

Sales performance management

The missing ingredient in corporate performance management solutions

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Four questions

- What is corporate performance management (CPM)? What is sales performance management (SPM)?
- Why is this important now?
- What does the research say?
- What have other companies done to be successful?

Corporate performance management

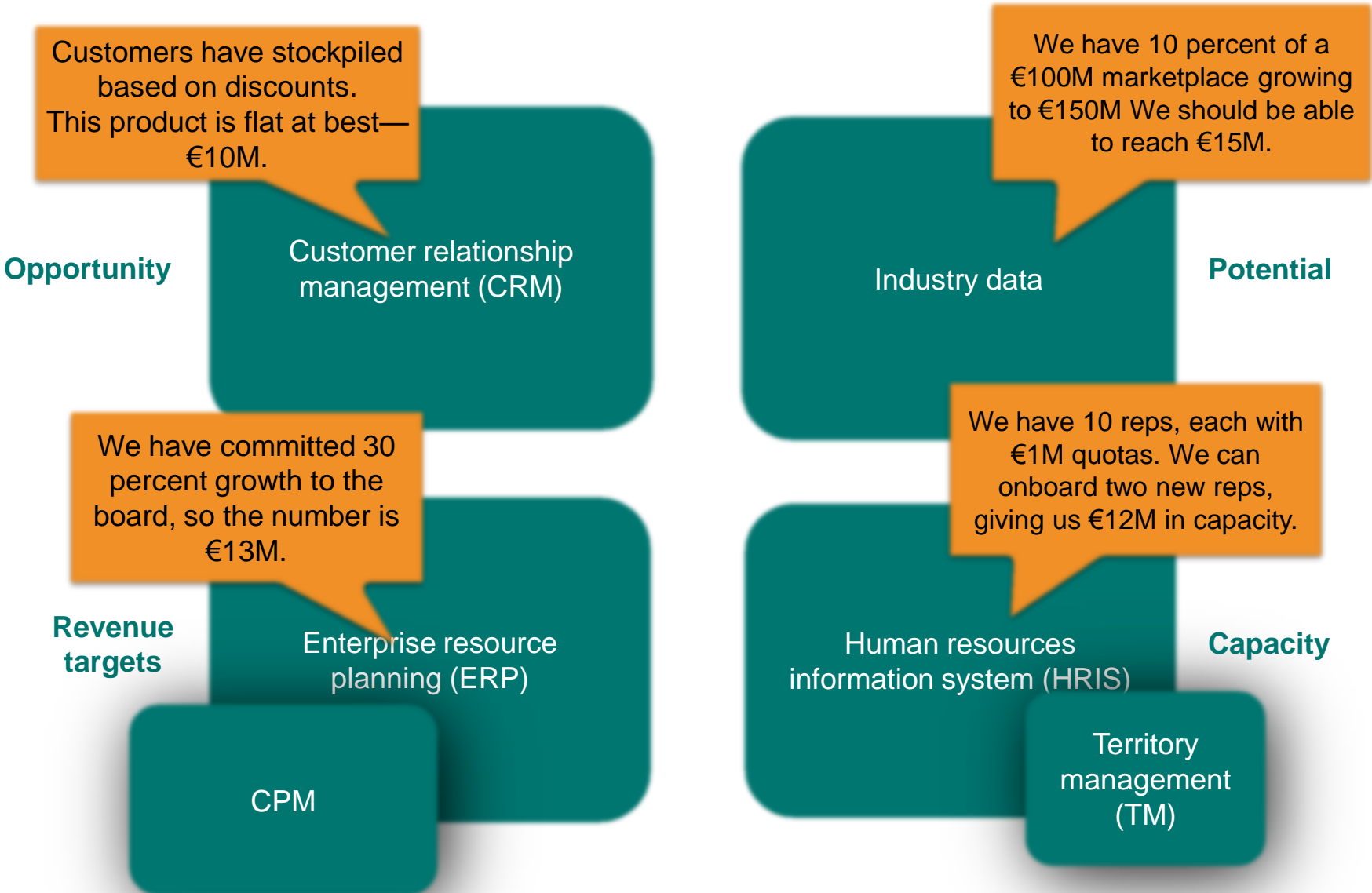
Corporate performance management consists of a set of management and analytics processes, supported by technology, that enable businesses to define strategic goals and then measure and manage performance against those goals.

