

# Sales Performance & Incentive Compensation Management

Industry Best-Practices sharing

Sales Performance &  
Incentive Compensation Management  
Roadshow Schweiz 2014

Bern, Zürich, Basel, Lugano, Genf, Lausanne



## Sprecher

**Urs Klingler**

**kl**ingler

Compensation & Performance Experts



**Marc Philipp**

**novem**  
SWISS AG



**Gaston Russi**

**IBM** 



Agenda 9:00 – 9:45



**kl**ingler

Compensation & Performance Experts

## **Variable Vergütungssysteme - unterstützen sie die Umsetzung der Unternehmensstrategie?**

Die Vergütungsexperten von klingler consultants geben einen Einblick in aktuelle Vergütungssysteme, welche den heutigen Marktanforderungen entsprechen. Im Fokus stehen dabei die Leistungsbemessung und -honorierung und die Anforderungen an ein variables Vergütungssystem.

- Gesamtvergütung - Zusammenspiel der Komponenten
- Trends in der variablen Vergütung
- Do's und Don'ts
- Positive und negative Anreize und ihre Wirkung auf Menschen
- Effektive Vertriebsvergütung



Agenda 10:00 – 11:00



## **Sales Performance & Incentive Compensation Management Technologie - sichert sie nachhaltig den Unternehmenserfolg?**

In einem Praxisbeispiel sehen Sie, wie Sales Performance & Incentive Compensation Management Technologie die direkten und indirekten Vertriebsprozesse Ihres Unternehmens unterstützen und automatisieren kann. Dabei gehen wir gezielt auf die positiven Effekte ein wie z.B.

- Cross-sell Ratio
- EBIT-Gewinnmarge / Umsatz
- Business Flexibilität, Kürzeres Time-to-Market ohne IT Abhängigkeit
- Sales-Zykluszeiten
- Häufigere und schnellere Auszahlungen
- Effizienz des gesamten direkten und indirekten Vertriebs
- Akzeptanz und Nutzung der bestehenden CRM Systeme
- Mitarbeiter-Zufriedenheit und -vertrauen



Agenda 11:15 – 11:45



## Best-Practice Sharing – was machen führende Unternehmen Ihrer Industrie?

Anhand von ganz konkreten Kundenbeispielen erhalten Sie Einblick in die Problemstellungen, realisierten Benefits und Best-Practices von führenden Unternehmen aus verschiedenen Industrien.



# Variable Vergütungssysteme

**...unterstützen sie die Umsetzung der Unternehmensstrategie?**



Compensation & Performance Experts

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Variable Vergütungssysteme – unterstützen sie die Umsetzung der Unternehmensstrategie?

Urs Klingler, Managing Partner  
klingler consultants ag

Im 2014



# Sales Performance & Incentive Compensation Management Technologie



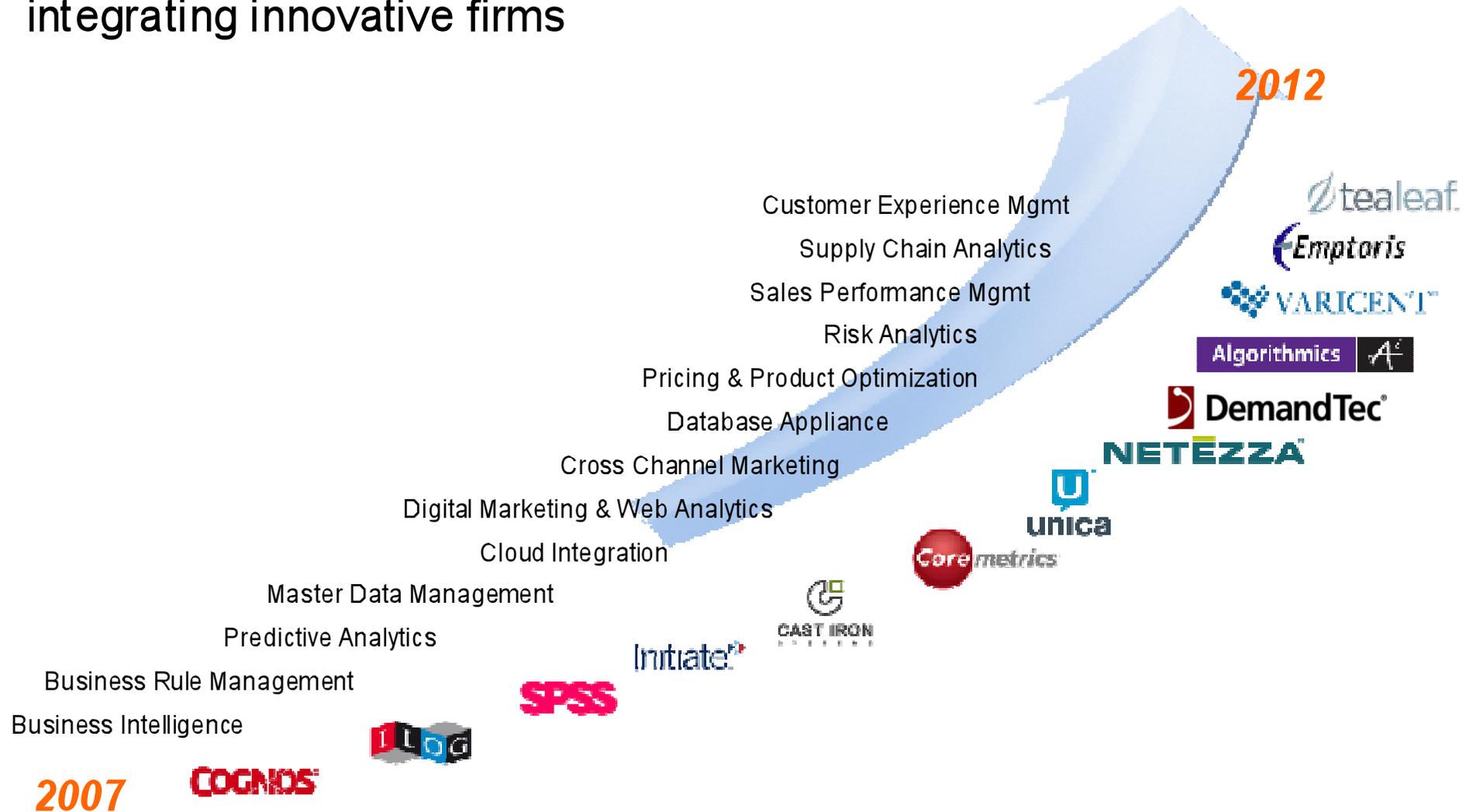
**...sichert sie nachhaltig den Unternehmenserfolg?**

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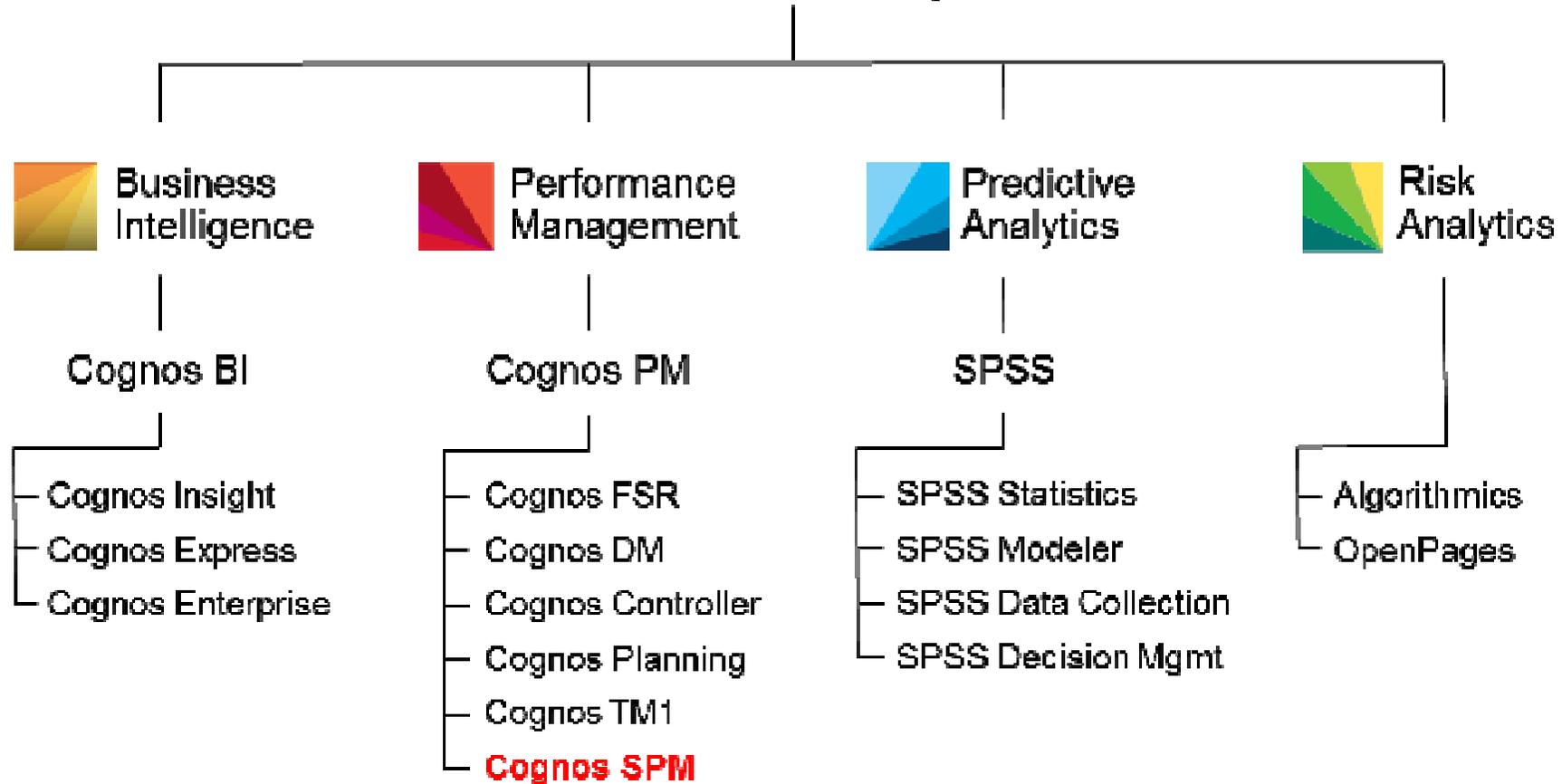


Since 2007, IBM has been strategically acquiring and integrating innovative firms



Cognos ICM/SPM (aka Varicent) => IBM Business Analytics

# Business Analytics



## IBM is setting the Pace in the SPM Industry

- Leader Rating – Gartner Magic Quadrant for Sales Performance Management (2013)
- Strong Positive Rating – Gartner MarketScope for Insurance Incentive Compensation Management (2012)
- Highest Ranked Vendor - Ventana Research Value Index, Sales Performance Management (2011)
- Varicent in Top 20 fastest growing software companies on Deloitte Fast 500 for North America (2011)

“ significant breadth and depth of technology”

“ a portfolio of SPM functionality formidable to that of best-of-breed vendors”

“ With a global presence in approximately 170 countries ... IBM is in a unique position”

Magic Quadrant for SPM (2013)

# IBM a leader in Gartner Magic Quadrant for Sales Performance Management (2013)

**Gartner**

## Magic Quadrant for Sales Performance Management

Published: 5 September 2013

Analyst(s): Patrick Stakenas

“Through organic development and strategic acquisitions, IBM has assembled a portfolio of SPM functionality formidable to that of best-of-breed vendors.”

“With a global presence in approximately 170 countries... IBM is in a unique position to evangelize its SPM solutions to many audiences.”

“IBM brings a foundation of proven SPM analytics solutions”



## IBM's leading ICM technology used across all industries!



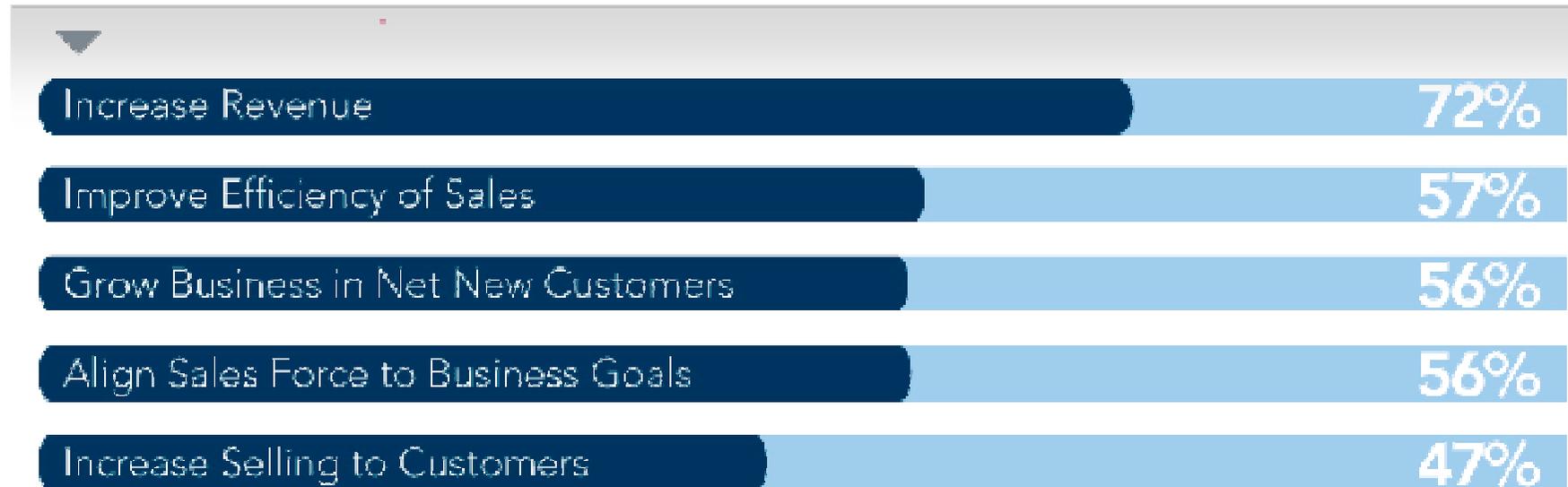
# SPM/ICM Technology Business Case

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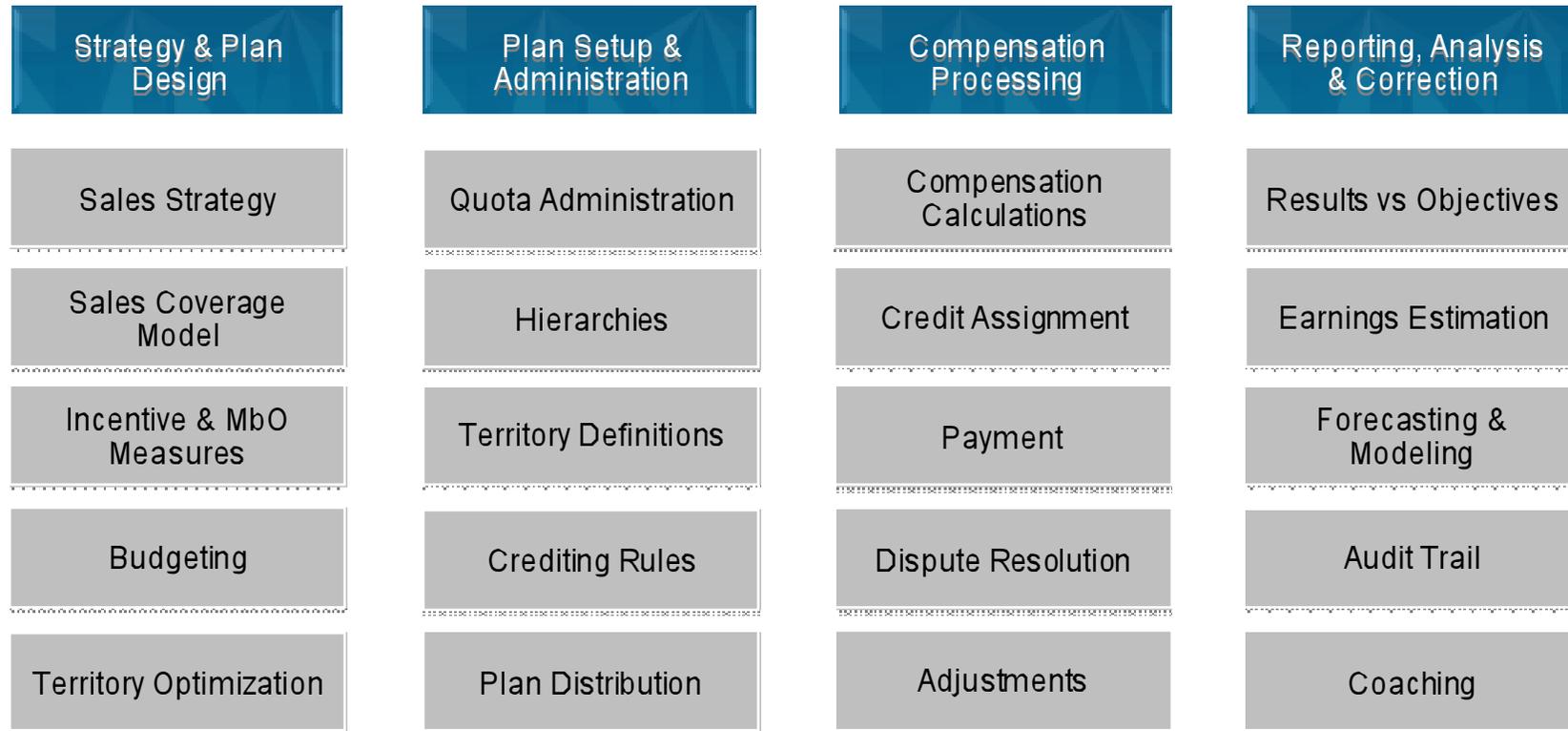
## Most Important Sales Priorities



# And finance leaders recognize the growing magnitude of compensation

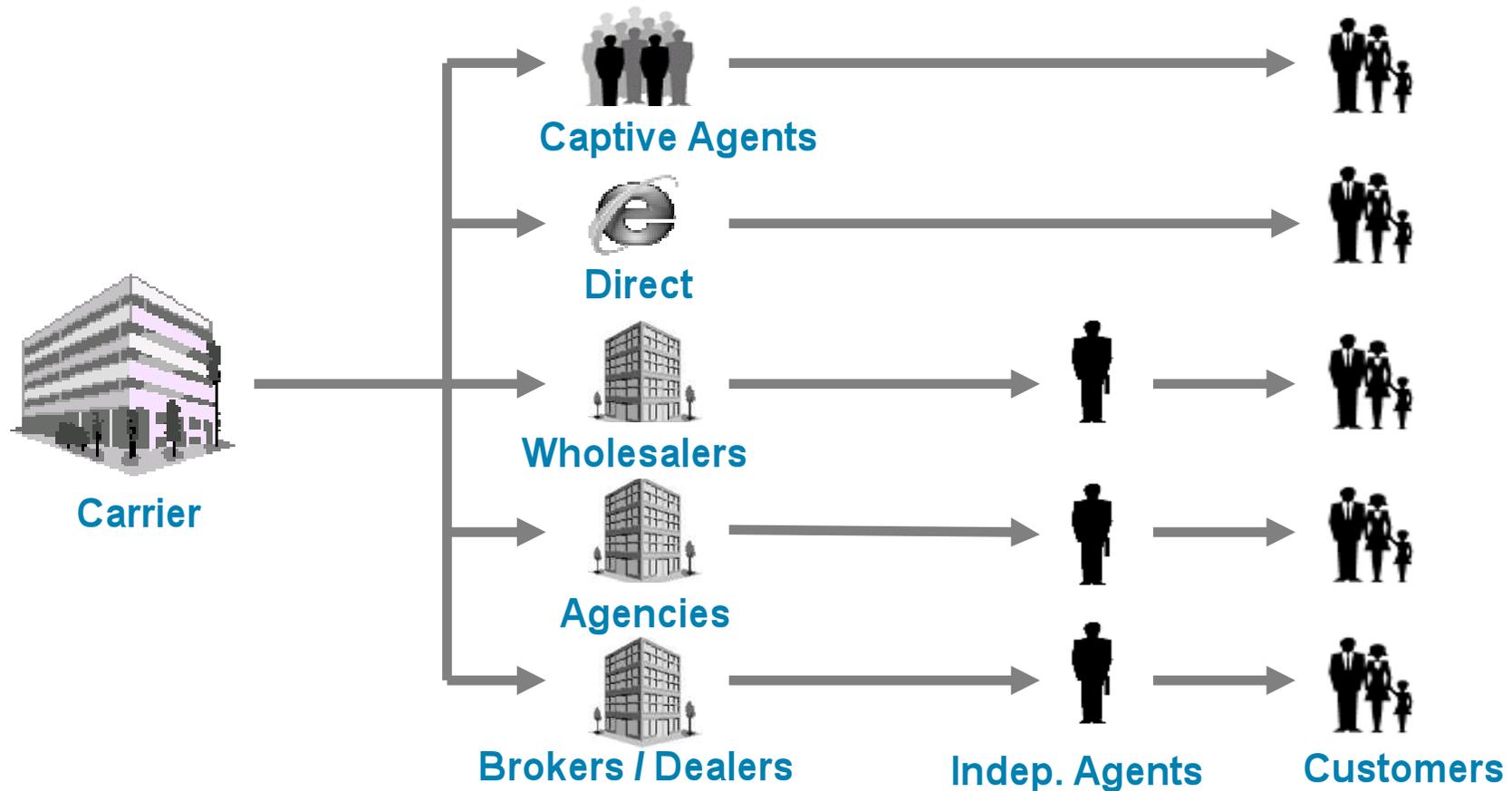


# Sales Performance Management Process overview

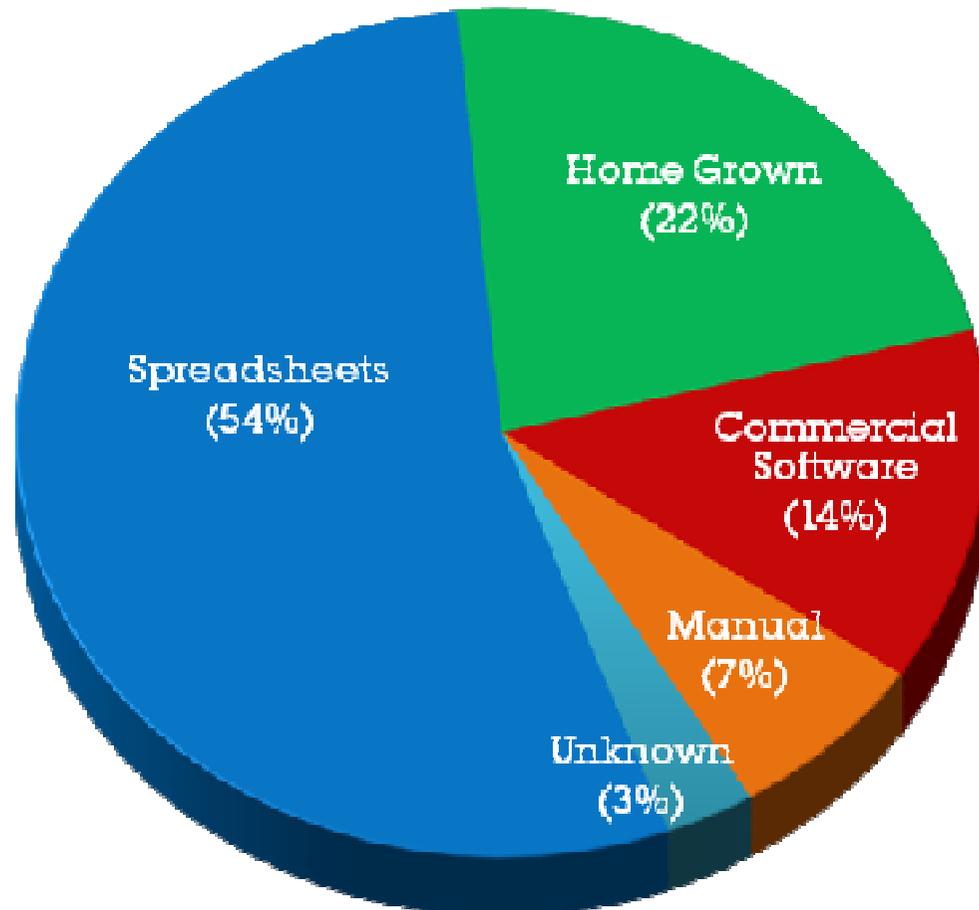


# Increasing Complexity in Distribution Channels

- Insurance example



# 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

CSO Insights - 2013 Sales Compensation & Performance Management, Key Trends Analysis



