

Sales Performance Management Roundtable / Best-Practice sharing

Gaston Russi – Cognos SPM/ICM Territory Manager
Switzerland & Austria

Marco Loprete – Cognos SPM/ICM Application Specialist
Products & Technology Experts Team



Agenda

- **Value Proposition:** Sales Performance & Incentive Compensation Management (SPM & ICM)
- **Varicent Live Demo**
 - Incentive Compensation Management
 - Territory Management
 - Quota Management
 - Channel Management
- **Praxisberichte** Varicent implementation @ F5 Networks & Touring Club Schweiz, uvm.

Value Proposition



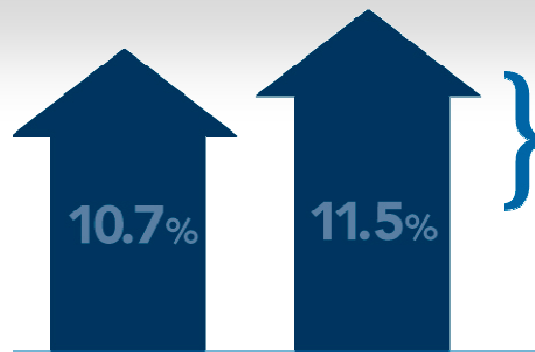
Why Companies Adopt Sales Performance Management Technology

Pressure in sales organizations to grow and become more efficient

2012 Most Important Sales Priorities



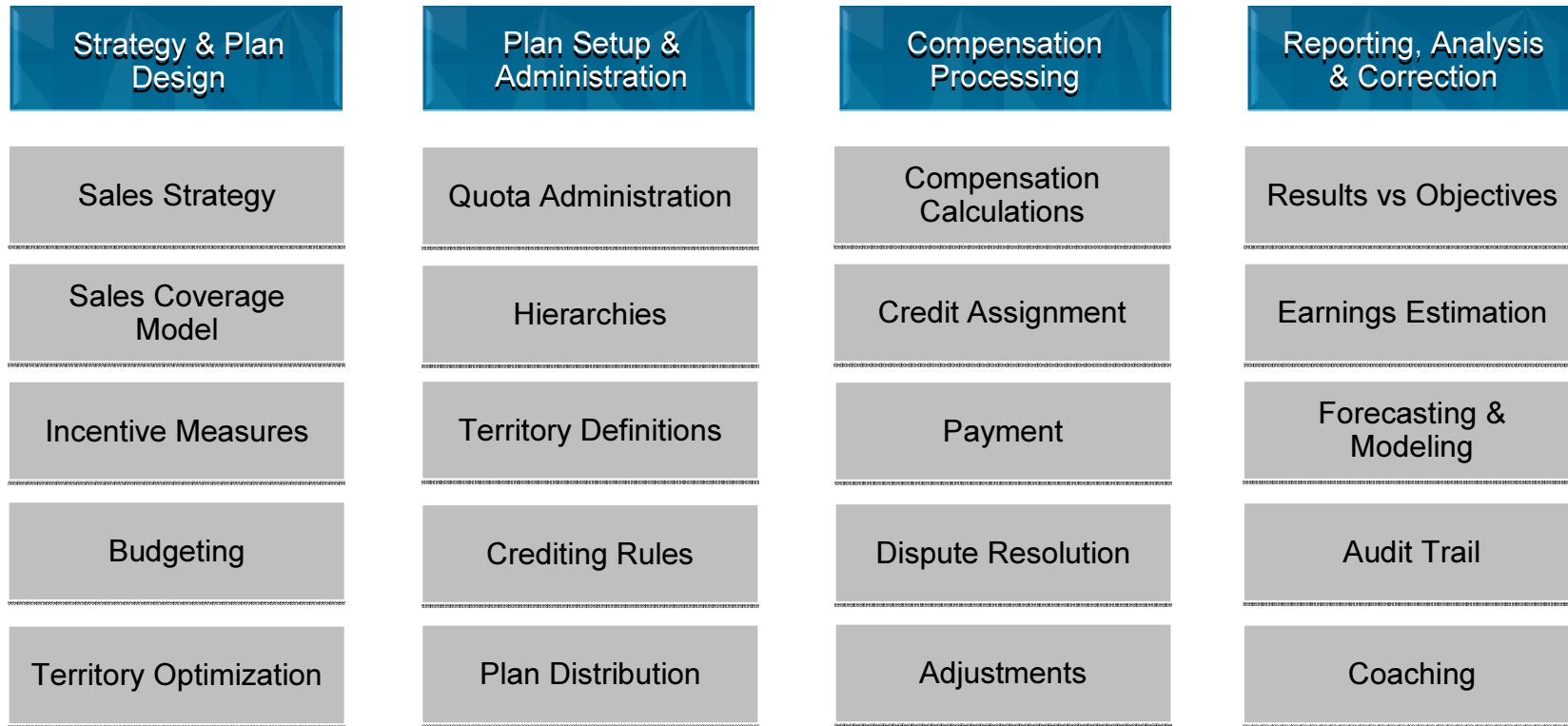
And finance leaders are recognizing the growing magnitude of compensation



