Gradient Works

Increase attainment with a modern approach to territories

How top B2B sales teams use dynamic books to thrive even in uncertain selling environments

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Executive summary

It's a tough time to run a sales team. Fewer reps are making quota, companies are adjusting targets, buyer budgets are frozen. Sales leaders are tasked with squeezing every ounce of productivity they can from the teams they have now.

But some sales teams are thriving despite all this. How? What do these effective, resilient teams have in common? It might not be what you think.

83% of companies still design their territories with spreadsheets. But top-performing sales teams don't use spreadsheets any longer. They don't use geographic territory models either. They take a more contemporary approach to territory design, and use an adaptable, automated model called dynamic book management.

Dynamic book management is a modern territory design that continually matches available rep capacity with the best available accounts. It's a flexible alternative to traditional sales territories that helps companies react more quickly to market changes and increase attainment.

First, we'll tell the story of the 100-year history of sales territories, and how traditional models of geographic territories developed. We'll talk about what's changed in the past 100 years for sales territories, and why traditional territory design models just don't work any more.

Then, we'll discuss exactly what dynamic book management is, as well as how it works in practice. That includes an overview of the differences between static territories and dynamic books.

Finally, we'll end with a section of best practices to help you move from a static territory model to a more dynamic books model.

Sales territories matter more to attainment than you might think

Top-performing sales teams have a few things in common. They have comprehensive sales enablement programs, great coaching practices, clear rules of engagement, competitive compensation plans, and a winning sales culture. But they also share something else you might not expect - a modern approach to sales territories that enables them to be sure every rep is working the right accounts at the right time.

We've talked to hundreds of sales and revenue operations leaders, and compiled a set of best practices from the teams who are thriving despite everything going on in the world around them right now. And one thing those teams have in a common is that they don't use geographic or other kinds of territories. They use dynamic books instead.

Dynamic book management is a modern way of allocating accounts to sales reps. It's flexible, adaptable, and automated. A dynamic books approach puts prospect potential and rep capacity at the center of account allocation, ensuring every rep always has a balanced book of the highest-potential accounts available.

Dynamic books are the future of sales territories.

But before we get too far into the future of territories, let's talk about how the way we think about sales territories has developed over time.

The history of territories

So where did sales territories come from in the first place? Did you know the concept of sales territories is over a hundred years old?

Organized sales territories were initially based on geography

We all know what a sales territory is - it's a group of prospects and customers, typically delineated based on geographic region, vertical or industry, or some other relevant criteria that is assigned to a specific salesperson or sales team. Territories are typically "carved up" into roughly equal segments between a company's sales representatives.

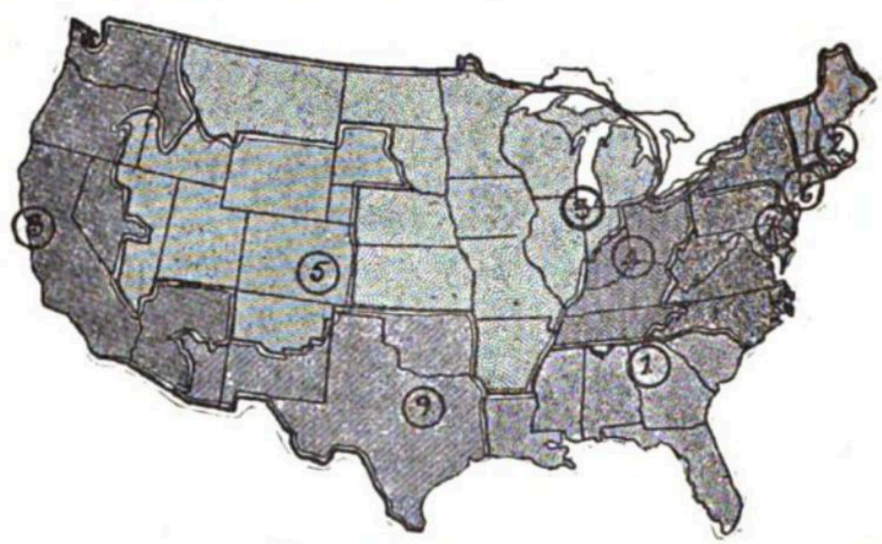
But where does this concept of a sales *territory* come from? When did it become the go-to organizational structure for sales teams? Turns out, we've been talking about sales territories for more than a hundred years.

One of the earliest references to sales territories is 1919, in an early sales guide. The book is called "[Modern Salesmanagement: A Practical Handbook and Guide]" and it's a great read. Really. (And it is actually "salesmanagement" all one word, which is a fair preview of what you'll read in the book. Not to mention the repeated references to "salesman.") According to author George Frederick, the best - and only - territory designs were based on geography. Poor railroad service, limited trucking capability, and a lack of mass media limited a company's sales radius, so geographic sales territories just made sense.

Interestingly, even in 1919, Frederick decried splitting territories by simple state lines, calling it "old fashioned."

"Progressive firms have found this to be unsatisfactory because, as a rule, a state is a section of a country, formed years ago on an arbitrary basis which has no bearing whatsoever on the sales situation."

As transportation improved, delivery radii grew. The invention of telegraphs and phones, expansion of the postal service, and radio increased regional and national advertising capabilities. Population centers increased in density. Frederick's proposed regional territory map separated the United States into nine regions based on a rough split of population and industrial factors (and many companies still split things up like this).



STANDARD SALES DISTRICTS COVERING THE UNITED STATES IN NINE LOGICAL SALES DISTRICTS

Frederick cautioned against making territories too large. The cost of selling in larger territories increased sales expenses (what we now call CAC). Decreasing the size of territories reduced travel and sales costs.

