

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.
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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?

The primary stakeholders involved are TechnoServe, along with the Sales, Marketing, and Finance teams. These groups collectively influence lead generation, marketing channel selection, sales conversion, and the allocation of resources that impact overall profitability.

What?

The company is generating approximately the same number of leads as before, but the lead conversion rate has dropped. This decline appears to be due to factors such as the use of ineffective or inappropriate marketing channels, cost-cutting measures that have lowered product quality, and possible shifts in market demand for the product.

When?

The issue has become evident in recent sales cycles, particularly over the past few months or quarters, where lead volume has remained steady but the proportion of leads converting into sales has declined noticeably.

Where?

The problem seems to arise at the lead generation and qualification stage. This could be due to contacting the wrong person or company, offering solutions that do not adequately address the prospect's needs, or lacking the communication skills required to build trust and persuade the lead to move forward in the pipeline.

How?

The low conversion rate is leading to reduced profitability, wastage of resources such as time, budget, and manpower, and a general decline in operational efficiency. This situation, if not addressed, could also hurt long-term growth prospects and market competitiveness.

PART I : 2. Understanding the Problem

Sales Pipeline Conversion at a SaaS Startup

Situation

1. What is the structure of your sales pipeline?
2. How do you track the progress of the lead?
3. How often do you visit the potential buyers office to understand their needs?
4. What are the channels of marketing that are used to generate the lead?
5. Is offline marketing used more often than the online marketing channels?
6. Is sufficient budget allocated to the marketing and sales of the products?
7. Are sales and marketing employees well equipped with the right tools?

Problem

1. Do you face difficulties due to the lack of defined tracking system?
2. Does social media marketing lead to right person of contact?
3. Do you find it difficult to reach the right clients through telemarketing?
4. Why is offline marketing not used often?
5. Are employees facing difficulty using the tools due to lack of training?
6. Is lack of budget a reason to use online marketing more often?
7. Do you notice communication skill gaps affecting sales performance?

Implication

1. Is lack of defined tracking system causing a loss of clients due to lower follow up rates?
2. Is the inability to reach the right person of contact causing delays in your conversion rate?
3. Is underutilizing offline marketing channels resulting in missed opportunities with potential clients?
4. Is the lack of communication skills and tool training among employees contributing to these issues?

Need-Payoff

1. If you had structured system to track leads, how would that improve the team's follow-up and conversion rate?
2. How would reaching the right decision-makers faster impact the overall sales cycle?
3. If offline marketing could help tap into untouched client segments, would that be worth exploring more seriously?
4. How would regular training on tools and communication enhance your team's productivity and results?
5. If budget limitations were addressed, do you think your marketing mix could become more balanced and effective?

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Framework Used

Issue Tree Framework along with 4P and 5C framework.

