



AVEGNA

2nd June 2009

Sales Performance Management - How Does Your Business Stack Up?

- Do you employ sales people? Are they really working on what you want them to work on? Possibly not!
- Do you have sales agents selling your products or services? Are they doing a good job?
- Do you pay commissions or bonuses? You are possibly paying too much!

Businesses paying commissions, bonuses, rebates or incentives may be paying up to 10% too much¹. On average payment errors exceed 5%². You may also be losing up to 10% of potential sales due to inaccurate sales systems². Are you aware commissions, bonuses, rebates or incentives can be up to 12% of a company's expenses².

Your Current Sales Drive

In a recent Avegna [survey](#) 57% of respondents believe increasing revenue is the biggest challenge in their business right now. Given the current Global Financial Crisis this is hardly surprising. So are your sales people just making more phone calls and sales appointments? Are you squeezing our existing customers for more work? After all it is easier and cheaper to get more sales from existing clients than to sell to a new customer.

But what really works? Do you know? Chances are you probably only think you know. What do we mean?

Problem or Opportunities?

Do you have your whole sales process - from offer to payment - documented and automated? In other words do you have your marketing campaign management, your CRM and your commissions or sales bonus calculations being run all through the one integrated solution? This would enable you (amongst other things) at the click of a button to see:

- What impact your current marketing campaign is having on your sales right now
- What your current sales pipeline and expected sales are
- How much commission you really should be paying and what sales you really have made to base this on
- What changes you should make to your next sales or marketing campaign

If you don't have an integrated solution you may be overpaying sales commissions and/or sales bonuses by up to 10%¹. A lot of companies base commissions, rebates and incentives on calculations done on an excel spreadsheet by the "Sales Manager". Are the sales numbers verified? Are the commission calculations then checked and verified? Are the payments then reconciled against the

Avegna Business Solutions Pty Ltd
ACN 128 332 669
PO Box 5233
Robina Town Centre
QLD Australia 4230
M 0437 955 746
T 1300 797 535
www.avegna.com.au



AVEGNA

calculations? That's three manual steps outside of any system that a lot of companies have happening every month - no wonder there are errors! Who's checking?

Expensive Example:

Take one local Gold Coast example: Company A sells \$20 Million a year and pays 5% rebates to it's agents. That's \$1 million a year in rebates. Potentially they are making \$100,000 too much in payments if we take the above error rate into account. \$100,000! That's a lot of money straight off the bottom line!

Our Suggestions to minimise the above risks regarding overpayment:

- Document your processes
- Implement double and triple checks in the current processes
- Ensure separation of duties - s/he who calculates the numbers doesn't also pay the commissions
- If you can afford to implement a Sales Performance Management solution- we suggest you do - the Return on Investment will be almost instantaneous.

For further information on a Sales Performance Management solution please refer to our friends at www.opensymmetry.com

Avegna assists dynamic, fast growing business with financial and commercial management services. For a no obligation free initial consultation on how we can assist your business, please contact us.

1: Source - 2007 Gartner Survey
2: Source - Callidus Software Inc.