

ENTERPRISE

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Sales solutions

A formula to help salespeople track their quotas

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Question: I, like every salesperson, have a set quota I'm responsible for meeting each month. The problem is I'm not sure exactly how to reach quota consistently. Is there some magic formula to remain consistent in reaching or exceeding quota?

Answer: You're in luck! There is a formula to help you consistently reach your quota each month. It does require some work on your part. While the formula itself is universal, the application of the activities required within the formula varies depending on each salesperson's skill level.

While most, if not all, sales organizations have a set quota for their salespeople, many do not outline the activities required to reach quota. Unless and until you know what activity is required to reach your goals, there is no way to consistently reach quota and attain the rest of your goals.

The formula is based on the old saying of salespeople: It's a numbers game. Regardless of your sales skill level, a big part of sales is simply doing the numbers, i.e. contacting enough prospects to eventually result in a sale. The formula, therefore, is made up of activities that can be tracked to create ratios that illustrate your current sales skill level and show areas that need improvement.

The elements of the formula are: calls, connects, voice mail, callbacks, appointments, proposals, sales and value.

Each of these elements represents the activities required within the sales process to reach your sales quota. Begin by creating a worksheet that has the above eight elements listed horizontally across the top of the page.

Start by tracking the number of outbound calls you make each day. A call is defined as dialing the phone, whether you reach the decision maker or not. Next, track the number of times you actually connect with the decision maker. Leaving a voice mail message is not considered a connect; however, you will want to track the number of voice mail messages you leave for decision makers as a part of your activities tracking exercise.

Then, track the number of times decision makers call you back based on the voice mail messages you leave.

Also, track the number of appointments that result from connecting with decision makers.

Next, track the number of proposals that result from the appointments you have with decision makers. Finally, track the number of actual sales and the dollar value of those sales that result from the proposals you present to decision makers.

Ratios are calculated by adding up the total numbers from each column and then dividing the columns. So if you want to know how effective you are at converting connects with decision makers to appointments, you will divide the number of appointments by the number of connects to get a percentage that represents the ratio of how effective you are at converting connects to appointments.

Or, if you want to track the ratio of calls to sales, add up the numbers in the calls and sales columns and divide the number of sales by the number of calls to get your calls to sales ratio. In each case of adding up the columns and dividing the numbers in each column, based on the ratio you want to know, you will end up with a percentage that represents your effectiveness at each point in the sales process. This will tell you how many calls, connects, appointments and proposals that you need to reach your sales quota.

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