IBM

Sales Performance Management for salesforce.com Blueprint

Cognos® software

Introduction

In today's volatile marketplace, your sales organization needs to be able to understand new market drivers and be agile enough to make corrections in mid-direction based on these drivers. Unfortunately, too often your sales managers and sales team are too busy to take on these tasks. Additionally, information silos often prevent a single view of data.

The *IBM Cognos® Sales Performance Management for salesforce.com Blueprint* can help you analyze key sales performance metrics to determine performance and understand new market drivers. The *Blueprint* is a business intelligence (BI) application that includes a model mapped to key salesforce.com tables and pre-built report content.

With the *Blueprint*, you can rapidly set up and run a sales performance analytics dashboard in salesforce.com—with minimal modeling and report development. Using this dashboard, you can understand and address key performance perspectives. This *Blueprint* offers you the flexibility of using the existing reports as is, or customizing them to meet your specific needs. This is a significant time saver when compared to developing a dashboard from scratch.

The limitations of crunching numbers

Conditions in the marketplace can change on a dime. These days, delivering timely, reliable forecasts and plans that align operational tactics with financial targets is critical to the success of your business. You need to know, for example:

- How sales are trending in different regions and why

- How incentives are affecting your ability to meet revenue targets

- Which customers are highest value

Unfortunately, most of the planning and forecasting tools available to help you find the answers to these questions are slow and cumbersome, emphasizing crunching numbers and relying on outdated data. Plans are often disconnected and top down-bottom up coordination is weak. The result? A growing lack of confidence in sales goals and forecasts.

To support their sales planning and forecasting processes, sales organizations need full visibility of historical sales data and real-time pipeline. The *Sales Performance Management for salesforce.com Blueprint* is the tool that gives them this visibility from day one.

Introducing the Sales Performance Management for salesforce.com Blueprint

The *Sales Performance Management for salesforce.com Blueprint* uses Sales Performance Management (SPM) to link sales and marketing data from salesforce.com—with key metrics and best practices to simplify sales performance analysis. SPM is an integrated framework that enables organizations to plan and model sales strategies and ensure timely execution of sales initiatives, while ensuring that both front-line sales people and decision-makers have visibility into performance.

The *Blueprint* is a sales analytics dashboard application that includes the different perspectives necessary to meet the performance visibility requirements of front-line sales people and decision-makers. It provides salesforce.com customer relationship management (CRM) clients with the vision of how IBM Cognos software can help them evolve their simple sales force automation solution to a sales performance management system. Using this system, they can plan and model effectively while they continuously monitor their business and use actionable intelligence to make necessary adjustments.

The key component of this *Blueprint* is the performance analytics dashboard (Figure 1), a multiple-page dashboard with pre-built report content that addresses the key metrics and perspectives in sales analysis:

- **Pipeline:** Multi-dimensional view of the organization's pipeline

- **Revenue:** Trending and multi-dimensional analysis of the organization's historical revenue

