

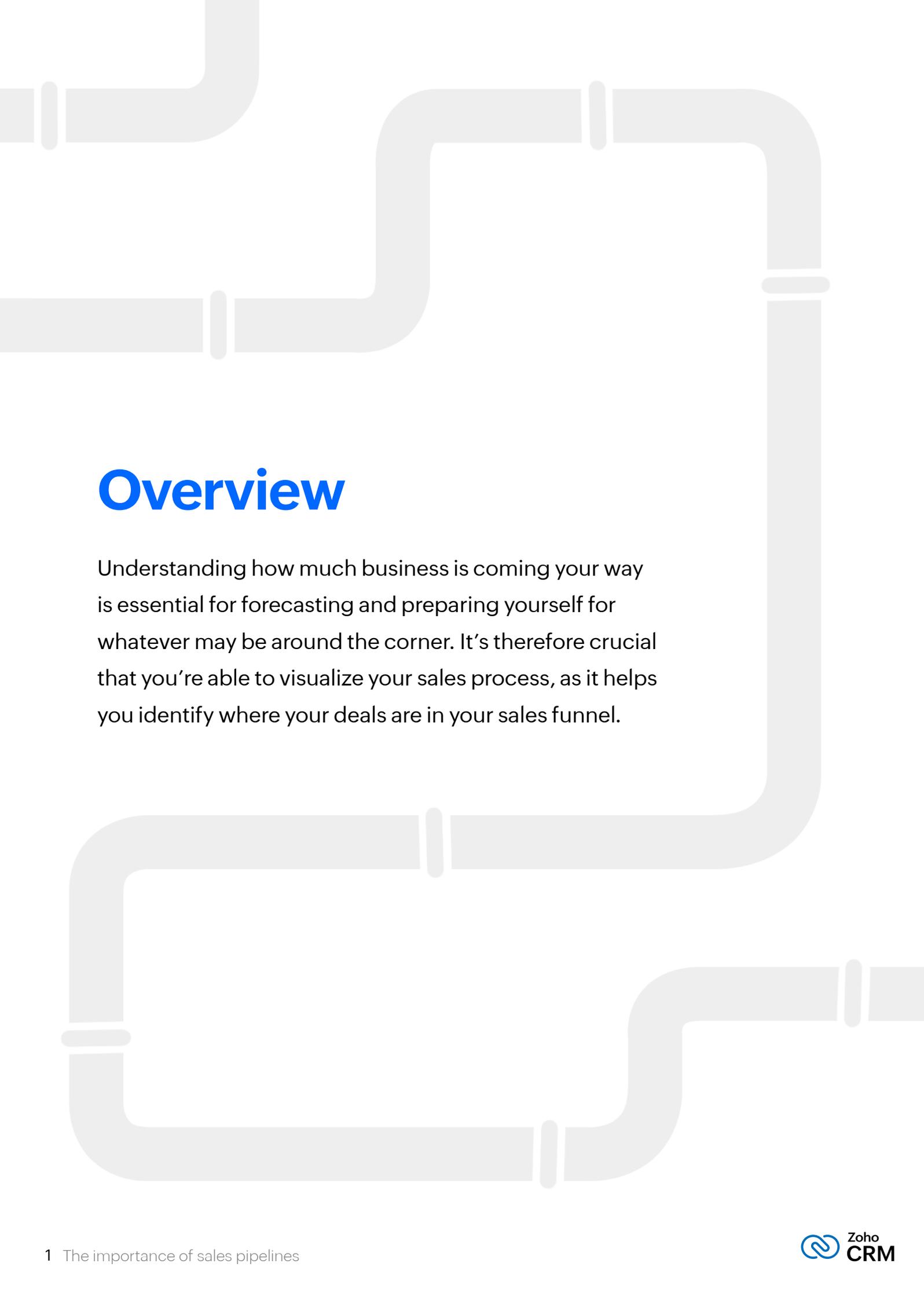


The importance of **sales pipelines**



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Overview

Understanding how much business is coming your way is essential for forecasting and preparing yourself for whatever may be around the corner. It's therefore crucial that you're able to visualize your sales process, as it helps you identify where your deals are in your sales funnel.

What is a sales pipeline?

As a vital tool for sales reps, a sales pipeline is an organized method of visually tracking potential buyers as they progress through the different stages in their buying process. It's a summary of current and upcoming opportunities which you can use to determine the revenue your business will generate, the bottlenecks you may face in your sales funnel, and your projected cash flow. This visibility also offers a clear understanding of which sales activities are moving your deals closer towards closing, and what changes may be necessary in order to enhance your sales process.

