

# ASSIGNMENT

## SaaS Pipeline Conversion

### Problem Statement

The sales pipeline conversion percentage at TechnoServe (a tech SaaS startup) has dropped from 35% at the end of last fiscal (FY 2017-18) to 25% at present.

### Assignment Objective

Understand the problem, come up with a hypothesis for low conversions faced by TechnoServe, and analyse the dataset provided to arrive at possible solutions to increase it.

# PART I : 1. Understanding the Problem

## Sales Pipeline Conversion at a SaaS Startup

### Who?

A Tech SaaS startup firm

### What?

Pipeline conversion is has been decreased from 35% to 25% resulting decrease in sales

### When?

Occurring since last 3 quarters

### Where?

Among prospective clients from Pune and other cities

### How?

1. Marketing related issues
2. Sales related issues

# PART I : 2. Understanding the Problem

## Sales Pipeline Conversion at a SaaS Startup

### Situation

How are you generating the leads

What are the target demographics for lead generation

What marketing tools are you using to get the leads

What is the current sales cycle and duration

Who are the members of the sales team

Do you have a pre-sales team

What is the marketing budget

### Problem

How long is the sales conversion declining

Do you have enough skilled sales team to handle the leads generated

Do you have a shorter sales cycle to convert the leads

Do you have the marketing and sales team working closer

Do you have sales strategy for each group of leads

Is the sales declining across all regions and products

### Implication

What is the revenue impact with declining sales conversion

What is impact on market share and projected revenues

What is the impact in sales budget

What is the impact on other units like Engineering, Marketing and Finance

### Need-Payoff

Would you meet your targets if the conversion rate move back to 35%

Would the sales team achieve more if the current conversion issue resolved

Will the company expand and grow if the sales conversion is improved

Will the company increase the market share and beat the competition

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Framework Used

To generate the Hypothesis. I have selected below three framework

1. BANT framework
2. Marketing segmentation –STP model

### Reason for using the selected framework

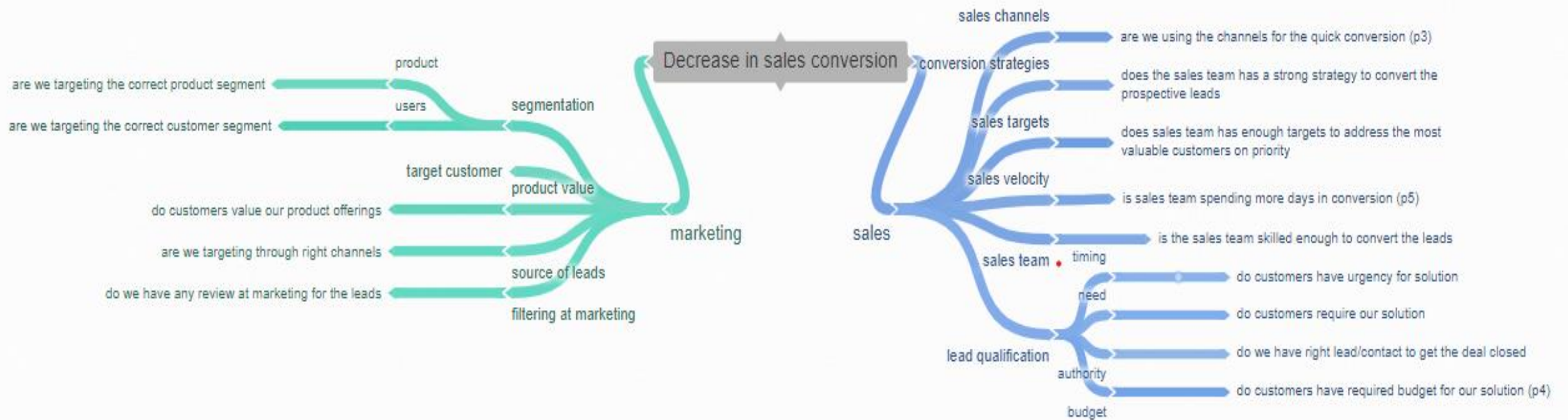
The problem is about the sales conversion and hence it requires deep analysis on the Sales procedure and marketing strategy of the company since is not able to convert leads to potential sales

### How you have used the framework here

I have divided the problem into Marketing and Sales through this framework and identified the possible gaps under each segment to identify of the company is able to generate enough leads and/or company is only able to convert the leads. Since this framework talks about the best measures to address these issues. I have tried to list them and built a hypothesis as which of this step or stage have been failed

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup



# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Branch 1

**Lead Qualification-** Identifying the right leads through the leads qualification, using BANT framework. Here objective is to identify from the given dataset whether customers have the required budget to buy the offering. Although other variables in the BANT could not be validated with the given data.

**Hypothesis1:** Do customers have required budget for our offering

### Branch 2

**Sales team:** Identify whether sales team is qualified enough to handle the leads across the technology offerings of the company

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Branch 3

**Sales velocity:** Check if the sales team is spending more time in lead conversion compared to similar leads in different location for the same offering

**Hypothesis 1:** Is sales time has more sales velocity in particular region or technology

### Branch 4

**Sales Target:** Does sales team has enough targets to achieve so that they do not loose the more revenue leads.

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Branch 5

**Conversion Strategy:** Does sales team has a strategy or performance ratio so that the team can be rated and validated if which team is performing well.

