



SALES
MANAGEMENT
ASSOCIATION

Pipeline Management Fundamentals

Presented by :

LISA WICKLMAN, Vantage Point Performance

OUR PRESENTER



LISA WICKLMAN

**Senior Vice President
Global Accounts**

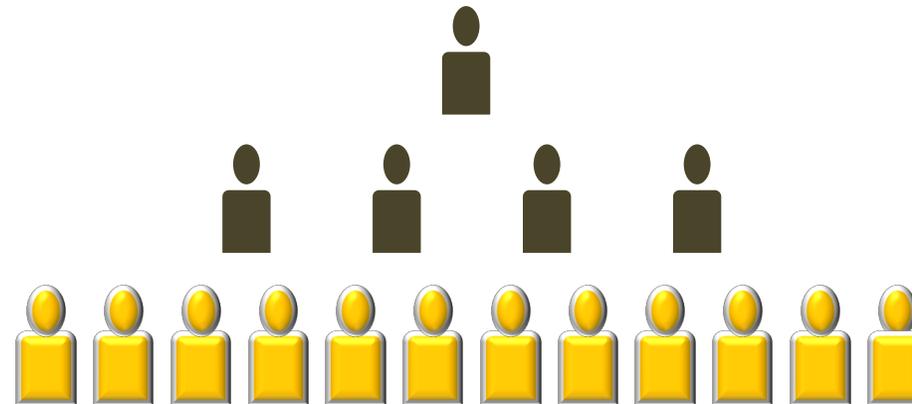
Vantage Point Performance

First, 4 Facts about Vantage Point

Sales *MANAGEMENT*
Training

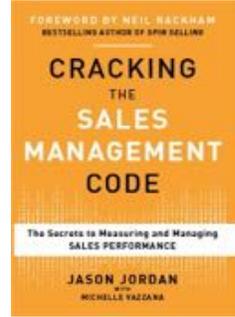
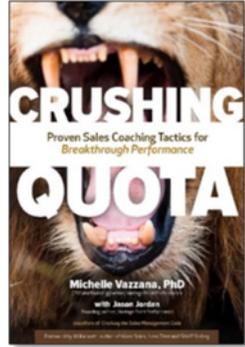


Sales *PERSON*
Training



First, 4 Facts about Vantage Point

Research-Based
Best Practices



Forbes



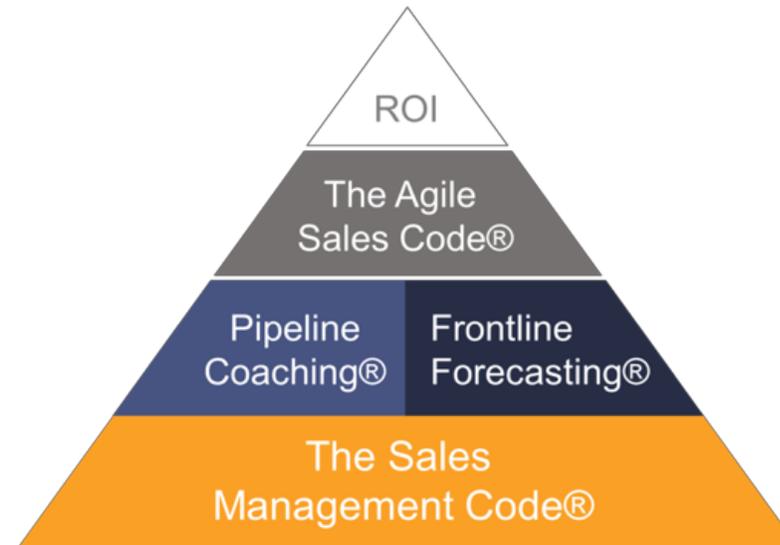
SellingPower.



