Turn Salesforce into a Revenue Forecasting Engine

Extending the Benefits of Salesforce to Finance and Sales Operations

Salesforce is the go-to software for sales teams for a reason: It's an outstanding sales tool.

And yet for companies that have revenue coming in over time through bookings or subscriptions, getting the right insights from Salesforce can be a challenge for their financial planning & analysis and sales operations teams. Most revenue recognition happens in massive, unwieldy, time-consuming and error-prone spreadsheets, leaving a huge gap in the value of this software investment

What if it was possible to make Salesforce truly cross-functional?

What if it was possible to glean more insight out of pipeline data without having to leave the tool?

What if Salesforce worked harder for the entire organization to track bookings and deal activity across the pipeline and reveal their revenue impact?

These things are possible — right now, with no IT intervention. **There are ways to extend the benefits of Salesforce that most organizations don't realize.**

Expanding the capabilities of this software investment delivers more than improved ROI — it gives you decision-making superpowers.

Where Salesforce Stops

Salesforce is an outstanding tool for sales teams. They've set the bar for CRMs right out of the box — and with an entire app store with solutions to extend its capabilities, Salesforce is a force to be reckoned with.

With limited capabilities around revenue schedules, however, Salesforce is usually not leveraged for revenue visibility and forecasting. From a planning standpoint, there are often big gaps between Salesforce data and an accurate revenue forecast.

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Here are four specific areas where Salesforce has limitations for Sales Operations and Finance/FP&A teams:

1. Lack of Revenue Data

Most organizations only plan revenue streams for their big deals. The smaller deals are typically summed up and discounted at 50% for revenue forecasting purposes. As a result, in our experience, organizations aren't accounting for up to 80% of their pipeline.

When Finance or FP&A uses this flawed data for revenue forecasting, it can cause huge problems. Companies make critical decisions based on revenue forecasts, sales managers set targets based on them, and leaders base quarterly earnings numbers on them. Inaccurate revenue forecasts lead to planning mistakes and financial reporting gaps that can be hard to come back from.

Given the traditional method of extracting data from Salesforce into monstrous spreadsheets where even more monstrous calculations are done to create a forecast, there are good reasons for summing up revenue in this way. One good reason is that accounting for every deal simply takes too much time — it would render a revenue forecast stale and unusable by the time it was distributed.

Another issue with the revenue data inside Salesforce is that it only accounts for a percentage of the sales — other important revenue data isn't available within thesoftware. This includes account run rate revenue, as well as reseller or indirect channel sales, which are accounted for in different systems. While this doesn't add complexity for Sales, it does create challenges for FP&A and Sales Operations teams.

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2. Limited Insights from the Data

Salesforce typically isn't used to provide Sales Opertions and FP&A teams visibility into what revenue willlook like over time, or how it changes when deals change. For companies that have revenue coming in over time through bookings, order fulfillments, or subscriptions, this causes critical revenue visibility issues.In fact, there's no automated way to see how pipeline, run rate revenue and bookings revenue are linked. If Sales Operations wanted to find out, for example, how much revenue to expect monthly from the existing contracted base this fiscal year specifically, or how much higher that revenue would be if the sales team closed everything they committed in their pipeline, most organizations have no easy way to get that information in Salesforce.

Conversely, the sales team has limited visibility to company targets or revenue attainment. In Salesforce, they can't see how the revenue from their closed deals actually came in over time. Without this visibility, it's impossible for a sales rep to get a clear understanding of how their active account management is resulting in added value after a contract is signed.

> Salesforce is **NOT** a single source of truth for sales data.

3. Limited Ability to Manage the Data

Salesforce was never positioned as a financial analysis application — BUT — it houses data critical to the revenue forecasting process. In this sense, it is a data management tool as well. Yet because it wasn't designed for this purpose, there are limitations on how you can manage the data within it.

Finance/FP&A and Sales Operations teams usually extract sales data from Salesforce, but there are limitations on how they can manipulate the data inside the tool.

Most teams use Excel for this purpose. They extract the sales data out of Salesforce, add and remove what they must to make it as close to business reality as they can, then perform complex calculations to produce revenue forecasts. It's a cumbersome process, and it takes a huge amount of time — which is one of the reasons why revenue forecasts are often so far from accurate. By the time the forecast is complete, the data they pulled from Salesforce is stale. There was or is no way to account forchanges in deals or changes in the pipeline.

Most organizations have no way to manage run rate, bookings data unrelated to Opportunities, or really any sales data outside of the standard sales process (e.g. from indirect channels) in Salesforce. So Finance and FP&A teams have to pull this additional booking data into their spreadsheets from other sources. In other words, while Salesforce is an outstanding tool for the sales team, it is not a single source of truth for sales data for businesses that have complex bookings or volatile run rate revenue.

