

A vertical bar on the left side of the slide with a gradient from orange at the top to purple at the bottom.

# PROBLEM STATEMENT

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

# Objective

Understand the problem, come up with a hypothesis for low conversions faced by Techno Serve, 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,  
TechnoServe

### What?

The pipeline conversion  
for the sales is very less.  
It has fallen from 35%  
to 25%.

### When?

From the first quarter  
of the fiscal year 2018-  
19

### Where?

Among the possible  
customers or the leads  
of the company

### How?

There is an inefficiency  
in the process followed  
by the sales team

The product offered is  
not solving the  
customer problems

# PART I: 2. Understanding the Problem

## Sales Pipeline Conversion at a SaaS Startup

### Situation

1. What are the products offered by the company?
2. How many clients does TechnoServe has?
3. What is the strength of the employees within the company?
4. What is the strength of the Sales team at TechnoServe?

### Problem

1. How does TechnoServe identify the leads in the market?
2. On an average, how many days does it take to convert a lead into a client?
3. Is the team skilled to sell the products in the market?
4. Does the sales team have knowledge about the products that are offered to the customers?

### Implication

1. What is the impact of low sales pipeline conversion on the profits of the company?
2. Does low pipeline conversion impact your targets of the future?
3. What is the impact of the problem on the sales force? Are they able to perform as per the expectations?
4. How does low pipeline conversion restrict your growth in the market?

### Need-Payoff

1. What is the increase in revenue expected if the problem is solved?
2. How will the employees benefit if the problem is solved?
3. How will you use the extra revenue generated from the increased sales?
4. Will there be an increase in the market share of the company?

# PART II : Formulating Hypotheses

## **Framework Used**

Issue tree framework in conjugation with the 5C Framework

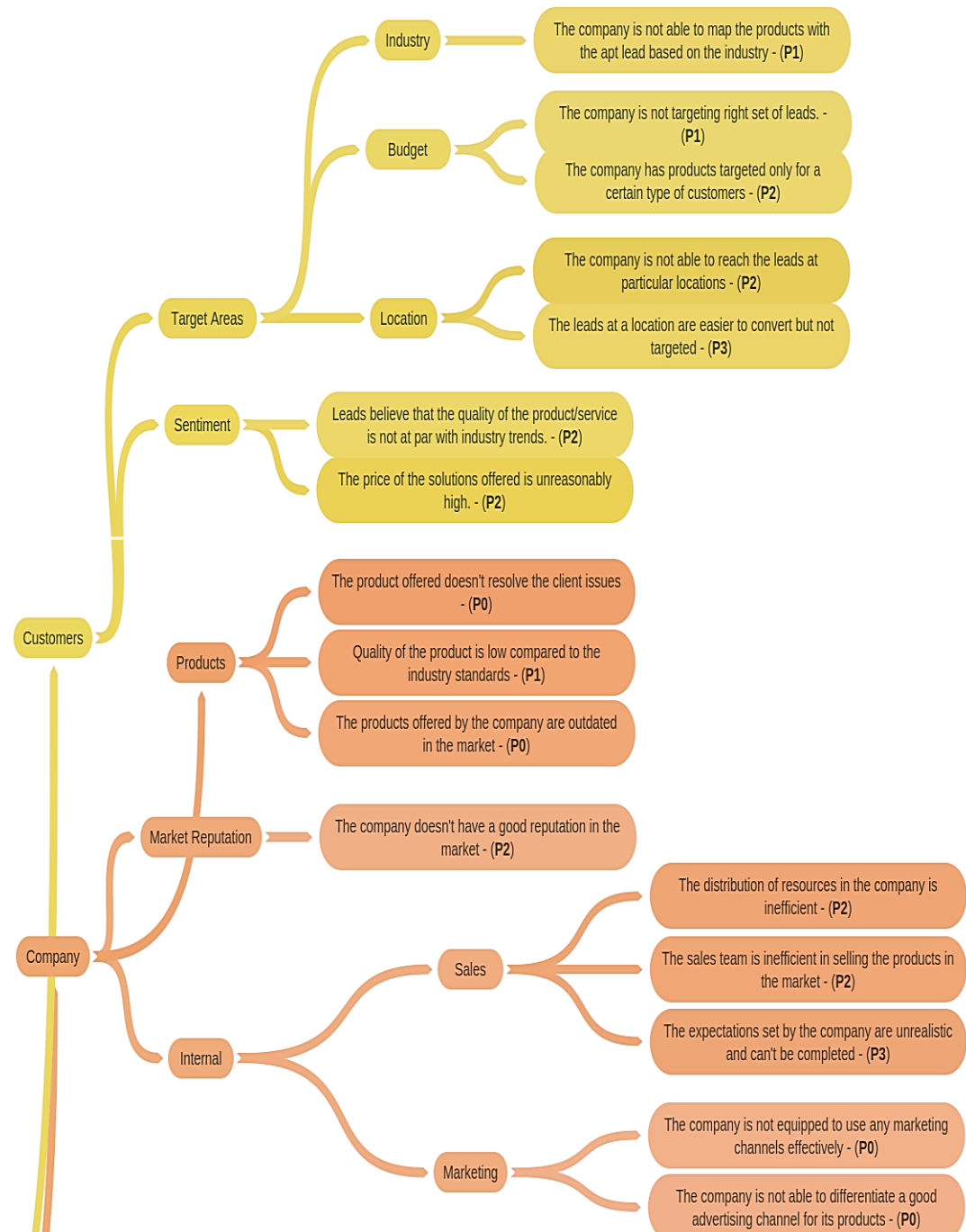
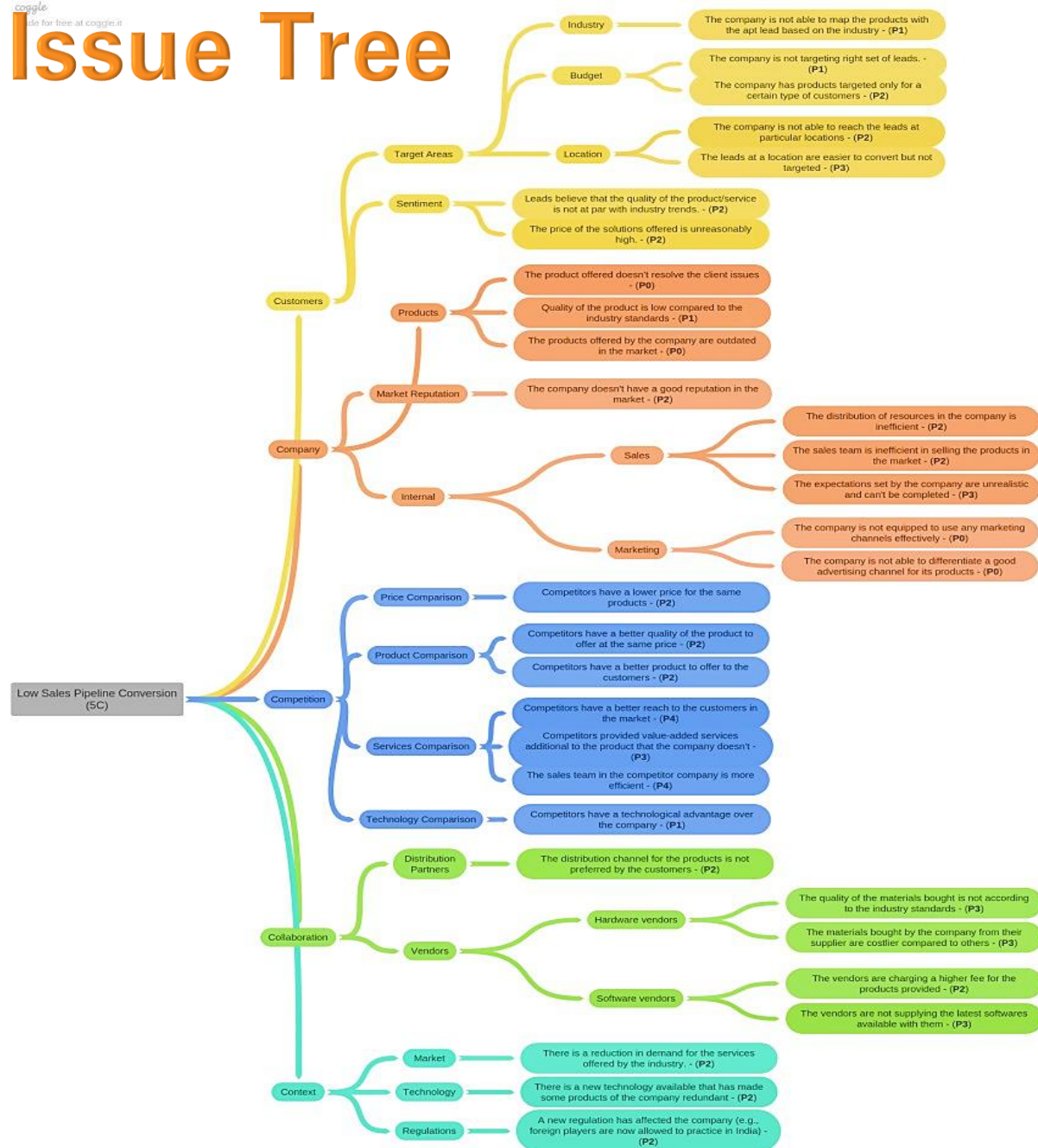
## **Reason for using the selected framework**

