

Building a strategic sales plan



because sales goals without a sales plan are just good intentions

Setting sales goals is a common responsibility for sales managers and with good reason. A Harvard Business Review [study](#) found that people with goals are 10 times more successful than those without. Creating and hitting goals are especially important for sales departments, which are primarily responsible for keeping businesses afloat.

Whether you're a new sales manager who's been tasked with building a sales plan for the first time or you're working on your 20th, a strategic sales plan provides the necessary direction for reaching desired revenue and successfully growing your company.

According to [Colleen Francis](#), founder/president of Engage Selling Solutions, 80% of salespeople understand the proper way to structure a goal, but 60% of field salespeople still fail to achieve their objectives.

The main reason? Many sales managers aren't creating a sales plan to accompany their goals. While reps might know where they're going, they don't have direction on how they're going to get there.

Not only does a strategic sales plan offer a clear course of action for meeting sales goals, but it also helps you and your team improve numerous other sales processes and activities that contribute to your bottom line.

But helping the company make money is just one benefit of a strategic sales plan. Your sales team will experience other benefits from it, too:



Make more accurate predictions.

As a general rule, people are terrible at making accurate (and realistic) predictions. A sales plan gives you the ability to make predictions based on facts. You can also combine your sales planning process with an exercise called [stagger charts](#) to make predictions, see how they turned out, then hopefully make better predictions for your next sales period.



Benchmark your sales progress.

With a sales plan, you have hard numbers to refer to throughout the year. These numbers act as a benchmark — you get a clear picture of whether you're focusing on the right customers and can revise how you're approaching them if necessary. You can use your weekly sales meetings to talk about why things are/are not working.



Manage resources, time, and money.

A well-defined structure for your sales operations means that you know what's required by your sales team to get the job done. You can budget resources, time, and money in advance, so your sales team isn't struggling month-to-month to reach certain goals.



Increase sales rep productivity.

Reps are more likely to be productive if they understand management expectations and how they're going to meet these expectations. Paired with metrics that are geared toward meeting sales goals, reps can focus on weekly/daily sales activities that make a long-term impact.



Plan for unseen risks and competitors.

The competitive landscape for most businesses is constantly changing. By proactively considering internal or external situations that could affect sales, you already have a plan in place for combating failure.



Hold your reps accountable.

Monitor your sales reps' activities with a sales plan. Tracking their sales performance and comparing their progress with sales plan benchmarks help ensure that weekly and daily goals are being met.

On a company level, a strategic sales plan helps marketing and customer support departments up their own game and determine how they're going assist with meeting aggressive goals set by sales.

With clear steps to take in order to attain their sales goals, your team will be better equipped to acquire new business, retain current customers, and increase revenue by the end of the year.

5 common elements of a strategic sales plan

A sales plan is a written document that is both strategic and tactical. It should be comprehensive, well-researched, and actionable for your sales team to work from.

Start with high-level elements such as your overall objectives and target audience. Then, get tactical about ways to generate and close sales throughout the year.

Identify overall sales goals

As a sales manager, setting sales goals is old hat. But if you've had difficulty reaching these goals, consider rethinking your goal-setting process. Be careful not to base your goals on assumptions. Instead, goals should be based on facts from the previous year.

When preparing to set new sales goals, consider four common constraints that can potentially impact your final revenue:



Demand.

How is your company stabilizing demand? Some companies will struggle with this more than others. For example, a SaaS company requires a much higher level of demand for its product/service to support its business model. If you assume a 1% conversion rate from traffic to customers, you need a lot of traffic on your website. In this case, increased marketing efforts might help stabilize demand.



Measurement.

How do you incentivize reps and track their performance? You want to incentivize your sales team to bring on high-quality customers that aren't a churn risk. If you just incentivize reps to bring in new revenue, these customers aren't likely to stick around for the long-term.



Product.

Your product/service can have a major impact on meeting sales goals. For example, maybe you have an engineering constraint. The demand is there, but the product isn't working properly, which is hindering the sale getting made. You might have to talk with engineering to fix the problem, so your team can start funneling that demand through the sales funnel.



Hiring.

This is not always a problem for sales teams, but you might have to balance between sales and the customers you can actually support. How many people are you hiring this year? What's your budget for hiring? Both of these factors impact whether sales goals can be met.