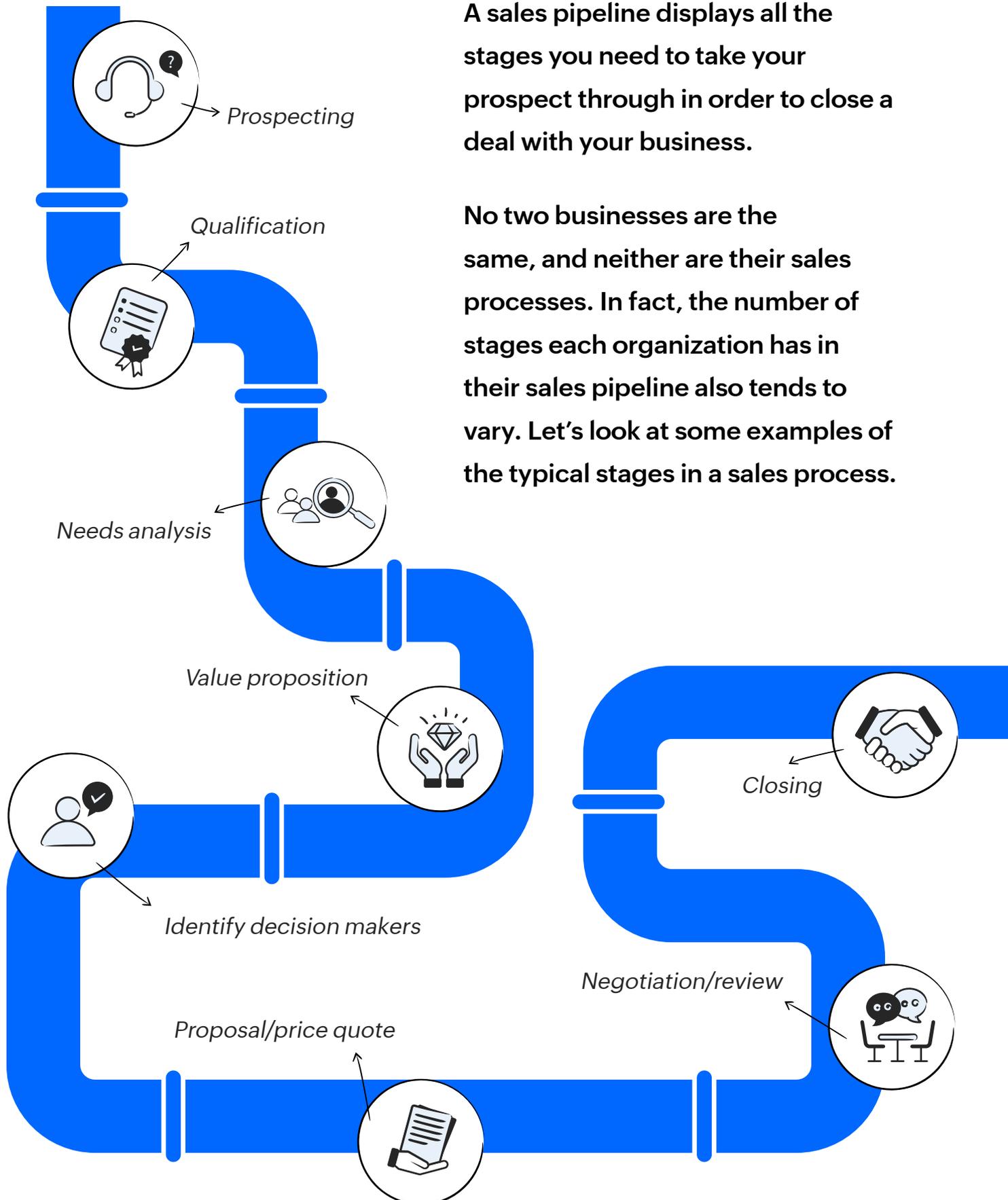
In this ebook, we'll explore what a sales pipeline is, its importance in a business, how your business can benefit from multiple sales pipelines, and how Zoho CRM can be used to create them. To understand the concept better, we'll look into how Zylker Travels—a tourism company—uses Zoho CRM to build multiple sales pipelines and manage its sales process more effectively.

Let's now look at the stages that each deal goes through in a sales pipeline.

Stages in a sales pipeline

A sales pipeline displays all the stages you need to take your prospect through in order to close a deal with your business.

No two businesses are the same, and neither are their sales processes. In fact, the number of stages each organization has in their sales pipeline also tends to vary. Let's look at some examples of the typical stages in a sales process.



1. Prospecting:

The initial stage in making a sale is prospecting, which is the process by which companies search for and attract prospects in the hope of guiding them through a sales process and converting them into customers.

A sales rep's work begins with prospecting, whereby they look for prospects via various sources, such as advertisements, campaigns, webforms, and so on, and nurture them—which is to say they establish a relationship with them in order to make a sale.

2. Qualification:

Even though you may come across a multitude of prospects, not all of them will be the right fit for your organization, which you will learn through adequate research. The qualification stage is crucial to ensure that sales reps don't waste their time nurturing prospects who aren't interested in buying.

Before you qualify your leads, you'll need to answer a couple of questions:

- ✔ Can the prospect afford your product?
- ✔ How ready is the prospect to purchase the product?
- ✔ Does the prospect need to convince someone else to decide to make the purchase?

Based on your answers to the above questions (and more), you can determine if your lead is hot or cold.