Reason for using the selected framework

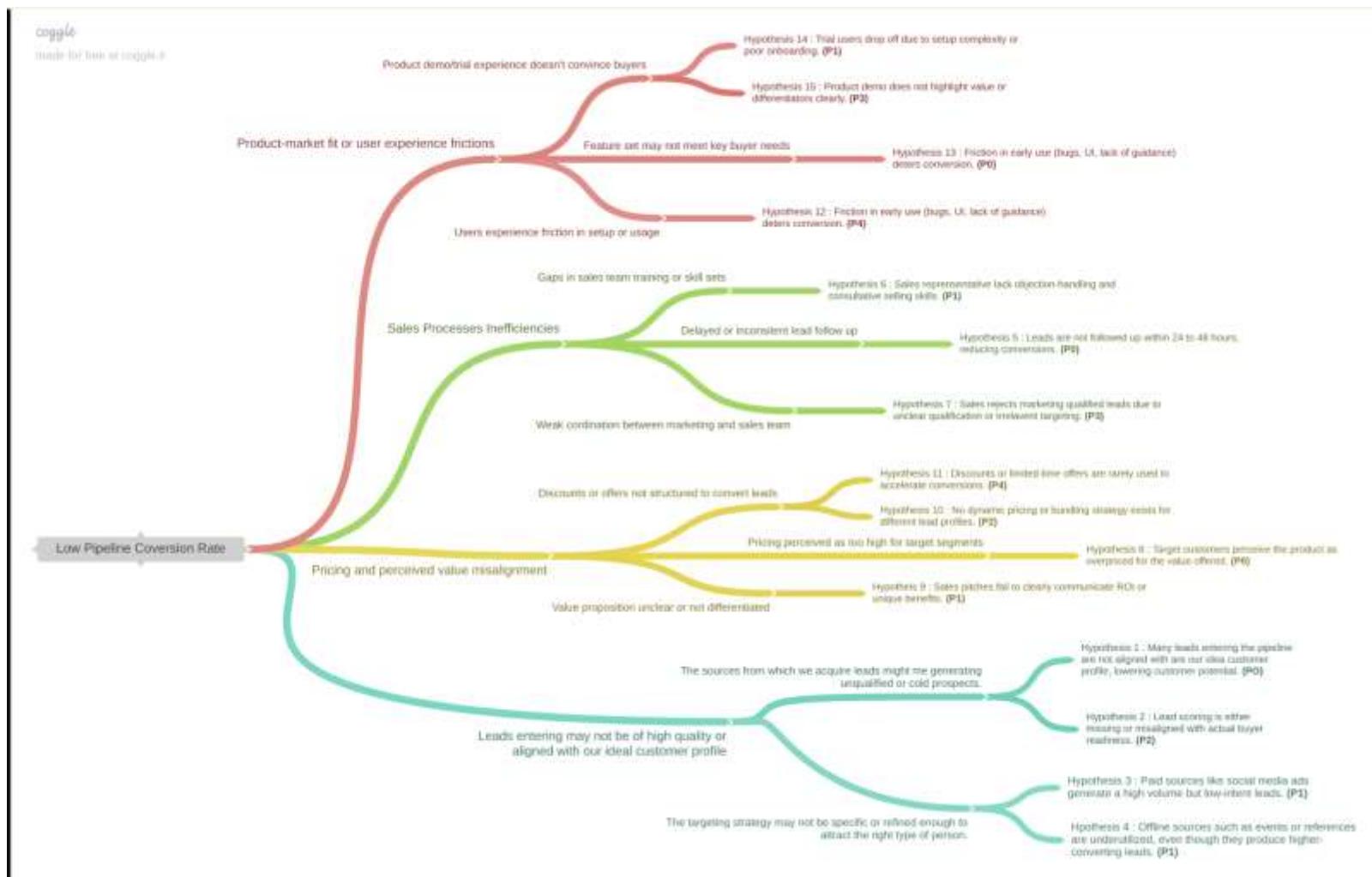
To analyze the issue of low pipeline conversion comprehensively, I combined the **Issue Tree Framework** with elements of the **4P and 5C models**. The issue tree helped in logically breaking down the central problem into mutually exclusive and collectively exhaustive branches, enabling clear prioritization and structure. The **4P framework** brought in a marketing perspective—focusing on product experience, pricing, and promotional channels—while the **5C model** allowed a strategic view, covering customer fit, company capabilities, and external influences. Together, these frameworks helped explore the problem from operational, marketing, and strategic angles.

How you have used the framework here

I began by structuring the issue tree into four main MECE branches based on patterns observed in the data and industry context. Within each branch, I used **4P and 5C concepts** to identify key drivers contributing to the low conversion rate—such as pricing mismatch, weak targeting, or sales inefficiencies. Each sub-branch led to a hypothesis, prioritized from P0 to P4 based on relevance and impact. The flow of the issue tree ensured logical progression, while the marketing and strategic frameworks ensured depth and breadth in hypothesis formulation.

