

*The Sales VP's Success Guide to*

# Quarterly Business Reviews



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# Meet the Authors

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Zorian has a degree in Finance and with minors in Applied Mathematics and in Computer Science from Lehigh University and earned his MBA from Harvard Business School.



## Mike Baker

Mike is a content writer and journalist who enjoys diving into complex issues and exploring the world of data-driven business intelligence. Before coming to InsightSquared, Mike earned an English degree from Oberlin College and wrote for several newspapers, websites and marketing firms around the country.

Section // 1

# Introduction to Quarterly Business Reviews

# Introduction to Quarterly Business Reviews

Successful companies must analyze their quarterly performance and use that information to adjust their course. This is especially true for Sales VPs, as sales teams rely heavily on historical data and KPIs to help them forecast, establish clear quota goals and improve their sales process. Because of this, all Sales VPs should be prepared to use one of the most powerful strategic resources at their disposal – **Quarterly Business Reviews (QBRs)**. These meetings help a company's executives look back at the performance from the previous quarter and use these insights to chart their course for the upcoming three months. QBRs offer team leaders an opportunity to think more strategically and focus on their team's long-term success.

In order to reach their goals, sales executives must understand the purpose, structure and best practices of their QBRs. In this eBook, we will look at the guiding principles of QBRs and offer a few simple tips you can follow to make sure you are getting the most out of your quarterly meetings.

## What is a Quarterly Business Review?

What propels your sales team? On a daily level, the answer is straightforward – your reps come in each morning, make calls according to their schedules and spend their days managing opportunities and closing deals. These daily routines form the framework of your sales team's regular activities, however they are only the result of your department's larger, overarching strategy – how many reps to have, what type of prospects to pursue, which deals to focus on and so forth. Without understanding these long-term goals, aligning them with your overall company objectives and communicating them throughout your organization, you can't be sure that these daily routines are best serving your company's ultimate goals.

This is precisely what QBRs are for. Each quarter, it is important for you, your team and other key stakeholders of your company to meet in order to analyze your team's last quarter performance and adjust its goals for the next three months (and beyond). Blindly following the same course (even if it's been working) and failing to adapt to changing market conditions and corporate goals will ultimately cause your sales

team to sputter, so it's important to use QBRs as an opportunity to ensure that you are heading in the right direction.

## The Role of Quarterly Business Reviews

QBRs help ensure that your company is growing revenue and that all teams are aligned with your company's top objectives. Without regular data-backed check-ins, it is difficult to know where (and, more importantly, why) you may be coming up short of your goals – QBRs are an ideal way to review your recent performance at a high level. Carried out correctly, QBRs can help you better prioritize your objectives, improve both intra-team and intra-company communication and improve your team's process and performance.

Of course, simply scheduling a QBR and inviting the appropriate people is not enough to guarantee these benefits. These meetings are only effective when attendees and presenters are on the same page, which makes it imperative for Sales VPs to follow a strong process and have a solid understanding of the structure and composition of QBRs.

**In the following sections, we will explore the basics of QBRs, what you need to do to prepare for one, agenda-setting suggestions and the keys for successful execution.**

Section // 2

# Getting Started with Quarterly Business Reviews

# Getting Started with Quarterly Business Reviews

## Determine Who Will Attend from Your Sales Team

Who you invite to present at your QBR depends on the size, stage and structure of your company. In smaller companies and startups, you will likely be the only one presenting about your team's performance. At larger companies, however, you may choose to invite your Regional Sales Directors to present alongside you.

## Collect the Appropriate Sales Data

Without the right materials, a QBR is little more than an informal brainstorming session. If you are using data to support your new goals (and you should be), you should have the appropriate materials to demonstrate your claim. What did your sales funnel for the quarter look like? How healthy is your pipeline? Where did most opportunities stall? These are all important topics to discuss in a QBR, so you should prepare slides, charts or other visuals to communicate them to your team.

## Create an Agenda

A good QBR needs a clear agenda so that your attendees know exactly what to expect from the meeting." Your agenda should be clear and comprehensive and, ideally, made and distributed in advance of the meeting. The keys to a successful agenda will be discussed more thoroughly in the following section.



Section // 3

# The 5P Sales Management Framework

# The 5P Sales Management Framework

Leading up to your QBR, you should take the time to properly plan and organize your meeting. First and foremost, this means accounting for all the details – how you will structure your presentation, which members of your team will attend and what materials you need to execute the meeting properly.

QBRs work best when they follow a fairly standard structure and when all attendees have a clear idea of how the meeting will unfold. Build your presentation around the 5 P's – People, Planning, Process, Pipeline and Performance. This way, you will ensure that you are touching on all the key elements of your department and that attendees will be able to easily understand how your presentation connects to your team's overall objectives.

Throughout the process of planning your QBR presentation, you should check in to make sure your message incorporates the 5 P's of successful sales management. The following 5 topics – People, Planning, Process, Pipeline and Performance – should be the through lines that tie your presentation together.

## People

To grow sales, you need reps, Outbound Prospecting Reps and quota-carrying reps. Even the most carefully constructed strategy will fall short if you don't have enough reps to carry it out. Moreover, these reps must be fully trained and onboarded before you can count them as full-time reps, which typically takes about 4 months.

## Planning

Is your sales strategy working properly and are your goals achievable? QBRs can only be effective if you have a clear understanding of your sales process - who are your customers and how do they buy? What is the value of your product to these customers? How do you sell to them? Always keep your larger strategy and objectives in mind.

## Process

All of the key points of your QBR should be centered on honing your sales process to better suit your company's goals. During your presentation, tie every point you make back to how it affects, improves and complements your sales process.

## Pipeline

How your next quarter unfolds depends heavily on the current state of your pipeline. Show the QBR attendees as clear a picture of your pipeline as possible and explain to them how this has affected your goals and projections for the upcoming quarter.

## Performance

Ultimately, the next quarter will depend on the performance of your sales team. Look back at the previous quarter and determine whether the team hit their goals or if these goals were set unrealistically high. To answer that, you must do a top-down and bottom-up analysis and build an operating model for your business (as well as a sales capacity model) that will help you evaluate if your goals for the next quarter are attainable.

Projecting your next quarter's results is a crucial aspect of your QBR, so make sure you understand the current level of your team's performance – win rate, average sales cycle and so forth – and use this understanding to accurately predict your team's upcoming performance.

Growing your sales over the next quarter isn't easy. However, using the 5 P's can help you accurately analyze your current situation and make realistic predictions for the next quarter.

