

Setting Sales Goals: A Guide for Ambitious Sales People

November 11, 2023

Goals are important in any part of life. They help to keep us motivated and focused, ensure we can track our progress over time, and even give us direction. Sales managers and leaders set goals and objectives for their teams regularly, to help push them towards crucial outcomes.

Most sales professionals already have quotas they need to reach, or specific targets their business leaders want them to achieve. However, setting your own sales goals can be useful too. After all, people who have clearly defined goals are up to [10 times more successful](#) than their peers.

The question is, how do you set goals that effectively drive results?

The Types of Sales Goals Salespeople Can Pursue

Sales goals come in a range of shapes and sizes.

On the one hand, you have the targets that business leaders set for you, often based on revenue forecasts and business data. For instance, your sales manager might use your performance in a previous quarter to determine how many deals you should close in the next.

On the other hand, we have the sales goals employees set themselves, either with guidance from their managers and supervisors, or based on their own ambitions. These targets can revolve around a number of different factors, from customer acquisition, to win rates, and customer retention goals, however, they often fall into one of the following three categories:

- **Short-term goals:** Short-term goals revolve the targets you want to reach in a relatively short period. For instance, after mastering a new sales process, you might want to increase the number of leads you add to your funnel by 20% in the next two months. Short-term goals can also be stepping stones towards longer-term ambitions. For instance, if you want to become a sales leader one day, your initial goal may be to chosen for more complex projects.
- **Long-term goals:** Long-term sales goals are a little more ambitious. They focus on things you might not be able to accomplish instantly, but want to work towards. For instance, you might want to boost your customer retention score by 30%, or help your team lower customer acquisition costs with new sales strategies.
- **Personal development goals:** Personal development goals can be set on both a short-term and long-term basis, depending on a range of factors. They often involve increasing your skills, experience, or abilities in a specific area. For instance, you might want to learn more [hard skills](#) to do with cold calling

and social selling, or you might want to enhance your soft skills, such as communication and problem-solving.

Setting Effective Sales Goals: Defining SMART Goals

The sales goals set by both reps and their managers can vary depending on a range of factors, such as the current objectives of the wider business. However, while your long-term, short-term, and personal development goals may be unique to you, they should always be set using a SMART format.

SMART goals can be defined by individual sales people, working towards professional goals in sales, as well as business leaders and managers. They're always:

- **Specific:** The best goals are specific. Don't just say you want to increase your sales revenue or customer base. Determine how you're going to accomplish this. For instance, you might decide you're going to increase revenue by using a consultative sales strategy.
- **Measurable:** The only way to ensure you're making progress towards your targets, is to measure your success. You need to be able to identify the key metrics and KPIs connected to your goals, so you know what to monitor. For instance, if you want to increase revenue by \$1 million, you'd monitor recurring and new sales.
- **Achievable:** Stretch goals can be an excellent way to push yourself and drive other employees to unlock their full potential. However, goals aren't effective if they're impossible to achieve. If you only earned \$700,000 in revenue throughout the previous year, it doesn't make sense to aim to earn \$5 million in the next quarter.
- **Relevant:** Effective sales goals need to serve a wider purpose. If you're setting long-term and short-term sales goals, they should align with the objectives of your business, and the needs of your managers. If you're setting personal development goals, they should be connected to your overall career plan and future professional vision.
- **Time based:** While holding yourself to a deadline can be stressful, it's also the key to ensuring you continuously move forward. Setting a specific time for when you want to achieve your goals will help to keep you focused. For sales goals, quarterly and annual markers are often the easiest to set.

Examples of 3 Smart Goals for Sales

One easy way to understand the benefits of SMART sales goals, and begin implementing them yourself, is to examine some examples. Here are five instances of effective goals that make sense in the sales landscape:

1. Increasing Revenue

Most sales teams and professionals want to increase revenue. Aiming to increase the gross or net profits of your company is an excellent way to demonstrate your value to your supervisor, and earn more rewards.