3. Needs analysis:

This is one of the most important stages in a sales pipeline, as it ensures that sales reps analyze and focus on the customer's requirements. Understanding your customer and their needs helps you tailor your offerings more effectively, resulting in higher chances of winning the deal. It's crucial to analyze the customer's requirements first rather than merely sending out a proposal for a random solution in the initial stages of the business cycle.

4. Value proposition:

Through your interactions with the prospect, you'll come to understand their pain points and will be able to promise them a solution that will benefit them. Making the value of your proposition explicit and clear will help you influence the your prospect's decision. Value propositions are therefore a powerful tool to drive sales.

5. Identify decision makers:

In a business, it isn't necessarily true that the individual with whom you communicate and who you nurture is the key decision maker. It's therefore important that you do your research and find out who the decision maker is, communicate with them, and build a relationship in order to get closer to closing the sale successfully.

6. Proposal/price quote:

Now that your prospect has come this far up the pipeline, you'll need to create an estimate for them. In doing so, it is important to ensure that the proposal is personalized in that it matches all their requirements. It is crucial to address all their pain points while preparing the proposal.

7. Negotiation/review:

You've been nurturing your leads and building relationships with them. As you near the close of the deal, you may come to learn that your prospects have further concerns that need to be addressed. During this stage, you can try to adjust pricing and manage expectations to come to an agreement on a mutually beneficial partnership.

8. Closing:

Now that you've made contact, understood the prospect's requirements, built trust, and nurtured them, it's time to finalize the deal.

Some prospects may agree to make the purchase immediately. However, others may require that you make some concessions—which you, as a sales rep, must be prepared for. You may even come across instances wherein the prospect disappears right before the deal is closed. It's important that you make attempts to make contact with the prospect before marking them as a cold lead.

On the other hand, if the prospect is convinced to purchase from you, the deal will be considered **closed won**. In the event that they express no interest in purchasing, the deal will be considered **closed lost**.

What we saw above are the different stages in the company's sales pipeline. To understand why a sales pipeline is essential for a business, let's look into the challenges sales teams face.

Challenges sales teams face



Sales reps spend only a small percent of their time managing their sales pipelines, because they have to gather relevant information, prioritize important deals, and plan their actions so that they can close deals faster. However, every sales rep faces numerous challenges on a daily basis. Let's look at some of them:

1. Stagnant and stalled deals:

Sales reps tend to put in a lot of effort to build a relationship with each prospect. This process of lead nurturing includes efforts such as understanding the prospect's requirements, tailoring a solution to those requirements, and convincing the prospect to make a purchase. After all these efforts, there may be instances wherein just prior to closing, the rep learns that the individual with whom they've been in constant conversation is not the actual decision maker, and that there's someone else who needs to be convinced. This is one of the factors that can result in deal stagnation.

In an article titled *Sales Pipeline: Best Practices and Tips for Growth in Uncertain Times*, the author states, **"Over 85 per cent of deals in the average pipeline are stalled."**

This happens due to a variety of reasons, one of which is when the sales team focuses more on non-revenue generating work than on good deals.

2. Incorrect analysis:

Imagine you're about to close a deal and you realize that the prospect has suddenly ghosted you. It can be extremely frustrating to be in such a situation. However, one of the possible reasons for this behavior could be that you're not offering the prospect what they're looking for, which could be a total turn-off for the prospect.

3. Lack of a clear vision:

To close a deal effectively, it's important that the sales rep takes full responsibility for that specific deal. During their buying cycle, the prospect may interact with multiple members of the sales team to get solutions at different stages. The lack of clarity on what needs to be done—due to mixed messages from each rep—can lead to confusion and frustration.

5. Low sales velocity:

Given that each individual sales rep might handle multiple leads on a daily basis, there may be instances where they miss out on important details that prospects provide. Asking for the same information repeatedly, or failing to keep in mind previous discussions that they may have had with their prospect, can frustrate leads, which will surely result in a lost deal.

6. Bad data:

Bad data is toxic for a sales pipeline, as it can result in delays or bottlenecks in the sales cycle. This in turn can affect your sales forecast.

Benefits of a sales pipeline

So how do sales pipelines simplify sales reps' efforts and how do they help businesses? There are multiple benefits to sales pipelines:

- ✔ They enable you to understand the entire sales process.
- ✔ They display how many deals are open.
- ✔ Reps tend to spend less time on closing deals.
- ✔ They ensure that every sales opportunity goes through the defined stages.
- ✔ They make your goals easier to achieve by breaking them down into smaller, more achievable tasks.
- ✔ Sales pipelines show you the status of your deals and their duration in each stage—thus giving you a clear understanding of where they may be stalling.
- ✔ They illustrate the value and amount of success in each stage of business dealings.
- ✔ They help teams monitor the progress of their efforts and thereby increase productivity.
- ✔ They offer an accurate picture of what steps need to be taken to close deals faster and thereby boost the company's revenue.

- ✔ You can obtain an accurate report on your business's critical financial metrics.
- ✔ Sales pipelines offer visibility into your sales activities and provide opportunities to evaluate your sales activity as a company.
- ✔ They help ensure that prospects don't slip through the cracks.
- ✔ Lastly, sales pipelines make it easier for you to schedule follow-ups.