Corporate performance management

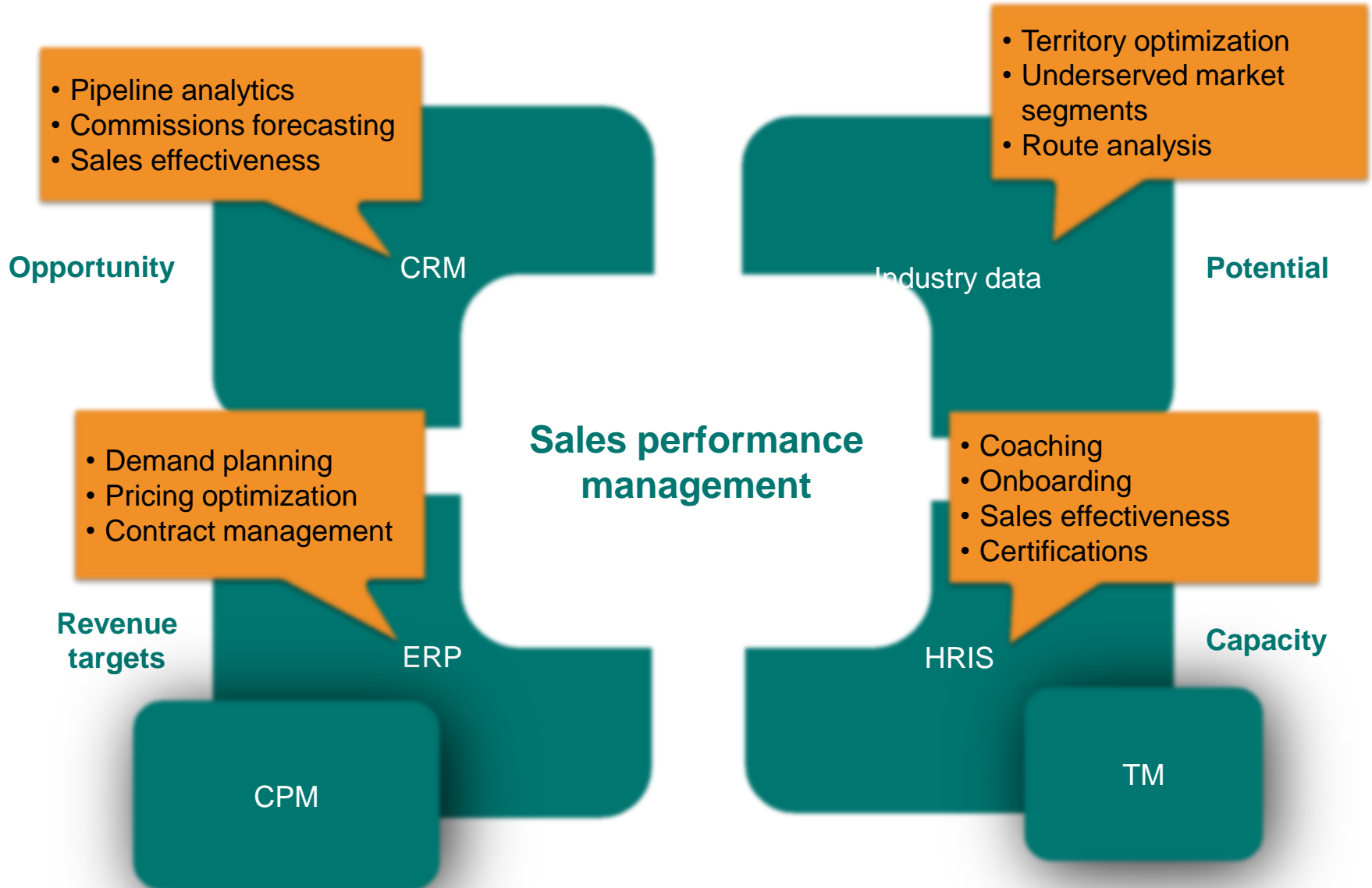
Corporate performance management consists of a set of management and analytics processes, supported by technology, that enable businesses to define strategic goals and then measure and manage performance against those goals.

Core corporate performance management processes include financial planning, operational planning, business modeling, consolidation and reporting, analysis, and monitoring of key performance indicators linked to strategy.

Organizational alignment?



Organizational alignment?



Sales performance management

Sales performance management is defined as a comprehensive solution that helps organizations drive sales alignment from strategy through to execution while improving efficiency, accuracy and timeliness of the associated administrative processes.

SPM supports the business processes of territory management, quota planning, incentive compensation management and roster/channel management.

