

Territory Management

When you are in charge of a sales team, you want everything to run smoothly as butter. You want your team to be the best and the sales to roll in, you want the business revenue to *grow like wildflowers*, and you want your sales team to be a happy one. Undoubtedly, that would have been the ideal scenario, the reality is often not as amazing. Your business targets may look almost impossible to achieve, your sales representatives may feel low on energy and motivation, and your sales may start to stagnate with no clear-cut reason. Guess what? It's now the ideal time to start addressing the problems by formulating a series of action changes to bring your sales team right back on the track with Salesforce Territory Management.

The best thing you can do is to analyse your sales territories, how they are individually and collectively performing, and how they get distributed. Once you're done with this, it would be time to have a close look at how exactly you are defining and redefining your sales territories. Are your territories based on customer groups where experts in one industry segment have one-on-one client meetings, regardless of their geographic location? If your answer is in the affirmative, it is suggested that you should map sales territories geographically to find out what you are missing out on by not mapping the territories.

Let us access some of the innumerable advantages that sales managers like you can explore by simply mapping out territories. But before that, let us first understand the concept of Salesforce Territory Management.

What is Salesforce Territory Management?

Before we read about Salesforce territory management let us first read about Salesforce so that all of us are on the same knowledge platform.

Salesforce is a cloud-based customer relationship management (CRM) solution that brings customers and organisations together. It is ideal for organisations of all forms and sizes as it provides all departments, including but not limited to sales, commerce, marketing, and services with a shared, single view of every customer of your organisation.

Territory management in Salesforce is an excellent tool for revenue generation. Salesforce Territory Management can be described as an account sharing system that provides access to accounts based on their characteristics. By making use of Salesforce Territory Management, your organisation can easily structure and streamline data and users linked with Salesforce in ways similar to those associated with the structuring your sales territories.

It involves a geographic area or customer group over which either a sales team or an individual has responsibility. Usually, territories are defined based on the sales potential, its history, geography, sales potential, customer names, competitive activities, or a combination of these factors. Sales Managers can maximise productivity and improve on the economies of scale in field sales by

assigning sales territories to individual representatives. However, it is imperative that well-balanced and easily-manageable territories are established to ensure efficient usage of time and resources.

Territory management is critical to businesses of all size. By aligning sales teams to specific territories (industry, geographic, product-based), companies can make the most of their resources at the lowest cost. Aside from the boost in productivity, businesses are able to increase overall revenue by ensuring that all market segments are covered. Having an informed, data-driven plan in place allows companies to focus on growth and scaling up for the future.

In particular, small businesses can benefit from a thorough territory management plan, where resources and budgets are limited. You don't have to be a large enterprise company to strategise like one.

What is a Territory?

Represents a flexible collection of accounts and users where the users have at least read access to the accounts, regardless of who owns the accounts. Only available if territory management has been enabled for your organisation.

Customisable Forecasting

Since Customisation Forecasting is a prerequisite for Territory Management, we should understand this as well. Customisation Forecasting is a flexible solution for estimating how much revenue your organisation can generate or how many items your organisation can sell. You can set up customisation forecasting to reflect how your organisation forecasts its sales. With it, you can forecast on a monthly or quarterly basis, use different dates when applying amounts to forecasts, a forecast based on revenue or quantity or both, and define additional quotas based on product families.

Use customisation forecasts to review your forecast and drill down through your forecast amounts to see the opportunities included in your forecast. Override forecast amounts directly from the opportunity or overrides the forecast from the Forecasts tab without notifying users below you in the forecast role hierarchy.

Territory Management

Territory management is an account sharing system that grants access to accounts based on the characteristics of the accounts. It enables your company to structure your Salesforce data and users the same way you structure your sales territories. Particularly if your organisation has a private sharing model, you may need to grant users access to accounts based on criteria such as postal code, industry, revenue, or a custom field that is relevant to your business. You may also need to generate forecasts for these diverse categories of accounts. Territory management solves these business needs and provides a powerful solution for structuring your users, accounts, and their associated contacts, opportunities, and cases.

When thinking about territory management, it's natural to assume that you need to use the Territory Management feature to model your territory hierarchy and manage your territory assignments. This assumption might be true for some customers in some situations, but all customers should consider this feature one option among the rich Salesforce feature set for meeting territory management requirements.

Territory Management is available only for organisations that use Customisation Forecasting; Territory Management is not supported for organisations that use Collaborative Forecasts. If Salesforce Customer Support enables Territory Management for your organisation, your organisation cannot use Collaborative Forecasts. For these reasons, enable, implement, and test Territory Management in a sandbox environment before enabling it in production. See *"Enabling Territory Management" in the Salesforce Help*.