Keep these constraints top of mind as you go through the steps to set goals for your sales plan.

Step 1: Consult past sales and customer data

Work backwards from data from the previous year to determine reasonable goals for the upcoming year. Review what your sales team achieved and compare with the numbers you forecasted. Were your numbers accurate or wildly off the mark?

To get a better understanding of what impacted your revenue goal last year (which ultimately impacts any other goals you set), divide your customers into four categories:

- New customers
- Existing customers
- Churns
- Contractions (applicable specifically to subscription companies)

Hopefully, you tracked customer numbers in your CRM or a spreadsheet month-by-month. Look at your new customer acquisition rate last year. How many new customers bought your product/service? How many customers upgraded? What was your churn rate? Take the numbers on a month-to-month basis and build a narrative around the data. Your company likely experienced both surges and plateaus throughout the year for a variety of reasons, such as economic factors, revenue per rep, etc.

Understand what factors impacted the numbers and if it will look similar this coming year. Also look at the types of customers that brought in the most revenue. It's impossible to predict exactly on a monthly basis what will happen with customers, but assume you'll have to bring on more business to account for contractions and churns in the coming year.

Step 2: Get input from team members

Sales function has to be agreed upon by a group of stakeholders. At the beginning of the year, plan to sit down with **C-Suite members** and discuss the following:

- How much revenue your company brought in last year
- How much revenue you think you can bring in this year based on demand (e.g., how many leads are you getting and how many people have expressed interest in paying for your product/service)

Also, involve your **operations team** and determine how many customers your company can realistically bring on. This is based on the number of employees you already have, hiring projections, etc. Balance your goals based on demand and company infrastructure. If you set a sales goal that's too aggressive, your system will falter.

Have conversations with your **sales reps** as well. They're the ones in the trenches every day working with customers. They have a good idea of what's achievable in terms of sales goals. Speak with each rep individually to determine how much of a goal they could realistically handle. While one rep might be capable of \$300K per year, another might only be able to bring in \$200K.

In addition, try breaking down a larger potential sales goal into smaller objectives with your reps. For example, if one potential goal is to increase revenue by 10%, work with reps to determine how many cold calls, follow-ups, and meetings they would need to complete each week or month to make that happen. Discuss if these smaller actions are reasonable.

Step 3: Set 3 to 5 sales goals

Based on the information above, set three to five specific sales goals for the year. Writing [S.M.A.R.T. goals](#) — specific, measurable, achievable, relevant, and time-bound — make tracking progress and results easy. Check out the examples below.

Generic sales goals	S.M.A.R.T. goals
Increase overall revenue.	Achieve \$1 million in sales during 2020.
Close more deals.	Increase deal size by 35% through upsells.
Retain more customers.	Increase customer retention rate by 50% during Q4.

Remember, the goals you're making at this stage in the strategic sales plan development process are the big-picture goals. They should be broken down later into quantifiable team goals and individual sales rep goals.

After you have a list of overall sales goals, review with someone like your VP of Sales to provide an extra layer of accuracy. Explain your thought process behind each goal and back up with previous data if needed. Once approved, record these sales goals in your CRM to keep track of progress.

Will your end goals be right on target every time? No. Even with research, you still might make inaccurate assumptions. Constantly review goals month-to-month and use unachieved goals as a way to improve next year's sales plan.

Create short-term goals & deadlines

Clear short-term goals and deadlines ensure that your overall sales goals are achieved. They also provide parameters for your sales reps, so they know how much time they have to accomplish certain sales activities.

Start with your end goals and work backwards, setting realistic short-term deadlines for the steps your sales department and reps must take to ensure that final goals are reached.

Step 1: Compare with last year's performance

Just like with your long-term overall sales goals, refer to last year's forecast/performance to gain a better sense of what's achievable for sales by quarter, month, and week.

Review what revenue was achieved last year and compare it to the activities performed. Talk with your sales team to gather the following information:

- What activities (e.g., calls, meetings, closing) did reps excel in?
- How long did it take for reps to achieve certain targets?
- Do reps have the bandwidth to achieve more?

