VALUE PER MEETING:

THE NEW LEADING INDICATOR OF REVENUE

How to Calculate The Average Revenue of Each Sales Meeting (and How to Calculate Yours)

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From forecasting revenue for senior leadership to setting targets that motivate your reps, experienced sales leaders know the road to success is paved with numbers. Without well-defined, easy-to-measure metrics, it's difficult to define goals, set realistic expectations, and illuminate a path forward.

Obtaining those numbers with messy CRM data only serves to muddy the waters. Furthermore, traditional forms of measurement, like pipeline and probability to close percentage are so subjective that predicting your quota attainment continues to be difficult.

There is a much better way to predict your revenue regardless of how your sales teams are structured.

It's called Value per Meeting.

Traditional Leading Indicator Calculation:

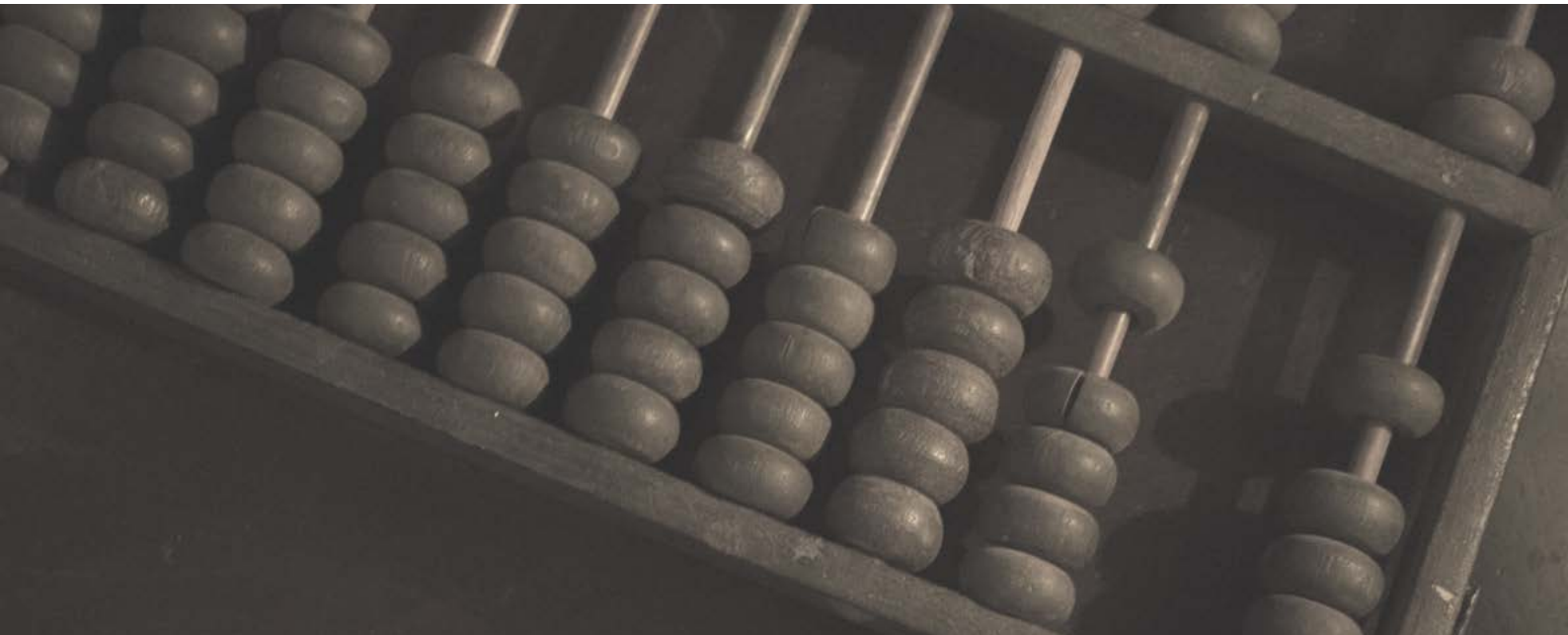
EXAMPLE KNOWN VALUES
Goal: $500K in Revenue this Quarter
Avg Deal Size: $20K
Close Win Rate: 20%
Discovery Meeting to Opportunity Rate: 50%

How many wins do I need for $500K in revenue this quarter?
$500K revenue / $20K avg deal size = 25 Wins

How many deals do I need in the pipeline?
25 wins / 20% close win rate = 125 deals in the pipeline

How many discovery meetings do I need?
125 deals in the pipeline / 50% meeting to qualified opportunity rate = 250 meetings that quarter

RESULT:
Leading Indicator: 250 meetings



Traditional Math Complexity Caveats:

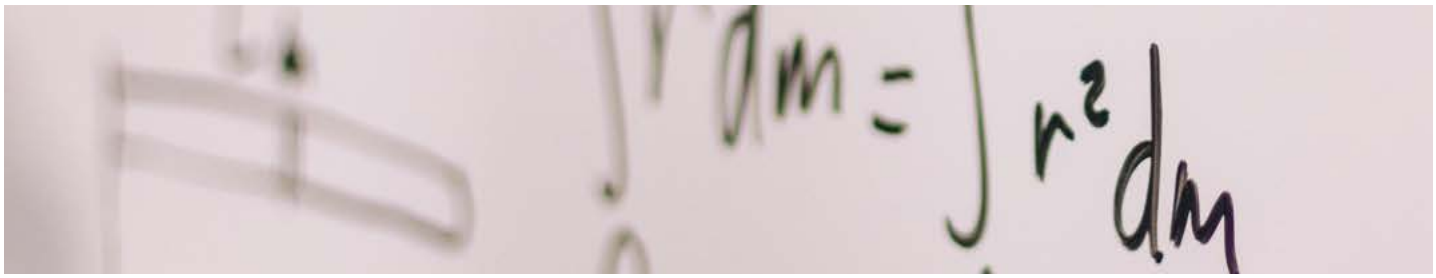
Do you have multiple product lines?

You'll need to perform that exercise for each.

Do your reports not align across teams?

Reporting becomes siloed as metrics across teams vary greatly.

Even after finishing all this, it becomes much harder to track pipeline indicators as a whole, so you end up with a patchwork quilt report.



Need to Check-in on Pipeline Attainment?

Good Luck...

Many organizations either:

- Don't require a pipeline number until opportunity stages 2 or 3
- Don't update their average deal size regularly enough and/or accurately automate early stage pipeline calculations
- Don't use pipeline at all during early stage opportunities causing delays lasting weeks to months for marketing to evaluate success with pipeline.

To report off of deal count or pipeline, that is the question...

Meeting Math Makes It Easy

Meeting Math sets your goals and calculates your pipeline attainment using ONE metric.

Value per Meeting

Additionally, this calculation uses the exact same known values as the traditional method, it's just smarter and more versitile.

Value per Meeting Calculation

Identifies the average revenue expected from each discovery meeting held, giving you a simple base value to view your goal and pipeline.

Avg deal size X Opp win rate X Mtg to Opp rate = Value per Meeting

Finding Value per Meeting using the same known values as the traditional example:

EXAMPLE KNOWN VALUES
Goal: $500K this Quarter
Avg Deal Size: $20K
Close Win Rate: 20%
Disco/Demo Meeting to Opportunity Rate: 50%

$20K avg deal size X 20% close win rate X 50% mtg to Opp rate =
$2000 Value per Meeting

Let's make sure this aligns to the revenue target and our prior goal.

$500K revenue / $2K per meeting = 250 meetings

Complexity Removed:

Scaling across teams becomes easy.

One simple equation can be used by every team and product.

This value can easily be appended and measured in your CRM.

Meeting Goal Calculation

Revenue target / Meeting value = Meetings needed

Pipeline Tracking

Meetings held X Meeting value = Predicted revenue attainment

You ask, "Okay, but how will calculating my Value per Meeting move the needle?"

Reps become smarter about their sales activities once they realize the value of their time in terms of pipeline and revenue. Traditional methods encourage sales activities focused on chasing meetings, which do not equate directly to revenue.

This is also incredibly powerful for planning, and even more valuable for modeling purposes. It's strategic and tactical, and not skewed by how optimistic or pessimistic reps are about their pipeline.

59%

Increase in Opp Creation

BrightTALK Case Study Stat

...after implementing Value per Meeting using Kronologic's software

4 Benefits of Value per Meeting

01 Put a Value on Each Day's Schedule

Showing sales reps the true value of their time using Value per Meeting metrics, helps them work smarter in order to focus on more revenue producing activities.

02 Create Different Values for Opportunity Types

Segmenting your Value per Meeting will ensure you're investing the right amount of time and energy into each engagement. For example, a $500 meeting should have less preparation than a $5,000 meeting.

03 Finally an Accurate Leading Indicator - Meetings Booked

Understand if you are on track to hit individual and team numbers WEEKS in advance. Use a bar graph to see how many meetings are booked 1, 2, and 3 weeks out per rep and team.

04 Adjust Sales and Marketing Activity BEFORE It's Too Late

Proactively work with marketing to adjust the aggressiveness of NEXT months campaigns because now you know how much pipeline will be generated 1-3 weeks out.