Sales Compensation spend as a percentage of annual revenues is up to **11.5%** from **10.7%**

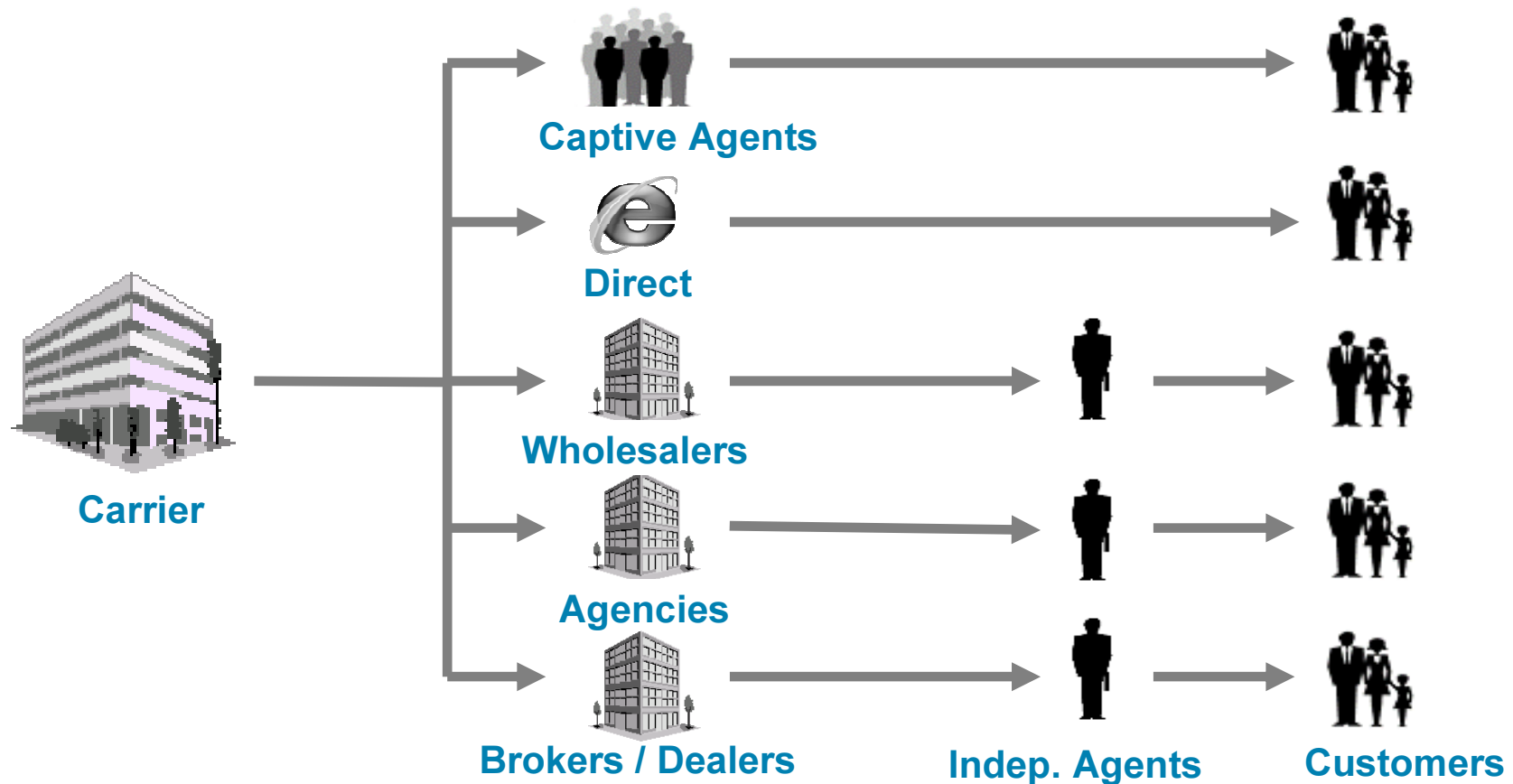


Part of a Larger Sales Planning and Operations Framework

