



Xactly[®]

The Insights-Driven Revenue Leader

How to lead and empower your team
to reach new revenue heights

What Drives Revenue?

Ask 10 people on your team and you'll get 10 different answers.

A sales rep might tell you it's about making at least 20 calls a day. A financial planning and analysis (FP&A) specialist could point to eliminating resource constraints from the sales plan. And executing an error-free incentive payout cycle may be what a compensation administrator has in mind.

And what about you, a revenue leader? Is it forecasting and managing at-risk revenue? Optimizing the structures of mega deals? Or leading the go-to-market (GTM) strategy for new products? These are important responsibilities, to be sure. But if we were to take a broad, strategic view, it all boils down to one thing—enabling your team to succeed.

Think of it this way: If you can enable your team to do just one thing better a day, you would've done more to drive revenue than any other growth initiative.

Whether that's making more calls or doing more demos or creating a mutual action plan with a client. This one change—multiplied by hundreds of people across the organization, over weeks and months—is what moves the needle.

Consider the perennial challenge of motivating a sales rep. You could create a SPIF (sales performance incentive fund) or run a contest, but these are short-term solutions and they add to the cost of selling. But what if you could enable reps to monitor their commission earnings in real-time, on any device? Suddenly, the income opportunity comes to life.

› **Ultimately, the right insights drive the right behaviors, which then drive revenue growth.**

Empowering people is where insights-driven revenue leaders excel. These leaders understand that success hinges not just on making better decisions with data, but also on changing the way their teams think and act. They value insights more than numbers, and action over words. Indeed, considering 89% of organizations use as many as 10 sales tools,¹ from CRM systems to marketing automation solutions, it is actionable insights, not data, that is scarce.

Ultimately, the right insights drive the right behaviors, which then drive revenue growth.

To grow revenue, at a strategic level, you need to be an enabler and identify every opportunity to shape revenue-boosting behavior throughout the sales cycle. Helping you get there is the focus of this ebook.

First, we'll dispel the three biggest revenue myths that may be holding you back. Then, we'll explore the transformative effects of equipping key roles with the right insights. And finally, we'll discuss the qualities that set an insights-driven revenue leader apart from their peers.



3 Damaging Revenue Myths to Bust

Before we talk about empowering your team with insights, we first need to talk about the myths that may be hindering growth. These are the three that are the most damaging.



MYTH 1:

Sales targets drive behavior

While it is true that, as an executive, you shouldn't be micromanaging your team, some leaders take this rule a little too far. They set revenue targets and expect their team to find a way to meet quota. Or, as one executive put it, "The fear of losing one's job drives everything else." The result is as you would expect: quotas are missed, people get discouraged and leave.

An insights-driven revenue leader recognizes that while targets define success, they don't define the



path to it. Mapping that path requires feedback and advice—but only if they can substantiate their decisions with data. They take time to explain their analytical choices. More than helping teams avoid pitfalls, these leaders lead by example to instill an insights-driven culture across the organization.

Change always starts at the top. A team can't change if they don't have an example to follow.



MYTH 2:

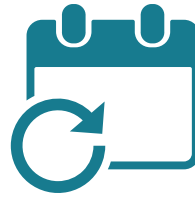
All revenue is good revenue

It wasn't so long ago that companies viewed every dollar as equal. That revenue is revenue. But in many businesses where recurring revenue is key, that is no longer the case. A dollar today may be worth much more—or less—throughout a customer's lifetime.

For instance, if a contract contains automatic 5% per year price increases, that dollar is worth \$1.05 in the second year, and \$1.10 in the third. This creates a snowball effect for growth after contract signature. Conversely, flat pricing for the term of the contract relies on the assumption that delivery costs will decrease in order to increase, or at least maintain, profit margins and offset inflation.

The takeaway here is that not all deals are equal. And insights-driven revenue leaders develop compensation plans and surface relevant data to help their teams work the right opportunities, craft the right deals and generate the right kind of revenue.

Only by prioritizing the right, profitable deals can you consistently grow revenues.



MYTH 3:

What worked last time will work this time

Many revenue leaders have great instincts and experience, honed over time through hard knocks and big wins. And when these leaders take the helm, they gravitate toward the same strategies and processes in an attempt to replicate past successes.

Intuitively, this approach is not wrong. But insights-driven revenue leaders temper their intuition with data. Specifically, they use machine learning tools to spot patterns across thousands of deals moving through the pipeline, and only prescribe actions anchored in data.

For example, we may find that deals tend to close after the CIO was brought in for an executive alignment at the technical validation stage. Or that a deal may be dying if email communication dips below two messages a week. Detecting and understanding the signals found in mountains of operational data can inform gut feel, leading to better results than just repeating successful strategies from the past.

