The Manager's Guide to Managing Sales Territories

— THE —

Ultimate Toolkit for Territory Management

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Repsly's All In One
Territory Management Software

allows managers track their team and products in the field. Schedule a demo to learn more.

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Introduction to the Toolkit

Drafting an effective strategy for territory management is imperative to the success of any field-based organization. Managers who create well-planned, efficient systems can improve their sales, client relationships, and cost-effectiveness. On the other hand, following haphazard action plans can result in additional costs and dashed productivity and morale.

Dividing, assigning, and managing territories can be particularly difficult. With these challenges in mind, Repsly created the Ultimate Territory Management Toolkit to help managers and business owners build a unique territory plan that best fits their organization's needs.

The toolkit includes a set of responsive spreadsheets and worksheets that will assist you with each step of the decision-making process.

How to Divide Your Territories

Determining the ideal territory divisions depends on far more than just location. Other important factors that might shape divisions include product line, industry, account type, organization type, customer size, and sales and distribution channel. Other less conventional methods include assessing the availability of the competition in certain areas or grouping accounts by buyer persona.

Territory divisions do not necessarily have to be rigid, either. Many organizations take several of these factors into consideration at a time when dividing their territories. For instance, a company may define a territory as all west coast SMB accounts in the healthy foods sector. In this case, it uses three separate dimensions (geography, company size, and industry) at once.

For the purposes of our toolkit, we grouped these factors into three distinct properties and created assessments to help you determine which factors are most important to consider for your business.

What's Included in This Toolkit

ACCOUNT ASSESSMENT

Prioritize your existing customers through quantitative and qualitative analysis.

TERRITORY PROSPECT ASSESSMENT

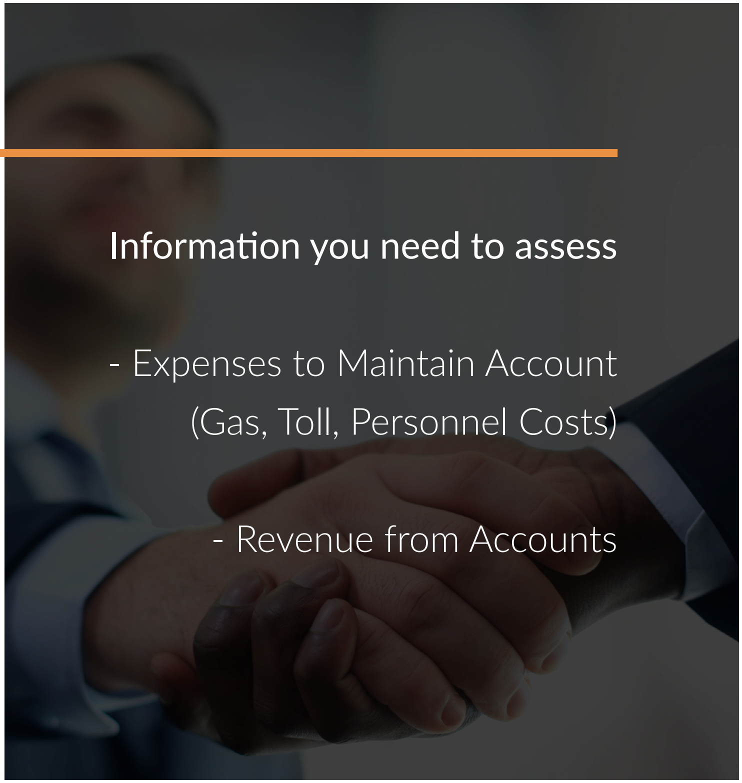
Assess the quality of your current territory plan and identify areas for improvement.

FIELD RESOURCES ASSESSMENT

Evaluate your representatives' skillsets to allocate them strategically throughout your territories.

ACCOUNT ASSESSMENT

One of the first steps in this exercise is to evaluate your current client base. Identifying and understanding your most and least profitable accounts will give you insight into which factors you should prioritize.



Categorize your customers based on their sales potential. Your best accounts, what we'll call your *A List*, are those that provide you with steady revenue while requiring little effort. Mid-tier accounts, or your *B List*, have the potential to provide