# Why Companies Adopt SPM Technology



Reduce errors

Shorten cycle times

Replace technology



Mergers & Acquisitions

New Comp Plans  
Reorganizations

Sales/Partner/Service  
Steering



Internal Audit

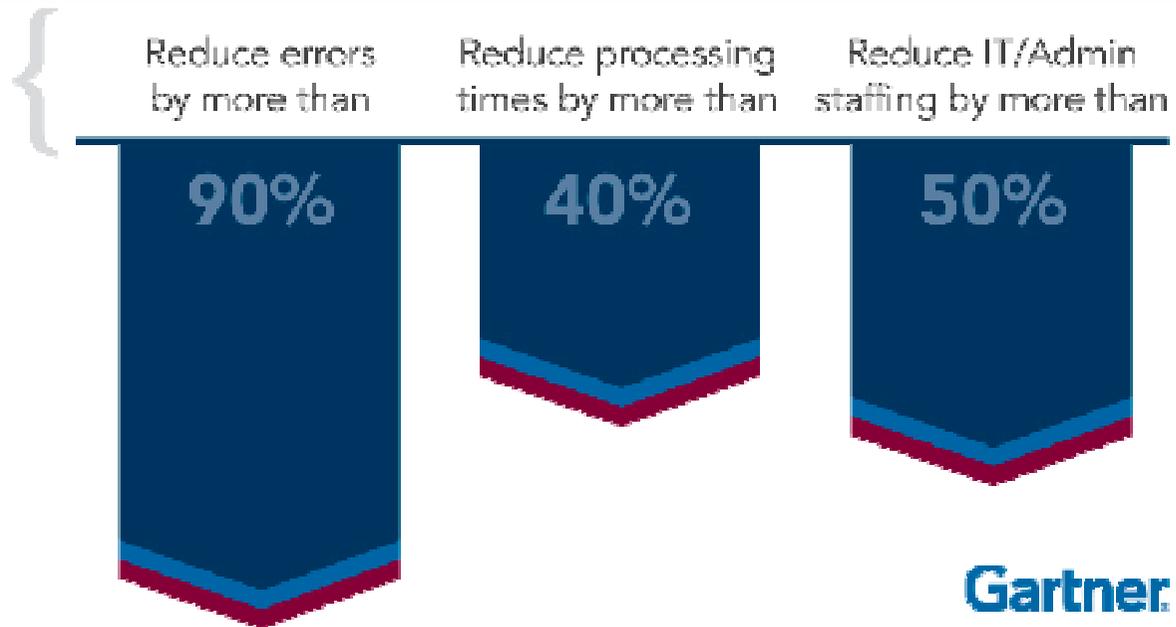
Deferred  
Compensation

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

# Efficiency & Accuracy



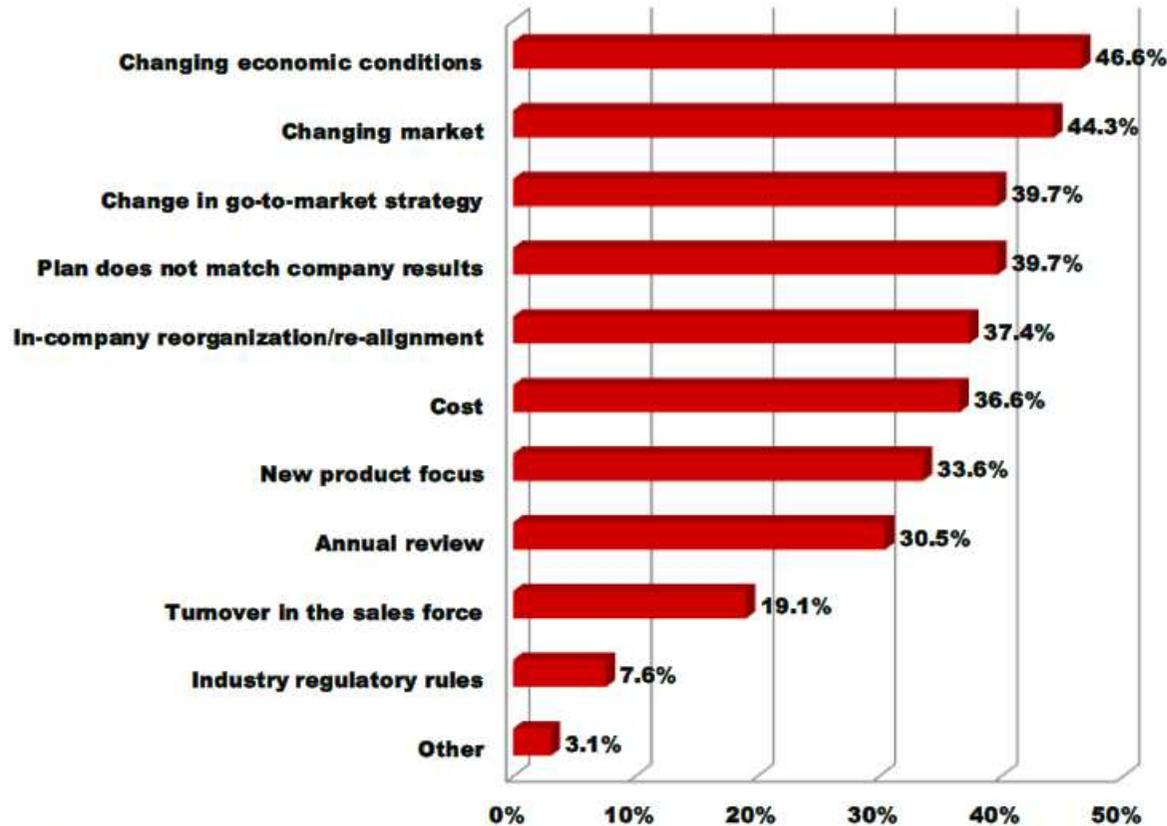
Organizations adopting SPM technologies



**Bonus overpayment estimates:**  
Accenture: 3-5 %  
Deloitte: 4-7%  
Gartner: 2-8%

# Motivators for plan changes

What are the prime motivators for plan changes?



© 2013 CSO Insights

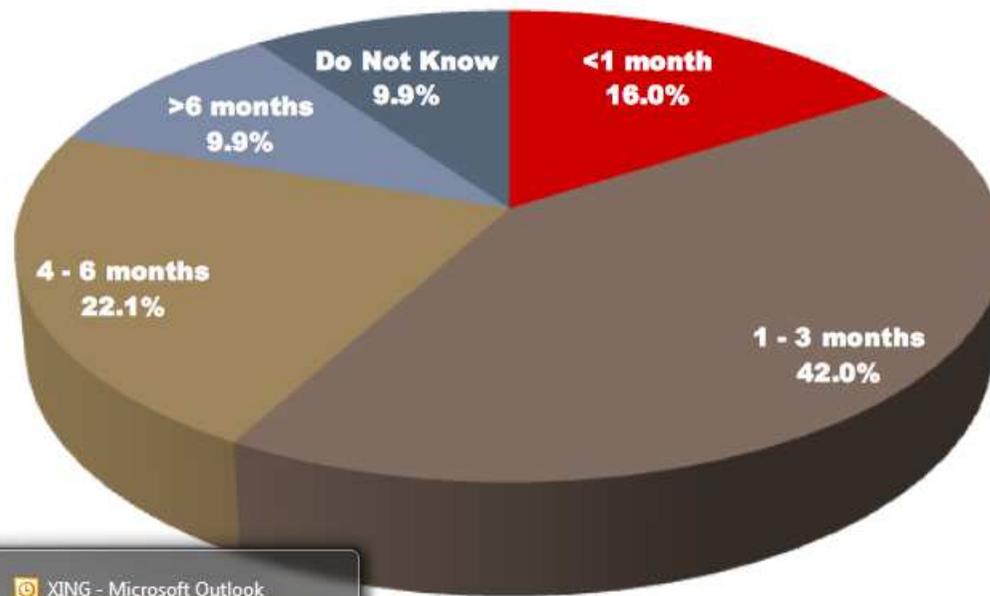
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# Plan Change duration

**On average, how long does it take you to reconfigure/modify your sales comp system and process new plan changes?**



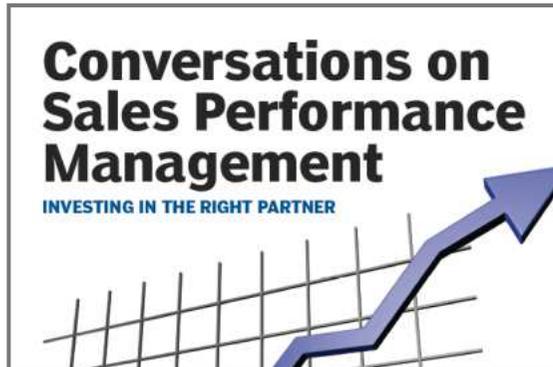
© 2013 CSO Insights



# FINMA minimum standards for remuneration schemes

<b>V. Principles</b>	<b>margin nos. 16–74</b>
Principle 1: The board of directors is responsible for design and implementation of the financial institution's remuneration policy and shall issue the remuneration regulations	margin nos. 16–22
Principle 2: The remuneration scheme is designed to be simple, transparent and implement-able as well as focused on the long term	margin nos. 23–26
Principle 3: Independent control functions and specialists are to be involved in the design and application of the remuneration scheme	margin nos. 27–29
Principle 4: The structure and size of the overall remuneration are commensurate with the financial institution's risk policy and encourage risk awareness	margin nos. 30–38
Principle 5: Variable remuneration is dependent upon the long-term economic results of the financial institution	margin nos. 39–43
Principle 6: The allocation of variable remuneration occurs on the basis of sustainable criteria	margin nos. 44–47
Principle 7: Deferred remuneration binds remuneration to the financial institution's future results and risks	margin nos. 48–56
Principle 8: Remuneration of control functions must not cause any conflicts of interest	margin nos. 57–60
Principle 9: The board of directors reports every year on the implementation of the remuneration policy	margin nos. 61–71
Principle 10: Deviations from these principles are only allowed in justified cases. Such deviations must be disclosed	margin nos. 72–74
<b>VI. Implementation</b>	<b>margin nos. 75–80</b>
<b>VII. Transitional provisions</b>	<b>margin nos. 81–83</b>

# ROI / Economic Impact options



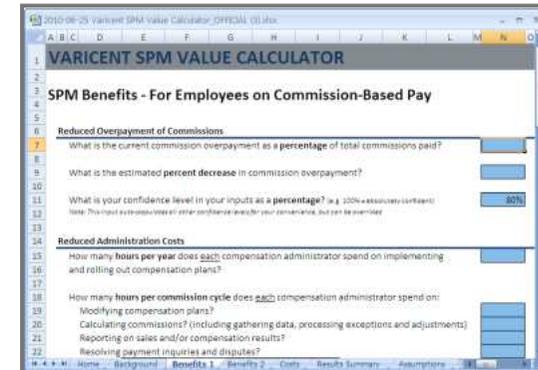
## CFO whitepaper

- Good for giving introduction to benefit concepts with Varicent concepts
- Useful getting started document

VARICENT ROI CALCULATOR		Initial	Year 2	Year 3	Year 4
<b>Costs</b>					
On-Demand Software Costs	\$	300,000	\$	15,000	\$
Services & Training Costs	\$	300,000	\$	15,000	\$
Go-Forward On-Demand License	\$	300,000	\$	300,000	\$
<b>Total Costs</b>	\$	600,000	\$	315,000	\$
<b>Benefits</b>					
Reduced Overpayments	\$	-	\$	500,000	\$
Savings to Administer Variable Pay Program	\$	-	\$	250,000	\$
Reduced Shadow Accounting Savings	\$	-	\$	525,000	\$
Reduced Cost of Turnover in Organization	\$	-	\$	437,500	\$
Savings from existing systems/processes	\$	-	\$	-	\$
Benefit from Organizational Alignment	\$	-	\$	5,000,000	\$
<b>Total Benefits</b>	\$	-	\$	6,712,500	\$
<b>Total Costs</b>	\$	600,000	\$	315,000	\$
<b>Total Benefits</b>	\$	-	\$	6,712,500	\$
<b>Net Benefits</b>	\$	(600,000)	\$	6,397,500	\$
<b>Project NPV</b>	\$	21,501,417			
<b>Project ROI</b>	1443%				

## Mini-ROI Calculator

- Just 2 worksheets
- Fewer configuration options
- Useful for high level ROI
- Includes Links to key studies and statistical proves



## Forrester-Certified ROI Tool

- Detailed ROI calculation

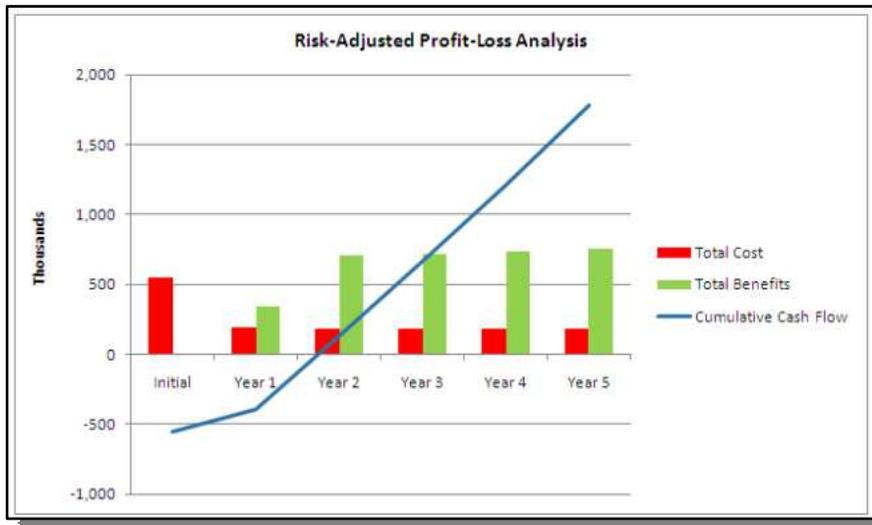
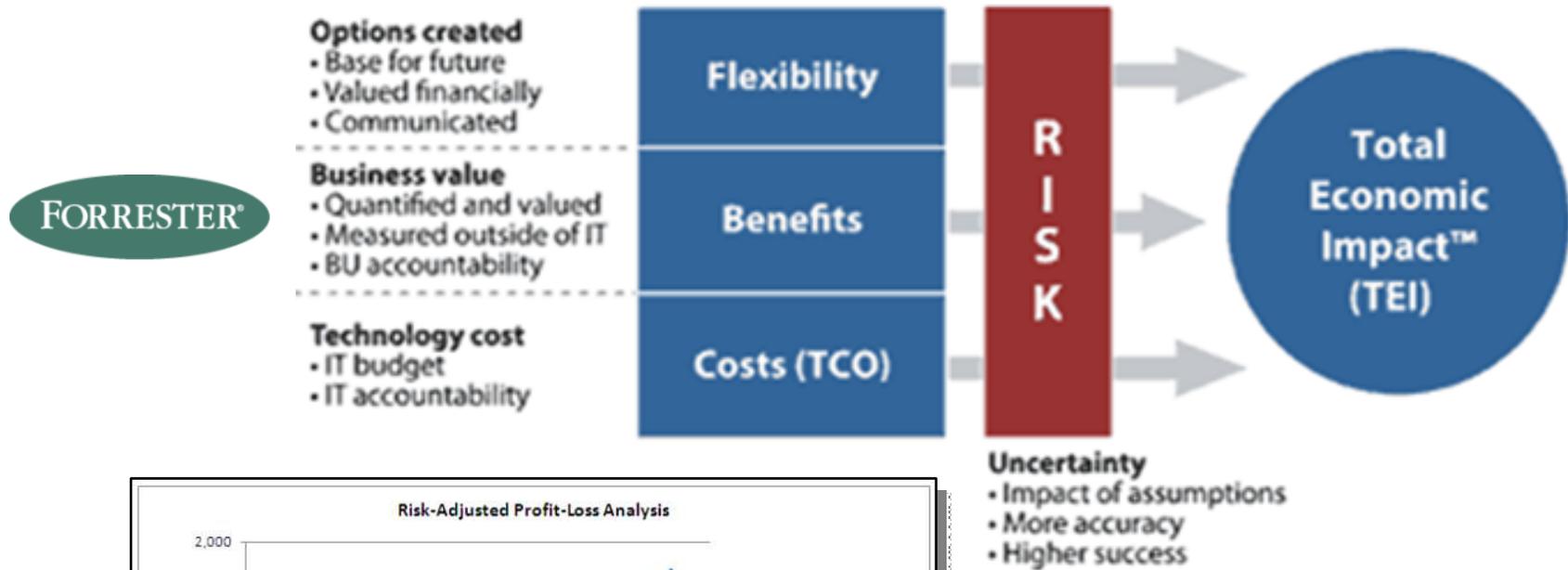


## ROI calculator summary

1. On average, organizations overpay commissions 3%-5% per BPM Partners and other studies. Benchmark assumes a 1% reduction in incentive overpayments.
2. Automating the variable pay process has been shown to save \$500, or more annually per variable pay employee. Benchmark assumes \$500 to be conservative.
3. Organizations have reduced shadow accounting by up to 3 hours per commissioned employee, per pay cycle. Benchmark assumes a conservative 1 hour per employee, per pay period.
4. Hewitt Research shows that average turnover per year in sales organizations is 13-18%. Benchmark assumes conservative 1% reduction in turnover rate due to increased morale, timely and accurate incentive payments, reduce payment disputes and other factors.
5. SPM systems are able to replace, or decrease the dependence on existing systems in some cases. The amount input is annual savings.
6. Per Gartner, companies currently lose up to 10% of sales through poor fiscal management of territories, quotas and incentive plans.



# Total Economic Impact Analysis for Varicent



	Non-Risk-Adjusted	Risk-Adjusted Estimate
Return On Investment	312%	120%
NPV of ROI	270%	97%
Total NPV of Costs	\$ 1,295,722	\$ 1,295,722
Total NPV of Benefits	\$ 4,787,831	\$ 2,554,027
Total NPV	\$ 3,492,108	\$ 1,258,305
Payback Period	13 Months	22 Months



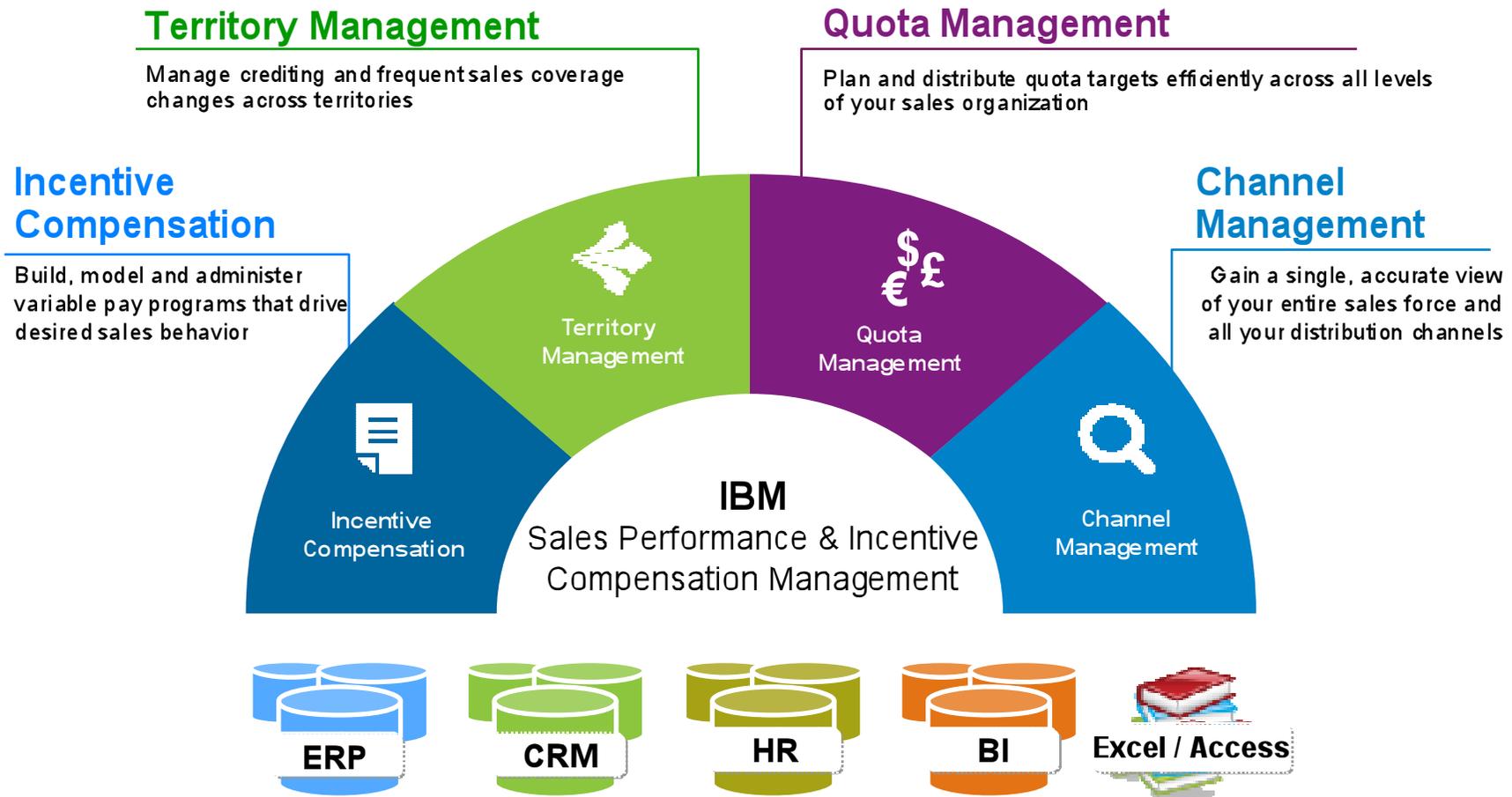
# IBM Value Proposition

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# IBM solution overview



## Cognos SPM/ICM (aka Varicent) => Value Proposition Summary

1. Systematische Umsetzung der Unternehmensstrategie / Alignment auf operativer Ebene
2. Cross-sell Ratio => Produkt / Kunde
3. Steigerung des EBIT-Gewinnmarge / Umsatz
4. Höhere Vertragslaufzeiten
5. Business Flexibilität, Kürzeres Time-to-Market ohne IT Abhängigkeit
6. Kürzere Sales-Zykluszeiten sowie Häufigere und schnellere Auszahlungen
7. Effizienz des gesamten direkten und indirekten Vertriebs
8. Akzeptanz und Nutzung bestehender CRM Systeme
9. Mitarbeiterzufriedenheit und -vertrauen / weniger Fluktuation



# IBM Solution Key Differentiators



### Business oriented

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Configure vs. code

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Visual comp design approach

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Management buy-in

---



### Integrated Product

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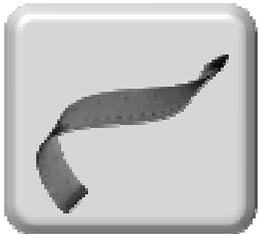
Calculation engine, ETL, workflow, reporting, etc.

