

# ASSIGNMENT GUIDELINES

- Make the changes in the PPT as you solve the parts
- This file contains the template for all the parts of the project.
- Check the instructions added in the note section of every slide for clarity.
- Don't move around any image or text box
- If you require more/lesser elements, be careful when you copy/delete the existing ones.

# ASSIGNMENT

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## 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?

TechnoServe, a tech SaaS company founded in yr 2010.

Located in Pune with over 600 employees.

### What?

There is a drop in sales pipeline conversion percentage by 10%. (It has dropped from 35% to 25%.)

### When?

Occurring over the last 3 quarters. Around the end of the last fiscal (fy 2017-2018).

### Where?

Among the clients across different cities.

### How?

Sales and customer related issue.

Marketing on the wrong channels.

# PART I : 2. Understanding the Problem

## Sales Pipeline Conversion at a SaaS Startup

### Situation

What is the current sales conversion rate and how it has changed in the last 3 quarters?

Is there any thing that has changed recently in the last 3 quarters?

What Channels are being used currently for marketing?

What processes the sales team follow while converting the leads?

### Problem

Is there any specific level where the drop is happening?

Is there any difference in conversion rate across the cities?

Is there any customer feedback about the services?

Is there any new competition entered in the market?

### Implication

What is the impact of this drop in conversion on the revenue?

How is this affecting the investors to invest in future?

If it continues, what effect can be seen in the long term on business growth?

### Need-Payoff

I team focus on better communication with clients will that help in conversion?

If sales team trained well or avoided over promising, how would it affect sales conversion?

Would shifting the marketing to the right channels with the target customers improve the sales conversion?

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Framework Used

Issue Tree Framework

### Reason for using the selected framework

I used this to break down the problem into smaller parts to identify all the possible causes of low conversion rates.

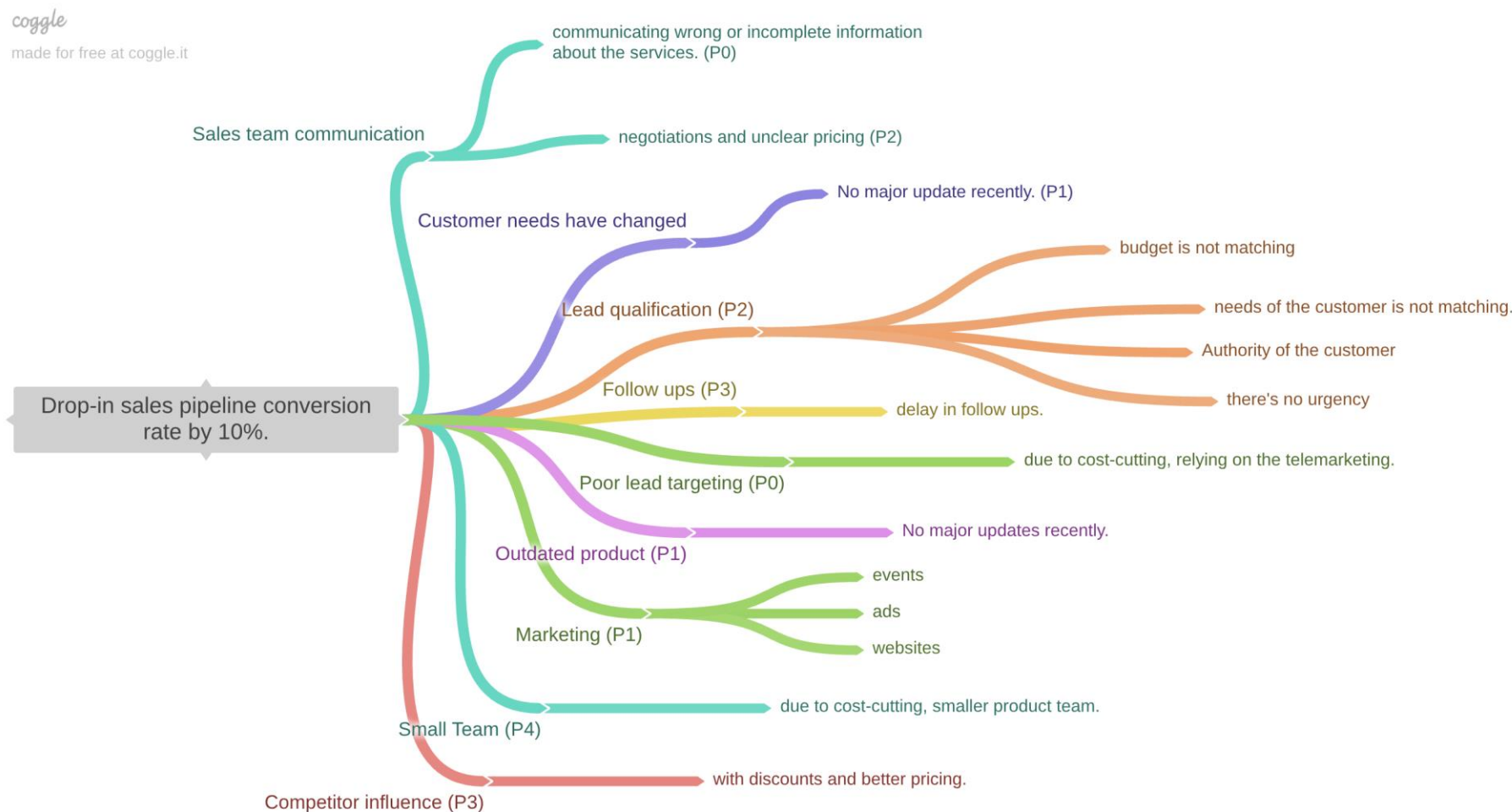
### How you have used the framework here