In addition to physical and transportation limitations, splitting territories up geographically prevented duplication of work and limited rules of engagement conflicts. If only one sales rep owns all accounts in Atlanta, then another sales rep wouldn't call on those accounts. Early geographic territories helped managers:

- Cover their TAM (total addressable market) in an organized way
- Compare metrics across territories
- Equalize every sales rep's opportunity
- Meet the competition effectively

But other factors started to play a role in territory segmentation

It sounds simple, splitting up a region into sellable territories. Just count the number of customers in a place, and divide it up. But we all know, it's far more complicated than that, and in 1953, Charles Whitley Smith published "Making Your Sales Figures Talk," writing that "depending on the availability of suitable market potential data, preparing sales territory potential estimates can be relatively easy, or extremely difficult." Prioritizing a customer's potential value became more important. Sales management started to consider two additional factors in territory design:

- Potential revenue/invoice size
- Sales activity

These were the early days of developing an account score. Account scoring is the process of rating prospects with a score based on their likelihood to be a good customer, including factors like potential revenue, vertical, the activity required to service their account, and more.

Today, many companies still use the methods developed in Smith's time to (attempt to) create equitable sales territories, split up based on coverage, potential and size.

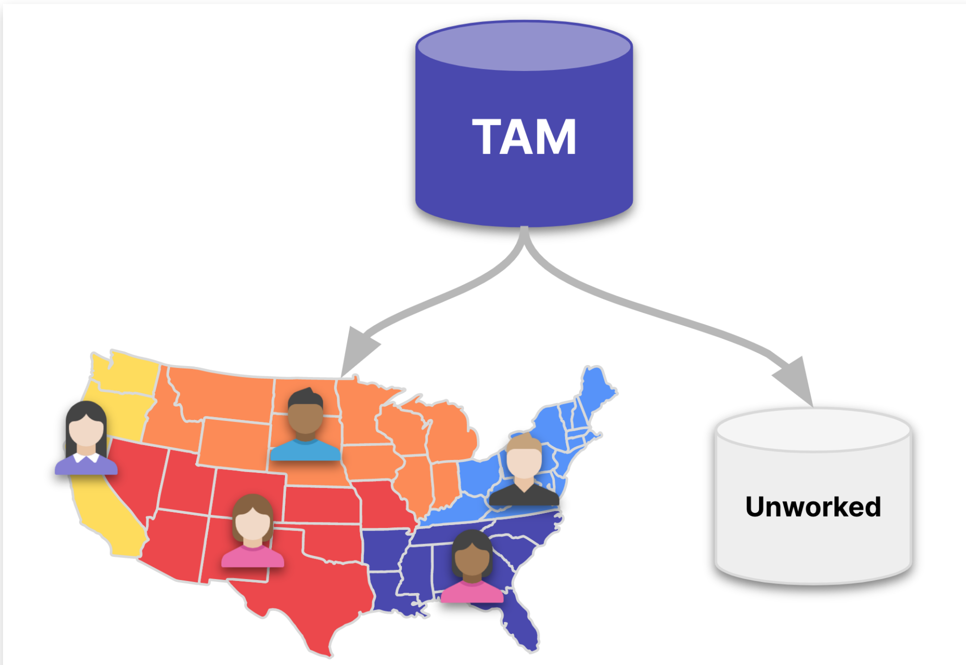
The state of territory design now

So that's how we got where we are today. And in many cases, a lot of companies still rely on these traditional territory methods of dividing their market up. They're tried and true models, right? Tried? Yes. But true? Not so much anymore, but we'll get to that.

Today, traditional territory models tend to fall into two major categories: static territories and the wild west. Most companies use one of these two models.

Static territory model, aka the legacy model

First, the most traditional territory model is a set of static territories. The idea is that if you have the right data and perform the perfect analysis, you can carve up your addressable market into equal, fair, and cost-effective segments to distribute to your sales reps.



What do we mean when we say “static” territories?

We use the term “static” to describe any territory design that allocates a predefined group of accounts to a rep that they’re responsible for over a set period of time (usually a year). These territories are defined by one or more of the factors we discussed earlier, including company location, company size, potential revenue, and so on. 76% of companies use geography as their primary allocation factor today[1].

Most sales teams with static territories carve up their addressable market during an annual planning process. They then assign a sales rep to each pre-defined territory.

While popular, static territories do not, however, have to be geographic. Companies may give reps a group of named accounts that they’re responsible for. These accounts may have no particular geographic arrangement. We would still consider this a static territory because the set of accounts doesn’t change over time.

