Xactly®

Unleash the Full Potential of Your Sales Team

A Workbook to Optimize Your Sales Performance Management Processes

TABLE OF CONTENTS

How to Accurately Compensate Your Sales Team 3

How to Improve Your Sales and Quota Planning 4

How to Manage Your Sales Pipeline 6

How to Strengthen Your Sales Team 7

How Sales Strategies are Shifting in Today's Climate

Sales teams saw their worlds turned upside down during COVID-19 – forever changing the way businesses perform sales and marketing processes. New challenges in the industry require new knowledge and updated sales performance management strategies.

Today, only **6 percent of sales teams feel confident that they will hit their numbers.** Additionally, 79 percent of sellers had to change how they performed sales during COVID, and 58 percent expected this change to be permanent.[1]

This challenge impacts more than just the sales department of a business. It overflows to CROs, finance, and marketing. Therefore, it also requires a unified front to combat if a company wants to survive in today's new post-COVID world.

What can businesses do to prepare their sales teams and unlock their full potential?

Organizations need a strong Sales Performance Management (SPM) process to help them predict and address new challenges. Teams aren't just predicting for the next quarter anymore. Instead, they need to look further to the next two or even three quarters, while analyzing processes along the way instead of only focusing on results.

With this methodology, they can stay ahead of today's rapid changes like the rise in remote work, the Great Resignation, and the smaller talent pool to pull from when hiring new sales representatives. Thanks to AI, businesses also have access to valuable data tools that help them make predictions for the future based on past data and current trends.

This workbook will help you understand the current challenges in sales and marketing. You will also learn actionable strategies to address roadblocks using the latest SPM solutions. These solutions will predict needs before they arise, improve existing processes, and train representatives to adapt to today's market. When you apply these solutions, you will see more significant ROI and overall sales performance.

How to Accurately Compensate Your Sales Team

Sales teams have traditionally received incentive compensation based on their performance. This pay structure motivates each member to put forth their best effort using their most efficient strategies. It is effective enough that U.S. companies invest **$800 billion**[2] on average into sales management, with $200 billion for incentives alone.[2]

However, is your current pay structure enough? The numbers seem to say it isn't.

In 2020, just under a quarter of sales reps exceeded their quota.[3] That means over three-quarters of your sales representatives are meeting or falling short of their quotas. That indicates a need for change in how you compensate your sales reps so that you motivate them to improve their performance.

Key Issues with Sales Compensation

- **Most sales reps are at or under their sales quotas.**
- **Sales teams encounter a high number of compensation errors.**
- **Sales reps often wait over four weeks to see their compensation.**
- **Employees are distracted by shadow accounting instead of selling.**

Causes of Poor Sales Compensation

- **Manual financial management systems** are time-consuming and full of errors. These errors result in longer processing times and more disputes.
- **Misaligned sales goals** come from miscommunications because your teams aren't unified in their strategies. Instead, sales reps might meet their quota, but if they drive the wrong sales, the company ultimately won't meet its sales goals.
- **No transparency** on your sales reps' paychecks can breed distrust as they will resort to shadow accounting methods to calculate their payout for themselves to ensure you accurately compensated them – wasting valuable selling time.

Solutions

- **Unify your finance, marketing, sales, customer success, and other teams (AKA your go-to-market teams')** so that they are all working towards a common goal and keep open channels of communication.
- **Automate your financial management systems** with incentive compensation management (ICM) software to reduce errors and increase the compensation processing speed. About 71 percent of companies using automation can compensate employees in less than three weeks.[4]
- **Analyze sales team performance** and adjust your processes in real-time instead of waiting to see results before making changes.
- **Forecast future needs**, then change your sales quotas and goals to match those needs and stay on top of market trends.
- **Use revenue intelligence** to create the most effective incentive plans.

Xactly's Forecasting accuracy kit removes the guesswork out of your solutions. Instead, you can easily identify weaknesses in your current system and create strategies based on data about your sales team and consumers to help your team hit more quotas and reach your business goals.

End Results

- **Increased commission payout accuracy of 99 percent**
- **Faster employee compensation**
- **Real-time performance data for sales reps to view and track**
- **More data for leaders to analyze and use for adjusting sales strategies**

Application Questions

1. **Nearly half of sales reps aren't paid correctly.**
   How accurate are your current compensation payments? _____
2. **Companies using automated technology complete payout in three weeks or less on average.**
   How long does it take your company to complete payout? _____
3. **Cox Automotive saved 172 hours in one month by automating compensation administration.** [5]
   What could your team do with that amount of saved time? _____

How to Improve Your Sales and Quota Planning

Sales forecasting is essential for planning quotas, allocating resources, and creating effective sales strategies. However, in today's uncertain times, your team should be looking beyond just the next quarter and continually analyzing data in real-time due to evolving markets.

