
Overview

This standard is about forecasting sales and setting sales targets for your own area of responsibility, either on an individual or team basis. The standard includes how to collect and use information to develop a sales forecast, based on past and present sales data, factors which influence sales, sales trends, market conditions and product and/or service developments within your organisation. It also includes using forecasts based upon value and volume measures to develop sales targets. This standard is for sales professionals who forecast sales and set sales targets.

**Performance
criteria**

- You must be able to:
- P1 identify the appropriate metrics and sales forecasts needed to ensure that realistic sales objectives and targets are set
 - P2 identify and evaluate sales trends and market conditions and analyse them to determine a likely pattern of sales for the future
 - P3 identify and evaluate internal and external factors that will impact on sales trends, market conditions and potential selling opportunities and consider the implications for future sales
 - P4 use historical sales data to inform sales forecasts
 - P5 develop time plans for the establishment of sales forecasts and targets
 - P6 evaluate a range of sales forecasting techniques and select the method most likely to give an accurate forecast of the future
 - P7 use appropriate software and forecasting methods to prepare an analysis that will predict future sales trends
 - P8 consider bonus and commission structures and evaluate their likely impact on forecast sales
 - P9 consult colleagues about sales forecasts and identify the implications for the organisation
 - P10 make recommendations for sales objectives and targets
 - P11 put in place measurement activities to monitor actual performance against forecast sales
 - P12 use monitoring of activities to revise sales forecasts where appropriate

Knowledge and understanding**You need to know and understand:**

- K1 the organisation's mission and strategy and its implications for the sales function
- K2 the difference between qualitative and quantitative information for forecasting purposes
- K3 different types of metrics used in sales forecasting
- K4 the different forms of information needed for sales forecasting and how it is analysed
- K5 how to source relevant information
- K6 what internal and external factors may affect sales trends
- K7 what relevant trends can be identified from previous sales forecasts
- K8 a variety of qualitative and quantitative sales forecasting techniques
- K9 organisational guidelines on the development and recording of sales forecasts
- K10 typical bonus and commission structures and how the use of different structures can impact on future sales
- K11 how to set challenging and realistic sales objectives and targets and how to make reliable forecasts of future trends
- K12 typical sales targets, such as call rates, turnover or growth
- K13 how to measure sales performance against forecast performance
- K14 software programmes available to support the task of sales forecasting
- K15 common causes of variances between forecast and actual sales
- K16 measurement and control mechanisms applied by the organisation for their reporting of variances

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Suite	Sales (2013)
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