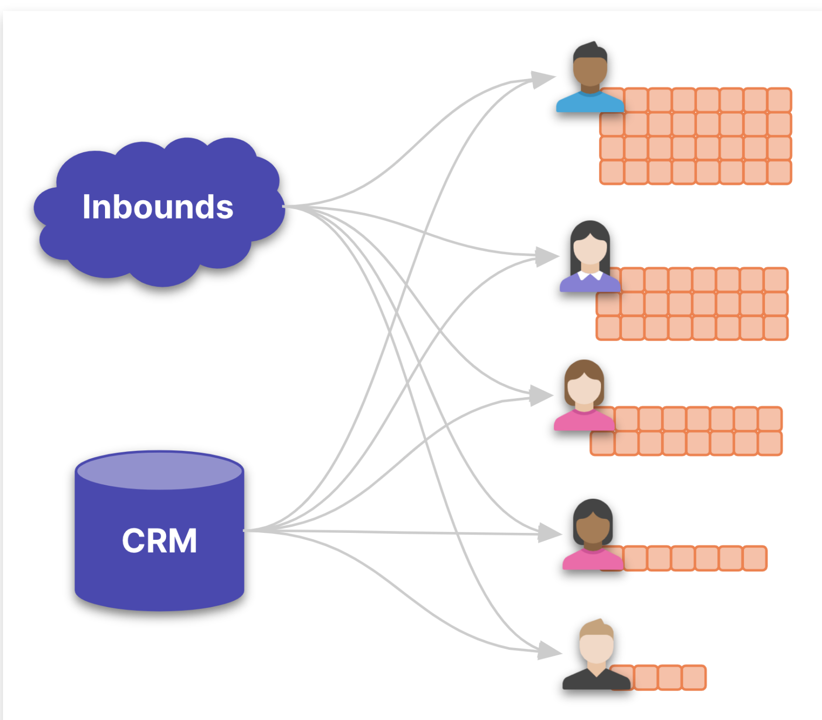
Static territories have some benefits, of course. They're relatively simple to manage - you only need to do your analysis and planning once a year, and the reps can figure the rest out. They're also familiar - most sales teams know what to expect from a static territory.

But static territories also have a number of significant disadvantages.

- **Feast or famine**: Prospects go unworked because some reps have too much opportunity while some other reps fight for scraps in weaker territories
- **Prioritization problems**: Annual "carving" process tries to balance potential but forces reps to decide who to engage and when on a daily basis
- **Headcount headaches**: Adding or losing reps is complex and disruptive due to "re-carving" or managing empty territories; meanwhile reps complain about accounts
- **Capped coverage**: Cumulative impact of these problems means quota capacity is misallocated and reps can't effectively cover the TAM

Open territory model, aka the wild west approach

Another traditional territory model is what we call the wild west. You might even consider it an explicitly anti-territory model, where it's every rep for themselves.



In this model, a company defines its ICP and TAM, and reps are free to hunt for prospects anywhere, as long as they seem like they could be a good fit. It seems like the wild west, because it often is. Reps shoot first, and ask questions later.

The wild west model works fine for smaller or newer companies, who don't need to implement a more structured territory model yet. But the wild west model has myriad disadvantages for most companies.

- **Hoarding horrors**: Reps who have been at the company the longest have accumulated lots of accounts, giving them an option on lots of inbounds
- **Gaming attainment**: Reps that have learned the right tricks are better at prospecting accounts in the CRM, rewarding insider knowledge, not sales skill
- **Rough ramping**: New reps struggle to ramp quickly because they start with a small book and have to pick through the dregs
- **Unworked accounts**: Reps have more accounts in their name than they can effectively work so your team isn't fully covering your TAM

The trouble with territories

Regardless of the model, traditional notions of territories fail to account for the complexity of the modern sales cycle, and leave a lot of unrealized revenue on the table.

Territories are inflexible, unfair, and no matter how much time a team spends on annual territory planning (and it will take months), they're never perfect. In fact, they're rarely even very good.

That's because opportunity is not distributed geographically.

Territory design is incredibly difficult and time-consuming. It really does take most companies a few months every year to do the required analysis and political horse trading involved in annual territory planning. That is such a huge time commitment, particularly when the final results don't reflect the effort put into them.

And ongoing territory management is just as challenging - how do you keep territories balanced as accounts and reps move in and out? How do you deal with rep complaints and rules of engagement conflict? How do you ensure you're covering your TAM? The reality is, you won't ever get this exactly right. And ultimately, attainment suffers.

A sales manager's job is to ensure that every rep always has the right quota coverage to maximize attainment for the business. You can't do that with static territories.

When sales territories are out of balance, organizations spend too much money and time on low-potential customers, while spending too little on high-potential customers. As a result, sales organizations can leave millions of dollars in lost productivity unrealized.
-Forrester

There's a better way... dynamic book management

Sales organizations used territories for over 100 years because we had to. We didn't have the ability to do something better. We had to deal with static territories that rarely changed because it was just so hard to adjust them more frequently.

But now, we have the technology, the data, and the means to move beyond traditional notions of sales territories into something that's more efficient.

And that's *dynamic book management*. Dynamic book management continually matches available rep capacity with the best available accounts.

Based on processes in place at the world's top-performing B2B sales organizations, dynamic book management uses data and automation to create flexible account books that are based on an account's potential fit and in-market timing, as well as a sales rep's available capacity.

Dynamic book management relies on *books* instead of *territories*. A dynamic books approach is fungible and account based. A rep's book is a collection of high-potential prospect accounts that match predefined criteria on ICP fit and intent timing. Accounts are moved into and out of a rep's book as they demonstrate intent and go cold, respectively.

A rep is responsible for working every account in their book, and only owns accounts they're actively working. A rep has to be working an account to keep it. When they're done working it (it's disqualified, non-responsive, etc...) or if they simply stop working it, it goes back into the pool until it's time to work it again (it has rested long enough or moves in-market). This way, reps' books are constantly refreshed, and every rep can focus on the highest priority accounts. Additionally, all reps end up with balanced books.

Here’s an example of how dynamic books works: A mid-market SDR is responsible for working 100 accounts with $50MM - $500MM in annual revenue. When that rep starts out, the best available accounts in the pool that meet mid-market criteria would be distributed to her. As she works those accounts, she may learn that some are disqualified because they use a competitor or have been acquired. When she learns this, she can return the account to the pool and a new account will be distributed to her. She is responsible for actively working each account in her book. If she stops working an account, it will be retrieved from her and placed back in the pool for future distribution.

