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Varicent SPM

A Better Way to Manage Sales Performance



Agenda

- Sales Performance Management (SPM)
 - What is it all about!
 - How is it currently handled?
 - Why Now?
- Varicent SPM
- Keys to Success
- Why Varicent



WHAT IS SPM?

How tough can it be?

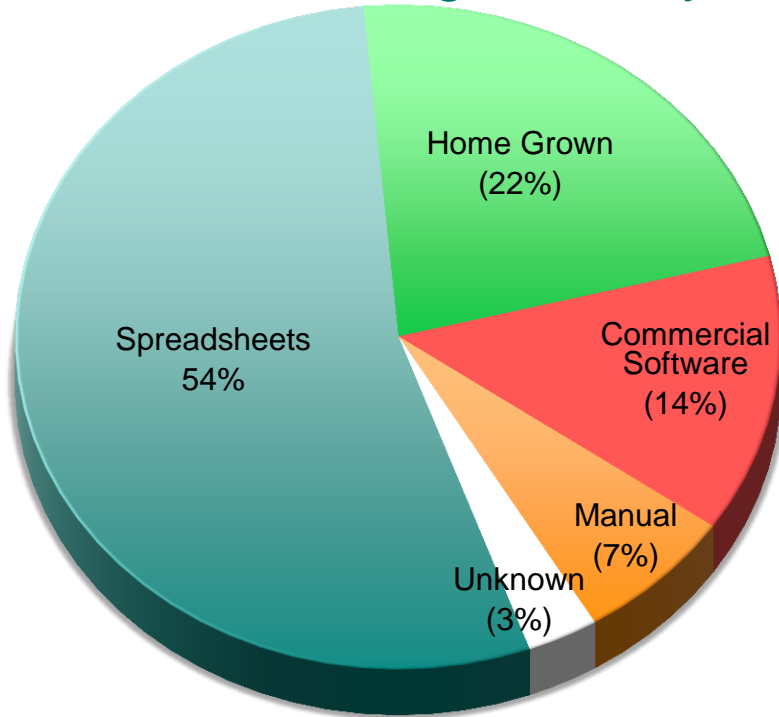


What is Sales Performance Management? (SPM)

Putting timely and accurate data in the hands of decision makers in order to aid them in making more informed decisions.

- Who sold what products at what price last month?
- What are our top selling products by region?
- Why is my commission payment always wrong?
- Are commissions payouts in-line with expectations?
- Are my territories covered effectively?
- How many of my reps are over 100% of Quota and now on accelerators
- Are we promoting the behaviors we want in our sales team

How is SPM Managed Today?



CSO Insights - 2011 Sales Compensation & Performance Management, Key Trends Analysis

How Tough Can it Be?

- Get the checks out on time
 - Make sure they're accurate
- And . . .
- Be flexible and nimble 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
 - ...

WHAT IS SPM?

Why now?

Why now?

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

Organizations adopting SPM technologies out-perform those who don't – higher attainment of quota, more reps making quota, higher win rates, increased revenue

Organizations adopting SPM technologies reduce errors by more than 90%, reduce processing times by more than 40% and reduce administration time by more than 50%

