

FLAWLESS SPM SELECTION

THE ULTIMATE GUIDE TO
SALES PERFORMANCE MANAGEMENT SELECTION



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THE FLAWLESS SPM SELECTION APPROACH

OpenSymmetry helps clients select a Sales Performance Management (SPM) solution using an agnostic approach that helps them implement a solution specifically tailored to their needs. This book is designed to help you develop your SPM vision, framework, and vendor selection process by assessing the needs of the various SPM users across your organization. Using this framework, you will be able to identify your organization's specific needs, allowing you to focus on the vendors who will best meet your defined criteria.

Leveraging OpenSymmetry's experience on over 100 SPM selection engagements, this guidebook was developed to lead you through the necessary steps to select a solution that will help scale your business through sales performance management automation.

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DESIGNING YOUR SPM VENDOR SELECTION PROCESS

Implementing a well-designed, highly functional SPM platform is a journey that requires a clear vision of what you want to achieve from your investment long before deployment. That vision must be supported by clear SPM requirements, organizational alignment, vendor expertise, and enterprise-wide adoption of the platform.

Keeping that in mind, your selection process must include solid criteria, a systematic process, and stakeholder alignment to choose the right vendor for your needs. **A structured vendor selection methodology identifies the right criteria, minimizes time and effort, and maximizes your investment.**

STEP 1 | DEVELOP YOUR SPM FRAMEWORK

What is the end state you want to achieve from an investment in your SPM program? The answers will vary across each company but may include items such as operational and process improvements, better audit and compliance capabilities, improved reporting and analytics, and sales performance improvements as variables to consider.

Successful SPM projects start by assessing the current state of your sales performance management program, accounting for how the program is currently run as well as identifying the gaps and risks inherent in the existing processes. Documenting the current state helps you create a baseline that will allow you to develop a future state vision and strategy that not only helps close gaps and mitigate risks but will also ensure your company will realize the full benefit of any SPM investments.

As an initial step in the process, it will be important to leverage input from the stakeholders to build out a high-level framework that will be used to help narrow your list of prospective vendors. To accomplish this, key stakeholders create a “shortlist” of criteria from across the organization that is used as the basis of the framework.

STAKEHOLDER CRITERIA EXAMPLES

- Business intelligence, including reporting, and analytics strategy
- Data management and systems integration strategy
- Audit and compliance requirements
- Financial forecasting and planning requirements
- Sales team communication requirements
- Sales compensation plan design and strategy
- Operational and administrative insights
- SPM governance strategy

In addition to internal perspectives, external resources can assist in understanding how SPM platforms work in companies that are of similar size or comparable industry sectors. For additional insights, independent consultants and industry analysts can offer expertise about leading SPM solutions, including the strengths and weaknesses of potential solutions. Finally, SPM vendors can provide specifications and case studies that offer real-world solutions and industry practices.

Your internal assessment and external research will allow you to create an SPM framework, along with specific best practices, that will guide your vendor selection.



STEP 1 OUTCOME: You will create a customized SPM framework based on stakeholder criteria and strategy alignment. This framework allows you to level up your current programs and ensure you receive the maximum benefits that SPM has to offer.

STEP 2 | PERFORM SPM VENDOR RESEARCH TO CREATE A LIST OF TOP CANDIDATES

Once your SPM Framework is developed, you will have established an overarching vision for your SPM program that aligns with the strategies of your internal users. Your next step is to create a list of vendors who appear to align with your framework.

Utilizing credible research resources, and not relying solely on vendor advertising and website information is recommended. Below are industry-leading resources that offer objective evaluations and vendor comparisons.

Industry analysts and research papers

- Capstone Sales Incentive Compensation Management Benchmark Survey (2019)
- Ventana Research: SPM Value Index (2019 Vendor and Product assessment)
- Gartner: Magic Quadrant for SPM
- SalesManagement.org Vendor Satisfaction Survey
- OpenSymmetry Vendor Guide

Independent consultants and service integration firms

- Independent consulting firms including Accenture, Deloitte, and OpenSymmetry who offer objective advice about market offerings, downstream deployment, and SPM specific questions.
- Resellers will provide a more biased view as they are aligned with a specific SPM technology vendor.

Networking and referrals

- In-person and virtual events, like those hosted by associations such as WorldatWork, Gartner, and vendor events allow you to observe SPM platforms and potentially connect with vendors and users directly.
- Given the relative maturity of the space, referrals from colleagues in your network should provide opportunities to understand what others have experienced.

