Overview:

Charles Matrix Greylock, a well-respected Boston venture capital firm, has just funded your company, Catherine Competitive Corporation, where you are the vice president of sales. Your company analyzes advanced computing applications and puts that information into a series of monthly reports. A single subscription to this information is $25,000 per year. Your job: Sales Manager.

Your sales goal for this upcoming year is $3.5 Million and you have been authorized to hire seven sales people across the US. You are in the process of hiring these people, all of which will be paid $100,000 base salary and a $100,000 bonus if they make quota. You know that your sales target for the second year is going to be $10 Million and you will be adding another seven salespeople for the second year.

Your product is sellable to the large U.S. manufacturing firms, large financial institutions, as well as vendors of computing hardware and software.

Assignment:

1. Design a sales territory allocation geographically so that the seven sales people will have equal chances to make quota. For the first year, each will have the same quota. Take a map of the U.S. and block out which salespeople have which territories.

2. Assume that you will be adding seven sales people at the end of the first year: design what the territories will be for Year Two and how you are going to organize sales and quotas for your enlarged team.

3. Your initial salespeople will have to hit a significantly higher quota in the second year in order for you to make your target of $10 million. Describe what incentives you are planning to offer and what you will do / tell them to get their buy-in.