

MASTER TERRITORY MANAGEMENT

MAP YOUR SALES TERRITORIES
LIKE A BILLION DOLLAR
BUSINESS

A nighttime photograph of a city skyline, likely Shanghai, featuring the Oriental Pearl Tower and other illuminated skyscrapers. The image is overlaid with long, diagonal light trails in blue, red, and yellow, suggesting a long-exposure shot of city lights or traffic. A semi-transparent blue box is positioned on the left side, containing text.

Introduction

MAP YOUR SALES TERRITORIES LIKE A BILLION DOLLAR BUSINESS

Territory planning, done correctly, can help you align your sales team to the most appropriate region or group of customers - increasing overall revenue by ensuring you are touching all segments of the market. In this e-book we will cover five key pillars the team at Salesforce uses to plan territories and drive its multibillion dollar business.

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WHY MANAGE TERRITORIES?

What is a sales territory? A sales territory is a specific niche in a particular market that companies target to maximize their sales at the lowest cost. A company may have geography-based territories, industry-focused territories, product-focused territories, named-account territories, and even territories that consist of only one account. Some organizations have even defined territories by combining these approaches to meet the needs of their specific go-to-market strategies (e.g., a geography-based territory with a focus on specific industries and/or a specific product).

All companies with sales teams - regardless of their size - should have some form of territory management in place. Sales territories are critical to productivity and keeping selling costs down.

Good v. Bad Territory Segmentation

Assigning the correct sales rep to the right account is key to ensuring that the rep succeeds and deals are made. When companies put an effective territory management plan together, they can reap incredible results, including: reduce selling costs (travel cost, time spent traveling, etc.), accurate performance metrics, and motivated sales reps. However, when territories are hastily or ineffectively put together and deployed, it can result in major setbacks including: poor market coverage, loss of talent, poor visibility, low adoption of territories, channel conflict, and poor rep performance.

It can not be stressed enough of the importance of having a territory management plan in place. Every step in this e-book is absolutely critical when building or refining your sales territories.

Chapter 1

ANALYZE

The competitive nature of sales frequently leads sales reps and teams towards tackling the biggest deals first. However, when this happens companies can overlook huge opportunities in the mid to low range deals that close faster and are more abundant. That's why fully understanding your customer base, your market and your personnel is critical to the territory planning process.

Making the initial analysis is about 80% of the entire process as it dictates the decisions you make and how effective you are at segmenting and setting up your sales teams for success.



GO FOR GROWTH

At Salesforce, we call our territory management process “Go for Growth.” When making our initial analysis, we look at specific segmentation criteria from our customer base - including employee count, region, industry, and specific target accounts - and then align our resources with specific market objectives.

Match Skill Sets With the Complexity of Accounts

First, understand your current skill set in your sales teams and work to match it to your potential customer base. That way, your sales reps’ strengths can complement the customers that they are selling in to.

