



C-Level Strategies for Developing Sales Pipeline



Are Opportunities Getting Lost in Your Sales Pipeline?



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It is extremely challenging to cut through the noise and the competitive landscape to put—and keep—your product at the top of the list for a potential buyer. ”

Vice President of Sales, SFE Partners

Start-ups only have a one-in-10 chance¹ of survival and even top firms have to fight to grow their corner of the market. Yet, many of these same companies are doing far less than they should to turn interested prospects into loyal customers. As one study revealed, “for every \$92 (companies) spend acquiring a customer, only \$1 is devoted to actually converting him.”²

In this paper we take a C-level look at the sales pipeline. We examine common obstacles that are often overlooked. Finally, we reveal the best practices and tools that enable you to build, manage and grow a sales pipeline that will effectively deliver your revenue objectives.

¹ Erin Griffith, “Why Startups Fail, According to Their Founders,” *Fortune*, Sept 25, 2018. <http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders>

² Serenity Gibbons, “A Growing Company’s Best Asset? A Well-Managed Sales Pipeline,” *Forbes*, August 9, 2018. <https://www.forbes.com/sites/serenitygibbons/2018/08/09/a-growing-companysbest-as-set-a-well-managed-sales-pipeline/#66988bce2866>

Are Opportunities Getting Lost in Your Sales Pipeline?

How Healthy is Your Sales Pipeline?

How many of the following statements can you say with perfect conviction?

- 1 I understand my company's total addressable market.
- 2 I have a predictable sales cycle.
- 3 I've hired the best sales leadership team to drive my business.
- 4 I have the right sales resources to meet my company's sales goals.
- 5 I have a consistent process and message across my sales, marketing and online resources.
- 6 I am happy with the length of our sales cycles.
- 7 My team knows which use cases are relevant for all of our prospects.
- 8 I have the resources to support my growth goals over the next six to 12 months.
- 9 Our prospects are well distributed across my pipeline.
- 10 I am satisfied with our lead generation numbers.
- 11 I know exactly when to bring in external support to boost sales.
- 12 My sales pipeline inspires confidence from my board and investors.

Obviously, the more that apply to you, the better off you are. However, any hesitation is a red flag indicating a possible weak spot that could be costing you sales opportunities.

The Biggest Barriers to Pipeline Development



There are a number of reasons why companies may not be hitting their sales growth and pipeline development numbers. Let's start by examining just a few.

There May Not Be a Big Enough Market for Your Product

It's not enough to know that technology leaders could benefit from your product, you need to know that they will buy it.

As tough as it is to acknowledge, the fact is that not all products—even excellent ones—have a ready market. In cybersecurity, for example, hundreds of new companies start up every year³, entering a field oversaturated⁴ with companies trying to solve the same core challenges that may have already been addressed by others.

Note that a few interested buyers do not constitute a market. It is always possible to find a handful of people who will buy something. For long-term

growth and survival, you need sizeable and consistent demand. And the only way to make certain you have that is with demonstrable numbers backed up by targeted, current market research.

³ Liana B. Baker, "Under Threat: Cyber Security Startups Fall on Harder Times," Reuters, Jan 8, 2018. www.reuters.com/article/us-cybersecurity-startups-analysis/under-threat-cyber-security-startups-fall-on-harder-times-idUSKBN1F62RW

⁴ Mahendra Ramsinghani, "Lessons from Cybersecurity Exits," Tech Crunch, April 16, 2018. <https://techcrunch.com/2018/04/15/lessons-from-cybersecurity-exits>

Inconsistent Value Proposition

Let's say that you do have the data that proves there is sufficient demand for your product. Next comes messaging; the way you showcase yourself and your product to the market. Does the messaging work for you and your target audience? Does it address their pain points and convince them you offer the best product and service to alleviate them? Companies with strong, consistent messaging have better brand recognition and are more likely to be trusted from the get-go. Those that don't are at a competitive disadvantage.

Having figured out your messaging is only half the battle. The second half is making sure it is being heard. So ask yourself, is your messaging being delivered universally throughout your addressable market? Because any gap in messaging is a hole for an opportunity to fall through. A prospect who reacts positively to what you say at the first touch point could become unsure and then discouraged if you then use a completely different value proposition on your website, call, POC or demo. When prospects are making business-critical decisions involving the purchase of your product, you want to be as clear as possible about what you are promising.

Relying on the Wrong Type of Expertise

Start-ups in particular go through several heads of sales during their first (sometimes only) couple of years. Why? Because even the most credentialed VPs of Sales are not created equal.

This has nothing to do with their intelligence, experience or capabilities. A VP who did very well at a large, established firm may find himself at a loss trying to drum up sales for a start-up. VPs with phenomenal record selling a different product to a different market may find themselves unable to do those results in your organization. Or the problem could be region-based; experience selling in New York does not translate to knowledge on how to approach customers on the West Coast.

Think of it as buying top-notch running shoes that are two sizes too big. There's nothing wrong with the shoes, but if they don't fit, they can't help you perform.