To apply this framework, I took both the business owner and customer perspective and asked what problems I can face by the customer and for what reasons they can arise. I thought about the different reasons keeping MECE in mind and categorized into sales process, marketing, customer satisfaction and behavior. I also referred 5W framework and 5WHYs explained in the video.

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### Issue Tree Framework



# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### **Marketing Issue**

The marketing channels are not reaching the right audience, which could be why the conversion rate is low.

### **Outdated Product**

The product features might not be updated to match the market needs, leading to lost opportunities.

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### **Sales team communication**

The sales team might not be explaining the product benefits clearly in the demo or gaining incomplete information about the services, leading to the lack of trust among clients and confuses them.

### **Competitor Influence**

Competitors might be providing discounts and better pricing and making it more difficult for the team to convert clients.



# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### **Lead Qualification**

We may be talking to leads who are not the right fit for purchase. The lead budget might be too small or not have the authority to decide leading to fail in conversion.

### **Follow-ups**

Due to the delays in follow-up may cause potential clients to lose interest or some leads might not even getting any follow ups for many days after a demo.

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### **Poor Lead Targeting**

The marketing is not reaching the right audience due to using the wrong marketing channels. Due to cost cutting the company mostly relying on telemarketing instead of targeting high potential clients.

### **Small Team**

Due to cost cutting , company keeping a small team which may be slowing down the process and the team is not able to handle the high load of work leading to the low conversion.

# PART II : Formulating Hypotheses

## Sales Pipeline Conversion at a SaaS Startup

### **Pricing & Negotiation Issues**

Our pricing or negotiation approach may be unclear to clients.

### **Customer Needs Have Changed**

Clients' needs have changed now as there are no major updates happened recently from past 3 quarters.

# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

Variable	Insights if any	Pattern of Insight
Technology Primary	<p>ERP Implementation has the highest total number of Won opportunities (11,629).</p> <p>Analytics has the highest conversion rate (26%) but the total number of opportunities are low.</p>	<p>ERP Implementation is performing better in sales conversion.</p> <p>Legacy Modernization has lowest conversion rate with just 12%.</p>

# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

### Variable under consideration: Technology Primary

In a pivot table where Technology Primary was in rows and Opportunity status was in columns. Then conversion rate of Won was calculated based on the total leads generated.

That was calculated as = count of won's / Grand total.

