HubSpot

The Ultimate Forecasting Guide

Using Data To Improve Your Sales Team's Performance

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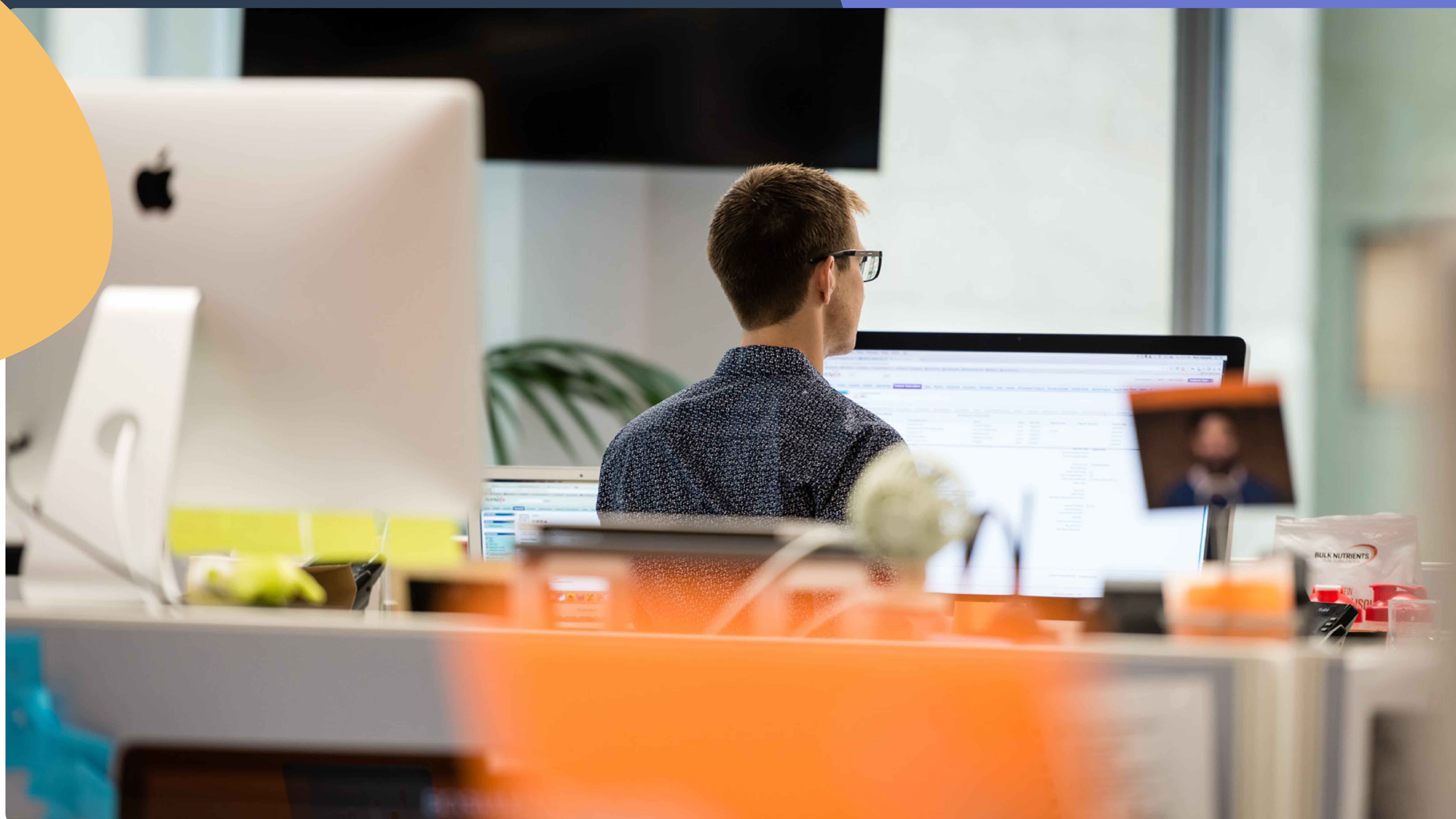


Introduction

Forecasting is crucial for any company to understand how fast it can grow. If you can't drive predictable results through your sales team, it's really hard to know if you can re-invest in growth.

The problem is that today, sales teams forecast in spreadsheets, not their CRM.
Different sales teams manage different territories, regions, or areas of expertise, and often collect disjointed data in disparate spreadsheets. Rolling all of that fractured data into one single source of truth is no easy task.

