

Right90 Solution for an Actionable Sales Forecast



Key Benefits

- ▶ **Drives Company-wide Trust in the Sales Forecast**
Uses quantifiable, objective measures to drive trust in the forecast.
- ▶ **Increases the Sales Organization's Forecast Performance**
Measures and monitors quantifiable measurements of trust (Accuracy, Bias and Completeness and Consistency*) to continually improve sales rep and organizational forecast performance.
- ▶ **Maximize Revenue & Quota Attainment**
Highlights key areas of risk in the forecast so that managers can focus on those specific areas that require attention.
- ▶ **Reduce Customer Lead Times and Inventory Levels**
Enable operational team to take action on forecast earlier in cash-to-cash cycle through increased forecast trust, driving decreased lead times to the customer and lower overall inventory carrying costs.

Sales executives traditionally rely on gut feel and intuition to judge a raw sales forecast. The result: subjective sales forecasts that the rest of the organization doesn't trust. Why? Because the rest of the organization relies on objective data to make decisions, not subjective data.

With this lack of objectivity in sales forecasts, sales executives miss critical business opportunities because other departments don't take action on a subjective sales forecast. Until today, they haven't had a way to objectively establish trust in the sales forecast.

Turning Subjective Forecasts into Objective Data

Right90 Trust Analytics is the first application to deliver capabilities that enable a sales executive to turn a subjective raw forecast into trusted, objective data that the rest of the organization can act on.

Specifically, Trust Analytics does the following:

- ▶ It provides an out-of-the-box framework, the Right90 Trust Factor™ Framework, for measuring trust in the sales forecast.
- ▶ It segments the raw forecast into high, medium and low risk areas based on the Right90 Trust Factor Framework.
- ▶ It provides performance management capabilities to improve trust in the sales forecast.



By combining key measures of forecast performance (accuracy, bias, completeness and consistency) – into one clear indicator (the Trust Factor) – sales teams can take action to remove risk, bias and inaccuracies from the forecast and drive a more competitive business.

The Right90 Trust Factor Framework

The Right90 Trust Factor Framework uses past historical performance to evaluate the trustworthiness of the forecast. It combines the key metrics of sales forecast performance (Accuracy, Bias, Completeness and Consistency* – the ABCs of forecast performance) into a single measure, the Right90 Trust Factor, so that organizations have an objective way to judge the forecast.

Right90 Trust Analytics provides the following metrics for measuring the ABCs of forecast performance:

- ▶ **Forecast Accuracy:** This is a measure of how accurate the forecast has been in the past. This is more than just evaluating whether your rep Joe always achieves his top line forecast number – it's whether Joe actually sells the 10,000 red widgets to customers A and B that he said he would last quarter and whether he sells the 15,000 blue widgets to customers C and D that he said he would.

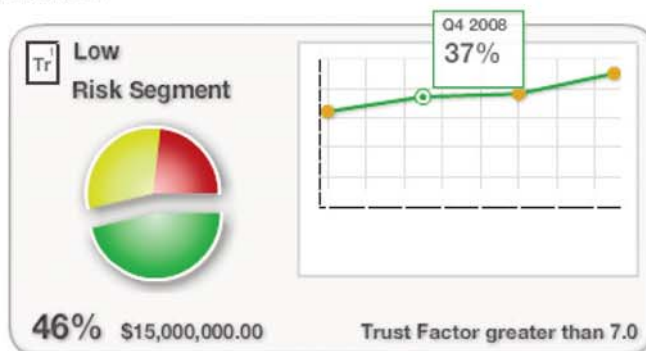
- ▶ **Forecast Bias:** This metric tells you whether the sales forecast has typically been overly or underly optimistic. Sales managers use this to identify the sandbaggers and overly optimistic reps on their team. Sales managers can use this to know if a customer's been gaming them by providing overly optimistic sales forecasts.
- ▶ **Forecast Completeness:** Sales managers use this measure to determine how fresh or up-to-date the forecast is. Obviously, you're going to trust a forecast that has not been updated in the recent past a lot less than a forecast that has been updated more recently.
- ▶ **Forecast Consistency:** Sales managers use this measure to get a sense of whether or not the forecast has performed in a consistent manner. For example, let's say you have two reps, Jeff and Ted. Let's say that Jeff always comes in at 25% above his forecast number every quarter. Ted, on the other hand, comes in at 10% below his forecast in Q1, 20% above in Q2, and 30% below in Q3. Ted seems to be all over the place with regards to how good his forecast is – he is less consistent.



Weighted average of trust elements = trust factor

Forecast Risk Segmentation

Right90 Trust Analytics segments the forecast into high, medium and low risk areas using the Right90 Trust Factor. Once the raw forecast has been segmented based on the Trust Factor, operations and finance teams can rely upon the low risk areas of the forecast.



Furthermore, sales teams can drill into the areas of the forecast that require adjustment (the yellow and red areas) and judge those forecasts based on objective measures (such as Accuracy, Bias, Completeness and Consistency*) prior to making any adjustments.

Forecast Performance Trends

Right90 Trust Analytics provides executives with interactive drill-down analytics and views into trends in shipment/actuals, forecast and forecast performance over time by customer, region, opportunity and SKU. It also provides analytics on sales rep forecast performance detail, and comparison rankings so that management can drive the necessary coaching and performance management for improving sales rep forecasting skills.

Global 1,000 companies are using an actionable forecast to make the key business decisions in time to immediately impact the business. Customers of Right90 have seen quantifiable benefits such as:

- ▶ 5% increase in revenue
- ▶ 15% increase in forecast accuracy
- ▶ 20% decrease in inventory
- ▶ 60% reduction in forecast cycle time

*Forecast Consistency will be available on a future release

About Right90

Right90 is a market leader in sales forecasting solutions. Right90 delivers a powerful suite of SaaS-based applications that enable companies to generate an actionable sales forecast. By integrating with leading CRM and ERP systems, Right90 applications help companies to drive higher revenue, greater margins and increase sales performance. For more information, visit www.right90.com or call 1-650-638-9090.



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