### Branch 6

**Sales Channels-** Are we using the right channels and do we have best / worst performing channel

**Hypothesis 1:** Which channels are working better and which are not for a given technology offering group



# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Branch 7

**Product Offering** – Which technology offerings are working better for the company

**Hypothesis 1:** -Are we targeting the correct technology offering for a given set of leads

### Branch 8

**Customer segment-** Which customer segment requires more attention based on the opportunity sizing

**Hypothesis 1:** Are we targeting the right opportunity segment

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Branch 9

**Marketing Channels:** Are we looking at the right channels of marketing

### Branch 10

**Product Value-** Do customers value our offerings

# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable	Insights if any	Pattern of Insight
1. Technology Primary	ERP implementation and technical business solutions are the major leads	Out of 77k leads in the segment there was only 17k conversion
2. B2B Sales Medium	Enterprise sellers and marketing channels has most leads and also major losing channel.	55k were lost among these two segment
3. Client Revenue Sizing	Company has major opportunity in the customers that has less revenue per quarter which is less than 100k	Around 45k leads were lost in this segment
4. Opportunity Sizing	The highest opportunity for the company is through leads that have potential of 50k revenue	3/4 <sup>th</sup> of the leads are below 50k opportunity
5. Business from Client last year	Most of the leads are from new customers where there were no previous deals closed	60k leads are new customers
6. Sales Velocity	Company has lost sales in all stage of sales cycle varying from 15-90 days	The leads that have been lost are mostly between 15-75 days of effort

# PART III A : Generating Insights

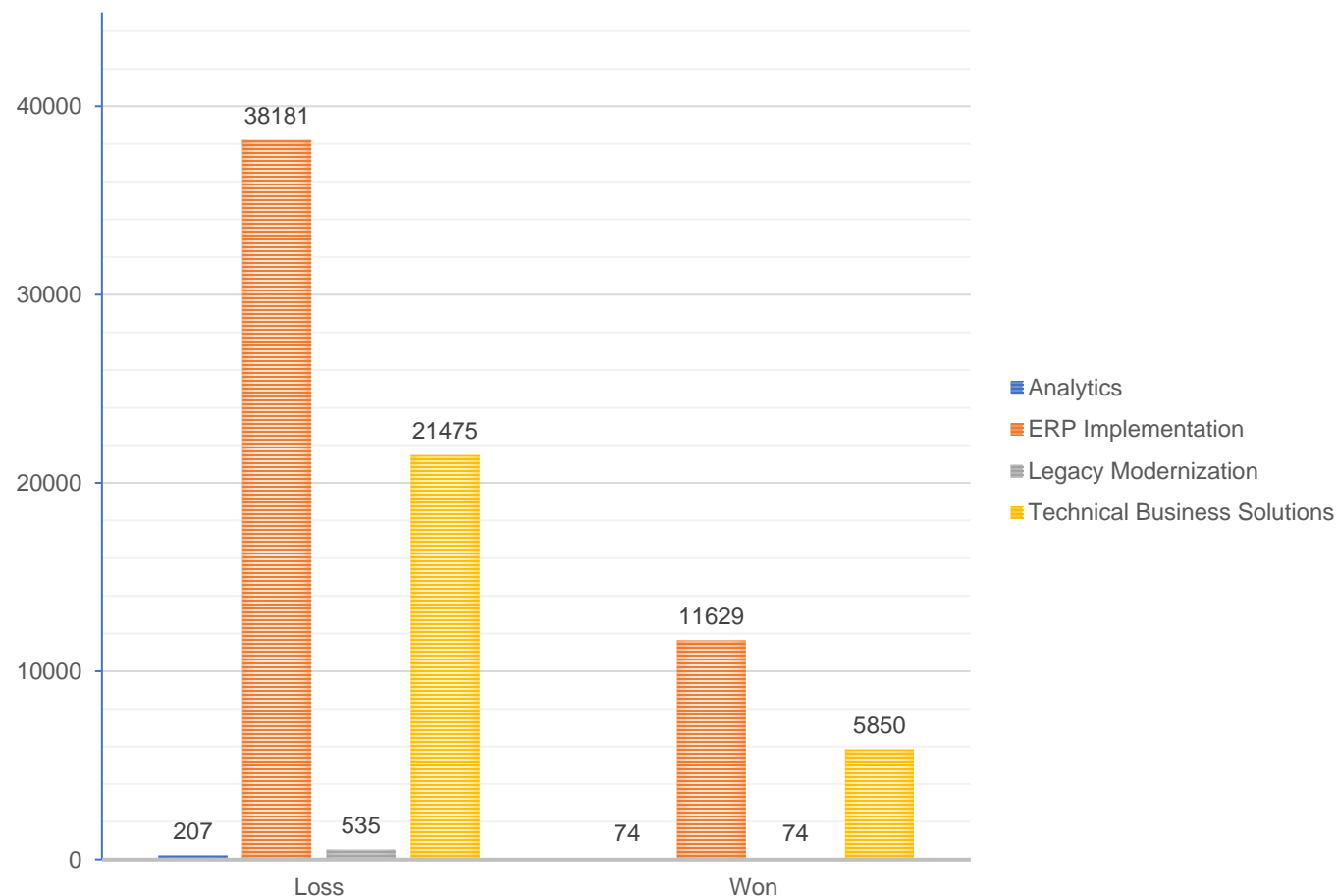
## Sales Pipeline Conversion at a SaaS Startup

Variable under consideration:

### Technology primary

The highest loss of the leads is among ERP Implementation and Technical Business Solution.

