

# TIME MANAGEMENT, TERRITORY PLANNING, AND SALES FORECASTING

In order to truly gauge your sales team today and where it is heading tomorrow, you will need to have a full understanding of your sales staff and their accounts. Territory planning is a critical area for your team as well as for you in order to manage for the right results.

Here, once again, many skills will be necessary for both you and your staff. None is more important than time management.

## TIME MANAGEMENT

Since account planning plays such an important role in sales, it should only be with the right skills and mind-set that the team goes into this process. Time management is most critical. Think of time management as being to territory planning what listening skills are to communication. In other words, you cannot even attempt to realistically, let alone strategically, analyze your accounts without understanding the value of time. What also makes time management so important is that it so often ranks as one of the poorest skills of not only salespeople but also managers.

In order to best maximize your use of time, there is a critical starting point—desire. By wanting to manage your time more effec-

tively, you will be able to bring many of the tools and techniques to follow into your repertoire. The good news is that since you are embarking on a new journey as a sales manager, you are in the position to have a fresh start.

Your time is affected by many influences:

- Corporate demands (senior management)
- Your manager's demands
- Your sales team's demands
- Other departments' demands
- Customers' demands
- Your family and friends' demands
- Other personal demands

What you should notice is that these are all based on the demands from others of you. This is commonly how we think of the forces that affect our time. However, if you look at them differently, in terms of your demands of others and your demands of yourself, you could begin to see time in a different way. In a moment you will see more relating to "Your Demands of Others." The latter, "Your Demands of Yourself," relate to where you are today and where do you want go tomorrow.

Looking back at the influences on your time, you will see that values come into the picture. For example, values can range from very "big picture" lifestyle areas such as, are you the type of person who values work above all else? Or is it family? Or is it a combination of the two, etc.? Values can also be as specific as do you value eating a sit-down lunch versus working right through lunch? Some people like to relate values to attitude. What is your attitude toward time? What is important to you might not be important to someone else. Typically a value is something that is more of a belief that you possess about something and whether or not it is right or wrong, at least as it relates to you and your life.

A good exercise to help you to sort through some of these questions would be to have a basic personal strategic plan done for yourself. This could include areas such as—Where are you today? Where do you want to be in the next three months, two years, five years, etc.? You could break down the categories into work, family and friends, sports and recreation, hobbies, volunteering, etc. How detailed you get is entirely up to you. While this seems like a very basic exercise, it is helpful to put into words some of the thoughts

you have circulating about. Also, you will be surprised to see how this can change over the years due to age and circumstances, so this is something you should look at periodically.

Once you have a better understanding of what value you place on time and how you would like to spend it, you are able to work on some techniques to improve your time management. Below are some basics that you need to be comfortable with first:

- Make a daily to-do list.
- Organize your paperwork and projects and rank them by priority (A, B, C, or 1, 2, 3).
- Break down large projects into smaller parts.
- Set aside certain times during the day to check e-mail and phone messages.
- Set aside time for just yourself (quiet time).

If you are not versed and comfortable with all of these or have questions as to how to implement them, you might want to look at any number of time management articles, books, or training out there that cover a lot of these fundamental skills.

As a manager, you now have a whole new complex set of time management challenges. This is where that whole notion of “demands” from others of you could start to become all-consuming. When you were in sales, those “others” were a different set of people than you now face as a manager. Now you have a team of people who are looking to you for answers. And you can’t just tell them, sorry, but I don’t have the time.

You should first look at breaking your time down into the appropriate categories that match your new responsibilities and priorities, which could include:

Customer visits (joint calls or your own customers)

Time for your staff

Time to write your reports for your manager(s)

Time to review reports from your team

Time for planning

Time for yourself

You could then estimate how much of your time each day should be dedicated to each. Of course, exceptions can be made—

for example, when you are on an extended business trip. However, you will find that even on the road you can keep to some of the time frames you have identified.

A good exercise is to, over the course of a week, keep a log or journal of where and on what your time is spent doing. Then you can see how close to plan you actually are or how much help and practice you need in this area.

After you have identified where your time is currently being spent and where you want to be, it is time to close any gaps.