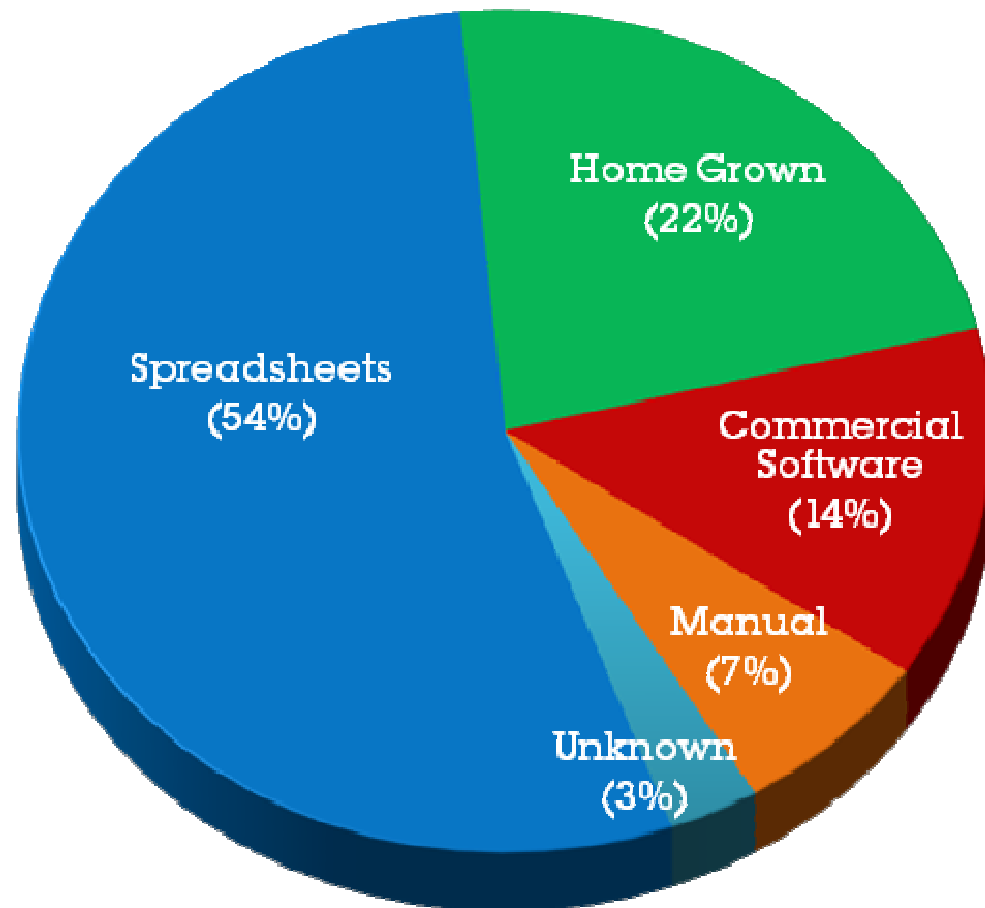


Channel Distribution

- Increasing Complexity in Distribution Channels



How Is Sales Compensation Managed?



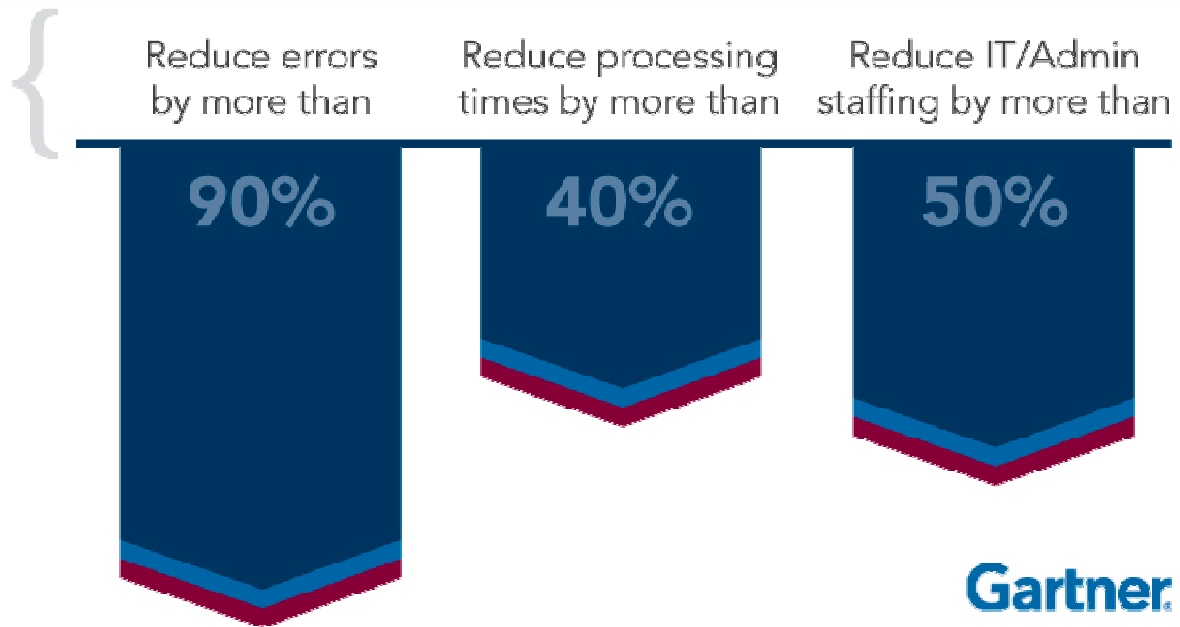
How Tough Can it Be?

