CHAPTER 3

Sales Planning: Setting the Direction for the Sales Team

Planning is one of the first functions in the process of sales management. Before you undertake any other managerial function, having a good plan is imperative. The reality is often that certain aspects of a plan are carried over from the prior quarter, half, year, and so on. As is true with many of the areas of management, you do not often have the chance to start with a clean slate. However, just as you likely already possess some star salespeople, your current plan likely has certain very useful aspects. This chapter is meant to complement what is already in place and possibly challenge what your company is currently doing with the intent of improving the plan so that everyone will benefit.

Aligning the Corporate Strategy with the Sales Team

Plans exist at all levels within an organization. Typically senior management deals with long-range plans, that is, where the organization is heading, what changes may be necessary to generate more profits, what new products will be introduced, and other strategic issues that may occur over the next three to five years or longer. On a departmental level, planning is just as crucial. While you will incorporate some long-term strategies, the majority of the plan deals with the short and medium term (up to one year and between one and three years).

Medium-Term Planning

This part of the sales plan deals with the means by which longer-range objectives are to be met. The focus is on defining roadblocks to success and then planning solutions.

Short-Term Planning

This is probably the most important focus for the sales manager. Short-term plans concern goals that need to be met over a period of ninety days to one year. These are most often very tactical in nature, having specific objectives that exist within the framework of higher-level plans.

Whatever the time period associated with each part of the plan, nothing can operate in a vacuum. Corporate planning needs to take into account departmental plans, and each plan needs to consider the period of time.

The Sales Plan

The sales planning process deals with numerous constituents. However, the key ones to focus on are:

- Customers (industry and markets)
- Employees (the sales team)
- Your products/services (R&D, finance, engineering, manufacturing, operations, suppliers, etc.)
- Competition

Of course, you will need to ask many questions when preparing the sales plan that will fit into one of these four categories. Depending on your industry, the questions you will need to answer could be as follows:

What is the length of a typical sales cycle (one week, one month, one year, etc.)?

How do you segment your customers (industry, regions, etc.)?

Do you have major, key, or strategic accounts, and does a separate structure exist to manage different types of accounts?

Do you have global customers?

At what level will your salepeople be selling (multilevel, senior level, team selling, etc.)?

Do you have many competitors or are you involved in hypercompetition (a few major players controlling and competing in the market)?

How do you match up to your competition in terms of products, reputation, etc.?

How does the sales team tie into the new product/service development process?

How is research conducted on products, markets, competition, etc.?

Depending on your business, you will need to answer these and many other questions, sometimes in great detail. However, before taking a look at some of these questions in more depth, you should understand your corporate structure and how sales fits into this structure, and also how sales touches the customer.

Where Sales Fits in the Corporate Structure

It is critical that your department's planning process ties in with the overall comporate plan. The corporate plan should also be one where you have some influence, meaning not only does the plan filter down to you from the top, but this bigger plan should also be developed taking into account your guidance in the sales plan and sales forecasting for the future. If not, the corporate expectations are out of touch with your part of the business. This could mean that your team is working toward something that does not match the goals and expectations of the overall business. As importantly, this can have a major effect on the resources and budget you are allocated to generate the desired results.

In order to be an integral player in the corporate-wide planning effort, you need to know the key areas that could affect your team both directly and indirectly. One way to look at the overall role that sales plays in your organization is by looking at your corporate structure.

There has been a long-standing debate about the best fit and reporting structure for sales. Some believe that it is a part of the marketing function, while others say it belongs as a stand-alone unit. The answer is that it really does not matter. What is key is that they collaborate well with one another. Below are a couple of sample corporate reporting structures, one with sales reporting directly to a very senior officer (Figure 3-1) and the other with a senior executive heading up both sales and marketing (Figure 3-2).

Of course, sales not only needs to tie closely in to marketing but also needs to work in tandem with the entire organization. This includes R&D, finance, human resources, manufacturing, customer service, and so on.

Most important, whatever corporate structure you are in, the goal is to serve the customer.

The Customer-Centric Organization

There are two critical questions that everyone involved in the organization should be able to answer:

What does your company define as a successful customer?

What is the desired customer experience?

There has been a great deal of talk over the past couple of decades on how to develop a structure whereby the entire organization is focused on the customer and the customer experience. This is in contrast to the old days, when marketing, sales, and customer service's main focus was in creating demand, selling to, and then satisfying the customers, and others had very little involvement in the process; the back office, with human resources and accounting, was merely there to help ensure that the daily activities and processes were functioning, and they did not readily see any direct or indirect link to the customer. This type of straighforward department layout would look something like the one in Figure 3-3.

While this still has validity and does depict the customer as the central focus of the organization, today a truly customer-focused organization is that much more complex and intertwined with the

Figure 3-1. A corporate structure in which sales and marketing report separately to the COO.

