

Performio®

# Managing Commissions in a Fast-growing Business



# The Speed Of Business

In countless ways, the pace of business continues to accelerate – largely thanks to the innovative power of technology. Whether rolling out new products, entering new regions, starting new digital channels, or implementing new business models driven by digital transformation, companies need new levels of operational speed to capitalize on their opportunities and respond to competitive threats.

That's especially true for fast-growing businesses that need to scale up their sales operations and sales compensation programs. As these firms outgrow Excel, legacy platforms, or home-grown solutions, they're quickly finding that streamlined and automated incentive compensation management becomes a must-have.



# The Burdens Of Commission Calculations

Sales operations, finance, and payroll teams face the thankless task of designing incentive comp plans, calculating commissions, and communicating results – and payments – on a timely basis. The challenges in this manually intensive work are numerous.

## **x Spreadsheet hell**

Understandably, most smaller businesses start with the tried and true single-user spreadsheet to organize comp plans and calculate commissions. Soon enough, however, they've built a fragile, non-secure workbook with hard-coded (often incorrect) formulas that are cumbersome to share and impossible to audit.

## **x Data Headaches**

Sales comp plans increasingly require data from numerous systems and databases – CRM, ERP, HR, and many others. Each of them has their own data taxonomy, periodicities, and formatting issues, leading to disparities, reconciliations, formatting issues, and more.

## **x Calculation Delays and Errors**

It can take days or weeks to import the data and calculate each rep's commissions correctly. And given the numerous points of failure, there's an unacceptably high risk of calculation and costly payment errors. Make an accidental overpayment? You'll never hear about it. Mistakenly shortchange a rep? You'll hear plenty about it.

<b>Manual Commissions Calculation</b>	<b>Automated Incentive Compensation Calculation</b>
One to five days each month	A few minutes or hours per month
High-intensity effort	Minimal effort
Overpayments: 2-3% average	Overpayments: 0%
Frustration for sales ops and sales reps	Motivated and engaged sales and operations teams and more confident leadership

# Automating Your Sales Compensation Management



## Data Import & Prep

- Sales Data
- Reference Data
- People Data
- Sales Crediting Rules



## Commission Plans

- Rates
- Plan Formulas
- Territories
- Quotas & Targets



## Reporting & Workflows

- Dashboards
- Workflows
- Approvals
- Reports

## Auditing • Security • Compliance

Fortunately, commissions calculations needn't continue to be an overly burdensome challenge. A new breed of incentive compensation management (ICM) systems like Performio can deliver enterprise-class functionality without sacrificing ease of use to streamline all aspects of commissions for fast-growing businesses.



## Data Import and Preparation

Too often, the most overlooked aspect of incentive compensation is the data. Increasingly, that data resides in numerous places in different structures, requiring tremendous time and effort to import, manipulate, and transform. You shouldn't have to do any of this preparation outside your ICM system. Your ICM platform should be able to import, prepare, and enrich all of the data you need – sales data, transaction data, reference data, and people data – and properly credit the right salesperson to each record.

## Commission Logic

Of course, a key attribute of an ICM solution is its ability to automatically, quickly, and accurately calculate complex commissions according to unique plan rules, formulas, and quotas across multiple roles, territories, product lines, and more. As your business grows, comp-plan complexity only increases, quickly outstripping spreadsheets and other simple solutions.

## Reporting and Workflows

Many fast-growing businesses initially seek ICM solutions to eliminate the headaches and frustrations that come with calculating and communicating sales comp. However, once that data is captured and you've communicated results to participants, the higher value aspect of ICM kicks in. With custom reports, leaderboards and dashboards, your sales leadership and executive team can see who's performing, who needs coaching, what plans need adjustment, and how they can drive even greater revenue growth.

