

Gartner for Sales

**Your Must-Have
Toolkit for Sales
Strategic Planning**



5 activities that are key to impactful strategic planning

Strategic planning can be an arduous process, but certain activities will differentiate your plan as one that really drives impact.

These five steps are especially important — and think now about the tools you will use at each stage to capture and share key data and information with stakeholders:

- 1 Verify the business context.** Confirm the enterprise mission and goals and make sure your sales employees know how they apply to their everyday work. Align your sales goals for impact.
- 2 Assess your function's ability** to deliver on your goals and create a plan to fill the capability gaps that will slow your impact.
- 3 Strategically manage functional budgets** to prioritize cost, budget and investment decisions to favor initiatives that will drive impact — and demote those that won't.
- 4 Decide how to measure your progress.** Select measures and metrics that will demonstrate the progress you're making against the commitments you've made.
- 5 Document your strategy** — ideally on just one page — to simply and clearly state where the sales organization is, where it is going and how it will get to the future state.

66%

of sales leaders **struggle to adapt their strategic plans** when faced with sudden changes in their business environment.

Source: Gartner





Tools and frameworks you'll need

1

Strategic alignment

→ Sales Score

2

Assess your function's capabilities

→ Seller Time Spend Assessment

→ Seller Skill Assessment

→ Frontline Sales Manager Diagnostic

3

Strategically manage functional budgets

→ Sales Budget & Efficiency Benchmark

→ Gartner BuySmart™

→ 3 Ways CSOs Can Strengthen Their CFO Partnership*

4

Measure your progress

→ Sales Capacity Model*

→ Sales Enablement Impact Planning Guide*

5

Document your strategy

→ Sales Strategy on a Page

*Only accessible by Gartner clients

1. Strategic alignment

Surface and verify the priorities of the enterprise and your business partners.

First make sure you understand enterprise business goals well enough to craft a strategic plan for your sales organization that will support enterprise ambitions.

Document both the business context and the likely impact on your function of factors:

- **Within** your function
- **Internal** to the enterprise
- **External** to the enterprise



Key tools for this may include:

- A simple **conversation guide** to focus your conversations with business partners.
- **Trendspotting** frameworks to look at drivers of change, including those in the more distant future.
- **Scenario planning** activities to align business partners around your hypothetical futures.



Understanding the organization's strategy and goals

Organizational strategy


Organizational goal No. 1

Organizational goal No. 2

Organizational goal No. 3

Key questions to ask:

- What are the key business objectives for the next one, two and five years?
- What are the organization's core strategies to achieve these goals?
- How does the organization plan to execute these strategies?
- What are current challenges facing the organization?

 Don't forget: A productive relationship between function leaders and the CFO will also be critical for effective strategic planning.



1. Strategic alignment

Conversation guide to get business partner perspective and alignment

Questions about that business partner's domain	Notes of your business partner's answer
What are your key business objectives and resultant goals for the next two to five years?	
What are your primary strategies? How do you plan to execute on these strategies?	
What is the direction of the key product line, supply chain, service offerings, etc.?	
How will you know if your unit is successful? What will you measure?	
What are the key success factors that will make or break your unit's success long-term?	
What major obstacles will the business unit face in reaching these objectives?	

