REVENUE OPERATIONS & AI

What are forecast categories? Names need stable decision rules

Forecast categories are decision labels, not universal probabilities. Define the evidence, inclusion rule, denominator, and outcome behind each name.

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MANAGEMENT SUMMARY

Forecast categories such as Pipeline, Best Case, Commit, Closed, and Omitted are labels on opportunity records. They become useful only when each name has a stable entry rule, evidence threshold, roll-up treatment, owner, cutoff, and later outcome. Public vendor explanations use the same words for different objects: an accountability signal, an expected probability, a cascading inclusion flag, or a closed result. This article treats the category as a reproducible state machine and shows why a category label cannot be read as a universal conversion rate or forecast accuracy benchmark.

Keywords: Forecast Categories · Forecast Accuracy · Pipeline Hygiene · Commit · Best Case · Forecast Governance

“Commit” can mean a probability, an accountability promise, or an inclusion bucket. “Best Case” can be a range, a cumulative roll-up, or an optimistic manager view. The label looks precise because it is short. The underlying object may not be.

A forecast category is a declared state on a forecasted work object. Its meaning comes from the evidence rule, inclusion rule, cutoff, owner, roll-up, and later outcome attached to it. A category name alone is not a probability.

The pipeline-hygiene article owns the data quality of opportunity records. This page owns the category object that sits on top of those records and the rule needed to compare its call with what happened later.

What do forecast categories mean?

Public explanations show why the words cannot be treated as one standard. Outreach describes Commit as an accountability signal rather than a probability estimate, while Microsoft describes Committed through a customer commitment evidence state. Two vendor explanations of one label, describing two different objects: an accountability signal and an evidence state (Outreach, 2026; Microsoft Learn, 2026).

That disagreement is not a nuisance around the metric. It is the metric boundary. A team can choose a probability interpretation, an evidence-state interpretation, or an inclusion interpretation. It must not mix them in one denominator.

Table 1 What do forecast categories mean?

Object	Question	Do not infer
Forecast category	What state does this opportunity satisfy at the cutoff?	A universal close probability
Forecast probability	What probability is assigned under a named calibration rule?	That the category name supplies calibration
Forecast inclusion	Which states enter a roll-up?	That inclusion equals likelihood
Closed outcome	What commercial result was recorded?	That a closed result is a forecast category

Table from this essay. Sources and interpretation are given in the article.

Which fields make a category reproducible?

Record the category as a state transition, not a free-text opinion:

1. Object: opportunity ID, account, product, unit, and owner.
2. Cutoff: the timestamp at which the category was called.
3. Evidence: buyer action, contract state, next event, value, timing, or other declared signal.
4. Entry rule: the minimum evidence required for the state.
5. Inclusion rule: whether and how the state enters Pipeline, Best Case, or Commit totals.
6. Owner: person or process responsible for the classification.

7 Exit rule: promotion, demotion, omission, closure, or expiry.

8 Outcome: later closed, lost, canceled, slipped, or still unobserved result.

The same record can carry a category and a separate probability. If both exist, preserve both definitions. Do not let a category label silently overwrite a model probability or a closed outcome.

What does a category worksheet look like?

The six rows below are synthetic. They contain no pipeline, seller, customer, or forecast result. They show a state rule that a reviewer could replay.

Figure 1 The synthetic forecast-category state table

ID	Category at cutoff	Entry evidence	Roll-up rule	Exit or review	Later outcome
F-01	Pipeline	Problem recorded; buying path not yet evidenced	Pipeline only	Promote, hold, or omit at next review	Unobserved
F-02	Best Case	Buyer next step and date recorded	Best Case under declared inclusion mask	Recheck date and owner	Slipped
F-03	Commit	Customer commitment evidence and close plan	Commit under declared scope	Escalate missing evidence	Lost
F-04	Closed	Contract or booked outcome recorded	Closed result, not a probability	Reconcile to source system	Won
F-05	Omitted	Stale, duplicate, or outside period	Excluded with reason code	Reopen only after rule passes	Canceled
F-06	Commit	Verbal signal with no dated next event	Held, not counted until rule passes	Demote or evidence the state	Open at horizon

Author's synthetic forecast-category framework grounded in bounded 2026 vendor captures from Outreach and Microsoft Learn. The labels, rules, owners, and outcomes are illustrative and are not category probabilities or performance benchmarks.

F-06 shows the control. A verbal signal may be useful context, but without a dated next event the team cannot tell whether the declared Commit rule was met. The correct disposition is a hold or demotion, not a hidden probability assumption.

How should category accuracy be measured?

First define the object being tested. If the category is a state, report later outcomes by category and cutoff cohort. If it is intended to be a probability, test calibration against the later outcome with a declared horizon and denominator. If it is an inclusion flag, reconcile the included amount to the roll-up rule.

Outreach describes one accuracy method using the difference between the Day One Commit call and cumulative Closed results at period end, and it identifies Closed as the denominator in that calculation (Outreach, 2026). That is a definition of one method, not evidence that all systems use the same object.

Avoid the common substitution:

Commit amount / pipeline amount

is a coverage or composition ratio unless the team has declared something else. It is not a calibration test, a win rate, or proof of forecast skill.

What are forecast categories not?

They are not a universal probability scale, a substitute for opportunity evidence, or a guarantee that a deal will close. They are not the same as sales stages, although a stage may supply evidence for a category. They are not a result because the result occurs after the cutoff.

A forecast category earns its name through a stable decision rule. The label can travel across teams only after the rule, denominator, roll-up, and outcome definition travel with it.

The forecast-override page extends this state logic with the documented change made after the original forecast.

Microsoft Learn. (2026). Capture forecast category for opportunity. Dynamics 365 Sales documentation. Source page

Outreach. (2026). Sales forecast categories explained for RevOps teams. Outreach resources. Source page

END OF ESSAY

HOW TO CITE THIS ESSAY

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