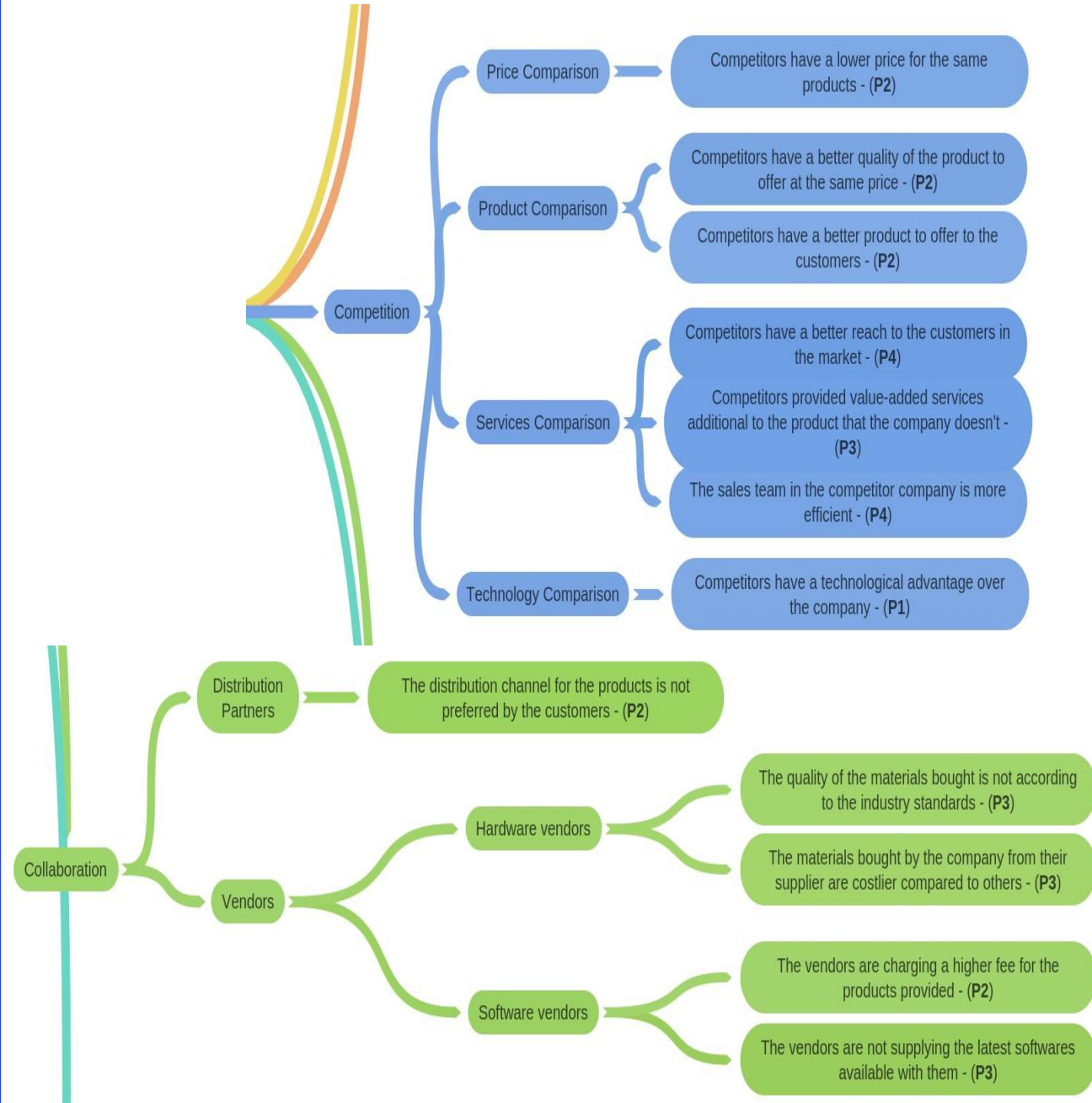
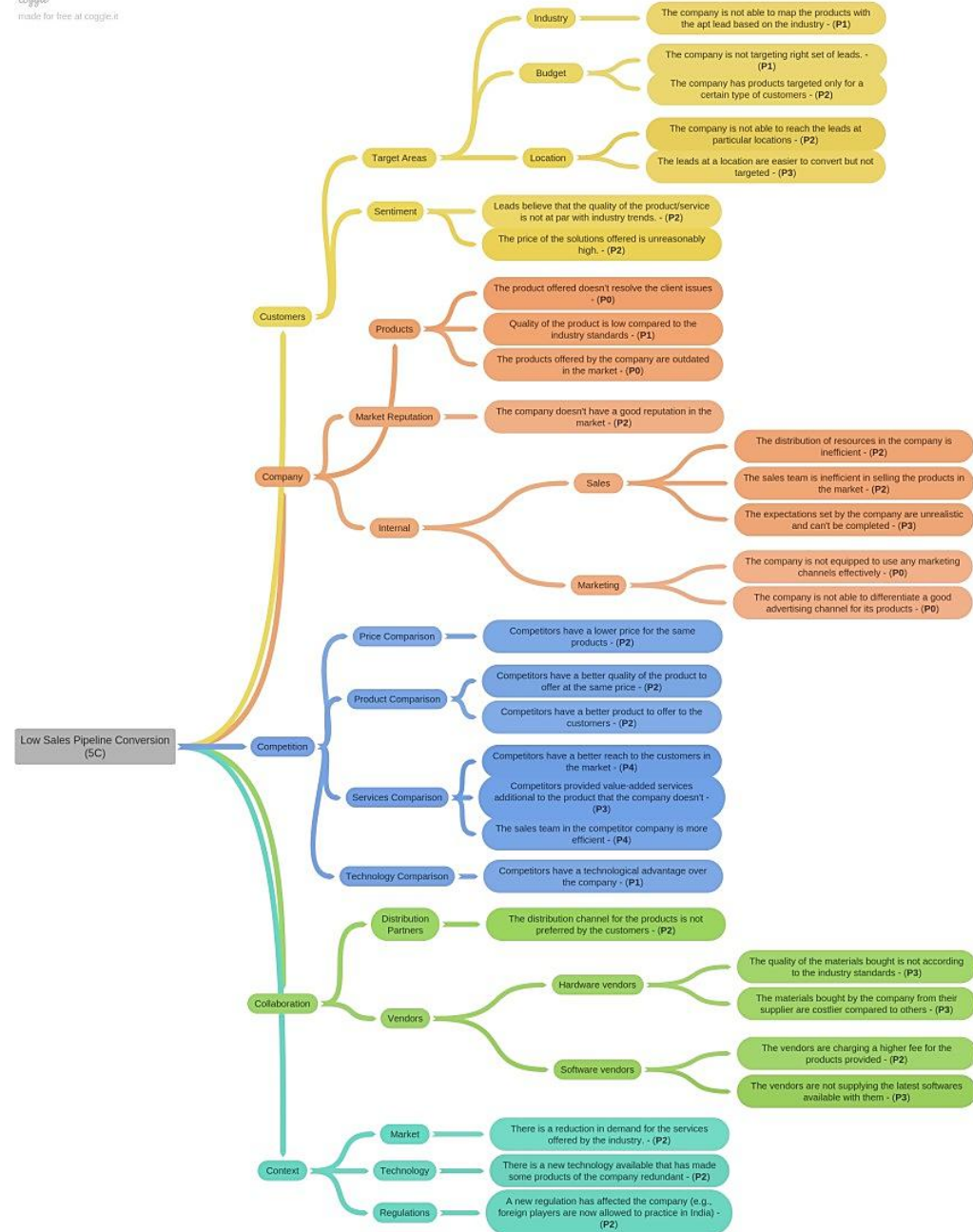
It is easy to cover all the domains using the above mentioned frameworks

