

Sales Domain Standards

a. Customer Relationship Management (CRM)

Lead Qualification Criteria

- Leads must satisfy the BANT framework:
 - **Budget:** Confirm the lead has the financial resources allocated for purchase.
 - **Authority:** Verify the lead has decision-making power or influence.
 - **Need:** The lead must have a clear business need for the product or service.
 - **Timeline:** Identify if the purchase timeline aligns with sales goals.
- Leads are scored based on demographic and behavioral data to prioritize follow-up.
- Leads that do not meet minimum criteria should be disqualified or nurtured through marketing.

Opportunity Lifecycle

- Opportunity stages include:
 1. **Prospecting:** Identifying potential customers.
 2. **Qualification:** Assessing if the lead fits target criteria.
 3. **Proposal:** Presenting tailored offers and pricing.
 4. **Negotiation:** Handling objections, pricing discussions, and contract terms.
 5. **Closing:** Finalizing agreements and signing contracts.
- Movement between stages requires documented evidence of completion and approval.

Sales Pipeline Stages

- The pipeline consists of clearly defined stages:
 - Initial Contact
 - Needs Analysis
 - Proposal Submission
 - Evaluation by Customer
 - Closing / Won or Lost
- Pipeline health is reviewed weekly to identify blockages or delays.
- Metrics such as stage conversion rates and average time in each stage are tracked.

Customer Segmentation Rules

- Customers are segmented to tailor sales and marketing efforts:
 - By **Industry verticals** (e.g., healthcare, manufacturing)
 - By **Company size** (e.g., SMB, enterprise)
 - By **Geographic location**

- By **Purchasing behavior** (frequency, average order size)
 - Segmentation guides sales messaging, product bundling, and discount strategies.
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b. Order-to-Cash (O2C) Standards

Sales Order Processing Rules

- Sales orders must be entered into the ERP system within **24 hours** of receipt.
- Orders must include: customer details (name, billing/shipping address), product SKU, quantity, pricing, and delivery instructions.
- Changes to orders after entry require documented approvals by the sales manager and must be reflected in the ERP.
- Backorders and partial shipments must be flagged and communicated to customers proactively.

Credit Approval Workflows

- All new customers require a credit check prior to order processing.
- Credit limits are assigned based on financial reviews and historical payment data.
- Orders exceeding credit limits trigger automated alerts for finance team review.
- Finance approvals are recorded and linked to the customer account for audit purposes.
- Periodic credit reviews are conducted at least quarterly.

Billing and Invoicing Policies

- Invoices must be generated immediately upon shipment or service delivery.
- Invoice details must exactly match the approved sales order, including product quantities, unit prices, discounts, taxes, and total amounts.
- Electronic invoicing is mandatory, with invoices sent via email or EDI within **24 hours** of issuance.
- All invoices must include payment terms, due date, and remittance information.
- Invoice disputes must be resolved within **7 business days**, with documented communication.

Discounts and Approvals Matrix

- Standard discounts up to **10%** can be applied by sales representatives following company pricing policies.
- Discounts between **10% and 20%** require documented approval from the sales manager.
- Discounts exceeding **20%** require documented director-level approval.
- All discount approvals must be recorded and linked to the sales order in the ERP system.
- Justifications for discounts must include customer context, competitive reasons, or volume incentives.

Quote-to-Order Conversion Standards

- Customer quotes must specify pricing, product descriptions, delivery timelines, payment terms, and be valid for a defined period (typically **30 days**).
 - Quotes accepted by the customer must be converted into sales orders in the ERP system within **24 hours** of acceptance.
 - The converted order must accurately reflect all terms and conditions outlined in the quote without modification unless re-approved.
 - All quote-to-order transactions must be auditable and traceable to the original quote.
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c. KPI Definitions

Sales Target vs Actual

- Actual sales revenue is tracked and compared against pre-set targets on a **monthly, quarterly, and annual basis**.
- Variances are analyzed to identify trends, shortfalls, and over-performance.
- Reporting is used to adjust forecasts and sales strategies.

Conversion Rate Formula

- Formula:

$$\text{Conversion Rate} = \left(\frac{\text{Number of Deals Closed}}{\text{Number of Leads}} \right) \times 100$$

- Used to measure sales effectiveness from lead generation through deal closure.
- Tracked by sales team, product line, and region.

Average Deal Size

- Calculated as the **total revenue generated from closed deals divided by the number of deals** within a given period.
- Helps forecast revenue and set realistic sales targets.

Sales Cycle Length

- Average time elapsed from first contact with a lead until deal closure (won or lost).
- Measured in days and tracked per product line, region, and sales rep.
- Shorter sales cycles generally indicate higher efficiency and product-market fit.