- **Forecast:** Comparison between forecast data from salesforce.com and goals data coming from an external data source
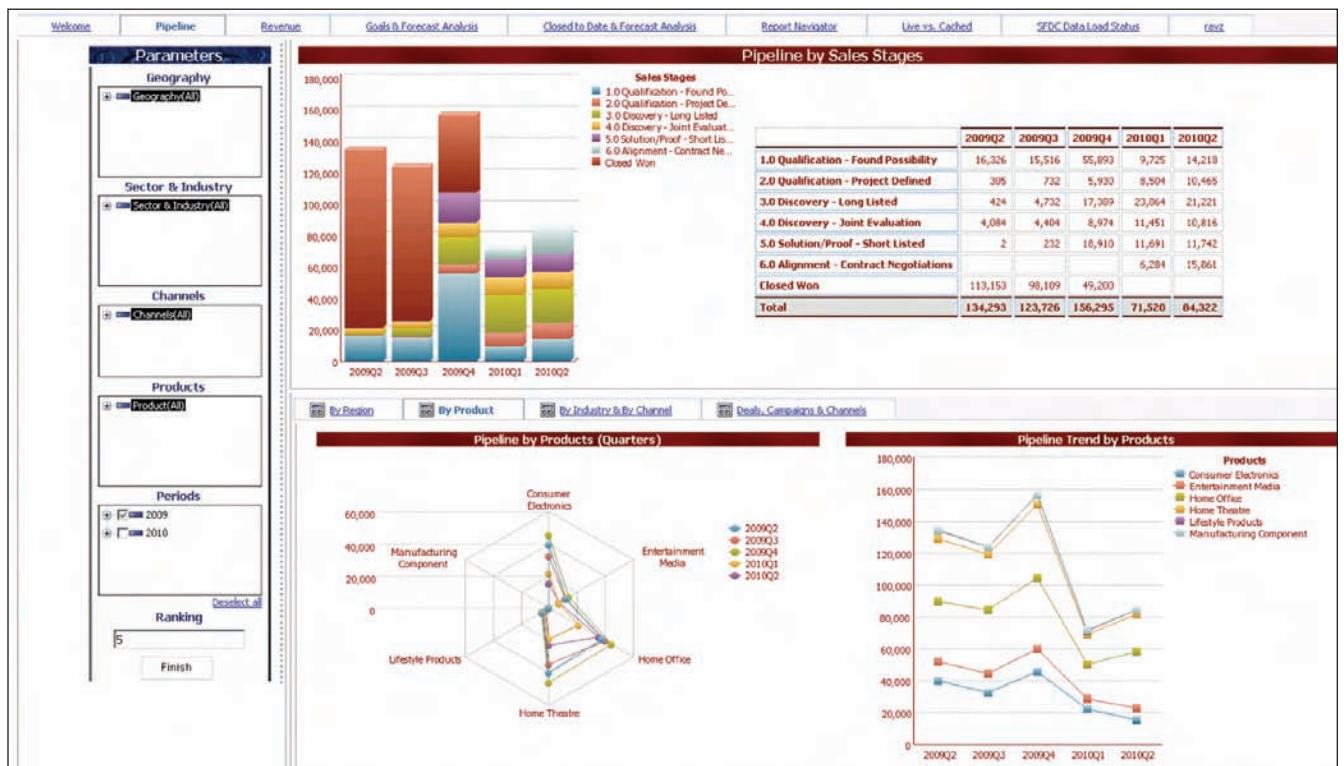

Figure 1. The Sales Performance Management for salesforce.com Blueprint Dashboard

The other main components of the *Blueprint* are:

- The model: A pre-built dimensional and relational model mapped to the key salesforce.com data elements. This model can be extended and can use live or cached data for reporting.

- Salesforce.com navigation integration: Report objects (from the dashboard pages) can be incorporated into salesforce.com navigation.

How the Blueprint Works

There are two simple data points that every sales planning cycle starts with: the achievement for the previous cycle and the percentage of growth desired for the upcoming cycle. Your sales management must then devise the plan to meet the growth percentage. Depending on the size of your sales organization, this task flows down the ranks to your various sales organizations and these sub-plans are then aggregated to make the overall revenue plan for the entire sales group.

At any point in the hierarchy, there are two simple questions that your sales manager needs answers for in addressing his or her plan: **1)** How much of this goal do I already have in the pipeline? and **2)** What should I do to fill the rest of the pipeline or beyond?

