

Case Study

Life Sciences Companies Align Fragmented Sales Compensation Practices Across Continents

Situation

A group of life sciences companies spans 15 countries and two continents. All of the companies had been attempting to use a single shared system for sales compensation management; however, each of the different business units followed their own business processes, their own compensation rules, and their own ways of managing exceptions to crediting of sales and payment of sales compensation.

Challenges

Considering the disparities in processes and business rules, it became increasingly difficult to assess sales performance across all of its operating companies, globally. Leadership at the parent company was facing several major challenges including the head of sales in each business unit demanding autonomy over processes:

- Sales executives were concerned that exceptions based on local leadership style, rather than company-wide standards, created an atmosphere of mistrust.
- IT executives were concerned about knowledge continuity and informationsharing best practices.
- The desire for local business rules made it very difficult to make changes to supporting systems.
- The system in place only handled sales compensation management; other key initiatives, like alignments and crediting, were handled manually by each country outside of the system.

The parent company wanted to continue to allow regional variations, but from within a fair and unified structure with overarching standards rooted in sales performance best practices. IT executives desired a centralized sales compensation management system to ensure global IT best practices.



For the majority of its existence, Optimize has been addressing both the organizational requirements of parent companies and the operational needs of individual, international divisions.

Solution

Following a competitive review process, Optimize was selected to redesign their sales compensation strategy and processes, and to implement the technology solution recommended by Optimize. After defining a new sales comp strategy, Optimize designed a set of core business processes to support both unity and flexibility in a single solution. Optimize then automated these new processes using a secure and auditable hosted technology platform that included a unified data repository and enforced data handling best practices.

Outcomes

Optimize's improvement of processes and automation of their management of sales compensation helped the company meet its objective of giving the sales force the most accurate information and top-of-line service. These changes resulted in the following:

- Utilizing Optimize's plan modeling expertise, the company gained the ability to project payments to individuals, teams, and channels. As a result, payment variances fell to just 1 to 3 percent of forecast.
- Online monthly commission statements were transformed reducing calls from the field by 75 percent, and giving reps a new level of confidence in payment accuracy.
- New, comprehensive plan performance reports provide management with the information to identify trends, make adjustments, preview impacts of plan changes, and more effectively coach and train the sales force.

About Optimize

Optimize helps companies improve sales and channel performance with enterprise cloud applications and professional services for aligning sales goals and compensation; efficiently executing sales strategies; driving faster increases in sales results; and gaining visibility into sales performance.