

# BUILD TERRITORY PLANS *that* DELIVER GROWTH

Strategies and Tools to Adapt to New Market Trends



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## Introduction

The world is in flux. Your business is caught in the turbulence. Do the sales territories you planned at the beginning of the fiscal year meet your current needs? Probably not.

Traditionally, sales territory planning happens only once a year. It's a drawn-out process that often relies on convoluted and outdated spreadsheets to define the area, sales, and revenue each of your reps is responsible for targeting.

Sometimes, that process is so manual and takes so long, that the plan becomes irrelevant before a company even implements it. Inaccurate data and wrong assumptions set sales reps up for failure. Even when a territory map is drawn well, it eventually expires.

Your territory plan must transform to keep up with change. This guide will teach you how to adopt a process that's less manual and more iterative and flexible to quickly meet your needs.

Analytics, data visualization, and scenario modeling make it possible to quickly plan and adjust territories, while incorporating accurate, real-time information. With these capabilities in your toolkit, your sales teams will be set up with the optimized territories they need to deliver the revenue your organization is counting on.

## CHAPTER 1

# Begin with quality data

Start with what's important. Data is the anchor that stabilizes your efforts. A territory plan that does not incorporate quality data is as good as no plan at all.

Your information needs to be accurate, consistent, and available across your entire sales organization. You need the latest and best intelligence about your customers and prospects, as well as reliable information about your own teams' capabilities.

Team members should be able to access the same reliable data in your CRM, so that everyone is on the same page. Salesforce refers to this centralization of reliable information as a "single source of truth." This one-stop shop ensures that you can truly understand available market opportunities and how your sales organization can attain them.

## Customer and prospect data

### Helpful data for understanding customers and prospects includes:

- **Company size:** You can determine company size based on revenue, employee headcount, or other metrics.
- **Company lifecycle stage:** Are they a fast-growing startup? A stable, mature enterprise? A downsizing small business?
- **Customer relationship stage:** Where are customers in their lifecycle? Are they using one of your products or multiple – or none at all? Are they new or longtime clients?
- **Industry performance:** How is the prospect's industry performing? Are economic, regulatory, or political factors working for, or against, the prospect's industry?
- **Region/geography:** How are regions or geographies you target performing economically? Are there location-related factors that impact customers and prospects in certain regions?

## Team data

### Helpful data for understanding your teams includes:

- **Region/geography:** How have sales historically performed in different regions and geographies? Where are your sales reps located?
- **Performance:** Are sales teams missing, meeting, or exceeding quotas?
- **Churn:** What teams or regions have had the same sales reps for years? Where do you see more turnover?
- **Product:** How do your company's different products and services compare in terms of sales?



## Gathering reliable data

Collecting and maintaining accurate data is hard. In 2018, analyst firm Gartner found that organizations believe poor data quality to be responsible for an average of \$15 million per year in losses.



**We recommend you follow these four steps to avoid falling into this trap:**

- 1 Automate data entry:** Automating data collection limits human error and enables sales reps to spend more time talking to customers. High-performing sales organizations are more likely to automate data collection than their lower-performing counterparts.
- 2 Use trusted sources:** Get external data, such as industry performance data, from respected analyst firms, government agencies, and other trusted organizations.
- 3 Integrate your data:** It is hard to ensure that scattered data is all up-to-date. Data silos can also result in staff looking at different and conflicting data sources. This can cause confusion as teams act on different assumptions. If your data is stored in disparate spreadsheets, you should unite it all in one CRM system.
- 4 Update religiously:** Old data is inaccurate data. By centralizing data and automating its collection, you can ensure it is consistently updated.

## CHAPTER 2

# Segment your market

There are a lot of different ways of putting together a territory plan. Most sales organizations start by first looking at their own needs, such as revenue goals. But you can't achieve revenue goals with a plan that doesn't serve your customers.

That's why we recommend using the data you have collected to segment your market. Segmentation refers to grouping customers into categories that respond to similar sales and marketing strategies.