Drivers of Change



Efficiency &
Accuracy



Reduce Errors

Shorten Cycle Times

Replace Technology



Business
Enablement



Mergers & Acquisitions

New Compensation
Plans

Business
Reorganizations



Risk
Reduction

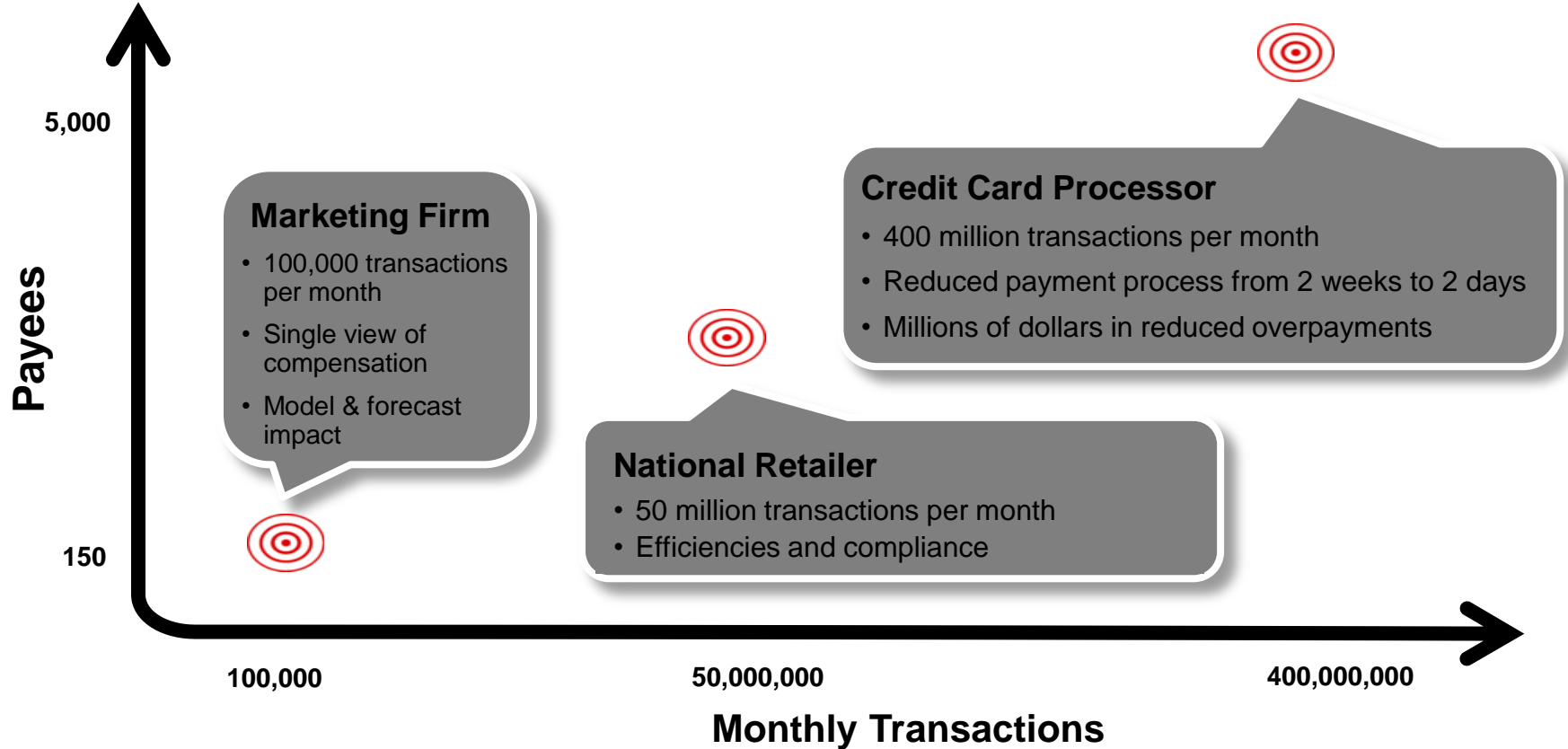


Internal Audit

Federal Reserve

Dodd-Frank

Some Contrasting Case Studies



SPM Adopters Span Industries and Sizes



SPM is Smarter Analytics

Manage risk, regulation & compliance

- Internal audits
- New compliance requirements
 - Federal Reserve Bank
 - Dodd-Frank

Grow, retain and satisfy customers

- Align sales plans with corporate strategy
- Allow new kinds of plans that drive appropriate behaviour
- Gain insight as into good and poor performing areas

Increase operational efficiency

- Reduce error rates
- Increase speed of processing
- Reduce Administration time

Transform financial processes

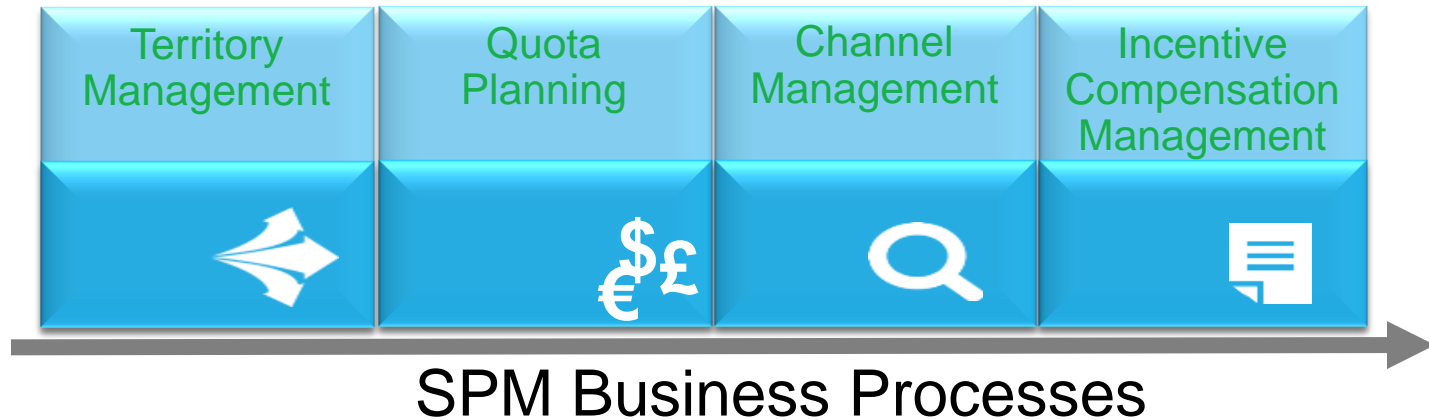
- Move from revenue to profit and margin based plans
- Use compensation data as a key source for Sales Analytics

WHAT CAN IT LOOK LIKE?

Varicent SPM

Sales Performance Management

Comprehensive solution that helps organisations drive sales alignment from strategy through to execution...



...ultimately leading to better management and utilisation of sales resources

Where does it fit in ?



Sales Performance Management Within Key Sales Operations & Management Processes

Strategy & Plan Design

Sales Strategy

Sales Coverage Model

Incentive Measures

Budgeting

Territory Optimization

Plan Setup & Administration

Quota Administration

Hierarchies

Territory Definitions

Crediting Rules

Plan Distribution

Compensation Processing

Compensation Calculations

Credit Assignment

Payment

Dispute Resolution

Adjustments

Reporting, Analysis & 'Correction'