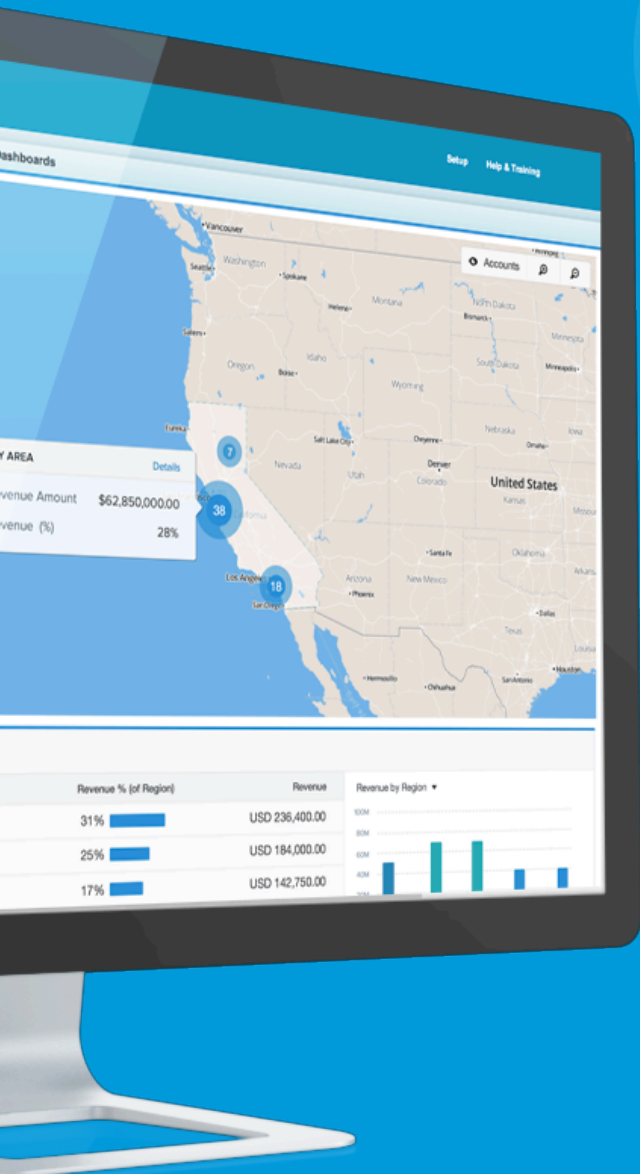
A typical example of this is to make sure your more senior sales reps assigned to large, enterprise deals and your junior reps assigned to smaller, “Mom-and-Pop” stores or businesses.

At Salesforce we have a core set of sales reps assigned to various industry and geographic territories. We also use a task force team of sales reps called “Co-Primes,” or product specialists solely assigned to deals that involve specific needs or asks for a certain product. That way our core sales team is supported by specialists who can effectively help tailor the deal based upon product capabilities.

Evaluate Current Data Quality

Who are you targeting? What do you know about the company? How big is each territory? The answers to these questions require high quality data sets.

To stay on top of these answers at Salesforce, we keep up with changes in the data and have a good data plan. Having a set data strategy in place to keep your data clean and accurate, such as using tools like Data.com, can allow you to answer all these questions and operationalize your plan.



EVALUATE YOUR DATA AND CREATE A CRM DATA PLAN

One of the most overlooked components to conducting a territory management plan is identifying the quality of data within a CRM. Without the proper data being entered into your CRM, effective territory management is next to impossible. As an example, when reps carelessly input the wrong data, such as an account's headquarters or industry, the account will not be routed to the correct Account Executive.

Make sure your organization sets the standard that clean and complete data within your CRM is the key to successful territory management. A Data Plan helps your organization with data integrity as well and sets up rules for your entire data entry and data updating processes.

Here are some steps to building out your CRM Data Plan and ensuring the success of your sales territories:

1. Identify Your Data Quality Goals
2. Perform a Process Audit
3. Develop Your Data Quality Plan of Action
4. Perform a Data Prep and Cleanup
5. Continue to Monitor and Maintain Data



[Click here to go to the Data.com Assessment App in the AppExchange](#)

Chapter 2

BALANCE

Once you've made a thorough analysis of your customer base and sales resources, you need to manage your territory with a firm sense of balance. What that means is creating targets that set your sales leaders up for success and targets for sales reps so that they feel like they all have an equal opportunity to maximize their compensation plans.

Achieving balance with territory management will allow for your organization to achieve realistic quota targets which will motivate salespeople to achieve and maximize their sales.



No. of FTE's
(Full Time Employees)



Figure 1

FTE's serves as a proxy for deal complexity,
AE skill sets & resource investments

Objective	Avg. Age	#TRX/AE	Skill Set
Enterprise Solution Sale	~5 Months	Low	Advanced
Hybrid	~3 Months	Medium	Developing
Reach & Repeatability	<1 Month	High	Emerging

Figure 2

BALANCE BASED ON MARKET SEGMENTS

Balance Number of Reps by Market Segment

At Salesforce, we look at our customer base in the shape of a pyramid seen in Figure 1.

