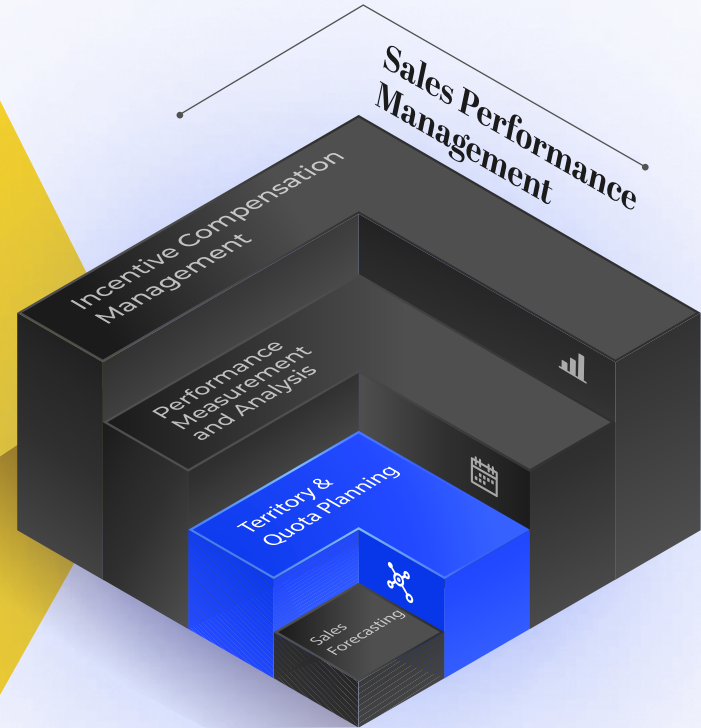


Territory and Quota Planning

Sales Performance Management - Range of interdependent, operationalized sales processes aimed at improving the effectiveness, efficiency, and overall processes. It involves planning, analyzing, and improving top-line revenue strategies across an organization.



A key component of the Sales Performance Management Process - **Territory and Quota Planning (TQP)** is crucial for maximizing the efficiency of your sales teams and raise the bottom line.

It is integral to dividing up the market of buyers into manageable chunks, and making sure each sales representative has a target to aim for.

Challenges in traditional Territory and Quota Planning (TQP) process

- i Difficulty aligning bottom-up deployed quota with top-down strategic objectives and go-to-market strategy.
- i Identifying coverage gaps, such as where additional headcount may be needed to support the business.
- i Difficulty in addressing changes in a shifting salesforce due to factors such as ramp, role changes, attrition, etc.
- i Lack of a connected and comprehensive SPM plan and strategy.
- i Lack of ability to align targets and personnel to initiatives in order to achieve overall targets.
- i Over or under serviced territories, leading to frustrated AEs who are unable to meet their targeted objectives driving higher than average YOY turnover.

Modern TQP Process Flow



The traditional approach to Territory and Quota Planning is often inefficient, manual, and data-blind. This leads to misaligned territories, unfair quotas, and ultimately, subpar sales. Fortunately, **Anaplan's** modern approach boosts collaborative planning, optimizes territories and quotas, and offers enhanced agility.