Results vs Objectives

Earnings Estimation

Forecasting & Modeling

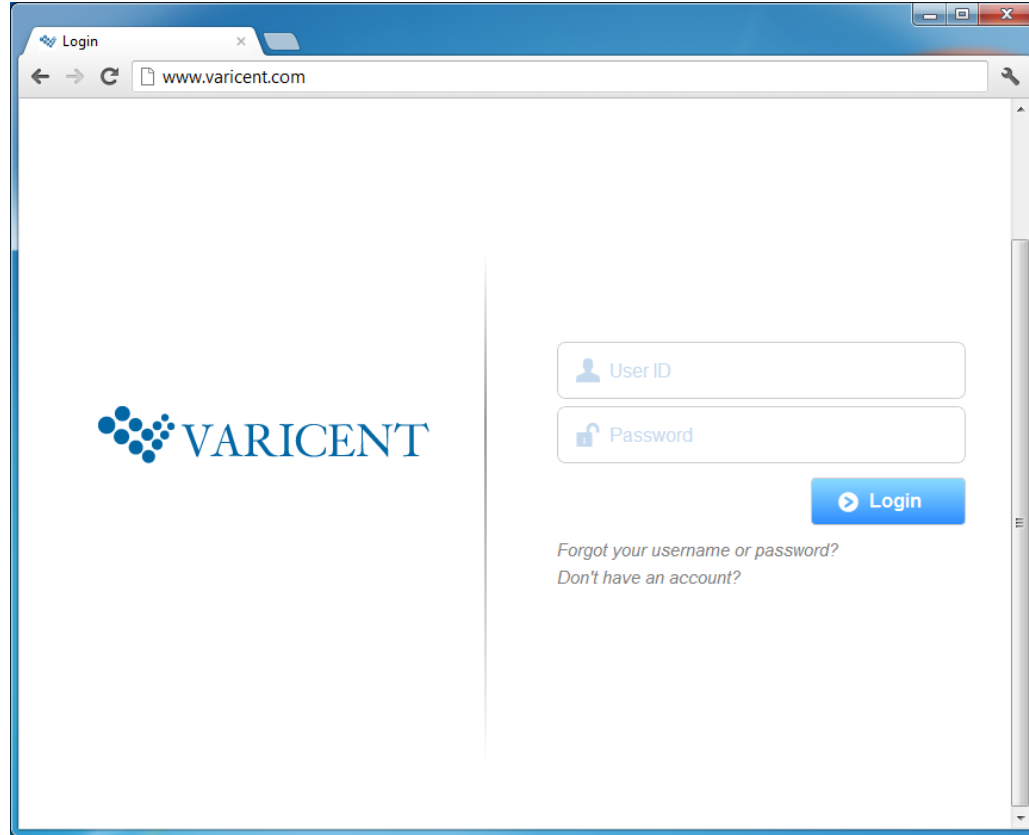
Audit Trail

Coaching

VIEWS OF THE APPLICATION?

Varicent SPM

Log in screen

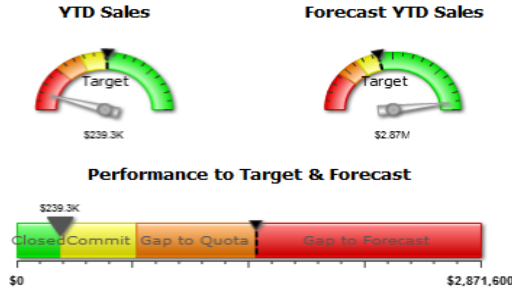


Sales Reps Dashboard

ATTENTION: Dan Huddle [Your Commissions Plan requires approval. Please Click Here to action.](#)

Sales & Compensation Dashboard

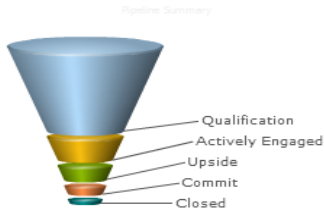
Performance Summary		
	Value	Rank
YTD Sales	\$239,300	6
Quota	\$1,290,000	
YTD Attainment	18.55%	7
\$ Over/Under Quota	\$1,050,700	7
\$ Below Top AE	\$242,400	
YoY Sales Growth	\$98,100	4
YoY Attainment Growth	6.78%	9
Forecasted Total Sales	\$2,871,600	6
Forecasted Total Attainment	222.60%	7



Compensation Summary	
Commissions	
Gross Commission	\$9,104.17
Adjustments	(\$1,111.11)
Gross Payout	\$7,993.06
Draws	\$3,500.00
Net Payout	\$4,493.06
Bonuses	
MBOs	\$1,500.00
Total Payout	\$5,993.06
Varicent Rewards Points	12,334
President's Club	Not Qualified

Here are your current pipeline overview and top opportunities. Please note that forecasted commissions are for reference only and are subject to change until the opportunities are confirmed closed.

Pipeline Summary



Top Opportunities

Account	Category	Stage	Amount	Forecasted Commission
Grand Hotels Kitchen Generator	Pipeline	ID Decision Makers	\$15,000	\$225
Pyramid Emergency Generators	Pipeline	Prospecting	\$100,000	\$1,500
GenePoint Lab Generators	Pipeline	ID Decision Makers	\$60,000	\$900
United Oil Installations	Pipeline	Negotiation/Review	\$270,000	\$4,050
University of AZ Installations	Pipeline	Proposal/Price Quote	\$100,000	\$1,500
Express Logistics SLA	Pipeline	Perception Analysis	\$120,000	\$1,800
Dickenson Mobile Generators	Pipeline	Qualification	\$15,000	\$225
United Oil Plant Standby Generators	Pipeline	Needs Analysis	\$675,000	\$10,125
Edge Emergency Generator	Pipeline	ID Decision Makers	\$35,000	\$525
Sujuka Enterprises	Pipeline	Qualification	\$150,000	\$2,250
Nobita Pvt Ltd	Pipeline	Qualification	\$20,000	\$300
Doremon Inc	Pipeline	Qualification	\$240,000	\$3,600

