



# THE B2B SALES LEADER'S GUIDE TO SALES FORECASTING

A STEP-BY-STEP APPROACH

clari

# **SALES FORECASTING IS HARD.**

Part art, part science, sales forecasting can be daunting for new and experienced sales leaders alike. Your sales forecast is required for successful company planning, and when it goes wrong, the dominos begin to fall: your executives, investors, and even the public may question your credibility.

## **EASY, RIGHT?**

We get it. After countless conversations with customers, here's what we've learned: when it comes to sales forecasting, every team has its good luck charms or secret sauce — but in the end, nearly all share common challenges and similar forecast frameworks.

A successful sales forecast is the combination of people, process, and technology. For this ebook, we researched and compiled the best suggestions from our customers. The result is a step-by-step approach to sales forecasting that will set up your organization to achieve greater efficiency and earn more revenue.



# THE B2B SALES LEADER'S GUIDE TO SALES FORECASTING

## PEOPLE

Challenges	4
Overview	5
Steps	7

## PROCESS

Challenges	8
Overview	9
Steps	10

## TECHNOLOGY

Challenges	11
Overview	12
Steps	13

## KEY TAKEAWAYS 14

## CONCLUSION 15

## ABOUT CLARI 16

# PEOPLE CHALLENGES



*My reps don't care about the forecast. They don't see why it matters for them.*

*Our forecast collection isn't consistent; North America uses different terms from the EMEA sales team.*

*Forecasts are only important for executive meetings.*

# PEOPLE

## OVERVIEW

Team	Use for Sales Forecast
Finance	Budget, operating expenses, operating plans
HR	Headcount, hiring, territory & office expansion
Marketing	Demand generation and overall pipeline coverage
Product/Engineering	Allocation of R&D resources

“Forecasting means different things for different people,” the head of Americas Sales Operations at a large network provider told us. In any enterprise organization, the sales forecast has varying — and important — implications for Finance, HR, Marketing, Product... the list goes on. Within the sales organization itself, the sales forecast is even more critical, but sales reps, managers, and executives often have different ideas of its significance.

“At the end of the day, I have to give a number. And it’s not one number: it’s made up of my regions and goes down to the reps”

# PEOPLE

## OVERVIEW

Sales Team Member	Relationship to Forecast
Executives	High-level planning
Managers	Coaching strategy & territory management
Reps	Opportunity focus and deal strategy

Many reps see the sales forecast as the responsibility of senior management only. Again and again, our customers emphasized the challenge of getting their reps invested in their team forecasts.

Reps may think the sales forecast is just a number for the higher-ups, but they are mistaken. This approach ignores the important fact that the forecast is not just a number, but a process — and one that starts at the bottom. Your reps can make or break your forecast from its very beginning.

So how can you ensure buy-in from the people in your sales organization and build a successful sales forecast from the ground up?

“Your reps have to have skin in the game, especially when you’re introducing a new process.”

# PEOPLE

## STEPS



### **Train your teams.**

Include forecasting in your sales onboardings and regular trainings. Emphasize how the forecast affects growth, investor relations, public perception, and long-term company success. If reps understand the big picture, they will see the importance (and excitement!) of their own roles.



### **Incentivize your reps.**

Tying compensation to forecast commitments is a sure way to motivate reps. If your reps see the forecast as a source of professional and personal success, they will work harder to keep their commitments. Though this approach may cause some initial pushback, the long-term results outweigh those early challenges.



### **Make first-line managers accountable.**

While reps must own their commits, first-line managers need to be accountable for reps' performance, forecast integrity, and regular reviews. One customer, a mid-size analytics firm, required managers to give total weekly numbers in Friday revenue calls, including new business, upsells, and renewals, to stay on top of reps' deal progress.



### **Require executive buy-in.**

The sales forecast should not be the job of senior management alone, but your executives can use their influence to your advantage. When sales executives send team emails or announcements, ask them to reinforce the importance of the forecast and its relationship to company strategy and decision-making.



### **Repeat and revise as you scale.**

Managing a large sales force becomes more difficult as organizations sprawl over territories and timezones. Streamlined training and incentives are key as your company grows.



Reps, managers, and executives use Clari mobile to see, update, and track their forecasts anytime, anywhere.

# PROCESS CHALLENGES



*I have a strong gut feeling about this one. I know it's going to close.*

*I think this deal should be in Stage 3, but my manager said Stage 2.*

*I don't even know where the forecast starts.*

# PROCESS OVERVIEW

“When it comes to enforcement of sales force pipeline, hygiene, and best practices, you can never let your foot off the gas. The second you do, you have a mess on your hands.”

So you have the right people involved — now what? The next step is to build a clear, solid process that accomplishes forecast goals and works for your team. A data-driven process should replace guesswork and gut intuition. The challenge is to strike a balance between establishing ground rules and encouraging trust and creativity. “Mold input from teams, instead

of squashing it,” said the network provider’s head of Americas Sales Operations. The best sales teams strive to be both rigorous and open-minded.

