

# THE JOURNEY TO SPM SELF-SUFFICIENCY



## A CASE STUDY ON ABBOTT'S SALES COMPENSATION SUCCESS

### Industry:

Healthcare  
& Life Sciences

### OS Service Line:

OS EDGE  
Managed Services

### CHALLENGE:

#### Making the most out of an SPM investment

The beginning of Abbott's (formerly St. Jude Medical) sales performance management (SPM) journey was a surprising one. They faced some challenges that, even after they went live with their SPM technology solution, continued to consume valuable time and resources. **Abbott partnered with OpenSymmetry's OS EDGE managed services team to develop a strategy for realizing the long-term vision for a successful and easy-to-maintain SPM system.** "Abbott needed to be strategic about where it invested money," explained Robert Blohm, SVP of Sales and Alliances at OpenSymmetry. "They were looking to OpenSymmetry to help them assess the low-cost/high-value items so they could figure out what to address first."

After an initial discussion, the OpenSymmetry project team was tasked with finding ways to:

- Reduce the significant time and effort expended on manual procedures
- Eliminate redundant processes
- Help the field make sense of confusing contracts

Though there were many challenges, the goals were clear: Abbott needed solutions that ensured accuracy, reliability, and predictability from its compensation processing. **Ultimately, the goal for Abbott was to reach self-sufficiency for the management of their SPM program.**



## 5 Cs PAVE THE WAY TO RESULTS

By collaborating with OpenSymmetry and utilizing the proven 5 Cs approach, with reliable industry benchmarks, Abbott gained the skills necessary to identify wasteful costs, optimize its analytical capabilities, and become more self-sufficient.

## SOLUTION:

### The 5 Cs approach

OpenSymmetry utilized its proprietary 5 Cs approach to assess Abbott's sales compensation program. This unique approach provides OS customers with a comprehensive assessment that identifies opportunities for improvement for any SPM solution. Following are the five areas evaluated by the 5 Cs approach:

- 1. Collect** - Since accurate data is the key to a successful SPM solution, OpenSymmetry works to make sure that the data feeding into the solution is accurate and fully integrated.
- 2. Credit** - Credits must be assigned properly to ensure accurate compensation. Therefore, OpenSymmetry helps validate crediting rules and their parameters so that employees are being paid based on the correct criteria.
- 3. Calculate** - At the heart of every SPM solution is the complex calculations required for generating payments. OpenSymmetry validates and automates the rules that trigger these calculations to ensure employees are being compensated fully and accurately each pay period.
- 4. Compensate** - Sales teams are only motivated if they are compensated competitively and on time. OpenSymmetry helps compare a company's metrics against others in the industry to assess how it measures up.
- 5. Communicate** - The quality of reports generated by the SPM solution will make or break the system's usefulness and overall acceptance by the company. OpenSymmetry has a number of reporting products that can help with the communication of company goals to the sales organization.

## USE OF INDUSTRY BENCHMARKS

Each year, OpenSymmetry conducts a Sales Compensation Administration Survey to gather data and information from hundreds of organizations on the processes, approaches, and technologies used to design and administer sales compensation programs.

## Applying findings from the 5 Cs approach

Upon completion of the 5 Cs assessment, **Abbott discovered that it could save both time and money** by making the following modifications to its sales compensation program:

- Automating nightly pipeline runs
- Validating data prior to loading it into the compensation system
- Utilizing analytics to identify cost-saving measures
- Optimizing the technology that supports the sales comp reporting program

OpenSymmetry's 5 Cs assessment confirmed many of the assumptions Abbott held about the problems it faced, while also breaking down larger problems into distinct and addressable issues, which could then be easily prioritized. Furthermore, by using the industry benchmarks, Abbott was able to take a critical look at many of its practices including how it created compensation teams, how compensation teams were spending their time, the efficiency of comp-to-payee ratios, and the number of reports being run each month.

From there, **the OpenSymmetry OS EDGE managed services team presented a quarterly action plan that outlined for Abbott solutions that could be implemented in both the short and long term.** This was based on Abbott's most urgent needs and budgetary requirements. Short-term solutions included setting up a test environment and continued testing of various plans. Long-term solutions included the deployment of new technology for business intelligence.

## ABOUT ABBOTT

Abbott is committed to helping people live their best possible life through the power of health. For more than 125 years, they've brought new products and technologies to the world – in nutrition, diagnostics, medical devices and branded generic pharmaceuticals – that create more possibilities for more people at all stages of life. Today, 99,000 of them are working to help people live not just longer, but better, in the more than 150 countries they serve.

## RESULT:

### Not just monetary savings

#### Abbott's long-term project resulted in the following savings:

- Fully automated nightly calculations, eliminating the need to have the vendor run them manually. **Approximate savings to Abbott were \$120,000 annually.**
- Enhanced data validation so that problems are identified before data is loaded into the system. **Approximate savings to Abbott were \$1,200 - \$1,400 per month or the equivalent of one full-time employee working 3-4 days per month exclusively on data validation.**
- Deployment of a robust analytics package for the sales team. Detailed results (costs & expenses) generated and displayed at the rep level by leveraging Abbott's enterprise analytics tool, **allowing for high-level decision making on a real-time basis.**
- Replacement of the vendor reporting solution with a highly-optimized reporting solution. **Approximate cost savings to Abbott were \$800 - \$1,000 per month or the equivalent of one full-time employee focused on resolving reporting issues.**

Perhaps most importantly, **through OS EDGE managed services Abbott's compensation team was able to become self-sufficient.** Today not only are they better versed in their compensation system, but they now have access to important industry data and internal reports that allow them the competitive advantage of making quicker and better-informed decisions.

## ABOUT OPENSYMMETRY

OpenSymmetry is a global consulting company that specializes in the planning, implementation, and management of sales performance management (SPM) solutions supported by the industry's leading technology suppliers. Since 2004, OpenSymmetry has enabled over 1,100 customers, ranging in size and industry, to achieve greater operational efficiency and get better sales results. To learn more, please visit [opensymmetry.com](https://opensymmetry.com)

## FOR MORE INFORMATION ABOUT OS EDGE:

To begin your journey to a world-class sales compensation program, contact us at [hello@opensymmetry.com](mailto:hello@opensymmetry.com).

If you're inspired by the Abbott story and would like to **help your organization improve the administration of your sales compensation program**, OpenSymmetry recommends starting with the following steps:

- Conduct a comprehensive yearly audit of your company's compensation procedures to identify potential risks and problems.
- Consider an outside, qualified opinion to help articulate the challenges your company faces and provide prioritized recommendations for the execution of the lowest-cost, highest-value solutions.
- Use industry benchmarks, as revealed in industry surveys, to gauge your company's compensation practices and ensure you're aligned with best practices.