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup



PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 1

Leads entering may not be of high quality or aligned with our ideal customer profile - The sources from which we acquire leads might be generating unqualified or cold prospects. - Hypothesis 1 : Many leads entering the pipeline are not aligned with our ideal customer profile, lowering customer potential. (P0) - Hypothesis 2 : Lead scoring is either missing or misaligned with actual buyer readiness. (P2)

Branch 2

Leads entering may not be of high quality or aligned with our ideal customer profile - The targeting strategy may not be specific or refined enough to attract the right type of person. - Hypothesis 3 : Paid sources like social media ads generate a high volume but low-intent leads. (P1) - Hypothesis 4 : Offline sources such as events or references are underutilized, even though they produce higher-converting leads. (P1)

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 3

Sales Processes Inefficiencies - Delayed or inconsistent lead follow up - Hypothesis 5 : Leads are not followed up within 24 to 48 hours, reducing conversions. (P0)

Branch 4

Sales Processes Inefficiencies - Gaps in sales team training or skill sets - Hypothesis 6 : Sales representative lack objection-handling and consultative selling skills. (P1)

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 5

Sales Processes Inefficiencies - Delayed or inconsistent lead follow up - Hypothesis 7 : Sales rejects marketing qualified leads due to unclear qualification or irrelevant targeting. (P3)

Branch 6

Pricing and perceived value misalignment - Pricing perceived as too high for target segments - Hypothesis 8 : Target customers perceive the product as overpriced for the value offered. (P0)

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 7

Pricing and perceived value misalignment - Value proposition unclear or not differentiated - Hypothesis 9 : Sales pitches fail to clearly communicate ROI or unique benefits. (P1)

Branch 8

Pricing and perceived value misalignment - Discounts or offers not structured to convert leads - Hypothesis 10 : No dynamic pricing or bundling strategy exists for different lead profiles. (P2) - Hypothesis 11 : Discounts or limited-time offers are rarely used to accelerate conversions. (P3)

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 9

Product-market fit or user experience frictions - Users experience friction in setup or usage - Hypothesis 12 : Friction in early use (bugs, UI, lack of guidance) deters conversion. (P4)

Branch 10

Product-market fit or user experience frictions - Feature set may not meet key buyer needs - Hypothesis 13 : Friction in early use (bugs, UI, lack of guidance) deters conversion. (P0)

PART II : Formulating Hypotheses

Sales Pipeline Conversion at a SaaS Startup

Branch 11

Product-market fit or user experience frictions - Product demo/trial experience doesn't convince buyers - Hypothesis 14 : Trial users drop off due to setup complexity or poor onboarding. (P1) - Hypothesis 15 : Product demo does not highlight value or differentiators clearly. (P3)

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable

1. Technology Primary

Insights if any

Analytics has the highest win rate (26%) but lowest volume (281 opps).
Legacy Modernization performs worst (12% win rate).

2. B2B Sales Medium

Online Leads convert at just 6% (lowest) despite moderate volume.
Enterprise Sellers drive 28% win rate (highest among high-volume channels).

Pattern of Insight

Pattern: *Surprising Comparison* (Niche product outperforms high-volume categories).

Pattern: *Significant Outlier* (Online Leads underperform drastically).

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable

3. Client Revenue Sizing

Insights if any

> **\$1M clients** have the lowest win rate (17-19%)—inverse of expectations.
All other tiers cluster at 20-23%.

4. Opportunity Sizing

Smallest deals ($\leq \$10K$) win most often (40%).
Mid-size ($\$40K-50K$) perform worst (12%).

Pattern of Insight

Pattern: *Abnormal Distribution* (Largest clients underperform).

Pattern: *Surprising Extremes* (Tiny deals beat large ones).

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable

5. Compete Intel

Insights if any

No competitors ("None"): 32%-win rate (highest)
Known competitors: Only 19%-win rate (worst)
Unknown competitors: 22% (baseline)

6. Business from Client Last Year

\$25K-50K clients: 74% win rate (best performance)
New clients (0 business): Only 17% win rate despite 89% of volume
>\$100K clients: Win rate drops to 47%

Pattern of Insight

Pattern: *Surprising Comparison* (competitor-free leads perform best)

Pattern: *Surprising Extremes* (new vs. existing) + *Abnormal Distribution* (declining returns at highest tier)

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: Technology Primary

Key Insights:

High Volume, Strong Wins – ERP Implementation

Accounts for the largest total opportunities (49,810) and 23%-win conversion.

Major driver of total wins due to sheer volume.

High Conversion – Analytics

Highest win conversion rate at **26%**, despite the smallest total opportunities (281).