Additionally, managing forecasts in spreadsheets also forces sales team members to enter data in two places, resulting in extra work for them, and inconsistent data. It also leads to uncertain forecasts for sales leaders since they don't have a 'single source of truth' for their pipeline.

Why does sales Forecasting matter in the first place?

Sales forecasting is a critical input for any organization, and an inaccurate sales forecast can have a significant impact on the business. It is hard to accurately forecast sales, and under-forecasting or over-forecasting both lead to problems for companies.

Under-forecasting

When a company over-shoots their target (or under-forecasts), they miss out on growth because they could have hired more people faster to increase their trajectory. It may seem like a good problem to have, but in the long run it slows companies down allowing their competitors to gain market share.

Over-forecasting

When a company under-delivers (or over-forecasts), they put the business at risk of running out of cash flow and resorting to lay-offs. This causes a dangerous cycle that, if not corrected, can jeopardize the entire business.

What is Sales Forecasting?

Sales forecasting is the methodology behind predicting incoming revenue by anticipating future sales. Sales forecasting can attempt to predict future growth by week, month, quarter, or year. Accurately forecasting sales and expenses is a requisite skill for any sales manager or business owner in order to make larger business decisions like staffing and allocating resources.

Types of Forecasts

There are several different types of sales forecasting in practice, some more effective and more current than others. Each type of forecast comes with their own pros and cons, so it's important to consider multiple approaches to use in tandem when developing a methodology for accurate sales forecasting.

Jury of executive opinion

This method of forecasting could also be called "the counsel of elders." One of the oldest sales forecasting methods, it's created by composite opinions of a number of individual experts. The jury of experts form their own opinions from data or their own expertise, but the forecast is derived based on an aggregate of their individual assessments.

While conferring with individual executive leadership is important in sales forecasting, it should be considered a spice as opposed to the signature protein of the recipe. Different leadership roles bring different degrees of insight and experience to what to expect from sales year after year, but ultimately forecasting is much more complicated than that.

Historical forecasting

Another traditional means of sales forecasting is historical forecasting, which is simply looking at the sales from the same time period before and assuming your sales will be greater or equal in the current (similar) time period.

For seasonal businesses, historical forecasting makes a lot of sense if you're looking at sales on a month to month basis vs. a yearly basis. One problem with the method, however, assumes the buying conditions are constant. If you have no competitors, no market changes, no industry changes, economic changes, or external changes of any sort, historical forecasting will work just fine on its own.

Historical forecasting is an important element to your overall forecast, as it's important for understanding elements like seasonality. Unless you've completely cornered the market with a recession proof product, it's unreliable for consistent accuracy.

Intuitive forecasting

Intuitive forecasting is exactly how it sounds, relying on gut feelings about each individual prospect as opposed to data. If your forecasting methodology is asking your sales team how confident they are that individual prospects will buy, and how much the deal value should be, you have an intuitive forecasting model.

While it is true that your sales team likely have a great finger on the pulse on individual clients, this judgement can be clouded by their own optimism, or desire to keep up appearances on individual performance. Though querying your sales force for this type of intel is critical for painting the full picture of your forecast, it's not reliable (or scalable) to serve as your only method for sales forecasting.

Intuitive forecasting is most valuable at the earliest stages of a company when there's no historical data or consistent averages to rely on for calculations. In the first year, when you have a single sales team member you trust, relying on "gut feels" may be enough. To scale, sales managers would need to commit to shadowing team members to ensure their "gut feels" are on point, which is not an effective use of resources. Past year one, intuitive forecasting should be no more than adding flavor or context to additional forecasting methods.

Opportunity stage

Opportunity stage forecasting looks at all of the contacts at each stage in your sales pipeline, and predicts sales by typical likelihood to close. Sales at the beginning stages of the pipeline are less likely to close than sales nearing the end of the pipeline.

If your deals convert from pipeline stage to pipeline stage with consistent results, opportunity stage forecasting can be done easily on a yearly, quarterly, monthly, or even weekly basis.

To forecast using opportunity stage, pick a reporting period that makes sense on the length of your sales cycle and teams' quotas. Then, simply take each deal in each stage and multiply it by the likelihood of closing, reliant on where it is in the funnel or other factors like the type or size of deal. Once you've done this for all of the deals in the pipeline, add the results together and you have a very simple sales forecast.