Direct vendor research

- Vendor content includes website content, case studies, and videos that outline their success and platform capabilities.
- Online demos are often accessible through the vendor websites and social media, including YouTube and LinkedIn.

In addition to SPM capabilities, other considerations such as SPM vendor experience may end up being an important contributor to successful selection and deployment. Focus on SPM vendors who operate in your industry sector and have clients that are similar in size, complexity, and product offerings to your company.

Resources located in the [Appendix](#) include a [Vendor Selection Question Checklist](#) that includes detailed questions to review during your initial SPM vendor assessment.



STEP 2 OUTCOME: Your vendor research will result in a list of 4 to 6 leading SPM vendor candidates, including their qualifications and product offerings, that your internal SPM project team will review for further consideration.

STEP 3 | CREATE YOUR SPM VENDOR SHORTLIST

After developing an initial list of potential vendors that align with your criteria and market offerings, you will now be prepared to narrow the field down to the 2 or 3 vendors that will meet your organization's needs.

While the obvious benefits of narrowing the field down to 2 or 3 vendors will save you time and help you to focus, limiting the field also communicates to vendors that you are serious about their participation. Vendors will likely spend more time working to understand your needs and present their tools according to your criteria.

To help facilitate the development of your vendor shortlist, you will assemble your core team for a final review of potential vendors. This team should include members involved in the initial assessment and represent views from across the organization.



Sales leadership including senior sales leaders, will ensure that the vendor can support the SPM framework. Your shortlist of SPM vendors should offer products and services that support your company's sales strategy, sales compensation plan, and plan design.



IT leadership will ensure that the vendor will support security protocols, data integration, and more complex technical issues.



Finance, Accounting, and Operations leadership will ensure that administration, compliance, and forecasting needs are met through the vendors' offerings.

Leveraging analysis completed by the team during the previous steps, these teams and leaders will be able to contribute their expertise to make sure that your shortlist of vendors can meet all needs across the organization before you begin the vendor interview process.

This process allows you to save valuable time by eliminating SPM platforms that do not align with your SPM framework while ensuring you keep a competitive environment for future negotiations.



STEP 3 OUTCOME: You will narrow your list to 2 to 3 ideal SPM vendors. The benefit of a shorter list is that you will attract more serious vendors who will be responsive to your interview and demonstration requests.

STEP 4 | ESTABLISH YOUR VENDOR SELECTION PROJECT PLAN AND TIMELINE

Establishing a timeline for selection and deployment is critical to maintaining momentum and fulfilling your SPM vision. To help with planning, we have captured the 4 main steps that will need to be completed once you have completed steps 1 through 3 in this document. While each of these steps is explained in more detail in this guidebook, we have shared a high-level description of the process with some expectations (based on our project work) for completing each of the steps.

Prioritize your SPM vendor selection requirements. As a group, your team will need to define and prioritize SPM requirements based on your initial framework. Often this work is completed through a workshop forum and may require a few sessions to both identify and prioritize each of the individual requirements that will drive your selection efforts.

Estimated time: 2 to 3 weeks.

Develop your RFI/RFP and receive responses. Depending on your procurement team's processes for RFP development and scoring, they will develop, distribute, and complete response reviews to your shortlist of vendors.

Estimated time: 3 to 4 weeks.

Conduct tailored vendor demonstrations and perform reference checks. You will develop vendor demonstration scripts for efficient and productive vendor demonstrations. These scripts can be completed in parallel to the RFI/RFP process. Scripts should be completed 3 to 4 weeks before the actual demonstration, followed by reference checks on your top vendors.

Estimated time: 4 to 6 weeks.