## **How have you used the framework here**

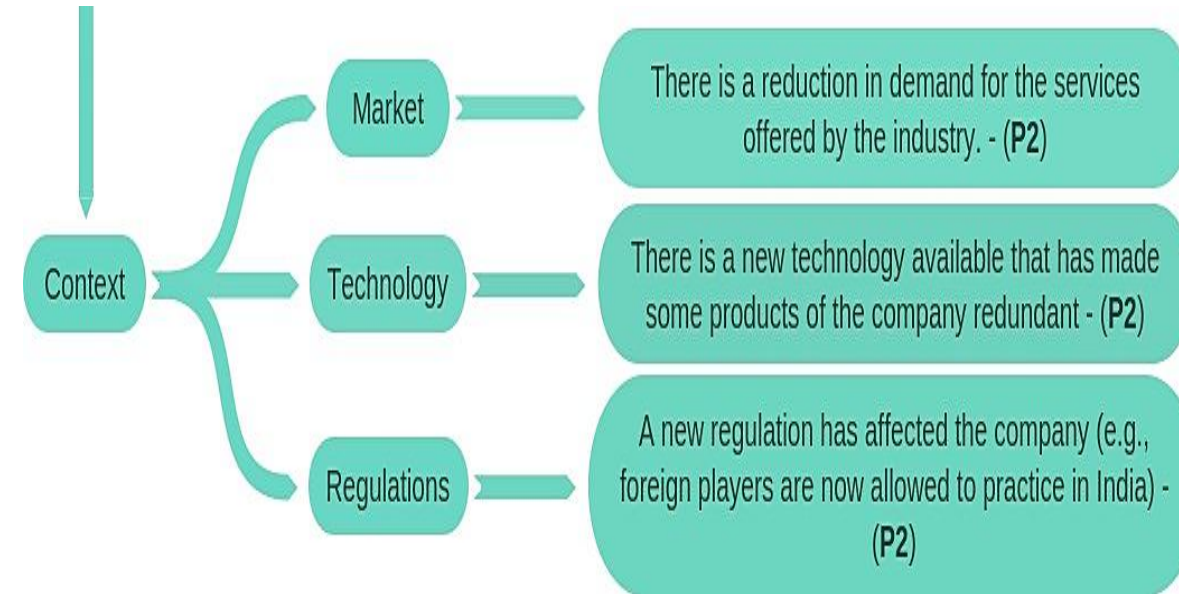
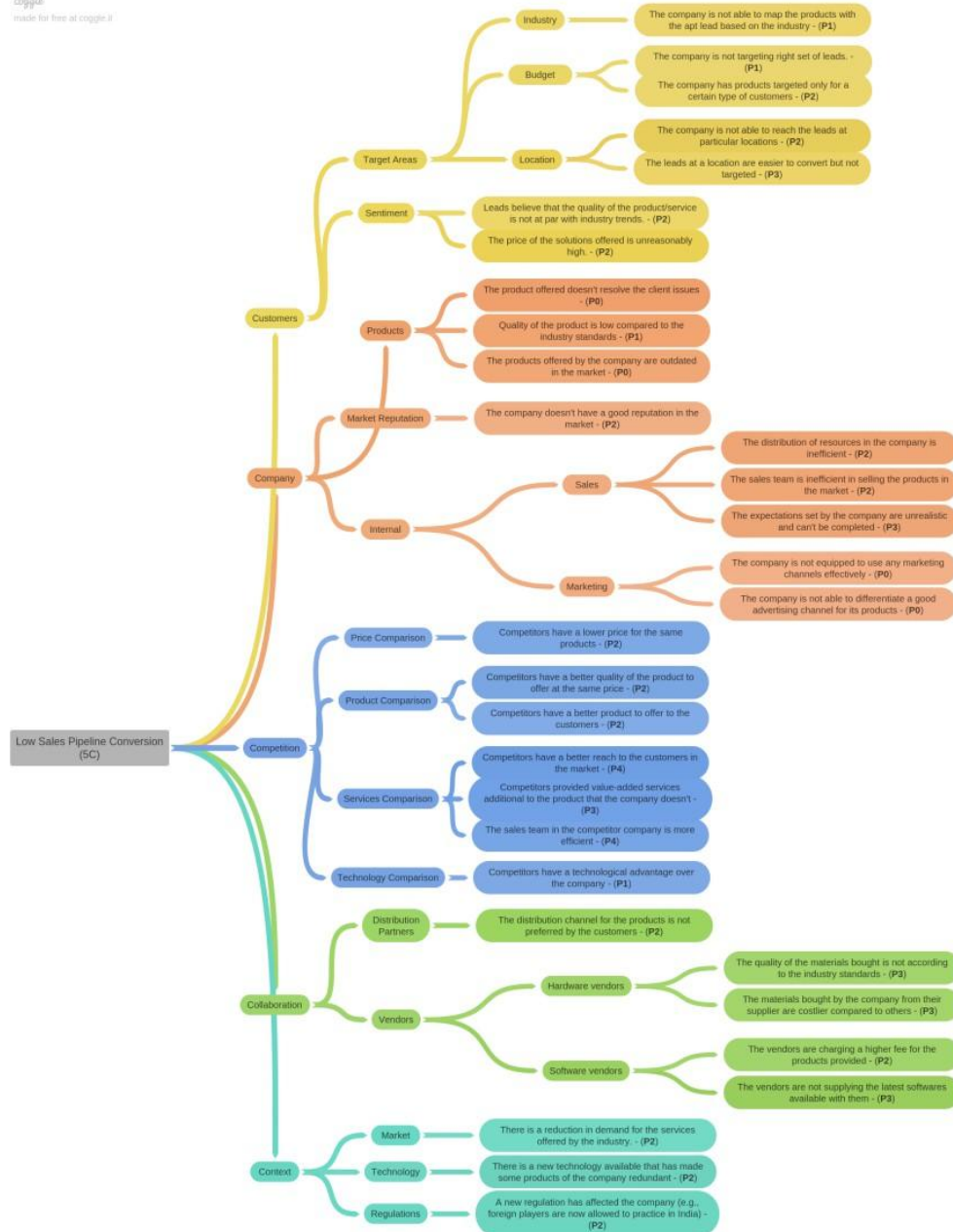
The problem has been divided into the five C's in the framework and then, each C is again branched using the issue tree framework.