Like chess players, many revenue leaders have great instincts. However, just as human players require computer assistants to beat the best chess robot,² revenue leaders must implement a process to validate assumptions if they are to reliably drive revenue growth.

Finding the Revenue Catalyst for Every Role

If there's one thing that the three myths have taught us, it is that revenue growth won't happen automatically. And it cannot be delegated away.

Revenue leaders must play the role of chief growth officer and lead the effort in creating an environment conducive to revenue growth.

The good news is that tangible results do not require big changes. All it takes is getting the right insights in the right hands. And with a purpose-built revenue management platform such as the Xactly Intelligent Revenue Platform®, it can even be easy.

Now, let's take a look at revenue catalysts for six key roles on your team.



Sales Representative

CATALYST: REAL-TIME EARNINGS VISIBILITY

Sales commissions are meant to motivate salespeople to meet a particular revenue goal, but they can often fall short if compensation plans are too complex to be understood or if reps can't accurately forecast their earnings.

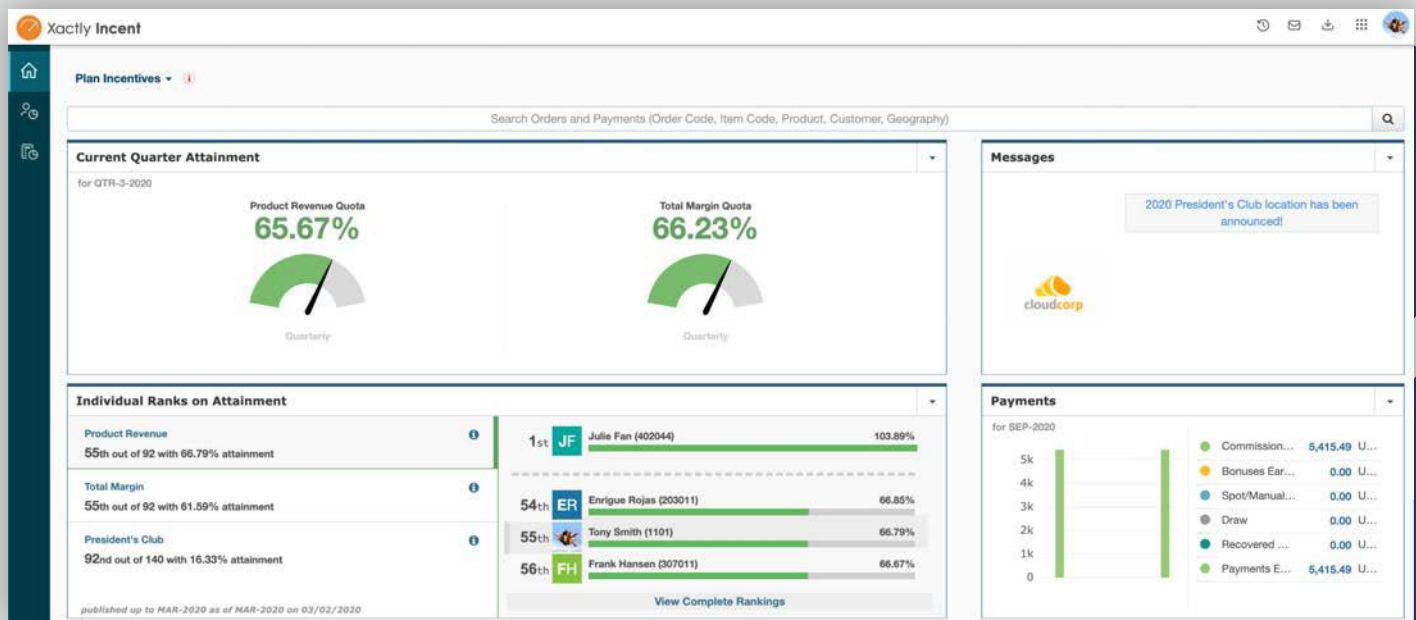
The catalyst is to make the compensation plan tangible by showing them their expected earnings, in real-time, based on their current forecast.

For example, Xactly Incent[®] equip reps with a live dashboard of their quotas, payments, and incentives so nothing is ever in doubt when it comes to their commissions. This dashboard keeps a rep motivated by surfacing the information that's most important to them.

Reps should also get a full report of their quarterly earnings, which will increase selling time by eliminating the need for shadow accounting and commission disputes. What's more, with an incentive estimator, you'll enable reps to accurately estimate their earnings quickly no matter the complexity of the plan.

With visibility into an incentive plan designed to reward deal profitability (or another business goal), your reps will prioritize the right opportunities automatically.

Xactly Incent[®] motivates sales reps by helping them keep track of their expected earnings in real time.



