

## Oracle CRM On Demand Best Practice: Triangulated Forecasting

Maximize forecast accuracy  
through Triangulated Forecasting

In today's competitive and volatile marketplace, the ability to develop an accurate sales forecast and effectively manage the sales pipeline can have a profound impact on a company's health. Too many organizations fail to realize, until it is too late, that they are going to miss their quarterly revenue targets. This brief describes how companies can use triangulated forecasting as a best practice to improve forecast accuracy.

### Analyze forecasts from three different perspectives

Triangulated Forecasting offers companies multiple perspectives into their forecasts.

- The **field assessment** provides a rollup of individual field salespeoples' forecasts.
- The **pipeline assessment** offers a detailed breakdown of opportunities at each sales stage.
- The **analytic assessment** incorporates historical trend data to calculate a more accurate forecast.

### The Need for Accurate Forecasting

Inaccurate forecasts also create problems at the operational level. Forecasts, after all, serve as the basis for planning expenditures on everything from marketing and product development to new capital equipment. Without an accurate forecast, companies' planned expenditures may not correspond to business needs, negatively impacting profitability.

As the CRM market leader, Oracle has helped thousands of companies of all sizes improve their pipeline management and forecasting processes. This brief describes Oracle's best practice for developing accurate forecasts – Triangulated Forecasting.

### Maximizing Forecast Accuracy

Too often, when developing sales forecasts, organizations rely exclusively on the perspective from the field. As a result, they fail to recognize the broader issues and historical context that can add much-needed clarity to forecasts. To maximize forecast accuracy, organizations should assess forecasts from three distinct perspectives, an approach Oracle calls Triangulated Forecasting.

- The field perspective, or "field assessment," is based on a rollup of individual forecasts, providing management with a bottom-up view of current market conditions
- The pipeline perspective, or "pipeline assessment," is generated by analyzing opportunities at each stage of the pipeline, enabling management to assess sales targets from an aggregate, top-down viewpoint.
- The historical perspective, or "analytic assessment," is based on a comparison of current pipeline data with historical trends, allowing the company to apply knowledge gained from prior periods to the current forecast.

Triangulated Forecasting provides a set of checks and balances that enables management to quickly identify potential problems. Consider a company whose field assessment indicates that the organization is on pace to meet its quarterly revenue number. At the same time, the pipeline assessment reveals that 80 percent of all opportunities are at Sales Stage 3 or below (where Sales Stage 7 represents a closed sale.) Additionally, the analytic assessment highlights that, at this point in the quarter, the company's forecasts are typically 20 percent above the final attainment. Taking all three perspectives into account, management can quickly recognize that the company is unlikely to meet its original forecast unless corrective action is taken immediately.

### **Employing Triangulated Forecasting with Oracle CRM On Demand**

The three perspectives that comprise Triangulated Forecasting are reflected in tightly integrated business processes embedded in Oracle CRM On Demand. For example, Oracle CRM On Demand pipeline management functionality enables organizations to develop the pipeline assessment and facilitates the generation of the analytic assessment through the extraction and analysis of data. Oracle CRM On Demand can also integrate forecasting with third-party applications via Web Services interfaces.

### **About Oracle CRM On Demand**

Oracle CRM On Demand is a comprehensive hosted CRM solution that is delivered over the Web as a subscription service. It is designed for companies seeking an easy-to-use CRM solution that can be deployed quickly, easily, and affordably, without any up-front IT investment. Oracle CRM On Demand is part of Oracle's wide range of on demand and on premise CRM offerings. Oracle is the world's leading provider of CRM.

### **CONTACT US**

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