

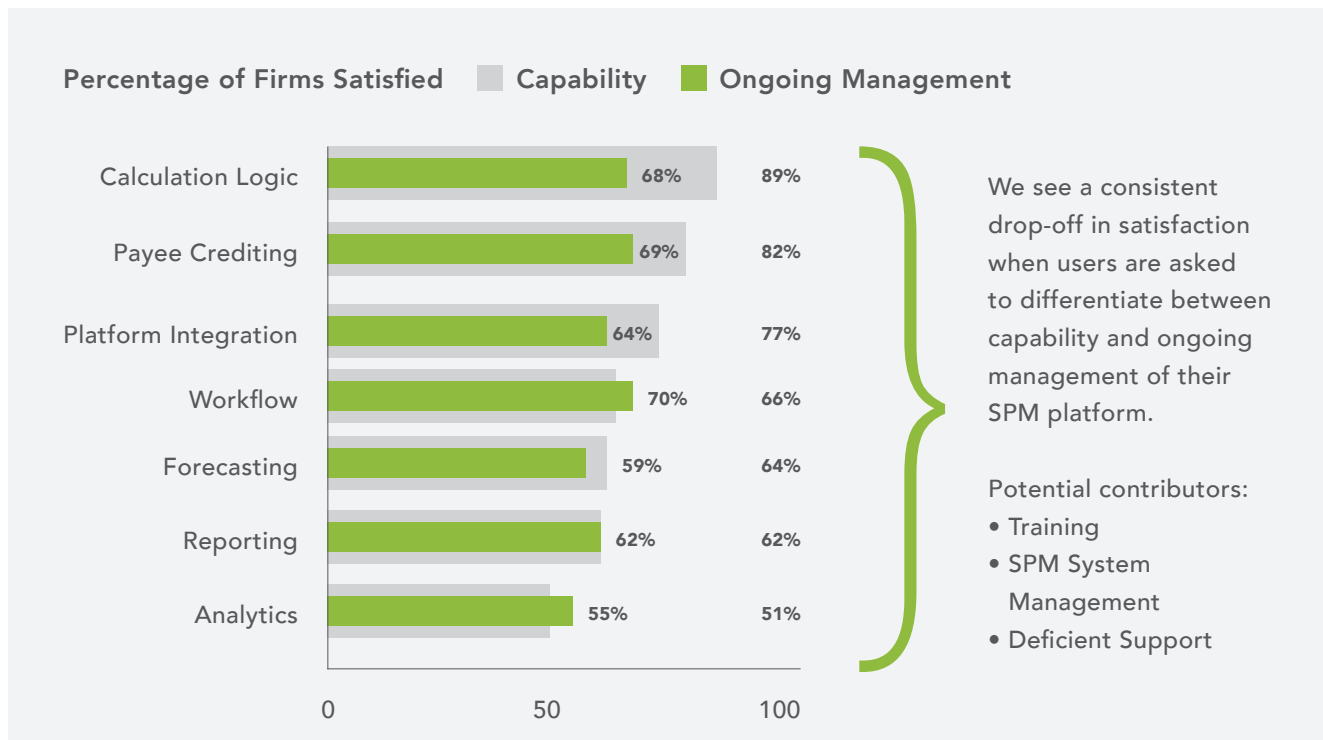
CHALLENGES FOR ONGOING MANAGEMENT OF SALES PERFORMANCE MANAGEMENT SOLUTIONS

The go-live of a Sales Performance Management (SPM) solution is not just the end of an implementation project, with sales leaders and reps riding off into the sunset with accurate, up-to-date sales compensation data. It is the beginning of learning to manage the operations of the SPM solution, which has its own set of obstacles and challenges.

When companies fail to plan for the ongoing management of the solution post go-live, they often experience an erosion of overall program satisfaction as it relates to the functional capabilities these solutions are intended to provide.

Consider the following results from a Sales Management Association Survey of SPM Solution Providers from July 2020:

Satisfaction with SPM's Ongoing Management (Big 5)



Survey of Solution Providers in SPM and ICM, Sales Management Association (July 2020).

After successfully implementing their SPM application and having utilized that solution for some time, the companies surveyed expressed that they experienced varying levels of dissatisfaction within core functional areas. Other than for workflow and reporting, almost every functional capability had a drop in customer satisfaction over time.