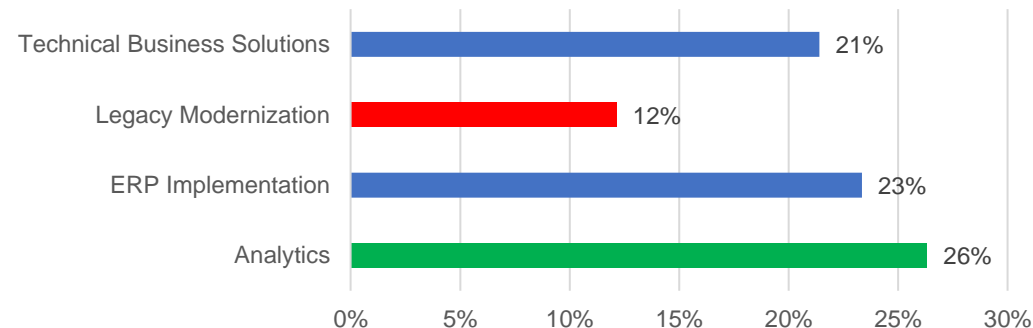
Which shows Analytics has the highest conversion rate with 26% and Legacy Modernization has the lowest with just 12%. ERP Implementation has the highest total count of won (11,629) which means that ERP is converting more no. of leads than any other category even though Analytics has the highest conversion rate ERP Implementation seems more profitable. The lowest conversion rate is in Legacy Modernization as others are just fine. The category showing more wins is not the one with the highest conversion rate.

Pattern of insight: Surprising Comparison.

### Variable: Technology Primary

Count of Opportunity ID	Column Labels			
Row Labels	Loss	Won	Grand Total	Conversion Rate
Analytics	207	74	281	26%
ERP Implementation	38181	11629	49810	23%
Legacy Modernization	535	74	609	12%
Technical Business Solutions	21475	5850	27325	21%
Grand Total	60398	17627	78025	23%

### Conversion Rate by Technology Primary



# PART III A : Generating Insights

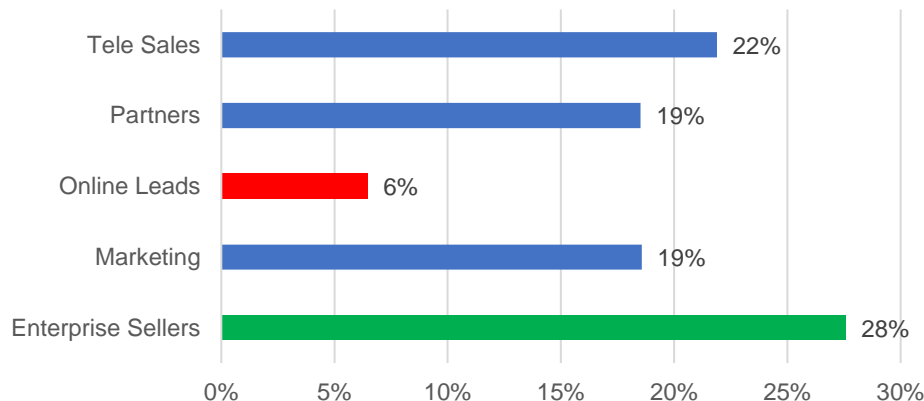
## Sales Pipeline Conversion at a SaaS Startup

### Variable under consideration: B2B Sales Medium

Here with the help of Pivot table best and worst conversion rate is calculated of all the market channels. Where Enterprise Sellers has the conversion rate with 28% and Online leads has the lowest conversion rate with 6%.

Which shows that the online leads channel is not performing well. Enterprise sellers is the highest performing channel and working best for the company. There's a huge gap between the top performing and the worst performing channels. Pattern of insight- Surprising extreme.

Conversion Rate by B2B Sales Medium



Variable: B2B Sales Medium

Count of Opportunity ID	Column Labels			
Row Labels	Loss	Won	Grand Total	Conversion Rate
Enterprise Sellers	25174	9584	34758	28%
Marketing	30342	6920	37262	19%
Online Leads	579	40	619	6%
Partners	2327	529	2856	19%
Tele Sales	1976	554	2530	22%
Grand Total	60398	17627	78025	23%