# Issue Tree











### **Branch 1: Low Sales Pipeline Conversion – Customer – Targeting - Industry**

The company is not able to map the products with the apt lead based on the industry - (\*\*P1\*\*)

### **Branch 2: Low Sales Pipeline Conversion – Customer – Targeting - Budget**

The company is not targeting right set of leads. - (\*\*P1\*\*)

The company has products targeted only for a certain type of customers - (\*\*P2\*\*)

### **Branch 3: Low Sales Pipeline Conversion – Customer – Targeting - Location**

The company is not able to reach the leads at particular locations - (\*\*P2\*\*)

The leads at a location are easier to convert but not targeted - (\*\*P3\*\*)

### **Branch 4: Low Sales Pipeline Conversion – Customer – Sentiment**

Leads believe that the quality of the product/service is not at par with industry trends. - (\*\*P2\*\*)

The price of the solutions offered is unreasonably high. - (\*\*P2\*\*)

### **Branch 5: Low Sales Pipeline Conversion – Company - Products**

The product offered doesn't resolve the client issues - (\*\*P0\*\*)

Quality of the product is low compared to the industry standards - (\*\*P1\*\*)

The products offered by the company are outdated in the market - (\*\*P0\*\*)

### **Branch 6: Low Sales Pipeline Conversion – Company – Market Reputation**

The company doesn't have a good reputation in the market - (\*\*P2\*\*)

### **Branch 7: Low Sales Pipeline Conversion – Company – Internal – Sales**

The distribution of resources in the company is inefficient - (\*\*P2\*\*)

The sales team is inefficient in selling the products in the market - (\*\*P2\*\*)

The expectations set by the company are unrealistic and can't be completed - (\*\*P3\*\*)

### **Branch 8: Low Sales Pipeline Conversion – Company – Internal – Marketing**

The company is not equipped to use any marketing channels effectively - (\*\*P0\*\*)

The company is not able to differentiate a good advertising channel for its products - (\*\*P0\*\*)

### **Branch 9: Low Sales Pipeline Conversion – Company – Competition – Price Comparison**

Competitors have a lower price for the same products - (\*\*P2\*\*)

### **Branch 10: Low Sales Pipeline Conversion – Company – Competition – Product Comparison**

Competitors have a better quality of the product to offer at the same price - (\*\*P2\*\*)

Competitors have a better product to offer to the customers - (\*\*P2\*\*)

### **Branch 11: Low Sales Pipeline Conversion – Company – Competition – Services Comparison**

Competitors have a better reach to the customers in the market - (\*\*P4\*\*)

Competitors provided value-added services additional to the product that the company doesn't - (\*\*P3\*\*)

The sales team in the competitor company is more efficient - (\*\*P4\*\*)

### **Branch 12: Low Sales Pipeline Conversion – Company – Competition – Technology Comparison**

Competitors have a technological advantage over the company - (\*\*P1\*\*)



### **Branch 13: Low Sales Pipeline Conversion – Collaboration – Distribution Partners**

The distribution channel for the products is not preferred by the customers - (\*\*P2\*\*)

### **Branch 14: Low Sales Pipeline Conversion – Collaboration – Vendors – Hardware Vendors**

The quality of the materials bought is not according to the industry standards - (\*\*P3\*\*)

The materials bought by the company from their supplier are costlier compared to others - (\*\*P3\*\*)

### **Branch 15: Low Sales Pipeline Conversion – Collaboration – Vendors – Software Vendors**

The vendors are charging a higher fee for the products provided - (\*\*P2\*\*)

The vendors are not supplying the latest softwares available with them - (\*\*P3\*\*)

### **Branch 16: Low Sales Pipeline Conversion – Context – Market**

There is a reduction in demand for the services offered by the industry. - (\*\*P2\*\*)

### **Branch 17: Low Sales Pipeline Conversion – Context – Technology**

There is a new technology available that has made some products of the company redundant - (\*\*P2\*\*)

### **Branch 18: Low Sales Pipeline Conversion – Context – Regulations**

A new regulation has affected the company (e.g., foreign players are now allowed to practice in India) - (\*\*P2\*\*)