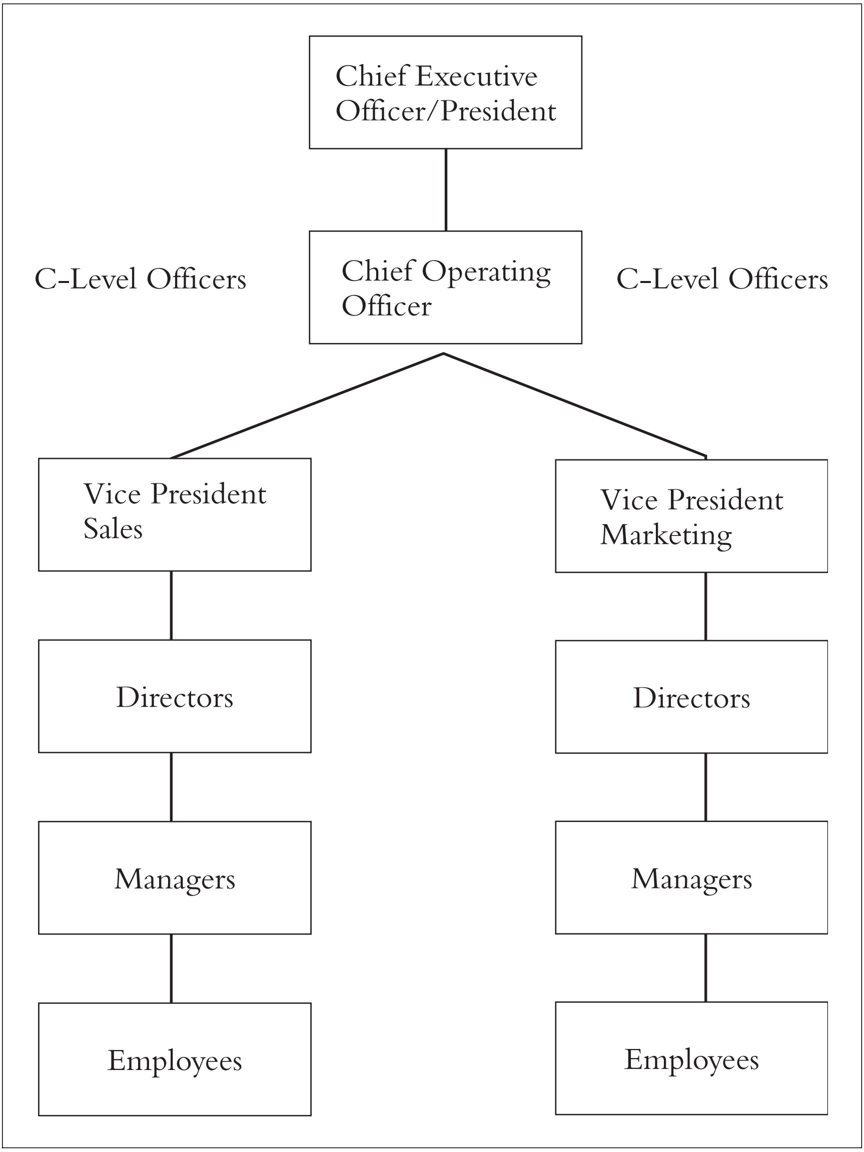
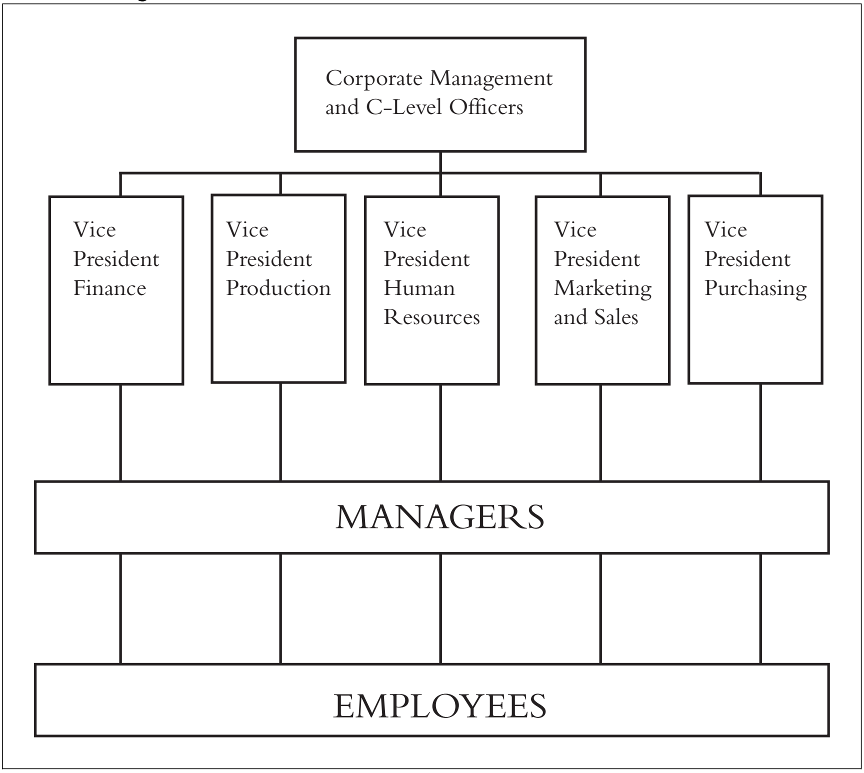