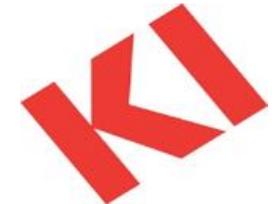
Entrepreneur



Focus on
Execution

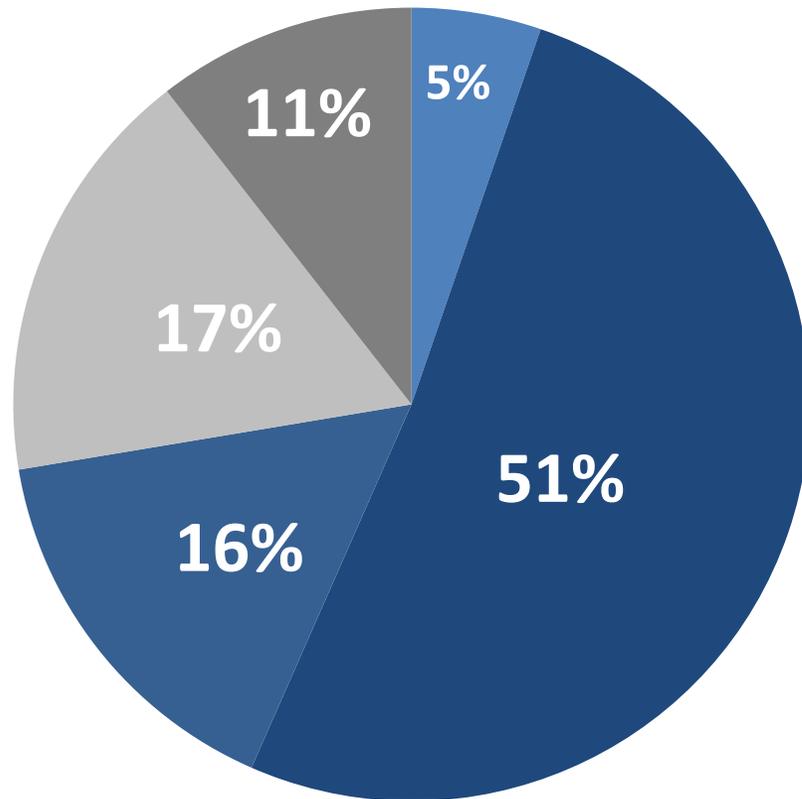


Some Fans

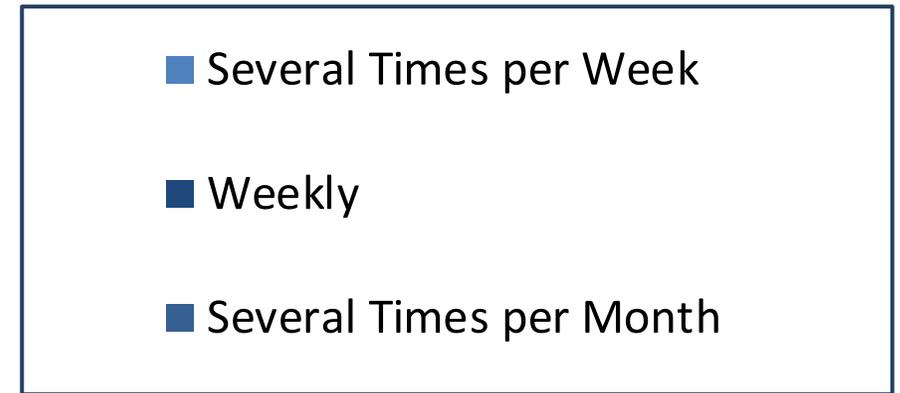


Sales Pipelines... A Big Deal

Expected Frequency of Pipeline Meetings



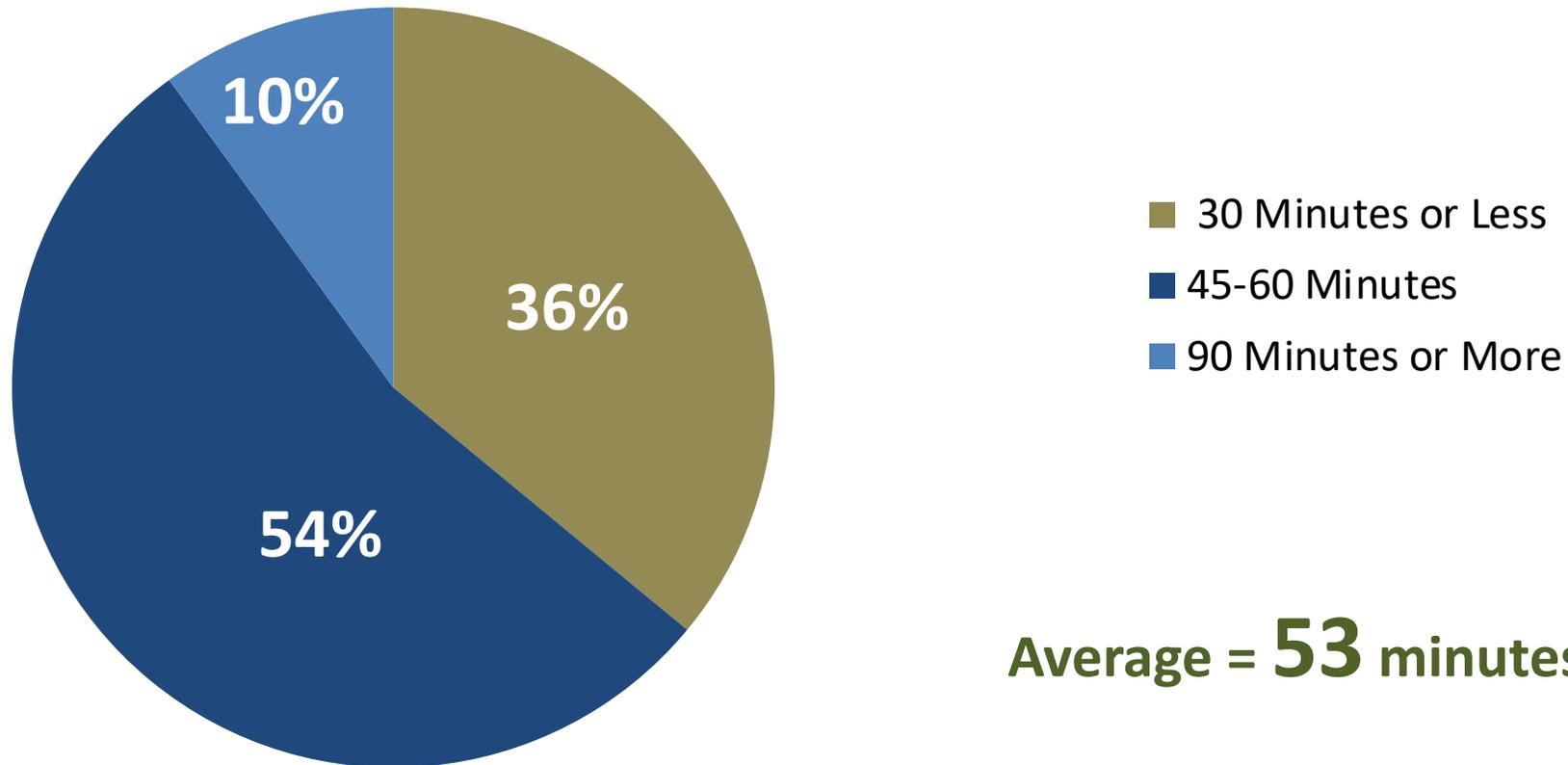
72 %



