

## White Paper

# Managing Territories to Maximize Sales Results

*Adding Business Acumen, Strategy and  
Plan Implementation to the Selling Process.*

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## The problem with sales is...

***“Across industries, the selling context has changed. Buyers are behaving differently, and the work required of the sales organization is becoming more difficult.”***

*- Barry Trailer and Jim Dickie, Harvard Business*

I am pretty sure that you didn't need a quote from the Harvard Business Review to tell you that selling has become more work. Our prospects have become much savvier and have a great deal more information about us and our products or services than ever before. In fact, most prospects are well down the road of buying before we ever enter the picture.

So how do our sales people react to this? How are sales people changing their selling behaviors to account for the different buying dynamic of their prospects?

Quite simply, we have to change the way we approach our business. Buyers want us to be “Partners” in a solution. They want us to be business people. What they do not want, really, are traditional sales people.

So how do you add business acumen to the sales team? One way is to add a strategy planning or a business planning process to the team. The problem with that is very few sales people have ever been asked or taught to really develop a business plan. Much like a first time entrepreneur, the first time they are asked, they can spend hours working on something that doesn't accomplish what a good plan should. This paper is designed to give you a step-by step-process for teaching territory planning to your team. If you have Major Account Reps, then also read our White Paper on Key Account Planning.

The following pages will walk you and your team through a process. This is question based. If they can answer the questions, then they can create a successful strategy. Let's get started.

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## The Big Picture

***Start with a basic territory assessment. Evaluating your business and numbers is a good starting place. Capture data and then take the time to step away from the business and look at the basics.***

*According to CSO Insights, 47.9% of sales leaders were dissatisfied with their sales team's research and analysis efforts.*

The goal of this step is to analyze the business you already have, the quota that you need to attain, and to give you a chance to set a personal goal higher than the assigned quota. This is especially helpful if you need, say, 110% to make a club trip.

Probably the best way to create a plan is in Excel or a spreadsheet program. Notice that I didn't say PowerPoint. This is to create something that can change behavior and provide data. Add any details to a presentation if you want them to present at an off-site, but start in Excel.

First, start with your quota, the average deal size, and the repeat business if any that you expect this year. Then calculate how many average deals you will need this year to make the quota number that has been assigned. This sounds so simple and obvious that you may actually chuckle. However, I challenge you to ask 10 sales people what their average deal size is and how many net new deals that they will need to attain quota and only 3 will have an answer.

Next, create a stretch goal for yourself. Maybe you set it for 120%? Maybe 110%? The idea is that you can create a plan to get you to any number that you want. Is 300% possible? I don't know, but as has been said, "If you can dream it and believe it, you can achieve it". We are here to help you create the plan that will give you a path to achieving whatever numbers that you put in the plan.

Before you can start looking at the new business that you need, it is best to take a look at the business that you already have. For this reason, you need to start by entering the companies that you have already done business with in the last year. The current customers you enter should be the highest grossing in revenue dollars (or profit, or volume, however you track sales). Next think about what they bought, and enter that. Finally, enter their revenue from last year. You can enter as many as you like, but realistically you should be looking at your top 5 -10. The idea is that you most likely

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have more products and / or services that they can buy from you.

Next, think about the top prospects that you have in your current customer base. Maybe you have a small division of a very large company. They don't show up as a top customer since their revenue isn't that high, but the possibility is there for them to be huge. This is what you are looking at. Where is the greatest growth possibility in your current customer base?

Enter the company, their industry, and then the growth possibility that you see. Is it additional products or services, or is it another division? Lastly, assign a revenue target to these customers. If this is not revenue that you received last year, then this will be considered new in this plan. Many people find that a significant portion of their quota can be found in the existing base, simply by expanding what they already do.

Next, you want to look at the issues that are facing your customers and their industry. ***This is critical in today's market!*** For example, if you sell to the construction or mortgage industry there are currently (2008) a number of factors that are drastically changing these industries. What do you see impacting your customers? This is both a threat and an opportunity to your ability to sell to these companies. If their industry is booming, they may have plenty of money to purchase what you sell. However, there may very well be new competitors that see this opportunity and enter the market. If you are selling to a booming industry, you may have trouble convincing them that they need your product or service since many "Pains" are covered by good earnings. Just be aware that whatever is happening in your customer's industry WILL impact your sales tactics and strategy.

