

Sales Performance & Incentive Compensation Management => Best-Practice Sharing



Agenda

Today's SPM Trends and Technology
Business Case

IBM Value Proposition

Customers, quotes, case studies and
proof points

Solution Overview

Gaston Russi

SPM Territory Manager
Switzerland & Austria

Mobil: +41 78 800 80 40
Mail: gaston.russi@ch.ibm.com



Marco Loprete

SPM Solution Specialist

Mobil: +41 79 530 38 99
Mail: marco.loprete@ch.ibm.com





Pressure in sales organizations to grow, become more efficient and execute business strategy

2012 Most Important Sales Priorities



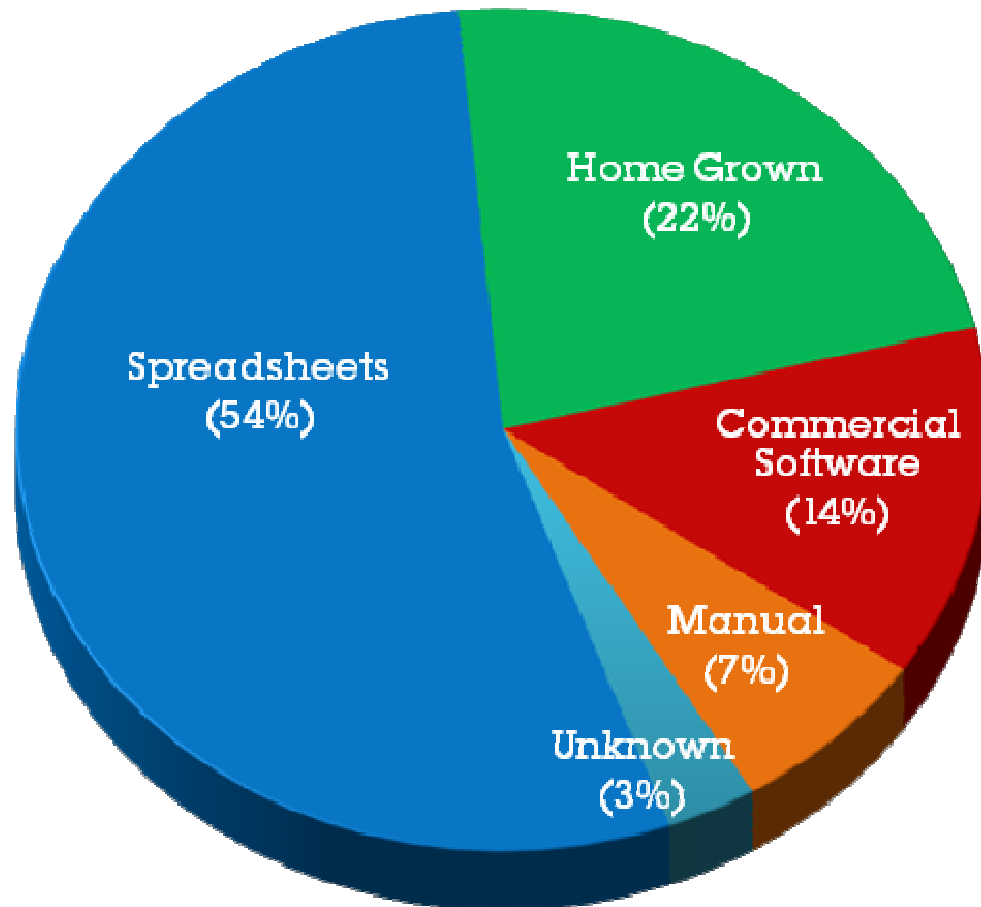


Sales Performance & Incentive Compensation Management SPM / ICM Process

Strategy & Plan Design	Plan Setup & Administration	Compensation Processing	Reporting, Analysis & Correction
Sales Strategy	Quota Administration	Compensation Calculations	Results vs Objectives
Sales Coverage Model	Hierarchies	Credit Assignment	Earnings Estimation
Incentive Measures	Territory Definitions	Payment	Forecasting & Modeling
Budgeting	Crediting Rules	Dispute Resolution	Audit Trail
Territory Optimization	Plan Distribution	Adjustments	Coaching



How Is Incentive Compensation Managed today?



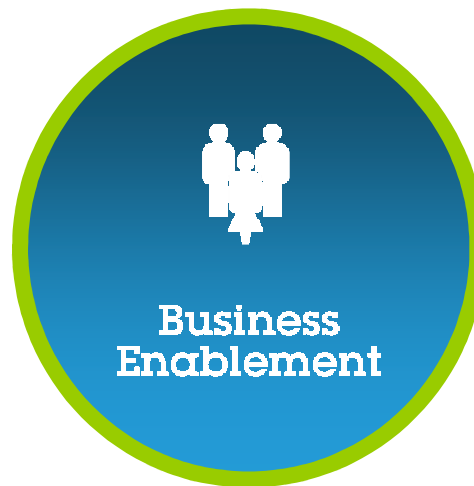
How Tough Can it Be?