For example, your team may have established the following conversion rates based on pipeline stage:

Stage	% likelihood to close	Number of deals	Likely value
Discovery call	5%	3000	$150,000
Product demo	35%	500	$175,000
Product trial	60%	250	$150,000
Forecast total			**$475,000**

According to this forecasting model, assuming a deal value of $1,000 for every deal, the forecast would be $475,000

While opportunity stage forecasting is an easy and simple means of forecasting, it doesn't account for other factors like age of opportunities, or external factors like seasonality or market shifts. If your sales team doesn't stay on top of cleaning up their pipeline at each stage, or you don't build in pipeline management as part of your overall sales strategy, you may have deals that have been aging in the "discovery call" phase for months providing more optimistic forecasts. As a result, opportunity forecasting should not be the only means of sales forecasting, but instead used in tandem with other methods.

Length of sales cycle

Where opportunity stage forecasting looks at the number of deals in each pipeline stage, length of sales cycle forecasting looks at the age of each deal based on typical length of sales cycle.

To understand how to forecast using the length of sales cycle, you must first calculate how long your average sales cycle lasts. Simplified, the way to calculate average sales cycle length is with the following formula.

Total # of Days to Close Deals / # of Closed Deals

Of course, this basic calculation doesn't take into consideration differentiation in types of deals, like different products or use cases, nor does it take into consideration deal size, both of which might have dramatic influence over sales cycle length. To refine forecasting accurately, it's wise to segment this calculation by any factors that regularly effect sales cycle length.

Once you understand the length of your sales cycle, possibly segmented into different categories like product, deal type, or deal size, you can start forecasting by sales cycle length.

An example of how this looks in practice, let's say you have an average sales cycle length of 3 months and a deal value of $1000.

AGE	NUMBER OF DEALS	% LIKELIHOOD	LIKELY VALUE
1 month	3000	16%	$480,000
2 months	2500	33%	$825,000
3 months	1400	50%	$700,000
4 months	850	66%	$561,000
5 months	300	83%	$249,000
Forecast total			**$2,815,000**

Like the opportunity stage approach, sales length forecasting is reliant on accurate and consistent data, does not take external factors into its calculations, and can get quite complex if you have multiple deal types or deal sizes that create variations in average life cycle length.

Test-market analysis

Test-market analysis is another age-old forecasting technique, popular for new businesses and or new products to predict sales success without relying on historical business data. With test-market analysis, the market is divided into two regions for launch: a test market, where a product is introduced to consumers without marketing, and a control market, where that same product has normally marketing efforts behind it.

From there, a Gap Analysis measures the difference in sales between the test market and control market, and sales are forecasted based on that analysis.

While test-market analysis is effective and doesn't require historical data, it also takes a huge investment in time and resources. As such, for new businesses using this to test, they would likely need a lot of funding up front. Otherwise it's most commonly used for existing, large businesses to roll out a new product.