Try to find out how much your team can reasonably handle per week. Maybe your reps had to send 15 emails to make a sale last year — their close rate was therefore 15%. If you need to close 100 deals to reach your new revenue goal, that's 666 emails per year, 55.5 emails per month, or roughly 14 emails per week. Compare this number with how many emails your reps sent last year.

Some quarters or months might have been more difficult than others. Find out why. Was it influenced by a competitor's product launch? Or were you having hiring problems that affected your team reaching quota? Whatever the reason, use this research to determine realistic monthly/weekly short-term goals for your team and reps.

Step 2: Set sales team short-term goals

What does your sales team need to achieve to reach overall sales goals by the end of the year? If you have several overall sales goals, look at each one and make a list of actions necessary to meet these goals.

For example, if one overall sales goal is to "Increase deal size by 35% through upsells," list the number of upsells your team needs to achieve per month and a time frame for each.

Let's take the sales goals we set up above and turn them into team goals. For example, if you want to reach \$1 million in sales for the year, divide this number by 12 to get the team goal per month. That's around \$83K per month for the team or \$16K per rep (assuming you have a five-rep team).

Overall sales goals	Team goals
Achieve \$1 million in sales during 2020.	Hit \$83K in sales per month.
Increase deal size by 35% through upsells.	Increase number of upsells by 20% during Q3.
Increase customer retention rate by 50%	Increase customer check-ins by 15% per month.

This is a simplified example — you'll likely have more than one team goal for each overall sales goal — but you get the idea. Your sales team goals and deadlines will serve as the foundation for individual rep's goals and deadlines.

Step 3: Set sales representative short-term goals

As the saying goes, you can only eat an elephant one bite at a time. Reps are likely to grow overwhelmed by large, long-term goals. Consider the difference:

Option 1: "You need to close 40 new deals by the end of the quarter."

Option 2: "Your target is 15 cold calls every week."

Which sounds more achievable? Unless you're talking to a sales rep dynamo, 40 new deals in such a short time frame can sound intimidating. On the other hand, 15 cold calls per week seems more manageable.

And sure, making 15 weekly calls will hopefully help your rep close 40 new deals by the end of the quarter, but by breaking down this target into a smaller weekly or

monthly goal, your sales rep will feel more motivated and in control.

Let's put this into practice. Maybe you're a financial software company with a total revenue goal of \$1 million. How you [break down your sales](#) depends on your business model, but let's say that 45% of your sales last year came from an Accountant Software Bundle (we'll call it ASB for short) that cost \$450. To reach your total revenue goal, you'll need to sell 1,000 Accountant Software Bundles. If 50% of ASB

Total revenue goal	\$1,000,000
Accountant software bundle (ASB)	45%
ASB revenue goal	\$450,000
ASB price per subscription	\$450
Number of ASB sales	1,000
% of ASB sales from cold calls	50%
Number of ASB sales from cold calls	500
Number of cold calls needed at 60% close rate	833

sales came from cold calls at a 60% close rate, your reps will need to make 833 cold calls.

If an overall team goal is to reach 833 cold calls, divide this number by your number of reps to tally up cold calls needed for the year. Five reps would need to roughly complete an annual amount of 208

cold calls a piece or around four to five cold calls per week.

Perform the same exercise using how many sales were closed based on marketing leads, emails, demos, etc., to determine the weekly goals each rep will need to accomplish in order to reach the team goal (again, use the S.M.A.R.T. acronym). Based on this breakdown, other possible rep goals could be:

Individual Goal 1: Complete three demos/week

Individual Goal 2: Follow up with 10 leads/week

Individual Goal 3: Send 50 cold emails/week

Some of these individual goals might need to be adjusted depending on the rep. Maybe one rep is an excellent closer while another is great at prospecting. Take each rep's major skill set into consideration and focus on areas where they can contribute the most to goal achievement. Also, remember holidays and rep vacation days when setting deadlines (on average, there are 260 working days per year).

Assign metrics to each goal to track the success of each. For example, if you're a subscription company, net monthly recurring revenue (MRR), new MRR, and upgrade MRR might be overall metrics to track sales goal progress, but you can also break down by smaller metrics, such as call outcome, lead response time, and email outcomes. These metrics focus both on achieving short-term sales goals and quality customer interactions. Insert all short-term goals into your CRM, which should also give you a clear view if goals are being met.