There are many ways you can address your sales challenges, such as tracking good opportunities and analyzing, revising, and improving your pipeline and sales strategies.

Sales pipeline management

While using a pipeline can benefit a business in various ways, the pipeline still has to be managed properly or it won't be as effective—in fact, it can lead to stagnant or dry leads. A business may boast of how efficient its sales reps are; however, it's only when the team has a well-managed sales pipeline that the business can fulfill its true potential.

According to a Harvard Business Review, companies with effective pipeline management see a 15% increase in revenue.

Sales pipeline management helps sales teams build constructive sales processes by defining appropriate actions across every stage of the pipeline—i.e., helping prospects and customers move through their buying process, and reps through the selling process.

Why is sales pipeline management important?

By efficiently managing your sales pipeline, you'll get a better idea of the quantity and quality of prospects you have at each stage. Let's look at some of the benefits of an effectively managed sales pipeline:

1. Sales forecasting:

With an effectively managed sales pipeline, you can gain a clear understanding of how many deals you can close based on the number of prospects in your pipeline. You can therefore assess how close you are to reaching your quota, predict future slumps, and recognize the areas where you need to grow.

2. Determine your average conversion time:

With the help of a sales pipeline, you can determine the rate at which you generally convert a prospect into a deal, which helps when it comes to scheduling campaigns and projecting results. This also gives you an idea of how efficient your team is at converting interested leads into paying customers.

3. Enhanced lead nurturing process:

Thanks to the data collected in your sales pipeline, it becomes easier to get a clear understanding of your prospects' requirements so you can build more personalized offers to them. These tailored solutions help improve your rapport with prospects.

4. Monitor your team's progress:

Sales pipelines can also help sales managers understand how their teams are performing, where teams are achieving, where they're not, and what their pain points are. Properly managing the pipeline can therefore help the team amplify their efforts.

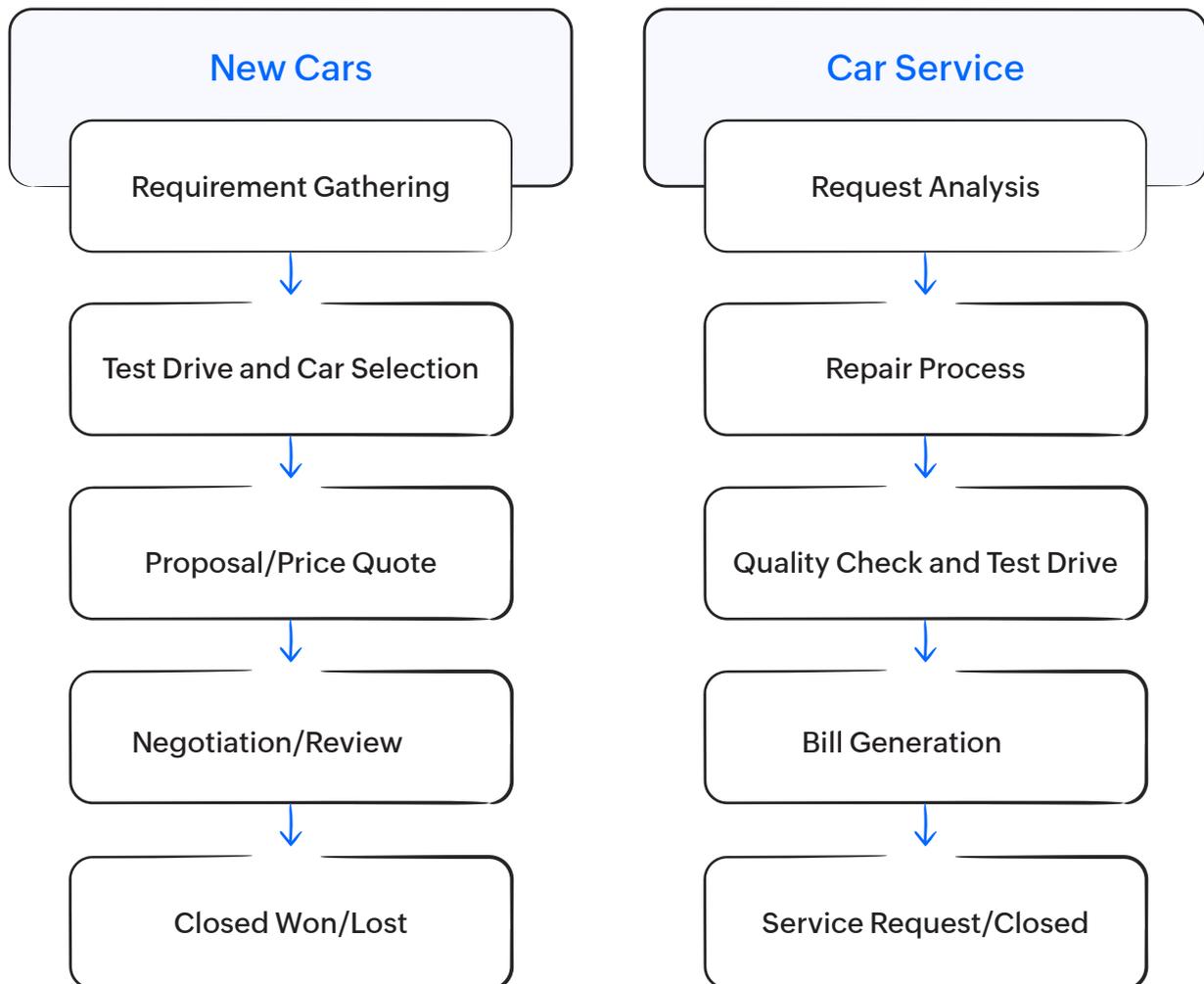
Having come this far, you likely understand sales pipelines as a concept and their benefits. Now let's think about what can be achieved if a single business created and managed two or more pipelines as well.