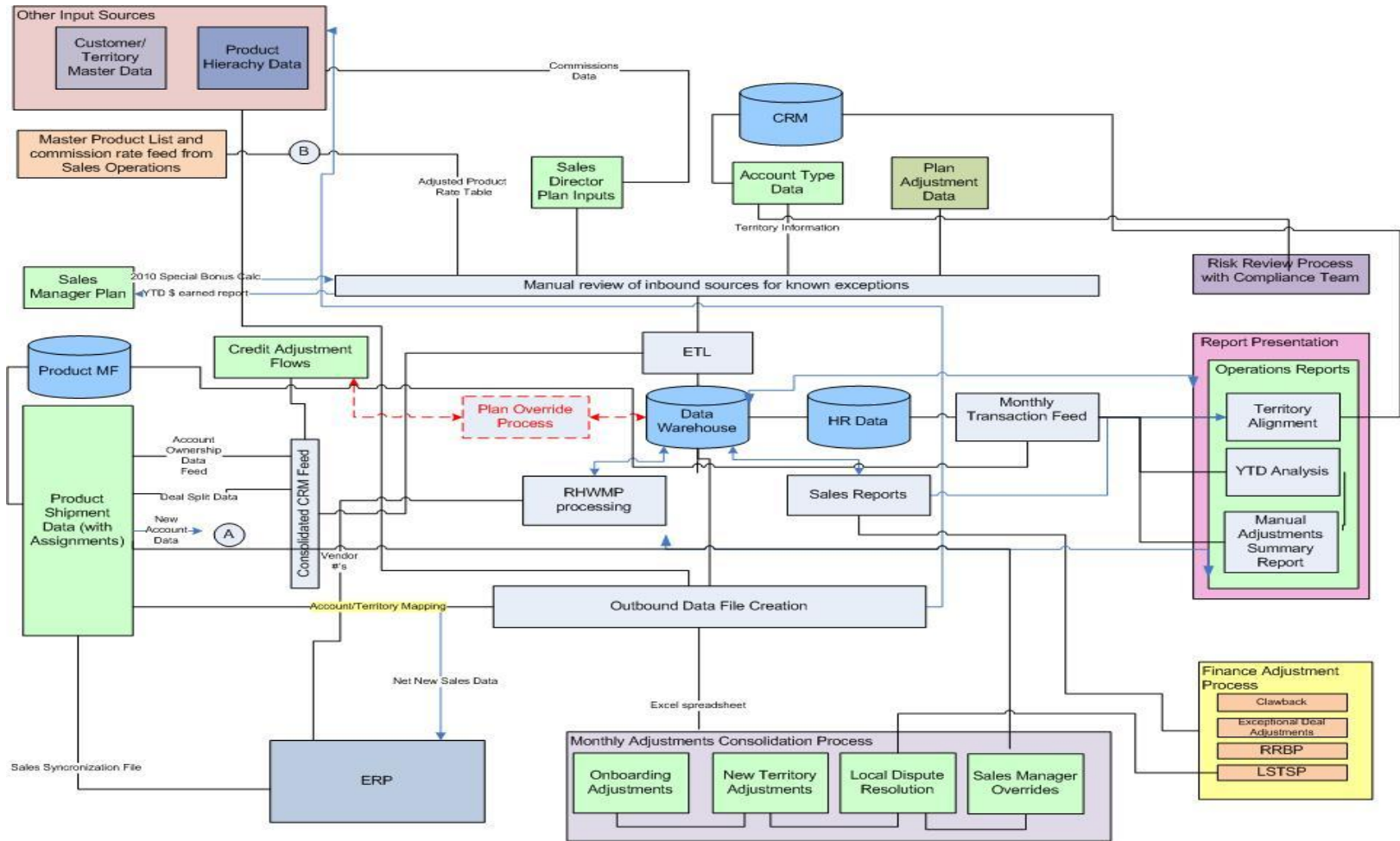
Implementing a sales performance management solution ultimately leads to better management and utilization of sales resources.

How tough can it be?