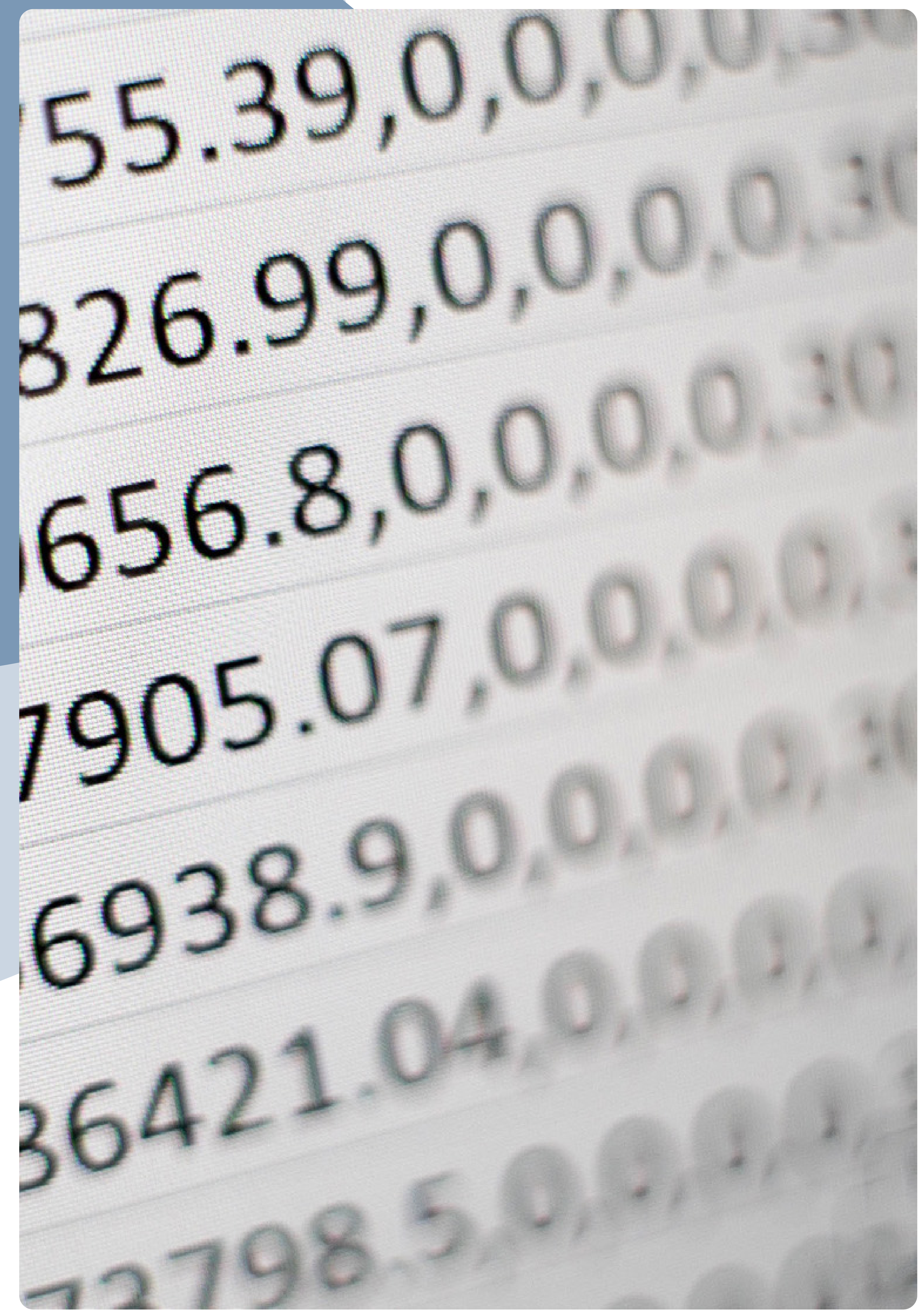
Regression analysis

If you like math, you'll like Regression analysis: a mathematical approach to forecasting sales. Beyond the world of forecasting, a regression analysis is used to understand relationships between dependent variables and independent variables, how strong is the relationship, or how much one is impacted by the other. Reducing it down to an equation, the formula looks like:

$$Y = bX + a$$

For sales, it's used to understand how independent variables in your sales process affect the dependent variable of sales performance to determine how sales would change continuing the same strategy or trying something new.

Regression analysis combines historical data with new variables. It can be done in a spreadsheet, but there are also tools and software specifically designed for regression analysis.



Multivariable analysis

Since each forecasting method comes with a fair share of pros and cons, and different elements can affect each model's reliability, the best approach to sales forecasting is using multiple approaches in tandem. Multivariable analysis method takes the pros of each forecasting technique, and combines them into a complex, data-driven system.

For example, you might combine the opportunity stage with age of deal, then match that against historical data. From the results, you could query your leadership team to call out anything noteworthy from their respective departments (jury of executives style) and ask your sales reps the same if they have any "gut feelings" to add a level of intuition. If you have conflicting theories, you can run a small A/B test (the lite version of a test-market analysis)

Multivariable analysis is both the smartest and most effective way, but it does require the right tools. It's not something you could spit out in a spreadsheet.

When to use Forecasting

Accurate sales forecasts enable company leadership to make better decisions around hiring, budgeting, prospecting, and any other business operations that impact revenue. Sales forecasting is absolutely essential while setting company goals and initiatives, like setting yearly company goals and OKRs, but can provide value at a weekly, monthly, or quarterly basis.

Weekly Forecasting

The benefit of weekly forecasting meetings is aligning prioritization and focus with your sales teams weekly activities. It also helps to tee up activities and prepare other teams, like customer success teams accepting an account handover, or fulfillment teams for product delivery.

Weekly forecasting helps teams in the weeds make collaborative decisions on emergency allocation of resources in the case of a sudden increased demand, or seeing a slow week in advance to shuffle attention to other projects.