Online Compensation Plan Documents

2012 Regional Account Executive Plan Document

Select AE: (P0013) Dan Huddl Select

This document describes the RTI Regional Account Executive Compensation Plan. Employees who have quota for selling both Products and Services as part of the Field Sales organization are eligible to participate in this plan. This plan has several main components. Your plan summary is as follows:

Plan Approval Status
Requires Approval

Participant Info

Participant: Dan Huddle
Position: Regional Account Executive
Manager: Doug Karey
Territory: North East USA

Incentive Target: \$50,000
Plan Effective Date: 1/1/2012
Proration: 100.00%
Currency: USD

Plan Targets

Type	Weight Percent	Incentive Target	Prorated Target	Quota	Prorated Quota
Product	90%	\$45,000	\$45,000	\$1,200,000	\$1,200,000
Services	10%	\$5,000	\$5,000	\$90,000	\$90,000

Plan Details

Each of your plan components is described in greater detail here:

You have an Incentive Target that is allocated between Product sales and Services sales. The amount and the allocation are based on a number of factors including: title, territory, tenure, years of sales experience, and regional objectives.

You have a Product Quota and a Services Quota. Each is determined by your sales manager and is based on a number of factors including territory, tenure, years of sales experience, and regional objectives. This quota may be Prorated if you are in this compensation plan for less than the full fiscal year.

You have separate Base Incentive Compensation Rates (Base ICR) for Product sales and Services sales. Each is calculated by dividing your prorated Quota by the Incentive Target for each of Products and Services.

Self Calculator

Regional Account Executive Self Calculator

This tool allows you to model your specific RTI Regional Account Executive Compensation Plan. You have several components in your plan which you can create "What if?" sales scenarios to help get an estimate on potential earnings.

Please keep in mind that this tool will just estimate your earnings and will not include any adjustments or draws that you may be subject to.

What If?

Type	"What If?" Sales	Prorated Quota	YTD Attainment	Prorated Rate	Commission
Product	900000	\$1,200,000	75.00%	3.13%	\$28,170.00
Services	85000	\$90,000	94.44%	4.64%	\$3,944.00
					\$32,114.00

Note:

The Monthly Commissioned that has been calculated is independent of any pending Draws. Actual payouts will have any pending Draws subtracted from your calculated Monthly Commission.

Plan Attributes

Participant: Dan Huddle
Position: Regional Account Executive
Hire Date: 1/15/1992
Plan Effective Date: 1/1/2012
Annual Target Incentive: \$50,000
Proration: 100.00%
Currency: USD

Plan Multiplier Targets

Achieve at least...	...but less than...	...to get Multiplier
0%	100%	100%
100%	110%	110%
110%	125%	130%
125%	150%	150%
150%	200%	200%
200%	no limit	225%

Plan Targets

Type	Weight Percent	Incentive Target	Quota	Prorated Quota	Base ICR
Product	90%	\$45,000	\$1,200,000	\$1,200,000	3.13%
Services	10%	\$5,000	\$90,000	\$90,000	4.64%

Commission Statement

2012 Regional Account Executive Commission Statement

Select Month:
 Select AE:

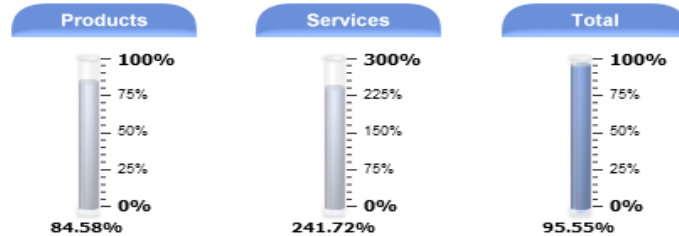
Gross Earnings	+	Adjustments	=	Gross Payout	-	Draws	=	Net Payout
\$11,525.00		\$0.00		\$11,525.00		\$3,625.00		\$7,900.00

Participant Info

Participant: Dan Huddle
Position: Regional Account Executive
Manager: Doug Karey
Territory: North East USA

Incentive Target: \$50,000
Plan Effective Date: 1/1/2012
Proration: 100%
Currency: USD

YTD Attainment



Monthly Transaction Counts

	Products	Services	Total
Qualifying	5	2	7
Non Qualifying	0	0	0
Total	5	2	7

Transactions Search

Detailed Breakdown

	Products	Services	Total
Weight	90%	10%	100%
Incentive Target	\$45,000	\$5,000	\$50,000
Prorated Target	\$45,000	\$5,000	\$50,000
Quota	\$1,200,000	\$90,000	\$1,290,000
Prorated Quota	\$1,200,000	\$90,000	\$1,290,000
Monthly Sales	\$220,000	\$26,200	\$246,200
YTD Sales	\$1,015,000	\$217,550	\$1,232,550
YTD Attainment	84.58%	241.72%	95.55%
Base Payout Rate	3.75%	5.56%	
Multiplier	100%	225%	
Total Payout Rate	3.75%	12.50%	
Monthly Qualifying Sales	\$220,000	\$26,200	\$246,200
Gross Commission Earned	\$8,250.00	\$3,275.00	\$11,525.00
Plus/(Less): Adjustments	\$0.00	\$0.00	\$0.00
Gross Payout	\$8,250.00	\$3,275.00	\$11,525.00
Adjustments Carry Over	\$0.00	\$0.00	\$0.00
Less: Draws			\$3,625.00
Net Payout			\$7,900.00
Draw Carry Over			\$0.00

Transaction level detail with dispute resolution

Inquire

Category:

Attachment: No file chosen

Hi Doug,

Could you have a look at the Maple Leaf foods invoice attached, I think the total Revenue for the Chassis sales should be \$140,000 not \$14k.