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

- Be flexible 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



Why Companies Adopt SPM Technology



Process Efficiency & Accuracy



Organizations adopting SPM technologies



Reduce errors by more than

90%

Reduce processing times by more than

40%

Reduce IT/Admin staffing by more than

50%

Gartner

Bonus overpayment estimates:

Accenture: 3-5 %

Deloitte: 4-7%

Gartner: 2-8%



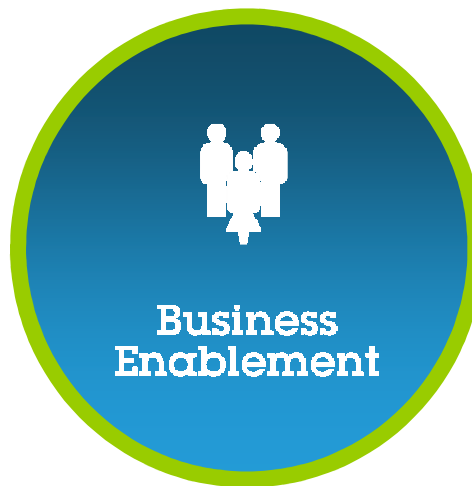
Why Companies Adopt SPM Technology



Reduce errors

Shorten cycle times

Replace technology



Sales/Partner/Service Steering

New Compensation Plans & KPIs

Mergers & Acquisitions



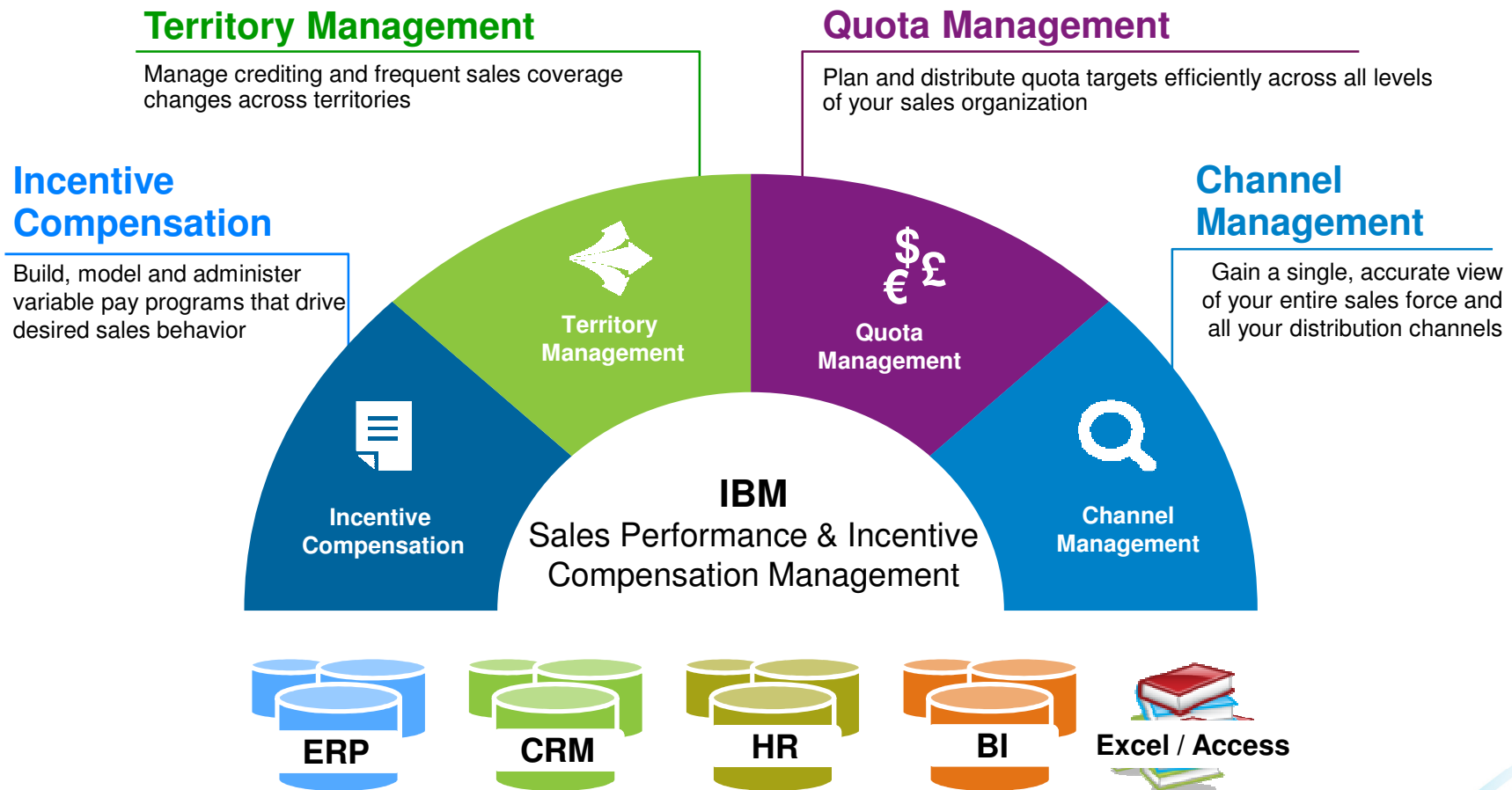
Internal Audit

Deferred Compensation

Compliance with SOX, FINMA, Solvency II, Basel III, SIX, FMA, ...



Cognos ICM (aka Varicent) Solution overview



Key Differentiators



Business oriented

- Configure vs. code
- Visual comp design approach
- Management buy-in



Integrated Product

- Calculation engine, ETL, workflow, reporting, etc.
- Flexible data model
- Proven CRM & ERP integration



Business Flexibility

- Meet changing needs
- Speed to market
- Commissions, MBOs, long term incentives, non cash benefits, etc.



Performance & Scalability

- High transaction Volumes
Imports, calculations, etc.
- Cloud, Enterprise, Hybrid deployments
- 10 – 350'000 payees
1'500'000'000 transactions / month



Example CRM integration

salesforce.com - Developer... x

https://na7.salesforce.com/servlet/servlet.Integration?lid=01rA00000000ESl&ic=1

salesforce

Dan Huddle ▾ Help Varicent ▾

Home Leads Accounts Opportunities **Varicent**

dhuddle.rti@varicent.com — Message Center — Request Assistance — Logout

VARICENT®

My Dashboard My Plans My Earnings Top Performers

Sales Representative Dashboard

Below is an overview of your performance of the current pay period including your sales summary and team ranking, incentive compensation and pipeline.