Sales Manager

CATALYST: COACHING INTELLIGENCE

A sales manager is typically concerned about three things: managing pipeline, sales forecasting, and coaching sales reps (to hit quota).

Of these three priorities, coaching is often the biggest challenge managers face. And so, coaching intelligence is the catalyst you must activate. Specifically, we must arm managers with insights on every rep and opportunity, to help them make the most of their coaching efforts. After all, you can't improve what you can't see.

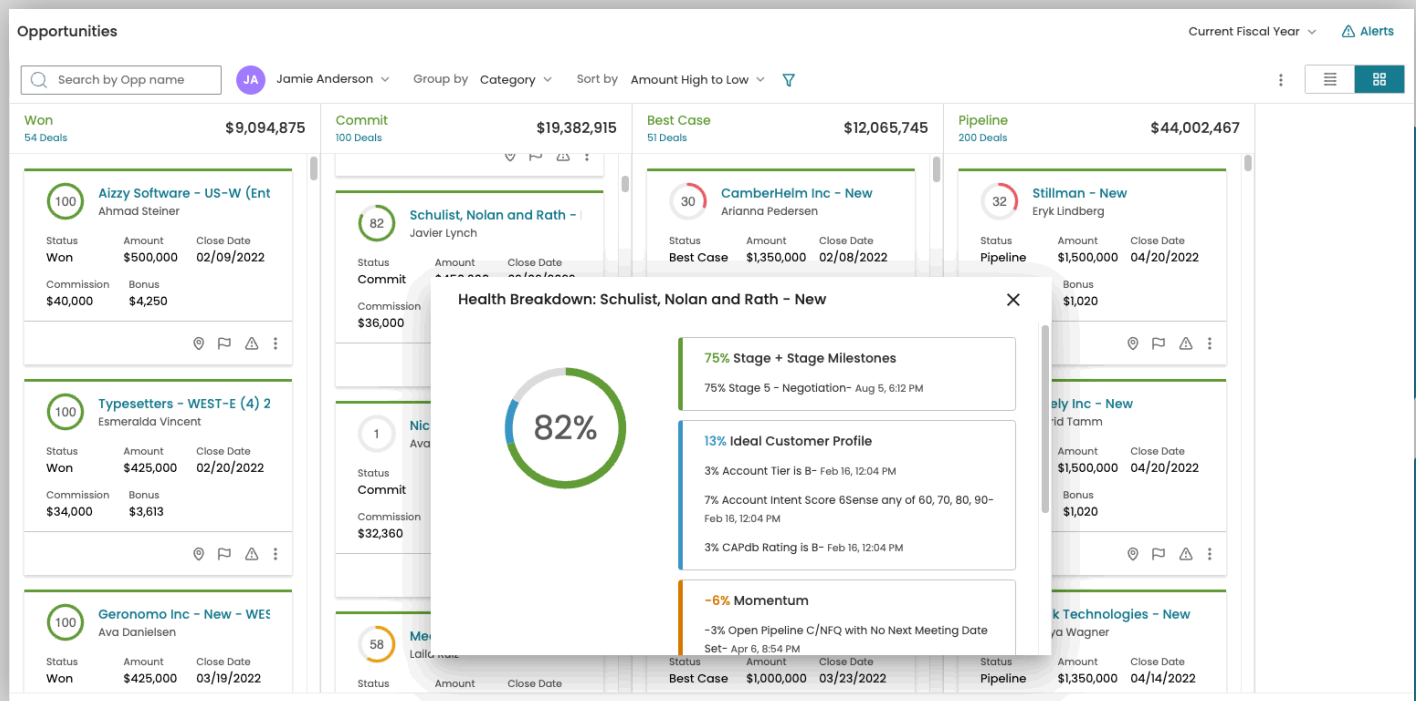
A good place to start is to give managers full visibility across their reps' pipeline and equip them with an AI coaching assistant that will prescribe a list of actions

based on a rep's goals and current performance (e.g., win rates, average deal size and more).

Then equip them with a pipeline prioritization dashboard such as the one available on Xactly Forecasting®, which objectively reports the health of every opportunity based on milestones achieved, deal progression and momentum. At-risk deals should be flagged to allow managers to coach reps on corrective next steps.

This added visibility around reps and opportunities is the catalyst that will turn managers into coaching powerhouses overnight.

Xactly Forecasting® helps sales managers coach better by giving them full visibility of each rep and their opportunities.



GTM Business Leader

CATALYST: PIPELINE AND ATTRITION FORECASTING

Managing up and across is just as important as managing down. Your executive team needs revenue predictability not just for the next quarter but for the next few.

