

Sales Forecasting for the Financial Services Industry

Account planning season is something all sales executives in the financial services industry dread - for a good reason. Forecasting a revenue outlook for your portfolio of clients, whether it's a large multinational corporation or an individual person, can be quite a challenging process.

A robust account plan will help a sales team fully understand the upcoming quarter or year, with the emphasis on drilling down to individual clients or accounts. In order to do this, the pipeline of deals for each account needs to be revisited and the appropriate probabilities of closing each deal needs to be determined. This exercise is sometimes very difficult, as it is hard to predict the factors that might influence a client's decision to give you future business.

Let's take a look at a few factors to consider when forecasting in the financial services industry.

The Impact of Interest Rates

Deal closing probabilities will sometimes depend on the interest rate environment, especially if you are in the lending or transaction banking sectors. Although it's impossible to predict the future, financial executives can make well thought out forecasts based upon a series of assumptions, models, and data.

Interest rates are important to factor into any decision because it will impact whether or not a client will borrow now or later, or whether they will want to take out long-term or short-term debt. There should always be an implied interest rate forecast that acts as a basis for forecasting, as interest rates impact many other economic factors, like inflation. These will impact deal cycles within a financial institution and ultimately be the foundation for many business decisions.

Keeping an Eye on the Markets

In addition to the interest rate environment, different economic scenarios need to be considered when making forecasts for deals. It would be wise to have what-if scenarios for each deal based upon the political climate, or any change in economic policies that may impact the client's ability to spend. Using alternative scenarios will allow sales executives to adjust their forecasts and react accordingly if the economy diverges from the status quo.

Forecasting in Wealth Management

As a financial advisor, it's important to maintain a robust pipeline and keep your deals moving forward. Wealth management has evolved beyond just a simple database to keep clients' and prospects' contact information.

Being able to forecast your sales for the upcoming year is important for the account planning process. Financial Advisors need a CRM software that will help them with relationship handling and automation. Every office has different processes for new client onboarding or account management. Moreover, it's important to keep track of client interactions and calls, but it can also become very tedious. A CRM can help pull emails interactions, phone calls and calendar invites into call notes. By automating this process, Financial Advisors can focus less on the time-consuming data entry, and more on building relationships and touchpoint with clients and prospects.

Another important thing to keep in mind is to maintain a solid list of Centers of Influence (COIs). COIs are people who are knowledgeable and influential in a certain niche and can increase your market access and credibility through referrals and word of mouth. A good COI would ideally have similar customers to you, as well as valuable insight into a niche and complementary business to yours. An example of a COI would be a personal lawyer who has clients that he or she could refer to you. Another example would be an accountant or CPA who has clients that need financial advising.

Having a robust CRM plug-in like ForecastEra's sales forecasting tool can completely change the way sales executives in financial services approach sales forecasting. With ForecastEra's real-time, goal oriented analytics supplemented by predictive insights, you'll arrive at the right revenue forecast, ensuring that you are not leaving money on the table.

Find out more about how we can work with you to implement our cutting edge CRM and improve your company's forecasting capabilities: <http://www.forecastera.com>