

First View: Cloud9 Analytics

Pipeline Reporting versus Pipeline Optimization

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First Views are designed to introduce our clients to new solutions we think offer innovative approaches for dealing with the sales and marketing challenges that companies face today.

INTRODUCTION

Annually since 2001, as we have surveyed thousands of CSOs worldwide asking them to share their top priorities for the next 12 months, the No. 1 answer has always been the same: Increase Revenues. One of the key tools CSOs hoped to leverage to improve sales was CRM technology. The early promise was that CRM would provide visibility into the sales pipeline, which would translate into more revenues.

Unfortunately, real life has not matched those expectations. In our 2007 sale performance study, 80% of the sales managers surveyed stated that their CRM systems *did not* contribute to increased revenues. What we found was that CRM does a great job of reporting what's in the pipeline, but if the pipeline is anemic (not enough, poor quality, or low margin deals), CRM systems have done little to actually help improve the pipeline. Fortunately, new sales analytics tools are now addressing this shortcoming.

CLOUD9 ANALYTICS PROFILE

During our initial meeting with the team at San Mateo, California-based Cloud9 Analytics, we were curious to see if they would be technologists or business professionals. The answer, refreshingly, was both. While understanding the intricacies of multi-dimensional analysis, they also had a deep and clear understanding of sales, sales management, and the challenges CSOs are dealing with today.

After reviewing the need for improved sales management and the differences between forecast reporting and pipeline optimization, we gave their new application, **Cloud9 Pipeline Accelerator**, a test-drive. We could tell immediately that this was not yet another standard reporting system, or a general purpose analytics package, but rather a fully developed solution that directly addresses the biggest challenges that sales executives face in effectively optimizing their opportunity pipeline *and* their sales teams' performance. The purpose of Cloud9 Pipeline Accelerator is to actually increase sales, not just to improve reporting. The application does this by helping sales managers answer three key questions.

Am I on Target to Meet, Beat, or Miss Forecast—and Why?

Pipeline Accelerator doesn't just tell you *what is*, it also tells you *what was*. It does this by continuously taking snapshots of your Salesforce.com data. This sales history data is then used to identify when an opportunity forecast amount, level of confidence, targeted close

date, etc., has changed over any given time period. The system then proactively shares these changes, alerting the appropriate sales managers. This provides two benefits: (1) it prevents the managers from being surprised later in the quarter, and (2) it gives them a greater chance to be proactive in managing deals and reps.

Cloud9 also creates customized analytics so you can track other important data, such as what *hasn't* changed. Visibility into what's stuck in the pipeline can be equally enlightening. Say you've mapped your sales process within your CRM system. The Cloud9 application automatically analyzes your historical sales data and determines that successful deals normally take two weeks to get the business case sign-off in the close phase of the sell cycle. If this step takes three weeks for a particular opportunity, the application automatically notifies sales management that the deal is off track. This gives a manager actionable information that could very well directly impact the current quarter's sales.

Which Deals, or Salespeople, Need the Most Help?

With Pipeline Accelerator serving as a digital analyst for sales managers, they can easily identify reps that need help. For example, the Significant Change report tells you which deals are at risk based on recent selling activity—or its absence. Sales executives can then do management-by-exception, focusing on the deals that need the most attention.

Another feature of Cloud9's opportunity analysis is that it helps identify trends that indicate which reps are having problems or need refresher training. A manager can see which competitor causes an individual rep the most problems; which types of buyers a rep has challenges selling to; which product a rep discounts more heavily because he doesn't know how to sell value; etc. These insights can help managers more effectively coach individual sales team members, improving their performance—and thereby increasing sales.

How Do I Win More Deals?

Pipeline Accelerator also helps reps close more business *right now*, by identifying similar deals currently being worked on by other reps so they can share strategies and tactics. In addition, Cloud9's historical tracking capability can surface best practices that can also be applied to improve sales performance in the future.

For example, looking back over the past six months, you might find that when you conduct a headquarters visit as part of the sales process, your win rate is twice the norm. But reps only schedule these visits in 10% of all opportunities. Armed with this insight, you can figure out how to increase the frequency of those visits—and your reps begin to understand the positive consequences of your guidance. Identifying and propagating these best practices means that your win rates increase.

CONCLUSION

We have been waiting a long time—years—for an application to not just report on the pipeline, but to help also optimize the pipeline. After reviewing the functionality provided by Cloud9 Pipeline Accelerator, the wait is finally over. CSOs looking to improve the performance of sales teams (reps and managers) should investigate the capabilities of this sales-focused analytics system. Contact Jim Dickie at (303) 530 6930 or Barry Trailer at (415) 924 3500 with any questions regarding the perspectives presented here.