GfK GeoMarketing

The five phases of sales territory planning

Analysis of status quo

Definition of goals

Planning approach

Fine-tuning & results controlling

Implementation

Tasks	Those affected	Risks	Duration
Input from as many sources as possible: controlling/reporting, sales team, external market information, customer & market analyses, SWOT analysis, identification of problems, estimation of future potential	Sales management and in some cases an external consultant	A narrow-minded approach prevents the identification of existing or future problems. > external consultant advisable	1-2 weeks
Sales territory expansion or reduction, definition of planning criteria and priorities (e.g., visitation frequency, margin, turnover, workload, etc.), consideration of restrictions	General management, sales management	Planning territories according to potential is the most sensible method, but also the most difficult, because estimating potential is challenging in the absence of market research. Planning according to turnover is a common alternative, because the precise quantities are known, but this method can be risky. > employs past values for orientation	2-3 weeks
▪ Selection of planning structure (territory-, product- or customer-oriented) ▪ Selection of planning criteria (potential-, workload- or logistics-driven) ▪ Creation and comparison of various scenarios	Sales management with an external consultant	External influences place limitations on planning: existing customer relationships, natural barriers (mountains, rivers), cultural barriers, seasonality, employees' places of residence, locations of business sites.	1 week
Assessment of feasibility, consideration of special cases ▪ Were the goals taken into account? ▪ Are the new territories feasible? ▪ If required, adjustment of individual territories	General management, sales management and sales team	Lack of acceptance of the new territory structure by the sales team. Often too many exceptions to the original plan are made. > Territories end up remaining as they are.	2-8 weeks
Customer information and assignment, implementation of territory changes (e.g., new format for contracts)	Sales team and sometimes human resources	In some cases new contracts have to be drawn up for sales representatives. > Worsening of the conditions	6-12 weeks

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Learn practice-based tips for optimal sales territory planning in our e-book, "Sales Territory Planning in Practice":

www.gfk-geomarketing.com/planning