When you stop tracking and analyzing your sales progress, you risk creating a stagnant strategy that might use outdated methods and information. This puts you at risk for revenue losses and high turnover rates.

Key Issues with Sales Planning

- **Incorrect predictions can cause insufficient resource allocation.**
- **Your sales plans have gaps from a lack of information that weaken your sales strategies.**
- **The sales team experiences low morale because of inconsistent or unfair quotas.**
- **Poor planning will often result in low sales quota achievement.**

Causes

- **Poor resource management** can cause you to not hire enough staff, invest enough budget into sales, or have the best tools available for your team.
- **Understaffed sales departments** because of a higher turnover or incorrect planning can leave you shorthanded.
- **Incorrect quota planning** gives sales reps unachievable or unequal quotas.

Solutions

- **Perform sales forecasting using AI** insights alongside your gut instinct to identify future resource and planning needs.
- **Analyze real-time data** from your processes instead of only looking at results so you can continually adjust your strategies to meet current market needs.
- **Hire new staff** based on sales forecasts instead of just current requirements to ensure you appropriately staff your sales department to meet your sales goals.
- **Create quotas from real data** that AI uses to predict future trends and ensure attainable quotas.
- **Build go-to-market planning** strategies using predictive data for a marketing approach that addresses your customers' paint points and sets you ahead of your competition.

End Results

- Higher sales team morale that motivates reps to improve their performance.
- Attainable sales quotas that incentivize agents and meet revenue goals.
- Increased ROI from accurate streamlined processes performed by automation instead of manual processes.
- Proactive sales management and adjustment processes that avoid potential sales pitfalls.

Application Questions

1. **According to Salesforce, 79 percent of sales teams use or plan to use sales analytics technology.**[1] *Is your company using appropriate technology, or have you fallen behind your competition?* _____
2. **About 41 percent of Americans still work remotely.**[6] *How are you adjusting your sales strategy to plan for future sales changes because of a scattered workforce and virtual customer relationships?* _____
3. **An attainable and fair sales quota helps motivate sales representatives.** *Are your quotas attainable and equal for each sales rep? How are you measuring their attainability?*

_____

How to Manage Your Sales Pipeline

Properly managing your leads and their distribution helps set your sales teams up for success and enables them to meet their sales quota. However, manual distribution strategies or poor territory mapping will cause lost leads and decreased revenue.

Instead, automated software can efficiently map territories and help you manage your leads as they move through your sales pipeline. This process ensures your sales reps receive equal chances at improving their performance.

Key Issues with Sales Pipeline Management

- Your agents have missed sales opportunities from lost or poorly distributed leads.
- Sales territories are oversaturated from poor territory management.
- Your team has a low quota attainment rate from improper lead distribution and planning.
- Sales agents experience low morale because of unequal or inaccurate lead distribution.

Causes

- **Improper territory mapping** using spreadsheets or other manual methods can result in saturated territories, lost leads, and poor distribution.
- **Incorrect or missing data** gives your sales team a false picture of consumers and can cause them to map the consumer incorrectly.
- **Weak sales processes** that don't unify your sales and marketing teams can cause lost leads.

Solutions

- **Implement automated territory management** to organize and manage your leads.
- **Automatically collect and analyze consumer data** to ensure you continually have updated and complete information.
- **Create a strong sales plan** that includes how leads are grouped and distributed to ensure every team member receives equal opportunities for success.
- **Build a workflow** and **approval process** to track sales and resolve disputes through your automated system.

End Results

- Increased revenue by 15 percent when digitizing your territory mapping processes.[7]
- Reduced planning time by up to 75 percent through digital territory mapping.[8]
- Better lead management by automating processes that streamline lead grouping and distribution.
- Fair lead distribution among agents to encourage better morale.
- Decreased costs up to 15 percent because of efficient territory management.[9]

Application Questions

1. **Only 36 percent of organizations believe they have efficient territory design.**[10]
   How are you managing your sales territories? Do you think that is the most efficient process? _____
2. **Time is essential for grouping and distributing leads among your sales reps.**
   How much time do you spend on territory planning and distribution? _____
3. **Automated territory management systems can help organizations achieve 20 percent higher sales.**
   Are you using technology to manage your territories, or are you relying on manual processes? _____

How to Strengthen Your Sales Team

In 2021, the American workforce began what is known as the Great Resignation, where 33 million people left their jobs, many of which were sales agents.[11] This shift left businesses scrambling to fill multiple open positions with a dwindling talent pool.

