

## Case Study

# Multimedia Company Moves Toward Digital Age With Help From Optymyze

## Situation

A multi-billion dollar, publicly traded, multimedia company whose innovations defined much of the business of direct mail marketing faced new challenges in the arena of digital marketing.

## Challenges

Changes in the market and new product introductions were not adequately reflected in the existing sales compensation plan, and the acquisition of a competitor required blending two sales forces that had been paid under totally different incentive compensation concepts, one paid based on a commission rate and the other paid based on quota attainment. Management faced fundamental problems:

- Structure of commission payments did not support the company's evolving sales strategy
- Misalignment of performance and payments created substantial overpayments, especially for under performers
- Lack of internal resources to find and fix errors and inconsistencies in payment of sales professionals

Management lacked confidence in its ability to design a commission plan that optimized sales force motivation without overspending.

## Solution

The company engaged Optymyze to design, implement, and operate its new sales compensation plan, which put a larger premium on the company's most important product, leading to that product exceeding its sales target by several percentage points over the next three years.

As part of the plan design, Optymyze developed sophisticated statistical modeling techniques that provided a more realistic outlook with fewer surprises for the client.

On an ongoing basis, Optymyze provides a wide range of services, including:

- Monitoring and analysis of sales compensation data
- Providing the Chief Sales Officer with an assessment of plan performance each quarter
- Managing mid-year plan adjustments and recommending improvements in plan design

## Outcomes

The result of was better alignment of sales compensation with company strategy and far greater confidence that the client wouldn't overspend. Optymyze delivered significant hard-dollar savings for the company by identifying overpayments of 7% of the total sales force commissions, correcting the root cause of the overpayment going forward, and saving the company approximately \$10 million over 5 years.

Optymyze also gave the company the ability to rapidly roll out new sales compensation plans, and for several years running, the company's plans have been rolled out a month earlier than in the past, creating goodwill and plan understanding across the sales force.



*The success of this partnership continues to be realized through the intimate strategic relationship that Optymyze has with the client. An engagement that began as sales compensation payment outsourcing has evolved to where Optymyze serves as a valued strategic advisor.*

## About Optymyze

Optymyze 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.