Section // 4

# Creating Your Quarterly Business Review Presentation

# Creating Your QBR Presentation

Once you've considered your QBR through the prism of the 5 P's, chosen your attendees and collected your data, it is time to construct your actual presentation. Simply put, you should break your QBR into two broad sections – looking back at how your last quarter went against your goals and looking ahead at what changes you will institute to drive sales growth.

## Retrospective: Reviewing the Previous Quarter

Understanding the activities and outcomes of the previous quarter is an essential part of any QBR. You should look at your quota and sales bookings projections from the last quarter and compare them to the actual results. Any significant gaps between predictions and performance should be noted, analyzed and explained to the meeting's attendees.

Did your team meet the goals you set? Are you on the right path for your department's long-term objectives? Is your sales cycle in line with expectations? Does the data you've collected reveal any red flags? Center the first part of your presentation on answering these questions and explaining what they mean for your team's next quarter performance.



Planning

By presenting your data and explaining its meaning to your team, you can more accurately plan for the next quarter. Be sure to explain exactly how the data support your next quarter's goals and strategies.

## Essential Slides

A Sales VP may want to share the following slides with the other executives at the QBR.

- Q1 and Q2 Comparison, by Sales (\$) and Deals (#)
- Year-Over-Year Quarterly Comparison (Q2'2013 to Q2'2012, for example)
- Bookings vs. Quota
- Bookings vs. Quota by territory
- Top Rep by % of Quota achieved
- Average Deal Size
- Number of Opportunities that converted into Deals
- Top Partners by region (Transactions (#) and Revenue (\$))
- List of Partners who hit certain Bookings benchmarks
- Amount of Activities needed to hit Sales goals
- Lead Generation by Region
- Lead Growth by Region



Performance

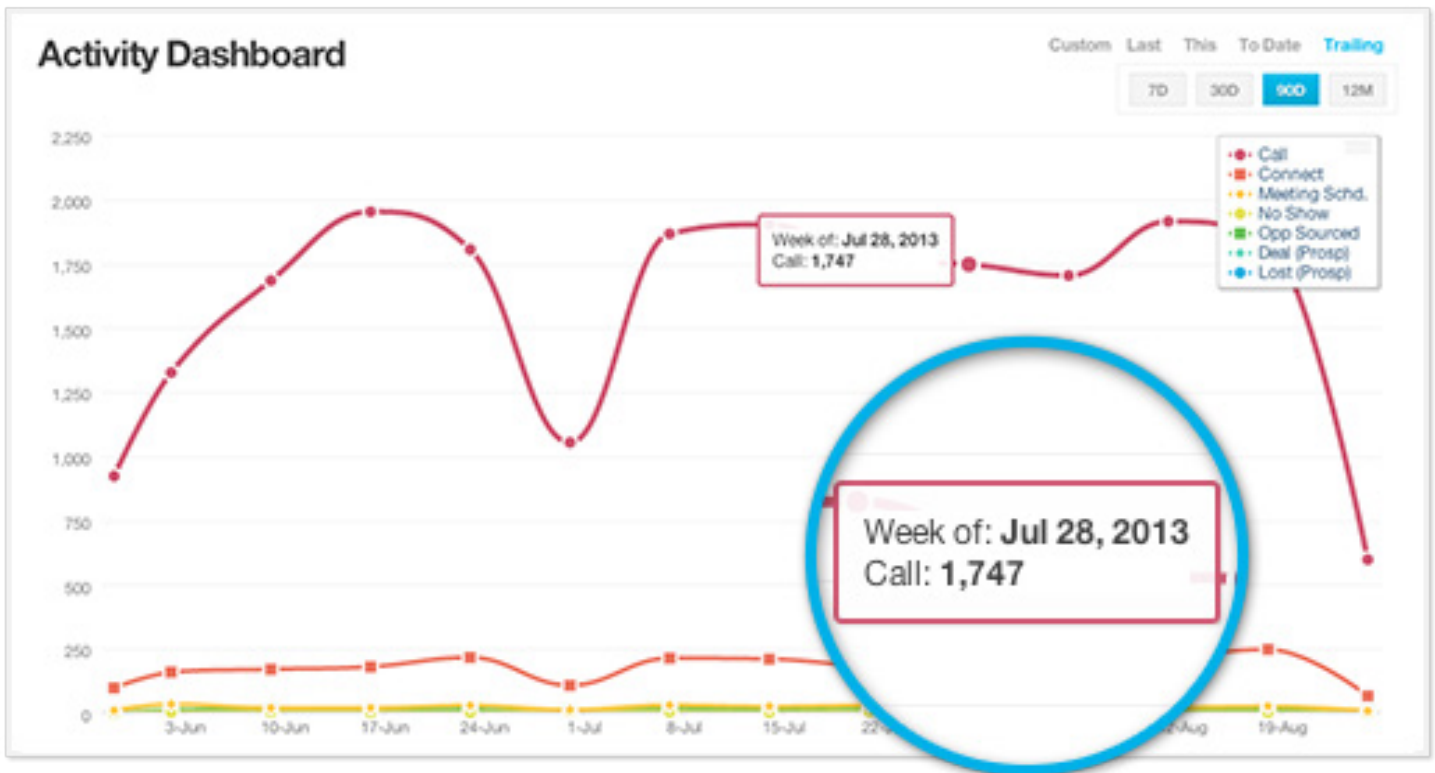
Understanding how your sales reps performed during the last quarter is essential for accurately forecasting your next three months, so make sure your team is performing in line with expectations or whether you need to adjust your goals.

## Support with Data

When you craft the retrospective portion of your presentation, you should support your analysis of the last quarter with specific data. These charts will help the other attendees visualize the team's performance during the last quarter and show them that you're setting your next quarter's goals based on clear quantitative information.