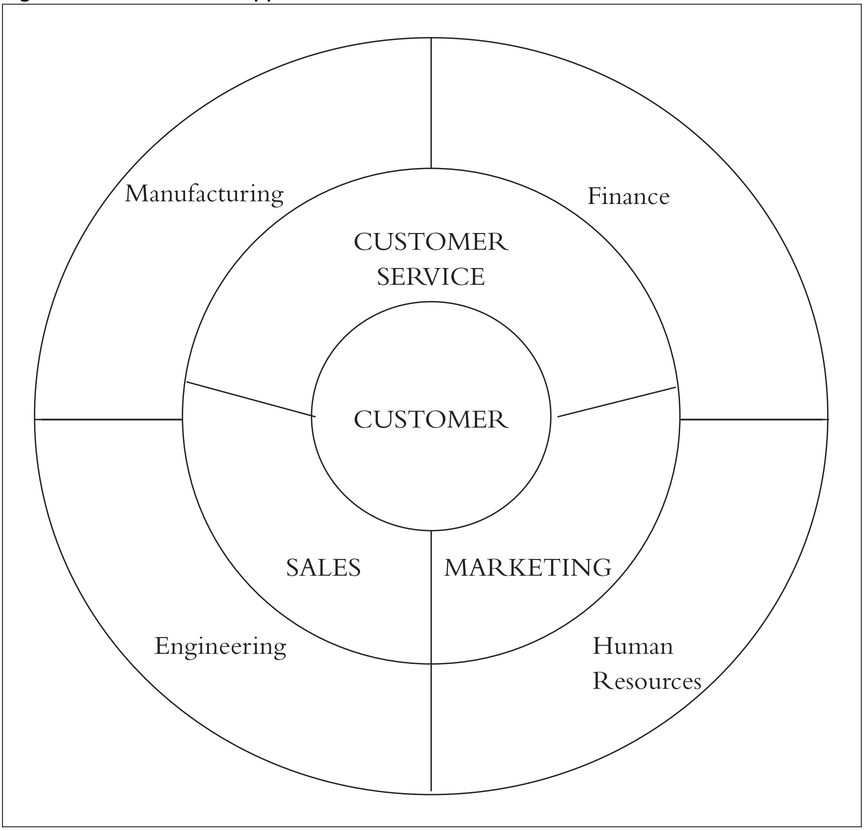
Figure 3-2. A corporate structure in which a senior executive heads up both sales and marketing.



customer, and all parts of the organization are thinking in terms of customer value. This would mean that there are many areas of the organization that do not necessarily have regular direct contact with the customer but are still developing strategies and processes that enhance the customer experience. For example, instead of accounts receivable concentrating on just billing and collections, they might be looking to integrate their information technology systems with that of their counterparts at the customer organization (accounts payable). Therefore, a more complete view of an integrated supplier and customer relationship would look something like Figure 3-4.

Furthermore, since your team is not likely selling directly to the final end-user (business to consumer sales), you could have any number of layers involved in the supply chain that ultimately delivers the final product/service to the consumer. This more stepped approach common to business-to-business sales opens the door to

Figure 3-3. A common approach to the customers.



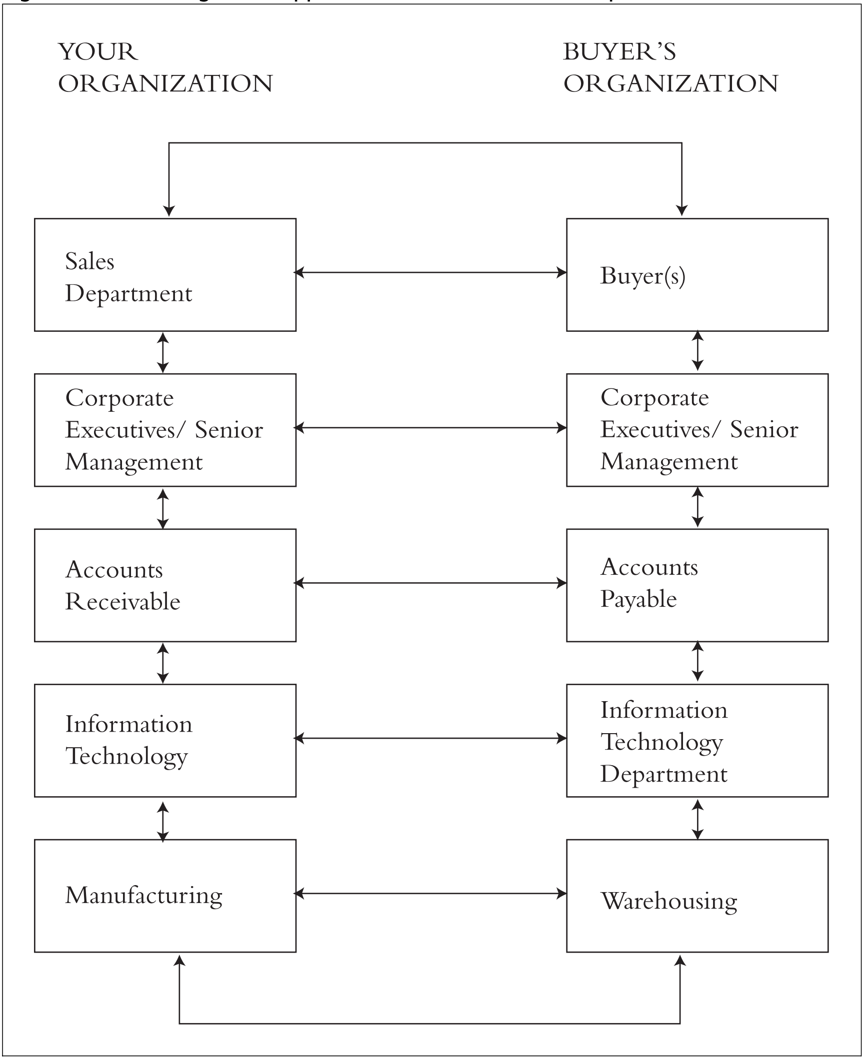
Adapted from *AMA's Advanced Course in Strategic Marketing.*

an array of areas in which to integrate your processes. Some major companies, for example, have their processes so refined that everyone involved in the supply chain meets certain standards of quality, communications, technology, and so on. Some of the key benefits to these companies are everything from cost savings to higher profit margins, improved quality, and increased customer satisfaction.

