

# Supercharging Sales Performance

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Next-Generation Analytics and Forecasts Can Make the Difference



VENTANA  
RESEARCH



# Unlocking Sales Performance

In today's competitive markets sales organizations have to be able to take advantage of opportunities immediately. The key to doing so is the sales forecast: It provides a roadmap to optimal execution and achieving sales targets.

Our benchmark research on next-generation business planning shows that producing quality forecasts is hard to do, though; only 13% of organizations said they manage the sales forecasting process very well, while 2 in 5 said they manage it only adequately.

Forecasts are only as good as the analytics they're based on. The job of analytics is to extract actionable insights from noisy data. One key to effective analysis of sales performance information is adopting analytics software that's easy to use and designed to meet the company's specific needs.

**Takeaway:** Hitting the numbers requires applications designed to optimize sales forecasting.

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# Keep Sales Forecasts Fresh!



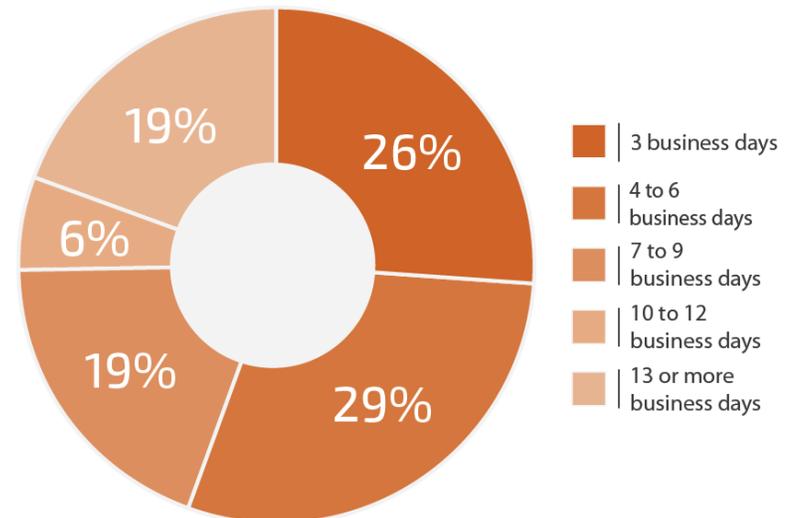
**The sales forecast is the linchpin of sales efforts.** It sets the direction for Sales to track progress against the forecast on a routine basis. But our research reveals that organizations don't review and revise the forecast frequently enough.

A major impediment is how long it takes to revise forecasts: For almost half of organizations it takes 7 or more business days after the review period ends to compare actuals to their plan.

**Takeaway:** Create up-to-date sales forecasts that can be reviewed and revised as needed.

## Speed of Comparing Actuals to Plan

More than half do it within six days



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# Perfect the Forecast Process!

In many organizations the process of creating the sales forecast is time-consuming and the results are of questionable reliability. The impact is that the forecast for a given quarter is not available at the start of that quarter or whenever sales professionals need it.

And most organizations are less than satisfied with the process they use to create sales forecasts – not a strong vote of confidence.

## Among the complaints businesses cite about the sales forecasting process is that:

- Models are hard to build and maintain.
- It's too slow.
- It's not adaptable or flexible.
- It isn't reliable.
- Data isn't readily available.



**Takeaway:** Perfect sales forecasting by identifying and eliminating impediments to the sales forecast.

# Reports Are Not Forecasting

Organizations use an array of tools for forecasting, but most don't provide the insights needed to achieve the best possible sales performance. Business intelligence tools, for example, offer charts on historical data but not a predictive view. Sales force automation or customer relationship management systems provide reports and dashboards but lack the ability to systematically extract patterns from past history and match them with the current state of deals so they can project probabilities for future performance.