With both sales team and individual rep goals/deadlines, you'll need to empower your team. We'll go into more detail later, but plan to hold quarterly standups, create coaching opportunities, and [motivate in creative ways](#).

Define your market & customers

Define your market/customers within your sales plan so you can better identify customer pain points, align your value proposition with customer needs, personalize end-to-end experiences, and determine how to best reach customers. Armed with this information, you'll be able to attract and retain more customers, which will assist in meeting sales goals.

Start with the overall picture of your target market. Then get more narrow by segmenting your customers and defining what your ideal customer looks like. From there you can map out the customer journey to base your sales strategies.

Step 1: Outline your target market

Maybe you have a rough idea of the market you're trying to capture with your business — unfortunately, that's not good enough. Identifying a niche is crucial.

For example, if you offer accounting software, targeting the financial services market is a start, but it's too broad. Go a step further: If your software is primarily used by accountants, target the accounting industry. Divide your company's total sales by your industry's total sales over the same period to get your current market share. Research and compare this number with your competitors. Then detail the desired market share you want to capture in this industry. One percent of the accounting industry? Three percent?

Once you know your target market, complete a [SWOT](#) (Strengths, Weaknesses, Opportunities, & Threats) analysis to review your current market position. Does your product/service solve a specific need in this market? Outline your company's exact

value proposition and what you're bringing to the market. Also complete a SWOT analysis for your competitors and determine what they're doing well/ identify opportunities where you can do better.

You can now segment the market into specific customers and create personas based on each segment.

Step 2: Segment customers & create buyer personas

In the first step, you went from a broad market to a more narrow one (e.g., finance market to accounting software). Within a narrow market such as accounting, you will have have different personas. These personas help you develop a more tailored strategy and messaging to your target groups and ideally increase their businesses' efficacy.

First, divide your market into customer segments and then create buyer personas based on these segments. There are many different models for B2B & B2C customer segmentation, but categories are typically similar for either. You can segment customers by:

- Convenience
- Firmographics
- Behavior
- Needs

To understand the needs of each customer segment, you need to have something to ground your assumptions and qualify future leads. This is where buyer personas come in. Buyer personas are fictitious

profiles that give a picture of your ideal customer and why they want your product/ service. A buyer persona should include the following information:

- A fictitious name and title such as “Dana Matthews, CPA.”
- Whether the person is a decision-maker.
- The person’s industry, age, salary, and education.
- Their goals and challenges.
- How your value proposition aligns with this customer’s wants/needs.

Take your customer segments and create buyer personas based on each one.

John Johnson



Title: Marketing manager
Decision-maker: No
Industry: Software and technology
Age: 30
Salary: \$75,000/year
Education: B.S. in marketing

Goals: Deliver qualified leads to sales user base and achieve revenue goals.

Challenges: Need to improve conversion rates on websites with more relevant content.

How we help: Connex John with tech savvy tech writers through ClearVoice.

Messaging Strategy: Focus on how to increase engagement for John by providing subject matter experts to write B2B content.

If you’re basing personas on current customers, consider that 80% of revenue and profit comes from 20% of customers. Review the traits of your top 20% customer base and the factors that make them profitable. Replicate top customers in your personas.

Also, work closely with your marketing department on this project and make sure you’re aligned with what qualified leads should look like. These personas should be referred to regularly by sales reps and marketing to ensure that they’re prospecting the right people.

Step 3: Map out the customer journey

The customer journey starts long before buyers are getting ready to sign the dotted line. They're first attracted to your product/service by a blog article or maybe an ad on Facebook.

Map out your customer journey to determine how your target audience goes from prospect to current customer. This will help determine how you'll sell to these types of customers in the future. If you already have customers, take the following steps to understand their journey:



Ask customers about touchpoints

Touchpoints are every interaction that a customer has with your company. Get input from customers about their experience with buying your product/service. How did they interact with your sales rep? Through email? Calls? Find the most common, effective touchpoints and include them in your plan.



Find out what you can improve.

Talk with customers about each touchpoint and where they encountered difficulties. Are reps following up at the right stages? Does the customer feel like a transaction or a relationship? Get information about their experience through informal conversations or surveys.



Determine what influences the purchasing decision.

