



# Slemma



## HOW TO OPTIMIZE YOUR CRM DATA PIPELINE ANALYTICS FOR BUSINESS INTELLIGENCE

*Pipeline analytics is the practice of analyzing your pipeline data in order to spot weaknesses in your sales process. In this white paper, we'll cover how to use data analysis for optimal business intelligence within your pipeline so you can get the most from your CRM.*

What signals identify at-risk opportunities? What types of deals promise the best win rate? The raw data embedded in your customer relationship management (CRM) tool has the potential to give you vast insight into ways you can improve your sales team. Analyzing that data is called Pipeline Analytics, and provides crucial answers about the overall value of your pipeline and how it has changed over time, as well as how your conversions have changed and how long the average lead has stayed in the pipeline. Knowing what changed—and why—helps you better control each factor of your buyer journey.

But to improve, you first have to know where you are right now. And to do that, you have to ask the right questions.

## PIPELINE ANALYTICS 101

### LEADS → CONTACTED → PROPOSAL → NEGOTIATION

To move forward, it's essential to know where you stand right now. That's why pipeline analytics are so critical to business intelligence. The practice of analyzing your pipeline data will answer crucial questions for your business: What types of deals typically have the best win rate? What factors signal at-risk opportunities and deals with a low likelihood of converting? Where are the weaknesses in the sales process, and how is that process changing over time?

Forecasting is using your current conversions to try to predict the future. But using pipeline analytics, you can actually change the future—not simply predict it.

Analyzing data over time is critical, because as everyone knows, *change is the only constant*. Your customer base may shift, your products grow and evolve, the industry itself will transform over time—and your sales strategy must keep pace with all that change. CRM data analysis is the key to scrutiny. Using data from your CRM—and other sources—you can map out your pipeline metrics in a user-friendly dashboard with multiple view options. You'll start to recognize trends that may seem great on paper, but don't actually translate to business wins in the long term. Pipeline analytics help you improve your sales team and better quantify your leads in the first place.

Pipeline analytics are very simple, but the execution can be difficult. This white paper will explore how you can use an analysis tool like Slemma to understand the changes happening in your pipeline and capitalize on that information for business intelligence.

## SLEMMMA: A SIMPLE, COLLABORATIVE DATA ANALYSIS TOOL FOR EVERYONE

Slemma is a data analysis tool that helps organizations of all sizes glean insight into their abundance of data for optimal business intelligence. A codeless, web-based tool that anyone can use (no developer necessary!), Slemma enables users to create simple, dynamic data reports from multiple data sets. It integrates seamlessly with over 75 data warehouses, databases and cloud service solutions, including Pipedrive, HubSpot, Insightly and Salesforce.

A sophisticated wizard uses a simple process to custom-build reports, dashboards and presentations on any device—then share using secure, customizable sharing settings so you don't have to worry about sensitive information getting into the wrong hands. Slemma saves sales and marketing teams valuable time and gives them the edge to be more data-driven and therefore more competitive in the market. It's a platform you navigate, maintain and expand as your business grows.

## LOOKING AT YOUR PIPELINE FROM EVERY ANGLE

Using Slemma, there are three different views you can use to analyze the data in your pipeline. With every view, we ask two simple questions:

1. How has X changed over time?
2. Why did these changes happen?

The X in the equation can refer to many business factors. In this white paper, we'll run through three different X scenarios. For each scenario, the second question is where the value lies.

## VALUE



The first X we'll look at is *value*. When analyzing the total value of your pipeline—every opportunity's worth, added up—the biggest question is how that value has changed over time. With Slemma, you can look at value in several ways:

### Overall context (top left)

By contrasting the total sum of opportunities in the pipeline each month (blue bars) against the value won, or deals that were signed (red bars), you can get an idea of how much you need to have in the pipeline in order to meet your sales goal. Ideally, of course, you aim to have more qualified leads in the pipeline as time goes on and your company grows; you'd hope this value would increase month over month.

