Outreach

# The Revenue Hero's Journey

**Chapter 1:** RevOps Leaders, Forecasting Maturity, and the Sales Execution Gap

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# Introduction

Heroes are the central figures in our favorite stories, including Star Wars, The Lion King, the Odyssey, and nearly every movie in the Marvel Cinematic Universe. Their stories all follow a shared format: The hero leaves their normal world, goes on a great adventure, faces difficult challenges, learns valuable lessons, and returns home changed. This story formula is known as the Hero's Journey.

It also sounds a lot like the journey modern RevOps leaders like you take every day. Much like our heroes in movies, books, and TV, RevOps professionals have their own Hero's Journey. In the quest to optimize sales processes, like forecasting, RevOps leaders abandon the status quo, brave the unknown, conquer a few villains, and come back with knowledge to share.

Every company is on a mission to achieve better revenue results. They want higher win rates, improved pipeline yield, scalable go-to-market motions, and reliable long-term business growth. But the road to reaching those results can be a winding path, with obstacles and surprises at every turn.

Today's increasingly complex selling landscape demands bold, innovative RevOps leaders. They envision a world where forecasting with confidence and world-class sales performance are the norm.

They strive to:

**Build the future by forecasting with confidence**

**Align people, technology, and processes**

**Empower consistent, world-class sales execution**

## They're Revenue Heroes, just like you.

# The Revenue Hero vs. Revenue Villains.

The Revenue Hero faces a range of adversaries throughout their journey — disparate tools, change management challenges, ineffective deal management, pipeline generation issues, and revenue underperformance, to name a few.

Two of the most frustrating villains are inaccurate forecasting and the Sales Execution Gap. You can defeat both, but mastering forecasting first makes it easier to close the gap. That's because the Sales Execution Gap is like an arch nemesis supported by several smaller villains. Think of traditional forecasting as a henchperson of an even bigger, badder villain.

Let's look at how forecasting issues contribute to the Sales Execution Gap. Without an accurate forecast, RevOps leaders are left to guess which deals will close. And every wrong guess has an opportunity cost — specifically, time spent on slipped or lost deals. Mistakes caused by ineffective forecasting are costly, and they prevent revenue-generating teams from executing at their highest potential.

Here's how these antagonists combine to thwart revenue: Revenue leaders have to spend countless hours anxiously preparing forecasts based on inaccurate data just to incur avoidable revenue losses in the end. In fact, a Forrester survey of over 200 sales leaders found that 73% of respondents spend over 10 hours a week on forecasting, and 12% reported dedicating more than 20 hours per week to forecasting.* Meanwhile, sales teams must contend with outdated technology and workflows that stall progress and hamper growth.

Modern RevOps leaders know this underperformance isn't caused by people falling short; it's the systems and processes in place. So they challenge the status quo. Let's take a look at the players in these epic battles.

## Who is a Revenue Hero?

You are. More specifically, a Revenue Hero is someone who welcomes transformation to achieve personal, professional, and company-level growth. Every organization has a hero on their revenue team who can champion change to drive growth. These heroes play any revenue role, including sales, marketing operations, or RevOps.

Revenue Heroes enjoy collaboration. They love digging into data to uncover insights. They're cool under pressure, and they aren't afraid of a challenge. They're also empathetic and understand that smarter systems and processes can empower people to amp up performance. At their core, Revenue Heroes are ready to venture into uncharted territory, gain new wisdom, and share best practices throughout their company.

## What does inaccurate forecasting look like?

Inaccurate forecasting occurs when revenue teams lack trustworthy data and technology to accurately predict their future results. Without intelligent systems in place, revenue leaders spend significant time and energy manually creating forecasts in spreadsheets based on stale, incomplete data. This traditional forecasting method makes it hard to measure success, causing undue stress and anxiety for revenue leaders.

According to a Forrester survey, 60% of sales leaders said they don't have a well-defined or scientific approach to forecasting.* In turn, forecasting inefficiency leads to inaccuracy that has a ripple effect across sales, operations, finance, and overall business performance. In that same Forrester survey, only 43% of respondents were forecasting within 10% accuracy, and 10% of respondents said they regularly miss their forecasts by 25% or more.* Ultimately, success is hard to achieve and repeat if you don't know what it looks like, or where it's coming from.