# ICM In Action: Simpli.fi

**Client:**

Simpli.fi

**Industry:**

Marketing &amp; Advertising

**Headquarters:**

Ft. Worth, TX

**Sales Comp Challenges:**

- Managing commissions for rapidly growing sales team
- Lack of visibility into sales performance and KPIs
- No “single source of truth” for sales comp data



## The Challenges of Growth

This innovative company provides an industry-leading accounting, media buying, and programmatic advertising platform for agencies and media companies. With 370 employees – and counting – the company has seen rapid growth thanks to its large team of sales reps that sell ads to media buyers and large advertisers.

According to Andries Marx, Simpli.fi’s CFO, sales comp wasn’t a huge problem... at first. “We simply created a NetSuite export, pushed it to Excel, added a little logic, calculated the commissions, and created and mailed PDFs to our 25-person sales team,” he said. “Of course, there would be disputes and changes – ‘This account isn’t mine,’ or ‘This region isn’t mine.’ And correcting those changes could affect multiple people. These were typically small-dollar changes that were labor-intensive and frustrating for everyone involved.”

Marx’s team typically spent several days each month generating these statements, and as the company continued to grow, the prospect of added complexity and volume was not ideal. “It’s not that we have an overly complicated commission structure,” he said, “but once you add upsell and downsell issues, triggers for new quotas, special promotions, and a constant drumbeat of account reassignments, the challenges really multiply.”

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

## Rethinking Comp Management

Marx recognized Simpli.fi’s manual processes could become a bottleneck on their path to aggressive growth. The finance team evaluated a few of the top incentive compensation management software providers and compared their features and implementation options before selecting Performio.

“We looked at the larger, legacy software providers, but were concerned that every time we needed to change a plan, we would be looking at added delays and costs,” he said. “In our growing business, we make frequent changes to comp plans to help drive sales performance. We didn’t want to rely on or pay for an expensive consultant every time we needed to make changes as we evolved our plans.”

According to Marx, the ROI was a major consideration. “We pride ourselves on running a lean organization as we scale, so ROI is very important. We wanted a solution that was easy to implement, without a lot of fuss, and that would scale as our organization grew. Performio seemed like a win-win situation for us.”

With Performio, the cost was very favorable and they estimated saving \$25K a year on administrative overhead alone. Just as important was how Performio eliminated frustrations. “Don’t underestimate the value of employee sanity,” Marx said. “It’s worth the investment to make things easier for the sales ops team – and also to create timely, accurate commission statements for quota-carrying reps, so they focus on selling and not shadow-accounting.”

### The Benefits of ICM Software

- ✓ A simpler platform than spreadsheets
- ✓ Significant savings on overhead
- ✓ Greater sales team morale through better transparency
- ✓ Fewer payment errors
- ✓ Reporting and dashboards for strategic insights

*“We used to report commissions on the 20th or 22nd day of the month. Now, we’re doing it on the 8th or 9th. It used to be painful – now it’s done in a couple of hours.”*

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



## The Results

After deploying Performio, Simpli.fi’s time to process commission payments dropped from four or five days per month to just four or five hours. “We used to report commissions on the 20th or 22nd day of the month,” Marx said. “Now, we’re doing it on the 8th or 9th. It used to be painful – now it’s done in a couple of hours.”

Adding targets in Performio enables the sales team to track their individual performance. Visualizations on dashboards show the amount of business they did each month. Managers see their team’s performance and view YTD stack ranking across the team.

“It was a positive surprise that we could track our KPIs within Performio and elevate the visibility of those KPIs for the salesforce,” said Marx

Today, Simpli.fi has doubled the number of Performio users. The chief revenue officer now sees regional sales performance across the entire team. Sales reps are happy with one single source of truth for 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.

“Comp is one of those things you never want to get wrong,” Marx said. “You don’t want to share the wrong comp plan. You don’t want overpayments. You don’t want underpayments. You want a streamlined, accurate process – that’s how you start building a scalable business.”

### Simpli.Fi’s Game-Changing Results

- ✓ **Time Savings:** From 4-5 days to 4-5 hours to process commissions
- ✓ **Dashboards:** Reps and Managers alike can see where they stand
- ✓ **Visibility for Participants:** Reps can track their own performance
- ✓ **Leaderboards:** Managers can track performance and view YTD stack ranking



## 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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