Indicates strong positioning and sales effectiveness in this niche.

Underperforming – Legacy Modernization

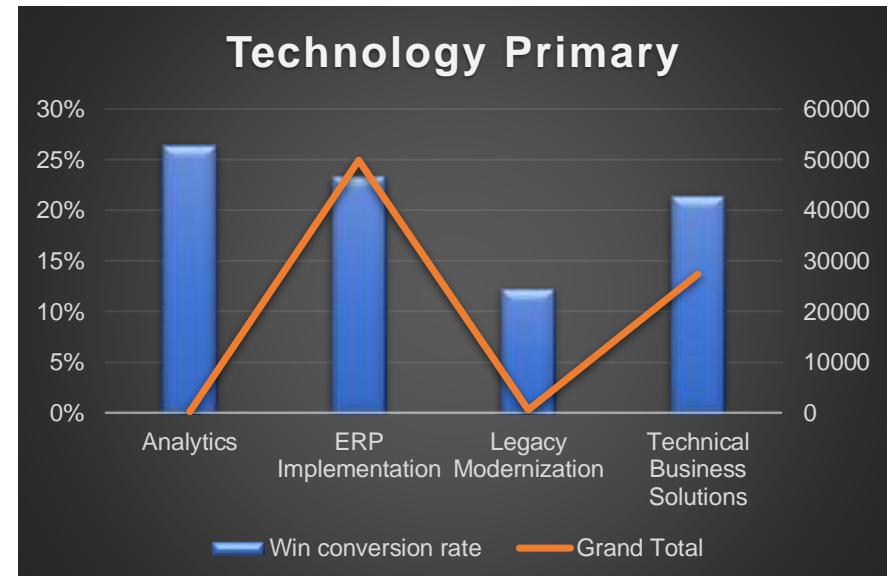
Lowest conversion rate (**12%**) and low volume.

May need review of offering, positioning, or targeting strategy.

Moderate Performer – Technical Business Solutions

Healthy volume (27,325) with a decent conversion rate (21%).

Represents a stable revenue contributor.



Conclusion/Recommendation:

ERP Implementation dominates wins (~66%) – highest priority for investment and sales focus.

Technical Business Solutions contributes significantly (~33%), making it the second priority.

Analytics and **Legacy Modernization** have minimal impact on wins (<2% combined).

Together, **ERP Implementation** and **Technical Business Solutions** form the **vital few**, driving ~99% of wins.

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: B2B Sales Medium - The Online Lead Trap

Key Insights:

1. Strongest Performer – Enterprise Sellers

Win rate: 28% (highest among all sources).

Large opportunity base (**34,758 opportunities**) driving significant absolute wins.

Consistent and reliable revenue generator.

2. High Volume but Lower Efficiency – Marketing

Largest total opportunities (**37,262**).

Win rate at 19%, below Enterprise Sellers despite higher volume.

May indicate lead quality or conversion process issues.

3. Weakest Performer – Online Leads

Very low volume (**619 opportunities**) and lowest win rate (6%).

Minimal contribution to overall wins.

Potential candidate for process overhaul or resource reallocation.

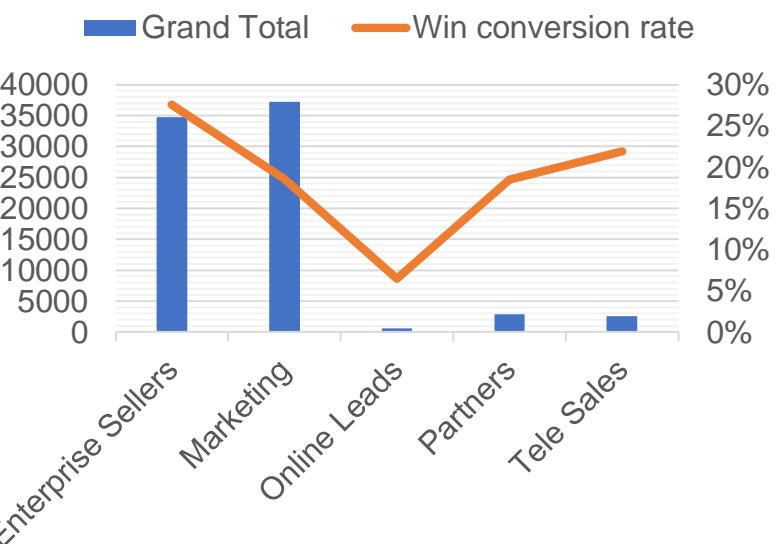
4. Moderate Niche Channels – Partners & Tele Sales

Partners: 19%-win rate, moderate opportunity volume (**2,856**).

