



Superforecasting

The ultimate guide

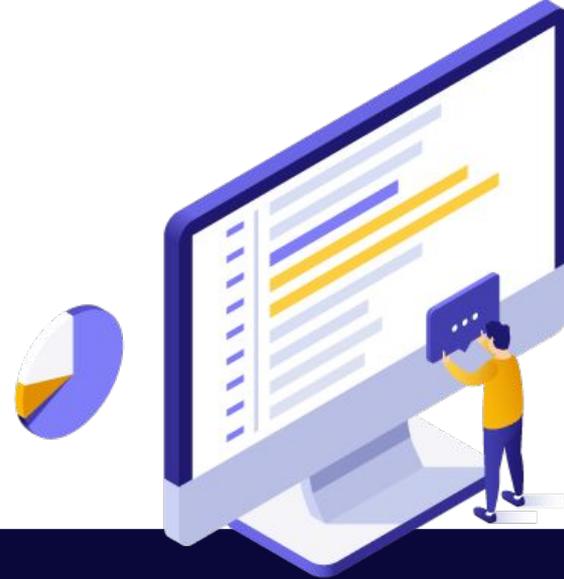
Are you ready to unlock predictable growth and position your B2B SaaS company as an industry leader? This guide explores the power of superforecasting in driving data-driven decisions, mitigating risks, seizing opportunities, and cultivating a culture of revenue success.



>95%

Accuracy in
sales forecast

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The challenges of traditional forecasting

Traditional sales forecasting methods, while having their own merits, carry limitations and challenges. Two widely-used approaches used by revenue leaders are [Category Forecasting](#), and [Pipeline Stage Forecasting](#). Meanwhile, many CFOs and RevOps gurus may have attempted multivariate models built solely on data, trends and conversions.

While these methods can be useful, they likely fall short in either accuracy, or time to accuracy. The reason for this is that one is built on judgement and expertise but lacks good data to guide it, while the other is built on data without good judgement and expertise to guide it.

With the changing economic climate and the increasing unpredictability in business environments, we need to find a way where great judgement, expertise, and great data combine into step-by-step building blocks, culminating in a robust number that the CFO and CEO get in their inbox weeks early.



The forecasting visibility gap

Picture this; it's the end of week one of the quarter, you have 4 or 5 deals in Commit, a handful in Best Case, many in pipeline, and a whole world of pipeline creation and movement to come over the next few weeks. Without a window into what that in-quarter creation or movement is likely to be, filling the gap between the Commit pot and the actual number you submit becomes a series of assumptions and quick calculations in your head, or at worst, a stab in the dark, guided by hope or pessimism.

We therefore need a way of guiding how you build the number above and beyond the Commit pot, by leveraging easy building blocks of data, to which you can apply your judgement and knowledge of what's going on around you right now.



Superforecasting: the superior methodology

Superforecasting is a revolutionary approach that enables businesses to make accurate predictions in the face of uncertainty. Developed by renowned experts, this method goes beyond traditional forecasting techniques, using a blend of structured analysis, judgement, and continual refinement to produce remarkably accurate forecasts. As a result, superforecasters accuracy is in the top 1% amongst peers.

Superforecasting views uncertainty not as a barrier, but as a challenge to overcome. It breaks down complex problems into manageable parts, and presents these as easy-to-use building blocks to which the forecaster can apply judgement and knowledge of their business and the changing environment around them.

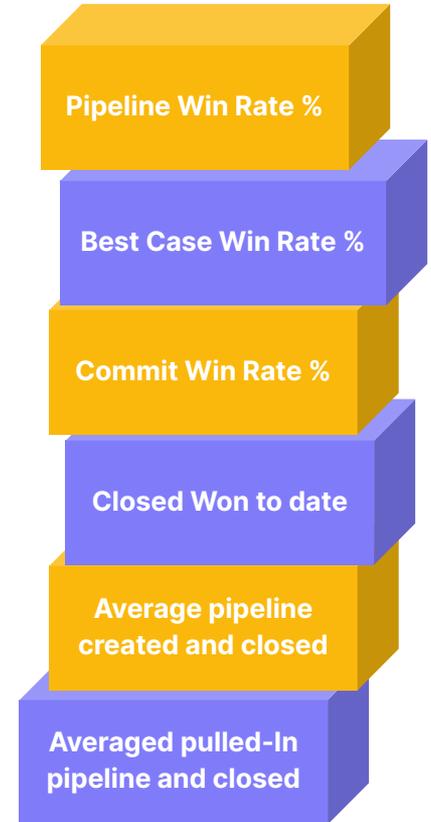


Superforecasting with Kluster

The magic of Superforecasting begins by gathering data from your CRM or revenue analytics system.