Revenue goals can be set for specific teams, regions, and product lines, such as:

- Increase sales revenue from [product] by 15% in the next quarter

- Achieve \$15,000 in revenue for each representative per month
- Generate \$1.2 million in sales from reps in California

1. Customer Acquisition Goals

Customers are the most valuable resource for any company. Businesses drive revenue from both new and existing customers, and there are various goals salespeople can set to help push companies towards their objectives. For instance, you could aim to:

- Reduce customer acquisition costs with new marketing strategies by 15% in the next year
- Increase market share with new outreach strategies by 5% in the next quarter
- Boost customer retention rates by 5% in the next three months

1. Sales Cycle or Activity Targets

The sales cycle is the process that customers and salespeople move through to convert a prospect into a customer. Companies that have shorter sales cycles generally benefit from higher sales and more revenue. Sales activities influence the success of your sales cycle and process. Examples of sales cycle and activity goals may include:

- Increasing prospecting activity per rep by 5% in the next month
- Reduce sales cycle times by 10% in the next year
- Increase access to new leads by 20% with cold calling, social selling, or cold emailing

Tips for Setting Effective Sales Goals

As mentioned above, the strategy you use to set sales goals will depend on various factors. If you're a sales manager, setting targets for other members of your team, you might set monthly sales goals for each rep based on their previous performance, or establish win rate targets for your team.

If you're setting personal sales goals, you'll likely evaluate your own skills, strengths, and weaknesses, to set targets more specific to you.

Here are some quick tips to boost your chances of setting effective goals.

1. Evaluate Your Situation Carefully

When sales managers set goals for their sales reps, they often take a data driven approach. Companies don't just ask reps to adhere to specific revenue quotas at random. They assess sales forecasts, previous sales data, and other information to help guide them.

Similarly, if you're setting professional goals in sales for yourself, you need to think carefully about your situation. Look at your previous accomplishments, and think about where you might be able to improve. Consider the resources that are available to you ([Such as training](#)), and how you can leverage them to reach new levels of success.

Before you begin establishing your goals, make sure that your targets are achievable, and aligned with the wider objectives of the business.

1. Create an Action Plan

Sales goals are an excellent way to keep yourself motivated, and boost your chances of unlocking incredible accomplishments. However, they don't do much on their own. Once you know what you want to achieve, the next step is figuring out how you're going to reach each of your targets.

For instance, if your plan is to increase your sales revenue results by 10% in the next year, ask yourself how you can achieve this. Can you invest in new strategies for lead qualification to ensure you're focusing on the right prospects? Will you invest in new training opportunities to develop skills that will help you to connect with customers and shorten the sales cycle?

Reach out to your mentors, business leaders and supervisors for insights into how you can boost your chances of success. It's also important to establish metrics and KPIs you can use to track your progress over time. For instance, you might monitor:

- Number of new contacts
- Number of deals closed
- Opportunities accessed
- Customer lifetime value
- Customer retention rates

1. Track Performance and Refine Your Goals

Finally, once you have a clear goal in mind, and a plan of action in place, the next step is to start working towards your targets. As you implement new strategies to help drive you towards your goals, pay attention to the key metrics you outlined above.

Ask yourself how new cold calling and emailing strategies are helping you to reach a wider number of qualified leads. Determine how your sales training and coaching strategies are helping you to build stronger relationships with customers, increasing average order value or retention rates.

If the strategies you're implementing to achieve your goals aren't delivering results, be prepared to pivot, or refine your expectations. You might have been too ambitious with your initial targets, or you may need to consider experimenting with other sales optimization methods.

Setting Effective Goals for Sales

Setting goals effectively is crucial for the sales landscape. The goals sales managers and leaders set for their reps help to clarify expectations, keep teams motivated, and push the company towards its wider objectives. The goals you set for yourself ensure you can make the most out of your sales role, improve your skills, and potentially earn higher commissions.

Goals are more than just a way to keep you on track and focused as you progress in the sales landscape, they're crucial to building a mindset that will help you to constantly evolve in your career.

Learn more about how you can set effective goals, and access the skills you need to achieve them by joining the [Hard Skill Exchange](#) today!

HSE Team