

JAGGED PEAK

Powering the Customer Driven Enterprise



## Implementing a Successful Sales Incentive Program December 27, 2007

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## Jagged Peak: Implementation of a Successful Sales Incentive Program

### Executive Summary

Sales incentive programs act as powerful tools for various goods and services organizations striving to improve performance. There are various deliberate steps that must be taken that are consistent contributors to the success of a sales incentive program in value-driven markets. These process steps are process driven, easily integrated, promote positive consumer adaptation and online automation. These steps also promote organization communication, deliver measurable results, flexibility of reuse, and organizational goal congruency.

This paper explores Jagged Peak's success in implementing these steps to contribute to their clients' successful sales incentive program.

*"68% of best in class companies now utilize incentives to meet overall corporate profit goals."  
Aberdeen Group, March 2007*

### Steps to Success

These various steps have contributed to countless client successes in working with Jagged Peak for Sales Incentive Programs.

#### Process Driven.

It is not good enough to replace paper spreadsheets with more spreadsheets that are online. Understanding the processes involved to create a successful incentive program involves everyone from sales to accounting, from processing assistants to executive sponsors. Being able to identify all areas that are affected by a sales incentive program and develop business processes around those areas is essential to creating a successful sales incentive program. Having the right solution means focusing on the processes that are currently in place, identifying gaps, and working together to develop a solution that will define success for all parties involved.

#### Easily Integrated.

As most organizations do not have their incentive program dedicated as a core business service, dedicated resources should not be a contributing factor to the success of the program. Being able to have a solution that can be integrated into existing day-to-day processes and involve minimal effort to maintain are positive steps towards a successful program.

#### Promote positive consumer adaptation.

The best-developed incentive program can become a failure to the organization if it is not received well by the party intended. Early registration rewards, training, and helpdesk are all important ways to promote positive customer adaptation.

#### Online automation.

Once processes have been developed that support the incentive plan, an important step is to automate as many processes online as possible. Having customer service, catalogs, order submissions, reward verifications and sales history available online are examples of online automation used by best of breed incentive programs.

#### Promote Organization Communication.

Once registered, a user can begin to track their progress, view leader boards, register sales data and view reports. Administrators will have access to up-to-the-minute sales activities and

progress reports. These tools promote communication throughout the organization and in turn help to ensure the success of the program.

### **Deliver measurable Results.**

Since most, if not all of the incentive program is automated, all data can be tracked and measured. Measuring the amount of money distributed per person for a campaign, the level of participation per day of the campaign, or the success factors of one incentive program to another is no longer a tedious process but an accurate, measurable, data-driven result. This allows management to quickly make changes to a sales incentive campaign or plan with current information for a new campaign. Sales teams can view benchmarks provided by the information provided by management to continuously improve.

### **Flexibility of Reuse.**

In non-automated incentive programs, each new program means new spreadsheets, resource time, promotion, and preparation. However with the incentive program being automated through Jagged Peak, past incentive programs can be reused easily ensuring easy adaptation to the program based on familiarity.

### **Organizational Goal Congruency.**

An incentive program that is successful must be tied to the organizational goals. Whether the goal is to increase sales, improve product knowledge, or retain employees, the incentive program that can promote the goal desired is much more likely to be adopted by executive sponsors and employees.

## **Jagged Peak Offerings**

Jagged Peak provides these steps to success in the provision of several incentive product offerings.

### **Business Requirement Documentation (BRD).**

Jagged Peak provides a business analyst as a resource to assist in gathering requirements for the incentive program solution. During this process the business analyst provides detailed documentation on the discovery effort, prototypes, outlines all processes utilized, and identifies needed technology related to the solution.

Gaining a clear and in-depth understanding of our clients' business objectives, expectations and solution requirements is fundamental to the success of every solution development initiative.

In the "Discovery" Phase of the project, we identify what you want to do and why, who and what is affected, how the solution will be used, and how it will be implemented. This phase also addresses technology and organizational issues, team members' roles and responsibilities, success factors, and acceptance criteria.

For projects that encompass a Web Portal design and development component, the Discovering Phase may incorporate an "Envisioning" process, comprised of the following:

A BRD helps clients align their desired solution with their strategic business objectives. This document may also include a Cost/Benefit & Risk Analysis, plus a Solution Strategy to add additional focus to the Project.

## **Online Service Delivery.**

Jagged Peak allows you to create, define, manage, and deliver a full spectrum of multi-channel promotional campaigns, marketing communications, digital asset management, Web portals, product catalogs, customer and member relationship management, collaboration, Web content management, product registration, e-mail marketing, surveys, and sales promotions, all supported globally (in multiple languages) in a browser-based environment.

