

Performio®

Using Incentive Compensation Management Software to Drive Revenue

Visualize, Analyze, Optimize



The GPS for Revenue Management

In organizations of almost any size and across numerous industries, incentive compensation management (ICM) can provide significant tactical value through its ability to move the sales operations and finance teams past the limitations of fragile and insecure spreadsheets. Modern ICM solutions streamline and accelerate compensation management, improve employee satisfaction, strengthen data security, reduce or eliminate costly errors, and deliver major productivity gains.

Increasingly, however, these improvements are just “table stakes” (albeit stakes with important and valuable benefits). The greater value and ROI comes when companies leverage their ICM deployments to a fuller extent to unleash the talents and energies of highly motivated teams to drive revenue in new, creative, and strategic ways.

To prevent your ICM from being little more than an expensive calculator or dusty shelfware, it must deliver value. The following pages describe the value that high-achieving ICM implementations can deliver and how they can accelerate and maximize revenue-based outcomes.



Visualize: Dashboards are your window to revenue gains

Enterprise-class applications can deliver an extraordinary amount of data that holds great potential value. The challenge: finding the needle-moving insights lurking within those mountains of data. A CRM system can offer sales insights, but the real information about commission-driven activities across your revenue lines can only come from an ICM system.

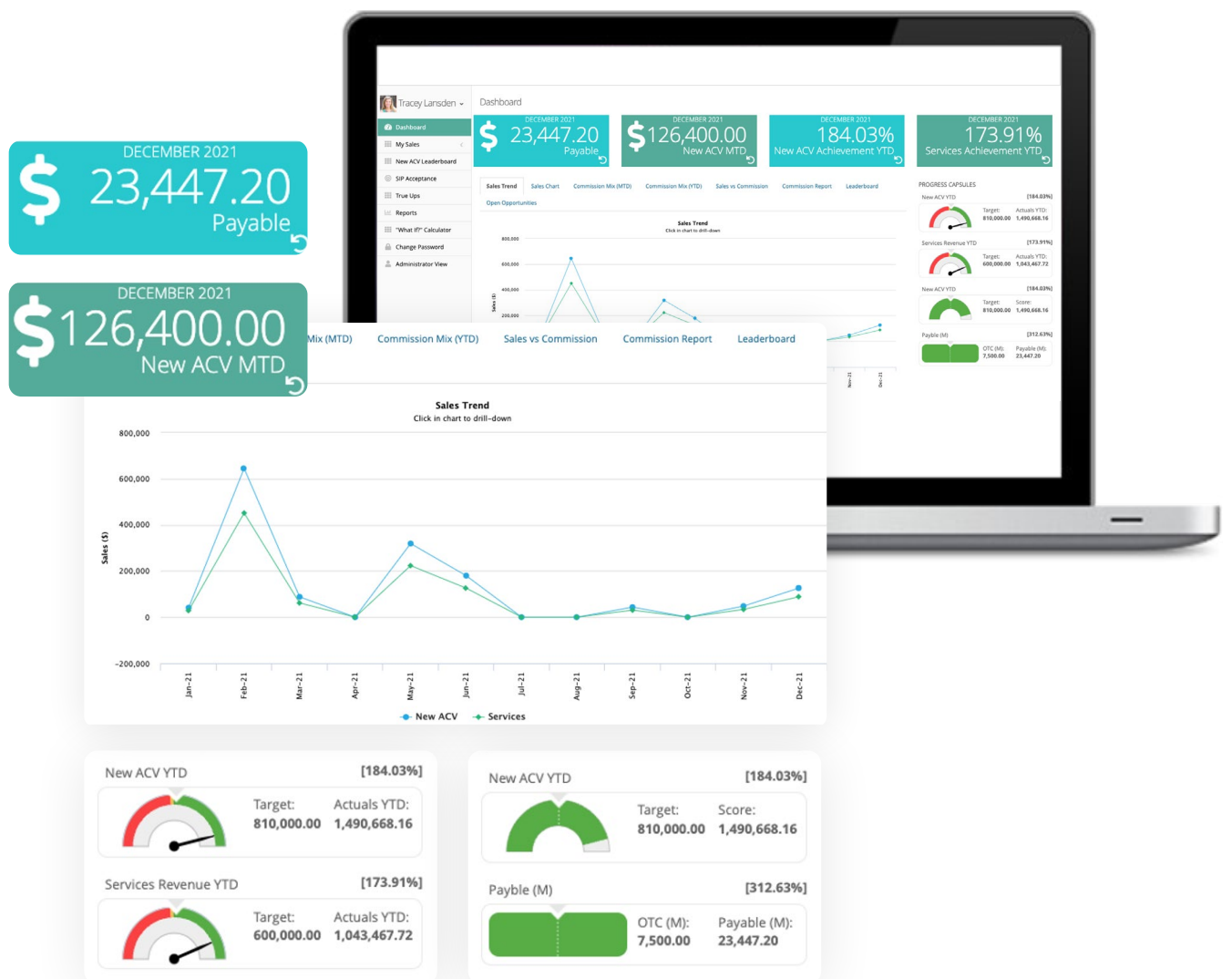
At the leadership level, an ICM-centric dashboard becomes your entry point into insights that can drive higher performance. A dashboard shows your executives the high-level metrics and analyses in real-time, so your organization can refine strategies and make adjustments to opportunities, threats, and changing macroeconomic conditions. For instance,

