

Radian4Cast®

Future Revenue Forecasting

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Radian4Cast® App

Revenue Forecasting is a major challenge to most managers. Not just in putting together the information but other factors involved including:

- *Time spent on forecasting*
- *Time spent away from operational issues*
- *Reliability of the forecast*
- *Ability for forecast to meet budget*
- *Demonstration of 'best judgement'*
- *Evidence-based forecasts*
- *Addressing real life issues influencing the forecast*
- *Providing forecasts for each revenue stream*
- *Providing forecasts in multi-currencies*
- *Forecasting future resource levels –
inventory/people/support services*

Radian4Cast is designed to provide Salesforce.com users with a practical and reliable way of producing future revenue forecasts by providing easy to read graphical charts. This new App is completely integrated within your Salesforce org. and works straight from the data entered on the Opportunity Page. It has easy navigation tabs to take you to the Radian4Cast Charts.

Radian4Cast features include:

- *All data entered straight onto the Opportunity page*
- *Reports and charts produced for each revenue type in
multi currencies*
- *Forecast values shown at each phase of the Sales Cycle*
- *Forecast values phased across the potential duration period
of the opportunity*
- *Percentage conversion rate factored in*
- *Number and value of opportunities identified at each
Phase of the Sales Cycle*
- *Comparison charts identify future Performance Gaps*

Radian4Cast will provide you with:

- 'Flash' forecast
 - Always available to provide an immediate view of current forecasted revenues. Flash forecast provides revenue forecasts for each revenue stream and each business unit – shown against budget and target.
- Next month's forecast
 - A close up view of next month's revenue including secured revenues. Colour coded charts identify forecasted revenues for each phase of the sales cycle shown against budgets and targets.
- Current Quarter forecast (Q2)
 - A 90 day view of this quarter's forecasted revenues (if nothing changes) shown against budget and target. Radian4Cast Comparison Chart identifies performance gaps and opportunities for each revenue stream and business unit providing valuable time to influence future results.
- Next Quarter forecast (Q3)
 - A longer term view which identifies future revenue potential based on current best judgement and the number, value and % probability factors. Provides managers and the teams with the time and ability to influence next quarter's results.
- Year end forecast
 - An even longer perspective of future revenues if nothing changes between now and the year end. Managers and the teams can identify future revenue gaps and agree plans and actions to help achieve budgets and targets

Easy to read comparison charts measure forecasts and records 'actuals' against budgets and targets and highlight potential revenue gaps and shortfalls.

Saving valuable management time is a fundamental feature of Radian4Cast along with providing valuable insight and the evidence behind the forecast.

Managers will see revenue forecasts in real time and will be able to drill down to challenge, analyse and validate the team's forecast. The Sales Team will find input easy and a great way to improve their opportunity management.

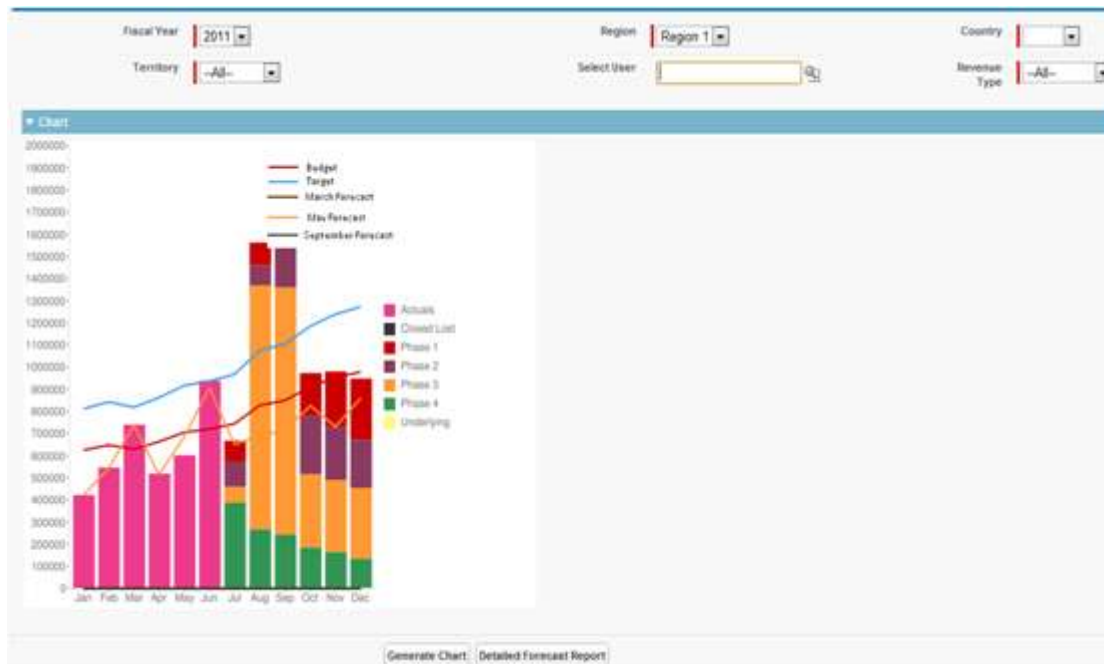
Radian4Cast tracks live opportunities at each stage of the Sales Cycle allowing sales teams and their managers to link the forecast to sales activities.

