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Pipeline management as a growth enabler

Changing your commercial conversations

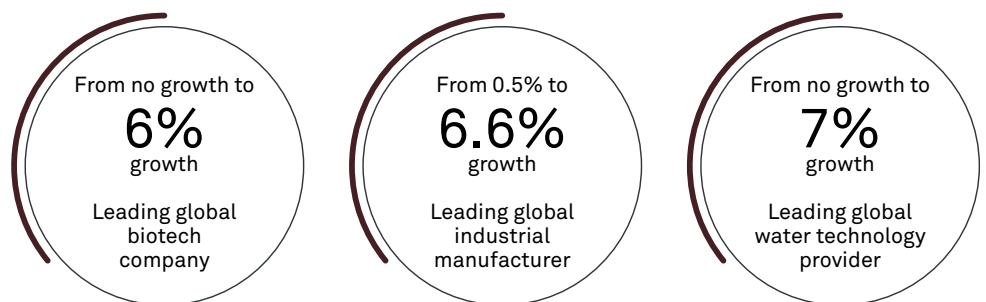
Executive summary

Pipeline management is a well-established sales discipline. Yet most sales leaders and sales reps consider it a non-value-adding and burdensome sales administration task. However, when done right, pipeline management holds the potential to fuel revenue growth through five growth enablers. It can help elevate conversion rates, enhance forecasting precision, shorten sales cycles, bolster customer retention and cultivate a sales performance culture built on data-driven decision-making.

We have helped several global industry leaders transform their pipeline management practices, achieving up to +20% additional revenue growth. Our experience shows that sales organisations that successfully unlock growth enablers foster six specific pipeline management capabilities:

1. They utilise CRM functionality to help sales reps work smarter.
2. They register all active opportunities in CRM.
3. They register the right data on each of them.
4. They use a machine learning model to predict win probability.
5. They utilise value-adding dashboards.
6. They have the right commercial conversations.

Implementing world-class pipeline management practices is not achieved overnight but often requires a significant transformation of the sales leadership. We have identified five critical success factors that must be in place for a pipeline management transformation to be successful. Firstly, it requires the full support of the executive commercial leadership team. Secondly, it requires a regular, mandatory schedule for pipeline reviews and coaching at all levels of leadership. Thirdly, it requires a support programme for commercial leaders with comprehensive training and individual on-the-job coaching sessions. Fourthly, sales and pipeline KPIs must be incorporated in executive and monthly reporting. Finally total, departmental and individual pipeline KPIs must be relentlessly monitored and reported.



