

ORACLE

# Essential Strategies for Sales Performance Management



A NINE-MINUTE READ



# Know how much revenue you're generating—and drive more of it

Sales performance management (SPM) is a powerful tool to help maximize efficiency and motivate sales teams. However, it's often applied reactively, if at all.

For example, sales leaders looking to course correct and optimize revenue after missing an annual sales goal might roll out sweeping changes—without having taken into account processes that were designed to help them change direction and incrementally adjust throughout the year. This results in inefficiency, inaccurate quotas or compensation, and a lack of agility that perpetuates itself when planning season rolls around again. If your sources of truth are on spreadsheets, these challenges tend to linger.

**There is a better way. An automated SPM solution connects key selling processes to back-office cycles and data.** This gives leaders a real-time view of performance across the sales organization and empowers precise forecasting, data-informed process optimization, and decisions that align to current needs and opportunities in the market.

This strategy guide outlines the steps to take to start optimizing quotas, territories, and compensation plans to challenge and motivate your sales team—and ignite your revenue engine.



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# Sales performance management, defined

Sales performance management is a set of tools or processes that uses connected data to develop sales and revenue goals that align with a company's mission. At its best, SPM helps sales leaders set essential guidelines to keep sellers on the path to success. These include:



**Mapping direct and indirect sellers** to right-sized and equitable territories



**Managing a transparent incentive compensation process** to reward sales excellence



**Motivating sellers** with reasonable quotas



## Sales performance management, defined

Without sales performance management, sales leaders resort to making revenue decisions based on intuition rather than data—a risky undertaking that creates certain pitfalls.



**Quotas and compensation plans** become difficult to track and manage. This produces inaccuracy and uncertainty that drive top sellers away.