One size doesn't fit all, and thoughtful segmentation allows you to address the entire market. Without this process, sales reps can be blinded by big fish accounts, missing out on opportunities for growth in other areas they haven't studied. Trying to upsell a big account could be worthwhile, but it doesn't replace building a relationship with a smaller, but growing, company.



**SEGMENTATION:** Grouping customers into categories that respond to similar sales and marketing strategies.

**At Salesforce, we segment by region/geography, company size, industry, and customer lifecycle. Your approach may differ.**

- **Region/geography:** Salesforce looks at geography because different regions have different characteristics. For example, a company Salesforce would classify as “enterprise” in India may fall under a different category in the U.S.
- **Company size:** Salesforce determines size of customer companies based on how many employees the customer has. The higher a company's headcount, the more lines of business it is likely to have. Different lines of business require different product solutions. Other sales organizations may determine company size by overall revenue.
- **Industry:** Salesforce's customers in healthcare have different needs than our customers in finance. Different industries have different pain points and follow different regulations, so they need different solutions.
- **Customer lifecycle stage:** Salesforce works differently with a first-time customer than we do with a company that already uses many of our tools. We split companies into three lifecycle segments: new customers, customers that use one or a couple of our core products, and customers that use several Salesforce solutions.

The way you segment your market will depend on your own company's size, industry, where you operate, and other factors. For example, large enterprises will probably segment by industry, while small businesses may not need to do that. Global businesses will look at more geographies than local ones. New businesses may not yet need to segment accounts by customer lifecycle stage.





## Test segment assumptions

Now that you've got your segments, it's time to see if they work. Apply your segments to previous performance data. This helps you develop a picture of what's normal for your company, and where your company has a history of either excelling or struggling.

### Some questions to guide this process include:

- How has your company performed in the different industries it has pursued?
- How have specific products performed in these industries?
- What has your company's rate of success been with different sizes of companies?
- How has my company performed in each region or geography?
- What proportion of customers at any given time has been new business? What proportion has been longtime customers?
- What products have customers in different segments purchased in the past?
- How have sales reps and teams performed in relation to different segments?



## Model scenarios

After you apply historical data to the segments, look at conditions that could change future performance. This initial research will help you better understand your segments. Use real historical or projected data to model scenarios. You might use analyst projections of growth in a specific industry to see what it could mean for future outcomes.

### Some questions to consider are:

- What recent economic shifts could impact each segment, and how?
- How might sales of different products perform in each segment?
- How might planned changes to the product mix affect sales performance?

Rapid modeling is crucial for business continuity during times of upheaval. The faster you can model impacts on different segments, the sooner you can adapt.

Think back to the start of the coronavirus pandemic. The negative impacts on travel and tourism were swift. If you model changes like that when they happen, you're better able to shift focus and resources to better performing industries.



## CHAPTER 3

# Draw your territory map

Now it's time to design territories that reflect your priorities. Your territories should align with business goals, have optimal sales coverage, offer balanced opportunity and revenue, and enable productive customer engagement.

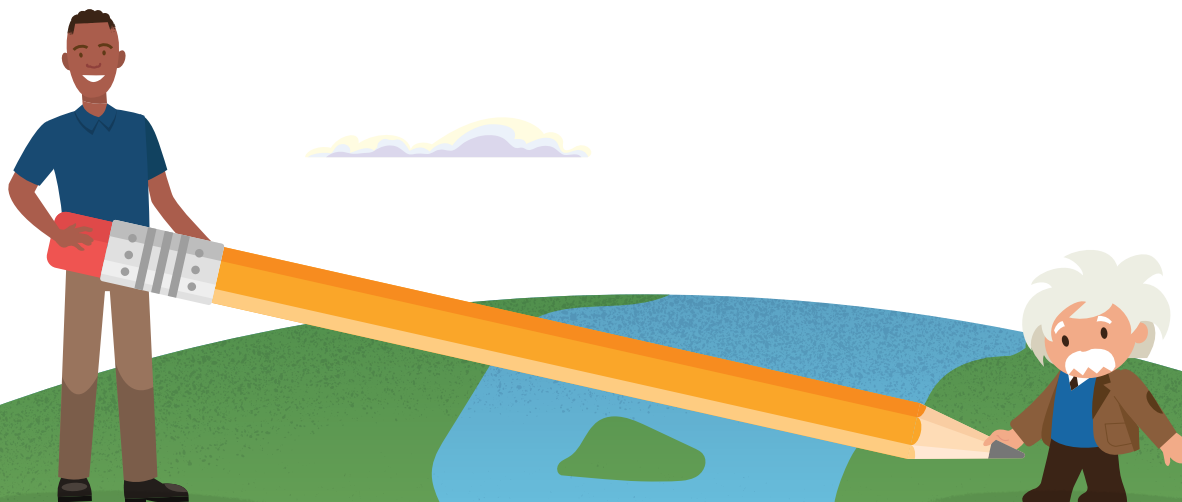
Segments are one tool for helping you determine your priorities, but different segments may matter more for different territories. For example, you may center one territory more around a specific industry you cover, while you center another territory to serve companies of a certain size.

