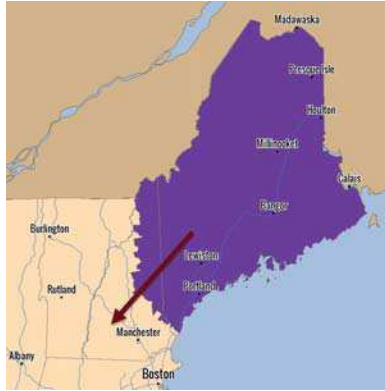


## 6 Tips for Creating Sales Territories

### Tip 1: Start in the Corners and Work your way inwards

When starting a brand new sales territory alignment it's best to begin at the corners of the map. In the United States you can start in Maine, Florida, Lower Texas, South California, and Washington and then work your way inwards. This technique will save you tons of hours when



it comes to balancing sales territories that are located in the middle of the country. Creating sales territories this way basically guarantees that each territory will have enough potential and



workload (Territory Index) to become a viable sales territory. If you start in the middle and work outwards you may be left with excess or not enough sales index. (For additional information about what an Alignment Index is, [click here](#))

### Tip 2: Create the Territory around the Business, Not the Sales Rep

Sales reps come and go. They can retire; they can die (sorry to be so morbid, but it's true); or pursue their careers in other organizations. In short, designing territories for a sales rep doesn't bode well in the long run. After all, these territories need to be serviceable by future replacements—and not just one sales representative.

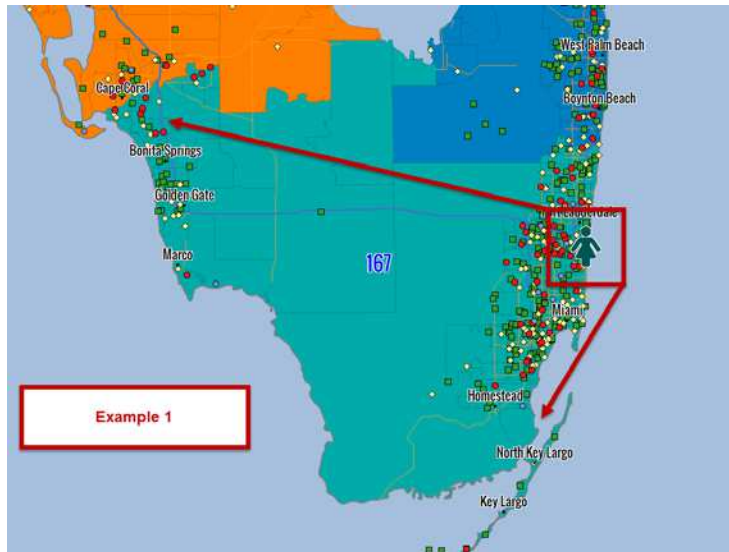
Think of it this way. If a factory worker leaves, a highly efficient factory can easily find a replacement to fulfill his/her responsibilities. However, if the factory worker has a highly specialized job description that he/she customized according to personal preferences and skills, it becomes significantly more difficult to find a replacement.

Your sales territory is the factory—so, it needs to be designed in such a way that its parts (sales reps) can easily be replaced without compromising performance. Again, sales territories need to be created around the business, and not the reps.

The last thing you want is to give-in to the requests of reps, who want to have certain cities in their territory because it would be easier or more convenient for them. Sales territories need to be designed with long-term sustainability of the business at the top of the mind. So, in the event that a rep leaves, existing accounts can easily be serviced by replacements.

### Tip 3: Always Take Local Geography into Consideration

Understanding the lay of the land is extremely important when creating sales territories. Can you expect sales reps to reach their daily call quota if they need to scale the Rocky Mountains just to reach half their client list? Even worse, imagine if they need to cross the Everglades just



to see some key accounts? This is why you always need to take local geographies into consideration.

Failing to do so will result in unhappy reps, which inevitably lead to lower sales. In Example 1, you can see a incorrectly crafted sales territory.

The sales rep in territory 167 (green) has to drive south to the Keys and across the entire State where the Everglades are located, just to reach accounts on the west coast.

To optimize this sales territory, you would need to re-allocate territories on the west coast to the orange territory, so that the rep (Green) no longer has to cross the state to service clients.

### Tip 4: Maintain Sensitive Accounts at All Costs

This tip slightly contradicts the second tip, but bear with me.

There are clients that come with established relationships with preferred sales reps—so much so that they won't work with anyone else. In this scenario, it is imperative to assign the preferred sales rep to ensure its "business as usual" for the company.

Cases like this typically need an override from a manager, which is fine because it contributes to the company's bottom line. As these preferred reps get closer to retirement or promotion, they need to take junior reps with them so the account can be transitioned properly. This prevents the account from being lost to a competing company.

## Tip 5: Use Highways as Arteries Not Borders

At first, it may seem logical to use major roads and highways as territory borders—but that’s actually the incorrect way of thinking.