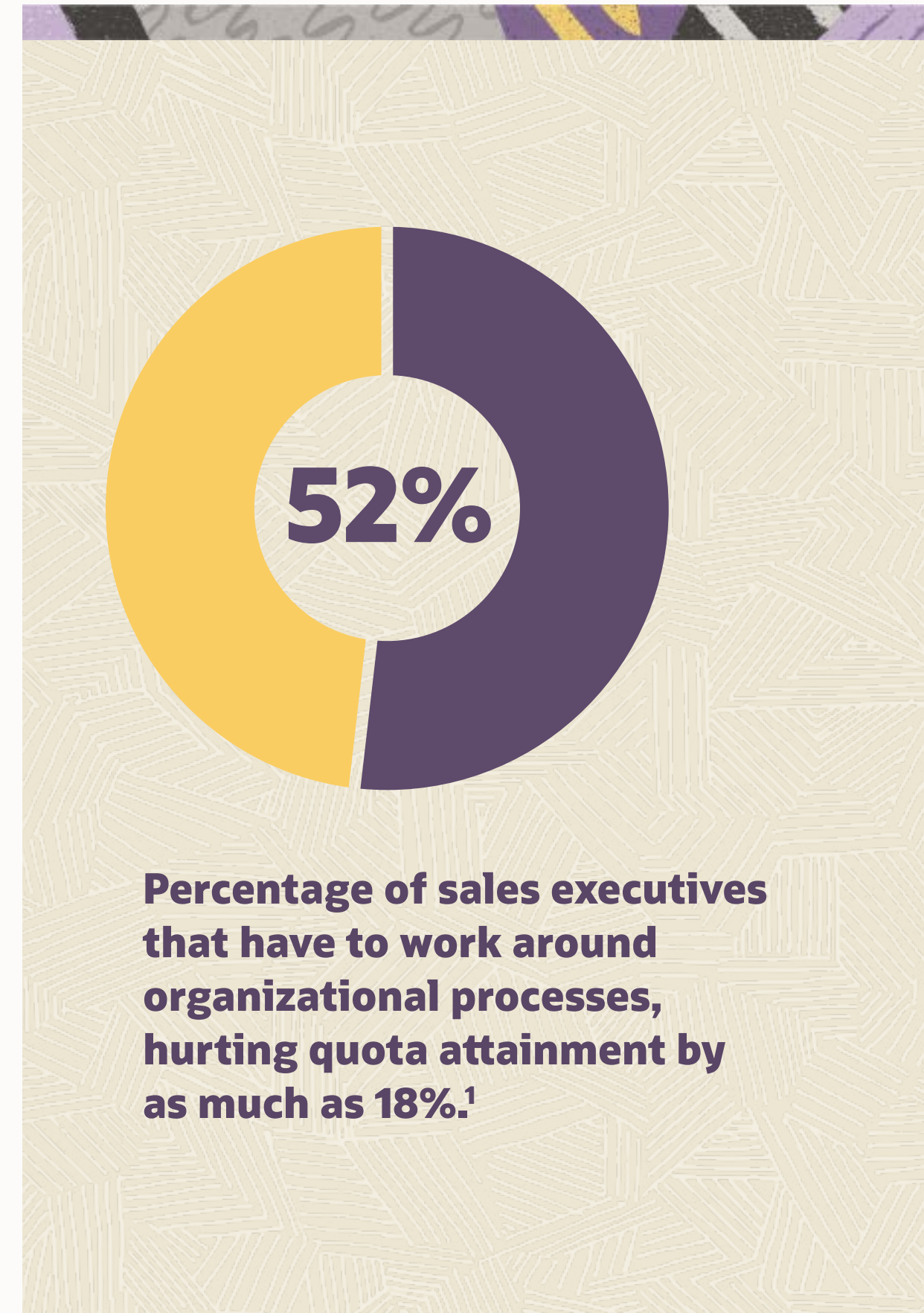


**Compensation disputes** are costly and time consuming, requiring analysts to pore over sales data looking for miscalculations while sellers eagerly await the results.



**Lack of visibility** into compensation plans leads to “shadow accounting,” in which sellers use their own spreadsheets to track their progress and try to predict compensation. This can redirect their focus from selling.

The benefits of SPM extend far beyond the sales organization, helping finance and human resources executives make data-informed decisions that help drive revenue. Real-time performance monitoring gives visibility into progress relative to a sales plan, so leaders can adapt to preserve revenue if the market or the workforce shifts. Let’s start unlocking the full potential of your revenue engine by building a strategy for SPM.

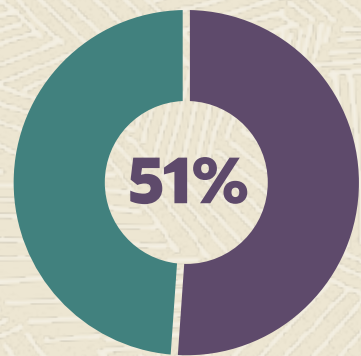


# Build your foundation

To realize the full value of sales performance management, make sure your strategy includes the following foundational elements:

## 1. A unified platform

51% of sales professionals do not believe their organization's sales processes are effective, leaving them vulnerable to errors and data inaccuracy.<sup>2</sup> Create a single system that connects the compensation, quota, and territory management within SPM to your customer relationship management (CRM), enterprise resource planning (ERP), human capital management (HCM), and planning. This will minimize administrative costs, enable rapid problem solving, and reduce infrastructure and integration complexity.



**Percentage of sales professionals who do not believe their organization's sales processes are effective.**

## 2. Scale and flexibility

When changes to offerings, territories, or staff arise, an SPM solution that aligns with the hierarchy of your sales organization empowers you to plan and adjust while maintaining sales accountability—all the way from representatives to top-tier leaders.

## 3. Territory management

Together, broad offerings and a large sales team add up to a complex array of possible sales coverage configurations. A sales performance management solution can leverage data to help you navigate coverage assignments with ease.

## 4. Quota and compensation transparency

The end of fiscal year sprint means many firms don't have their quotas, territories, and compensation plans ready by the start of their next fiscal year. With 68% of sales organizations manually monitoring sales compensation, this creates uncertainty that can undermine motivation by making sellers work toward moving targets.<sup>3</sup> Automated SPM will help you generate compensation plans in a timely manner and give sellers real-time visibility into what their deals are worth and when they'll be paid.