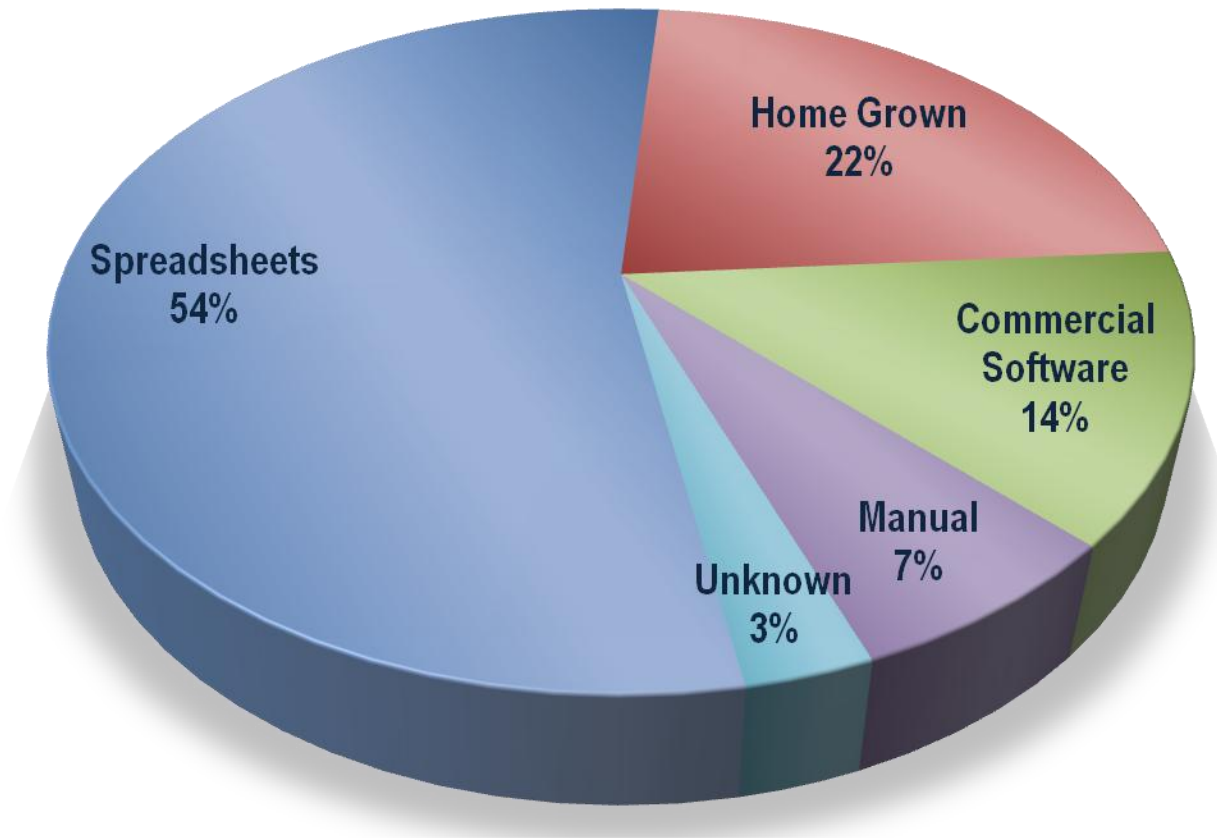
- Get the checks out on time
- Make sure they're accurate



An all-too-common scenario



How are commissions being calculated?



CSO Insights, *2011 Sales Compensation & Performance Management*, 2011.

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 lower headcount
 - Analyze impact of new plans
 - Plan for reorganizations



State of sales performance management

Sales compensation spend as a percentage of annual revenues is up to 11.5 percent from 10.7 percent.

CSO Insights, *Sales Compensation Key Trends Analysis*, 2011.

Organizations adopting SPM technologies outperform those that don't—higher attainment of quota, more reps making quota, higher win rates, increased revenue.

Aberdeen, *Sales Performance Management: Getting Everyone on the Same Page*, Peter Ostrow, August 31, 2010.

Organizations adopting SPM technologies reduce errors by more than 90 percent, reduce processing times by more than 40 percent and reduce IT/admin staffing by more than 50 percent.

Gartner, *Marketscope for Sales Incentive Compensation Management Software*, Michael Dunne, March 5, 2010.

