The five phases of sales territory planning

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### Analysis of status quo
- 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.

### Definition of goals
- Sales territory expansion or reduction, definition of planning criteria and priorities (e.g., visitation frequency, margin, turnover, workload, etc.), consideration of restrictions.

### Planning approach
- Selection of planning structure (territory-, product- or customer-oriented).
- Selection of planning criteria (potential-, workload- or logistics-driven).
- Creation and comparison of various scenarios.

### Fine-tuning & results controlling
- Assessment of feasibility, consideration of special cases.
  - Were the goals taken into account?
  - Are the new territories feasible?
  - If required, adjustment of individual territories.
- Customer information and assignment, implementation of territory changes (e.g., new format for contracts).
- Sales management with an external consultant.

### Implementation
- General management, sales management and sales team.
- Sales team and sometimes human resources.

### Risks
- A narrow-minded approach prevents the identification of existing or future problems.
- 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.
- Lack of acceptance of the new territory structure by the sales team. Often too many exceptions to the original plan are made.
- In some cases new contracts have to be drawn up for sales representatives.

### Duration
- 1-2 weeks
- 2-3 weeks
- 1 week
- 2-8 weeks
- 6-12 weeks


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