When you think of it in terms of your sales team, there are many ways that a customer-centric organization will have a direct benefit:

- *Better Efficiencies.* Members of both the selling and buying organizations are working in conjunction with one another, communicating and collaborating in the most efficient ways possible.

Figure 3-4. An integrated supplier and customer relationship.



- *Barriers to Entry.* The better your company's processes are working with your customers, the more difficult it is for one of your competitors to come and take away that business.
- *Competing on Overall Value (not just price).* You are able to compete on many more levels than just price, which then becomes just one factor in the sale as opposed to the main driver.
- *Benefits to End-Users.* Whoever the final end users are of your product/service, they will benefit from better value, quality,

and service from you and those in your supply chain. They will therefore remain more loyal and become long-term customers.

- *Benefits to You and Your Staff.* All of this will culminate in more sales and profits for your team.

With this understanding of a customer-focused organization and departmental synergies, it is now time to see more definitely how other departments work, and their importance in the sales planning process. Furthermore, you will realize the extent to which they affect your team and its ability to sell.

Marketing's Relationship to Sales

Marketing is one such department to understand more in depth. As you saw in the corporate structure, marketing has, or should have, a great deal of interaction with sales. In fact, in order to get a clearer picture of the customer and how to best approach him, you will find that some understanding of marketing is essential. Marketing probably has a greater impact on how your sales team performs and the ability to maximize your team's efforts than any other single department.

Today marketing is much more than just one-way messaging through advertising and direct marketing. In some companies the line between sales and marketing is quite blurred. For example, business development is at times a sales function and other times falls into marketing. Again, it is important to understand each other's roles because the information that you can provide one another is critical toward building each of your department's business plans.

Here are some common similarities as well as differences between sales and marketing (as adapted from *AMA's Advanced Course in Strategic Marketing*) along with some useful integration strategies that can enhance both departments.

The Role of Sales

- Front line with customers.
- Generate orders.
- Short- and medium-range (primary focus).
- Identify and set up key accounts and other account management strategies.
- Build one-to-one business relationships.

The Role of Marketing

- Creates leads for the sales team.
- Develops messaging and brand image.
- Short-, medium-, and long-range.
- Informational and educational.

Of course, this will vary, depending on the organization and types of products/services. For example, a company that sells credit cards will be largely marketing-focused and would probably rely not on field sales representatives, but rather on inside sales and customer service representatives. The marketing department is therefore set up primarily to generate leads for transactional sales. On the other hand, a niche high-end supplier of business software might be very sales-focused. The message might not be as impactful through marketing tools such as direct mail, TV and print ads, the radio, and so on, so the focus and higher departmental budgets would be with the direct sales channels.

Another way to look at this is how some companies are considered either "sales organizations" or "marketing organizations." This is typically due to how large the budget is for sales versus the size of the budget for marketing. Some examples that commonly fall under each category are:

Sales Organizations

Pharmaceuticals
Consulting
Auto
Financial services

Marketing Organizations

Consumer products
Travel and leisure
Retailers
Entertainment

No matter the structure and emphasis, the key again is that sales and marketing must work collaboratively with one another. The information and capabilities that each possess are so important to the other that it's foolish for the two departments to act independently.

In companies where the integration is weak, salespeople often find that marketing is sending out messages that do not tie in to what they have to sell, or the key benefits are not highlighted properly. At the same time, while sales believes problems or issues exist within marketing, the marketing department likely has its own set of challenges and difficulties when working with sales. For example, it is not uncommon for marketing to feel that many of the leads they acquire through their various campaigns are not properly followed up on.

Therefore, it is incumbent on you now as a manager to try to move everyone toward a more collaborative work environment. Again, most of this can be done by accomplishing one major task—sharing of information.

This could mean having your sales force report what customers are saying back to marketing as well as providing competitive information regarding what the sales force is seeing or coming up against in the field. Sales could also provide some of those customer ''pain points,'' or what the customer is really looking for in a product/service or overall buyer/vendor relationship that is not currently being addressed. Marketing could then more accurately focus its messaging and highlight certain key benefits more clearly.

At the same time, marketing can try to engage the sales force more and reach out to them for ideas for marketing campaigns, bringing them into the creative process early on in its development. Additionally, marketing can be sure to work with sales on all special promotions and keep them apprised of all of the details on any new offerings. Without this information a salesperson can be at a great disadvantage with a new or potential customer.

Furthermore, whether or not your department is structurally intertwined with marketing, you as a sales manager can adapt some core tools from marketing for the planning process. One tool that you are likely familiar with in some form is a SWOT analysis. SWOT stands for *S*trengths, *W*eaknesses, *O*pportunities, and *T*hreats.

A SWOT analysis is a basic tool for planning that a sales manager can utilize in many ways:

Strengths	Weaknesses
Opportunities	Threats

By filling in what falls into each of the four areas, you can gauge in broad terms where you stand in whatever category you choose to analyze. You can conduct this type of analysis on many areas that relate to both your company and sales team.