Regards,

Dan

Transaction Details

Select AE:

Selection Criteria

Invoice Month:

Invoice Start Date:

Invoice End Date:

Collection Start Date:

Collection End Date:

Customer:

New Customer:

Transaction Type:

Product/Service:

Min Sale Amount:

Max Sale Amount:

Matching Non-Qualifying Transactions

Trans ID	Invoice Date	Customer	New?	Product	Amount	Reason for Not Qualifying
TR00145	1/24/2012	Maple Leaf Farms Inc.	No	Chassis	\$14,000	Chassis sale under \$40,000 to existing customer
TR00159	1/26/2012	Marimba, Inc.	No	Support and Maintenance	\$3,900	Transaction doesn't meet minimum deal size
TR00185	1/30/2012	Ness Technologies	No	Support and Maintenance	\$3,900	Transaction doesn't meet minimum deal size
Total:					\$21,800	

Transaction level detail with dispute resolution

Category: Transaction Details Incorrect

Attachment: No file chosen

Hi Doug,

Could you have a look at the Maple Leaf foods invoice attached, I think the total Revenue for the Chassis sales should be \$140,000 not \$14k.

Regards,

Dan

Transaction Details ←

Selection Criteria

Invoice Month:	January 2012
Invoice Start Date:	1/1/2012
Invoice End Date:	12/31/2012
Collection Start Date:	1/1/2012
Collection End Date:	12/31/2012

✘ Matching Non-Qualifying Transaction

Trans ID	Invoice Date	Customer			
TR00145	1/24/2012	Maple Leaf Farms Inc.	No	Chassis	\$14,000 Chassis sale under \$40,000 to existing customer
TR00159	1/26/2012	Marimba, Inc.	No	Support and Maintenance	\$3,900 Transaction doesn't meet minimum deal size
TR00185	1/30/2012	Ness Technologies	No	Support and Maintenance	\$3,900 Transaction doesn't meet minimum deal size
Total:					\$21,800

Open

My Documents > RTIInvoices

Search RTI Invoices

Name	Date modified	Type
Word Versions	8/23/2012 10:28 AM	File f
TR00110 - Freedom Plastics INC.pdf	5/29/2012 5:24 PM	PDF
TR00145 - Maple Leaf Farms INC.pdf	5/29/2012 5:23 PM	PDF
TR00159 - Marimba INC.pdf	5/29/2012 5:24 PM	PDF

File name: TR00145 - Maple Leaf Farms INC.p

All Files

Manager Dashboards

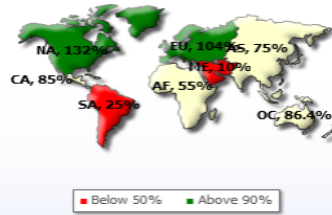
Manager Dashboard

This dashboard provides an overview of sales and pipeline information in addition to some KPIs (key performance indicators). Each section is linked to a more detailed report, please click on the appropriate section to drill down.

YTD Sales



Worldwide Sales



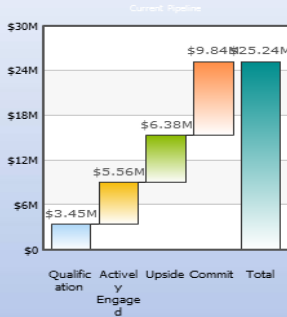
Top Performers

Payee	Sales	Attainment
Laurie Reynolds	\$2,105,875	128.0%
Darnell Humphrey	\$1,726,500	107.0%
Herb Allen	\$1,630,250	102.0%
Dan Huddle	\$1,852,156	99.1%
Diana Young	\$1,254,300	95.6%

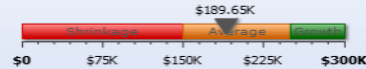
Under Performers

Payee	Sales	Attainment
John Linsmar	\$612,877	42.0%
Tammy Crosby	\$687,299	48.0%
Steve Murray	\$714,829	52.0%
Debbie Clarkson	\$784,847	60.0%
Barry Bentley	\$887,131	71.0%

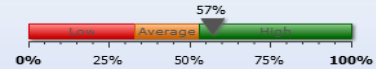
Current Pipeline



Average Deal Size



Average Gross Margin



These are your top opportunities, pre-determined by pipeline stage and deal size. If you want to sort these opportunities according to your own criteria, please click on any of the headers.