At the bottom you will notice the vast majority of our customer base are small businesses. As you move up market, there are moderate amount of mid-sized businesses and a smaller number of larger, global enterprise customers.

What we do with this pyramid is align our FTE's (Full-Time Employees) with our market. In this case, more sales reps for the broader customer base.

Make sure to position more of your full-time employees in the segment that you typically have the most customers in.

Complement Skills Sets with Segments

Once you've determined the number of sales reps per market segment, it's important to fill those slots based on your AE's skill sets, deal complexity, and resource investments accumulated for each segment.

If you take a look at Figure 2, you will notice that the table classifies certain criteria for each market segment.

For example, with small businesses, there are a larger amount of junior sales reps dedicated to that segment. This allows them to reach as many businesses as they can at a high velocity considering the average time to close a deal is less than one month.

GEOGRAPHIC TERRITORIES

Create an Urban v. Rural Geographic Balance

At Salesforce, we create regions that are both urban and rural for our AEs and sales teams. As an organization, it's important to define the difference between rural and urban areas - as many businesses have been known to be ineffective with this concept.

For example, there may be the same number of sales reps centralized in a small, yet urban city than a larger, rural area. At Salesforce, we have more sales reps that target San Francisco than we do compared to a broader geographic area on the West Coast as you can see in Figure 3 and Figure 4. There is a denser population of high tech businesses in the San Francisco Bay Area than many parts in the West Coast, so it's critical we have more reps there.

Why is Geographic Balance Especially Important?

A well-balanced geographic territory has the potential to greatly reduce sales costs and maintain productivity. For example, you wouldn't want a sales rep in Dallas assigned to the Northwest otherwise all of the time traveling to meet clients means more expenses and less time selling.

Additionally, a diverse and well-balanced geographical territory allows for more of a measure on an rep's performance than on a territory's performance. This allows reps to be confident with the geographic territory they've been given, creating a more diverse approach and a more well-rounded and happy team.

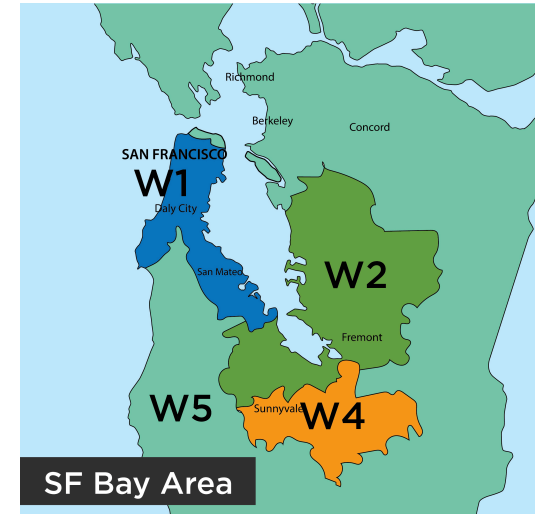


Figure 3



Figure 4

Chapter 3

EMPOWER

Once you've given your customer base and resources a firm analysis and have successfully put together a balanced territory, it's time to get input from your sales leadership team. The key to this process is making sure your managers are empowered and are a part of the decision-making process.

Sales managers don't want to feel like you are "controlling their destiny" and making decisions for them behind closed doors. Pull sales leadership into the process early and create a sense of transparency so that they're confident and feel like they own their territories.

Enforcing sales territories can be a difficult task. However, if you can successfully create a sense of confidence with your sales leadership team, they can be a huge proponent when enforcing the bottom line.



WHEN DO YOU GET SALES MANAGERS INVOLVED?

The figure below maps out a timeline of engaging sales managers during the territory management process - much like we do at Salesforce.

Define Objectives: Map out what objectives you're looking to accomplish and how you want to approach it.

