Whitepaper

Drive Sales Pipeline Gains by Unlocking Your History Data in Salesforce

Target Audience

Sales Ops / Revenue Ops Leaders
CROs
CFOs

Summary

By taking two surprisingly simple steps, sales leaders can trigger a cascade of sales pipeline health actions in their organizations.

Problem

While most sales leaders are under constant pressure to put sales pipeline data to work to drive revenue, many get stuck in a bad equilibrium of dirty data, low-quality pipeline, and CRM user fatigue. Conventional wisdom advocates familiar remedies: data cleaning projects, complex software add-ons, and more process scrutiny. But all of those take significant time, staff, and budget. Is there a practical alternative?

Opportunity

Many firms can quickly break the gridlock of a frustrating pipeline data reality by taking two steps:

Step 1: Unlock the power of Salesforce's opportunity history data.
Step 2: Embrace a stark visualization that reveals "the movie" of pipeline change over time.

Benefits

Leaders that prioritize these two things can enjoy a surprisingly immediate boost in pipeline data integrity throughout their organization. What follows naturally is higher quality pipeline, fewer surprises, and more predictable revenue growth.

Why Is Putting Pipeline Data to Work Difficult?

At its core, a sales pipeline is simply a list of opportunities, each one with an expected close data, a dollar amount, and some expression of the sales rep's confidence that it's going to happen. How then does something so simple become so elusive to analyze? The answer: change over time.

Consider the difference between a company's ERP system and its CRM. The core of the ERP is the order, and every order record is a concrete thing. The order happened on a specific date with specific attributes (product, price, channel, sales rep, etc.) and those attributes never change. Even in the case where the order is later cancelled or returned, those cancel/returns are represented by separate records, so the fact of the initial order remains forever true, and relatively easy to understand and analyze.

But the CRM is different. At the core of the CRM is <u>the opportunity</u>, and by design, an opportunity is <u>not</u> cast in stone; it is expected to change over time. Last week, Opportunity #123 may have been a $14,000 Q1 deal with a 25% change of closing. Today it's doubled in size, is delayed until Q2, and has improved to a 50% chance. That <u>change over time</u> is not an exception in the CRM system, it is the design center, and it's what makes analyzing pipeline more difficult.

To master change over time without triggering costly complexity, leaders can embrace 2 key elements.

Element #1: Unlock Your History Data

Because pipeline changes over time, you need robust access to granular data about where your pipeline stood in the past. For example, say right now it's Day 24 of the quarter and you have $38M in pipeline. Do you know what you had on Day 24 of <u>last</u> quarter? Day 24 of the last <u>eight</u> quarters? That historic data from past periods is critical because it provides context about what's likely to happen THIS quarter.

CRM systems can make this information surprisingly hard to get, and without it you're at a disadvantage. Your historic data is a hard-earned asset that reflects the unique combination of your channel, your products, and the marketplace. No one knows better than your historic data what $38M of your pipeline will yield by the end of the quarter, because only your data reflects a similar situation. Do we have enough coverage? Are we ahead or behind where we should be? What are our conversion rates likely to be? Answers to all these rely on the unlocking of your history data.

Fortunately for Salesforce.com users, that history data is captured. Stored in objects known as Opportunity History and Opportunity Field History, granular changes for your opportunities are forever logged and waiting to be leveraged. You have the data, and that's half the battle.

The other half is putting it to work.

Element #2: Show the Movie

Anyone who has been in a sales pipeline meeting can attest to how quickly they can degrade. Sales teams rarely live up to the de facto expectation that all opportunity data should be up-to-the-minute accurate, and when it is inevitably revealed that an opportunity has failed that test, the integrity of the whole system is questioned. Short on time, meetings sometimes revert to focusing on the biggest deals only and with a contagious guilt that “our CRM data isn’t very good.”