This also shows we have highest leads generated For this segment, which also means there is a huge Opportunity /Demand for this technology offering.



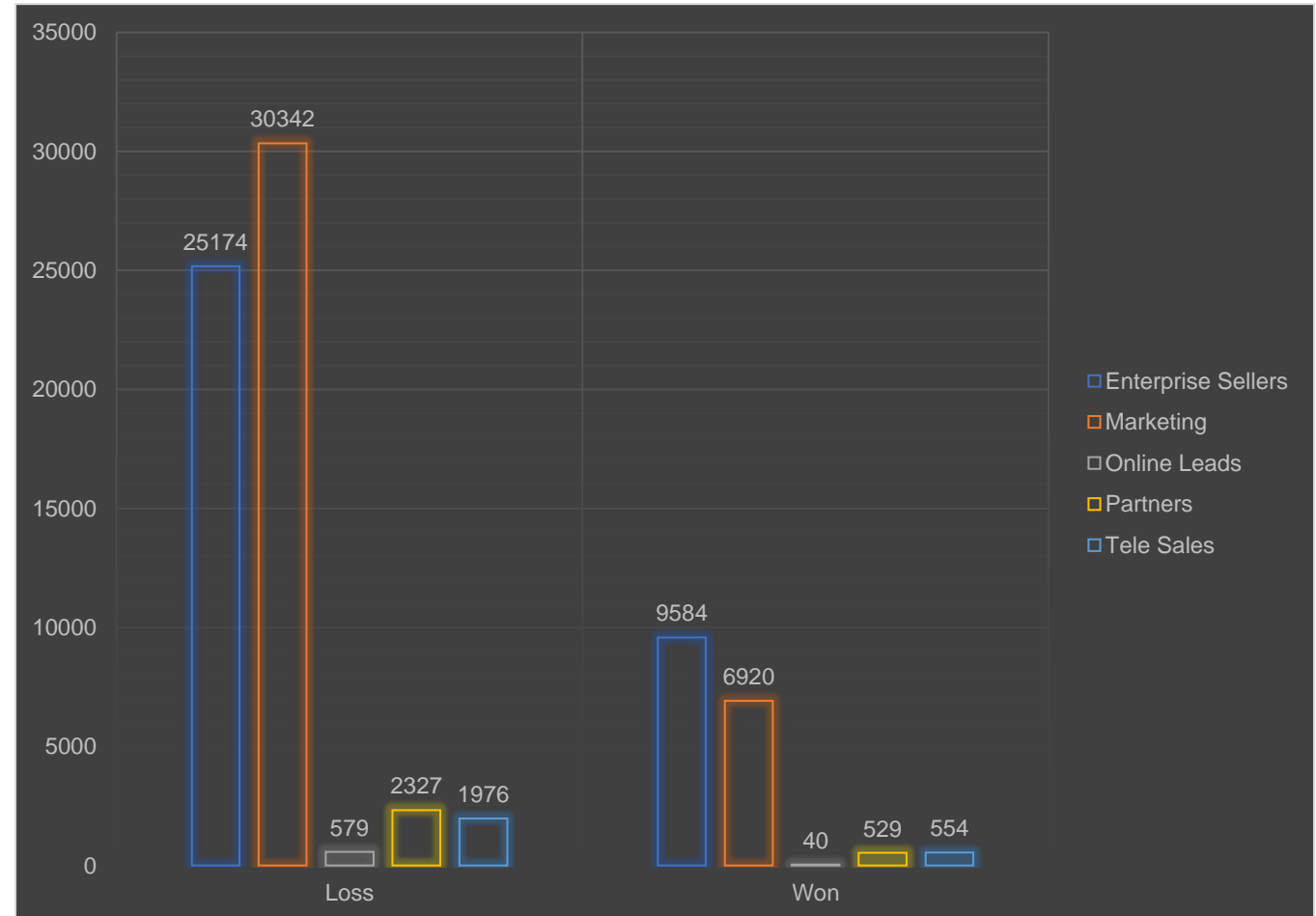
# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable under consideration:

### B2B Sales medium

Enterprise Sellers and Marketing channel has most of The leads generated which also has most loss and Winning segments. This tells, this channel is right one To tune and get the leads flow for the future quarters.



