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Four-step planning can lead to more sales success in '05

Denver Business Journal - by [Garry Duncan](#)

Kenneth Olsen, founder and president emeritus of Digital Equipment Corp. in Littleton, Mass., said, "A plan is the secret to freedom."

Slowing down to plan seems impossible in a world of instant messaging, sales quota deadlines and pressure to sell more. Being lulled into the mindset of, "I have a whole year to meet my numbers, so I can make a plan later," is courting failure in a moderate-growth economy.

Take into perspective how quickly 2004 seemed to pass, and consider the planning put into vacations, trips, construction projects or even a night on the town. Yet in the rush to sell and service more, it's easy to charge into a new year without a clear strategic or tactical plan.

A simple, four-step process can ensure success.

First, identify how many sales are needed in dollars, units or number of customers. Second, analyze your territory or customer universe. Third, develop an action plan. Finally, put your plan into your daily calendar.

- Start by estimating how much business can be expected in the coming year from existing clients. Allow for a 10 percent loss due to attrition, customer moves and competitive losses. Subtract the estimated amount of existing business (in units or dollars) from your goal for the coming year.

Divide the amount of new business you need by the average sale now to estimate how many new sales will be needed for the coming year. Do this for each product line or service line. For example, meeting a target of \$10,000 with an average sale of \$500 would require 20 sales. The goal is to determine how many average sales or how many average new customers will be needed to meet goals.

- Second, analyze your territory to answer this question: "Where will I get the business I need?"

Assess your potential universe for new business by ranking existing accounts or customers in descending order of size in revenue or units. It's usually easier to grow existing accounts than acquire new ones. If you don't know the potential for growth in existing accounts, use interviews and do research.

Look at additional product lines and services not being used, other divisions or locations, and

look for new problems that could be solved.

Next, identify and add to your list any new prospects you've targeted for the coming year. Use the Denver Business Journal, the Internet, competitive information, the library, industry resources and existing customer information to make informed choices.

Examine where to invest resources and time first by assessing the size of each opportunity, any potential competitive weaknesses, strength of existing relationships, known decision-makers and points of contact, along with suspected challenges and problems.

- Third, put a tactical plan in place outlining with who and when you will make initial contacts. Common estimates place the national closing percentage (across a broad range of industries) at about 20 percent. That means only one out of five will result in new business, so plan on working five times as many prospects as you will need to reach sales goals.

Get into the barrel with the fish. Find networking groups and industry trade associations, that harbor potential customers. And don't forget to target non-competitors who also sell to your customer base to suggest an alliance or referral partnership.

Make a list of referral sources that could refer you better than they currently do and plan a win-win approach before contacting them. Make a list of target organizations or people you want to meet so you can easily survey others who might be able to introduce you.

One high achiever landed two significantly large accounts through information garnered over lunch with a non-competing salesperson calling on his same industry.

- Finally, give priority to the priorities. Obtain a 12-month calendar that breaks out each day, week and month. Mark off all holidays, known meetings, potential vacations and any other known events that will take you out of day-to-day business.

If you travel a territory routinely, you most likely already know this drill.

The first thing you schedule into your planner should be blocks of time to work on your sales goal. Write in networking events and trade shows, and mark off specific days and times each week to initiate new contacts on your priority list.

An itinerary and itemized plan is a road map that will fend off the greatest enemy of sales success: lack of focus. By laying everything out for a year, even with sparse information, it's easy to visualize what a limited resource time can be.

Using the axiom that 20 percent of effort and activity produce 80 percent of sales revenue extrapolates to being effective in creating new business only two out of every 10 days. What if we made that three days out of 10? A whopping 50 percent increase in business could be achieved with a little advance planning.

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