Sales performance analytics and the sales planning process

To understand what is currently in the pipeline, you need to take a deep dive into the data in the salesforce.com CRM application. The *Sales Performance Management for salesforce.com Blueprint* dashboards can help you take that leap, providing you with a pipeline sliced and diced in a few different ways: by product, by geography, by channel, by industry–just to name a few (Figures 2 and 3).
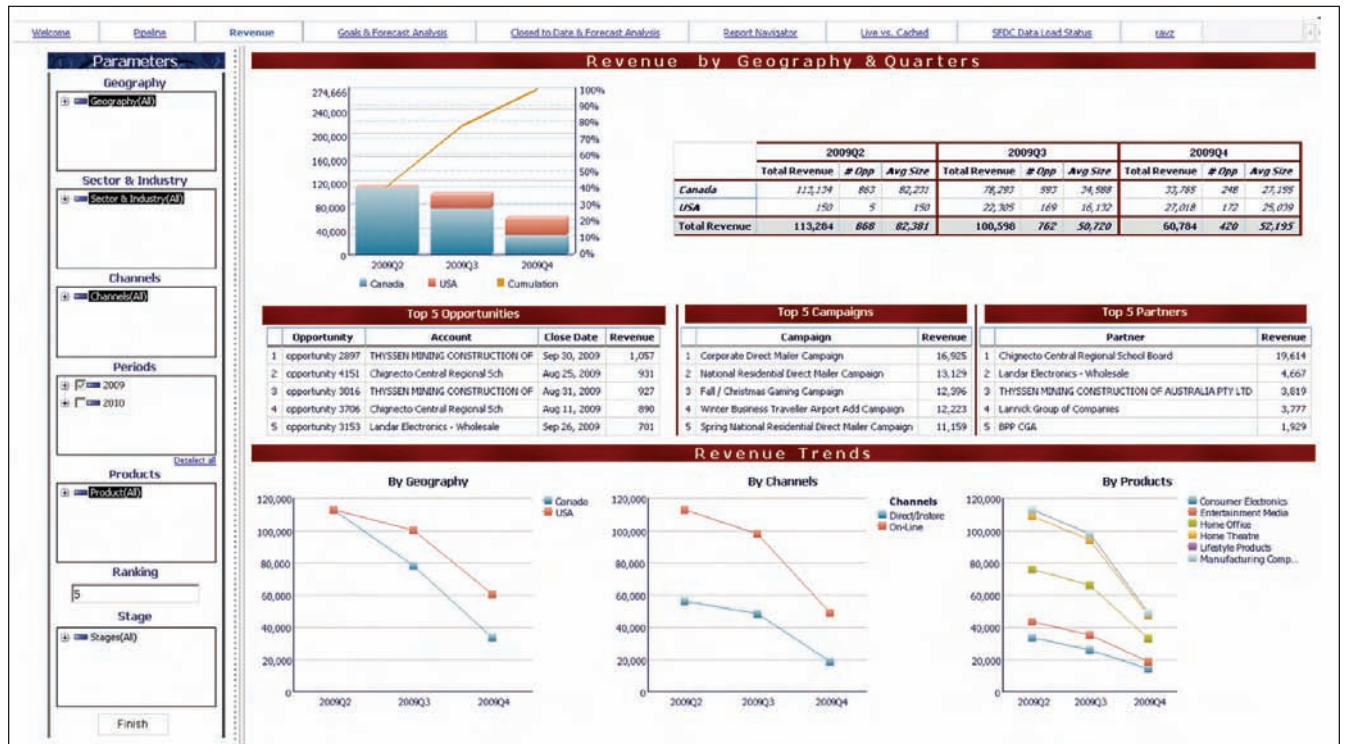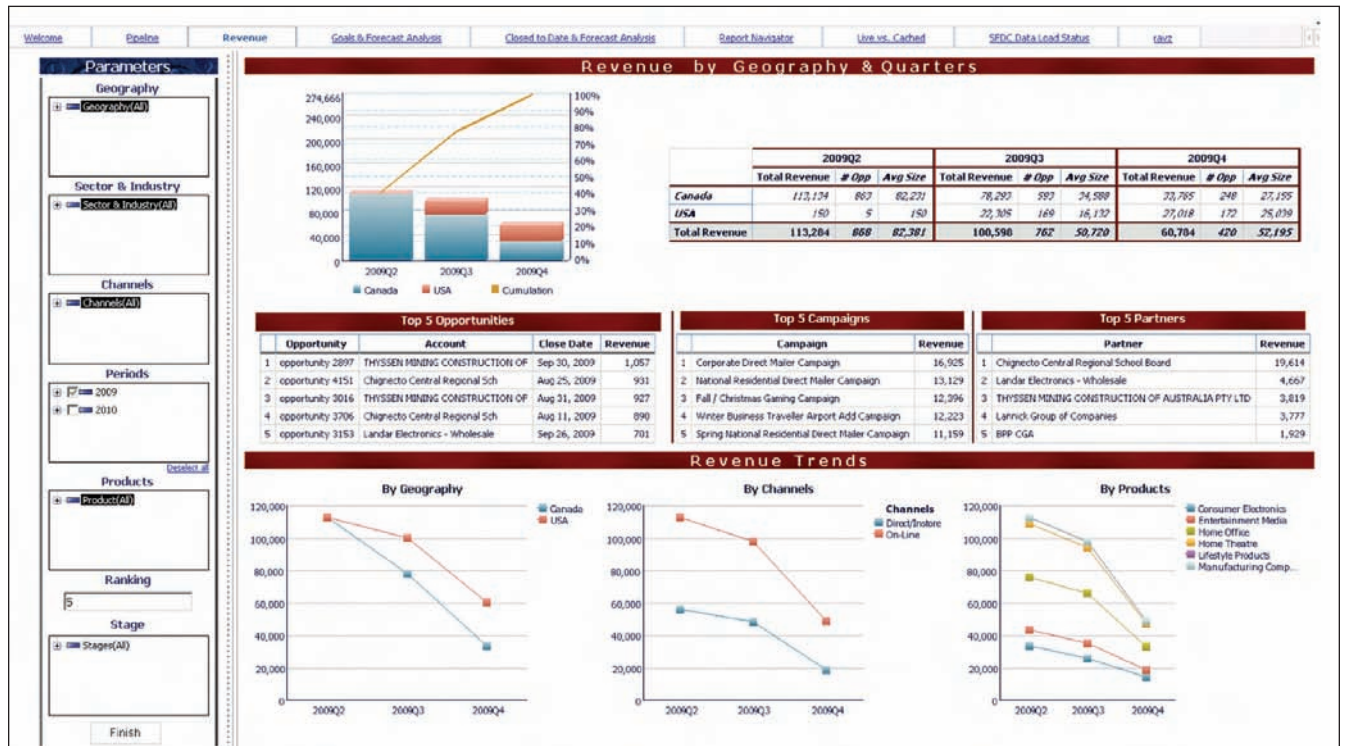

