

## 5 steps to get your Sales Pipeline motoring

By Paul Stewart, Chairman IRSMarketing Ltd

The pipeline is the engine of your business, and it's primed and oiled by your sales team. A streamlined and high-performing pipeline means hitting targets and making money.



All very good, but most pipelines are clogged up (literally) and need clearing out, that means reducing the quantity in favour of quality.

But isn't that counter-intuitive you may ask, doesn't it go against the accepted wisdom to grow more pipeline rather than cut it back. Why would anyone want to reduce their pipeline?

Because. A pipeline clogged up with dry, lifeless deals sucks the energy and value out of the whole, saps confidence, reduces performance. What's more, if you add together the total effect of the whole sales team's clogged deals, you get a very different and misleading sales outlook for the company. After all, a clogged-up pipeline is by definition full of low probability deals, most of which you'll never win.

So the question should rather be: why would anyone want to grow a pipeline with low-quality, no-hoper deals?

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As a starter, it pays to study where the blockages are, to re-qualify and refresh them, or simply clear them out. And not just once. Maintenance, as with any engine, is a constant process.

The good news is that the blockages are easy to spot ....

## Tell-tale Pipeline blockage signs



### Sign 1: Stuck Deals

“You can easily see the deals that are not progressing,” explains a Senior Sales VP, a long-standing client of ours. “Just measure how quickly deals move through the stages. Of course some deals take longer, particularly large ones, but you can see when things are getting moribund. And when smaller deals are moving at the same snail’s pace as big ones, you know things just aren’t right and repair is needed.”

### Sign 2: Poorly qualified deals

Whether it’s inexperience breeding desperation or badly-qualified marketing leads or sheer inertia, poor qualification inevitably leads to lost sales, as night follows day. The loss isn’t necessarily because our sales effort is weak, but is often because the customer is a poor match or our pricing or our solution just doesn’t fit. OK, we all get these situations; after all nothing is perfect. But hanging on to moribund deals does nobody any favours. It detracts from chasing good opportunities, from developing fruitful relationships and working up new pipeline opportunities. Logically, we should at least re-qualify and clear out the dead wood.

### Sign 3: Low conversion rate

Just a little analysis of your win rate will yield intelligence on how the pipeline is being managed. A low conversion rate is a clear sign of problems. Sure, many things get in the way – competition, product quality or features and pricing – but when the win rate is low, below even the company average, it’s time to act. It’s time to look with an honest eye at each case:

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did we give it enough focus, did we ever stand a chance of winning, was the customer ever going to buy, has our organization helped the customer enough, were we over-optimistic?

### **Sign 4: Average sale value too low**

Our Senior Sales VP says, “Too many low-value sales is a sure sign of problems. Every pipeline has low as well as high value deals, that’s normal. But where the overall average is too low, that points to chasing short-term deals only, rather than developing long-term high-value keepers”. And while Confucius, he say (well, he would have done), “It takes the same amount of time to develop and close a big deal as a small one”, it stands to reason that time spent on bigger deals will reap greater rewards. Sure, they take longer and for certain a mix of short and long buying cycles is part of every salesperson’s sales portfolio, but balance is the key.

## The Dark Side of the blocked Pipeline



So, what’s the knock-on effect of ineffective pipeline management in your company?

### **1. Sales confidence**

As deals slip and wins become sparse, confidence in sales dips with the salesperson, managers, marketing and finance beginning to doubt. People start shuffling in their seats when forecasts are mentioned. And the lack of confidence can result in staff turnover – what self-respecting salesperson wants to stick around if they’re not winning?

### **2. Unreliable forecasting**

Accurate forecasts are necessary to sales, sales management and executive teams to predict upcoming revenue, plan sales and marketing expenses and make hiring decisions. Above all, forecasting is used to guide strategy and predict win rates. Sure, forecasts are always a best

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guess, but wildly inaccurate forecasts are at least a waste of time and are potentially dangerous.