Next, think about YOUR territory. There could be a very different perspective, especially if there are significant events in your geography or vertical. For example, what do you think happened to the Southeast territory of many companies after Hurricane Katrina? How about selling irrigation systems in the drought stricken mid-south including the major metro of Atlanta? Maybe there are not significant issues positive or negative in your geography, but you must consider this.

Next, you need to ask "Who can help me?" If your company has a formalized channel or partner program, who and how are you going to utilize this to make your quota and attack your territory? How big are they, both with people and revenues?

Where have you had the most success? In what industry or vertical has your product or service been most successful? What about in your given geography? Why is this? The answer to the "Why" question is very important as you move forward in

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attacking the territory. If you have solved problems for others in a specific way, then odds are that you can solve the same problem for others that have that issue. At a minimum, you have a story to tell as you prospect within your targets.

***You have to look at the New Business you are trying to close for the next year. Good sales people always have 3 times their quota in their pipeline. If you have 3 times your quota at all times, it is very difficult to miss your number. Think about who you are targeting, why, and who can help.***

The next thing you have to do is to develop a target list. Who do you think you should be calling on? Who do you want to close this year? There are always a couple of whales that can go on the list. If you closed one of these you would be maybe halfway to your number. But more reasonably, there should be a good list across your territory, be it geographically based or not, that you have determined would or should be a good fit. You should also know what kind of product or service you are targeting them to buy.

Next, ask yourself why. Why did I choose these companies and why do I think they need the products that I listed? Defend your decisions to yourself. If you can't justify it to yourself, then it is difficult to justify your call into the company. All of this is preparing you to a) penetrate these organizations and b) crush your number.

Next, enter any partners that you have in the area that you think may be able to help. What do they sell and how do you think that they can help. What is their relationship with you and your company? If you do not have a great relationship with a partner that you think can help in a significant way, then you need to fix that. And, again why this partner? Justify to yourself so you can justify to the partner when you work with them to target the account.

Lastly, add additional accounts in your territory that you have not penetrated. There may be that one account that is a competitor's account and has been for years. Add that to the list, and spend some time calling on that account. Why? So your competitor has to spend time defending his account base and not going after new business. How about that account that always seemed like a good fit, but you could never get them to give you the time of day? Persistence can be key, so add them to the plan and make time to continue to pursue them.

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## Get Tactical

***Think about both who and how a partner can help along with WHY they should talk with you. This is the Game Plan stage. Get good ideas and then translate them into a list of activities. If you don't work with partners then this is where you can start thinking about the actions you can take to accomplish your plan.***

Start this section with your partners. Again, if you don't work with partners then move to the next area. If you do work with partners, the major thing here is to think about "How" you can work together. Can you share target lists? Can you share contacts? Do you have products or services that make a complete solution when they are used together? Do you have a great relationship with a sales person from another organization that can help? Maybe you can create an informal partnership. Anyway you approach the use of partners, make sure it is thought out.

Now think about the organizations on your list. What do you think you can do to help them solve an issue or problem that they may have? What have you done for others like them? What issues do you solve routinely? Now you are starting to create the genesis of your prospecting plan. Now you can think about how to approach these targets in a way that will be more specific and more detailed, which should give you a better chance at getting in and selling.

Now for each company, detail your approach or tactic. Maybe a round of golf is what can get you in the door. Maybe it is a specific trade show that this organization attends. Maybe there is a referral that you can get from your personal network. Are you on Linked In? Do you attend networking events? Create a tactic / strategy for reaching each of your targets.