**When it comes to performing gap analysis and examining future impacts through scenarios, our research confirms that reporting tools are inadequate.**

**Takeaway:** Use the right tool. Avoid ones that report only on the past.



# Agile Forecasting Provides Better Results

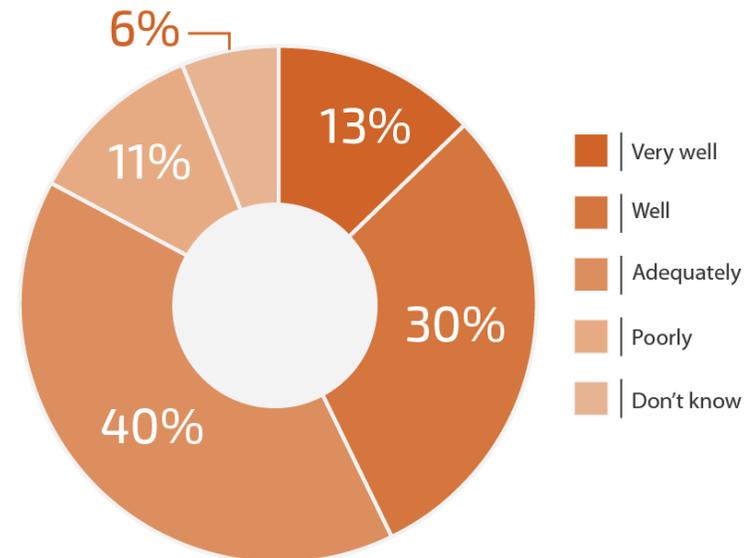
**Sales organizations today must continually adapt to changes in markets and competition.**

But adapting requires communication. In our research only about  $\frac{1}{3}$  of organizations were able to say that their executives and managers communicate well around the need to adapt the sales forecast to changes in conditions over the course of a year. Even fewer said they can accurately measure the sales forecast's impact on the rest of the company. Agility is what's needed, and agility requires measurement and analysis.

**Takeaway:** Sales should adjust forecasts as needed to improve sales performance.

## Managing the Sales Forecasting Process

Fewer than half do it well or very well



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# Visibility Drives Better Collaboration

One important way to improve sales responsiveness is to ensure visibility of the sales forecast. Then collaboration can enhance performance. Yet

**fewer than half of organizations said they collaborate effectively or very effectively in sales forecasting.**

Sales team meetings provide prime opportunities for collaboration.

**But collaboration must be supported by visibility of the information in the forecast.** Our research shows such access often is lacking:

- Fewer than  $\frac{1}{3}$  can drill down to detailed sales information during review meetings.
- Just **15%** can drill down to details within an hour or two after meetings.
- The majority require at least a day or two to get to details.

**T**akeaway: Enable collaboration and ensure the sales forecast is focused on improving results.





# Use Software Designed for Forecasting

Sales organizations today need powerful, flexible software that is cost-effective yet enables rapid reaction to changing conditions. Any such tool must make it possible to explore what-if scenarios and understand their implications. Having this capability can provide an advantage over the many in our research that lack it:

- $\frac{1}{5}$  of sales organizations do not explore what-if scenarios.
- $\frac{1}{3}$  can explore only a limited number of scenarios and have limited understanding of their potential.

**Businesses that have invested in dedicated forecasting software have benefited.** For example, more than one in five organizations that use a dedicated tool for sales forecasting said they have improved their outcomes significantly.

**Takeaway:** Using dedicated software designed for forecasting and optimizing will improve sales performance.



# Forecasting Helps Everyone Lead



**Our research finds that more than half of CFOs, CEOs and COOs are actively involved in the use of sales forecasts.**

Executives demand that the forecast be accurate, up to date and an accurate picture of the sales strategy and prospects. Ineffective sales forecasting and analytics software can undermine their confidence in the forecast. This means the evaluation team should choose a product that will be useful not just for sales people but *all* stakeholders – including executives.

**Takeaway:** Optimizing sales performance requires use and support of the forecast across Sales, Finance and Operations.



# Investing in Sales Forecasting Pays Off

A sales organization that delivers optimal results is essential to business success. Sales management must review its forecasting process, including how effectively it provides information and whether it provides the right technology. Whatever inadequacies are found should guide improvements and investment that will produce the most effective sales forecasts.

**Ventana Research believes that optimizing sales performance and maximizing revenue requires software that provides actionable, forward-looking insights at any time. Using technology designed for sales forecasting to optimize results is essential to gain the best possible performance.**

*The benchmark research report Next-Generation Business Planning can be purchased from Ventana Research at [www.ventanaresearch.com](http://www.ventanaresearch.com).*

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