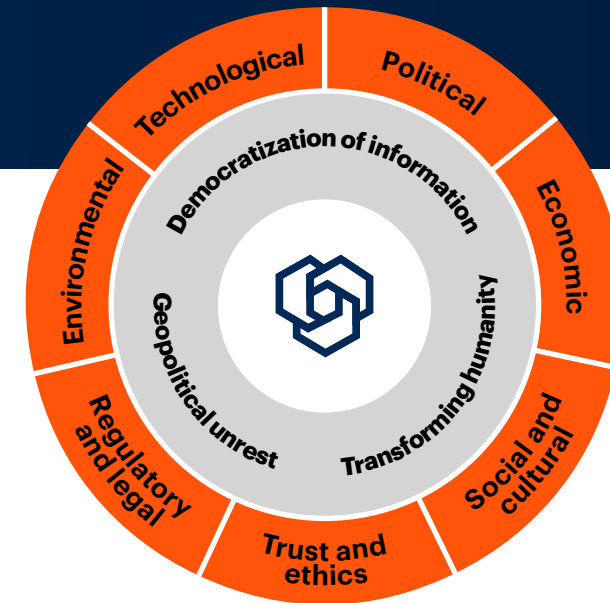


1. Strategic alignment

Framework to scope for emerging trends that present risk and opportunity

No executive leader can predict the future, but you can adopt a deliberate approach to sensing and responding to trends.

Use a construct like the Gartner TPESTRE of trends to prepare to respond to disruptions and plausible futures. Key considerations are your organization's footprint (existing presence within a market or industry) and foothold (strategic opportunities to expand).



Footprint includes your:



- **Customer base:** established group of loyal customers
- **Operational facilities:** manufacturing plants, distribution centers, infrastructure or supply chains
- **Brand reputation:** market perception of your organization

Foothold includes:



- **Innovation and pilot projects:** testing new offerings with new emerging technologies
- **Partnerships** to gain market insights
- **Acquisitions** to establish a larger presence
- **Targeted marketing campaigns:** gauging interest in a new product or service in new markets

Forces and trends impacting your organization's future

Technological: Evolution, impact and disruption of technology change

Political: Political attitudes, institutions and legislation shifting the political environment

Economic: Factors in the economic environment locally and globally that influence businesses and governments

Social and cultural: Attitudes, behaviors and lifestyles of individuals and groups in a society

Trust and ethics: Ethical expectations, behaviors, duties and biases of people and companies toward one another and society

Regulatory and legal: Changes in laws and governmental policies and regulations to reward or punish a particular behavior

Environmental: Technical, political, economic, cultural, ethical and legal changes supporting environmental protection and sustainability

Source: Gartner



1. Strategic alignment

Framework to prepare for scenario planning

Good scenario planning requires you to first identify trends likely to create significant risks or opportunities.

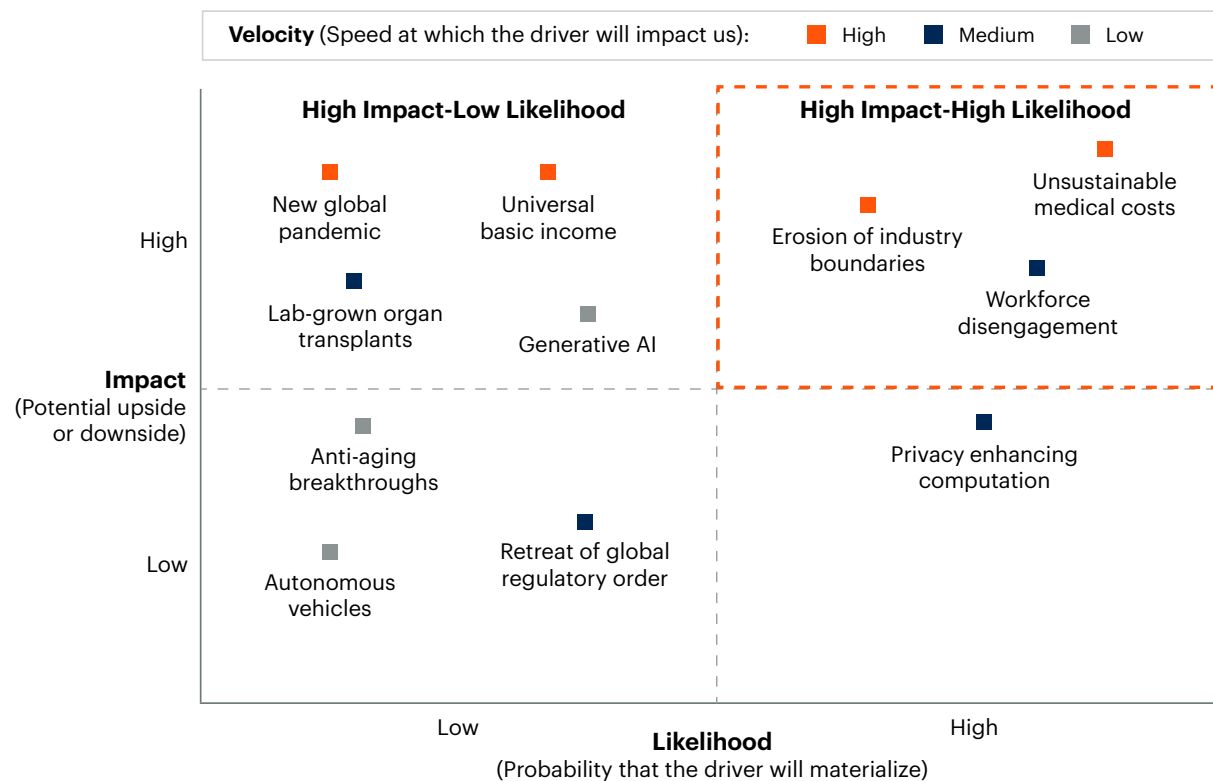
Make sure to:

- Align with a diverse set of business partners on the trends
- Prioritize the trends based on their relative importance (use a tool like this simple 2x2)

From here, categorize and relate trends together to develop scenarios. Develop a storyline for each scenario to test if it seems credible and feasible.

Strategic plans should include actions aligned to whichever scenarios you deem most pressing.

Prioritize actions based on the most material scenarios



2. Assess your function's capabilities

Determine how well-positioned your function is to deliver on strategy.

To ensure optimal results from strategic efforts, it's critical to assess the role of your function in the enterprise and how well it performs that role. As the enterprise strategy evolves, so will this assessment.

In your strategic planning cycle, make sure to undertake a capabilities assessment soon after verifying the business strategy so you can build a roadmap to improve your effectiveness.

It's important to assess both the availability and maturity of existing capabilities. Take a rigorous approach using a methodology like that taken by the Gartner Score tool.

Measure:

- **Existing performance** across key objectives and activities typically within scope for your function
- Your **maturity** in different activities on a simple-to-understand scale so you can easily compare maturity in different activities and against best-practice levels
- The **criticality of activities** on a simple scale so you can focus on requisites for your function to deliver its contribution to enterprise strategy

The objective of this assessment is to plot a path to maturity for each critical activity.



Did you know?

Gartner clients can customize Score assessment tools for their function, and expert partners are available to walk you through your results and action plans.



2. Assess your function's capabilities

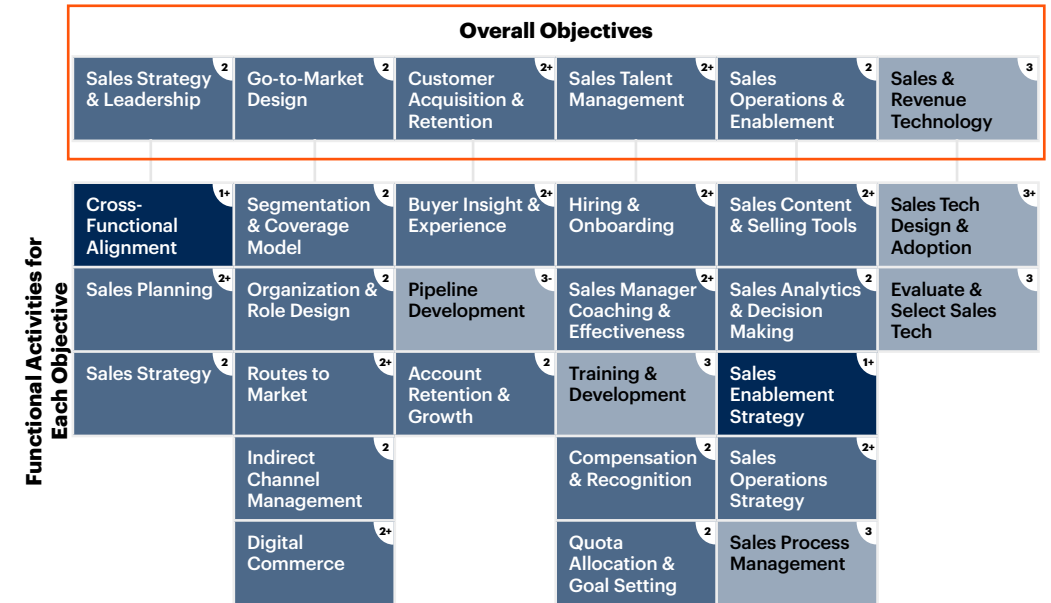
Benchmark your function's maturity, capabilities gaps and path to improvement.