Before getting into some additional time management tools that relate to your new job as a manager, you should understand that any problem or political situation is that much more delicate as you move up the corporate ladder. Also, realize that such issues as customer emergencies, corporate infighting, and a whining staff member comes with the position—to a point.

### Drop-Ins

There are many types of office drop-ins. Some examples are:

1. Your manager needs you for something.
2. One of your salespeople is having a customer crisis.
3. One of your colleagues is looking to talk about the game or TV show last night.

While your initial reaction might be that one and two require your immediate attention and that number three is the only unproductive use of your time, the reality is that all three might be unproductive at this moment. Remember, you have set up goals and objectives in the planning process, and you need to make sure you are doing the appropriate activities to meet or exceed them.

This is not to say that at times your manager and staff do not require your immediate attention; they very well might. Just make sure you are asking yourself the question, how important is this versus what you are currently working on? And if you are practicing sound time management principles, what you are already working on might be of too high a priority. If that is the case, you need to be honest and then set up a mutually agreeable time to discuss the issue with them.

A useful way to think of this is that if you put too many things into the funnel, you create a bottleneck, where nothing can get done. When that happens, everyone loses, including you, your manager, your staff, and the customer.

This thinking holds true for those so-called fires that need to be put out and what can be termed “Project of the Week.” Both usually start off small and then seem to take on a life of their own. Some call this “Scope Creep,” where the scope of your work seems to keep creeping up, or getting larger.

### Putting Out Fires

This could involve anyone from an employee to your managers to a customer or other stakeholder. This is likely not a real fire nor or anything close to it. Assuming it is not a real emergency, remember, just because others are overreacting, you do not have to do the same. Panic can be contagious, and therefore counterproductive to all those involved. In fact, if others see you as too excitable, it usually will tarnish rather than build up your reputation. And remember, so-called fires can be thought of in terms of your plan and where they fit into it.

### Other Projects

Often other projects will come up that don't take into account your time and priorities. Even if they are worthwhile, you may need to give some pushback. Again, the key here is to be truthful. Express to those involved that while it might have its merits, it will be setting you back in your other work. When these projects come up, you should talk to your manager and others involved to see what takes priority. Then you will hopefully be able to reduce the scope of work to something that is more manageable.

With all of this knowledge, keeping everything in perspective is still key. There will always be strategic projects outside of the realm of everyday that you will need to work on. You need to determine how each challenge and opportunity fits into your personal strategic plan. And when you do get more involved, especially in high-visibility assignments, look at them as exciting opportunities to let yourself shine as a new manager. Remember that similar to you, others have their own plans and certain priorities that, while not as blatantly evident to you, could be very important to someone else.

## THE ART OF DELEGATING

So far you have looked at many of the responsibilities of a manager and ways to manage time more effectively to succeed at your new role. So much is expected of you, yet how can one person possibly fulfill the functions of a manager and still develop new ideas for growth? This is where the need to delegate becomes vital to your new career.

Delegation is something that you need to embrace. At first, many fear using it, believing that it creates tension between you and others. However, if done correctly, not only is it a tool to manage your time, but it can also help you to forge better working relationships and build up your staff as well as your own career.

Delegation is in many ways synonymous with Time Management. However, it is really a part or subset of time management that requires a great deal of attention. The following are some typical warning signs of someone who lacks sound delegation skills:

- Regularly taking work home
- Regularly working overtime
- Work not getting done when you are away
- Major aspects of the operation known only to you
- Your staff and others coming to you for most decisions, even on minor things

Now some of these are not always an accurate sign of lack of delegation skills. For example, working overtime could be something that you would like to do regardless (i.e., favoring work over personal time). However, whether or not you choose to bring work home or to spend your weekends playing tennis, there is always more of the “appropriate” or strategic type of delegating that can be done.

A major mistake of new, and even veteran, managers is to try and hold on to as many job-related functions as possible. This could be out of insecurity, believing that the more you have on your plate, the more job security you have. The other reason for this is that many managers feel that it is either too difficult to explain or that others are not as qualified or lack the competencies to get it done.

Well, the reality is that you are only as good as your team. If you feel that the team members are not able to perform a wide array

of tasks, then there is an inherent problem—either in your thinking or that of the staff. Since the staff is not changing overnight, and you likely have some very talented team members, you should challenge yourself to not hold on to the reins too tightly. The objective is to get the team functioning well and producing results. Your job is to get roadblocks out of the way of the salespeople.