- Monthly
- Less than Monthly

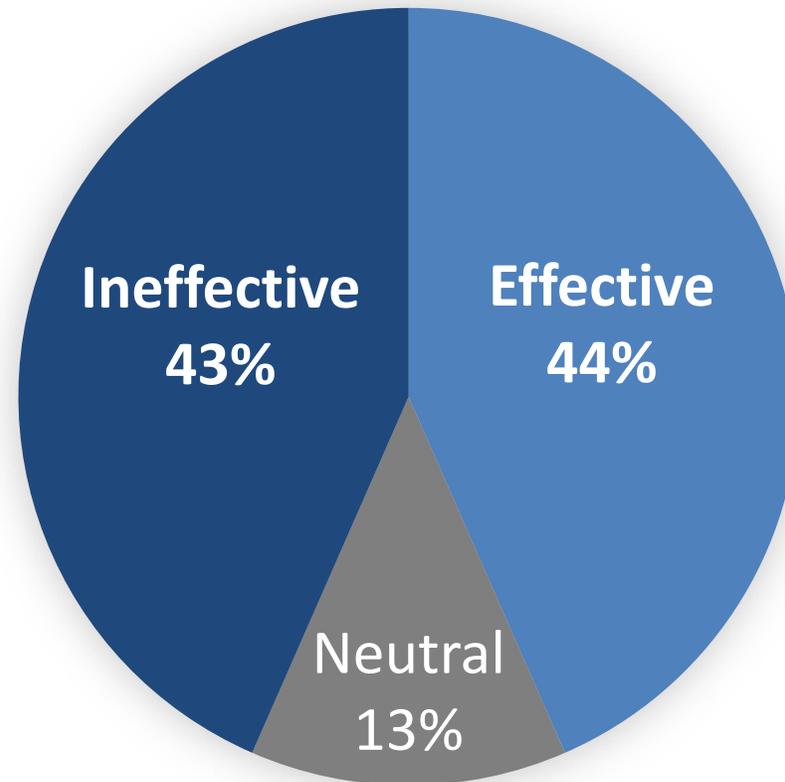
And They Consume a Lot of Time

Duration of Each Pipeline Meeting



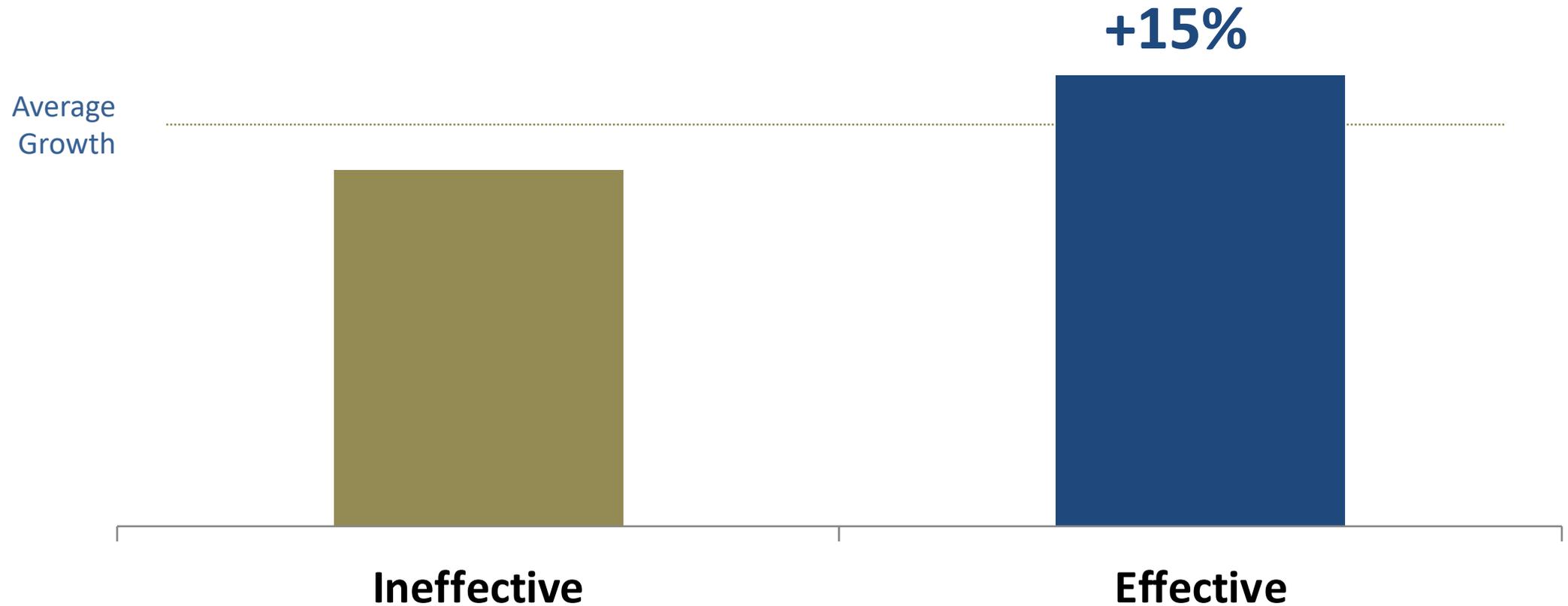
So We Must Be Good at It, Right?

Effectiveness at Managing the Pipeline



Fact: It Pays to Be Effective

Relative Revenue Growth



Determinants of Pipeline Management Impact

Top 3 Pipeline Management Practices

Relative
Revenue
Growth



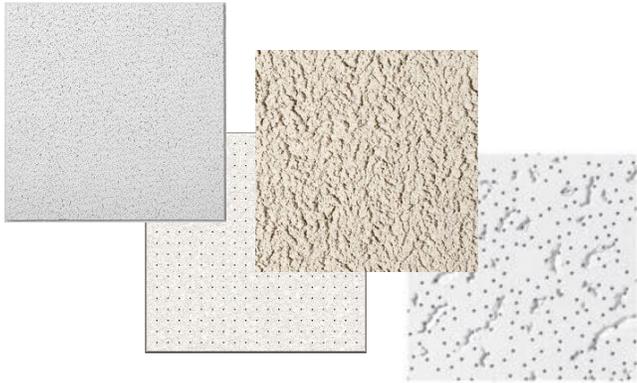
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SALES PROCESS

A Basic Process for Pipeline Management



Welcome to QUIETTECH!