YTD Sales

\$1,867,550

Performance Summary

Current Rank:	4
YTD Sales:	\$1,852,156
YTD Attainment:	91.1%
\$ to Target:	\$223,427
\$ to Rank 1:	\$424,520

You must fulfill all 3 categories in order to qualify for President's Club.

President's Club Scorecard

Category	Current	Need
New Customers:	12	3
Growth Product Sales:	\$112,500	\$87,500
Strategic Sales Count:	7	Done!

YTD Commissions

YTD Commissions	\$15,852
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RTI Rewards

My Balance:	12,234 Points
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Pipeline Summary

Top Opportunities

Oppty ID	Account	Stage	Amount	New Client?	Strategic Sale?	Growth Product?	Forecasted Commission
CAMA018	Grand Hotels Kitchen Generator	Commit	\$50,000	Y	Y	N	\$1,375
CAMA021	Express Logistics Standby Generators	Commit	\$75,000	N	N	N	\$1,742
CAMA013	Express Logistics SLA	Commit	\$540,000	N	N	Y	\$11,220
CAMB008	University of AZ Installations	Upside	\$125,000	Y	Y	Y	\$2,244
CAMA043	United Oil Installations	Upside	\$60,000	N	Y	Y	\$1,421
CAMC015	United Oil Portable Generators	Upside	\$150,000	N	N	N	\$2,473
CAMF001	United Oil Standby Generators	Commit	\$10,000	N	N	N	\$286
CAMA035	United Oil Refinery Generators	Commit	\$270,000	N	N	N	\$4,655
CAMDAA3	GenePoint Lab Generators	Engaged	\$675,000	Y	N	N	\$13,956



Customers, quotes, case studies and proof points



It's not just about Sales



Drivers Incentive Plan

- Route efficiency (units per hour)
- Customer satisfaction
- Safety





Incenting based on controllable profits



“a lot of things that go into that **profit margin** are outside of the territory manager’s control... such as the cost of raw materials”

“But they can have an immediate impact on profitability by focusing on pricing”

“Now that we have moved to a **net-based sales plan** a territory manager can see a direct relationship between his behavior and the amount of his check.”

Carla Clark, Project Manager for Commissions



Enabling a business model change

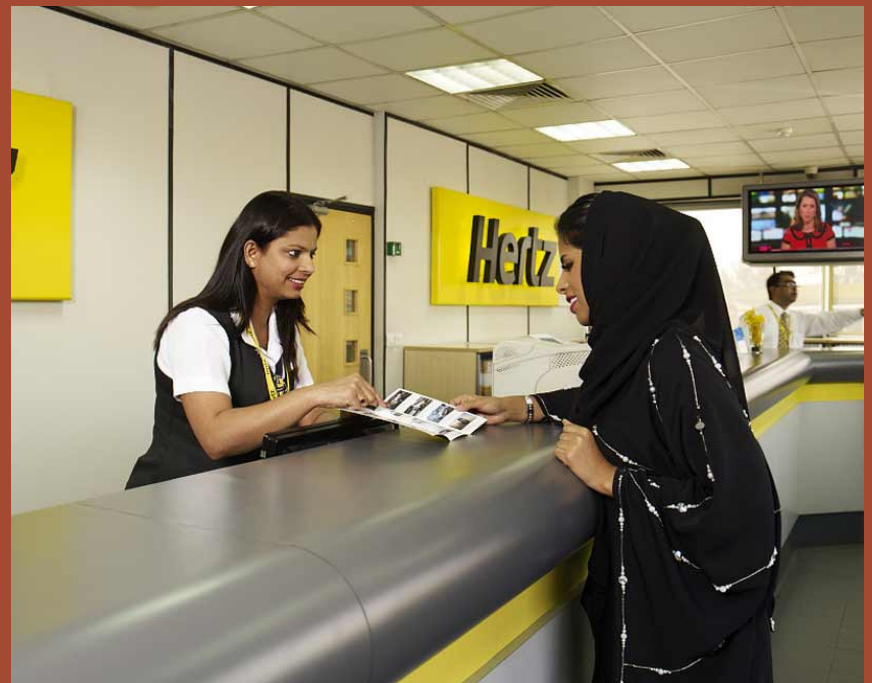


New head of sales redesigned compensation to help the rental company **become “more sales-friendly”**

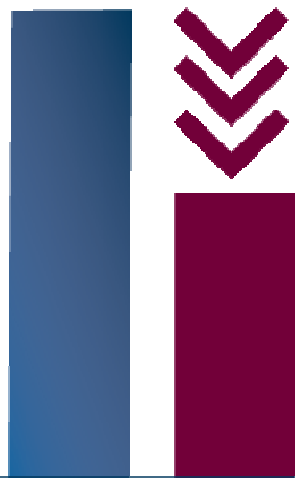
Customers formerly had to rely on a different sales rep for every line of business, from corporate sales to tours

Now customers “can get everything done through one salesperson”

Lynn Ferrara, Sr Director of compensation and HRIS



Upfront Transparency & Visibility leads to less disputes

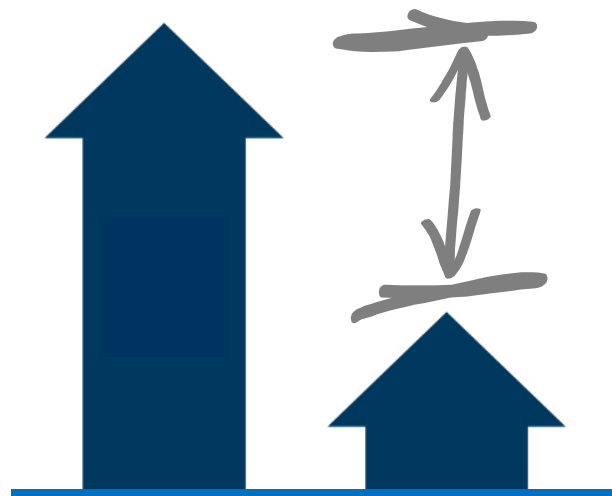


60% Reduction in payout inquiries **after** implementing Varicent.