Account Name	Expenses to Maintain	Revenue	Net Proft (Loss)	Performance Compared To Average
Account 1	$ 49,000	$ 115,000	$ 66,000	91.47%
Account 2	$ 54,000	$ 134,000	$ 80,000	110.87%
Account 3	$ 52,000	$ 123,400	$ 71,400	98.95%
Account 4	$ 59,000	$ 135,600	$ 76,600	106.16%
Account 5	$ 62,000	$ 145,000	$ 83,000	115.03%
Account 6	$ 54,900	$ 113,500	$ 58,600	81.21%
Account 7	$ 58,600	$ 135,000	$ 76,400	105.88%
Account 8	$ 53,000	$ 114,200	$ 61,200	84.81%
Account 9	$ 50,000	$ 109,900	$ 59,900	83.01%
Account 10	$ 63,000	$ 140,000	$ 77,000	106.71%
Account 11	$ 53,500	$ 113,450	$ 59,950	83.08%
Account 12	$ 53,200	$ 112,600	$ 59,400	82.32%
Account 13	$ 58,900	$ 134,000	$ 75,100	104.08%
Account 14	$ 61,400	$ 135,000	$ 73,600	102.00%
Account 15	$ 54,000	$ 142,000	$ 88,000	121.96%
Account 16	$ 61,000	$ 149,000	$ 88,000	121.96%
Account 17	$ 51,000	$ 109,000	$ 58,000	80.38%
Account 18	$ 56,000	$ 126,000	$ 70,000	97.01%
Account 19	$ 69,000	$ 167,000	$ 98,000	135.81%
Account 20	$ 53,000	$ 116,000	$ 63,000	87.31%
Totals	*$ 1,126,500*	*$ 2,569,650*	*$ 1,443,150*	
Averages	*$ 56,325*	*$ 128,483*	*$ 72,158*	
Average		**$72,158**		

revenue and justify the amount of resources you're dedicating to them. The lowest tier accounts, your *C List*, require large amounts of effort and resources with low returns.

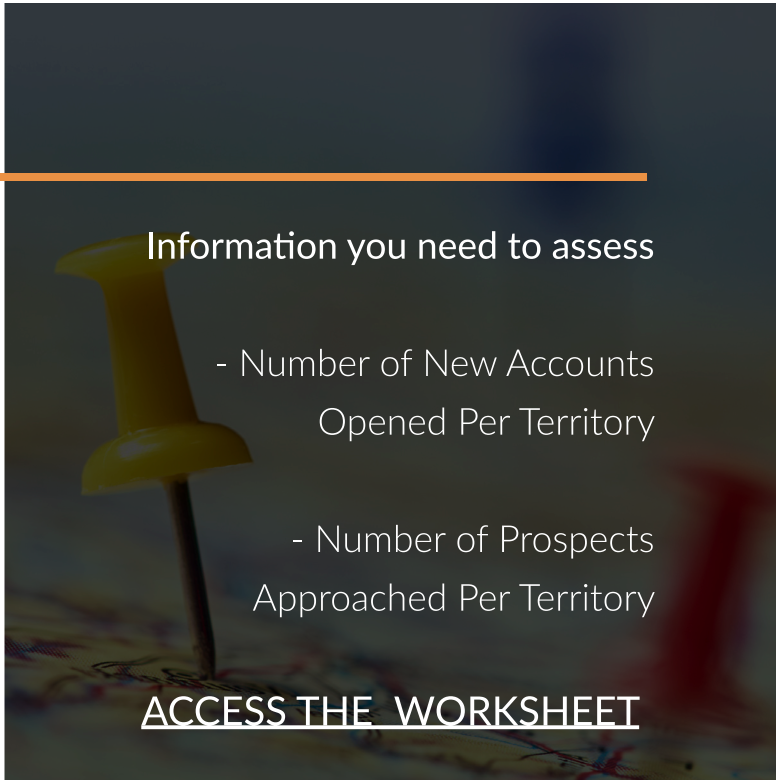
Assessments should be both quantitative and qualitative, however. While quantitative assessments rank the value of your accounts — either by net profitability or another metric — they ignore "invisible revenue" that certain accounts may provide. For example, a company on your quantitative C List may be one of your biggest advocates, making regular referrals through word of mouth. These types of profitable relationships should not be overlooked, but might not show up in traditional quantitative analyses.

Separating your A List clients from those on your C List should give you a clear understanding of how to prioritize your reps' time. If your reps' net profit is lower than average, you might want to further evaluate the expenses they're incurring, such as gas and tolls, and rearrange the territory to lower those costs.

Or, you could compare the factors your most profitable customers share to those your least successful clients have in common. These dimensions may provide further insight into how territories should be arranged.