Ask current or even prospective customers about obstacles to purchase. Is budget a common factor? Or is your product difficult to understand? You might need to include more affordable package options or coach your reps in explaining how your product/service works.

If you're just getting started with selling or targeting a new customer base, research the journey that ideal customers take with competitors. How are they capturing their attention? How are they building relationships? All of this information will guide your sales strategies.

Just note that market and customer information is not set in stone — it might need re-thinking throughout the year. For example, sometimes you build a product, but a slightly different audience than the one you planned for wants to buy it. Maybe your marketing automation software geared toward larger companies has a specific feature that's desired by startups. Talk with your product, marketing, and operations team to determine who this market is, their needs, and how you can best serve them. Incorporate their feedback into your sales plan.

Outline sales strategies

You're now equipped with goals and deadlines — the “why,” “what,” and “when” of your sales plan. You also have the “who” (the market/customer) documented. It's now time to outline “how” you're going to accomplish your sales goals.

Define the sales strategies you're going to implement to reach your goals and objectives. These include lead generation strategies for new customer acquisition, customer retention and upsell strategies for existing customers. Also, detail the tools you'll use to support these sales strategies.

Step 1: Cement your lead generation strategies

With your buyer personas firmly in mind, list tasks that support new business acquisition such as cold calling, emailing, and attending conferences.

The overall goal of lead generation is to turn leads into customers by providing value and creating a relationship with ideal prospects. This means that you have the opportunity to use more customer-centric approaches. In your sales plan, list each lead generation strategy for your reps to follow. Here are a few examples:



Generate leads through social selling.

Reach prospects by answering questions on Quora or participate in LinkedIn groups related to your industry. Provide value on these platforms and build relationships with those you meet.



Source leads from support ticket conversations.

Your sales team has a unique opportunity to [bridge the gap between sales and customer service](#) and source important leads that typically fall through the cracks. Integrate support tickets within your CRM so reps can see questions customers are asking and determine who would benefit from your product/service.



Send regular sales emails to your prospect list.

Did you know that [8 in 10 prospects](#) prefer communicating with reps over email? Set up a clear sales email process using scripts (from cold emails to follow-ups). Then, work with marketing to produce sales enablement material such as case studies, videos, and ebooks to send prospects.

Choose a combination of sales lead generators so that each complements the other. Also ensure that you clearly define what a qualified lead looks like so your reps or marketing department don't waste time or money on the wrong types of customers. Whatever lead generation strategies you choose, track the success by measuring the **conversion rate**, **lifetime value**, and **average close rate** of each.

Your reps should also schedule tasks like lead generation and social selling. For example, two days a week could be dedicated to one while another day could be focused on the other. Batching activities like this increases [sales rep productivity](#).

Step 2: Increase sales with existing customers

New customers are an important part of sales, but retaining customers is just as important (and more cost effective). In fact, acquiring a new customer can [cost five times more](#) than retaining an existing one. Plus, nurturing customers can lead to upsells and other prospecting opportunities.

Detail the initiatives you'll implement to nurture existing customers and retain their business. Consider including the following strategies in your own sales plan:



Check in on a regular basis.

Don't ignore customers once they've signed on the dotted line. Make a plan for reps to reach out to current customers by, for example, sending product-related resources bi-weekly or calling them once a month. Be visible. Reps should also follow up with clients who contact customer service.



Go for the upsell.

If your company is delivering an excellent product/service and proving your value, don't be afraid to suggest that the customer consider an upgrade. Highlight the benefits that you're already bringing to the table and how additional features could help. However, make sure that the upgrade will truly benefit the customer's business. If the customer didn't really need a new feature, you risk damaging the relationship.



Ask for referrals.

Reach out to current satisfied customers and ask if they would be willing to provide a referral. Every customer is important, but some generate more revenue than others (especially if you're a SaaS company). Target the top 20% of your customers and ask for an introduction to similar companies.

Keep a close eye on **customer churn rate**, **customer retention rate**, and **net promoter score**. If these numbers start to dip, consider other methods to ensure that customer retention and upsell efforts are successful.

Step 3: Implement supportive tools

It's difficult to keep track of sales strategies and progress if you don't have the right equipment. Highlight the tools you'll use to support your sales initiatives in your sales plan.

