

Preparing A Sales Plan

The Most Important Skill In Selling





Planning Tips

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Planning for sales success

All of us in sales, if we are to be truly successful, must recognise the need for sales planning and be able to produce a sales plan for ourselves whether as salesperson, or sales manager.

The sales planning cycle can be described as follows:

1. Set objectives
2. Identify resources
3. Produce plan
4. Implement plan
5. Review results and amend plan

Objectives need to be SMART

- Specific
- Measurable
- Agreed
- Realistic
- Time bound

A simple example could be the objective to sell £100,000 worth of Product X in the twelve months commencing 1 April. Other objectives could relate to market share, market penetration, the proportion of turnover in relation to key accounts, sales activity levels, profitability targets etc.

Resources need to be included in the sales plan, as it may be necessary to recruit or bring in additional resources for particular targets to be met. Also production capacity will need to be taken into consideration.

The plan itself needs to be flexible and to take into account any likely changes in the market, unforeseen factors (such as staff turnover and recruitment) that reoccur and any other external factors that could affect achievement of the overall objectives.

Once the plan begins to be implemented it needs to be reviewed on a regular basis and changes made to the original plan as circumstances dictate. Remember, sales plans

cannot be written in stone and need to be flexible enough to deal with those unforeseen circumstances that affect all businesses.

A typical sales plan should include the following sections:

Sales Objectives. Short, medium and long term objectives that relate to the objectives of the overall business.

Resources. This should include details of key players in the team, sales budgets, equipment etc.

Market Analysis. A review of the market which looks at the market now and in the future. This can include analysis of competitor activity and an analysis of existing Accounts.

Product Range. The range of products or services available for sale, new products to be introduced, and old products to be discontinued. The likely ratio of volumes of each product that is expected to be sold.

Activity Analysis. Review of targeted activity levels by salesperson and by product. Statement of Key Ratios and average lead times.

Training Plan. A training needs analysis of the individual/team that relates directly to objectives.

Resources Requirements. Cost Benefits analysis of resources, manpower, equipment, finance etc., required to achieve sales objectives.

Analysis of sales strategy. The methods by which sales objectives will be achieved.

Sales plan. Example: ABC printing limited

SECTION 1. Sales Objectives

My overall objectives for the year are to:

1. Achieve my sales target of £100,000, made up of £80,000 from my existing top 100 accounts and £20,000 from my potential customer list
2. Expand the range of services offered to my customers by aiming to sell across the range of services offered by ABC. Target percentages being, Black and White copying 25%, Colour copying 20%, Printing 35%, Design work 10%, other services 10%
3. To manage and maintain the database using resources from within the franchise and to add 100 new potential names to the database during the year
4. To contact all my top 20 accounts monthly and my other live accounts at least once every 2 months, with mail shots and details of special offers and promotions
5. To visit my top 50 accounts on a 6 weekly basis and to visit all live accounts at least every 12 weeks in order to identify business opportunities and sell across the range of services
6. To identify and put together a range of marketing activities during the year, that will promote the ABC name throughout the region.

SECTION 2. Resources

Resources available to me include:

1. My manager
2. Support staff
3. Database of existing and potential customers
4. Marketing materials
5. Promotional offers, as agreed with my manager
6. Freelance help with prospecting and follow ups
7. Access to a company car

SECTION 3. Market analysis

Key issues affecting my market are:

1. 60% of my business is currently with 1 customer, Crodunn Limited
2. There is potential to expand our business within the educational and local authority sectors
3. There are 6 direct competitors in our area, 2 of which present a real threat to our key accounts
4. Most of our business has traditionally been with full colour printing and medium sized black and white photocopying work. There are opportunities to develop more into areas such as colour copying and design, and to go for the larger black and white copying jobs, using the resources of neighbouring business partners with high volume copier
5. Several larger businesses in the area have outsourced their photocopying and printing and there are opportunities to further expand this market sector
6. The local authority has attracted 3 major businesses into the area in the last 4 years and we need to be winning business from these companies who currently use competitors
7. We are aiming to concentrate more on Training Companies and Training Departments within companies following our success with Delta training last year. Our aim is to manage the production of their training materials and to hold the data in-house for quick turnaround and amendment of the content of the training materials