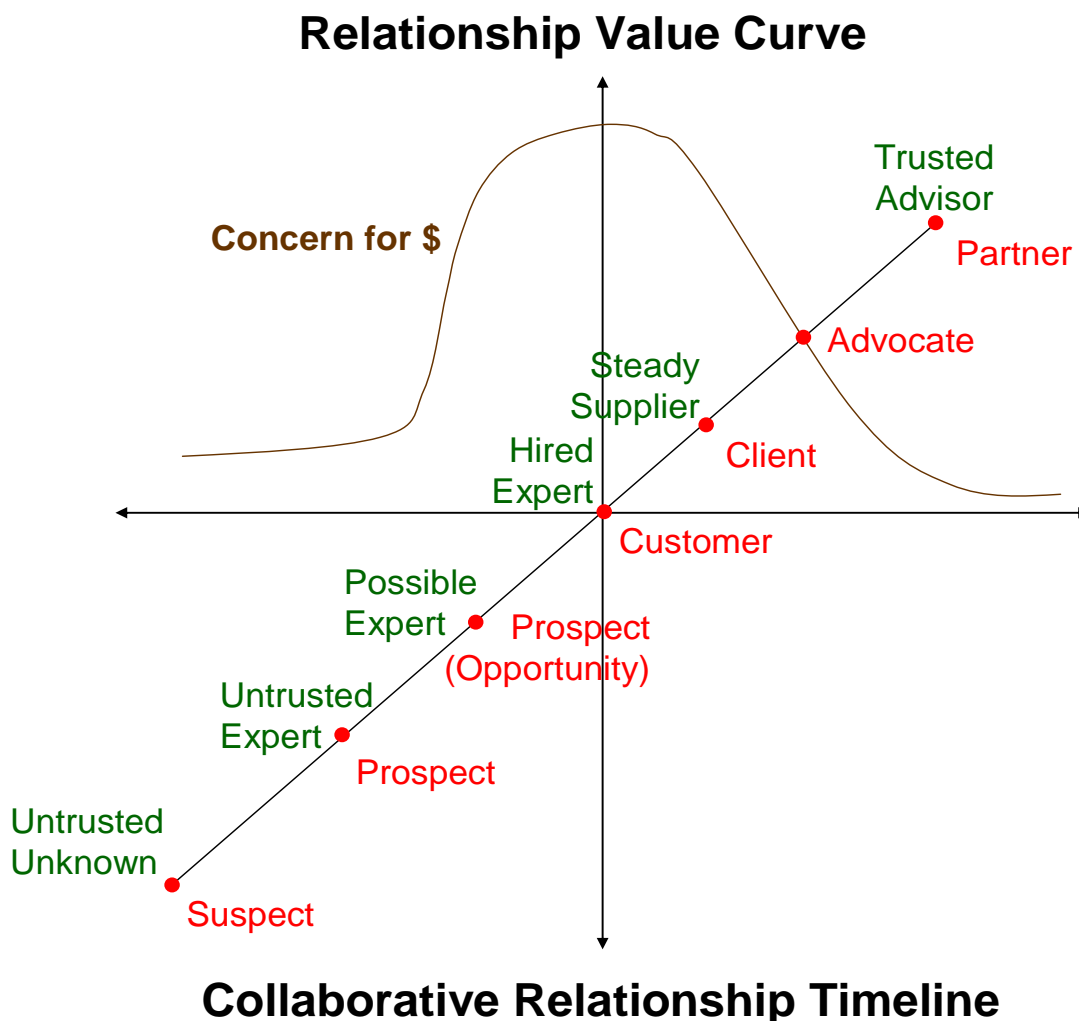
Next, what else can you do? There are probably more ways than one to penetrate each of these accounts. Think about others. I heard a great story from Guy Kawasaki who got a business plan handed to him at a conference. It wasn't paper, but on an iPod as a podcast. Guy got the business plan and a free iPod. The plan was listened to, and it cost the entrepreneur \$149 to get it there. But is that not worth the cost if it brought him \$2 million in start up funding? How creative can you be?

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## It's about People and TRUST!

Let's take a look at the relationship curve below. This is based on research by the Harvard Business School. Executives and anyone who makes buying decisions, base these decisions on trust. They have to trust that their decision will a) solve the problem they are looking to solve, and b) they have to trust the person that they are buying from. This "trust curve" works through a very predictable path.

As we look at and qualify our targets, we see them first as (in red) Suspects, then as Prospects, and then as Qualified Prospects. They become labeled as such based on our interaction with them. However, from the prospect's side of the table (in Green), they have to establish trust and rapport with us first. They are looking at first for an expert. They have a specific issue that they want to solve. When we first approach



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someone, we are neither trusted nor known. Our first challenge is to become known. Then we must build trust based on the value and insight we provide.

***This step is about people. In these accounts, how do the people view you? Each account has multiple players, and each one may have a different view of you and your company.***

Notice the brown line labeled as “Concern for \$”. There is little concern about what you charge early on in the relationship. This is because they do not know you or trust you enough to be concerned with what you charge. When prospects bring up money early on, they are typically just trying to weed you out of the process.