- ❓ Are new comp plans above plan or below plan?
- ❓ How are sales reps responding to the comp plan – by region or by product line? Are they meeting quotas?
- ❓ Are customer loyalty and retention programs costing too much in the Western Region?
- ❓ Has the company received payment for sales contracts before commissions are disbursed to the reps?



Of course the participant dashboard can be every bit as valuable by providing comp-plan participants (e.g. sales reps) with secure, real-time access to their own tailored view of their performance. That correlates to a significant increase in productivity (sales reps spend approximately 5% of their time performing “shadow accounting” to self-calculate their quota and commissions). That leads to fewer disputes and a happier sales force.

For instance, the participant’s dashboard might want to display the percentage of quota attainment, regional or national rankings, or what further revenue is required to reach President’s Club status.



Visualize: Leaderboards Help You Keep Tabs On The Team

Sales executives are constantly striving to monitor every aspect of the performance of their teams. And finance teams want to vigilantly track the cost of sales. The questions are constantly changing, and leaderboards are the ideal mechanism for keeping track of your business performance:

- ❓ Who are the top-performing reps in the Western Region for the second quarter?
- ❓ Who's projected to achieve more than 150% of commissions?
- ❓ What percentage of the sales team is on-track to achieve 80-100% of annual quota?
- ❓ What's the total revenue and total attainment?
- ❓ What's the projected payable based on this trajectory?
- ❓ Who should receive the \$1K spiff for finishing the quarter in the "Top 5" for customer retention?

With leaderboards, you can see an individual's revenue and quota, as well as other forecast and pipeline information. Of course, all of this sensitive information requires permissions and role-based secure access.

New ACV Leaderboard

New ACV Contest

Top 3 win a trip to Hawaii!



| Rank | Participant | New ACV Achievement | New ACV Actual YTD |
|------|----------------|---------------------|--------------------|
| 1 | Tracey Lansden | 184.03% | \$1,490,668.16 |
| 2 | James Kalyvas | 138.04% | \$1,118,140.00 |
| 3 | Cathy Fiola | 94.34% | \$764,157.00 |
| 4 | John Dillon | 70.88% | \$574,140.00 |
| 6 | Jimmy Bradbury | 52.09% | \$421,913.60 |
| 7 | Casey Fisher | 43.93% | \$355,859.00 |

Analyze: KPIs For Incentive Compensation Serve Up The Metrics That Matter

Revenue isn't the only source of business growth. Well-designed incentives in other areas of the business can direct employee activities to enhance countless adjacent metrics that improve corporate performance. In other words, you don't need to be a "bag-carrying" rep to have a positive impact.

Sales, finance, and HR leaders want to design and monitor comp plans that spur improvements in a variety of areas and see the real-time key performance indicators that demonstrate success:

- ✓ **Increases in Net Promoter Scores**
- ✓ **Talk-time on the phone with prospects for inside-sales teams**
- ✓ **Providing referenceable customers**
- ✓ **Meeting customer-loyalty thresholds**
- ✓ **Expanding a longtime customer account**
- ✓ **Reducing Days Sales Outstanding**
- ✓ **Increasing average deal size**



Analyze: The Right SPIFs Promote Greater Revenue Agility

Sales performance incentive funds (SPIFs) are an important tool that enables sales teams to react nimbly with temporary incentives to drive short-term revenue gains at critical times. For instance, when a company approaches a quarter-end with an uncertain (or negative) revenue projection, the sales team might award an additional \$1,000 stipend for sales that close before the end of the quarter.