# PROCESS

## STEPS



### **Establish clear definitions.**

A good sales team always puts the customer first — not the other way around. Study and define your buyer's process and then develop a sales process and sales cycle that complement it. Establish how many stages your sales cycle will include and the criteria that qualify a deal in each one.



### **Make process a policy.**

Circulate your definitions and process to your sales team. Train your managers and require them to cover process in their 1:1s with reps. Include it in sales new hire onboarding and refresh trainings. Consider keeping a reminder deck on hand. Uniformity is the only way toward widespread adoption.



### **Set dates and cadence for reviews.**

Reps and managers should submit commit numbers no later than a few weeks into the quarter. For weekly forecast calls, some prefer Mondays to set weekly goals or Fridays to review updates and progress. But don't overload on reviews; balancing reviews with selling time shows trust in your team.



### **Choose metrics to monitor.**

Decide on your top metrics and frequency of evaluation. Assess which metrics and KPIs are most informative to your team. Will you focus on forecast variance? Linearity? Churn? Net new business?



### **Inspect, identify, adjust!**

Compare reps' verbal updates to actual deal data to uncover risks in your pipeline. Evaluate differences between rep and manager commits; if a manager commits above his or her reps, dig deeper. Adjust upside deals or other close dates to accommodate unexpected risks as needed.



You can customize Clari to include your team's forecast terms and definitions.

# TECHNOLOGY CHALLENGES



*Which version of the spreadsheet is that?  
Can you send me the latest?*

*I ran a report in CRM and tried to combine  
it with insights from the team.*

*I won't be able to see that data for another  
48 hours.*

# TECHNOLOGY OVERVIEW

“Having the rep’s viewpoint, the manager’s viewpoint, the company’s viewpoint, the operations viewpoint — all in the same kind of platform — means there’s no error in translation. It’s all crystal clear. It’s all the same platform, the same language, moving in the same direction.”

When faced with tough questions, many organizations immediately look to tools for answers. But tools often create more problems than solutions. No technology ever worked in a vacuum; it must complement a process to further a specific objective. Once your team is invested and your process established, consider how technology can help accomplish your goals.

Many companies still run sales forecasts on static spreadsheets, where a single cell mistake spells disaster. Your CRM alone can’t keep up with your reporting needs. Point solutions may treat symptoms, but not the problem, and yield only piecemeal insights. With so many options available, how can you use technology to your best advantage — to unite your team around the forecast?

# TECHNOLOGY

## STEPS

**Evaluate your current solutions.**  
Are you using Excel spreadsheets? Google sheets? CRM? Point solutions?

**Identify main pain points.**  
By now, you've considered the pain points for your people and process. Connect those pain points to your existing technologies. If your team isn't aligned on common definitions, is it because they aren't all using a single platform? Where are the main inefficiencies in the systems you currently employ?

**Identify key requirements, user experience, and KPIs.**  
What exactly do you want to track with your forecast solution? What does a rep need from sales forecasting technology, as opposed to what a manager might require? Will your reps not only use this tool, but also like it?

**Consider the big picture — and predictive.**  
Rather than point solutions that solve for a specific variable in your forecast, forecast solutions should mirror the process from end to end. Your sales team is a gold mine of deal data. Predictive analytics analyze that data to recognize patterns, learn from the past, and anticipate future outcomes.

**Analyze implementation and ongoing maintenance.**  
As with any other investment, evaluate the expected ROI of your solution. How long will it take to implement? Once up and running, does the solution require ongoing maintenance, and how will it continue to provide value to your organization over time? Consider how you would integrate your solution into regular sales team trainings and meetings.



Clari can get up and running in less than 2 minutes.

# KEY TAKEAWAYS

## PEOPLE

Train your teams.

Incentivize your reps.

Hold first-line managers accountable.

Get executive buy-in.

Repeat and revise as you scale.

## PROCESS

Establish clear definitions: buyer's process, sales process, sales cycle and stages.

Make process a policy.

Set dates and cadence for reviews.

Choose metrics to track.

Inspect activity, identify risk, and adjust accordingly.

## TECHNOLOGY

Evaluate current solutions.

Identify pain points.

Identify key requirements, user experience, and KPIs.

Consider the big picture — and predictive.

Analyze long-term ROI and maintenance.

# CONCLUSION

Sales forecasting is a complicated process from start to finish. Quarter after quarter and year after year, our customers have encountered the same challenges. Breaking that cycle starts with breaking down the forecast. Distilling the forecast into its core components — people, process, and technology — will help you build a more reliable, efficient approach to forecasting. The ultimate result? More reliability and efficiency in every area of your business.

## ABOUT CLARI

Selling is hard. Clari makes it easier.

As a team, we know and live sales. We obsess over how to apply data science, beautiful design, mobile, and cloud technology to create a user experience people love – all to make sales teams more effective and productive.

We help sales executives know whether they will hit their forecast and how to ensure record quarters in the future. We help sales managers coach their teams to become top regions. We help sales reps crush their quota by making them smarter about their prospects, and less bogged down by admin, like CRM updates.

We are committed to this because we believe sales is a noble profession. Sales drives growth... and shareholder value. We are inspired by sales teams at companies like Cisco, Box, and VMware who use Clari to close more deals, faster.

