

Pipeline Coverage Framework

Cheat Sheet



What is it?

The Pipeline Coverage framework is a precise and accurate method of understanding the true health of your pipeline coverage. For many, simple multipliers such as “Let’s aim for 5x” have led them to inaccurate planning, an inability to course-correct, and missed quotas. Pipeline coverage isn’t necessarily hard to get right, but it does require closer attention than it tends to get.

**The rule of 5X is
dead**



But how do you measure it?

Up next are the 4 key metrics you will need to build your pipeline coverage framework and how to calculate them.





01 Pipeline Win Rate

Pipeline Win Rate is an important deviation from the standard and better known Win Rate. Where Win rate will tell you how much you win vs. lose, Pipeline Win Rate will tell you how much you win of what is available to win in that closing period.

How to calculate it

To calculate Pipeline Win Rate you will need to find out how many opportunities you had open in previous periods with a close date of that period. Then, simply divide how many opportunities were won by that number. Ideally average this over 3 or so closing periods to get an accurate read.

Example

If Charlie has 20 opportunities that are closing this quarter, and they win 5 and lose 5, their Win Rate is 50%. The other 10 opportunities remain open and push to next quarter, but they were intended to close this quarter and didn't.

Charlie's Pipeline Win Rate on the other hand is 25%, because they closed 5 opportunities from a possible 20, and so when planning coverage, 25% should be used because Charlie exhibits a pushing behaviour we need to factor in.



TIP

You may need some help from your Revenue Operations team who can use opportunity histories to tell you how many opportunities were open in previous periods.

02 Stalled Pipeline

Stalled Pipeline is a simple metric to quantify how much of your pipeline is at risk and is moving slower than pipeline that typically converts. Many teams get creative and sometimes complex with what Stalled Pipeline is, but we share a simple option below.

How to calculate it

To calculate Stalled Pipeline you will first need to analyze the opportunities that won, say over the last 3-6 months. From here you can calculate the average time spent in each sales stage for those opportunities. Once you have those figures, multiply them by 1.5. These new stage times will offer a new benchmark to compare open pipeline against.



TIP

You may need some help from your Revenue Operations team who can use opportunity histories to get the average stage duration for won opportunities. If you have the capability, you can run the same analysis for lost opportunities, and find a sensible mid point between the two to define Stalling Pipeline.



03 Stalled Pipeline Win Rate

Stalled Pipeline Win Rate applies Pipeline Win Rate to opportunities, which in previous closing periods, would have fallen into your new Stalled Pipeline category. The idea is to be able to quantify how much Stalled Pipeline you currently have, and to understand how that might convert in-period vs. regular pipeline.

