



The Baron
Group, Inc.

**"Let's Talk
Selling"**

About this Issue...

Dear Friends,

Our first newsletter was extremely well received by our clients and friends. Thank you for your enthusiastic response. Many of you have requested additional copies. Others have asked that we e-mail copies to your people. We are happy to do that and we intend to send this out at least 4-6 times per year. Let us know what works for you.

This month's newsletter focuses on a subject that salespeople typically don't like very much— **planning**. But now is the time for every salesperson to have put together a sales action plan. If it hasn't already been completed, it should become a top priority.

The sales action plan is a formal, written document that outlines what the salesperson will do to reach his or her goals. It looks at the previous year's performance, investigates what is happening in his/her territory and puts in writing what will be done to reach the established goals for 2002.

We hope this will give each of you ideas to help you in the all-important planning process. And of course, if you ever need more, give us a call.

Eric R. Baron

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The Baron Group, Inc.

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Planning for 2002 – The Sales Action Plan

Your sales goals have most likely been established by now. If you are like most salespeople, they were given to you without much input from you. The reality is that most organizations use a top-down approach; salespeople are, for the most part, told what they are expected to do in the upcoming year.

So the challenge for every salesperson is to determine how to accomplish the goals that have been established. And even if this doesn't sound exactly like your situation, the way to increase the likelihood of realizing your 2002 sales goals is by developing a sales action plan.

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Planning for 2002 – The Sales Action Plan (cont'd)

What Is A Sales Action Plan-- A sales action plan is a formal document that the salesperson develops. It outlines what he or she will accomplish in the year to come and how to do it. It can be written with or without help from the sales manager and/or other team members. The sales manager needs to sign off on it, but the plan is developed by the salesperson.

The Sales Action Plan consists of four specific parts:

- ◆ **The Territory Audit**
- ◆ **Articulation of Sales Goals**
- ◆ **A Specific Strategy**
- ◆ **Agreed-upon Performance Standards.**

Here is a brief description of what the plan looks like:

The Territory Audit: This consists of several components. First, look at how you performed last year. Take a good hard look at the numbers. How were your sales with existing customers and with new customers? Did you do better with new products or existing products? Were you stronger in certain segments? Make the numbers “talk to you!” You’ll be amazed at what you can learn.

Next, investigate what is going on in your territory. What changes do you see in customer behavior? What are your competitors doing? What is happening from government/regulatory/environmental perspectives? Are these helping or hindering your company— and how? You need to take these things into account before deciding what your goals will be. If you can, discuss these questions as a team. You will learn a lot from each other.

Articulation of Sales Goals: Now it is time to determine what your anticipated sales will be for each of your accounts. You have probably already done this. But you need to do it in a way that takes into account what you learned from your territory audit. What products are you most likely to sell to what customers? What will you do to improve areas where you weren’t as strong. Will you do more “hunting” or “farming” in 2002? How will the changes in customer and competitor behavior affect your plans? What government initiatives do you need to account for? All this needs to be taken into consideration in developing your 2002 sales goals.

A Specific Strategy: Next, it’s time to develop your strategy. It is helpful to classify your accounts. Many people still use the good old “A, B, C” method. “A” accounts are the most important customers and hottest prospects. “B” accounts are important but lower priority customers and less likely prospects. “C” accounts are the ones you need to see from time to time but are not that critical.

Time management is crucial. Decide how many days you have available to sell and how many calls you can make on a given day. That will tell you what your sales call capacity is. Then identify each account as “A,” “B” or “C.” Now decide how often you want to see your A, B, C accounts. Add up the number and see how your desired sales call number compares with your capacity. It is usually much higher. Then make the adjustment so you know how often you want to call on your accounts. You can then track this throughout the year.



Planning for 2002 – The Sales Action Plan (cont'd)

Now that you know what your goals are and how you plan to use your face-to-face sales time, it is time to develop initiatives. Initiatives are interim goals that enable you to reach your sales goal. There are internal and external initiatives. Internal initiatives focus on what you can do to be more effective (e.g., learn to sell product X by March 1, 2002). External initiatives focus on the customers (e.g., increase share at ABC, Inc. from 40% to 60% by year's end). You don't want to have too many initiatives— typically 3-5 internal and 3-5 external are adequate.