Now businesses are left asking how they can predict future staffing needs and understand why their representatives might leave. Current trends indicate that many workers left to help care for their children while schools were closed or took advantage of the market to retire early. Others saw the labor shortage as an opportunity to find a better job with higher pay since workers have the upper hand in job negotiations.

Your challenge is planning how to fill all these new open positions, including the time it takes to train your new agents and for them to reach their sales quotas. You also want to avoid more employees leaving – or at least predict when an employee might leave.

Key Issues with Sales Team Planning

- You are pulling from a small pool of available new hires due to America's labor shortages.
- Your sales team is experiencing high attrition rates.
- The Great Resignation left few experienced and trained sales reps.
- Undertrained employees are dominating sales teams.
- You have unknown future staffing needs because of current workforce uncertainties.

Causes

- **Weak sales team management** causes employee attrition and poor performance.
- **Experienced workers are quitting** their jobs during the Great Resignation.
- **Fewer qualified job seekers** are applying for open positions resulting in inexperienced hires and longer training processes.

Solutions

- **Create a talent pipeline** to train employees, so they are ready to take over positions before employees leave, decreasing your training time.
- **Offer higher incentives** based on sales forecasting and revenue to encourage reps to remain. You can achieve 50 percent lower employee turnover by paying in the 75th percentile or higher.[12]
- **Use technology** to perform repetitive tasks to help ease burdens that cause employee attrition or burnout.
- **Analyze employee performance** to identify and address the causes of employee attrition.

End Results

- Retain experienced sales reps that will help you meet your sales goals.
- Decrease your company attrition rates.
- Streamline sales processes through automation.

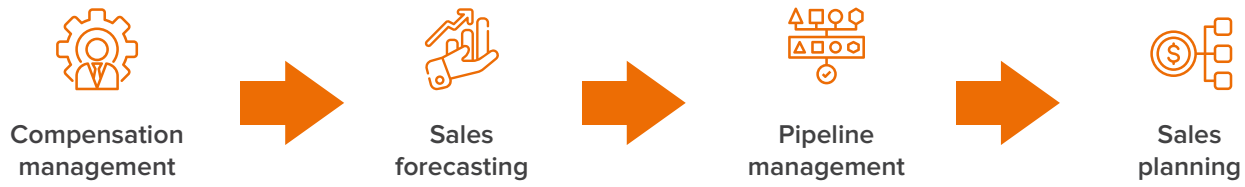
Application Questions

1. **Sales reps cost three times their salary to replace on average.**
   What is your turnover rate? Do you know why those employees are quitting? _____
2. **Only 42 percent of companies say they can effectively train their employees.**[13]
   How do you ensure your employees are trained and equipped for success? _____
3. **The ideal attrition rate is less than 15 percent.**[14]
   What is your employee attrition rate, and what are you doing to address the root causes? _____

Time for Your SPM Wellness Check Results

After completing the workbook, how did you measure up against today's changing sales environment? Did you notice any gaps in your sales performance management strategies?

When you only pick and choose what you automate and where you rely on spreadsheets and gut instinct, you will find yourself falling behind your competition as they receive insights and predictions you can't achieve on your own. That's where an all-in-one **intelligent revenue platform** can help you succeed. It addresses all parts of your sales process, including:



If you found any of your answers in today's workbook left your business wanting, then it is time you considered upgrading your sales and revenue tools to ensure you always meet your quotas.

Xactly: Your Complete Sales Performance Management Solution

At Xactly, we use over 17 years of experience to offer the most innovative sales and revenue planning solutions through data management software. You can rely on our software and its benchmarking data that brings you extensive information from real anonymous customers that you can trust and use for creating accurate predictions. This data is what our AI used to train and now implements when giving you actionable results that will help you make better industry decisions.

Customers who use our Intelligent Revenue Platform achieve their sales plans 25 percent faster, increase their quota attainment rate by 14 percent, and process commissions 30 percent faster. You can use our platform to improve your go-to-market planning, revenue team performance, and pipeline management and prediction.[15]

Contact us to schedule a demo and watch how our platform can help you reach your sales goals this quarter.

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