INTRALINKS
The workspace is virtual. The trust is real.



Quicker Payout process leads to satisfaction & motivation



Payout process reduced from **2** weeks to **2** days



Flexibility to Adapt to Strategy Changes

“Our legacy process... did not have the **flexibility to change** our incentive compensation **plans mid-year**, but now with Varicent, we have significant flexibility.”



IBM BusinessConnect
Vernetzter, intelligenter und informierter denn je



Cognos ICM Live Demo



You should take the next step!

Touring Club Schweiz:

Project Dynamo overview by Ernest Gmünder (CIO)

Webseminar by Umut Tiryaki (Chief Sales Director & Leiter Kooperationen und Partnerschaften)



Industry specific demo

Insurance

Banking & Finance

Retail

Telecommunication

Logistic



Proof of Concept (FOC):

Your Incentive Plans

Your transactional data / products and services

Your Territories

Your CRM



IBM BusinessConnect
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Thank You!





Touring Club Schweiz

Passionately committed.



Ernest Gmünder - CIO



The TCS in Switzerland

24
Sektionen

5

TCS-Standorte

2
Flugbasen

34

Kontaktstellen

1.6
Million
members

7
Assista
Rechts-
dienste

5
Kursorte
"Eis &
Schnee"



1'600
employees

2
Hotels

14

Fahrtrainings-
pisten

31
Kurslokale
2-Phasenausbildung
(2. Tag)

35
Campings

19
Technische
Zentren

Stand: 15.05.2013



Our 3 flagship products



Roadside
assistance



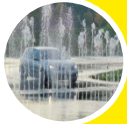
ETI – Travel
insurance &
assistance abroad