# PART III A : Generating Insights

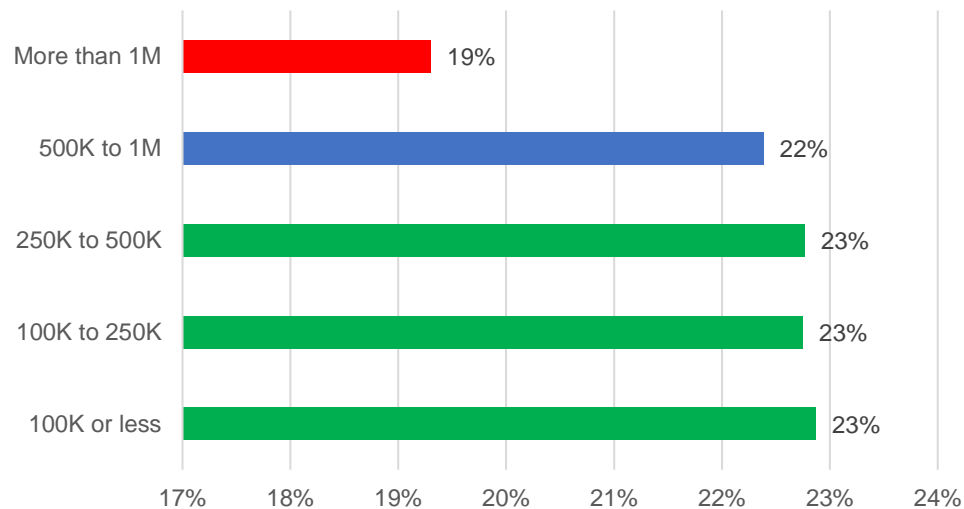
## Sales Pipeline Conversion at a SaaS Startup

### Variable under consideration: Client Revenue Sizing

Clients having revenue less than or equal to 100K and 100K-250K have similar conversion rate (23%). The clients whose revenue size is greater than 1 million has the lowest conversion rate of 19%. Which shows the company sells more successfully to small and mid sized clients. The conversion rate decreases as revenue size increases.

Pattern of insight: Abnormal distribution.

Conversion Rate by Client Revenue Sizing



Variable: Client Revenue Sizing				
Count of Opportunity ID	Column Labels			
Row Labels	Loss	Won	Grand Total	Conversion Rate
100K or less	45893	13611	59504	23%
100K to 250K	2967	874	3841	23%
250K to 500K	3673	1083	4756	23%
500K to 1M	3598	1038	4636	22%
More than 1M	4267	1021	5288	19%
Grand Total	60398	17627	78025	23%

# PART III A : Generating Insights

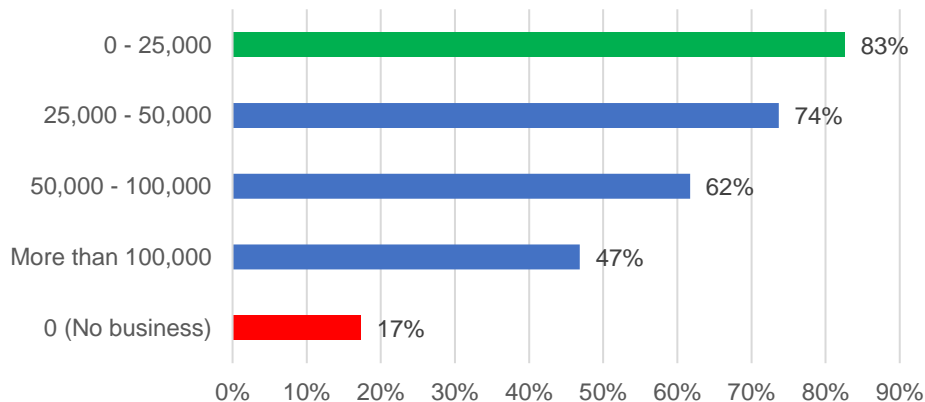
## Sales Pipeline Conversion at a SaaS Startup

**Variable under consideration: Business from Last year.**

In this Clients with no 0 past business converted poorly with just 17% and Clients with 0-25K business converting extremely well with 83%.

Which shows that the clients with no past business (new customers) converting poorly can be due to lack of trust and harder to gain new clients in comparison to the older ones. The existing customers but with small purchases 0-25K are converting extremely well.

Conversion Rate by Business from Client Last Year



Variable: Business from Client Last Year

Count of Opportunity ID	Column Labels			
Row Labels	Loss	Won	Grand Total	Conversion Rate
0 (No business)	57219	11989	69208	17%
More than 100,000	1520	1340	2860	47%
50,000 - 100,000	801	1291	2092	62%
25,000 - 50,000	548	1535	2083	74%
0 - 25,000	310	1472	1782	83%
Grand Total	60398	17627	78025	23%