COMMON PITFALLS AND RESULTING CHALLENGES

There are numerous reasons SPM programs degrade following a technology deployment, and many happen gradually over time. Here are some common pitfalls from clients:

Pitfall	Cause	Business Impact
 Limited knowledge transfer between deployment & admin teams	No formal training plan during the deployment	Internal resources who do not receive proper training on system configuration often rely heavily on outside consultants or fail to leverage best practices when making changes, resulting in a poorly performing solution and higher than expected costs for system maintenance.
 Lack of effective governance & process management	Failure to reassess SPM processes and resource responsibilities post-deployment	Without a documented process with clearly defined ownership, companies often fail to meet internal SLA's or make improvements over time. This can result in higher than normal turnover within the admin team, lack of trust in the calculation logic by payees, and increased inquiries and disputes.
 Inability to stay current with vendor capabilities & offerings	Lack of use of post-deployment support hours	SPM solutions are continuing to evolve and provide greater ROI to their clients. Failing to keep current can diminish the value over time as your program continues to evolve without the equivalent support from the vendor's solution, which can result in a significant redeployment cost when the configuration falls out of date with the solution's capabilities.
 Failure to drive ongoing payee enablement	Lack of ongoing training after initial launch	Lack of payee engagement or sign-off to company processes (e.g. sign off on new plan documents, dispute management, accessing reports) can cause a significant burden on your administrative team. In some situations, payee dissatisfaction with the solution can lead to a significant drop-off in utilization, resulting in failure to provide the intended ROI.
 Failure to leverage best practices when making changes	Lack of expertise or knowledge of industry standards for changes such as end-of-year plan changes, M&As, changes to sales strategy, and changes to source system data	SPM solutions are designed to operate and provide value when best practices are applied to making updates to the configuration. Failure to adopt best practices creates significant issues around performance, data management, error handling, and overly complicated or restrictive environments. Worst case scenario: redeployment.

HOW TO AVOID OR MITIGATE COMMON PITFALLS

There are three parts to ensuring a strong and integrated approach to a successful management strategy for an SPM application:

1 | Establish a Comprehensive Approach to SPM Management

Ensuring the right level of support requires an examination of all relevant processes and components that are related to the effective management of an SPM program. As it relates specifically to the ongoing management of an SPM solution, the following diagram provides a high-level example of how a company could potentially break down the responsibilities into three logical buckets.

The functions that should be included in this comprehensive view include:

Operational / Admin Support	System Monitoring & Ticket Resolution Support	Enhancements / Configuration
<p>Execute and Support Compensation Processing</p> <ul style="list-style-type: none">• Load data• Initiate processes• Generate and/or distribute reports and/or pay files• Communicate successes and failures <p>Compensation Queries</p> <ul style="list-style-type: none">• Research and resolve questions and unexpected results	<p>Monitoring of Batch Processes</p> <ul style="list-style-type: none">• Validate statuses• Monitor run time• Manage outliers• Escalate issues and anomalies per SOP <p>Create and Monitor Appropriate Support Tickets When Failures Occur</p>	<p>Configuration of Compensation Plans and Compensation Logic</p> <p>Modify/Create Reports and Other Outbound Files</p> <p>Data</p> <ul style="list-style-type: none">• Integration• Changes <p>Workflow and Approval Process Support</p>

As a first step, reviewing your firm’s functional areas establishes line of sight on all relevant tasks and will provide the ability to set up the management of the day-to-day activities of maintaining and updating the sales compensation environment. This review allows a company to understand what and on what frequency the team needs to monitor processes, complete modifications, and assess the solution over time to ensure that it continues to optimally meet all sales compensation needs.



Planning Tip: *Completing this review of the program processes and supporting technology should be done on an annual basis to ensure ongoing alignment of the program with the company needs. Often completed before the annual plan design effort, companies can then make changes to their programs while the new plans are being rolled out.*

2 | Create a Governance Model

An effective governance model should clearly outline which roles are responsible for each of the variety of functions covered to manage the SPM application. Typically, a RACI (Responsible, Accountable, Consulted, and Informed) matrix is used to document the different relationships, functions, and how all three relate to one another. Below is a sample RACI matrix for sales compensation:

Activity \ Role	Sales Management	Field Sales Reps	Sales Operations	Sales Compensation	HR	IT	Finance
Plan Design	A	I	R	C	I		I
Plan Distribution	I	I	A	R	I	A	
Plan Approval	R	C	A	I	I	A	
Territory Assignment	A	I	R	R		I	
Account Assignment	A	I	R	R		I	
Quota Assignment	A	I	R	R		I	C
Data Management	I		C	R		R	I
Nightly Processing	I		C	R		R	
Report Generation	I		A	C		R	
Report Distribution	I	I	C	R		R	
Inquiries & Dispute Resolution	I	A	R	R		I	
Adjustments	C	I	R	R		I	C
Payroll Approval	I		R	R		I	C
Change Management	C	I	R	R	I	A	

Index: R-Responsible A-Accountable C-Consulted I-Informed

The value of documenting the entire organization's roles and responsibilities in the ongoing management of the SPM application yields exponential dividends after go-live.

