

Sales Territory Transition Plans

If you are concerned about how to transition a new salesperson into an old territory, you are not alone. This is an area that most sales managers struggle with. The territory's current salesperson wants to know what happens to the accounts that they have worked on and developed but are no longer part of their new territory. Because they see it as you taking things away from them and messing with their income – there's going to be a lot of tension. Having a formal transition plan can go a long way to lessening that tension.

The most common methods for transitioning sales territories are:

- A. You just lose them. That's just the reality and there's nothing you can do about it. (Plan A below)

Plan A	Day 1
New Salesperson	100%
Old Salesperson	0%

- B. You get X days to close the deals, and then they transition to the new salesperson. (Plan B below)

Plan B	<90 days	>90 days
New Salesperson	0%	100%
Old Salesperson	100%	0%

- C. You get X-days to close sales for 100% commission/credit then sales commission/credit transitions to zero over a defined period. (Plan C & D below.)

Plan C	<30 days	31-60 days	>60 days
New Salesperson	0%	50%	100%
Old Salesperson	100%	50%	0%

Plan D	<30 days	31-60 days	61-90 days	>90 days
New Salesperson	0%	33%	66%	100%
Old Salesperson	100%	66%	33%	0%

Notes

The percentages in the tables represent what proportion of either the credit for the sale, or of the commission, that each salesperson gets.

I don't feel that Plan A, the "*Poof, they're all gone*" plan is fair, and you run the real risk of losing salespeople using that approach.

Plan B, the "*Time-limited*" plan gives the old salesperson time to wrap things up, but inevitably there will be a deal right at the finish line on day X+1, and it seems unfair that the salesperson doesn't get credit, so be prepared to address that scenario.

I feel that Plan C or D, the "*Timed-transition*" plans are probably the fairest and cause the least pain as the old salesperson transitions away from his/her old territory and into their new sales territory.

Timing

There is no fixed duration for the timing of the transitions to occur and will depend upon several factors, most of which will be specific to your company or your industry. Some things to take into consideration are how long it takes for a sale in your industry to close, the complexity of the sale, and how involved the salesperson is during the closing phase. I.e. is the salesperson still actively involved in the transaction or has the "selling" been done and they are simply waiting for a decision.

If your sales are "easy" ones and close relatively quickly, I suggest a 30-day transition is probably appropriate duration.

On the other hand, if the closing process is a long one, a 60, 90 or even 120-day transition period may be more suitable.

Avoiding Grief

If your business is growing you are going to have to add salespeople and that means dividing your the sales pie (territories) into different and often smaller pieces. Establishing a transition policy in advance of any planned territory reassignment will go a long way to avoiding misunderstandings and arguments about who should be getting what.