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Unless your sales leaders have been selling a competitive product or have experience and understanding of your specific market, there's a limit to how much they can do for you.

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You Don't Have Enough Data about Your Prospects

While not unheard of in older firms, this especially applies to start-ups where there is a push to make sales as quickly as possible. In such cases, it's reasonable to believe that the best choice for a VP is that well-connected sales executive with a strong network of prospects who trust him.

He delivers a couple of customers as promised, which is great, but now what? What did you learn about the market in closing those customers? What did you learn there that will help you grow the business over time?

Very little. Now you have exhausted this sales leader's network and, except for that initial revenue, you are no further along in sales maturity than you were at the beginning. You are back where you started, without insight into what works and what doesn't, or how to avoid pitfalls and replicate successes.

Sales Tools are Not Evenly Distributed across the Pipeline

When your approach to sales is binary, you may fail to see sales as a process that requires sales support and enablement at each stage. You may have invested in excellent marketing collaterals to bring in top-of-the-funnel numbers, but what then if your inside salespeople don't have a consistent formula for qualifying leads? Or if to follow up with prospects they have to rely on spreadsheets, calendar notifications or other low-tech methods equally prone to error and oversight?

On the other hand, you may have indeed equipped your team with all the tools they need—the best the market has to offer. Do they know how to use the tools correctly? Have you provided them with training specific to the sales of your product or services? Knowing how quickly the digital landscape evolves, do you provide regular refresher courses on the technology you sell and use?



Are you using your CRM correctly?

Customer relationship management systems (CRMs) are part and parcel of the job—and yet most salespeople only use a fraction of its capabilities. For example, they know how to use a CRM to keep themselves organized but have limited understanding of the product's ability to help them track opportunities. This feature can do so much more than record births, deaths and closed deals. It is a valuable font of intelligence on where and how things are working—or not.

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A lot of times a CRM becomes just a place to dump leads, when instead, it should be providing you with a wealth of insight about your customers, prospects, competitors, and products.

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Among other things, CRM tracking capabilities can tell you:

The actual length of a sales cycle

How long it takes to get from one stage of the sales funnel to the next

Where opportunities get stalled or die

What is your growth strategy?

Where the pipeline is unbalanced – either bloated or too thin with opportunities

Used correctly, a CRM is invaluable when it comes to identifying successful patterns that can be repeated and problematic patterns that need to be broken.

A Healthy Pipeline Requires a Clear Understanding of...



Your Unique Selling Proposition (USP)

The first step in the selling journey is understanding why you exist. What urgent challenge are you solving? By asking and answering the right questions about your company and products, you start to look at the value you offer to potential customers. Being clear and confident about what your competitive strength and what you truly offer—and how that promises ROI—goes a long way towards forming a message that resonates with customers.

This well-defined message, based on how customers are evaluating and buying solutions, guides your sales team in moving prospects smoothly through the pipeline. It enables them to sell against objections, so your product is the one ultimately selected over your competitors’.

A Healthy Pipeline Requires a Clear Understanding of...

Your Market

There is demand for products like yours, yes, but how much of the market is really available for you to go after? Are your target customers all in the US, or are there opportunities in other countries? (This depends, of course, on whether you have someone able to help you navigate regulations and restrictions that vary wildly from country to country). Are you selling to large organizations, small companies or end users? Are there hungry markets you haven't considered? Do the markets align with your company's vision?

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Sometimes there is no market to give you the return you are looking for and then it's time for extreme action. This is a hard lesson, but the faster you fail, the faster you can move on to the next project that might be successful.
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Understanding your ideal customer profile is not only key to your financial survival in terms of sales (including finding the right-fit leader for your sales team). Building a pipeline that targets markets with identified needs also helps you build valuation of your organization when you speak to your board or new investors.

Your Pipeline Methodology

Heavily dependent on the complexity of your solution and the industries you are selling to, your pipeline methodology guides you not only in hiring the right salespeople, but also in the onboarding, enablement and goal setting of your sales team.

Among the non-negotiables of a robust pipeline methodology are explicitly defined stages, each with a checklist of information that needs to be collected before the opportunity is deemed to have reached the next stage. This helps you track where a need, budget, project lead or champion has been established. More importantly, it spells out what next action has to be taken to increase the probability of success. Built on your understanding of your product and market, establishing an effective and repeatable sales process will be fundamental to how you forecast sales.



A Healthy Pipeline Requires a Clear Understanding of...