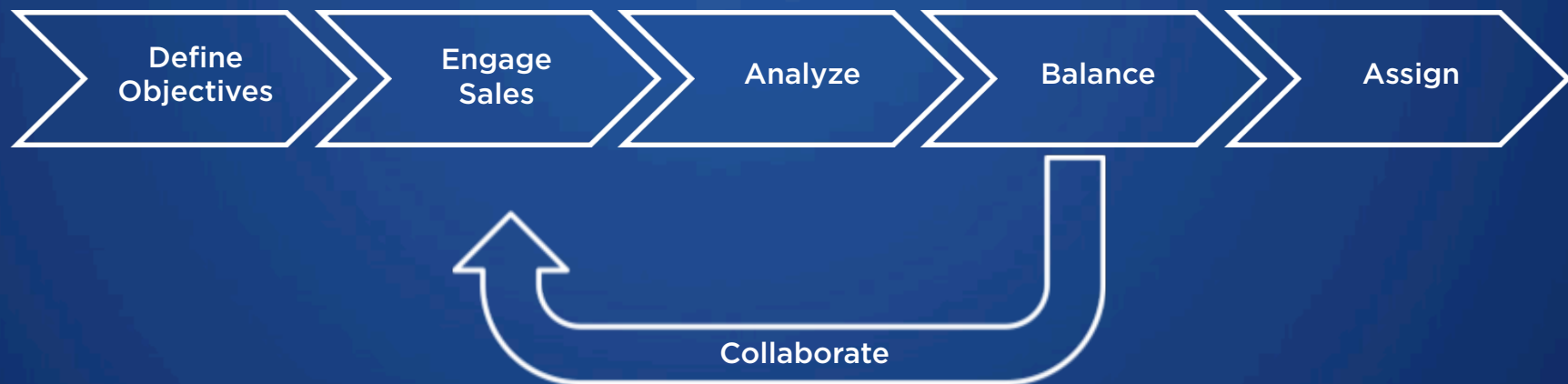
Engage Sales: Next, your team should engage with sales leadership and maybe even down to the bottom line to make sure the business objectives you have put together are aligned with their expectations.

Analyze: Once you have the input from sales and you're feeling confident in your business objectives, start getting deeper with your analysis of your customer base and resources.

Balance: Start balancing your personnel based on market segments, geography and skill set.

Collaborate: Once you have balanced out your resources with your territories, reengage sales and make sure there is plenty of transparency during the decision-making process.

Assign: Finally, once sales have been involved throughout the decision-making process and they feel confident in the direction you and your team have laid out for them, it's time to start assigning territories to your sales managers and bottom line.

