

Growing Revenue With Accurate Backlog, Pipeline, & Forecasting

By Michael Benson



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In a conversation presented at the 2026 Benchmarking and Best Practices Conference for the Manufacturers Association for Plastics Processors (MAPP) and Association of Rubber Product Manufacturers (ARPM), Rick Riesterer (Chief Commercial Officer at Teel Plastics) and Michael Molling (Consultation and Advisor at Purpose Build Partners) spoke with Michael Benson, Managing Director in Stout's Investment Banking group. The following article draws upon that conversation and their collective insights.

Abstract: One of the challenges that comes up most consistently in MAPP Benchmarking surveys is a processor's ability to intentionally drive consistent, profitable organic growth. The best-in-class, high-growth processors we work with tend to share two traits: a company-wide way to track new business in three categories (business running today, awarded programs not yet in production, and a probability-weighted pipeline of open opportunities) and the ability to track and analyze a defined set of key

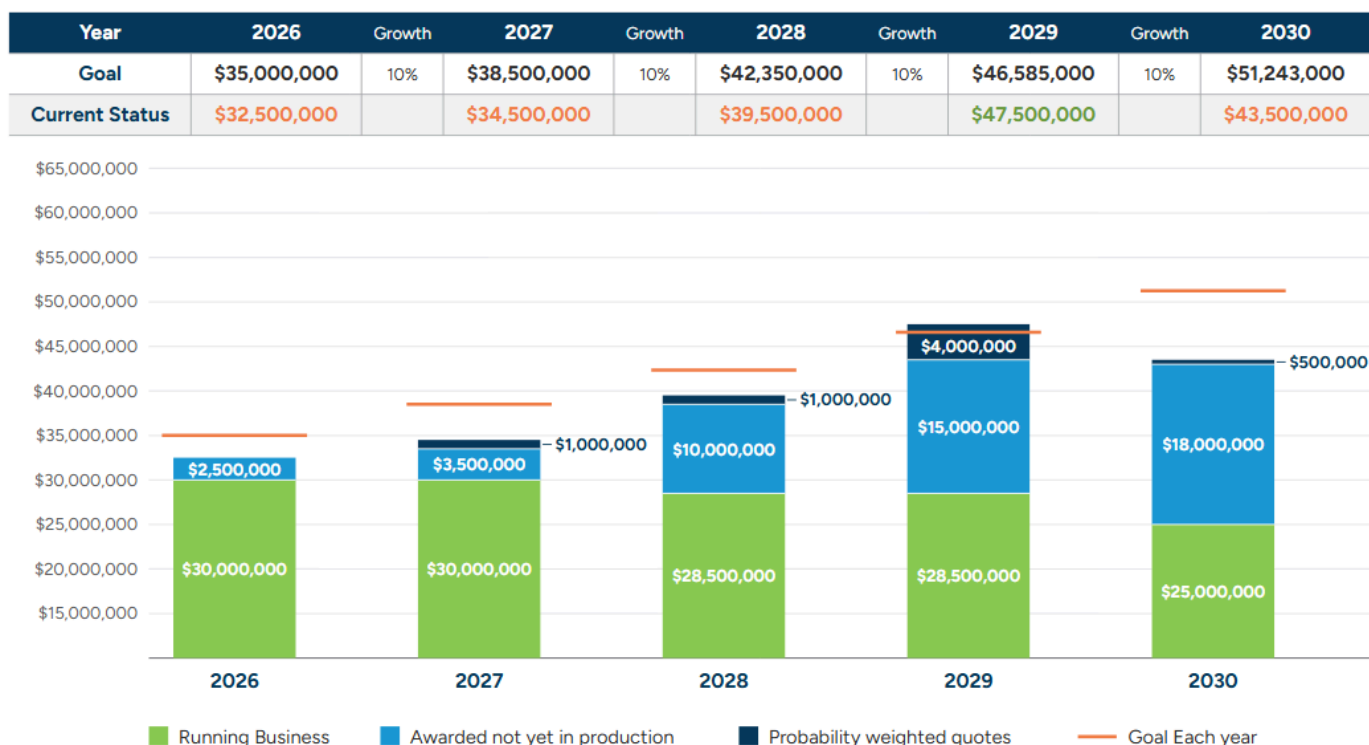
performance indicators (KPIs). The speakers described how, once a CRM and the supporting procedures were in place, the system was used and by whom, and how it allowed them to organize, track, analyze, and incentivize their sales teams to grow deliberately. They also explained how to track historical conversion rates from pipeline to backlog to revenue, and how those rates become the foundation for credible short- and long-term projections.