Figure 2. Revenue dashboard

Figure 3. Revenue dashboard after selecting the U.S. as the geography

The next step is determining how to fill the gaps in your pipeline. This is where it becomes critical to gain a thorough understanding of your group's historical sales results and how these are affected by various market drivers. Your sales manager needs an extremely flexible and powerful resource to find the answers to questions that include:

- Historically, how is my revenue spread throughout the year?

- How long are my sales cycles?

- If I need revenue in a given quarter, when should I run a marketing campaign in support of that revenue? Do certain campaigns have better ROI than others?

- How many transactions is my sales team able to support during a given quarter? Is volume evenly balanced between sales teams?

- Are certain channel partners more successful in certain industries than our own sales team?

- Do I need to grow my sales team or should I recruit more reseller partners?

- What is the ramp up time for new sales reps vs. new partners?

After your sales managers have answered their questions based on past results, they have all the tools necessary to define the incremental activities and investments required to attain your sales goal for the upcoming cycle. The *Sales Performance Management for Salesforce.com Blueprint* frames this plan in an easy-to-understand tab or dashboard.

Plan execution: Measuring and monitoring

Your plan has been written and now your organization is two quarters into its new annual sales cycle. The natural question at the top of your sales manager's mind is: how are we doing against our plan? This question can be approached from two perspectives: one looks backwards and the other looks forward.