ACCESS THE WORKSHEET

TERRITORY PROSPECT ASSESSMENT



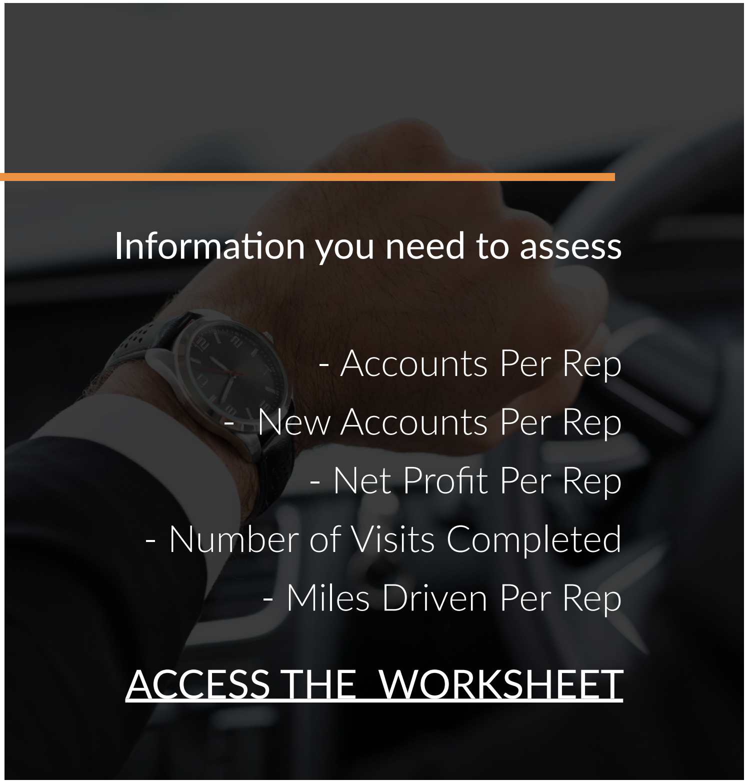
After you've assessed the quality of your accounts, it's time to measure the quality of your current territories. Determine which area of the sales funnel each territory supports and whether each area justifies the expenses that are allocated towards it.

Similar to account assessment, ranking your territories is also highly subjective and may vary based on your unique business needs and priorities. Your field team may be able to add the color of qualitative analysis to your data-based reports. After all, no one knows these territories better than the people who work there every day.

Territory	# of New Accounts	# of Prospects Approached	% of Prospects to New Accounts	Performance Compared To Average
Territory 1	2	7	29%	95.00%
Territory 2	3	9	33%	110.84%
Territory 3	2	6	33%	110.84%
Territory 4	4	12	33%	110.84%
Territory 5	4	14	29%	95.00%
Territory 6	3	8	38%	124.69%
Territory 7	5	11	45%	151.14%
Territory 8	3	6	50%	166.25%
Territory 9	3	6	50%	166.25%
Territory 10	6	16	38%	124.69%
Territory 11	3	10	30%	99.75%
Territory 12	2	9	22%	73.89%
Territory 13	1	9	11%	36.95%
Territory 14	2	17	12%	39.12%
Territory 15	3	13	23%	76.73%
Territory 16	5	14	36%	118.75%
Territory 17	1	6	17%	55.42%
Territory 18	2	8	25%	83.13%
Territory 19	3	20	15%	49.88%
Rep 20	3	9	33%	110.84%
Totals	*60*	*210*		
Averages	*3*	*10.5*		
Average			**30%**	

FIELD RESOURCE ASSESSMENT

The last assessment involves evaluating your field team's productivity. Analyze statistics like visit rates, sales, mileage and new accounts approached to find out how efficiently your representatives have been managing accounts within their territories.



Similar to how a football coach might create a game plan tailored to his players' strengths, identify each of your representatives' strengths and weaknesses to maximize your coverage. Along with a quantitative assessment, follow up with a survey for your field reps to get their perspective.

Rep Names	# of Ideal Visits	# of Actual Visits	% of Visits Completed	Performance Compared To Average	Recommendation
Rep 1	7	5	71%	77.68%	1
Rep 2	9	7	78%	84.58%	1
Rep 3	6	6	100%	108.75%	3
Rep 4	12	11	92%	99.69%	2
Rep 5	14	12	86%	93.21%	2
Rep 6	8	9	113%	122.34%	3
Rep 7	11	11	100%	108.75%	4
Rep 8	6	7	117%	126.87%	3
Rep 9	6	5	83%	90.62%	1
Rep 10	16	14	88%	95.15%	2
Rep 11	10	10	100%	108.75%	4
Rep 12	9	9	100%	108.75%	4
Rep 13	9	7	78%	84.58%	1
Rep 14	17	15	88%	95.95%	2
Rep 15	13	12	92%	100.38%	2
Rep 16	14	10	71%	77.68%	2
Rep 17	6	7	117%	126.87%	3
Rep 18	8	6	75%	81.56%	1
Rep 19	20	16	80%	87.00%	2
Rep 20	9	10	111%	120.83%	3
Totals	*210*	*189*			
Averages	*10.5*	*9.45*			
Average	92%				

The key to successful territory management is successful prioritization. Is it important that you allocate your resources based on geography, or by the skills and expertise of your field representatives — or both? How important is nurturing your quality accounts as opposed to opening new ones? Identifying and understanding these priorities is not a one person job. Work with your field team to gain collective insight on how you can create an efficient territory management plan.

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WORKS BEST WHEN IT GETS OUT

Manage Your Territories **ONLINE**

Speak to a representative to find out how you can manage your territories in real time from the web.

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