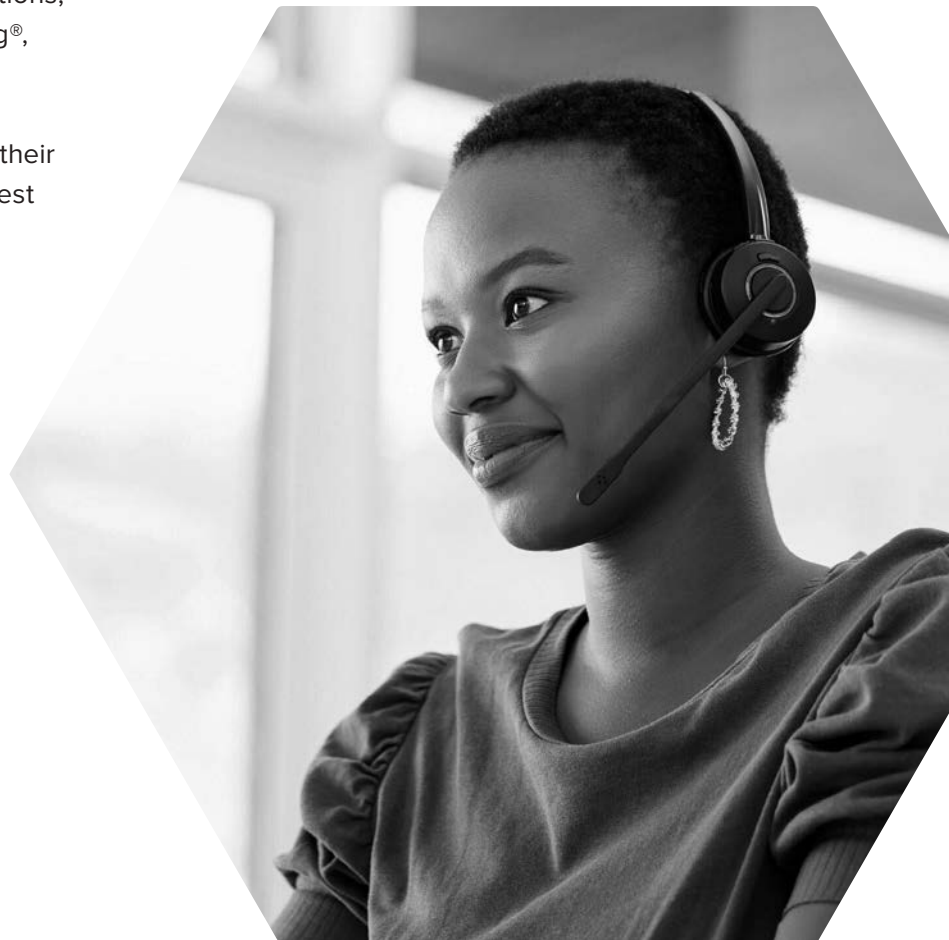
What does the rolling four-quarter pipeline look like right now? What if we lose a key player on the team? What are my direct reports forecasting? These are the questions that keep them—and you—awake at night.

Naturally, accurate forecasting is the catalyst to activate for executives, particularly when it comes to pipeline and attrition.

Unlike forecasting tools native to CRM applications, purpose-built solutions, like Xactly Forecasting®, surface pipeline insights that lead to a reliable forecast. By using AI to establish an accurate baseline forecast, business leaders can apply their instincts to refine predictions, leading to the best possible picture of the future.

➤ **By using AI to establish an accurate baseline forecast, business leaders can apply their instincts to refine predictions, leading to the best possible picture of the future.**

The key here is not just to use AI to increase forecast accuracy but also to allow business leaders to augment the AI forecast. Unlike forecasting tools native to CRM applications, purpose-built solutions, like Xactly Forecasting®, surface pipeline insights that lead to a reliable forecast. It does this by providing a single shared view of revenue across the organization to enable leaders to see the calculated health score of every deal in the forecast—whether pipeline, committed or upside—at every level.



By using AI to establish an accurate baseline forecast, business leaders can apply their instincts to refine predictions, leading to the best possible picture of the future.