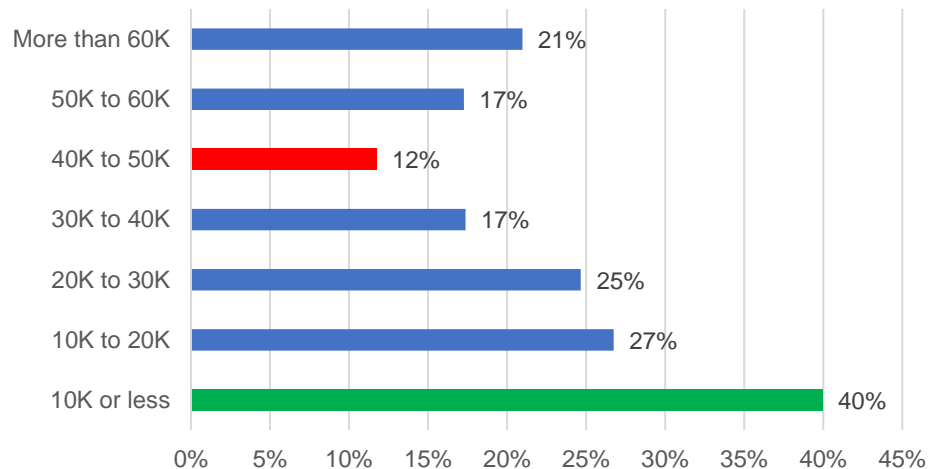
# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

### Variable under consideration: Opportunity Sizing

Small opportunities (10K or less) have the highest conversion rate (40%) which suggests they are easier to convert. The mid sized opportunities (30K-50K) have the lowest conversion rate (12%-17%), whereas the very large opportunities (greater than 60K) are much better than mis sized with 21%.

Conversion Rate by Opportunity Size



### Variable: Opportunity Sizing

Variable: Opportunity Sizing				
Count of Opportunity ID	Column Labels			
Row Labels	Loss	Won	Grand Tot	Conversion Rate
10K or less	7264	4831	12095	40%
10K to 20K	11079	4044	15123	27%
20K to 30K	9016	2952	11968	25%
30K to 40K	11262	2366	13628	17%
40K to 50K	15954	2120	18074	12%
50K to 60K	4082	852	4934	17%
More than 60K	1741	462	2203	21%
Grand Total	60398	17627	78025	23%

# PART III A : Generating Insights

## Sales Pipeline Conversion at a SaaS Startup

### Recommendations

Even though Analytics has the highest conversion rate ERP Implementation might be more profitable. So, improving the ERP sales approach could give a big boost to total conversions.

For low conversion sales medium such as online, needs to be improved or changed as it might be targeting the wrong audience.

Large clients (high revenue size) and mid sized have low conversion rates. They may require better features or pricing.

The more focus should be on the small amount of deals as these show highest conversion rate and easier to close.

### Corresponding Insights

Technology Primary

ERP Implementation has highest number of wins but lower conversion rate than Analytics.

B2B Sales Medium

Online leads have lowest conversion compared to other mediums.

Client Revenue Sizing

Conversion rate decreases sharply for large revenue clients.

Opportunity Sizing

10K or less opportunities have highest conversion (40%) while 30K–50K are lowest (12%–17%).

# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

### Improving Conversion Rate at Technoserve

Focus on high conversion segments and fix low performing categories to improve overall conversion from 23%-30% .

**Prioritise:** Small past business clients (0–25K), small opportunity size deals ( $\leq 10K$ ), and Analytics technology segment for short-term wins.

**Fix:** Mid sized opportunities (30K–50K), large revenue size clients ( $> 100,000$ ), and low performing cities like Pune.

**Improve:** Online sales targeting to better reach high potential customers.

Reduce unnecessary sales iterations to close deals faster.

# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

### Segment Performances:

**Best** – Analytics (26%), Mumbai (25%),  $\leq 10K$  opportunities (40%), past business 0–25K (83%).

**Worst** – Legacy Modernization (12%), Pune (19%), 30K–50K opportunities (12%–17%), no past business (17%).

### Sales Process:

0–1 sales iteration = higher conversion (64%); high iterations = 0% conversion

### Competition Impact:

No known competitor = 32% conversion, known competitors = 19%

# PART III B : Presenting Findings

## Sales Pipeline Conversion at a SaaS Startup

### **Short Term Actions (Quick Wins)**

Target small past-business clients and small deal sizes actively.

Push ERP Implementation category while keeping Analytics in focus.

### **Long-Term Actions**

Train sales team to reduce unnecessary iterations.

Develop competitive positioning strategy for markets with strong rivals by updating the features or providing better pricing.

### **Expected Impact**

Rise in conversion rate from **23% → 30%+** within next cycle.