Get the checks out on time
Make sure they're accurate
And . . .

- Be flexible for changing priorities
- Manage complex territories
- Set accurate quotas
- Generate enthusiasm
- Deliver timely and insightful reports
- Resolve questions and disputes
- Do it with less headcount
- Analyze impact of new plans
- Plan for reorganizations

Why Companies Adopt Sales Performance Management Technology

Organizations adopting SPM technologies



Bonus overpayment estimates:
Accenture: 3-5 %
Deloitte: 4-7%
Gartner: 2-8%

Why Companies Adopt SPM Technology

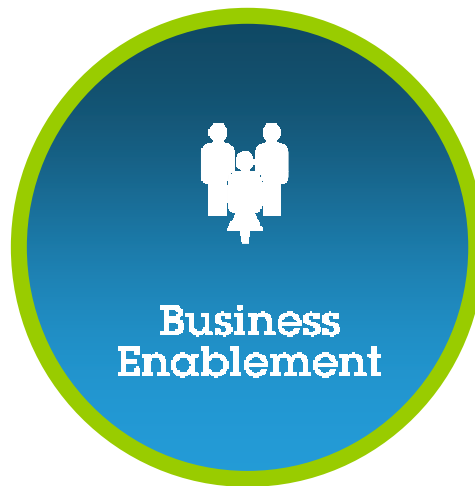


Efficiency & Accuracy

Reduce errors

Shorten cycle times

Replace technology



Business Enablement

Mergers & Acquisitions

New Comp Plans

Sales/Partner Steering



Risk Reduction

Internal Audit

Deferred Compensation

Compliance with SOX, FINMA, Solvency II, Basel III, SIX, FMA, ...

FINMA minimum standards for remuneration schemes

V.	Principles	margin nos.	16–74
	Principle 1: The board of directors is responsible for design and implementation of the financial institution's remuneration policy and shall issue the remuneration regulations	margin nos.	16–22
	Principle 2: The remuneration scheme is designed to be simple, transparent and implement-able as well as focused on the long term	margin nos.	23–26
	Principle 3: Independent control functions and specialists are to be involved in the design and application of the remuneration scheme	margin nos.	27–29
	Principle 4: The structure and size of the overall remuneration are commensurate with the financial institution's risk policy and encourage risk awareness	margin nos.	30–38
	Principle 5: Variable remuneration is dependent upon the long-term economic results of the financial institution	margin nos.	39–43
	Principle 6: The allocation of variable remuneration occurs on the basis of sustainable criteria	margin nos.	44–47
	Principle 7: Deferred remuneration binds remuneration to the financial institution's future results and risks	margin nos.	48–56
	Principle 8: Remuneration of control functions must not cause any conflicts of interest	margin nos.	57–60
	Principle 9: The board of directors reports every year on the implementation of the remuneration policy	margin nos.	61–71
	Principle 10: Deviations from these principles are only allowed in justified cases. Such deviations must be disclosed	margin nos.	72–74
VI.	Implementation	margin nos.	75–80
VII.	Transitional provisions	margin nos.	81–83