Dynamic book management throws rigid segmentation out the window and focuses on rep capacity, account potential, and TAM coverage. Other than a few high-level considerations for time zones and cultural factors, dividing up a country into 9 regions for sales reps to split just doesn’t make sense any more.

Why not? Here are a few of the changes that have happened to sales teams in the past few years. Most of these were trends that were underway in the 2010s, and the covid pandemic served to accelerate them. And most of them aren’t going away.

- Reliable and pervasive video conferencing
- Remote, flexible work
- Less in-person selling, fewer field sales reps
- More accurate data on companies, prospects, contacts
- Better sales engagement and CRM technology

We simply don’t ***need*** geography any more. We can use other factors to be sure sales reps have equal opportunity and companies are adequately covering their TAM.

Dynamic book management is an automated and flexible way of managing rep books. It ensures that every rep has quota coverage, and rep books stay balanced, even as accounts move in and out.

A dynamic books model turns intent into action. It takes the best principles of round robin distribution to ensure every rep gets a fair shot.

It's flexible and automated, so you can manage supply and demand continuously. Book management eliminates the need for annual territory planning and complicated territory spreadsheets.

It’s making sure a rep takes the right action with the right account at the right time, which increases TAM coverage, and ultimately, attainment.

A dynamic books approach:

- ✓ Continually matches the highest potential accounts with reps with available capacity
- ✓ Identifies and prioritizes high-potential accounts by fit and timing signals
- ✓ Automatically replaces accounts that move out when converted or disqualified
- ✓ Keeps rep books balanced and updated

The difference between static territories and dynamic books

Here's how we think about territories in relation to dynamic books. First, a few terms:

> **Territory design**: The overall strategy behind how you think about and structure territories
>
> **Territory planning**: The periodic (usually annual) process of carving up territories to give to reps
>
> **Territory management**: The ongoing process of maintaining and optimizing your territory distribution

Dynamic book management is *a modern form of territory design*, as an alternate to static territories. If you adopt this form of territory design, your approach to territory planning and management will drastically change. For example, you'll likely stop annual territory planning altogether.

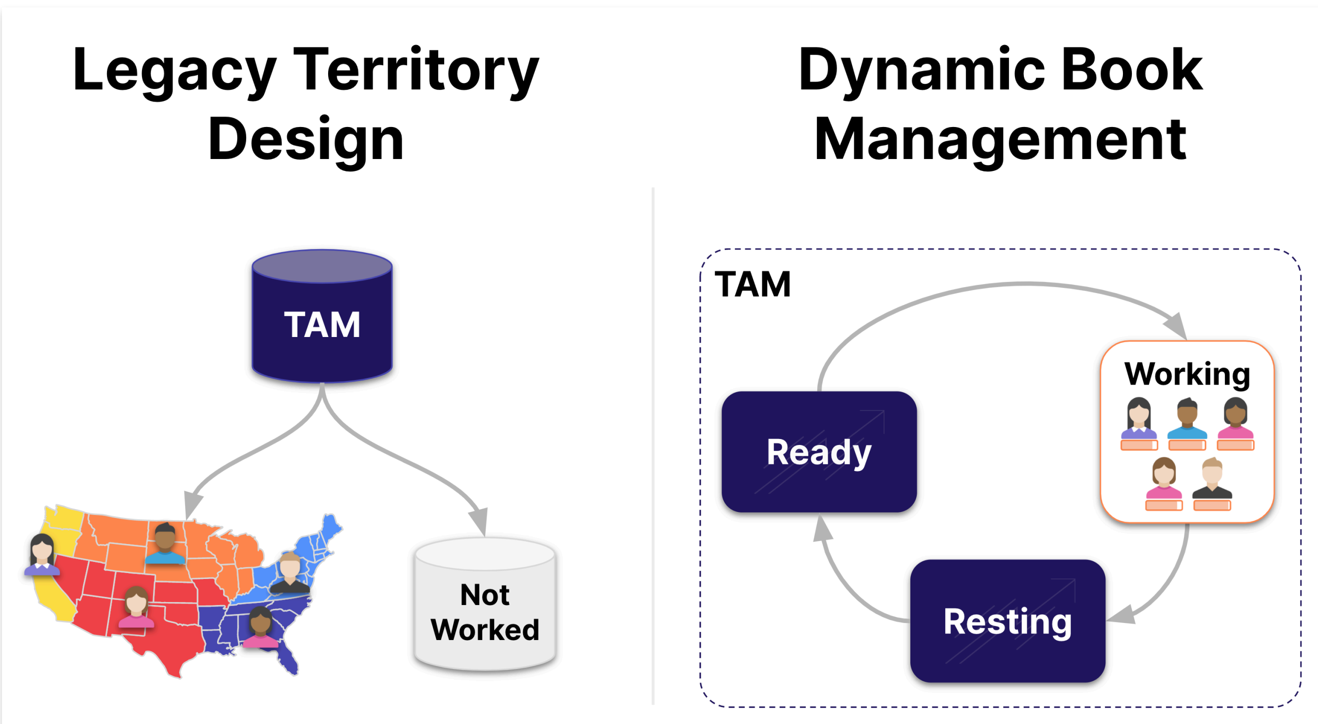
Static territories treat a list of accounts (the territory) as fixed and a rep as changeable (e.g. a rep is assigned to a territory).

Dynamic book management takes your reps and treats their list of accounts (their book) as changeable, or dynamic. Instead of a static territory or fixed list of accounts, reps are assigned a "target book" that defines the types of accounts they're responsible for working.

