"Increasing your ROTI: Return on Time Invested", Michelle Cain, CSP

We live in an increasingly time starved world. There never seems to be enough time to do everything we need to do, both in our careers as sales professionals and personally with our family and friends.

How can we deal with this seemingly never ending quandary? While we cannot manufacture more time, we can manage it more effectively. I suggest that you start to think and act like an investment manager when it comes to how you invest your selling time.

Towards that objective the principle of ROTI should be top of mind. ROTI is an acronym for Return on Time Invested and for sales professionals the concept can be represented quite simply by the following formula:

$$\text{ROTI} = \frac{\text{Sales Revenue}}{\text{Time Invested}}$$

As an example, a sales professional with a million dollar per year sales target and 2000 hours in a year would require an average ROTI of $500/hour to achieve that quota. When we use this formula to understand the returns we need to generate for our time, we start to understand the true value of an hour, a day, a week.

This understanding helps us to make different decisions about how much time we spend on activities that add little or no value to the selling process. I have accompanied many sales professionals over the years on sales calls and I never cease to be amazed at the innovative ways to waste time, such as running back to the office to pick-up material or product. If that takes 30 minutes each way, the opportunity cost of that diversion for someone with a million dollar quota is $500. In this example, even an expedited courier seems like a much less expensive alternative.

You will also start to make better decisions on how much time you spend with existing customers and prospects. For those customers with significant existing business or prospects with considerable potential, you will invest more time and personal attention to capture the potential return. For your smaller customers with limited potential, it is still important to invest time with them; however it should be aligned with the business potential of those organizations.

Finally, you will start to plan better as you realize that all great investment managers have a plan. Spending the time upfront to create a territory plan, key account plans and call plans will make your time with clients more efficient and effective. You will waste less time and close more business as a result.

More sales revenue in less time........In times like these, isn't that what we all need?

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