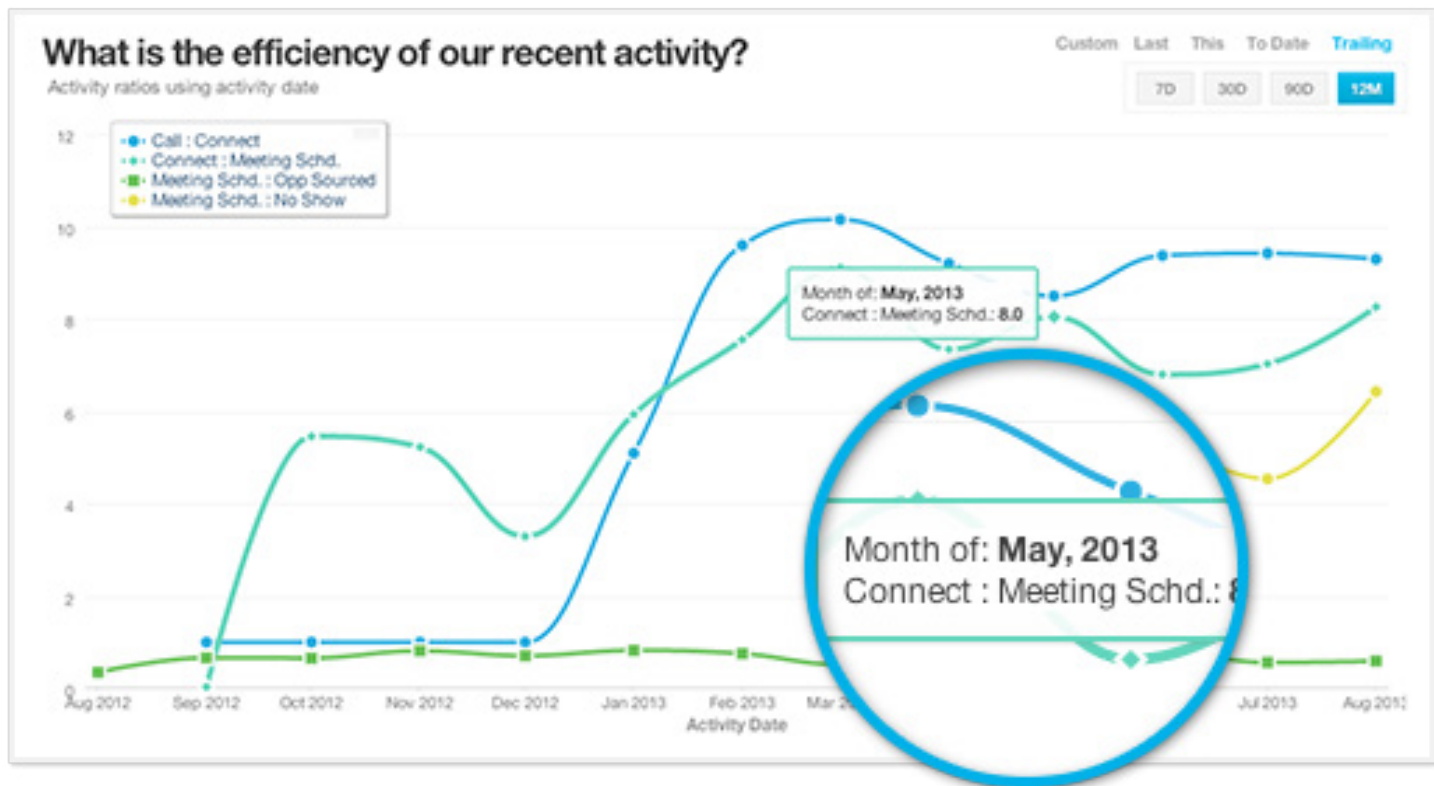
Here are a few reports you should use to help you prepare for and present the retrospective portion of your meeting.

## Sales Activity



Measuring results is a great way to analyze what went right and wrong over the last quarter, but tracking activity – dials, demos, deals, etc. – is also a useful way to measure your last quarter's performance. Showing a Sales Activity report helps you present your team's activity metrics from the last quarter by clearly displaying how many dials, connects and appointments your reps made during the quarter.

