4 Steps to Deciding if Territory Management is Right for You

Abstract
Territory Management can make your organization more efficient by organizing and sharing your data in a unique way. But it's not for everyone. Find out whether it's right for your organization.

By: Jason Suen

No, it has nothing to do with managing the Pacific Northwest. Instead, Territory Management (TM) is a sharing model you can use to change the default data-sharing model and start forecasting in a new way. TM is available to Salesforce CRM Enterprise and Unlimited Edition customers. You'll also need a Force.com Sandbox environment for testing prior to a full rollout.

The Salesforce CRM default data-sharing model lets you access your records and those of anyone in the role hierarchy below you. By using TM, you can expand this model to also grant access to Accounts, Opportunities, and Cases based on any record characteristics (called "territories") you specify. TM is a very powerful feature that, once turned on for your org, cannot be disabled. For that reason, it is critical that you plan carefully, test thoroughly, and consider getting expert guidance from Salesforce.com Professional Services, for example, before making this change.

Why use TM?

Let's say Stephanie is a sales engineer who works on all accounts in the high tech vertical, regardless of the account owner. If you're an administrator setting up her permissions without TM, you'd probably use a set of sharing rules or the Account Teams feature to access the high tech accounts that belong to various users, regions, and roles in her company. With TM, you can automatically assign a territory to accounts with characteristics similar to the high tech account and make Stephanie a member. Now, Stephanie and any peers that belong to the high tech territory can access, collaborate, and work on all high tech accounts together.

Providing data access based on territories is one way that TM changes how users can access data. The other way is that TM makes it possible to forecast based on territories rather than roles (the default today). In fact, enhanced forecasting is a major reason why companies turn to TM. As a result, how you structure your territories directly affects how you can forecast because forecasting by role will no longer be possible. To use TM, you must enable Customizable Forecasting. It's a one-way change: There's no going back to the default forecasting model.

Is TM right for you?

The following four steps will help you understand what's possible with TM—and what factors you need to consider. For implementation guidance, check out Help & Training and the Salesforce.com Community (www.salesforce.com/community). If you decide to go ahead with TM, you'll find links to additional "how-to" information at the end of this document.

To evaluate whether TM is right for you, work through the following steps:

1. Understand common use cases
2. Visualize a sample territory hierarchy
3. Assess your forecasting needs
4. Assess your sharing needs

Best practice

Step 1: Understand common TM use cases

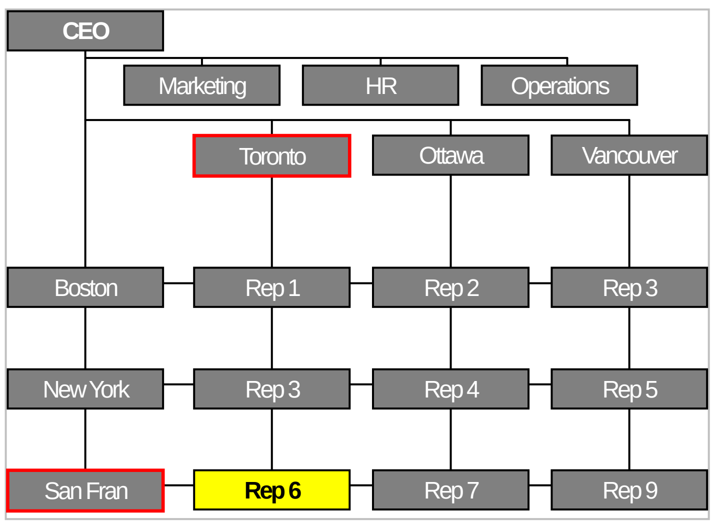
You can use other Salesforce CRM features to accomplish some of the things you can do with TM. For example, you can use the Mass Transfer utility to easily and frequently reassign records. However, there are two use cases for which TM is the perfect solution:

- You're using the Account Teams and Sales Teams feature to align territories, but are finding this approach difficult to manage (e.g., frequent staffing changes, re-alignments, sharing requirements). In this case, TM becomes the better option as the number of reps and records increases.

- Your sales organization is set up as a matrix rather than a tree, as in the example below. In such an organization, sales reps need to roll up their opportunities and forecast to more than one manager.

If your reps are responsible for more than one territory, TM can help you increase your forecast visibility by territory. For example, in the diagram below, Rep 6 is part of two sales regions—Toronto and San Francisco. With TM, all of Rep 6's opportunities will roll up to either Toronto or San Fran, based on the Territory field on the Opportunity. Without TM, all of Rep 6's opportunities would simply roll up to the forecast manager above Rep 6 in the role hierarchy.

You can use TM to organize in all sorts of ways in addition to geography—for example, by product lines, verticals, segmentation, and so on. As you can see, TM provides a flexible way to organize your data (Accounts, Opportunities, and Cases) and then share it with a group of users (Territory members), based on common characteristics (defined Territories).