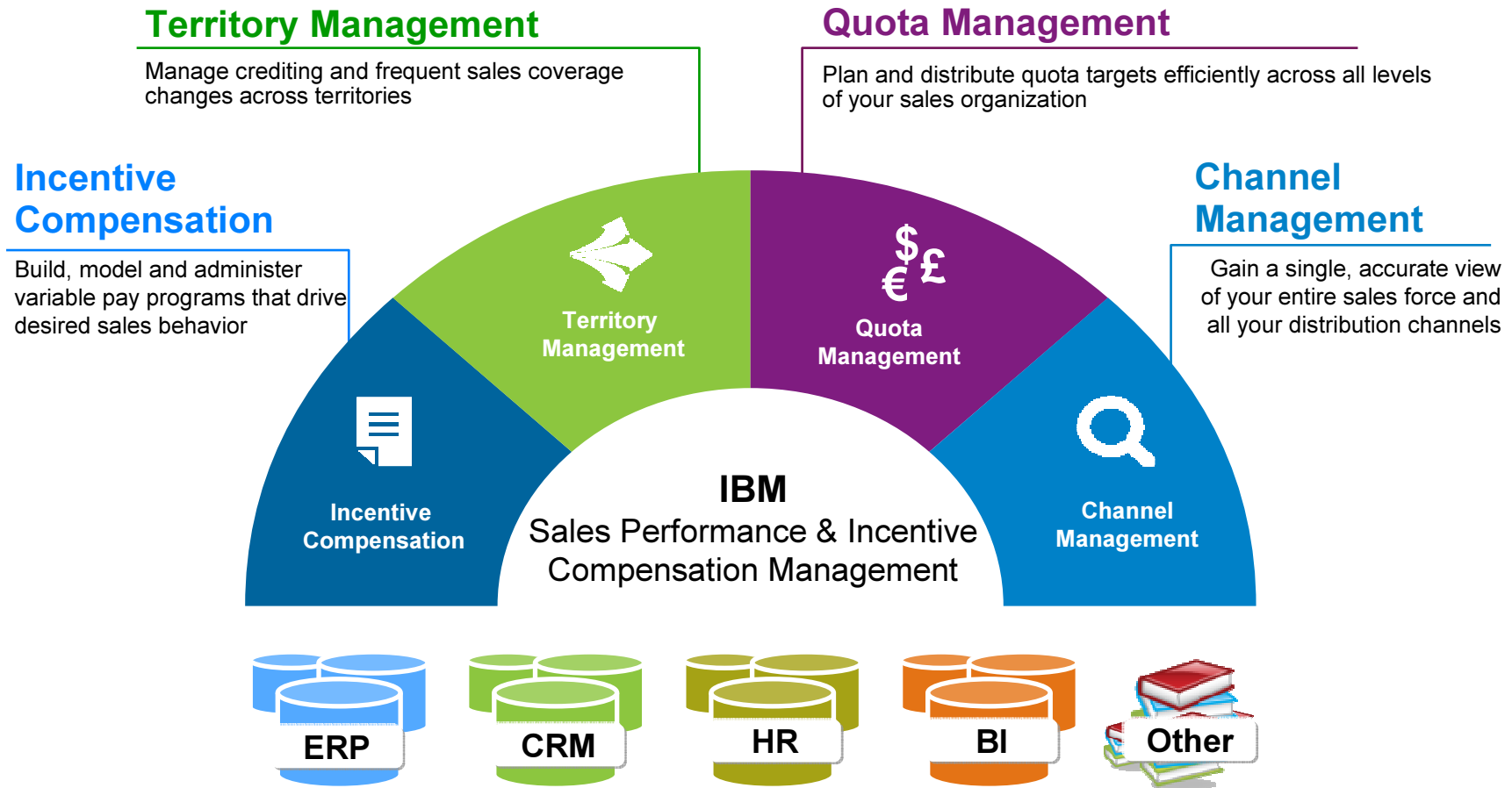
Cognos SPM/ICM examples of realized Benefits

- Added 5-6 hours of **selling time** per sales rep per month / more trust and enthusiasm
- Modeling allows **simulation of plan** changes prior to roll out => Improved plan management **increased profit margins by 25%**
- Increased **Cross-sell ratio** (products owned per customer) increased from 2 to 5.66
- Increased **partner productivity**
- **Payout process** reduced from 2 months to 2 days.
- Went from hundreds of spreadsheets with manually entered data to **one simple system => 80% cost decrease** on existing Systems/Services
- Reduced **time to set up new plans** by 50 days annually
- Over \$4 million in **reduced commission overpayments** lead to system payback in 1st year
- **Reduced number of questions** and disputes by 90%