Delegation has several benefits, of course, one being that it gets the task complete. However, the other key benefit is that it helps both you and others grow. All in all, when done properly, delegating can:

- Lighten the manager's workload.
- Develop organizational efficiency.
- Provide a growth environment.
- Allow the manager to focus on other strategies.

Delegation benefits your employees as well, especially in terms of job enlargement and job enrichment.

### Job Enlargement

The objective of job enlargement is to extend the duties that the employee handles. Keep in mind the limits that one person can do without feeling overworked. Once the person becomes proficient at these new tasks, you can expand their duties into other areas.

### Job Enrichment

Assigning new responsibilities is the key to job enrichment. This should mean not just tedious work, but work where there is a defined purpose. If done well, self-esteem and confidence will build as people take on more responsibility and are successful at completing this work.

In Chapter 2, on communication, you saw the four types of communication styles. You have your main style(s), and certain characteristics are present to varying degrees. As a delegator, you need to think in terms of your style as well as others', to be sure that you use delegating properly, so something that should be a positive does not become a negative for those involved.

For example, as a Directing-style manager, you might have the tendency not to delegate because of how you view time. It is easier

to just do it than explain it. Also, when delegating, this type of manager might be rushed and even vague in explaining the task, leaving the employee to fill in too many gaps.

Couple this with the need to think in terms of the style(s) of the salesperson or other staff member to whom you are delegating. For example, when delegating to a Directing style, you might want to start with the goal. If they have questions, they are typically not afraid to ask. Also, be sure to establish boundaries with the delegation. Directing styles might want to take authority beyond the boundaries of what is being delegated to them.

Another example would be that of a Supportive-style manager. This is the type of manager who tends to be a team player and might feel uncomfortable delegating too much. She will therefore hold back on a great deal of the necessary information. The employee will then need to check in more often than would be needed, eventually getting enough information to complete the task.

At the same time, a Supportive style employee will want to see how the task being delegated fits into the overall strategy. They want to know how their efforts are supporting the team or company. They might actually prefer getting the tasks piece by piece instead of all at once. This way they feel more connected to the work and the outcomes.

Of course, there are things to keep in mind for each of the DISC patterns. Odds are that it will not be a Directing style delegating to another Directing style. It could be any combination of patterns and intensity of styles. So the more practice you have in communication styles in general, the better you can become at delegating.

### Tasks That Can Be Delegated

The general rule is that any goal that is SMART can be delegated. Some additional considerations for delegating are:

- Those which are closely related to tasks that your team is already performing
- Tasks that are clearly defined through procedures and end results
- Tasks that are repetitive and that could be made a part of the normal work flow
- Tasks that enable your team members to develop personally or professionally

### Tasks That May Not Be Delegated

Any goal that requires a judgment call on the manager's part cannot be delegated.

- Tasks of a highly sensitive nature (e.g., salary reviews, discipline)
- Tasks involving the settling of conflicts among workers
- Tasks involving confidential data (e.g., payroll)
- Tasks that are not clearly defined, or about which uncertainty exists

### Some General Do's and Don'ts of Delegation

Accept the concept of delegation.

Delegation is not merely desirable; it is necessary for successful sales operations.

Specify goals and objectives.

Besides SMART, you can think of this in terms of the 5 W's and "How." Once specified, everyone involved knows their responsibilities.

Know your staff's capabilities.

If you have an understanding of your workload as well as that of your staff, you can delegate accordingly. Do not overload them.

### Agree on Performance Standards

It is important that you and your staff agree on the standards against which their performance will be measured.

### Provide Training

Delegating is more than simply turning tasks over to others. Coaching or training may be needed to ensure success.

### Take an Interest

A manager who really cares about the delegated tasks will take the trouble to find out how the task is progressing, without looking over someone else's shoulders.

### Give Appropriate Rewards

An employee who successfully completes a delegated assignment deserves recognition and praise.