---

Flexible data model

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Proven CRM & ERP integration



### Business Flexibility

---

Meet changing needs

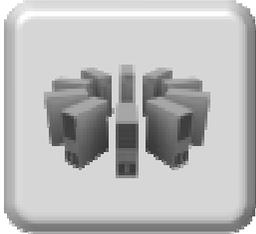
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Speed to market

---

Commissions, MBOs, long term incentives, non cash benefits, etc.

---



### Performance & Scalability

---

Built for high transaction Volumes – Imports, calculations, etc.

---

Cloud, Enterprise, Hybrid deployments

---

10 – 350'000 payees  
1'500'000'000 transactions / month



## Seamless CRM Integration



- **Single Sign-On** to access SPM & CRM information from a single screen
- **Data synchronization** is automated
- **Easy access** to plan documents, team reports and quota & territory management tools



# SugarCRM integration

Microsoft Online Ser... Microsoft Exchange ... Gmail otoworld My Yahoo! ahoof NHL Pool UEFA CL Fantasy Mens Hockey Toronto Weather Marni Toronto FUN Online... Comics - Explosm.net SpeedTouch Belkin Other bookmarks

bessaron:81/sugarcrm/index.php?module=Home&action=index

VARICENT™

Welcome, Dan Huddle | Log Out | Employees | Support | Help | About

Home Accounts Contacts Opportunities Leads Calendar Reports

My Sugar Sales Marketing Support **Varicent** + Add Sugar Dashlets Change Layout

Varicent SPM dhuddle@varicent.com — Message Center — Change Password — Request Assistance — Logout

My Dashboard My Plans My Earnings Credit Requests

### Sales & Compensation Dashboard

Performance Summary		
	Value	Rank
YTD Sales	\$239,300	6
Quota	\$1,290,000	
YTD Attainment	18.55%	7
\$ Over/Under Quota	-\$1,050,700	7
\$ Below Top AE	\$242,400	
YoY Sales Growth	\$98,100	4
YoY Attainment Growth	6.78%	9
Forecasted Total Sales	\$2,871,500	6
Forecasted Total Attainment	222.60%	7

**YTD Sales**

\$239.3K

**Forecast YTD Sales**

\$2,871.5K

**Performance to Target & Forecast**

\$0 to \$2,871,500

Compensation Summary	
<b>Commissions</b>	
Gross Commission	\$9,104.17
Adjustments	(\$1,111.11)
Gross Payout	\$7,993.06
Draws	\$3,500.00
Net Payout	\$4,493.06
<b>Bonuses</b>	
MBOs	\$1,500.00
<b>Total Payout</b>	<b>\$5,993.06</b>
Varicent Rewards Points	12,334
President's Club	Qualified!

Here are your current pipeline overview and top opportunities. Please note that forecasted commissions are for reference only and are subject to change until the opportunities are confirmed closed.

**Pipeline Summary**

**Top Opportunities**

Account	Category	Stage	Amount	Forecasted Commission
Grand Hotels Kitchen Generator	Pipeline	ID Decision Makers	\$15,000	\$225
Pyramid Emergency Generators	Pipeline	Prospecting	\$100,000	\$1,500
GenePoint Lab Generators	Pipeline	ID Decision Makers	\$80,000	\$900
United Oil Installations	Pipeline	Negotiation/Review	\$270,000	\$4,050
University of AZ Installations	Pipeline	Proposal/Price Quote	\$100,000	\$1,500
Express Logistics SLA	Pipeline	Perception Analysis	\$120,000	\$1,800
Dickenson Mobile Generators	Pipeline	Qualification	\$15,000	\$225
United Oil Plant Standby Generators	Pipeline	Needs Analysis	\$675,000	\$10,125

# salesforce.com integration

The screenshot displays a Salesforce.com dashboard for a Varicent sales representative. The interface includes a navigation bar with tabs for Home, Leads, Accounts, Opportunities, and Varicent. The main content area is titled 'Sales Representative Dashboard' and provides an overview of performance for the current pay period. It features a gauge chart for YTD Sales, a performance summary table, a President's Club Scorecard, and a table of top opportunities. The dashboard also includes a pipeline summary section with a funnel chart and a 'Highly Confidential' watermark.

**YTD Sales**

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

**Performance Summary**

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

**YTD Commissions**

	\$15,852
--	----------

**President's Club Scorecard**

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

**RTI Rewards**

My Balance:	12,234 Points
-------------	---------------

**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

**Pipeline Summary**

Here are your current pipeline overview and top opportunities. Please note that forecasted commissions are for reference only and are subject to change until the opportunities are confirmed closed.

**Qualification**

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## Varicent Successfully Integrates with SAP at Many Customers



- Integrated with the following SAP modules to leverage transaction, people, access, product, payroll and quota data:
  - Successfactors.com
  - SAP CRM / BP / PD-Org
  - SAP HR / HCM / ECM
  - SAP Payroll
  - SAP FI
  - SAP BO
  - SAP BPC
  - BW, ERP, R/3



## Gartner MarketScope for Sales Performance Management



- “SAP ICM **lacks considerable functionality** to support client demand for feature-rich SPM.”
- Gartner has **not seen strong movement from SAP** to support what best-of-breed vendors are doing to meet the needs of customers' objectives, quota management and coaching.
- The complexity of SAP often creates **longer implementation timelines** than those for many of its ICM competitors.
- The level of effort to implement SAP ICM appears to be significant for deployment. It has been noted that the **user interface can be overly complicated**. The amount of customization that some insurers choose to add into the system can also create **expensive and time-consuming upgrades**.
- Is only available for on-premises deployment



# Sales Performance & Incentive Compensation Management Technologie



...sichert sie nachhaltig den Unternehmenserfolg?



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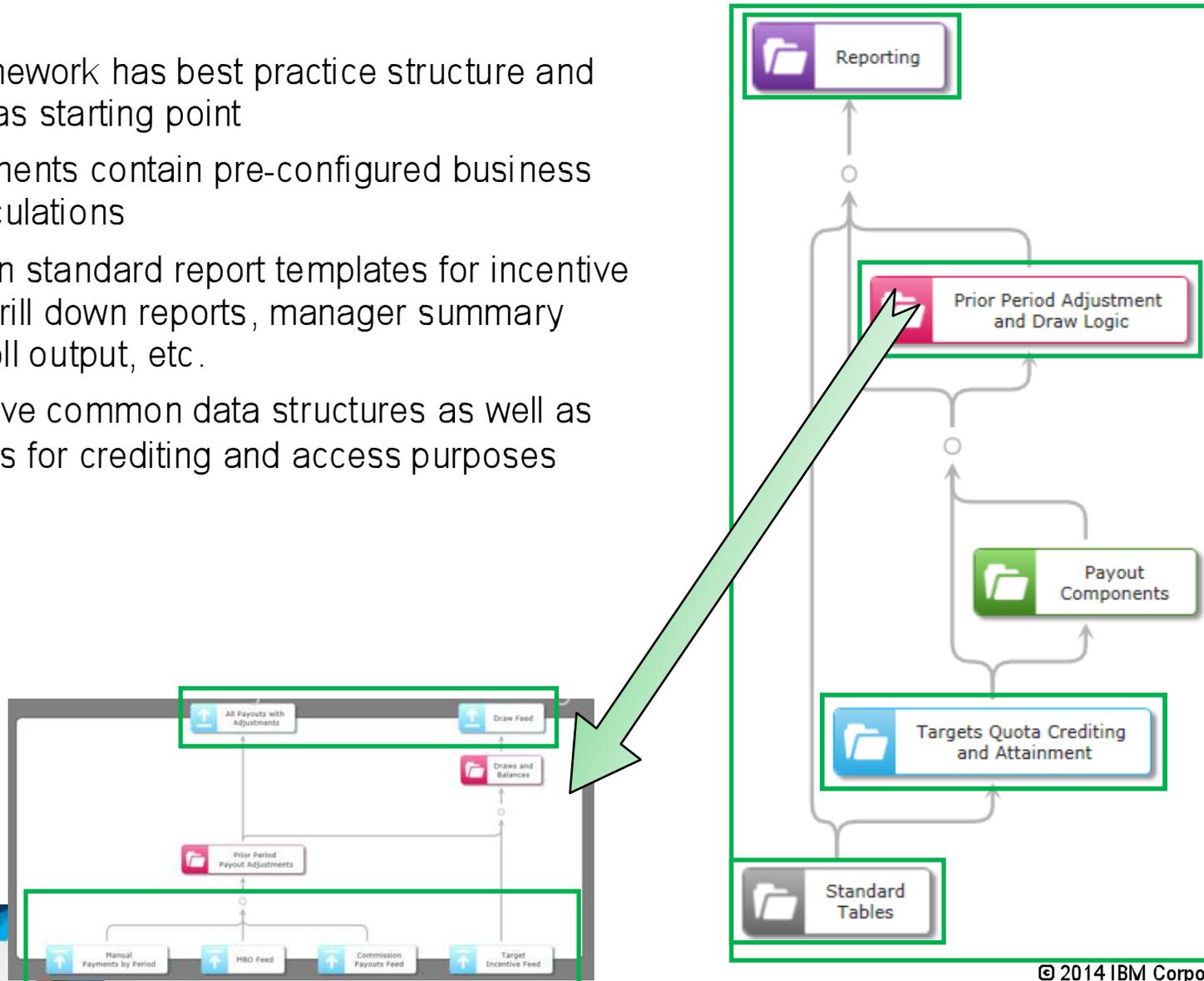
## Getting started with Cognos ICM

- What do you want from any incentive compensation management solution?
  - a) Proven, best practice solution structure with robust framework and guides
  - b) Business process **templates**, out-of-the-box reports, and pre-configured calculations and business rules
  - c) **Flexible** and extensible data model, business rules, calculations, workflows, and reports – without dead-end customization
  - d) **All of the above**
  
- Cognos ICM is:
  - A prebuilt solution with everything you need to get started
  - Guides, guardrails and plug-n-play components for setting up your incentive plans
  - A structured environment with best practice tables, calculations, business rules and reports
  - Adaptable and configurable to your needs, instead of forcing you to squeeze inside a rigid “one size fits all” box



## A structured approach to flexibility

- Provided framework has best practice structure and process flow as starting point
- Some components contain pre-configured business rules and calculations
- Others contain standard report templates for incentive statements, drill down reports, manager summary reports, payroll output, etc.
- Still others have common data structures as well as hierarchy rules for crediting and access purposes



## A structured approach to flexibility

- Your payout components are unique, so you need the flexibility to configure them however it makes sense
- Having just one transaction or rate table just doesn't cut it – you need whatever you need
- You need another table to store data?  
Another set of calculations for special incentives, creating new sales metrics, special crediting requirements, or new reporting requirements?  
How about some custom reports?  
Or entirely new components?  
All are available by simply dragging another one from the palette to the composer workspace
- And no matter what you configure, everything will upgrade to future Cognos ICM versions because Cognos ICM is designed with structured flexibility at its core



Component



Table



SPM On Cloud



Calculation



Draw



Data Store



Presenter Report



# Sales Landing Page: Notifications & Performance Overview



Anfragen

## Welcome to the Incentive Compensation System for RTi

[Go To Your Dashboard](#)

[Go To Your Commission Statement](#)

[Go To Your Commission Plan](#)

[Go To Your Transactions](#)

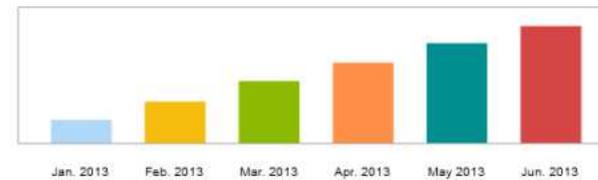
[Submit](#)

### Notifications and Actions

- Welcome to your 2013 compensation reports and information. You will be able to access details on your compensation plan, performance, targets and sales through the portal. Please click on any of the links above to access your reports. For additional information please visit the help section on the top right.
- Your 2013 Compensation Plan is ready for review. Please click on the link below to access your plan for this year. You will be required to approve your plan letter. If you have any issues please contact your manager or HR (hr@rti.com)  
[Plan Document](#)     [Sales Rep Approve/Reject](#)     [17. April 2014 10:01:24 +02:00](#)
- There is a new sales competition to coincide with the roll out of our new product. The first Account Executive to sell 5 units of PRODUCT X will receive a bonus equivalent to \$1000.  
  
 Information on PRODUCT X: This is a new product for RTi and will enable a whole new entry strategy into the market. The product will also allow for multiple upsell and cross sell opportunities

### Performance Summary

<b>YTD Actual</b>	<b>Annual Target</b>	<b>Attainment</b>
2577811.00	5'000'000.00	51.56 %



### Compensation and Bonus Information

	Current Month Payment	YTD Payment
Commission	1'959.99	13'572.17
Bonus	4'262.60	15'034.38
Draw	0.00	0.00
Adjustment	0.00	0.00
<b>Total Payout</b>	<b>6'222.59</b>	<b>29'406.55</b>

### Path To Target Achievement

	Value of Deals	Expected Close Rate	Expected Close Amount
Committed Deals	732'000.00	0.80	585'600.00
Upside	3'568'000.00	0.25	892'000.00
Engaged	1'811'000.00	0.05	90'550.00
Qualification	4'474'000.00	0.00	0.00
<b>Total Forecasted Sales:</b>			<b>1'568'150.00</b>
<b>Forecasted Achievement:</b>			<b>82.92 %</b>

[Forecast](#)

# Sales Compensation Plan: Communication & Approval I



## 2013 Incentive Compensation Plan Documentation

Select Plan:  
2013 AE Balanced Plan ▾

This document describes your eligible Compensation Plans for the current year. The plan is effective January 1, 2013. For the purpose of this plan, the plan year is January 1, 2013 through December 31, 2013.

### I. Objectives

The following outlines the objectives for the 2013 Incentive Compensation Plan:

- Target a total cash compensation (base salary + commissions + bonus) tied to key company metrics
- Incentive to drive new product sales and utilization of existing resources for your defined territory
- Increase Incentive to drive revenue beyond quota and achieve territory business objectives with an "over the plan" commission rate

### II. Your Plan Definitions

Your target plan payout, as indicated by the "Total at Risk" column, is indicated below. It is calculated based on a percent of your total on-target earnings ("OTE").

	Base Salary	OTE %	Total At Risk	Currency
Dan Huddle	117,000	45%	52,650	Australian Dollar

You are eligible for this plan on the following dates:

Compensation Plan	Effective Date	End Date
2013 AE Balanced Plan	01/01/2013	12/31/2013

The plan has the following metrics with the associated weights. The incentive target is your incentive target if you meet 100% of the related metric. The quota amount is pro-rated based on the amount of time spent within this plan role.

	Weight	Incentive Target	Quota
Product Sales	50%	26,325	5,000,000
KPI - Strategic Product	30%	15,795	1,000,000
MBO's	20%	10,530	0
<b>Total</b>	<b>100%</b>	<b>52,650</b>	<b>6,000,000</b>

# Compensation Plan: Communication & Approval II

## III. Plan Details

---

Each of your plan components is described in greater detail here:

You have an Incentive Target that is allocated between Product Sales, KPI Strategic Product Bonus and MBO Bonus. The amount and the allocation are based on a number of factors including: title, territory, tenure, years of sales experience, and regional objectives.

You have a Product Sales Quota and a KPI Strategic Product Quota. Each is determined by your sales manager and is based on a number of factors including territory, tenure, years of sales experience, and regional objectives. This quota may be Prorated if you are in this compensation plan for less than the full fiscal year.

Your Incentive Compensation Rates for Product Sales and KPI Strategic Product Bonus Sales are each calculated by dividing your prorated Quota by the Incentive Target for each of these components.

Your Base ICR may be multiplied based on your YTD Quota Attainment. Quota Attainment is calculated separately for Product Sales and KPI Strategic Sales. If you achieve a greater multiplier tier, the multiplier is applied to your Base ICR to arrive at your new ICR which is then applied to sales. The multiplier tiers are shown below.

	Minimum Attainment	Maximum Attainment	Payout Accelerator
KPI - Strategic Product	0%	100%	100%
	100%	9,900%	115%
Product Sales	0%	100%	100%
	100%	120%	110%
	120%	9,900%	125%

## IV. Draws

---

You are eligible for a Recoverable Draw. Each month your Commission Earnings will be calculated as described above. You will then be paid the greater of those earnings or your monthly recoverable draw amount. Any payments in excess of your actual earned commissions will be added to a Draw Balance. In subsequent months, any commission earnings above your monthly draw amount will first be used to pay down your Draw Balance; anything remaining once your Draw Balance is zero will be paid to you at the end of each month.

## V. Annual Contests

---

In addition to your personal compensation plan, the Sales Organization will be running its annual non-cash incentive contest. All regional Account Executives are eligible to take part in the contest which will conclude at the end of the sales calendar. All prizes will consist of RTi Reward Points. Points can be redeemed for prizes via the on-line catalogue. This year's contests and rewards are listed below.

# Compensation Plan: Gamification & What-If Scenarios



Inquire

Generate PDF File

## Self Calculator

Select Period: **Jun. 2013**

The commissions calculated are independent of any pending Draws. Actual Payouts will include any such Draws, which will be subtracted from your total payout.

### ★ What If?

This tool allows you to model your specific RTI Regional Account Executive Compensation Plan. You have several components in your plan which you can create "What if?" sales scenarios to help get an estimate on potential earnings. Please keep in mind that this tool will just estimate your earnings and will not include any adjustments or draws that you may be subject too.

Plan Component	Current YTD Sales	"What If?" YTD Sales	Quota	YTD Attainment	Regular Commission	Accelerators	YTD Payout
Product Sales	\$2,577,811	<input type="text" value="0.00"/>	\$5,000,000	0%	0.00	0.00	0.00
<input type="button" value="Calculate"/>						<b>Total Potential Earnings:</b>	<b>0.00</b>

### ★ Forecasted Sales Based upon Pipeline

This tool allows you to model your specific RTI Regional Account Executive Compensation Plan. You have several components in your plan which you can create "What if?" sales scenarios to help get an estimate on potential earnings. Please keep in mind that this tool will just estimate your earnings and will not include any adjustments or draws that you may be subject too.

	Current YTD Sales	"What If?" Sales	Quota	YTD Attainment Regular	Commission	Accelerators	Potential Earnings
Product Sales	2,577,811	6,360,811	5,000,000	127%	26,325.00	8,094.94	<b>34,419.94</b>
KPI - Strategic Product	551,844	3,180,844	1,000,000	318%	15,795.00	65,996.78	<b>81,791.78</b>
<input type="button" value="Calculate"/>							



# Salesforce.com opportunity gamification (example)



My Dashboard | My Plans | **My Earnings** | Credit Requests

dhuddle@varicent.com

Commission Statement | Earnings History | **Opportunity Forecast** | Club Qualification

## Opportunity Forecast

The following form will allow you to determine the payout that you will based on your ability to close deals that are currently assigned to you in Salesforce.com. Please use the Yes/No dropdown below to determine whether or not you feel the deal is likely to close. This will allow you to see the effect on your payout. Please note that this calculator does not consider any additional components that you might have attached to your compensation plan.