Acoustic Ceiling Tiles



Sound Curtains



Full Sound Enclosure



Sound Absorbing Baffles



Sound Barrier



Noise-Cancelling Headphones

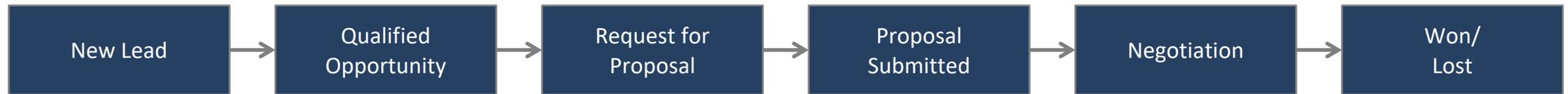
Activity: QuietTech's Sales Pipeline Design

- Read the **QuietTech** Sales Pipeline Design background
- Select the pipeline design you like best for its new CRM tool



Activity Debrief – Option #1

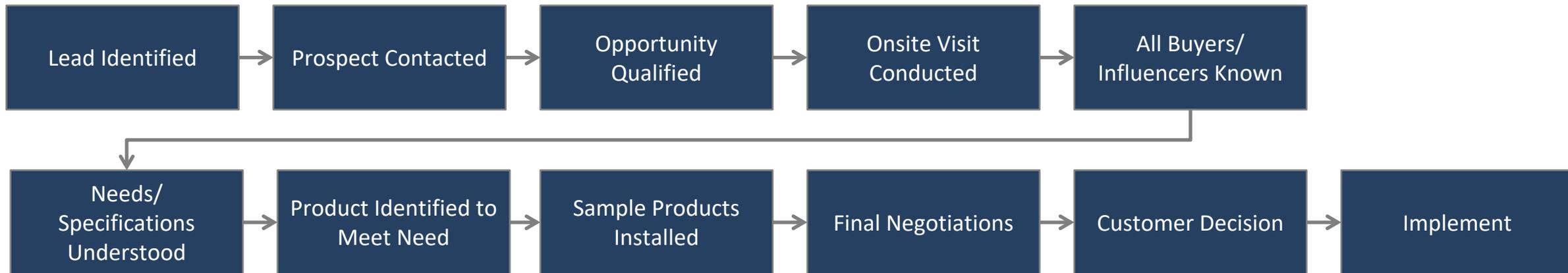
Sales Pipeline Stages



Rationale for Pipeline Design

This process was designed with the help of the consultant who originally designed and developed our existing CRM application

Activity Debrief – Option #2



Rationale for Design

This sales process has been used since 2010, when we conducted a ‘voice of the customer’ survey that revealed our sales calls were misaligned with their buying activities. It was designed by our salespeople in a series of workshops.

Activity Debrief – Option #3



LEAD -

There is an identified construction project that will be awarded to a supplier within 120 days.

QUALIFIED-

- Purchasing responsibility has been assigned
- Specifications have been determined
- Aligns with our current product set or the size of the opportunity could justify product customizations

PROPOSED -

A complete documented proposal has been delivered to the prospect

CLOSED –

The final contract has been formally awarded to us or a competitor.

Rationale

This sales process came already embedded in our current CRM system and was determined at the time to be a best practice sales process

