Achieve Better Sales Employee Experiences Through Cohesive Sales Performance Management

Michelle Morgan
Research Manager,
Sales Force Productivity and Performance, IDC

Table of Contents

 CLICK BELOW TO NAVIGATE TO EACH SECTION IN THIS DOCUMENT.

In This InfoBrief

Sales performance management is of paramount importance in today's business landscape. It serves as the linchpin for organizations aiming to optimize their sales teams and revenue generation.

Sales performance management streamlines and automates critical sales operations, from effective sales planning, quota setting, and performance tracking to incentive calculation and reporting, vastly improving efficiency and accuracy.

Sales performance management solutions provide real-time visibility into this data and empower sales leaders to make informed decisions, identify trends, and allocate resources effectively. Moreover, such a solution enhances the employee experience by ensuring fair compensation, recognizing achievements, and fostering a culture of continuous improvement.

This InfoBrief uses IDC's SAAS *Path Survey* (2022 and 2023) as well as *Future Enterprise Resiliency and Spending* data to demonstrate how a cohesive set of sales performance tools can help organizations maximize sales productivity and motivate their salesforce in today's highly competitive markets.

Sales performance management streamlines and automates critical sales operations.

Transparency in Sales Performance Management Empowers Sales Teams

Sales performance management plays a crucial role in shaping the employee experience in sales-driven organizations.

When processes are transparent, consistent, and aligned with individual and team objectives, employees feel valued, motivated, and have critical insight into:

- ✓ Payment accuracy
- ✓ Timely payments
- ✓ Quota setting with agility, fairness, and transparency
- ✓ Unified view of compensation from salary to stock options
- ✓ Sales forecasting accuracy in alignment with company goals

Connected and Comprehensive Tools Foster Collaboration and Elevate Employee Experience

When sales performance management tools align individual and team performance with organizational objectives, employees feel a sense of purpose and contribution. This alignment can foster a more engaged and committed workforce.

Pay transparency and clarity around goals and how work quality is measured remains a problem for almost 70% of organizations.

As the attributes of employees become increasingly intricate, particularly within the sales domain, organizations are relying on flexible compensation strategies to ensure equitable management of objectives and the transition toward sales performance models rooted in value.
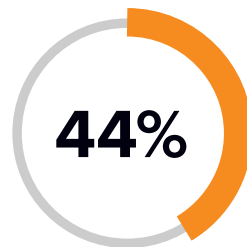
Sources: IDC's *Human Resources Survey*, June 2023, and IDC's *Employee Experience Buyer Sentiment Survey*, November 2021

Despite the Need for a Unified Sales View, Disparate Solutions Continue to Perpetuate Silos
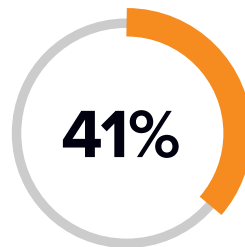
In the past 1–3 years, **LESS THAN HALF OF ORGANIZATIONS** have had success breaking down:

41%
Data siloes
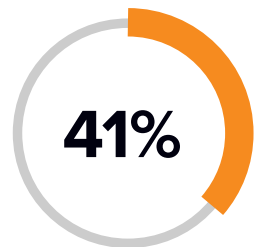
44%
Decision-making silos

41%
Knowledge silos

Of all aspects of sales force automation operations, application integration is cited as the most challenging.

37% OF ORGANIZATIONS would prefer a sales force automation application as part of a large suite/platform provider over a point solution provider **because of the ease of application integration and implementation.**

Sources: IDC's *Future Enterprise Resiliency and Spending Survey,* Wave 11, December 2022 and IDC's *SaaSPath Survey,* 2022

# The Desire for Integration and Consolidation Across Systems Is Growing

Companies are dealing with more tech bloat than ever before. With the adoption of each new best-of-breed solution, integration becomes more difficult and front-office and back-office operations become more fragmented.

The ability to consolidate and converge these disparate systems has become a priority for many organizations from both an efficiency and cost standpoint.

In a recent IDC tech spend survey:

56%

of companies reported having **more than 11 sales systems** in their sales technology stack.