Things to consider for a SWOT analysis include:

- Current products and services
- Potential new products and services
- Brand image
- Pricing strategy
- Competition
- Experience of sales team members
- Reputation in the industry
- Market share
- Training needs
- Service/maintenence capabilities

It is also helpful when plotting the above to think of internal factors such as new products and services as either a strength or weakness, whereas external factors such as competition and regulation fit into the categories of either opportunities or threats. Furthermore, the phrase *environmental scan* is a concept similar to the external factors piece of a SWOT analysis (i.e., you scan the external environment and see what is affecting your business). This type of analysis can be as general or detailed as necessary. For example, you can look at the competition even more precisely through an analysis from the perspective of each of your competitors; or you can analyze the strengths and weaknesses of each individual team member at a very granular level.

Another tool you could adapt from marketing would relate to ways to more precisely look at your products and markets. For example, you would look at each of your product lines, and determine its relative strength in the industry. Then you can compare that to the markets you are currently in along with what markets it might pay to try to break into.

Product/Market Analysis

Product Line	***A***	***B***	***C***
Penetration (Existing Markets):	8	4	6
Potential (Existing Markets):	5	6	2
Potential (New Markets):	2	3	9
Total:	**15**	**13**	**17**

In the above example, on a scale of 1 to 10 (1 being weak and 10 being strong), Product A has a high level of penetration in its existing markets, a medium level of upside potential in existing markets, and very little potential to spread out this product line into new markets. Of course, you can get into more and more detail with something like this; for example, looking separately at each product within a product line.

Another tool adapted from marketing would be something to help you to analyze your competitive landscape. Here you could look at all of your products and services and then score them versus your competition, in order to see how you stack up.

Competitive Product/Service Analysis:

Product/Service	*Your Company*	*Competitor X*	*Competitor Y*
A	8	2	3
B	6	3	2
C	0*	8	3
D	1	7	8
E	5	3	6
F	10	8	0
Total:	**30**	**31**	**22**

*A zero would mean that you do not currently carry or compete with this product/service.

You can then analyze where you rank with each product against each competitor. For example, you are strong in Product A and weak in Product D. Here again you can get more detailed and might even wish to weight each product based on one or more factors (e.g., revenues, profits, core competency, etc.).

Another result that could come out of these kinds of analyses is that you might find that there are certain markets not worth competing in or products that you do not wish to carry. This might be the case in product lines where you have almost no presence (Products C and D), and it would be too costly or out of your core compentency to truly compete. A better strategy might be to partner with certain competitors in order to stengthen both of your positions against other competition.

Another function that typically falls into marketing is market research. You likely have some familiarity with market research through surveys or questionnaires (at least from having taken them over the years). However, market research is much broader and is a responsibility of every sales manager, whether you conduct the research directly or others provide you with this service.

Besides surveys, other typical market research techniques are focus groups and observational research. Focus groups are a group of participants that share a common element that will enable the selling organization to gauge their interest in the company itself, an existing product, a new product idea, and so on. Observational research is just like it sounds—researchers observe a customer using a product or service and see how they react with it (e.g., how they open the product, how they use/interact with the product, etc.).

These three techniques (surveys, focus groups, and observational research) are what many think of as the main tools to conduct research. But these techniques are only one form, called Primary Research. These three types of primary research involve collecting new information from the customer in some way. Secondary research is the other major form of market research. This type of research includes all of the information you already possess but that has not yet been formulated. Once it is, however, a great deal of analysis can be done. Some areas that fit into the category of secondary research are:

- Sales growth (or decline)
- Customer geographic distribution
- Percentage of sales of newly launched products versus core products
- Industry growth
- Product or service growth

This is information that you either can readily get or can utilize others to help put together. You can then interpret it and incorporate the findings as needed in your planning process. The range of resources for secondary research is anything from your own records to departmental and company (internal) records, as well as through external resources (e.g., D&B, industry trade associations, Department of Commerce, etc.). Of course the key is to get the information in such a way that it can be analyzed. Another useful research component is other researchers' reports or survey findings that you are able to purchase or get for free.

The next two areas to understand, which are very intertwined with marketing (as well as other departments), are new product/service development and pricing strategies.

Depending on the organization, new product/service development could be closely tied to sales, marketing, R&D, engineering, manufacturing, or any combination of these. The idea is to bring about new products/services or new features that will generate increased sales and profits. Since you are a sales manager, your input as well as that of your team is invaluable. After all, who has their ear closer to the customer than the sales force? It is imperative that you have some processes in place to funnel this information. Whether it be a structured, rigorous one or more ad hoc, it needs to get done. This helps to avoid finger pointing later on as to why a product was developed in a certain way.

A typical new product development process encompasses everything from generating ideas for new products to the launching and postlaunch refining or changes. To put into perspective the process and how it further relates to your sales department, your team's input will be not only important in the idea stage but also in the testing of the products. After all, before the launch the products will need to get tested, and who else are they tested on but your customers?

Pricing decisions are also tied in closely to new products and services, and can reside in any one or more department(s). Pricing strategies can therefore greatly vary from organization to organization and industry to industry. Of course, they should always keep in mind the end-user. As it relates to your sales department process, the pricing strategy will be very instrumental in helping you achieve your goals. Pricing often includes very senior-level officers who help to set the big-picture pricing strategy (price structure), and then individual pricing decisions can be made to fit within the structure. Furthermore, a great number of factors, both internal and external, will impact how your company makes pricing decisions.