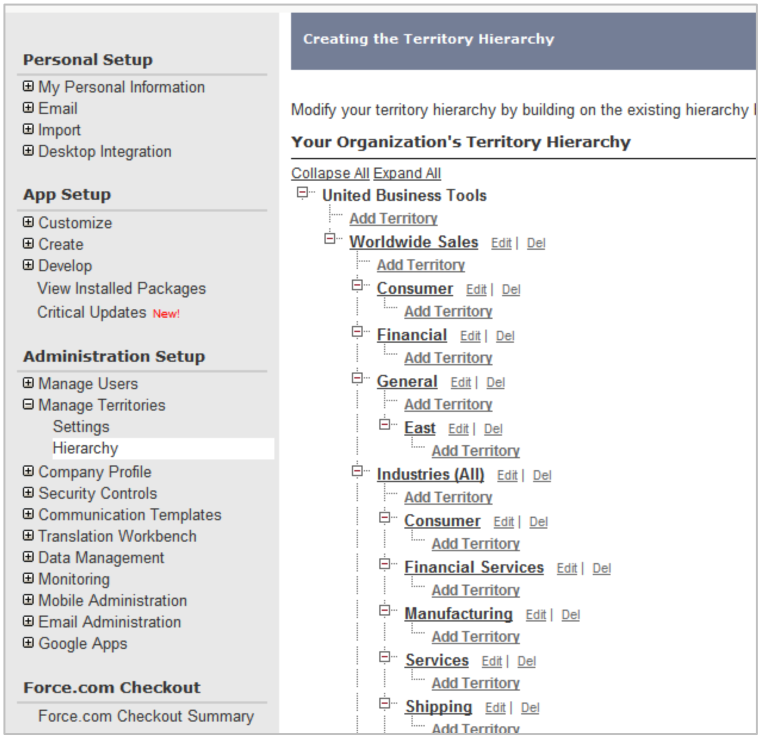


Rep 6 will submit two forecasts: one for San Francisco and another for Toronto.

Step 2: Visualize a sample territory hierarchy

It's easy to think of a "territory" as a geographical trait, but in the context of TM, a territory can be any common characteristic among a set of records for a group that needs to access those records. To think of it another way, a territory is a flexible collection of accounts and users, in which users have at least read access to the accounts, regardless of who owns them.

If your company's org structure is nested, as in the example below, and if your sharing needs depend more on account traits than on individual ownership, TM could be right for you.

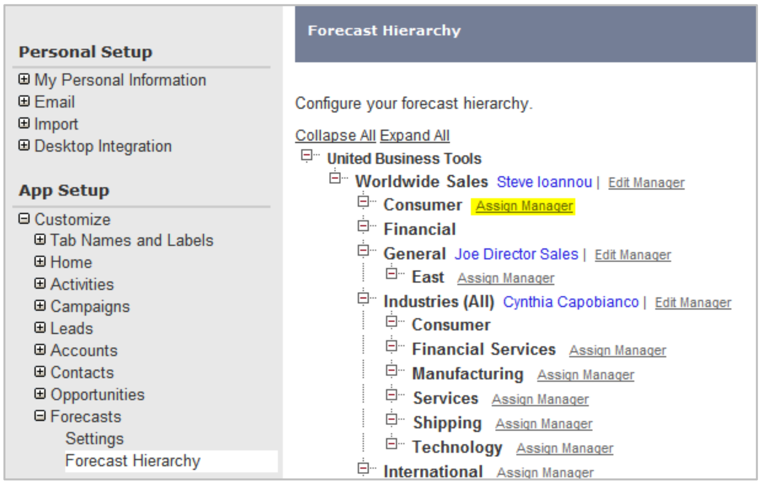


Characteristics (or nested levels) commonly used in a territory hierarchy are account size, strategic accounts, named accounts, and region.

Step 3: Assess how TM can affect forecasting

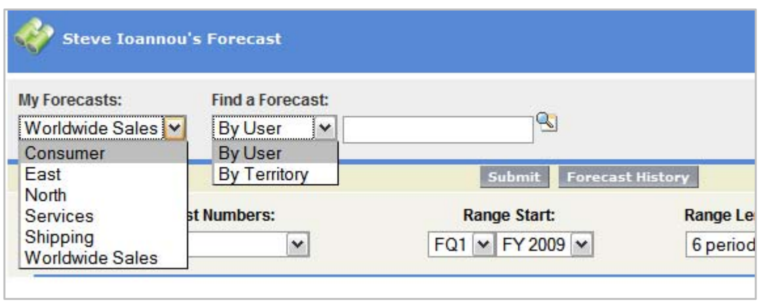
In addition to making it possible to roll up opportunities to multiple forecast managers, TM offers another big benefit: flexibility in forecasting by territory. **Note**: Once TM is enabled, your forecast hierarchy based on a role hierarchy will be disabled and will simply mirror your territory hierarchy.

The example below shows a forecast hierarchy based on the sample territory hierarchy on the previous page.



The forecast hierarchy is now identical to the territory hierarchy.

You can now generate a unique forecast for every territory you define. Just assign a forecast manager to the territory, and you're ready to go.



The Forecast Tab view shows that you can now forecast by territory as well.