What if you get pushback? If you are getting resistance it could require addressing the task being delegated and either modifying or reconsidering it. Pushback can also be indicative of a larger problem. For example, a staff member with great computer skills might feel that you are asking him to develop more and more reports and spreadsheets, and not balancing the workload with other team members. Falling into this trap is common when someone possesses a certain skill that is important to the task. Think before you delegate; you don't want to take make a star performer resentful and feel like you are taking his time away from generating more business.

Also, keep in mind that speaking the truth about the task you are delegating is important. For example, if it is an administrative activity that simply needs to get done, then say so. If it is something that could help the team overall (i.e. with morale, a new process, streamlining, etc.), then let them know that. If it is something that is asked of you from your managers, let them know that as well.

When there is a lack of communication, or details left out between you and your staff, they are likely already picking up on that. Also, always try to remember that the same challenges that you have when being delegated to by others, your sales staff could be facing as well, so be understanding and empathize.

### "Delegating Up"

Just like you need to manage your manager's expectations and work well with him or her, there are times that you will need to delegate up. This could mean delegating something to your direct manager or to someone in senior management, including even your CEO. While this may seem awkward at first, it is not much different than any other type of delegating. Of course, you can only delegate things that fall primarily in their domain, and they should not be administrative tasks. That said, if you do not have your own administrative person and can utilize the administrative skills of others to some extent, then more power to you. This, of course, needs to be approached with caution, but if done correctly, it could actually raise your visibility and enable you a chance to interact more with various high-level officers in your company.

You are likely being demanded of and delegated to by your manager, your peers, your sales team members, and customers. The time management tips provided in this chapter will have provided you with some ways to cope with unnecessary tasks and burdens placed on you as well as determining what is appropriate to take on and to what extent. Remember, the goal is to be able to properly manage your time in order to increase the productivity of yourself and your team. And again be conscious of your staff and make sure you are making the delegated task as achievable as possible for them. They, like you, have their own attitudes and values as it relates to the use of their time.

The other major reason to understand and improve time management skills is that it has been found to be one of the major differentiators between top-producing and low-producing sales professionals. Since one of your core responsibilities as a sales manager is to increase the productivity of your sales team, then by helping them manage their own time you have a great head start.

As we look at territory planning, you should see many ways to tie in time management with the managing of accounts. This might include anything from identifying sound prospects early on in the process, before too much time is expended on them, to looking at low-producing accounts and limiting your time with them, and possibly even dropping them.

## SALES TERRITORY PLANNING

You could be in any number of industries and have a wide array of sales channels that you use. This might range anywhere from field and inside sales (telesales) to distributors and independent reps (those who do not work directly for your company and are typically paid on a commission-only basis). Furthermore, your customer service personnel might be more engaged in upselling rather than just handling transactions and troubleshooting.

Next, your accounts could vary from small mom-and-pops to global 100 companies. You could also be selling to different business units within the same company or to different locations or buying offices. Finally, you might be selling to multinationals or global accounts.

As such, there could be any number of ways to combine and integrate the different sales channels. Furthermore, determining

who sells what to who (commonly called the sales territory) can be done in various ways. Some of the more common forms are by:

Geography: By state, Zip code, region of the country, etc.

Industry: Selling to telecoms, pharmaceuticals, financial services, etc.

Product Lines: Selling X, Y, or Z products

Alphabetical: Assigning specific letters (A-F, G-L, etc.) to salespeople (not very common)

First to Initiate: Once you begin contacting an account, they are assigned to you (also not very common and difficult to manage)

Other unique situations:

Major Accounts: Separating accounts over X size or revenue potential into a separate account management structure

Global Accounts: Separating those global accounts into a separate structure

## Team Selling

Most companies, especially midsize to large, will opt to use a combination of sales territory and account management strategies. Whatever the scenario, your role as a manager could again also vary from pure managing of your sales staff to actively managing your own set of accounts.

Team selling is very common today. Many salespeople are not expected to handle every part of the sales process, from initiating the sale to implementing a solution, training, and account maintenance. Therefore, team selling could be configured in many different ways depending on the industry, sales organization, and customer. For example, in many highly technical industries there are likely technical salespeople (some might even be engineers) who are part of the sales team. In other industries, such as consulting, it is common to have a sales representative who cultivated the business, and then an account manager, who takes over the ongoing day-to-day business with the account.