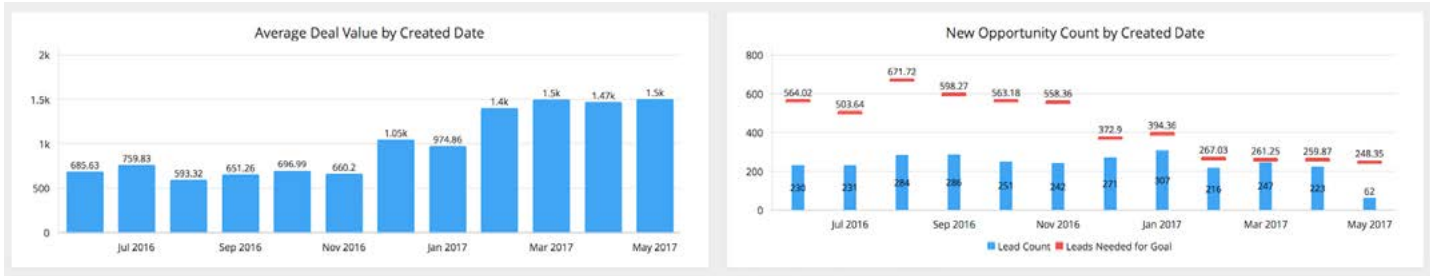
### Opportunity value (top right)

The default figure here is the total value of all the opportunities in your pipeline right now. The dashboard also shows whether that value has declined or increased in the last month. For the purposes of this example, the current month is showing a decline only because the month is partially completed. You can also switch the view to "last 30 days" for an accurate comparison period.

### Driving factors (along the bottom)

There are various factors that drive and describe revenue inside the pipeline, such as the win rate, the average deal size and the opportunity count. These values tell you how well you convert opportunities into paying customers, how much each of those paying customers are worth and how many opportunities could potentially convert to paying customers. For instance, in this example, the Win Rate box illustrates that 27% of incoming leads are typically converting into paying customers. Below that, the Lead to Win Ratio explains that nearly four leads are needed to win one deal. Also note that the average opportunity value for the month is 1.5k.

You can now use all of this information to deduce what your pipeline must look like in order to achieve your sales goal.



The chart on the bottom left shows that average deal value is on an upswing. In theory this is a good thing, because it means you need fewer leads in the pipeline in order to meet your monthly goal.

Monthly Goal	÷	Average Opportunity Value	x	Leads to Win Ratio
\$100,000		1.15k		3.73

Viewing all of these charts is just the first step to understanding how value is working in your pipeline. To truly understand how pipeline value is changing over time, you have to ask yourself not just *how* the average deal value has changed over time, but *why*. What is your optimal deal value? And when is it actually smartest to reject a deal?

## BEWARE THE ENTICING UPWARD TREND

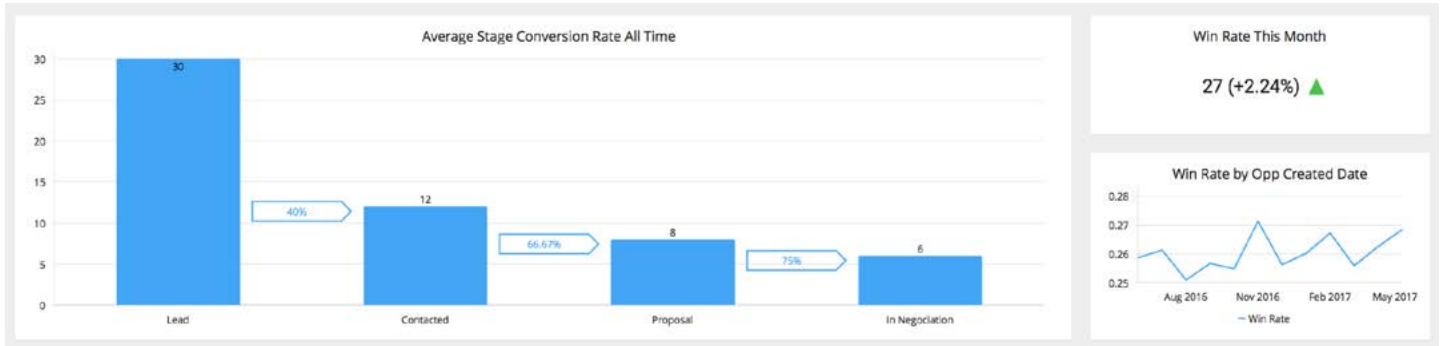
Your pipeline data shows that your average deal value is going up. Increasingly, the deals in your pipeline are worth more and more. That's a good thing, right? Not always. To use your pipeline analytics smartly, you need to ask questions like "Why is my average deal value going up?"

