

Boehringer Ingelheim Vetmedica Chooses Managed Services Approach for Sales Budgeting and Sales Compensation Management

Situation

Boehringer Ingelheim Corporation is a top 20 global pharmaceutical company. Its U.S. animal health division, Boehringer Ingelheim Vetmedica, Inc., conducts product research and development (R&D) and sales in equine, bovine, swine, and companion animal markets. This division sought to streamline its sales budgeting process.

Challenges

The annual budget process required computing year-end payroll, a protracted and inefficient process that took weeks to complete. The budgeting process took so long that the company's national sales meeting actually took place before salespeople learned their quotas for the new year, resulting in a lost opportunity to build sales force enthusiasm.

Working through the process revealed a lack of automation in key operations:

- sales summaries were created in a spreadsheet
- data was compiled manually each week to generate reports
- each species group (equine, bovine, swine, and companion animals) followed a separate work stream, even though salespeople frequently sold products in more than one group

Boehringer Ingelheim Vetmedica needed to transform their sales operations either by hiring internal staff or outsourcing to experts.

Solutions

The executive sales team engaged Optimize in a consultative collaboration to ensure that their incentive compensation plans were aligned to the company's strategy and that the sales force understood the strategy embodied in those plans.

Once the incentive compensation plans were rolled out, Optimize shifted its focus to assessing organizational capabilities—systems, processes, and people—to manage the compensation plans. Optimize identified opportunities for improving the company's capabilities and developed an enablement strategy to execute the recommendations that surfaced in the assessment.

As the new system implementation moved forward, Boehringer Ingelheim Vetmedica sales executives recognized that they did not have the right internal resources to learn the system or take on the responsibility of managing the process. The company decided to leverage Optimize's managed services for sales operations, analytics, and change management.

Outcomes

Optimize reduced the timeline for year-end payroll from weeks to days, and redesigned the sales budgeting process so that the sales plan could be released in January instead of April, in time for the national sales meeting.

Optimize also designed and implemented a variety of new workflow processes to increase sales force productivity and improve sales force morale:

- consistent work streams align all four species groups
- all stakeholders, from finance and sales leadership to the CEO, review and approve payroll for each species group through a new payroll approval workflow
- analysts respond and track questions from the field more efficiently through a newly designed field inquiries application
- sales force training is refocused to address the types of questions received from the newly established inquiries application

Salespeople can now see their sales expectations and earnings potential through dashboards, sales managers have the information they need to provide better coaching, and executives have analytics to evaluate compensation plan effectiveness, improve sales performance, and measure each plan's ROI and profitability.

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