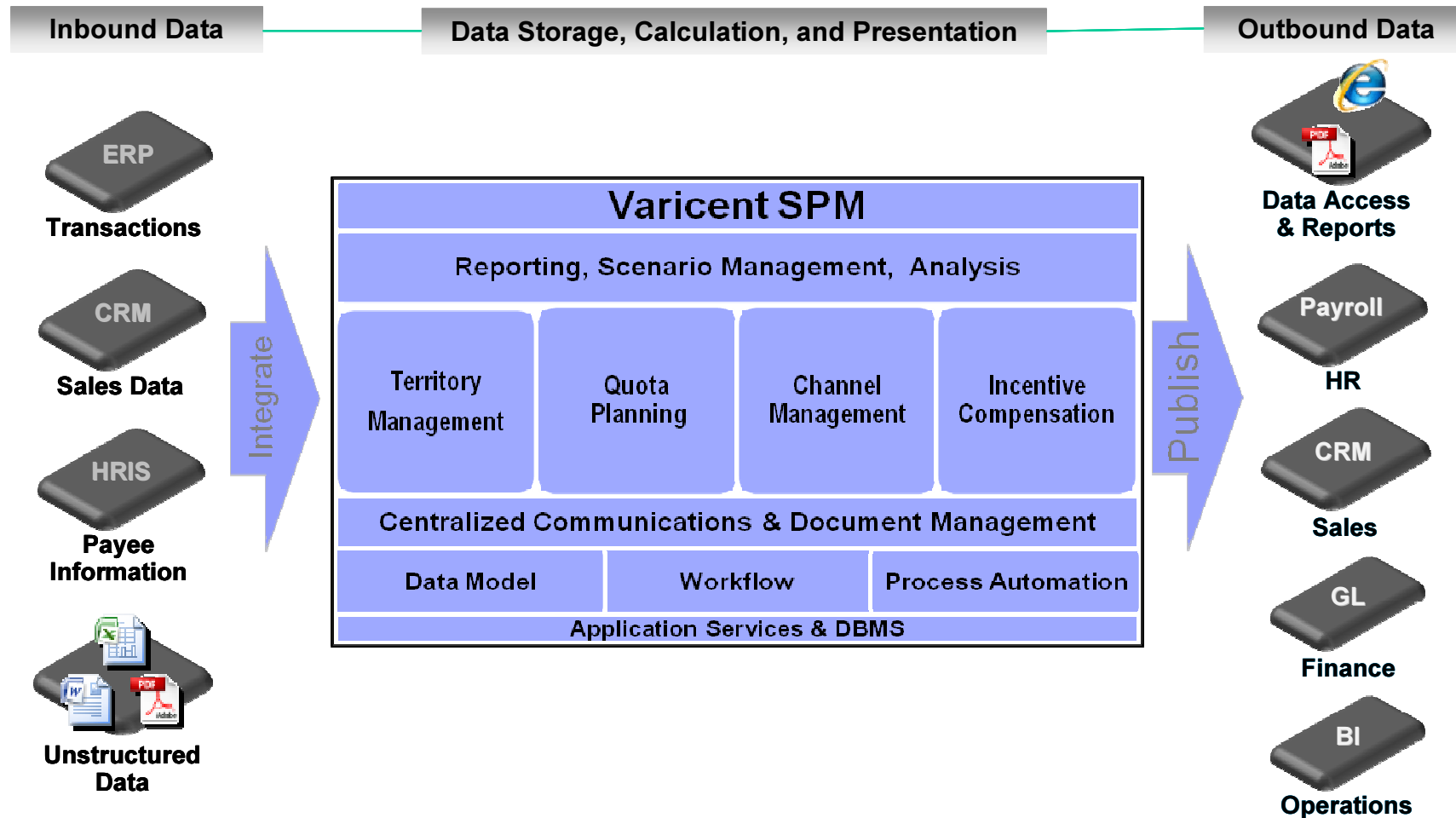
Cognos SPM/ICM



Cognos SPM/ICM overview



Cognos SPM/ICM overview



Cognos SPM/ICM Key Differentiators

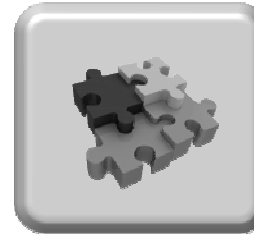


Business oriented

Configure vs. code

Visual comp design approach

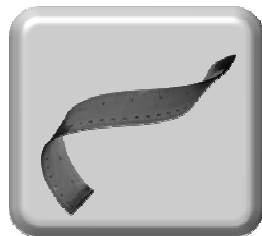
Management buy-in



Integrated Product

Calculation engine, ETL,
workflow, reporting, etc.

Flexible data model

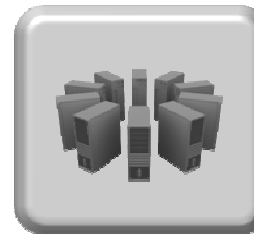


Business Flexibility

Meet changing needs

Speed to market

Commissions, MBOs, long
term incentives, non cash
benefits, etc.