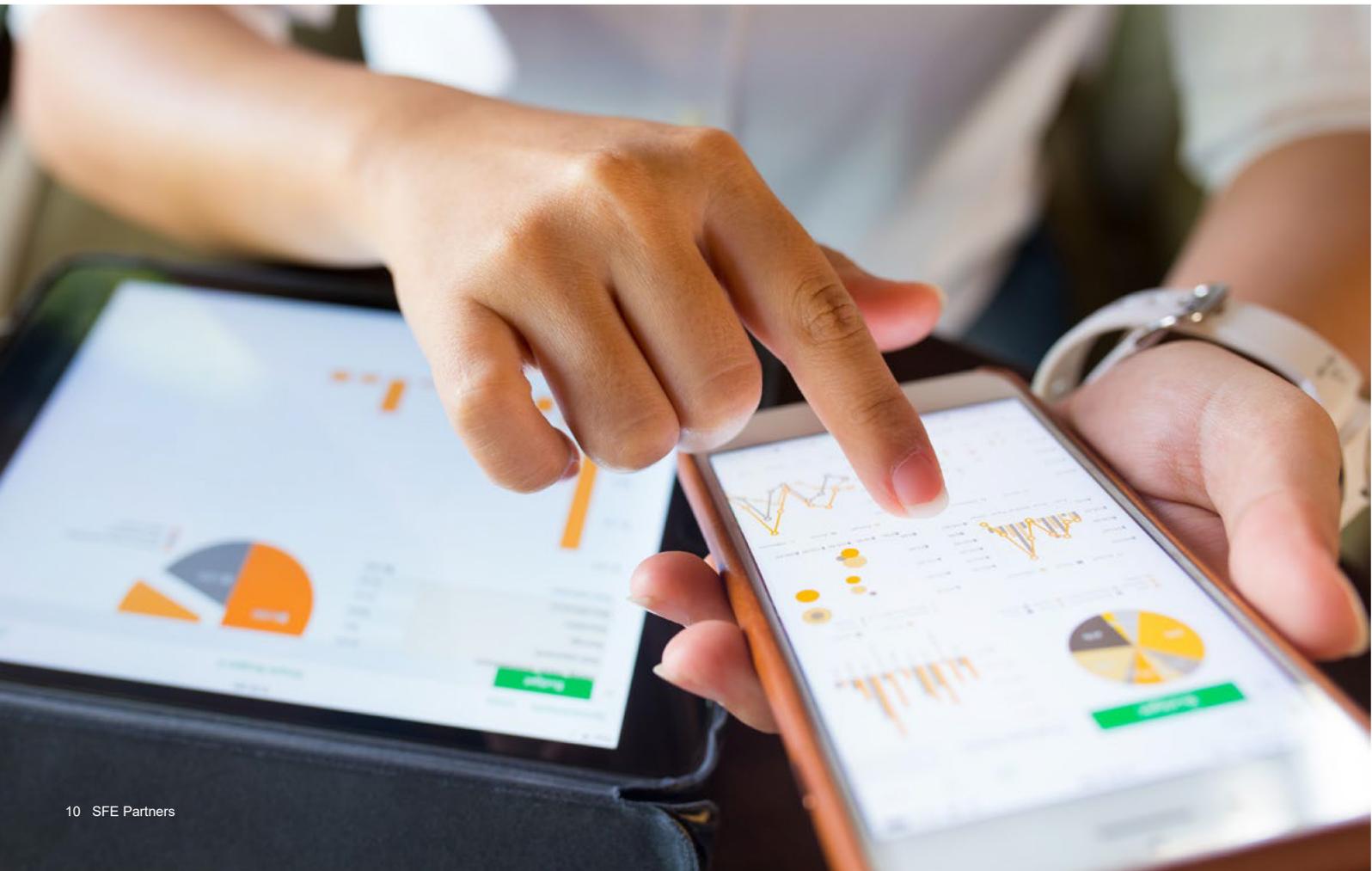
The Tools and Training Your Team Requires

The only way to predict and drive a stronger ROI on your sales team is to arm the right people with the right tools to deliver your numbers. As with leadership, this is all about who and what are the right fit for your needs. It requires research, using what you know about your USP and the market, as well as your methodology, to find the tools will make your team faster, stronger and more effective.

Beyond that, it's about training people to use the tools correctly to ensure that your investments are part of your long-term strategy for your company's success.

How to Interpret Market Feedback

The methodology will evolve as market feedback is gathered and interpreted. For example, by examining how different customers see value in different applications of your product you can start applying use cases most relevant to your market. You will have a more realistic idea of how long your sales cycle should be. Your understanding of the market itself will become refined, with higher clarity of the type of organization as well as title paths most likely to respond.



How to Fast-Track Pipeline Development



When fixing broken elements of your sales pipeline, time is of the essence. The sooner you have a reliable, well-managed pipeline, the sooner your team can deliver qualified leads and accelerate them through the sales cycle, closing the deals you need to meet your revenue growth goals.

The fastest way to develop a robust pipeline that will serve you in the long-term may be to bring in experts that already have all the data, experience and contacts relevant to your product. Use this expertise to look at what your goals are six, 12, 24 months into the future and develop a roadmap to successfully engage the market with a repeatable and scalable sales process.



About SFE Sales Partners

SFE Partners has helped hundreds of companies achieve rapid revenue growth. Using a proven methodology for testing, developing and executing customized sales plans, SFE has effectively launched clients from zero revenue to millions, against aggressive timelines. SFE also helps rapidly-growing companies build high-performing sales teams, while avoiding the risks and costs of hiring in-house representatives for complex sales—before the market, the messaging, and the metrics are well understood.

What can partnering with an award-winning consultancy do for you? Find out right now.

Call SFE Partners at
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