## What is the Sales Execution Gap?

The Sales Execution Gap is defined as the difference between an organization's actual revenue and its potential revenue over time. In the field, the Sales Execution Gap shows up as chronic underperformance, missed revenue targets, and time spent on deals that don't close. For the people behind the scenes in critical operations roles, the gap looks like manual data-crunching, broken workflows, and inaccurate forecasting.

Success requires heroes working together, not unlike Marvel's Avengers. Likewise, closing the Sales Execution Gap is not the job of any one person or team. Instead, narrowing the gap requires a coordinated effort across people, teams, processes, and systems. As cross-functional leaders, RevOps professionals have an integral role in making revenue potential a reality.

# How Revenue Heroes close the Sales Execution Gap.

The traditional answer to closing the Sales Execution Gap has been adding volume, i.e., executing more sales activities or hiring more reps and hoping that generates more revenue. But Revenue Heroes know that hope can't replace a data-driven strategy. Accurate forecasting is a critical part of that strategy.

## Here are three ways Revenue Heroes can improve forecasting to defeat the Sales Execution Gap:

### Driving efficiency

Revenue Heroes are in a cross-functional position to drive efficiency throughout the full revenue process. Revenue Heroes embrace efficient forecasting processes and leverage a combination of technology and experience to deliver realistic projections about future performance. With efficient forecasting unlocked, Revenue Heroes can reinvest time and resources back into the business, creating a culture of continuous improvement.

### Increasing predictability

Revenue Heroes are on the forefront of delivering greater revenue predictability by embracing more accurate, data-driven forecasting practices. With a better forecasting methodology in place, revenue leaders can get a realistic view of business performance, proactively mitigate risk, avoid preventable revenue losses, and stay agile in the face of ever-changing market conditions.

### Accelerating growth

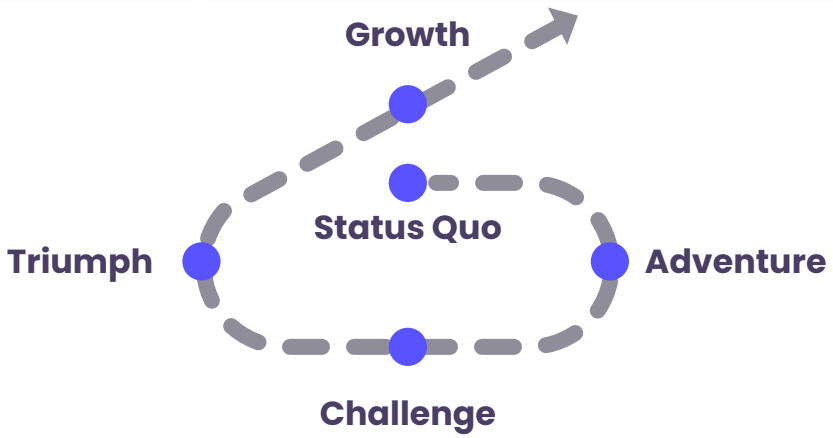
Revenue Heroes know that achieving greater forecasting efficiency and predictability paves the way for revenue growth. Top revenue leaders know that growth doesn't happen by chance. Instead, it's a highly calculated effort, and one of the most critical calculations is your forecast. To grow, companies must not only hit their numbers, but also ensure their targets are bold enough to advance the company's overall goals. Forecasts that reliably map your route to long-term success are what separate traditional revenue leaders from modern Revenue Heroes.

