

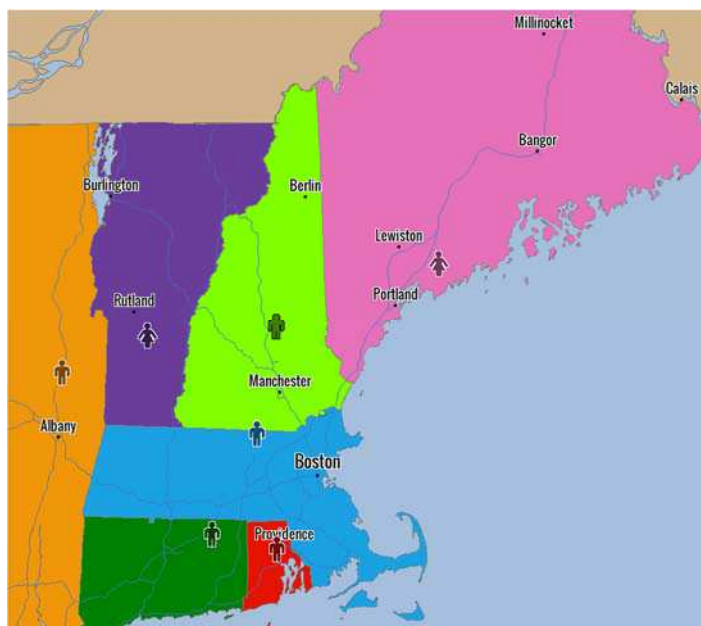
## Pinpointing Poorly Designed Sales Territories

Many companies tend to think they have the best possible territory design for their needs. Typically this is untrue. If you haven't made changes to the design and structure of your sales territory design in at least three years then you may have an unbalanced sales territory on your hands. Poorly designed sales territories only get worse over time and will cause a company to leave more and more profits on the table

We live in a world where everything is constantly changing and this includes county/zip/country boundaries. The following sections will show you a few tips to finding out if your Sales Territories are out of date and in need of a re-alignment.

### State Based Alignment

Having a State based alignment is okay to have when you have a small sales force and you are limited on how much you can expand in the beginning. But as your sales teams grow you'll have to start adding new territories. How do you add more reps if they are all supposed to have a state to themselves? At this point you'll have to evaluate your entire territory design and create an index that will allow you to balance all territories equally. Some states can't simply split in half because business tends to surround bigger cities. For example, in Maine the majority of business is found in the southern half of the state. Splitting it in half would cause one territory to be full of sales accounts and the other with almost nothing but wilderness.

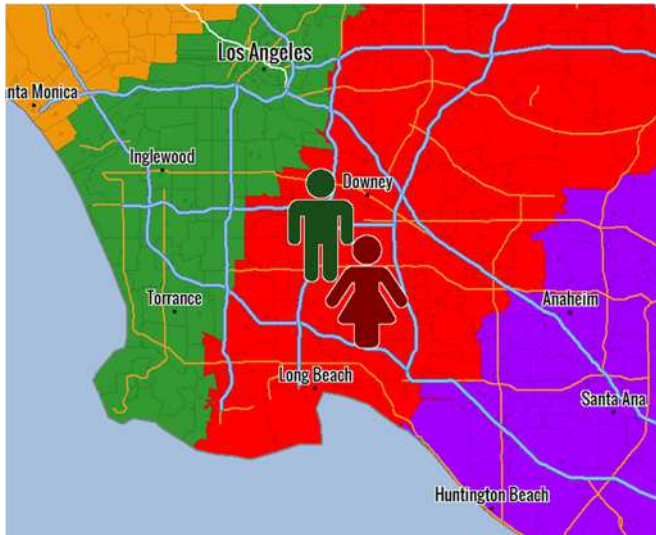


### Satellite Territories



In this example you'll see that the purple territory has a satellite area located in the blue territory. This means that the sales rep assigned to the purple area has to cross someone else's territory to reach some of their own accounts. This is a waste of time and valuable resources. This satellite area should be assigned to the blue territory.