Static territory models are inherently unfair. Some reps don't have enough quality in-market accounts to work while others have too many and can't work them all. Dynamic books ensures that the highest quality, highest-fit accounts are evenly distributed across reps, so every rep has a balanced book.

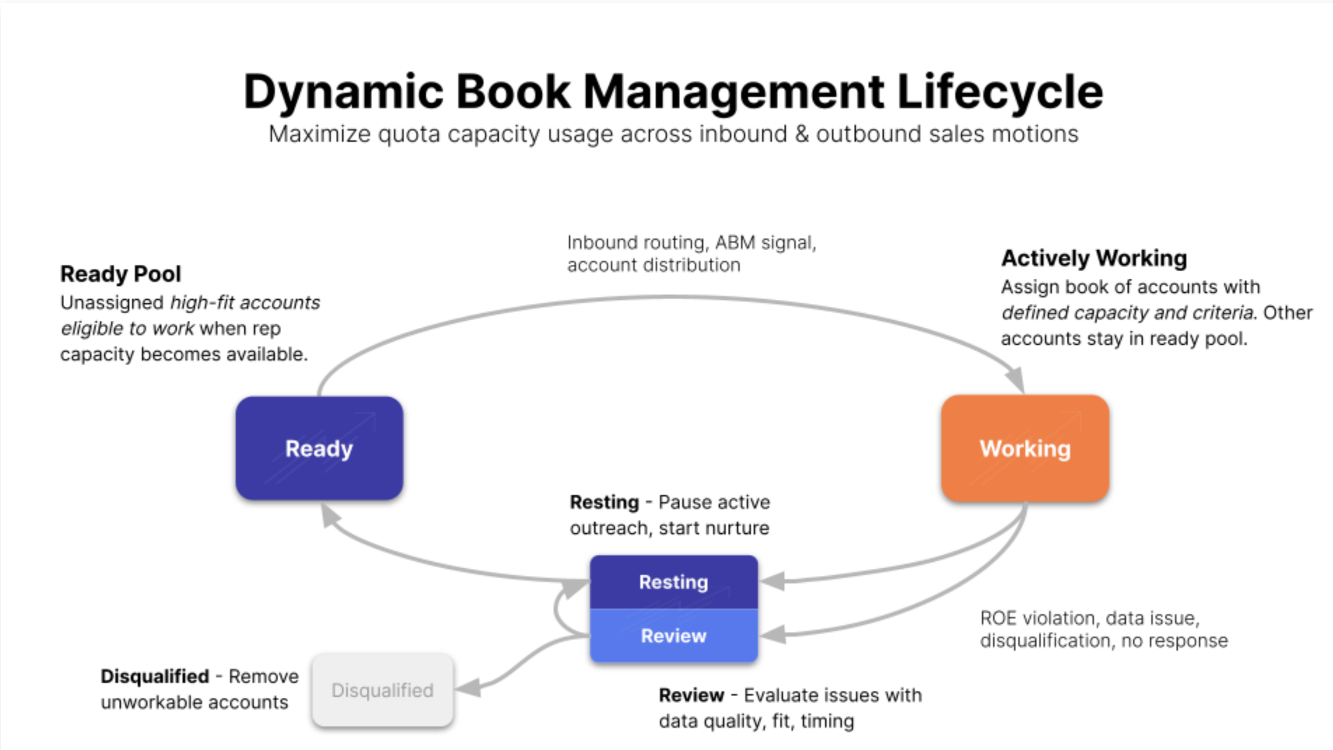
A traditional territory design model forces you to get it right the first time. A dynamic model allows you to respond to changes in your team or market immediately, and adjust as you need to.

Another big difference between dynamic books and static territories is in planning. Dynamic book management eliminates the need for expensive and extended annual territory planning. Instead of spending weeks every year reconfiguring your territory allocations, you can quickly adjust your books whenever you need to. You can see what's working, how many accounts reps can realistically work, move accounts in and out as things change, without a single spreadsheet.



How does dynamic book management work?

Dynamic book management allows your reps to reach out, interact with accounts, gather information, and then return them back to the pool (or not). And then you can learn from what's working and what isn't.



Here are some of the important concepts in dynamic books:

Pool: A group of accounts that are unassigned and available to be worked

Book: A group of accounts currently owned (and being worked) by a rep

Distribution: Sending one or more unworked accounts to a rep to be worked

Return: A rep sends a fully worked and disqualified account back to the pool

Retrieval: An automated return of accounts not actively being worked to the pool

Signals: Fit and timing criteria that indicate an account is high potential or high intent

Working: An account is being "worked" when a rep is actively engaging (or at least actively trying to engage) with a prospect. An account is no longer being worked after some period of time after the last meaningful activity.

Rest: A period of time when an account sits unworked in the pool before it is eligible to be worked again

Who is dynamic book management for?

Dynamic book management works for sales teams, account management teams, and any group of employees who are responsible for a divided up set of customers, accounts, prospects, or leads.

Most of the time, when we're talking about dynamic books, we're thinking specifically about sales development teams and full-cycle sales reps. It's a great model for outbound SDRs who work a book of accounts to find interested prospects, but it works for all kinds of teams, including outbound, inbound and hybrid teams. Every team benefits when reps stay focused on a clearly defined book of accounts.

Hybrid teams may want to define part of their target book focused on inbound and part focused on outbound. The size of each of these segments depends on the proportion of time the reps spend on each activity.