The Stages of the Pipeline Mirror the Buying Process



=



And Increasing Customer Commitment

I'm Interested in what you offer

I'm willing to share information

I'll introduce you to others

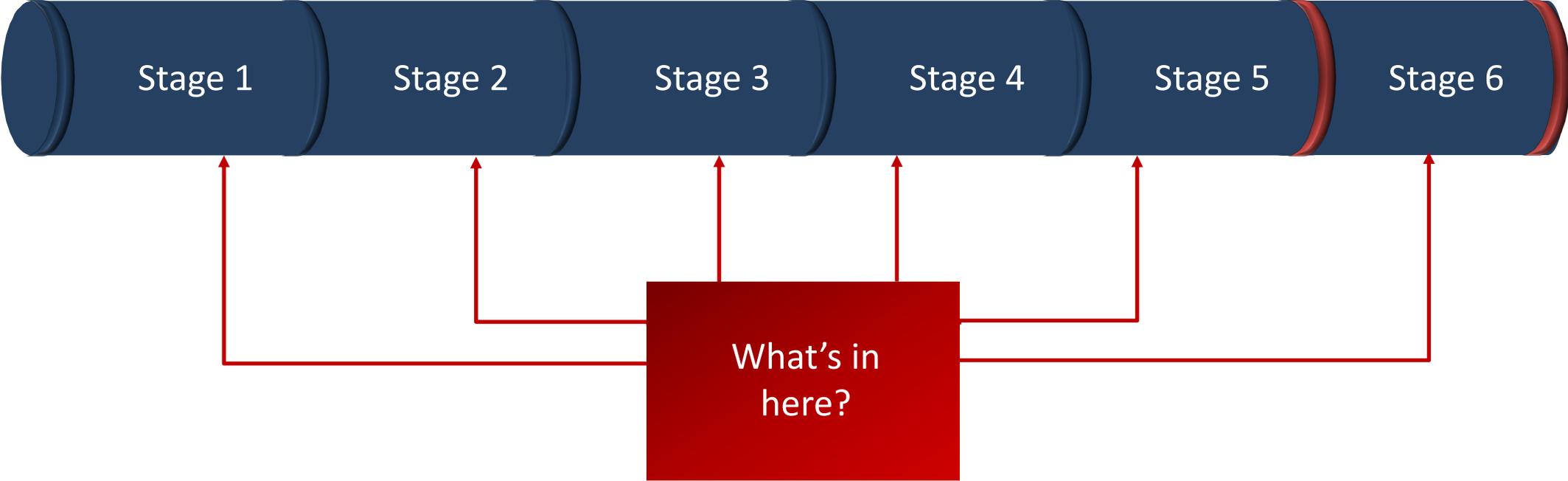
I'll put you on the short list

I like it... Let's negotiate

Yes, let's party!



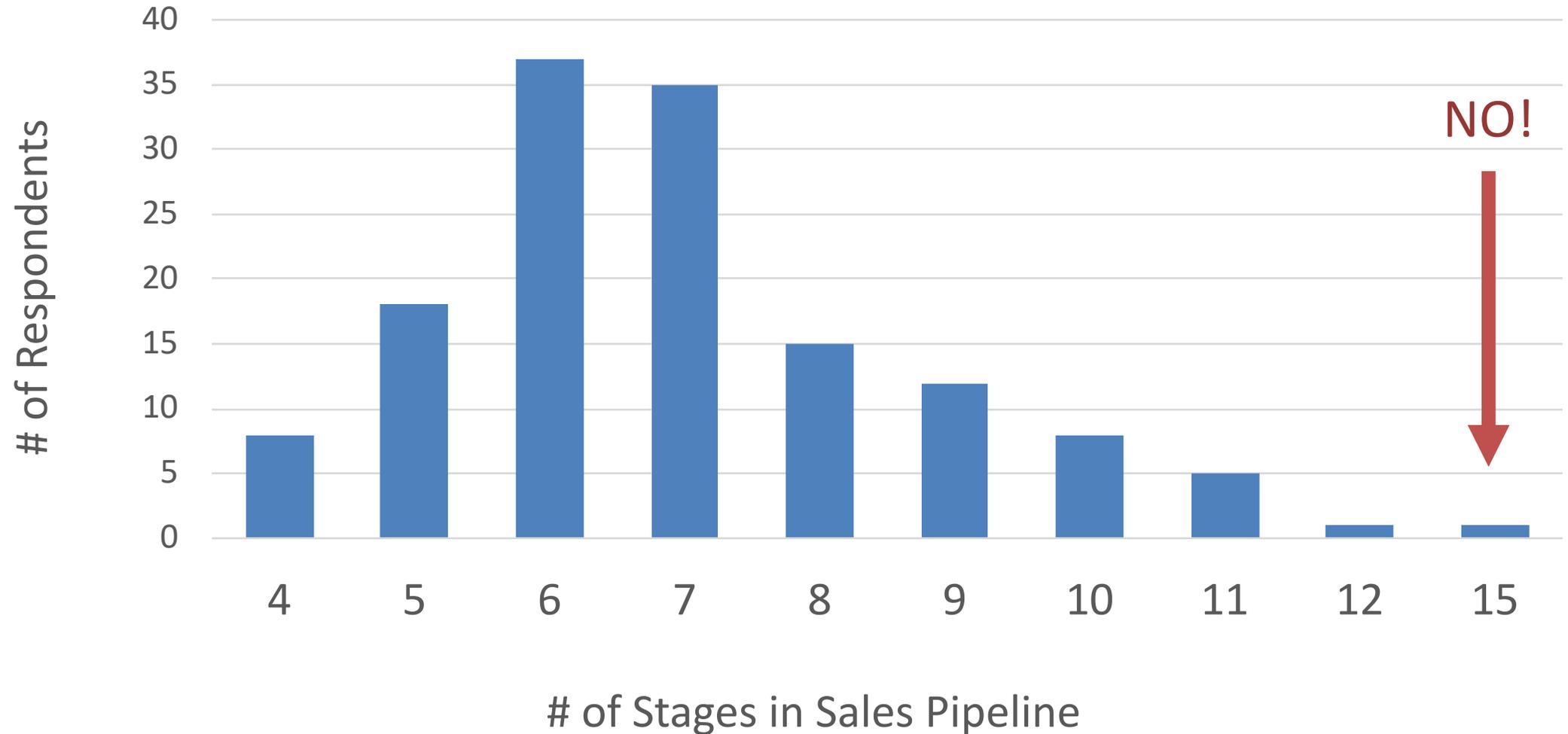
With Clear Definitions of What Goes in Each Stage