### Overview

	Total Pipeline	Selected Opportunities
Forecasted Sales	\$1,800,000	\$215,000
Forecasted Payout	\$29,073	\$5,218

### Opportunities

SFDC ID	Opportunity Name	Forecast Category	Sales Stage	Forecasted Amount	Include	Projected Payout Rate	Projected Payout \$
006A0000008YT4CIAG		Pipeline	ID Decision Maker	15,000.00	<input type="checkbox"/>	1.00%	150.00
006A0000008YT4IIAG		Pipeline	Prospecting	100,000.00	<input type="checkbox"/>	0.50%	500.00
006A0000008YT4KIAG		Pipeline	ID Decision Maker	60,000.00	<input checked="" type="checkbox"/>	4.25%	2,550.00
006A0000008YT4MIAG		Pipeline	Negotiation/Review	270,000.00	<input type="checkbox"/>	1.25%	3,375.00
006A0000008YT4SIAG		Pipeline	Proposal/Price Quote	100,000.00	<input type="checkbox"/>	2.00%	2,000.00
006A0000008YT4TIAG		Pipeline	Perception Analysis	120,000.00	<input checked="" type="checkbox"/>	2.20%	2,640.00
006A0000008YT4YIAW		Pipeline	Qualification	15,000.00	<input type="checkbox"/>	3.00%	450.00
006A0000008YT51IAG		Pipeline	Needs Analysis	675,000.00	<input type="checkbox"/>	1.00%	6,750.00
006A0000008YT52IAG		Pipeline	ID Decision Maker	35,000.00	<input checked="" type="checkbox"/>	0.08%	28.00
006G000000FSTJ1IAH		Pipeline	Qualification	150,000.00	<input type="checkbox"/>	1.30%	1,950.00
006G000000FSTONIAH		Pipeline	Qualification	20,000.00	<input type="checkbox"/>	2.00%	400.00
006G000000FSTOSIAH		Pipeline	Qualification	240,000.00	<input type="checkbox"/>	3.45%	8,280.00

Submit



# Sales Dashboard: Summary, Ranking, Top Opportunities



Landing Page | **Dashboard** | My Plans | My Earnings

thuddle@rti.com

Anfragen PDF-Datei generieren

Sales & Compensation Dashboard

Period: Jun. 2013 Submit



YTD Earnings  
29'406.55



YTD Sales / Annual Quota  
2'577'811 / 5'000'000

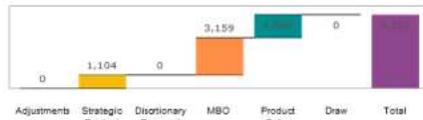


YTD Attainment  
51.56 %



Commit Deals  
10

Compensation Summary



Adjustments	0.00
Strategic Product Sales	1'103.60
Discretionary Payment	0.00
MBO	3'159.00
Product Sales	1'959.99
Draw	0.00
<b>Total Compensation</b>	<b>6'222.59</b>
Reward Points	2000
Presidents Club	Not Qualified

Performance Summary



	Value	Rank
Periodic Sales	372'268	6
YTD Earnings	2'577'811	5
YTD Sales / Annual Quota	5'000'000	
YTD Attainment	51.56 %	1
\$ Over/Under Quota	2'422'189	
\$ Below Top AE	204'316	
PoP Sales Growth	-13.43 %	
PoP Attainment Growth	0.07	
Forecasted Total Sales	\$10,585,000	8
Forecasted Total Attainment	211.70 %	1

Pipeline Summary

Here is your current pipeline overview and top opportunities. Please note that commissions are for reference only and are subject to change until the opportunities are confirmed closed.

Forecasted Deal Amount by Stage



Top CRM Opportunities by Stage

Account	Category	Est. Close Date	Amount	Forecasted Comms.
Pitt County Memorial Hospital	Pipeline	28.04.13	52'000	273.78
Charter Bank	Pipeline	15.05.13	57'000	300.11
First Quality Products Inc	Pipeline	18.05.13	64'000	336.96
DDI Corp	Pipeline	03.06.13	51'000	268.52
Bristol West Holdings, Inc.	Pipeline	17.06.13	66'000	347.49
Range Resources Corporation	Pipeline	17.07.13	57'000	300.11
Commonwealth Equity	Pipeline	27.07.13	75'000	394.88
Marshall Management Inc	Pipeline	15.09.13	67'000	352.76
Inland NW Blood Center	Pipeline	26.10.13	55'000	289.58
Pomodoro Cucina Italiana	Pipeline	28.11.13	58'000	305.37
			602'000	3'169.53



Anfragen

PDF-Datei generieren

PDF-Datei für alle Zahlungsempfänger generieren

### Compensation Statement

Select Payee: **Dan Huddle** | Select Period: **Jun. 2013** | **Submit**

<b>Commission</b>	+	<b>Bonus</b>	+	<b>Draw</b>	+	<b>Adjustments</b>	=	<b>Total</b>
\$1,959.99		\$4,262.60		\$0.00		\$0.00		\$6,222.59

### Payee Details

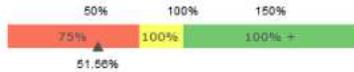
**Dan Huddle**

Regional Account Executive

Manager:	Doug Karey
Territory:	North East
Incentive Target:	\$70,000.00
Plan Start Date:	01.01.13
Plan End Date:	31.12.13
Proration:	100 %
Currency:	\$

### Product Revenue Payout Detail

#### Product Revenue YTD Attainment



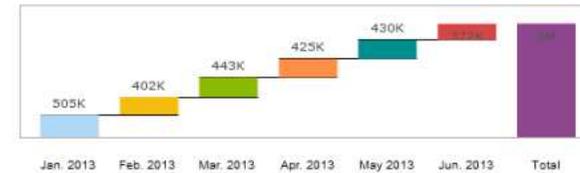
<b>YTD Sales</b>	<b>Non Qualifying Sales</b>	<b>YTD Attainment</b>
\$2,577,811.00	\$5,000,000.00	51.56 %
Weight		50 %
Incentive Target		\$26,325.00
Annual Quota		\$5,000,000.00
Proration Amount		100 %
Annual prorated Quota		\$5,000,000.00
Non Qualifying Sales		\$5,473.00
Monthly Qualifying Sales		\$372,268.00
YTD Sales		\$2,577,811.00
YTD Attainment		51.56 %
YTD Payout by Accelerator Tier	AtRisk x 1.00	\$13,572.17
YTD Total		\$13,572.17
YTD Previously Paid		(\$11,612.18)
<b>Monthly Commission</b>		<b>\$1,959.99</b>
Prior Period Adjustments		\$0.00

### Performance Summary

#### Compensation Breakdown



### YTD Sales



### Earnings by Month



### Bonus Detail

#### KPI Detail

#### KPI Attainment

#### MBO Details

<b>YTD Sales</b>	<b>Quota</b>	<b>YTD Attainment</b>
\$551,844.00	\$1,000,000.00	55.18 %

Score: **5 - Excellence**

# Drill-down to transaction level – non qualifying transactions

Transactional Detail

[Return to Commission Statement](#)

Selection Criteria

Select Period: Jun. 2013  
 Select Type:   
 Invoice Start Date: 01/01/2013  
 Invoice End Date: 12/31/2013  
 Collection Start Date: 01/01/2013  
 Collection End Date: 12/31/2013

Customer:   
 Product:   
 Territory:   
 Minimum Sale Amount: 0.00  
 Maximum Sale Amount: 100,000.00

--- Submit Search Criteria ---

Non-Qualifying Transaction Detail

ID	Type	Invoice	Collection	Customer	Product	Territory	Currency	Total	Reason for Non Qualification
TR0AE-03536	Product Sales	06/01/2013	06/05/2013	<a href="#">US Marine Corps</a>	Adapters - Copper/Fiber	North East	\$	\$1,472.00	Transactional Sales amount under \$1500
TR0AE-03555	Product Sales	06/02/2013	06/03/2013	<a href="#">Ward Lumber</a>	LAN Managed - Product 02	North East	\$	\$1,227.00	Transactional Sales amount under \$1500
TR0AE-03604	Product Sales	06/03/2013	06/10/2013	<a href="#">Quest Software</a>	Optical Transport	North East	\$	\$1,396.00	Transactional Sales amount under \$1500
TR0AE-03606	Product Sales	06/03/2013	06/04/2013	<a href="#">LoanPerformance</a>	LAN Unmanaged - Product 03	North East	\$	\$1,378.00	Transactional Sales amount under \$1500
								<b>Total</b>	<b>\$5,473.00</b>

Qualifying Transactions

Invoice	ID	Collection	Customer	Product	Territory	Currency	Total	Strategic Multiplier	Strategic Product Credit	Estimated Commissions
06/01/2013	TR0AE-03537	06/02/2013	<a href="#">Florida DOT</a>	Optical - Passive	North East	\$	6,304.00			\$33.19
06/01/2013	TR0AE-03538	06/01/2013	<a href="#">Rapt Inc.</a>	Adapters - Copper/Fiber	North East	\$	5,225.00			\$27.51
06/01/2013	TR0AE-03539	06/02/2013	<a href="#">Retek Inc.</a>	LAN Managed - Product 03	North East	\$	8,473.00			\$44.61
06/01/2013	TR0AE-03540	06/08/2013	<a href="#">Osteotech, Inc.</a>	Optical - Passive	North East	\$	2,388.00			\$12.57
06/01/2013	TR0AE-03541	06/04/2013	<a href="#">CEMEX USA, Inc.</a>	LAN Managed - Product 03	North East	\$	6,957.00			\$36.63
06/01/2013	TR0AE-03542	06/07/2013	<a href="#">Towers Perrin</a>	Adapters - Fiber	North East	\$	9,082.00			\$47.82
06/01/2013	TR0AE-03543	06/08/2013	<a href="#">Atari, Inc.</a>	LAN Managed - Product 03	North East	\$	5,261.00			\$27.70

Inquiries / Questions => go through predefined workflow process



RTi

Landing Page

Dashboard

My Plans

My Earnings

Inquire

Category:

Attachment:  No file selected.

Submit

### Transactional Detail

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Selection Criteria

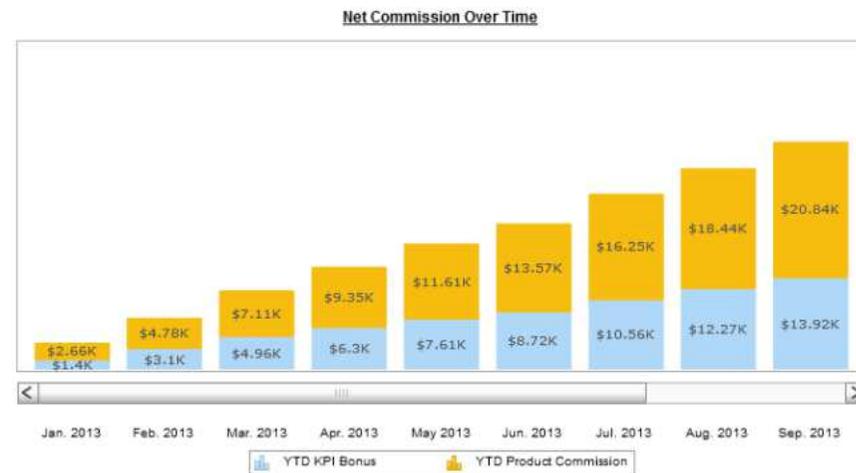
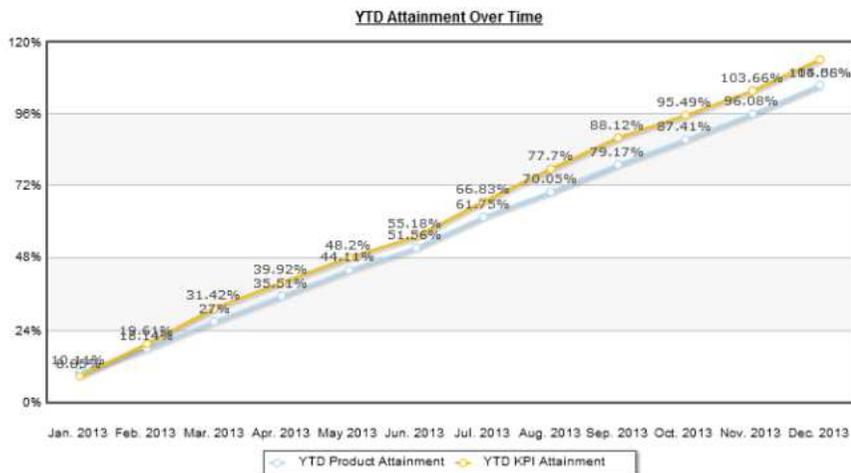
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# Sales Earnings History

Earnings History

Financial Year: 2013

Earnings Breakdown



Earnings Summary

Product Sales

		Qualifying Transactions	Non Qualifying Transactions	Total Transactions	Qualified Sales Total	Non Qualified Sales Total	Period Sales Total	YTD Qualified Sales	YTD Attainment	Gross Commission	Total Adjustments	Net Commission	YTD Commission
2013 AE Balanced Plan	Jan. 2013	77	1	78	\$505,445	\$1,352	\$506,797	\$505,445	10.11%	\$2,661	\$0	\$2,661	\$2,661
	Feb. 2013	76	2	78	\$401,532	\$2,544	\$404,076	\$906,977	18.14%	\$2,114	\$0	\$2,114	\$4,775
	Mar. 2013	72	3	75	\$443,206	\$3,563	\$446,769	\$1,350,183	27.00%	\$2,333	\$0	\$2,333	\$7,109
	Apr. 2013	79	5	84	\$425,338	\$6,542	\$431,880	\$1,775,521	35.51%	\$2,239	\$0	\$2,239	\$9,348
	May 2013	78	3	81	\$430,022	\$3,566	\$433,588	\$2,205,543	44.11%	\$2,264	\$0	\$2,264	\$11,612
	Jun. 2013	66	4	70	\$372,268	\$5,473	\$377,741	\$2,577,811	51.56%	\$1,960	\$0	\$1,960	\$13,572
	Jul. 2013	85	2	87	\$509,509	\$2,849	\$512,358	\$3,087,320	61.75%	\$2,683	\$0	\$2,683	\$16,255
	Aug. 2013	76	2	78	\$415,414	\$2,283	\$417,697	\$3,502,734	70.05%	\$2,187	\$0	\$2,187	\$18,442
	Sep. 2013	78	6	84	\$455,758	\$7,846	\$463,604	\$3,958,492	79.17%	\$2,400	\$0	\$2,400	\$20,841
	Oct. 2013	75	7	82	\$411,934	\$8,822	\$420,756	\$4,370,426	87.41%	\$2,169	\$0	\$2,169	\$23,010
	Nov. 2013	78	3	81	\$433,756	\$3,381	\$437,137	\$4,804,182	96.08%	\$2,284	\$0	\$2,284	\$25,294
	Dec. 2013	81	4	85	\$473,883	\$4,772	\$478,655	\$5,278,065	105.56%	\$2,641	\$0	\$2,641	\$27,935

# Presidents Club Qualification



Inquire

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**Club Qualification**

Select Period: Dec. 2013

**Club Metrics**

To qualify you must meet all of the following metrics within the financial year:

ID	Metric Base	Metric Type	Metric Definition	Target	
Metric 1	Product Sales	Attainment based	Must achieve at least	100	% attainment to qualify.
Metric 2	Strategic Product Sales	Credit based	Must sell at least	1,000,000	of Strategic Products within financial year to qualify.
Metric 3	New Client Acquisitions	Credit based	Must close at least	10	transactions to new customers.
Metric 4	Reward Points	Credit based	Must be awarded at least	8,000	Rewards Points to qualify.

**Congratulations to our 2013 Club Qualifiers!!**

As of, 12/31/2013 we have the following list of qualified members:



**Club Qualification Details**

Name	Territory	Qualified	New Client Acquisitions	Product Attainment	Reward Points	Strategic Prod Sales
Carol Brown	North West	Not Qualified	0.00	0.84	0.00	1,413,639.00
Dan Huddle	North East	Not Qualified	0.00	1.06	8,500.00	1,476,333.00
Darnell Humphrey	South West	Not Qualified	0.00	0.86	0.00	1,537,431.00
Debbie Clarkson	Mid West	Not Qualified	0.00	0.93	0.00	1,468,069.00
Sarah Norman	Texas	Not Qualified	0.00	0.89	0.00	1,647,386.00



# Sales Manager: Team Performance



Manager Landing Page | Dashboard | **Team Results** | Plan Review & Approval | My Earnings | Admin Reports

✉ 👤 dkarey@rti.com ▾

Team Details | Sales Analytics

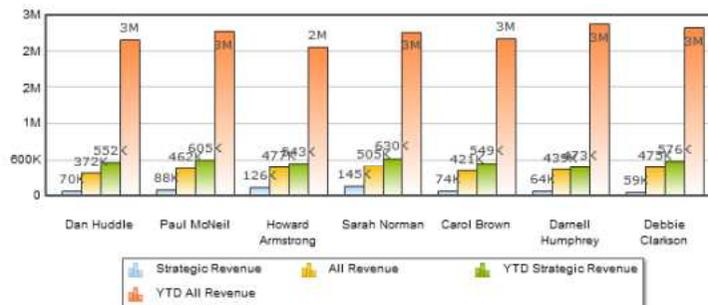
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## Team Performance Details

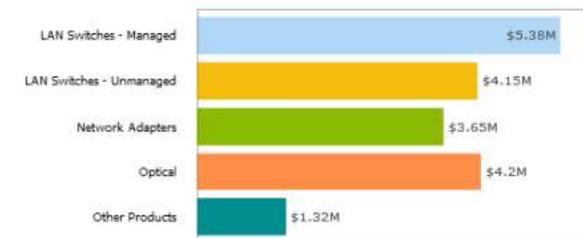
Period: Jun. 2013

<b>Period Sales</b> \$3,149,926	<b>YTD Team Sales</b> \$18,713,691	<b>Annual Quota</b> \$43,000,000	<b>YTD Achievement</b> 43.52 %	<b>YTD Team Payouts</b> \$188,666	<b>Payout Percentage</b> 1.01 %
------------------------------------	---------------------------------------	-------------------------------------	-----------------------------------	--------------------------------------	------------------------------------

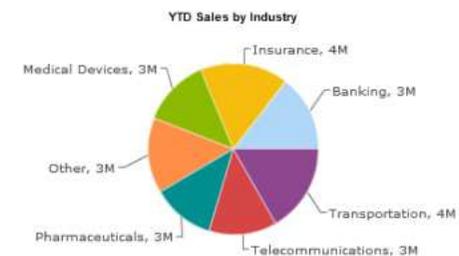
### Team Performance Summary



### Performance by Product



### Performance by Industry



Payee	Territory	Period Sales			Year to Date Sales		
		Strategic	Total PoP	Growth %	Strategic	Total Attainment %	
<a href="#">Dan Huddle</a>	North East	69'870	\$372,268	-13.43 %	551'844	\$2,577,811	51.56 %
<a href="#">Howard Armstrong</a>	Great Lakes	125'692	\$476,811	12.96 %	542'574	\$2,467,871	47.01 %
<a href="#">Debbie Clarkson</a>	Mid West	58'698	\$474,905	-11.37 %	576'399	\$2,782,127	46.37 %
<a href="#">Sarah Norman</a>	Texas	145'052	\$504,527	5.21 %	630'128	\$2,710,096	45.17 %
<a href="#">Carol Brown</a>	North West	73'886	\$420,777	-0.48 %	549'465	\$2,610,924	43.52 %
<a href="#">Damell Humphrey</a>	South West	64'223	\$438,947	-8.93 %	473'040	\$2,842,170	42.11 %
<a href="#">Paul McNeil</a>	South East	88'254	\$461,691	-0.45 %	604'903	\$2,722,692	34.03 %

# Sales Manager: Sales Analytics examples

RTI Manager Landing Page Dashboard **Team Results** Plan Review & Approval My Earnings Admin Reports

Team Details **Sales Analytics**

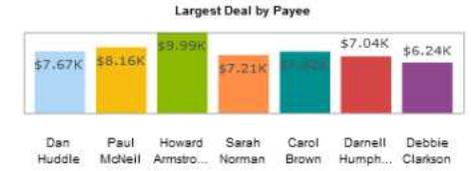
Inquire Generate PDF File

Sales Analytics Period: Jun. 2013

### YTD Sales by Period



### Largest Deals

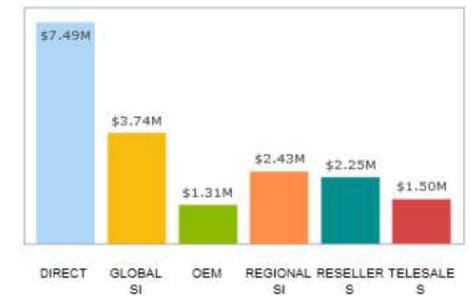


Name	Customer	Product	Amount
Debbie Clarkson	Harmonic Inc.	LAN Managed - Product 01	\$6,243.00
Darnell Humphrey	MIB, Inc	LAN Managed - Product 01	\$7,044.00
Sarah Norman	Captaris, Inc.	LAN Managed - Product 01	\$7,208.00
Carol Brown	NiSource Inc.	LAN Managed - Product 01	\$7,617.00
Dan Huddle	Sunoco, Inc.	LAN Managed - Product 01	\$7,673.00
Paul McNeil	Lafarge	LAN Managed - Product 01	\$8,158.00
Howard Armstrong	Ward Lumber	LAN Managed - Product 01	\$9,985.00

### Top Sales Person by Product

Product	Payee	Strategic Product?	Amount Sold
Voice over IP	Paul McNeil	Yes	\$251,348
Optical Transport	Paul McNeil		\$218,119
Optical - Passive	Darnell Humphrey		\$257,858
Optical - Active	Darnell Humphrey		\$231,307
LAN Unmanaged - Product 03	Darnell Humphrey		\$239,484
LAN Unmanaged - Product 02	Darnell Humphrey		\$218,490
LAN Unmanaged - Product 01	Debbie Clarkson		\$222,888
LAN Managed - Product 03	Darnell Humphrey		\$279,888
LAN Managed - Product 02	Debbie Clarkson		\$237,394
LAN Managed - Product 01	Sarah Norman	Yes	\$249,535
Chassis	Debbie Clarkson	Yes	\$240,029
Adapters - Fiber	Darnell Humphrey		\$218,781
Adapters - Copper/Fiber	Carol Brown		\$240,214
Adapters - Copper	Sarah Norman		\$199,198

### Sales by Channel



Sales Performance & Incentive Compensation Management Roadshow Schweiz 2014

Bern, Zürich, Basel, Lugano, Genf, Lausanne

# Sales Manager: Compensation Plan Communication



## 2013 Incentive Compensation Plan Documentation

This document describes your eligible Compensation Plans for the current year. The plan is effective January 1, 2013. For the purpose of this plan, the plan year is January 1, 2013 through December 31, 2013.

### I. Objectives

The following outlines the objectives for the 2013 Incentive Compensation Plan:

- Target a total cash compensation (base salary + commissions + bonus) tied to key company metrics
- Incentive to drive new product sales and utilization of existing resources for your defined territory
- Increase Incentive to drive revenue beyond quota and achieve territory business objectives with an "over the plan" commission rate

### II. Your Plan Definitions

Your target plan payout, as indicated by the "Total at Risk" column, is indicated below. It is calculated based on a percent of your total on-target earnings ("OTE").

