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RON SNYDER and ERIC DONER

FOREWORD BY BOB KARR

Strategic Territory and Account Planning

BOOK 01

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Strategic Territory and Account Planning

Book Excerpt

By Ron Snyder and Eric Doner

Foreword by Bob Karr

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Strategic Territory and Account Planning

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Foreword by Bob Karr

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Strategic Territory and Account Planning

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Foreword by Bob Karr

There have been a lot of books written about how to be successful in selling.

This book is different because it's written in simple terms that everyone can understand. It is packed with useful ideas and quick tips to help anyone engaged in professional sales.

Most important, the authors have clearly spelled out how to develop and implement successful territory and strategic account plans.

This book cuts to the chase. You could spend a lot of time reading textbooks,

or you could pick this up and get what you need very quickly. Further, it is full of helpful information to remind experienced sellers of what they once learned, but have not used lately. It is also great for people building their careers and sales approach.

Ron and Eric provide insight “from the trenches” in sales and management roles. And, they’ve worked with dozens of companies to help dramatically improve sales practices and results.

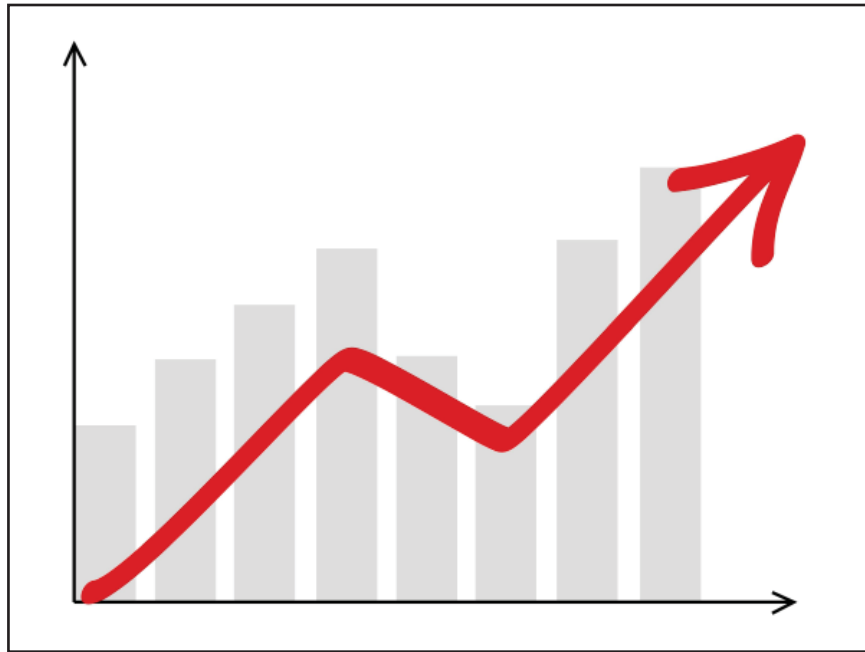
You can’t take shortcuts in the sales process. Ron and Eric have spelled out all the steps. If you follow them and do what they recommend, you will see your sales skyrocket!

Bob Karr

CEO LinkSV

Bob is the CEO/Founder of LinkSV (<http://www.linksv.com>), a website that connects the dots between the people, capital and companies of the Silicon Valley, and is positioned at the intersection of business intelligence and social networking. He has been an active angel investor, an advisor to emerging Internet companies, and a co-founder of the Angels Breakfast Club. Bob retired from a thirty-year career in the corporate liability insurance business where he spent fifteen years as a Partner of Dinner Levison Company and another fifteen years as SVP of the Sedgwick Group, where he managed Business Development & Client Services focused exclusively on emerging and pre-IPO companies in the Silicon Valley. Many of Bob's emerging clients have turned into successful IPOs.

