

Performio®

# Digital Transformation In Incentive Compensation Management



# Rethinking Incentive Compensation

Today, we're in the era of digital transformation – the use of new technologies to completely rewrite business models, rethink long-held assumptions, and readdress opportunities and threats.

Digital transformation removes process friction, increases efficiency, and accelerates business tempo. Countless businesses across industries have responded to these opportunities by applying this discipline to customer-facing activities to achieve competitive advantage and growth. Digital transformation holds an equally powerful potential for internal or back office functions as well – like incentive compensation management (ICM).

It's no secret: traditional ICM is broken. Instead of leveraging modern technology to elevate and streamline complex processes, too many companies are content to leave ICM trapped in a pile of fragile (and non-secure) spreadsheets, cumbersome workarounds, costly errors, frustrating delays, and unacceptable results. The impact is far-reaching:

## Overpayments

Companies lose 3-8% of total incentive comp dollars per year (think: millions of dollars) just due to inaccurate calculations and overpayments to reps.

## Lost Revenue

The “shadow accountants” – your quota-carrying sales team – spend up to 5% of their time just checking commissions and not selling because they do not trust the numbers.

## Higher Turnover

When there's no transparency and accuracy is in doubt, your frustrated sales force suffers a higher churn rate – and that leads to lost revenue and high replacement costs.

## Weak Reporting

Your sales execs and finance leaders can't dynamically plan – and adjust to changing conditions – without crucial information about sales performance.



# The Time Is Right For Digital Transformation In ICM

In ICM, the days of simple transactions, straightforward comp plans, and basic spreadsheets are long gone. Today it's all about complexities and nuances as companies continually refine their sales comp plans to gain every possible advantage in the marketplace and spur new levels of growth.

But when companies grow, their ICM challenges increase exponentially: more sales people, different types of employees on incentive comp, more products, more geographies, more entities, and more intricate comp plans. Then add in the nuances and complexities of spiffs, channel splits, changing territories, and sliding-scale quotas – all tied to revenue-recognition rules and new business models like software as a service (SaaS) and subscription/renewals – it's enough to overwhelm any sales operations teams and finance departments. Is your company ready to handle today's ICM challenges?

## Rapid Growth

Through mergers, acquisitions, or organic business expansion, companies in high-growth industries are adding products and channels, entering new segments and geographies, and creating new services. That requires a more sophisticated ICM infrastructure.

**?** *Can your ICM program adapt quickly to the changes your business is undergoing?*

## Collaboration

Static Excel workbooks are quickly outstripped by the demands of modern companies. ICM is a team sport that requires a multi-user, collaborative platform.

**?** *Are your incentive calculations and results readily visible across sales ops and finance?*



### Automation

Manually recording and calculating commissions, splits, quota performance, and other ICM metrics becomes infeasible as your business scales. Agility rules. You can't afford to allow a 50-tab Excel workbook to become the bottleneck that holds your business back and takes days and even weeks of multiple iterations.

❓ *Have you automated your incentive comp calculations?*

### Data Proliferation

Finely tuned, well-calibrated ICM plans often rely on data from multiple systems, sources, and formats. Think: ERP, CRM, HCM, contract repositories, order-management systems, and spreadsheets.

❓ *Will your ICM infrastructure withstand the increase in data sources and complexity?*



### Visibility

Your leadership needs access to real-time dashboards, analyses, and forecasts.

❓ *Can you easily provide the reports and dashboards your leadership needs to evaluate sales performance?*