The exercise of looking backwards is simple; you simply compare sales results with your established goals. The exercise of looking forward is a little more complex. For this, there must be complete visibility of your CRM pipeline along with the application of historical trending to determine how much of that pipeline is likely to turn into actual revenue. Most organizations have incorporated a forecasting process to help improve the accuracy of their predictions for future results. In both models, the sales managers try to compare their future prediction with the goals for that period and figure out where the gaps are so they can make the necessary adjustments to improve results (Figure 4).
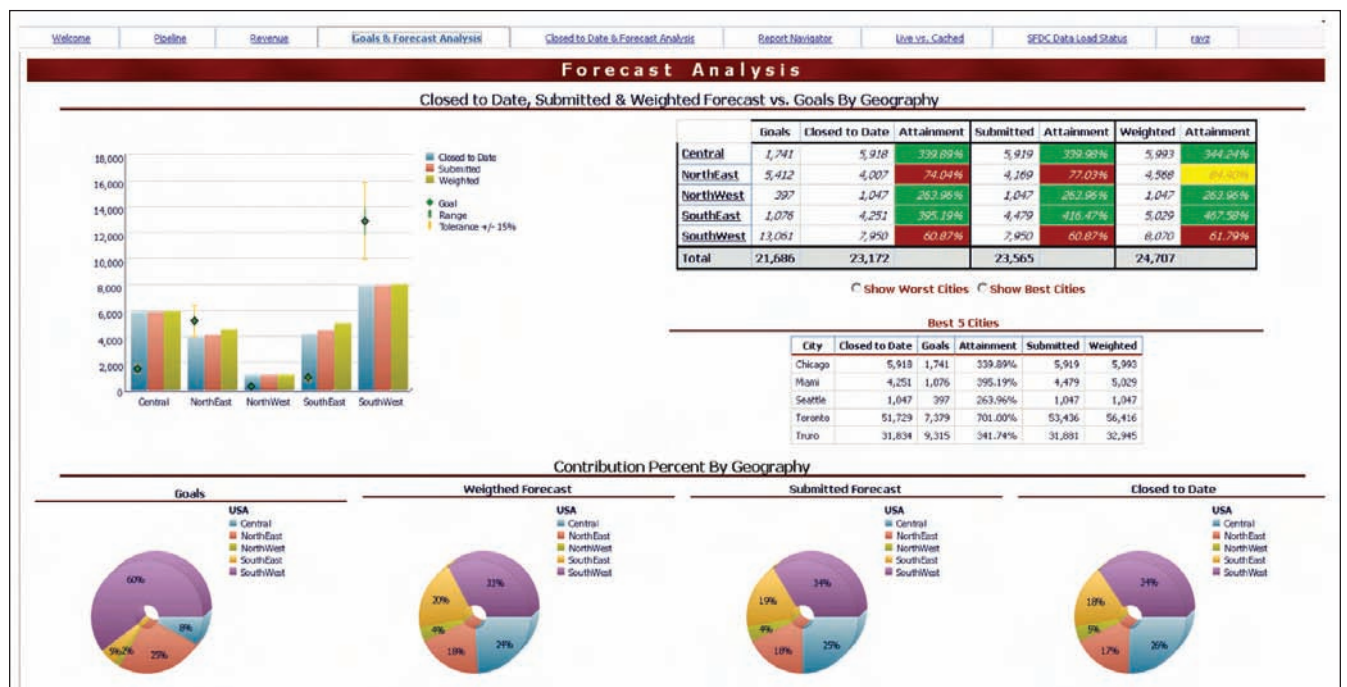

Figure 4. Analysis of forecast against goals

Accurately predicting future revenue also has significant supply chain implications. Unpredictability causes variation between expected and actual results. Left uncorrected, the problem is likely to recur with continued detrimental impact on your supply chain. Usually, this is because the root cause of the variation can't be found and the process isn't fixed. When this happens, managers fall into a constant game of catch-up—moving resources and materials around at the last minute, rather than proactively driving performance.

This process of monitoring business and measuring against the set goals is heavy lifting that most organizations do weekly. Usually an individual from sales operations or FP&A will be deep into spreadsheets and will spend entire days working the numbers in three categories to support the sales teams:

- **Revenue.** Getting the appropriate information about your history can be difficult because the people you rely on for that data are often too busy poring over spreadsheets to provide it. In many cases, you end up with a partial data set and a handful of assumptions, which, if not correct, could prove costly. In an environment where the effort can be put towards analysis instead of aggregation, you can start formulating and validating ideas from the start of a planning cycle.

- **Pipeline.** Pipeline is the single most important metric in the monitoring process. This is why it's so important for a sales manager to be able to have complete visibility into the different drivers and perspectives related to it.

- **Forecast.** The more confidently you can predict future revenue, the more you can take action to correct the problems—or repeat the successes. The key to this process is ensuring that several data elements can be viewed side by side. Your organization's forecasting process, likely a manual effort involving each sales team's gut feel, should be compared to an automated forecast based on a mathematical model of historical results. These should then be lined up against the goals for the period and appropriate processes can be defined for certain ranges of attainment. For example: if an organization is on target to achieve 90% of their goal, this could be considered Yellow and certain actions would be discussed to address the 10% gap. If an organization is on target to achieve 50% of their goal, this could be considered Red and several actions would be taken to address the situation.

With salesforce.com for CRM and IBM Cognos 8 Business Intelligence as a foundation, the *Sales Performance Management for Salesforce.com Blueprint* fully automates the monitoring of revenue, pipeline and forecast process and provides various means for accessing analysis.

Sales Performance Management for salesforce.com Blueprint benefits

The *Sales Performance Management for salesforce.com Blueprint* provides flexible and powerful model development based on IBM Cognos 8 Business Intelligence to support any business planning model or customized sales planning. Other benefits include:

- Salesforce.com data and data from internal sources are combined in a single report.