# PART III A : Generating Insights

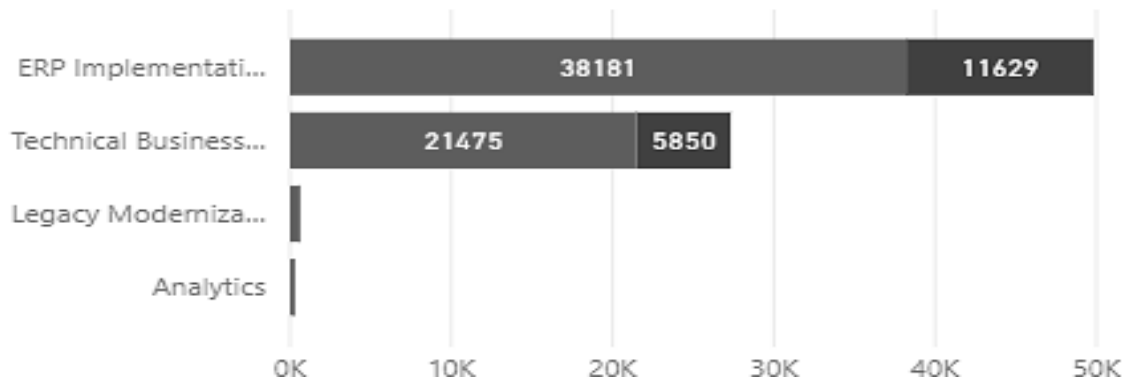
## Sales Pipeline Conversion at a SaaS Startup

### Variable under consideration: Technology Primary

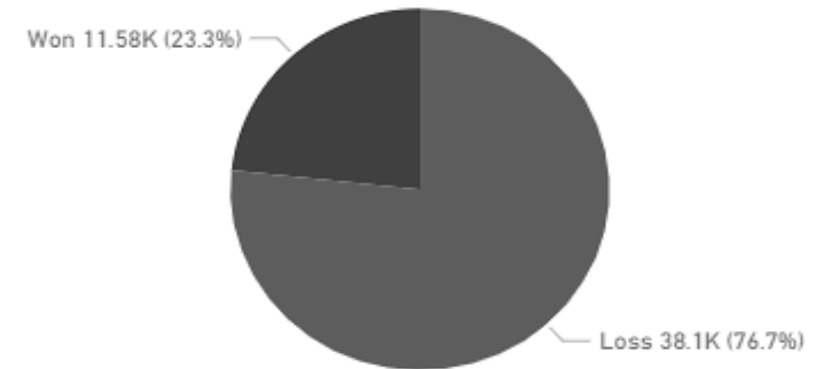
An unusually large number of opportunities come from ERP Implementation category and they have a better than average opportunity conversion rate

Count of Opportunity ID by Technology Primary and Opportunity Status

Opportunity Status ● Loss ● Won



Count of Opportunity ID by Opportunity Status

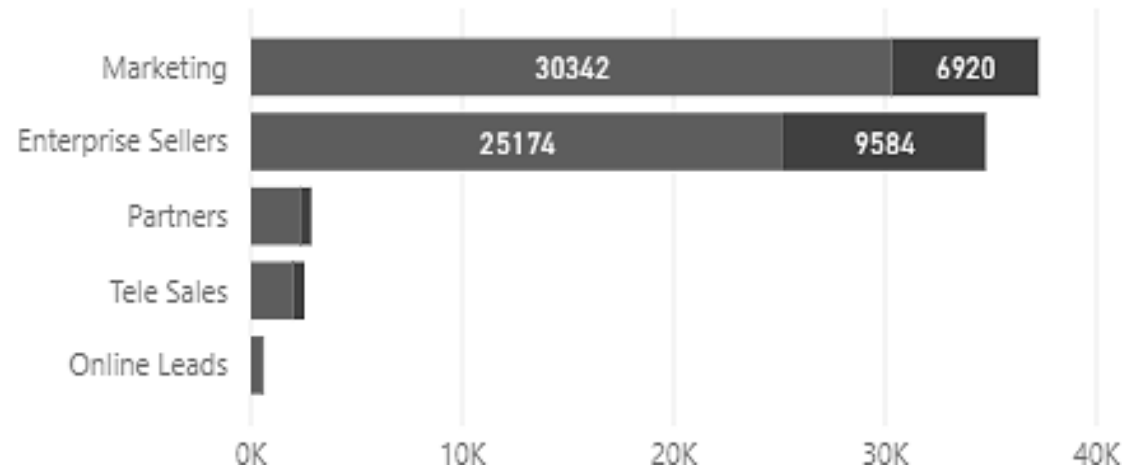


## Variable under consideration: B2B Sales Medium

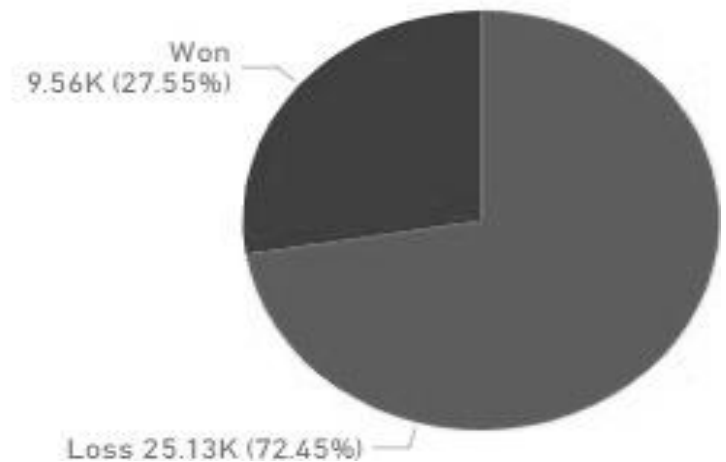
Most Opportunities are from Marketing and Enterprise Sellers with the Enterprise Sellers having a better than average opportunity conversion rate.