Just Enough Stages to Be a Meaningful Management Tool...And No More



Survey Says!



Source: Insight Squared Study



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SALES MANAGEMENT TRAINING



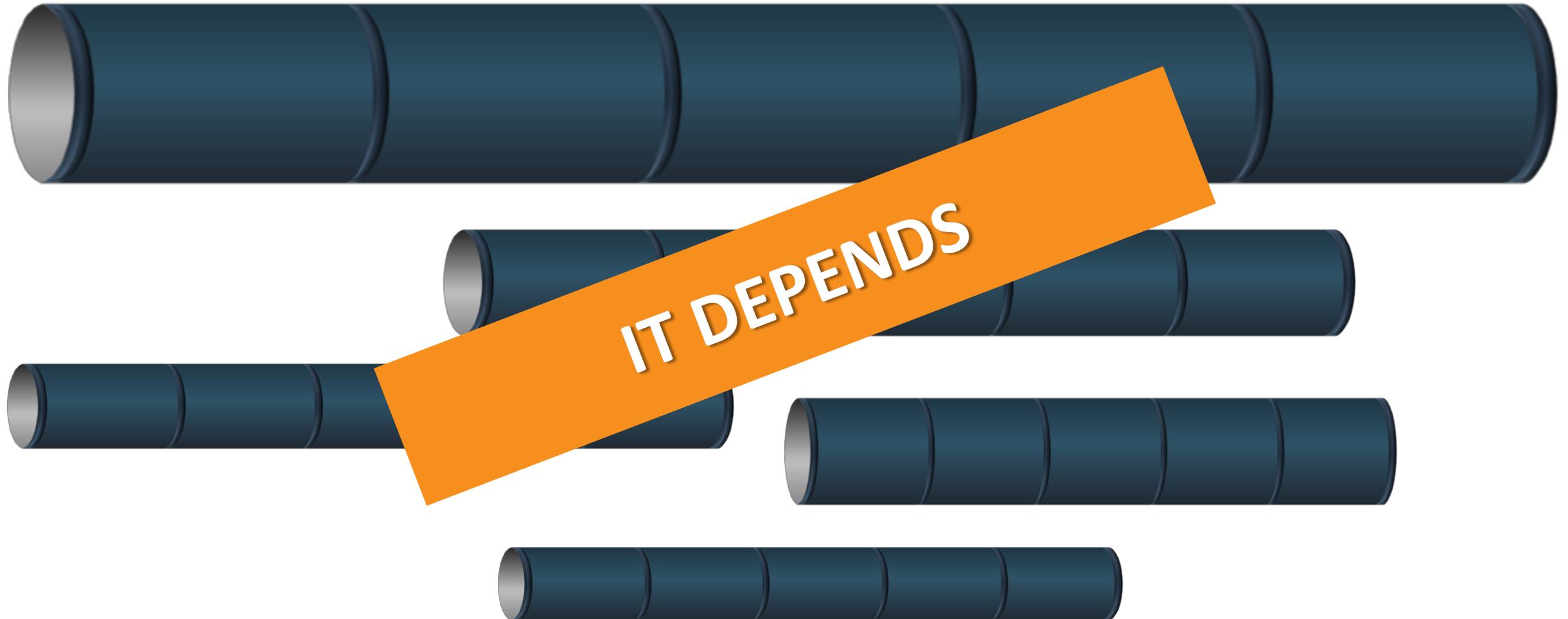
Three Typical Measures of Pipeline Health



The Primary Measure of Pipeline Health



Key Question: Is a Bigger Pipeline Better?



Important Question

How big do *You* think is big enough?