Pipeline management
as a growth enabler

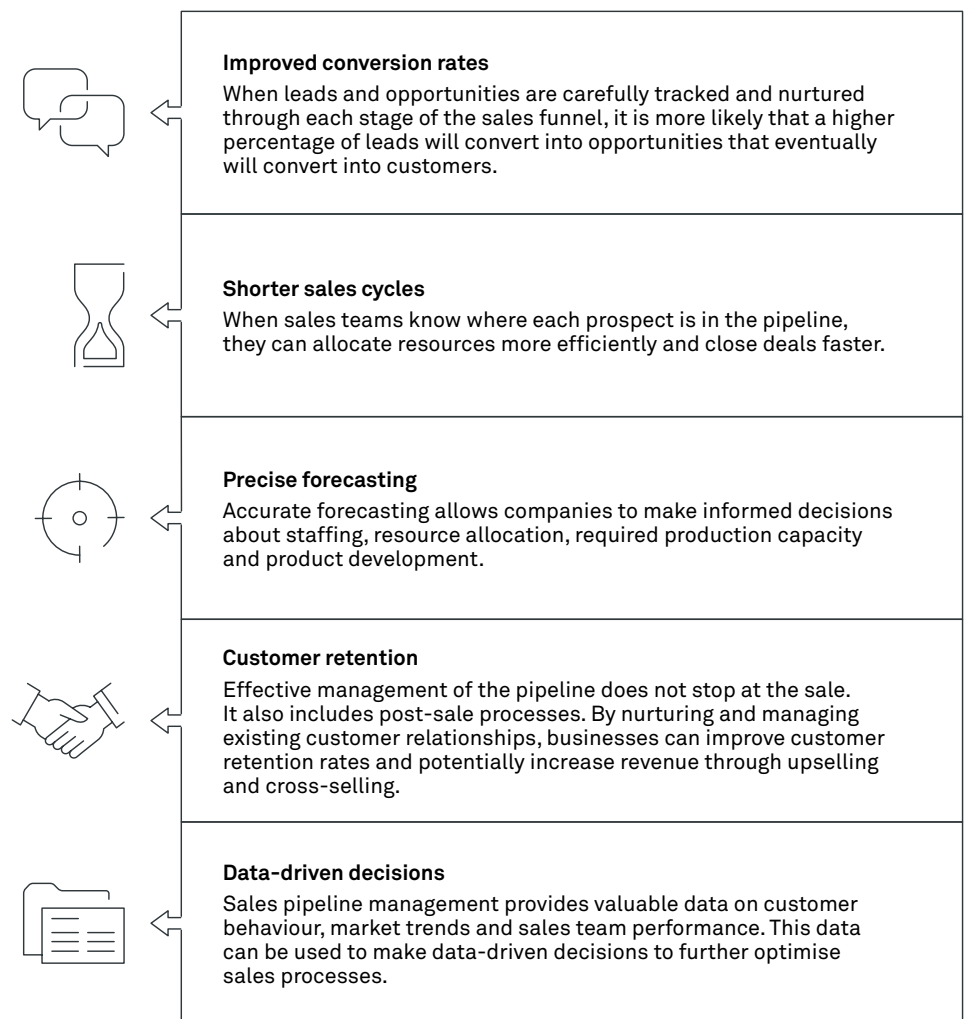


15%

Companies with world-class pipeline management practices in place outperform industry peers by growing revenue +15% faster.

Corporate Executive Board; Harvard Business Review

The growth advantage is achieved through five pipeline management-enabled drivers



Unlocking growth enablers requires a new perspective on pipeline management

The primary goal of pipeline management is to efficiently convert sales opportunities into successful contracts by progressing them throughout the different stages of the sales process. To facilitate this, most companies have made significant investments in advanced CRM systems, expecting cutting-edge functionality to automatically drive revenue growth. In our experience, however, new CRM systems rarely create revenue growth on their own. What drives revenue growth is when the information stored in the CRM system is turned into insights and used by the sales leaders to facilitate meaningful coaching conversations with their sales reps. However, having worked with commercial transformations in numerous global sales organisations, pipeline management and CRM systems are often perceived as burdensome administrative tasks that do not add value. Considering how pipeline management is typically practised, we understand the reasoning behind this perception.

Pipeline management and CRM systems are often used exclusively as tools for performance inspection. Sales leaders use their pipeline reviews to interrogate reps about upcoming opportunities, unmet quotas or unsuccessful deals, aiming

to understand why certain outcomes occurred or did not occur so they can report upwards. The sales leaders leave such meetings slightly more enlightened, and the sales rep leaves with the task of updating the CRM. Unsurprisingly, this approach provides little value, and as a result, sales reps will spend as little time as possible using the CRM.

In other companies, rather than focusing solely on past performance, sales leaders and reps collaborate to strategise for the future. The sales leaders leverage CRM insights to coach their sales reps and help them prioritise between accounts and opportunities and identify which actions are most likely to improve the chances of winning an opportunity or growing share of wallet. This approach helps sales leaders develop a nuanced understanding of current and anticipated performance, and it ensures that sales reps leave each meeting with actionable insights that help them grow their sales.

In this whitepaper, we introduce our proven pipeline management maturity framework, which outlines six essential capabilities to help you unlock the key drivers of growth through effective pipeline management.