3 | Determine the Optimal Allocation of Resources

Finally, it is necessary to determine the best and most efficient resource allocation strategy to accommodate the SPM solution’s ongoing management needs. This requires an honest and unbiased assessment of in-house resources, skills, and capabilities.

Once these areas are addressed internally, look within the SPM marketplace for suitable and affordable options to address any areas that are not able to effectively be accommodated by in-house resources.

Reasons to leverage external resources for certain functions include:

- **Accumulated Experience** – third-party resources often have many years of expertise providing ongoing management of SPM solutions.
- **Higher Levels of Training** – outside entities often have higher standards for training in SPM solution technology. However, a mentorship program can help ramp up internal resources.
- **Time Savings** – building internal expertise with proper direction and training takes time. Leveraging external resources can result in a faster implementation.
- **Reduced Cost** – many companies find using external resources to be more cost effective because internal expertise may take time, as well as a lot of trial and error.

Here is a sample resource allocation matrix:

Entity \ Activity		Load Data	Calculate Payments	Create Reports	Generate Payroll Files	Load Adjustments	Monitor Processes	Test New Enhancements/Changes	Update Quotas	Verify Results and Payments	Inquiries and Dispute Resolution	Comp Plan Distribution and Acceptance	Sales Compensation Effectiveness Review	Manage Hardware and Infrastructure	Apply Software Upgrades
		IT	Sales Ops	Comp Admins	Technology Partner	Support Partner									
Internal	IT													X	
	Sales Ops							X	X			X			
	Comp Admins	X	X		X	X					X				
External	Technology Partner														X
	Support Partner	X		X			X			X			X		

This type of differentiation and analysis enables a high-level overview for leveraging various types of resources for long-term success. This approach enables companies to determine training needs, job aides, coaching, business processes, error handling, status management, and a host of other pertinent activities required as part of ongoing management.

STARTING THE PROCESS OF EFFECTIVE ONGOING MANAGEMENT OF SPM

With these pitfalls in mind, each individual company should consider the vision for what effective ongoing management of SPM looks like. This should entail objectivity for how and when to make necessary changes going forward and employing a facts-based decision-making model.

Perform an objective assessment of the current SPM environment to determine how well the SPM application is being leveraged in the following areas:

Area	Topics Requiring Objective Assessment
Personnel	Quantity, Workload, Skill level, Availability, Experience, Expertise
Finance	Cost and Budget, Payment Accuracy, Adjustments
Time	Payroll Submission, Inquiry Resolution, Statement Availability
SPM Application	Performance, Data Accuracy, Data Import Reliability, Statement Accuracy
Management	Comp Plan Changes, Rate Changes, Workflow Approvals



COMMON CHALLENGE: DOCUMENTING BUSINESS PROCESSES AND BUSINESS OPERATIONS

When SPM personnel encounter issues that do not occur on a regular basis, such as adding a new payee into the SPM application, documenting the precise steps required ensures that this process is done accurately, correctly, and in a timely manner. Often, companies struggle to find time to create documents like these – this may be one area where it would time and cost-effective to use an outside resource to complete a standalone documentation project.

With this data, consider investing in training or consultations for areas with lower effectiveness, including:

- The SPM software technology
- The online reporting tool
- SPM business processes

CONSIDERATIONS FOR SHARED OR MANAGED SERVICES

With the reality that many firms may not have the ability to invest in a robust management program, SPM users often opt to engage external consulting firms or the vendor's professional services team to help cover any gaps or support them on an as needed basis.

As evident in the following diagram, many firms surveyed by Sales Management Association have leveraged external help immediately following deployment and, in some cases, in an ongoing manner.

After implementation, did you continue to use outside support? If so, for how long?

DURATION OF USE OF OUTSIDE SPM IMPLEMENTATION SUPPORT	
	Percentage of total companies
None	22%
Less than 2 months	28%
2-6 months	12%
6-12 months	12%
More than 12 months	5%
Ongoing support (shared services)	21%

Survey of Solution Providers in SPM and ICM, Sales Management Association (July 2020).

If your team is considering an outside group to help support your SPM program, it is important to complete an assessment, as it will provide you with clear and specific feedback on the areas where you will be able to see value by helping to shore up any gaps or risks. Completing this effort before talking to external consultants will help ensure the appropriate level of support.

This paper is intended to provide insight into common challenges for managing the operations of an off-the-shelf SPM application on an ongoing basis. For more information or to request a free consultation for optimizing the ongoing management of SPM, visit opensymmetry.com

ABOUT **opensymmetry**

OpenSymmetry enables clients to achieve greater operational efficiency and get better sales results. OpenSymmetry is a global consulting company specializing in the planning, implementation, and optimization of industry leading technology suppliers of sales performance management solutions.