



September 2014

Territory Management Concepts

Release 8

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1 Introduction

Territory Management is a foundational component of Oracle Sales Cloud that enables many key Sales Force Automation (SFA) processes. This document will introduce fundamental concepts of Territory Management. It will provide an overview of key capabilities and explain how these capabilities can improve the overall performance of your sales organization to make your sales force more effective and productive.

This document will focus on how you can use Territory Management to:

- Model your sales organization structure
- Assign the most effective sales team to your customers and opportunities
- Provide shared data visibility to encourage collaboration and team cross-selling
- Optimize sales coverage and maximize revenue with balanced territories
- Reduce territory administration costs and errors



2 Model Your Sales Organization

One of the most critical aspects of a SFA system implementation is the definition of the sales organization structure and the assignment of your sales resources within this structure. This structure represents how your sales force is organized internally and should be aligned with your sales strategy and how you sell in your marketplace. From a systems perspective, this structure drives data visibility for your sales users, rolls up the sales forecast, and aggregates data to measure performance at each level within your sales organization.

What is a Territory

Depending on your specific industry and business model, a territory can be used to model any part of your sales organization. The following is a set of examples to illustrate different scenarios:

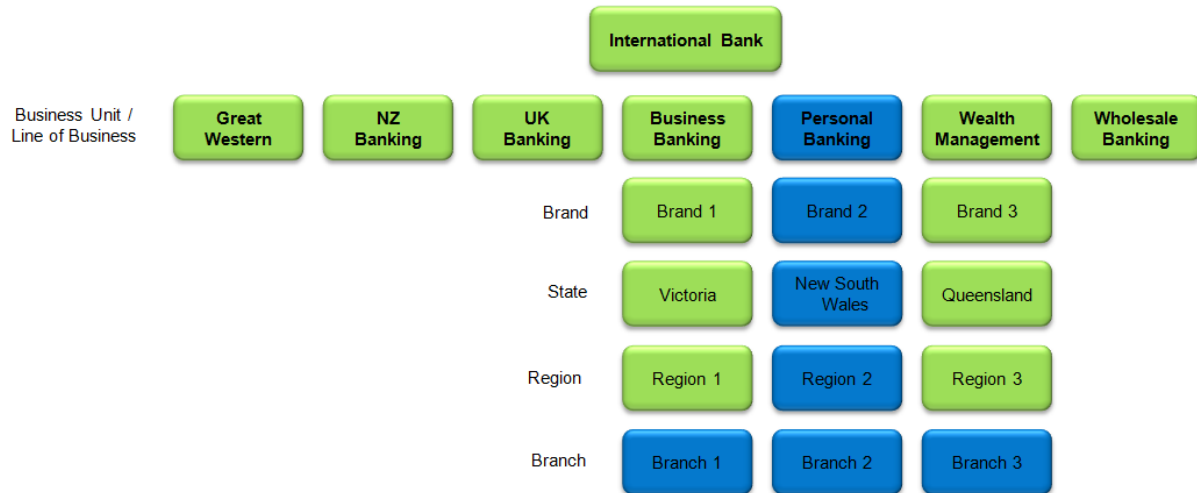
- A territory can represent the responsibility of a sales rep such as a set of customers
- A territory can represent the responsibility of a sales manager or executive such as geographic region, line of business, product line, customer segment, or sales channel
- A territory can represent the responsibility of a channel account manager, including a specific set of partners and their respective sales activities
- A territory can represent a branch or a sales office comprised of a sales team that is collectively responsible for selling to customers in a specific geographical region
- A territory can represent the jurisdiction of a channel partner such as authorizing the partner to sell a specific set of products to a set of customers

Territories are organized in a hierarchy. While there is one single global territory structure for the entire enterprise, each branch of the overall structure represents a different part of the sales organization. The hierarchical relationship between territories at different levels defines how the data aggregation and visibility are rolled up.

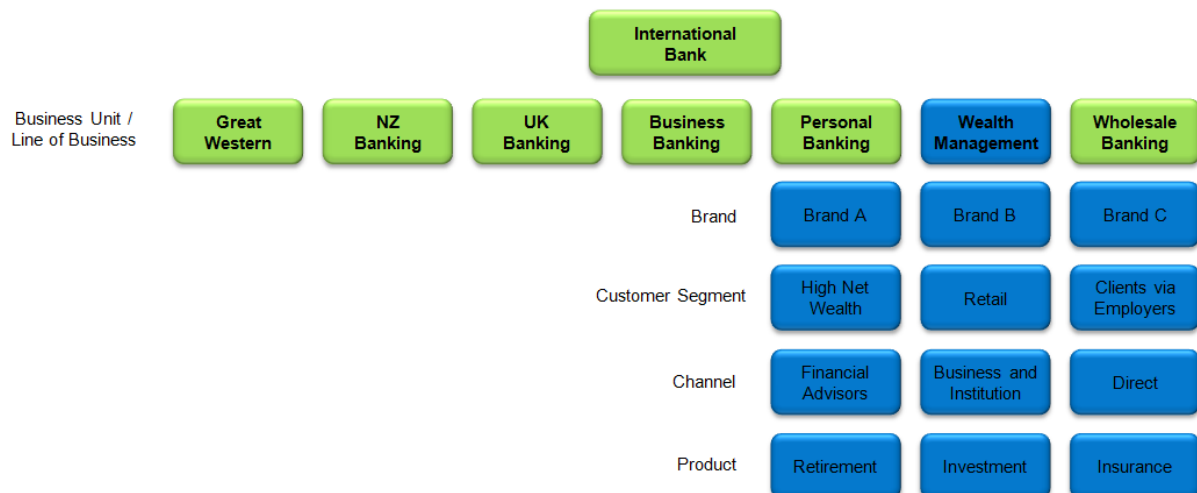
Each territory is associated with one or more sales resources that comprise the sales team for that territory. Each resource on the territory team may have a designated function based on the role that team member has in the context of that territory. A resource may be assigned to multiple territories with the same or different roles.

