

Transcript – GET to YES Podcast

E14: B2B New Business Territory Planning

Hi, Neil Osborne from The Sales Catalyst here. In this episode we're going to continue the journey towards building your sales territory, through new business acquisition (i.e. opening new accounts).

In this episode, I'm going to continue to unpack the methodology around building a constant stream of new business. The fundamentals are: being skilled enough to build a working plan and being prepared to consistently do what's required, when it's required.

When you're building a plan for new account acquisition, it needs to revolve around your territory plan. Then, your skill comes into play in planning your work and working that plan. The thing that I find quite often when working in-field with reps, is that there isn't a territory plan. And by that, I mean a 'master' plan for the territory.

Here are a couple of things that you may wish to consider when building your master plan:

1. What's your territory boundaries?

If your sales territory is one of a number within a state, then this should be an easy question for you to answer. Most companies that have multiple reps working within a state, define clear territory boundaries – oftentimes they're marked by highways or the middle of a main street.

However, today it's much more sensible to use postcodes as boundaries – because then it's much easier to redirect incoming leads etc., and it allows for clearer measurement and analysis.

If your brand is a smaller or a more select one, you may be responsible for a whole state. If that's the case, it's even more important to have a clear plan for your territory, otherwise you may find yourself doing a lot of driving when instead you should be doing a lot of selling.

2. Map out where your existing clients are

How many active, existing clients are you responsible for? Where are they and what's the most productive way to move around your territory. There's a variety of software available that helps you pinpoint your existing clients and some even plot the most productive path to follow, to ensure the least kilometres travelled.

I find this plotting exercise super helpful, so I can see where they all are... because it leads me to discover something even more valuable – where they're not!

What I mean is that when I've helped people do this exercise, quite often they've found that their clients are all clumped together within a sales territory. If you want to find new and open accounts, you have two choices: either look within suburbs where you already have clients, or research new suburbs where you have none.

I prefer to spread my client base out, so clients have a competitive edge over non-stockists, versus fighting one another. By doing this mapping exercise, it becomes visually obvious where you have distribution and where you don't.

It also becomes easier to plan out your territory movements and to ensure you're visiting those areas where you have little or no representation.

3. Calculate how many client visits your territory planner will allow you to manage. For example, if your visiting pattern is 4-weekly for larger existing clients and 8-weekly for smaller clients or regional areas, it's relatively straightforward to calculate the potential number of clients that you can manage.

As an example, let's assume you're in the business of selling to and educating beauty salons, and you average 6 client meetings a day. That means, with a 4/8-week planner you could cover a potential of around 100 active clients, per 4-week period.

However, if you're working in Hair and calling on hairdressing salons, your call rate would be a lot higher because you're not educating. Therefore, your numbers could be as high as 140-160 active clients, for that same 4-week planner period.

In this example that I'll walk you through, I'm going to suggest that you're a beauty rep who has 60 active clients. Based on being able to manage a potential of 100 clients over 4 weeks, that means you have a productivity rate of 60% – which allows you to target 40% of your work towards new business.

The two things that stand out most when I review territory plans are:

1. Days with too much driving, equals a day of low productivity and therefore low sales.
2. The lack of a comprehensive territory plan.
Having a detailed plan encourages salespeople to stick to the plan, which in-turn delivers consistency and reliability to your clients.

Unfortunately, it's an area where lots of salespeople are reactive, rather than proactive. What that means is that they receive a phone call from a client and rather than managing when it's productive to revisit them, they abandon their planner (which was marked out to do cold calls) and drive across town – just to deliver a poster.

Instead, you need to be proactive and protective of your forward territory plan.

4. Be super clear who's your ideal target client. Is it a:
 - Skin Clinic
 - Beauty Salon
 - Hairdressing Salon
 - Laser Clinic
 - Medical practice moving into the Aesthetic business
 - Wholesalers
 - Other Distributors

Once you're clear on our ideal client, you then need to research and understand how many of them are in our allocated territory or state.

Let's start to build the parameters of a possible territory plan using this example:

1. I'm 1 of 4 reps in NSW, looking after the North-eastern quadrant of Sydney Metro and regional areas.
2. I have 60 current active clients in my sales territory.
3. I understand, on a map, where they are and where I have large geographical gaps.
4. My territory planner allows for 100 active clients.
5. My ideal target client is
 - a. Skin Clinics
 - b. Beauty Salons
6. After doing some research, I've discovered there 3,250 of those two businesses in NSW and my territory has 28%, or 910 of them.
7. Of my 60 active clients, 50 of them are Skin Clinics/Beauty Salons and 10 are Others/Colleges.
8. Therefore, I have 860 potential opportunities.
9. OMG where do I start?

Our numbers in this example, suggest that you want 10% distribution. How did I get that number? Based on a potential of 910 opportunities (Pt 6) and you have capacity of 100 active clients (Pt 4) in your planner. So, by getting 100 of the 910, it's just over 10%.

So now you have a plan. You need to locate and convince 10% of Skin Clinics and/or Beauty Salons in your territory, that also fit your Brand Avatar (listen to Episode 13), to agree to stock your product.

Great, so let's go back to your territory planner. Now you know where clients are geographically located, you can map out when you're going to see them in a pattern that reduces excessive driving time.

The next step is to then identify where you have gaps in your territory planner and to fill those gaps with the suburbs or regions where you either have no or below 10% distribution, of your brand. Taking this approach will help you balance your workload and be more productive.

The final part of the puzzle is to calculate how many cold calls and prospecting visits you need to make, to secure the 40 extra clients needed to be 100% productive. To answer that, you need to know how many visits, cold calls, or prospecting visits that's' needed to yield one new account.

Do you have a number in mind? For this exercise, I'm going to suggest from experience, that as a starting point it's normally one in ten (i.e.10 calls produce 1 new account). (BTW a call is a visit, not a phone call).

Therefore, if your budget calls for 2 new accounts per month, how many do you need to have in your pipeline? Yep that's right, it's 20.

I often see salespeople working 2-4 opportunities and wondering why they're constantly missing their monthly new account budget. It's the single biggest problem I see, when I'm called in to help stimulate new business – the lack of opportunities being actively worked by the sales team.

If you're budgeted for 2 new clients per month, you need to be in contact with and actively working, 20 opportunities every month. That's 5 a week, or one a day.

This is what I meant at the beginning of the episode, when I stated that to build a continual stream of new business in your sales territory, it requires both skill and consistency.

1. The skill is your planning.
2. The consistency is your self-management and personal discipline to stay on task and do what's required, when it's required.

In summary, there are important steps when building a plan. They are:

- Stepping back and looking at your sales territory via a map-view
- See where your existing clients are, and are not
- Zoom in to where you're not and find the right fit within a suburb or region
- Calculate a distribution or sales plan, by working out your potential and realistic target for expansion
- Understanding who's the best fit for your brand and finding efficient ways to locate them.

Finally, we worked out that if you want a constant stream of new business, you need to dramatically lift the number of new business opportunities that you're working each and every month. That's where your personal management and self-discipline is needed, to achieve your goal.

Until next time – enjoy your day.