What Is Your Value Per Meeting?

Now comes the fun part. Calculate your Value per Meeting.

Avg deal size X Opp win rate X Mtg to Opp rate =
Value per Meeting

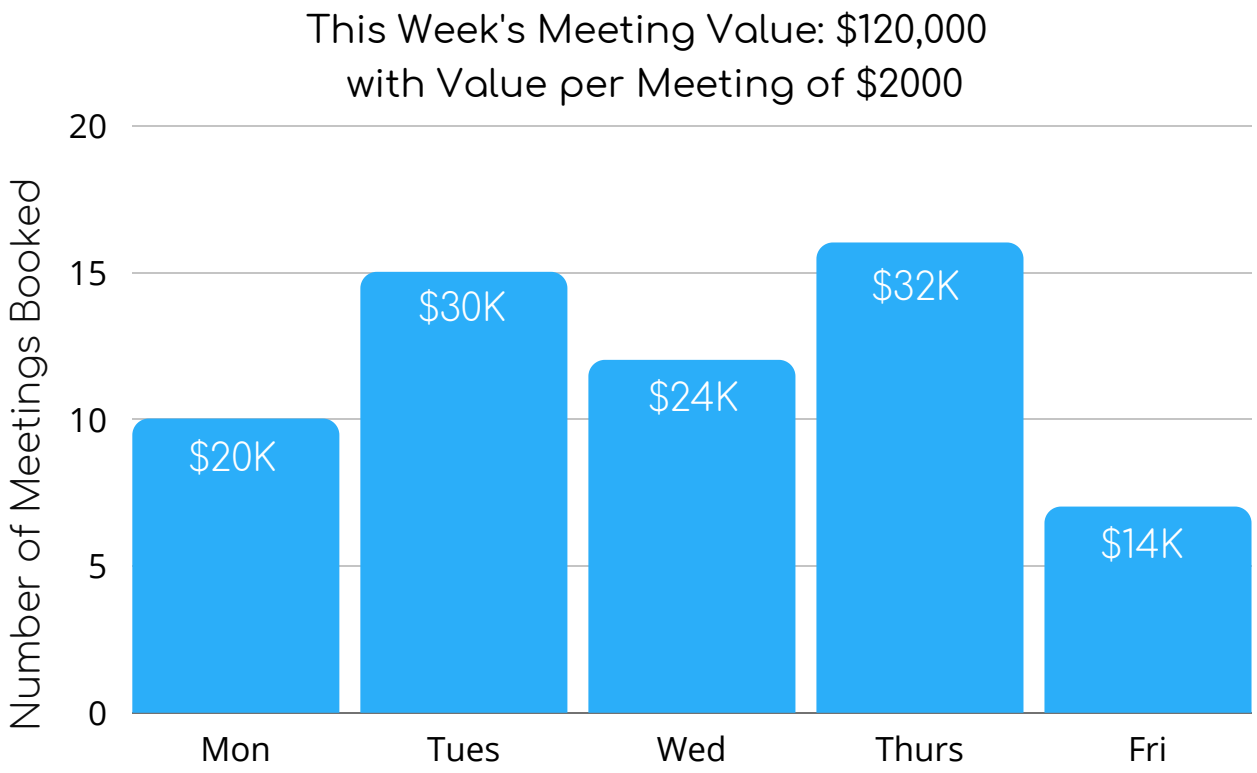
Revenue Goal
Number you are responsible for in any given timeframe

Average Annual Contract Value
Annual average deal size for the team or product you want to evaluate.

Average Opportunity to Win Rate
Ratio of wins divided by the total closed won and lost opportunities from a comparable historical timeframe

Average Meeting to Sales Accepted Opportunity Conversion Rate
Ratio of discovery/demo meetings that convert into sales accepted opportunities for a comparable timeframe

Meeting Trend Reporting



Calculating your meeting math is an excellent exercise because there's no better leading indicator of sales pipeline and revenue.

It's like seeing into the future.

- Know your goal pacing WEEKS IN ADVANCE
- Adjust your sales activities AHEAD OF TIME
- PLAN WITH marketing to ramp campaigns up or down

Ready to land more meetings and boost conversions?

REQUEST A DEMO.
KRONOLOGIC.AI/GETADEMO

KRONOLOGIC

Kronologic creates a world where your work day is automatically scheduled to prioritize the most valuable interactions. Orchestrating time itself for knowledge workers like marketing, sales, and customer success by setting revenue generating meetings at scale. All you have to do is show up.

Businesses of all sizes have turned to Kronologic to create a winning culture that maximizes their bookings and their revenue. Request a demo today: www.Kronologic.ai/getademo.