A Financial Services Example

The following is an example of how an international financial services company may define its territory structure.



The overall structure shows different lines of business. Within the Personal Banking line of business, territories are further broken down by brand, geography (state, and then region), and branch. Using this same example, the Wealth Management line of business is organized differently as depicted below:



For Wealth Management, territories are first broken out by brand, customer segment, sales channel, and product line.

This example demonstrates how a territory can be used to define different parts of your sales organization and how it can be organized in a hierarchical structure.



3 Territory Assignment

One of the key functions of Territory Management is to automate assignment of territories to transactional objects including accounts, contacts, households, partners, leads, and opportunities. Territories are assigned to objects by matching territory coverage with attribute values of the object.

Territory Coverage

Territory coverage defines the “boundary” of each territory and in essence, describes the business rules by which assignments are performed. There are three primary ways that territory coverage can be defined:

- **Dimensional Coverage** – this is a combination of “dimensions” with a list of values for each dimension. A territory dimension is mapped to an attribute on transactional objects during assignment processing. For example, the Geography dimension on the territory is mapped to the address of the account or the partner. The following standard dimensions are provided: Geography, Product, Industry, Account Type, Organization Type, Customer Size, and Sales Channel. Three additional dimensions are provided for you to configure to your business needs.
- **Inclusion Coverage** – this specifies an explicit list of named accounts, contacts, households, or partners to be included.
- **Exclusion Coverage** – this identifies a list of named accounts, contacts, households, or partners to be excluded.

Territories can be defined using a combination of different coverage, thus giving your organization the power to model complex territories. Below are a few examples that illustrate this.

Territory Coverage Examples

1. *Sam is a territory field rep that covers all the SMB accounts in California.*
Sam's territory can be defined by using a dimensional coverage with two dimensions (Geography = California, Customer Size = SMB).
2. *Steve is a key account director who covers three enterprise accounts, namely ACME Inc, Vision Corporation, and Pinnacle Technologies.*

Steve's territory can be defined by using inclusion coverage with three explicit accounts: ACME Inc, Vision Corporation, and Pinnacle Technologies.

3. *Amanda is a territory field rep who covers all the High Tech accounts in Northern California. In addition, Simba Technologies, located in southern California, was also assigned to Amanda because she has a prior relationship with the CFO.*

Amanda's territory can be defined by using a dimensional coverage with two dimensions (Geography = Northern California, Industry = High Tech) and an inclusion coverage with one explicit account, Simba Technologies.

4. *Kevin is a BI Server product specialist that covers all accounts located in the Northwest region with the exception of Pinnacle Technologies since Pinnacle Technologies has been assigned as a named account to a key account director.*

Kevin's territory can be defined by using a dimensional coverage with two dimensions (Geography = Northwest, Product = BI Server) and an exclusion coverage with one excluded account, Pinnacle Technologies.

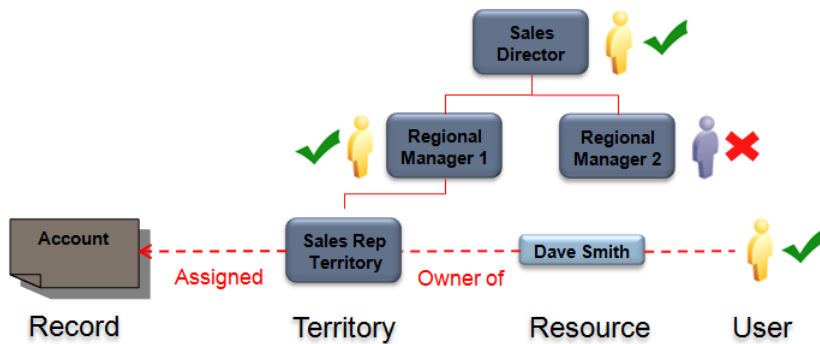
Territory Assignment Execution

You can configure when territories are assigned to transactional objects and the frequency the assignment process should be executed. Territories can be assigned in real-time as new transactions are created or when existing transactions are updated. You can also configure territory assignment to be run as a background process to assign transactions in batch. This is the recommended approach if you have a large volume of transactions.