	Base Salary	OTE %	Total At Risk	Currency
Doug Karey	180,000	55%	99,000	US Dollar

You are eligible for this plan on the following dates:

Compensation Plan	Effective Date	End Date
2013 Sales Manager Plan	01/01/2013	12/31/2013

The plan has the following metrics with the associated weights. The incentive target is your incentive target if you meet 100% of the related metric. The quota amount is pro-rated based on the amount of time spent within this plan role.

	Weight	Incentive Target	Quota
Product Sales	70%	69,300	43,000,000
KPI - Strategic Product	20%	19,800	7,000,000
MBO's	10%	9,900	0
<b>Total</b>	<b>100%</b>	<b>99,000</b>	<b>50,000,000</b>

### Targeted Payouts by Plan Component

# Sales Manager: Compensation Analytics



Manager Landing Page | Dashboard | Team Results | Plan Review & Approval | My Earnings | Admin Reports

dkarey@rti.com

Compensation Analytics | Payment Validation Report | Payout Approvals

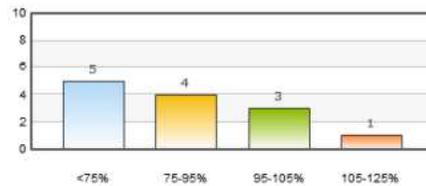
Anfragen

## Compensation Analytics

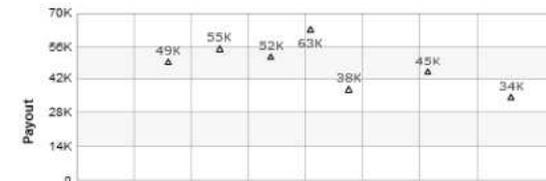
Period: Nov. 2013

\$ **YTD Payments** \$507,309    
 🔄 **Compensation Budget** \$1,000,000    
 👤 **% of Compensation Budget** 50.73 %    
 📊 **Forecasted Commissions** \$104,405    
 📈 **Forecasted % of Budget** 56.63 %

### Performance Against OTE



### Revenue vs. Payout



Name	Territory	Period Sales	% Growth	YTD Sales	Attainment %	Forecasted % of OTE
<a href="#">Dan Huddle</a>	Victoria	473'883.00	9.25 %	5'278'065.00	1.06	112.44 %
<a href="#">Sarah Norman</a>	Western Australia	468'722.00	-1.08 %	5'355'390.00	0.89	101.54 %
<a href="#">Debbie Clarkson</a>	Tasmania	421'456.00	-19.74 %	5'552'843.00	0.93	100.04 %
<a href="#">Howard Armstrong</a>	New South Wales	397'038.00	-7.53 %	4'987'593.00	0.95	92.12 %
<a href="#">Carol Brown</a>	Northern Territory	370'586.00	-13.87 %	5'068'340.00	0.84	91.78 %
<a href="#">Darnell Humphrey</a>	Queensland	481'052.00	3.63 %	5'785'222.00	0.86	90.86 %
<a href="#">Paul McNeil</a>	South Australia	426'225.00	-7.49 %	5'392'549.00	0.67	87.93 %

Payee	YTD Payout	YTD Performance	Pay as % of Perf
<a href="#">Sarah Norman</a>	\$62,952	\$4,886,668	1.29 %
<a href="#">Carol Brown</a>	\$54,952	\$4,697,754	1.17 %
<a href="#">Howard Armstrong</a>	\$49,241	\$4,590,555	1.07 %
<a href="#">Dan Huddle</a>	\$51,504	\$4,804,182	1.07 %
<a href="#">Debbie Clarkson</a>	\$44,796	\$5,131,387	0.87 %
<a href="#">Paul McNeil</a>	\$37,548	\$4,966,324	0.76 %
<a href="#">Darnell Humphrey</a>	\$34,190	\$5,304,170	0.64 %



# Sales Manager: Payout Approvals example

Payout Approvals

Period: Jun. 2013

Select



Payouts Requiring Approval

Payee	Name	Period	Payout	Last Month Payout	YTD Payout	Adjustment	Approval	Comments
AE006	Darnell Humphrey	2013-06 JUN	\$3,029.48	\$2,597.57	\$17,713.53	0.00	<input type="text"/>	
AE007	Debbie Clarkson	2013-06 JUN	\$5,800.65	\$4,257.39	\$25,975.80	0.00	<input type="text"/>	

Enter

Adjustments Requiring Approval

Payee	Name	Period	Payout	Last Month	YTD	Adjustment	Approval	Comments
AE005	Carol Brown	2013-06 JUN	\$5,039.29	\$5,233.00	\$30,335.80	\$1,000.00	<input type="text"/>	

Enter

Approved Payouts

Payee	Name	Period	Payout	Last Month	YTD	Adjustment	Approval	Comment
AE001	Dan Huddle	2013-06 JUN	6,222.59	3,571.97	29,406.55	0.00	APPROVE	
AE002	Paul McNeil	2013-06 JUN	5,071.73	2,746.98	21,144.55	0.00	APPROVE	
AE003	Howard Armstrong	2013-06 JUN	7,494.91	3,723.08	28,097.99	0.00	APPROVE	

Approved Payouts with Adjustments

Payee	Name	Period	Payout	Last Month	YTD	Adjustment	Approval	Comment
AE004	Sarah Norman	2013-06 JUN	7,960.29	5,221.04	35,991.34	500.00	APPROVE	Winner of the Q2 Sales Contest

# Sales Manager: example Geo Maps with Drill-down

[VARICENT](#) | [Performance](#) | [Sales Operations](#) | [Quota Planning](#) | [Territory Management](#)

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Regional Dashboard
Team Results
Sales Analytics
Cost of Compensation
Pay Distribution
President's Club Tracking

### Regional Manager Dashboard

This dashboard provides an overview of sales and pipeline information in addition to some KPIs (key performance indicators). Each section is linked to a more detailed report, please click on the appropriate section to drill down.

#### Southwest Region YTD Sales (\$MM)

#### Southwest Region Quota Attainment

#### Top Performers

Acct. Exec.	Sales	Attainment
Laurie Reynolds	\$2,105,875	128.0%
Darnell Humphrey	\$1,726,500	107.0%
Herb Allen	\$1,630,250	102.0%
Dan Huddle	\$1,852,156	99.1%
Diana Young	\$1,254,300	95.6%

#### Bottom Performers

Acct. Exec.	Sales	Attainment
John Linsmar	\$612,877	42.0%
Tammy Crosby	\$687,299	48.0%
Steve Murray	\$714,829	52.0%
Debbie Clarkson	\$784,847	60.0%
Barry Bentley	\$867,131	71.0%

#### Average Deal Size

#### Average Gross Margin

#### Current Pipeline Health

Percentage of pipeline volume at each stage

#### Top Opportunities

These are your top opportunities, pre-determined by pipeline stage and deal size. If you want to sort these opportunities according to your own criteria, please click on any of the headers.

Account	Owner	Stage	Amount
Ness Technologies	Tammy Crosby	Actively Engaged	\$475,000
A&E Television Networks	Dan Huddle	Upside	\$350,000
St. John's Medical Center	Laurie Reynolds	Actively Engaged	\$240,000
Wet Seal Inc.	Herb Allen	Upside	\$220,415
Marshall Management Inc.	Dan Huddle	Commit	\$199,650
Computer Sciences Corporation	Laurie Reynolds	Commit	\$172,904

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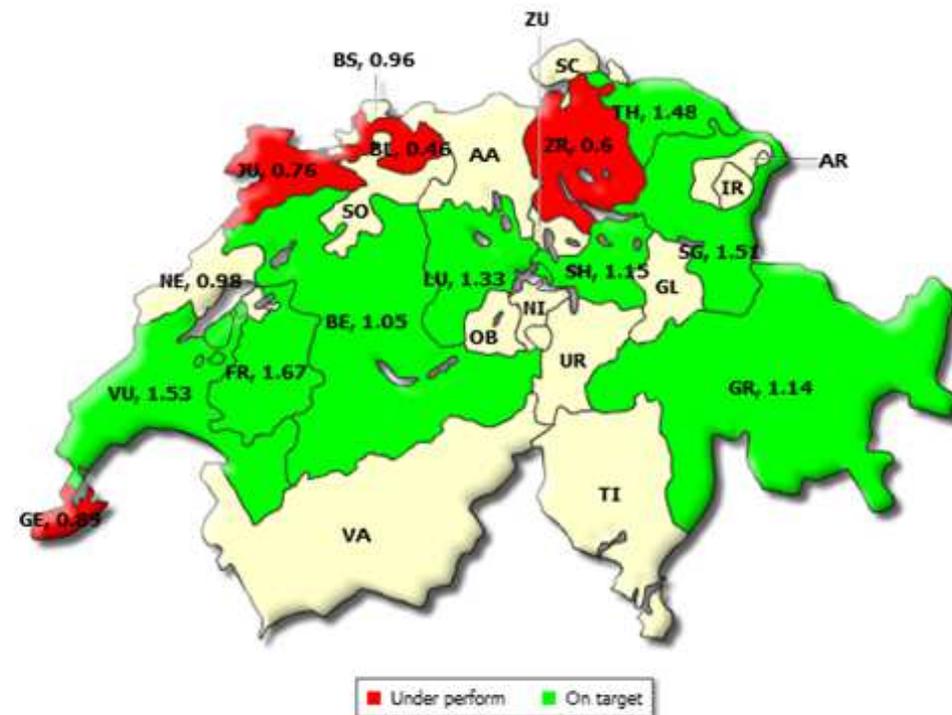
# Geographical Maps for Switzerland

## Sales Quota Performance Chart for : Switzerland

[

### Percentage Sales Performance to Target

Name	Value
Bern	105%
Basel-Landschaft	46%
Basel-Stadt	96%
Fribourg	167%
Genève	89%
Graubünden	114%
Jura	76%
Luzern	133%
Neuchâtel	98%
St. Gallen	151%
Schwyz	115%
Thurgau	148%
Vaud	153%
Zürich	60%



## Short movies (4 min)

- German: <https://www.youtube.com/watch?v=3v6ea3ITcBc>
- French: <http://youtu.be/H-DlpNQwIKQ>
- English: <https://www.youtube.com/watch?v=aKN0J3BgdWo>
- Territory Mgmt: <https://www.youtube.com/watch?v=RobS8s-rOt0>



# Best-Practices Sharing



... was machen führende Unternehmen Ihrer Industrie?

Sales Performance &  
Incentive Compensation Management  
**Roadshow Schweiz 2014**

Bern, Zürich, Basel, Lugano, Genf, Lausanne



## Case Studies @ the end of Print-out



# Case Studies @ the end of Print-out



## Touring Club Schweiz startet durch mit flexibler Provisionsabrechnung

*Partner erhalten mit cloudbasierter Lösung jederzeit Überblick über aktuelle Umsätze und Provisionen*

### Überblick

#### Die Aufgabe

Der Touring Club Schweiz wollte die Vertriebsprozesse effizienter gestalten und die Provisionsabrechnungen seiner Partner automatisieren. Neue Provisionsmodelle sollten den Umsatz steigern und den Vertrieb flexibilisieren.

#### Die Lösung

Das Unternehmen wählte IBM® Cognos® Incentive Compensation Management als eigenständige Cloud-Lösung und ließ sie nahtlos mit der Salesforce-CRM-Lösung und seinem SAP ERP-System integrieren.

#### Die Vorteile

Aktuelle Abschlüsse, Provisionen und Zahlungen sind nun jederzeit online abrufbar. Automatisierung und Self-Service verbessern die Partnerzufriedenheit und senken die Kosten für die Provisionsabrechnungen um 50 Prozent. Umfangreiche Analysen und flexible Modelle ermöglichen gezieltes Leistungsmanagement.

Mit 1,6 Millionen Mitgliedern ist der Touring Club Schweiz (TCS) größter Mobilitätsclub des Landes. Gegründet im Jahre 1896, betreibt der nichtgewinnorientierte Verein eine eigene Fahrzeugflotte mit rund 220 Pannenhelfern, verfügt über Hotels, Campingplätze sowie technische Zentren und Ausbildungseinrichtungen mit zugehörigen Teststrecken.

Neben der Pannenhilfe bietet der TCS seinen Mitgliedern Reise-, Auslands- und Rechtsschutzversicherungen. Der Vertrieb erfolgt über eigene Kanäle und über mehr als 100 externe Partner wie zum Beispiel Reisebüros oder Autowerkstätten. Der durchschnittliche Wert pro Abschluss liegt bei nur etwa 100 Schweizer Franken. Deshalb ist es wichtig, die Vertriebskosten entsprechend niedrig zu halten.

### Zu viel Verwaltung, zu wenig Vertrieb

Die unterschiedlichen Provisionsmodelle haben die Abrechnung und Bezahlung der Partner in der Vergangenheit erschwert. Einzelbeträge wurden überwiegend manuell in Tabellen gesammelt und per E-Mail ausgetauscht. Dies führte zu Fehlern und es dauerte relativ lange, bis die Provisionen ausgezahlt wurden. Beides verursachte wiederum eine Vielzahl telefonischer Rückfragen, deren Bearbeitung in der Zentrale zu einem hohen Aufwand führte.

*„Insgesamt geben wir davon aus, dass wir mit IBM Cognos Incentive Compensation Management durch Wegfall von manuellen Prozessen sowie Minimierung der Beschwerden und Nachfragen unsere Administrationskosten um rund 50 Prozent senken können.“*

— Umut Tiryaki, Leiter Sales Channels, Touring Club Schweiz

Kapazitäten für eine strategischere Vertriebsarbeit frei und schafft die Voraussetzung für zukünftiges Umsatzwachstum. Gleichzeitig steigern wir die Zufriedenheit unserer Partner und unserer Kunden.“

### Performancemanagement bringt neue Perspektiven

Zukünftig möchte Umut Tiryaki den Vertrieb konsequent weiterentwickeln. „Mit der neuen Lösung können wir differenziertere oder alternative Provisionsmodelle selbst entwickeln und umsetzen. Durch Bonuszahlungen zum Beispiel bei Erreichung von Umsatzvorgaben, Cross-Selling-Erfolgen oder Vertragsverlängerungen durch die Endkunden können wir den Vertrieb aktiver steuern. Auch die Partner haben ein hohes Interesse an alternativen Provisionsmodellen. So schaffen wir individuelle Win-Win-Situationen.“

Umut Tiryaki freut sich auch über die weiteren Funktionen der neuen Lösung: „Die modernen Analysetools der IBM Cognos-Lösung erlauben uns zum Beispiel Benchmarks zwischen verschiedenen Produkten, Partnern oder Regionen. Auch realistische Prognosen und detailliertes Budgetmanagement stellen für uns jetzt kein Problem mehr dar. Wir haben gerade erst angefangen, von den technologischen Errungenschaften richtig zu profitieren. Und ich bin sicher, dass wir noch enorme Effizienzpotenziale entdecken werden.“



# Food & Beverage / Retail Industry Customers



## IBM Client Centre in Paris - Biometric Sensors



# Biometric sensors measure Age, Gender and Ethnic Group



- Date and time
- Store id
- Sensor id / in-store location
- Ethnic Group (caucasian, african, asian)
- Age class (child, teenager, adult, elderly)
- Gender (male, female)
- Attention time



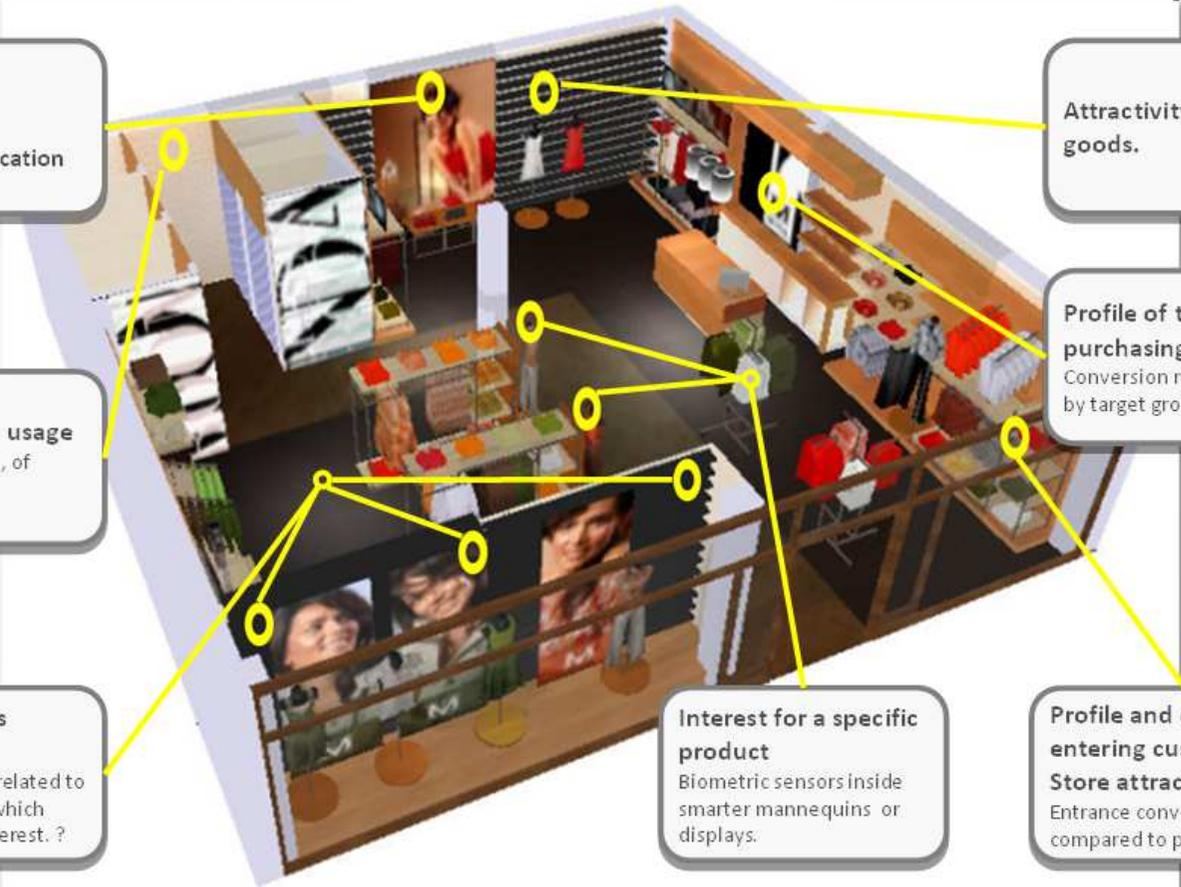
# A Store Installation

Use biometric sensors to measure ...

Interest of digital signage campaigns & video communication inside the store.

Dressing room usage (outside of rooms, of course).

Shop Windows effectiveness  
conversion rates related to shop windows - which products raise interest. ?



Attractivity of exposed goods.

Profile of the purchasing customers  
Conversion rates, total and by target group

Profile and count of the entering customers  
Store attractivity  
Entrance conversion rate compared to passers-by

Interest for a specific product  
Biometric sensors inside smarter mannequins or displays.



## Retail scenario

- Sales Management looks at the current store visitor data and come to the following conclusion:
  - A lot of people enter the store but do not make it into the second level of the store
  - not enough Asians according to market potential
- The following Actions are taken by the Sales Management:
  - Sales Management puts a new group incentive plan for all shop floor employees in place that measures the ratio of people going into second floor of the shop
  - Sales Management launches a new Marketing campaigns that shall drive Asians



## Retail scenario

- Two months later Sales management reviews the data and see the following results:
  - Turnover of goods exposed in 2nd floor up by 35%
  - More Asians (marketing team gets incentive)
- Shop Managers think that a pure Team Incentive Plan does not yet drive the individual behavior of shop assistants well enough. Whilst 2nd floor turnover grew by 35% there is lot of variances over time depending on which shop assistant is working. The sales management therefore would like to differentiate which shop assistant is accompanying a customer to the second floor. Whilst the system normally is able to manage a “White list” it now measures which shop assistant accompanies the customer to the second floor.



## Casual Male Group

CASUAL | MALE  
retail group inc.

- Casual Male Retail Group, Inc. is a group of specialty clothing retail stores that operates six chains under the trade names Destination XL, Rochester Big & Tall, Casual Male XL, BT Factory Direct, Shoes XL, and Living XL. The first three businesses do business both in stores and online with Destination XL being the largest of the stores (sort of a combination Casual Male and Rochester store, Rochester Big & Tall the more upscale of the three, and Casual Male more like a normal big and tall store. The other three stores strictly conduct business online. All six stores once had their own websites, but recently Casual Male Retail Group decided to consolidate the sites into Destination XL's website— therefore, all six online stores are subsections of destinationxl.com.



## Casual Male Group



- Casual Male also has deals with Sears and Sears Canada and to provide the Sears Big & Tall clothing lines. It is the largest retailer of such clothing, with about 500 locations in the United States, England and Canada.
- National brands carried by the chain include Cubavera, Nautica Jeans, Geoffrey Beene, Calvin Klein, and Reebok. Its in-house brands include Harbor Bay, Oak Hill, Synrgy, True Nation, and CM Gold Series, respectively. In addition, the Rochester stores carry such brands as Burberry, Ermenegildo Zegna, Polo Ralph Lauren, Tommy Bahama, and their in-house brands Rochester 1906 and Castagne.



## Casual Male Group

- Requirements:
  - Current manual process was not scalable for all the business groups
  - Increasing audit costs and lawsuits over federal/state compliance
  - Underperforming stores/products
  - 4 different retail models with unique challenges in each geography
  - Issues around returns/store charge-backs
  - Drive specific store behavior and more sales with new incentive based plans vs. standard hourly rate
  - Provide visibility to store managers and associates on personal achievement and overall store performance
  - Improve compliance – specifically audits around minimum wage regulations (FLFSA) and various state laws
  - Modeling and Forecasting



## Casual Male Group



- The initial deployment was intended only for ~200 payees in the pilot stores but the Varicent team was able to show the tremendous value of automating all 4 of the different retail operations which encompassed 1,800 global payees.
- **Customer quote:** “With Varicent’s data model and application capabilities to clearly, and accurately, communicate the results of our sales associates’ efforts, Casual Male can better focus its sales organization toward achieving a higher level of customer service.”



# Management reporting to drive performance



“(Managers) can understand, at a glance, the productivity of all of their associates”

“Management uses the information about store productivity—how many units the store sells every hour, and how many dollars each of those transactions is worth—to help drive training programs”

*Walter Sprague, Sr VP of HR*



## Best Buy



- The Best Buy Company, Inc. is an American multinational consumer electronics corporation also operating in Puerto Rico, Mexico, Canada and China. Best Buy's subsidiaries include CinemaNow, Geek Squad, Magnolia Audio Video, Pacific Sales, Cowboom, and in Canada operates under both the Best Buy and Future Shop labels. Together, they operate over 1,150 stores in addition to over 100 Best Buy Express automated retail stores or "ZoomShops", operated by Zoom Systems, in airports and malls around the U.S. Best Buy also sells cellular phones with phones from Verizon Wireless, AT&T Wireless, Sprint PCS, Boost Mobile, and T-Mobile., in regular stores and standalone Best Buy Mobile stores in shopping malls.