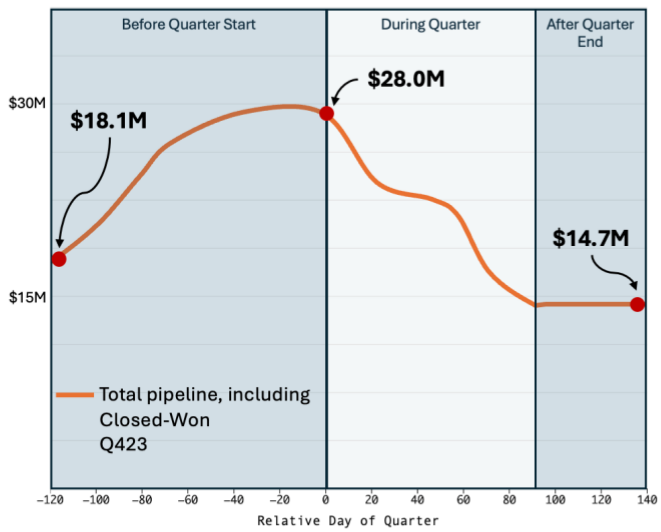

Figure 1: The "movie" of Q423 pipeline. CRM's make this critical view hard to see.

Fortunately, for many firms, the data is far better than they realize, because daily precision isn’t as important as consistency from period-to-period. When pipeline data is aggregated and plotted over time, firms can be energized to see that not only does their pipeline perform according to a signature repeatable pattern, but that they are able to identify which portions of their business – certain teams, products, channels, etc. – are the <u>most</u> predictable. It’s a powerful thing to see your unique pipeline signature suddenly emerge from your historic data logs. And importantly, it can energize your teams with a new contagion: the belief that “Our CRM data is powerful.”

So, how do you do it? You start simple, and with the biggest picture in mind. You do that by showing your audiences “the movie” of your historic pipeline. Let’s take, as a starting point, the total pipeline for any one period, let’s say Q423, as shown in Figure 1. As of right now, Q423 is completed, and in our CRM, all we can see that we Closed-Won a total of $14.7 million. (Notice that $14.7 is called out on the right side of the chart.)

If we had a way to travel backwards through time, we could see much more than only that ending point. In other words, if $14.7M is the end of the Q423 movie, what’s the beginning? Maybe it’s Day 1 of Q423 when our pipeline was $28.0M. Or why not go back to before that quarter started? If we could time travel back to June 1, 2023 -- four months before Q423 started – we would have seen a total of $18.1M in deals with – at that time – an expected closed data in Q423. That collection of points – represented by the orange line in Figure 1 – is a distillation of every change that happened to our Q423 pipeline from long before it started to long after it finished. When your audience reads <u>that</u>, they’ll see the unique signature of your company’s pipeline.

From there, you can put today's reality in a powerful historic context by overlaying the current-quarter, in-progress pipeline. Let's imagine we are now in the middle of Q424 – on Day 70 – and we want to see that movie. Take a look at Figure 2, and notice that because the X-axis is relative day of the quarter, the blue and orange curves are apples-to-apples at every point.

In this view, we see that our current pipeline is $24.5 Million, but the trending lines reveal more:

- Our pipeline is well ahead of where we were ($17.7M) on Day 70 of Q423 one year ago.
- We have been consistently ahead of Q423 throughout the quarter.
- We surpassed Q423 starting about three weeks before the quarter began, when the blue line crossed over the orange line.

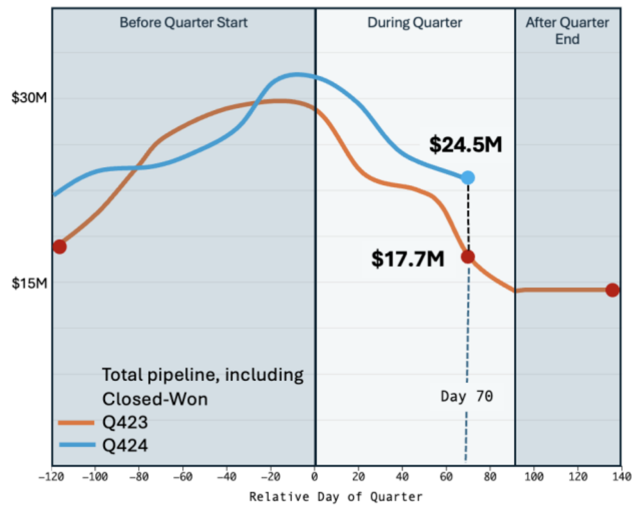

Figure 2: The "movie" of the current quarter in the context of a past quarter.

Sales leaders soon discover that when they start pipeline conversations with the "big picture" of the current period in the context of past periods, the audience reaction and engagement is vastly improved. Rather than view the current pipeline position as an arbitrary number built from imperfect data, they see it as the logical extension of a repeating pattern. They can understand why it is moving up and down the way it is. Finally, they can grow determined to change the trajectory of the developing line. Teams begin to pursue data accuracy and pipeline growth naturally, all from the desire to get ahead of "last time."

