

Template

Justifying the Value of a Compensation Tool to Senior Leadership





Increasing competition. Changing buyer behaviors. Fluctuating markets.

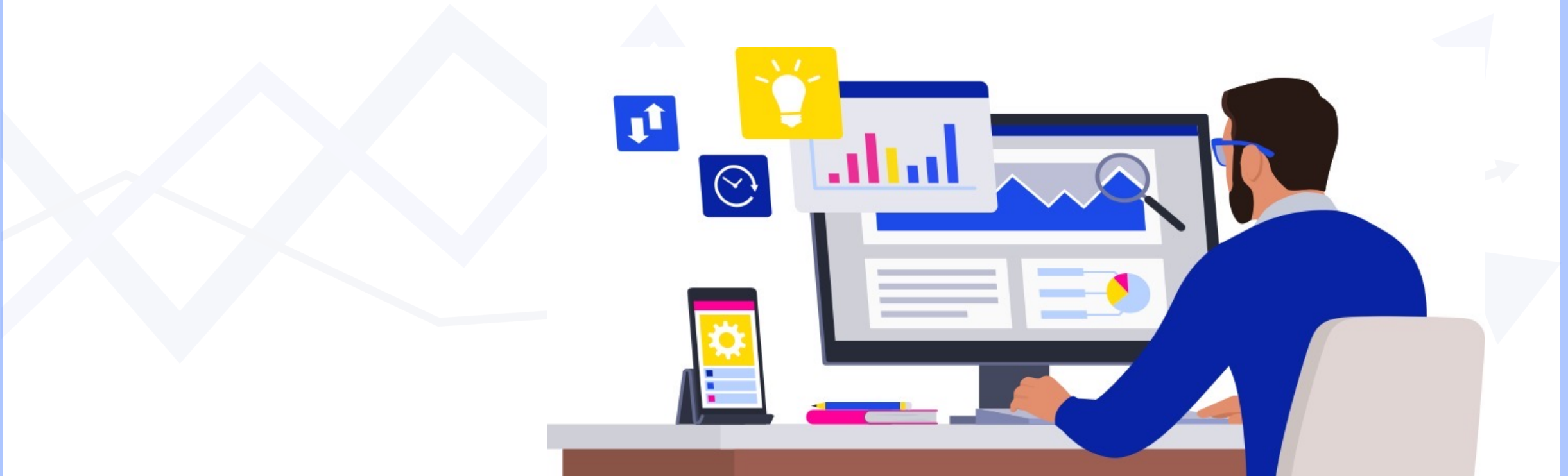
It seems like every day there are new obstacles that make achieving your goals more difficult. As a Sales Performance professional, you've researched and understand the value of investing in a compensation tool. But, you might struggle relaying this importance to senior leadership and other decision-makers in your organization.

This free template is available to you to help justify and showcase the value of a compensation tool to senior leadership.

Reason for Change

Why is new technology needed?

This section outlines current obstacles your organization or industry is facing that are of importance to executive leadership, and why your current processes no longer work.



Examples include:

1

Consistent revenue is Becoming More Volatile

We can't leave hitting our number up to chance. If our forecasts start to slip, we struggle to evaluate where and how to adjust. It's time to implement a solution that can overcome this.

2

Sellers are Missing Quota and Churning

Territories and targets are typically deployed late, and unachievable quotas demotivate our best sellers. Turnover is a constant, costly struggle. We need to find better ways to motivate our employees, retain top talent, and have our sellers focused on the right priorities.