Monthly Forecasting

Similar to weekly forecasts, monthly forecasting is all about understanding and reallocating resources. While a monthly surge or drought may not change larger budgeting or hiring decisions, it can affect staffing and scheduling of existing resources, or reprioritization of existing initiatives.

Monthly forecasting can also be reflective of performance of various go-to-market initiatives. Are certain campaigns performing as expected and resulting in being flush with sales, or will your sales team need to shift strategies to make monthly quotas? Does an engineer need to be moved from one project to another to eliminate a common point of customer friction for an influx of demand? Keeping a finger on the pulse of future sales on a monthly basis helps ensure goals are hit and resources are properly allocated.

Quarterly Forecasting

Quarterly forecasting is all about checking in to make sure your sales are in alignment with the bigger picture company goals that have been set for the year. Forecasting in quarterly intervals is important for pivoting big picture strategies, like hiring decisions, product development, marketing campaigns, or ordering and fulfillment needs. If the sales forecast looks as expected, full speed ahead! If it's under performing, you may need to put a hold on certain hires, halt certain builds, and shift resources to marketing initiatives. If it's over performing, you may need to shift resources to your customer facing and fulfillment teams to keep up with demand!

Yearly Forecasting

Yearly forecasting is all about understanding what resources you expect to have to accomplish big picture goals, or if you need to rethink sales initiatives to bring your company to the next level (or maintain financial stability).

Yearly forecasting should inform company OKRs and any larger plans the company has for product development, hiring, and growth. It may inform whether or not a company needs to take on another round of funding, if it's on the path to profitability, should make the decision to go public, or if it's a good investment for shareholders.

The Challenges of Accurate Forecasting

Unless you own a working crystal ball, the challenges of accurate sales forecasting may seem insurmountable. Internal factors like hiring and firing or policy and product changes can affect a sales forecast, as can external factors like competitor changes, seasonality, or even changes in legislation!

There's also a bit of debate on who should manage the sales forecasting process: individual sales reps, sales managers, or whether or a multi-departmental initiative. For individual sales reps, there are additional challenges to sales forecasting innate within the roles of sales team members and managers within a business, which leaves many sales reps and their managers struggling with forecasting. For sales managers, it's easy to both become overwhelmed with too many details and nuances to data, while also feeling cut off from not having the data needed with siloed data.

Why do sales reps struggle with forecasting?

While it's valuable for your sales team's reps to have a good understanding of what they will individually close, relying on your reps to do their own forecasting comes with it's own set of challenges. Being in the weeds with prospective customers, needing to stay optimistic over realistic to win deals, and a quota-tied performance make your team a poor judge of forecasting.

The "big picture" view vs. being "in the weeds"

There's a lot of valuable knowledge that comes from being "in the weeds." Working with prospective customers day-in and day-out, your sales force is most intimately knowledgeable about what resonates with your prospective customers, why they buy, why they don't, and all of the different flavors of stagnation in between. What they don't see is what their prospects don't tell them, which is anything in that prospect's world beyond the 2-3 30-minute calls and 8-10 emails shared.

Your sales team may be so focused on the day-to-day they may not be able to step back to garner complete awareness of market shifts, emerging competitors in the landscape, economic conditions of their designated territories, industry changes, or even legislative changes that may make it harder (or easier) to sell a product or service. Because it's their job to be in-the-weeds and in-the-moment, big picture awareness is helpful, but can also be distracting from the job at hand.

Occupational optimism

Good forecasting requires realistic assessments based on data, whereas a good sales rep succeeds based on idealism and optimism. These antithetical goals make it near impossible for sales reps to set their own realistic forecasts.

It's not the sales reps job to hear "No" and assume it's definitely not a deal, or to see an aging deal and determine it's unsalvageable. Quite the opposite, in fact. A good sales rep should see what's rotting in back of the CRM and think about creative ways to resurrect it and bring it to a close. If inundated with data on why certain deals may be highly unlikely, the sales reps performance may suffer. A good sales rep defies data, but a good sales forecast relies on it. These conflicting goals make it challenging for sales reps to be responsible for their own forecasting.

Performance tied to quotas

While optimism and the ability to defy data makes for a good sales rep, tying performance to quotas solidifies the potential for inaccurate forecasting. Keeping potential deals alive and continuing to work possibilities for large opportunities can keep a sales rep from forecasting accurately, especially if they are worried about losing their position in a company. This fear of consequences keeps sales reps from reporting bad news and failed deals, or on the opposite side of the spectrum, delaying the progress of good deals if they think they'll need deals to meet later quotas in a practice known as "sandbagging." This paints a distorted picture of potential revenue for your business, and makes forecasting at the individual sales rep level unreliable.