In other cases, you might face an unexpectedly large amount of uncollected revenue sitting in unpaid invoices. You might give your collections team an added incentive such as: If you achieve 95% of collections, you receive a \$1,000 bonus.

We can even find innovative examples arising from the COVID-19 pandemic. After quarantines were imposed, a travel-services software company suddenly found itself facing \$10 million in dead pipeline. It pivoted to a completely new sector: accounts-payable automation. That meant rewriting the comp plan on the fly and offering SPIFs to reps who sourced their own leads or met aggressive timeframes for closing deals.



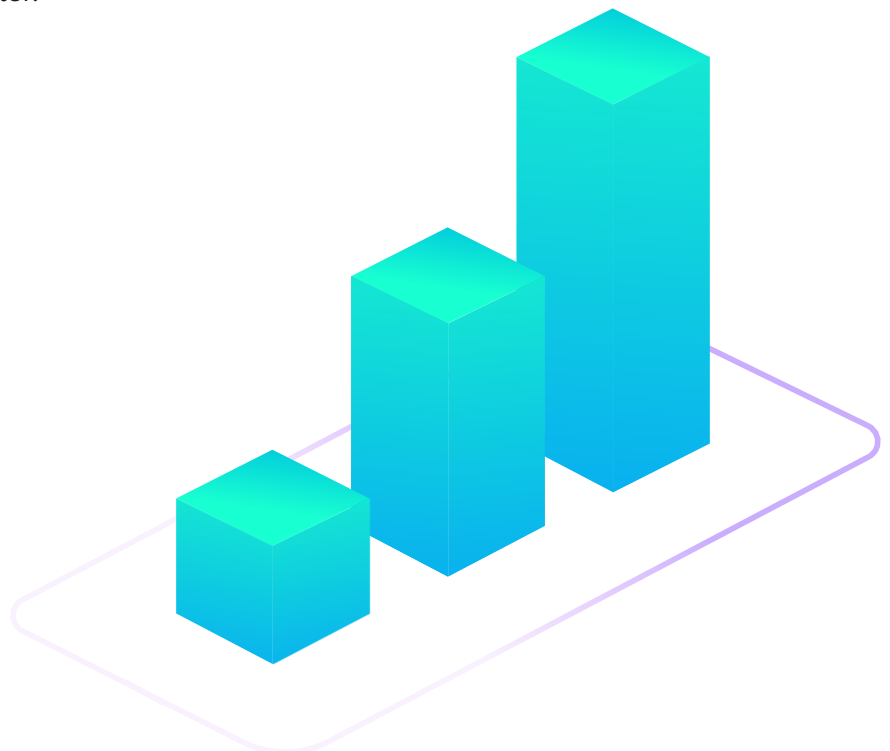
Optimize: Accelerate Toward Enhanced Revenue

The cliché is true: Time kills all deals. But the corollary is also true – A slow process for managing incentive compensation kills sales morale and momentum. A properly designed and implemented ICM system means you're able to quickly, easily, and regularly issue statements and other documents to your quota-carrying team. Simple PDFs can show each rep's plan (and capture their acceptance of the plan). And straightforward monthly statements clearly show performance to date across the metrics and incentives that matter most.

With clearly visible incentives, your teams are better positioned to close those final deals – the ones that can make or break a quarter. Show them:

- ✓ **Current attainment**
- ✓ **What-if estimators**
- ✓ **Proximity to accelerators and tiers**
- ✓ **Collected vs. billed**

All of that can happen through an automated and accurate system, so your reps stay focused on revenue and your sales ops team can focus on more strategic matters such as optimizing territory assignments or tweaking comp plans. For instance, if you see reps that are making 300% of quota, the comp plan is a “layup” and needs to change. Conversely, if the vast majority of your reps are dragging along at only 50% of quota, your organization faces a severe risk of churn in the sales department that could derail your efforts.



Conclusion

The road to stronger revenue-based outcomes starts with an incentive-based compensation system that can deliver automation, accuracy, and insight. While the tactical gains of ICM are indisputably valuable, the greater value lies in the strategic insights that incentive-comp data can provide – insights that aren't available in other enterprise platforms such as CRM and ERP.

Make sure your ICM system implementation elevates corporate performance strategically *and* tactically.

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

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