Performance & Scalability

Built for high transaction
Volumes – Imports, calculations, etc.

Cloud and Enterprise deployments

Proven CRM & ERP integration

Seamless CRM Integration



- Single Sign-On to access SPM & CRM information from a single screen
- Data synchronization is automated
- Easy access to plan documents, team reports and quota & territory management tools

Example SFDC Integration

The screenshot shows a Salesforce Developer console with a Varicent integration. The page title is 'Sales Representative Dashboard'. It features several key components:

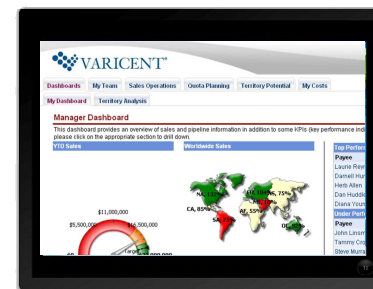
- YTD Sales:** A gauge chart showing current sales at \$1,867,550 against a target of \$2,200,000. The scale ranges from \$0 to \$1,100,000.
- Performance Summary:**
 - Current Rank: 4
 - YTD Sales: \$1,852,156
 - YTD Attainment: 91.1%
 - \$ to Target: \$223,427
 - \$ to Rank 1: \$424,520
- YTD Commissions:** \$15,852
- President's Club Scorecard:** A table comparing current performance to requirements for the President's Club.

Category	Current	Need
New Customers:	12	3
Growth Product Sales:	\$112,500	\$87,500
Strategic Sales Count	7	Done!
- RTI Rewards:** My Balance: 12,234 Points
- Pipeline Summary:** A funnel chart showing sales pipeline stages: Closed, Commit, Upside, and Actively Engaged.
- Top Opportunities:** A table listing key sales opportunities.

Oppty ID	Account	Stage	Amount	New Client?	Strategic Sale?	Growth Product?	Forecasted Commission
CAMA018	Grand Hotels Kitchen Generator	Commit	\$50,000	Y	Y	N	\$1,375
CAMA021	Express Logistics Standby Generators	Commit	\$75,000	N	N	N	\$1,742
CAMA013	Express Logistics SLA	Commit	\$540,000	N	N	Y	\$11,220
CAMB008	University of AZ Installations	Upside	\$125,000	Y	Y	Y	\$2,244
CAMA043	United Oil Installations	Upside	\$60,000	N	Y	Y	\$1,421
CAMC015	United Oil Portable Generators	Upside	\$150,000	N	N	N	\$2,473
CAMF001	United Oil Standby Generators	Commit	\$10,000	N	N	N	\$286
CAMA035	United Oil Refinery Generators	Commit	\$270,000	N	N	N	\$4,655
CAMDA03	GenePoint Lab Generators	Engaged	\$675,000	Y	N	N	\$13,956

Cognos SPM/ICM for Mobile

- Access Varicent while on the road to review reports and deal with tasks
- Browser-based access
- Leverages HMTL5 for cross-device support

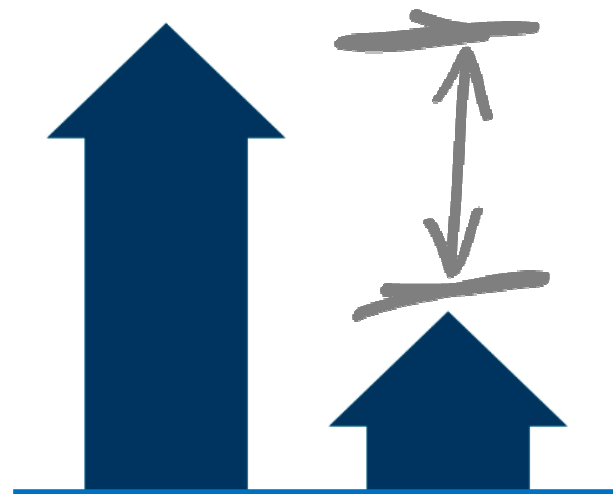


“With Varicent, over 1400 of our field sales rep can access their sales compensation system via their iPads along with the other tools they use on-site with customers. They don’t miss a beat when it comes to understanding the compensation implications of their selling activities.”



Various quotes, case studies and proof points





Payout process reduced from **2** weeks to **2** days



Faster Cycle Times

“With Varicent we are now able to see results within 48 hours of closing our books. In the past this would typically take 2 weeks before we could even see partial results. Varicent has revolutionized our ability to see results, which has enabled better customer service”



Centralized payout administration from **30** to **3** employees for North and South America



'What-If' for Sales Reps

“Instead of reps looking back at what they earned, they can use Varicent SPM to look towards ways to earn more money, and put the 'mojo' into their sales performance.”



