

Breaking Down Your Sales Target

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A Perspective 101 Series



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Most salespeople are set sales targets.

These are usually expressed in terms of turnover, market share, profitability, number of new accounts, renewal of existing contracts and so on.

The problem with being in sales is that everything we do is measured and if we are underperforming we are vulnerable.

It's not our sales manager's fault. He or she is also measured on results and are equally vulnerable if the results of the team aren't good.

I learned many years ago that if you are exceeding target they tend to leave you alone so I made it a priority to understand how to beat my sales targets on a consistent basis.

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Here are a few thoughts:

1. **Always challenge your target** if you feel it is artificially high or unfair. Use logical arguments rather than emotional arguments to present your case
2. **Aim to hit target before the year end.** I work on the basis that there are 40 working weeks in the year during which I have to hit target. Call me old fashioned but I prefer not to be hitting target on New Years Eve!!
3. **Begin by realizing you can't manage your target, which is an output.** You can't manage outputs. What you can manage is inputs
4. **Inputs are all the activities** that make up a typical day in the life of a salesperson. These include things like cold calling, booking appointments, going to see customers, selling over the phone, negotiating with customers and asking for referrals.

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5. **What we need to do is to set ourselves targets** for all these activities so that we hit our overall target by the end of the year
6. **It is really important to measure your sales activity and results.** Remember, if you can't measure it you can't manage it. By measuring activity and results we can predict future results more accurately
7. **Key ratios.** If we make 100 cold calls and, as a result, gain 10 appointments the key ratio here is 1:10. What this means is that if we need to book 6 appointments in the future it makes sense to have 60 prospects to call up

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Here is a simple target broken down into sales activity:

Annual target: _____

Average sales value: _____

Number of sales required: _____ per annum

Number of working weeks: _____ Sales per week: _____

Key ratio: Appointments : Sales _____

Number of appointments per week: _____

Key ratio: Telephone calls: Appointments made _____

Number of potential customers: _____ contacted per week

The target of _____ is broken down first of all by looking at the average sales value. Because the average sales value is _____ we need to achieve _____ sales to achieve target Given that we are assuming _____ working weeks we need to achieve an average of _____ sales per week and as we have assumed that it takes _____ appointments to achieve a sale we need to be getting _____ appointments a week On average, in this example, it takes _____ telephone calls to get an appointment so we need to be making _____ contacts per week to potential customers

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Some targets are more complicated and it may not be possible to plan this accurately. However the basic principles apply:

1. **You must have a plan.** Planning is imperfect and our assumptions usually turn out wrong but the plan can be amended and changed over time giving us better data to produce future plans
2. **Agree your plan with your manager.** The more work you put into developing your plan the more persuasive it will be. Don't let your manager force a target on you that is illogical or unreasonable
3. **Give your manager regular feedback.** This is especially important if there is bad news. Give bad news early. This gives everyone involved the opportunity to deal with it with plenty of time to spare
4. **Keep reviewing and updating your plan.** Work hard and measure everything. There's a good chance if you plan well and achieve results they will promote you!



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This is a series of Training for your
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Good Selling !



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