Once a prospect has decided to buy from you, you have passed the threshold to become an expert for hire. They have now become a customer. It is not until the second and third purchase that they become a client, and you become a steady supplier. Eventually, you become advocates for each other. The ultimate objective is to become a trusted advisor. At this point they trust your recommendations because they trust you.

So now, choose the accounts with which you have a relationship established. How do we view the relationship? Where on the curve do we think we are?

Next, where do they think we are? This requires honesty on our part. It also requires understanding that organizations are made up of people. One person may think of us one way, yet another will think of us another way.

At every organization, there are people who fill different buying roles. This may be one person, or multiple people. The roles that they fill are: User Buyer, Technical Buyer, Economic Buyer, and Decision Maker. In most cases there will be at least 2 people making the buying decision. You need to determine how each of the key people in the account views you and your company. You also need to rate the relationship, with 5 being excellent and -5 being terrible. In most cases you will have some real advocates in the account and one or two detractors. This section will help you think in terms of increasing the relationships with the advocates and neutralizing the effects of the detractors.



## 90 Day Action Plan

***Now, build a plan based on the information you have entered. What do you need to do and by when? What step in the process are you at, and what priority is this action? Be specific and add a time frame.***

This step is possibly the most important one in the process. Based on all of the thinking and information you have entered, you now need to create a 90-day plan of action. Here you need to enter all of the actions and activities that will make you successful at making the sales and quota numbers that were entered at the very beginning.

The most efficient way to create this plan is by company. That is, enter all of the activities that you believe you should do with the soonest activity first starting with each company. Then follow with each additional company. You will need to enter a due date and priority.

Take your time and enter all that you need. Remember, the priority of any given action is determined by any other on which it relies. In other words, closing the deal is high priority, but you can't do that without a first meeting, or a demo, or whatever is involved in your particular sales process.

Don't forget to include all of the prospecting activities. How much cold calling? What networking events or trade shows?

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## Pull it all together

***Based on what you have entered and the actions you have created, how will you reach your goals both corporate and personal? What will get in the way? Who will help? Be specific.***

This is where you tie everything together and write your full plan. This will probably be the part of your plan that someone else will see, for example, your Sales Director or boss. This should really start with the numbers. For Example:

*"In my territory I have a full year quota of \$1,000,000 that represents 25 average deals. I expect that I will have 10 deals from my existing base, leaving me with 15 new accounts to close by year end. However, I am planning on attending the Club trip this year so I have created a plan that will generate \$1,100,000, or 110% of my quota."*

Now walk yourself through the plan. Which existing accounts will buy and why? New accounts will be targeted, and are on the list because... You plan on using the following partners because...

This is the section that will take the longest to complete. The action plan and this narrative can help you focus your time and perform activities that are going to be the highest in production for your territory. Remember, the goal is to create a plan you can follow and will lead to more sales and more commissions.

You have now completed your plan.

***This process should be revisited every 90 days to update the plan. New accounts become existing business. Lost accounts have to be accounted for so that you have a good idea of the number of deals that you are targeting. The target list has to be updated for those that fall off. This is the key. Redo your plan every 90 days and look at it twice a week to stay on track.***

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## About Plan 2 Win Software

Plan 2 Win Software was founded by sales veterans and former VP Sales. We saw that Sales Force Automation Systems needed territory sales strategy and key account planning tools.

Plan 2 Win provides software and sales methods that enable sales people to develop insightful territory and account strategies and plans. This enables sales teams to fill their funnel with better prospects, make better use of their time and resources and produce better results!

Our sales planning applications enable the user to capture key trends in the industry, vertical market and geography. Sales reps, then, develop strategies, identify target accounts, business opportunities and partners to leverage and develop action plans to grow their business.

The plans are perfect for Quarterly Business Reviews (QBRs) and strategic account reviews. Sales management is able to review progress and help implement plans successfully.

Our method is simple. Our software and sales training methods push sales people to think strategically about how to penetrate their sales territories and key accounts.

Visit us at [www.plan2winsoftware.com](http://www.plan2winsoftware.com) and on the app exchange at: <http://bit.ly/hPTdDT> (territory planning) and <http://bit.ly/eCZcFR> (account planning) and our blog [www.plan2winsoftware.com/successblog/](http://www.plan2winsoftware.com/successblog/). The planning tool is integrated with Salesforce.com.