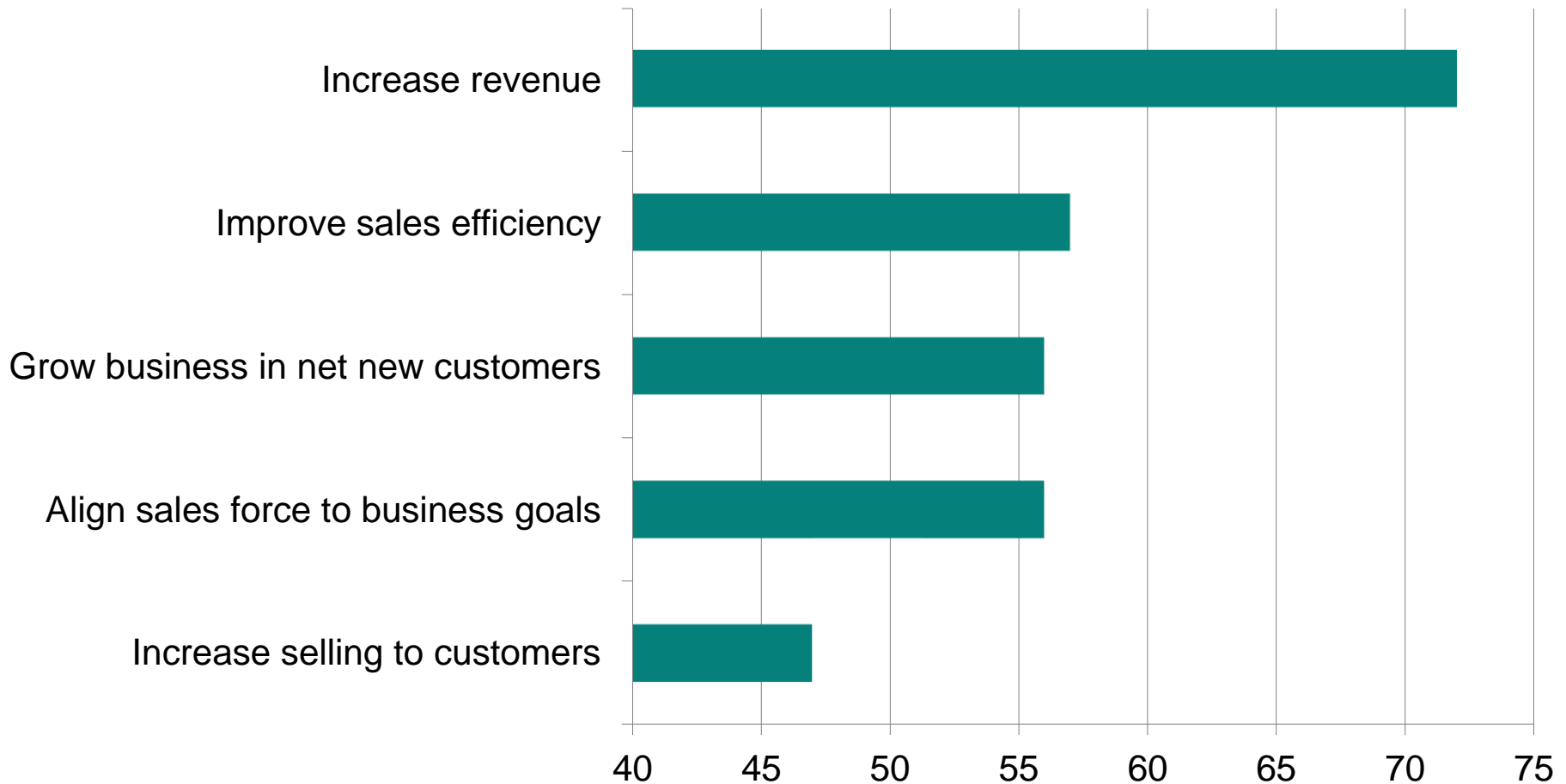
Why now?

- **Rebuilding of sales** capacity to drive growth strategies
- **Greater governance** over outlays
- **Increased insight** into underlying assumptions and likely outcomes of compensation strategies
- **Greater flexibility** to support more complex and dynamic sales models
- **Dissatisfaction with the time, costs and resources** required to maintain and upgrade legacy compensation systems
- **Dissatisfaction with the reliability of spreadsheets** to adequately support compensation processes

Enterprises will miss the equivalent of 5 to 10 percent of annual sales as “lost opportunities” that could have been captured through improved management of sales territories, quotas and compensation plans.