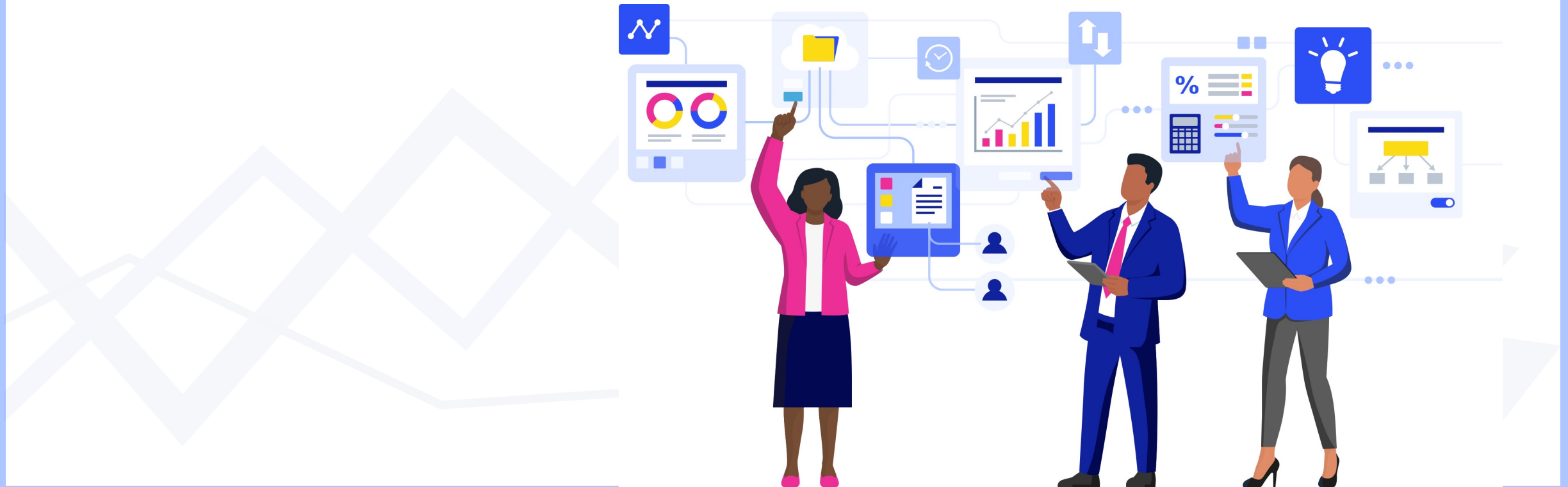
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The Need for Adaptable Strategies

We need to find new ways to keep up with market shifts or priority changes. Our current compensation strategies are not flexible enough and we're leaving revenue on the table.

Benefits and Value Proposition

This section covers the benefits of adopting a compensation tool and the value it will bring to achieve your goals.



Examples include:

1 Optimizing Sales Effectiveness

On average, 65% of reps' time is spent on non-revenue-generating activities. A sales performance management tool enables sellers to dedicate more time to selling and increasing sales opportunities. By providing sellers with real-time tracking and monitoring of key sales metrics, it will allow us to identify and address performance gaps promptly. Sales reps can refine their strategies, focus on high-priority opportunities, and ultimately close more deals.

2 Streamlining Operations

One of the biggest benefits of implementing a comp tool is automating administrative processes. A tool can reduce commission overpayment, administrative costs, and IT costs. The right tool can advance commission calculation capabilities and eliminating manual errors, allowing our team to focus on higher-value work. This not only saves time but also ensures accuracy, transparency, and fairness in our commission payouts. This also allows more time to strategize what is working and what needs improvement in our comp plans, leveraging comp to hit our goals.

3 Reducing Sales Turnover

The right compensation strategy and solution can be leveraged to retain top talent. Using a compensation tool can give sellers insight to their performance, coach them to adopt the right behaviors, focus on the best opportunities and reward them for their contributions. This can minimize seller churn and keep seller replacement costs low and keep revenue maintained with less ramping. Costs associated with hiring, onboarding, and ramping can remain low.

4 Accurate Data Insights and Reporting

A sales performance management and compensation tool provides can provide accurate sales forecasts and insights into market trends. Leveraging this technology, we can make data-driven decisions, allocate resources effectively, and align our sales strategies with organizational goals, leading to improved sales forecasting and planning.

Vendor Selection

This section highlights the proposed vendor and why they are the right fit for your organization.



Meet Varicent

If we want to be the best, then we must go with the best. Varicent is an award-winning SaaS company that enables revenue leaders to create go-to-market plans that deliver on goals by connecting people, processes, and data.