Difference between Role Hierarchy and Territory Management

The primary difference between the two is the question of "how many"?

In the role hierarchy, you are allowed one role as a user. So if I am in a sales hierarchy where it is only regional (East, Central, West, for instance), no problem. But what if I also have an industry vertical, and I need to be in both East, and the Manufacturing vertical?

This is the intended purpose of territories. In territories, I can be given record access based on two or more factors. I can be in one territory that identifies my geographical location, and the industry vertical and Account size (and as many other factors, potentially as I need). Territory management only affects accounts and the standard objects that have a master-detail relationship to accounts.

For example, opportunities are included in territory management but leads are not. So for record-level permissions (also sometimes referred to as the Sharing Model, record access, record visibility) for custom objects, you must use roles and the role hierarchy.

Territory management 2.0

Use Territory Management 2.0 to manage and maintain your organisation's sales territories. Create territory types, build a model, and then add and test your account assignment rules. When you're satisfied with your model, activate it, then assign users and accounts. Roll it out to your organisation, and then run reports to assess its impact and make adjustments if necessary.

The reason why Sales Managers and the CMOs/CTOs investing in Salesforce are so excited about Territory Management is that it enables them to see and process their Salesforce data just as they would structure their actual sales territories. Imagine organising your sales responsibilities in different clusters so as to reduce the sales cost, provide more robust service to the customers and measure the performance of your sales team more effectively all under a single roof, called "Territory Management."

Originally, Territory Management enabled you to grant users access to accounts based on criteria relevant to your business. Territory Management 2.0 goes several notches higher and helps you model your sales territories into a logical but flexible structure that connects your sales teams to

the accounts they sell to. Having introduced territory types, territory models, and territory model states, Salesforce now lets you create and preview multiple territory structures and strategies, ensuring you always implement the one that works best for you. Your sales managers can then use custom reports to assess your territories for desired effectiveness.

If you are a sales manager, sales head of your organisation or basically have anything to do with sales and territories within your organisation, and you are still unsure about adopting this amazing feature, we are going to give you 5 reasons why you should change your mind now.

Territory Management 2.0 builds on that by introducing territory types, territory models, and territory model states. Use these tools to create and preview multiple territory structures and strategies before you activate and implement the one that works best. Custom reports help you organise your territory model for optimum coverage, assess territory effectiveness, and modify your model if necessary.

Territory Management 2.0 is API ready, with nine new objects that help you manage territories, assign records and assign users programmatically.

Things To Consider When Establishing A Sales Territory

- Competition in sales territories
- Form of product or product line of your business
- Nature of the assignment and workload on the sales team
- Business's transport system and the channels of distribution
- Servicing requirements and essentials of territories

Sales Territory Management-Why It Is Important

When sales territories get out of balance, there are two events that can happen. In the case of under-serviced territories, the salesperson or the sales team is spread thinly and this results in sub-optimal activity levels. Furthermore, those responsible for the territories would be overworked and will thus get less time with customers and therefore will seek out too few leads. In other words, the customers will leave the business and head to the competitors and this obviously means loss of sales opportunities.

Over-servicing in a territory is where the sales team has too many team members and too little work when it comes to serving a small area. This eventually raises operational costs and product prices that eventually results in reduced sales. Critical resources are not efficiently utilised and this results in under-servicing in other areas.

Territory imbalances can lead to different sorts of problems. Some of these include distorted compensation among representatives of your sales team, unfair distribution of sales potential among the sales team members, and reps quitting the work to find out reasonable and better compensation and work balance elsewhere.

Advantages Of Salesforce Territory Management

Salesforce Territory Management is critical to the success of a business and its benefits are countless, including but not limited to increased responsiveness to emerging trends, efficient coverage of territories, and empowering your sales team. Territory Management is important to achieve targets, especially when sales managers have little to no extra resources to improve performance.

Increasing Sales And Reducing Cost With Enhanced Coverage And Aligned Territories

The primary task before any sales organisation is to enhance the amount of time available with salespeople for selling products and services while ensuring the right product is sold to the right customer at the right place and price. Proper alignment of territories will result in improved career satisfaction, balanced workloads, and greater earning potential for salespeople. This, in turn, results in lower staff turnover, higher motivation, and more sales. Mapping of territories also offers route optimisation capabilities that can enhance fuel efficiency, minimise travel costs, and increase the number of customers that are served by the field sales teams within their respective territories.