## Rep Locations in Relation to Assigned Territories

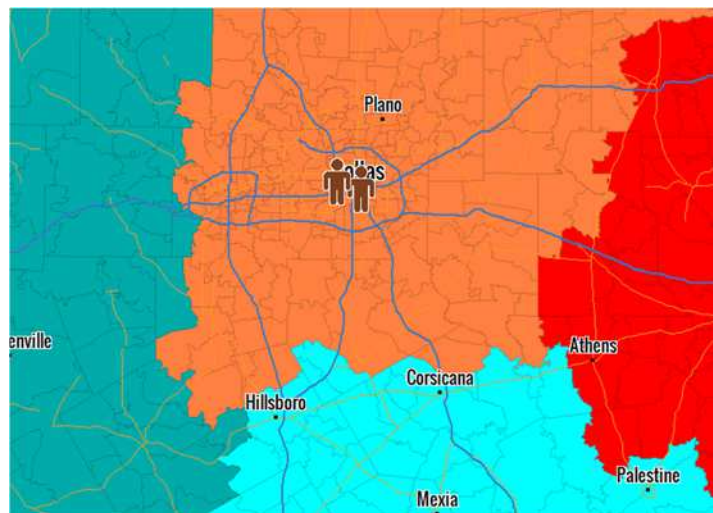


It's pretty important that reps live within their territories because if they don't they will usually have to drive through someone else's territory to get into their own. Take for example the territory screenshot on the left. The green sales rep has to travel through about twenty miles of reds territory to get to the green territory. One way to fix this would be to adjust the territories and bring the green east so that the green rep lives in his own territory. Another way to fix this situation would be to move the green rep into his territory.

Option 2 is a bit harder to do. If you are able to use option one and shift the territory east while keeping both territories balanced then you are on your way to an optimizing your sales territory.

## Two Reps Living Right Next to Each Other

In the example to the right you will see two reps living right next to each other in Dallas. Who should the orange territory actually belong to? Both reps live in the territory. And both reps want to be assigned the territory. It is up to the first line manager to decide who gets this territory. If this territory has enough accounts and workload for two territories then it would be ideal to split this territory down the middle and have one rep of the east side of Dallas and the other the west side. This is only an option if you can justify having two reps in Dallas. Another option is to have one of these reps relocate to another territory all together. This option may be difficult if the sales rep is from the area and does not want to leave.

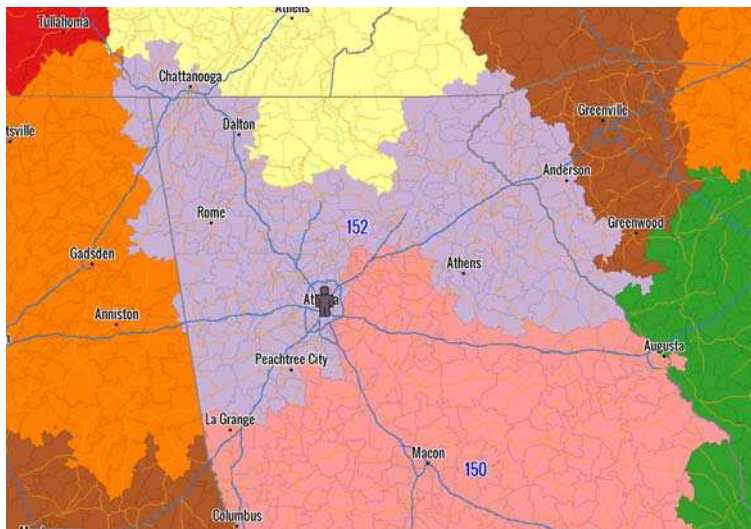


## Long Driving Distances

At times you will encounter a situation where a rep has to cross hundreds of miles to visit only a handful of accounts. It would be much easier to give these few accounts to another rep that is geographically closer to said accounts. For example in the screenshot below you see the green rep that lives near Jacksonville. She has to cross all of Interstate 10 to reach less than a dozen accounts located near Pensacola. This is over 300 miles that the rep can have to make once a month. Is it worth it? Probably not, the sales rep in the brown territory can in a few hours reach those same accounts faster and more efficiently. Driving long distances are only worth the time and effort if the rep has a long lasting and sensitive relationship, if not, then these accounts should be assigned to a sales rep that is closer to those accounts.