The panel's starting point was a single report. Once every opportunity lived in one customer relationship management (CRM) system under one set of definitions, the sales team could pull a five-year revenue waterfall on demand instead of assembling it from individual spreadsheets at the end of each quarter. Each bar in that report is built from the bottom up. Every running part, awarded program, and open quote is entered at the stock keeping unit (SKU) level with its customer, end market, original equipment manufacturer (OEM) and platform, start and end dates, estimated annual value, gross margin, and probability. The system rolls those records up by year and by category, and any bar can be opened back down to the individual parts behind it.

That changed how the numbers were used. Under the old approach, several salespeople kept their own files with their own methods, and the consolidated forecast arrived late and could not be traced to its sources. With the CRM in place, management reviewed the same report every month, saw where the plan fell short, and assigned specific accounts and programs to close the gap.

During the conference, the speakers displayed a five-year revenue view for an illustrative company. The 2030 bar showed \$43.5 million of expected revenue against a goal of \$51.2 million. Of that, \$25 million was running business. Another \$18 million had been awarded but was not yet in production, and \$500,000 was probability-weighted quotes.

FIVE-YEAR WATERFALL CHART (ILLUSTRATIVE)



The \$7.7 million gap between forecast and goal is where the growth plan starts. Only \$500,000 of 2030 revenue sits in weighted quotes, and new prospects typically sit two to three years from revenue, so most of that gap has to come from customers and programs the sales team has not yet identified. A company that sees the shortfall four years out can start building the prospect list now. A company assembling spreadsheets each quarter usually finds it when there is no time left to fill it.

The second question is the \$18 million of awarded business, and how defensible that number is. An investor, lender, or buyer of the company will give credit for it only if management can show how the numbers were built.

Riesterer noted, "The \$18 million is the number I'd most want to defend line by line. That's work we've already won, and the plant is planning tooling, people, and press time around it."

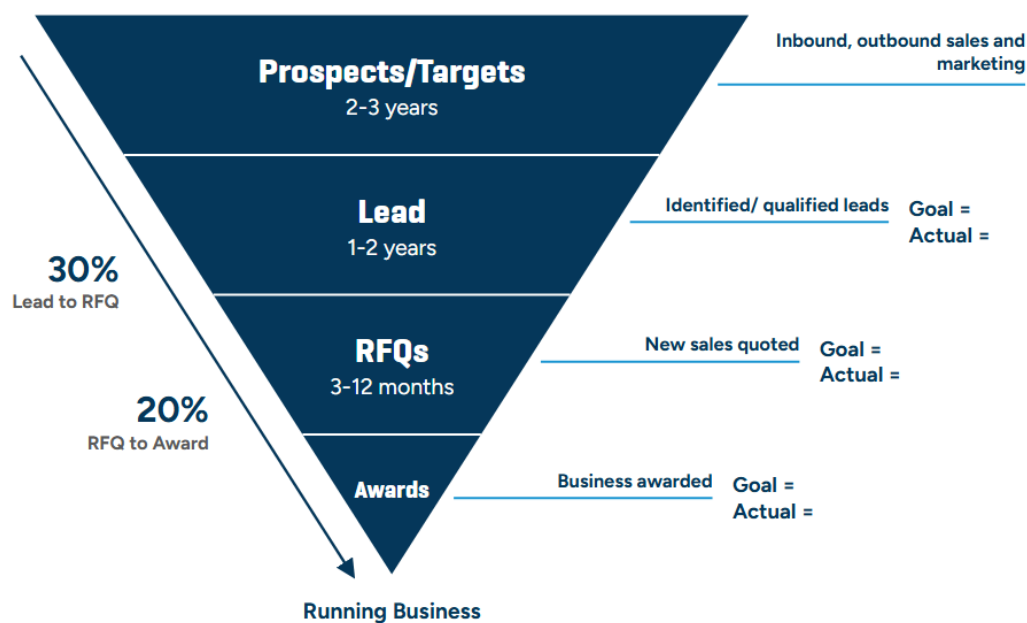
Often, sellers cannot defend their projections with enough strength to warrant buyers to credit them for those forecasts. This is because the data for those forecasts sits in separate spreadsheets kept by separate salespeople using various methodologies.

Forward revenue is worth what a company can document and trace. A CRM system configured to enforce each stage in the pipeline supports a higher level of credit in a potential sale. For a CEO, CFO, or COO with no plans to sell, it allows capital and capacity to be committed ahead of awards instead of after them.