Together, these elements support a sales performance management strategy that can hold strong and adapt to the shifting demands of your organization, positioning your leadership to make proactive decisions.



# Five steps to get started with sales performance management

Now, you're ready to ignite your revenue engine. Start your journey on the right foot by taking these steps.

## 01 **Establish a customer data management strategy**

Establish a customer data management strategy to ensure that the data driving your decision-making is complete, accurate, and high-quality. Consolidate and deduplicate data from all your sales-related systems (quota management, territories, ERP, and more) to create a complete view of your addressable market—a source of truth that leaders and sellers alike can trust.

## 02 **Plan quotas using connected data**

Plan quotas using connected data from your ERP system, which includes what-if scenario planning. This will allow you to establish benchmarks that help sellers stay on track while ensuring you can forecast accurately and adapt to factors like seasonality, dynamic business changes, new territories, shifting offerings, and more.

## 03 **Connect your SPM to your HR system**

Connect your SPM to your HR system so that you can build and assign territories based on more than geographic location alone. This way, your SPM will use data from individual seller performance and proficiencies, combined with enterprise data on business and market conditions.



## Five steps to get started with sales performance management

### 04 Roll out quotas and compensation plans

Roll out quotas and compensation plans directly to sellers through connected SPM and sales force automation to ensure transparency and speed plan acceptance.

### 05 Monitor progress and optimize

Monitor progress and optimize. After your sales operations team completes the planning phase, your VP of sales can start overseeing daily activities in your CRM, paying close attention to whether quotas are being met and implementing programs such as gamification to drive seller behavior that closes business.



# The power of sales performance management

With automated sales performance management on your side, you'll overcome lingering challenges and unlock the potential of your sales organization.



## 1. Use data to drive decision-making

Create a complete view of each potential customer by connecting key selling processes to back-office cycles. Sales leaders will have the visibility they need to plan, forecast, and make critical business decisions confidently.



## 2. Retain top sales talent

Time is money. Top sellers know their time is better spent hustling than manually keeping tabs on their territory assignments and compensation. Automated, transparent compensation tracking and communication keeps sellers engaged and motivated and maintains their trust, so they can focus on closing deals and driving business.



## 3. Maintain efficient processes

Reliable automation eliminates the complexity created by multiple spreadsheets, integrations, and disconnected data so you can concentrate resources on your strategic sales objectives.