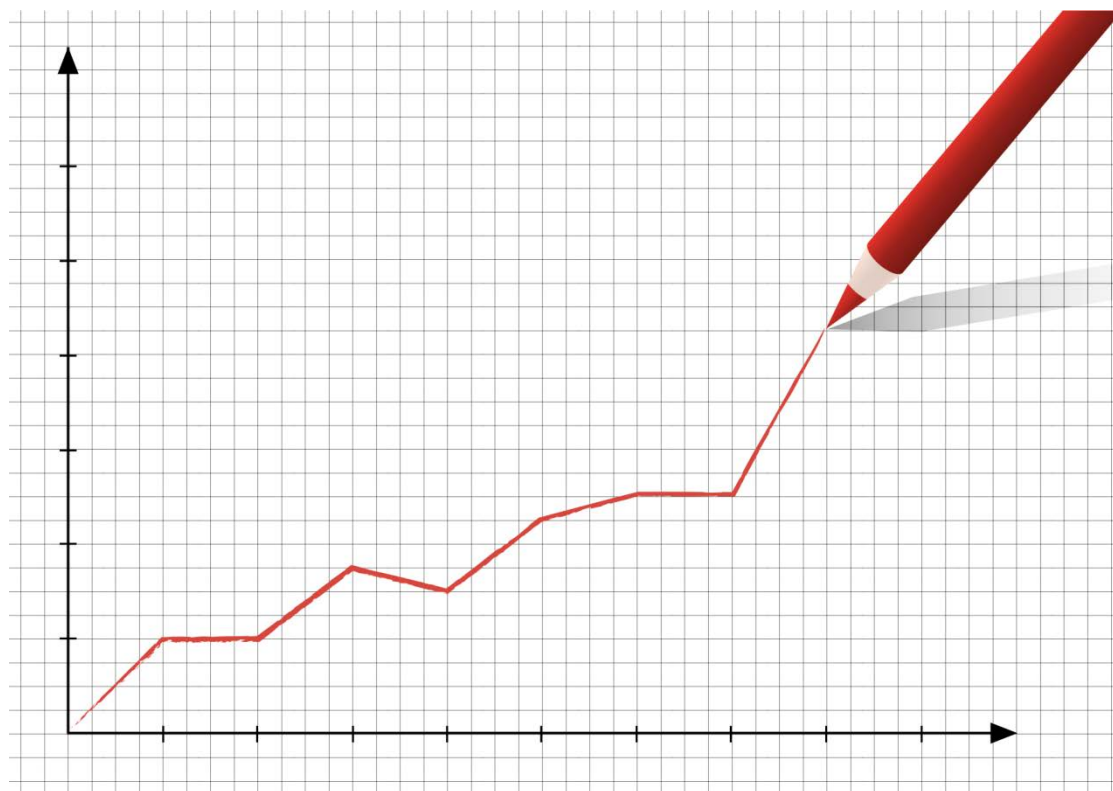
### 3. A poor customer experience

How much time can a sales professional devote to fully engaging with and understanding a buyer's needs, responding to questions and requests, pulling together internal and partner resources and delivering a strong solution, when they have so many deals in the funnel queueing up to be serviced? Re-qualifying and managing that bandwidth is a giant-size job.

### 4. Sales support

In most companies, delivering a sale requires time and resources from around your organisation - legal, marketing, administration, tech, multiple departments. For example, why waste the valuable time of your legal team to review contracts that have a very low probability of closing? A blocked pipeline inflates the cost of sale directly and indirectly.

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1. **Review** your deals (urgently). Here are some questions...
  - What is their decision process? Do you know every step?
  - Who is involved in the decision?
  - Do they have a business need? Are they listening to you?
  - When do they need your solution to be ready to go? Do they have funding?
  - What are the next two steps? Who else are they considering?
  - When is the next board meeting? What are they doing for you?
  - Do you know your strengths and weaknesses?
  - Do you know their decision criteria?
  - Do you have a clear closing strategy?
  
2. **Re-connect** with the dormant deals
  - Refresh the buyer's memory
  - Re-qualify interest
  - Re-affirm the decision-makers & influencers
  - Revise timescales OR qualify out
  
3. **Recruit** support to expand your bandwidth. You can't manage it all, so you need help, internally probably from marketing or externally from sales experts, to be your arms and legs.
  
4. **Create** a watch-list and maintain it. Use your support team to keep in touch & report back to you.
  
5. **Prioritise** your time in your constant search for quality.

At IRS, we have experienced outstanding results from paying attention to our clients' dormant or 'deferred' sales pipelines. They have commissioned us to re-engage with dormant deals, re-qualify and re-profile sales opportunities, nurture them through time and re-invigorate the pipeline. We have been able to deliver NEW pipeline measured in £millions.