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Sales Planning

By Janet Gregory

You are a sales manager, sales director or VP of sales. Your laptop, iPad and Android are loaded – quota, territory assignment and product portfolio. You are looking good, feeling good and the economy is showing signs of life. What more could a successful sales executive need? — A plan. Even better, make that a sales plan.

Quota assignment, expense budget, geographical focus and product portfolio define the parameters of your playground but they are not a plan. A plan is an integrated approach to achieving your objectives that effectively leverages resources within the time parameters of the objective. Specific to sales, it is an integrated approach to achieving your assigned growth objectives (revenue, profit, or product penetration) by effectively utilizing resources (people, partners, or process) within the sales year.

Your sales plan is an intended set of actions through which you expect to achieve or exceed your goals.

Sales plans can be formal and structured or informal and fluid. They can be PowerPoint, Word Doc, a simple spreadsheet, or integrated Excel workbooks (my preference). Whatever a sales plan is, it is written down. A sales plan can start at the beginning of a fiscal year, a calendar year, a product launch or just start one today.

The classic sales plan is based on volume, distribution and mix over time. Like a classic suit, it is always in good taste and you will look sharp in any industry. Quota assignments are most often based on volume (revenue or profit margin) and product mix, assigned by quarter or by month. That's a good start on your classic sales plan. Add some further analysis of distribution channel, new versus existing customer, product/service mix and the classic sales plan comes to life.

Today's sales professionals keep the classic basics as a foundation but have expanded the sales plan to embrace one or more new dimensions. Depending upon the dynamics of your industry or marketplace add a new sales planning approach to help you out-distance the competition.

Insert **the sales cycle time** to add movement and action to the classic sales plan. Each product, solution or service in your product portfolio will have a recognized sales cycle time. Pick clear start and end points for the cycle time you wish to apply. As an example you may have cycle time information or estimates on four major steps in your six month sales process: 1) initial introduction starts the clock, 2) proposal three months later, 3) contract signed two months after and 4) delivery one more month. Start with the end in mind. In our example, growth objectives are based on delivery or recognized revenue. Quota assignment provides the delivery objective. In our example, if we want to deliver 10 units in October, we need to have 10 contracts signed in September. The real power of inserting the dimension of time is knowing where the pipeline needs to be — in July we need to have 10+ proposals in the hands of customers and in April we need to have 10++ initial introductions.

Action **Sales Cycle Time**	**April Introductions** **Month 0**	**July Proposals** **Month 3**	**September Contract** **Month 5**	**October Delivery** **Month 6**
100% win rate	10++	10+	10	10
40% win rate	25	18	11	10

Inserting sale cycle time into the sales plan provides a powerful guideline for intended actions needed to meet or exceed your goals. Sales cycle times are often estimated, so use the guidelines with discretion. This can also be a powerful predictive tool to analyze the current state of the pipeline. Intended actions can also be extended to improve win rate and reduce cycle time which allow you to sell and deliver more in the same amount of time with the same resources. WOW!

Apply **the customer buying cycle** for greater clarity to your sales plan and great leverage for your sales process. Many customers have very distinct purchase and delivery cycles. Here are a few examples of recognized buying cycles:

- CPA firms carry the bulk of their client load January to April 15th during tax season. Approach them with new acquisitions May to November.
- The US Federal Government fiscal year end is September 30 and 60% of their annual information technology purchases occur in the July-August-September quarter.
- Retail buyers do not want to implement new technology during "high season" September through January. Many major retailers have a January or February fiscal year end. Retail buyers are best poised for purchase and delivery of new technology March through August.

Your customer buying cycles may be more subtle but they are still prevalent. Leverage the customer buying cycle to help your customer set budgets, get decisions made and implemented at the right time. Apply the customer buying cycle to your sales cycle time picture, the year is probably not linear but will likely have one or more lulls and peaks. The customer buying cycle will illustrate the best time for intended actions to yield success. In our example, if you were selling into CPAs, Federal Government and Retail the customer buying cycle might look more like this.

Month	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**
CPA Firms	*Tax season*	*Tax season*	*Tax season*	25 Intros			18 Proposals		11 Contracts
Federal Gov't		25 Intros			18 Proposals		11 Contracts	10 Delivered	*Start New FY*
Retail	25 Intros			18 Proposals		11 Contracts	10 Delivered	*High season*	*High season*

Incorporate **the eco-system** into your sales plan. There are two dimensions to the eco-system aspect of your sales plan: 1) partners and 2) competition. The eco-system will translate into intended actions for success and can help reduce sales cycle time.

The **partner eco-system** is vital to the success of your sales plan; the partners may be internal resources, external channel partners or 3rd party organizations. With absolute certainty, your product or service does not exist without an eco-system. Your eco-system is also the customer environment that you will integrate into; your customer is keenly concerned with this and so should you. I recently heard a customer say. "Our company is a *fill in the blank* shop and would not entertain vendors that didn't understand how to integrate into their environment." Seldom, is the customer environment that crystal clear but the message is clear. Learn the customer environment, get to know the technology players and build working relationships with them to promote higher level success for your customers.

The **competitive eco-system** is often avoided but it is also vital to the success of your sales plan. Customers buy and use a wide variety of products and services. There are lots of options for solving business problems and many of those options will co-exist within your customer. All customers will entertain multiple vendors when making a decision but rarely is a sale head-to-head replacement or a "green field" opportunity. If you win the contract over other vendors expect that you will still co-exist with competitors within the customer environment. Get to know your competitors. Knowing how to compete with them is as important as knowing how to co-exist with them. Knowing how to co-exist with your competition may provide you with a competitive edge as the customer knows you are working for adoption and operational success after the sale is made.

If you don't have a sales plan, start one today. Don't wait for the start of the fiscal year. That is just an excuse. Success does not happen by luck. Variations of "the harder I work, the luckier I get" are attributed to Roy Kroc (McDonald's founder), Samuel Goldwyn (film producer), Gary Player (grand slam golfer) and many others. Success is a combination of effort, planning, timing and opportunity.

Wishing you great success with your sales plan.

Janet Gregory is a veteran sales executive and co-founder of KickStart Alliance. For assistance with sales strategy, sales planning, training, sales enablement, compensation or any aspect of sales operations, contact Janet. Janet leads the sales readiness practice at KickStart Alliance. For help in aligning sales & marketing for results, contact any member of the KickStart Alliance team.

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