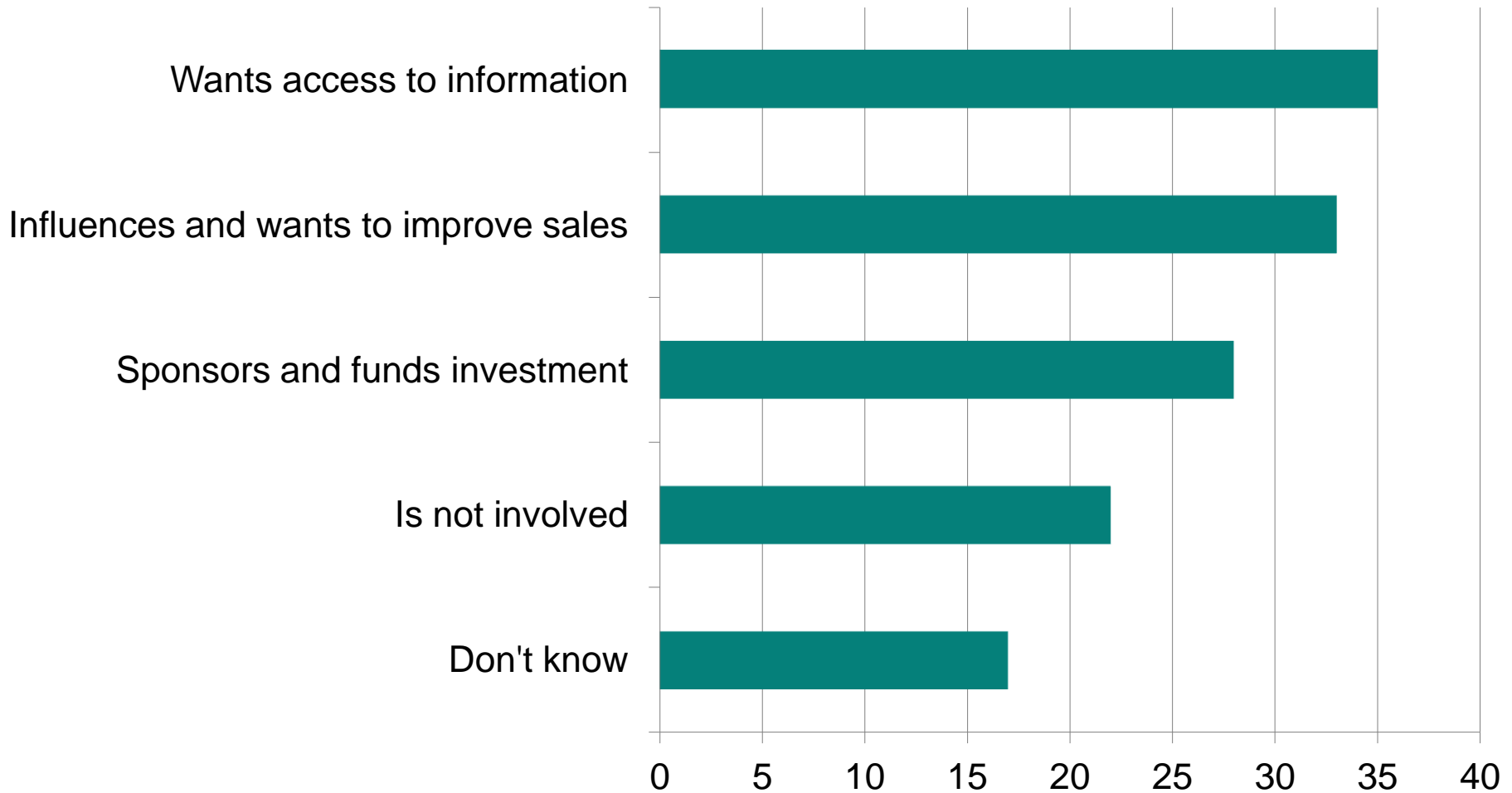
Gartner, KPIs for Top CRM Sales Processes, February 26, 2010.

What is important to sales?