Here are some key areas that will play a role in pricing decisions (adapted from *AMA's Advanced Course in Strategic Marketing*).

External

- The economy.
- Demand for your types of products and services.
- Competitions—are you the only game in town or do you have many competitors with similar products and services?

- Are you in a commodity or premium products type of business/industry?
- Government and other regulations.

Internal

- Pricing structure—what is your cost of goods sold, fixed costs, variable costs, etc.?
- Are you a public or private company (i.e., who are your shareholders, and what is your strategy for increasing their value)?
- What is your company's brand recognition and reputation?
- What are your channels of distribution (manufacturer, distributor or wholesaler, direct to consumer, etc.)?
- What is your mix of sales vehicles (field sales, inside sales, telemarketing, on-line sales, etc.)?
- What types of sales do you do (transactional, long-term, reorder/replenish)?
- Do you deal with government contracts and bidding, requests for proposals (RFPs), global sales (letters of credit, foreign exchange risk, etc.)?

You will need to take into account many of the above questions when making pricing decisions. Here again the internal players and their input in the process will vary depending on many of the answers to these questions. For example, in the credit card example given previously, the pricing decisions might be primarily driven by the marketing department. However, in the niche high-end software example, pricing might be more determined by the sales department, with others such as marketing, finance, and R&D giving their necessary contributions.

Now that you have some of the foundational elements and tools to consider when initiating the planning process as well as an understanding of the key players and departments involved, it is time to take a look at the structure of a plan.

Creating a Plan

A reassuring thought when beginning the process is that for every hour spent planning, many hours of inefficient activity can be avoided. Furthermore, taking this time and initiative to develop and implement a well-thought-out plan will have a great deal of other benefits for you as a sales manager. It will allow you to:

1. Set priorities and allocate resources, ensuring that time and resources are spent on accomplishing goals that are agreed upon and shared by all necessary stakeholders.
2. Develop strong internal and external partnerships for sharing information and resources, and promoting new and improved business practices.
3. Have a predictable budgeting process, whereby expenses, revenues, and income are planned for in advance, and adjusted as necessary.
4. Create team stability that allows for continuous and progressive growth of your staff.

Characteristics of a Good Plan

A good plan requires the following elements:

- Vision
- Mission
- Goals and objectives
- Strategies and tactics

This is a very common-type structure that is used in strategic planning. Your company is likely already involved at the higher levels in planning and therefore utilizes this type of planning framework or something similar. Other types of building blocks for strategic planning include issues-based planning, by which the planning process begins by looking at issues that the organization faces and then develops strategies to resolve these issues and ways to improve the organization. Whatever the specific planning model looks like, the key is that you work with all the necessary stakeholders to build from the corporate plan a sales plan, with the end result being improved corporate, departmental, and individual performance.

Also, your company likely has a schedule for their strategic planning and some sort of process, be it formal or more ad hoc, in place. Typically it is a historical practice and one that is often determined by the industry you are in. For example, in some slower-growth, mature industries the corporate planning process can take place annually. However, with fast-moving high-growth industries, corporate planning can take place two times a year. Your sales department will need to tie into this large plan as well, but keep in mind that you might have many more specifics that relate to much shorter time periods, such as quarterly, monthly, and so on.

The Vision Statement

Long-range corporate plans require a target called a vision statement. In most cases, you will find that your company has a thought-out vision and might even communicate this internally and possibly externally through any number of vehicles (intranet, Web site, newsletters, press releases, annual reports, etc.). A vision statement answers the question, ''How is the company's mission [to be looked at in a moment] to be served in the future?''

A vision statement should both inspire and guide. It must balance aspiration with realistic insights into future potential. In order to guide, the vision statement must capture what is unique about the company and what will continue to be unique about it in the future.

Some like to look at the vision as the ''stretch'' goal for the organization. For example, what is possible if all aspects of the corporate plan come together consistently and all goals are reached over a sustained period of time (e.g., at least three years)? If this happens would you be satisfied achieving the vision you have in place? If so, then your vision is likely on target. If not, you likely have not aspired enough in your vision. One very simple way to think of it is ''No pain, no gain!''

The irony is that despite all its importance, the vision should be summed up in only a very short statement—usually one quick succinct sentence.

The Mission Statement

The mission is the main purpose for conducting business activities. It is a compass that gives the direction to stay the course. Like the vision statement, it is likely already communicated to various stakeholders through any number of methods. It is a tool frequently used for corporate, departmental, and individual motivation. The mission statement, more so even than the vision statement, is written not only for employees, but also for customers and often stockholders. Since it is a core, rallying cry used to unite a company, it is often printed on business cards, posted about the offices, and used in marketing literature.

Also, while the mission statement should carry a great deal of weight, and receive buy-in across the organization, like the vision statement, it is also a short precise statement, typically one sentence in length.

The company's mission statement can then be broken down by department. The mission statement for each department within the corporate structure needs to be personalized by the manager for that area of responsibility. By reframing the definition of a mission statement, the process becomes definable.

Corporate-Level Mission

A corporate mission statement should answer the following types of broader questions:

Why does this entity exist?

What is the company's impact on society (local, national, international)?

As a sales manager, you will not likely play a large role in developing a corporate mission. In fact, it is probably already in place and only changes if there is a major corporate directional shift. Most companies, for example, have the same mission for ten years are more. However, on a departmental and team level, you can have some or even a great deal of input.

