OpenSymmetry from strategy to success.

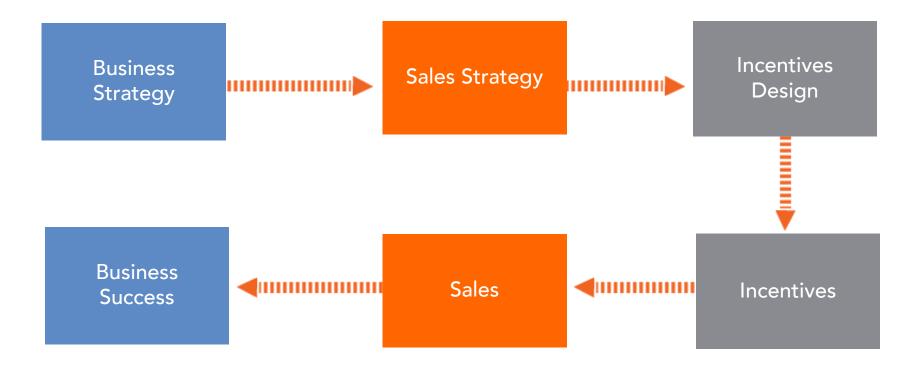
E-Reward Conference

Are You Getting What You Are Paying For?

3 November 2016



We all have





...but are you getting what you are paying for?

- Are we paying the right people?
- Is payout aligned to our business goals/drivers?
- Are you actually driving the behaviour you want?





4

What does this mean to you?

- £100m generated in revenue
- 10-15% of this paid out in incentives
- £10-15m in incentives pay what are you getting for this



Benefits of Getting It Right

7%
More Sales
Reps Making
Quota

37%
Quicker
Sales

Transparency

Alignment

2X Faster Growth 36%
Shorter Sales
Cycle

25%
Turnover
Rate

Seamless Flexibility



What Is the Challenge?

Design



- Driving Wrong Targets
- Too Complex/Lack of Direction
- Frequent Changes of Direction

Performance Definition



- Poor/Wrong Strategy
- Lack of Modelling
- Lack of Performance Data
- Poor Market Intelligence

Cost



- Cost of Plans
- Cost of Sale
- Negative Selling Behaviours
- Loss of Customers
- Talent Attrition



What Business Benefits Are You Looking For?

Emerging Business



- Sales Volume
- No.
 Opportunities
- Opportunity Conversion
- % Growth

Stabilizing Business



- Profit Margin
- Cost of Sale
- New Product Sales/Market Penetration
- Talent Retention

Mature Business



- Market Share
- New Market Expansion
- Customer Retention





Definition

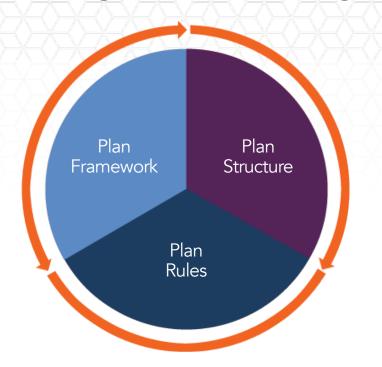
ROI for Incentive Plans is driving the right behaviours to achieve business growth





How Design Can Drive Higher ROI

Number of Plans Paymix Bonus or Commission Additional Programmes



Commission Rates Thresholds Payout Curve Caps Accelerators Multipliers

Credit Rules, Payout Rules, Clawbacks, Windfalls



10

Paymix – Getting It Right

			Scale	
		Low		High
	Length of Sales Cycle	Long	←	Short
	Customer Type	Existing	←	New
Sales	Number of Accounts	Few	←	Many
Environment	Channel	Indirect	←	Direct
	Product/Service Maturity	Established		New
	Culture	Conservative	←	Aggressive
	-			

		High	80:20	80:20	70:30	60:40	50:50	0:100
Paymix Guide	Level of Personal Persuasion	Medium	90:10	90:10	80:20	70:30	70:30	60:40
		Low	or small	or small	90:10	80:20	80:20	70:30
			bonus	bonus				





Paymix – Getting It Right

			Scale						
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				1					

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	Persuasion	Low	or small	or small	90:10	80:20	80:20	70:30
			bonus	bonus				





12 Paymix – Getting It Right

				Sc	ale			
		Low						High
	Length of Sales Cycle	Long	Long				\	Short
	Customer Type	Existing	←	New				
Sales	Number of Accounts	Few	+	Many				
Environment	Channel	Indirect	+				*	Direct
	Product/Service Maturity	Established	+	\				New
	Culture	Conservative	-			\		Aggressive
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Paymix Guide	Level of Personal Persuasion	Medium	90:10	90:10	80:20	70:30	70:30	60:40
		Low	Salary only or small bonus	Salary only or small bonus	90:10	80:20	80:20	70:30