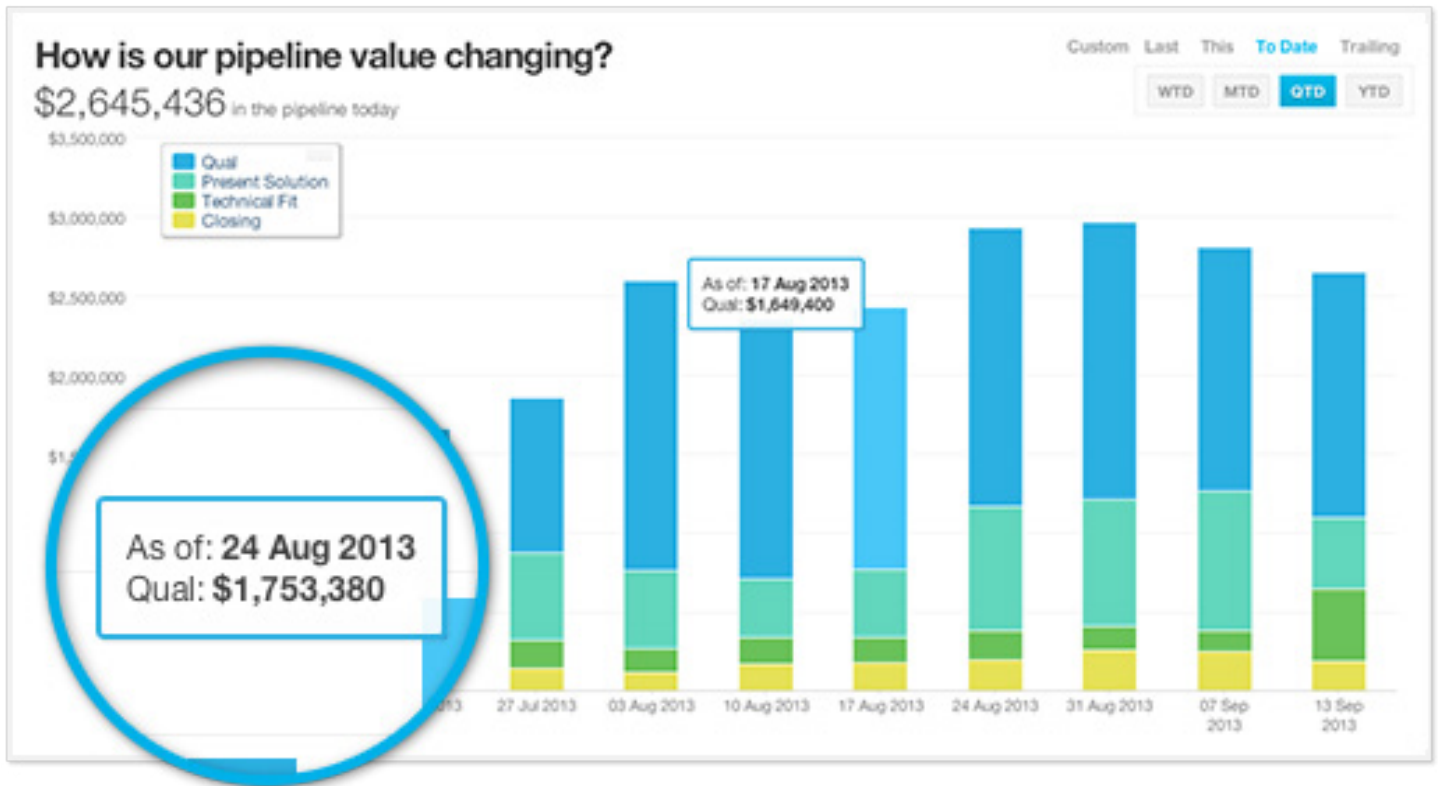
## Sales Activity Efficiency Ratios



Once you've shown the other QBR attendees your team's performance in terms of activities, you should present a report about their sales activity ratios, which displays not only what actions your reps took, but also how effective these actions were – did their calls reliably lead to meetings? Did these meetings lead to deals? This report will show the other attendees exactly how well your team is doing at not only performing their activities, but also performing them in the right way.