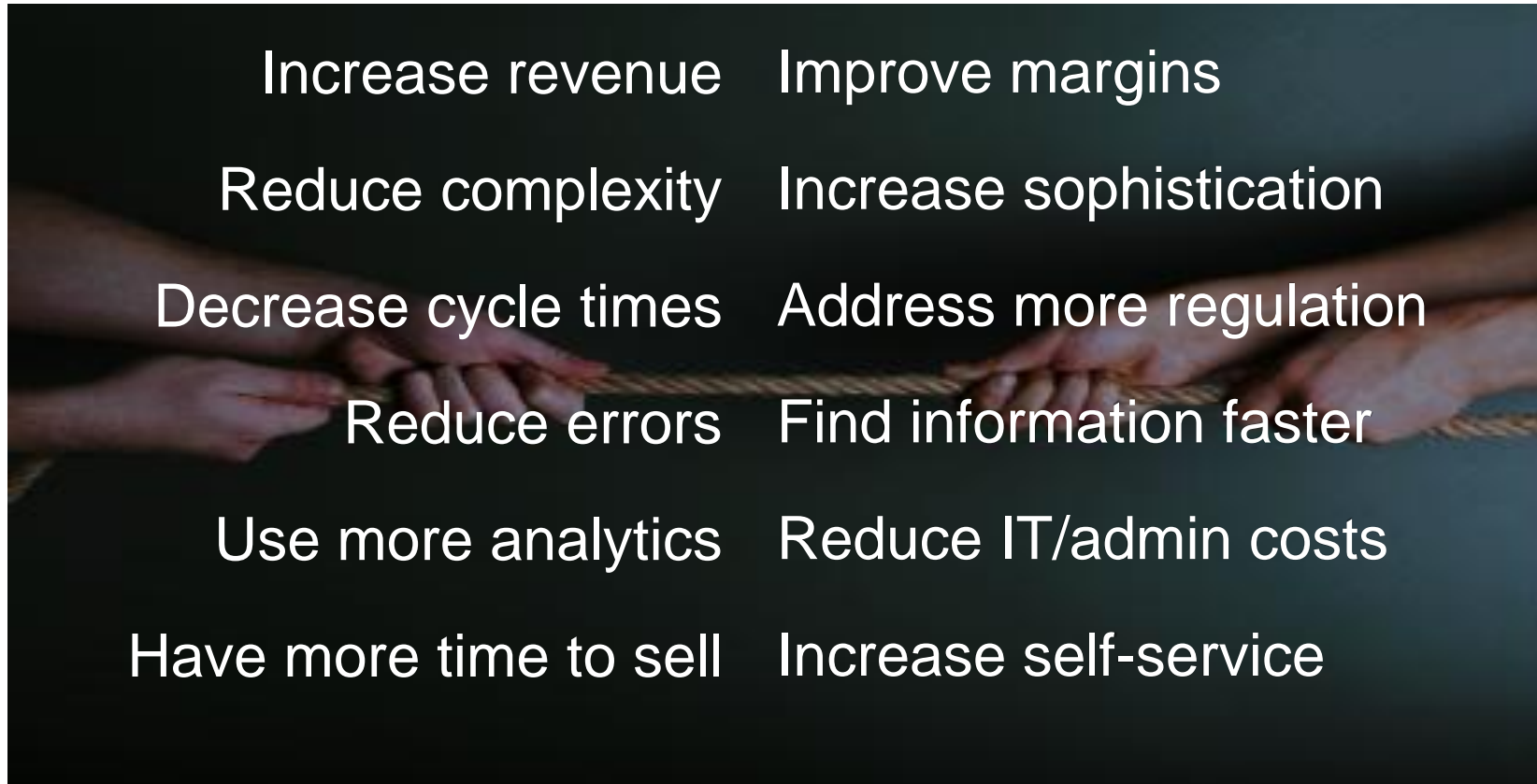
Data from Ventana Research, *Sales on the Cutting Edge – Improving the Business of Sales to Maximize Revenue*, 2011.

What role does finance play?