### Accuracy

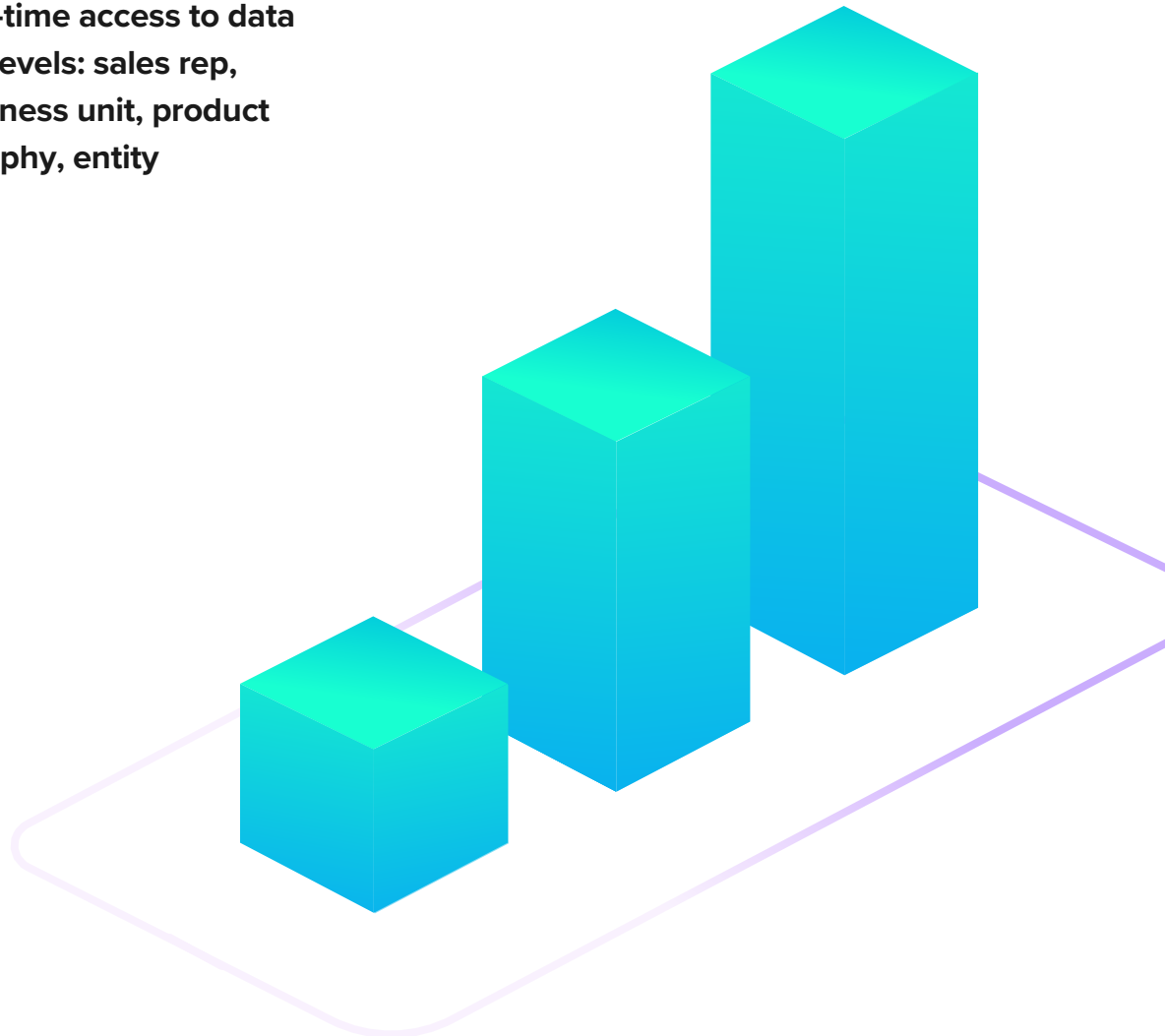
With volume, variables, and velocity all increasing, your ICM efforts become all the more vulnerable to costly errors that can drag down corporate performance and morale.

