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Sales Planning

“If you don’t know where you are going, you’ll probably end up somewhere else!”

The case for planning

Planning does not come easily to most sales people. Why? Because it involves discipline, thought and time away from customers; factors that the quintessential salesperson avoids because they would rather be in front of customers strutting their stuff.

Without a sales plan, success is dependent on hope and skill. Hope – that the activity you are deploying is efficient and effective. Skill – can you select the right form of influence to get enough customers saying “yes”. Maybe if your stars align, this strategy can deliver a monthly budget or two. However to be a truly top performer, Sales Managers and Sales Directors are looking for the sales person that **consistently achieves budget**.

The key to performance consistency

So, why do sales people suffer from performance inconsistency? *Old school* Sales Managers will argue that it is just a normal part of the sales cycle, some months the tide comes in and the next it goes out. True? I beg to differ!

There are a number of ‘excuses’ that sales people use to explain poor performance, for example, *“I simply ran out of time this month”, “my customers just weren’t ready”, “budgets are tight this time of year”* and the list goes on. However, a true sales professional plans for monthly variation and puts an action plan in place to manage the swings.

The professional sales person aims to achieve 12 out of 12 monthly sales budgets. If you doubt this standard, then ask your Sales Manager, Sales Director, General Manager or CFO how many budgets they aim to achieve in the year. Anything less than monthly achievement would be dangerous to any results driven business and to the individuals concerned.

To achieve 12 out of 12 budgets for the year is not easy – but there are specific systems and procedures you can employ to ensure the best chances of success – this is where Planning comes into play.

If you don’t have a plan, then you don’t know where you are going, and you’ll probably end up somewhere else! If somewhere else is not so attractive, why not design a better outcome?

Sales planning made easy

So let's look at a definition of planning:

“An Act of formulating a program for a definitive course of action”

-Online Dictionary 2010

The key words in this definition are:

<i>Formulating</i>	-	Thinking, crafting
<i>Course</i>	-	Direction, decision
<i>Action</i>	-	Executing energy

The definition itself is built around motion, you need to think, craft and formulate your plan. You need to decide on what you believe will be the right course of action to take. Once you have made your decision, then commit the energy and take action.

To plan, simply answer these 5 questions:

1. **Where are you now?**
2. **What's available to you?**
3. **Where do you want to be?**
4. **How will you get there?**
5. **How will you know when you are getting there?**

As you answer these questions, you will start to formulate a coherent way forward that takes account of all the variables that will assist or hinder in achieving your desired outcome. By understanding *all* the variables, you will exert more control over your sales destiny. With more control, you can avoid the peaks and troughs that old school managers talk about.

1. **Where are you now? The Situation Analysis**

This initial question is designed to take stock of the current situation, as this will in a large way determine how high you aim in setting goals:

- What is your current performance?
- How does that relate to this year's budget and last year's?
- Which customers are buying from you? Why?
- Which customers aren't buying from you? Why?
- Which parts of your range are selling well? Which are under performing?
- What's happening in the market place that is creating positive or negative impacts?
- What internal factors are helping or hindering?

The answers to these questions give you a base for your plan.

2. What's available to you? The Opportunity Search

The next question is what can we capitalise on from the elements around us: resources, people, markets, timing, product or service innovations. The classic discipline here is to run a SWOT analysis where the O in the SWOT delivers the opportunities for our plan:

- What strengths can we continue to impose on the marketplace?
- What weaknesses can we remove or avoid?
- What new products are coming to market?
- Who can we sell to that we currently don't service?
- What competitor weaknesses can we exploit?
- Where can we invest effort that will pay dividends in future?

With our opportunities now well identified and our current situation well analysed; only now can we meaningfully decide on our future goals and objectives.

3. Where do you want to be? Goals and Objective setting

This question is about setting compelling goals and objectives. You need to aim high and ensure each objective is precise as the tighter the description, the more likely it is to come off. We would recommend that each objective is stated in words but it must pass the SMART test below as this will ensure that the expression of the goal is precise:

S	Specific	Define what you are planning to achieve very clearly and in detail
M	Measurable	Can you quantify what success looks like?
A	Achievable	You need to aim high but still be realistic that the stretch can be hit
R	Relevant	Is the goal relevant to your current focus and trajectory?
T	Timed	By when are you expecting to reach the goal?

As a general rule in planning less is more i.e. the fewer goals you set, the more likely you are to achieve them. Therefore a rule of thumb is to set no more than 5 top goals and focus on getting all of these achieved.

4. How will you get there? Strategies, Activities

Setting goals on their own won't get you there. Activities lead to results!

This is the heart of your plan and again less is more. We suggest you take each objective and decide on the list of activities that will deliver the right outcomes. Some of those activities may be longer-term strategic thrusts with a raft of sub activities to be addressed in shorter time horizons. The key is to group each list of activities under each objective.

- Strategies are broad statements of direction and typically are expressed as phrases starting with a verb: e.g. Extend, penetrate, protect, manoeuvre...
- Each strategic thrust will then have multiple shorter term actions or tactics

The key is to get the right focus between longer-term strategic initiatives and the more immediate short-term actions.

5. How will you know you are getting there? Measures and Controls

The final question to decide is which gauges would you like on your dashboard to reflect both progress and performance.

We have all heard the cliché “you can’t manage what you can’t measure”. This is very true in executing a plan successfully. So make sure the metrics you select and the frequency with which you check progress are appropriate to enable adjustments during the journey.

Another consideration is the difference between lead indicators that forecast future outcomes and lag indicators that reflect past performance. It is tough driving a car through the rear vision mirror; so don’t just select historical lag indicators for your dashboard. With the right measures and controls in place, together with consistent inspection, adjustments can now be made throughout the execution phase

Time is your greatest enemy.

One last thought: “Time and tide wait for no man.” If you wait to think, wait to plan, wait to act, wait to inspect you have lost the power of planning. The rewards are available to those who take action. And surely designing where you want to be is far better than ending up somewhere else.

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