Inbound teams without well-defined books often end up with account ownership imbalances because prospect accounts never return to the pool. This "hoarding" behavior leads to uneven attainment and challenges for ramping reps because long-tenured reps end up with "options" on large numbers of high-quality accounts. By returning unworked accounts to the pool, and redistributing them the next time they inbound, teams can avoid these problems.

Define target books

Manage prospect lifecycle

Connect buying signals

A dynamic books example

Jane has the Northern Arkansas territory with 100 accounts, and Joe has Northern California with 100 accounts.

However, all accounts aren't created equal and won't be in-market at the same time. Jane's territory may only have 20 in-market high-quality accounts while all 100 of Joe's are great.

Further, let's say that each rep can really only work 60 accounts at once. Jane will use her time finding increasingly creative ways to reach out to her 20 accounts or drum up business on the 80 remaining marginal accounts, while Joe focuses on the top 60 best accounts and ignores 40 good accounts. That's the static territory model. One rep is starving, and another is so full that they're leaving potential revenue from high-quality accounts unworked.

With dynamic book management, Jane and Joe would split the 120 high-quality accounts evenly and each use their efforts to work 60 accounts. Both reps would be equally fed, and have equal opportunity to hit quota.

Let's assume a conversion rate of 10% on high-quality accounts for this example. Given that conversion rate, here are the metrics:

Static Territories

Jane: 2 opps (20 ∗ 10%)

Joe: 6 opps (60 ∗ 10%)

Total: 8 opps (Book productivity: 6.7%)

Dynamic Books

Jane: 6 opps (60 ∗ 10%)

Joe: 6 opps (60 ∗ 10%)

Total: 12 opps (Book productivity: 10%)

What about the 80 lower-quality accounts that were in Jane's territory? Well, they would go into a general account pool to be assigned later if a) they demonstrate meaningful buying signals or b) there's no other more valuable accounts to work. We'll talk more about pools in just a minute.

More questions about dynamic book management

Since dynamic book management may be a new way of thinking about territories, you're bound to have some questions. Here are a few of the most common questions about dynamic books.

Does dynamic book management require an existing account based approach?

Account based sales and marketing (usually just ABM) go together well, but dynamic book management and ABM can be used separately. ABM shifts the focus from engaging with individual contacts to engaging with an account as a whole. Most ABM products also aim to provide intent data about buying signals for specific accounts. These tell you if the account is in-market for a solution like yours. Many companies apply ABM to static territory models: reps can make use of intent information on accounts in their territory to prioritize follow-up. In this model, unassigned accounts usually remain unworked even if they demonstrate intent. If you're already using ABM, dynamic book management allows you to make the most of your investment, making it possible to ensure reps are working current high-intent accounts and can set low-intent accounts aside until they demonstrate intent again.

If you don't have an ABM product to provide intent signals, dynamic book management still helps you more effectively cover your TAM.

When should you not use dynamic book management?

Dynamic book management is designed for new business inside sales teams. Because reps work with a changeable list of accounts, dynamic book management is not a good choice for highly relationship-driven sales or situations where geography matters a lot (such as field sales). This means it's also not a great choice for account management functions that are designed to build long-term relationships.

Won't reps be mad if you remove accounts from their name?

As with any sales process change, reps will worry about how this change will impact their compensation (more on this in a minute), but if they understand how this new process will actually benefit them, they'll be less concerned. So of course, you should be transparent and clearly communicate with reps any time you make a change that impacts how they make their number.

In our experience, reps have typically been happy with the tradeoffs they get from dynamic books. In exchange for a commitment to work all the accounts in their book, they receive:

- A smaller, more focused book that eliminates any analysis paralysis they may have gotten from trying to sort through a large territory
- They know that if they identify an account as unworkable, they'll be able to get a new one to replace it
- They understand that the best available accounts from the TAM are always in their books

Will reps perceive this as unfair?

Dynamic book management actually represents a more fair allocation than any static territory model could guarantee. However, when transitioning to dynamic book management, reps who have the best territories (in a static model) or the most accounts (in a wild west model) may be frustrated at the change, because making their number may get more difficult. This needs to be balanced with the experience of reps who have had worse territories or shorter tenure who will have a vastly improved experience.

Since longer-tenured reps tend to be influential with the rest of the team, you need to pay special attention to them to bring them onside with the change. Work with them to ensure that they retain top tier accounts they've been actively engaged with. If they're putting in the work, make sure to respect that. However, don't allow them to coast and retain accounts just because they've always had them.

How does this change the rep experience?

Dynamic book management only impacts the assignment and reassignment of accounts. Reps can typically continue to use the lists, reports and tools they've always used to manage their book of accounts. If you haven't typically had defined account ownership before, those tools may need to be adjusted to be ownership-based.

There are two differences reps will typically encounter:

- They'll need some way of knowing which accounts have just entered their book so they can start working them. This is typically done with a list or report. If you use Salesforce, this can be done via stamping fields on the account using Data Loader or with a dynamic book management solution like Gradient Works.

- They'll need a way to return accounts to the pool if they've dispositioned them. This can be automated in Salesforce via custom Salesforce automation or using a solution like Gradient Works.

What does dynamic book management mean for comp plans?

Typically comp plans get simpler with dynamic books because all equivalently senior reps are working equivalent books of accounts. Dynamic book management allows you to eliminate any territory-specific adjustments that you need to make to compensation to account for unequal opportunity.

One caveat is if you're considering applying dynamic book management to an "expansion" comp model that's based around some growth of a set of accounts from a baseline. This is common for account management comp plans where reps are given an account base and asked to increase the total value of that book by some percentage, through upsells and cross-sells. In this case, dynamic book management can add complexity because the base of accounts is subject to frequent change. In this case, you may want to apply dynamic books that are rebalanced somewhat less frequently than normal, like quarterly. During each rebalancing you can establish a new baseline for rep compensation.