4.LimitedCross-Functional Reporting Capabilities

Salesforce houses critical financial data — so while it may be a sales tool, it's also being used (at least in some way) by finance teams. Sales and Finance have vastly different requirements for how they view sales data, but natively Salesforce can only offer a single, standard view of sales commitments. You can see the total (aggregate) sales commitment, but not the revenue forecast over time (revenue projection). The view into the sales data is limited and fixed.

For companies that have revenue coming in over time through bookings, sales numbers are not as simple as the total of closed/won opportunities. Sales commitments often change over time, and deals shift and change as well. Not to mention, revenue scenarios over time can differ across functional disciplines. There is no mechanism built into Salesforce to manage this reality.

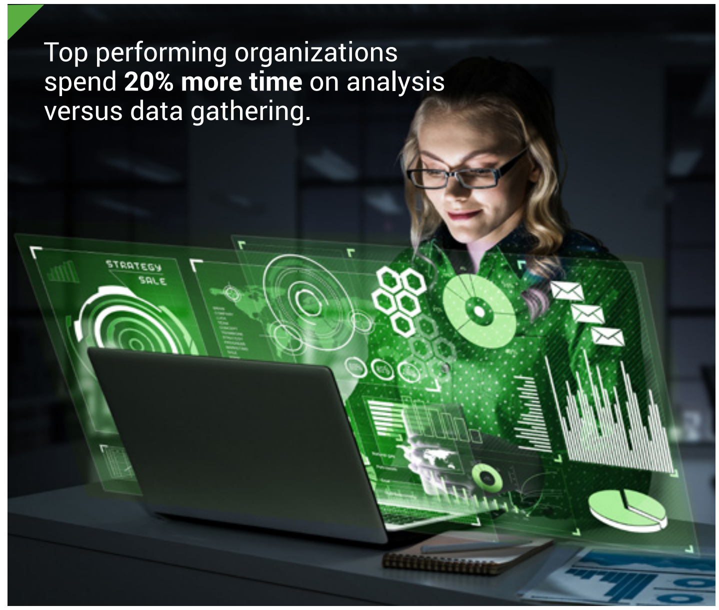
Boosting the Value of Salesforce to the Entire Organization

Organizations are paying for Salesforce as a sales tool — but the truth of the matter is that Sales isn't the only team using it. It's also being used by Finance/FP&A and Sales Operations for revenue forecasting and planning.

When an organization buys software with the understanding that it will be cross-functional, they demand that it perform well for each functional area. Salesforce is not always adopted as a cross-functional tool, so most organizations don't expect much beyond the sales, marketing, and service-focused capabilities. But with a few tweaks, it can be so much more valuable to the entire company — valuable both as a tool and as a means to identify revenue in the pipeline and its impact on top-line financials.

Salesforce can be a more powerful tool for the entire organization. Here are four ways to boost the value of this powerful software so everyone gets more use out of it.

Note: Some of the following value boosters are most easily and quickly achieved with revVana Plan, an app that works inside Salesforce to expand your revenue forecasting capabilities far beyond what Salesforce can do alone.



VALUE BOOSTER 1:

Align Salesforce With the Revenue Forecasting Process

Sales and Finance are notoriously siloed. It's no wonder that the data produced by and extracted from Salesforce, the primary sales tool, doesn't usually align with the finance team's planning processes.

The most straightforward way to solve this problem is to get sales teams, sales operations teams, and financial teams in the same room — and on the same page.

For this meeting of the minds, the sales team should come prepared to explain their rationale behind the sales stages they have defined. This will give Sales Operations and Finance/FP&A insight into how Sales expects deals to progress, and they can better anticipate how those stages align with how revenue rolls out. From here, Finance and FP&A can apply the same planning methodology for all deals in specific stages. This turns Salesforce into a more valuable source of revenue information and can make revenue forecasts more accurate overall.

Most importantly, this brings Sales and Finance into alignment, which can help the company respond more rapidly to market changes. Though the alignment of Sales and Finance has daily operational benefits, it's this greater agility in the marketplace that can be most impactful on overall business growth.

A recent Aberdeen study drives this home: The top challenge in planning reported by participants was "Market volatility creates the need to dynamically account for change" at 49%, followed not even closely by "Poor communication, coordination, and collaboration" at 29%.

To simplify this process and move forecasts out of painful, time-consuming, manual spreadsheet calculations, revVana enables you to build and configure finance rules directly into Salesforce and generate sophisticated revenue plans without having to export the data. This allows Finance and FP&A to produce revenue forecasts with their preferred structure, based on the products, services, and accounts they select, all inside Salesforce. Or they can export the data from Salesforce with more granular rules, so the calculations are done automatically, and before the data hits the spreadsheet.