Count of Opportunity ID by B2B Sales Medium and Opportunity Status

Opportunity Status ● Loss ● Won

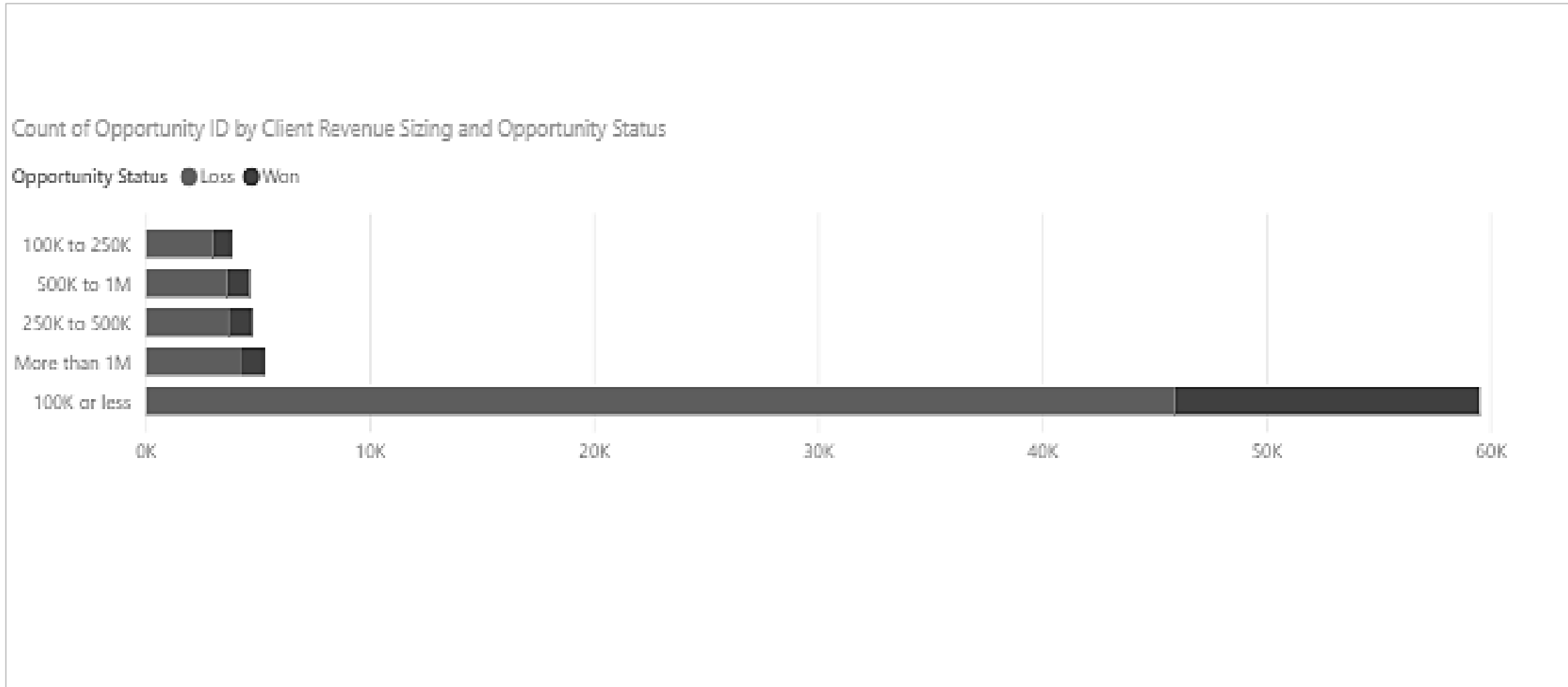


Count of Opportunity ID by Opportunity Status



## Variable under consideration: Client Revenue Sizing

An unusually large number of opportunities come from clients who are less in revenue size(100K or less)



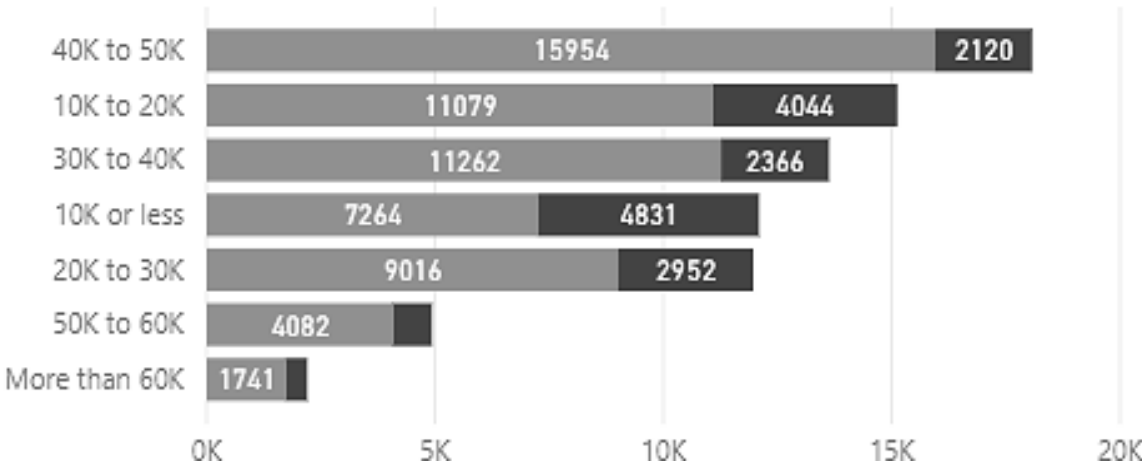


# Variable under consideration: Opportunity Sizing

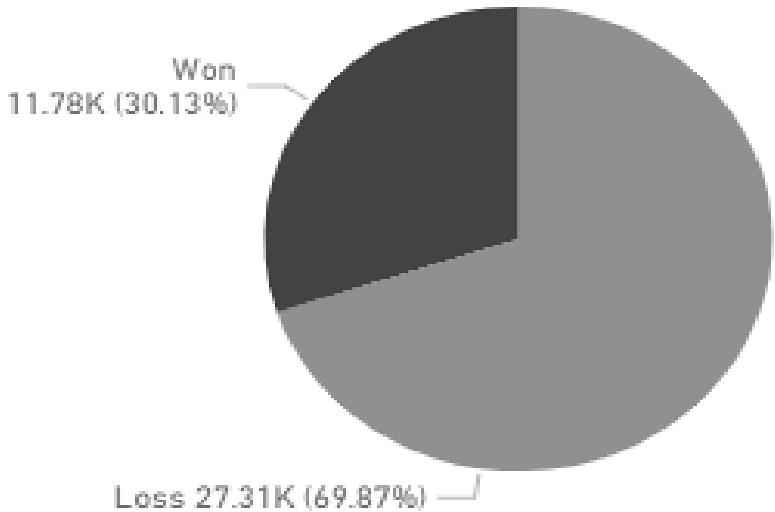
The opportunity conversion rate is significantly higher in 0-30K range.