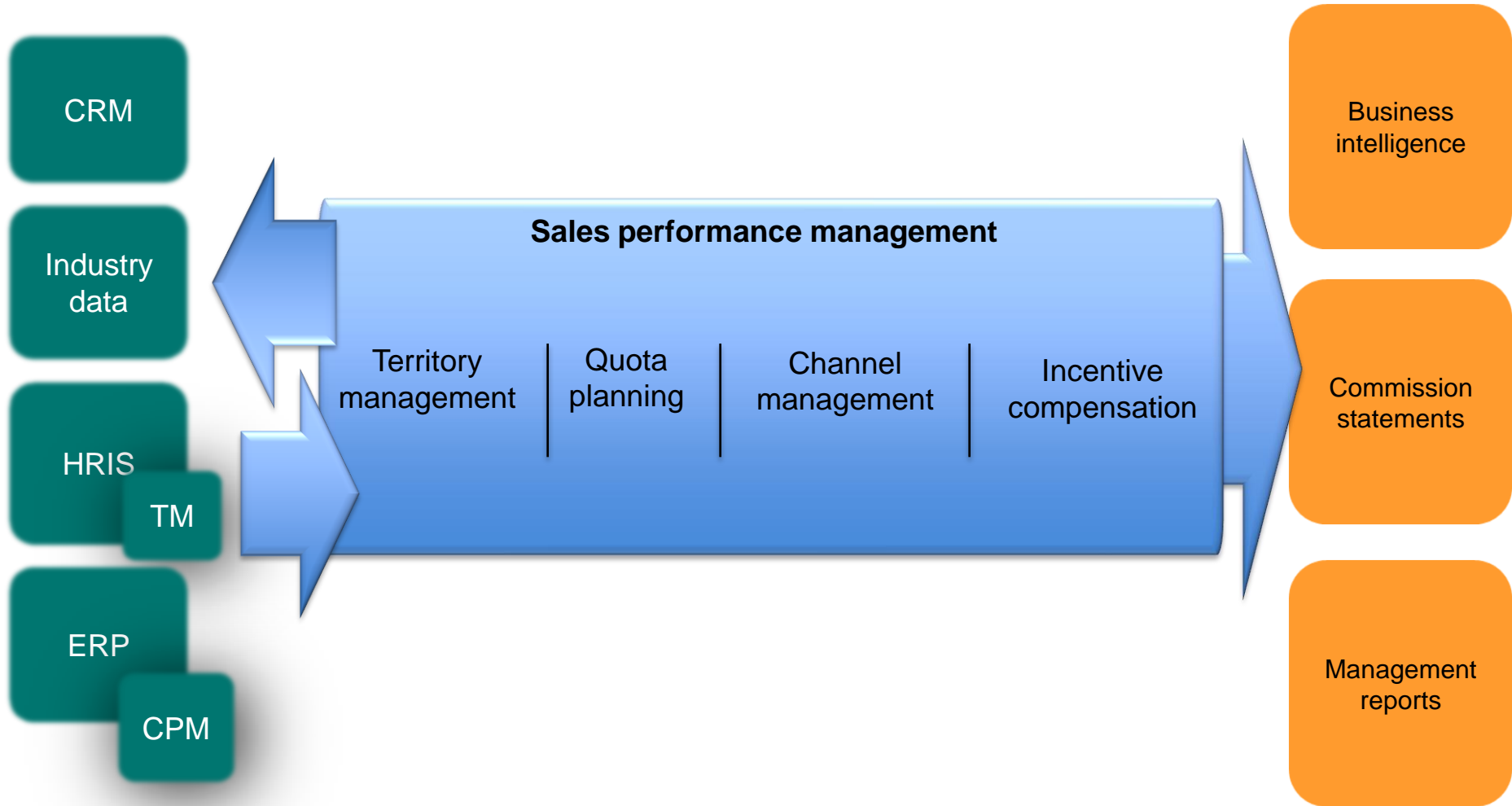


Data from Ventana Research, *Sales on the Cutting Edge – Improving the Business of Sales to Maximize Revenue*, 2011.

Ensure goal alignment



Sales performance management

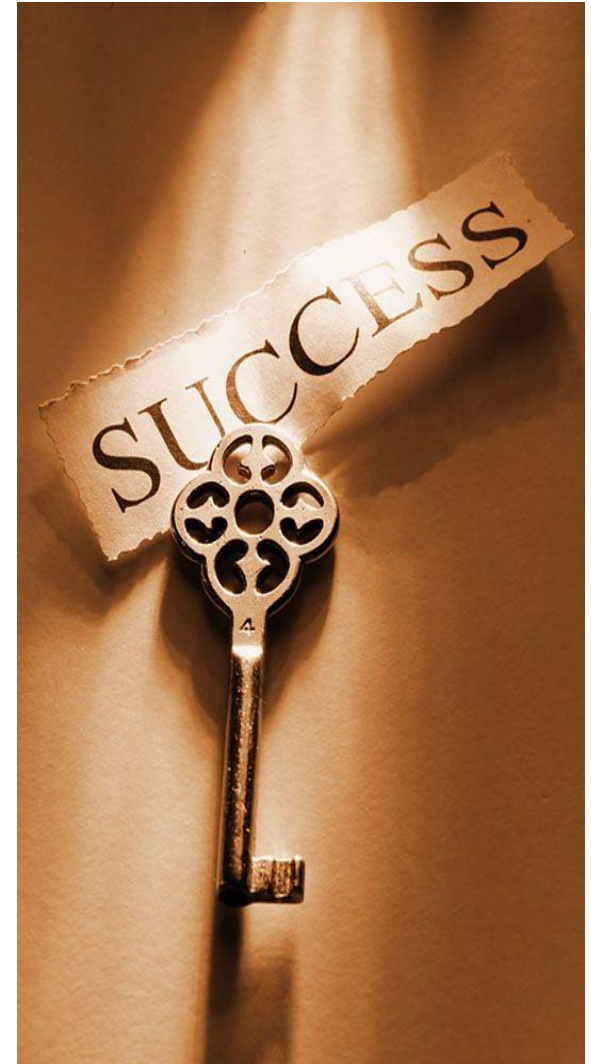


Adopters span industries and sizes



Keys to success

- Ensure goal alignment
- Reduce and improve reporting
- Allow enough time for data integration
- Consider testing requirements early
- Communicate, communicate
- Understand company policies
- Consider how to handle history
- Plan for growth and change
- Involve IT





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