Other factors will also influence your priorities. Has the size of your staff changed? Do you need to change how you distribute your reps? Maybe you want to maximize potential revenue, but you also need to work with a smaller team. Setting high goals for your teams only makes sense if they can actually achieve them. You may need to adapt expectations to team size.

### FACTORS TO CONSIDER AS YOU SET PRIORITIES INCLUDE:

- Desired potential revenue in certain territories
- Reallocating sales reps who are ready for promotion
- Prioritizing a new combination of industries
- Covering a larger overall geographic area to expand opportunities
- Other factors unique to your needs and expectations

In times of instability, you may want to prioritize existing relationships. Selling to existing customers can also be easier and require fewer resources. To support these goals, look first for relationships that are working. Have certain reps been working with certain customers successfully for years? Make sure your territory map respects those relationships and the continuity they provide.





## CHAPTER 3

### Carving territories

With a territory strategy in place, you're ready to begin carving territories and evaluating how they might perform.

First, you'll need a territory mapping tool that is integrated with your CRM, which should contain all your data. Instead of wasting time and resources trying to decipher data across multiple spreadsheets and planning tools, integrated tools allow you to optimize and balance territories all in one place. You'll have direct access to important customer attributes your business relies on, making it easier to evaluate different scenarios and options for carving territories.

Integrated tools also simplify another critical part of the process: stakeholder buy-in. They allow you to get out of email and ad hoc chats to communicate your plans and seek input from sales leaders all in one place. They also ensure full transparency, which goes a long way in setting your team and plans up for success.

And once you're optimizing territories within your CRM, it becomes much easier to move beyond simple boundaries such as geography. You can start applying more complex territory plans that center on other important business factors. For example, some senior reps may handle only a small number of large, important clients that are located in disparate locations. Or, two territories could exist within one geographic region. Perhaps you have one team that focuses on developing new business in a certain county, and another team that services existing customers there.

“

Our team was able to quickly utilize Territory Planning to make an immediate impact on the business.”



**Kerry Hennessey, Senior Manager**

*North America Business Solutions at New Balance*

## CHAPTER 4

# Roll out territories at scale

Now that you've carved your territories, you're ready to assign reps to cover them. Take the following final steps before you roll out your territory plan.



## STEP

# 1

### Build a team for each territory

Identify the territory lead, sometimes called the account executive or territory rep. Then identify the group of sales reps they will lead, if any. Add specialists that may be needed to support the sales process such as sales engineers, customer service managers, and business development resources.

#### When deciding team members, consider the following factors:

- **Location:** Where are team members based? Does their location work for the territory?
- **Industry expertise:** Do team members have industry experience that makes sense for their prospective territory?
- **Product knowledge:** Are team members familiar with the products they will sell in the territory?
- **Existing customer relationships:** Do team members have relationships with customers in the territory?
- **Years of experience:** Does the experience of team members match the needs of the territory?
- **Tenure at company:** How long have team members worked for your company?
- **Individual preference:** Do team members want to work in the territory? If not, can you persuade them or do you need to reassign them?