## Ranking Current and New Accounts

Most salespeople, along with their managers, use some type of a system to analyze their current accounts and prospects for new business. In trying to identify and categorize accounts, it would be too cumbersome to constantly use words like “current business account” and “potential new customers.” What you are looking to do is rank customer and prospects based on their value moving forward. This way, time, money, and resources can be dedicated to accounts with the greatest value to your organization. Furthermore, it puts everyone on the same page (you, the salesperson, your managers, other sales-related personnel, etc.) so that salespeople are not out there haphazardly calling on customers without the right direction and support of others.

You have the option to use any one of several types of ranking systems to determine where to maintain your focus. You likely have been exposed to or created some type of system that uses numbers (level 1,2,3), letters (A, B, C), words (Diamond, Gold, Silver, Bronze), and so on.

However, the important question is not what symbolizes their rank, but how to decide who belongs where. After all, depending on your industry, you could have in your territory anywhere from one account to hundreds of customers and/or prospects. The reassuring news is that it is really not all that difficult to prioritize accounts, assuming you follow a few simple steps. First, you need to consider some of the following:

- The industry that you are in—are there a limited number of large (major) accounts, many smaller ones, or a combination?
- How are your territories divided up—by geography, regions, product lines, etc.?
- How are your competitors covering their accounts?
- Who is involved in the sales process—your team as well as your customer’s?
- What is the risk associated with your type of sales—very consistent or volatile sales?
- Are your sales cyclical—e.g., based on season, weather conditions, trends, etc.

As no two sales strategies and the factors that go into them will be the same for any two companies, it is incumbent upon you to

determine what the relevant ones are for you to then consider. Once you have some of this basic analysis, one of the main goals of analyzing existing customers and new prospects is to determine their “overall value.” Then, it will be in your domain to manage your time as well as that of your staff so that time is spent on those opportunities with the “greatest overall value.” For purposes of simplification, let’s break down accounts into the categories of “High Value,” “Medium Value,” and “Low Value.” With this as a baseline, you will need to set up your own thresholds. For example:

Accounts greater than \$1,000,000 = High Value

Accounts between \$500,000 and \$1,000,000 = Medium Value

Accounts less than \$500,000 = Low Value

(Note: Numbers are used for demonstration purposes only and will vary greatly depending on your business.)

Yet what these numbers are really referring to is still uncertain. For example, does \$1,000,000 mean past business (e.g., for the prior year), current business (orders in progress), or future business (over the next six months, year, etc.)? Therefore, when determining the thresholds right for your accounts, you will need to keep in mind both revenue (or other measurement unit) and when it can be accomplished. Also, remember that while past business is important and can give you some indicators and insights into the future, for some types of sales, it is almost irrelevant. An example would be if you were selling an enterprise-wide software system to a company. Once you have completed the sale, the customer might not be in the market for a new system for many years to come. Sure, they will require servicing, maintenance, software upgrades, etc., but the bulk of the sale is complete. This type of an account, even though they might have accounted for one of your largest recent purchases, would not be a very high-value account, because additionally, business opportunities are limited. This is not to say that the company is not a very important customer to service and get referrals from, etc., but it might not require as much time and resource commitment as other accounts going forward.

Also, you could have everything from “core” customers (the day-in-and-day-out buyers of your products and services) to “wish” prospects (those who you are eager to sell to, but who might

never buy from you). Therefore, it is important to be realistic when prioritizing. Similarly, you could have two customers (both with growth opportunity of up to \$1.5 million over the next year) that could be ranked High Value and Low Value, respectively, because the first company has a much better track record or chance of success.

As you have seen, ranking accounts relates to both customers and prospects. If it were an existing customer, then it is referring to additional business, whereas if it were a prospect, then, of course, it is relating purely to new business. With respect to new business prospects, you can either meld them into the High, Medium, or Low rankings or they can be tracked separately as High P (for Prospect), Medium P, and Low P. This often depends on the amount of prospecting your company or a specific salesperson does versus working with mostly pre-established accounts. A good reason to include them is so that you can see more directly where to prioritize and devote your time. For example, a High P could be as important as a Medium Value or even a High Value existing account. While this is not likely—because as the age-old adage goes, it is ten times more expensive to acquire a new customer than keep an existing one—you could still have some prospects that are poised for accelerated growth.