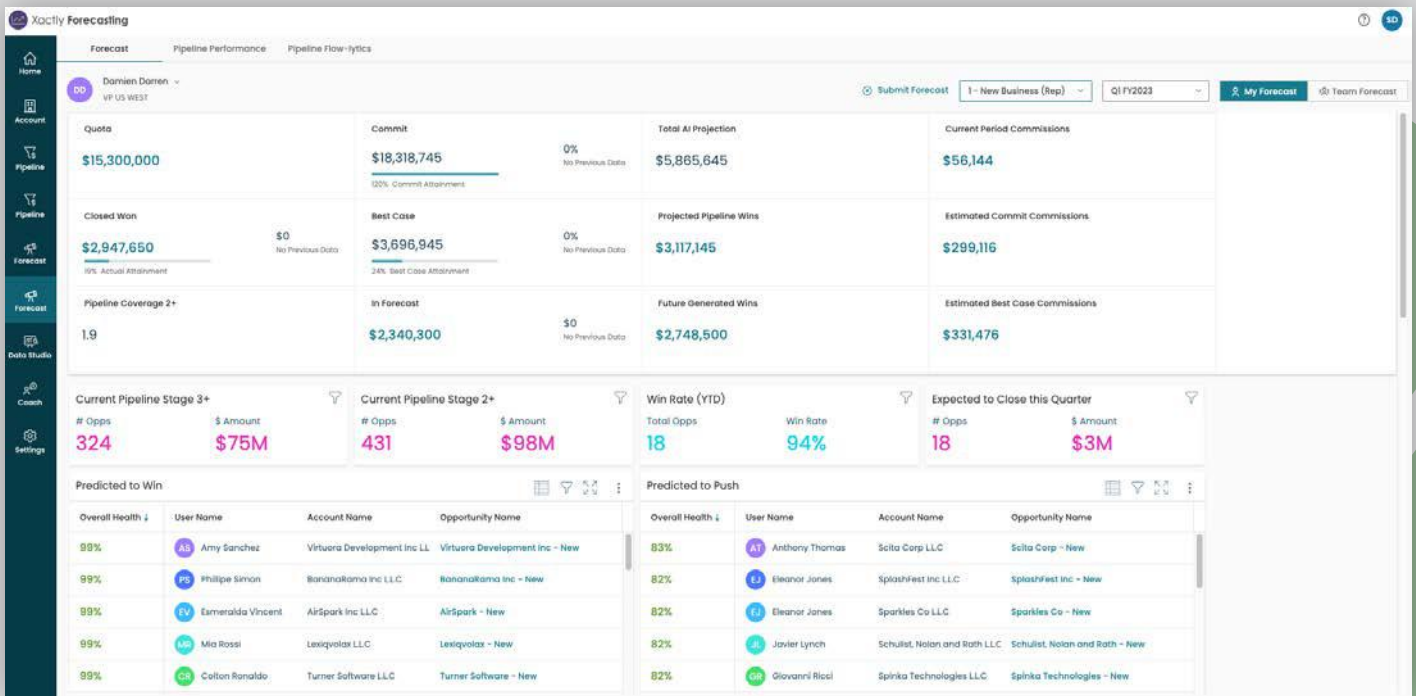
Similarly, when forecasting attrition, equipping leaders with the right insights can be invaluable in today's highly competitive labor market, where sales roles consistently top the list of the most in-demand jobs³ and sales vacancies are staying unfilled longer.

Xactly Insights® can identify at-risk employees based on more than 50 performance-based data points and allow managers to take corrective action before it's too late.

Being able to predict attrition can give you a head start on recruiting in your efforts to retain a good employee fail. And shortening vacancy time means greater overall sales productivity and a better chance of hitting revenue targets.

While an AI forecasting solution is table stakes for peak accuracy, tapping into the expertise and experience of seasoned business leaders can produce significantly better forecasts.

Xactly Insights® keeps business leaders up to date and empowers them to refine AI forecasts made by the system.



Sales Operations Specialist

CATALYST: PAY AND PERFORMANCE BENCHMARKING

Of all the responsibilities of a sales ops specialist, managing a compensation framework is easily the hardest. It's complex and high stakes, yet often done with little to no data on which to anchor decisions.

While it is possible to buy salary survey data from HR firms, that data only provides insights into how much people are earning. It doesn't provide information like how their compensation was structured or whether they achieved their full earning potential.

The game-changing catalyst, in this case, is pay and performance benchmarking.