Multiple sales pipelines

When does a company need to use multiple sales pipelines?

Many companies tend to offer multiple services or sell multiple products and therefore have different sales processes for different types of customers and solutions.

Take for instance the example of a car shop that sells cars and offers mechanical services as well. It needs a separate pipeline for sales, and another for service.



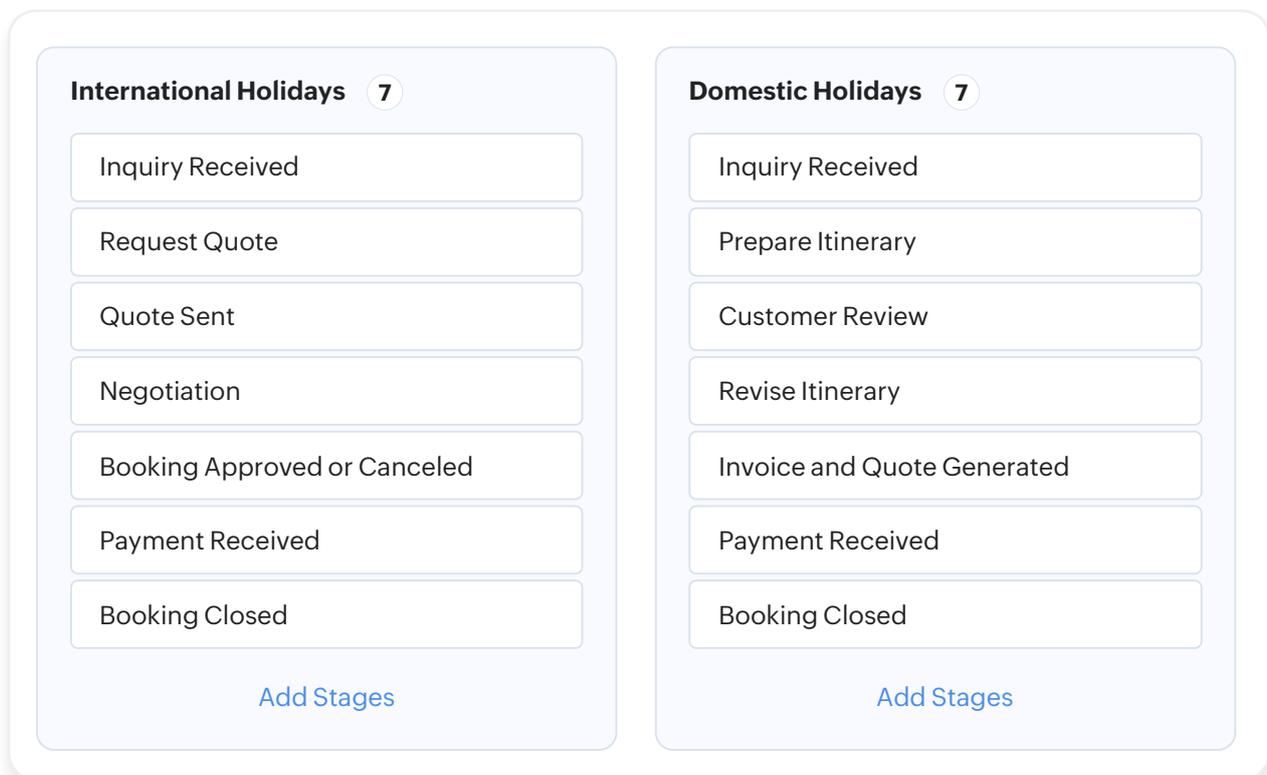
Since the sales stages for each of these processes tend to differ, accommodating them within a single pipeline can prove difficult. By creating multiple sales pipelines, businesses can track multiple sales workflows for each of its processes.

Zoho CRM

Let's look at the example of how Zylker Travels—a tourism company—uses Zoho CRM to create and manage their sales pipeline to sell better.

The company offers different types of trip packages, namely international holidays and domestic holidays. It hopes to track each booking and automate sales activities based on each prospect's status in the sales process. Creating a single sales pipeline for the two processes together wouldn't be ideal, as it would become difficult to track individual bookings and perform actions based on their stages. Besides, the company would also find it difficult to make accurate forecasts.