The following is an example of where a prospect could fit into the account mix:

	Account Revenues (over the next year)
Customer X (High Value)	\$1,500,000
<i>Prospect Q (High P)</i>	<i>\$1,250,000</i>
Customer Y (Medium Value)	\$750,000
Customer Z (Low Value)	\$250,000

You will also notice that we are mostly ranking customers and prospects in terms of revenues. While revenues are often an important factor, they are not always the only nor necessarily the critical ones. Remember, business goals may vary from anything from profits and revenues to market share, quantity sold, brand recognition, and so on. Also, even within an account, the measurement might vary. For example, you might use revenues or profits for current product lines versus quantity of test orders for new products.

As evidenced, account value is not something that can be simply

made at random. Some additional factors to consider that can affect new business opportunities are:

- A new buyer has taken over, who could either slow down or speed up the buying process.
- Lack of customer budget to implement your solution until at least XX/XX/20XX.
- Prospect is under contract with another supplier until XX/XX/20XX date.
- Customer is involved in a merger and/or acquisition, and new purchases are delayed.
- Multiple decision makers in the selling or buying organization who all need to approve the deal.

You will notice that a common theme here is that they all have something to do with the sales cycle or the sales pipeline. You will need to determine where accounts are in the cycle in order to ensure that the opportunities are prioritized. You and your salespeople can together determine where in the sales process you are. For example, has the salesperson gotten through the “discovery” (needs assessment) stage, and moved into making a sales presentation? Conversely, if she is in the discovery stage, the buyer is likely in the “evaluation stage.” This could be determined because the customer has requested a sample of the product or asked her to come in for a demonstration.

Taking the idea of High, Medium, and Low Value one step further, you can break down these three levels into some more detail, as not every group of accounts will be at the same level either.

The benefit would be that you can more precisely prioritize. Similar to A, B, and C tasks in basic time management, you can further rank the A's (beginning with the High A's), then the B's, and finally the C's (the lowest C's, of course, having the least amount of time and resources dedicated to it then).

It is even prudent to add another level “Exit” or “Drop” accounts to the mix. Putting exit accounts into the analysis is a way to force you to focus on the right opportunities. You are likely aware of the 80/20 rule—80 percent of the sales time should be with the best accounts and 20 percent with the balance. However, as we all too often see, it is usually the reverse, where the lowest priority accounts are eating up the majority of our time and energy.

This is, of course, a discipline and time management issue, and it can be managed more strategically by ensuring that you and your team stick to the account plans you have put in place.

By incorporating the exit account, you and your team are consciously choosing to find an exit strategy for certain accounts the effort expended to maintain them at such a low, unprofitable level. By intentionally moving your weakest accounts into this category, you are setting a stake in the ground, not to mention the fact that this can actually be measured during performance reviews. The strategy would then be to either discontinue selling to them or move them over to someone who specifically handles smaller accounts—for example, from a field salesperson to an internal one or even to Web-only status.

Of course, with certain accounts, it might not be appropriate to drop them entirely without a safety net. If your company supplies them with replacement parts that only you carry, it would be at a minimum unethical and possibly illegal to no longer provide them. A way to get the process under way though is to no longer take new product orders, but rather only reorders, or just continue to supply the disposables or component parts. Reviewing and adjusting the company policy on minimum orders might help to accomplish this fairly. Again, the intent is to not eat up the salesperson's valuable time with accounts of least benefit to both you and them.

Your time then begins to free up so you can give more attention to the High Value and some of the stronger medium value accounts. This will also become critical when you make in-person sales calls. Whether your sales territories are set up by region, product line, national accounts, or other strategy, your staff will have accounts dispersed in such a way that they either form a geographic pattern or it ends up being more piecemeal (scattered). Working with your salespeople, you need to ensure that they make customer/prospect visits in priority order. This would mean that a lower-value account is really a “nice to visit” or time-permitting account, whereas the higher-value customers/prospects are the “must-visit” accounts. Again, the specific pattern or sequence will depend on the territory, the amount of time needed for the visit, etc., but a sensible sales strategy needs to be made. Last-minute changes (e.g., a major customer cancels the meeting) and extenuating circumstances (e.g., a core product launch becomes delayed) could affect the strategy. Yet without a plan, you are operating in the dark.