# Exploring the Revenue Hero's Journey.

## The Revenue Hero's Journey features five common parts:

| | The Classic Hero's Journey | The Revenue Hero's Journey |
|---|---|---|
| **Status Quo** | This is the hero's starting point, typically home or the familiar, normal world. | The Revenue Hero often starts with a lack of process and visibility into sales data. This creates unpredictability that is uncomfortable and anxiety-inducing. But the hero doesn't have the resources or a strong enough reason to change their course — yet. |
| **Adventure** | The hero gets called away to an adventure, often due to a need or crisis. | The Revenue Hero recognizes that they don't have to settle for the status quo and they must find a better way to grow revenue. |
| **Challenge** | The hero's determination is tested through a series of difficult events, like battling villains. | The Revenue Hero faces off against many foes, including traditional forecasting methods, change management challenges, disparate tools, ineffective deal management, pipeline generation issues, and ultimately, the Sales Execution Gap. |
| **Triumph** | The hero finishes their trials, gets rewarded, and makes their way back home. | The Revenue Hero achieves a more strategic and controlled revenue process and develops a plan to deliver this updated process to their full go-to-market team. |
| **Growth** | The hero returns home with new knowledge and shares it with their community. | The Revenue Hero expands their learnings and best practices throughout their entire revenue organization, delivering better revenue results for the business. In turn, this success allows more investments in recruiting, buyer and customer experience, and company credibility. |

These steps represent progress on an organization's pursuit of reliable top-line growth.



# How Heroes achieve forecasting confidence.

Embarking on the journey to forecasting confidence doesn't have to be a slog. But revenue forecasting based on gut feelings and incomplete data is a lot like taking a road trip using a paper map instead of GPS. It's time-consuming, often inaccurate, quickly outdated, and you can't proactively reroute to avoid roadblocks. Today's dynamic sales environment means traditional, static forecasting methods miss the mark.

That's why Revenue Heroes are forging a new path. They know forecasting requires a balance of experience and insights. In other words, it's an art and a science. Striking the right balance is achievable, and there are resources to make the journey easier.

> **"Committing with confidence is combining intuition with data, being data-informed, and taking in the reality of where you're executing today."**
>
> **Harish Mohan**
> SVP, Revenue Excellence and Operations, Outreach

Revenue Heroes now have a useful framework to map their path to better forecasting, no matter where they're at today: The Revenue Forecasting Maturity Model. On the following pages, let's explore how companies can mature and refine their forecasting process.

## The Revenue Forecasting Maturity Model.

One of the challenges in the Revenue Hero's Journey is forecasting. While there are many ways to improve, the Revenue Forecasting Maturity Model illustrates a roadmap that RevOps leaders like you can use to optimize processes, narrow the Sales Execution Gap, and guide their organization toward more predictable, efficient revenue growth.

### Stage 1: Ad Hoc, Informal

Organizations are still getting their bearings in Stage 1. They don't yet have a well-defined, documented, or standardized forecasting process. Although they might understand pipeline volume, they don't know which deals they'll win. Forecasts tend to be manual, subjective, and shared verbally. At this point, forecasting is generally not considered a high business priority.

### Stage 2: Tracked, Reactive

Businesses in Stage 2 add more structure to their forecasting process. They typically track projections manually in spreadsheets. Companies may also use CRM categories to track deal status. Still, forecasts are updated sporadically, and they still require manual maintenance. It's rare to feel confident in a forecast that goes beyond the next few weeks.