Once you determine your initiatives, you need to have at least 3 action steps against each one. If you want to learn to sell a new product, what will you need to do to get there? If you want to increase your share of an account, what are the things you need to do to make that happen?

When you have decided who your most important accounts are and how often you want to see them, and have developed your initiatives and action steps, you are well on the way to developing your sales strategy. The only thing left is to determine how you will use your non-selling time.

Whether it's attending trade shows, participating in sales meetings, conducting seminars, enrolling in training programs or prospecting for new accounts, you need to determine what you will do and how much time you will devote to it. This will be the final step in putting together your sales strategy.

Performance Standards: Finally, you and your manager need to determine how your performance will be measured. Every company has its own way of doing this. Whether it is strictly results at one extreme, or the number of calls you make each week at the other, your sales action plan isn't complete until you have determined how you will be measured at the end of the year.

So there it is— your sales action plan. To develop it, you look back and see what you did last year. You assess what's happening in your territory. You finalize your sales goals. You decide how much time to spend with your customers. You develop internal and external initiatives, and corresponding action steps. You determine how to use your non-selling time effectively. And you and your manager agree on how you will be measured.

It takes about a day to do this; but once it's done, it's done. You will be well armed as the new year begins. You will have guidelines to refer to regularly. You will have standards to follow. And you will have a plan that will result in your being more effective, more proactive, more organized and more successful.

Suggested Outline for a Sales Action Plan

Title Page

Table of Contents

I. Business Goals

II. Strategy

- a. Customer time allocation
- b. Initiatives (internal & external)
 - Goals
 - Actions
- c. Activity mix

III. Performance Measures

IV. Expense Budget

V. Appendix

Territory Audit:

- Prior year's results
- Important business conditions and trends
- Estimates of potential sales



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Who We Are:

The Baron Group is a consulting firm that researches and teaches the skills involved in the sales process, the sales management process and problem solving. Our primary focus is on the role of the salesperson as a problem solving resource to his or her customers. The salesperson who can help his or her customers solve their business problems by combining industry and product knowledge with proven problem solving skills will clearly become a valued-added resource to the customer.

We develop programs appropriate to your needs in creating a sales process for your organization and we provide the required training for your salespeople, sales managers and colleagues.

The Baron Group and the Graduate School of Business, Columbia University-- Eric Baron teaches *Sales Action Planning* as part of Columbia Business School's one-week "Sales Management Program." It is offered in June and November at historic Arden House in Harriman, New York. In both 2000 and 2001, Columbia Executive Education Programs were ranked #1 worldwide by the Financial Times of London. For more information, contact Liz Schultz at Columbia Executive Education, 212-854-7613

◆ OPEN REGISTRATION PROGRAMS IN 2002 ◆

The Baron Group offers an Open Registration Program in *Consultative Selling Skills* to individual participants on a first come, first served basis. The diversity of the companies and industries represented in these programs greatly broadens perspectives gained in the learning situation.

We define **Consultative Selling** as the ability to work with clients and prospects to solve their business problems. True consultative salespeople understand how to *transform a sales call into a problem solving opportunity*. They know **how to listen** for ideas, for perspectives and for client needs during the salesperson/client dialogue. They understand the value of offering solutions, not just products and services. And they know how to **manage the resistance** they'll inevitably encounter when presenting ideas. This program teaches sales people all these "consultative" skills. Our facilitative, highly interactive training approach uses live videotaping extensively in extremely realistic simulated "sales call" role-play exercises.

Six 2-day programs are offered in 2002:

January 10-11 ◆ March 21-22 ◆ May 23-24 ◆ July 25-26 ◆ October 10-11 ◆ December 5-6

For more information, fill out the form below and fax this page to: 203-221-8411, or email us at: tbg@barongroup.com

Name _____ Company _____

Title _____ email _____

Address _____ State _____ ZIP _____

Phone _____ **Call Me** **Send me information on:**

Consultative Selling **Needs Driven Selling** **Problem Solving Selling**

Innovative Team Selling **Sales Action Planning** **Coaching** **Negotiations**