Q&A



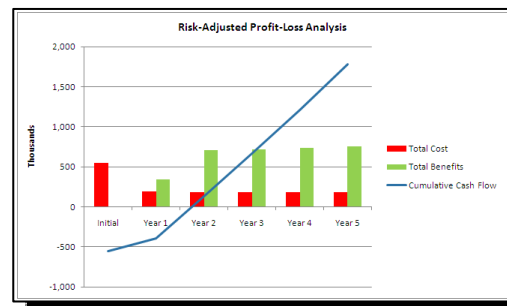
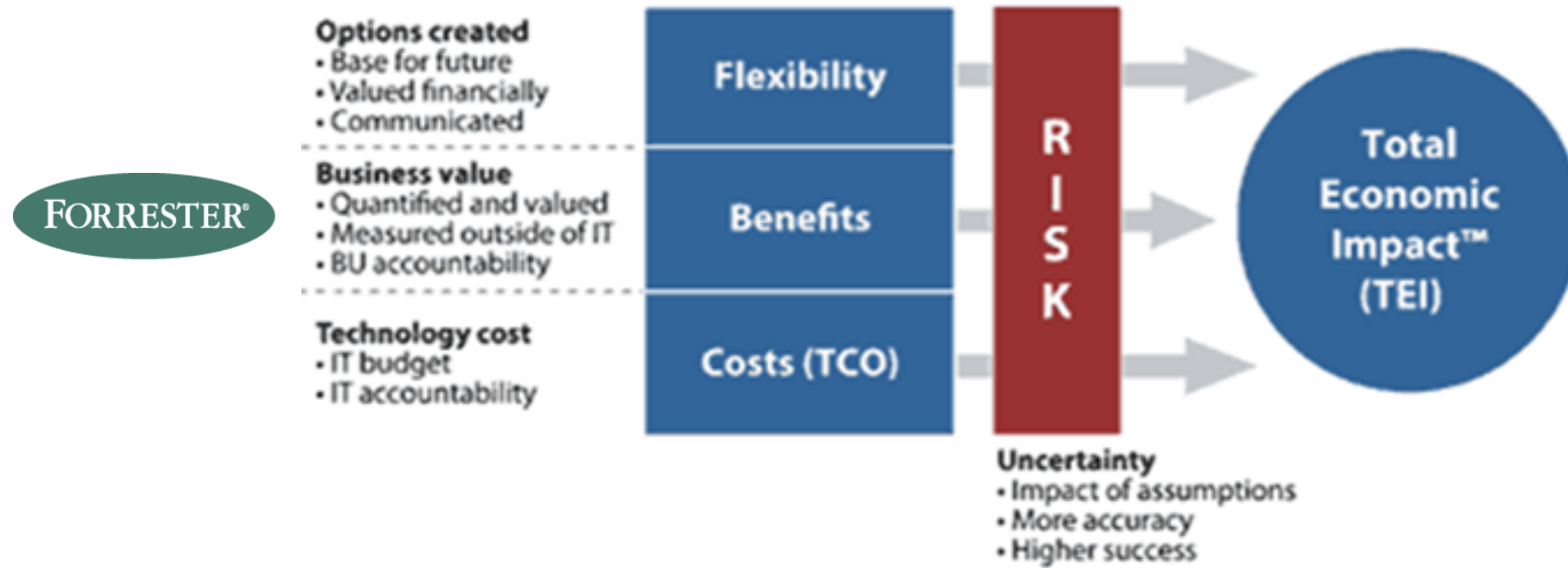
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Next steps (free of charge)

1. Brochures, slides, short videos, Success stories
2. Standard Demo & high level proposal (1-2 hours)
3. Customized Demo (1-2 hours)
4. Proof of Concept / requirements discovery workshop (1/2 – 2 days)
5. Final proposal, implementation estimates & ROI Total Economic Impact calculation
6. Decision Board demonstration

Forrester Certified Total Economic Impact Analysis



Five-Year ROI and Payback Summary		
	Non-Risk-Adjusted	Risk-Adjusted Estimate
Return On Investment	312%	120%
NPV of ROI	270%	97%
Total NPV of Costs	\$ 1,295,722	\$ 1,295,722
Total NPV of Benefits	\$ 4,787,831	\$ 2,554,027
Total NPV	\$ 3,492,108	\$ 1,258,305
Payback Period	13 Months	22 Months