Conducting a Sales Territory Analysis
Primary service area and target audiences are identified as part of the process

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Physician relations sales managers and sales representatives who routinely conduct an annual territory analysis can achieve a more equal distribution of prospects and establish the foundation for a sales action plan based on appropriate performance objectives.

A territory analysis can be used by a sales manager to determine the appropriate methodology for dividing territories, the number of representatives needed to support the territories and to make reasonable projections for annual sales goals. Sales representatives who conduct further analysis within their assigned territory can use the information to create a blueprint for the development of a successful individual sales plan.

Before territories can be established, the sales manager should first:

Define the Service Line(s): Service Line definitions should include a description of the service or program, a defined target market, and how the service is delivered. The sales manager should ask, “What does the service contribute to the bottom line?” This information is used to determine if the territories should be organized around service lines, regions, ZIP codes, physician specialty, or centers/care site(s). This will allow for a detailed review and focus of the referral data and physician needs.

A complete picture of the territories and a more equal distribution of prospects will result if the sales manager considers referral data and specialty physician locations. Certain service lines may carry more weight or value in some territories based on service/facility locations. Territory definitions and sales goals may need to be adjusted accordingly. Each sales representative should work from a clean database for his or her own territory to support projected goals and develop a personal action plan.

Conduct a SWOT (strength, weakness, opportunity, threat) analysis of the product(s) and the competition: The SWOT analysis should be specific to a defined territory and be conducted in preparation for developing a sales plan for that territory. The manager and sales representative should review the defined goals to determine how to manipulate the database to identify appropriate prospects.

Identify target audiences: It is recommended that data sets should be manipulated in a number of different categories within the territory, such as by ZIP code, specialty, and inpatient and outpatient referrals. Categories should support and correspond with the service lines. This type of sorting should be done regularly for each service.

Once sorting into categories is complete, the manager and sales representative should be able to look at the listing of prospects for each service line and begin to develop an individual sales action plan. The plan should have identifiable goals, objectives, strategies, tactics and developmental steps for the month, quarter and year.

Team Effort

The territory analysis, performance goals and sales action plans should be developed as part of a team effort between the sales manager and the representatives. They should be used as dynamic tools that both the sales manager and the representatives refer to on daily basis; they may change midyear as the market changes. A review of the data, services(s), objectives and market should be conducted annually in order to remain competitive and reassess alignment with the organization's goals.

By continually reviewing the territory, organizations will ensure that the efforts of the sales team meet the changing needs of both the customer and the organization.

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