## Best Buy



- Best Buy was seeking a vendor that can deliver a scalable, enterprise-wide commission calculator tool to support the financial needs and manage Best Buy's growing portfolio of commission based businesses. In 2009, Best Buy developed an AR strategy that aligns with the company's strategic goals of **transitioning from a 'Product-Centric' business to a business that includes services and sets a priority on customer relationships, service, and loyalty**. To support continued rapid growth and the implementation of new initiatives, the eco-system evolving required Best Buy to excel in collecting commissions as well as determining appropriate payment amounts for complex vendor partnerships.



## Best Buy



- Varicent SPM is used by Best Buy Accounts Receivables & Accounts Payable groups for managing Vendor commissions. The project started with North America and is now going global over time. Best Buy's goal was to alleviate manual processes and **increase time to market for implementing new programs.**
- Why Varicent
  - Varicent offers the flexibility to match Best Buy's unique process without having to do crazy workarounds
  - Varicent allows **Business to take ownership** of the entire commission process
  - Ease of use
  - Adherence to Best Buy's buying process - Competitive pricing and flexible terms



## Richemont



- Compagnie Financière Richemont SA is a Switzerland-based luxury goods holding company founded in 1988 by South African businessman Johann Rupert. Through its various subsidiaries, Richemont designs, manufactures, distributes and sells premium jewelery, watches, leather goods, writing instruments, clothing and accessories. . Richemont's luxury interests encompass several of the most prestigious names in the industry including Cartier, Van Cleef & Arpels, Piaget, Vacheron Constantin, Jaeger-LeCoultre, IWC, Panerai and Montblanc.
- This relationship started in June 2011 and IT was tasked with down-selecting to 2 vendors to do a PoC demo in NY for Cartier, the largest of the Richemont brands. Varicent presented PoC to several Cartier executives who unanimously selected Varicent as the winner.



## Richemont



- Key objectives:
  - A streamlined, standardized workflow
  - Improved data quality, transparency, accuracy, consistency, and validation
  - The ability to manage approval requests, monitor changes, and log the history of all changes and adjustments
  - An interface that allows authorized users to easily add and modify business rules and calculation formulas
  - **Security features to control user access and protect sensitive data**
  - Features to generate, view, and distribute customized reports to support business needs



## Richemont



- Key objectives:
  - Develop an automated process that nine Richemont brands use for their monthly commission - **integration of multiple brands with discrete roles and business rules**
  - Increase incentive compensation **plan flexibility**
  - Reduce time to implement new incentive plan logic
  - Improve accuracy in calculation of sales compensation by automating monthly processes
  - Allow consistent reporting to management on a timely basis



# Richemont



- Scope
  - 14 Comp Plans
  - 400 Payees
  - 26 Unique Payout Components
  - 9 Presenter Reports



## Richemont



- Why Varicent
  - Best demo / proof of concept to various Richemont brands in US
  - Services estimate was clear and concise, easy to follow and understand
  - Global presence
  - Experience when integrating with SAP
  - IBM offered the same solution whether deployed Cloud or On Premise



## Texas Roadhouse



- Texas Roadhouse is an American chain restaurant that specializes in steaks and promotes a Western theme.[1] Texas Roadhouse Corporation is headquartered in Louisville, Kentucky. The chain operates about 320 (July 2009) locations in 46 states. It is known for its free buckets of peanuts at each table.
- Texas Roadhouse Inc. has selected Varicent to automate processes for 1,800 payees. Operating 380 restaurants in 47 states, Texas Roadhouse was looking to upgrade its bonus incentive platform for calculating monthly and quarterly compensation. The Texas Roadhouse compensation team was seeking a solution to help them manage the overall incentive compensation bonus calculation process, including the ability to handle override exceptions, manage employee sharing between locations and provide greater visibility with reporting.



## Texas Roadhouse



- “We are very excited to roll out Varicent’s solution, which will help us upgrade our incentive bonus program,” said Mark Simpson, Vice President of Legendary People.
- Varicent was chosen because it:
  - Provided the capability to establish a compensation administration infrastructure that could be managed by a small team.
  - Has the ability to provide reporting visibility to Regional and Market Partners, as well as financial management.
  - Offers flexibility to support growing business objectives.
  - Improved auditing as it relates to incentive compensation tracking.



## Texas Roadhouse



- Texas Roadhouse has a complex incentive compensation process that involves multiple players, across territories, with bonuses and overrides and other unique considerations.
- Varicent. “Varicent will provide streamlined automation, flexibility and reporting to help consolidate processes and drive business results.”



## Carrefour



- Over the past 40 years, the Carrefour group has grown to become one of the world's leading distribution groups. The world's second-largest retailer and the largest in Europe, the group currently operates four main grocery store formats: hypermarkets, supermarkets, cash&carry and convenience stores. The Carrefour group currently has over 9,500 stores, either company-operated or franchises.
- Previous Environment
  - Carrefour has been operating an in house compensation solution utilizing Excel, Access DB and a myriad of home grown applications. The system was deemed costly to run, inflexible and offered them little to no level of store level analytics.



## Carrefour



- **Why Varicent:**
  - Carrefour took 9 months to select Varicent and the process was competitive with Excentive and Oracle also competing. After an, RFP, Demonstration, POC and workshop, Varicent won for the following reasons:
    - POC that exceeded Carrefour's expectations and showcased Varicent's flexibility for both compensation management and reporting.
    - Generally Carrefour felt Varicent could handle their volumes better than Excentive and offered a lot more functionality and flexibility than Oracle. Varicent was the best fit for their company now and in the future.



## Shaw industries



- Shaw Industries Group, Inc., a \$5B+ subsidiary of Berkshire Hathaway. Shaw is the world's largest manufacturer of tufted broadloom carpet. The company has over 75 manufacturing plants in 33 communities and 9 states, and modern distribution centers located in 40 metropolitan areas throughout the United States and Canada.
- Shaw were looking at competitor and 3 other vendors and Varicent was initially not invited to participate in the evaluation. As they proceeded with their due diligence on competitor and building out their internal ROI, which included attending competitors' user conference they decided not to proceed further with competitor.



## Shaw industries



- **Business Challenge**
  - The company, which had more than doubled the number of sales incentive programs in recent years, had outgrown its incentive compensation management system. Multiple systems and disparate data sources resulted in an Incentive Compensation Management Process that was IT intensive, inflexible, inefficient, time-intensive and error-prone. Transactional counts increased from 4.5 million to 9.6 million through acquisitions and new market introductions adding complexity to their processes – a combination of spreadsheets and a hard-coded system which required IT intervention to keep up with market changes and the changing business. There was no easy way to audit the data or the results.



## Shaw industries



- **Benefits:**
  - Table maintenance through the Varicent SPM system allows compensation administrators to easily adjust and change date-effective rate data without IT assistance
  - Composer, the calculation builder component, provides transparency into the calculations and the ability for administrators to troubleshoot and adjust plans to meet market changes
  - The sales force is focused on selling rather than checking the validity of their payouts
  - Compliance issues with Sarbanes Oxley requirements were resolved through calculation and data transparency
  - Future plans to create executive team reports to use of key metrics to make strategic decisions on price, margin, volume and channel in a more informed manner.



## Shaw industries



- “Varicent is a critical strategic tool that allows us to combine world class technology with the differentiated expertise of the Varicent team to enable our business in new and innovative ways.”
  - John Godwin, Executive VP Residential Sales and Marketing



# 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*



## PepsiCo



- PepsiCo Inc. is an American multinational food and beverage corporation, with interests in the manufacturing, marketing and distribution of grain-based snack foods, beverages, and other products. PepsiCo has expanded from its namesake product Pepsi to a broader range of food and beverage brands, the largest of which include an acquisition of Tropicana in 1998 and a merger with Quaker Oats in 2001—which added the Gatorade brand to its portfolio. 22 of PepsiCo's product lines generated retail sales of more than \$1 billion each, and the company's products were distributed across more than 200 countries, resulting in annual net revenues of \$43.3 billion.
- The company employed approximately 297,000 people worldwide as of 2011. The company's beverage distribution and bottling is conducted by PepsiCo as well as by licensed bottlers in certain regions.



## PepsiCo



- The deal with PepsiCo was signed in September 2012
- The initial phase of the solution will encompass 3300 sales reps.



## Gruma



- GRUMA is the worldwide leader in corn flour and tortilla production. Gruma operates in Mexico, United States, Europe, Central America, Venezuela, Asia and Oceania with the presence of the brands Maseca and Mission, among others. Today GRUMA is a global food company with 99 plants in more than 100 countries, with over 20 thousand employees.
- GRUMA has SAP ERP and were about to finish the implementation of SAP CRM. They had different business units based on the products and markets they sell in, where they've used Excel spreadsheets to calculate the commissions of the different sales forces; there had issues such as the lack of integrity of the information since each distribution center sent their own data, data that did not match what was published by SAP.



## Gruma



- Why Varicent
  - After a very detailed and competitive evaluation process Varicent was chosen for:
    - Ease of use
    - Flexibility to adapt to new compensation plans
    - Ability to provide the sales force with very up-to-date feedback on their performance throughout the month
    - Ability to meet reporting and broader organizational dash boarding needs
    - Experience in SAP integration
    - The ability to standardize and control the different commissions plans according to seasonality, sales force and market trends



## Gruma



- Project Goals
  - Provide timelier, reliable, accurate automated results to payees and managers with added transparency
  - Reduce the amount of administration time
  - Get flexibility on possible changes or adjustments on new structure
  - Replace the time consuming and manual process



## Tiffany & Co.

TIFFANY & CO.

- Tiffany & Co. is a luxury American multinational jewelry and silverware corporation. Tiffany sells jewelry, sterling silver, china, crystal, stationery, fragrances, personal accessories, as well as some leather goods. Many of these goods are sold under the Tiffany name at Tiffany stores and through direct-mail and corporate merchandising. Tiffany is renowned for its luxury goods, especially for its diamonds: diamond jewelry, and especially its diamond engagement rings.



## Tiffany & Co.

TIFFANY & CO.

- **Requirements**
  - **Allow for automation and integration of store and individual sales plans.**
  - **Provide an automated method to define payment structures and apply against sales for individual payments.**
  - **Provide automation to handle the regular changes to sales plans and the corresponding individual plans.**
  - **Provide ability to have different compensation models within a channel of business.**
  - **Provide the ability to do compensation modeling.**
  - **Allow for modeling that includes comparison between stores, year-over-year same stores and individual sales plans across channels.**
  - **Improve management ability to oversee and approve the plans and individual ability to review and monitor.**
  - **Automate and simplify the adjustment process.**
  - **Allow handling of 'special programs' to the SKU level for specified time periods.**
  - **Ability to review trends and effectiveness of the commissions program.**



## Sherwin Williams



- The Sherwin-Williams Company is in the general building materials industry. The company primarily engages in the manufacture, distribution, and sale of paints, coatings and related products to professional, industrial, commercial, and retail customers primarily in North and South America and Europe. The company is mostly known through its Sherwin-Williams Paints line.
- The company with 32'000 employees operates through four segments: Paint Stores Group (known as Sherwin-Williams Stores), Consumer Group, Latin America Coatings Group, and Global Finishes Group.



## Sherwin Williams



- Requirements
  - Flexibility to support a variety of MBO-based plans
  - Complex territory assignment and re-alignment needs
  - Integrated ability to create and maintain store level budgets/targets
  - Single platform capable of supporting all of their compensation needs
  - Reporting & Analytics
- Other Information
  - On-premise license agreement with Varicent that will rollout to 16,500+ payees.
  - Phase one focuses primarily on the Stores Group and a number of MBO-based plans at Corporate, targeting approximately 10,000 payees in the initial rollout.



## Office Depot



- Office Depot is a supplier of office products such as business machines, computers, computer software and office furniture, while its business services include copying, printing, document reproduction, shipping, and computer setup and repair.
- Office Depot generates revenues of over US \$14 billion annually and has 42,000 employees worldwide.



## Office Depot



- Requirements
  - Increase sales operations efficiency and reduce errors by replacing a highly manual and labor-intensive process
  - Improve information and knowledge-sharing
  - Improve bonus / incentive compensation accrual forecasting and analytic capabilities
  - Enable dispute resolution from the field and provide electronic routing and workflow capabilities
- Other Information
  - Varicent is now servicing over 1500 payees within the Office Depot B2B division as of 4/12/2011. Phase 2 is International (1100 payees) and Phase 3 is Retail (25,000 payees)



## Holt Renfrew



- Holt Renfrew (colloquially Holt's) is a chain of high-end department stores specializing in an array of luxury brands and designer boutiques. Often compared to Barneys and Saks Fifth Avenue in the United States, Holt Renfrew is controlled by the Selfridges Group.
- Requirements:
  - Allow them to implement new and flexible compensation plans quickly.
  - The business needed to own the system and they planned to use compensation as a means of driving increased revenue for the business.
  - They will need to implement SPIFs and special promotions and also provide much better information to the sales management and executive management.



## Dollar Tree



- Dollar Tree, Inc. is an American chain of discount variety stores that sells every item for \$1.00 or less. Dollar Tree operates 4,763 stores throughout the 48 contiguous U.S. states and Canada. Its stores are supported by a nationwide logistics network of nine distribution centers. The company operates one dollar stores under the names of Dollar Tree and Dollar Bills. The company also operates a multiprice-point variety chain under the name Deal\$.
- Departments found in a Dollar Tree store include health and beauty, food and snacks, party, seasonal décor, housewares, glassware, dinnerware, household cleaning supplies, candy, toys, gifts, gift bags and wrap, stationery, craft supplies, teaching supplies and books. Some Dollar Tree stores also sell frozen foods and dairy items such as milk, eggs, pizza, ice cream, frozen dinners, and pre-made baked goods.



## Dollar Tree



- In 2009, Dollar Tree redesigned their website with a new e-commerce platform. DollarTree.com sells Dollar Tree merchandise in larger quantities to individuals, small businesses, and organizations. The company also advertises in-store events, specials, seasonal promotions, and featured products through the site and users can locate a retail store, research information about Dollar Tree, and view product recalls. Dollar Tree also recently added customer ratings and reviews to the site.



## Dollar Tree



- Requirements
  - Automate the data gathering and calculation steps in our bonus process.
  - Automating this process will allow us to provide detailed analytics on all of our bonus payouts.
  - It will also allow us to better predict our future budget needs as well as help us explain any budget variances



## Family Dollar



- Family Dollar Stores, Inc. is a regional chain of variety stores in the United States. It opened in 1959 and operates approximately 7,100 stores in 45 states and the District of Columbia.
- Family Dollar is not a true "dollar store" in the strict sense; while there are many items available for \$1, there are other price points as well. However, approximately 90% of the products cost less than \$10. With most locations set up like a typical supermarket, the chain deals in food items, clothing and assorted household products.



## Family Dollar



- Requirements
  - Automate data gathering and calculations for FD's Store Manager bonus plan
  - Improved Reporting
  - Better visibility into SM/DM's commissions at various store sites & roles
  - Provide FD SM's ability to model "what-if" scenarios at the store level



High Tech / Software / Hardware



# Facebook



- Facebook is a social networking service launched in February 2004, owned and operated by Facebook, Inc. As of September 2012, Facebook has over one billion active users, more than half of them using Facebook on a mobile device. Facebook's main revenue source comes from advertisements directly linked to the users interests. Over the next several years they plan to expand their sales staff from the current 250 to over 2,000 sales people. This will include enterprise, account managers, and inside sales people.
- There were 3 key objectives to this project:
  - Simplify the life of the comp admin so that calculations were all automatic (and reduce manual errors)
  - **Provide flexibility needed for a rapidly growing client that is still evolving its approach to comp**
  - **Implement a Quota Planning solution in advance of ICM**

# Facebook



- The results were:
  - **A quota planning solution** rolled out and quickly leveraged for the current quarter quotas
  - Utilizing a flexible component driven build approach along with easy to maintain process lists to give Facebook the flexibility it needs
- The Implementation metrics
  - 8 Comp Plans, 250 Payees, 9 Unique Components, 6 Presenter Reports, 4 Web Forms





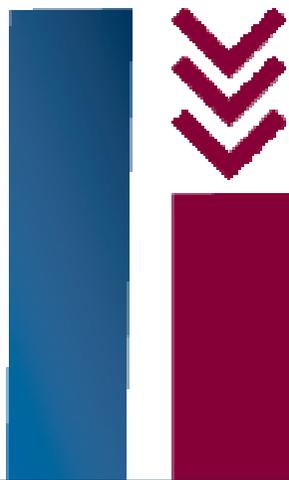
**16** Spreadsheets that previously needed to be manipulated for a comp plan change prior to implementing Varicent.

**gettyimages**<sup>®</sup>



Centralized payout administration from **30** to **3** employees for North and South America





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



# My Compensation Plan information



## Varicent implementation @ F5 Networks

Mario Klima  
Country Manager Austria



# My Compensation Plan information



Home **My Plan Information** CoE Team Performance

Plan Review - Quotas Plan Review - KSO's Plan Review - Flat Rate Plan Review - Roles & Allocations Compensation Plan Team Territory Assignments

## Commission Plan Review

### Quotas

#### My Plan

PayeeID	Name	Start Date	End Date	Accelerator Plan	SM ID	Sales Measure	Territory	Quota	Weight
63279		4/1/2013	6/30/2013	SALES_4	64	Product And Initial Services	ROLL-UP	650,000	1.00

#### Direct Reports

(click on Payee Name to filter by Manager)

Select a Period: Quarter 3, 2013 Refresh

[\[Remove Manager Filter\]](#)

#### Indirect Reports

(click on Payee Name to filter by Manager)

[\[Remove Manager Filter\]](#)



# F5 Circle of Excellence – YTD and Projected

## Circle of Excellence - Fiscal Year Attainment To-Date

\* Does not include Theatre sponsors

\*\* Does not include PS team

\*\*\* [Program Details & FAQ's](#)

= Top Performer - above minimum attainment threshold.

= Top Performer - within 15% of minimum attainment threshold.

### Tier 1 (Annual Quota < \$4.5M) (110% Threshold)

Theatre	Rank	Proj Name	Attn (%)	Proj. (%)
EMEA	1	2	168%	168%
	2	3	167%	167%
	3	4	147%	160%
	4	6	143%	156%
	5	1	134%	180%
	6	7	126%	140%
	7	18	120%	124%
	8	23	120%	120%
	9	11	119%	134%
	10	15	117%	127%
	11	17	116%	126%
	12	12	113%	132%
	13	14	113%	128%
	14	22	109%	120%
	15	13	108%	130%
	16	16	106%	127%

### Tier 2 (Annual between \$4.5M and \$15M) (105% threshold)

Theatre	Rank	Proj Name	Attn (%)	Proj. (%)
EMEA	1	7	123%	123%
	2	1	122%	146%
	3	4	119%	130%
	4	10	117%	117%
	5	8	115%	120%
	6	3	114%	131%
	7	5	113%	129%
	8	6	113%	129%
	9	9	104%	119%
	10	16	103%	103%
	11	11	101%	117%
	12	17	98%	102%
	13	2	97%	138%
	14	24	95%	95%
	15	25	94%	94%
	16	12	94%	116%

### Tier 3 (Annual Quota > \$15M) (100% threshold)

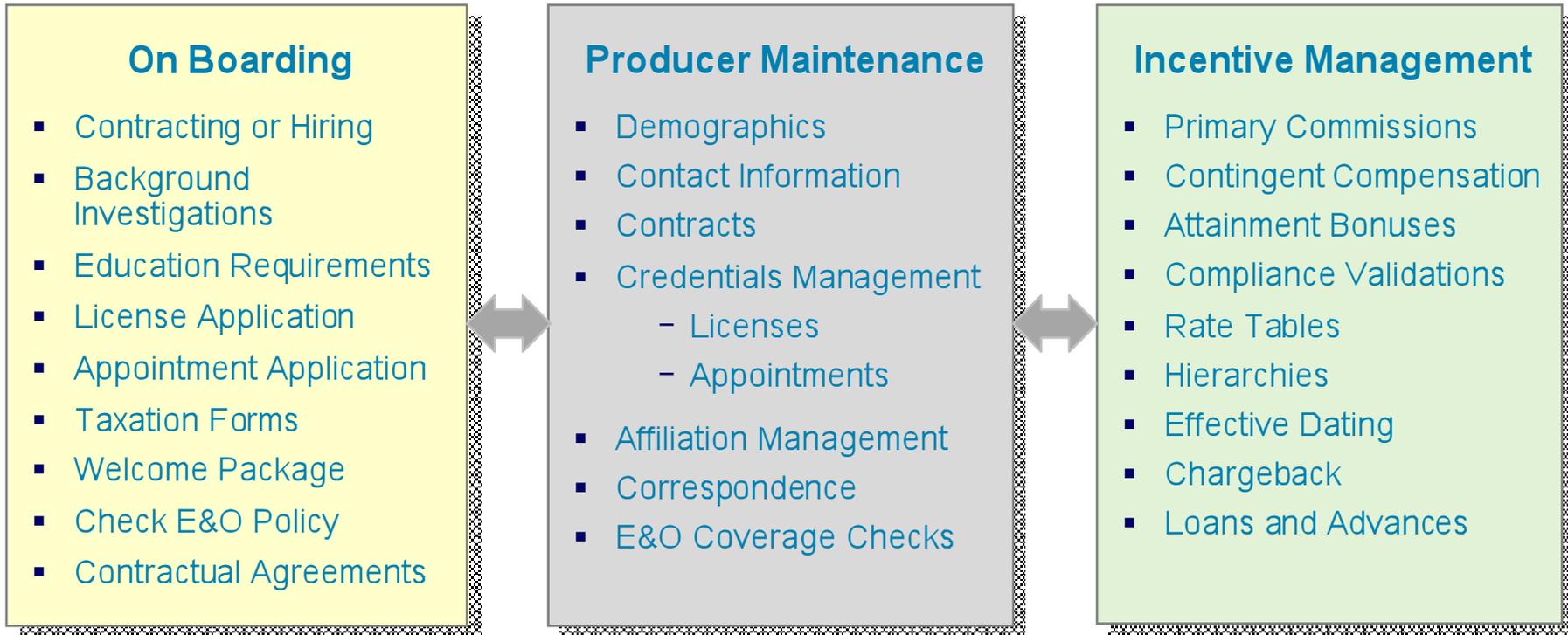
Theatre	Rank	Proj. Name	Attn (%)	Proj (%)
EMEA	1	1	134%	134%
	2	7	116%	116%
	3	8	111%	111%
	4	10	108%	108%
	5	6	102%	120%
	6	20	102%	102%
	7	33	98%	98%
	8	34	97%	97%
	9	3	94%	123%
	10	4	94%	123%
	11	5	94%	123%
	12	37	94%	94%
	13	42	92%	92%