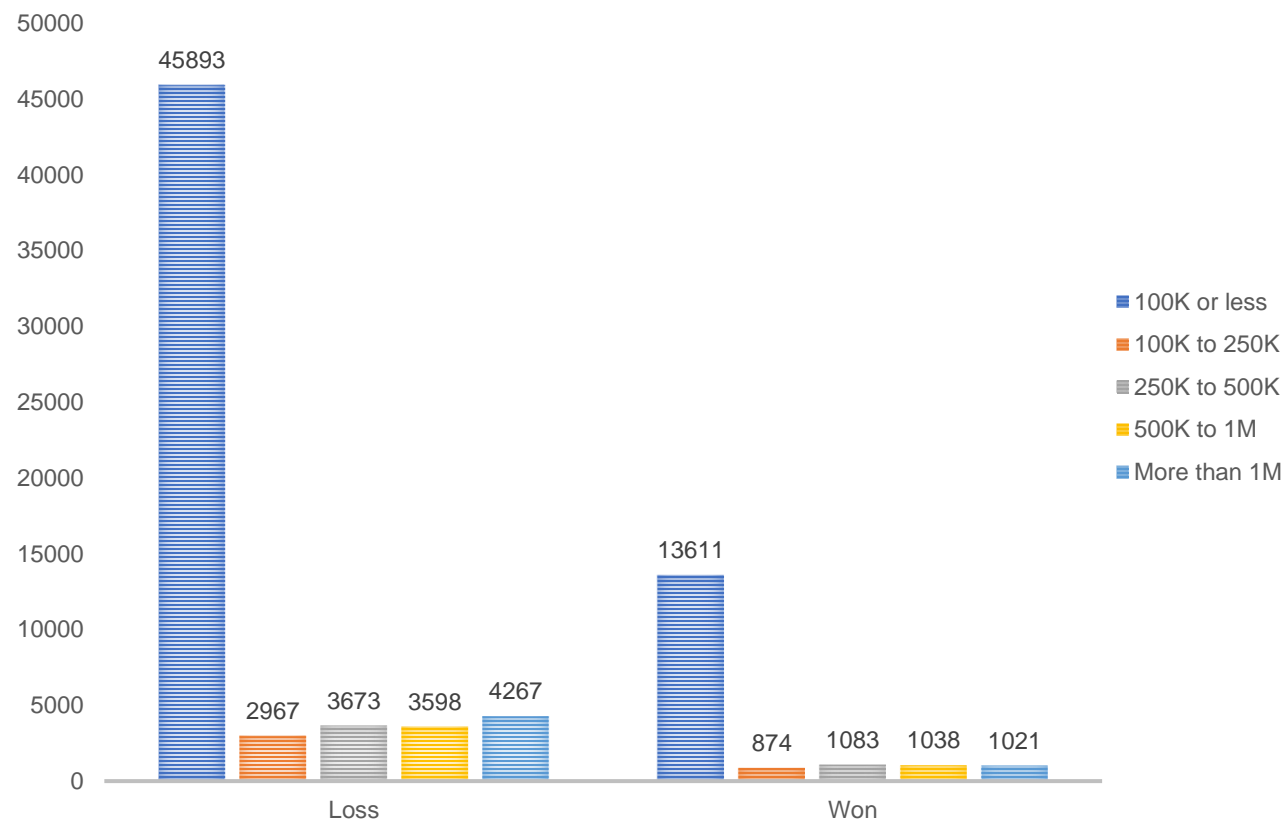
# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable under consideration:

### Client Revenue Sizing

The company has been losing most of the leads for the Company that has lower size per quarter, which tells us This market is huge and needs to be captured.