VALUE BOOSTER 2:

Automate Revenue Forecasting Inside Salesforce and Identify Revenue in the Pipeline

It is possible to do sales forecasting in Salesforce, but the insight revenue planning teams can glean from it is limited. These forecasts will tell an organization what deals are closing, but it doesn't help them anticipate changes or see what the revenue looks like over time.

Bringing revenue forecasting inside Salesforce with an add-on app has many benefits.

- Revenue forecasts are dynamically updated where pipeline is changing, right inside Salesforce
- In addition to having easier access to the data Sales is creating, finance and operations teams can manipulate the data so it more accurately reflects the reality of the business.
- It enables finance teams to see what revenue will look like over a specific time period, with flexible and granular views of the data.

- Because it's based on real-time data — not stale or expired data — the insights are more useful and immediately actionable for Sales Operations, Finance/FP&A and executive leadership.

revVana Plan automatically generates revenue forecasts from the pipeline in Salesforce based on finance rules. Once the finance rules are set, just maintain opportunities in Salesforce and Finance/FP&A can forecast and reforecast revenue instantly, with real-time sales data, as often as they like. Revenue forecasts dynamically adjust with changes in opportunities, and they can be modified even after an opportunity closes.

Finally, revVana also does something no other software on the market can do: It enables you to identify revenue in the pipeline. revVana gives organizations a 360-degree view of their revenue with a click. A PwC finance benchmark study found that top performing organizations spend 20% more time on analysis versus data gathering — and top performers are able to run at 36% lower cost. Imagine the possibilities when both data gathering and analysis are automated.

VALUE BOOSTER 3:

Track Revenue Changes INSIDE Salesforce, Not in Spreadsheets

Change is the only constant when it comes to sales bookings. Deals slip, commitments change in size or date — and the traditional way of tracking these changes (if they're being tracked at all) is in massive, time-consuming spreadsheets. Besides limiting the visibility of this data to the teams that need it most — specifically Sales Operations and Finance/FP&A — this requires additional work from the sales team.

The sales team is already spending their time in Salesforce — why not track changes in bookings and account run rate forecasts there too? This feature can be added easily to Salesforce Sales Cloud with an app like revVana Plan.

CSO Insights reports that quota attainment currently sits at an average 57%. There are top-line benefits to keeping salespeople out of clunky, error-prone spreadsheets and instead keeping them focused on selling. Tracking changes in sales commitments and revenue changes post-deal-close inside Salesforce is a better, more effective way for customer-facing teams to manage this activity. It keeps Sales focused where they have the most impact: on the sales process, in the sales tool.

Insight into revenue data helps sales teams better understand the direct correlation between revenue growth and active account management.

VALUE BOOSTER 4:

Give the Sales Team More Visibility into Their Impact

The silo walls between Sales and Finance in most companies eliminates the feedback loop. Giving Finance insight into sales data can improve planning, but giving Sales insight into revenue data has huge benefits, too.

When Sales has the ability to compare and measure actual revenue attainment to booked deals, they can gain insight that:

- Gives them a better understanding of how bookings relate to their quota and revenue targets
- Enables them to take more responsibility for revenue created
- Empowers them to proactively address issues with customers
- Keeps them better aligned with company goals

Galvanizing Sales in this way also gives them visibility into the direct correlation between revenue growth and active account management.

Revenue visibility is powerful for Finance/FP&A and Sales Operations teams — but it can be equally as powerful for the sales team. While Salesforce doesn't include revenue visibility tools right out of the box, an app like revVana can easily add this capability and create a two-way exchange of valuable insight for the organization.

Who's Using Salesforce … and Who COULD Be Using It?

An organization purchases Salesforce for their sales and marketing teams, but the data is both highly valuable and increasingly critical for other teams as well — particularly Finance/FP&A and Sales Operations.

By extending the usability and data of Salesforce to financial and operations teams, you can extract hidden benefits from the software your organization has already invested in, increasing ROI while making revenue more visible across the organization.

Salesforce was designed as a sales tool, but with a few small adjustments, it can be a more powerful, cross-functional tool for the entire company.

The revVana platform works right inside Salesforce Sales Cloud to give you improved revenue visibility and customizable, push-button pipeline revenue forecasting capabilities.

Deploy this powerful app in days, with no IT intervention and no extra work from the sales team.

SCHEDULE YOUR DEMO TODAY.

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[1]Dynamic Planning: Live in the Moment to Succeed in the Future, a joint report from SAP and Aberdeen Group. [2]PwC Finance Effectiveness Benchmark Report. Stepping up: How finance functions are transforming to drive business results. [3]CSO Insights 2019 World-Class Sales Practices Study