Three Buckets of Forward Revenue

The same three buckets that support a buyer's diligence also give management its growth plan: they show how large the gap to goal is, when it opens, and which parts of the sales team need to close it.

PIPELINE FRAMEWORK: THE SALES FUNNEL



Forward revenue can be organized into three categories. Running business is production that exists today, projected across the forecast period from customer-supplied volumes or past history, net of normal attrition. Awarded business not yet in production is the second category. The processor holds the award and may be designing the part or building tooling, but nothing is shipping. The third category is probability-weighted quotes, including opportunities the sales team has out in the market, discounted for the odds of winning them.

Forward revenue is worth what a company can document and trace.

Behind the three buckets sits a funnel. Prospects and targets, fed by inbound and outbound sales and marketing, sit two to three years from revenue. Qualified leads sit one to two years out. Requests for quotes (RFQs) run three to twelve months. Awards follow, and then running business. Each company's percentages will differ, so what matters is that the company knows its own.

Each bucket carries a different degree of certainty. A forecast that blends them into one number invites a buyer to ask which part is in the ground, which part is committed, and which part is hope. A forecast that keeps them separate answers the question before it is asked.

Where Spreadsheets Break Down

Most processors manage running business well. Awarded work is harder to track, and probability-weighted quotes are the weakest of the three, largely because there is no single place where they live.

For example, consider a company where each salesperson keeps a file. One tracks every quote in careful detail, applying the same method every week for years. Another works from memory and a few notes. A third falls somewhere in between. The CFO or sales manager consolidates the three by hand, and the consolidated file inherits every inconsistency.

"I've managed sales teams where every rep had a good file and no two files agreed. Each one made sense to the

person who built it, and together they still didn't add up to a forecast I could stand behind," warned Riesterer.

"Before anyone enters an opportunity, the team needs to agree on what counts as an award, what qualifies as a lead, and what each probability means."

MICHAEL MOLLING

A buyer's diligence team recognizes the problem quickly. The methodology differs by salesperson, probabilities have no agreed basis, and the stages mean different things in different files. The buyer discounts the forecast or sets it aside. A company cannot expect credit in a sale for future business when it cannot produce accurate, transparent information about it. The same problem costs the business long before a sale. A forecast assembled by hand shows the gap too late to fill it and cannot tell management which salespeople, customers, or markets are producing the growth.

Building One Methodology Into a CRM

The fix is to move every salesperson onto one system, one format, and one uniform methodology. A CRM does this well, but it does not arrive organized into running, awarded, and weighted business. Those categories have to be built in. The system becomes a way to make the entire sales organization think about the business the same way.

Molling added, "Before anyone enters an opportunity, the team needs to agree on what counts as an award, what qualifies as a lead, and what each probability means. Those definitions are what makes the system's reports worth reading."

HubSpot is one widely used example and is flexible enough to be configured like this; the principle applies to any

CRM that supports custom fields, deal stages, and reporting.

Configuration starts with the data every opportunity must carry. At the SKU level, we look for the customer, a description of the part, end market, location, and the ultimate OEM and platform or program. Each opportunity then gets a category: current booked business (ongoing or sunseting), awarded business (additive or replacement), or pipeline (additive or replacement). It also carries a probability, production start month and year, end month and year where known, estimated annual value, estimated gross margin percentage, and ramp timing in months.

With those fields required and consistently defined, the head of sales can generate the five-year waterfall on any day and drill from the total down to individual programs. A buyer given access can do the same. Notes are logged in the same place and the same way, so the reasoning behind a probability sits next to the number.

Riesterer and Molling agreed, "Adoption follows leadership. Once a head of sales holds the team accountable for running forecast reviews through the CRM, people learn quickly that keeping it current is part of the job."

The same fields support segmentation without extra work. The pipeline can be cut by stage, by additive versus replacement business, by new versus existing customers, by manufacturing technology such as injection molding or blow molding, by opportunity size, and by program and end market. Detailed, bottom-up forecasting of this kind lets a buyer underwrite a growth story built from the ground up instead of a top-down percentage.

Turning the Forecast Into a Growth Plan

A forecast that management trusts becomes an operating tool. Leadership sets the goal, subtracts running and awarded business, and sees in dollars how much new business the sales team has to find, by year,

end market, and manufacturing technology. The gap stops being a single number on a slide and becomes a list of accounts and programs with an owner next to each one.

