

Ockham Technologies, Inc.
Intelligent Sales Management



CRM and Sales Management Effectiveness

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Impact of Sales Management

Revenue + Expense = Profit



80%– 100%



15%– 25%



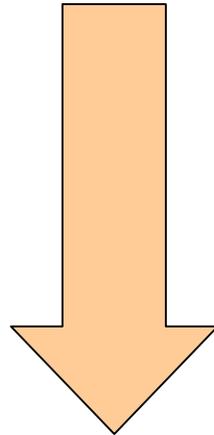
Stock Driver

Examples: Kennametal, Intel, Analog Devices

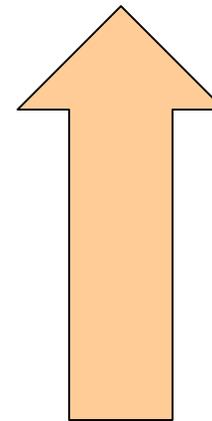


Mission of VP of Sales

Get the most revenue for allocated expense



**Cost
of
Sale**



**Revenue
Per
Headcount**

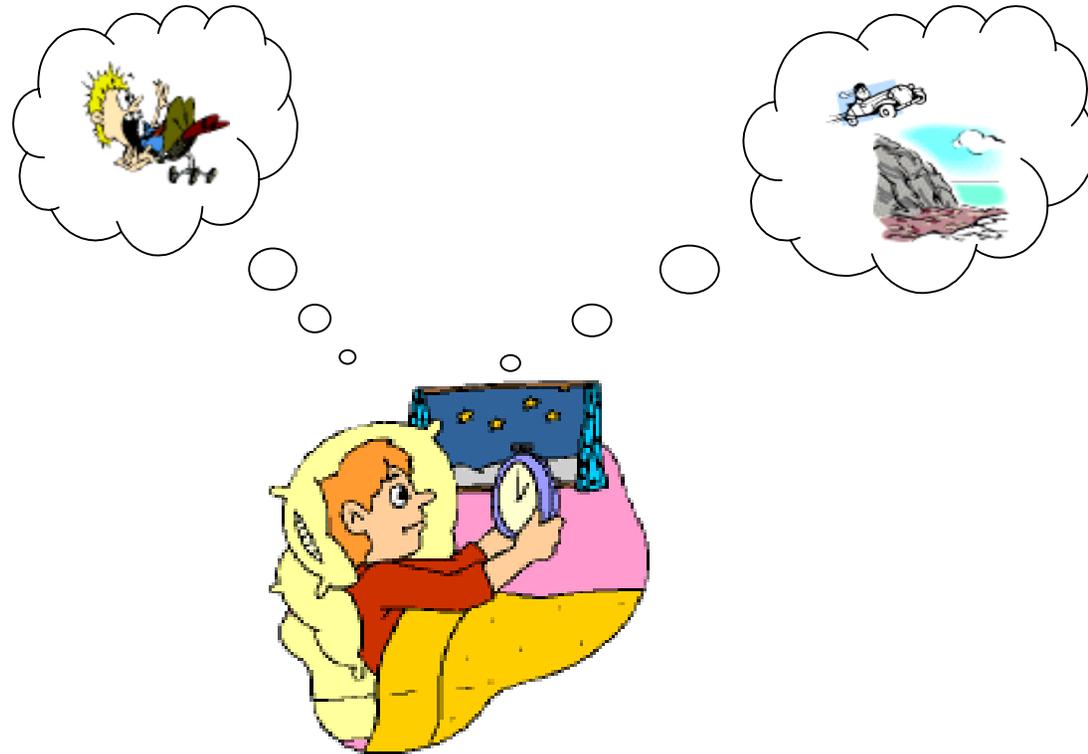


Elements of the Management System

- Budgeting
- Deployment
- Quota Setting
- Hiring and Development
- Opportunity Management
- Performance Measurement
- Compensation



What Keeps VP's Up At Night



**Surprises and lack of control are a
VP of Sales' worst nightmare**



How VP's Get Control

- **Sound planning**
- **Early warning signals**
- **Linked compensation**



Planning – Quota Setting

	<u>Bill</u>	<u>Mary</u>
Last Years Actual	80	80
This Years Quota	100	100
Territory Potential	150	1000
Potential Outcome # 1:	100	100

Make quota despite under-penetrated territory

Potential Outcome # 2:	90	100
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Miss quota

Potential Outcome # 3:	90	110
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Make quota at a higher cost of sale



Quota Setting Example

- Company:** Kennametal, \$2 billion manufacturing company
- Issue:** New compensation plan required accurate quota setting to motivate results and not risk budget
- Solution:** Ockham's SRQuotas
- Results:**
- Quotas set and communicated by second week of year
 - Performance versus quota fits a normal distribution
 - Quotas set using historical and potential data



Performance Measurement



Headlights - leading indicators used to predict where the business is headed

Taillights - trailing indicators for analyzing past performance as a means to improve effectiveness over time



Measurement Example

Company: Intel Communications Division

Issue: Inconsistent, incomplete, and old data collected from a maze of spreadsheets and systems to measure results

Solution: Ockham's SRMetrix

Results:

- One data mart for all sales related information
- Increased selling/development time for managers
- Bi-weekly reporting prep time reduced from dozens of hours to minutes

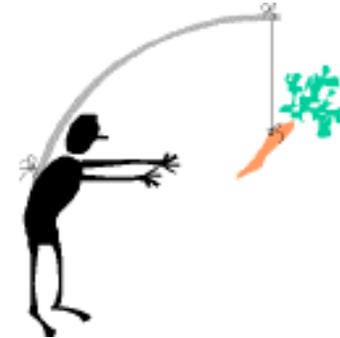


Compensation

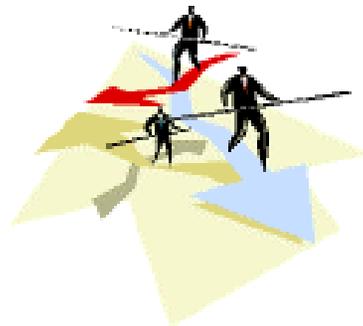
Communicate



Motivate



Direct



Reward





Compensation Example

Company: Analog Devices

Issue: Cost and timeliness of administering the sales compensation plan combined with reps doing individual tracking/auditing of paychecks

Solution: Incentive Systems' Incentive product

Results:

- Sales rep access to performance and pay status
- Reduce cost of administration
- Flexibility to administer annual changes to the compensation plan



Summary

- **VPs of Sales drive stock price**
- **Surprises and lack of control keep VPs up at night**
- **Proactive intelligence and headlights reduce surprises**
- **CRM solutions that give VPs of Sales intelligence, and link the intelligence to planning and pay, create value**