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Sales Performance Management Buyer's Checklist

Thinking about bringing onboard a Sales Performance Management Solution that enables your team to maximize revenue growth? Here are key factors to consider when shopping for a Sales Performance Management (SPM) Solution. No matter where you're at in your buyer journey, this Sales Performance Management Buyer's Guide provides invaluable advice and best practices from industry experts.

Common SPM Requirements

Planning, Data and Analysis	Timely insights for pursing sales opportunities, optimizing territories and quotas, and assessing plan design and campaign effectiveness
Forecasts and Predictions	Reliable, data-driven predictions of revenue growth, seller performance, lead conversion, and incentive expense
System and Data Integration	Automated system connectivity and data transformation to ensure efficiency and stakeholder confidence and trust in reports and analysis
Audit and Compliance	Validation of calculation accuracy, pay competitiveness, and pay equity
Plan Design and Governance	Efficient tools and workflow for building, testing, and communicating plan design requirements
Reporting and Communication	Stakeholder-configured dashboards for assessing performance against quotas, goals, and criteria
Operational Efficiency	Automated tools and process analysis for reducing manual, error prone workloads and expense
Technical-TPRM	Data security measures; performance and scale; data residency; integration

Solution Approach and ROI

» Focuses on business *processes efficiency* and *opportunity cost* (lost sales) + *real costs* (compensation; software license fees) of the current and future-state approaches

» ROI = (Benefit – Cost) / Cost; includes payback period in months

» Intangible benefits include stakeholder satisfaction and benefits not directly attributable to the SPM solution – e.g., seller engagement; seller and administrator retention; customer engagement and experience

Focus Area	Focus Solution Approach and ROI Basis
Sales Productivity	» *Close rate:* share of opportunities converted; time spent on each opportunity » *Sales and compensation reporting effectiveness:* time spent on dispute resolution
Sales Planning	» *Quotas:* time spent evaluating current quota effectiveness, setting new quotas, managing quota changes, and communicating quotas to sellers » *Territories:* time spent evaluating current territory effectiveness, building new territories, managing territory changes, and communicating territories to sellers » *Sales compensation:* time spent evaluating current sales compensation plan effectiveness, designing new plans, and communicating new or changed plans to sellers
Financial Planning & Analysis	» *Discounting:* discounts based on more effective selling and marketing, and timely customer engagement » *Quota effectiveness:* quota achievement distribution and impact on compensation cost of sale » *Revenue planning:* time spent on evaluating forecasts and actual sales results » *Expense planning:* time spent on evaluating accruals and actual expense amounts » *Sales compensation:* time spent evaluating current compensation plan effectiveness, designing new plans and modeling new plan performance scenarios
Technology & Tools	» *Configuration and integration:* time spent evaluating business requirements, configuring CRM and related applications to meet requirements, testing and debugging applications » *Data connectivity and reliability:* time spent on ETL/ELT processes » *Solution and software applications:* costs associated with solution maintenance, software application licenses, professional services fees, and training fees

Focus Area	Focus Solution Approach and ROI Basis
HR Planning	» *Seller engagement:* time spent evaluating churn risk through a more automated reporting approach » *Seller dispute resolution:* time spent evaluating sellers and managers disputes over sales credit and payment calculation errors and plan policies » *Sales compensation:* time spent evaluating current sales compensation plan effectiveness, designing new plans, and communicating new or changed plans to sellers
Incentive Compensation Administration	» *System configuration and testing:* time spent evaluating business requirements, configuring ICM and related applications to meet requirements, testing and debugging applications » *Payee inquiries and dispute resolution:* time spent evaluating sellers and managers disputes over sales credit and payment calculation errors and on communication, reporting and follow up » *User* (admin and stakeholder) training: time spent training administrators and other users on tools, processes and reports » *Compensation expense accruals:* time spent evaluating compensation expense detail, reporting to finance, addressing issues and evaluating reconciliation

Internal vs. Consulting-led Initiatives

Do I need a consultant to lead my SPM initiative? Consultants serve two primary project-leadership functions: business case development and software vendor selection, and software implementation. Consider using a consulting firm when your internal team is stretched and lacks experience in one or both initiatives. Experienced consulting firms can also provide:

» Knowledge of the vendor landscape, and tradeoffs the associated with different technical platforms.

» Planning, process, and budget discipline.

» Access to experts in adjacent technologies.

Technical Requirements – Third-party Risk Management/Security

Evaluate the vendor on its security features, functions, compliance, and certifications.

To ensure that the vendor's security program is iron-clad, focus on how the following considerations are being addressed:

» Policies and procedures

» Security awareness

» Physical security

» Perimeter protection

» Network

» Host

» Application

» Data

Get more details on each of these key factors here.

Kickstart your SPM journey with our SPM Buyer's Guide.

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Guide

Sales Performance Management Buyer's Guide

Step-by-step, from buy-in to implementation.