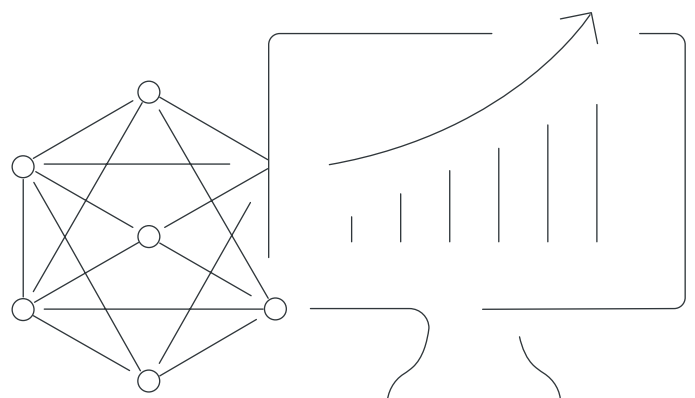
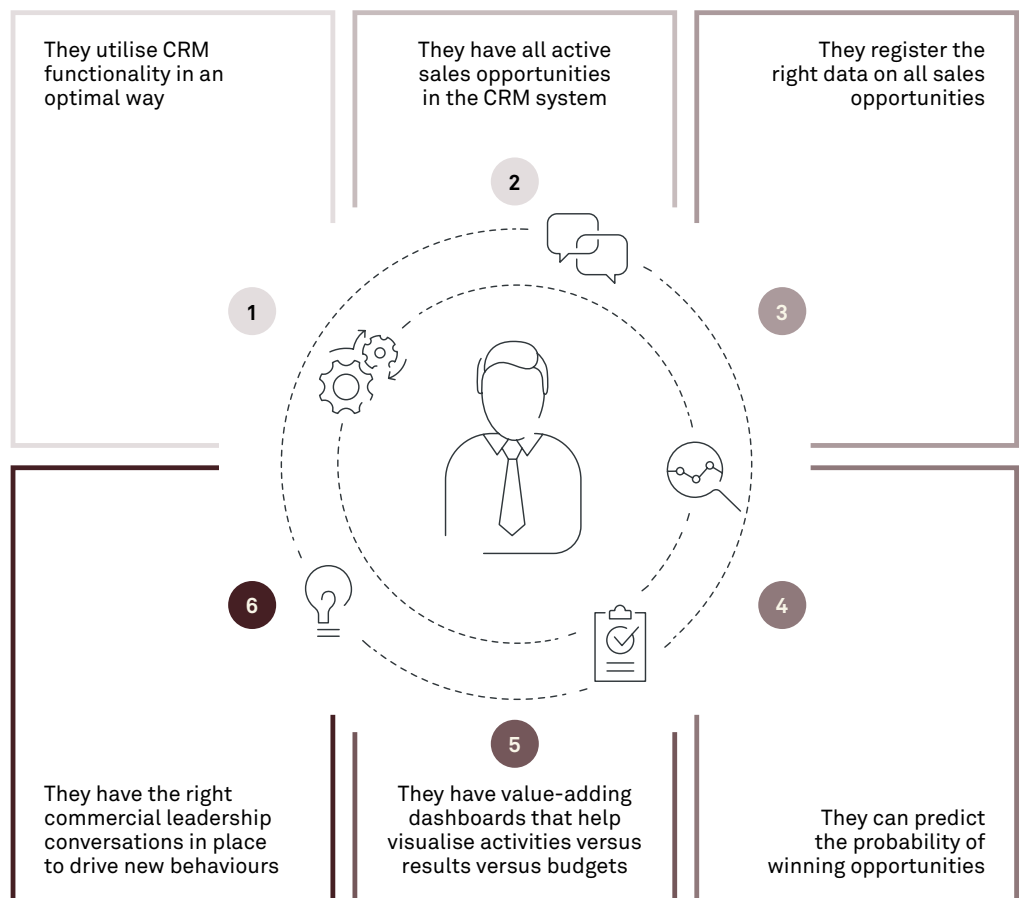
Quick test

- Are your sales reps managing internal activities more than customer-facing activities?
- Are you experiencing low CRM adoption rates and poor data quality?
- Do you find it difficult to assess if you have enough opportunities in the pipeline to close the gap to budget?
- Do you often miss the mark of your sales forecast?

If you answered “yes” to any of the above, chances are that you could benefit from increasing your pipeline management maturity levels.

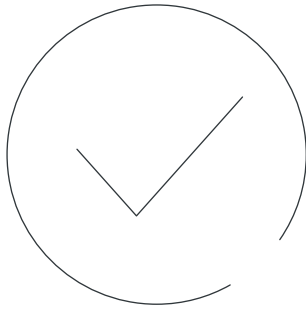
What does world class pipeline management practices look like?