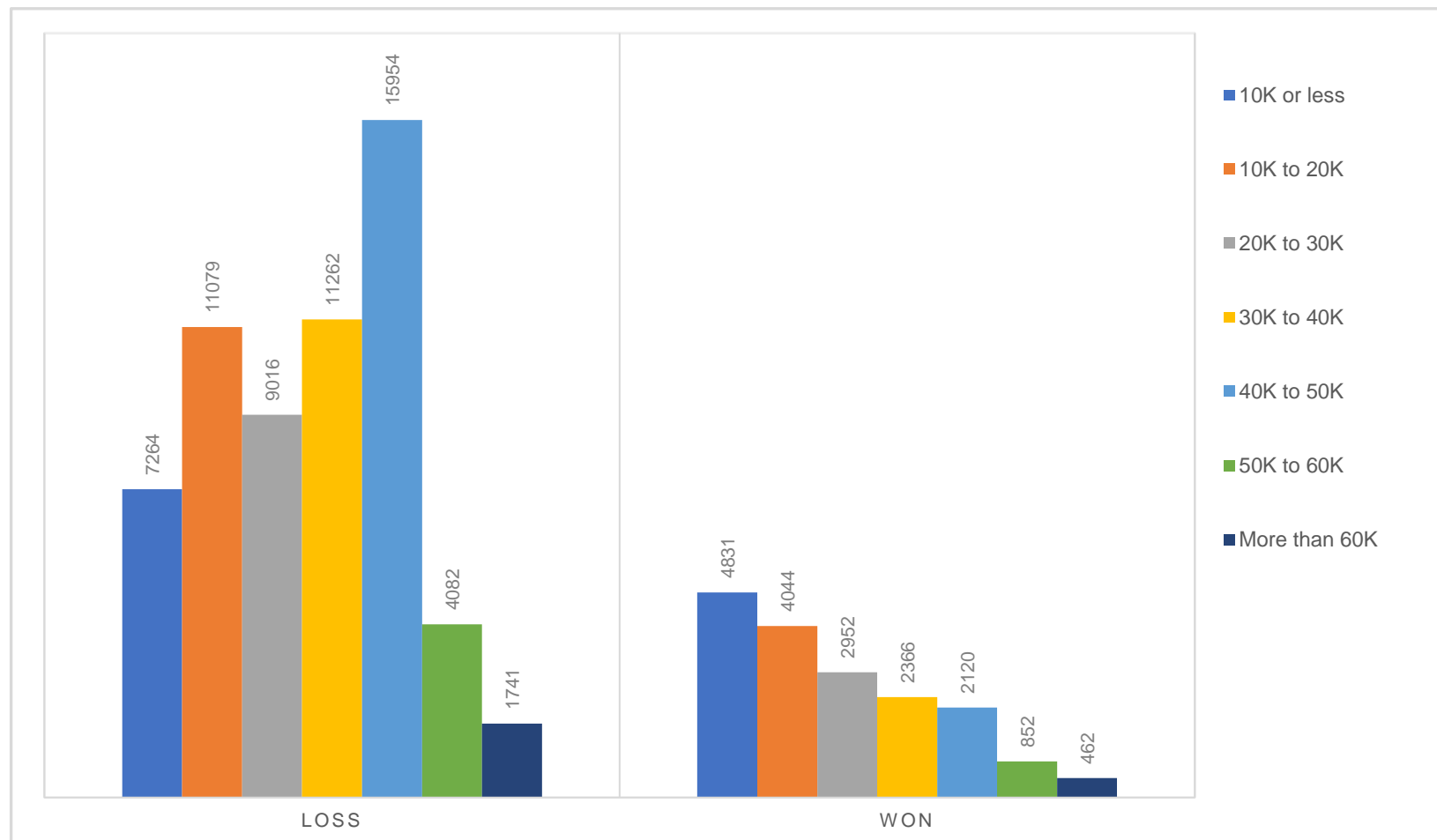
# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable under consideration:

### Opportunity Sizing

Most of the loss to company is through Leads that would generate around 50k Of revenue which is significant loss and This needs to be fixed.



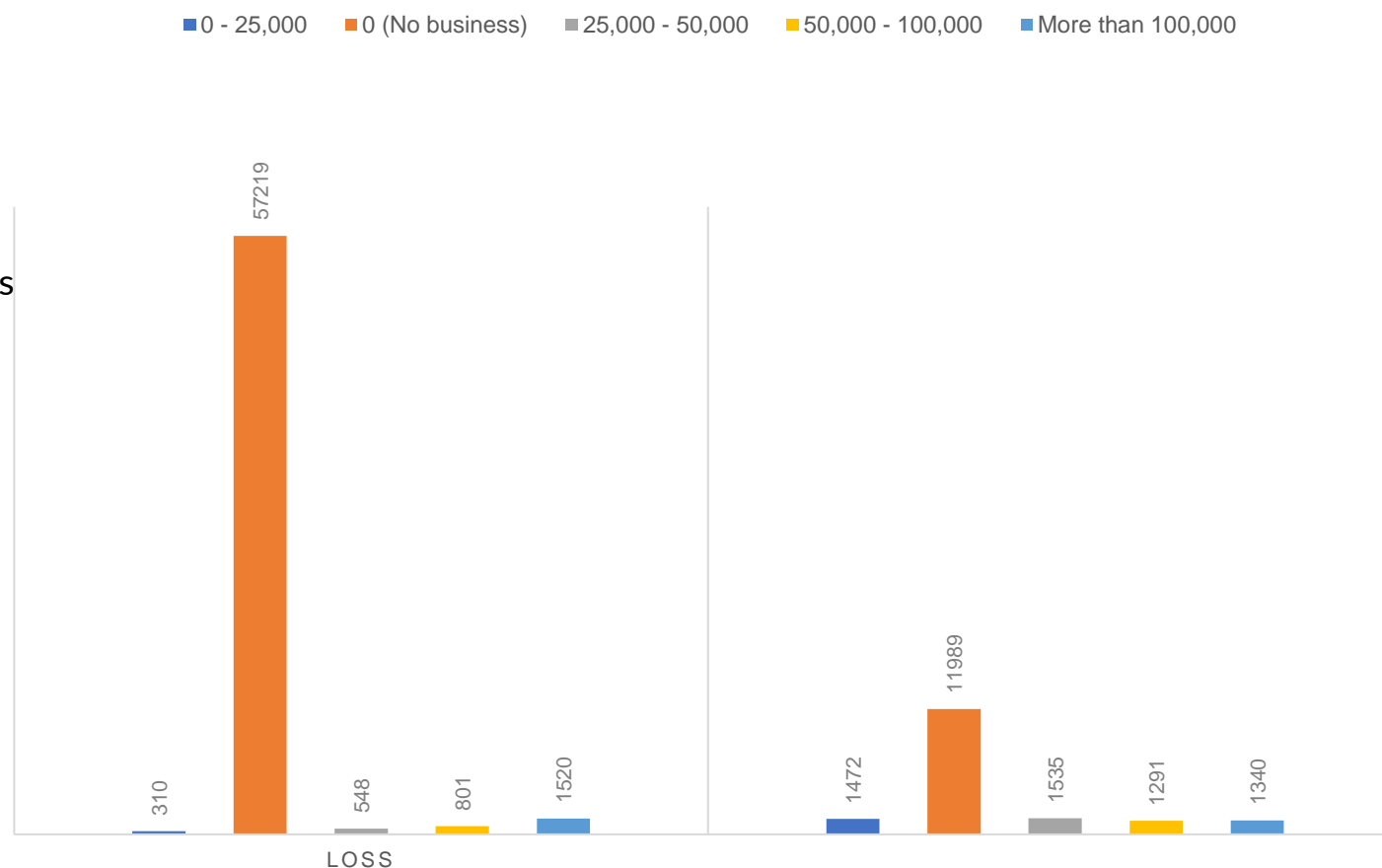
# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable under consideration:

**Business from Client last year**

Company does not major leads from leads from Existing customers which shows there is no cross Selling or upselling happening to existing customers Since most of the leads are new hence sales team Is required to spend huge time to convert these Leads.





# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

### Recommendations

1. Focus more on ERP Implementation and Technical Business solutions offerings
2. Enterprise sellers and Marketing channel are most losing leads hence we need to focus on other sources of channels
3. Companies with lower revenue are most among the lost leads hence we need to generate more leads in other segments
4. Company needs to do upselling or cross Selling for existing customers as there is a huge loss with new customers which is an expensive lead generation compared to current customers
5. Company should focus more on higher Revenue opportunity leads

### Corresponding Insights

Out of 77k leads in the segment there was only 17k conversion

55k leads were lost among these two segments

Around 45k leads were lost in this segment

60k leads are new customers

3/4<sup>th</sup> of the leads are below 50k opportunity which have been lost

# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

Concentrate on ERP Implementation and Technical Business segment with non traditional sales medium and faster sales cycles

Highest loss in leads are from ERP and Tech business

Highest loss in leads from Enterprise sales and Marketing

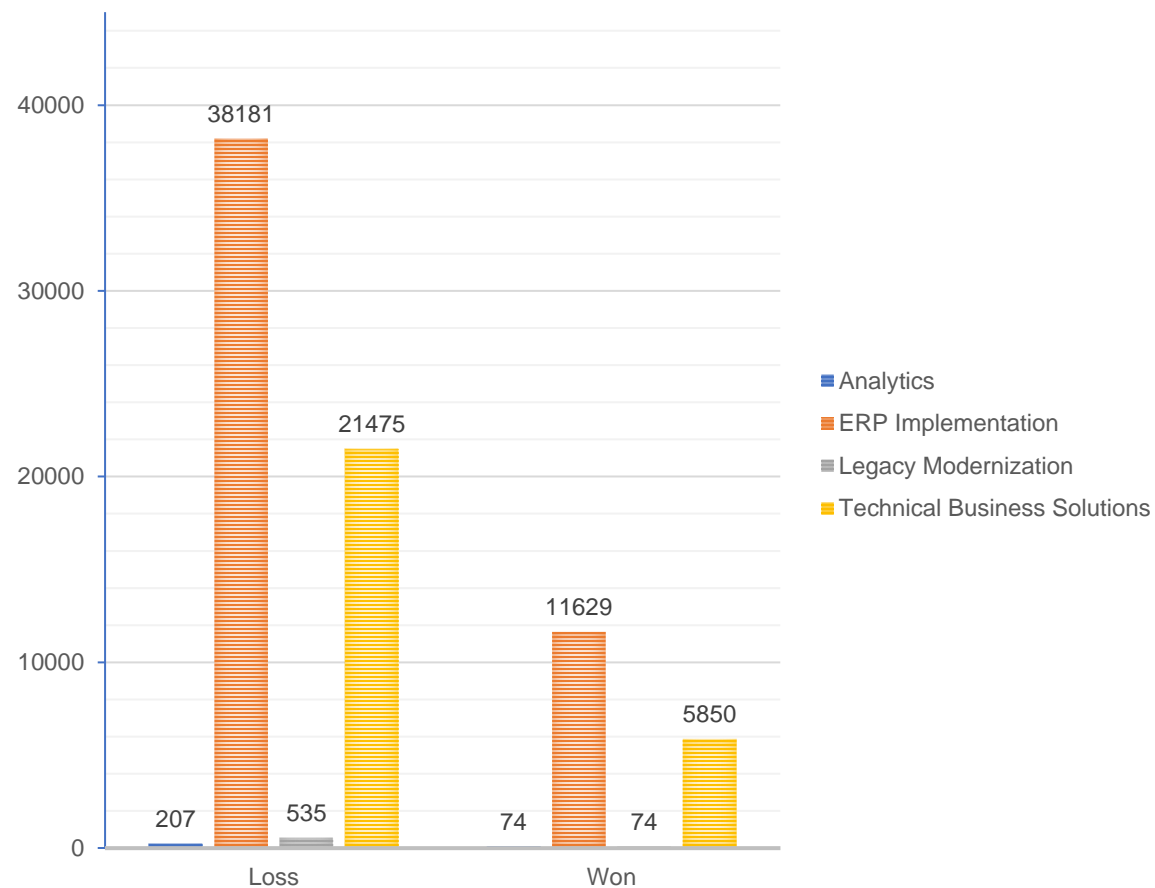
- Tune the lead nurturing in the segment
- Define the Targets and focused groups