Section I: Why You Need a Plan



Section I

Why You Need a Plan

After reading this section you will be able to:

- Describe the benefits of planning
- Discuss the requirements of planning
- Recognize the consequences of not planning

Without a good plan, you are likely to:

- Overlook opportunities to penetrate your territory or strategic accounts
- Lose sales you could have won and take longer to win new business
- Unnecessarily lower your selling price and reduce your profit margins

Ron Snyder, one of the authors, helped a medical capital equipment company (ADAC Laboratories; now a division of Philips Healthcare) institute a comprehensive approach to sales planning and selling methodology. Within one and a half years, they had the following results:

- Bookings increased forty-three percent
- Margins went up by ten percent
- Market share improved by fifty-three percent
- Productivity per salesperson up by fifty percent
- Win/Loss ratio grew by 131 percent

Having a plan enables you to manage a great deal of complexity. This includes understanding the market, focusing on the customer problems you can solve, selecting your best solution, and managing the internal and partner resources necessary to meet your objectives. It enables you to make the best use of your time and resources by connecting strategy to key tasks. Using your plan, you can ensure that critical tasks are implemented in the time-frame required to win the business. Through it, you give appropriate attention to the critical path—the steps that have the most impact on producing the result on time. Without a plan, it is easy to omit a key element and dramatically compromise your results.

Have you ever had your priorities dictated to you or been told on which accounts to focus your sales efforts? In the absence of a carefully conceived

Section I: Why You Need a Plan

plan, many account managers fall victim to the whims of uninformed executives who perceive opportunities in your territory differently than you do. However, when armed with a good plan, your clear analysis and strategies will prevail.

Success Story: Account Management

Snyder managed a twenty million dollar opportunity for HP, selling to another Fortune 100 company. The sale took eighteen months and involved a wide range of internal resources and customer representatives.

He reflects:

My detailed strategic account plan enabled me to:

1. Identify our competitive advantages.
2. Articulate our value proposition and clearly describe how it met their needs.
3. Make sure our sales, division people, and executive sponsor were on the same page.
4. Manage meetings between a wide range of people from the customer's and our organization.
5. Respond effectively to competitive threats.
6. Keep the sale on track.

I could never have managed the effort, kept everyone engaged and won the business without a clear plan that I updated on a regular basis. The bottom line is that you need a good plan backed with persistent effort to win a complex, competitive business opportunity.

Self-Assessment

- Consider companies you regard as successful, well-managed, high-performing organizations. Can you imagine how they would have performed without a solid business plan?
- Reflect on times when you did not have a plan and/or did not work your plan. What did you miss? What were the consequences?
- Are you a skilled planner? If not, how could you improve your planning abilities?
- Think of the best planner you know. Ask them how they do territory and account planning.

8

Planning is the breakfast of champions... without it, you will waste your time pursuing ineffective strategies.

9

The presence of a clear plan makes it much easier to make decisions and move quickly to win.

10

Manage the critical path; it makes the most difference in reaching the goal on time.

11

We're all drowning in data, dealing with too much information and need actionable insight.

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“It’s not the will to win that matters...everyone has that. It’s the will to prepare to win that matters.”

-Paul “Bear” Bryant

Section IV: Winning a Strategic Account



Section IV

Winning a Strategic Account

Mastering the steps in this section will enable you to:

- Identify the challenges and initiatives critical to your target accounts/business units
- Penetrate new business units
- Marshal an effective account team

Good account management can improve the quality of the opportunities in your pipeline, the effectiveness of your efforts to win business and your ability to forecast accurately. In a 2010 TAS Group survey of over 2000 companies, forty-eight percent of companies said they were planning significant investment in account management improvement.¹

Recognizing the account's key challenges and initiatives is the starting point of account planning (see the Account Plan Template in Appendix E). Go to the account's website. Review each business unit and product line. Identify potential problems with each and how your product/service can solve them. Research their industry and top three to five competitors to deepen your insight into how you can help your prospect with their competitive challenges. With this analysis of the account/business unit in place, generate your SWOT list to formulate your account strategy and value proposition.

There are three fundamental ways to penetrate a key account.

1. In a new prospect, identify a compelling need that is aligned with the account's/business unit's key initiatives.
2. Within a business unit (BU) you are currently doing business with, look for opportunities to expand use of your product/service they are using and/or sell other products/services.
3. With a new BU in a current account, leverage your current sponsors and relationships to identify and be credible in new opportunities.