## Bone Shaped Territories

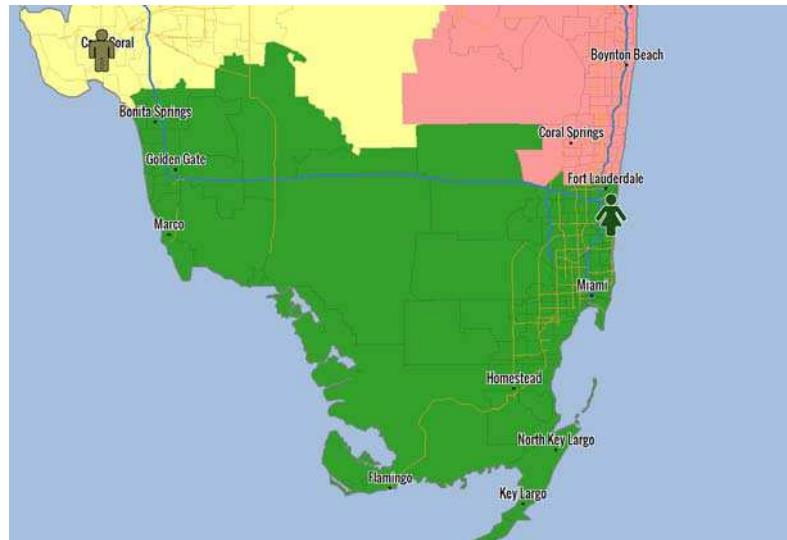


Having a bone shaped territory can be a serious drain on resources and time. This type of territory shape can evolve from a normal shaped territory over time due to alignment decay or just changes to sales reps and accounts. Having a bone shaped territory means that on some days the sales rep will cross through another territory to reach the other end of his own territory. In this situation this rep might cross the yellow and pink

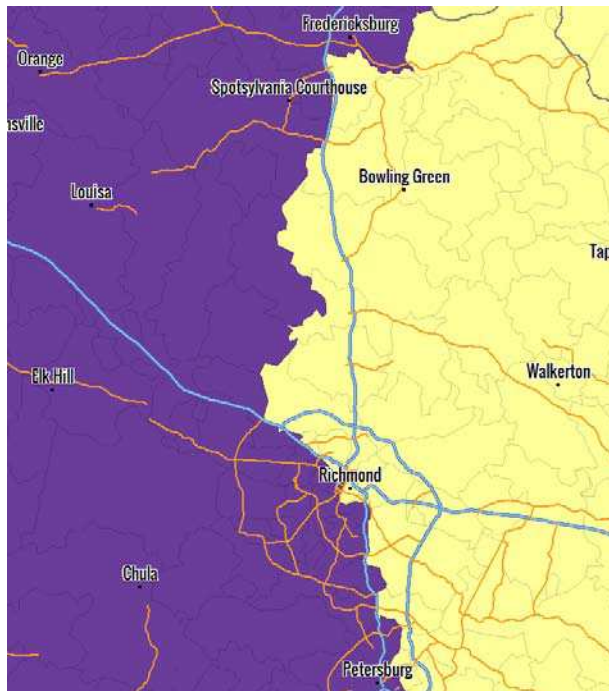
territory once a week; wasting time and resources. The territory should be rounded off to eliminate this bone shape.

## Natural Boundaries

When creating sales territories it's important to consider natural boundaries like mountains, lakes, swamps, and canyons. These boundaries shouldn't be crossed because of the time and effort they take. For example, in this image on the right the sales rep assigned to the green territory has to cross 70+ miles of everglades to reach her accounts on the west coast of Florida. It would be more efficient to assign those west coast accounts to a sales rep that is located in the yellow territory.



## Highways as Boundaries



Having major roads as boundaries can limit the routes a sales rep is able to take to meet clients. This is why it's important to not use them as boundaries. In this example, you'll see the purple territory has to cross some of the yellow territory to reach accounts on the north side, and that's only if the rep is allowed to use the highway that's not in their own territory. Otherwise, the sales rep will have to take a long detour to make it to those accounts. Those northern accounts should either be assigned to the yellow territory or give the purple rep highway access which would include the accounts found in those zip codes.