



The two critical questions to
ask a rep during a forecast
call. *Last Step, Next Step*

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There are many ways to inspect a forecast with a rep during a forecast call. In all cases, the sales manager needs to determine if the sales stages, probability of close, dollar value and time frame, and commit status are accurate. I have found that the most effective technique in determining the validity of the rep's statements around these topics is to center the discussion around the two critical questions:

1. What was the last step in the sales cycle completed?
2. What is the next step in the sales cycle to be complete?

These two fields should be added to whatever CRM system you use and inspected on each forecast call. The answers to each of these questions should be succinct, a statement of accomplishment, and devoid of activity comments. For example, the Last Step could be "proposal presented to the committee," the Next Step in the sales cycle could be "meeting on Tuesday to confirm final proposal deliverables." With those two simple bits of information, a sales manager will know exactly where the deal stands and provides them with the ability to determine the strength of the probability of close and deal timing.

Compare this example to the following "*Last Step, Next Step*" forecast review:

The Last Step:

The Last Step completed was "presented capabilities pitch to the evaluation committee," and The Next Step is "Confirm decision criteria with Project Manager." The reps on both this deal and the earlier example may have them committed and at the same probability, but clearly, the first example is the more mature deal and closer to closing than the second example. This is the insight a Sales Manager needs when rolling up their forecast to executive management.

As stated, it should be devoid of activity comments such as the "Last Step" of "had a great meeting with the CEO, discussed product strategies." Excellent activity but has nothing to do with closing a specific transaction. Worst yet are activity comments for "Next Step," such as "will call them this week to see how it is going." A general how's it going call is a friendly activity but is not specific enough to help the sales manager assess the forecast. It is more valuable to know the call's sales intent this week; what is the rep trying to accomplish, determine, or confirm?

The Next Step

A next step that states, "Will call them Wednesday to confirm the transaction's timing" accurately portrays the deal maturity and is therefore valuable for the Sales Manager. It seems simple, but it takes discipline on both parties to inspect deals using these two metrics. The reps need to have the discipline to evaluate their deals in specific sales step accomplishment language. The Sales Manager needs to enforce these action statements. Both need to not fall into the trap of discussing activities, no matter how impressive they may be.

The reps' natural inclination is to discuss their activity on a transaction to demonstrate their connections with executives at the customer and their thoroughness. If you have to question relationships and thoroughness, you probably have the wrong rep. The best practice is to predefine specific sales cycle steps that are part of any transaction, such as "proposal presented," "contracts sent to the client," "legal review completed." This could not be an all-inclusive list as there are so many deal-specific variations that this would be an impossible task; documenting the most common sales steps common to all deals will support the discipline required to make this practical.

Like most things in life, this is easier said than done. The discipline takes to evaluate deals using action statements such as confirm, determine, present, and activity statements such as lunch with CEO, relationship building with PM, check up on the deal, are challenging to enforce. A lunch with a CEO is impressive but take the inspection to the next level. What are you going to accomplish at that lunch? What specific sales step do you plan to check off by the end of that lunch?

The most effective Sales Managers are the ones who roll up the most accurate forecasts to executive management. Understanding the Last Step accomplished and the Next Step to be completed at the deal level are the critical components to rolling up accurate forecasts.