Quick And Accurate Measurement Of Performance Through Analytics And Reporting

A host of analytical tools can be availed to reap the advantages of numerous performance reporting options when territory data of sales is to be visualised using mapping software. The software enables plotted data on a map to be aggregated to get a consolidated view of performance. It can also be used for filtering and segmenting data, isolating sales below or above a certain value.

For better results, geographic and demographic data can be overlaid for identifying market insights and sales team members can individually create reports, analyse their specific territories, and measure their current performance against targets and quotas. These reports can then be shared with managers and colleagues if required.

Increased Productivity And Customer Satisfaction

Every interaction and conversation with a customer impact their experience with your company and its products and services and thus directly correlates with customer satisfaction. No need to say, a good sales territory minimises travel costs and time and allows reps to spend more time dealing with the customers and less time on the road.

The ideal scenario is to have a close look at the abilities of strengths of your reps to be sure of the fact that they're servicing the "best" set of accounts. For instance, sales representatives who have a successful history with closing complex and large accounts should not be handling small leads but large accounts. The point is clear, reps should be playing to their strengths while fostering strong relationships and presenting a stronger value proposition. In the end, higher customer satisfaction rates can be achieved by creating targeted sales reps and customer relationships and increasing the selling time.

How To Create An Amazing Salesforce Sales Territory Plan For Your Team?

Proper planning and execution behind sales territories can make a world of difference for the success prospects of your business. There are plenty of advantages of having a good sales territory plan whether you are starting from absolute scratch or looking to expand or redefine your existing strategy in the context of territory management.

Here is a step-by-step guide to create a profit-driven Salesforce Territory Management Plan for your sales team.

Segment And Analyse Existing Customers

The first thing you need to do is to take stock of your existing leads, prospects, and clients before you can think about formulating an effective sales territory plan. For this, you can divide your business customers into segments based on the purchase history, vertical, location, buying preferences and patterns, or other relevant characteristics.

Once this has been done, you should note down the verticals with which your sales team is experiencing the biggest successes and how your existing customers are making purchases and what is their geographical location. You can even try out picking ten or twenty of your top prospects or customers and find out if there are common characteristics shared between them.

By now, you would have answers to the following questions:

- What are your customers buying?
- Why are your customers buying?
- How are your customers buying?
- What is the conversion rate of your business?
- Which events lead to purchases?
- What stops customers from buying from you?
- What pain points are resolved by your products or services?
- Are certain products, services, or solutions outperforming others? If yes, how?

Conduct a SWOT Analysis

It is now time to conduct a basic SWOT (strengths, weaknesses, opportunities, and threats) analysis.

Strengths

Analyse. Interpret. Execute. Which are the areas where your sales reps excel? Which are the areas where the reps require assistance or training? Maybe some of your team members are good over email and phone while others may be good to deliver engaging and delighting in-person demos.

Weaknesses

Are there any leaks or bottlenecks in the pipeline that are hurting your business prospects? Is there any specific stage of the sales process where leads often start to lose interest?

Opportunities

Are there untapped opportunities, markets, and customer segments? Is there an under-serviced territory where more of your sales representatives should sell?

Threats

Who are your biggest and closest competitors? What are their promotional strategies and are they planning to introduce something big or unique? What are the biggest success threats in a specific territory?

Establish goals and targets

It is always best to set precise, clear, and realistic goals and targets whether you are thinking to map a new territory plan for the entire sales team or revamping the sales territory of a specific representative. The easier the goals are to measure and track, the better it is for everyone!

For this, you need to ask yourself and the team the following questions:

1. Which geographical locations you should focus on?
2. Which products are the most profitable and which are not? What are the promotional strategies behind both?
3. What is the source(s) of a large majority of new leads?
4. Which customer segments are providing the highest payoffs?
5. Are any of the territories being under-serviced?

Develop a tangible and realistic strategy

Once you have gained a clear and complete understanding of the goals and customer segments, it would now be time to start creating a plan with the representatives for smartly targeting the most lucrative avenues and derive the maximum possible coverage.

For this, you can use the information gathered from the above steps and match the skill sets of team members with the type of territory to be assigned or already assigned to them.

Representatives who have existing relationships with prospects should receive jurisdiction over those accounts.

Tracking results and optimising territory division

Last but surely not least, it is time for you to put your new sales territory management plan into action. Moreover, you should also create plans to continually measure the performance and results to ensure there are little to no derivatives and results are always beyond expectations.

Revision #2

Created 1 September 2020 15:17:40 by SmithH

Updated 2 September 2020 07:46:11 by SmithH