How to calculate it

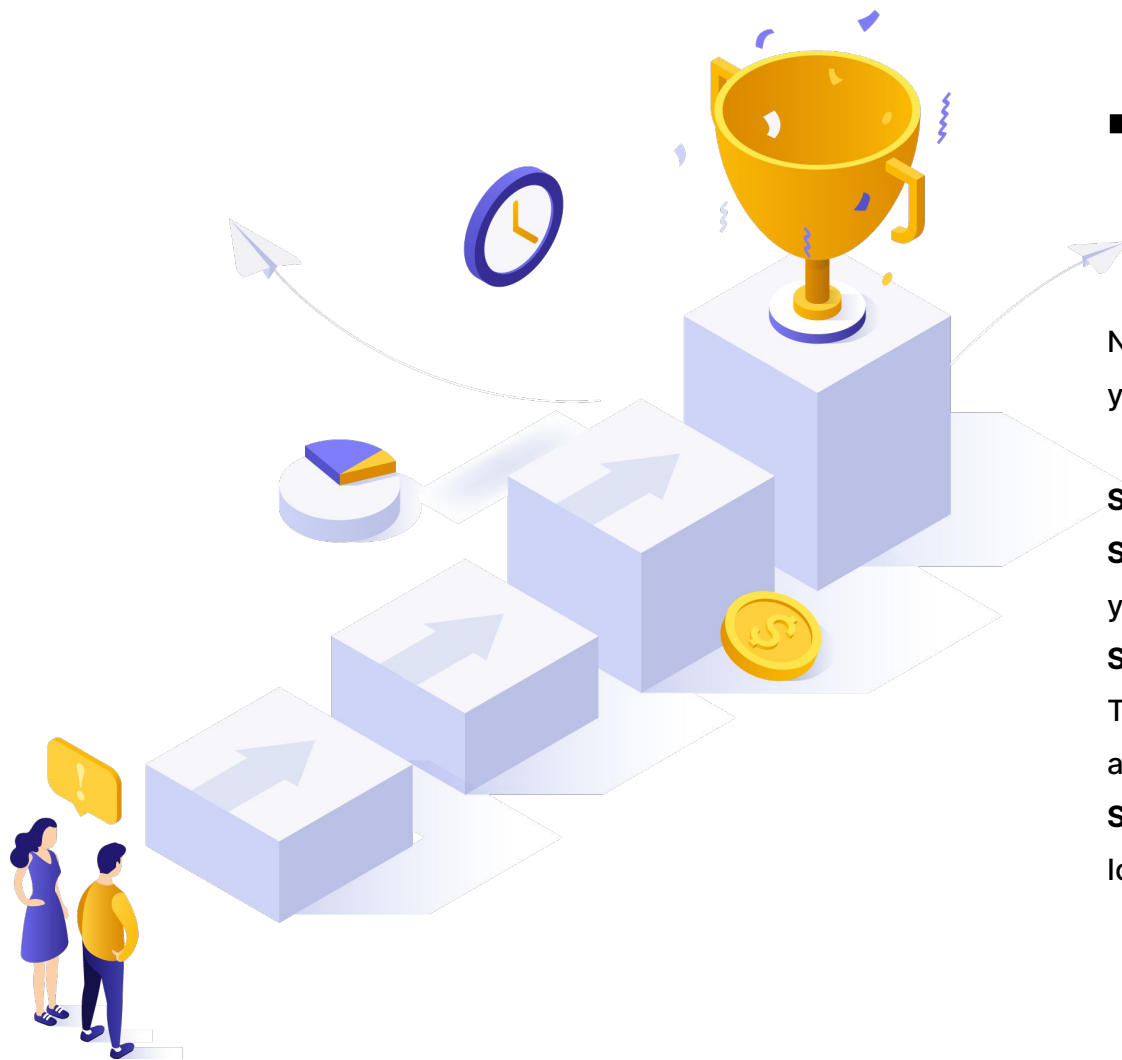
To calculate Stalled Pipeline Win Rate you will first need to identify the opportunities that would have been categorized as Stalled Pipeline in previous closing periods. Then, simply apply the same Pipeline Win Rate calculation to those opportunities.



TIP

Access to opportunity histories will be required here, too. Which is a standard field within Salesforce.





The Framework

Now, you bring these three metrics together in relation to your quota for the period you are applying the framework to.

Step 1 - Sort your open pipeline by Pipeline and Stalled Pipeline

Step 2 - Apply Pipeline Win rate to your Pipeline and Stalled Pipeline Win Rate to your Stalled Pipeline

Step 3 - Compare your total - now weighted - pipeline number against your quota. This will now tell you if you have sufficient coverage or if you have a gap to fill to attain quota

Step 4 - Repeat this process for your key regions, business lines, and motions. Ideally, this exercise is repeated at rep level

Strategic Value

When applied to key business lines and regions the Pipeline Coverage Framework serves as an early warning system for quota attainment in key areas of the business. If this analysis serves as a cornerstone for a regular cadence of go-to-market meetings with the senior leadership team, you can devise and deploy the appropriate demand generation strategies to close coverage gaps with enough time for them to have a course-corrective impact.

Additionally, it could be that certain business lines or segments have more coverage than they need, where some may have less. Again this will serve as a compass as to which areas of the business get key demand generation resource in the run up to the next closing period.

Lastly, they say “bad news early is good news”. This, of course, is about giving Executives early warning on business and segment performance. With this, they can make the right strategic plays today, so that the business is protected tomorrow.





Case Study

ExtraHop

ExtraHop, a leading cybersecurity firm, identified a need for a more efficient and accurate sales forecasting tool.

Problem: Limited forecasting and analytics functionality led to inconsistencies and inefficiencies.

Solution: ExtraHop adopted Kluster, a leading revenue analytics and forecasting platform. Full implementation achieved within six weeks.

Impact: Streamlined forecasting process, eliminated manual data correlation, and provided easy access to data. Resulted in increased sales growth and performance.

Conclusion: Kluster became a crucial part of ExtraHop's revenue operations, enhancing forecasting accuracy, sales tracking, and win-rate analysis.



"With Kluster, we can actually spend time growing sales and improving performance instead of continuously working to put the numbers together."

Jessica Zinger, SVP of Revenue Operations

[Read more](#)

Learn more about Kluster.

Embark on the journey to unprecedented accuracy and foresight in sales forecasting with Kluster. Our revolutionary Superforecasting methodology not only navigates uncertainty but transforms it into a wellspring of opportunity.

- Enhanced forecast accuracy.
- Timely data for strategic decision-making.
- A user-friendly approach to tackle complexity.
- A blend of data-driven insights and human judgement.

Ready for accurate predictions and confident decision-making? Book a demo today and let Kluster steer your business towards sustained growth.

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