Segmentation Strategies for Territory Design

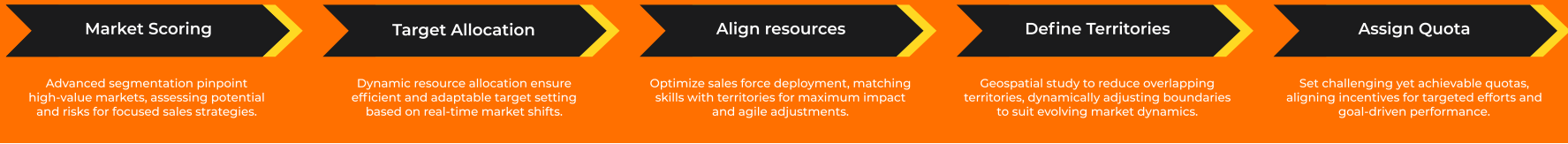
Category	Pain Points
Consumer-Centric Segmentation	Behavioral Segmentation: Purchase patterns, frequency, brand loyalty, and basket sizes to group consumers based on their buying habits.
	Demographic Segmentation: Based on age, gender, income, education, and family size to target specific consumer groups.
	Psychographic Segmentation: Analyzing lifestyle, values, interests, and attitudes to identify segments with similar psychographic profiles.
Geographic Considerations	Urban vs. Rural Segmentation: Recognizing the distinct consumer behaviors and preferences between urban and rural areas, impacting product demand.
	Regional Preferences: Understanding variations in preferences, cultural influences, and buying behaviors to design territories aligned with these distinctions.
Retail Landscape Insights	Channel-Based Segmentation: Categorizing territories based on channels such as traditional, modern retail and e-commerce platforms, and specialty stores.
	Store Format Preferences: Analyzing consumer preferences for store formats (hypermarkets, department stores, discount stores) to optimize territory design.
Total Addressible Market (TAM)	Market Size and Growth Analysis: Evaluating the size and growth potential of each segment to prioritize territories with higher growth prospects.
	Share of Wallet: Assessing competitor presence and market share in each segment to identify opportunities and threats.

Sales Potential Assessment for effective Quota Allocation

Evaluate the sales potential of each territory by considering historical data, market trends, competitor analysis, and product demand. This helps in allocating resources optimally.

- Data-Driven Quota Setting**
 Analyze market size, growth, and customer segments keeping in mind current market dynamics to strike a balance between ambitious and attainable.
- Capability Matching**
 Mapping the skills, experience, and training needs of sales teams or individuals to ensure that targets are challenging yet within reach.
- Market and Competitive Study**
 Adapt pricing strategies in real-time based on competitor pricing, demand elasticity, and inventory levels and enables agile responses.
- Performance Benchmarking**
 Benchmarking territories/salespersons against internal KPIs and industry peers facilitates a fair distribution of targets, ensuring consistency across diverse sales environments.
- Flexibility and Review Mechanisms**
 Incorporating mechanisms for periodic review and adjustment. Markets evolve, and quotas should adapt accordingly. Regular performance reviews against set quotas facilitate timely adjustments.

Contemporary Implementation Roadmap



The POLESTAR edge

Run "what if" simulations	Analyse the actual T&Q	AI recommendations based on external data	Incorporate real-time feedback
<ul style="list-style-type: none"> Automate data analysis to easily build it into the territory and quota design process Test out new territories or quotas in advance 	<ul style="list-style-type: none"> Track territory & quota attainment and modify data at any level of granularity, in real time Compare forecasts and compensation plans 	<ul style="list-style-type: none"> Plan quotas using predictive data—historical performance, market growth, account potential, and pipeline needs Leverage data regarding account potential, travel times, selling cycle time, regional trends etc 	<ul style="list-style-type: none"> Monitor and revamp sales planning and strategy on a single platform

Case Study

A Fortune500 alcoholic beverage manufacturer had complexities in their Territory and Quota planning

This affected sales prediction, trade investments, effective workforce allocation, creating AOPs, and planning optimized quotas

KPIs	Territory Planning	Quota Planning
	<ul style="list-style-type: none"> Territory Potential Index (TPI): Calculated market size, growth potential, and competitive landscape within each territory. Territory Alignment Score: Worked to enhance the logical fit between the skillset and the territory demands ensuring optimized resource allocation. Territory Concentration Ratio: Ensuring balanced resource allocation with better distribution of team. 	<ul style="list-style-type: none"> Quota Distribution Variance: Measures the variability in quota distribution among sales team members. Quota Attainment Velocity: Speed at which sales team achieve their assigned quotas. Precision Score: Precision of quota setting to minimize overestimation/underestimation.

WINS

- 29%** Increase in Quota setting accuracy
- 41%** Enhancement in coverage through distributors/ wholesellers
- 13%** Increase in ROI for effective workforce utilization

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Integrations with
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Our Anaplan expertise expands across a wide range of use cases across all functions of Sales, HR, Finance, Supply Chain, and IT. Whether you prefer model blueprinting, architecting and model building in Anaplan, user trainings, audit of existing Anaplan setup, or even setting up a planning COE, we fit the bill.



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