During assignment execution, transactional attribute values are matched against territory coverage and all matching territories are assigned to the object. As an example, on a given opportunity, you can assign multiple territories that comprise of the sales team – the account rep, the industry overlay, a product specialist, the channel partner, and the channel account manager. This enables you to assemble the most effective sales team for each opportunity and to maximize your chances for closing the deal.

4 Territory-Driven Visibility


Once territories are assigned to transactional objects, territory team members gain visibility into these objects through the territory hierarchy. In the following example, sales rep Dave Smith has access to the account because his territory is directly assigned to the account record. His regional manager and sales director also gain access to the same account because their territories are ancestors of Dave's territory. By contrast, Regional Manager 2 does not have access to the account because his territory is not a direct ancestor of Dave's territory.



Shared Visibility for Collaboration

Combining flexible assignment rules and territory-driven visibility, Oracle Sales Cloud provides precise control over data visibility and data sharing policies. For large enterprise sales organizations with complex sales teams such as the example depicted below, shared visibility on customer and opportunity data can further facilitate collaboration and team cross-selling.





5 Territory Optimization

Oracle Sales Cloud enables you to model your sales territories in advance and evaluate the effectiveness of your territories using powerful what-if analysis capabilities. With these tools, you can easily determine if your territories are equitable and balanced or if there are any gaps or overlaps in your coverage. This provides sales leaders with valuable insights to optimize sales coverage.

Territory Proposals

Territory changes can be modeled using territory proposals. A territory proposal enables you to evaluate the business impact of territory changes prior to rolling them out to your organization, resulting in better business decisions.

What-if Analysis Capabilities

With Oracle Sales Cloud, you have access to numerous what-if analysis capabilities to assess the effectiveness of territory changes within a proposal, including the following:

Territory Metrics

Oracle Sales Cloud offers a number of pre-built territory metrics based on past revenue performance, as well as current sales pipeline and forecast. Leveraging these real-time metrics, you can create more equitable and balanced territories to optimize sales coverage.

Territory Gap and Overlap Reports

Gaps in territory coverage can result in lost opportunities and revenue. On the other hand, overlaps in territory coverage can potentially cause channel conflict and encourage undesired sales behavior. You can identify such conditions in your territory model by running a set of prebuilt reports and then taking corrective action to proactively mitigate channel conflict and maximize revenue potential.

Preview Assignments

Within a territory proposal, you can preview how customers and in-flight transactions would be reassigned resulting from the changes that you are making. This will allow you to assess the business impact of these pending changes and identify mistakes before the changes are made effective.



6 Territory Administration

For many sales organizations, territory administration is a task that is performed on a daily basis to account for attrition or turnover of the sales force. In addition, major territory realignment resulting from sales reorganization or mergers and acquisitions can often take weeks, if not months to implement.

With Oracle Sales Cloud, using an intuitive user interface and bulk update capabilities, you can quickly and efficiently manage territory changes on an ongoing basis. This significantly reduces operational costs and increases business agility.

Intuitive User Interface

As described in a previous section, you can define territory assignment rules using flexible dimensional and inclusion/exclusion coverage. This declarative approach of defining territories is more intuitive and suitable for business users such as sales operations staff. By contrast, many other SFA systems require technical IT staff to write complex business rules or custom programs to make territory changes. This is time consuming and inefficient.

Bulk Territory Changes Using File Import/Export

To efficiently implement bulk territory changes resulting from major sales initiatives or reorganizations, you can leverage the “round-trip” file import/export capabilities. This feature allows you to export current territory definitions into a file, update them en masse using an off-line tool such as Microsoft Excel, and import the changes back into the system.

You can also leverage the same file import/export capabilities to migrate territory definitions from a Test environment to a Production environment, ensuring that the production environment will be an exact replica of what has already been verified in the Test environment after migration.

Delegated Administration

For large enterprise companies, the responsibility of territory administration is commonly decentralized by lines of business, divisions, or regions. This can be easily accomplished in Oracle Sales Cloud by adding the regional administrator to the territory team of the top-level territory corresponding to the scope of delegation.

For example, if an administrator is added to the territory team of the top-level territory for North America Sales, the administrator can administer all the descendent territories under North America Sales; however, this administrator will have no access to other territories in the system, such as those in the European region.



7 Other Capabilities

This section will highlight other capabilities in the Oracle Sales Cloud that are supported by Territory Management.

Forecasting

Sales Forecasting depends on having territories assigned to revenue items on opportunities. The forecast is then submitted and rolled up the management chain based on the territory hierarchy.

Quota Allocation

You can distribute top-down quotas throughout your sales organization by leveraging the territory hierarchy. Territory coverage and metrics are leveraged by advanced planning capabilities to calculate quotas for sales resources based on current territory potential or past performance. This helps set more realistic and achievable quotas and allows for management by intrinsic data as opposed to “gut feel”.

Intelligent Product Picker

Sales reps can become more productive when creating new leads or opportunities in Oracle Sales Cloud. The product picker will automatically apply filters to only show those products that are defined in the coverage of the sales rep's territory.

Business Intelligence

Territory hierarchy and territory team can be fully leveraged in reporting and analytics. Territory hierarchy can be used as a dimension to aggregate data in building reports and KPIs based on your sales organization's structure.