The team therefore creates separate pipelines for each type of trip:



But not even a well-designed pipeline can be guaranteed to stay in good health over time. Zylker Travels need to constantly monitor their deals, streamline their pipelines, add promising activities, remove friction points, and more to make sure that their pipeline becomes and stays healthy.

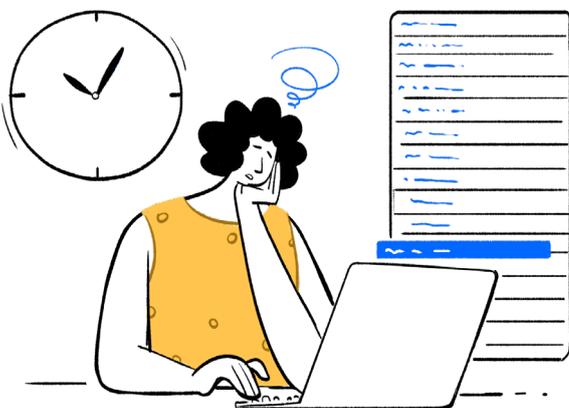
Without this level of attention, Zylker's pipelines could run dry (too few deals), get bloated (too many low grade or stagnant deals that aren't removed), or become cluttered (un-prioritized collection of deals).

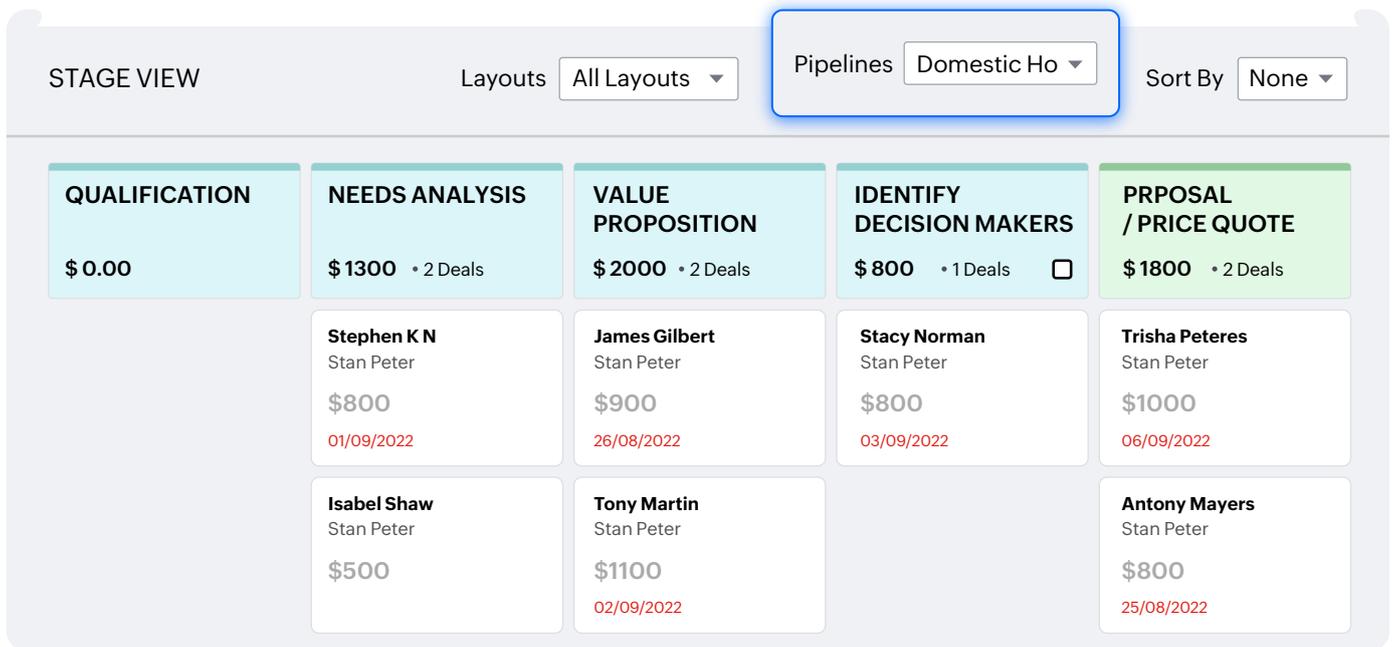
With the help of Zoho CRM's end-to-end pipeline management features, Zylker Travels will have complete control over their sales pipeline and be able to close more deals. Let's look at the sales pipeline management capabilities that Zoho CRM offers.

Zoho CRM's sales pipeline management capabilities

Filters for a simpler view:

Imagine that the team at Zylker Travels has to scroll through a long list of domestic holiday deals before they find a single deal for international holidays. This not only proves to be a hassle, but can also be extremely time-consuming.





But what if they could filter deals based on the pipelines? With the help of the Kanban view in Zoho CRM, the team can get a bird's-eye view of the pipeline, along with the ability to drag and drop their deals to the different stages. They can also find important information quickly and move deals between stages without having to open each deal's records. Additionally, with a clear picture of which deals have the best chances of closing within a reasonable amount of time, the team can more effectively prioritize and track better opportunities.