# Insurance



# Producer Lifecycle Management



# Distribution Channel Management



- Contracts
- Demographics
- Correspondence
- Preferences

- Licensing
- Appointments
- Continuing Education
- Registrations

- Reporting & Credit Hierarchies
- Effectivity Dating

- Comp Process
- Plan Design
- Administration

- Loans
- Advances
- Draws
- Change backs



- State Agency Forms
- Regulatory Reports
- Market Coverage

- Comp Budgeting
- Comp Reports
- Balance & Reconciliation

- Self-Service Administration
- Dispute Resolution
- Alerts & Notifications

# Insurance: Customer Profiles



- 80,000 agents
- P&C lines of business
- 50M transactions per month
- 20+ comp/bonus programs
- >100 inbound/outbound interfaces
- Replaced complex set of mainframe jobs and processes
- Key Benefits: results available daily rather than monthly; providing users with near real time feedback on performance; and greater flexibility to introduce new bonus/incentive plans



- Agency Bonuses for Top Agencies
- 400M trans per year
- 20,100 Contracts
- 320 Imports
- 315,600 Agencies evaluated each year for bonus
- Key Challenge: Cobol mainframe solution not flexible enough to meet increased demand
- Key Benefits include Increased sales operations efficiency and reduced errors; move control of the compensation application from IT to the business; and the ability to more rapidly bring new contracts to the field



- Zurich Global Life purchased an enterprise license for a worldwide rollout of Varicent
- Asia Pac first region to rollout: Singapore and Indonesia live on the application
- Created "ZVaricent", a common model to be reused across regions
- Key Challenges : no global standardization; penetrating several "greenfield" regions; using Excel to manage comp
- Key Benefits: single platform to agency and compensation management; reuse of components across regions; increased flexibility to model and introduce new plans



- 100,000 independent agents
- Individual Life line of business first to deploy
- 5M+ trans per month
- 5 Phase, 15 month rollout
- Base commissions, bonuses and sales incentives
- IBM GBS resources involved in the vendor selection process
- Key Challenges: 40 year old legacy mainframe system lacked flexibility; lack of business ownership
- Key Benefits: system flexibility; scalability; ease of use; business ownership



- Bankers Life first to deploy Varicent
- Base Commissions, Annual Bonuses and Agency Management
- 5,000 independent agents
- 20+ Contracts
- Numerous Exceptions to contracts
- 40+ year old mainframe applications
- Key Challenges: Cobol-based legacy systems to hard to maintain; time to market for plan changes to long
- Key Benefits: system flexibility; business involvement

# Insurance: Customer Profiles



- Base Commissions and Bonuses for Captive Sellers
- 15 Compensation Plans with complex logic
- Products: Commercial, Medicare & Medicaid
- Key Metrics were membership growth and premium dollars
- Key Challenges :managing complex payment logic in Excel; visibility only on a monthly basis to compensation
- Key Benefits: daily calculations of 1-2M trans in under 30 minutes provides daily visibility to producers; limited staff required to support the application



- 150 Sales Reps
- 5 comp plans
- 15 Lines of Business
- Introduced new on-boarding process
- Key Challenges: custom built solution not flexible and responsive enough; no business control over current system; no consolidated reporting; no access to details
- Key Benefits: business owned application leads to faster turnaround for plan changes; sales reps have consolidated reporting with access to details; more time to analyze performance



- 750 Direct Writers for Phase 1, 15,000 independent agents for Phase 2
- Base commissions, annual bonuses and sales incentives
- Complex adjustment process
- 2M+ monthly trans
- Key Challenges: custom in-house solution hard to maintain; heavy IT involvement; limited reporting available
- Key Benefits: more business ownership of application and process; integrated reporting for greater visibility to sales and compensation

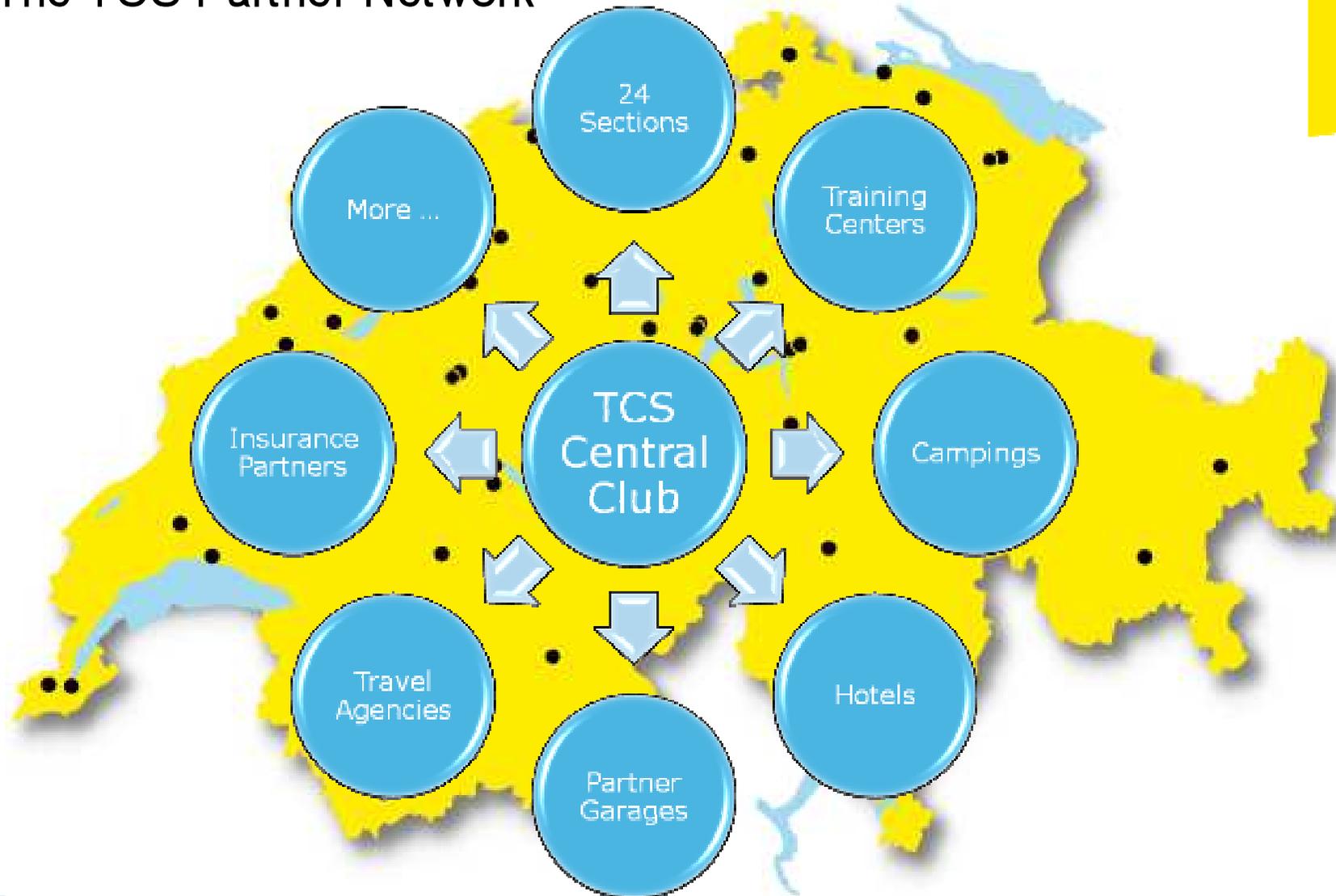


- Bonus calculations for Agents
- Won business over an installed competitor product (CSC)
- Need to reduce the time it takes to produce accurate statements
- Purchased June 30 and need to go-live January 2013



- AAA Northern California Nevada and Utah and AAA South
- 750 producers
- Varient Cloud deployment
- Replacement of Existing solution
- 4 month conversion
- Processing time of <1 hour with Varient, 20+ hours with competitor
- Key Challenges: processing times; dependence on vendor services for plan updates; vendor relationship
- Key Benefits: fast processing times; business ownership

# The TCS Partner Network



From “build” to “buy” – a flexible platform for the future



## Insurance: Success Stories



***Reliance Standard Life Insurance underwrites a variety of group insurance coverage that is incorporated into basic employee benefit packages***

- **Payees: 150**
- **Comp Plans: 5**
- **Challenges**
  - Custom built solution, not flexible and responsive enough to meet changing business requirements
  - No business control over current system
  - Information provided to sales reps across multiple reports, no way to drill into supporting detail without going through multiple reports
  - Very long process to introduce new lines of business or compensation plan logic
- **Benefits**
  - Varicent SPM allows the sales and finance departments to own the system
  - Compensation group will be more responsive to the changing business and market conditions
  - Sales Reps are provided a more intuitive reporting experience with access to case details with one mouse click
  - Compensation team will now have time to focus on their “real” jobs of analyzing and reporting to support management decisions



## Insurance: Success Stories



***Farmers Insurance is the third largest writer of both private passenger automobile and homeowners insurance in the United States.***

- **Payees: 30,000+ Agents**

- **Comp Plans: 20+**

- **Challenges**

- Replace a complex series of mainframe jobs and processes with a more streamlined solution that can provide results in a timely manner
- Managing data feeds into and out of their legacy system(s)
- Provide a scalable solution that can effectively scale to handle 84,000 agents and 8+ million transactions per month

- **Benefits**

- Compensation results and related reports are now updated on a daily basis versus monthly.
- Provides users with near real time feedback on performance and potential earnings
- Provides business users with greater control over the system, including:
  - the ability to quickly and easily model and develop new compensation plans; make adjustments
  - implement one-off bonus programs
  - Manage all inquiries related to Agent compensation in one centralized system
- Consolidate the compensation plans for all LOB into one place
- Automated management of approximately 100 inbound and outbound data feeds

- **Notes**

- Farmers processes 5-6 million transactions nightly through our application



## Insurance: Success Stories



***Zurich Global Life, operating in 180 countries, is a global provider of a broad range of life insurance, investments, savings and pension propositions.***

### ▪ **Challenges**

- Global initiative, taking a significant step in entering the U.S. Life insurance market with the Zurich brand. Determined to build a global model & a growing, long-term presence in the U.S.
- Eliminate using spreadsheets in excel and/or poor third party tools.
- Needed Flexibility (change plans, exceptions, overrides, splits)
- Re-use Varicent components across Regions & LOB's within the Zurich Group.

### ▪ **Benefits**

- Single platform to manage their agency on-boarding, agency management and compensation requirements
- Improved flexibility to introduce new plans in a timely manner
- Eliminate the use of Excel
- Improved modeling and forecasting process
- Reduced administrative costs
- Potential for reuse of Varicent components across other regions within Zurich Global Life

### ▪ **Notes**

- Indonesia is the first roll-out, Singapore is second



## Insurance: Success Stories



***Travelers is a leading provider of property casualty insurance for auto, home and business, offering its global customers a wide range of coverage sold through independent agents and brokers***

- **Payees: 10,000 Agencies**
- **Prior Solution: Cobol mainframe legacy system**
- **# of Admins: 10-12**
  
- **Problem(s)**
  - Inability to react to plan change requests i.e. gov't legislated
  - Payout yearly and Cobol had all the business logic - IT ownership
  - 2-4 week IT project if a plan change request came in
  
- **Solution(s)**
  - Varicent is used for calculating Profit sharing bonus (incentive to push Travelers products)
  - Automated solution with the flexibility to model and change plans
  - Can now calculate and pay monthly, quarterly, or yearly
  - Business ownership provides quicker response time and happier stakeholders
  - Automated workflow processes for dispute resolution and CFO overrides

## Insurance: Success Stories



Varicent's superb application provides us with the flexibility and system configurability that can quickly adapt to our changing incentive compensation and sales performance management needs.

We are convinced that their solution, will not only meet our needs today, but also well into the future.



## Insurance: Success Stories



Varicent offers tremendous versatility in its capability, for our agents, Compensation Analysts and Senior Management alike. The user friendly system was a clear fit for our requirements providing the right tools to help manage our growth in a strategic manner.

**RELIANCE STANDARD**  
LIFE INSURANCE COMPANY



# Banking



## Banking: Key Terms / Plan Design Measures

- Network/branches (stores)
- Platform employees – in the branch (“Customer Service Representatives”)
- Assets (account, loan balance) versus revenue
- **Cross selling / Referrals**
- Retail, commercial, private
- Compliance and regulations (TARP, Basel II, The Fed)
- Disintermediation
- **Share of Wallet**
- Product/account volume
- Deposits
- Loans (e.g., SBA, Credit Card, Consumer)
- Profitability (NOI)
- Household (HH) Growth
- Efficiency (e.g., Sales per FTE)
- **Customer Satisfaction**
- **Credit Quality**
- **Bonus allocation based on overall branch performance**
- Commissions, Points, Scorecards



# Banking: Customer Profiles – Efficiency Driven



- 6,500 staff on Variable Pay
- Replaced Motivator and Excel
- Required Dashboard and management reporting
- Wanted a single place to go for commissions data
- Points-based system
- Required 'robust security'
- Chose Varicent because of the flexibility and lowest total cost of ownership



- Wellington West, recently acquired by National Bank
- Replaced an internally developed spreadsheet system
- Provides better information to partners and reduce errors, questions and dissatisfaction
- Provide greater auditing capabilities
- Grow to become a valuable reporting platform, potentially replacing other reporting services



- 800 customer service agents, customer service reps, personal bankers and customer service managers
- Migrating off of older systems and manual processes
- Payees do not have timely visibility into their performance
- Need to better motivate, manage and track cross sell opportunities
- Looking to reduce time and effort in managing variable compensation process



- 5,000 payees in Capital Markets
- For annual discretionary bonus program which was previously run using spreadsheets
- Competed with Taleo and SuccessFactors
- Greater auditing around the bonus process, better tracking of approvals and sign off



- TD Canada Trust
- Replace homegrown system
- Goal is sales motivation and reporting
- Titled "Sales Revenue Tracking System"
- Pay salespeople based on factors such as strategic importance, profitability
- Key requirement was efficiency in terms of making on-going changes quickly and easily



# Banking: Customer Profiles – Compliance Driven



Looked for a couple of years but Federal Reserve Guidelines drove the project

Starting with 5,000 payees – will grow to 64,000 payees

Elavon, credit card processing division of US Bank is long time customer

Millions of transactions per week



30,000 staff on Variable Pay

5 Lines of business

200 plans

Organized as a group of community banks: decentralized administration made a consolidated or holistic view impossible

Massive manual process to capture all the data and do custom reporting

Key concerns were: greater audit, flexibility to support all lines of business, self-sufficiency

Started with Wealth Management, Mortgage and Insurance in 2012 (2200 payees) – then retail in 2013



Primary reason to change systems was 'the fed'

2,500 covered employees

8,000 on variable pay



Migrating legacy systems

Compliance was the trigger for timing

Needs to reduce reliance on IT to make any changes to incentive compensation

Required more speed and flexibility in reporting and analysis for management

Needed to better track decisions regarding adjustments/credits to incentive compensation



52 Billion in Assets

6,000 Payees

Flexibility to meet current and future needs

Efficiency in Making On-Going Changes Quickly and Easily

Varicent Partnership



## Success Story



***Huntington is a \$56 billion regional bank holding company headquartered in Columbus, Ohio, providing full-service commercial, small business, and consumer banking services***

- **Payees: 5,000, growing to 21,000**
- **Prior Solution: In-house systems managed by IT**
- **Key Issues: Inability to make plan changes in a timely fashion, costly to maintain, lack of governance and visibility**





***Among the US's top financial-holding companies with \$157 billion in assets and market capitalization of \$18.3 billion. Operate 1,800 financial centers primarily in the US South East***

- **Payees: 30,000**
- **Prior Solution: Excel, Access, Home-grown, Motivator**
- **Problem(s)**
  - Decentralized administration made a consolidated or holistic view impossible
  - Massive manual process to capture all the data and do custom reporting
  - Key concerns were: greater audit, flexibility to support all lines of business, self-sufficiency
- **Solution(s)**
  - Enterprise-wide compensation management solution involving 5 Lines of business and 200 plans
  - Started with Wealth Management, Mortgage and Insurance in 2012 – then retail in 2013
  - New reporting brings increased visibility into key performance metrics for branch and regional management to help affect future behaviors at the branch level
  - Ability to easily create adjustments within the system and see more immediate results





***TD Bank the sixth-largest bank in North America (by branch network). TD Bank Group offers a full range of financial products and services to approximately 19 million customers worldwide.***

- **Payees: 30,000**
- **Prior Solution: Home-grown system**
- **Requirements**
  - Replace a legacy inflexible Sales Revenue (SR) system
  - Scope includes employee profile management, relationship (hierarchy) management, calculation process and analytical reporting
- **Solution**
  - Varicent-based system pays salespeople based on factors such as strategic importance, profitability and time required to sell their products
  - The new system positions the organization for:
    - Growth through providing the flexibility to implement new and innovative pricing strategies
    - Efficiency in terms of making on-going changes quickly and easily
    - Scalability to work in Canada and the United States with businesses which currently have different year-ends



## Success Story



***RBC Capital Markets is a premier investment bank that provides a focused set of products and services to corporations, institutional investors, and governments around the world***

- **Prior Solution: Excel**

- **What They Did**

- Implemented a bonus allocation process and compensation plan

- **How It Benefited Them**

- Replaced their manual process of planning bonuses via excel input, and approval via email
- Reporting functionality greatly expanded over their legacy Access DB reports which were distributed via email and hard copy

- **Notes**

- **Prior Issues:** Uncontrolled spreadsheets, lack of audit and structure
- **Now:** Use Varicent web forms to collect bonus information in a more structured and visually appealing way
- Managing a highly manual discretionary Bonus process



## Success Story



***Bank of the West is a full-service bank with \$60 billion in assets across 700 locations in 19 states, and is a subsidiary of BNP Paribas, a top global financial institution.***

- **Payees: 5,000**
- **Prior Solution: Access & Excel, Crystal Reports, Sharepoint**
- **# of Admins: 3**
  
- **Problem(s)**
  - Very large number of source data with no common delivery mechanism and high volumes of manual transformation and changes
  - Various tools used for payout calculations and variety of different reporting
  - Inefficiency and long adjustment/processing cycles
  
- **Solution(s)**
  - Enhanced Reporting for Managers and Payees - Monthly online access to compensation detail data, ranking results, branch scorecards and compensation statements vs. paper or email delivery
  - One-stop data staging area - Efficient storage and delivery of all data files to staging with automated prep and transformation for compensation calculations
  - New reporting brings increased visibility into key performance metrics for branch and regional management to help affect future behaviors at the branch level
  - Ability to easily create adjustments within the system and see more immediate results



## Success Story



Varicent's solution will provide us with the unique ability to more effectively analyze important compensation and sales performance metrics.

We will also use Varicent to improve the accuracy of our forecasts and to create effective sales incentive models that can drive the right behavior and maximize our future performance.



## Success Story



By deploying SPM across our Retail Banking business, we feel our Retail Banking sales representatives will have up-to-date information via a dashboard, and our processes will be better adapted for greater customer service.



## Success Story

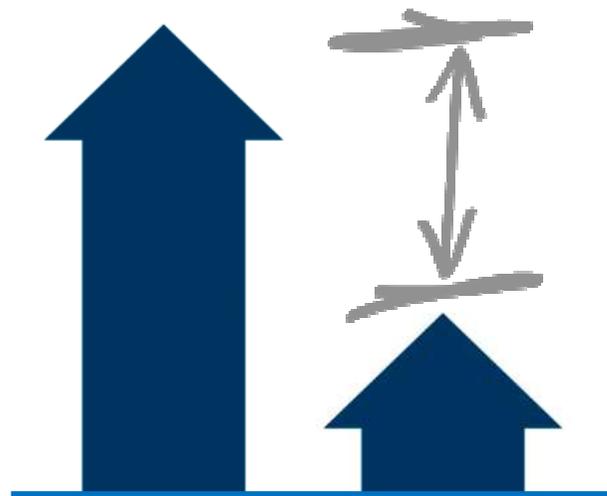


One of our goals in evaluating technology options on the market was to not just solve today's problem, but also anticipate tomorrow's challenges. We felt Varicent delivered both the core ICM component and the additional SPM features that would integrate easily with our existing enterprise systems.