- Generate leads in other Sales medium
- Have shorter sales cycles

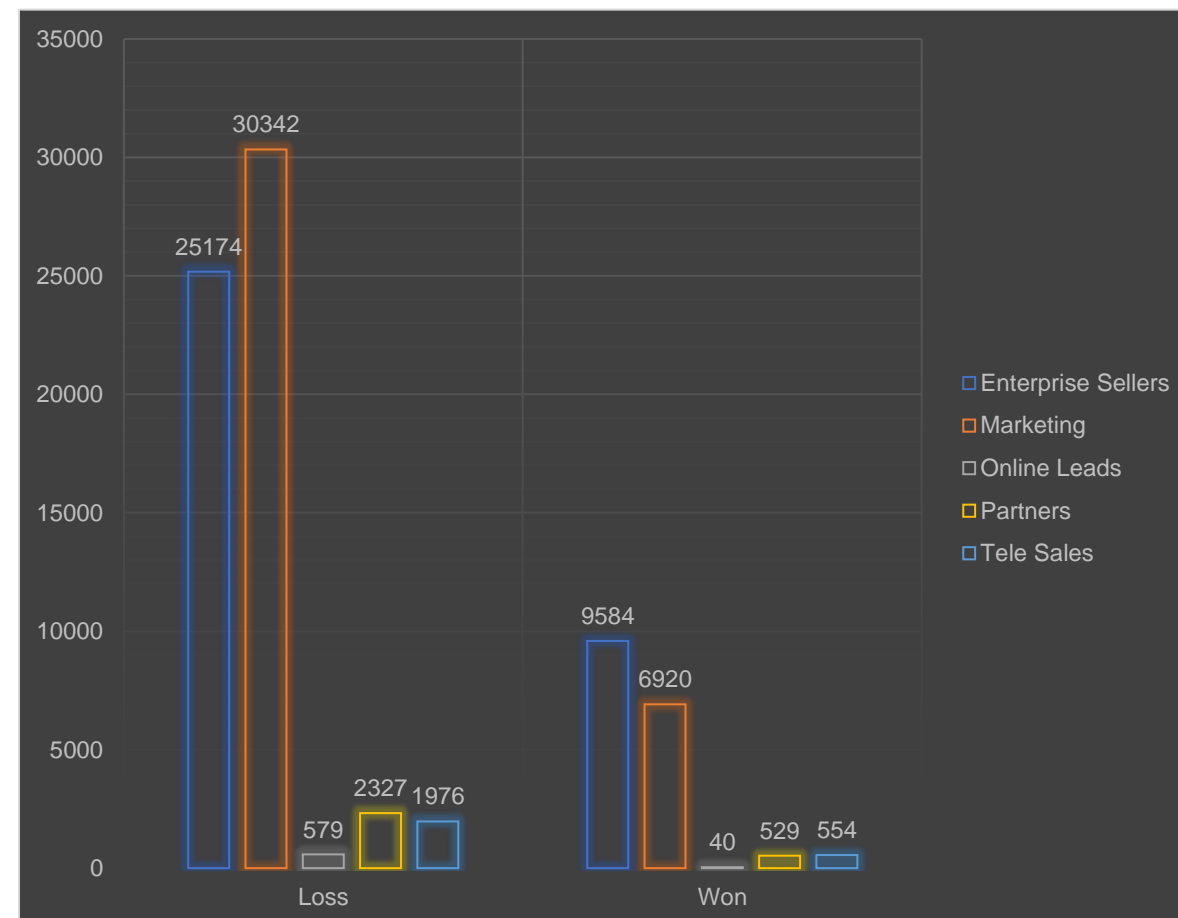
# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