Radian4Cast is designed as both a Performance Management tool and as a way of providing revenue forecasts to Senior Managers and Directors.

Navigate your way easily to the Management Reports and Charts which will help you reach your revenue targets.

Radian4Cast Identifies future revenue gaps well ahead of time. This allows time for plans to be agreed to increase number of opportunities and improve conversion rates.

The Radian4Cast® Full Value Chart



This Radian4Cast Chart shows

- **Past revenues**
- **Current revenues**
- **Future potential revenues**

This Radian4Cast chart will give you a picture of past revenue results which will help identify trends from results to date.

The current month's result is easily entered.

Future month's revenue is automatically entered directly from the Opportunity Page of Salesforce.com.

Past results and future potential revenues are measured against 3 performance lines providing early alerts of revenue shortfalls through this Gap Analysis

- Budget
- Target
- Forecast

The Future Revenue Forecast (FRF) is color coded to identify the value of opportunities at each phase of the Sales Cycle

- Red - Phase 1 - Leads
- Purple - Phase 2 - Budget Pricing
- Orange - Phase 3 - Bid/Quoted
- Green - Phase 4 - Secured

- Past results are shown in pink as Actuals
- There is an 'underlying' category in yellow

Underlying is a useful category to collect revenues which may be too small to appear as individual opportunities - but collectively may be significant. Underlying revenues can be collected for this purpose by creating 'underlying opportunities' for individual accounts and entering appropriate revenue levels.

The Radian4Cast® Probability % Value Chart

Radian4Cast recognizes the need to give you a probability % value chart.



This Radian4Cast Chart provides you with a future view of potential revenues when you take account of the probability factor for each opportunity. This example identifies a future performance gap – if nothing changes.

The RadianScore and Radian4Cast Programs recognize the need to provide a 'percentage chance' or probability factor of converting the opportunities.

Our RadianScore/Radian4Cast Programmes default to the following probability factors for each phase of the sales cycle:

Phase 1	-	(Discovery and Leads)	-	10%
Phase 2	-	(Opportunities/Budgets)	-	20%
Phase 3	-	(Bidding/Negotiating)	-	30%
Phase 4	-	(Order/Contract award)	-	100%

The probability factors are easily edited. We encourage debate and discussion to determine 'best judgement' on 'percentage chance' of converting the opportunity to an order or contract award.

The Radian4Cast probability % value chart will automatically be updated in real-time when you change the probability factor on the opportunity page.

In our experience the opportunities should be regularly reviewed – weekly/monthly - and where necessary the values, probability factor, start and end dates can be easily edited.

Any changes you make are immediately reflected in the Radian4Cast Probability and Comparison Charts.

The budget, target and forecast lines will identify future revenue gaps - if nothing changes.

Both the full value chart and the probability factor chart have a 'detailed forecast report' button.