Organisations with world-class pipeline management practices foster six essential capabilities, addressing both technology and sales leadership



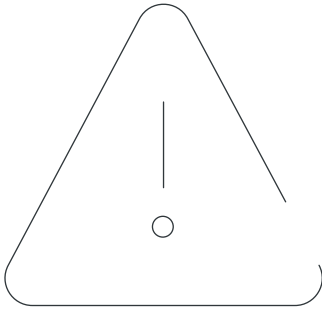
High pipeline management maturity

If any of the capabilities are absent or at a low maturity level, it will affect the overall effectiveness of pipeline management



When you are ...	
Utilising CRM functionality	<ul style="list-style-type: none">- The CRM system helps sales reps work faster and smarter, providing recommendations on specific actions they can take to add value to potential customers at any stage of their buying process.
↓	
Registering all opportunities with the right data	<ul style="list-style-type: none">- Sales leaders gain full transparency of the pipeline, enabling them to help their sales rep make informed decisions about what accounts, opportunities and activities to prioritise.
↓	
Predicting win probability	<ul style="list-style-type: none">- Using CRM data and machine learning models improves forecast accuracy and allows for continuous improvement as more data is collected.
↓	
Using value-adding dashboards	<ul style="list-style-type: none">- Sales and pipeline data is integrated into easy-to-read, automatically updated dashboards, allowing sales leaders and reps to derive intuitive actions from the information presented.
↓	
Having the right conversations	<ul style="list-style-type: none">- Sales leaders come prepared with insights from the dashboards, engaging in meaningful and fact-based coaching sessions with their sales reps. Whether it is a conversation about building a pipeline, growing an existing account or winning a specific opportunity, your sales leaders are ultimately driving new frontline behaviours and helping sales succeed.

Low pipeline management maturity



When you are not ...

Utilising CRM functionality

- Your sales team probably spends a significant amount of time manually entering and updating their opportunities and activities. This may lead to frustration and reluctance to use CRM as they see no added value to help them develop their opportunities.



Registering all opportunities with the right data

- Important account and opportunity information exists in notebooks, Excel sheets or solely in the minds of the sales reps. This lack of centralised information leaves sales leadership navigating in the dark with no clear overview of the pipeline and uncertainty about whether the right opportunities are being pursued.



Predicting win probability

- Sales forecasts are based on sales rep intuition, which can lead to overly optimistic or overly conservative estimates. This creates inaccurate revenue projections, which makes it difficult to identify mitigating actions in due time. Moreover, it hinders the ability to make informed decisions about resource allocation and production capabilities.



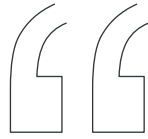
Using value-adding dashboards

- Collecting sales and pipeline data becomes a time-consuming and error-prone process. Sales reps and sales leaders probably spend a significant amount of time figuring out how to analyse the data to produce insights that can support decision-making about where to focus the sales efforts.



Having the right conversations

- Sales leaders act as mere administrators, spending time in internal meetings to communicate downwards or interrogating about the past to report upwards. While the sales leaders leave such conversations a little more enlightened, sales reps leave without any meaningful insights or actions to improve performance.



Saying “I don’t have time for CRM” is like saying “I don’t have time to look at my GPS app because I am too busy trying to figure out the best way to get from here to there.”

Bobby Darnell

1. Utilising CRM functionality

Today’s CRM systems offer a wealth of new functionalities. Yet not all companies are effectively leveraging these advanced systems to support their sales reps.

For companies just starting out on their pipeline management journey, the CRM system is often seen as a mere repository of opportunity information. This narrow view can lead to suboptimal user experiences and cumbersome interfaces that make it difficult for sales reps to navigate the system effectively. Furthermore, manual data entry processes can be time-consuming and discouraging.

However, organisations with advanced pipeline management practices perceive the CRM system as a critical instrument for augmenting sales rep productivity and generating value. These organisations emphasise a smooth user experience with intuitive interfaces that reduce the time sales reps spend searching for information. Their CRM systems are designed to synchronise effortlessly with emails, calendars and other integrated systems, reducing the burden of data entry and freeing sales reps to focus on value-adding activities with potential customers. Importantly, these systems are enriched with actionable insights

and next best actions, guiding sales reps through each step of the sales process that is harmonised with the buyer’s journey. By providing sales reps with data-driven recommendations and actions based on the customer’s needs at each specific stage, CRM systems become powerful tools that not only save time but also increase the effectiveness and relevance of customer interactions.

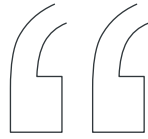
How to increase pipeline management maturity

- Reduce friction in the end-to-end processes and integrations to provide excellent user experiences.
- Configure CRM to recommend actions that can drive the sales process forward in an optimal way.
- Automatically feed data to opportunities from email, calendar and integrated systems with high quality.
- Configure CRM to identify and suggest upsell and cross-sell opportunities.
- Automate all feasible steps.
- Set CRM up to send relevant and well-worded nudges on multiple channels based on user preferences.