1. The TAS Group, "Great Account Management" (white paper) (2010), 2, <http://www.thetagroup.com/whitepaper/greataccountmgmt.html>.

Section IV: Winning a Strategic Account

Your plan must demonstrate how your solution best addresses the issues and initiatives of the BU you are targeting. Further, you must show how you respond to the specific needs of each of the key buying influences in the decision process.

Track the total value of all opportunities to make sure you have sufficient opportunities in your funnel. As noted in Chapter 3, you need to track your conversion ratios (i.e. the percentage of leads for qualified opportunities that convert to sales and the number of unqualified leads that become qualified leads) and average size sale within this account, or accounts like it. With that, calculate the number of leads you need to have to achieve your goal. (See Appendix C for the Funnel Requirement Formula.)

High-performing sales organizations ensure that account teams work effectively across their company to win and serve strategic accounts. Just as in sports, you need selective player assignments to make the best use of the time and resources available. For example, having the right technical resources is a must in a technology-driven, solution sale. Further, leveraging the right partners can make a huge difference. This includes people who can alert you to new opportunities, those who can get you in the door, and those who can help you win.

Creating executive relationships between senior management in the customer's organization and yours is critical, especially in larger accounts. Miller Heiman's "Secrets of High Performing Sales Organizations" (2006),² indicated that seventy-seven percent of winning sales organizations (WSOs) said their senior-level executives actively promote and participate in the sales process, which is twenty percent more often than non-WSOs. A clear strategy is fundamental to enrolling and utilizing these valuable executive resources to keep your plan on track.

Success Story: Pre-Call Planning

Eric Doner, one of the authors, was well into his sales career before he grasped the value and enjoyed the benefits of proper pre-call planning. He says:

I really got on board when I learned that calls turn out about the way you plan for them to. I formed the habit of capturing and reviewing the following information (in addition to names, titles, and buying roles) for each selling opportunity.

2. Miller Heiman, "Secrets of High Performing Sales Organizations," Miller Heiman Sales Performance Journal (2006): 6.

1. **Background information:** Make notes on account history, events leading up to the call, and possible customer needs.
2. **Call objective(s):** Set a realistic, desired outcome for each call and a back-up objective to continue the sales cycle.
3. **Call script:** Write what to say to open the call, build rapport, and bridge into a discussion/interview. Why risk “winging it”?
4. **Key questions:** Create a list of issues you need to learn more about. Balance open and closed questions to ensure an interview—and not an interrogation.
5. **Anticipated obstacles and solutions:** Consider the likely objections and how you can respond. Don’t be blind-sided.
6. **Evidence and proofs:** Select sales aids and customer testimonials that can help make a case with a prospect/customer.
7. **Additional products/services:** List opportunities to up-sell or cross-sell when appropriate.

It takes discipline to follow this process on every call but the payoff from preparation can be huge! Calls often go as planned—and sometimes better! I’ve had calls that went so well that it was like the prospect had a copy of my plan. They readily answered all my questions, acknowledged that my solution met their needs, had no objections, and eagerly agreed to buy. It’s a lesson I’ve never forgotten and a practice from which I never deviate.

Self-Assessment

- Review a current account plan. What can you do to make the plan even better?
- How can you better leverage your current contacts inside and outside the account?
- What additional partners can help you?
- Who else in your company can help you improve the plan and its implementation?
- What is your account team’s greatest weakness? Who could help you in this area?
- Do you have broad coverage in the account? For example, what if a key player in the account changes jobs or leaves the company?
- Lack of account knowledge is the biggest inhibitor to success. What are you doing to ensure that you know what opportunities are emerging?

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“The ability to gain victory
by changing and adapting
according to your opponent
(situation) is called Genius.”