SECTION 4. Product range

Current products and services offered by ABC are:

1. Black and white copying
2. Colour copying
3. Full colour printing
4. Design services
5. Newsletter service
6. Business cards and letterheads

Potential new products and services for 1998 include:

1. High volume encapsulation
2. Outsourcing of high volume black and white copying
3. Database management

The aim for 1998 is to achieve the following product mix:

1. Black and White copying 25%
2. Colour copying 20%
3. Full colour printing 35%
4. Design work 10%
5. Other services 10%

SECTION 5. Activity analysis

Key ratios achieved to date are:

1. Mail shots followed up with a telephone call 1:2
2. Telephone calls to appointments 1:3
3. Appointments to quotations received 1:2
4. Quotations received to sales achieved 1:2, existing, 1:3 new business
5. Customers booking a second order within 3 months 1:3
6. Average sales value (approx.) £1600.00 existing, £500.00 new business
7. Average lead time: 4 weeks
8. Target activity for 1998. 15 visits per week, 50% to existing accounts

Target for the period: £100,000

Existing business target: £80,000

Average order value £1,600

Orders required 50

Conversion rates:

Quotations : orders 1 : 2

Visits : quotations 1 : 2

Quotations needed to be generated 100

Visits required 200

Potential business £20,000

Average order value £500

Orders required 40

Conversion rates: Quotations : orders 1 : 3
Visits : quotations 1 : 2

Quotations to generate 120

Visits required 240

Total activity 440 per annum

This allows for approximately 10 new business visits a week, assuming 44 working weeks, of which around 50% are to see existing customers and 50% potential customers. This leaves 5 visits per week to do follow up calls, given the target for total activity is 15 visits per week.

SECTION 6. Training plan

1. Training to include attendance on the company Sales Training Programme, 2nd quarter 1999
2. Follow up training by my Sales Manager. 1 day per quarter
3. Attendance on internal ABC training courses, 4 days in 1999
4. Attendance on external computer course at local college, 1st quarter 1999

SECTION 7. Resource requirements

1. Use of lap top computer to record activity and produce reports
2. Additional telesales support to follow up 100% of mail shots. 12 days
3. Budget to expand mail shots to existing customers, £500.00
4. Budget to fund additional prospecting activities, £275.00
5. Budget for research purposes, £50.00

SECTION 8. Sales strategy

The first stage of the process of implementing this plan is to present it to my manager and get her agreement to my requests for additional resources and acceptance of the overall plan.

I will begin by agreeing appointments with my top 20 accounts and agree a schedule of visits for the year. I will set aside one day a week for appointment booking and sales follow ups.

I will also contact the top 50 accounts and agree a regular schedule of 6 weekly meetings.

I will source an external telesales company to help with our telemarketing within the next 4 weeks.

I will plan a series of targeted marketing activities aimed at getting appointments with educational and local authorities. The target for this is to put together a plan and

implement it within the next 4 months.

I will negotiate agreements with neighbouring companies with high volume capacity and then plan a marketing exercise aimed at our top 100 customers within the next 3 months.

I will produce a hit list of 30 potential companies who currently use competitors and contact these in the next quarter. Prior to this I will discuss with my manager possible incentives to help win their business.

I will aim to meet my target of 10 new business visits per week to existing and potential customers. I will also aim to achieve the target of 5 follow up visits. If there are no follow up visits in a particular week I will use the time saved for prospecting.

I will contact all training companies on my territory over the next 3 months with an offer of managing their training materials.

I will aim to review this plan at my monthly sales meeting with my manager and amend it as necessary.