Why do managers struggle with forecasting?

Managers frequently have similar reasons for struggling with forecasting as their reps, being cheerleaders for their team focused on their team's day-to-day performance and motivation. Unlike individual sales reps, managers are usually able to take a step back to evaluate and look at bigger picture trends in team performance and larger trends. Being in between the rep and the big-picture comes with it's own share of challenges, especially with multiple sales teams managing different regions or territories.

Too many details to stay on top of

Knowing some individual reps might present a more optimistic view of their pipeline and what they can close, and other more conservative reps might "sandbag" their pipeline and deals to reserve sure things for a later date, sales managers need to stay on top of a great deal of details to understand the truth behind the pipeline and associated revenue forecast.

This includes details like individual deal ages and sales cycle lengths, how that varies by deal type or size, pipeline stage conversion rates and whether or not those have been accurately determined, and individual sales member's selling styles or propensity towards optimism or conservatism in their individual pipeline reporting. It's not possible to keep track of all those details in a spreadsheet or even in a simple CRM, which is how many sales managers operate.

Management needs to define or enforce strict pipeline stage definitions, milestones, and data entry standards when it comes to age and stage, which are often easily missed without the right tool set resulting in inaccurate forecasts.

No single source of truth

Different sales teams manage different regions, territories, or areas of expertise, and often collect data in their own disparate ways across spreadsheets and notes. Because territories all have their own needs, and their own unique conditions that determine sales, like seasonality or regional economics, it makes sense they would capture and collect different data. The problem, however, emerges when all of these factors have no oversight from a birds-eye view.

Without a single source of truth and system for rolling up data collected across teams into a unified view, the story becomes fractured across teams and leads to inaccurate forecasting.

Reporting backwards

While historical reporting is an important element to sales forecasting, oftentimes sales managers only report on what's already happened, vs. the potential of future sales and what they anticipated closing based on what's available to them. When a manager's focus is on their team's ability to win deals to fulfill a specific quota, reporting naturally centers on deals won. When all reporting is retrospective based on what has been closed or accomplished, shifting attention to the future becomes a lower priority.

This mentality falls inline with quota-mentality sales. Instead, sales managers should focus on conversions as opposed to quotas, with goals on improving conversion rates. Reporting on conversions vs. quotas allows managers to split attention between future possibilities and won possibilities.

How good, clean data can help

Because of the challenges that come innate to performing as a sales rep, paired with the challenges that come to forecasting as a sales manager, data collected in a single source of truth can provide a reliable crutch. Taking a multivariable approach to forecasting by looking at a variety of factors like deal age, size, product type, opportunity stage, and cross referencing with your sales team's intuition, external factors like market and competitor changes, and seasonality will paint the most accurate picture of prospective business. Using the right tools that can aggregate all of those data points into a single source of truth become critical as your business matures.

How to Forecast Better as a Sales Manager

Forecasting is challenging, but not impossible. Having the right tools and processes demystifies forecasting (and no, I don't mean getting a crystal ball). A CRM platform can aggregate all of your data together, while reporting tools help consistently analyze the data.

Forecasting better as a sales manager relies on providing realistic goals for your team, having a single source of truth for managing data, and staying consistent in your approach over time.

Setting achievable sales targets

Preventing “sandbagging” or pipeline optimism all starts with setting achievable sales targets for your team. If the targets aren’t achievable, it leads to bad practices among your reps in attempts to ensure a consistent pipeline. In turn, those bad practices result in inaccurate sales forecasting, which hurts big-picture decision making for the business.

Calculate your baseline

Calculating a baseline is where historical reporting becomes very valuable to forecasting. Historical data helps individual reps and managers understand the status quo, what’s possible, and what has already been achieved. When calculating your baseline, it is always important to consider external influences like seasonality, economic conditions, or competitive changes or internal factors like staffing changes, but ultimately understanding the current state of sales is instrumental in estimating future goals.

Use SMART goals

The SMART acronym is a generally accepted best practice for defining achievable goals. Developed in 1981 by consultant of corporate planning, George T. Duran, SMART first appeared in a published a paper titled “There’s a S.M.A.R.T. Way to Write Management’s Goals and Objectives.” Once you’ve calculated your baseline, use SMART to define goals.