-Sun Tzu, The Art of War

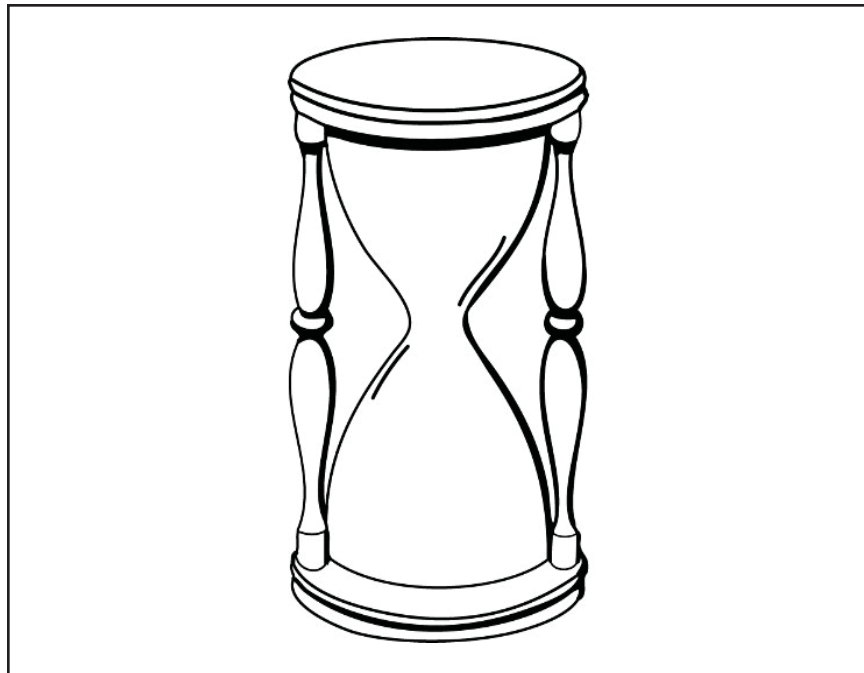
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Decision makers want to do business with business people—not salespeople.

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Every successful account plan requires that you understand and can satisfy your customer's needs.

Section V: Managing Your Territory and Time



Section V

Managing Your Territory and Time

By implementing the practices outlined in this section you will be able to:

- Increase sales potential through improved geographic/market segment coverage
- Follow proven practices to establish sales territories
- Develop an annual sales call allocation plan
- Reduce sales costs through better travel and time management
- Improve ROI and sales force satisfaction through improved return on sales effort

The factors that affect setting up workable sales territories are: total number of accounts, account value, geography, time, and resources. If you find that your sales team cannot effectively cover all accounts in a territory, consider using alternative sales channels to reduce selling costs and reach a broader market. These include telemarketing, inside sales, and distributors.

After you have assessed the sales potential of your territory, set your revenue goals, rank your accounts and plan your selling tactics. Calculate how much time is required to sustain and grow your A accounts. Then, estimate how much time you need to spend to service your B accounts and grow them into A customers. Use whatever time remains to either develop your C accounts or cultivate new A and B prospects. We've provided a Sales Call Allocation Calculator in Appendix G to help with this task.

If you determine that you don't have the time or resources to make your numbers, discuss the situation with your manager or engage additional resources to help you.

Travel can be a huge drain on your time. On the other hand, you can be productive when flying or riding on a train by reviewing account information, preparing for your calls, or researching industries and new prospects. When driving, you can optimize "windshield time" and simultaneously sharpen your skills by listening to news on business trends that affect your customers or educational programs that can enhance your success. In a phone conversation, Mark Ramm, President of Tape Rental Library, told Doner, "Audio learning is the only kind of learning you can do while you're doing something else."

Section V: Managing Your Territory and Time

When you work in sales, you can divide your time into five basic categories:

1. **Face/connect:** in-person or on the phone connecting with prospects and customers.
2. **Research/planning:** studying industry/company trends and pre-call strategy.
3. **Phone/email:** attempts to connect with accounts, set appointments and follow up.
4. **Travel:** driving or riding in a cab, bus, train, or plane.
5. **Downtime:** time lost to interruptions, distractions, unplanned events, and bad habits.

According to Albert Gray, in a speech titled “The Common Denominator of Success” presented to The National Association of Life Underwriters in 1940, “The four success habits in selling are: prospecting habits, calling habits, selling habits, and working habits. If you take care of the first three, your work habits will take care of themselves.”