Count of Opportunity ID by Opportunity Sizing and Opportunity Status

Opportunity Status ● Loss ● Won



Count of Opportunity ID by Opportunity Status

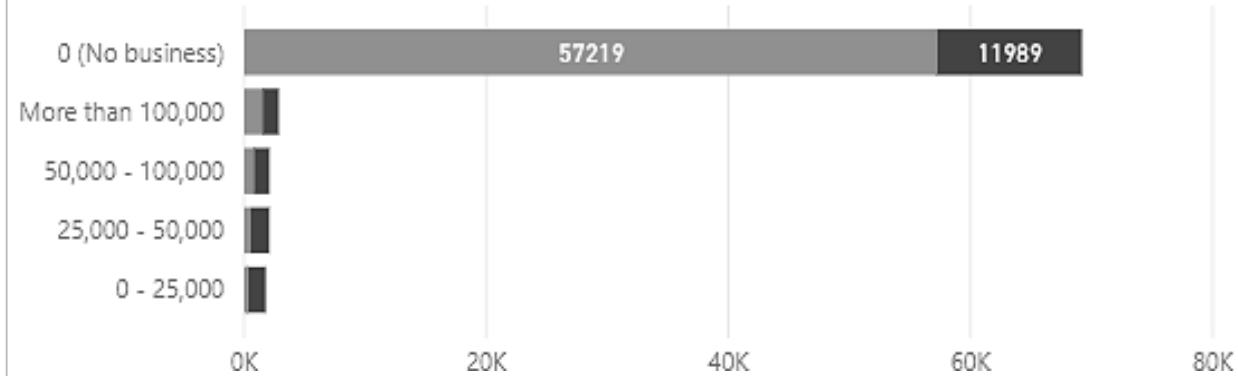


## Variable under consideration: Business from Client last year

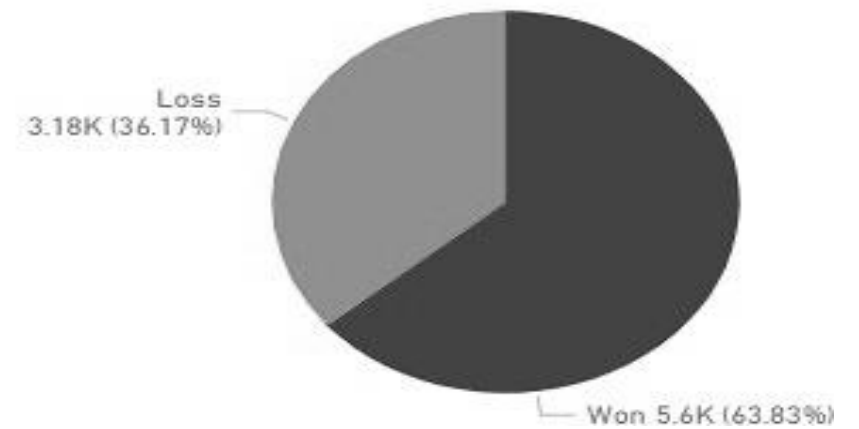
The conversion rate is higher for existing customers despite the number of opportunities unusually large from newer customers

Count of Opportunity ID by Business from Client Last Year and Opportunity Status

Opportunity Status ● Loss ● Won



Count of Opportunity ID by Opportunity Status



## Recommendations

Focus on the following categories for newer leads for ensuring high conversion rate

- ERP Implementation as the type of solution offered to the customers
- Enterprise Sellers as the B2B Sales Medium
- Client Revenue Sizing(100K or less)
- Opportunity Sizing (0-30K)
- Existing Customers

## Corresponding Insights

- An unusually large number of opportunities come from ERP Implementation category and they have a better than average opportunity conversion rate
- Most Opportunities are from Marketing and Enterprise Sellers with the Enterprise Sellers having a better than average opportunity conversion rate.
- An unusually large number of opportunities come from clients who are less in revenue size(100K or less)
- The opportunity conversion rate is significantly higher for clients with potential revenue in 0-30K range.
- The conversion rate is higher for existing customers despite the number of opportunities unusually large from newer customers

## **Final Recommendations**

Focus on the following categories for newer leads for ensuring high conversion rate

- ERP Implementation category of solution offered to the customers
- Enterprise Sellers as the B2B Sales Medium
- Client Revenue Sizing(100K or less)
- Opportunity Sizing (0-30K)
- Existing Customers

# PART III B : Presenting Findings

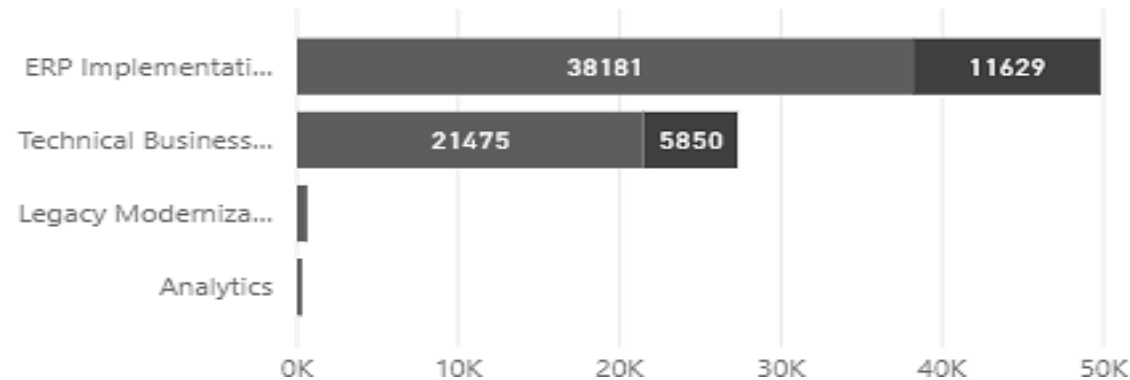
## Sales Pipeline Conversion at a SaaS Startup

### Focus on ERP Implementation category of solutions

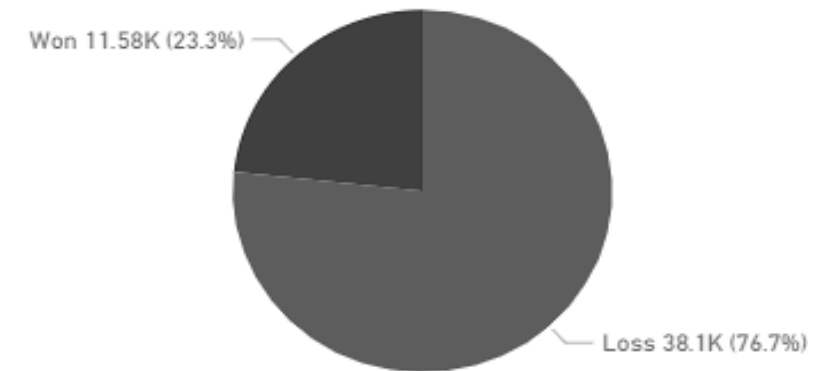
An unusually large number of opportunities come from ERP Implementation category and they have a better than average opportunity conversion rate