What if our data isn't very good?

Dynamic book management starts from the assumption that some amount of bad data is a fact of life. Because, let's face it - your data will never be as clean as you want it.

But unlike static territory models that require high quality firmographic data and where data issues become a high stakes problem, dynamic book management is designed to be resilient. With dynamic books, reps are able to return accounts for review if they discover there's incorrect data. This alerts the RevOps team to an issue while allowing the rep to continue to be productive with a replacement account. The RevOps team can then resolve the issue and reintroduce the account into circulation or determine the account is invalid and retire it.

A dynamic books approach will actually help you with data hygiene, more consistently flagging bad data for review. So you don't need to worry too much about having perfect data to get started.

What if we don’t have an account score?

Dynamic book management doesn’t require you to have either a [fit or timing score](). Ideally, you will have some sense of who fits into your ICP, so you can identify accounts that are in your market. Since a dynamic books approach relies on frequent distributions of accounts to “top-up” rep books, you’ll probably want some way to rank the accounts you’re distributing. This doesn’t need to be expressed as a score. It could be as simple as a series of sort criteria that define companies that are a better fit within your ICP. For example, you may wish to sort prospect accounts by employee count, followed by estimated revenue.

If you do have an account score, that’s great too. A dynamic book approach will allow you to distribute accounts when they reach a certain score threshold. And that score can be as simple as you’d like. We recommend starting with a simple score anyway, and refining it as you learn what accounts fit into your ICP.

Can dynamic book management coexist with other territory designs?

Yes. Many companies choose to initially deploy dynamic book management for a particular rep role, market segment, or even within a specific geographic region. For example, you could choose to start with dynamic books for your commercial SDR team, while keeping some of your existing territory models in place for your other teams.

However, consider what happens if you deploy dynamic book management for your BDRs, while maintaining a geographic model for your AEs. To implement a model like this, you’ll want to treat the BDRs as a pool, all of whom are feeding the AEs based on the territory of the account which sets the meeting. This can be a challenge if your geographic territories are very uneven, as your SDRs may set too many meetings for your AEs in good geographies to handle.

Can dynamic book management handle shared ownership models?

Yes, dynamic book management can be used in models where, for example, AEs and BDRs jointly own accounts. In that case, you would treat the account as belonging to the AE’s target book as well as the BDR’s target book. As with any shared ownership model, coordination is important to ensure that you don’t duplicate effort or miscommunicate with the prospect.

Our AEs and BDRs operate as teams or pods, so how would dynamic book management change that?

With dynamic book management, we highly recommend that you move to a pool model where all the BDRs feed all the AEs, ideally with a round robin assignment process. Not only does this provide more complete and more efficient coverage of your TAM, it forces your teams to be better at sharing account information more widely. In a pod model, a single rep underperforming or leaving the company can torpedo the performance of their podmates. Pools reduce this impact significantly, making your team more resilient overall. Pools also make it easier to add quota capacity to one part of your organization without requiring that you modify quota capacity elsewhere.

Implementing a dynamic books model

So let's say you want to move from a static territory model or a wild west setup to dynamic books. What do you need to do to move to a more dynamic model?

Here are the best practices top sales team have implemented when they made the switch to a dynamic books model.

1. Audit your current process.

Figure out where the gaps are in your current territory design. Here are the things you need to determine:

- **TAM size**: How many accounts matching your ICP currently exist in your CRM? Are you missing any? How long since you audited that?
- **New business TAM (NBTAM) size**: How many accounts within your TAM are eligible for new business to work?
- **Territory/ownership distribution**: What is the breakdown of NBTAM accounts in each territory right now?
- **Coverage:** How many NBTAM accounts have reps actively engaged with in the last 30/60/90 days? What's the breakdown of actively engaged accounts that are currently owned by reps? How many accounts aren't even assigned to reps and/or haven't been worked in the last year?

Also consider how you currently measure a rep's productivity and performance.

For each KPI below, determine existing targets (if any) and look at the last 6-12 months of performance across all relevant reps:

- Activity levels: How many activities do you expect reps to perform on a daily/weekly/monthly basis?
- Account penetration: How many touches should reps do per contact? How many contacts should reps sequence per account?
- Quota: For roles that are responsible for creating pipeline (BDRs, SDRS, full-cycle reps), what's the quota for meetings set or pipeline creation? Opportunity creation?

2. Select or refine your fit and timing signals

What makes an account high potential? How do you decide that an account in your pool is ready to work and should be distributed to a rep? Top sales teams look for fit and timing signals.

Fit. You're looking for criteria that indicate ICP fit. You may already use a simple scoring methodology here. Start with that. Simple is better anyway - some people try to get too fancy with their score, and it becomes overly complex and is likely more than you need to get started. Start small, work up to sophisticated. If you want more on account scoring, read this.

Timing. Determine which indicators you have to tell you that an account is ready for your solution. Which of those indicators would cause you to want to ensure the account is assigned to rep? Put another way, what would indicate a missed opportunity that you'd kick yourself about later? It might be a funding announcement, an upcoming contract expiration, a new executive hire, and so on. You may have an ABM product that tells you something about intent or buying stage, and that's likely a timing signal. Another big timing signal is a hand raise, like a demo request. What role do inbound leads play in your account pool?

We've written lots more about fit and timing if you want to go deeper on these topics.