# Other Financial services





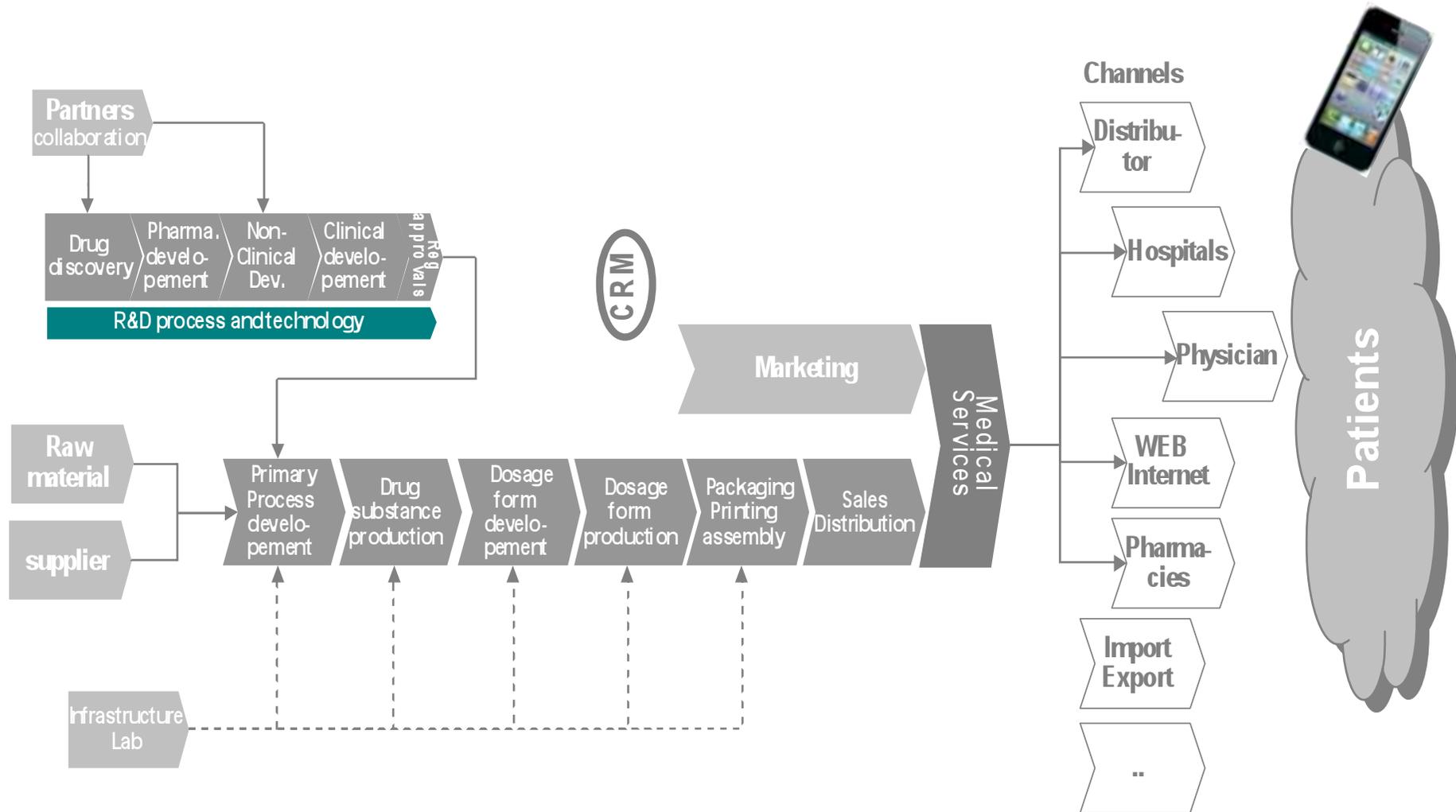
Payout process reduced from **2** weeks to **2** days



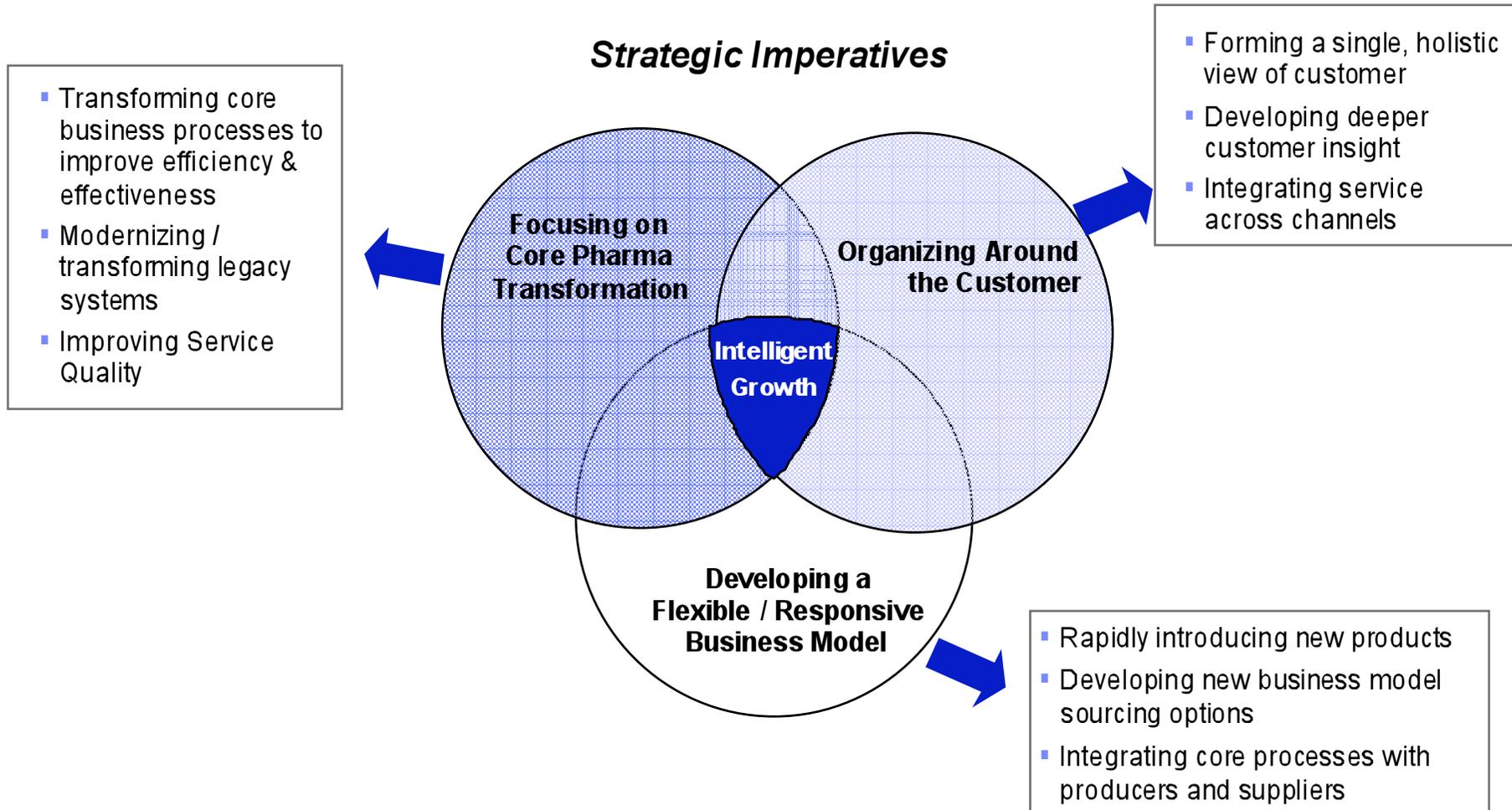
Pharma / Life Sciences / Medical Devices



Value Chain :



# The concerns and imperatives of pharma CEO's



## Cognos ICM @ Teva Pharmaceuticals



- **About TEVA Pharmaceuticals Mexico**
  - **TEVA Pharmaceuticals Mexico has a local operation +300M a year and it is part of TEVA Pharmaceuticals Worldwide. Teva is a leading global pharmaceutical company, develops, produces and market affordable generic drugs as well as innovative and specialty pharmaceuticals and active pharmaceutical ingredients. Headquartered in Israel, Teva is the world's largest generic drug maker, with a global product portfolio of more than 1,300 molecules and a direct presence in about 60 countries. Teva's branded businesses focus on CNS, oncology, pain, respiratory and women's health therapeutic areas as well as biologics. Teva currently employs approximately 47,000 people around the world and reached \$16.1 billion in net sales in 2010.**



## Cognos ICM @ Teva Pharmaceuticals



- **Previous environment:**
  - **TEVA has five different business units, each with a very complex and different way of compensating their own sales reps who very recently started to use Siebel. The lack of visibility to their performance was becoming an issue in the very short term and also it was very hard to manage commissions with Excel spreadsheets, the process is time consuming and information provided to sales reps is late and contributes to high turnover in this industry.**
- **After a very detailed evaluation process Varicent was chosen for:**
  - **Ease of use for Business / Single Product**
  - **Flexibility to adapt to new compensation plans**
  - **Ability to provide the sales force with very up-to-date feedback on their performance as the month goes.**
  - **Ability to meet reporting and broader organizational dash boarding needs**



## Cognos ICM @ Teva Pharmaceuticals



- **Project Goals:**
  - **Provide timelier, more reliable, accurate automated results to payees and managers with added transparency**
  - **Reduce the amount of administration time**
  - **Get flexibility on possible changes or adjustments on new structure**
  - **Replace the previous time consuming and manual process**



## Ventana deployment overview



- Ventana Medical Systems, Inc., a member of the Roche Group, is a world leader and innovator of tissue-based diagnostic solutions for patients worldwide. As the leading supplier of cancer diagnostic systems to the pathology market, Ventana manufactures over 220 cancer tests with related instruments for 80 countries, and most importantly, for 4 million people afflicted with cancer yearly around the world.

### **Cognos SPM deployment overview**

- Solution live since April 2011
- Integrated with SAP & salesforce.com
- 218 payees on variable compensation plans
- 2 Administrators



## Project objectives & Business results



### **Key objectives:**

- Business Flexibility for compensation plan changes & set-up
- Influence of sales behavior / systematic sales plan execution
- Highly configurable with a look and feel that can be tailored
- Out-of-the-box integration into existing backend systems like salesforce & SAP
- Enduser satisfaction / management buy-in / low TCO

### **Business Results:**

- The Ventana business team is Independently able to configure and maintain Cognos SPM to align sales compensation with corporate objectives
- With the integration into Salesforce.com sales reps have clear upfront visibility to ongoing achievement levels & enduser satisfaction
- Reduced to “non-existent” the volume and dollar amount of overpayments
- Able to produce automated statements and saved a day out of each cycle spent on generating statements



## Quote from VENTANA stakeholders



- Varicent and its ability to integrate with our CRM tool has streamlined the office-to-field communication,” said Gina Kimball, Senior Director Business Operations Ventana.
- “Varicent also enables a more efficient delivery of management reporting when compared to our previous device.”



## Varian Medical Systems



### **Business Challenges**

- VP of Sales being asked to meet a budget for commissions expense and needs the capability to forecast future commissions
- Need to decrease the time and support needed to get SIP payments out
- Difficult to calculate contingency payouts (pay out 25% on order and 75% contingent on shipment)
- Clawbacks for returned product 1-2 years out are also difficult to administer

### **Why Varicent**

- Said we did the best job of meeting their POC
- Flexibility of the Varicent solution to meet their needs
- Complete solution – including modeling, forecasting, and analytics
- Professionalism of Varicent team and our ability to work with them



## Smith & Nephew



### **Business Challenges**

- Multiple divisions across the organization with inconsistent ICM methodologies
- Complex data sources with limited integration in homegrown system
- Plan tweaks and changes took way too long, and these were frequent in their high growth organization
- They're payout calendars are 544, and rates are period based not date based.

### **Why Varicent**

- Varicent is now the standard ICM application across their three main divisions – Orthopedics, Endoscopy, and Advanced Wound Management
- Seamless integration with their new Oracle Business Warehouse, which extracts data from many SAP & other data sources
- Smith & Nephew can now quickly model new plans to keep up with the ever changing requirements of their business



## Boston Scientific



### **Business Challenges**

- Prior Solution was Excel/Manual with over 1480 payees
- Could not respond to increasing demand for new & different plans
- Could not analyze financial impact of plan changes
- Too time-consuming to get commissions processed in timely manner

### **Why Varicent**

- Business User Owned Application
- Flexibility in plan modeling & maintenance
- Complete Solution – ICM & Territory Management
- Speed/Cost of implementation



## ThermoFisher



Thermo Fisher took over a year to select Varicent and the process was competitive. After an RFI, RFP, Demonstration, initial POC, secondary POC, 3 reference calls, multiple implementation discussions and a torturous negotiation Thermo finally selected Varicent for the following reasons:

- Flexibility and reporting capabilities
- We were extremely responsive and they felt that Varicent earned the business
- Our references were very positive
- Generally they felt more comfortable with Varicent



## Phonak



### **Key Objectives of the project are:**

- SFDC integration with SSO for ease of access/use
- Visibility into performance and pipeline
- Eliminate shadow accounting and disputes
- User friendly admin console that could be mastered by analyst
- Non-technical way to modify plans and build SPIF's on the fly
- Consolidated system for all compensation and financial data
- Improved analytics (e.g. sales effectiveness)
- Improved compliance and governance with full audit trail

### **And the results were:**

- All project requirements met
- Project completed within 2 days of estimated scope
- Varicent asked Phonak how the end users responded to their first training and exposure to Varicent. Phonak responded "They were impressed and really exited for the rollout!"



## Siemens medical



### **Why Varicent**

- More than a calculation engine, flexible reporting and analytics
- A comprehensive solution without multiple components and a robust SAP integration
- A single product for both on premise and Cloud solutions
- Confidence in Varicent based on many interactions and observing our progress over the last 3 years

### **And the results were as follows:**

- Varicent is now the system of record for goals for three business units representing approximately 650 payees
- Three models, designed to meet the unique requirements of each business unit
- Robust reporting, providing reps and compensation administrators with insights



# Telecom, Mobile & Telco Equipment Customers



## T-Mobile



- T-Mobile International AG is a German holding company for Deutsche Telekom AG's various mobile communications subsidiaries outside Germany. Based in Bonn, North Rhine-Westphalia, Germany, its subsidiaries operate GSM, UMTS and LTE-based cellular networks in Europe, the United States, Puerto Rico and the US Virgin Islands.
- Approximately 24 months ago, T-Mobile, the fourth largest Mobile Phone provider in the US, purchased Competitor software (on-premise). After being live for three months their “pipeline”, processing time, was dangerously increasing month over month. Competitor recommended that new and bigger hardware would solve the problems. After another two to three months the processing time grew to almost 40 hours.



## T-Mobile



- T-Mobile then invited competitors and Varicent to participate in an evaluation for a replacement system. After an exhaustive RFP, two POC's, Data Center and Corporate visit T-Mobile signed with Varicent.
- Varicent hosts the software for T-Mobile
- 4 business units, 40k+ Subscribers, being rolled out over the next 24 to 30 months (first group went live in Oct 2011)
- Why Varicent:
  - Fastest processing times compared to competition
  - Easy to use solution (they have a large Comp Team)
  - Solution Functionality (Workflow, Audit, Web-forms, Reporting, Effective Dating)
  - Data Center
  - Company Culture



# T-Mobile: Screenshot Dashboard



## Commissions Dashboard

05/07/2014

Welcome Ralph

### Commissions News

#### Compensation Plans/Training



- [B2B T-Community: Job Aids, FAQ's, Etc...](#)
- [RPS T-Community: Job Aids, FAQ's, Etc...](#)
- [Retail T-Community: Job Aids, FAQ's, Etc...](#)

#### Correction Management



[Click here to view corrections](#)

#### Commissions Contact Information



- [B2B Commission Support](#)
- [RPS Internal Employee Commissions](#)
- [Retail Commission Support](#)

#### Commissions Calendar



- [B2B](#)
- [RPS](#)
- [Retail](#)



## T-Mobile: Key Stakeholders



- Bob Hildebrand - VP Sales Operations Services => Business Sponsor



- Kari Escobedo - VP, IT Development => IT Sponsor



## Colt Telecom



- COLT Telecom is engaged in the provision of business communications solutions and services within Europe. COLT has approximately 50,000 customers across all industry sectors. COLT owns and operates a 13 country, 20,000 kilometer network that includes Metropolitan Area Networks (MANs) in 34 European cities with direct fiber connections into 15,000 buildings and 18 Data Centers.
- Business Challenge:
  - A solution that integrated with Salesforce.com
  - Workflow driven inquiry functionality
  - Replacing a custom system based in India by January 2010
  - The ability to easily model and develop new pay plans
  - Single solution to meet their business needs
  - Need for flexible reporting and analytics



## Colt Telecom



- **Why Varicent:**
  - **Flexibility and Functionality** – High level of configurability seen as a major advantage in future proofing COLTs requirements.
  - **Best solution on the market** – COLT has investigated all our major competitors and found they fall short in either functionality or technically.
  - **Value for money solution** – The COLT business case for using has the potential of an 18 month payback on investment.



## Telstra



- As Australia's #1 telecommunications carrier, Telstra provides fixed-line services to about 9 million access lines, and it serves 10 million mobile phone customers. It is also the country's leading ISP, through BigPond, with more than 3 million broadband subscribers. The company also provides wholesale network services to other communications companies, while its Sensis telephone directory unit specializes in print, online, and wireless advertising. Telstra's business and government segments are its second largest markets.



## Telstra



- **Goals:**

- End-to-end system with transparency of process
- Replace the current manual (Excel) commission workbooks
- Reduce human intervention, shadow accounting and potential errors
- Free up resources to carry out more valuable analysis
- Up-to-date availability of information and capability to provide analysis and reports to management on compensation cost of sale
- Web-based commission statements and dashboards
- Ability for managers to validate sales and commissions payments
- Auditability for any changes to commission plans
- Modeling tool / "what-if" scenarios



## Telstra



- Why Varicent
  - Competitor did not meet their functional requirements
  - Varicent's robustness of features and intuitive interface met **both IT and business requirements**
  - Familiarity with our company and our product
  - Telstra's strong view on **business user friendliness**



~0%

Reduced the commission  
calculating error rate to  
**near zero percent**



**globalive**



## Focus sellers on selling



“When people didn’t understand what their achievement was, we got pushback on everything about our plan”

“By having transparency into the system we don’t have to worry about them saying, ‘Wait—I don’t get this.’”

“...spend more time selling”

*Steve Love, CFO*



## Flexibility to Adapt to 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.”



# Transportation, Logistics, Construction



# It's not just about Sales



## Drivers Incentive Plan

- Route efficiency (units per hour)
- Customer satisfaction
- Safety (hurdle for participation)



## Gexa Energy - salesforce.com integration



- Gexa is a subsidiary of NextEra Energy, a Fortune 200 company. Prior to 2009, NextEra Energy Resources (NER) was known as FPL Energy. NER is North America's largest owner and operator of wind and solar electricity generating assets. The company has 85 wind facilities in seventeen US states and three Canadian provinces. NER also co-owns and operates Solar Energy Generating Systems (SEGS), the world's largest solar power generating facility. In addition to wind and solar, NextEra Energy Resources owns and operates generating plants powered by natural gas, nuclear fuel, and oil. The combined capacity of NER's facilities is 18.9 gigawatts (GW).
- Varicent got into this deal late in the game after Gexa had already formulated a short-list. Varicent turned around an RFI in less than five-days.



## Gexa Energy - salesforce.com integration



- Gexa had already chosen a vendor but then the CIO came into the picture who reevaluated the chosen platform against TCO criteria. Gexa then chose Varicent to replace their homegrown system. Gexa has both internal salespeople and external brokers and previously, commissions are calculated with an internally-developed database that is inadequate to the task. It was time-consuming, inefficient, error-prone, not transparent, and not SOX-compliant.
- Why Varicent:
  - Proven Integrations
  - For calculations Varicent pulls billing data from GEMS, billing balances from PPL and contract data from CMS. Final payouts are sent to Great Plains for external brokers and Payroll for internal payees.





**10,000**

Man hours per month reduced in administering the incentive compensation program using Varicent.



# Publishing and Media



## About Tribune

**TRIBUNE**

- Tribune is one of the country's leading multimedia companies.
- Publishing: Los Angeles Times, Chicago Tribune, The Baltimore Sun, Sun Sentinel (South Florida), Orlando Sentinel, Hartford Courant, The Morning Call and Daily Press.
- Broadcasting: 23 television stations, WGN America on national cable and Chicago's WGN-AM
- Popular news and information websites.



## Business and Technology drivers

# TRIBUNE

- Implement a **single compensation system** that is used by **all of Tribune's business units**.
- Have more **transparency into the plans across business units** in order to standardize plans and increase revenue by providing sales reps with visibility.
- More quickly bring **acquired companies** into Tribune's commission processing.
- Increased incentive compensation **plan flexibility**.
- **Reduced time** to implement new incentive plan logic.
- Increased ability to **manage complex hierarchies** and incentive plan policies
- **Automated workflows** support manual process interactions (plan and payout approval)



## LA Times Go-Live

*Los Angeles Times*

- L.A. Times was the first business unit for Tribune to go live. The Chicago Tribune and other business units followed.

### Results:

- The project team developed a compensation model that met the client's complex requirements and be flexible enough to form the foundation for all of Tribune's business units.
- Tribune's employees worked closely with the development team assisting with the design and development, and were completely enabled to maintain the solution through go-live.
- Varicent is now the source of compensation for all L.A. Times' sales payees after a smooth and successful cutover.
- Tribune stakeholders continually expressed their pleasure of the Varicent team to Varicent's executive staff.



## Dex One



- Dex One Corporation is a leading marketing services company that helps local businesses reach, win and keep ready-to-buy customers. Their highly-skilled, locally based marketing consultants offer a wide range of marketing products and services that help businesses get found more than 1.5 billion times each year by actively shopping consumers. They offer local businesses personalized marketing consulting services and exposure across a broad network of local marketing products – including their “official” print, online and mobile yellow pages and search solutions, as well as major search engines.



## Dex One



- There were 3 objectives to this project:
  - A successful implementation of East plans and reports
  - Train Dex One on Varicent operations and maintenance activities
  - Build Dex One management team confidence in Varicent's ability to handle the more complex West plans and future compensation projects.
- And the results were as follows:
  - Implementation completed on time and on budget
  - The team worked hard with the Dex One team to test their implementation thoroughly and ensure they were knowledgeable of Varicent functionalities and best practices
  - Dex One has initiated a discussion of additional work for their National plans.



## Mobile Access via iPads

“With Varicent, over 1400 of our field sales rep can access their sales compensation system via their iPads along with the other tools they use on-site with customers. They don’t miss a beat when it comes to understanding the compensation implications of their selling activities.”



# Hotel, Franchising, Body Leasing, Rental



## 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*



## Neff Rentals



- Neff Rental provides construction companies, golf course developers, industrial plants, the oil industry, and governments with reliable and quality construction equipment that is delivered on time where it is needed.
- With more than 1,000 employees operating from branches coast to coast, Neff Rental is ranked by Rental Equipment Register (RER) magazine as one of the nation's 10 largest equipment rental companies.
- Neff's tens of thousands of customers rent John Deere, Case, Ingersoll-Rand, JCB, JLG, Komatsu, Lull, Kobelco, Multiquip, New Holland and other leading brands of equipment and tools.



## Neff Rentals



- Start with existing plans, Then work on future plans in 3 Phases, with goal of building in flexibility for future plans from start
- Number of users
  - 3 Admins, 180 payees (Sales Reps , 15 ASMs(Key Account Managers), 10 Business Development Managers , etc)
  - 100 reviewer payees, with possible plan for them as well
- Number of plans
  - 5 Plans, 90% on one plan, Sales Rep Main, Sales Rep Gulf Region, Sales Rep 5% Cap, ASM's and BDM
  - Managers
- Neff Rentals are successfully leveraging SharePoint as a reporting portal and integrate with salesforce.com



# Next steps

Sales Performance &  
Incentive Compensation Management  
**Roadshow Schweiz 2014**

Bern, Zürich, Basel, Lugano, Genf, Lausanne



## Proof of Concept (PoC) – Free of charge

1. You send example:
  1. Compensation plans
  2. Hierarchies (Products, Services, Geographies,...)
  3. Transactions
2. Requirements discovery session (30min)
3. Dry-run small group – requirements refinement (60min)
4. Customized demo to decision board incl. cost estimates and business case (90min)
5. Hands-on Workshop (optional): Create new / change existing plans etc.



# Thx returning the feedback form!

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