The Design Change Balancing Act

Plan Component Example	ROI Logic	Dependency	Negative Impact
Increase Plan Leverage	Higher Sales Perf	Targets	Unattainable Carrot
Special Product Metric	Broader Sales Perf	Metric Weighting	Comp lexity & Confusion
Add Payout Cap	Control Cost	Level of Cap	Demotivation
Clawback Rule	Reduce Margin Leak	Credit Rules	Demotivation
Windfall Rule	Control Cost Risk	Defining a Fair Rule	High Performer Leaves
			1





Case Study

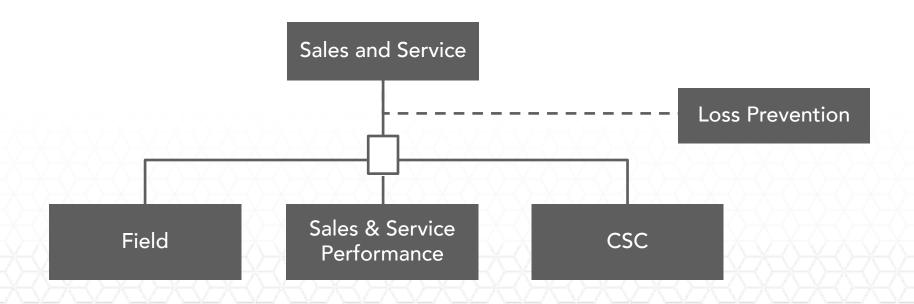


- 1. IPF business background and strategy
- 2. Target Operating Model
- 3. Holistic RTOM approach to support the TOM
- 4. Challenges in design/implementation
- 5. Improving chances of success



New Sales and Service Model









New Agent Model









Employee Commitment

RTOM Approach



Profitability

Opportunity

Training
Development Opportunities
Responsibility and Involvement
Career Progression
Mentoring and guidance
Performance Management

Benefits

Pension Health Related Insurance Volunatry Flexible Holiday/ Other Leave Car



Pay

Base Bonus Equity Other Incentives

Culture

Leadership Style Working Enviornment Diversity/Equality Employee Recognition Work/Life Balance This is the generic model. It will look different by market for the Benefits quadrant

Performance

Competitiveness





Agent Incentives - How the RTOM works





	Team Performance								
		Bronze	onze Silver Gold		Platinum				
_ eo	Bronze	0%	5%	10%	15%				
Invividual Performance	Silver	5%	10%	15%	20%				
Inv Perfc	Gold	10%	15%	25%	30%				
	Plat	15%	20%	30%	50%				

	annin		m.	e Jers	>80					Platinum
Millimin and a second				Team Average stomer Numbers	77.5-80					Gold
				Team A Customer	75-77.5					Silver
Perform	ance	,		Cus	<75					Bronze
Silver	Gold	Platinum						70-		
5%	10%	15%				<67.5	67.5-70	72.5	>72.5	
10%	15%	20%				Team				
4=0/	2501	2001								1



Realising ROI



Target ROI

- Increased Sales Volume
- Increasing Customer Value Growth
- Customer Retention in Challenging Markets
- New Market Expansion

Challenges

- Diverse business based on market autonomy
- Historically have used incentives reactively not strategically
- Shift to employed agent

Maximizing Success

- Budapest all stakeholders in one room for buy-in
- Local RemCos to improve governance and management
- Greater analysis of plan outcomes improving design





What is Your Next Move?



OS Approach to ROI Assessment

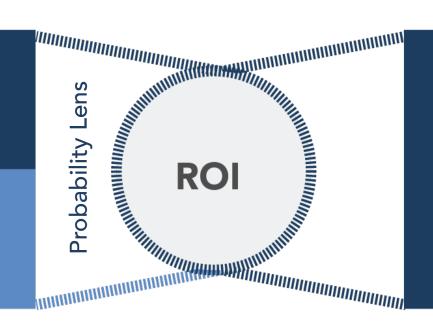
Benefits

Tangible Impact

- Financial Value, Volume, Market Share
- Pipeline
- Talent Retention

Intangible Impact

- Customer
 Satisfaction/Loyalty
- Employee engagement
- Risk profile



Costs

- Base Pay
- Variable Pay
- Technology Costs
- Change Costs

OS Design Approach



OpenSymmetry from strategy to success.

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