Tele Sales: 22%-win rate, **2,530 opportunities**.

Both outperform Marketing in efficiency but not in volume.

Technology Primary



Conclusion/Recommendation:

Enterprise Sellers should remain the primary focus for high-quality conversions.

Marketing has scale but requires improvement in targeting and nurturing to close more deals.

Online Leads currently underperform and need a strategy review.

Partners & Tele Sales provide steady returns and can be scaled selectively.

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: Client Revenue - The Enterprise Paradox

Key Insights

Consistent Mid-Market Performance

\$100K-\$500K clients: Steady 23%-win rate across all sub-tiers.

\$500K-\$1M clients: Slightly lower at 22% (statistically similar).

Implication: Your sales process works reliably for mid-market clients.

Enterprise Underperformance

> **\$1M clients:** Only 19%-win rate (lowest) despite higher potential value.

Red flag: Largest clients convert **18% worse** than mid-market.

Volume Concentration

< **\$100K clients:** Dominate volume (59,504 opportunities, 76% of total).

Opportunity: High volume but average 23%-win rate - room for improvement.

Conclusion/Recommendation:

Fix Enterprise Sales:

Specialized training for complex deals.

Executive sponsorship programs.

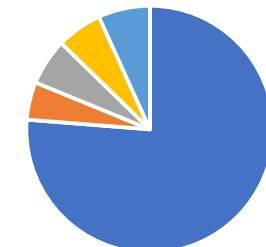
Optimize High Volume Tier:

Automate nurturing for <\$100K clients.

Double Down on Mid-Market:

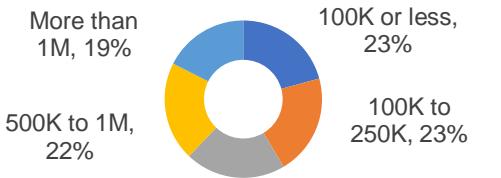
\$100K-\$1M clients offer **best balance** of volume and win rate.

Grand Total



■ 100K or less ■ 100K to 250K ■ 250K to 500K
■ 500K to 1M ■ More than 1M

Win conversion rate



■ 100K or less ■ 100K to 250K ■ 250K to 500K
■ 500K to 1M ■ More than 1M

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: Opportunity Sizing

Key Insights

Small Deals Dominate Performance

≤\$10K deals: 40%-win rate (highest) with 12,095 opportunities.

Implication: Low-risk, quick decisions make these "easy wins".

Mid-Size Deal Crisis

\$40K-\$50K deals: Only 12%-win rate (worst performer) despite being 2nd highest volume (18,074).

Red flag: Your pricing/competitiveness collapses in this range.

Unexpected Large-Deal Rebound

>\$60K deals: 21%-win rate - outperforms mid-size deals by 75%.

Opportunity: Strategic accounts may be worth the extra effort.

Conclusion/Recommendations:

Capitalize on Small Deals:

Bundle ≤\$10K offers for quick client acquisition.

Fix Mid-Size Gap:

Audit lost \$40K-\$50K deals for common rejection reasons.

Strategic Large Deals:

Create dedicated team for >\$60K opportunities.



PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: Business from Client Last Year

Key Insights:

\$25K-\$50K Clients:

74% win rate (best performance)

Implication: Existing relationships drive predictable revenue

New Clients (0 Prior Business):

17% win rate (inefficient acquisition)

Red Flag: 89% of resources yield poor returns

>\$100K Clients:

47% win rate (declining returns)

Conclusion/Recommendations:

Retention Focus:

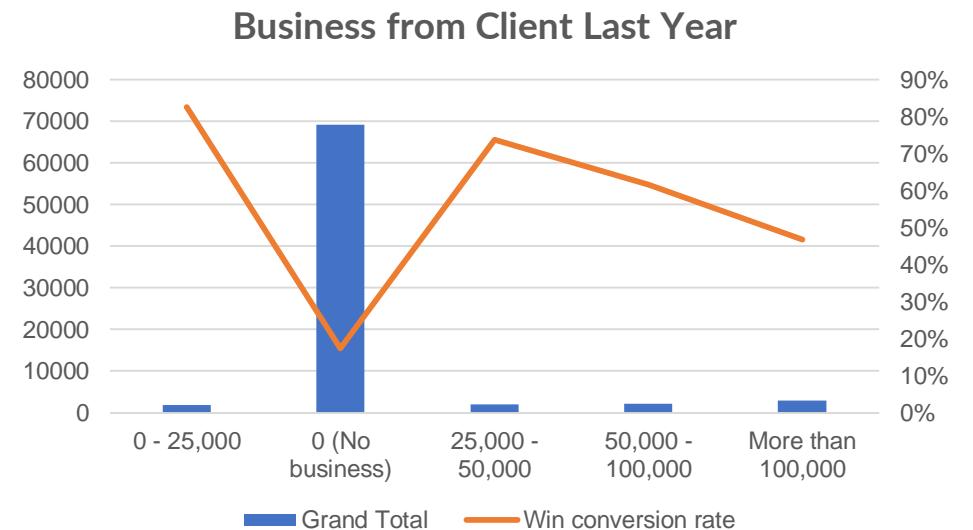
Expand success programs for \$25K-\$50K clients

New Client Overhaul:

Implement stricter lead qualification

Enterprise Review:

Audit service models for >\$100K clients



PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Variable under consideration: Compete Intel

Key Insights:

No Competitors ("None"):

32% win rate (best scenario)

Implication: First-mover advantage is powerful

Known Competitors:

19% win rate (biggest challenge)

Red Flag: Competitive intelligence needs upgrade

Conclusion/Recommendations:

Opportunity Sizing:

Pilot small-deal accelerators

Mid-market pricing overhaul by [date]

Client Revenue:

Launch loyalty program for \$25K-\$50K clients

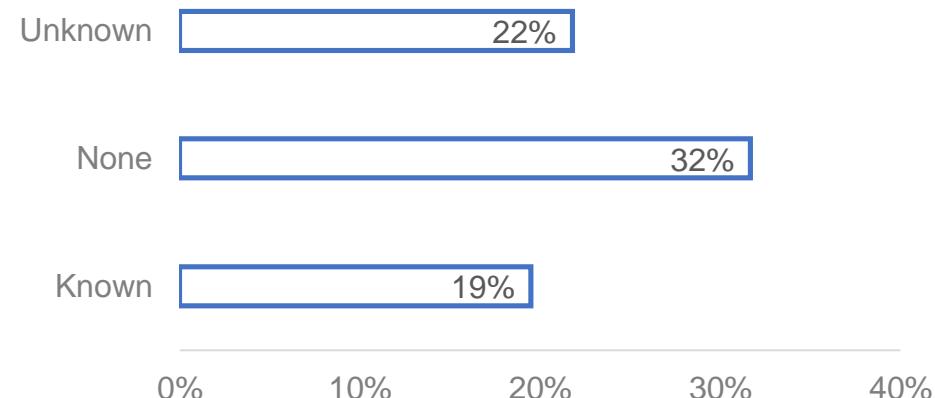
New client SLA review by [date]

Compete Intel:

Develop 3 "competitor-free" offers

Quarterly competitive training

Win conversion rate



PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Recommendations

1. Technology Primary

Shift 20% of ERP resources to Analytics

- Why: Analytics has 26% win rate (vs ERP's 23%) with 100x fewer opportunities

Sunset Legacy Modernization

- Why: 12% win rate drags overall performance

2. B2B Sales Medium

Reallocate 50% of Online Leads budget to Enterprise Sellers

- Why: Online Leads convert at 6% vs Enterprise Sellers' 28%

Tele Sales Rapid Scale Pilot

- Why: 22%-win rate with only 2,530 opportunities

Corresponding Insights

- ERP dominates pipeline (64% volume) but underperforms (23% win rate)
- Analytics shows untapped potential (26% win rate, 0.4% volume)