Fact

“On average, sales and marketing costs average from 15-35% of total corporate costs. [...] In cases reviewed, sales increases due to advanced CRM technology have ranged from 10% to more than 30%.”

Harvard Business Review



We usually first register an opportunity when we are rather certain we will win it.”

Sales manager, global company

2. Registering all opportunities

Registering and advancing opportunities in CRM is fundamental to pipeline management. Yet not all sales representatives adhere to this practice. Some document their opportunities in Excel, while others only register opportunities with new customers, and some do not document them at all.

Failing to register all actively pursued opportunities in CRM leads to an inaccurate portrayal of current and projected performance. Even worse, sales representatives may prioritise opportunities and activities based on outdated information or gut feelings.

We have observed instances where opportunities have remained stagnant in the pipeline for years without any updates or activities, contributing to a growing list of neglected opportunities. This issue often arises from sales leadership allowing sales representatives to independently decide what, when and how to register and update opportunities, leading to inconsistencies and gaps in the pipeline.

Instead of relying solely on the intuition of their sales reps, top-performing companies adhere to clear guidelines on the timing and method for registering opportunities. Opportunities are advanced according to a formal sales process with a defined set of stages that mirror

the customers' buying process, ensuring that value is generated for the customer at each stage. In addition, all types of opportunities, including new sales, upsells and renewals, are registered and consistently updated to maintain data accuracy. This approach provides a comprehensive view of the sales pipeline, enabling better decision-making and sales forecasting for sales leadership.

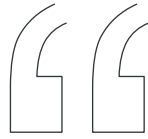
How to increase pipeline management maturity

- Create a formalised buyer-aligned sales process with verifiable customer outcomes.
- Register all active opportunities from new sales and upsell to renewals and threats.
- Update opportunities frequently, e.g. when size, stage or close date changes.
- Link opportunities to historical and planned future sales activities.
- Always document why you win, lose or stop a CRM opportunity.

Fact

Research suggests “an 18% difference in revenue growth between companies that defined a formal sales process and companies that didn’t”

Harvard Business Review



Our opportunities are typically updated twice: once when they are created and again when they are either won or lost.”

Sales manager, global company

3. Registering the right data

Registering all opportunities in CRM is an essential first step in effective pipeline management. However, simply registering opportunities is not enough. It is crucial to ensure that the data is accurate and continuously updated.

The data residing in a CRM system is the foundation for robust pipeline management, which is why it is important to maintain strict data quality standards. The old adage “garbage in, garbage out” is especially true in this context. Beyond just handling basic data such as company and contact details and steering clear of duplicates, there is a compelling need for a more profound data management strategy to ensure effective pipeline management.

A common challenge for many organisations is the ability to project year-end performance with precision. Sales representatives, leaning heavily on their gut feelings, often make revenue potential and contract closure estimates, which may involve minimal customer interaction. This approach can lead to an inflated pipeline where optimism overshadows accuracy, resulting in frequently deferred close dates that skew revenue forecasts and obstruct targeted focus on the most promising accounts, opportunities and sales initiatives. Moreover, crucial customer communications like emails, sales calls and meeting records are often dispersed across disparate systems rather than being centralised in the CRM, creating a fragmented view of customer interactions.

In contrast, leading companies champion data quality and embrace a customer 360 perspective. They have direct visibility of all customer interactions with actionable analytics embedded in the customer view. Key sales activities are automatically generated and tracked directly on specific opportunities. Sales teams verify deal sizes and closing timelines through direct engagement with customers, ensuring that opportunity updates are timely and reflect actual changes, thus markedly improving the accuracy of revenue forecasts.

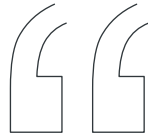
How to increase pipeline management maturity

- Follow a systematic approach to estimate deal size, which is validated by the customer.
- Follow a systematic approach to estimate close date, which is validated by the customer.
- Link opportunities to all included offerings.
- Distribute expected revenue across all offerings, covering each month of the full contract length.
- Link each opportunity to relevant stakeholders and capture information about communication frequency and content.

Fact

According to recent research by Validity about CRM data management, “75 percent of the respondents admit that employees fabricate data to tell the story they want decision makers to hear”. Moreover, “82% report that they are asked to find data that supports a specific story, rather than provide accurate data”.

Validity, *The state of CRM data management, 2022*.



