Territory Planning: The Missing Sales Process

By Steve Lippock, Founder HarvestGold and an Adventace Associate

Now more than ever before, territory sales people need a plan. Calling down an alphabetical list of customers or prospects, or even planning geographic routes by zip code just does not work. In order to maintain territory productivity, let alone grow sales, sales people must think more like business people, and less like product pushers. In order to compete in today's economy, one must provide value beyond product and price. This means spending more time with customers who are most likely to recognize and reward value-added services, and the least amount of time possible with customers who want a sales rep who simply takes orders. Therefore, a sales person must manage their territory like a business, and develop a territory strategy that is supported by a tactical action plan to focus their efforts. They need a Territory-level Business Plan.

We constantly urge our sales people to treat their territory like "your own business franchise". "Manage your sales and expenses like this is your own company, and your own money". This is the correct message to send to a sales team, but consider these challenges:

- Sales people often don't feel accountable or "bought in" to quotas assigned to them by their employer
- Unattainable sales targets are often assigned due to a lack of input from the field
- Sales representatives are often disorganized and inefficient in their territory sales activities because people with great sales skills often lack good business analysis and planning skills
- Tools are not typically used to assist salespeople in effective territory analysis and plan development

I would suggest that it if we truly want our territory sales representatives to develop Territory-level Business Plans, then we must acknowledge these challenges, and accept that it is management's responsibility to provide our sales people with the information, tools and training that they need to develop meaningful plans and strategies.

Now let's think for a moment about the tools, methodologies and processes that exist in the market today to help sales people succeed. There are a multitude of tools and products that provide solutions ranging from contact management (like ACT! and Goldmine!) to full CRM (like Siebel, Onyx and now Microsoft CRM). These solutions typically assist sales people with activity scheduling and tracking, opportunity tracking, pipeline management, forecasting and reporting.

There are sales process solutions that help sales people define the steps of the optimum sales process, and the activities associated with each step, to help manage opportunities from the "Qualify Lead" phase of the process to "Closed". There are techniques that can be taught to help sales people perform selling activities (such as needs development, objection handling, probing, and closing) in the most effective and compelling way possible. There are sales methodologies that help sales people develop account-level sales strategies so that complex sales can be more easily managed through the sales process. All of these sales process solutions (a la Miller Heiman, Sandler Sales, Dale Carnegie, Solution Selling, etc.) help sales people to maximize their effectiveness with each individual sales opportunity.

This is all good stuff. But what about and integrated set of tools and processes specifically designed to assist territory sales people in the development of a Territory-level Business Plan? They don't exist – or if they do, I haven't found them. It amazes me that I can find business planning tools and templates to start an entire business from scratch, but nothing has been developed to help a sales person do exactly the same thing at a territory level. So over the years, I have defined a process and a set of tools to help sales people wake up in the morning with a plan. Here is an overview of the five steps of the process, and some of the questions that a territory sales person should answer in each step:

1. <u>Analysis</u>: Any good territory business plan should start with an analysis of last year's business. A sales person should be provided with the facts about their business on a regular basis so that they understand the characteristics of their territory in several different categories:
    a. Customer segmentation: Who are my best and worst customers?

What do they buy and how much do they buy? What are my average order sizes by customer segment?

   b. Product/Line analysis: What products or lines sell the most? Which products or lines have the most customers and which ones generate the most orders? What are their average order sizes?
   c. Channel Analysis: Where are my sales coming from? What percent of my business comes from field orders, telephone orders, orders placed at trade shows or markets, orders taken by channel partners?
   d. Prospect analysis: Who are my top prospects? How many prospective new customers do I have?

2. Goal Setting: Based upon my income objectives, and the facts about my territory, what are my productivity and activity goals for this next quarter? This year? How much growth can I count on from existing customers, and how much new business do I have to write to hit my goals? What are the key sales statistics or "metrics" that I can track proactively to ensure that I make the money I want to make this year?
3. Strategy: In addition to the normal course of business in my territory, what two or three specific growth strategies can I focus on to maximize my opportunities for success? What types or categories of customers represent my best opportunity for growth? What products or lines would they most likely purchase? What will I do new or different to change their buying behavior?
4. Tactics: What specific accounts should I target based upon my growth strategies? How will I plan and prepare for sales calls with my target customers? What sales techniques and methodologies will I use to maximize my effectiveness on those calls? Where are my targeted accounts? How often and when exactly do I plan on calling on them?
5. Execution and Follow Up: How will I motivate myself to meet my activity goals every day? How will I track my key sales metrics and sales results against the goals I have set for myself? How often will I review key metrics and results with my sales manager? How often will I revisit my territory plan and growth strategies with my sales manager (to make adjustments as needed)? How will I reward myself as I meet my activity and productivity goals?

The infrastructure necessary to achieve results is not overwhelming. I have worked with firms who have achieved great success implementing this process with planning templates, a historical sales analysis database, a goal setting worksheet, a strategic planning template, and a variety of sales management and tracking report templates.

Sales isn't rocket science, and neither is planning. But providing the appropriate training, processes and tools will do two things for you organizationally. It will make both sales and planning more repeatable and predictable events, and it will maximize their effectiveness by providing guidance where skill and experience is lacking.

It is my experience that most salespeople are competitive by nature and will work very hard to "win". Many are more skilled at sales than we give them credit for. So why don't many motivated and highly skilled sales people succeed in a tough economy? There is a quote that answers this question:
"The will to win is worthless if you don't have the will to prepare."

In closing then, providing coaching and training to help sales people manage individual sales opportunities is valuable and necessary, but it is not enough. Even if you do not use the process outlined above, or tools like the ones I have built, I would still encourage you to find some way to help your sales people produce territory-level sales plans. Help your sales people plan for *their own* success based upon *their own* income objectives and data specific to *their own* territory so they can manage *their own* "business" better, and they will sell more for you.

Steve Lippock, Founder of Harvest Gold and an Adventace Associate, has 17 years of sales experience and 9 years of sales management and executive experience in various industries. He has direct experience managing both inside and field sales teams, and has built top producing sales organizations for several companies from the ground up.

As a member of the Aceda consulting team, Mr. Lippock has held interim executive roles as the VP of Sales for many companies in variety of industries, including the manufacturing, high technology, hospitality, non-profit and retail industries. At ServiceWare, Inc., he established the company's first direct sales effort, and developed a hybrid sales model, successfully integrating direct field and inside sales teams with the channel sales effort. During Mr. Lippock's tenure at ServiceWare, the company's total sales grew from $3M to $15M in three years, and was twice recognized on the Inc 500 list of fastest growing companies in America. Mr. Lippock has experience combining the sales efforts of several formerly competitive sales teams into one integrated sales organization to accommodate an acquisition-based growth strategy for Delphi Information Systems, a turnkey automation vendor in the insurance industry. Mr. Lippock started his sales career selling financial products, including commercial loans for a Florida-based bank, and insurance and annuity products for a variety of insurance companies.

During his career, Mr. Lippock has participated in the development and delivery of various sales training programs, including "Building Your Sales Machine", which is now a standard component of the Katz School of Business' Entrepreneurial Fellows Center program for business owners. Mr. Lippock has had extensive sales process and management training, and has an undergraduate degree in Economics from the University of Pittsburgh