The same analysis clarifies roles. Most processors' sales teams include hunters and farmers, and the two jobs need different targets. Hunters work the top of the funnel: new customers, new OEM platforms, and new end markets, moving prospects through qualified leads and RFQs to awards. Farmers own existing accounts. They protect running business, watch programs approaching their end dates, and win the replacement and additive work inside customers who already buy from the company. Because every opportunity is tagged as new or existing customer and additive or replacement business, the CRM separates the two contributions automatically, and each group can be measured against the part of the gap it owns.

Incentives follow from the same data. When commissions, bonuses, and pipeline reviews run off the CRM, an opportunity that is not entered with its required fields does not count toward anyone's results, and the system stays current. Hunters can be rewarded for qualified pipeline and new-customer awards, and farmers for retention, replacement wins, and growth within accounts. Tying part of both plans to gross margin keeps either group from chasing volume the plant would rather not run.

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What Five Years of Consistent Data Buys

A single snapshot is useful, but the history is where the value compounds. If the waterfall is saved each period,

you can watch programs move between stages over time. Some go from lead to RFQ to award to running business. Some stall. Some drop out. After several years, conversion rates stop being estimates and become observed facts: how much quoted value turns into awards, how long each step takes, and which kinds of opportunities convert at the highest rates.

The panelists pointed to a short list of KPIs that this history makes possible: quote volume and value by period, win rate from RFQ to award, time from RFQ to award and from award to launch, pipeline coverage against the gap to plan, the mix of new versus existing customers and additive versus replacement business, and gross margin on awarded work compared with what was quoted. Reviewed each period, these show which salespeople, customers, and markets are carrying the growth and where effort should shift.

The operating benefits follow directly, as a company that sees which quotes rarely convert can stop pursuing them, particularly when the work is also thin on margin. It can direct sales effort toward the segments where its win rate is strongest. The CEO uses the five-year view to set direction. The CFO sizes capital spending against awarded work before the money is needed. The COO plans presses, tooling, labor, and floor space with enough lead time to meet launch dates. Those benefits accrue every year, whether or not an owner ever sells.

In a sale, buyers examine the same information. Pipeline and backlog sit alongside four other diligence items: revenue and margin by customer, revenue and margin by product line and end market, cost structure and operating leverage, and a price-volume bridge. Each of these analyses depends on clean, consistently classified data. A CRM populated at the SKU level supports all of them, along with cuts such as prospect versus quote, new versus replacement business, and new versus existing customers.

With several years of conversion history, a buyer can see the trend and assess the likelihood that upper-funnel business will reach the running bucket. That is

what allows a buyer to give more credit for work that has not yet been won. The credit follows the evidence.

"A buyer can argue with a projection. It's much harder to argue with several years of history showing how quotes turned into awards and awards turned into running business. Lenders ask many of the same questions buyers do. A processor that can show its backlog and conversion history has a much easier conversation when it needs to finance new presses or an expansion," asserted Benson.

Starting the Clock

Credit for future business depends on history, and history accumulates only once tracking begins. A company that starts this quarter will have a year of

conversion data a year from now and three years of it by the time a buyer or lender asks.

The first step can be modest. Companies need to define the three buckets and the criteria for moving between stages, choose one system and one format, and take the first snapshot. Everything after that builds on it. From the first snapshot, management can measure the sales team against the gap and adjust targets each period, and every period adds to the conversion history a buyer or lender will eventually ask to see.

Molling summarized, "a simple yet accurate system started now will serve a processor better than a perfect one started later." ■

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PLASTICS & ADVANCED MATERIALS

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Michael Benson is a Managing Director within the Investment Banking group at Stout with more than 25 years of experience advising plastics and advanced materials processors. He is a long-time active member of the plastics and advanced materials industry, serving on advisory boards, sponsoring and attending conferences, and regularly contributing to industry publications.

MAPP

Established in 1997, [The Manufacturers Association for Plastics Processors, Inc.](#) (MAPP) is the largest grassroots organization in the United States plastics industry, serving over 450 member companies representing more than 45,000 employees. As a national non-profit Trade Association for plastics manufacturers, MAPP provides its members with access to the most powerful networking in the industry.

ARPM

Created in 2010 for the purpose of aiding rubber products manufacturing executives in leading more successful enterprises, [the Association for Rubber Products Manufacturers](#) (ARPM) has been designed to provide waste reduction, benchmarking, networking, international management of product standards, and educational opportunities to its member executives. As the only national association for rubber products companies, ARPM members range in size from small manufacturing producers to multi-billion dollar conglomerates.



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