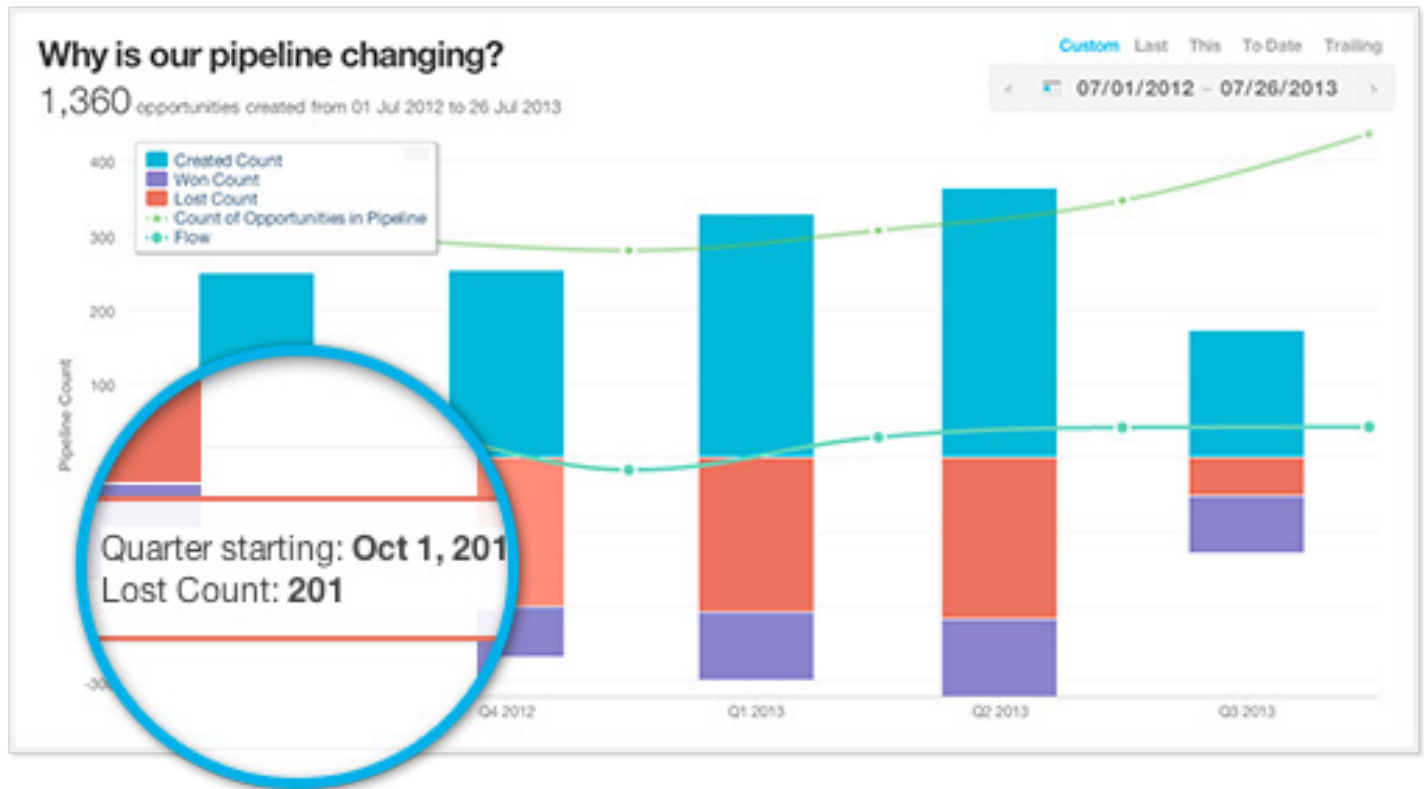


## Pipeline Count



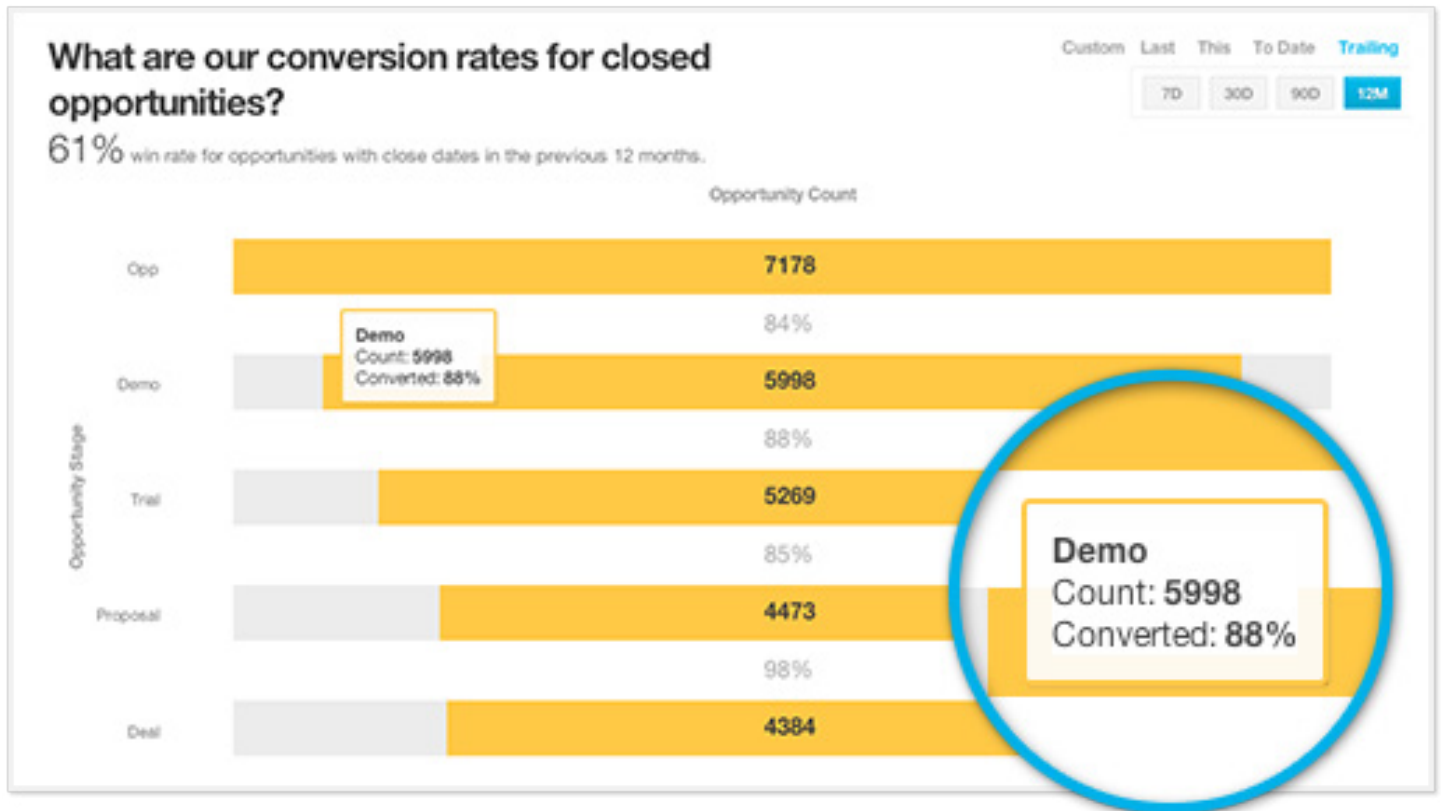
Did your pipeline count grow over the course of the quarter? It is your responsibility to show your CEO and the other attendees the current state of your pipeline and how its value changed over the last three months. Not only will this help them determine whether your sales tactics were successful, it will also help them see where your pipeline stands now and whether you will be able to hit your revenue goals for the next quarter.

## Pipeline Inflow/Outflow



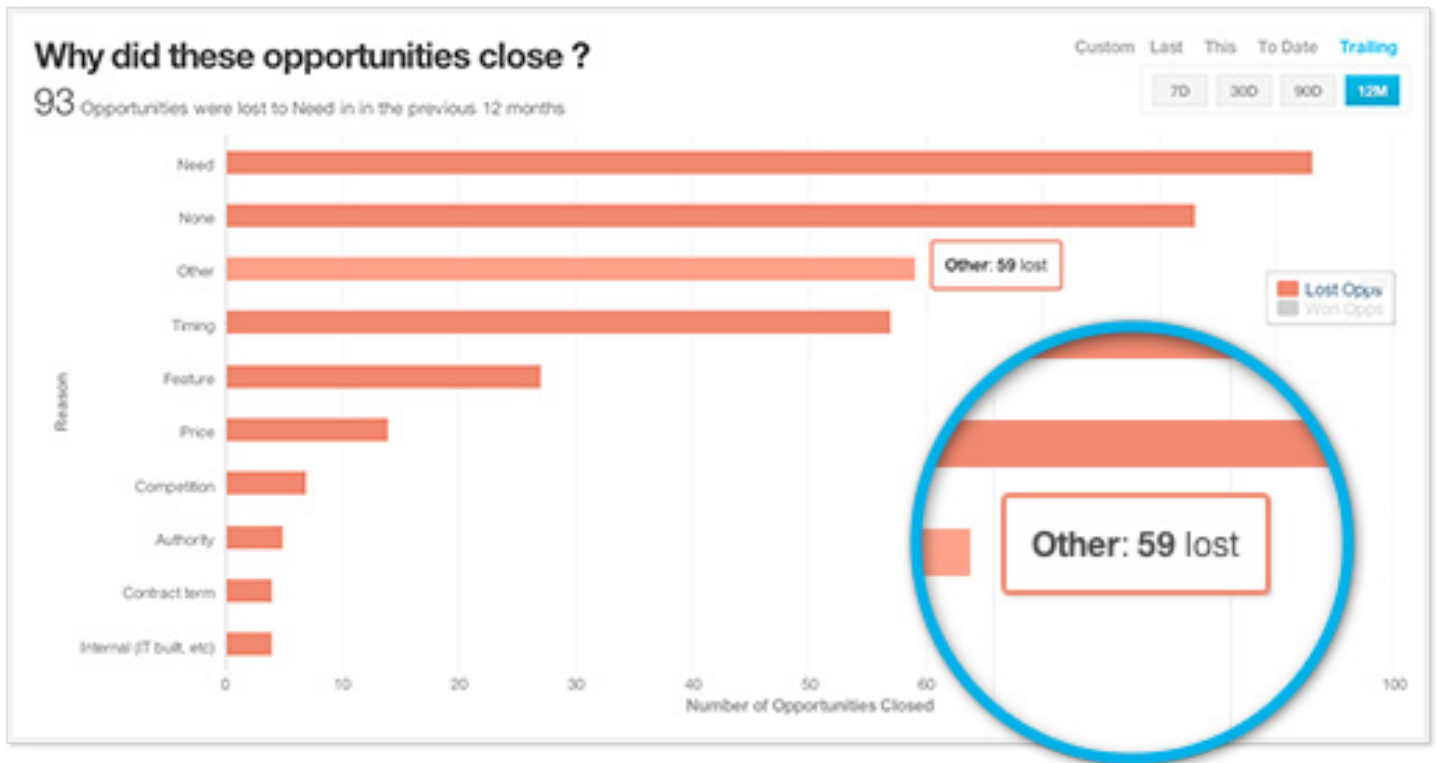
Perhaps even more important than a current glimpse of your pipeline is a report that shows how your pipeline count shifted over the course of the last quarter. Did your team generate enough new opportunities to replace those that flowed out as either Won or Lost deals? Did you lose an unexpectedly large number of deals? Including this report in your QBR presentation will help attendees understand how your pipeline changed over the last quarter and what shape you're in for the start of the new one.