Division- or Department-Level Mission

Of course the mission for a division or department needs to align with the larger corporate mission. This more specific mission is what others would ideally say about the people in the division and the manner in which business is conducted.

It would answer the following types of questions:

Why does this department exist?

What is the department's impact on the company?

What is the department's impact on customers?

Who (in general terms) are its customers?

What (in general terms) are the products/services it provides?

It is also a good idea to include something about the employees, answering the question, how does the department take its employees into account? After all, it is the employees who need to buy into the mission.

You should find that everything in the plan needs to tie back into the corporate and departmental mission statements.

Goals

The mission statement is the overall direction. Goals are the mandatory, shorter-term direction to move toward the mission. In its most basic sense, the goals are what needs to be accomplished.

A plan should take into account three main types of goals. Some goals are *corporate goals*, which will be driven by the corporate mandate such as the dollar volume.

A *departmental goal*, on the other hand, might deal with targeting a new market or introducing a new product/service to specific accounts.

The third type of goal is a *personal business goal*. Personal goals include activities that go beyond the corporate and departmental dictates. A personal business goal might have to do with learning a new computer program for making presentations.

Some would even include a fourth type of goal, *personal goals*. When thinking of this in business terms, it might include working toward an advanced degree or a certification that might not tie in directly to your business responsibilities but is still something that you value, and at the same time, your company sees as something that helps you to build your character.

Regardless of the types of goals you are establishing, the goals must always be SMART:

Specific

Measurable

Attainable

Relevant

Timely

While this is a very common acronym, it is a very important one. In some descriptions, some of the letters represent different words, but the meaning is still similar. (*Achievable* is sometimes used instead of *Attainable*, or *Realistic* instead of *Relevant*.)

Specific goals are definable. There are no gray areas or room for interpretation. All words used are concrete in nature; for example, a specific goal is a 25 percent increase in telesales calls this quarter over the same quarter last year. Relative terminology cannot be used in goal setting; "make more productive prospecting calls" is a goal that uses relative terms. What is more productive to you is not necessarily more productive to someone else.

Measurable goals have a beginning and an end. Therefore, at the end of a specific time, it will be obvious whether the goal has been reached. If the goal was missed, you will know the shortfall. If the goal was exceeded, the measurement will indicate the exact overage.

Attainable goals are real-world goals that push the comfort zone outward. Some people set goals too high and actually set themselves up for failure. Other people set goals too low because they do not want to overextend or necessarily push themselves. Attainable goals are balanced and meant to be challenging.

Relevant goals are directly related to the mission and have meaning. If the goal does not mean anything, the intensity may be low and the dedication to the goal lacking. Also, if certain goals are relevant and others are not, the associated work will be scattered and not necessarily benefit the company as a whole.

Timely goals could be measured at checkpoints along the way (say every thirty or sixty days) or have one fixed time for completion (by the end of the third quarter). This will vary depending on many factors, including the fact that "importance" should greatly affect timeliness. For example, if a project needs to be done in the next ninety days in order to secure a contract that will increase profitability by 6 percent, then the timeline should reflect this. What priorities you have set up will be key to making the plan effective.

Objectives in many cases are a subset of goals—your goals broken down into more specifics. Some like to use goals as something that all departments are working toward, whereas objectives are more department-specific. Like goals, objectives need to have the SMART elements. Also, certain objectives can apply to more than one goal. Typically they work in tandem with outcomes—those results, or lack of, that tell you whether or not you achieved your objective(s). For example, after you list a goal and then the associated objectives for the goal, at some point in time you need to verify the outcome that was either obtained or not and when.

Strategies and Tactics

In order to achieve your goals and objectives a plan must incorporate the necessary strategies and tactics. Specific activities will always be necessary to move you forward. In this section you identify the strategies necessary and then the specific tactics or tasks for which to accomplish your identified SMART goals and objectives.

The specifics areas to include in this part of the plan are:

Action Items

This is your road map for how you are going to get something achieved.

List the actions that need to happen. By listing every action item, focus can be maintained, and productive communications can be established. Keeping a list also allows you the opportunity to have a log that you can see and check items off as they are completed.

Responsibilities

This should answer the question of who is required to carry out a certain part of the plan. After overall responsibilities have been identified, determine who needs to do which task. Think about what assistance is required from others within the company to fulfill the necessary steps. Make sure the people in the other departments involved are fully aware of their part in the plan. Once people have committed to certain responsibilities, follow up to make sure they have the resources needed to accomplish their part.

Tracking

This tells you when parts of the plan are to be completed. Establish a realistic forecast. Think of a time frame that allows all involved parties enough time to complete their responsibilities. Keep company deadlines in mind. Set scheduled start and completion dates. Define checkpoints that will determine progress. Make sure the plan stays on track. If the schedule gets off track, the plan may also.

Flexibility

Allowing for some flexibility will better your chances of not getting caught off guard when there are minor changes or challenges to the set plan. It is important to allow your plan to be flexible. Allow for juggling people or responsibilities if necessary. Try to stay on track as best as possible, but don't be surprised when unexpected things happen.

Continuous Planning

Continuous planning takes into account not only the need for day-to-day flexibility but the fact that in today's extemely competitive and fast-moving environment, trying to adhere too strictly to a plan, whether short-, medium-, or long-term, can often lead to dissappointment.