Sometimes, it's because your sales team is being lax about qualifying leads, and most of those leads in your pipeline aren't going to pan out. A high-value lead you're not going to win is worth nothing.

Or sales might be closing deals, but with customers outside of your ideal profile. If those customers have expectations and requirements for features your product doesn't serve, they might close, but end up jumping ship in a few months when they realize your product isn't going to meet their needs. Onboarding is expensive, and churn detrimental. It's much harder to figure out why churn is happening than to control the quality of incoming customers in the first place.

Using pipeline analytics, you can ensure that the leads in your pipeline are not just high-value, but *worthy*.

## CONVERSIONS



Now, we'll use the same methodology to look at conversions in the pipeline—leads that successfully convert to customers. In the example here, we see that 40% convert to the contact stage, followed by 66.67% of leads into the proposal stage, then 75% into the negotiation stage. On the right of the screen is Win Rate and Win Rate by Opportunity Created Date.

By using Slemma's filter tool, you can filter by owner to zero in on the activity of particular sales staff. Using this feature, you might deduce that Phyllis's win rate is 10% lower than the team average, while Jim's is 10% higher. You know what to look into next: What is Jim doing to convert more leads?

Pipeline analytics lets you apply personal experience and critical thinking to cold hard data. The dashboard metrics tell you what's happening over time in your pipeline and indicate what questions you need to ask. Your on-the-ground experience and insightful leadership often provides the final answers.

In this example, for instance, the data is telling you that Jim is consistently converting more leads. When you look into the situation, you discover that Jim is paying each prospect an in-person visit at a critical juncture in the sales process.

## 2 WAYS TO CHANGE SALES BEHAVIOR

With information about individual sales performance, you can better manage your sales team. As a general rule, there are two ways to change tactical sales behavior:

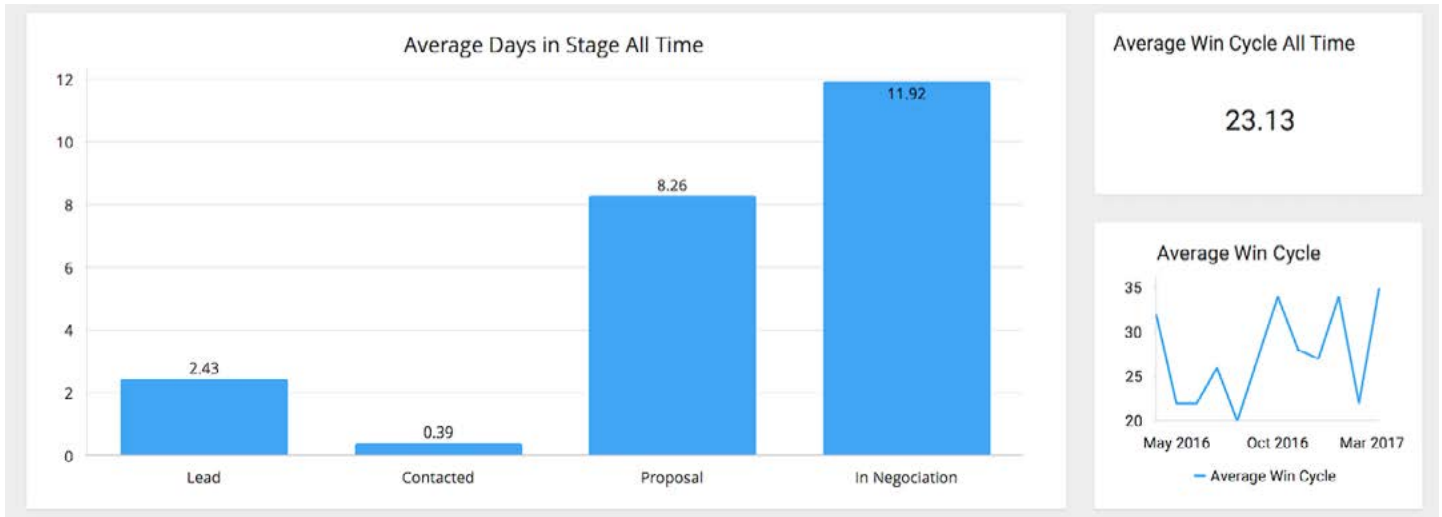
1. Convince each salesperson to do it the way Jim does it.
2. Change your process so that Jim's way is the only way.

Once you've created such parameters, you can create customized dashboards to ensure all sales team members abide by them.