Consistency is key

While it is not wise to pick a single forecasting methodology and stick to it, if you choose a few different forecasting methodologies like sales lifecycle, historical, and opportunity stage to use for forecasting in tandem, it's important to use the same recipe time and time again. Using different methodologies or pieces of different methodologies yields inconsistent results. It may take some experimentation to find the most accurate combination, but once you find it, stick to it!

Once you find a combination of forecasting methodologies that provides an accurate assessment of future business, you can set your sales goals to align with the numbers provided by the forecast.

Pipeline Management for better forecasting

Forecasting accuracy hinges on maintaining an accurate pipeline. Aging deals with no traction or stagnant deals in pipeline stages can throw off the whole equation.

The goals of pipeline management are two fold: build a healthy reservoir of potential deals for your team to go after and two win deals. This puts the goals of pipeline management intrinsically at odds with forecasting, which is to accurately predict incoming revenue. Similar to the occupational optimism of sales reps wanting to resurrect the aging deals at the back of the CRM, a pipeline may want to keep those deals in the peripheral "just in case."

There are ways to manage the pipeline so it's both accurate and realistic, but also helps your team accomplish goals.

Keep accurate records

The simplest place to start is making sure your contact data is clean and accurate. Do you have the right contact information, like email addresses and phone numbers? Or, is your contact the right person to talk to for buying your product or service. If not, there may be more work to do on that opportunity than a forecast could predict, as it's harder to get in touch with the right folks.

It's also important to make sure contacts are at the correct stage of the sales cycle.

Finally, make sure new leads are always being captured and entered in the system. If you have leads coming in from multiple places, and not all captured automatically by a lead form or sign up, make sure everyone is entering new leads that come in by phone or email to keep the pipeline up to date.

Review stage and status of prospects

Make sure that prospects truly are the status or stage by reviewing communications for aging deals sitting in stages for longer than average. Identify their roadblocks and decide whether or not it's a fixable hurdle. If not, like if their request is out of scope for the product or demands are unachievable, clear them out of the pipeline. This is not only helpful for forecasting accuracy, but also for helping reps prioritize on more closeable deals.

Send break up emails

If you've reviewed the stage and status of prospects and found some you needed to purge, send a "break up email." If the response is favorable, keep the prospect in the pipeline. Otherwise (negative or no response), proceed with the purge.

Break-up emails are a great way to assess the sentiment of what seem like dead deals. It is possible they are really just busy, and if they deliver a favorable response you can keep them in the pipeline. If not, then it's time to go.

Using email templates for your emails keeps everyone’s practice consistent, streamlines the process, and enables quick pipeline clean-up to improve forecasting.

Conduct pipeline maintenance

Pipeline maintenance should be performed on a regular basis, at least quarterly. Reviewing contacts every 3-6 months, assessing prospect’s true stage, and cleaning out dead deals on a regular basis helps keep forecasting accurate (and sales teams focused).

Make it easy

A difficult process is not one that people will follow. Make sure stages are clear and intuitive, and also make sense with your sales process to ensure prospects are staged accurately. Collect only the essential information to prevent avoidance of filling out CRM fields and details. It’s also important to find ways to leverage automation wherever possible to lower the workload on your sales team, and safeguard against human error.

Leverage automation

Human efforts can only go so far when it comes to pipeline management, and in efforts to keep your pipeline accurate and up to date, it’s important to utilize automation wherever possible.

Use tools that enable pipeline maintenance by deal age, to surface aging deals, or automatically update deal stage by prospect activity. If you have a deal stage for appointment set, for example, sync your calendar scheduling software to update the pipeline stage when a booking is made. Automation can also help keep everyone in the loop of pipeline stages with alerts, like if no momentum has happened 2 weeks after that appointment was set, alert sales managers to brainstorm ideas on how to move the needle on that prospect to the next step.

How to Manage the Forecasting Process

Once systems are in place and goals are set, it's time to manage the forecasting process. Managing the forecasting process involves maintaining healthy communication with both prospects and internal teams, and coaching your team to maintain success.

Great communication = great forecasting

Despite the practice of individual commissions, sales is a team sport. While the sales team member might close the deal, there are post-sale customer facing team members like support and success listening and communicating customer needs back to product, product working with engineers to develop features to fill those needs, and marketing teams listening to product to generate the pipeline for sales. Sales may get the individual win, but ultimately each sale is the result of a team effort.