-
- Enterprise Sellers deliver 4.6x better ROI than Online Leads

- Tele Sales outperforms Marketing by 16% despite lower volume

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Recommendations

3. Client Revenue Sizing

Create Mid-Market SWAT Team

- Why: \$100K-\$1M clients show steady 22-23% win rates

Enterprise Deal Diagnostic

- Why: >\$1M clients underperform at 19%

4. Opportunity Sizing

"Small Deal Factory" Automation

- Why: ≤\$10K deals convert at 40% but require manual work

40K-\$50K Rescue Initiative

- Why: Critical 12% win rate in key revenue band

Corresponding Insights

- Mid-market clients = reliable revenue (23% win rate, 38% volume)
- Enterprise deals show inverse performance (high value, low conversion)

-
- Small deals = "easy wins" but risk margin erosion
 - Mid-size deals collapse despite being 2nd highest volume

PART III A : Generating Insights

Sales Pipeline Conversion at a SaaS Startup

Recommendations

3. Business from Client Last Year

"Silver to Gold" Upsell Program

- *Why:* \$25K-\$50K clients convert at 74%

New Client Profitability Review

- *Why:* 17% win rate consumes 89% of resources

4. Compete Intel

"White Space" Targeting Initiative

- *Why:* No-competitor deals win at 32%

Competitive Shield Training

- *Why:* Known competitors drop win rates to 19%

Corresponding Insights

- Existing clients deliver 4.3x better conversion than new
 - \$100K clients show declining returns (47%-win rate)
-

- Competitor-free deals = highest conversion (32%)
- Known competitors create 41% performance drop

PART III B : Presenting Findings

Sales Pipeline Conversion at a SaaS Startup

Double Win Rates by Reallocating Resources to High-Converting Segments

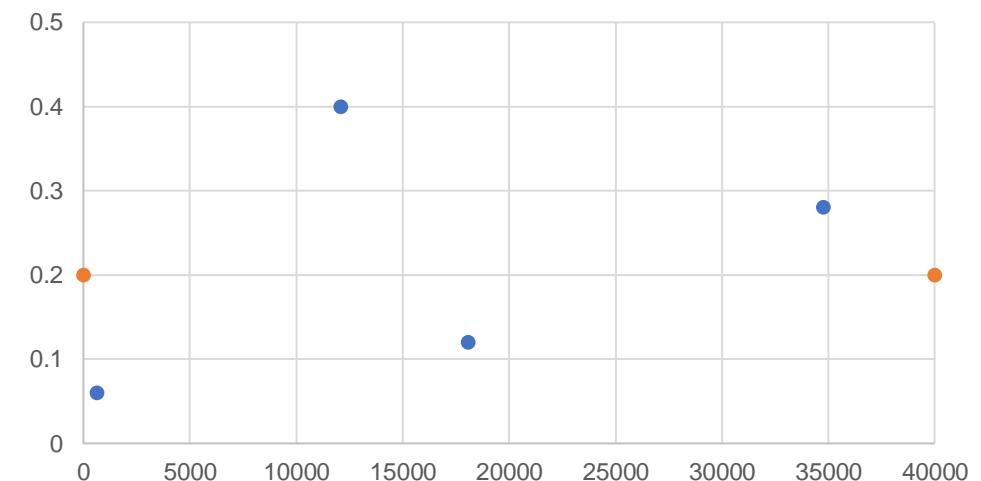
Shifting 30% of resources from underperforming areas (\$40K-\$50K deals, Online Leads) to high-converting segments ($\leq \$10K$ deals, Enterprise Sellers) can increase overall win rates from 22% to 30% within 6 months.

