

## *Satisfaction with Pipeline Management—Not!*



Too often sales executives do not trust their sales pipeline. Implementing best practices in pipeline management can help them improve profitability and grow revenues.

What is pipeline management? It depends—on your role in the organization, how the pipeline is used, how the pipeline conversation is managed, and on the rewards (or lack thereof) of good pipeline management.

### *View from the executive suite*

Executives need pipeline information about what is happening at the customer-facing unit level. It provides them with the “facts” or, perhaps, verification that they need to make decisions. As a senior executive at a Fortune 100 company told his executive team, “If you give me good information, I’ll make good decisions. If you give me bad information, I’ll... just don’t do it.”

### *Asset allocation at mid-management*

Middle management depends on pipeline data to direct business assets—people, programs, and possible product/services. As the bridge between customer-facing units and the executive team, they approach the pipeline from two directions.

First, middle managers want to support field teams with the resources required for them to win. It’s up to them to direct the resources to the best available opportunities which, in turn, will help them achieve their committed objectives. Second, they must make their case up the management chain for the investments they need to support their business unit goals. Competing with their fellow managers—and other parts of the company—for internal funds, they must make the best business case for deploying people, products, programs, training, support, and dollars.

### *Where it all starts*

There are two key players on customer-facing teams. The first-line manager sits between reality and the management process. It is their tone that determines the quality of the pipeline conversation. Is it another variation of a forecast discussion, or is it a coaching event to identify new opportunities or get existing ones unstuck?

The second key player knows the real truth—the seller. During a recent engagement at a Fortune 500 company, CPS was asked to review pipeline reports to identify languishing opportunities and create a plan to move them forward in the sales process. In almost every case, the opportunities were listed at least one sales stage further than they actually were. Why? The seller and manager “needed” to constantly show progress in the pipeline. Resulting opportunities were moved through the funnel prematurely, with a consequence of not closing.

While some companies may suffer machinations around the pipeline, it can—and must—be a critical part of the management rhythm of any company. Here are some best practices and their potential impact.

## *Best practices in pipeline management*

### 1. Sellers

Giving sellers a clear understanding of the business strategy helps them better define their go-to-market efforts. Pipeline conversations that focus on what sellers need to exceed their objectives give managers the details necessary to campaign for required support for their business unit. A well-defined pipeline tool (balance ease of use, productivity, and useful management detail) combined with regular management reviews supports both sellers and managers.

### 2. First-line Sales Managers

First-line sales managers most likely were successful salespeople and as such can be great assets to their teams. Oftentimes, however, their talent is under- or over-utilized. What's the problem? Some managers decide that managing the forecast is the critical success factor and turn into spreadsheet wizards, rarely really engaging in the essence of the customer situation. These managers are frequently surprised that their spreadsheets let them down. Others are quick to say, "Give me the ball—I'll get it done." Fundamentally, they have neutered their team. Neither extreme is sustainable, and both will flame out.

The most successful sales managers have a balance. They establish a process-driven rhythm within their teams. Their pipeline review is not an interrogation but rather a coaching session based on information provided by the salesperson accompanied by thoughtful open-ended questions. The combination is productive for the team and the sales manager because it identifies the short list of actions that will truly make a difference. It also identifies how the sales manager can indeed add value to a deal as opposed to "hogging the ball."

### 3. Middle Managers

The middle manager's role in the pipeline cadence is to support their business units with company assets that they own. It is also their responsibility to lobby for investments—technology, strategy, people, funding, and programs—to advance long-term pipeline quality and growth. Their pipeline conversations with senior management provide information that influence business decisions.

### 4. Executives

For executives, the pipeline process is a business asset that supports the business strategy and is a beacon for the future of the business. The pipeline experience is a direct reflection of the climate and culture of their company. If the pipeline rollup cannot be trusted, executives have a bigger problem than just a flawed process. To establish a high-performance sales culture, a rigorous pipeline process must be supported by a management rhythm that directs the company's assets for the greatest return on investment.

The pipeline management process can be a cornerstone for directing company resources to generate revenue growth and increase profitability. It can help drive a high-performance sales culture in which the customer-facing sellers and executive leadership clearly pull together.



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