As an example, each member of your sales team should know when it's appropriate to move a lead into the next stage of the pipeline. Sales staff who are jumping the gun and progressing their leads before all qualifications have been met may be jeopardizing the process and risking customer conversions.



## TIME IN STAGE



Looking at the time each prospect spends in each stage of your pipeline is one of the best ways to analyze what's going on with your sales process. In this example, you can see that the Contacted stage is the lowest. It takes only a third of a day for leads to move from "Contacted" to "In Proposal." This is a red flag, signaling that perhaps your pipeline is built incorrectly and your buyer journey inaccurately described. In this same dashboard, prospects are staying in the Proposal stage for a length of time that indicates you may be missing a stage in your depiction. If someone is not staying in a stage long enough—or for too long—it might mean you've built your steps incorrectly.

Like with Value and Conversions, it's important to not just know what's happening, but *why*. In the Time in Stage view, you evaluate when, why and how deals get stuck, and when it's best to reject a deal in the first place.

## DO YOU UNDERSTAND YOUR BUYER JOURNEY?

It's vital that you understand and can accurately describe the stages in your pipeline. Your pipeline model dictates your marketing and customer communication tactics. For instance, if you have an email marketing campaign built around your pipeline stages, it needs to be accurate in order for it to be effective. If you're missing a stage in your description of your pipeline, chances are, you're also missing a huge opportunity to capitalize on a valuable customer touch point. And conversely, if you're describing a stage that doesn't actually exist or matter, you may be overly communicating with leads about that stage in a way that will ultimately irritate and even alienate them.

Understanding and accurately modeling your buyer journey is essential to guiding prospects effectively through your pipeline.



## USING HISTORY TO YOUR ADVANTAGE

Your salespeople are motivated to come up with as many deals as possible. But as a manager, your job is to consider the big picture. Once you have your history, you can understand your ideal customer profile and use that to help your sales team stay the course. With a holistic view of the company, you may understand that closing a deal three times the size of your average isn't always the smartest idea. A monitoring tool like Slemma can help you identify the characteristics of deals that are typically successful versus those that tend to be risky.

There are many ways to identify at-risk opportunities using a monitoring tool. With Slemma, you can sort deals by characteristics such as:

- **Value** — Is a deal falling into the “comfort zone” of your typically successful deals, and if not, are there other factors that make that deal worth pursuing?
- **Time** — Using your Time in Stage history, you can set a threshold for how long it's acceptable for a deal to stay in a stage, then red flag deals that linger or don't stay long enough. Using this technique, you can dictate actions that should be taken to remedy the stagnation in your sales process (for example, you could escalate a call from your CEO to the lead's buyer, or make a personal visit, or build them a proof of concept).
- **Employee** — A list of what deals are in the net of each salesperson, and what those deals are worth, can help you make decisions about training and retention.

Pipeline analytics is not just about evaluation. It's a tool to prompt better planning and decision-making in every aspect of your sales process.

## CONNECT. ANALYZE. COLLABORATE.

CRMs make big promises that they'll change your business with the elegance of their lead tracking and their account management tools, but so often, the execution comes up short because the data CRMs create is difficult to parse and read. CRMs are not cheap, either. To make the most of your monthly investment, you need a tool that will help you track the sales metrics that matter and conduct smart analysis on all the data you create.

To learn more about Slemma, visit us at [www.slemma.com](http://www.slemma.com)

## READ ON ...

For more insight into data reporting in the cloud using Slemma, read our other white papers:

### **Slemma's Guide to Marketing Metrics You:**

Bringing KPIs Together with Unified Dashboards

### **Slemma's Guide to Better Business Reporting:**

Data Dashboards in the Cloud

## ABOUT SLEMMMA

Slemma is a data analysis tool that enables users to create simple, easy-to-use and dynamic data reports from multiple data sets. The web-based tool connects to over 75 data warehouses, databases and cloud-service solutions. Slemma's step-by-step Chart Wizard makes report generation quick and seamless, allowing organizations to visualize their third-party data in minutes.

Dynamic reports can be shared to both clients and colleagues alike. User permissions ensure that sensitive data can only be accessed, viewed and edited by individual members. Slemma's data dashboards can be accessed on virtually any device for easy presentation.

Our product is currently being used by companies and organizations including Xsolla, Crytek, SEGA, Sendle, Treasure Data and the Los Angeles Unified School District.

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