The most important number in a company is the forecast, and it's moved from just talking to your sales manager to something that's a combination of art and science.”

Carl Eschenbach, Sequoia Capital

4. Predicting win probability

Understanding the likelihood of winning an opportunity allows sales representatives to effectively prioritise their opportunities and provides sales leadership with significantly more accurate revenue projections. However, this remains a challenging aspect for most companies.

Depending on the maturity level of pipeline management, some companies rely heavily on subjective assessments. In this approach, sales reps assign a win probability based on personal experience and insights, or they follow a fixed probability based on the specific stage in the sales process where verifiable customer outcomes have been met. The challenge here is that some reps may be overly optimistic, consistently assigning high probability rates, while others may increase their win probability to inflate the weighted pipeline and present a more favourable performance outlook. If win probability is inflated, mitigating actions will likely not be identified and executed in due time.

In companies with best-in-class pipeline management practices, win probability is calculated using a machine learning model. This model leverages all historical opportunity data, including sales activities, sentiment analysis of customer communication and more.

We have witnessed some companies significantly increase the accuracy of their win probability by more than 70%. As with all machine learning models, the more it is trained and the more data it is fed, the more it learns. This emphasises the importance of diligent CRM registration, particularly marking won/lost opportunities.

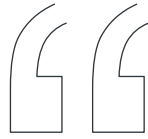
How to increase pipeline management maturity

- Use a machine learning model that combines historical data, sales process outcomes, sentiment analysis, all available customer communication, all opportunity data and customer behaviour.
- Set up fully automated trigger flows that suggest the next best action to pursue for sales reps.
- Continuously improve the predictions with data analysis and sales process outcomes.

Fact

According to research by Gartner, only 45% of sales leaders and sellers have high confidence in their organization's forecasting accuracy.

Gartner, The state of sales operations, 2020



We have so many dashboards that it is difficult and time-consuming to navigate, and they all differ across our markets because they built their own.”

Sales director, global company

5. Value-adding dashboards

When utilised effectively, sales and pipeline dashboards offer you and your sales team a comprehensive overview of actual performance versus targets, empowering you to identify winning strategies for growing your pipeline, developing key accounts or winning critical opportunities.

Today, many sales leaders and sales reps have access to a myriad of sales and pipeline dashboards. Yet most struggle to derive significant value from them. Oftentimes, lacking system integration makes the dashboards only show part of the picture, leaving sales leaders and sales reps with the task of finding the rest of the information elsewhere. Having to manually integrate and analyse data from various sources turns into a time-consuming quest for insights – time that could have been spent differently. Moreover, dashboard jungles with complex visualisations, overwhelming volumes of data and outdated information make the quest for actionable insights a cumbersome and time-consuming process.

In contrast, top-tier organisations have intuitive, easily navigable dashboards, combining both actual sales data and expected sales to readily address critical questions, such as: “what is our gap to full-year budget?”, “how do we perform on our strategic KPIs?” and “is the quality, size and flow of our pipeline enough to meet year-end targets?” This helps sales leaders and reps decide which accounts

and opportunities to prioritise as well as which activities to initiate or discontinue. Such best-in-class dashboards are fully automated, amalgamating data from diverse sources to provide a comprehensive overview in one place. In sales organisations with effective pipeline management, the dashboards are the heart of the commercial conversations.

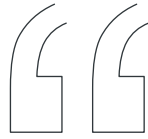
How to increase pipeline management maturity

- Automatically track sales, pipeline and strategic KPI performance on individual and/or team level.
- Combine targets, year-to-date attainment, opportunity backlog, sales pipeline etc. in a simple view that predicts year-end and next-year performance, including gaps to target.
- Track and visualise pipeline quality for full transparency.
- Track and compare account performance to historical data.
- Assess opportunity performance and utilise historical data to predict the actions that will increase the likelihood of winning the opportunity.

Fact

According to research by the RAIN Group Center for Sales Research, “top-performing sales managers are 52% more likely to excel at planning and analyzing how sellers should manage their pipelines”.

Rain, The Complete Guide to Sales Forecasting and Pipeline Management, 2023.



If you want to change an organisation, you have to change the conversation.”

Ralph Stacey

6. Commercial conversations

Having the right data visualised in dashboards is essential for effective pipeline management. However, the true value of these insights is unlocked when it is used in meaningful commercial leadership conversations that drive new frontline behaviour.