Because of the multiple departments across the business involved in generating sales, it takes multiple departments to accurately forecast future sales. At the core of forecasting is communication. Communication to prospective customers, and communication across departments. Without proper communication, data silos can emerge causing forecasting inaccuracies.

Sharpening communication with prospects

Keeping pipeline information accurate means building strong communication channels with prospects, and listening for cues and feedback that their stage has changed. Communicating with prospects is a delicate dance between proactively engaging to get and keep them hooked, and receiving the information they deliver to react. One of the most important skills for any sales rep is active listening.

Listening and receiving feedback is critical to managing an accurate pipeline for forecasting, as it's requisite for making sure you have the correct information about the deal, the proper contacts and channels for engagement, the likelihood to buy, and the timeline. Sales reps that only focus on engagement without listening to prospect cues that may indicate they aren't going to purchase, make it challenging to accurately forecast sales.

Creating internal feedback loops

There's more to sales than sales, of course, which makes creating and building internal feedback loops with other departments within your company. Different departments work on different elements that can affect incoming lead volume or opportunity types. Product teams will have insights into product development that may increase sales, marketing teams will have insights into upcoming campaigns, and customer experience teams will have insights into points of friction and common roadblocks that can lead to abandoned accounts.

Creating feedback loops between sales and multiple departments breaks down information silos that may cloud forecasting accuracy if not flagged or considered. Communicating cross departmentally around sales and forecasting is key.

Coaching for success

It's one thing to know and learn how to improve your team's sales forecasting, and it's quite another to execute. Coaching your team to successfully manage their pipeline and keep the lines of prospect and internal communication open requires sharing context around the big picture goals and transparency around the current state.

Sharing context around the big picture

It's challenging for any team member (or any person for that matter) to change behavior without having a compelling reason why. Educating your team on the importance of forecasting, and sharing how their day-to-day pipeline management impacts the ability to accurately plan for future resources and demand, helps put context around the small actions they take on the day-to-day.

Knowing the why behind newly adopted best practice tips like cleaning up prospect stages in your CRM or sending break-up emails to clear out hopeless contacts helps prevent your team from getting defensive from performance and quota related fears, and shifts their attention towards big picture forecasting goals.

Transparency is the secret ingredient

Secrets and data silos don't do a business any good. Create a culture around transparency by aggregating data into a single source of truth, as opposed to a culture of silos created by quota-driven performance metrics. When everyone can see how accurate data paints a clearer picture of achievable goals, the fear around performance quotas melts away and sales achievement becomes a team effort.

The roadmap to better forecasting

With all of the complexities involved in forecasting, unless you have a very simple product offering it should be clear that accurate sales forecasting cannot be accomplished in a spreadsheet. Forecasting requires understanding deal age, pipeline stage, historical performance, and on-the-ground insights from sales reps, and that's without even paying attention to external influences like competitors, industry trends, and the market.

How HubSpot can help

Hubspot makes tools designed to aggregate data across multiple teams to paint a full picture of each lead or opportunity in the sales pipeline. Integrating your CRM with robust reporting tools takes the guesswork out of where each prospective customer stands with your business.

Supercharge your customer data

Your CRM should serve as a single source of truth for any prospective customer on the horizon. It serves as a record where all customer data can be collected, refined, and tracked, and should connect reporting to the broader organization. Each detail captured in the Hubspot CRM can be used to paint a complete picture of the pre-customer experience, especially valuable for accurate forecasting.

Hubspot's Conversation Intelligence removes the manual work out of documenting call data and insights, and powerful automation features can be used to clean and update your pipeline so everything stays up to date.

Take a quick pulse with out-of-the-box reports

Having the right reports, right out of the box makes a huge difference when setting up forecasting for success. Hubspot's reports are built so you can identify your most impactful sales activities without needing to build anything from scratch. Review your pipeline with forecasted revenue by deal size, or report by funnel stage.

Because reports integrate tightly with your CRM data, Hubspot enables sales managers to keep a tight hold on performance and expected deal outcomes, and understand business rhythms with custom sales reports.

Evaluate, inform, and adapt

Hubspot offers customizable reports that uncover performance improvement opportunities like stage probability forecasts, deal pipelines waterfalls, and deal change history. Sales managers have everything they need to measure, analyze, adjust, and re-evaluate the performance of their teams. For even more flexibility, Hubspot custom report builder provides the ability to create bespoke reports tailor made to any business niche.