Assista – Legal
insurance



Other activities



Training and development for drivers



Education, prevention & road safety



Assistance to people in Switzerland and abroad



Consumer protection, Touring Newspaper



TCS Car insurance



TCS Technical Centers



Campsites, Hotels, Travel deals



Project DYNAMO





Challenges

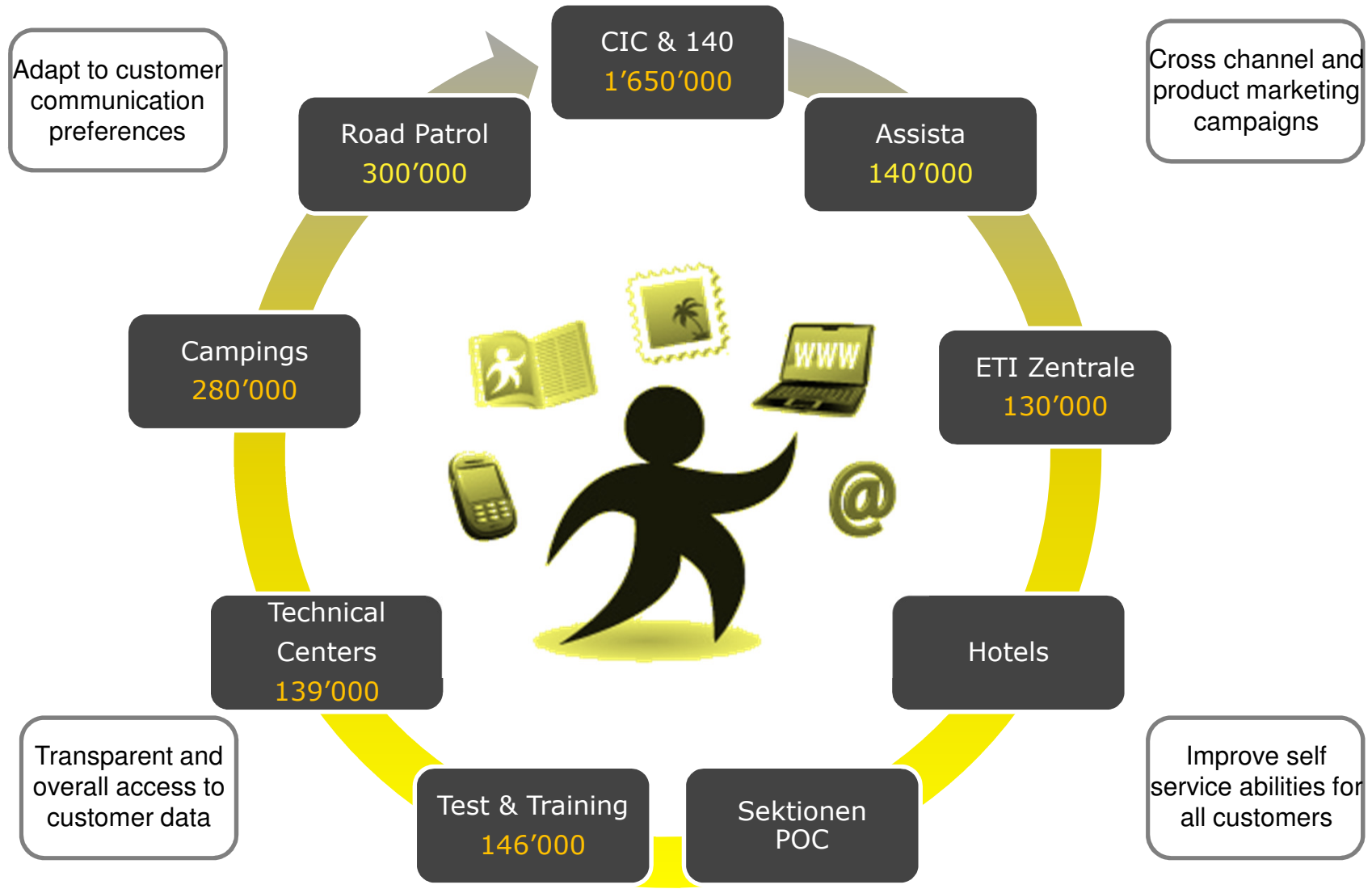


Challenges

Yesterday...	Tomorrow...
Inefficient tools & processes	Modern, efficient, integrated systems, less paper
Many fragmented apps, Disparate data sources	Harmonized applications, Same data set
Difficult information access, No holistic view	Easy & mobile access, 360° view
Slow innovation & Slow time to market	Agility & flexibility, Products & innovation in line with customer expectations
Many manual processes	More automation, more support for not only efficient but effective processes