For example, no matter how much competitive research and intelligence you have conducted, there is always the unknown. Who would have guessed ten years ago that the Internet and e-mail would have been what they are today? Only a few of the pioneers in this category, and not even they could have foreseen the explosive growth.

It is therefore imperative that, whether your planning process takes place one or more times a year, your team (and hopefully others in your organization) recognize that planning is meant to focus and give direction and should not be so rigid as to hold you back.

In essence, what you should really be asking during the planning process is the following:

Who?
What?
When?
Where?
Why?
How?

If you are able to answer these, you will have a successful plan that takes into account the realities of your business and the environment in which it operates.

Assessing the Business

The planning process described above still needs a starting point. You can't just start off planning without having a baseline. This is where assessing the business, again bridging corporate and departmental areas, comes into play. In other words, what is the business environment today in which your company and your team are operating?

While you are not involved in all aspects of the corporate assessment, certain key information undoubtedly will affect your department, and the knowledge of this will be helpful in developing your own strategies.

For example:

- If it is a public company, how is it faring in the markets?
- Are you meeting the numbers projected for the shareholders and other stakeholders?
- Is your company in a hiring mode, hiring freeze, or downsizing?
- Are you and/or any of your competitors involved in a merger or acquisition?
- What types of information is your company sharing with you regarding future planning?

In the absence of strict facts you might also need to make certain assumptions. For example:

- A defective product line has created a media frenzy and will continue to challenge your company's reputation for an unspecified period of time.
- X competitor just announced a new CEO, and, judging by her prior track record, she will likely initiate a pricing war.
- Interest rate hikes could likely benefit your overall business in the coming months.

As we mentioned earlier, planning can be initiated in various ways. Before you are able to fully conduct an assessment of your business, you should also understand the basics of decision making. Decision making typically follows a logical model or sequence of events. This includes:

- Defining the problem(s)
- Gathering and analyzing the pertinent facts
- Looking at the options available and weighing those options against one another

- Selecting the appropriate option based on the information at hand
- Implementing that option
- Evaluating the results (a final step would be to use that feedback as input for subsequent decisions)

Brainstorming is one way to get discussions going and gather information for decision making. There are many types of brainstorming, some more formal and others more ad hoc. Some of the keys to productive brainstorming sessions include these:

- Let all voices be heard.
- Don't get bogged down in minor details.
- Use a facilitator if necessary.
- Make sure all necessary stakeholders are present.

Most important in decision making is to have an atmosphere whereby you arrive at a true consensus. This means that the highest-ranking officer in the room does not make the decision for everyone. Of course, it is often the responsibility of the most senior-level person to have the final say, but it should be based on information that has been carefully analyzed first. In some group settings a voting process can help to eliminate this concern.

Thus far you have seen tools like the SWOT analysis, product/market analysis, competitive product/service analysis, and market research. These are all tools that could give you needed input for your plan. Also, as you saw, these are often cross-functional tools or ones that reside in another department altogether. It is therefore important to identify all of these other stakeholders and departments to be sure the necessary players are involved to help make accurate business assessments.

Some of the key categories of stakeholders are:

Your company management—CEO, president, SVP, COO, VP of sales and marketing, etc.

Other sales managers (your peers)

Your sales team—those you manage such as sales representatives (in-house and/or independent), field and/or telesales people, customer service representatives, sales coordinators, etc.

Other department managers and key personnel—marketers, engineers, call center managers, accountants, human resources professionals, etc.

Customers at all levels, including the senior managers, buyers, purchasing agents, buying assistants, etc.

Benchmarking

Another useful tool in assessing your business is benchmarking. Benchmarking is really a tool for making comparisons of any sort. Benchmarking can be conducted on anything from internal processes to the competition or the industry. It is a great tool for looking at current or past results and being able to compare them with the future. Benchmarking allows you to measure and then analyze the appropriate data to make decisions for improvements going forward. The areas you can benchmark are endless.

Internal benchmarking is used to measure against other departments or to get a baseline to then compare progress. It could include:

Product and/or service satisfaction levels

Number of complaints

Number of defects

Employee satisfaction

External benchmarking would look at similar processes or departments within your competitors' organizations as well as best practices in the industry. Some examples are:

Customer service levels

Market share

Return on investment

The sales process

New product development process

Each of these could of course be broken down in smaller parts. For example, employee satisfaction could break down into morale, job security, and opportunities for advancement.

Once again, many of these categories for which you can engage in benchmarking will not reside fully in your department. However, they could be of enormous benefit to you and your sales team as you set strategies going forward. For example, your sales team could be out selling a new product that offers first-of-its-kind features, yet production is way behind. Benchmarking can help you and your organization see what processes internally are working best and to then transfer that knowledge to other departments. You can also look to the outside for best practices in different industries as well as processes within companies in such areas as new product development or supply chain management.

This knowledge would help to give direction to those involved so that production times can improve and customer satisfaction increases.

Conducting business planning is a complex area. The types of tools that are used and the process it can follow vary greatly. By utilizing your enhanced communication skills you can more effectively work with your team, others in the organization, and outside stakeholders to gather the necessary information in order to plan for today and tomorrow.

In the next chapter, you will look at one of the most challenging areas for the new and veteran sales manager alike. It is also a key factor in the success of you and your team. While in many respects it is a specific piece of sales planning, it also has many more implications and carries with it other long- and short-term implications. It is the area of territory planning and sales forecasting. However, before delving into this critical topic, you will first need to fully grasp the importance of managing your time.