

# **Assignment: Sales Pipeline Conversion Analysis**

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## **Problem Statement:**

The sales pipeline conversion percentage at TechnoServe (a tech SaaS startup) has declined from **35% (FY 2019-20)** to **25% at present**.

## **Assignment Objective**

Understand the **causes** of the drop in conversion rates, formulate a **hypothesis**, and analyze the dataset to propose **solutions for improvement**.

## **Some more details about TechnoServe**

The company is based out of Pune and started its operations in 2010.

It has clients spread over Pune and other cities as well.

There are more than 600 employees, distributed over multiple teams.

It has a wide variety of IT solutions spread across different industries.

## **Framework Used**

**Issue Tree Framework + 5 C's Framework**

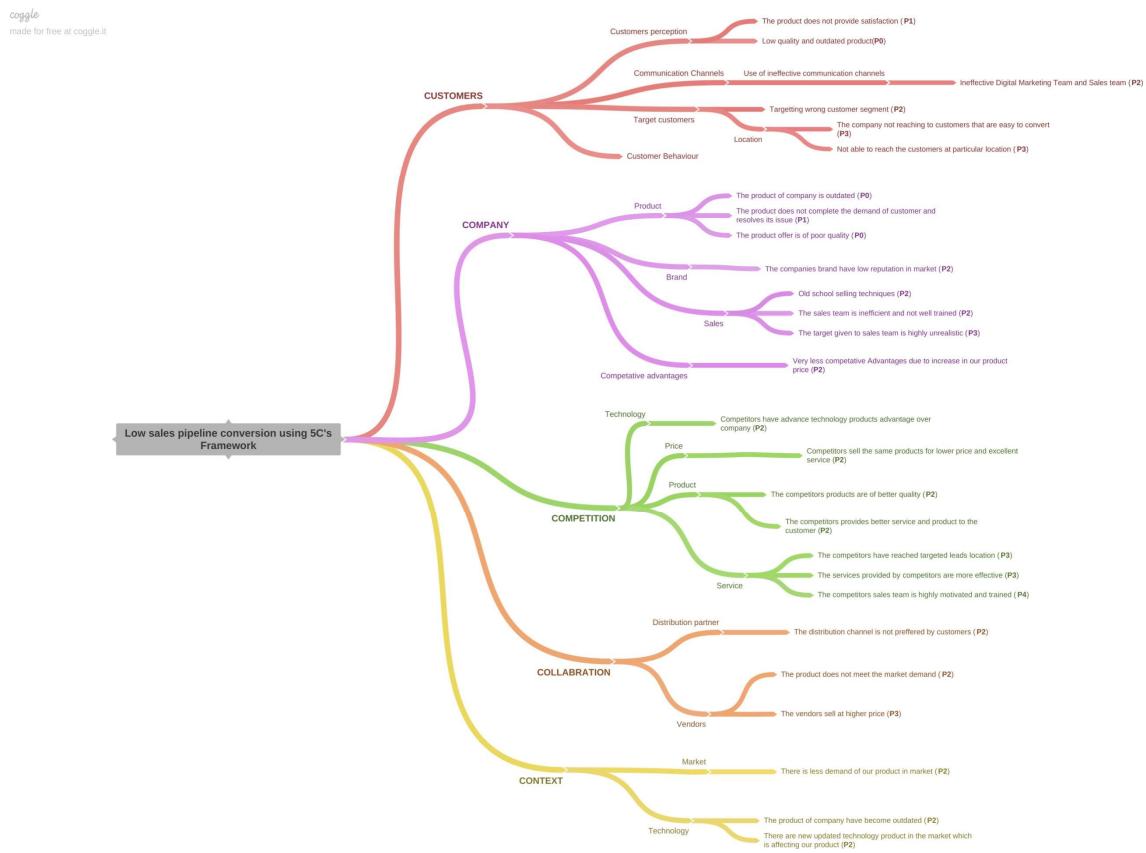
## **Why this framework?**

It effectively breaks down the problem into relevant domains while ensuring comprehensive coverage of potential influencing factors.

## **Application of the framework**

The problem is divided into the **five C's** in the framework, with **each C further branched out using the issue tree method**.

Issue tree branching as follows.