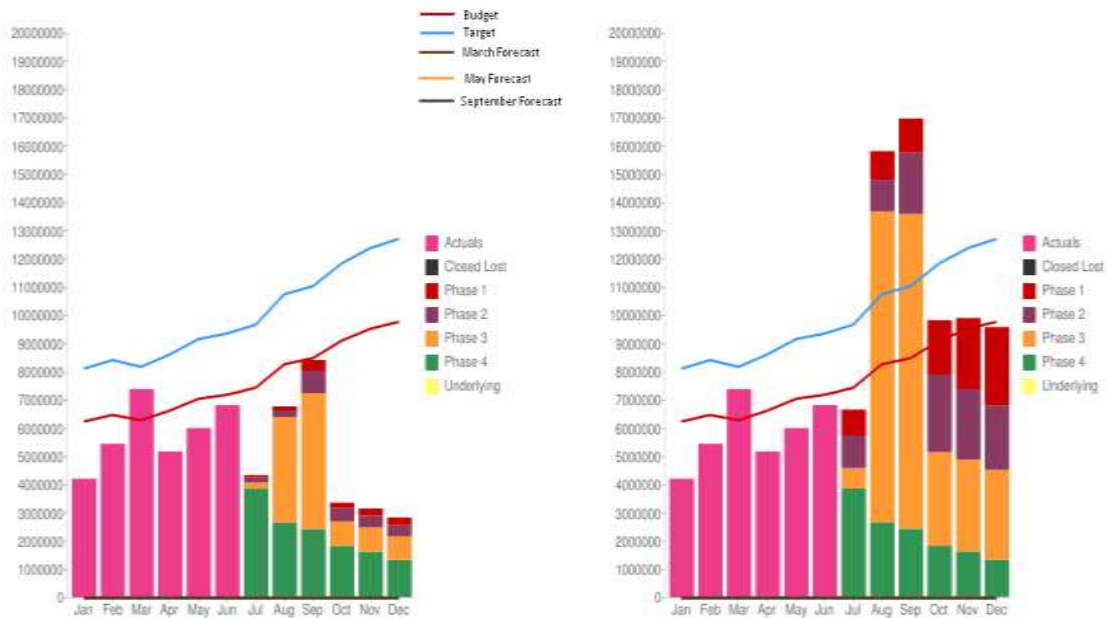
Hit this button and you will immediately be taken to the opportunities which make up your forecast. The power of Salesforce will take you to individual opportunities to review, assess and edit where necessary the key factors:

- **Value**
- **Order/award date**
- **revenue start and end dates**
- **revenue types**

You will be able to see the phasing of this future revenue.

The Radian4Cast® Comparison Chart

The Radian4Cast Comparison Chart gives you a unique view of both the 'full value' chart and the probability factor chart – on the same page.



The Comparison Chart is designed to give you a view which will demonstrate:

- The difference between Probability Factor and Full Value Forecast
- The reality of results to date against budget and target
- The likely future revenues based on 'best judgement' probability
- The potential future revenues based on 'full value'
- Revenue phased by months
- Revenue potential identified by sales cycle phase

All the Radian4Cast charts can be viewed by:

- Individual revenue types
 - o Each of your main revenue streams are identified with performance gaps
- Location
 - o View the Radian4Cast charts for each region/country/territory
- Individuals and Teams
 - o See individual and Team forecasts. Drill down to see opportunities and the rationale that makes up the forecast

Gap Analysis

The 'full value' Radian4Cast chart gives you a past and future view of revenues measured against the Budget, Target and Forecast lines. These performance lines give you an opportunity to identify past and future performance gaps. By recognizing future performance gaps there is time to direct and manage the sales team and develop and agree plans to close the gap and meet your budgets and targets.

By analyzing past revenue performance you may be able to recognize not only revenue trends but also specific issues which may help in developing future revenues.

These issues may include:

- Sales Team Performance
- Sales Team Training/Coaching Skills
- Pricing issues
- Negotiating ability
- Number and value of opportunities
- Product/Solution selling
- Quality of bid or quotation

These issues can be addressed through RadianScore Performance Management Programme – get our white paper on this important subject.

Future Revenue Forecast

The Radian4Cast model works directly from the SFDC Opportunity Page. We can work with you to easily install R4C and include necessary fields:

- Order close date
- Revenue start date
- Revenue end date
- Phasing of future revenues
- Type of revenue
- Order value
- % conversion chance

Resource levels

Tracking future revenue potential by revenue type will help you to identify the resources you may need should you be successful in converting these opportunities into orders or contracts.

Revenue Types

Most businesses have more than one revenue type. In our business we have for example:

- Radian4Cast Licence Sales
- RadianScore Licence Sales
- Consulting/Customising
- Training and Coaching

Radian4Cast is designed to allow up to 6 revenue streams for each opportunity.

Profit Awareness

Different revenue streams usually have different profit margins. By tracking your future revenues by revenue type you will be aware of the affect of your revenue/margin mix.

Radian4Cast gives you a 4cast chart for each revenue type.

