8 THINGS TO CONSIDER
WHEN SELECTING INCENTIVE COMPENSATION MANAGEMENT (ICM) SOFTWARE

Implementing an automated Incentive Compensation Management (ICM) solution is a key element in optimizing sales force effectiveness. The step of selecting the software that suits the needs of your organization with the right functionality and appropriate total cost of ownership is critical to the successful deployment and adoption of an ICM strategy.

The crowded market of Incentive Compensation Management/Sales Performance Management software offers many choices.

obero SPM
Manage Sales. Maximize Profit.

The 8 considerations below are must reads for every organization considering an ICM solution:

FUNCTIONALITY PILLARS

Outside of core incentive compensation plan management and calculation functionality, the modern ICM solution needs to incorporate overall planning functionality with extensive what if modelling capabilities. Without integrated planning capabilities, from quota and territory planning to sales planning and forecasting, the ICM software would be disconnected from the rest of the organization.

Profitability analytics in addition to Predictive analytics is a new core trend in ICM software. Commission management without analysis of results, optimization of the sales force, and forward looking analytical reporting will not result in making your ICM solution a competitive advantage.

Tip: Validate that the functionality offered by the vendor is truly a single integrated technology and not a collection of multiple standalone products.

CONFIGURATIONS VS. CUSTOMIZATION

Implementation of an ICM solution might be a very complex task. The task of ensuring that your implementation costs are not going to be 10 times the initial vendor quote and that your internal resources will be capable of taking over configuration and management of the solutions needs to be completed during the vendor selection process.

Tip: Ask for a Fixed Price or Not to Exceed implementation project; Engage the vendor in a Proof of Concept to validate that the software can be truly configured and does not require extensive technical expertise to develop and maintain.

LEVERAGE EXISTING SKILLSETS

The ICM software needs to be owned and managed by business, not IT. You need to make sure that the software you pick will not require you to become a programmer. Software that leverages syntax of plans and reports creation similar to common business tools such as Excel will ensure better user adoption and the ability of business to own the solution and manage ongoing changes.

Tip: Ensure that the calculations and business logic of your current model are not thrown away. Look for a solution that can help you migrate the logic over and leverage what you have built so far versus redoing everything from scratch.
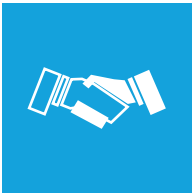
COLLABORATION

One of the most critical parts of managing incentive compensation in modern organizations involves establishing proper communication channels for the sales team and management to present plans, review results and resolve issues. Functionality like a social networking tool and formal inquiry management is necessary in today's ICM tools to drive adoption and improve user satisfaction.

Tip: Ask vendors to show how the sales teams can collaborate on SPIF's, campaigns, and how social tools can be used to communicate and discuss various performance targets.
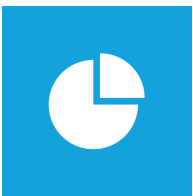
ANALYTICS

The ultimate goal of acquiring an ICM solution is in performance optimization. This goal cannot be achieved without proper analytical capabilities/tools. The toolset you choose needs to include analytical functionality allowing to drill down/up, slice and dice data, and to provide historical and trend analysis. One of the key features to be highlighted is What-If analysis or scenario planning (including self-service what-if tools for sales reps) allowing users to assess the impact of changing plans, revenue and cost numbers on the results of entire organization.

Tips: A multi-dimensional data model allows for true business reporting without the highly technical step of massaging and preparing the data. Ask vendors to demonstrate the data model in action! Many SPM vendors utilize separate products for analytics and reporting -- make sure you don't need to acquire and/or learn another technology for analytics.

SMART MONITORING

Continuous monitoring of Key Performance Indicators and an automated Detect and Alert functionality that inform sales reps, managers and executives when something out of ordinary is happening can help pinpoint issues and address them in a timely manner. It also significantly simplifies the management process, allowing them to focus on exceptions as opposed to checking and monitoring every transaction.

Tip: Ask vendors to demo how an automated email alert can be configured when a result for a particular metric (for example, commission payout on a single deal) is outside of acceptable thresholds.
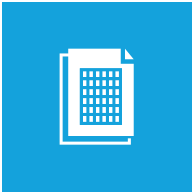
VENDOR COMMITMENT

Most of the demos you are going to see will be flashy and will show the best possible functionality. You need to open the hood and see what's underneath to truly understand the available functionality, ease of implementation and maintenance, as well the overall fit with your needs. Proof of concept or a limited pilot project is the best way to validate vendor's claims and ensure that the vendor is committed to your success.

Tip: The end goal is not to acquire software but to deliver a successful project! Make sure the vendor puts some skin into the game starting from the POC/Pilot phase all the way to the Go-Live and post-production warranty period in the way of milestone based payments, executive support, etc.

INTEGRATION

An ICM solution should become your bridge between CRM data and other corporate data sources (such as GL, HRIS, ERP systems). Readily available connectors to bring and leverage any kind of financial and non-financial date in your ICM solution is a key success factor.

Tip: Make sure the user experience integration is seamless as well; Your ICM solution of choice should be able to integrate into CRM or Sales portals and be incorporated in other sales tools for a unified user experience.

BUSINESS BENEFITS

ACTIONABLE DATA ANYWHERE
Help your sales organization to track performance, identify trends, and analyze results in real time;

COMPENSATION PLANS ALIGNED WITH CORPORATE OBJECTIVES
Leverage compensation plans to drive desired behavior, reward for true achievement, correct unwanted behavior, ensure profitability of your operations through a holistic view on your sales organization financial performance

SHADOW ACCOUNTING ELIMINATED
Focus sales team on selling! Sales and Commission reports, dashboards and transaction level details readily available for sales teams significantly decrease unproductive time spent on shadow accounting

NO MORE COMMISSION OVERPAYMENT
Decrease commission overpayment by automating the payment process, making it auditable and controlled through workflow;

REDUCED SALES OPERATIONS COSTS
Automation allows Sales Operations to focus on analysis and optimization; manual effort is significantly reduced
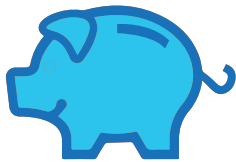
ABOUT OBERO SPM

Obero SPM is the only integrated platform for Sales Performance and Profitability management.

Our single innovative product supports the following functions for organizations of all sizes:

✓ *Sales Planning and Forecasting*

✓ *Incentive Compensation Management*

✓ *Profitability Management*

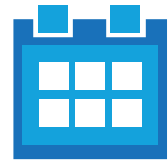✓ *Predictive Analytics*

KEY FEATURES

Automated Incentive Compensation Management
Simplicity and power in creating and managing plans

Sales Reporting and Analytics on all levels of the organization

Sales Planning and Profitability Analytics connected with Incentive Compensation Management

Advanced What-if Modelling

Mobile and Cloud, integrated with CRM applications

Seamless Integration with internal business systems
Connecting business

Built to be owned by business with simple learning curve

Rapid Implementation

Intuitive User Interface

Speed of calculations
In memory processing

Workflow and Auditability

Contact us:
info@oberospm.com