Conversion by Technology



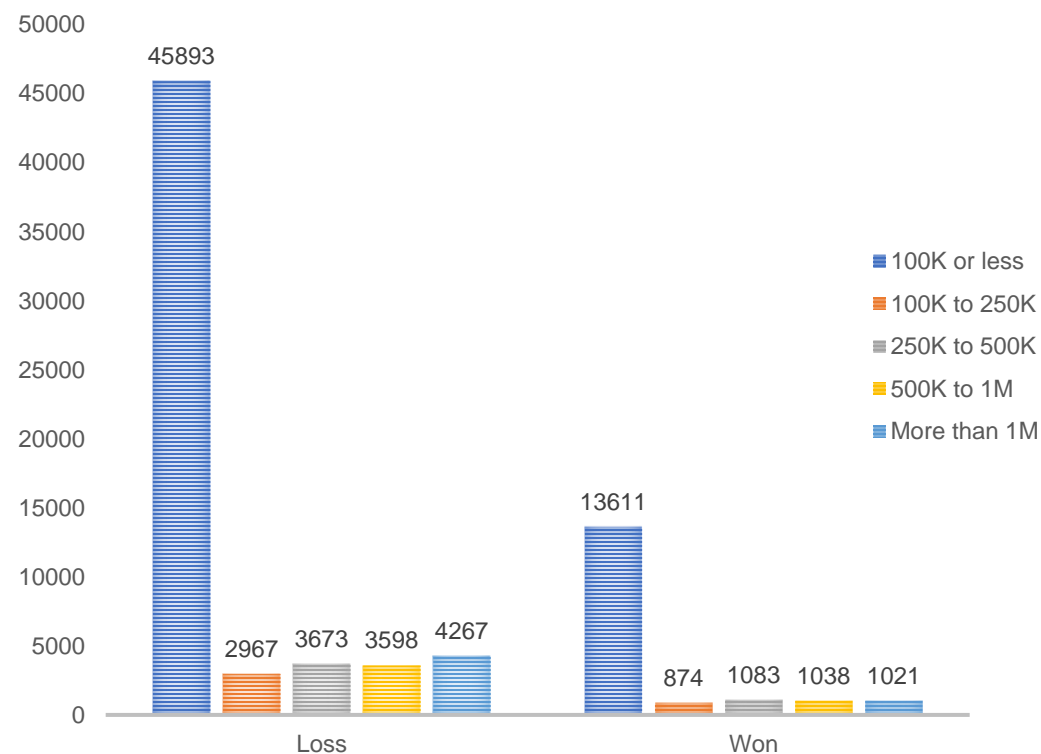
Conversion by Sales medium



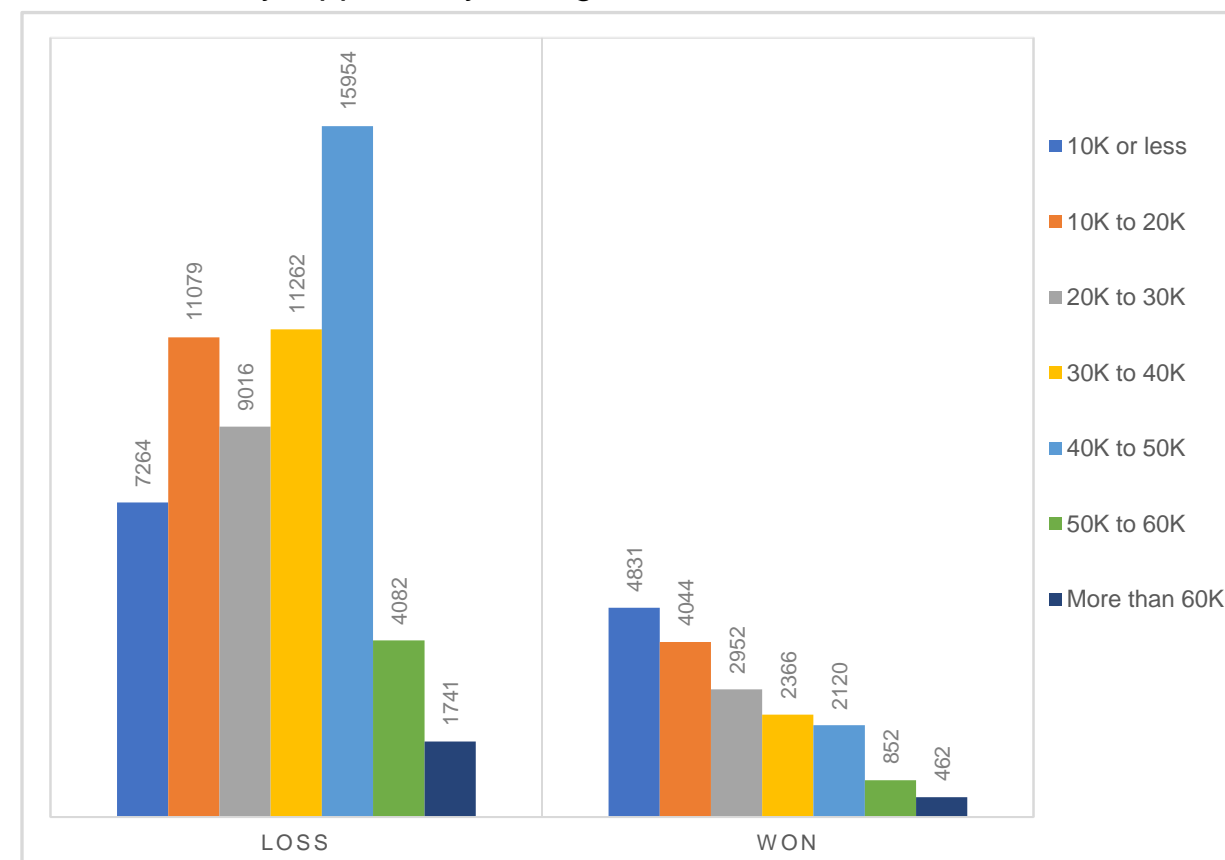
# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

Conversion by Client Revenue



Conversion by Opportunity Sizing



THANK YOU

