InSiGhts

SALES PIPELINES

Are they just like production lines?

with Warren Webb

SHARING IN GROWTH

Results driven. Results proven.

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In complex selling, the sales pipeline and the production line are like twins. Both aim to deliver tangible, predictable, and consistent results efficiently while avoiding waste.

Your sales pipeline is a production line – converting the raw materials of leads into deliverable, profitable orders that are in-line with business strategy. Complex opportunities require a team to win them, and a process keeps everyone on track.

So, they might be twins… but they are not identical.

UNCERTAIN AND UNKNOWN

Within manufacturing, anomalies and uncertainties arise when plans are not strictly followed and every effort is put into avoiding them, whereas in sales, navigating uncertainties is a fundamental part of the job. Circumstances change, as do people's wants and needs. Not just that, but market trends change, and competitors also change.

An Operations Director can stand on the mezzanine and look out over the production line, and they will see the inputs, processes and outputs. However, a Sales Director, no matter how strong their customer and market intel is, just can't see everything affecting the sales pipeline. This is because their view of the world is like the Rumsfeld Matrix. You might think you don't know the Rumsfeld Matrix, but you probably do.

TOP TIP
Sales Velocity

To maximize sales velocity, concentrate on three fundamental components: lead generation, conversion rate, and average deal size. By working on enhancing each of these drivers, you can exponentially boost your sales velocity.

ORDER, ORDER!

Products in a production line move from one cell to the other in order, and opportunities in your pipeline can ping-pong around. You may well have a carefully written out sequential sales process, but the majority of the time, the customer doesn't care. Often, as you learn more about the opportunity, you realise it wasn't where you thought it was.

NO INSTANT GRATIFICATION

Let's say that I want to increase widget manufacture from 10 to 15 per hour. As soon as I make changes, I can see the effect. Sales cycles can be weeks, months or even years. The changes I make in sales may not show their impact for a long time, and even then, I can't be sure that it was that change that made a difference to my long term KPI: order intake.

You must rely on your skills and experience; trusting what you are doing will give results in the long term. So, it's a good idea to have some shorter-term measures to build confidence that the right actions are being taken.

SHORT TERM MEASURES AND VISUALS

A modern shop floor has visualisations of the key metrics – the "short interval controls" that help the teams monitor their day-to-day performance, linked to the longer-term business objectives.

Sales can have that too. Have you ever heard of Sales Velocity? If not, then I recommend looking it up. Be wary of "sales maths" however, as it can oversimplify the complex dynamics of selling and is based on what can be very subjective measures.

Nevertheless, it can drive useful conversations, such as "Do we have enough opportunities?", "What's their value?", "What's our hit rate", "How long does it take to win?" etc. The answer to those questions can help identify what activities we need to do and how to measure them.

SALES KPIs: RISKY BUSINESS

Activity-based metrics, while seemingly straightforward, can lead to the wrong behaviours. Do you want me to visit three customers this month? That's fine, but are they the right customers or just ones that will agree to see me? It is important to distinguish between the two.

However, this doesn't mean we don't have metrics. It's not just about the number of calls made or emails sent; it's about the quality of relationships.

PEOPLE, NOT THINGS

People buy from people. It's cheesy, but it's true. While a production line is machinery, a sales pipeline is about relationships – your pipeline should reflect this understanding. Building relationships requires skills, which are often difficult to measure.

SKILLS AND METHODOLOGIES (AND PROCESSES)

We need sales processes, like production lines, to plan, monitor and control our sales activities. At the very least, we need them to manage approvals. I consider methodologies to be just as important.

This is because methodologies, unlike processes, encompass a broader view. They're not just the 'what', but the 'how' and 'why' behind sales activity. They highlight skills required, such as a salesperson's ability to empathise, communicate effectively, adapt to diverse personalities and market trends, and to be creative – rather than just walk through process steps.

When we break it down, sales pipelines and production lines are not twins, but they are cousins.

DO YOU WANT TO KNOW MORE?

We are the complete business transformation experts.

Our passionate team of growth and productivity specialists work with you to develop, inspire and improve every aspect of your organisation. The Sharing in Growth challenge and purpose is to accelerate your business growth and ultimately your bottom line.

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