In pipeline management, commercial leadership conversations between sales leaders and sales reps aim at improving sales and pipeline performance, strengthening account development and increasing the likelihood of winning key opportunities. However, in companies with ineffective pipeline management such conversations only happen, if at all, on an ad-hoc basis, or when the reporting date is getting closer. Instead of coaching the sales rep to identify winning actions, the sales leaders scrutinize past performance and actions already taken so they can report upwards. The conversations are typically based on gut feelings and lack both focus and structure, seldom creating actual value for the sales leader or the sales rep.

In contrast, best-in-class organisations prioritise forward-looking commercial conversations. Only a small part of the meeting is used to follow up on actions from the last meeting, while the rest of the meeting is used to strategise future actions that will grow the business. Sales leaders leverage insights from the CRM system and other integrated data sources to coach their sales reps.

Such organisations ensure that high-quality conversations occur at every level, from director to sales manager and from sales manager to sales rep. They consistently conduct these conversations and meeting types through effective coaching, and their commercial leadership conversations follow a fixed cadence in the management model.

How to increase pipeline management maturity

- Formalise the format for performance and pipeline coaching, opportunity coaching and account development coaching to ensure consistent, high quality.
- Utilise insights to support prioritisation and decision-making in all commercial conversations.
- Spend 20% of your time following up on actions and 80% strategising for future actions.
- Follow a fixed conversation cadence for all sales reps and sales leaders across all organisational layers.
- Use the fixed meeting cadence to cascade information upwards and downwards in your organisation.

Fact

In a study by McKinsey and Company, “outperformers commit to 79% more coaching by sales managers than slow growers”.

McKinsey & Company, *By the numbers: What drives sales-growth outperformance*, 2021.

Critical success factors when implementing world-class pipeline management practices

Are you considering to launch an initiative to improve your pipeline management practices? Based on our experience, we have identified that multiple critical factors must be established for a pipeline management initiative to be successful and yield further benefits.

1. **Active sponsorship by executive commercial leadership:** The project must have the full support of the executive commercial leadership team. Their active involvement, including participating in and leading by example in pipeline reviews, demonstrates the project's importance to the entire organisation. This top-down approach helps to embed the value of effective pipeline management across all levels.
2. **Non-negotiable cadence for pipeline reviews and coaching:** Establishing a regular, mandatory schedule for pipeline reviews and coaching at all levels of leadership is crucial. This ensures consistent attention to the sales pipeline and reinforces the importance of pipeline management in the organisation's culture. Regular reviews also provide opportunities for ongoing coaching and development.
3. **Support programme for commercial leaders:** A dedicated support programme spanning 3-6 months that focuses on enhancing the pipeline management and coaching skills of commercial leaders is essential. This programme can include training sessions, workshops and mentoring to help leaders effectively manage their teams' pipelines and provide effective coaching.
4. **Incorporate pipeline KPIs in executive and monthly reporting:** Selected pipeline key performance indicators (KPIs) should be integrated into executive-level and regular monthly reporting. This integration emphasises the importance of these metrics in overall business performance and keeps them at the forefront of strategic decision-making processes.
5. **Persistent tracking and reporting of pipeline KPIs:** Relentless monitoring and reporting of total, departmental and individual pipeline KPIs is necessary, until they are fully embedded in the organisation's practices. This continuous focus helps identify trends, pinpoint areas for improvement and ensure that the pipeline management project remains a priority until its practices become a natural part of the business process.



Case

Accelerating growth and transparency through firmly embedded opportunity and pipeline management practices in a global biotechnology company

The project

After years of sluggish growth, the commercial leadership team acknowledged the need for a unified global pipeline management approach to proactively forecast and adjust activities to meet long-term growth targets.

A comprehensive model was developed featuring improved pipeline and portfolio dashboards, alongside a structured leadership dialogue framework. This initiative was further supported by a capability-building program, including practical coaching for all commercial leaders. The goal was to equip managers with the skills necessary for interpreting and coaching based on a holistic view of the pipeline.

Within a year, this programme was globally implemented, leading to a more proactive commercial leadership team capable of making accurate revenue forecasts.

The impact

- From consecutive years of no growth to +6% growth.
- Total pipeline from 4.0B to 4.7B (+18%).
- Weighted pipeline from 1.2B to 1.6B (+33%).
- Pipeline value overdue from 12% to 3%.