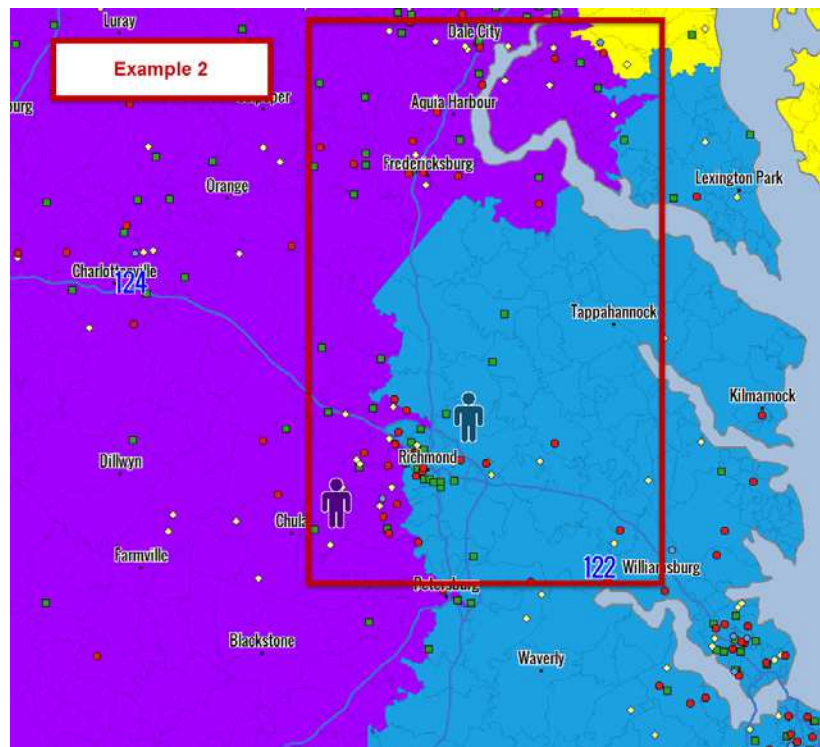
Using roads borders limit the areas that a rep is allowed to go. It leads to complications in logistics—will neighboring sales reps be allowed to use the same highway to reach their territories or will they take all the side roads to get there?

Using highways as arteries allows sales reps to reach their accounts faster and more efficiently. This is illustrated in Example 2 below:

Here, you see two territories, 124 (purple) and 122 (blue). The purple sales rep has to pass through Interstate 95 to reach his northeastern accounts.

However, he passes through the blue territory to reach his clients—because the I95 is actually out of his territory.

This becomes a waste of time and effort. We can either re-allocate those northeastern accounts to the blue territory or shift the purple territory to the right so that the aforementioned rep has direct access to the highway.



## Tip 6: Always Eliminate Noncontiguous Areas

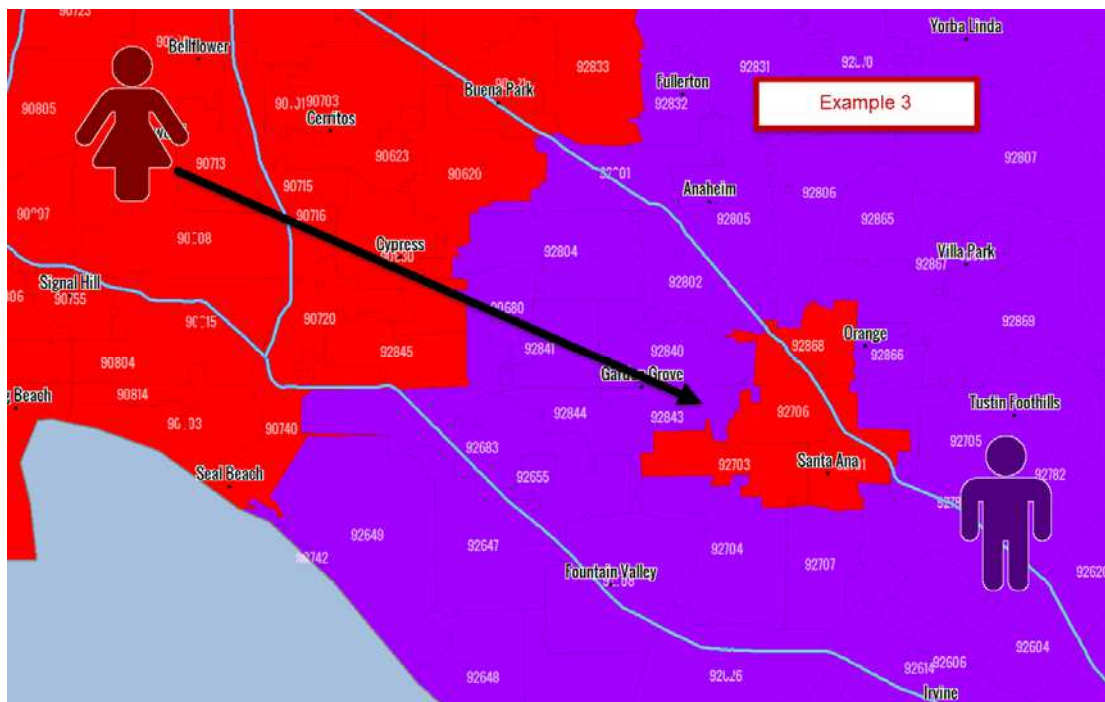
What happens when a sales rep needs to cross someone else's territory to reach a client? They will literally be driving by someone else's accounts to reach their own account. This is a drain on time and resources.

It is not uncommon for reps to request accounts in other territories because they may be located near the schools of their children, or close to a family member. Because they frequent the area all the time they will assume it's only logical for them to have these accounts.

Although this approach make sense, you cannot take liberties like these for your sales reps.

These reps will create long-lasting business relationships and will, most likely, leave the organization in the future—forcing a nearby rep (or a replacement) to take over. The transition, of course, comes with the risk of losing business because this account is now located outside of the assigned territory and now becomes a huge inconvenience for the new rep to call on because they have to cross someone else's territory to reach it.

For this reason, it is best to have all territories be contiguous. Take a look at the Example 3 below and you'll see what I mean:



Here, you see the sale rep in the red territory has to cross several zip codes to reach the small cluster of red zip codes inside the purple rep's territory. This is a waste of time because the rep crosses through purple, when purple actually lives right next to the red cluster. Eliminating these non-contiguous clusters will help you optimize your sales territory design.