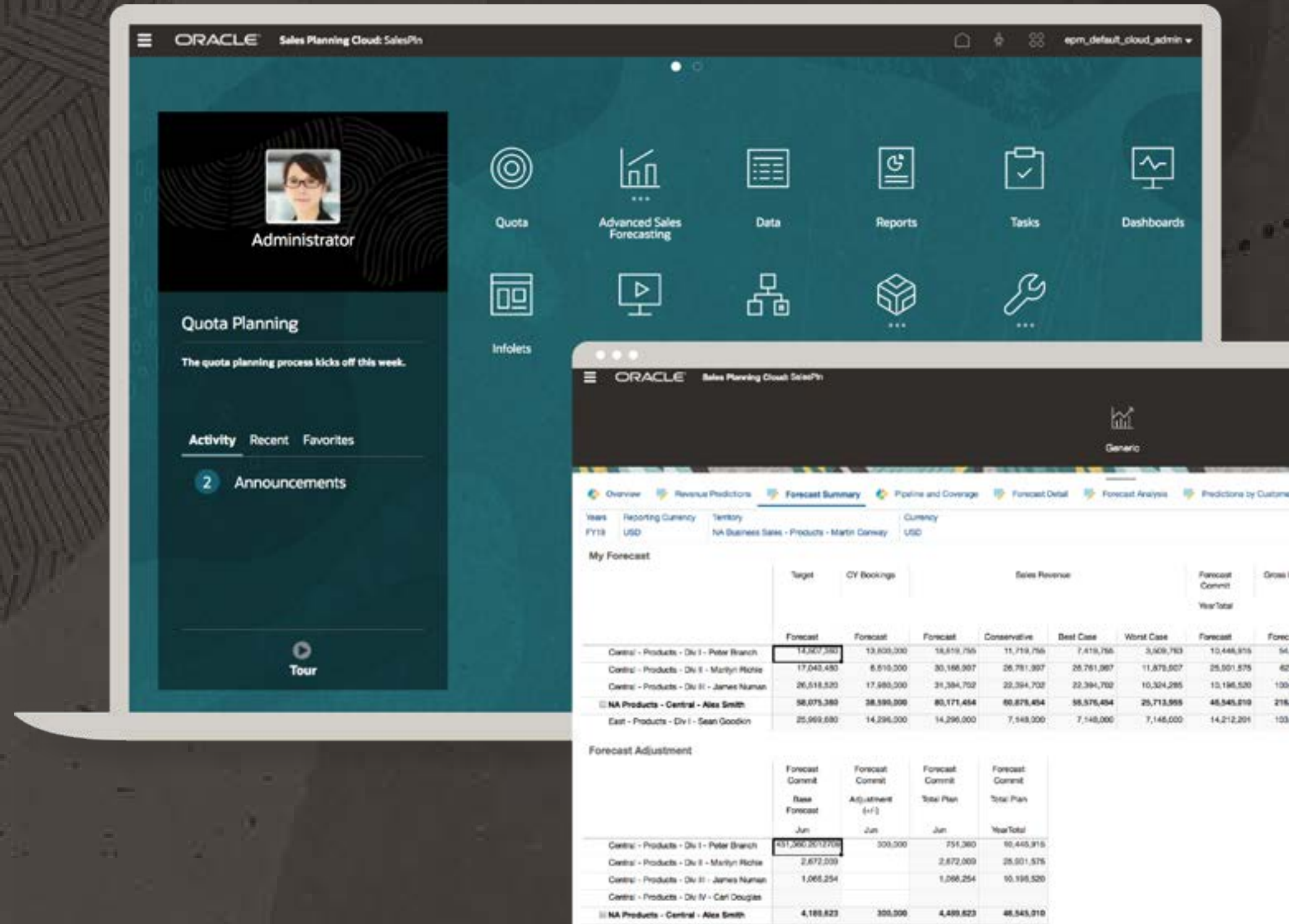




# Reframe revenue generation with Oracle

Harness the power of revenue optimization with connected sales planning, quota and territory management, forecasting, and more in Oracle Sales Planning and Performance Management.

[Find out how you can start.](#)



# To the experience-maker who's always moving forward

As modern customers seem to shape-shift from one moment to the next, it's critical to maintain pace with their expectations. To help, we created the Ignite series to fuel your continuous pursuit of customer experiences that always hit the mark.

Guides like this one, Essential Strategies for Sales Performance Management, aim to advance your expertise and help you craft foundational strategies in less time. So you can get back out there to captivate customers and drive revenue.



## About Oracle Advertising and CX

Make every customer interaction matter by connecting all your business data across advertising, marketing, sales, commerce, and service. Oracle Advertising and Customer Experience (CX) is a connected suite of applications that goes beyond traditional CRM to help you create and nurture lasting customer relationships. Build a complete view of every customer and every interaction, no matter how and when they engage. Empower your entire business to deliver exceptional customer experiences—from acquisition to retention—and everything in between.

### Sources

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2. [“The Three Keys to Sales Quota Attainment: Keep it Simple, Drive Results,” ValueSelling Associates, accessed January 27, 2021](#)
3. [“Significant Number of Sales Teams Will Not Reach Quotas in 2020,” WorldatWork, last modified August 18, 2020](#)
4. [“2019 Sales Performance Management Value Index,” Ventana Research, last modified 2019](#)