Case

Creating a project sales operating model for growth with a leading global water technology company

The project

The premier global water technology company set out to accelerate growth in the Heating division, specifically through optimising the project sales channel. Previously, the full potential of sales management and execution initiatives had been underutilised.

To catalyse sales momentum, the company initiated the implementation of “win rooms”. This advanced sales operating model was multifaceted, encompassing a suite of techniques to boost sales performance. It included a comprehensive restructuring of sales manager meetings, the introduction of a robust sales coaching framework and specialised pipeline and opportunity coaching strategies.

Furthermore, it established a set of minimum performance standards and integrated the innovative win room methodology to streamline processes and sharpen the competitive edge.

This holistic approach was designed not just to spur immediate sales acceleration but also to instil a culture of continuous improvement and strategic sales excellence across the company.

The impact

- From consecutive years of low growth to +7% growth.
- 54% increase in pipeline growth in five key focus markets.



Case

Driving sustainable growth while transforming sales and increasing the weighted pipeline

The project

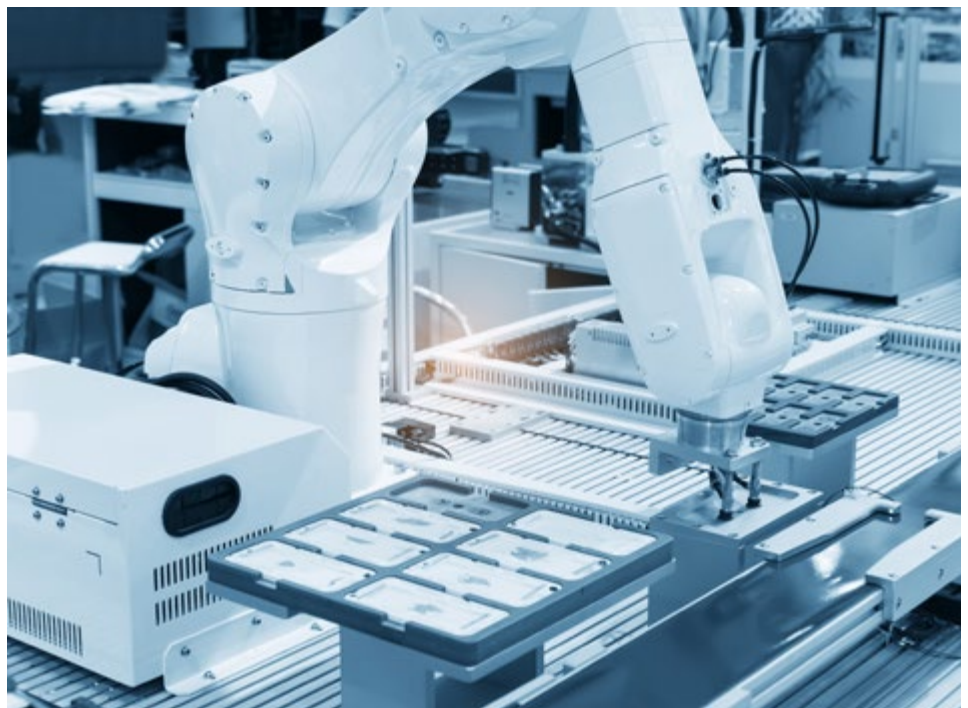
This global industrial manufacturer set its growth strategy to reach the grassroots level of sales management and representatives, aiming to boost organic growth by enhancing pipeline management, elevating the productivity of the sales team and strengthening commercial discipline.

Two key commercial conversations were crafted to cultivate a robust commercial focus among managers and sales teams. These dialogues, dubbed GROW for pipeline management and WIN for opportunity management, were grounded in the tenets of sales coaching, which ensured managers effectively guided their teams on strategic sales elements and led sales meetings with heightened efficiency.

Consequently, these interactions shifted towards proactive, future-oriented strategies and priorities, moving beyond the mere analysis of past performance indicators.

The impact

- Organic growth increased from 0.5% to 5.3% year 1 into implementation to 6.6% year 2 into implementation (achieved across 60 local sales organisations).
- The weighted pipeline grew by EUR 400+ million.
- Facetime with customers increased by 20%.
- The pipeline quality increased by 50 percentage points.



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Implement Consulting Group

Shifting buyer behaviour, emerging technologies, intensified competition and an increased focus on cost to sell require most commercial organisations to dramatically rethink their ways of working. We help commercial organisations transform their ways of working, accelerate growth, increase margins and reduce cost to sell.

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