

# Business Planning Process for Sales Professionals



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As we are all aware, a business plan describes an organization's vision and objectives; as well as the strategy and tactics that will be employed to achieve them. A plan may also provide the basis for creating an operational budget among other goals and objectives.

Once the business plan has been developed, it serves as a wonderful tool to help ensure the organization does not deviate from the plan; and if used properly, it also holds members of the organization accountable for their areas of responsibility. However, should a sales professional or team (ideally a team) create their own business plan? The answer is a resounding, **YES!**

Sales professionals are factored into the overall sales organization's business plan. To create an operational budget, revenues must be forecasted. Consequently, each sales professional is typically asked by management to project their annual revenue; however, for some professionals, it's just a "lucky guess". As such, this can be a perfect time for a sales professional to create their own business plan.

In the commercial real estate arena, most sales professionals' compensation plan is 100% commission; so, are they valuing their time correctly? According to the Fair Labor Standards Act (FLSA), there are 2080 hours in a work-year. (We all know that sales professional work much longer hours than the "standard" work-year.) However, for purpose of this exercise, let's use 2080 hours as our denominator. So, let's do the math. If a sales professional wants to gross \$1.0 million annually, they must perform \$480/per-hour functions. Unfortunately, many professionals don't achieve that "hourly" rate. This is where being a member of a team can help drive revenues. Often, sales professionals fall into the trap of doing administrative or operational functions, when they should be working on **BUSINESS DEVELOPMENT!**

Therefore, a strong business plan can serve as a roadmap to achieve a sales professional's revenue goals. It can be as simple as completing the following exercise:

Start with a **Performance Analysis** - determine where your revenue comes from and what transactions will produce the most revenue. Then determine your **Strategic Direction** - what are your goals and objectives? Once you have identified your strategic direction, then determine your **Market Space** – what type of products or clients will you represent? Next, what is your **Value Proposition** – what value will you bring to the client? Once the value proposition has been defined, what will your **Operating Model** look like? A strong operating model typically contains three business processes (business development, engagement and service delivery.)

When the Business Planning Process is done collaboratively with both management and the professional team, a “bow-tie” is effectively wrapped around the whole business model. The market sector is defined and evaluated. Short and long-term goals are established. The client needs are identified and the value and service delivery requirements are developed. Ultimately the operating model, including the team structure is crafted and then evaluated against financial performance expectations.

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