



FRUITFUL TERRITORY FRAMEWORK

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INTRODUCTION

I became obsessed with territory management after nearly losing my job because of it being done wrong.

As a relatively new AE, I watched our sales operations team make a drastic change - assigning territories based on zip codes. The logic seemed sound: score accounts within zip codes, then give reps enough zip codes to ensure their overall territory score was high enough to hit quota.

My assigned zip codes were in suburban Grand Rapids and rural New Hampshire. On paper, my territory score suggested I was in good shape. If you added up the individual scores of my 3,000 accounts, I had more than enough coverage to hit quota.

But after manually scoring every account, I realized that 98%+ of them were unsellable.

I raised hell to anyone who would listen. This... approach nearly got me fired (I got off with a one-day suspension instead).

Eventually, the company realized the zip code approach was a disaster and brought in a new team to fix territory deployment.

And that's the story of how my obsession with territory management began.

As an AE, I spent hours manually scoring thousands of accounts to focus my time where I had the best chance of winning.

As a VP, I spend hours identifying signals and trends to set my team up for success. And yes, I still spend more time than I'd like to admit manually reviewing accounts in spreadsheets.

This short ebook will teach you the foundational elements of territory management that have taken me hundreds of hours to learn.

By the end, you'll spend more time selling to accounts where you'll win - and less time wondering, "Which accounts should I work today?"

And, hopefully, you'll manage your territory in a way that doesn't get you suspended.

ACCOUNT SCORING

Considering that a sales rep's assigned territory is how they make money, it's surprising how rarely AEs understand where they should spend their time. When a new AE (or leader) joins my organization, priority number one is helping them understand how to organize, understand, and optimize their patch for sustained success.

I've reviewed accounts with hundreds of reps in my career. When scoring accounts, most reps place too much weight on revenue and employee count.

They default to, "**the bigger the account, the bigger the opportunity.**"

If they work for a mature company, they will often put too much weight on an internally calculated "Account Score" heavily influenced by revenue and employee count.

Heavy reliance on any of these three metrics is ineffective for two reasons:

- ① Data quality (especially for privately held companies) is usually garbage
- ② These quantitative measures don't tell the whole story

I doubt the "data quality sucks" statement is surprising to you. I've never spoken to a salesperson that thought they had great CRM data.

The impact is painful: ops will highlight accounts for you to work based on revenue and employee count numbers that are often wrong.

However, even if you have perfect data for every company in your patch, there's more nuance in territory management than just numbers.

For example:

Which of these two companies would you rather prospect into:

Company A:

\$500 million revenue, 2,000 employees, no clear use case for your product

Company B:

\$50 million revenue, 500 employees, multiple clear use cases for your product

If you are like me, you chose the latter.

But are you prioritizing your current territory accordingly? Or, are you over-indexing on account size and growing frustrated as you are unable to open many conversations?

Allow me to introduce the Prioritization Framework I've used as an AE, manager, director, and VP: Use Case and Budget.

Some quick definitions:

Use Case: You can identify where and how your product would be used.

At LaunchDarkly, this would be as simple as, "Does this company build software?" If they build software, they need to optimize and de-risk software releases.

Budget: The company likely invests, or would invest, in solutions like yours.

I get a lot of questions on this criteria: "How can I know if they have budget without talking to them?"

What I'm looking for is the potential that they have budget - not that they've already allocated budget.

My three favorite signals for potential budget are the use of a competitor, headcount growth in your target department, or relevant problems and priorities.

THE USE OF A COMPETITIVE SOLUTION

I look for competitive solutions by searching their current employee's LinkedIn profiles for competitor names as well as looking at open job descriptions.

People often list tools they use on their profile.

Companies nearly always list solutions they use on job descriptions, hoping to find applicants that already know how to use those solutions.

If they are spending on a competitor, there's potential budget for you to capture.