Furthermore, account values can change at any point. This can be to your benefit or detriment. Some reasons for this to occur could be:

- A major prospect's supplier has just gone out of business, opening the door for you and your company.
- A regulatory change is now enabling you to compete in a new market where you have a great deal of products/services to offer.
- A prospect has been given a major grant or funding that will enable it to consider your company as a new supplier.
- Your customer has a new CEO who wants to get out of (or into) a certain line of business, thus divesting of (or demanding) your products.

It is important to note here that account management techniques will need to be adapted in a way that fits your business environment. For example, sales strategies will vary not only due to customer versus prospect status, but also the quantity of existing versus new customers. Your sales team's accounts may range from anywhere from hundreds to dozens to just a few. Also, the balance between existing and new could range from an even split of customers and prospects to all of one or the other. And this could vary from salesperson to salesperson as well. Of course, much of this will have to do with your industry, corporate, and departmental strategies. For instance, your company may have decided to enter into a new market from the ground up. In this case, a great deal of prospects will need to occur in that particular market. Alternatively, the customer base may be so consolidated that focus is on a very limited amount of existing high-level accounts. Therefore, time and resources would need to be dedicated accordingly (e.g., via a high degree of team selling). Whatever the case, it will be incumbent upon you and your management team to align your people, time, and resources to fit the determined business goals.

Your salespeople, along with your input and direction, will need to determine the best use of their time. As a manager, you will also need to keep track and jointly agree on each member of your team's course of action, so having a solid understanding of their accounts and territory are critical. Furthermore, you will likely be making a percentage of sales calls with your staff, and quite possibly have

some of your own accounts to visit—all the more reason to understand how to budget your time effectively. As you can see, time management is a critical skill as it relates to territory planning and account prioritization strategies.

### Sales Reports

These are a great way to keep track of the progress of your team members and help them make any adjustments along the way. However, gone are the days of lengthy sales reports with detailed information that in actuality told you nothing. Today, reports should take your salespeople very little time (less than thirty minutes per week). After all, by reducing unnecessary paperwork, the salesperson can spend more time actually selling.

The following are some areas to consider for these reports:

- Progress on existing accounts (updates against quota)
- Progress on prospects (where they stand in the sales cycle, e.g., requested a proposal, samples or demonstration requested, etc.)
- Until what date a prospect is under contract with a competitor (date for when the contract is up for renewal or expires)

### Contact Log

- This is usually a different report that is managed by the salesperson and that you can review periodically. Keep in mind that the volume of customer contacts is only as good as the outcome of these calls or visits. It should have some specifics, like initial contact made, next phone appointment made, in-person sales call scheduled, and so on. Remember, just making a large quantity of phone calls or sending out lots of e-mails or letters is not following SMART principles and might just be consuming valuable time.

### Sales Forecasting

In actuality, sales territory planning lays the foundation for sales forecasting. However, sales forecasting typically refers to a corporate exercise by which target numbers are used and then budgets and resources are tied into them. The problem with many business sales forecasts is that they are typically guided from the top down, with

little input from the sales manager and salesperson. For example, often a goal trickles down to you through the various corporate layers. The goal is \$115 million in revenue and \$17.25 million in profit for your department. How did upper management come to this figure? Well, last year you did \$100 million in revenue and \$15 million in profit, so forecasters merely marked each one up by 15 percent. This is far from the ideal, as it often is missing one of the core elements of SMART planning—realistic.

When taking part in forecasting, you again need to answer both corporate and departmental questions. The first step is to understand what is directly within your domain as a sales manager. This generally relates to your sales team, customers, and prospects.

Some of the many questions to consider are:

- Should a good salesperson be able to land an account in one, five, or fifty touches (touches being marketing outreach, phone calls, field sales calls, or any combination)?
- Approximately what is the value of each touch?
- What is the time frame for each of these prospecting activities (daily, weekly, monthly activity)?
- What is the typical time frame to arrive at X amount of business with each type of existing account (High Value, Medium Value, etc.)?
- How much time needs to be dedicated to maintaining accounts, and who, if more than one person, makes up the sales group—the salesperson, a technical sales support person, a sales coordinator, or any combination of people?
- Does the account have multiple customer contacts (purchasing agent, buyer, manager, senior-level officer, etc.)?
- Is there team selling involved (e.g., account manager, engineer, researcher, sales manager, senior-level officer, etc.)?
- What are your department/team costs associated with each type of sale (overhead, travel, samples, etc.)?
- What “special circumstances” are in progress or have tremendous growth potential—e.g., are there any major orders pending that could increase the entire department’s sales by over 10 percent once finalized?
- Are there any new markets you will be tapping into with a new product launch with tremendous growth opportunities?