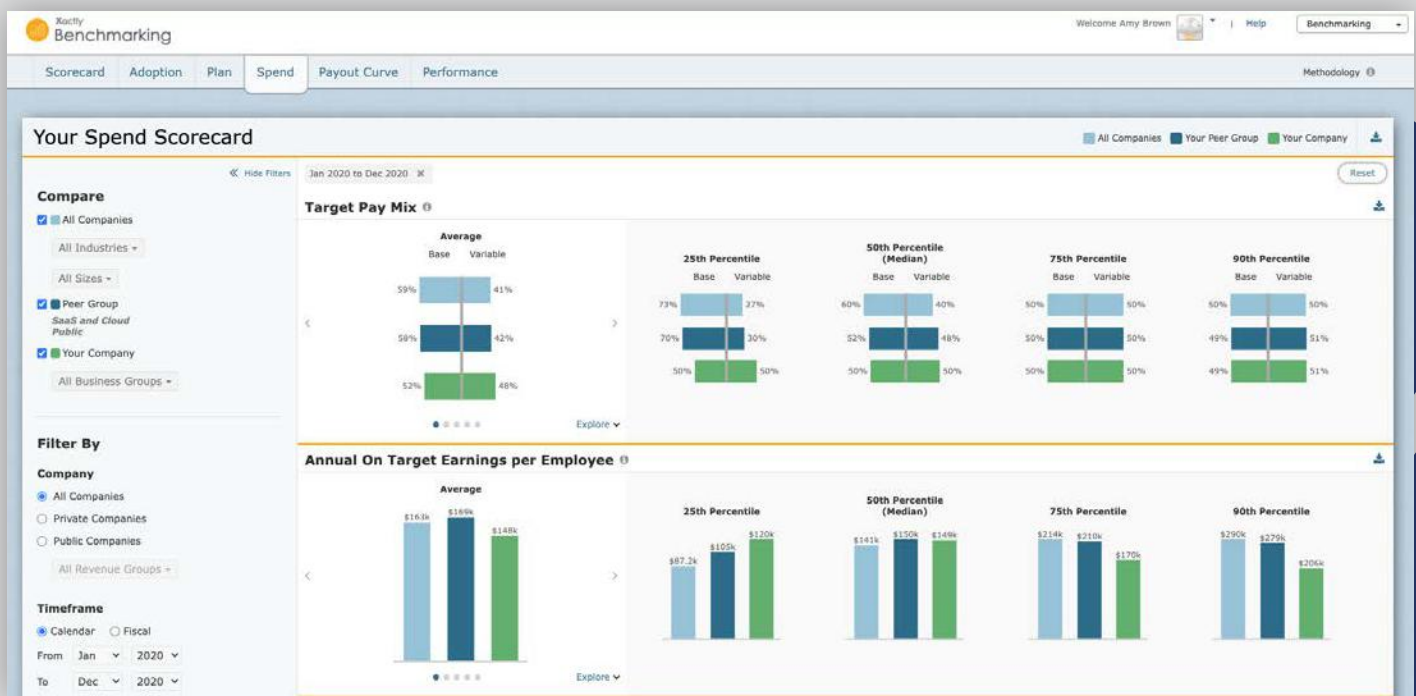
Using Xactly Benchmarking™, sales operations specialists can significantly boost compensation spend ROI, thanks to a massive database of

anonymized pay and performance data going back 17 years.

This database allows sales ops specialists to compare their comp plans against similar companies and industries, as well as analyze compensation trends by region, job title, tenure and more. They can then use these insights to activate the right levers to influence sales performance and ensure that their comp plan is always competitive.

And, where the plan falls short, teams can quickly course-correct by ramping up recruitment efforts. Best of all, not having to wait for performance insights makes continuous planning a viable option.

Xactly Benchmarking™ helps sales ops specialists keep comp plans competitive with 17 years of pay and performance data.



