Building a Sales Plan: Easier Than You Think

There is money in the bank and you've had 5 new clients this month. So business is good! Or is it? Do you have more sales this month as compared to the same month last year? Is your business changing? Do you have more or fewer dog walks than last year? Do you know if your business growing, stagnating, or losing clients faster than new ones come on? And are you just too busy to even figure out the answer to those questions? You can't afford not to know the answers to these questions and to know them—you need a sales plan.

The good news is that building a sales plan is not difficult and I'll walk you through the steps. If you collect some basic information at the end of 2012, you can set up a few simple spreadsheets to allow you to keep an eye on the status of your business throughout all of 2013. I promise, it won't be time consuming and it will provide information you need to successfully grow your business.

Looking at Past Sales

A good place to start setting up business financials is a sales plan and you need to look at past sales to create it. If you are lucky, you can pull your sales numbers from your pet sitting software or accounting software like QuickBooks. Collect your sales information on a monthly basis so you have a total sales number for each month. If you don't have these resources, all is not lost. You can simply take your total sales for 2011 from your tax return and spread it over twelve months.

If you are using actual sales, it won't be the same number each month. If you are spreading your annual sales over 12 months, simply give each month's sales a guess. You know what months are busier than others and will probably come close to the correct number. In the sample we took $32,000 and spread it over 12 months. These could be your actual numbers or your best guess numbers if you don't have month-to-month totals.

I know you are already rolling eyes thinking, "I just don't have time for this!" You don't have time not to do this. You financial situation can change quickly and you'll want to know what your sales will be doing in the near term and what the expectation is for the remainder of the year.

Creating a Sales Forecast

Now that you know what you've done in the past it's time to plan for the future. Next look at how much you want to grow. Do you expect 10% growth, 50% or maybe even 75%? To do this you

SAMPLE SALES FORECAST

	2012 Sales	2013 Forecast
Jan	$1,000.00	$1,200.00
Feb	$1,000.00	$1,200.00
March	$1,500.00	$1,800.00
April	$2,000.00	$2,400.00
May	$3,000.00	$3,600.00
June	$3,000.00	$3,600.00
July	$3,000.00	$3,600.00
Aug	$2,500.00	$3,000.00
Sept	$3,000.00	$3,600.00
Oct	$4,000.00	$4,800.00
Nov	$4,000.00	$4,800.00
Dec	$4,000.00	$4,800.00
Total	**$32,000.00**	**$38,400.00**

**2013 sales expect 20% growth each month*

SAMPLE PAST SALES SPREADSHEET

	2012 SALES
Jan	$1,000.00
Feb	$1,000.00
March	$1,500.00
April	$2,000.00
May	$3,000.00
June	$3,000.00
July	$3,000.00
August	$2,500.00
September	$3,000.00
October	$4,000.00
November	$4,000.00
December	$4,000.00
TOTAL	**$32,000.00**

SAMPLE VARIANCE

	2012 SALES	2013 FORECAST*	2013 ACTUAL	VARIANCE
Jan	$1,000.00	$1,200.00	$1,100.00	-$100.00
Feb	$1,000.00	$1,200.00	$1,450.00	$250.00
March	$1,500.00	$1,800.00	$1,750.00	-$50.00
April	$2,000.00	$2,400.00	$2,800.00	$400.00
May	$3,000.00	$3,600.00	$3,700.00	$100.00
June	$3,000.00	$3,600.00	$3,800.00	$200.00
July	$3,000.00	$3,600.00		
August	$2,500.00	$3,000.00		
September	$3,000.00	$3,600.00		
October	$4,000.00	$4,800.00		
November	$4,000.00	$4,800.00		
December	$4,000.00	$4,800.00		
TOTAL	**$32,000.00**	**$38,400.00**	**$14,600.00**	**-$23,800.00**

multiply 2012's number by your expected growth and you now know what you want your total sales for 2013 to be. So if you plan to grow by 20%, just multiply your actual 2012 sales by month by 120% and there is your number for 2013.

You have now built a sales plan for 2013 based on what you expect to happen. Easy. Right? You can always adjust your sales plan downward, so make sure you stretch yourself a bit with next year's sales goal. You don't want it to be too easy to achieve.