### Stage 3: Tactical, Defined

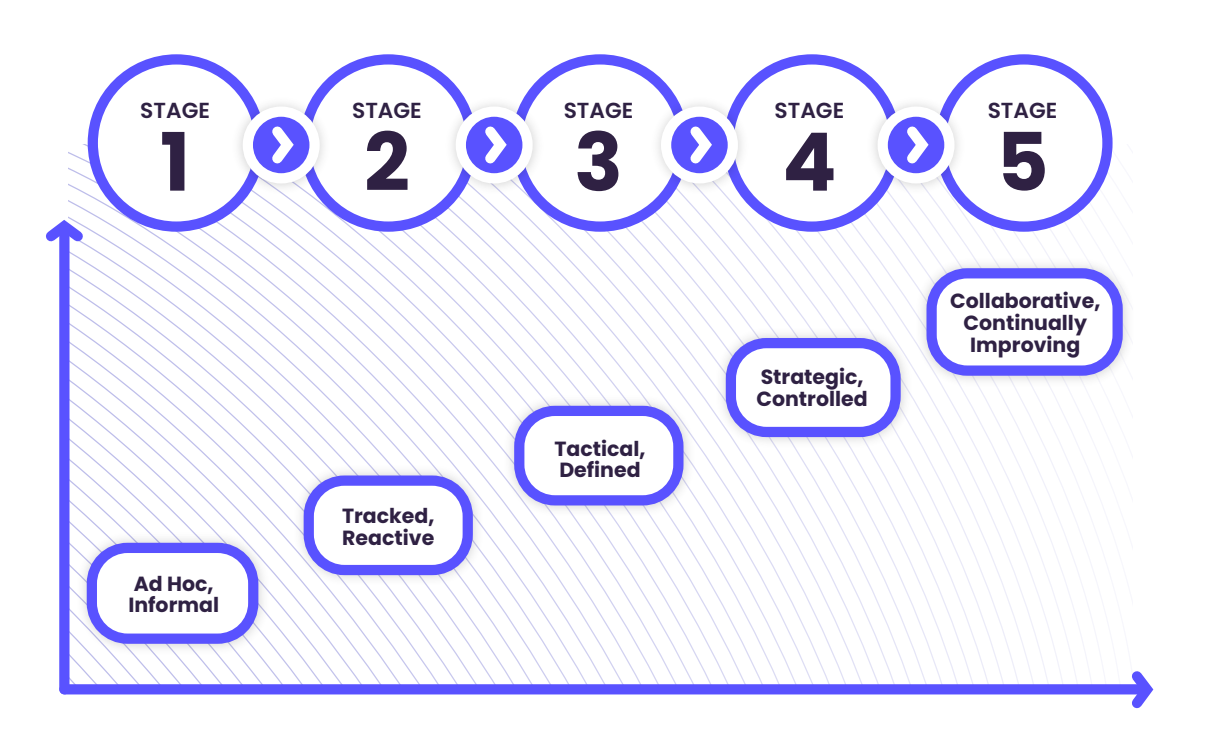
Stage 3 companies document and define consistent processes and best practices for forecasting revenue. The process is at least partly automated through technology, but some actions remain manual. Regular forecast updates help the revenue team keep up with pipeline shifts.

### Stage 4: Strategic, Controlled

In Stage 4, companies create their route to predictable growth. Stage 4 organizations have a clear, well-defined process in place for calling and reporting on their forecast. Forecasting is predominantly automated through technology. High levels of collaboration between go-to-market teams and leadership empower revenue organizations with proactive control over the forecast when changes occur.

## Stage 5: Collaborative, Continually Improving

Stage 5 organizations are proactively building their future, with long-term visibility into the health of their business. Forecasting is automated with technology and the full go-to-market team, along with finance, has standardized processes. Revenue leaders have a holistic view of revenue performance. Cross-functional collaboration is the established norm. These companies focus on continuous improvement, informed by revenue intelligence data from their pipeline, process, and systems.



# Create forecasts that drive results and peace of mind.

Revenue Heroes know they don't have to lose sleep trying to achieve predictable outcomes. Instead, they prioritize working smarter, not harder. They leverage intelligent forecasting technology and data-driven projections that empower teams to take the right actions, at the right time, with the right audience to win even more business.

Revenue Heroes like you are on the forefront of transforming the way companies grow. As a bold leader, you're breaking new ground, facing challenge after challenge, and enabling go-to-market teams — all to make the path to growing revenue easier for everyone who comes next.

> **"As a revenue leader, I want to see my team saying the same thing that my data is saying. And with my context overlaid on that, now I get a holistic picture of committing with confidence and knowing where my business is going to land."**
>
> **Adam Cuzzort**
> Director of Product Management, Outreach

# Ready to embark on your Revenue Hero's Journey?

**Learn how Outreach Commit can accelerate your path to forecasting with confidence and closing the Sales Execution Gap.**

Outreach customers can sign up to use Outreach Commit today. Contact your customer success manager to get started.

Not an Outreach customer? Request a demo to see how Outreach Commit delivers peace of mind to RevOps leaders.

**Request a Demo**

# Forrester names Outreach a leader in Revenue Operations and Intelligence.

Learn why Outreach received the highest possible scores in 12 criteria in the first-ever **Forrester Wave™: Revenue Operations and Intelligence, Q1 2022.**

## Source

* Base: 212 sales leaders in various industries across North America and the UK.

Source: A commissioned study conducted by Forrester Consulting on behalf of Outreach, B2B Leaders Usher In A New Era Of Sales, December 2021

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