### Branch 1 -- :LOW SALES PIPELINE CONVERSION--CUSTOMER--CUSTOMER PERCEPTION

Low quality and outdated product

The product does not provide satisfaction

### Branch 2--LOW SALES PIPELINE CONVERSION--CUSTOMER--COMMUNICATION CHANNELS --USE OF INEFFECTIVE COMMUNICATION

Ineffective Digital Marketing Team and Sales team

**Branch 3 --LOW SALES PIPELINE CONVERSION-- CUSTOMERS -- TARGET CUSTOMERS**

Ineffective Digital Marketing Team and Sales team

**Branch 4 -- LOW SALES PIPELINE CONVERSION--CUSTOMERS -- TARGET CUSTOMERS -- LOCATION**

The company not reaching to customers that are easy to convert  
Not able to reach the customers at particular location

**Branch 5 --LOW SALES PIPELINE CONVERSION--CUSTOMER--CUSTOMER BEHAVIOUR**

The customer does not buy the product again once bought

**Branch 6-LOW SALES PIPELINE CONVERSION--COMPANY--PRODUCT**

The product of company is outdated (\*\*P0\*\*)  
The product does not complete the demand of customer and resolves its issue  
The product offer is of poor quality (\*\*P0\*\*)

**Branch 7 -- -LOW SALES PIPELINE CONVERSION--COMPANY--BRAND**

The companies brand have low reputation in market

**Branch 8--LOW SALES PIPELINE CONVERSION--COMPANY--BRAND**

Old school selling techniques  
The sales team is inefficient and not well trained  
The target given to sales team is highly unrealistic

**Branch 9--LOW SALES PIPELINE CONVERSION--COMPANY--COMPETATIVE ADVANTAGE**

Very less competitive Advantages due to increase in our product price

**Branch 10--LOW SALES PIPELINE CONVERSION--COMPETITION--TECHNOLOGY**

Competitors have advance technology products advantage over company

**Branch 11--LOW SALES PIPELINE CONVERSION--COMPETITION--PRICE**

Competitors sell the same products for lower price and excellent service

**Branch 12--LOW SALES PIPELINE CONVERSION--COMPETITION--PRODUCT**

The competitors' products are of better quality

The competitors provides better service and product to the customer

**Branch 13--LOW SALES PIPELINE CONVERSION--COMPETITION--SERVICE**

The services provided by competitors are more effective

The competitors have reached targeted leads location

The competitors sales team is highly motivated and trained

**Branch 14--LOW SALES PIPELINE CONVERSION--COLLABRATION--DISTRIBUTION PARTNERS**

The distribution channel is not preferred by customers

**Branch 15--LOW SALES PIPELINE CONVERSION--COLLABRATION--VENDORS**

The product does not meet the market demand

The vendors sell at higher price

**Branch 16--LOW SALES PIPELINE CONVERSION--CONTEXT--MARKET**

There is less demand of our product in market

**Branch 17--LOW SALES PIPELINE CONVERSION--CONTEXT--TECNOLOGY**

There are new updated technology product in the market which is affecting our product

The product of company have become outdated

**Branch 18--LOW SALES PIPELINE CONVERSION--CONTEXT--REGULATION**

The new government policies have lead to increase in price of products

## **Key Variables Under Consideration**

### **1. Technology (Primary Consideration)**

ERP implementation leads to higher conversion rates compared to other categories.

### **2. B2B Sales Strategy**

Enterprise & Marketing sellers generate more sales opportunities.

Enterprise sellers outperform others in conversion rates.

### **3. New vs. Existing Customers**

New customers account for more opportunities, but conversion rates are higher for existing customers.

### **4. Client Revenue Size**

Surprisingly, a greater number of opportunities come from clients with revenue  $\leq$  \$100K.

### **5. Opportunity Sizing**

Conversion rates are significantly high

Conversion rates are significantly higher for clients with revenue sizes  $\leq$  \$100K.

Clients within the 0-30K revenue bracket have the highest conversion rates.

Note:- Refer Data analysis sheet for details.

## **Corresponding Insights**

- ERP Implementation is linked to higher conversion rates.
- Enterprise sellers generate the highest conversion success among B2B sellers.
- More opportunities come from new customers, but conversion rates favor existing customers.
- Lower revenue size clients ( $<\$100K$ ) contribute more opportunities.
- Smaller deal sizes (0-30K revenue) see the best conversion rates.

## **Final Recommendations**

- 1) Prioritize ERP Implementation solutions** to maximize conversion rates.
- 2) Leverage Enterprise sellers** as the key B2B sales channel.
- 3) Focus on existing customers** for better conversion rates while continuing to acquire new ones.
- 4) Target clients with revenue  $\leq \$100K$** , as they generate more opportunities.
- 5) Prioritize opportunity sizing (0-30K deals)** for best conversion outcomes.