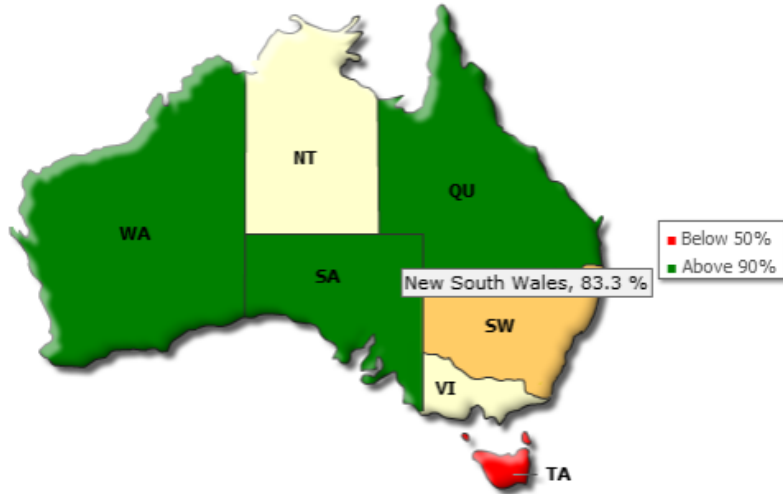
Top Opportunities

Account	Owner	Stage	Amount
A&E Television Networks	Dan Huddle	Upside	\$350,000
Ness Technologies	Tammy Crosby	Actively Engaged	\$475,000
State Street	Darnell Humphrey	Commit	\$130,182
Computer Sciences Corporation	Laurie Reynolds	Commit	\$172,904
Wet Seal Inc.	Herb Allen	Upside	\$220,415
ADVO, Inc.	Debbie Clarkson	Commit	\$102,492
Marshall Management Inc.	Dan Huddle	Commit	\$199,650
Pepco Holdings, Inc.	Steve Murray	Upside	\$143,192
St. John's Medical Center	Laurie Reynolds	Actively Engaged	\$240,000

Geographic Performance

Australia Sales

[<< Up one level](#)



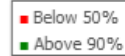
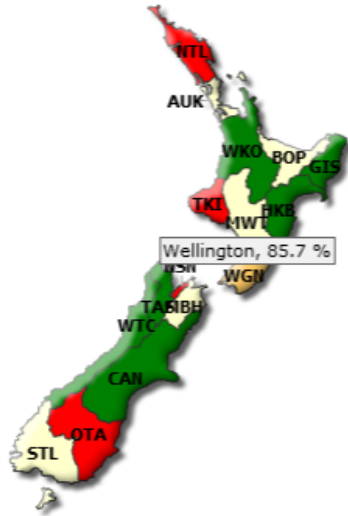
Region	2012 Sales (\$M)	2011 Sales (\$M)	Variance (\$M)	Quota Attainment
Western Australia	\$0.2	\$0.2	\$0.0	100.0%
Northern Territory	\$0.1	\$0.2	(\$0.1)	60.0%
Queensland	\$0.2	\$0.1	\$0.1	200.0%
South Australia	\$0.2	\$0.1	\$0.1	200.0%
New South Wales	\$1.0	\$1.2	(\$0.2)	83.3%
Victoria	\$1.0	\$1.2	(\$0.2)	83.3%
Tasmania	\$0.0	\$0.0	\$0.0	0.0%

[<< Back to Manager Dashboard](#)

Geographic Performance

New Zealand Sales

[<< Up one level](#)



Region	2012 Sales (\$M)	2011 Sales (\$M)	Variance (\$M)	Quota Attainment
Auckland	\$0.3	\$0.3	\$0.0	85.7%
Bay of Plenty	\$0.1	\$0.1	\$0.0	50.0%
Canterbury	\$0.1	\$0.1	\$0.0	100.0%
Gisborne	\$0.1	\$0.1	\$0.0	100.0%
Hawke's Bay	\$0.1	\$0.1	\$0.0	100.0%
Manawatu-Wanganui	\$0.1	\$0.1	\$0.0	50.0%
Marlborough	\$0.1	\$0.1	\$0.0	66.7%
Nelson	\$0.0	\$0.0	\$0.0	0.0%
Northland	\$0.0	\$0.0	\$0.0	0.0%
Otago	\$0.0	\$0.0	\$0.0	0.0%
Southland	\$0.1	\$0.1	\$0.0	66.7%
Taranaki	\$0.0	\$0.0	\$0.0	0.0%
Tasman	\$0.1	\$0.1	\$0.0	100.0%
Waikato	\$0.1	\$0.1	\$0.0	100.0%
Wellington	\$0.3	\$0.3	\$0.0	85.7%
West Coast	\$0.1	\$0.1	\$0.0	100.0%

[<< Back to Manager Dashboard](#)

Cost of Compensation Analysis

Cost of Compensation Analysis

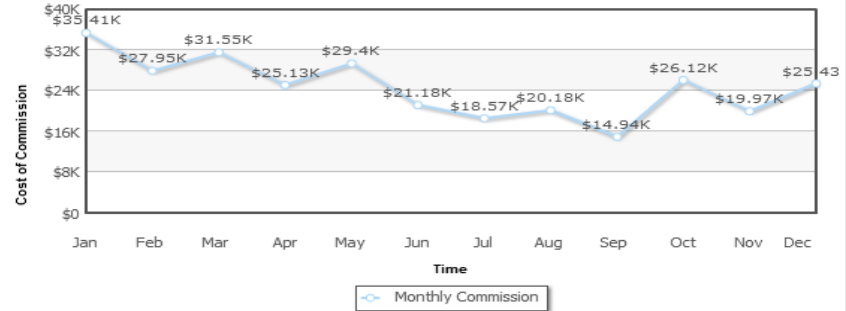
The report below is your current and Year to Date Cost of Compensation. Your Year to Date Key Performance Indicators are available for review at the top left corner. The detailed analysis of commission paid in your cost centre has been provided by period, regions, product and payee.

