



HOW TO BUILD AN IRREFUTABLE BUSINESS CASE FOR SPM SOLUTIONS

We've seen it countless times: key players on the ground of a sales organization see the transformational power that a Sales Performance Management (SPM) solution can have on their organization, but they're unable to convince stakeholders with the signing power to set the project in motion. No buy-in means no funding. Instead, you're left with outdated, inefficient, and frustrating sales processes and technologies.

After helping our clients build their own business cases, we've learned what works. These two must-do's for building an SPM solution business case make it nearly impossible for your stakeholders to say "no."

1 SHOW THE ROI

This is where most people start, and the financial justification is an essential part of the process. You'll need to create an analysis of how the SPM solution will positively impact:

- Sales productivity and effectiveness
- Retention efforts
- Visibility across the organization
- Resource allocation
- Cost savings
- Revenue growth



WATCH OUT

Occasionally, there is an inverse relationship between the business impact and credibility of the numbers. It's important to strike a balance.

SCENARIO 1: Conservative projections may seem more credible but are less likely to convince stakeholders that the payback justifies the effort.

SCENARIO 2: Overly aggressive projections may look financially appealing but often receive a more skeptical response.

2 FOCUS ON BUSINESS OUTCOMES

The real secret to building stakeholder consensus lies in your ability to successfully communicate how your SPM project will help achieve the desired business outcomes for the organization.

At minimum, you'll want to have the answers to these three key questions:

1. What corporate initiative does this project support?

All companies have a number of strategic imperatives for the year that create the vision, direction and priorities for the organization. Examples of this are expanding into new markets, improving customer satisfaction and reducing churn, or driving profitable growth.

Align the outcomes of your SPM project with one or more of your company's strategic imperatives. SPM projects can be great facilitators of strategic initiatives. For example, automating the right incentive plans can modify sales behaviors to support many top-line and bottom-line objectives. Make sure this is front and center in your business case argument and ensure your primary financial justification focuses on this outcome.

2. What is the cost of not doing this? The easiest decision of all for executives, and often perceived as the lowest-risk option, is to do nothing.

Have decisive data to show the lost-opportunity cost of the status quo. This shifts the focus away from the solution being just an expenditure to a true investment. This is a power lever, especially if you've tied your project to a corporate initiative.

3. Why do this now? A CFO should rightfully ask this question as delaying a project for a few quarters might not, on the surface, have a major impact on the business.

Craft a thoughtful defense that explains the risks of delaying your SPM project. Show how continuing with a poorly aligned sales force for another 6-9 months could have profound consequences across the organization.

With a clear articulation of how your SPM project will drive business outcomes, backed up by focused, supporting financial ROI data, you will have a strong foundation to engage with and win support from the key stakeholders at your organization.



WATCH OUT

It's tempting to stop at the financial justification, assuming that a financially robust ROI model will effectively convince stakeholders to support your SPM project. The reality is the financial justification is nothing more than "table stakes."

Your SPM project will compete for time, budget and attention with many other internal projects – not just in the sales domain, but across all divisions of the business. Assume that every competing project is supported by a compelling ROI argument.

Stakeholders have to prioritize where to commit resources.

In the face of stiff competition, **it's critical for you to elevate the importance of your SPM project and demonstrate what makes it more deserving of funding and executive support.** You need consensus across all stakeholders—Finance, Sales, IT and HR—that this project will have a more immediate or greater impact on the success of the company.

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Have questions on building an effective business case for SPM solutions?

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