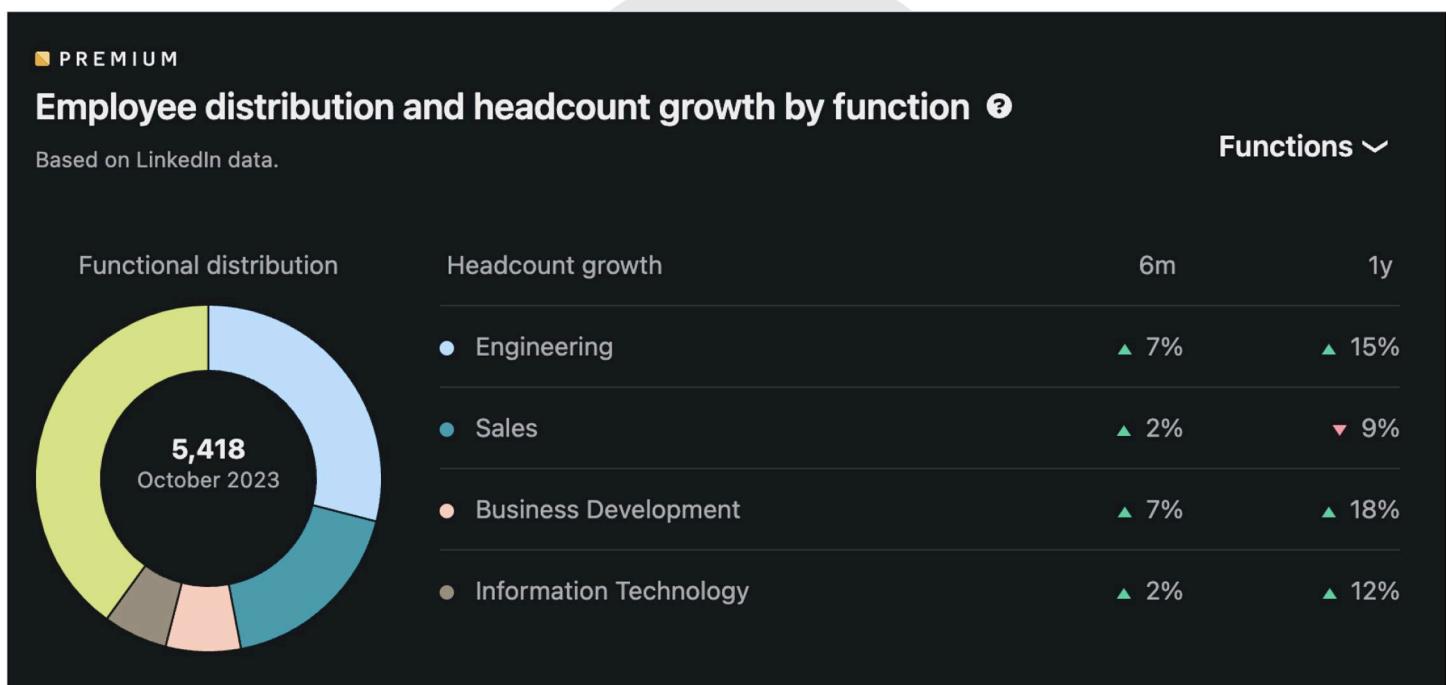
HEADCOUNT GROWTH IN TARGET DEPARTMENT(S)

This is a great way to validate potential budget in an account (much better than revenue). If they are investing in headcount, they'll invest in solutions to support that headcount.

I get this data in two ways:

- ① Open job postings (similar to the “Using your competitors” section)
- ② LinkedIn “Insights” tab (requires a premium subscription - example image below)

At LaunchDarkly, a company growing their engineering team is a good sign that budget for our solutions could be made available.



RELEVANT PROBLEMS AND PRIORITIES

Any solvent company can find budget to solve big enough problems. If account research surfaces likely problems that your solution solves, it's likely that budget could be found.

At LaunchDarkly, I'm looking for:

- ① Recent downtime
- ② Complimentary tech stack
- ③ Upcoming product launches

If they've had downtime recently, it's likely they'd invest budget in a solution to help them prevent that in the future.

If they use adjacent products (e.g., observability tools), it's likely software release processes are enough of a priority to continue investment.

If they have upcoming product launches, they are investing to get them right.

If you can identify the problems your solution solves along with signals a company is facing those problems you'll have a good idea of where they are putting resources.

Now that you understand the Use Case/Budget concept, here is how I have my teams tier their accounts:

Priority 1 - Use Case and Budget

Priority 2 - Use Case or Budget

Priority 3 - No Use Case or Budget

Here's a simple, practical example of prioritization in terms of a luxury car salesman:

Priority 1:

Middle-aged professional. They can drive, and they have discretionary income.

Priority 2: (Use Case, no budget)

Teenager. They can drive but won't likely have discretionary income.

Priority 2: (Budget, no use case)

Retiree on their private island. They have money but don't need a car on their little plot of paradise (I hope this is me in 30 years...)

Priority 3:

Pre-teen. They can't drive and almost certainly don't have discretionary income.

Here's another example of prioritization for LaunchDarkly, a B2B software-as-a-service (SaaS) company:

Priority 1:

SaaS Company with 50+ engineers and hiring more. They build applications (indicator of use case), and they are investing in engineers (indicator of budget)

Priority 2: (*Use Case, no budget*)

Small tech startup. They build applications (use case), but their engineering team headcount has gone down 10% over the prior six months which indicates potential reduction of investment for developer tools.

Priority 2: (*Budget, no use case*)

A systems integrator. They spend a lot on engineers (indicator of budget), but are building applications for their customers instead of their own applications (no use case)

Priority 3:

Manufacturing company. Their model is monetizing physical goods, not software. No budget or use case.

Ideally, you can have your sales operations team add a custom field in your CRM with a picklist to assign each of your accounts one of these scores. That way, you can manage your territory fully inside your CRM.

If that's not an option, building out in Excel or Google Sheets is a suitable alternative. The goal is to have one place where you can quickly see your top priority accounts.

Once organized, plan to spend 80%+ of your time on Priority 1 accounts.

Then, plan to use more automated approaches + SDR support on Priority 2, and never look at Priority 3 accounts again.

Organizing your territory in this way is a time-consuming exercise. Do not skip it, or try to find shortcuts. Even the most optimized sales process will not make up for working low quality territory.

Once you have this foundation, you are ready to optimize your territory by understanding and covering your accounts.

I'm convinced you can't consistently win without this foundation. However, winning is far from guaranteed, even if you nail this process.

To get help the rest of the way, grab my AE Frameworks here: hitmyquota.com