Lead approval:

The team at Zylker Travels needs to filter their deals before allowing them into the pipeline. This is to ensure they pay more attention to high-value deals. Besides, leads interested in domestic holidays and international holidays need to be approved by different managers. In order to specify which records should be considered for approval, the team can set up criteria using approval rules in Zoho CRM.

1 Pipeline IS Domestic Holidays

Domestic Holidays - Manager

Action After Final Approval	Action After Rejection
<input checked="" type="checkbox"/> Email Notification Holiday Approval -Domestic	<input checked="" type="checkbox"/> Email the template to the requester. Denied - Domestic
Email Template Holiday Approval -Domestic	

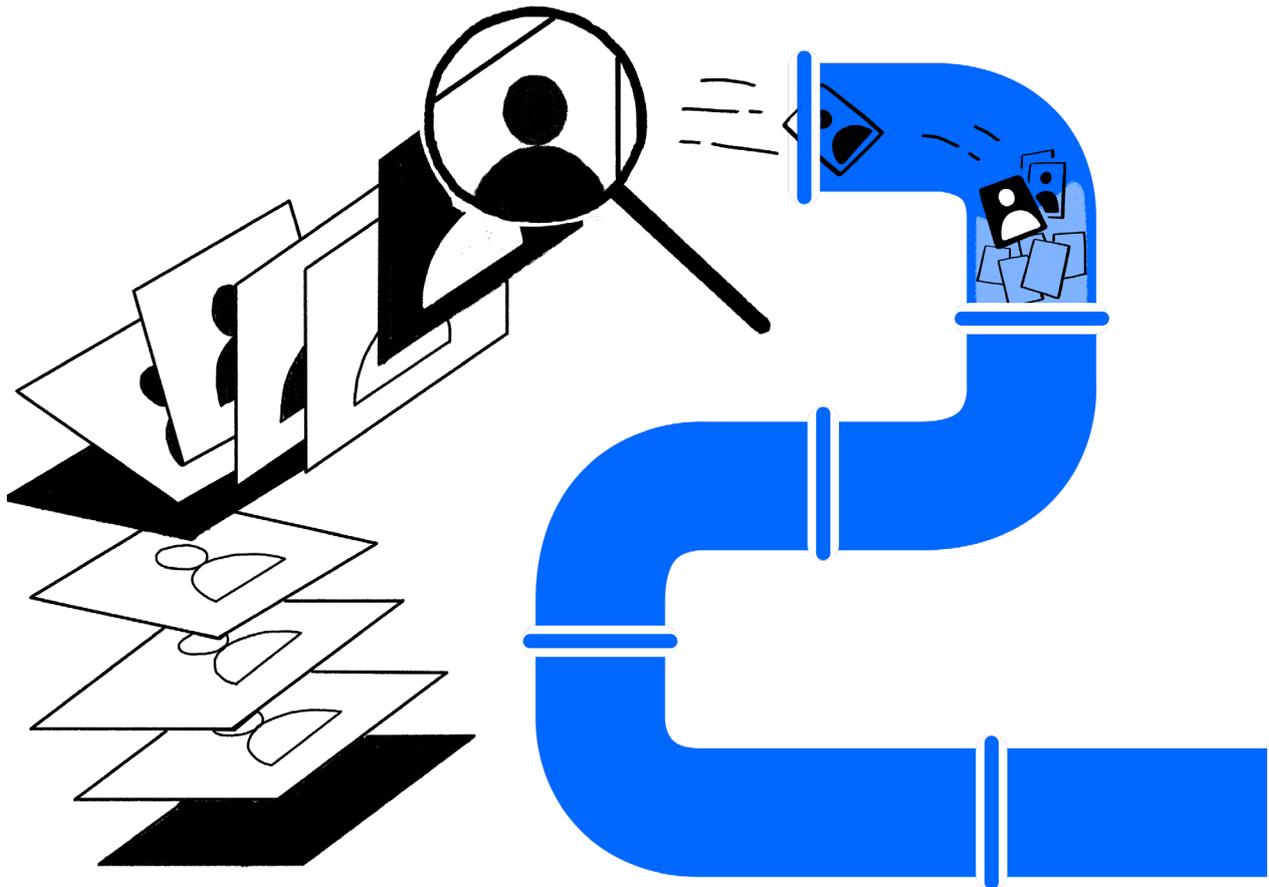
1 Pipeline IS International Holidays

International Holidays - Manager

Action After Final Approval	Action After Rejection
<input checked="" type="checkbox"/> Email Notification Holiday Approval - International	<input checked="" type="checkbox"/> Email the template to the requester. Holiday Rejected - International
Email Template Holiday Approval - International	

Scoring leads to ensure quality:

The team at Zylker Travels needs to analyze and qualify its prospects and move them through the sales pipeline.



To convert its prospects into potential buyers, the company needs efficient communication and nurturing and it is important that they prioritize their leads in order to give them the attention and nurturing they need. That's why Zylker uses Zoho CRM to score its prospects and nurture them as they move through the sales funnel.

