7 Step Sales Diagnosis Plan

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I once knew of a company that seemed obsessed with coming up with "Next Year's Plan". Every year about this time, the key sales and marketing managers were called in and told that they had to put together "The Plan" for next year, and that it was critical this be completely done and ready to announce to the troops by the end of December. The revenue targets needed to be in place, the organization should be finalized, accounts and territories completed, the bonus plan approved and everything must be ready to "rock n' roll" so they could get off to a fast start in the coming year.

Something was missing, I wondered. What about the year we're just completing? Shouldn't we take a long hard look at what we got right, and where we fell short? Shouldn't we take a PAUSE, look deeply into our performance, and critically evaluate our performance before we dash willy-nilly into planning for the future?

Fortunately, wiser heads prevailed and this company – a leading technology firm --- decided to perform a thorough analysis and because of what they learned were able to chart a much more accurate path into next year's sales success. What about your company?

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The 7 Step Sales Diagnosis Plan

Here's an easy-to-use template to follow in conducting an analysis of how you performed in 2012. You can focus this analysis on sales and/or marketing, or you can use it to analyze other departments or the entire company. If completed thoroughly, it will provide valuable insights which can be used when building your next year's sales plan.

1. Sales Objectives for 2012 and how many were achieved

These are the "big picture" goals and objectives which you established at the beginning of the year, and they were targeted to be accomplished during this year. Some examples might be:

"To Grow Revenue in the Southwest Region by 25%"

"To expand our sales team by adding 2 new Sales Executives"

"To open a new office in New York"

Go through the list and check off which were achieved and you're done!

2. Sales Quota/Targets for 2012 vs. actual performance

This is where you examine your actual sales numbers and compare them to your targets. There are dozens of programs to conduct sales analysis, and you should have ready access to these figures. At a minimum, you should evaluate the following:

-- Total Sales Revenue Achieved as a % of what was assigned

-- Total sales by rep/region versus what was assigned

-- Comparison of these sales results to the past 5 years' results

-- Amount of Revenue from NEW accounts versus total revenue (Growth)

-- Key Sales Ratios

a. # of inquiries that convert to qualified opportunities (% qualified)
b. # of qualified opportunities that closed (the closing ratio as a %)
c. Average order amount
d. Average time to close an order
e. How many opportunities are in the pipeline?

Of course, you can spend a lot of additional time digging deeper into these numbers, but the above will give the management team a good snapshot of sales performance and results.

3. Highlights for the Year

This is a review of the **highlights** of the previous year or planning period with particular attention paid to any strategic achievements. Included here would be key achievements and a brief explanation of **why** they occurred i.e., number of new accounts, new business vs. sales to existing customers, improvements in recurring revenue, changes in client size, wins vs. competition, market share, etc.

4. Lowlights for the year

The next part reviews the **lowlights** of the previous year. Included here are the key shortcomings and a brief explanation of why they occurred. While this section can be "painful" to review, it has the benefit of helping focus on areas offering potential for improvement and frequently points to areas that, once improved, offer significant payback.

5. SWOT Analysis

The next section is a SWOT Analysis. It details strengths, weaknesses, risk assessment (threats) and opportunities for the coming year. Given the highlights, lowlights, and challenges you are facing, where are the best opportunities for you to focus on in the coming year.

An example of a SWOT analysis for a small manufacturing company:

Strenghts • Custom Manufacturing excellence • Management Team Experience • Experts in Industry • Products built to last forever • Engineering Excellence • Loyal staff • Strong customer base	**Weaknesses** • Lack of Marketing & Advertising • No Sales Management • Management Conflicts and Churn (lack of stability) • Weak Sales Volume • Minimal Lead Generation • Lack of CRM, accountability • Weak Manufacturing Economy
Opportunities • Rebranding • Capturing new markets • Increased Marketing and social networking to drive leads • Develop outsourced services • Increase service revenues, support contracts, upgrades, spares • Excess Capacity to Utilize	**Threats** • Lack of funds to travel • Brand not visible in marketplace • Competition • Morale problems due to low production and revenue • Uncertain Economic conditions • Not a full service solution set • Not keeping pace with technology

6. Top 3 Problem Areas to Fix

Given the above analyses, it should become evident where the problem areas might be. In the sales arena, you would look for where the biggest LOSS of customers/prospects occur, or where the sales team is most challenged. For example, you might find that your salespeople are excellent at presenting their product/services, but they may be weak at finding and developing new business. Or, the challenge for your team is weakness in handling common objections, resulting in failure to close sales. There are a myriad of potential problems, you are looking for the “top 3” that if fixed will result in huge improvements in performance.

7. Top 3 Opportunities for Growth

On the plus side, you should also uncover some "silver bullets" that will allow you to rapidly grow your business and capture market share. One of my clients learned that they were not sending copies of invoices from inside sales to their outside sales reps, thus creating confusion among their customers and losing potential upside business. They were sitting on $2 million in potential business locked away in file cabinets at headquarters, and they didn't even know it!

Take advantage of this time, right now, to evaluate your performance. You might be surprised at what you'll discover!

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