70%
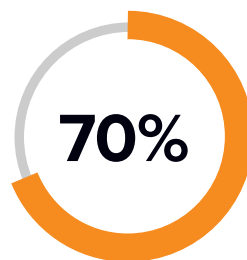
of organizations **reported being very concerned** about the amount of technology investments required to remain competitive.

Sources: IDC's QuickPoll — *Sales Tech Spend Survey*, March 2022, and IDC's *Future Enterprise Resiliency and Spending Survey*, Wave 3, April 2022

AI Is Driving a Renaissance in Sales Performance Management

AI is powering new capabilities that help companies make informed decisions about compensation packages, ensure consistency and fairness in pay, and predict future commission trends.

AI-enabled tools also provide salespeople with the visibility they need to achieve quota and more accurately predict expected commissions.

GenAI's potential impact on sales performance management can't be understated:

NEARLY 25% OF ORGANIZATIONS

are investing in generative AI technologies in 2023.

> GenAI's ability to analyze historical and unstructured data and provide valuable insights allows sales professionals to focus on high-value activities that lead to more closed deals.

Source: IDC's *Future Enterprise Resiliency and Spending Survey*, Wave 2, March 2023

The Path to Better Sales Employee Experiences Runs Through Unified Sales Performance Solutions

Take stock of the organization's current sales tech stack

Sellers are often overwhelmed with the number of tools they need to navigate daily. Adoption of any new technology should aim to reduce redundancies and/or consolidate workflows.

Sales performance management solutions should be comprehensive

Common features of sales performance management technology include incentive compensation management; territory management; forecasting; performance analysis and optimization; mobile capabilities; and personalized workflows and dashboards.

Integration is critical

Assess whether the sales performance software can easily integrate with the existing tech stack, including CRM, marketing automation, and ERP systems. Seamless integration is integral to streamlined data flows and transparency across relevant business groups.

Solicit employee feedback

At the end of the day, it will be sales teams using the technology so understanding their point of view throughout the adoption process is important.

About the IDC Analyst

Michelle Morgan
Research Manager,
Sales Force Productivity and Performance, IDC

Michelle Morgan is the Research Manager for IDC's Sales Force Productivity and Performance service where she covers sales technology applications and related solutions. Michelle monitors the digital transformation taking place across the sales industry and the implications that it has for technology buyers and suppliers.

More about Michelle Morgan

Table of Contents

Message from the Sponsor

SAP is a global leader in enterprise software with an extensive set of integrated front-office and back-office solutions. Within their SAP Success Factors portfolio, SAP provides a comprehensive sales performance management solution with SAP SuccessFactors Incentive Management, SAP SuccessFactors Territory and Quota, and industry-specific SAP SuccessFactors Agent Performance Management, SAP SuccessFactors Agent Lifecycle Management and SAP SuccessFactors Agent Connection.

The sales performance management portfolio helps you accelerate business outcomes with effective sales planning, automated processes, and impactful incentive compensation management that minimize costly payment errors and build seller trust and motivation through transparency. With powerful analytics, persona-based dashboards,

embedded intelligence, and built-in advanced workflows, your business users can respond quickly to ever-changing market dynamics. They can also operate with precision to create and adjust sales quotas, territories, and compensation plans in alignment with your corporate goals.

These solutions also help you create an engaged and motivated sales force to improve both performance and operational efficiency. Using the solutions, your organization can:

- Optimize outcomes with better planning, better experiences, and better insights

- Increase operational agility to accelerate and manage growth at scale

- Deliver effective agent experiences and achieve goals while saving time and costs

Learn more about Sales performance management from SAP SuccessFactors portfolio

Sales Performance Management/SAP SuccessFactors Solutions

IDC Custom Solutions

This publication was produced by IDC Custom Solutions. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. This IDC material is licensed for external use and in no way does the use or publication of IDC research indicate IDC's endorsement of the sponsor's or licensee's products or strategies.

IDC

IDC Research, Inc.
140 Kendrick Street, Building B, Needham, MA 02494, USA
T +1 508 872 8200

🐦 @idc   in @idc   idc.com