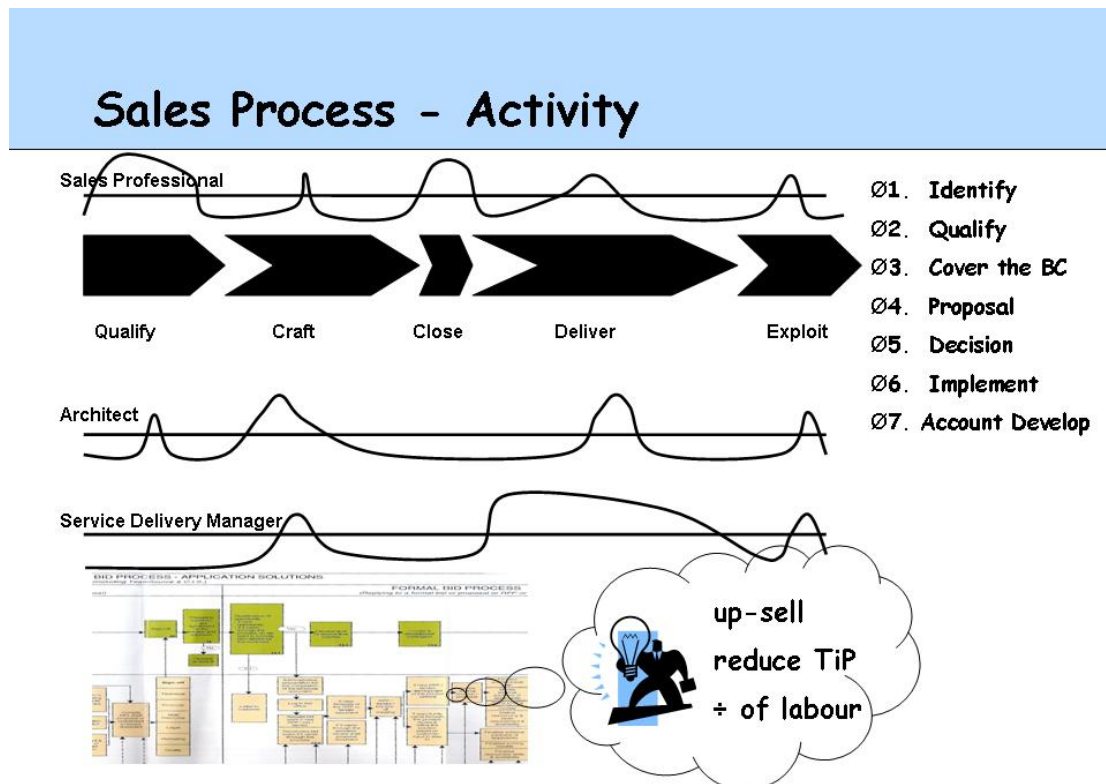
Do you need a science degree to manage something like this? Can we create something that salespeople will use without kicking up the quintessential fuss about - what do you want me to do - be a salesperson or a clerk? Our demonstration model is ready for prime time and can be used to manage opportunities and shows how these concepts can be managed - try it as a free download now at [version 8b](#).

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<sup>1</sup> de-risking can be: where you are in the sales cycle as a percentage; a "gut feel" of success or more "scientific" as we propose - remember a %age of a loss is still ZERO!

## Design Objectives

"How long is a piece of string"? This old cliché is relevant in answering this question because what is right for you may be an anathema for someone else. If you can look out your window and see the activity - counting opportunities on one hand and being intimately involved in each - do you need a tool? If you have 100 salespeople across a complex product and market set will nothing but the very best industry leading tool be sufficient? You need to answer that. However, we think it is important to get the reasons you're searching and the "extent" of the tool you have in mind into perspective.