## **Call Center Support.**

Jagged Peak provides you with complete, custom call center outsourcing solutions that deliver results. We are more than just a call center. Customer support is part of a larger strategic technology firm which allows us to see the bigger picture, which helps us to better achieve your goals.

## **Procurement Process Integration.**

For companies who are faced with the challenges of capturing and managing orders and inquiries resulting from marketing and sales activities such as an incentive program, Jagged Peak's EDGE application provides a completely configurable order-capture platform for multi-channel e-Commerce. Whether your needs are to manage single orders, distribution orders (multiple recipient) recurring orders, drop ship orders or split orders, the EDGE application allows you to capture orders from multiple sources and formats (external web portals, FTP, call centers, EDI, XML integration, E-Mail, or entered directly into the EDGE system).

## **Payroll Processing Services.**

Jagged Peak offers smaller businesses the comprehensive services of a national payroll provider, backed by dedicated, local Payroll Specialists. This rare combination helps you easily manage employee information for payout incentive programs and simplify your entire payroll process from processing to payday. With Jagged Peak's browser-based solution, they offer on-site and off-site data entry for everything from order entry to rebate and premium processing and product registration, including mail opening, keying, editing, check payment batching/processing, credit card processing, and scanning or OCR services, with archiving or microfilm options.

## **Business Intelligence Tools.**

Business users are able to quickly and easily identify performance trends by utilizing Jagged Peak's EDGE time-phased information analysis and graphing capabilities. EDGE supports more sophisticated data analysis with full calculated field capabilities integrated into reports. This enables users to quickly isolate and identify products, customers, regions, or other areas that are trending significantly up or down. EDGE also includes a fully-integrated, powerful data graphing function that enables users to create detailed data visualizations. The graphing capability is entirely dynamic, meaning that users can rapidly click through various report parameters and see graphical representations for each combination.

## **Reporting tools.**

Post incentive analysis such as ad-hoc report generation, statistical analysis, and data mining can quickly uncover actionable trends in your business. These reporting tools are made available by Jagged Peak with the option to integrate with major OLAP tools, including SAS, SPSS, COGNOS, BRIO, Business Objects and Oracle Discover.

## **Back Office Fulfillment.**

For those companies who want to focus its resources on its core competencies and recognize the benefits of outsourcing its back office fulfillment operations, Jagged Peak can serve as a single source "click-to-ship" solution providing warehousing, inventory management and pick/pack/ship fulfillment services through our own facilities or those of our partners.

## The Jagged Peak Client Centric Approach

Jagged Peak's ability to provide and integrate its technology solutions with its incentive-fulfillment services offers clients the benefit of a single source provider solution to develop, manage, and support sales incentive programs, from inception through delivery execution. This client centric approach is managed through the project life cycle shown below:

### Jagged Peak Project Life Cycle

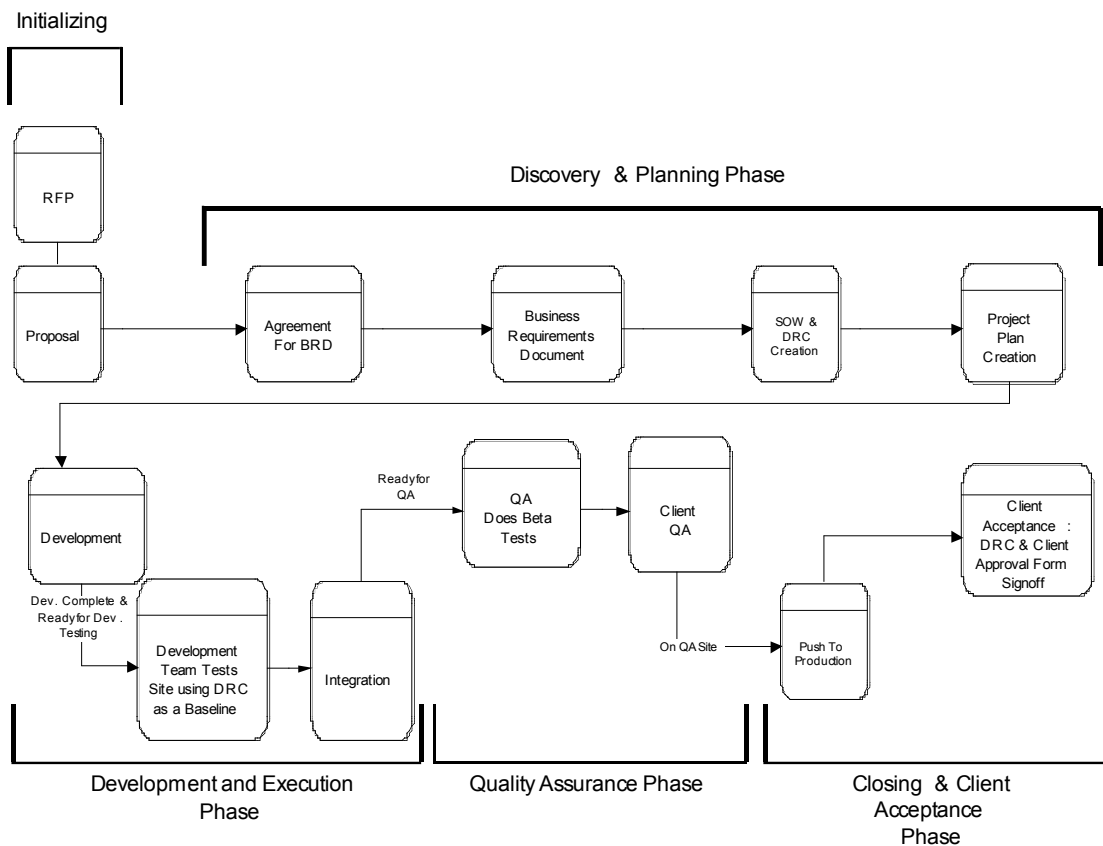


Diagram 1: Jagged Peak Project Life Cycle

#### Phase 1: Initializing

The Initializing Phase is an Internal Phase for the client. During this phase the client determines their needs for their system. The customer submits an RFP to Jagged Peak and Jagged Peak submits a proposal to the client to move forward into the Discovery Phase. It is the client's decision as to whether or not to take the project to the next level and enter the Discovery & Planning Phase.

## ***Phase 2: Discovery & Planning Phase***

The Discovery Phase involves the gathering of Customer Requirements which can include consulting expertise by Jagged Peak. This phase involves the following steps and deliverables:

- Customer Gathers Requirements
- Customer Develops Business Requirements Document (BRD)
- Review BRD
- Statement of Work
- Development Requirements Checklist (DRC)
- Project Plan
- System Design Overview

The Statement of Work clearly defines Jagged Peak's plan for developing solutions to the requirements listed by the client in the BRD. The client must review the Statement of Work, DRC and Project Plan before Jagged Peak moves forward with the implementation of the proposed solution.

## ***Phase 3: Development & Execution Phase***

During the Development and Execution Phase Jagged Peak develops the proposed solution for the client. Jagged Peak promotes and will facilitate weekly meetings and discuss the project status. It is important that the client make resources readily available to Jagged Peak during the development phase in case questions arise. Jagged Peak normally schedules 2 benchmark meetings with the client during the development of the solution in order to ensure that Jagged Peak and the client's project goals are aligned. During these meetings Jagged Peak will provide a general walk through of the solution to date and help to provide status on milestones and address change requests.

## ***Phase 4: QA Phase - Beta & Requirements Testing Via DRC***

Beta deployment is the rollout of the Jagged Peak accepted system into an environment similar to that of the Production Environment. The beta environment is used because the environment is very similar to that of the Quality and Production Environments. The beta deployment will help Jagged Peak resolve any potential issue prior to launching the site into Quality and Production Environments. The Jagged Peak Quality Assurance Department tests the system by conducting the following tests:

1. Use Cases
2. Functional Testing
3. Regression Testing
4. Performance Testing

Also during this phase, the Jagged Peak Quality Assurance Department follows the Development Requirements Checklist and ensures that all requirements were met.

## ***Phase 4.5: QA Phase - Client Quality Assurance Testing***

During this stage the client can navigate through the site and perform its own internal Quality Assurance testing on the site. The Client QA testing takes place in the Jagged Peak QA environment. During this phase additional changes to the solution may be identified. All changes will be accomplished via a Change Management Process.

## ***Phase 5: Closing & Client Acceptance Phase***

This is the final review by the client in the production environment. Once the customer accepts the site, they must complete a Client Approval Form in order to sign off on the project and agree that all requirements were incorporated by Jagged Peak. The client will also have a Jagged Peak Development Requirements Checklist provided for review and to ensure that all requirements were met. The client then authorizes the Development Requirements Checklist and submits the form to Jagged Peak along with the Client Approval Form.