Here's what the experts say:

Varicent named Leader in Forrester SPM Wave (Q1 2023)

The Forrester Wave™ is a trusted guide for buyers considering their purchasing options in a technology marketplace. This report highlights 11 SPM providers and explains

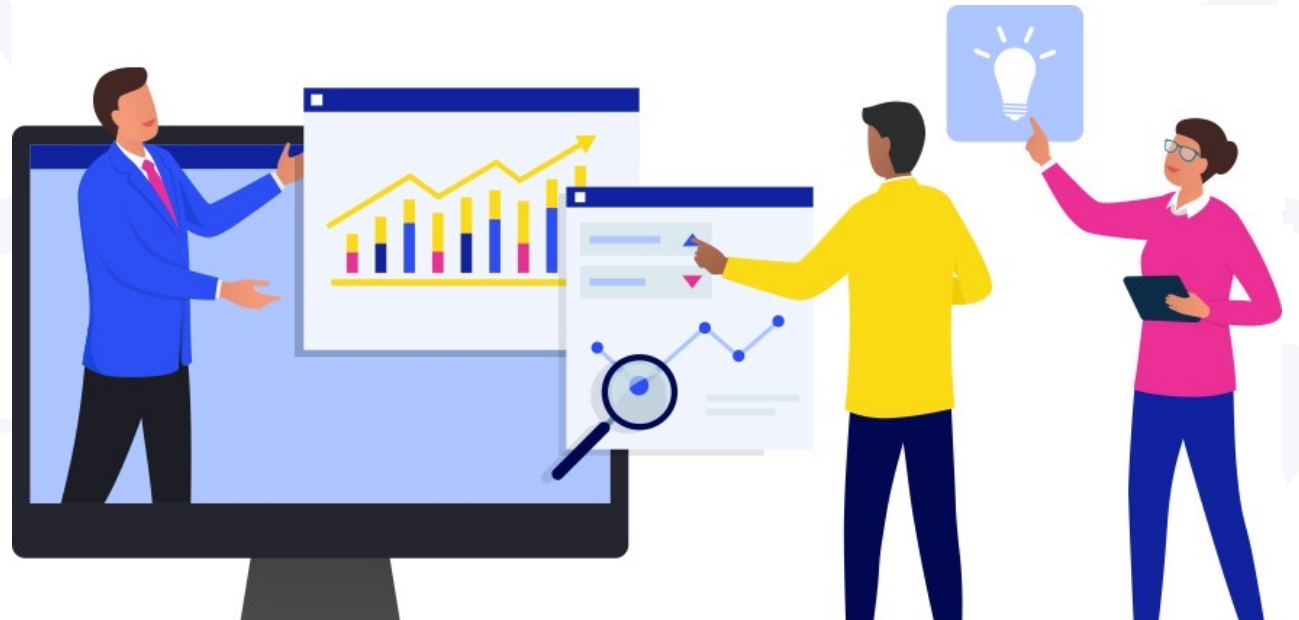
...Varicent has focused on building a platform that could dominate the broad SPM market.

See what it is like using Varicent at your own leisure:

<https://www.varicent.com/interactive-product-tours>

Investment Returns

This section covers the return-on-investment leadership will see by adopting the right compensation solution. This is also where key performance indicators should be highlighted to determine what success looks like in your organization.



Although every business and investment differs, here are some average returns customers have seen after implementing Varicent's Incentives solution:

1 Social Proof and Metrics

- **90%** improved accuracy of payments
- **60%** reduction in shadow accounting
- **80%** reduction of time spent on auditing and compliance
- **12.5%** increase sales productivity after SPM implementation
- **65%** reduction time on payout process and incentive calculation
- **75%** reduction of time spent on variable comp plan and rollout

Here is a recent success story I found beneficial showcasing the value of adopting Varicent:
<https://www.varicent.com/customers/kpn>

2 Drive Sales Revenue

- Dedicating more hours to selling through less shadow accounting and less turnover and ramp time
- Enhanced plan and performance visibility, real-time self-service, and targeted coaching
- Decreased ramp time and lost revenue due to employee turnover

3 Reduce Costs and Gain Valuable Time

- Make incentive plan changes
- Process manual calculations and adjustments
- Handle inquires and disputes.

Next Steps

This section outlines the suggested path to success and next steps for you and stakeholders to take.





1

Pilot Phase

We recommend starting with a pilot implementation in [selected sales team/region] for a duration of [timeframe]. This will allow us to evaluate the tool's effectiveness, gather feedback, and make any necessary adjustments before a full-scale deployment.

2

Training and Change Management

We will provide comprehensive training sessions to all sales team members and associated stakeholders. Additionally, change management strategies, including communication plans and ongoing support, will be implemented to address any concerns and facilitate user acceptance.

3

Review

After the first 90 days of implementation, we will review the tool and adapt strategies as needed to meet our goals and ensure adoption across our organization.

Thank You

For more information, please contact:

Firstname Lastname

Title

email and/or phone number