Key Metrics - Cost of YTD Compensation

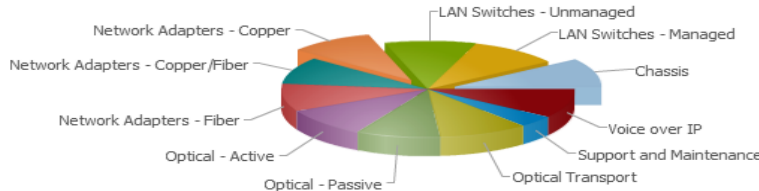
YTD Actual:	\$2,850,000
YTD Budget:	\$3,000,000
YTD Actual Vs Budget %:	95%
YTD Variance to Budget:	\$150,000
YTD Variance to Budget %:	5%



Total Commission Paid By Period

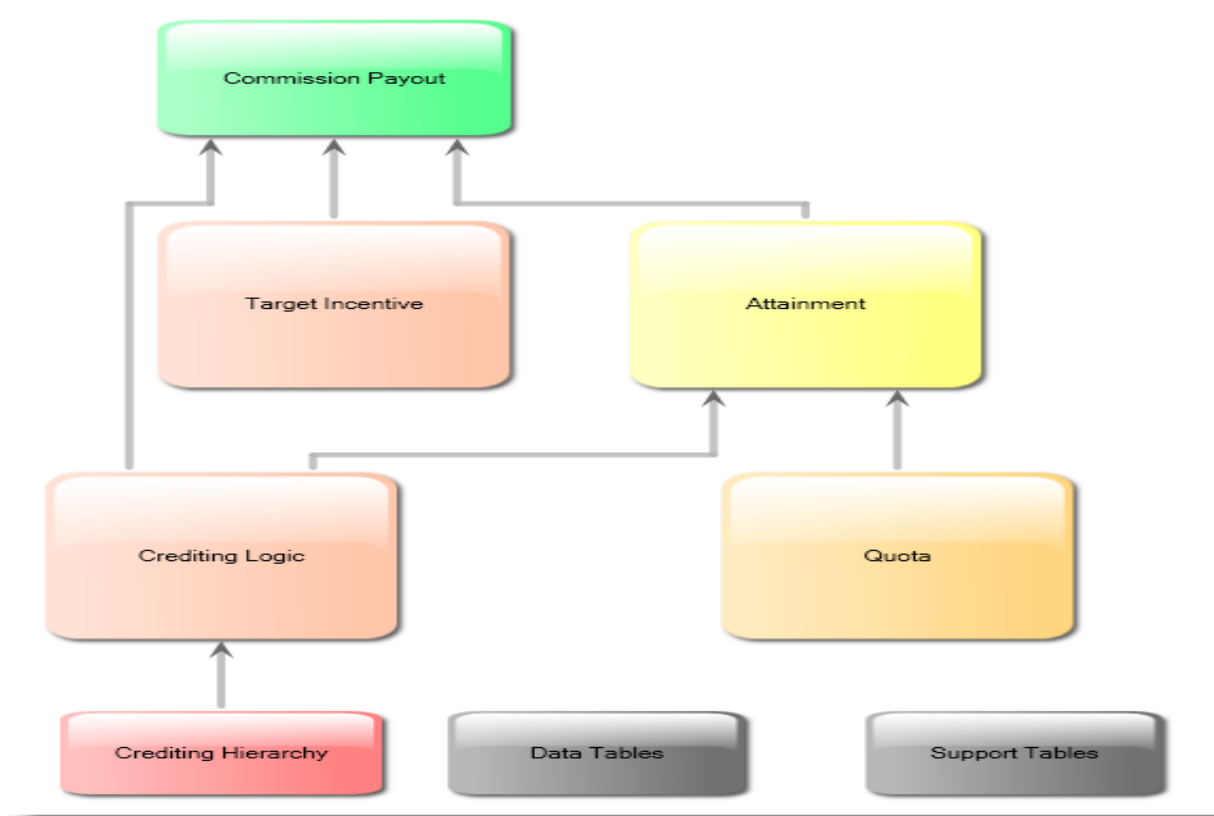


Total Commission Paid By Product



Product	Cost
LAN Switches - Unmanaged	\$256,315
LAN Switches - Managed	\$255,248
Optical Transport	\$252,241
Voice over IP	\$247,997
Chassis	\$245,226
Optical - Active	\$245,095
Network Adapters - Copper	\$237,766
Optical - Passive	\$235,742
Network Adapters - Fiber	\$235,558
Network Adapters - Copper/Fiber	\$230,626
Support and Maintenance	\$101,440

