Set Your Goals And Make Your Plans

It's been said that failing to plan is the same as planning to fail. That's very true for salespeople—and especially true for "reluctant" or inexperienced printing salespeople. One of the keys to success in selling is to set reasonable and measurable goals, and then to make a plan to attain those goals. One doesn't really work as well without the other, so let's give some thought to both your goals and your plans today.

Reasonable And Measurable

One of my new "selling owner" clients called with a goal in mind last week. "I want to spend at least a third of my time selling," he said. He was quite taken aback when my only comment was: "Why?"

"What do you mean 'why?'" he asked. "That should be obvious. I want to increase sales!"

"I understand that," I said. "But I'm not sure you really understand the goalsetting process. So let's start with two questions: Is that a reasonable goal, and is it a measurable goal?"

Let's hang onto *reasonable* for a moment and just deal with *measurable*. I'm sure you'll agree that this is a measurable goal, but exactly how many hours each week would represent one third of *your* working time. If you work a 60-hour week, you'd be talking about 20 hours of selling time. If you work a 40-hour week, you'd be talking about 13 hours and 20 minutes. I hope you'll agree that there's a significant difference here that needs to be considered!

Now, let's consider *reasonable*. After some discussion, we agreed that 10-12 hours each week was about all he could commit to in terms of sales activity. "Now we've got both a reasonable and measurable goal," I said. "When you put in 10 hours of selling time in a week, you can feel pretty good. When you're able to put in 12 hours, you can feel *really* good!"

Specific Goals

Having dealt with *reasonable* and *measurable*, let's the goalsetting process one step further. "You said that your reason for getting out to sell was to increase your sales volume," I told him, "but I don't think that's exactly it. What do you *really* want to accomplish?"

He was silent for a moment, and then I heard the light go on. "I get it," he said. "I want to increase my profits, my earnings!"

"By how much?" I asked.

"Well, a million dollars probably wouldn't be very reasonable," he answered with a laugh, "so how about $25,000." From that point, we spent a few minutes talking about his margins and staffing and overhead structure, and we decided that it would probably take $110,000 in new sales volume to generate $25,000 in bottom line profit. (If that seems conservative, that's by design. In this sort of planning, you're always better off erring on the conservative side. I'd much rather have a situation where $100,000 in new sales volume still produced $25,000 in profit than a situation where $110,000 in new sales volume produced only $15,000 in additional profit.)

Now, The Plan!

"OK," I said, "how many new customers will you have to develop for it all to add up to $110,000 in new business?"

"How about one big one?" he answered.

"Yeah," I said, "that would be great, but is it *reasonable* to make our plans based on one huge new customer?"

After some discussion, we decided that it would probably take 12-15 new customers, and in keeping with my conservative philosophy, we built a series of "sales efficiency assumptions" based on needing 15 to reach his goal. The first of those assumptions was that one-third of all the people he could get to meet with him at least twice in their offices and once for a shop tour would eventually buy from him.

The next assumption was that only one-third of the people who would meet with him once would agree to subsequent meetings—and that includes people he would disqualify in addition to people who wouldn't have second-meeting interest in him.

The next assumption was that only 1 out of 10 companies he targeted would be willing to meet with him in the first place. The way this arithmetic works, a plan that results in $25,000 in incremental profit will require a "suspect list" of 1350 companies (15 x 1 out of 3 = 45 x 1 out of 3 = 135 x 1 out of 10 = 1350), and all of those companies must seem to have at least $10,000 per year in volume potential.

Our next assumption was that companies with 20 or more employees would support that volume potential, and a list count identified more than 1800 companies in his area which met that criteria. In other words, there seemed to be enough of a target market to reach his goal. Please understand that a list count of, say, 1100 would not have supported his goal, and that would mean that a $25,000 incremental profit goal would fail the *reasonable* test.

Execution

The selling process I recommend is pretty straightforward. After identifying suspect companies, the next step is to identify at least one decision-maker within each company. The next step is to send an introductory letter, and the step after that is to call for an appointment. Since we're kicking this program off at the beginning on the year, we could simply divide 1350 suspect companies by 52 weeks and that would result in an "action standard" of 26 decision-makers identified and introductory letters mailed and follow-up calls started each week.

How *reasonable* would that be, though? If you think about it, dividing by 52 might mean that we'd have to get some business from a suspect on whom this whole process was started during the last week of the year! A much better strategy—and one we adopted—would be to divide the 1350 "prospecting starts" by 40, thereby "front-loading" the heavy prospecting activity on the first nine months of the year. That resulted in an "action standard" of 33.75 which we rounded up to 35—again, to reflect a conservative projection providing the greatest chance of success.

Adjusting

Do you see how we've "drilled down" to the primary goal, and then set up an action plan to attain it? OK, what happens if our "sales efficiency assumptions" don't bear out? The adjustments are pretty straightforward. If the appointment-getting ratio turns out to be 1 out of 12 instead of 1 out of 10, we'll have to increase the number of "prospecting starts" by 20%. If the first-to-subsequent meeting ratio turns out to be 1 out of 4 instead of 1 out of 3, we'll have to increase the number of prospecting starts by 33%.

It comes down to this…a goal without a plan probably won't do much for you, but a reasonable and measurable goal and a solid plan probably will!

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