Sales Score is a customizable, comprehensive maturity assessment and prioritization tool for heads of sales and other members of the sales leadership team. Score objectively measures the importance and maturity of critical activities across the entire sales organization, then analyzes the results to provide data-backed guidance on which activities should be prioritized for improvement. Gartner Sales Score is a must-have tool for any sales leader looking to drive growth and transformation within their organization. With its customizable assessment, data-backed guidance, and support for strategic initiatives, Sales Score empowers sales leaders to make informed decisions that lead to improved performance and increased revenue

Learn more about [Gartner Sales Score](#).

Gain clarity on where to focus improvement efforts

Sample report excerpt: What are the gaps between maturity and importance?



Maturity Levels **1** **2** **3** **4** **5** Out of Scope

Source: Gartner

3. Strategically manage functional budgets

Sales leaders face an era of doing more with less budget.

Sales leaders face new challenges in managing budgets — and appealing for funding — as the focus at many organizations shifts to fueling growth with productivity and efficiency.

Bottom line, sales leaders are being asked to achieve growth at lower cost. That means being as efficient as possible with headcount, technologies, workflows and processes — deploying resources in the most productive way possible.

Sales leaders will need a strategic mindset and tools to apply three best practices in cost management in this environment:

1. **Reallocate funding** from low- to high-potential investments.
2. **Fund growth investments** using costs saved in less important activities.
3. **Use unallocated funds** for as-needed growth investment support.

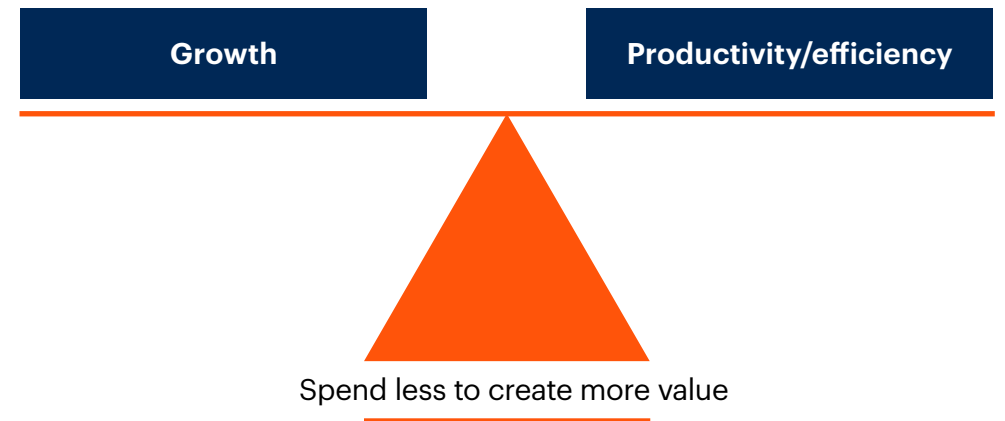


Technology is one area of spend where every functional leader will need better decision-making tools to select the right vendors and negotiate effectively to assure ROI.