Probability Factors

Radian4Cast recognizes the need to give you a probability % value chart. This allows assumptions to be challenged and to use 'best judgement' to provide your forecast

Phasing of Future Revenues

Radian4Cast automatically produces a phased revenue forecast based on the start date and end date entered on the opportunity page.

Radian4Cast initially will divide the revenue values for each revenue type across the months of the project.

Each month is easily edited to take account of the amount of revenue anticipated at each stage of your future project.

Each change is immediately recognized on each of the R4C charts.

By identifying future revenue gaps early you will have time to agree actions with the sales team designed to close the gap and meet your revenue targets.

(See our white paper on Sales Team Performance Management for more ideas.)

Next Year's Budget

Radian4cast is also a major help in producing budgets for your next financial year. Most businesses now require the Management Team to produce budgets based on evidence of opportunities/projects which will form the basis of the budget.

Radian4Cast meets these demands and gives the manager the facility to produce budgets and forecasts for next year based on:

- trends from the previous year
- revenues carried forward to the new year (Phase 4 Projects)
- opportunities already identified with phased revenues showing month on month and Q1/Q2/Q3/Q4 views
- probability factor options using 'best judgement'
- separate revenue streams which will help to identify margin mix
- resource levels
- inventory requirements – most businesses can easily assess stock/inventory requirements based on anticipated revenues
- people planning – how many sales people/engineers/support people are needed to deliver the revenue in the budget

Once you have a clear view of future revenue potential it makes life easier in anticipating gross margins.

Each revenue screen would normally generate different gross margins. By forecasting future revenues you can anticipate Gross Margin% contributions.

Radian4Cast® Summary

Radian4Cast is designed to provide business Managers and Directors with increased reliability in revenue forecasting. Radian4Cast is completely integrated with Salesforce.com Opportunity Management and provides increased visibility and evidence of how revenue forecasts are prepared. The System provides:

- **Full value 4Cast Chart**
- **Probability % 4Cast Chart**
- **Comparison 4Cast Chart**
- **Individual revenue 4Cast**
- **Combined revenue 4cast**
- **4Cast by Region/Country/Territory/Individual**
- **Budget/Target/Forecast Gap Analysis**
- **Current/past results**
- **Phased by month**
- **Real-time Flash/Month/Quarterly/Yearly forecasts**
- **Evidence-based 4Cast**

Radian4Cast is directly linked to RadianScore Sales Team Performance Management Program. This provides managers and sales teams with the views, tools and framework to recognize potential future revenue gaps and the ability to close the gaps and meet budgets and targets.

Radian4Cast has a number of unique features and valuable benefits for users of Salesforce.com including:

- *Improved visibility of all opportunities by value and revenue types*
- *Produces Future Revenue Forecast for each Phase of the Sales Cycle*
- *Easy to read management reports recognise potential revenue on colour coded charts*
- *Radian Performance management reports help to assess individuals, sales teams and business units*
- *Future revenues phased over the potential life of the projects*
- *Monthly, quarterly and current financial year forecast charts produced in real time*
- *Comparison chart to highlight the current percentage chance and the full potential value of the forecast for each business unit*
- *Data entered, reviewed and edited on the Salesforce.com Opportunity page – all in one place*
- *Estimated order date, revenue start and end dates for each opportunities are displayed*
- *The percentage conversion to order values are easily compared to address how the current forecast could be effectively delivered*

One of our Clients - Paul Williams the CEO of RMDK Middle East says of **Radian4Cast®**:

“The system represents a fantastic mgt tool that aids business planning/budgeting & forecasting...providing instant, up-to-date, substantiated indicators on forward business volumes which can be used to better consider/plan resources & financial/operational infrastructure”

“Using Radian dashboards that provide up-to-date and accurate data as means of analysing and driving business performance is clearly a very efficient/effective tool which aids the decision making process in terms of planning/directing. Radian dashboards and forecast charts provide mgt with instant clarity on where the business is positioned and the instantaneous ability to direct/manage/participate in influencing the journey to success”

These charts and reports together with the RadianScore Sales team performance management programme will help in:

- Developing reliable & Evidence based revenue forecasts
- Implementing *Project Winning* Strategies
- Tracking Progress of identified opportunities
- Developing *Business Winning* plans & Actions
- Managing Long and Short Sales Cycles
- Managing Complex Decision Chains & Roles

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