

Podcast Script – The Downside of 10% -> Closed

Welcome to this sixty second Sugar snippet. My name is Susie Williams. Today we're going to talk about an unfortunate habit that I've seen with a lot of Sales Reps, and what effect that habit has on your company's ability to run its business. It's the act of moving the probability of closing a sales opportunity from 10% straight to Closed.

So here's what happens: an edict comes down from Management, and your sales reps are told they have to use the CRM software to keep track of all of their sales deals. The reps begrudgingly start using the system, but fight it every step of the way, only updating the system just before closing the deal. In other words, we're talking about an inaccurate Sales Funnel.

So why is this so bad? After all, the CRM system is a tool for sales reps, and if they choose to not use the tool that's provided to them, what's the harm? Well, the tool is for the whole company, not just the reps. The software is an information repository for the everyone; a place where everyone from management to sales reps to Support and Marketing go to get a pulse on the business.

First and foremost, management uses the opportunity pipeline to determine how the business is doing. They can look across the open deals and gauge whether the company will make its number for the quarter or if they have to make some corrections to get more business closed.

Another benefit of an accurate pipeline is that management can figure out how to improve the sales process. Using the pipeline funnel report, management can determine where the deals are failing. For example, if too many deals are stuck at 90%, which in many companies is the Contracting stage, then perhaps the issue is that there aren't enough Contracts people to handle the volume of deals, or that the contracts are written poorly and need to be addressed. If too many deals are dropping out between the Solution Demonstration stage and the Proposal stage, then maybe the sales reps need some training on how to perform a compelling demonstration based on the customer's needs.

Customer Support management also depends on an accurate sales funnel to do its planning. They need to know how many new customers will be signed up so they can plan their staffing levels appropriately. Likewise, Marketing needs to be aware of the quality of leads they are generating for the sales folks. If all selling opportunities are either 10 percent or 100 percent, there is no granularity, no chance to understand what campaigns are "sort of" working and what are not.

Finally, as a sales rep, it makes it so much easier to know where you are with your deals if they are forecasted and categorized correctly. Much like the management of the company, you have to know where you are with your deals, so you know if you'll be paid that fat commission check at the end of the month. Sandbagging your forecast, then magically showing up with a closed deal, doesn't help anyone.

And that's your sixty second Sugar snippet. Goodbye!