65% of sales leaders struggle to shift their budget and resources to an emerging priority.

Source: Gartner

Constrained growth puts the focus on productivity/efficiency



Source: Gartner



3. Strategically manage sales budgets

Guide to scoping the CFO point of view for better collaboration

Step No. 1 for sales leaders wanting to build a productive conversation with their CFO is to better understand their role, key priorities and focus.

This understanding will help you build your value story and make it CFO-ready when seeking funding and investments. Customize with metrics specific to your organization or industry. (Also see section on strategically managing functional budgets.)

CFO role at a glance — illustrative

	Description	Success metrics for CFOs
Mission	To guide and protect the financial performance of the company	<ul style="list-style-type: none"> • Growth <ul style="list-style-type: none"> – Revenue and margin
Main objectives	<ul style="list-style-type: none"> • Growing or maintaining profitability and operational efficiency • Effective cash management • Upgrading finance’s capabilities (including both technology and skills) • Unlocking the value of data and analytics for the business • Improving the returns and value capture from investments 	<ul style="list-style-type: none"> • Capital returns <ul style="list-style-type: none"> – Return on invested capital (ROIC) – Economic value-added (EVA) • Cost optimization targets • Cash conversion cycle • Shareholder value <ul style="list-style-type: none"> – Shareholder confidence – Stock performance
Key activities	<ul style="list-style-type: none"> • Secure funds and set strategy to meet growth aspirations • Allocate capital effectively toward goals • Track corporate performance • Manage critical business risks 	<ul style="list-style-type: none"> • Other business-specific metric(s)

Source: Gartner



3. Strategically manage sales budgets

Benchmark your sales budget and efficiency against peers.



Did you know?

Gartner clients can use the Sales Budget and Efficiency Benchmark to evaluate and optimize investments to support long-term improvements.

[→ Learn More](#)



3. Strategically manage sales budgets

Framework to map the relative value realization of your cost initiatives

To optimize costs strategically and productively (rather than just cutting), you need to know what drives costs, which costs relate to differentiating capabilities (i.e., value drivers) and what are your ROIs.

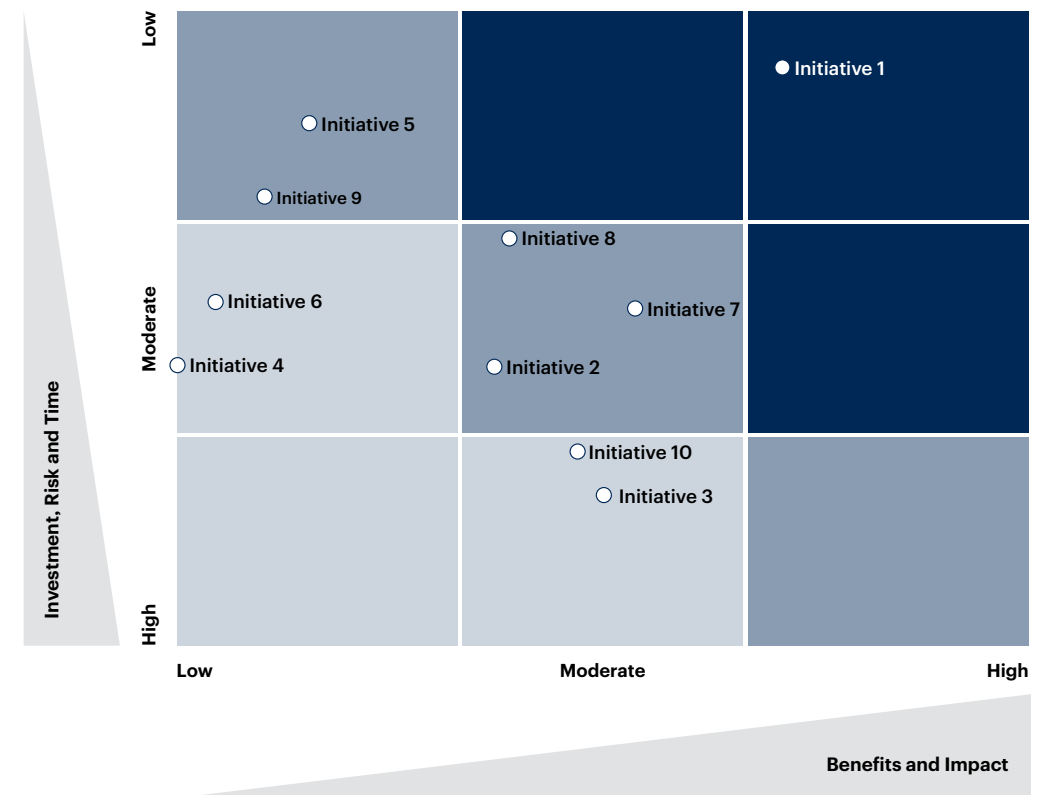
Strategic cost optimization rarely succeeds without three things:

1. Standardized cost management framework
2. Shared understanding of cost-to-value relationships
3. Consistent definition of success beyond cost saving

Use a structure like the Gartner Cost Optimization Framework to refine and visualize your cost optimization ideas by the level of benefit, cost, risk and viability so stakeholders have full visibility into the relative merits of deploying spend.

[→ Learn More](#)

Map your cost optimization initiatives and visualization trade-offs



Source: Gartner



3. Strategically manage sales budgets

Tool to evaluate tech decisions and buy with more confidence

Use Gartner BuySmart™ to get quick access to our proprietary expert and peer insights and evaluation templates for a wide range of technology vendor solutions.

- **Discover** a wide range of possible technology vendor solutions, driven by proprietary expert and peer insights and evaluation templates.
- **Evaluate** using requirements, questionnaires, scorecards and more, chosen by and visible to your whole team.
- **Select** vendors using your aggregated team scores to remove bias and clarify decisions.
- **Optimize** your spend and reduce risk with a Gartner expert proposal review.

[→ Learn More](#)

CRM for Sales Group

Changes saved | MP | Share

OVERVIEW | CHECKLIST | REQUIREMENTS | VENDORS | QUESTIONNAIRE | **SCORECARD** | SELECTION

Vendors (3)

	ATTA	Cumulus	Windmill
Scorecard Compare vendor scores for your published requirements. Need to make changes?	95 / 100 Complete	88 / 100 In progress	No score Not started
Functional requirements	79	79	—
Technical requirements	91	—	—
	84	84	—
	90	—	—
	79	79	—

Vendor Evaluation

- Finalize vendor selection
- Negotiate contract
- Execute contract
- Onboard vendor

4. Measure your progress

Identify metrics that will show if your plan is working.

Use metrics to assess the function's performance and its progress in delivering on strategy.

It's important to understand the difference between measures (observable business outcomes that show whether your actions plans are working) and metrics (the data that quantifies those measures).

To choose meaningful metrics:

- Focus on alignment with strategic priorities.
- Don't over-engineer or over-populate your list of metrics; limit it to a few simple SMART metrics.
- Mix metrics as needed for different dimensions of the business (e.g., customer, operational, human capital).
- Identify which metrics will specifically trigger actions predetermined by your strategic plan.

You will need to revisit your strategic plan as business conditions change; make sure to realign your measures and metrics accordingly.

Whatever metrics you choose must be SMART:



Specificity

The metric is sufficiently granular for the goal it measures.



Measurability

The metric can be measured with reasonable ease and accuracy.



Actionability

The metric can lead to action to improve performance.



Relevance

The metric is aligned to overall objectives.



Timeliness

The metric provides early warning signals of approaching risks or gaps in performance.