3. Update your team's mental model of account ownership

You may worry about how your team will feel about implementing a new process. It's a big change for some teams. Instead of reps owning a territory or large number of statically assigned accounts, reps will now only own accounts they're actively working. Accounts that reps aren't actively engaged with are kept in a pool for marketing nurture or future engagement, so reps need to work accounts to keep them. This "use it or lose it" model may be new to reps.

You may need to address issues of account hoarding, and rep concerns about quota and compensation. Stress that while they may not have as many accounts in their name at one time, they will have higher quality accounts that have higher potential to convert. They won't need to spend time figuring out which accounts to work. And once an account is proven to be disqualified, they'll get a new account in its place. So they'll likely get more accounts over time, since new ones will be moving out to replace old ones. And they'll be more likely to hit quota this way.

Top sales teams find this actually ends up helping with CRM hygiene too - if a rep has to demonstrate that they're working an account so they can keep it, they'll have to update Salesforce! Over time, account data becomes cleaner and more accurate.

4. Define clear rules of engagement and SLAs for reps

Since you're going to be retrieving accounts from reps that aren't actively worked, you need to establish a clear set of rules for what counts as working an account. This needs to be something that's objective, measurable, and can be defined in Salesforce. If this is unclear in any way, it will seem (and may actually be) unfair to reps.

Typically an account is no longer being worked if it's been some amount of time since the last meaningful activity. Depending on your sales cycle, it will likely be 15 to 90 days after the last meaningful activity before an account is considered no longer being worked. Whatever you decide on, write it down, communicate it to your reps, and evaluate it after a few months.

You also need to decide how many accounts should be in a rep's name at once. Your ideal book size will vary depending on sales cycle length, ACV, average touches needed, the number of contacts per account, and so many more factors. You may have different target book sizes for different segments or products. We have a handy little calculator that may help you decide here.

5. Frequently circulate accounts.

High-performing sales teams use dynamic account allocations that regularly and frequently distribute new accounts to reps, in addition to retrieving accounts that are unworkable or worked to completion.

The dynamic books cycle keeps rep books balanced as accounts go from ready to be worked, to working, and then to resting, review or converted. This is part of what makes it different from a traditional territory model - assigning accounts to available reps as soon as an account is ready to be worked.

An account is ready to be worked when it meets predefined fit and timing criteria, as discussed above. As soon as an account is ready to work, it needs to be distributed. Many teams are used to doing this with inbound leads; for example, a new demo request form fill is usually immediately routed to a rep for qualification. But this kind of real-time distribution needs to happen with other kinds of accounts, as well. If an account in your CRM increases in potential based on a change in fit or timing signals, then that account should be routed to a rep to work right away. Best-in-class sales teams have connected some kind of intent data to their CRM to monitor these signals in real-time.

When an account is done being worked - whether it's been worked to completion, converted to an opportunity, or cannot be worked further due to data or other issues, that account should be returned to your CRM account pool. If there's a data quality issue, the operations team can update the data and redistribute. Maybe an account needs to rest for a few months before a rep reaches out again. Regardless, top sales teams take inactive accounts out of a rep's name, so reps can focus only on the highest-potential accounts.

6. Monitor, measure, and reevaluate.

High-performance sales teams keep an eye on how things are going. The evaluative everything they can measure, like the size of reps' account books (How many accounts do they own now? Are accounts evenly distributed across your team?), activity (# of calls, emails, accounts touched), and changes to success metrics (meetings set, opps created, pipeline, and so on).

But you should also talk to your reps and managers to understand how this is working in practice. How do they feel about it? Do they have enough to do? Do they have too much? Are the accounts they've actively working the right accounts? Are you giving accounts enough time to be worked fully? Don't be afraid to tweak your process as you go, to make sure everyone has the best opportunity to succeed.

Conclusion

Only 53% of sales reps regularly hit quota[2].

Despite all your investments in coaching, training and tools, attainment still suffers. Territory planning takes way too much time, and never produces the results you want. You're missing out on revenue because you're not deploying your reps effectively.

It's not your fault. It's because your territory design still relies on methods developed over 100 years ago. 76% of companies still use a geographic territory model. 83% of companies design their territories with spreadsheets.

But opportunity is not distributed geographically. Some reps get territories with so many high-potential accounts they can't talk to them all, while other reps starve in territories with low potential.

The result? Uneven attainment, unhappy reps, unrealized revenue. 100 years ago, this was the best sales teams could do. But we can do better now.

That better way is dynamic book management. Built on best practices from top B2B inside sales teams, dynamic book management is a modern way of allocating accounts to sales reps.

A dynamic books approach continually matches rep capacity with the best available accounts. Dynamic book management ensures that all of your highest potential accounts are being worked, always.

No more overlooked accounts. No more account hoarding.

With dynamic books, you can cover all the prospects in your TAM, keep rep books balanced, and continually improve your CRM data. Best of all, you will improve rep productivity and increase attainment.

Of course, we couldn't end this paper without a pitch for Gradient Works Bookbuilder. Our book management software can automate the entire dynamic books process for your team. Setup is actually pretty simple, and we can have your SDR team using a dynamic books model in just days. Most of our customers see almost immediate returns on their investment - setting more meetings and connecting with more accounts within the first few days, and creating more opportunities, growing pipeline and increasing attainment within weeks.

Even if you're not sure if you're ready to make the switch to dynamic books, it's worth a conversation with our team to talk about your options. Let's have that conversation.

See how dynamic books can transform your sales productivity

Learn more about Gradient Works Bookbuilder

Learn more

Sources

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2. 5 Essential Strategies for Setting Sales Quotas, Korn Ferry, 2021