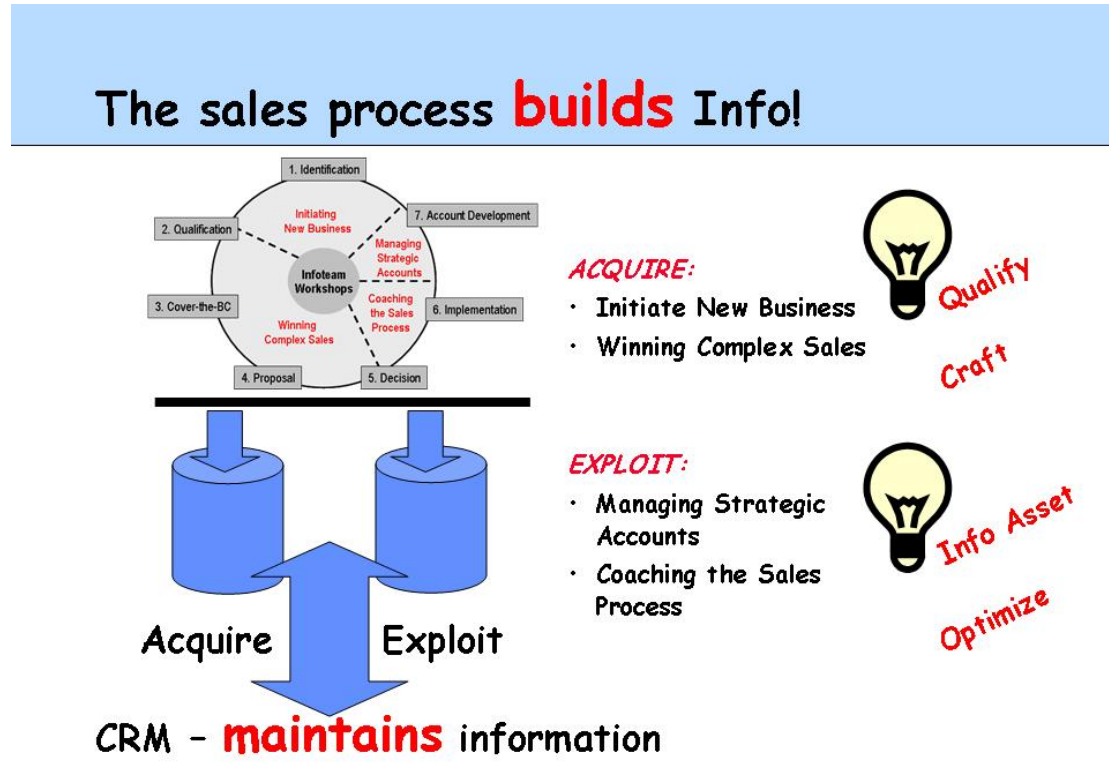


**Figure 1 - Activity**

In Figure 1 - Activity, we show an idealised sales process. As salespeople we are focused and interested in the first part of the process that is attributed above to the "Sales Professional" - IDENTIFY, QUALIFY, CRAFT and CLOSE. Basically, the first 5 phases as described in "our" methodology but which is common to most. The process diagram shows that this can be extremely complex when integrated into the rest of the revenue generating process - most CRM systems allow customisation to enable the team to "represent" the methodology of choice - but once the integration into the rest of the

process - including work-flow and other process automation techniques are used - we can get to the point where we're trying to swat a gnat with a 12lb sledge hammer.

We think there is an argument to be made to create a Chinese wall between these activities.



**Figure 2 - Build and Exploit**

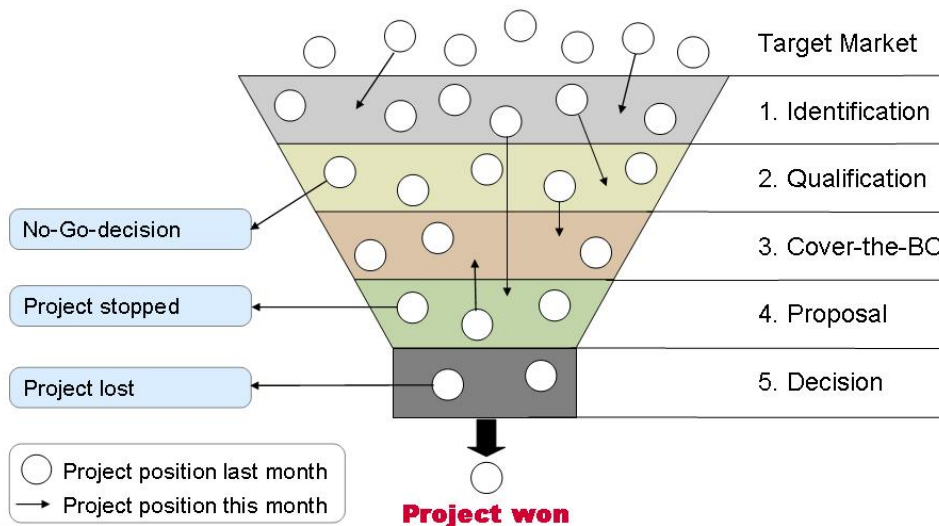
In Figure 2 - Build and Exploit - we can graphically see our point. Infoteam's sales process wheel is depicted as the methodology that is used to manage the activities of the salespeople. The first 5 phases are about acquiring information about OPPORTUNITIES that will improve our chances of success. Once we have the customer, then CRM is used to maintain and exploit our relationship with that customer enabling all sorts of techniques to be employed - campaigns mailings etc.

The big question is - do we need integration before, during or after the opportunity has been concluded? We submit that access to information about the prospect/customer will help populate an opportunity with accurate information but because we are operating in a sub-set of the full customer only selected information is required. A "bridge" or even manual "cut-n-paste" access is sufficient. What is entirely necessary is the maintenance of the information about individual pipeline and opportunities as an

Enterprise asset. Disciplines around e-mail, proposal and letters associated with a customer/prospect are required but are not necessary to the successful management of an opportunity. Far more important than integration is the provision of a tool that will not take salespeople's time and energy, but will become a daily reminder of work that needs to be done on individual opportunities. As important is the provision of a tool for management that will give them an overview of opportunities and their progress through to successful completion. Our objective must be; the building of credibility and its exploitation to the point where the team's delivery is sound and we are providing a professional service.

### 3 ACHIEVING SHORT AND LONG-TERM GOALS

## The Sales Funnel



**Figure 3 - [Sales Funnel](#)**

A quick last word on "Opportunity Management". This stylised depiction of the "Sales Funnel" as can be seen in Figure 3 was a concept built in the 1920's and has the status of an urban ledged forcing management and salespeople to "stuff" the funnel to ensure success. A tool should underline the symbiotic relationship between Sales Manager and salesperson to ensure that a ratio of 3:1 becomes 1:1. Today the concept of opportunity quality, being able to make a discerning decision about engaging in an opportunity and when engaged closing with a win ration of 1:1 is where it's at!

What model do you need to achieve that?