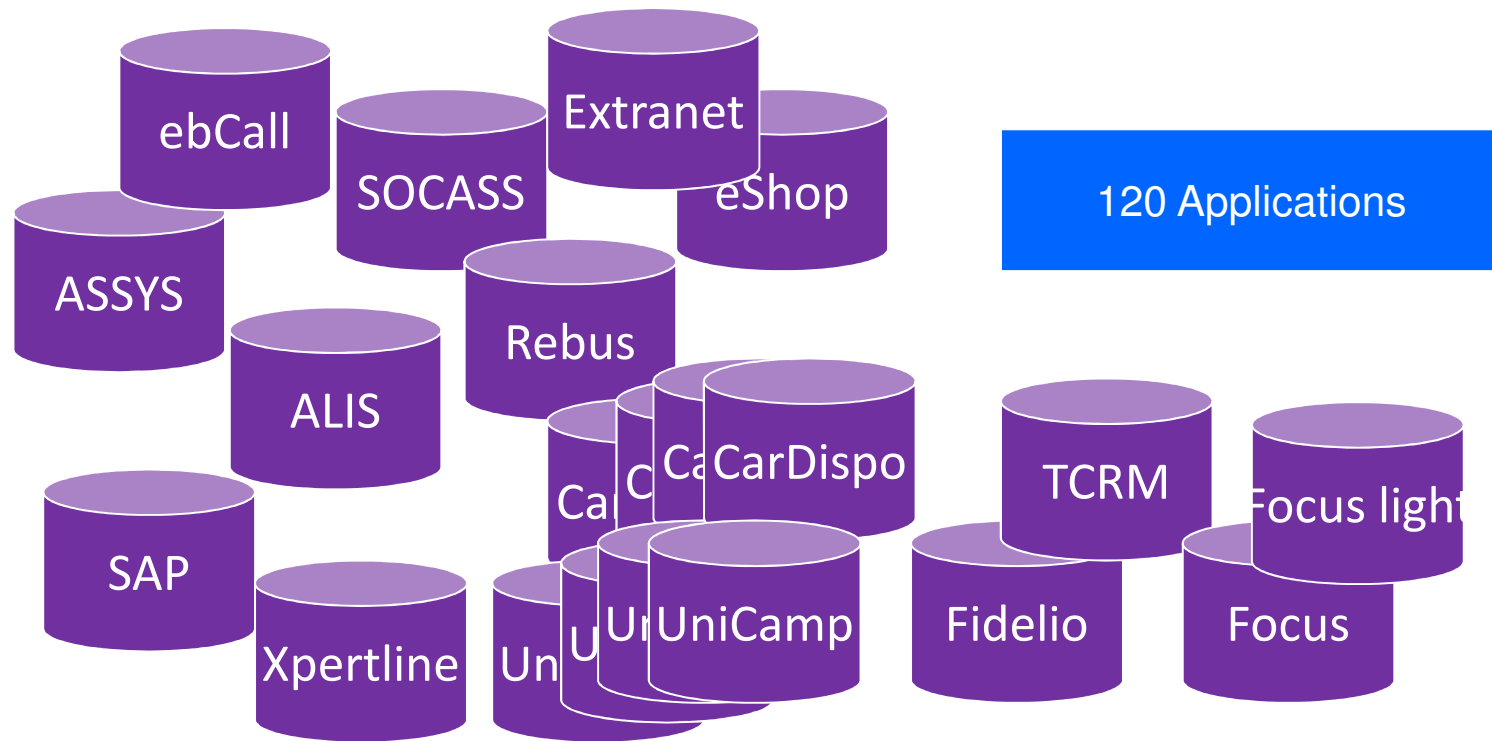


3'000'000 Interactions





A large number of applications



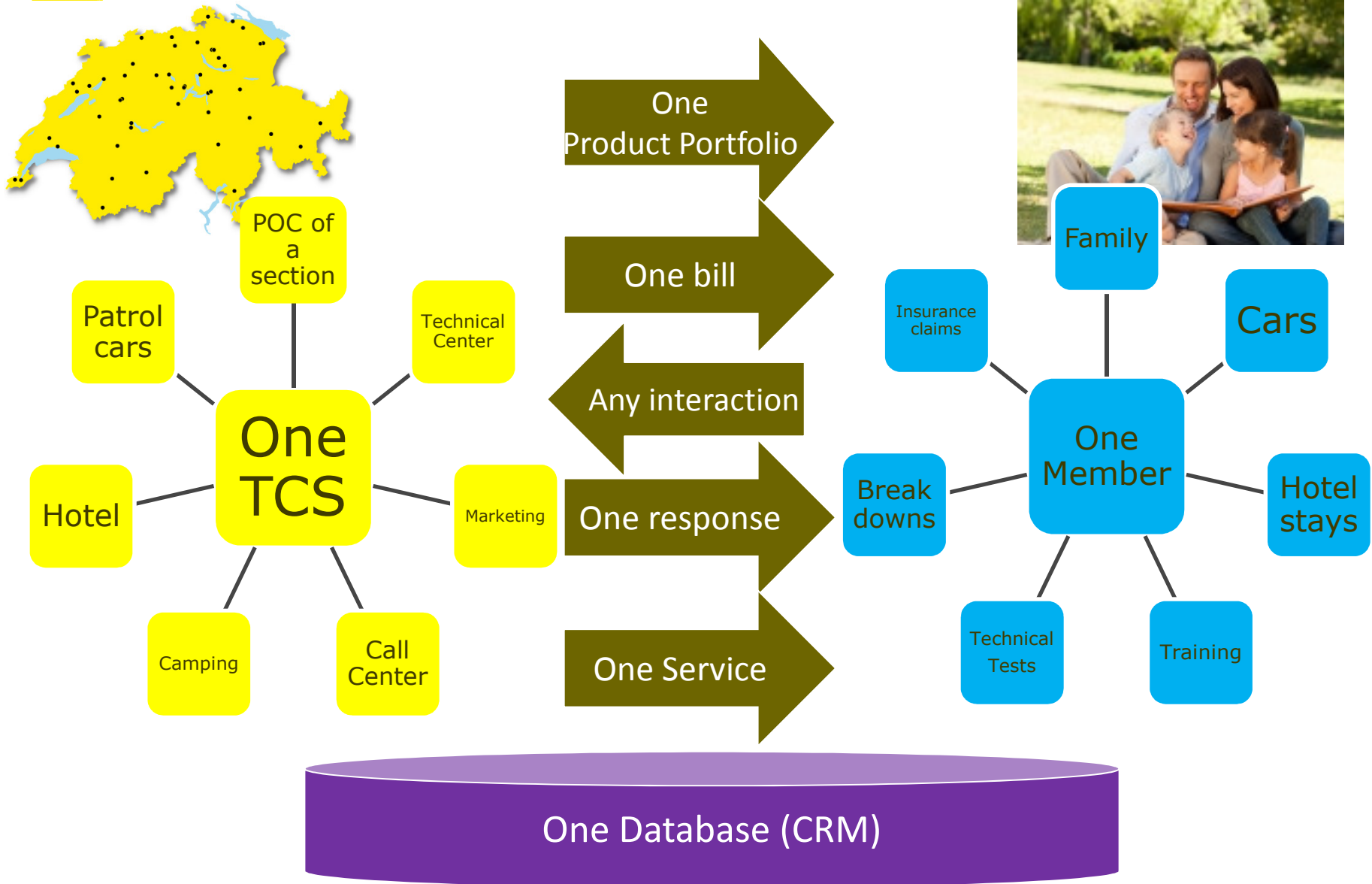
- No complete view of all customers
- No 360° view of one member / customer
- No database with all products
- No bundles and no single bill
- Slow and costly evolutions



Vision



One face to the customer





The technology will allow to strengthen TCS Values

We can respond much better to requests, needs or desires of our members and customers.

A professional knowledge database for employees, partners, members and a better use and exchange of existing knowledge across employees.

For the same questions or requests, TCS offers the same responses. The quality in the relationship remains high.

An effective Problem solving tool.

We are closer to the members and customers as we understand them better. All contact points have the same information available.

Multi-channel capability
Contacts also through mobile channels (iApp, Web, Smartphone, E-Mail, etc.)

With the CRM we can help each other to help the customers and members and to give them the right information or service

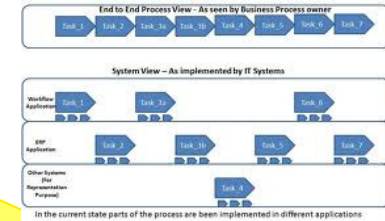




Achievements



From "build" to "buy" - A flexible platform for the future





CRM Roll-out Phase 1:

- Customer Data Master
- Call Center
 - 360° view
 - Push concept through telephony
- Marketing Campaign Management
 - Closed loop
 - Personalisation
 - E-Channels

Mai 2012

Contract Signature

Success Example:

Improved Customer satisfaction

Improved Workforce satisfaction

Flexibility in work location

Improved reporting and decision making

Workforce Optimisation



2011

2012

J A S O N D J F M A M J J A S O N D



CRM Phase 2a:

- Knowledge Management

April 2013

CRM Phase 2: Sept'13

- Sales Process
 - Configure Price Quote & Guided Sales
 - Product Catalog & new e-Commerce
 - Fast time to market for new products, bundles, special offers...
- Subscription Management
 - Billing (eBill, Direct Debit, CC...)
 - Payment and Collection
- Partner Management
 - Partner Portal
 - Commissioning
- New WebServices and integrations

September 2013

CRM Roll-out Phase 3:

- Customer Portal
- eCommerce improvements

January 2014

2013

2014

F M A M J J A S O N D J F M A M J J A S O I



The future

- New mobile applications
- Facebook Integration & Communities
- Training registration and delivery processes
- Car test and repair registration and delivery processes
- Roadside assistance
- Insurance Claim Handling