'Back-of-the-Envelope' Inputs to Optimal Pipeline Size

1

Close Rate

2

Quota

How to Determine a Close Rate

Actual Sales
over a given period

Average Pipeline Size
during that period

Example: Annual Close Rate

12 Months of Sales = \$ 1 million

Average Pipeline Size = \$ 2 million

$\frac{\$ 1 \text{ million}}{\$ 2 \text{ million}}$

=

50% Close Rate

How to Determine A Pipeline's Ideal Size

Quota
per period

Close Rate
during that period

If the Annual Quota is \$4 million

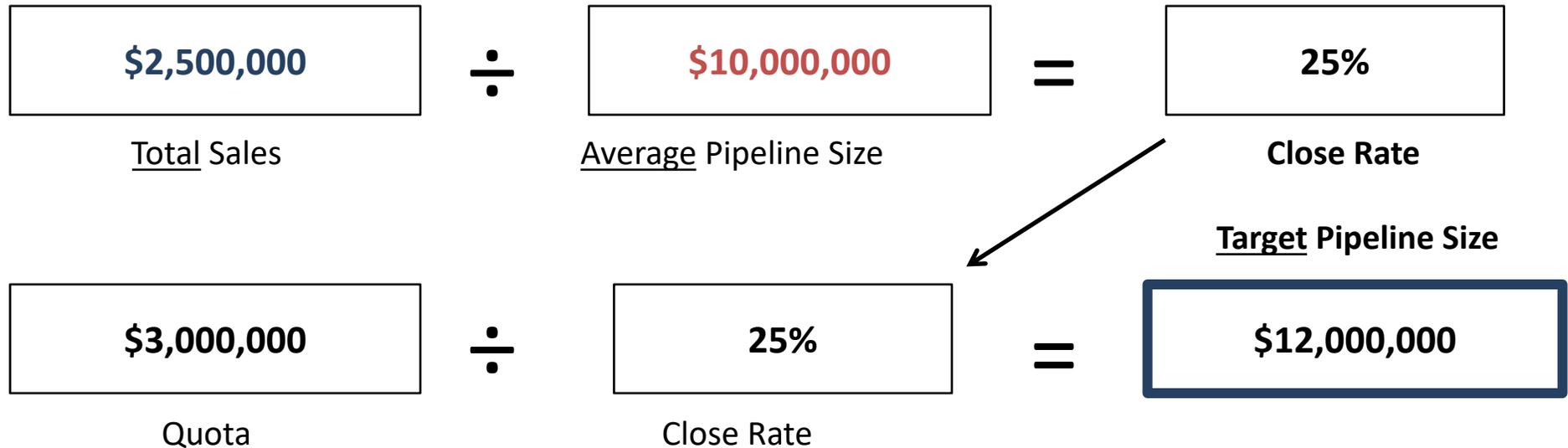
Quota = \$ 4 million
for 12 months

Close Rate = 50%
for 12 months

$$\frac{\$ 4 \text{ million}}{.50} = \boxed{\$8 \text{ million pipeline}}$$

Example

	Q1	Q2	Q3	Q4 (Most Recent)	
Sales per Quarter	\$500,00	\$750,000	\$500,000	\$750,000	\$2,500,000
Pipeline Size at Quarter End	\$8,000,000	\$12,000,000	\$7,500,000	\$12,500,000	\$10,000,000



Activity: Pipeline Sizes at QuietTech

- Read the **QuietTech** Sales Rep scenario for Carson
- Is Carson's pipeline sufficient for him to succeed?



Activity Debrief - Carson

$$\begin{array}{ccc} \$1,500,000 & \div & \$6,000,000 = 25\% \\ \text{Annual Sales} & & \text{Average Pipeline Size} \quad \text{Close Rate} \end{array}$$

$$\begin{array}{ccc} \$2,000,000 & \div & 25\% = \$8,000,000 \\ \text{Quota} & & \text{Close Rate} \quad \text{Target Pipeline Size} \end{array}$$



Current Pipeline Size
\$7,000,000

Summary

- Pipeline management is a big deal, BUT we screw it up
 - Process design is foundational
 - Train your managers to build healthy pipelines
 - Right **Size**
 - Right **Contents**
 - Right **Progression**
 - **KNOW THAT WE CAN HELP**
- COACHING!**
-

Q & A

PLEASE BE SURE TO SPEAK INTO THE
MICROPHONE. WE'RE RECORDING!



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[in bit.ly/2A4WLAN](https://bit.ly/2A4WLAN)