Financial Planning and Analysis (FP&A) Specialist

CATALYST: SCENARIO PLANNING

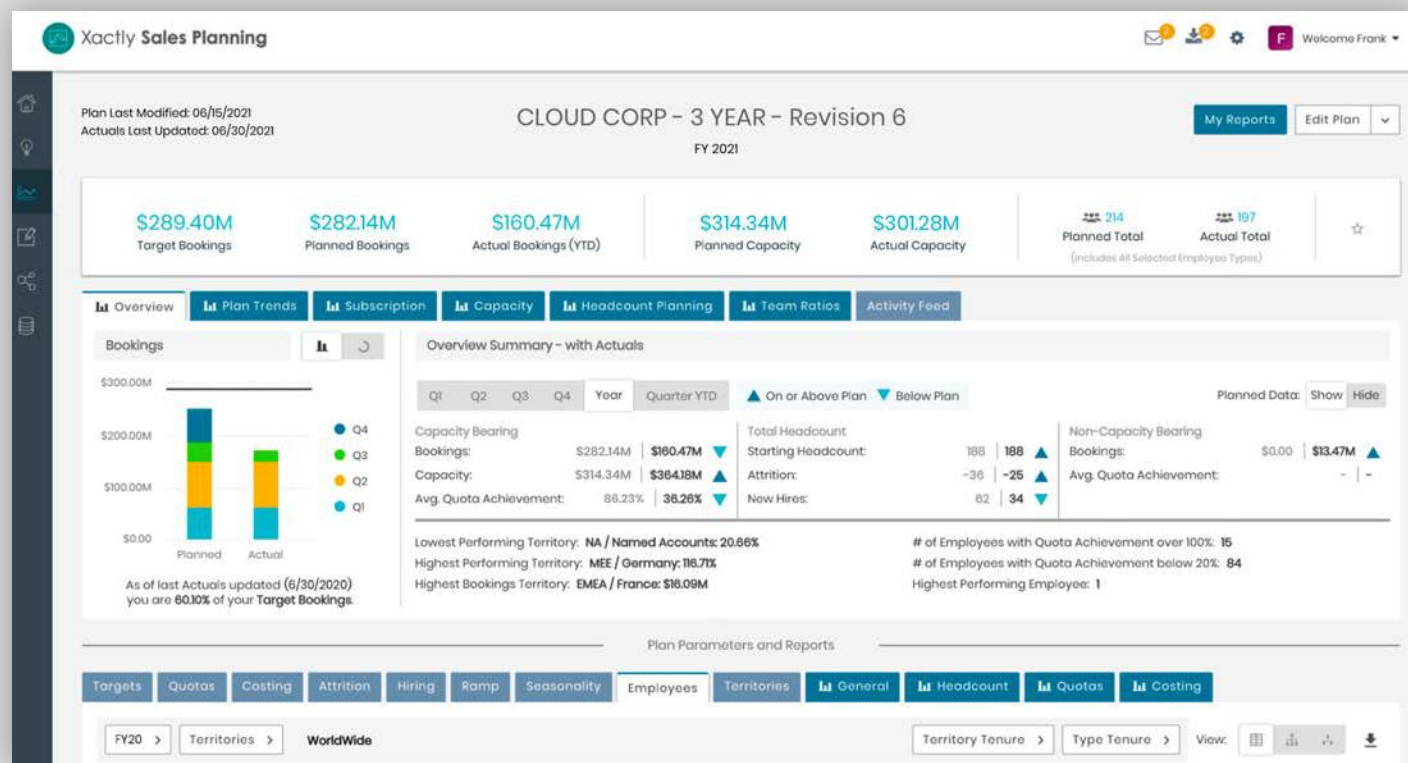
The biggest challenge facing FP&A specialists today is predicting the future fast. In particular, they must identify business opportunities—and risks—and find the best way for the organization to navigate them. But with growing volatility in the business landscape, it has become increasingly difficult to do with spreadsheets and other homegrown tools. They're simply not fast enough.

To speed things up, the catalyst for FP&A is scenario planning.

This capability can be found in a planning solution like Xactly Sales Planning™, which will enable FP&A teams to continuously revise their sales plans, compare them to previous iterations and collaborate cross-functionally to refine them. Updates are instantaneous so getting to an optimal plan won't take long. Best of all, the data reflected in the system is always current so specialists don't have to waste time importing or scrubbing data.

There's no better way to boost operational agility than to enable your FP&A team to visualize and compare multiple scenarios with actual data.

Xactly® Sales Planning™ enables FP&A specialists to continuously revise sales plans.



Compensation Administrator

CATALYST: COMMISSION EXPENSE FORECASTING

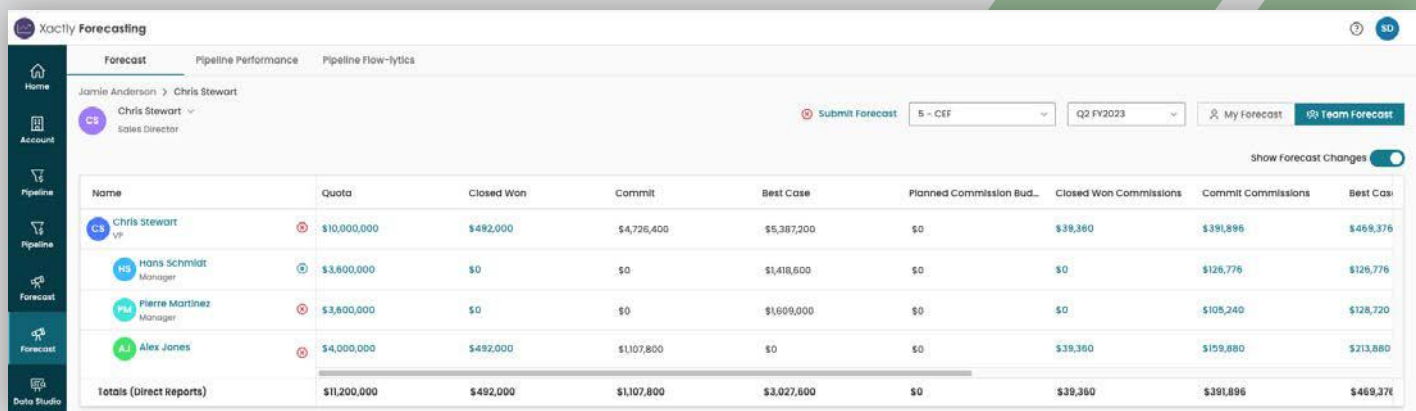
A major challenge for comp admins is forecasting commissions for financial planning purposes. While spread throughout the year, there are peaks of demand for updated forecasts at the end of financial periods.