Count of Opportunity ID by Technology Primary and Opportunity Status

Opportunity Status ● Loss ● Won

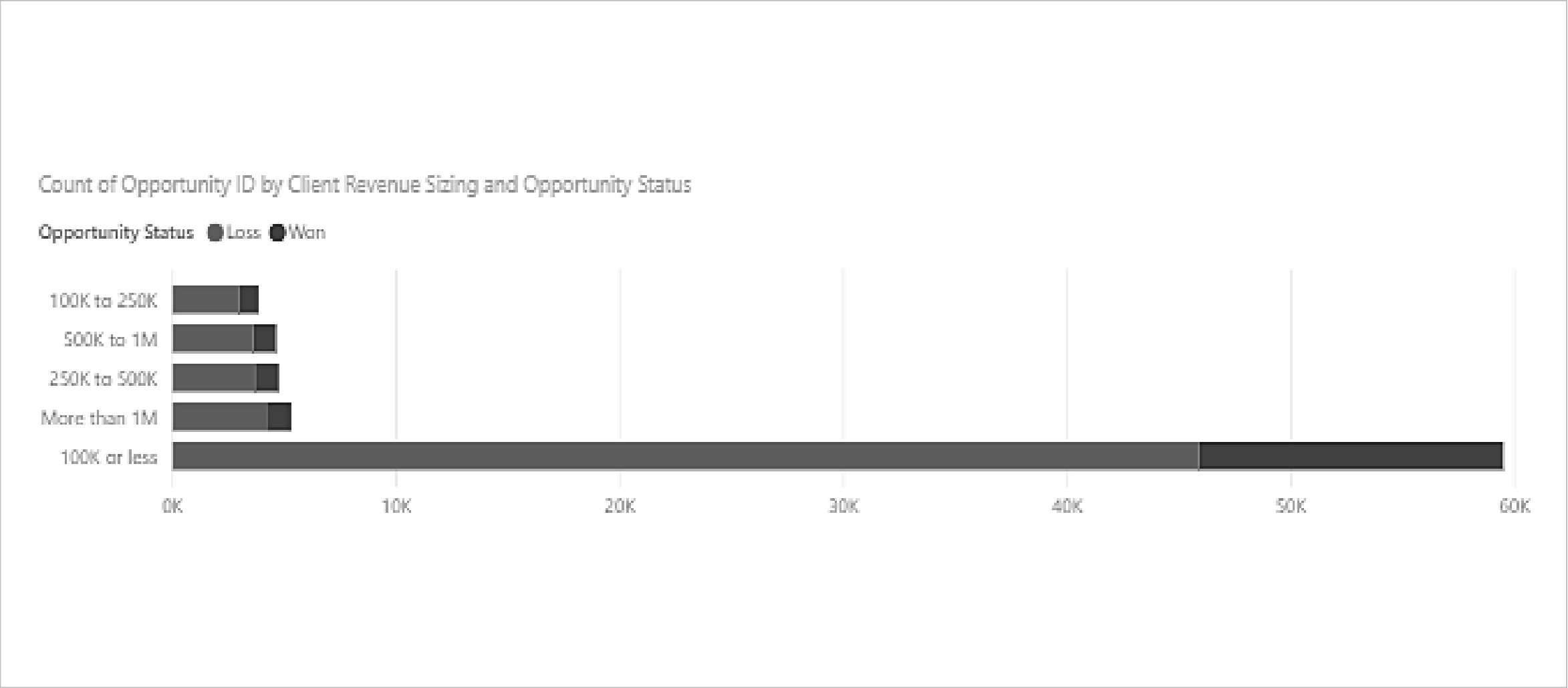


Count of Opportunity ID by Opportunity Status



**Focus on clients who have a revenue size(100K or less)**

An unusually large number of opportunities come from clients who are less in revenue size(100K or less)



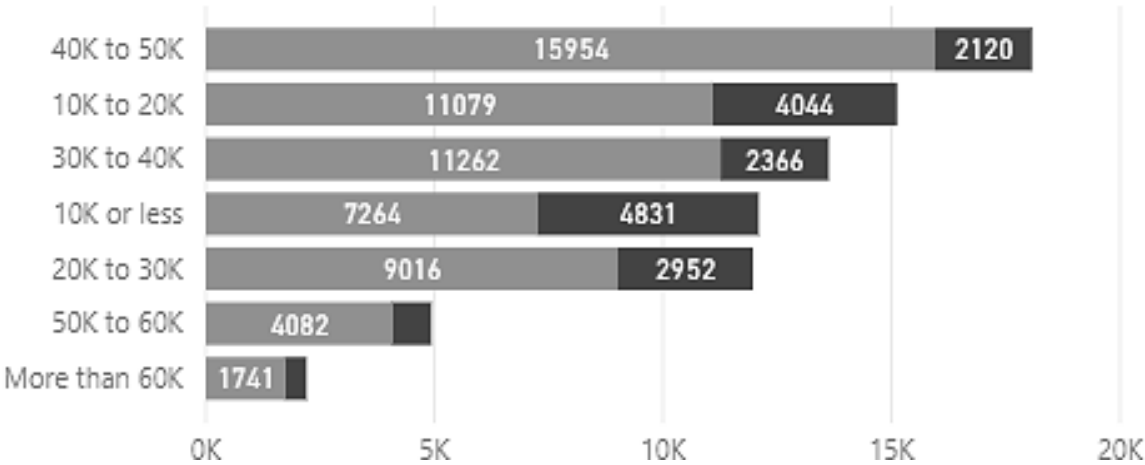


**Focus on clients where the revenue generated is between 0-30K range.**

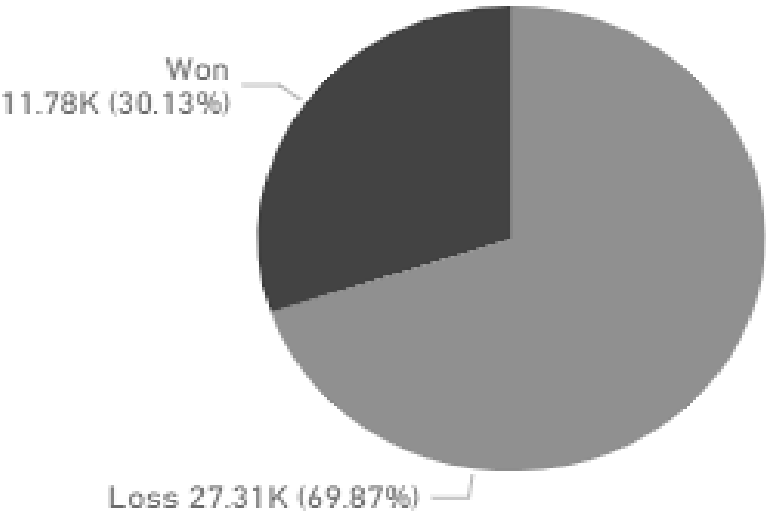
The opportunity conversion rate is significantly higher in 0-30K range.

Count of Opportunity ID by Opportunity Sizing and Opportunity Status

Opportunity Status ● Loss ● Won



Count of Opportunity ID by Opportunity Status

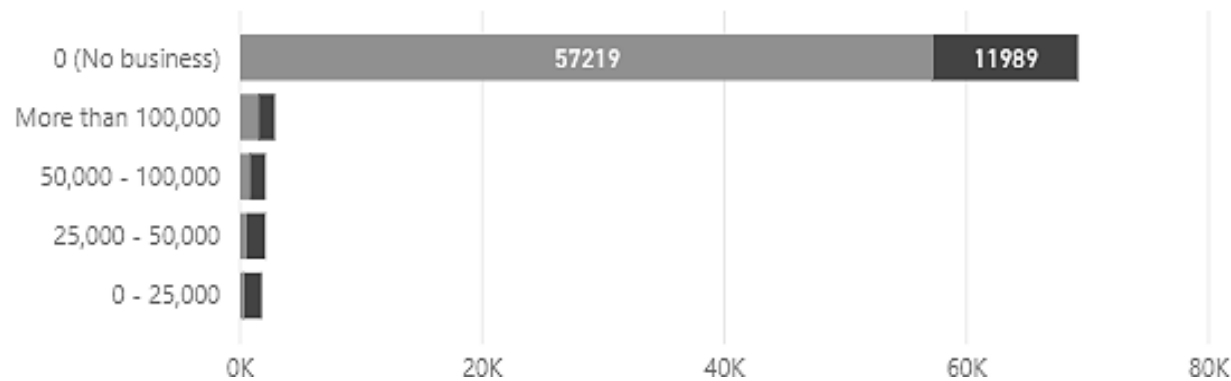


## Focus on Clients who are already existing customers

The conversion rate is higher for existing customers despite the number of opportunities unusually large from newer customers

Count of Opportunity ID by Business from Client Last Year and Opportunity Status

Opportunity Status ● Loss ● Won



Count of Opportunity ID by Opportunity Status

