



Vector Firm
1600 South Summerlin Avenue
Orlando, FL 32806
+1-321-439-3025
www.vectorfirm.com

Your Annual Sales Plan Is Probably Wasting Your Time

Most sales people and sales leaders hate developing a sales plan every year. In fact, most of you are either nodding your head or slightly grinning right now after reading that statement. The typical scenario is that an executive team requires annual plans and a sales leader makes the announcement sometime in October or November that “Sales Plans are due on December x”. On December (x – 1), the sales people start cutting and pasting from last year’s plans and hit send late that night or at 7:55 the next morning. The plans might be reviewed once before the holidays, then it’s filed away and never looked at again until said cutting and pasting is required next December. This exercise is a waste of time and should be eliminated from your process...

...or maybe there is an effective manner to building a sales plan that will spark creativity, prepare you for unknown obstacles, measure and guide progress throughout the year and pull your sales numbers to the next level. There are four simple questions to answer that will guide you to developing such a useful and prosperous sales plan – regardless of the format required by management. Whether you’re a sales leader overseeing the development of the plans or a sales person creating a plan, the four questions below are a necessary filter through which you should run your process.

What is the purpose of the sales plan?

Without purpose, there will be no resilience during difficult times. This statement is very appropriate for annual sales plans. How many “dark weeks” does a sales person have throughout the year – even the successful ones? An argument can be made that every week has at least one dark moment – when competition has moved into a project, your champion hasn’t returned several calls, your demo equipment fails, etc. During those times, action-oriented people inherently want to change course and “do something about it”. Experience has shown that changing course every time there is a bump in the road will never lead to your destination, but a purpose-driven annual sales plan will keep you on course – even if it requires some tweaks here and there.

When developing the purpose of your annual sales plan, ask yourself a simple question: why am I doing this? (If the answer is “because my boss is making me”, then search for the next answer.) If you develop several answers, try to find the common theme and provide one purpose statement. When you’re getting beat on every sale next April or September, you’ll want one statement to use as an affirmation, not a list of 16 objectives.



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How long does it take to complete this plan effectively?

If expectations are too ambitious, then the annual sales plan will never be completed and will probably be thrown together on December (x -1) as referenced above. Although the report should be strategic, it does not need to be your magnum opus. However you answered the question above, the objectives of the sales plan should simply result in a productive year of sales, not a social movement for the western hemisphere or a change in mission for your company (remember what happened to Jerry Maguire at lunch in the public setting).

Budget a realistic amount of time between six and 15 hours. If a sales person is investing more than 15 hours in building an annual sales plan, then they're probably reaching outside the scope.

The stages of completion are important, too. Periodic meetings between sales people and sales leaders should be conducted to collaborate and ensure a gradual development of the plan. For example, meet to discuss the outline in October, a brainstorming session in early November, a first draft review in late November, etc.

Will it serve as a guide throughout the year?

The annual sales plan is your map that should take you from your current position to your desired destination. Without the ability to review frequently throughout the year in a meaningful manner and measure your progress, the value is limited.

What does this mean and how can the annual sales plan be used as a guide? Within the section of the plan that calls for Goals (which should be included), create a tool and an accountability process to measure your performance toward the goals. Taking it further, budget some time to brainstorm with others on the team to determine potential obstacles and create steps to overcome those obstacles (don't get too caught up in this – just a statement or two will be sufficient and get the brain cells rolling properly). The accountability process can be as simple as a monthly or quarterly meeting with a peer or superior to review the progress and discuss modifications along the way.

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Does it spark creativity or are you just adding data to paper?

“A sales plan isn’t creative – I just need to fill in some data and develop some goals. Leave the creativity to marketing.” Have you heard this before? Have you said this before?

The annual sales plan is the guide that will bring you from your current position to your desired destination, so unless your desired destination is easy to reach you’ll benefit from thinking outside the box. Getting in front of the right people, presenting your offering to create value in the mind of the right people, navigating your way through a complex organization and executing professional nudges to get a decision-maker off the fence all require a creative and smart approach. With a solid foundation of creativity built in the annual sales plan, all of these sales challenges and others will be much easier to overcome.

How? Simple: brainstorm and develop five or more challenges that you have... e.g. product limitations, penetrating a new market, slowdown in spending, etc. For each challenge, list every idea possible to overcome it. Don’t be afraid of how impossible or crazy it is, just list the ideas. You can narrow them down to a realistic plan later.

In conclusion, the Annual Sales Plan can be an extremely beneficial tool to bringing success to your sales efforts, but the development must be done the right way. Whether you’re a sales person owning a region or market, or a sales leader overseeing a team, running your process through a filter of the four questions above will give you a foundation to work with. If you’re not doing it the right way, save yourself the hassle and skip the process.

Contact Information:

Chris Peterson

Vector Firm

+1-321-439-3025

cpeterson@vectorfirm.com

<http://www.vectorfirm.com>