Why "The Movie" is Powerful

The visualization is deceptively simple. After all, it's just a line chart that shows the total value of the pipeline for a target period as it evolved over time. Why is that such a big deal? Five reasons:

- It leverages all your historic experience to put your current reality in powerful context of past periods.
- It is easily filterable, so teams can see the performance of critical subsets of your pipeline – teams, lead sources, product families, even individual reps – to learn which ones are repeatable and predictable, and which are more volatile.
- It updates in real-time, functioning as an early-warning system to unexpected good or bad pipeline news.
- It keeps your teams and reps accountable to your past actions, which drives continuous improvement in pipeline building, conversion, and data integrity.
- Its simplicity enables it to go viral.

Beyond the Simple Trend

Once you have enabled that stark view of pipeline over time, you can than layer on additional powerful information for your audience. Whether or not you use Highgate's Mergechart™ AppExchange app, you can use its design as a practical roadmap for functionality you could pursue:

Closed-Won Pacing

Adding a second line to the chart for each quarter displayed, to show the pace of Closed-Won deals.

Filtering

A robust filtering mechanism allows you to easily check the pipeline signature and current pipeline performance by critical dimensions, including Team and Rep, Lead Source, and Product Family.

Root Cause Finding

A "Root Cause Finder" that can explain why the existing pipeline level is different than a past period, including insights like:

- Product A pipeline is 30% lower than last year at the same time.
- Team B is pushing more deals than they did last quarter.
- The website is contributing 22% more deals to the pipeline than in Q3.

Where Did the Pipeline Go?

An alert mechanism that reconciles changes to pipeline over any historic period, answering one of the most frequently asked sales pipeline questions: where did it all go?

How to Do It

Most companies have several options for putting their historic data to work. Common options include:

Sophisticated Tech Stacks

Sophisticated teams manage a multipart tech stack. Many take periodic snapshots of their CRM data, load them into a data warehouse (like Snowflake), create a metadata layer on top of the snapshots, attach a visualization layer (like Tableau, QuickSight, Looker) and design dashboards for their audiences.

- Pros: unlimited customization and possibility.
- Cons: Slow and expensive to staff and create; expensive to maintain.

Revenue Optimization & Intelligence (RO&I) Software

Some teams implement dedicated Revenue Optimization & Intelligence (RO&I) software and then train their teams to embrace new screens and processes for deal review and forecasting.

- Pros: Robust forecasting methodologies enforced in software. AI-enabled prediction.
- Cons: Requires a second source of data/truth in addition to Salesforce. Many view "black box" AI insights as lacking the actionable "Why?" root cause insights. Can take 3-6 months to implement.

Spreadsheets

Some firms take manual snapshots of their Salesforce data and create spreadsheet-based templates for interpreting them.

- Pros: Inexpensive.
- Cons: Usually dependent on one person to maintain, not scalable, requires the slow accumulation of enough historic data before fully useful. Can grow complex, unwieldy, and error-prone.

Highgate's AppExchange Mergechart™ App

- Pros: Downloadable from the Salesforce AppExchange. Easy to try. Inexpensive to maintain. Retroactive insights available immediately without need for snapshots.
- Cons: Current version requires use of Amount field on Opportunity object. Not meant to be an infinitely extensible visualization platform.

Conclusion

Many leaders feel pressured to put their investment in Salesforce data to work to drive pipeline health and revenue, but they can become gridlocked by data complexity and user fatigue. Leaders can punch through those barriers by unlocking their history data and embracing a simple visualization for trending pipeline over time. Organizations that prioritize these two simple steps can see a rapid cascade effect of benefits that end with better ongoing pipeline health and increased revenue.

About Highgate Analytics, Inc.

Highgate Analytics is a Boston-area firm focused on helping firms unlock the hidden value of their Salesforce investment without expensive software projects.

Mergechart™ is Highgate's lightweight trending app for companies that use Salesforce. It unlocks pipeline history data instantly and retroactively.

The author, Doug Parizeau, is a founder of Highgate Analytics. Doug has 20+ years' experience in data analytics with a focus on Salesforce.com. E-mail doug@highgateanalytics.com with questions or comments.