You can assign more than one territory to Accounts and Users, although Opportunities can only have one territory association. So, if Stephanie (the sales engineer) is part of the *Shipping Accounts* and *High Tech* territories, she could work an account called ABC Corp that is assigned to the *Shipping Accounts* and *Consumer* territories.

Shipping Accounts is the common territory that lets Stephanie access this account. When an Opportunity is created, she must associate that Opportunity to a single territory for forecasting. Her options will be the common territories between her (User) and the Account. In this case, it will be the *Shipping Accounts* territory.

This example illustrates an important change in how TM shifts your forecasting. Without TM, you get typical, tree-type hierarchy forecasts in which managers see all the Opportunities of their teams. This approach works well for managers with only a few reps who simply want a roll up of all the Opportunities in their teams. But with TM, if Stephanie reports to Nigel, Nigel's forecast will *only* include Opportunities associated to the territory for which he's responsible. He will not see all of Stephanie's Opportunities in his forecast unless they are also part of his territory. This difference between forecasting using a role hierarchy versus a territory hierarchy brings us to the fourth and final step.

Step 4: Assess your sharing needs with TM

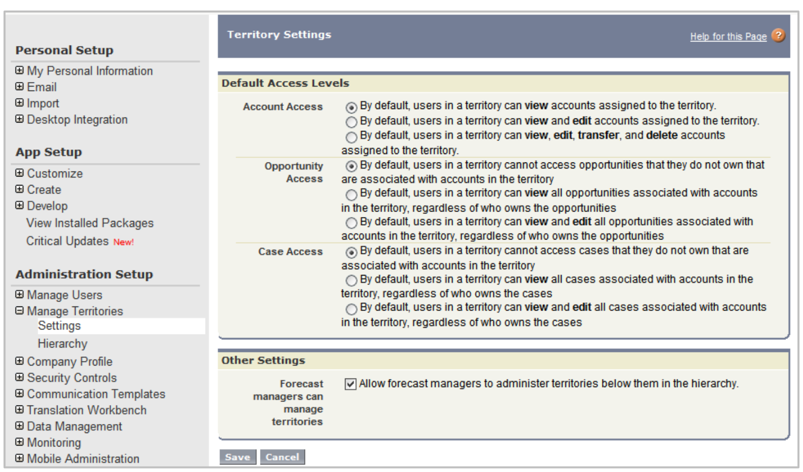
TM is a great way to expand on the default Salesforce CRM sharing model, which is organized around a particular owner's records. By managing territories effectively and assigning the right users to those territories, you can set up a highly collaborative sharing model that fits more complex org structures.

When you explore TM to extend sharing, think about how you organize your data access today. Are you using the existing features of Salesforce CRM to their fullest? Sharing rules, assignment rules, Account and Sales teams, and your role hierarchy setup—you can use them all to ensure that different account teams can work together.

As you evaluate TM, consider how a territory hierarchy will change how your users share data compared to the default role hierarchy. The assumption in the table below is that the Org Wide Default setting on the Account object is set to "Private," with no extra sharing rules. These changes are summarized in this table:

Role Hierarchy	Territory Hierarchy
A user has a single role	User can be part of many territories
Account is accessible by owner, those above in the role hierarchy, and those who have access to a child object on the Account (such as a Case or Opportunity)	In addition to those users listed in the left column, Account is also accessible by all users in territories to which it is assigned, as well as those above them in the territory hierarchy
User has a single forecast based on role	Users have a forecast for each territory in which they work with active Opportunities
Sales teams used for team selling/overlays	Either sales teams or overlay territories may be used for team selling
No custom fields	Custom fields may be used for integration

As mentioned earlier, whether a user can access a record depends on the common territories between the user and the record. You can also set the default access levels for all objects affected by TM. Although TM extends access to Accounts, Cases, and Opportunities based on their territories, this capability is not true for other objects.



You decide whether users can only view records or give them greater access, as needed.

Summary

TM can help you manage a complex set of sharing and forecasting requirements that would otherwise not be possible. Because you can use TM to assign records to territories automatically, in real time, based on flexible territory assignment rules, there's even more you can do. Looking for seamless Opportunity transfers and deal hold-outs? TM can do that, too.

If you think the TM capabilities we've described might benefit your organization, it's time to explore additional resources to understand the finer nuances of TM:

:: **Territory Management Deployment Guide:** Get more information about TM, including step-by-step instructions for rolling out TM in your org.

:: **Working with Territories**: Get tips on assigning territories to records and viewing territory information.

If you decide to proceed with TM, we suggest you engage Salesforce.com Professional Services early to ensure you fully implement this feature in the right circumstances. Remember to use the Force.com Sandbox and test every change before rolling it into production. And as always, reach out to your Account Executive and the Professional Services teams to guide you along the way.

For More Information

Contact your account executive to learn how we can help you accelerate your CRM success.

Corporate Headquarters
The Landmark @ One Market
Suite 300
San Francisco, CA, 94105
United States

1-800-NO-SOFTWARE
www.salesforce.com

Latin America
+1-415-536-4606

Japan
+81-3-5785-8201

Asia/Pacific
+65-6302-5700

Europe, Middle East & Africa
+4121-6953700