- It can be displayed in Salesforce.com navigation (Figure 5).

- Analysis of different Salesforce.com objects is multi-dimensional.

- It helps drive organic financial growth and Salesforce.com user adoption.
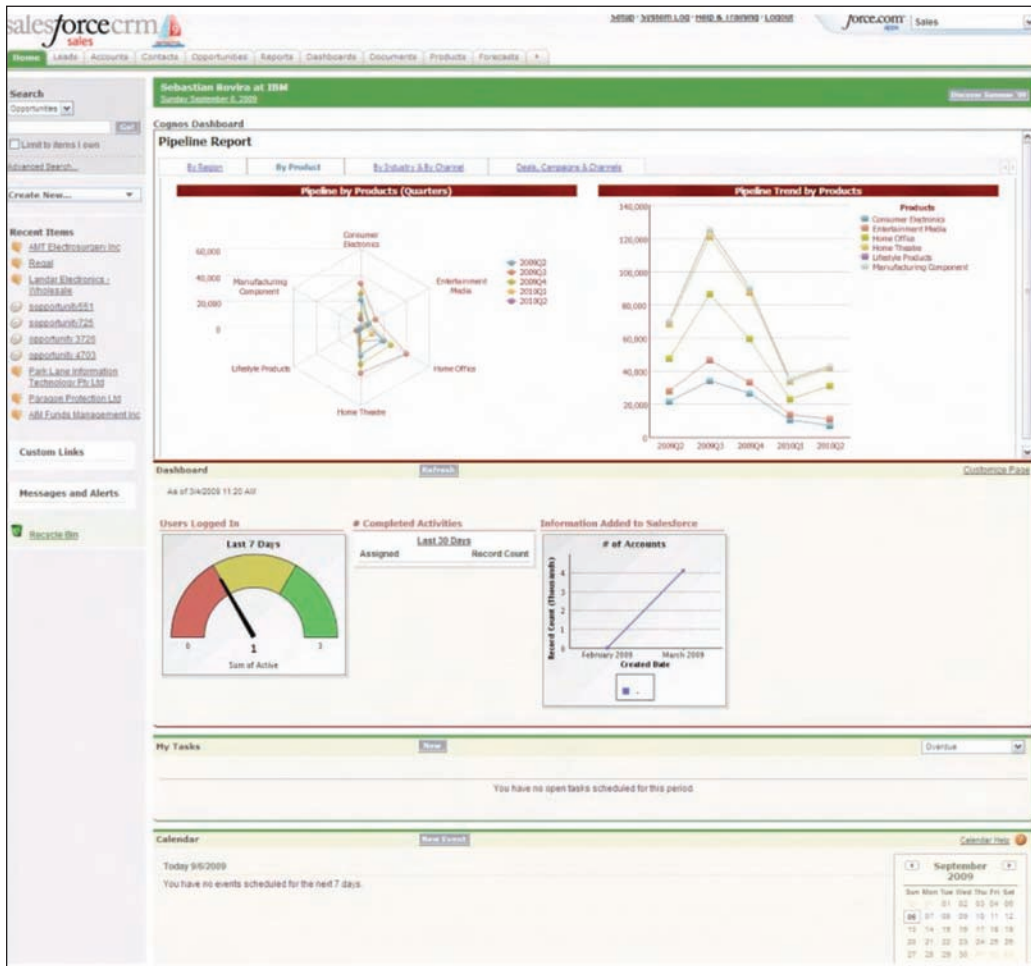

Figure 5. Blueprint Pipeline Report embedded in salesforce.com portal

Conclusion

Sales planning and analysis is often hampered by myopic spreadsheets, missing and inaccurate data and an emphasis on number crunching rather than analytics. The *Sales Performance Management for salesforce.com Blueprint* includes the different perspectives necessary to meet the performance visibility requirements of front-line sales people and decision-makers. Based on the integrated SPM framework, the *Blueprint* provides dashboards, automated processes and tools that can help your sales organization plan and model sales strategies. The result is the timely execution of sales initiatives that are aligned with the greater goals and strategy of your business.

About the IBM Cognos Innovation Center For Performance Management

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into "next practices" that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos solutions customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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