- What is your role in a typical sale? How much will it vary depending on the salesperson, account, etc.?
- How many, if any, accounts do you currently manage? Are you the sole contact or do you have any sales support staff?
- To what extent is your manager and any senior managers involved in selling?

Next you need an understanding of the role of other departments and how internal stakeholders will take part in business sales forecasting:

- What new products are in the pipeline (production, R&D, engineering, etc.)?
- What marketing campaigns are in place to drive demand? Is the marketing budget expected to be increased or decreased, and by how much?
- What is the financial stability of the business? Public or private company? Who are the investors? What is the guidance from your financial executives?
- What are the human resource requirements in progress? What is the company's hiring status (bringing on new employees, on hold, etc.)?

The crux of this is that forecasting cannot be done in a vacuum. There is no magic formula except the combination of past performance and future predictions that end up being "very educated guesses." Some try to make it an actual science, utilizing predictive models that look at historical data and many of these other factors. This can be beneficial, but it is still incumbent upon you to ensure that you have some involvement.

What you are really trying to avoid once a forecast is set are major surprises (at least of the negative kind). Here is where you also need to take into account the direction you are given by each of the following key areas:

- *Direction from the Top.* For example, an initial mandate to grow your sales by 15 percent, sometimes based on outside investors, and stockholders as well.
- *Direction from Your Manager.* Likely tied into direction from the top but could be somewhat more conservative.

- *Direction from Your Sales Team.* For example, grow by 5 percent, based on management's figure of 15 percent; this more conservative figure might be given in order to increase their chances of beating forecast.
- *Direction from Other Departments Involved in Forecasting.* Marketing, HR, finance, manufacturing, etc.
- *Direction from You.* How do you interpret what all of these factors are telling you?

Finally, external factors play a very large role in what the future holds. They include:

- *Competition.* What are they doing in terms of market share, new products, brand recognition, sales force expansion/contraction, etc.? Are there any new players in the market or are some bowing out?
- *Mergers and Acquisitions.* Are you or any of your competitors involved in any partnerships, buyouts, etc.?
- *Regulatory.* Are there any major changes in the horizon that could positively or adversely affect your plan?
- *Economy.* What is the economic environment? Growth, recession, etc.? Will interest rate hikes, commodity pricing, the unemployment rate, dollar fluctuations, and so on greatly affect your business?

Some say that you as a manager should adopt a philosophy closer to that of your salespeople—that “beating the numbers” is the name of the game. They are, after all, your front line to the customer, and their buy-in is certainly a key factor. A great deal of this has to do with the corporate culture that we discussed earlier. It might at first seem like a very good idea to try to “downward revise” any forecasts put before you in order to better your chances of coming in at the higher end, allowing you and your team to shine. However, other factors are at play here, since not only aren't you forecasting in isolation, but others are involved in their own forecasting as well, and ultimately everyone reports to the top. So you must be realistic. The important part is that you strive for as much say and collaboration as possible when forecasting so that all parties can accomplish what they need to satisfy their key stakeholders and constituents.

After all, the best way for a company to succeed is through building stronger teams across the organization.

This is where motivation and incentives comes into play. No matter what the numbers are telling you or what numbers you are being told to reach, one of your core responsibilities is to make sure your salespeople feel rewarded for their efforts. You can help bridge the gaps by ensuring that there is a connection between the forecast and the incentives to then make or surpass the plan. Always keep in mind as well that incentives can come in the form of both monetary as well as nonmonetary compensation. The theory behind motivation and how to best implement compensation and other incentive and rewards programs will give you some greater insights into how to inspire your team going forward. This is how you can get the best out of everyone in order to achieve the results that you, your team, and your company are seeking.