## Sales Funnel



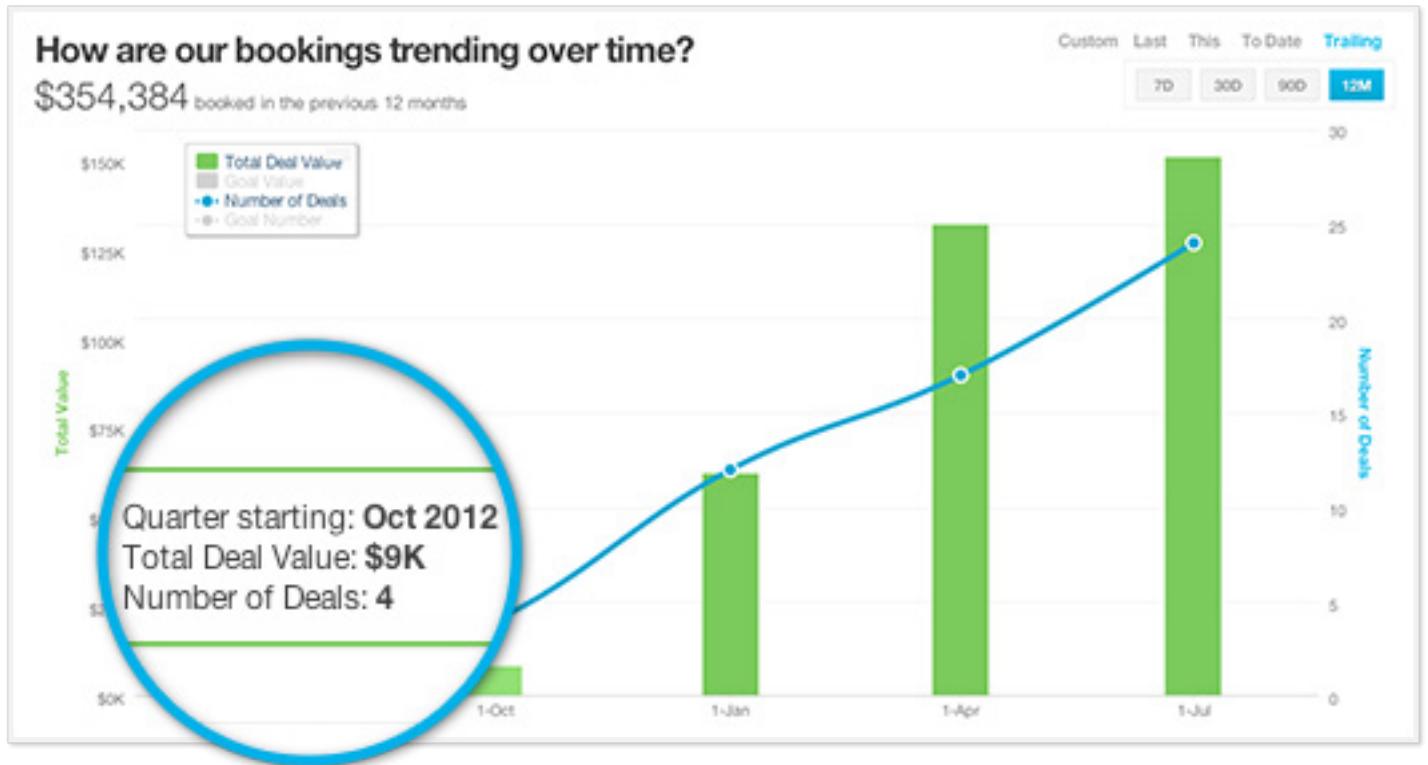
Knowing whether your pipeline is shrinking or growing is important, but your QBR attendees will also likely want to be presented with more information about why this is happening. The Sales Funnel report allows you to show them exactly how your reps are performing at every stage of the sales process. Are they having difficulty moving prospects from the demo stage to the trial stage? Are they not closing as many deals as you would expect based on historical data? Having a clear up-to-the-minute picture of your sales funnel can help you answer these questions for your attendees and give you a chance to explain your thoughts about the funnel and your plans to correct any leaky areas.

## Closed-Lost Analysis



A Sales Funnel report can tell your QBR attendees a lot about why you win and lose deals, but a Closed-Lost Analysis can give them even more pertinent information. Why did your reps lose the deals they did? Was it an issue of timing? Of missing features? Is your competition offering a similar product at a lower price point? This report allows your attendees to see exactly why your team lost the deals it did, which will help you strategize for next quarter and improve your sales process.

## Sales Bookings



The most fundamental way to analyze your last quarter's performance is to track your sales over time. During your presentation, you should have a report that clearly shows how your bookings increased (or decreased) over the previous three months. Were there any unexpected spikes? Dips? Showing this report will give your attendees a clear narrative of the last quarter.



Process

QBRs are all about analyzing your past performance and using the insights you gather to shape your sales process – make sure you have the data you need to explain your reasoning to the QBR attendees.

Section // 5

# Looking Ahead

# Looking Ahead: Projection for Next Quarter

The second essential part of your QBR presentation should be all about looking forward, which means detailing your goals for the upcoming quarter and explaining your projections with leading indicators. Analyzing your team's performance over the course of the last quarter is important, but it is most valuable when used in the context of projecting your team's performance over the next three months.

**In this section of the eBook, we will look at the two main aspects of the forward-looking section of your QBR:**

- Setting goals for your team
- Making data-backed projections for your team's performance in the upcoming quarter

## Setting Goals

Every QBR, your CEO and the meeting's other attendees expect you to outline your goals for the next quarter. Ultimately, you will be held accountable for these goals at your next QBR, so it is important to think carefully about these objectives and understand the basic principles for establishing them.

In general, it is better to pick a few clearly defined goals – usually between two and four – and outline them in detail than to barrage your team with 10 or more watered-down, ambiguously defined goals.

It's not only the number of goals that should be taken into consideration, but also the type. The objectives you set in a QBR will vary – they typically fall somewhere between short-term tactical goals and long-term objectives. Ideally, your goals should be things you can accomplish – or at least make progress on – in a few months, not that you can complete in a few weeks.

Furthermore, it is not only important to set proper goals, but also to establish clear guidelines about who is accountable for them. Without clearly defining who will be responsible for achieving the goals you create, it will be impossible for you to measure your success at the next QBR.