2014

2015

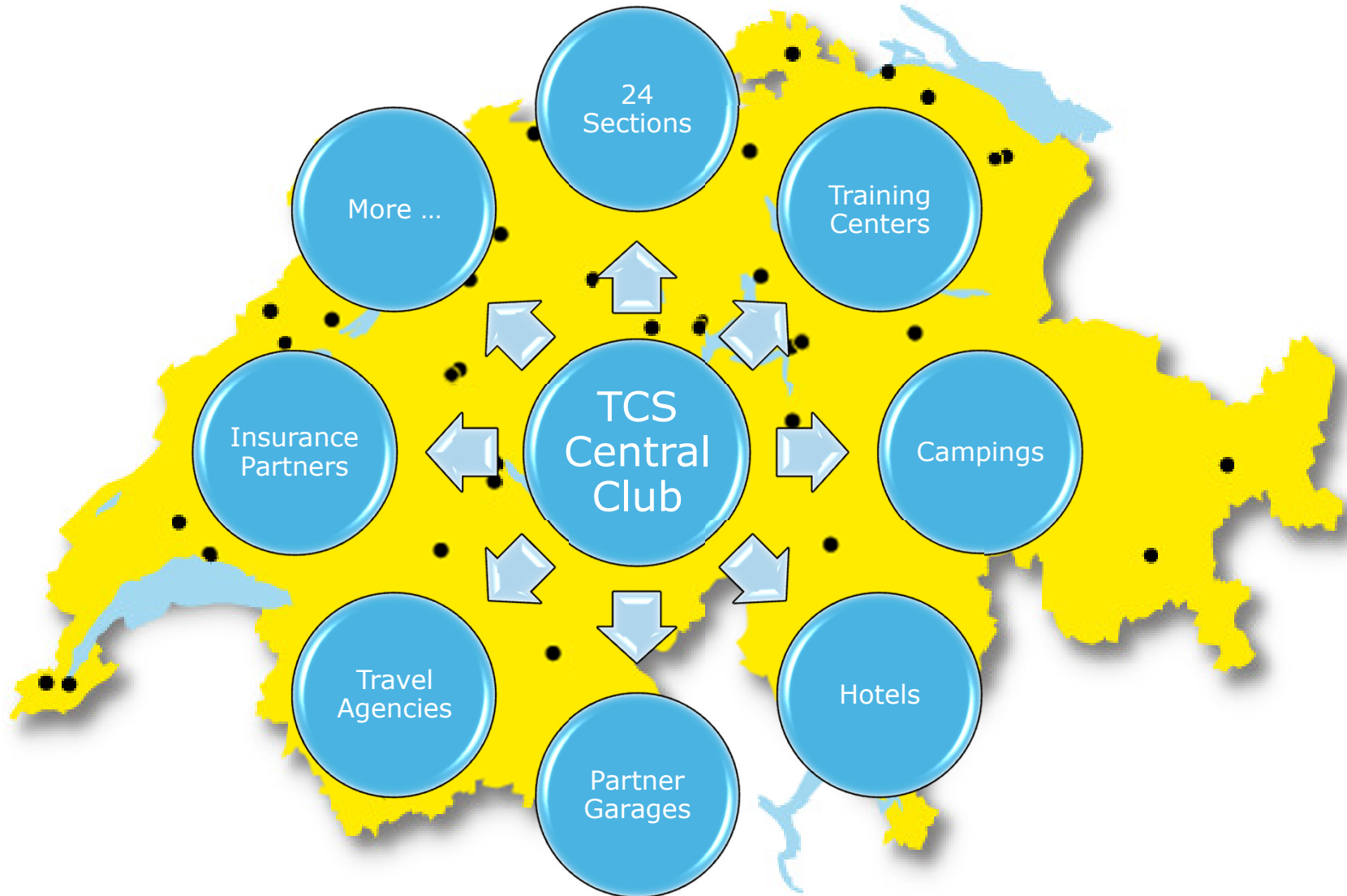
2016



Partner Management Direct & Indirect Sales



The TCS Partner Network





The TCS Business

High volume – Low price Products

- A very large number of transactions
- Average price per product ~ CHF 100.-

As a result

- Commission per transaction is low
- Cost per transaction must remain very low!
- Cost for commissioning must remain very low




Why a commissioning System

- Automation rather than manual calculations of commissions
- Improved partner experience
- Manage standard compensation models with limited resources
- Flexibility to easily adapt the models and processes
- Foundation for growth, future partner network expansion



Commissioning Stream Goals

Domain	Before	After 
Partner	<ul style="list-style-type: none">▪ No view of payments▪ No view of status▪ Long timing	<ul style="list-style-type: none">▪ Clear overview for reps and managers▪ Exception reports▪ Real incentives
Sales	<ul style="list-style-type: none">▪ No response to market needs▪ No quota management▪ Not an enabler to increase sales	<ul style="list-style-type: none">▪ Real performance management▪ Flexible models
Admin	<ul style="list-style-type: none">▪ Manual, high effort▪ Many inquiries▪ Low control	<ul style="list-style-type: none">▪ High automation▪ High level of control▪ Low number of inquiries



Achievements

Achieved

- Automation
- Incentive model implemented
- Overview and reports in the partner portal
- Control by the admin team

Next steps

- Manage Partner performance
- Optimize Sales per territory
- Improve Planning and define Quotas
- Grow the partner network



Why IBM?