Supporting Data Points:

- **Wasted Resources:**
 - *\$40K-\$50K deals*: 18K opportunities @ **12% win rate**
 - *Online Leads*: 600+ opportunities/month @ **6% win rate**
- **High-Potential Areas:**
 - ❑ $\leq \$10K$ deals: **40% win rate** (3.3x better than mid-market)
 - ❑ *Enterprise Sellers*: **28% win rate** with 35K opportunities/year

Our data reveals a clear pattern: high-volume segments like \$40K-\$50K deals underperform, while lower-volume, high-win-rate opportunities like $\leq \$10K$ deals deliver 3x better conversion. This demands immediate resource reallocation.

Win Rate vs. Opportunity Volume by Segment



PART III B : Presenting Findings

Sales Pipeline Conversion at a SaaS Startup

Why High-Volume Deals Underperform:

Mid-size deals (\$40K-\$50K) consume 23% of resources but deliver only 12%-win rates—our largest revenue leakage.

- \$40K-\$50K deals lose 88% of the time—2x worse than average.
- *Win rates drop as deal size increases from \$10K→\$50K, then rebound.*

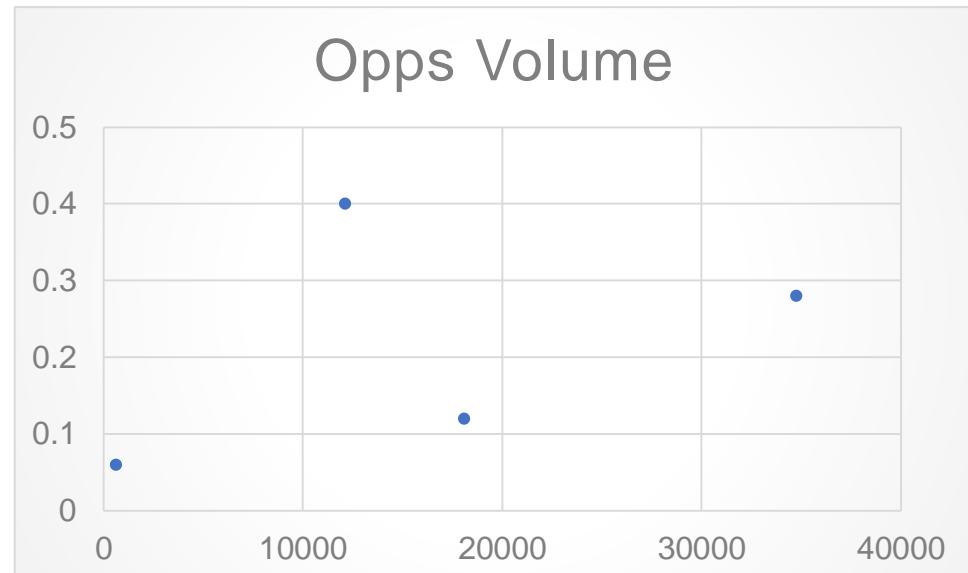
Root Cause (Base)

Hypothesis 1: "Pricing becomes uncompetitive in mid-range"

Hypothesis 2: "Sales process lacks customization for medium deals"

Mid-size deals (\$40K-\$50K) drain resources with a **12%-win rate**, while small deals ($\leq \$10K$) deliver **40% wins** but lack focus.

Reallocating effort from Mid-size deals to small deals could boost overall performance by 8-10%.



PART III B : Presenting Findings

Sales Pipeline Conversion at a SaaS Startup

From Insights to Action: 90-Day Game Plan:

1. Immediate Wins (0-30 Days)

- **Action:** Reallocate \$250K from Online Leads to Enterprise Sellers
- **Steps:**

- Audit current lead distribution
- Redirect PPC budget to high-intent channels
- Train 5 reps on enterprise playbooks

Metric: +5% win rate in 30 days

2. Mid-Term Fix (30-60 Days)

- **Action:** Overhaul \$40K-\$50K deal strategy
- **Steps:**

- Conduct 20 win/loss interviews
- Simplify pricing tiers
- Create mid-market battlecards

Metric: Reduce loss rate by 15%

3. Long-Term Growth (60-90 Days)

- **Action:** Launch "Small Deal Factory"
- **Steps:**

- Automate ≤\$10K proposals
- Design self-service portal
- Assign dedicated SDR team

Metric: 2x small deal volume