Email Insights

- For every email opened Add ▾ 5 Point(s)
- For every email clicked Add ▾ 10 Point(s)
- For every email bounced Subtract ▾ 10 Point(s)

Survey

- For every survey responded Add ▾ 5 Point(s)
- For every survey visited Add ▾ 10 Point(s)

Campaigns

- Email Opened Add ▾ 5 Point(s)
- Email Clicked Add ▾ 10 Point(s)
- Email Hard Bounced Subtract ▾ 10 Point(s)
- Email Soft Bounced Subtract ▾ 10 Point(s)

Facebook

- For every comment Add ▾ 5 Point(s)
- Post liked Add ▾ 10 Point(s)

The company assigns scores to each action.

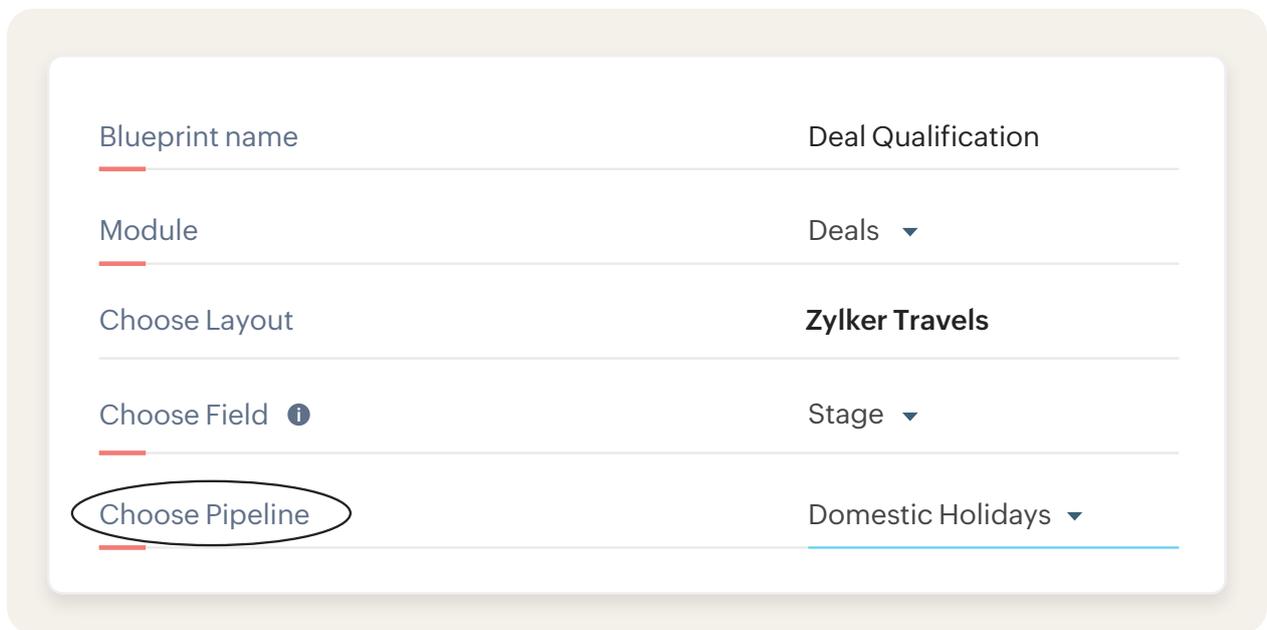
←  **Joshua Anderson**

Scoring Rules ⋮ 📄

Rule Name	Positive	Negative	Positive Touch Points	Negative Touch Points	Total Touch Points	Score
Domestic Holidays	0	0	10	5	5	5

Pipeline-specific blueprints:

While creating a blueprint for each process, the team associates it with a specific pipeline to avoid any complications.



The image shows a screenshot of a blueprint configuration form. The form has five rows, each with a label on the left and a value on the right. The labels are: 'Blueprint name', 'Module', 'Choose Layout', 'Choose Field', and 'Choose Pipeline'. The values are: 'Deal Qualification', 'Deals', 'Zylker Travels', 'Stage', and 'Domestic Holidays'. The 'Choose Pipeline' label is circled in black. There are red horizontal lines under the first four labels and a blue horizontal line under the last one.

Blueprint name	Deal Qualification
Module	Deals ▼
Choose Layout	Zylker Travels
Choose Field ⓘ	Stage ▼
Choose Pipeline	Domestic Holidays ▼

Multiple sales pipelines enable you to do the following:

- ✔ Visualize and track the progress of a deal through each stage.
- ✔ Take necessary actions based on the stage in the buying cycle.
- ✔ Monitor how long a particular deal has stayed in a stage and take action to prevent stagnancy.

Conclusion

Sales pipelines are crucial for any business. If implemented, managed, and updated properly, sales pipelines can help businesses reach their target markets sooner. A well-managed sales pipeline is vital for success, as it helps increase sales teams' productivity, enables them to schedule follow-ups and forecast their revenue, and gives them a clear picture of their critical financial metrics. In other words, an effective sales pipeline translates to higher revenue growth.

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