- Match with the IT strategy of low development and operational involvement
 - off the shelf solution
 - external hosting or Cloud
- Match with the other Dynamo Cloud solutions
 - integration with Salesforce
- Ease of use
 - graphical flowcharts,
 - simple administration,
 - easy reporting
- Trusted partner
- Cost (TCO)



Key Project Challenges

- In general a «smooth» sub-part of the Dynamo Project
- Due to the moving pieces in the CRM project, the main difficulties faced were the **technical data interfaces**
- The various sales related **transaction types** must be very well analyzed and explained
- A full inventory of **existing compensation plans per partner** will save time during the project

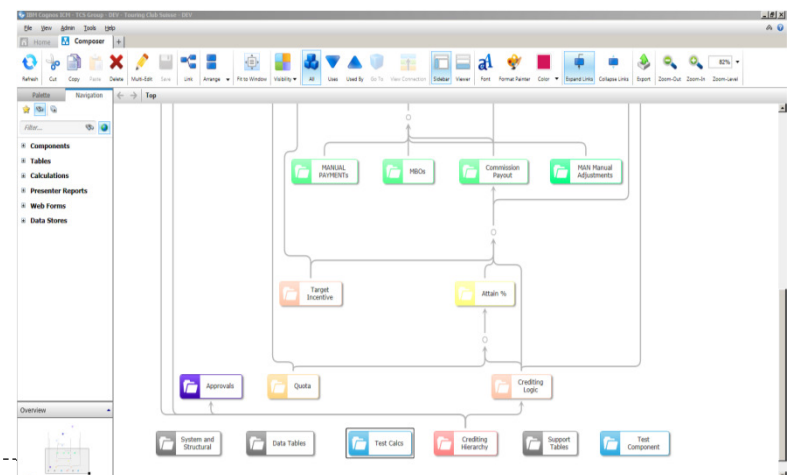
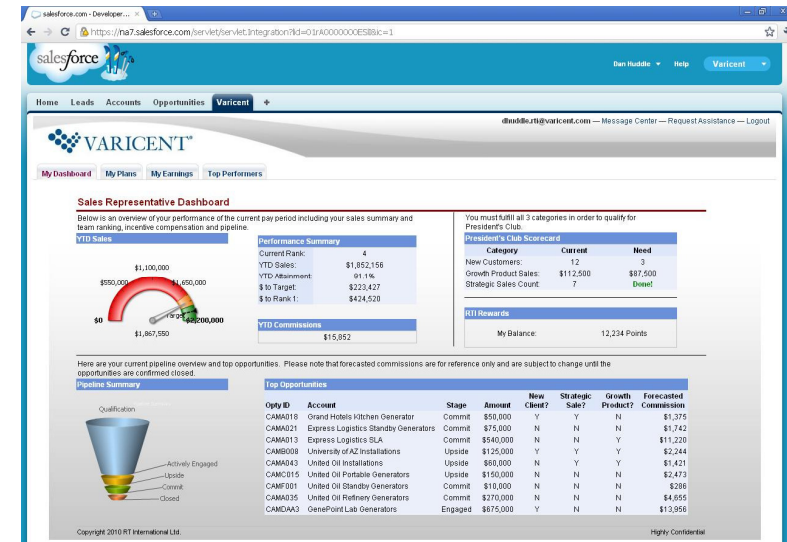


Benefits



TCS Benefits from Varicent

- Seamless integration in Salesforce
- Graphical Workflows & Wizards
- Reusable components
- Manual Process steps are possible
- Scheduled imports, calculations, outputs
- Step by step calculation previews
- Full audit trail
- Simple access management





Graphical Reports

2012 Compensation Summary

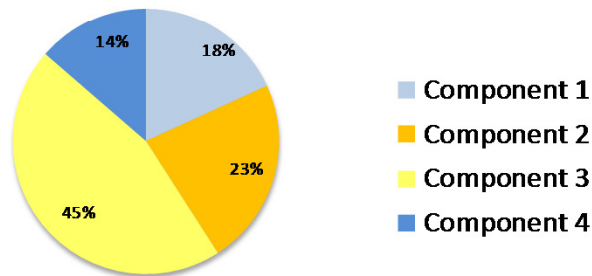
Select Month & Payee: 2011-12 Dec Dan Huddle View

Reference Number Pending *Monthly* (Updated once period is closed - locked)

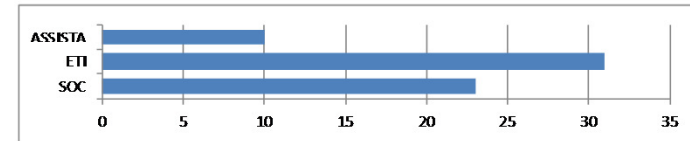
Partner Details

Partner Reference Number	Account Name	TCS Account Manager	VAT Reference #
DHUDDLE	Dan Huddle	Doug Karey	VAT Ref #

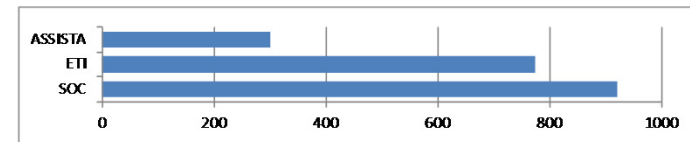
Acquisition Commission by Product Family



Transaction Volumes by Product Family



Commission Earned by Product Family



Earnings Summary

Description	YTD Earned	YTD Prior Paid	Current Period Pay
Component 1	20'000	15'000	4'000
Component 2	5'000	-	5'000
Component 3	10'000	-	10'000
Component 4	5'000	-	3'000
Earnings Total	39'500	15'000	20

Deductions Summary

Description	YTD Earned	YTD Prior Paid	Current Period Pay
Admin Fee	(600)	-	-600
Cash In	(1'000)	-	-1'000
Adjustments	(500)	-	-500
Deductions Total	(600)	-	20



Every member counts!
Thank you