4. Measure your progress

Guide to selecting metrics that measure your progress toward goals



5. Document your strategy

Provide a single-page overview to simply and clearly communicate your strategic plan.

Your strategic plan defines the roadmap of initiatives and portfolio of investments your function intends to pursue to execute on its commitment to drive business strategy.

Putting that plan on a single page makes it easier for you to share, summarize and communicate — and easier for business partners to visualize and understand.

One-page templates are meant to provide a summary of your strategic roadmap, not to serve as the overall strategic plan.

Make sure yours contains the initiatives identified as a part of the overall strategic planning process for your function.

See the next page for a simplified view of a Gartner one-page plan (and use the fillable template for your planning), but note that different functions and organizations will need to customize their view, its component parts and level of detail.



Did you know?

Gartner clients can submit documents for review by experts who can assess and provide feedback and input for your strategy template.



5. Document your strategy

One-page template to capture your strategic plan for easy communication

1 Strategic Mission for Sales Organization Increase the company's top-line growth by 12% by updating our direct engagement strategy to better meet buyers' expectations and expanding our partner network.		
2 State of Sales in 20XX Top 5 to 7 Metrics Describing Initial State <ul style="list-style-type: none">• Year-over-year growth rate: 8%• Customer retention rate: 72%• Multiproduct customers: 28%• Average deal size: \$1.2 million• Average sales cycle: 195 days• Pipeline coverage ratio: 2.6x• Cost of sales: 5.9%	3 Top Urgency Drivers <ul style="list-style-type: none">• Macroeconomic uncertainty is constraining our sales budget.• Buyers' channel preferences are shifting to virtual engagements.• Travel restrictions limit sellers' ability to meet buyers in person.	2 State of Sales in 20XX Top 5 to 7 Metrics Describing End State <ul style="list-style-type: none">• Year-over-year growth rate: 10%• Customer retention rate: 80%• Multiproduct customers: 35%• Average deal size: \$1.5 million• Average sales cycle: 180 days• Pipeline coverage ratio: 3.0x• Cost of sales: 5.5%
	4 Top Sales Function Initiatives Deploy virtual sales training and enablement to field sellers. <ul style="list-style-type: none">• Improve e-commerce offerings to reduce overall cost of sales.• Reevaluate service tiers to rightsize resource allocation.• Create an SDR team to improve lead generation capabilities.• Develop buyer enablement to align digital/in-person messaging.• Expand key account program to improve cross-sell rates.	
	5 Critical Underlying Beliefs and Assumptions <ul style="list-style-type: none">• Customers will go online for information before engaging.• High-efficiency channels are critical to maintaining margins.• Economic shocks will impact small and midsize businesses more acutely.• Lead generation difficulties will persist into the new year.• Customers' digital expectations will accelerate.	



5. Document your strategy





Fillable template to outline your own strategic plan on a page

Type in the fields below to complete the interactive form

1 Strategic Mission for Sales Organization		
2 State of Sales in	3 Top Urgency Drivers	2 State of Sales in
	4 Top Sales Function Initiatives	
	5 Critical Underlying Beliefs and Assumptions	

Actionable, objective insight

Explore these additional complimentary resources and tools on sales strategy for sales leaders:

 <p>Tool Gartner Sales Score</p> <p>Get data-driven insights for prioritizing improvements within your sales function.</p> <p>Learn More</p>	 <p>Insight Gartner Cost Optimization Decision Framework for Sales</p> <p>Discover new ways to reduce cost, optimize performance and reinvest.</p> <p>Download Now</p>	 <p>Research Maximize Sales Success With Adaptive Strategies</p> <p>Learn how CSOs thrive in changing markets.</p> <p>Download Now</p>	 <p>Webinar CSOs: How to Effectively Adapt Your B2B Sales Strategies</p> <p>Discover the latest findings on B2B buyer preferences and purchasing behaviors.</p> <p>Watch Now</p>
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