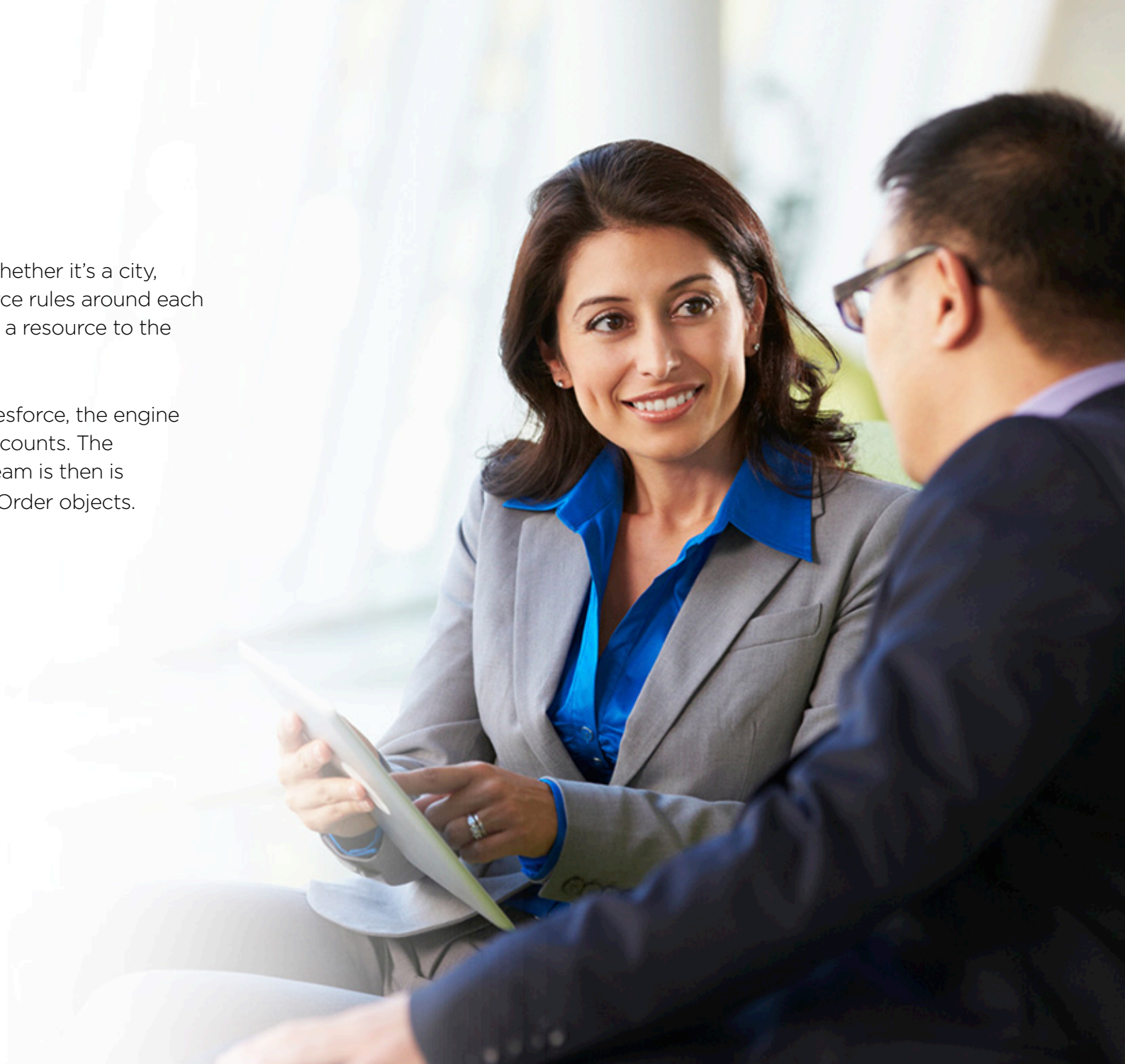


Chapter 4

ASSIGN

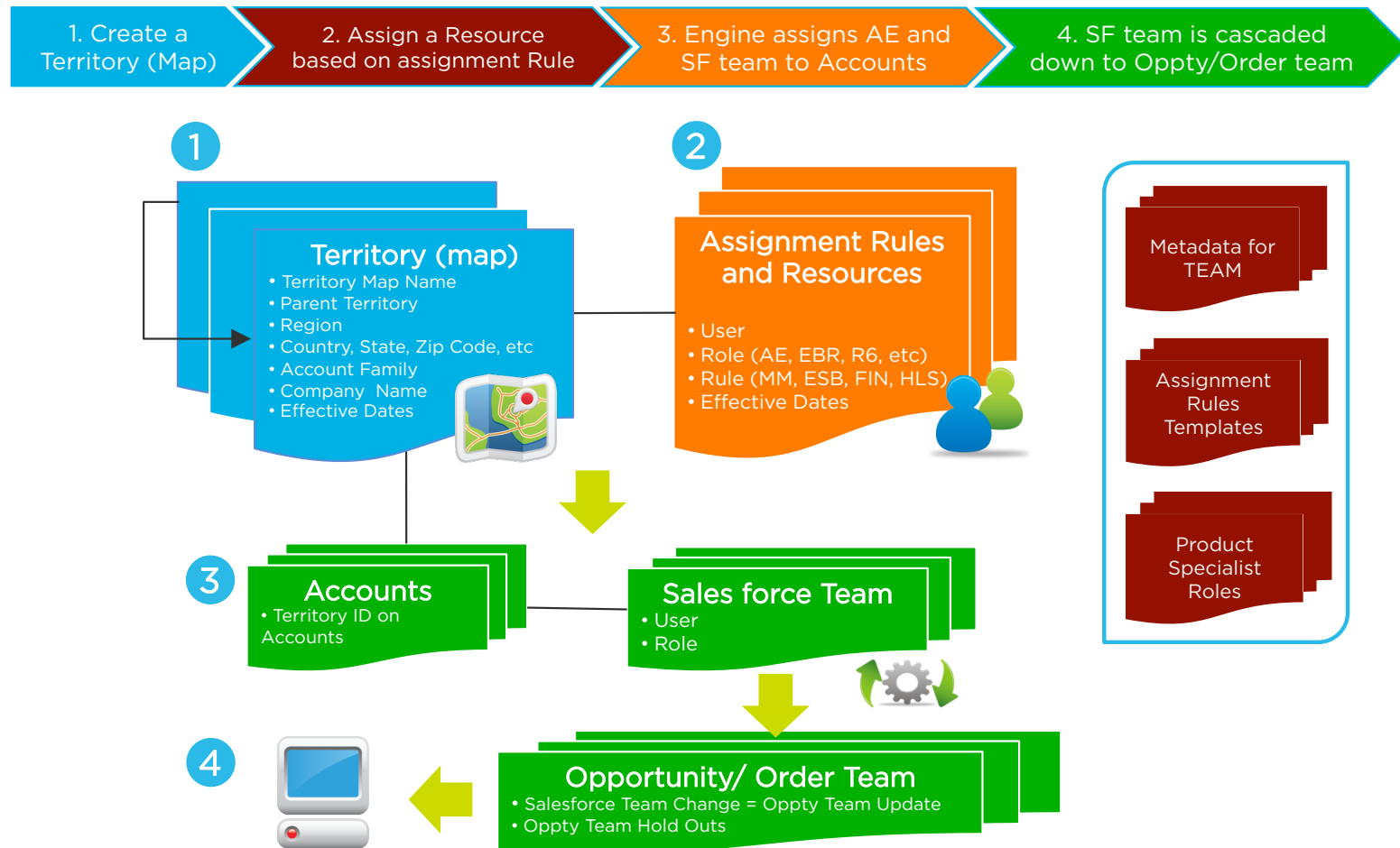
After we've defined a territory, whether it's a city, state, or region, we have to enforce rules around each territory. Then we need to assign a resource to the defined territory.

Using rules and workflows in Salesforce, the engine takes over and assigns AEs to accounts. The associated selling and support team is then cascaded down to Opportunity/Order objects.



ASSIGNMENT WORKFLOW

Below is a reliable visual flow used by Salesforce of assigning territories to your sales managers and bottom line. Once you have gone through the pillars of territory management go through an assignment process such as the workflow below. Make sure you spend time on this because you don't want poorly planned assignment workflows to ruin all of your hard work of analyzing and balancing.



Chapter 5

REFINE

Refine is the last pillar and probably one of the most important of the five we have just listed.

Your leadership team needs to set the standard that the territories are constantly evolving - particularly due to the growth of the company and changes in personnel - and needs to be consistently reviewed and refined.

Territory management is an iterative process. Start by identifying a frequency for review - is it once every fiscal quarter or maybe a bi-annual sales leadership meeting? Maybe during your review you may notice a particular team is struggling with their territory or a rep is constantly traveling to meet his/her clients.

By setting a cadence and consistently coming together as decision makers, you can adjust resources when necessary so that you are ensuring the best possible outcomes at the lowest selling costs.



Conclusion

Territory management is a critical strategy to nearly all businesses of any size. By aligning sales teams to specific territories - whether it's by geography, industry, product or some other segment - your business can utilize the most out of your personnel at the lowest cost.

It's important to understand that you don't need be a large enterprise company to map your sales territories like one. All it takes is a thorough and effective planning process.

Consider modeling your planning process from Salesforce's five pillars and map your territories like a billion dollar business:

- ☐ Analyze
- ☐ Balance
- ☐ Empower
- ☐ Assign
- ☐ Refine

CUSTOMER DATA THAT YOU CAN TRUST

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Productivity

44%

Improved Data
Completeness

29%

More Sales
Opportunities

43%

CRM Adoption

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