- What are your top 5 priorities for this quarter?
- What is your plan for achieving your quota?
- What are the top opportunities in your pipeline this quarter? Break these opportunities into deal size categories such as <\$10K, \$10K - \$25K, \$25K - \$50K and \$50K+. This will help the other executives in attendance better understand the likelihood of these deals closing based on historical Win Rate.

## Making Projections

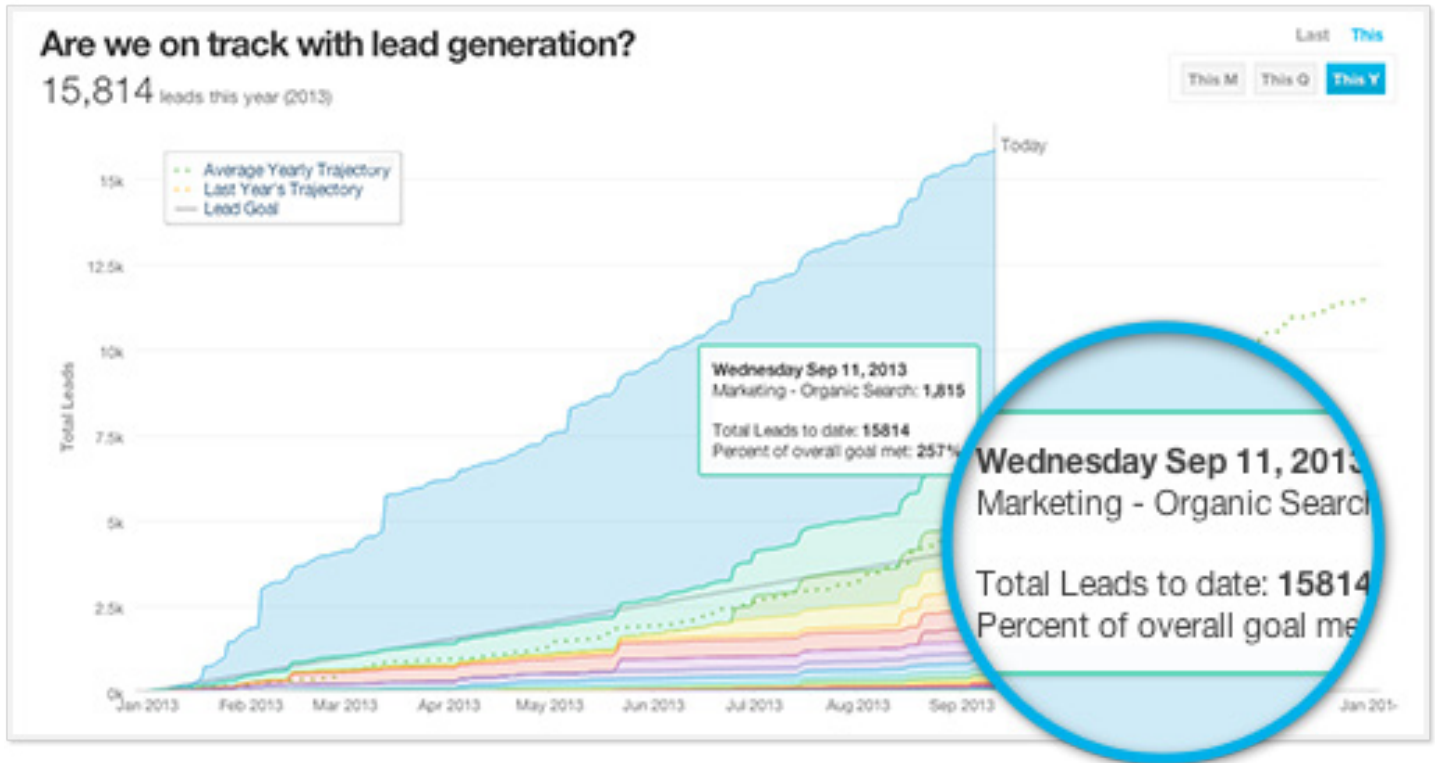
No QBR is complete without a high-level look at your projections for the upcoming quarter. Is your lead flow growing? What does your bookings trajectory look like? Will you be able to hit your number? In this section, we will show you three reports that will help you answer these questions and give your attendees a better understanding of the next quarter's outlook.