Now during 2013 you simply keep track of your sales by month, plug your actual sales into the spreadsheet and then calculate your variance. Variance is the difference between what you expected to happen and what actually happened. Variance is positive if you did better than expected and negative if you did worse.

Looking at Sales by Category

If you just do this simple spreadsheet (which can also be done with pen and paper), you have a good handle on your sales on a month-to-month and year-over-year basis. However, we're not quite done yet. You need a little more information to understand why any specific month's sales look like they do. If you only do vacation sits, then knowing why there are fluctuations in your business is pretty simple. However, if you're like me and do daily dog walking, vacation sits, overnights and transports, you care very much how the sales for each category is going. So you do the same kind of planning by type of service that you do for total sales. The column on the sample below can look however you'd like it to depending on what services you offer. And even if you keep a paper calendar, you can count up the types of visits you do on a monthly basis to build your basic spreadsheet.

When you keep this type of information up-to-date, you can, at a glance, understand what's happening with your business. For my business, I watch my daily dog walking like a hawk and always try to keep it at about 47% of my business. It is steady monthly income without the fluctuations of vacation pet sits. When I lose a daily dog walk client it has a visible impact on my sales and that area of the business gets my full attention until I get enough clients to keep my total percentage where I want it.

In the simplest terms, you can't react to a change in your business if you don't know there has been a change in the first place.

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By Joni Grant

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SAMPLE CATEGORY BREAKDOWN

Jan	2012	2013 Plan	2013 Actual	Variance
Walks	30	36	31	-5
Sits	25	36	35	-1
Feb	**2012**	**2013 Plan**	**2013 Actual**	**Variance**
Walks	30	36	46	10
Sits	25	36	34	-2
March	**2012**	**2013 Plan**	**2013 Actual**	**Variance**
Walks	47	47	55	8
Sits	53	53	45	-8

In the chart above, although total sales are going in the right direction, vacation sits are not making plan. Should the trend continue, I may begin losing ground and not meet my sales goals. This would tell me my focus needs to be on growing my vacation sits. In the simplest terms, you can't react to a change in your business if you don't know there has been a change in the first place.

Mid-Year Adjustments

The last step is to respond mid-year on what has happened to your sales plan. What do I mean? If you forecast growth of 10% and you are actually seeing 30% growth, then you will want to adjust your spreadsheet for the remainder of the year. The same holds true if you are not making your monthly sales plan. If, each month, you have over-estimated your sales, then in June you will want to adjust for lower sales for the remainder of the year. This is your plan. It is okay to adjust it mid-year based on what is actually happening. Make it work for you.

Tracking Your Clients

The last item you need to keep track of is new clients. How many new clients did you obtain last year or even last month? You cannot grow without new clients so create one last spreadsheet and simply keep track of new clients month-to-month and year-to-year. You will soon know how many new clients, on average, you need to obtain each month to keep your sales growing at the pace you've planned.

You probably know more about your sales then you think you do. By the second year of planning sales and managing to your forecast, you will become very good at knowing exactly what will happen each month. You will also be able to adjust quickly to any downturns before they cause you catastrophic financial problems. Once you understand your sales plan, you will love being able to look into the future and know, with reasonable certainty, what it holds for you as far as your business growth.

Building a sales plan doesn't have to be complicated. Build yours based on what's important to you! Build a plan that provides the information that you need and is simple enough to update in less than 30 minutes each month. We only get to do what we love for as long as it meets our financial needs. Building a sales plan is a simple step that can keep us doing what we love for years to come. ■

Joni Grant is a NAPPS member who worked as an executive in the corporate world until 2009. Utilizing her 25 years of business skills, including budget creation and management, and her love for animals, she created You Go Pet Sitting in Springfield, IL, a job that she loves.

SAMPLE CLIENT TRACKING

	2012 NEW CLIENTS	2013 FORECAST	2013 ACTUAL	VARIANCE
Jan	3	4	3	-1
Feb	4	5	5	0
March	2	2	1	-1
April	2	2	3	1
May	4	5	6	1
June	5	6	6	0
July	4	5		
August	2	2		
September	6	7		
October	7	8		
November	5	6		
December	6	7		
Total	**50**	**60**	**24**	**0**