The Sales F.......... Word

*This post is by our guest contributor* [*Paul Lloyd*](mailto:pl@treemount.co.uk)*, Business Development Director of Treemount Ltd. Paul has over 25 years experience in IT sales, sales management in both large enterprise companies and small businesses. Treemount is Paul’s own business and their services include:*

* *Channel consultancy for IT companies entering the UK Market.*
* *Tactical marketing and lead production*
* *CRM system consultancy*
* *Sales Pipeline review*
* *Sales Training*
* *Sales Structure and process improvement*

*Prior to this, Paul had extensive experience across a number of companies including ICL Fujitsu, BitDefender, Informatix and over 14 years at Specialist Computer Centres (SCC) where he achieved the post of Sales Director (Regional Manager Southern and Scottish Regions)*

So what do you when you need to produce that sales forecast? Visit Rose Lea on Brighton pier, look at your horoscope or seek divine intervention or worse still do you actually believe what your sales people are telling you?

Now here’s a tip to save you a lot of time and hassle. Instead of spending all the time required to speak to the sales team and review their forecast get a list of the deals and toss a coin for each one to decide whether you will win it or not and on average within the B2B environment this will be as accurate. This has to be a major concern, when forecasts are not realised there can be major impacts, people lose their jobs, cash flow disappears and ultimately businesses fail.

Having worked within a range of business and been the proud of owner of forecasts ranging from £50,000 to £10m a month, I do not believe that there is a one size fits all answer to this issue that all companies face but there are some basic principles that can and should be applied within any company to help narrow the GAP.

So why is it such a problem? In most cases this starts with the fact that there is no sales process in place and the sales people have not been trained or indeed understand what the stages of the sale are. If you ran your finance department like this I doubt you would get accurate accounts either. All too often the forecasts are accepted at face value with spurious percentages, and at the beginning of any period they will be remarkably similar to the required target. Checking and validating them is both time consuming and tedious if there is no structure to measure against and everyone has a slightly different understanding where they are at, so forecasting is either not done or not done robustly. If it not seen to be important by the team then they will not treat it with importance and will not accept responsibility for their own forecasts, people will RESPECT only what you INSPECT.

How do we fix this? Firstly we need a good sales process with stages that everyone in the business understands and that becomes the language by which all deals are referred, right across the business. This process can be as simple or complex as you feel necessary, (you may find that you need help defining this) but each stage must have clear definitions with milestones and similar to the qualification process covered in my [previous blog](http://www.managedserviceexpert.com/blog/sales-qualification-in-out-and-shake-it-all-out-about) there should be a qualification required at the end of each stage to move to the next. Every sales person should accept responsibility for their own forecast and take pride in the accuracy and this should be acknowledged. I am a big believer in this forming part of the compensation plan.

There should always be a review of the forecast. This should be done weekly (in my view) and each sales person should be expected to have a complete grasp of the detail of any of his forecast deals and their stages and this should stand up to scrutiny. In most of the companies that I have worked this has been done on a Monday.

**Monday is forecast day**; this at least means that everyone involved with the sales is thinking about their target once a week!!

I can assure you that by applying these simple steps you will see a significant improvement in accuracy and because the deals in the pipeline become more visible you will see a growth in that also. Bob Apollo of Inflexion-Point illustrated in his [blog](http://www.inflexion-point.com/Blog/bid/90329/Why-is-accurate-sales-forecasting-such-a-challenge) that a forecast process with milestones changed the closing rate from 50% in one quarter to 13 out of 14 deals in the next.

Don’t forget people RESPECT what you INSPECT.