Step 1: The 6 building blocks

- **Pipeline Win Rate %** - The percentage of pipeline deals (excluding Best Case or Commit) that close in-quarter, from this week in the quarter
- **Best Case Win Rate %** - The percentage of Best Case deals that close in-quarter, from this week in the quarter
- **Commit Win Rate %** - The percentage of Commit deals that close in-quarter, from this week in the quarter
- **Closed Won to date** - How much has been closed versus target to date, this quarter
- **Average \$ created pipeline and closed** - How much is typically created and then closed in-quarter, from this day in the quarter
- **Average \$ pulled-in pipeline and closed** - How much is typically pulled in (from future quarters) and then closed in-quarter, from this day in the quarter.



Step 2: Trending

For each metric above, we will need to provide the forecaster with a trend of the last 4 quarters, so that they can see how each metric has changed and correlate that to their experience of what qualitatively happened in that quarter.

Step 3: Paving a method that leverages judgement

Give your superforecaster a step-by-step method of building the forecast number. For example:

- Add Closed Won.
- Apply your judgement to the Commit Win Rate, select a percentage that corresponds to today's conditions, apply a weighting to the value of your Commit pot or validate a deal scenario, add to your forecast, and add judgement commentary.
- Apply your judgement to the Best Case Win Rate, select a percentage that corresponds to today's conditions, apply a weighting to the value of your Best Case pot OR validate a deal scenario, and add to your forecast, add judgement commentary.
- Apply your judgement to the Pipeline Win Rate, select a percentage that corresponds to today's conditions, apply a weighting to the value of your Pipeline pot, add to your superforecast, and add judgement commentary.
- Apply your judgement to the Average created and closed, select a number that corresponds to today's conditions and pipeline generation pacing, add to your superforecast, and add judgement commentary.
- Apply your judgement to the Average pulled-In, select a number that corresponds to today's conditions and future pipeline that could activate, add to your superforecast, and add judgement commentary.
- Sum the total and submit your forecast.



Step 4: Submit

Once the superforecast has been built using the data-driven judgement method, the superforecaster can now submit to the business, accompanied with judgement explanations against each number calculated.

For example: “I noted that our commit win percentage dropped to 54% in Q1, but was 78% in Q4. In Q1 we had the Silicon Valley Bank drama and additional economic challenges affecting healthcare spend. It was tough for the team getting deals across the line. Having just conducted deal reviews, it feels much like Q4s conditions on the ground at the moment, perhaps slightly tougher, and so I have chosen 70% as my commit pot weighting and played out my deal scenario accordingly, marking the 30% I think have timeline risks”

As new information becomes available, judgements can be reapplied and the exercise repeated. The compounding effects of this method are twofold. More accurate and consistent forecasting across the organisation, and earlier submissions across the organisation that senior stakeholders can reply on to make great decisions.



Conclusion: Embracing the magic of superforecasting

In an era of ever-growing uncertainty and change, sales forecasting has never been more important or more challenging. Superforecasting, with the power of Kluster, equips businesses with the tools and methodologies to navigate these challenges and transform them into opportunities.

Embracing the magic of Superforecasting means harnessing the power of data, refining your forecasting skills, and adapting to the ever-changing tides of the business landscape. This is the pathway to accurate predictions, confident decision-making, and sustained business growth.

So, take the first step into this magical journey. Unleash the power of Superforecasting with Kluster, and transform your business into a fortress of foresight in an uncertain world.





Case Study

ExtraHop

ExtraHop, a leading cybersecurity firm, identified a need for a more efficient and accurate sales forecasting tool.

Problem: Limited forecasting and analytics functionality led to inconsistencies and inefficiencies.

Solution: ExtraHop adopted Kluster, a leading revenue analytics and forecasting platform. Full implementation achieved within six weeks.

Impact: Streamlined forecasting process, eliminated manual data correlation, and provided easy access to data. Resulted in increased sales growth and performance.

Conclusion: Kluster became a crucial part of ExtraHop's revenue operations, enhancing forecasting accuracy, sales tracking, and win-rate analysis.



"With Kluster, we can actually spend time growing sales and improving performance instead of continuously working to put the numbers together."

Jessica Zinger, SVP of Revenue Operations

[Read more](#)

Unlock Superforecasting with Kluster

Embark on the journey to unprecedented accuracy and foresight in sales forecasting with Kluster. Our revolutionary Superforecasting methodology not only navigates uncertainty but transforms it into a wellspring of opportunity.

- Enhanced forecast accuracy.
- Timely data for strategic decision-making.
- A user-friendly approach to tackle complexity.
- A blend of data-driven insights and human judgement.

Ready for accurate predictions and confident decision-making? Book a demo today and let Kluster steer your business towards sustained growth.

[Book a Demo](#)