**Here are some ways to frame your objectives for the upcoming quarter.**

- Lead Trajectory
- Bookings Trajectory
- Scheduled Revenue

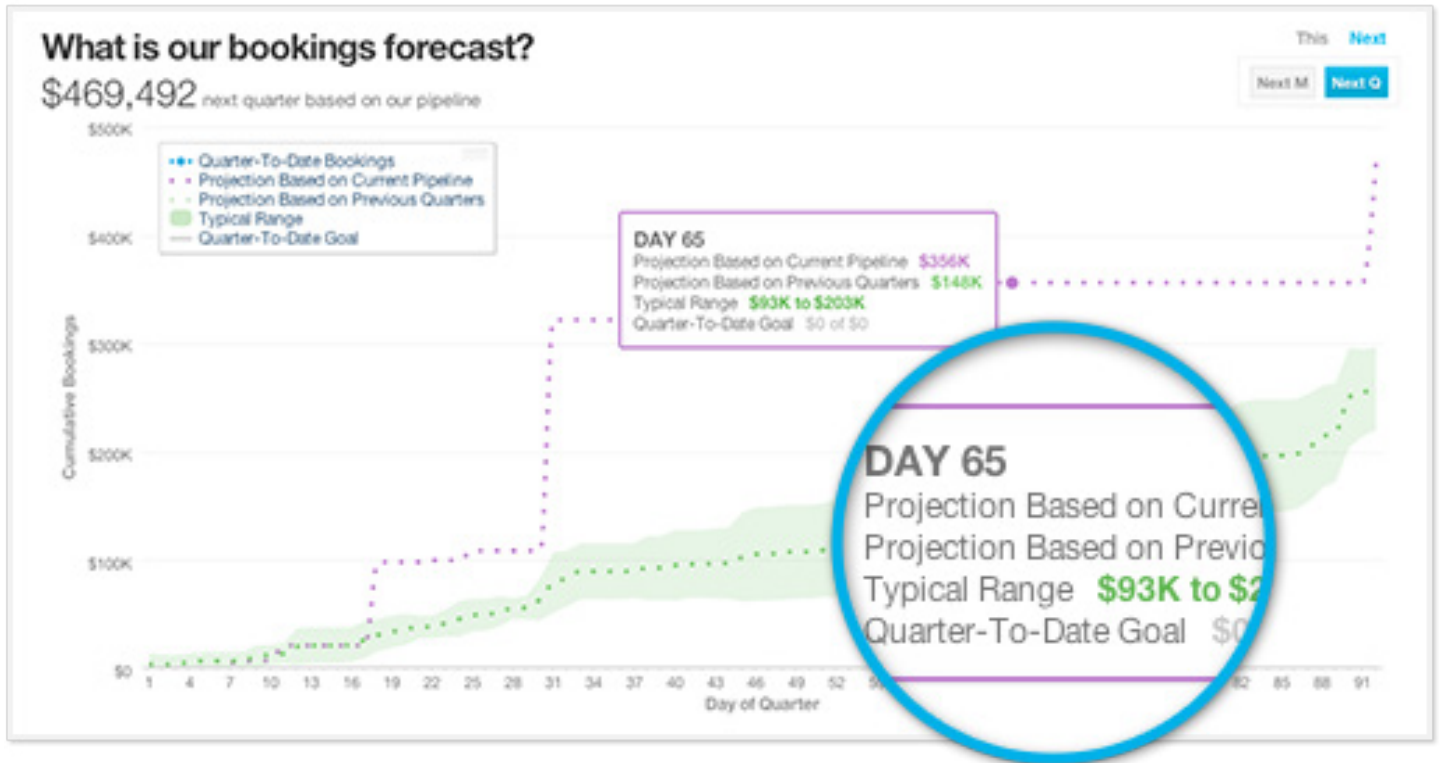


## Lead Trajectory



Your projection for your team's performance next quarter depends largely on whether you have enough leads to convert into opportunities and, ultimately, deals. This report helps your attendees determine if you will have enough leads to support the pipeline you need to hit your number next quarter. It also shows you which lead sources are the most productive and whether you are ahead of or behind your goals.

## Bookings Forecast



Ultimately, your attendees are less interested in leads and more interested in revenue. A Bookings Forecast shows how much revenue you are expected to generate during the next quarter based on both your current pipeline and historical data from previous quarters.

## Scheduled Revenue



Predicting your next quarter's revenue is difficult, but one way to give your attendees a clear picture is to use the report that shows them how revenue generation looks for the next few months without any new bookings. Whether this revenue is recurring revenue or contract-based, it will be able to give your attendees a clear idea of how much additional revenue your team needs to generate in order to reach your quarterly goals.

Section // 6

# **3 Components for Sales VPs to Succeed at Quarterly Business Reviews**

## 3 Components for Sales VPs to Succeed at QBRs

It should be clear by now that the bulk of the work needed for a successful QBR is carried out well before the actual meeting, but it is still important to have a firm grasp of the meeting's mechanics. As with any meeting, the tone you set and the process you use during the QBR will have a significant impact on how effective the meeting is.

**Here are 3 important ways to improve the execution of your next QBR and ensure that you get the most out of it.**

### Build Confidence

Not all of the news you present at your QBR will be positive, but it is important to maintain an optimistic tone throughout your presentation. This doesn't mean that you have to be a cheerleader, but it does mean that you should encourage your team members – and any executives in attendance – to have faith in the next quarter. You will no doubt be talking about how you want to drive growth and increase revenue, so present your findings in as positive a tone as possible.

### Create an Open Dialogue

The point of a QBR is not to issue top-down decrees about how the next quarter will unfold – it's about stepping back, thinking broadly, analyzing data and getting feedback about your team's ongoing strategy. With that in mind, you need to do your best to create an environment that fosters open and honest dialogue.

The most important part of encouraging open dialogue is setting the appropriate tone for the meeting, which should not be about placing blame, but rather about correcting shortcomings. This is an opportunity to think about the future of your team and solicit your team members for input and suggestions – not berate them or frighten them into better performance. Make it clear from the beginning that you want this QBR to be about working together to improve your team's strategy – ask probing questions, encourage dissenting opinions and, most importantly, listen to what your team says.



People

Although you are responsible for leading the sales portion of the QBR, it is important to think carefully about who else will present, so create an attendance list as early as possible.

## Build the Conversation Around Performance Data

Once you have set the appropriate tone by explaining the significance of QBRs and fostering open dialogue, you should focus on the final element of execution – strong data. Lively conversation is essential for a productive QBR, but it should always be firmly rooted in clear, accurate data. This is your best opportunity each quarter to create and communicate new goals for your team, so make the most of it by supporting every assertion you make with strong data. This will help everyone in attendance understand that you have prepared for the meeting and that the goals you have set for the upcoming quarter are not just based on your intuition, but founded in careful, thorough analysis.

For example, if one of your goals for the upcoming quarter is to increase the number of deals your reps close by 10%, you should provide them with data showing them what they will need to accomplish at each funnel stage – calls, demos, trials, etc. – to achieve this goal. Does your pipeline have enough opportunities to support this goal? Should your reps be focused on deals with shorter cycles to help them boost their won/closed totals?

Once you've shared the data with your team to help them understand the goals you're setting for the next quarter, listen to their questions and feedback. Here, you are accomplishing two goals – obtaining alternative perspectives as well as demonstrating to everyone at the meeting that they play a large role in determining the direction of your team.

# Review

By following these steps to prepare for and execute your Quarterly Business Reviews, you will be better prepared to run a successful meeting and give your team the best opportunity to set and reach its goals for the next quarter.

- Decide who will attend your QBR
- Gather sales data from the previous quarter
- Create an agenda for your meeting
- Compile slides based on the last quarter's sales figures
- Analyze sales team's performance during last quarter
- Explain the current state of your pipeline
- Address areas of your sales performance that need improvement
- Establish goals for next quarter
- Make bookings and revenue projections for next quarter
- Seek input from your QBR attendees

# #1 for Salesforce Analytics

## About InsightSquared

InsightSquared is the #1 Salesforce Analytics product for small and midsize businesses (SMB). Unlike legacy business intelligence platforms, InsightSquared can be deployed affordably in less than a day without any integration costs and comes preloaded with reports that real business people can use. Hundreds of companies and thousands of users around the world use InsightSquared's award-winning analytics to maximize sales performance, increase team productivity and close more deals. Based in Cambridge, Mass., InsightSquared was recently named one of the "Best Places to Work in Massachusetts" by the Boston Business Journal. [For more information, visit \[www.insightsquared.com\]\(http://www.insightsquared.com\).](#)



## 12 Must Ask Questions for Data-Driven Sales Managers

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