The **Impact of Missing Your Forecast**

“Sales forecast accuracy is the ultimate number that sets great sales leaders apart because the more reliable they are, the smoother the company can run.”

Carl Eschenbach, Partner at Sequoia Capital and Former COO of VMware

Here’s the truth: For **most** companies, forecasting is

**INEFFICIENT**
Reps can’t enter all the relevant data

**NOT REAL-TIME**
Managers can’t coach strategically

**NOT DATA-DRIVEN**
Leaders can’t see all the risk factors

**OFF THE MARK**
Teams can’t take the right course of action

When you’re **under** the forecast...

**HARD COST**
- Decreased value/drop in stock price
  - Missed revenue means a decrease in stock and company value.

- Layoffs
  - Instant cash relief through reduction in workforce may be necessary, leading to poor morale, and then costly rehiring in the future.

- Cash impact
  - Less cash flowing in means reduced hiring, programs and investments impacting future fundraising and autonomy.

- Missed/delayed fundraise
  - Your fundraising story weakens without an accurate forecast, shortening runway and leading to a smaller raise.

**SOFT COST**
- Investor confidence
  - Investors wonder if you actually have a pulse on your business, or if you’re being reactive, which could impact future fundraising and autonomy.

- Employee morale and productivity
  - All teams feel a drop in morale by not hitting the forecast, especially sales, resulting in turnover and decreases in productivity.

When you’re **over** the forecast...

**HARD COST**
- Missed opportunity to accelerate operating plan
  - With greater visibility, you could have proactively taken steps to pull forward key hiring or investments.

- Downstream crush on post sales departments
  - Teams are understaffed to meet demand, leading to unmet customer needs, overtime costs and turnover.

- Not enough inventory to meet needs
  - Inventory was likely purchased based on the forecast, resulting in unfilled orders, expedited fees, customer concessions, and a hit to customer satisfaction.

**SOFT COST**
- Executive team credibility with the board
  - The board, investors, and customers lose trust in company leaders for not having an accurate pulse on their business.

- Investor confidence
  - Investors wonder if you actually have a pulse on your business, or if you’re being reactive impacting future fundraising and autonomy.

The ability to predict revenue outcomes is more critical than ever and is on the critical path to achieving revenue confidence. Accurate forecasting sets the pulse for the entire company, its operating plan and the way it invests and grows. Learn more here.