And without a dedicated solution, compensation administrators have to choose between an inaccurate forecast based on averages or a more accurate but labor-intensive forecast that's prone to human error. This latter process could take as many as 19 steps⁴.

With Xactly's Commission Earnings Forecasting solution, most manual tasks could be automated without sacrificing accuracy or speed. Admins would be able to immediately rerun multiple models with new data and generate highly accurate forecasts in seconds.

This drastic reduction in time and effort in forecasting will enable teams to comfortably stay on top of their performance obligations while ensuring full compliance with commission accounting requirements.

Xactly® Commission Earnings Forecasting enables comp admins to rerun models instantly to generate the most accurate forecast.



The screenshot displays the Xactly Forecasting interface. At the top, there are navigation tabs for 'Forecast', 'Pipeline Performance', and 'Pipeline Flow-lytics'. Below the navigation, there are user selection options for 'Jamie Anderson' and 'Chris Stewart', and a 'Submit Forecast' button. The main content area features a table with the following data:

Name	Quota	Closed Won	Commit	Best Case	Planned Commission Bud.	Closed Won Commissions	Commit Commissions	Best Case
Chris Stewart VP	\$10,000,000	\$492,000	\$4,726,400	\$5,387,200	\$0	\$39,360	\$391,896	\$469,376
Hans Schmidt Manager	\$3,600,000	\$0	\$0	\$1,418,600	\$0	\$0	\$126,776	\$126,776
Pierre Martinez Manager	\$3,600,000	\$0	\$0	\$1,609,000	\$0	\$0	\$109,240	\$128,720
Alex Jones	\$4,000,000	\$492,000	\$1,107,800	\$0	\$0	\$39,360	\$159,880	\$213,880
Totals (Direct reports)	\$11,200,000	\$492,000	\$1,107,800	\$3,027,600	\$0	\$39,360	\$391,896	\$469,376

Design Workflows for Action—and Scale

Few revenue leaders would consider themselves data laggards.

After all, many have invested in data warehouses and analytics tools, set up visually sophisticated dashboards, and established centers of excellence (COE) for data analytics. They have done everything right. Yet, often the benefits can be limited and fuzzy at best.

To become an insights-driven revenue leader is to bridge the gap between data and action. Three qualities will set you apart from your peers.

First, design for action. Invest not just to generate insights, but to apply them in a way that produces a competitive advantage. As we've seen in the previous section, even a small change such as making earnings visible to sales reps can have an outsized effect on productivity and revenue because it drives action.

Second, design for scale. Actionable insights should be widespread throughout the organization and not contained to a COE or upper management. It should be built into processes, platforms and teams to drive business goals. A good example of this is demonstrated in Xactly® Forecasting's AI-guided coaching capability for sales managers, which goes beyond reporting the facts (e.g., deal health, rep performance) to prescribe the best actions to improve performance.



› **To become an insights-driven revenue leader is to bridge the gap between data and action.**

Third, continuously iterate. While the six catalysts suggested here are a good place to start, they're by no means the end. Take care to measure the impact of your initiatives and optimize them in closed-loop, agile cycles. Following a clear transformation roadmap with periodic value assessments (to calculate ROI) is a good way to demonstrate value and secure more buy-in across the organization.

Most importantly, taking a design thinking approach will significantly increase your chances of success as any initiative will become less about persuading people to change than it is about adding guide rails to steer them in a new direction.

Don't Let Anything Get in the Way of Revenue Growth

Whether you're trying to figure out where to start, want to learn more about these catalysts or see the Xactly Intelligent Revenue Platform® in action, visit our website **xactlycorp.com** or give us a call at **1-866-469-2285**.

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4. Xactly® benchmarking data.

ABOUT XACTLY

Xactly® has helped thousands of companies and millions of sellers around the world beat their revenue targets. Using Xactly's solutions, leaders look past the current quarter to create revenue streams for long-term growth. The Xactly® Intelligent Revenue Platform marries artificial intelligence and 17 years of proprietary data in easy-to-use applications. Sentiment, process and trend analysis come together to form accurate machine forecasts. Quick identification and implementation of revenue plans, quotas and territory improvements are easy. And, rapid calculation of even the most complex compensation plans keeps sales reps motivated and on track.

This makes the Xactly® Intelligent Revenue Platform the only solution that aligns seller behavior with boardroom strategy to create a resilient, predictable, and profitable business. To learn more about Xactly® and the latest issues and trends in intelligent revenue, follow us on Twitter, Facebook, and visit www.xactlycorp.com.

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