

salesforce

The New Age of Territory Planning

— And How to Adapt

Align your resources
efficiently to drive
success now





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Introduction

At a time when every company is trying to do more with less, efficient territories have become a business imperative. Well-designed territories help you maximize coverage and revenue, reduce travel costs, and set every rep up for success. But can your company's territory planning process keep up with today's pace of change?

Traditionally, sales territory planning happens only once a year. Led by Sales Ops, this process tends to be drawn-out and tedious, often relying on convoluted spreadsheets that can quickly become outdated. Even when a territory map is drawn well, it eventually expires. Worse, sometimes the plan becomes irrelevant before a company even implements it thanks to faulty assumptions and stale or inaccurate data.

But we're in a new age of territory planning. Today, companies can ditch the spreadsheets in favor of an intelligent, automated tool that creates data-driven territory models in a fraction of the time. They can embrace a collaborative approach, collecting feedback and securing buy-in from key stakeholders all in one place. And they can anticipate and respond to market shifts with ease – adopting a process that's ongoing and iterative, so they can optimize coverage even as conditions evolve.

This guide will teach you how to tailor your territory planning process and allocate your resources efficiently for success now. With key capabilities in your toolkit – from real-time analytics to data visualization to scenario modeling – you can set your teams up with optimal territories so they can deliver the revenue your organization is counting on.

CHAPTER 1

Begin with quality data

In this age of territory planning, data is more important than ever before. After all, you can't create balanced, efficient territory alignments without a clear understanding of a territory's true value.

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? Do they have renewals coming up?
- **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?
- **Role:** Do your reps sell out in the field, virtually, or somewhere in between?
- **Product:** How do your company's different products and services compare in terms of sales?



CHAPTER 1

Gathering reliable data

Collecting and maintaining accurate data is hard, but it's worth it. A 2022 McKinsey study found that data-driven sales companies saw 15-25% higher earnings than their peers.



McKinsey & Company, "Insights to impact: Creating and sustaining data-driven commercial growth," 2022.



We recommend you follow these four steps to improve data collection at your company:

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: When data is scattered, it's even harder to keep up to date. Plus, it can create confusion among team members who might look at and act on different and conflicting data sources. If your data is stored in disparate systems or 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 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.



CHAPTER 2



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 critical for business continuity during times of upheaval. Think back to the start of the coronavirus pandemic. Industries such as travel and tourism saw swift negative impacts. Others only grew stronger. Over time, these dynamics continued to evolve.

By modeling changes when they happen, you're better able to shift focus and resources to higher-performing or higher-potential segments. To adapt fast, you have to be able to analyze fast.



CHAPTER 3

Draw your territory map

Now, the main event: It's time to design your territories. This step is all about aligning your resources to your business priorities and goals. Your territories should provide efficient sales coverage, offer balanced opportunity and revenue, and set reps up to productively engage with customers.

Segments are one tool for helping you determine your priorities, but different segments may matter more for different territories. For example, one of your territories may primarily focus on a specific industry, while another may 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.

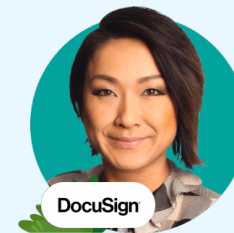
Fortunately, today you can automate the entire process with a modern territory planning solution directly integrated with your CRM. Instead of wasting time and resources trying to decipher data across multiple spreadsheets and systems, integrated tools allow you to optimize and balance territories all in one place. Since your CRM already contains all your data, 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 feedback and 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.

In the new age of territory planning, you need a solution that supports your unique business requirements. Maybe your team has a hybrid selling model and needs to think beyond geography. Maybe you want to incorporate different capacity constraints based on a rep's role or seniority. Maybe you have multiple territories in one area – such as one team that focuses on new business development and another that services existing customers. Invest in technology that can powerfully accelerate the territory planning cycle and flexibly meet your individual needs.

“

With Salesforce, we design equitable territories to ensure every rep has an equal opportunity for success.”



Hazel Tran, Director

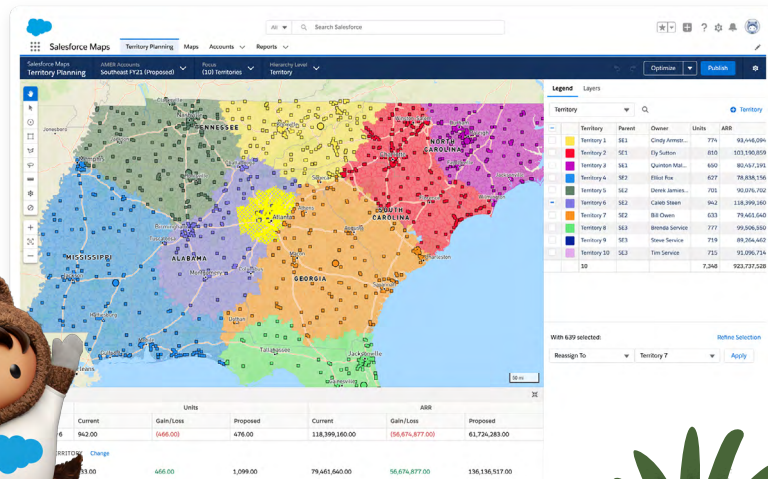
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CHAPTER 4

Roll out territories at scale

Efficient, equitable territory plans? Check. Next up, you're ready to assign reps to their territories so they can hit the ground running. Before your big rollout, take the following final steps.



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:** If selling out in the field, 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, how feasible would it be to get them on board?

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. For example, if a field sales manager contributes some important knowledge of local markets and account relationships, you may decide to maintain continuity between a rep and his or her customer.

It's about time to put your territory strategy into action. Keep in mind that territory assignments impact reps, managers, leaders, strategists, analysts, and more – so prep relevant stakeholders by helping them anticipate when and how assignment cutover will happen.

When the moment comes, communicate the assignments clearly, including territory boundaries, quotas, territory teams, and the focus of each territory. And don't forget the why – well-designed territories boost rep productivity and success by helping them spend less time on the road and more time with the right customers. 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

The new age of territory planning is marked by rapid change. The world is in flux, and your business is caught in the turbulence.

Faced with market volatility, mergers, evolving product strategies, staffing shifts, and more, companies can't afford a set-it-and-forget-it approach when it comes to their territories. Instead, they must treat territory maps like living documents and be prepared to iterate throughout the year.

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 and drive success now, you need both an updated approach and the right capabilities. Salesforce's Territory Planning solution allows businesses to rapidly align go-to-market coverage to focus on the best geographies, markets, and customers.

CHAPTER 5

With Territory Planning, **you can**:

1. Visualize your coverage

- Assess your territory model and gain a historic picture of revenue performance
- Overlay key economic and trend data to make more informed decisions

2. Automate territory design

- Save hundreds of hours using an advanced territory optimization engine
- Create territories that maximize coverage, reduce travel costs, and set reps up to hit quota

3. Iterate with agility

- Instantly model different go-to-market scenarios to adapt to shifting realities
- Get feedback and buy-in from stakeholders using in-app collaboration and approval workflows

To learn about Salesforce's solution to territory planning, watch this demo.

[WATCH THIS DEMO](#)





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