❓ *Are you confident your calculations are error-free?*

**If you answered “no” to any of the above, you can benefit from bringing digital transformation to your ICM program.**

# The Goals Of Modern ICM

- ✓ A scalable platform to motivate revenue-producers to meet business growth
- ✓ Design a range of flexible comp plans that directly and indirectly support business goals using a wider range of metrics
- ✓ Deliver real-time access to data at multiple levels: sales rep, region, business unit, product line, geography, entity
- ✓ Integrate all data sources into comp calculations
- ✓ Automate calculations to ensure comp payments are accurate and timely



# Calculate. Compensate. Communicate.



## **Simpli.fi:** **Reinventing Sales-Comp Management**

Simpli.fi provides programmatic advertising and agency management software to help media-buying organizations perform more effectively and efficiently. During a period of rapid growth, the finance team could no longer manage commissions and keep up with changing comp plans.

After implementing Performio, Simpli.fi slashed the time to process commission payments from five days per month to just five hours. Individual targets in Performio let each member of the sales team visually track their monthly performance on dashboards. Managers could monitor their team's performance and view YTD stack ranking across the team.

“We reviewed sales team performance in Salesforce, but Performio gave us a cost-effective solution instead of hiring a consultant to customize the dashboards,” said Andries Marx, CFO, Simpli.fi. “It was a positive surprise that we could track our KPIs within Performio and elevate the visibility of those KPIs for the salesforce.”

The chief revenue officer now has visibility into regional sales performance across the entire team. Sales reps are happy with having a single, transparent view of their sales performance. It is also now much easier for managers to have clear visibility into their team and to track performance of sales reps and commission payouts.

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**Andries Marx**, CFO, Simpli.fi

Bringing the discipline of digital transformation to ICM dramatically rewrites the rules for how your business will motivate its revenue producers, improve sales-operations productivity, and give your executives real-time visibility into the pace and sources of revenue performance.

What does a digitally transformed ICM system look like? Ideally, it should contain these key elements:



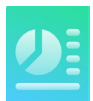
### **Seamless Data Integration**

Smarter sales comp management starts with getting the right data at the right time. And, increasingly, that data is coming from numerous locations with different formats and periodicities. These include sales records, accounting transactions, reference data, quotas, and personnel information. An ICM system with native data transformation capabilities can eliminate data headaches.



### **Ability to Handle Complex Commission Plans**

Complex business environments and changing market dynamics lead to sophisticated ICM plans. When you design ICM plans, you should be confident that your ICM system can account for a range of rules around sales-crediting, rollups, territory assignments, and different rate tables.



### **Comprehensive Reporting**

Instead of lengthy delays, and incomplete/inaccurate reports, modern ICM brings complete and secure role-based transparency – to all stakeholders. Dashboards, leaderboards, plan distribution (with signoffs), commission statements, and reports keep everyone in synch.



### **Enterprise-Grade Features**

Your ICM must be scalable to accommodate your growing organization. Beyond simply accurately calculating sales commissions, it should allow complex dispute resolution and approval workflows, proper audit tracking, scheduled jobs, and group emails – all protected by enterprise-grade security.



### **Transparency for Sales Reps**

If your sales team cannot easily understand their commissions, their performance suffers. You need a modern, streamlined interface with interactive dashboards that build trust. A mobile app is increasingly an expectation for any enterprise today.



### **Fast Time to Value**

Bringing all of the above to your organization doesn't mean you should endure lengthy deployment cycles. Seek a provider with experienced implementation experts who can get you up and running in weeks, not months.

## Summary

Bringing digital transformation to ICM opens the door to vast improvements in all areas of incentive comp and sales performance. With a modern ICM solution you can easily and quickly calculate sales commissions, keep your sales team happy and motivated, and gain insights from data to help you make evidence-based decisions.

## About Performio

Performio is the only Incentive Compensation Management provider that drives business performance with a product built to handle complexity, a team of dedicated experts, and a proven track record of long-term global success. Performio is a modern, enterprise-grade software and mobile app used to manage and automate incentive compensation. We address complexity through our unique no-code architecture, native data transformation capabilities, purpose-built plan components, and automated workflows. But because software alone will not drive business performance, we do incentive comp right, with experts who will guide you as you adapt your incentive compensation program as your business changes. You can count on Performio as a reliable, focused, and safe partner who has delivered customer success for over 15 years.

For more information, visit [www.performio.co](http://www.performio.co)

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