## STEP

# 2

### Set a territory quota

Look at your territory plan. What volume of sales is possible within each territory? From this booking potential, you can set territory quotas, or how much business each rep is responsible for bringing in.

#### Factors to consider include:

- Total addressable market within each territory
- Historical performance of team sales reps
- Your company's historical performance in segments reflected in each territory
- Your company's history with accounts in each territory
- Industry or market trends relevant to each territory
- Your company's year-over-year growth goals
- Number of reps on each team
- Personal experience

Whatever the data says, numbers do not replace a human perspective. The individuals who will be executing your proposed plan need to believe in it in order for your team to be successful.

## STEP

# 3

### Finalize and roll out the plan

Seek and incorporate any final relevant feedback to tweak your territory map. That could mean moving someone to another team, or slightly adjusting the focus of a territory.

For example, maybe someone pointed out that the map would lead to a change of account manager for a key, longtime enterprise customer. You want to maintain continuity, so you add that account manager to that territory or make some other change.

Now, it's time to put your territory strategy into action. Communicate the plan, including territory boundaries, quotas, territory teams, and the focus of each territory. Integrating the plan with your CRM allows anyone on any team to be able to look at their complete territory and begin making their plan to capture that revenue.



## CHAPTER 5

# Plan to iterate

Territory maps work best when you treat them like living documents. Throughout the year, be prepared to update your territory plan in response to ad hoc employee situations and changes in product offerings. Bigger adjustments are needed when market conditions substantively shift.

Maybe a territory isn't performing as expected. Is the root cause a mismatch of staff talent to prospect type? Or have unanticipated economic shifts changed the fortunes of existing and potential customers in that area or category?

Use tools that provide easy visibility into data, so you can better identify emerging trends and update your plan incrementally as conditions change. This reduces the time you spend planning and updating territories and ensures you are able to maintain a territory map that is equitable for business units, reps, and channels.



### NEXT STEPS

Territories are the heart of your company's revenue engine. Intelligent and integrated territory planning is essential for companies to compete in today's rapidly changing market, so they can not only meet, but exceed revenue goals.

To improve your territory strategy, you need both an updated approach and the right capabilities. Salesforce Maps Territory Planning allows businesses to rapidly align go-to-market coverage to focus on the best geographies, markets and customers.

With Salesforce Maps Territory Planning **you can:**

### 1. Visualize territory mappings

- Gain an historic picture of your revenue performance based on any account field
- Overlay critical economic and trend data

### 2. Model and optimize GTM scenarios

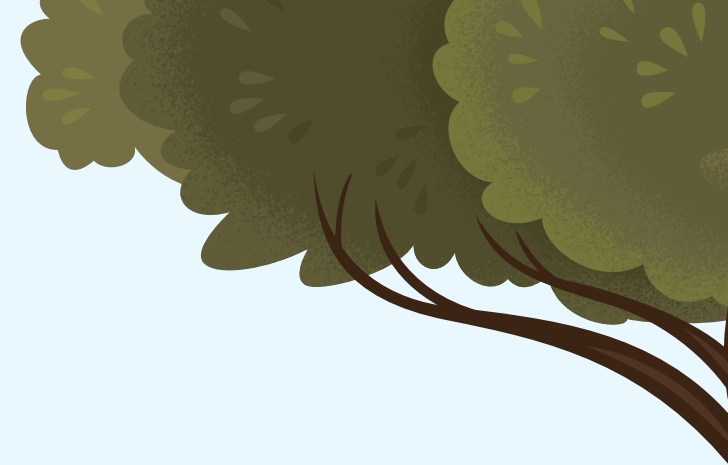
- Forecast for different growth strategies with attributes such as coverage, customer account, and segment
- Use balance and refactor engines for “1-click” optimization

### 3. Collaborate and deploy in CRM

- Share comments and feedback in app and send notifications via Chatter
- Publish changes immediately to users

To learn about Salesforce’s solution to territory planning,

[WATCH THIS DEMO](#)





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