Flowchart-Based Plan Builder



KEYS TO SUCCESS

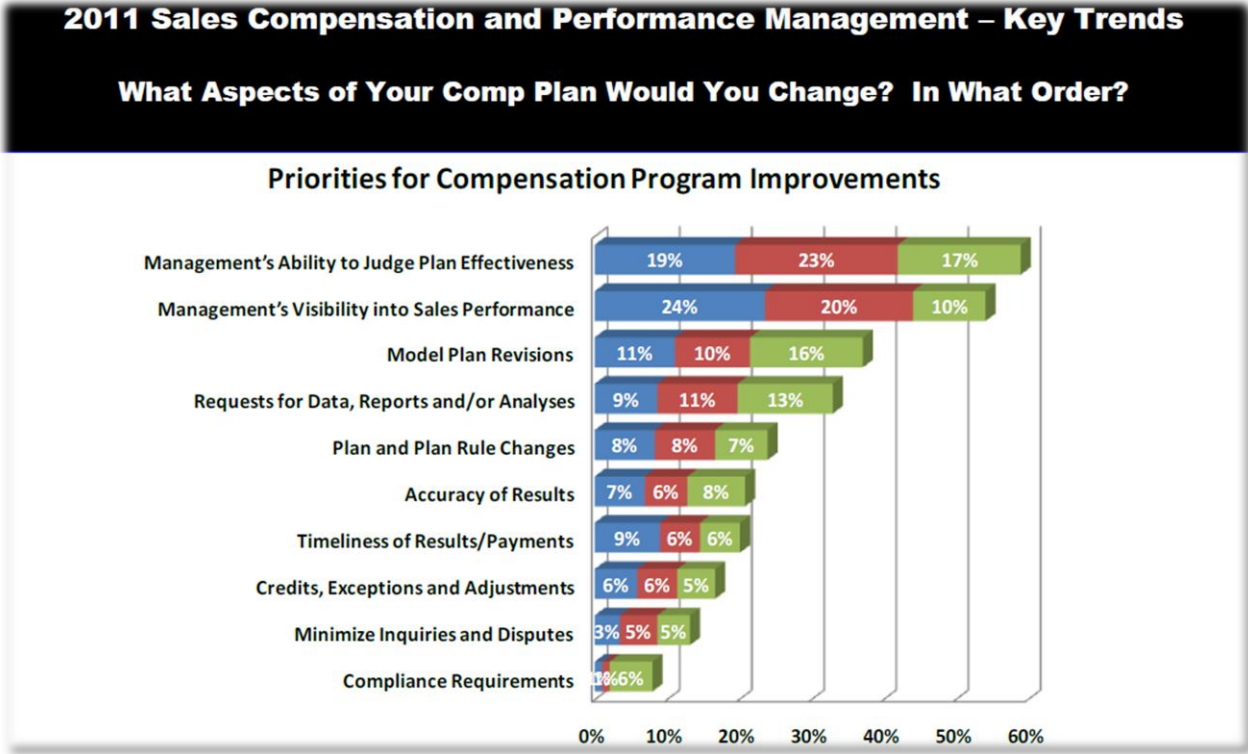
Varicent SPM

Keys to Success

- Ensure Goal Alignment
- Reporting, Know What you need.
- Allow Enough Time for Data Integration
- Consider Testing Requirements Early
- Communicate, Communicate, Communicate
- Understand Company Policies
- Consider How To Handle History
- Plan for Growth and Change
- Involve IT



Keys to Success – Goal Alignment



2011 Sales Compensation and Performance Management, Key Trends Analysis

Why Us?

Varicent Differentiators



Business User Friendly

Configure vs. code

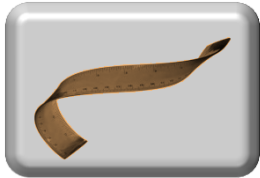
Visual flow approach



Integrated Product

Calculation engine, ETL,
workflow, reporting, etc.

Lower cost of ownership



Flexibility

Commission, MBOs, etc.

Meet changing needs

Flexible data model



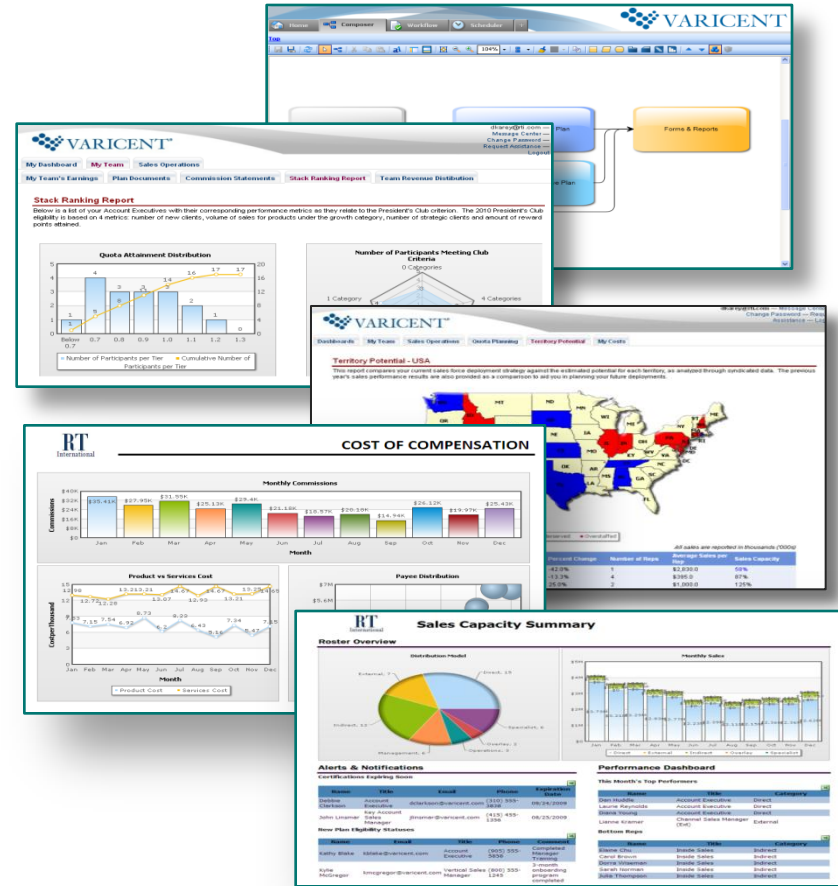
Performance & Scalability

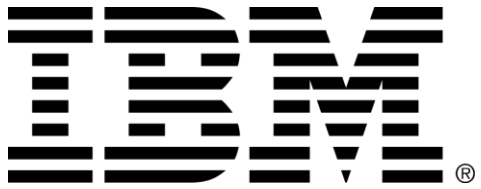
Built for high transaction
volumes

Imports, calculations, etc.

Varicent is Faster to Value

- Single Product
 - Reporting
 - Calculation engine
 - Workflow
 - Inquiries and Disputes
 - Data Loading
- Strong Audit and Security Capabilities
- Easy administration configured through the application layer
- Scalability and Performance





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