Today, technology is the great enabler that can be applied to every stage of the sales process, from territory and account planning to closing the sale and servicing customers. For example, there are territory and account planning tools that enhance Customer Relationship Management (CRM) applications and reside within Salesforce.com. Teleconferencing, video conferencing, podcasts, webinars, and web meetings enable live interaction and the ability to share information and images with customers. And finally, smartphones and tablets provide mobile means to do almost everything you need to do!

Self-Assessment

- Think of how much time you have spent driving, waiting for meetings, etc. How could you have used that time more productively?
- Reflect on times when you have worked on B and C accounts when you could have been working on A accounts. How can you re-prioritize your actions? Keep a time log. You’ll be surprised how you spend your time. (See the Sales Time Log in Appendix F.)
- Think of how much time you have spent on tasks that were not that important or urgent. How could you use your time more effectively in the future?
- How could you work smarter? What new routine can you put in place that would significantly improve your efficiency?
- When driving in your territory, how could you plan a more efficient route to save time, save fuel, or visit more accounts?
- What could you do to more readily gain access to key people in your target accounts?

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Control how you use your time. If you don't, you are sabotaging your chance for success.

82

You can't manage time; you can only manage how you use it. Follow your plan and focus on priority accounts.

83

If your focus is on new business, plan your time to contact more prospects.

84

If your focus is on account development/retention, optimize your time connecting with customers.

85

There are only two kinds of activities; goal achieving and tension relieving. Which are you doing?

86

“Unless you consciously form good habits, you unconsciously form bad habits.”

-Albert E.N. Gray

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Make your travel time count.
Plan your prospecting around your major accounts.

About the Authors



Ron Snyder is President of Plan2Win Software, providing territory, account and pre-call planning applications that run in SalesForce.com, and Breakthrough, Inc, a sales consultancy that enables companies to accelerate sales by improving sales effectiveness. For over twenty years, Ron has helped companies improve results in competitive, high-value, complex selling environments. Before that, at Hewlett-Packard, Ron was a top-ranked sales person, manager in the field sales organization and a marketing manager, bringing products to market. He has also worked as a product designer and engineering project manager. Ron holds a Bachelors Degree and Masters Degree in Engineering Design from Tufts University and an MBA from Northeastern University.

Strategic Territory and Account Planning



Eric Doner is the founder of Achievement Training Associates, a consulting firm that helps organizations align and leverage people and processes to improve performance. His career spans over twenty-five years of success in sales, marketing and training & development. Eric has held positions with Dun & Bradstreet, BASF, Compuware and the American Management Association. He served as President of the Silicon Valley American Marketing Association and Sales & Marketing Executives of Cleveland, OH. Eric has published articles and led seminars on Sales Management, Sales Coaching and Customer-Focused Selling. He earned his BSBA at Bowling Green State University and completed postgraduate work in adult learning, human performance development and instructional technology.

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#PLAN to WIN TWEET

Dramatically Improve Your
Territory and Strategic Account
Management and Results

"This book, written by two experienced sales pros, provides practical ideas that can be implemented quickly by field, phone, and online sales reps and managers alike."

Anneke Seley, CEO and founder, Phone Works, and coauthor, *Sales 2.0: Improve Business Results Using Innovative Sales Practices and Technology*

"I love this book. It shows how to properly establish, organize, and execute a plan that will translate into increased sales and profits."

Jeff Musson, CEO, Dynamite Network Solutions Inc.

"PLAN to WIN is the perfect partner in helping you establish an unfair advantage. If you follow these key steps in every sale, you will be sure to take your sales career to another level."

Mark Miller, Vice President, Sales and Marketing, ZONARE Medical Systems

Ron Snyder is President of Plan2Win Software, that provides territory, account and pre-call planning applications that run in Salesforce.com, and Breakthrough, Inc, a sales consultancy that enables companies to accelerate sales by improving sales effectiveness.



Eric Doner is the founder of Achievement Training Associates, a consulting firm that helps organizations align and leverage people and processes to improve performance. His career spans over twenty-five years of success in sales, marketing and training & development as a corporate executive, management consultant and university instructor.



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