

Accenture Communications & High Tech Solutions  
Point of View

# The Solution to a More Flexible and Adaptable Sales Organization



*High performance. Delivered.*

To achieve high performance, a company's incentive compensation capabilities must adapt at speed to new marketplace conditions.

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How quickly can the people in your sales force adapt to new strategies set by your executive team or by the head of sales? Unfortunately, when it comes to encouraging the selling behaviors that can help achieve high performance, many companies are constrained by their incentive compensation capabilities, processes and technologies.

Sales executives with innovative ideas about new incentive plans and measures that can drive growth often find that their IT departments need several months to rewrite the custom applications needed to implement the new plan. Executives may want to increase the speed at which they roll out new products and services, but if the sales force incentive compensation capabilities are not ready to support the new initiatives, new offerings will languish.

To speed things up, companies may hire additional temporary staff and put in place manual workarounds, but that solution may meet the immediate need for change only by introducing unacceptable levels of audit and control risks. Time delays also impede the ability to create a sales force that is adapting to new ways of selling: if your sales people must wait three or four months to see the results of their efforts, you

are missing an important opportunity to reinforce the kinds of selling you need to succeed.

Higher levels of risk, slower speed to market for new services and products, an inflexible organization unable to change to meet market needs: these are the business costs of inefficient incentive compensation management (ICM), processes and systems. In a complex marketplace, where companies are looking for organic growth, transforming incentive compensation is vital if companies are to create flexible organizations able to respond quickly to strategic imperatives.

### Optimize your ICM capabilities: Process and technology

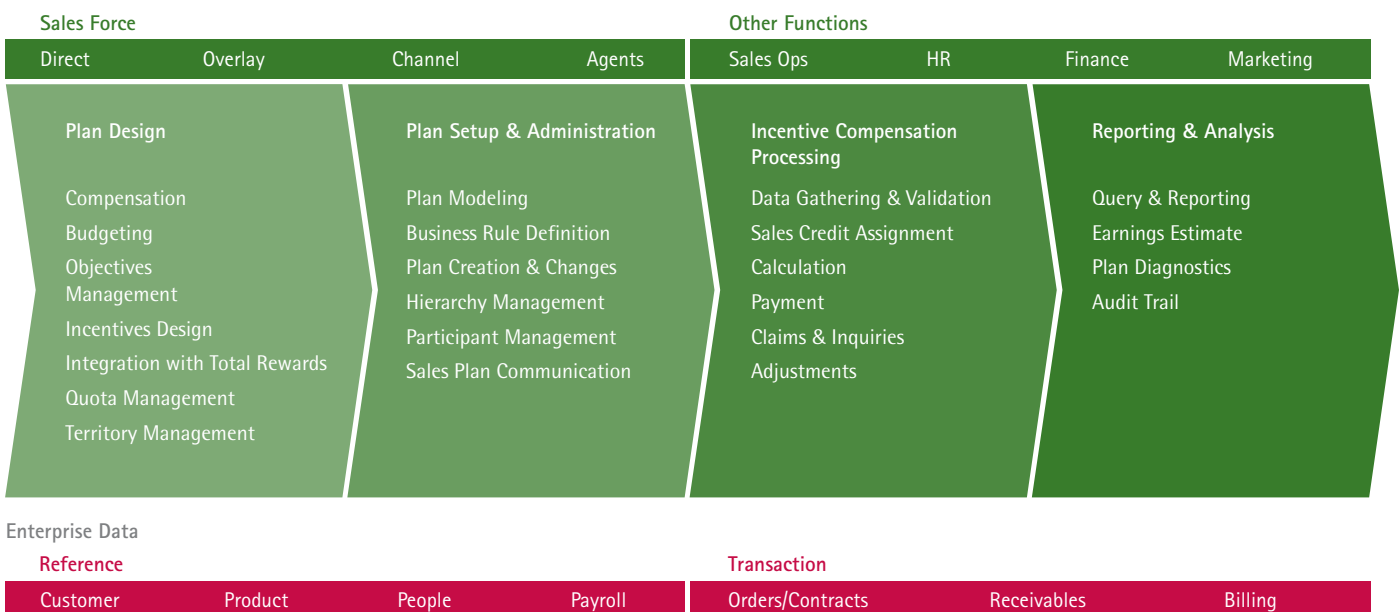
Optimizing incentive compensation management involves transforming both processes and technologies. Many companies are hindered by processes designed for a marketplace and type of sales organization that no longer exist. As a consequence, compensation professionals spend an overwhelming majority of their time on setup, administration, adjustment processing and reconciliation. By creating more effective incentive compensation processes, a company can free up these individuals to focus on the more value-added activities of design, modeling,

forecasting and analysis. Streamlined processes are critical to efficiently handle the exceptions, adjustments and hierarchy management inherent in the incentive compensation area.

Next-generation incentive compensation management software is also vital. When designed and implemented as part of a holistic approach to sales transformation, leading software solutions today can transform incentive management from a primarily administrative task to a more strategic activity with a much broader and more significant impact on overall corporate performance. Leading technology solutions can replace a company's inefficient legacy applications and processes with an optimized ICM capability that encourages the sales force behaviors that lead to high performance.

This combination of reengineered processes and next-generation technology can optimize a company's incentive compensation management capability. The result: a sales organization that can adapt more readily to changing market conditions, and that can be flexible enough to sell new things in new ways.

The Accenture Incentive Compensation Management (ICM Architecture)



Today's leading ICM solutions not only create incentive compensation measures and calculations not previously available, but they also enable more timely and efficient implementation of new incentive plans to support business strategy.

### **Driving high performance: The benefits of optimized incentive management**

New incentive compensation solutions can deliver eye-opening improvements in overall business performance. For example, we are working with a major communications company to help them achieve high performance through a new sales transformation initiative. The company has already achieved about \$5.5 million in annual cost savings. As much as \$1.5 million of the savings has resulted from lower IT costs, achieved by decommissioning redundant systems. Another \$2 million in savings has come from resource efficiency gains and reduced reliance on IT staff.

The company has also realized revenue uplift of approximately \$4 million, because the incentive plans now can be implemented faster, supporting more rapid cycle times, and because sales force productivity has improved. Better compliance capabilities have been enabled by reducing the time necessary to refresh data from one week to one day.

### **Moving forward with a comprehensive approach**

One caveat: next-generation incentive management software is a vital part of the solution, but not the only part. Realizing the significant potential benefits of better incentive compensation management capabilities requires the guidance of a holistic approach that takes into account several other factors:

- A robust architecture that addresses plan design, plan setup and administration, incentive compensation processing and reporting (see figure).

- Strong leadership and program management throughout the program to ensure that strategic objectives are kept in focus.
- Effective training of end-users, consistent communications, and visibility into incentive results on a more frequent basis; these factors help gain the buy-in of all relevant parties, most especially the sales people themselves.

This last point is especially important. One of the major benefits of better incentive management is that it tackles head-on many of the things that frustrate sales professionals today, such as the lack of trust many of them feel in the current applications that assign rewards and bonuses for their work.

In the next article, we'll discuss how more effective incentive management can address those concerns, improving sales force morale and retention and, by extension, the effectiveness with which they serve your customers.

### **About Accenture**

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With more than 181,000 people serving clients in over 120 countries, the company generated net revenues of US\$23.39 billion for the fiscal year ended Aug. 31, 2008. Its home page is [www.accenture.com](http://www.accenture.com).