A CRM is essential to manage and communicate with customers. By combining your CRM with integrations and automations, your sales team will be prepared to carry out their sales strategies.



Invest in a CRM.

A CRM is more than just a database for organizing sales contacts. Use it to manage prospects, deals, and current customers. See your sales progress and a clear picture of your sales pipeline.



Utilize CRM integrations.

Marketing automation software integrations such as Mailchimp and customer service integrations such as Zendesk should be available within your CRM, ensuring that no customer conversation falls through the cracks.



Maximize automations.

Automate certain sales activities so your reps can focus on selling. For example, use a tool like FollowUp to automate follow-up emails and give reps time to focus on the customer relationship.

With your sales goals, target market and customers, and sales strategies in place, you're ready to roll out your sales plan for the year.

Execute your sales plan

Your strategic sales plan might be written, but you and your sales team are just getting started. Reaching your sales goals is a marathon, not a sprint — it begins with a strategic sales plan, but is only complete after execution. You also now have to let go a bit and rely on others to carry out your sales plan.

Begin by introducing your sales plan on a team level. Plan to meet on a regular basis to track progress and revise your plan as needed to achieve sales goals.

Introduce the plan to your sales team

Hopefully you involved reps early on in the sales plan development process so they already buy into the goals and strategies it lays out. But especially if you used another sales strategy in the past, it's important that sales reps understand why changes were made and how they're doing things differently.

Create a [sales plan presentation](#) and share with your entire team. Provide context on why certain sales goals were chosen, what's expected for the year, and the sales strategies reps will use to accomplish the goals. Think of it as selling a sales plan: Highlight the benefits of it and the rewards possible for those who follow it.

Meet regularly to review the sales plan

In addition to informal weekly discussions, have monthly or quarterly check-ins to determine if individual sales rep goals and deadlines are being met. If a rep is not on a track to meet an individual goal (e.g., complete fifteen cold calls per week), find out why. Is their workload too much? Are they feeling unmotivated? They might need more support or coaching. For example, if a rep is struggling with a certain lead generation strategy, pair the struggling rep with an experienced team member to help them improve.

Your [CRM sales reports](#) can tell you a great deal about whether your team is going to meet goals or not. You can insert sales goals into your CRM, which will then provide a visual throughout the year. If you're behind on quota, easily analyze the reasons why. Check activity reports for both team and individual progress. Pinpoint skills that need improving or determine if reps aren't following the plan.

For example, let's say that an overall sales goal is to "Increase customer retention rate by 50% during Q4." You notice in your CRM's activity report that reps are rarely following up with current customers and are instead focusing on lead generation strategies. It might be time for another team meeting to refocus their attention on the sales plan's goals.

Re-evaluate and revise the sales plan

Both internal and external factors can impact the progress of your sales plan throughout the course of a year. Some unexpected threat could rock your industry or new regulations could suddenly affect how you make sales. On an internal level, you might have difficulty hiring new reps or experience an influx of sales that becomes too much to handle for your small team.

Luckily, your sales plan is a living document that can be updated and revised as needed. Change course with sales strategies if targets aren't being met. Maybe you discover that your cold calling strategy isn't working. Analyze with your team why it's not effective and come up with a new calling approach.

Or, maybe several sales reps are easily exceeding expectations — instead of 15 cold calls per week, they're effectively calling 20 new prospects. Find out their approach and, if realistic, have other reps adopt it.

When developing your sales plan next year, repeat the same process in Step 1 for creating new sales goals — base your decisions on how you performed the previous year and if you exceeded or fell short of your goals. Work backwards from your final year numbers and break down what was achieved by team and rep.

The point is to constantly refer to your sales plan. Don't get close to the end of the year only to discover that you're far off the mark for meeting sales goals. Assess successes and failures on a regular basis and revise your sales plan accordingly.

Turn sales goals into achievements with a strategic sales plan

A strategic sales plan gives the who, what, when, where, why, and how of your sales operations — it's both strategic and tactical. By knowing what you want to achieve as a sales department and how you're going to achieve it, you can successfully reach your sales goals and increase your company's revenue.

To keep your strategic sales plan on track, you'll need the right tools. A CRM is the perfect tool for managing your sales activities — from sales emails to forecasting reports.

Try [Zendesk Sell](#) for free today!