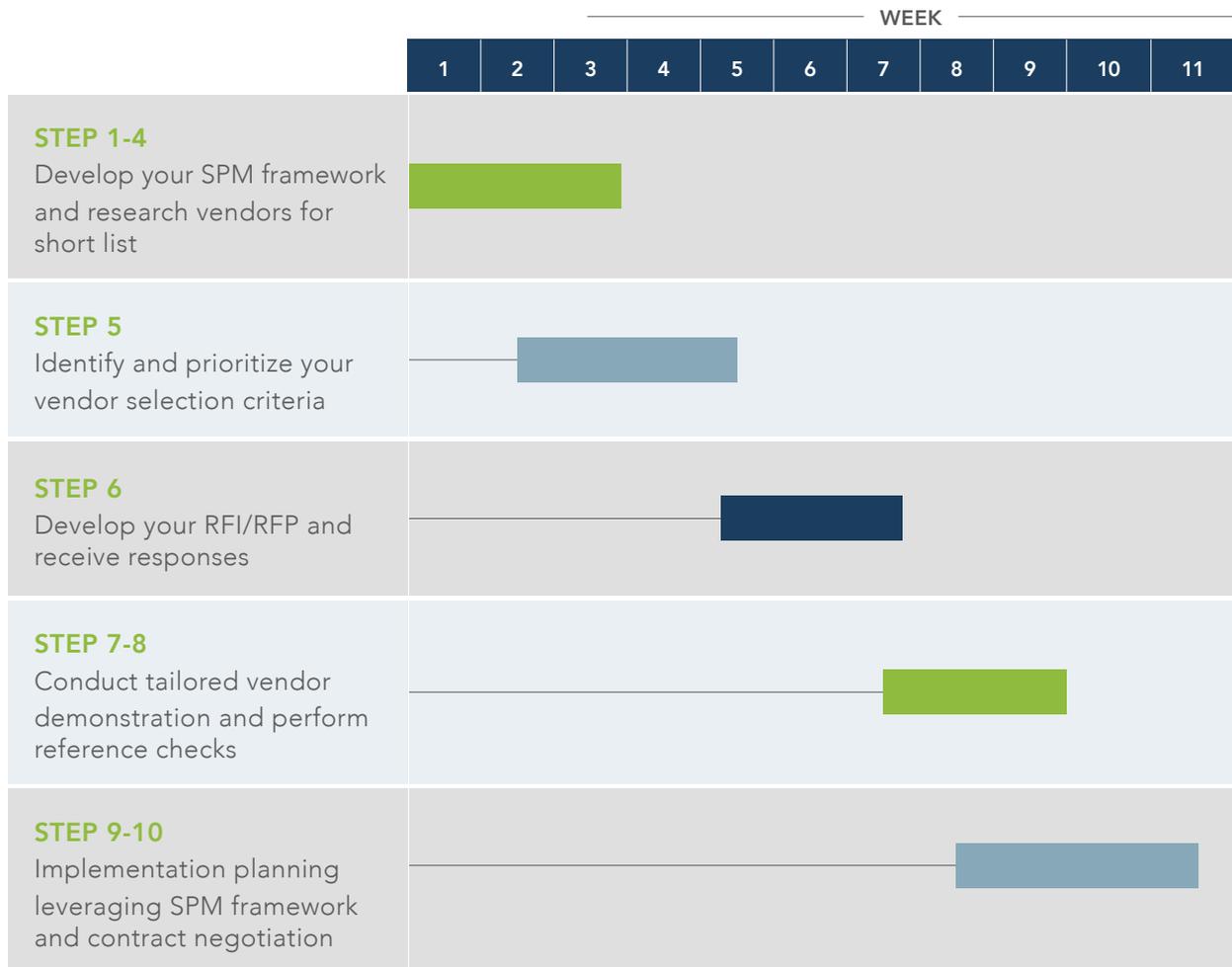
Implementation readiness and contract negotiation. Once you have selected a vendor, your team will need to evaluate your implementation readiness. You will need to consider time, personnel, resources, and executive sign-off before transitioning to an automated SPM environment. Your readiness level will influence your contract negotiations and associated costs.

Estimated time: 3 to 4 weeks or longer, depending on the urgency of your organization



STEP 4 OUTCOME: You will create a vendor selection project plan and timeline that will guide the remaining steps in your SPM vendor selection process.

VENDOR SELECTION PROJECT PLAN AND TIMELINE



STEP 5 | IDENTIFY AND PRIORITIZE YOUR VENDOR SELECTION REQUIREMENTS

Leveraging the framework identified in Step 1, you now need to identify the specific functional requirements or SPM selection criteria that will be used within your RFP/RFI documentation as well as during your custom demonstrations with the SPM vendors.

The diagram below provides a high-level framework for developing the specific criteria and requirements, including the core functionality and capabilities by user groups, that will be used to ensure the solution chosen is a good fit for your company's SPM needs.

Prioritize your requirements to clarify benefits

In addition to documenting your requirements, it is equally important to prioritize or weigh each of your requirements based on the defined necessity to your organization. The weight assigned to your criteria clarifies the overall benefit of each vendor's solution.

Prioritizing your criteria before your vendor RFP and demonstrations will keep your team focused and serve as the basis for your RFI/RFP and vendor demonstration scripts. Guidelines for weighting these elements include:



Creating a scale of must-haves vs. nice-to-haves, or using the good, better, best methodology for scoring.



Developing a customized internal evaluation model that fits your organization.



Conducting workshops and meetings with your core team to ensure that all desired functionality is identified.



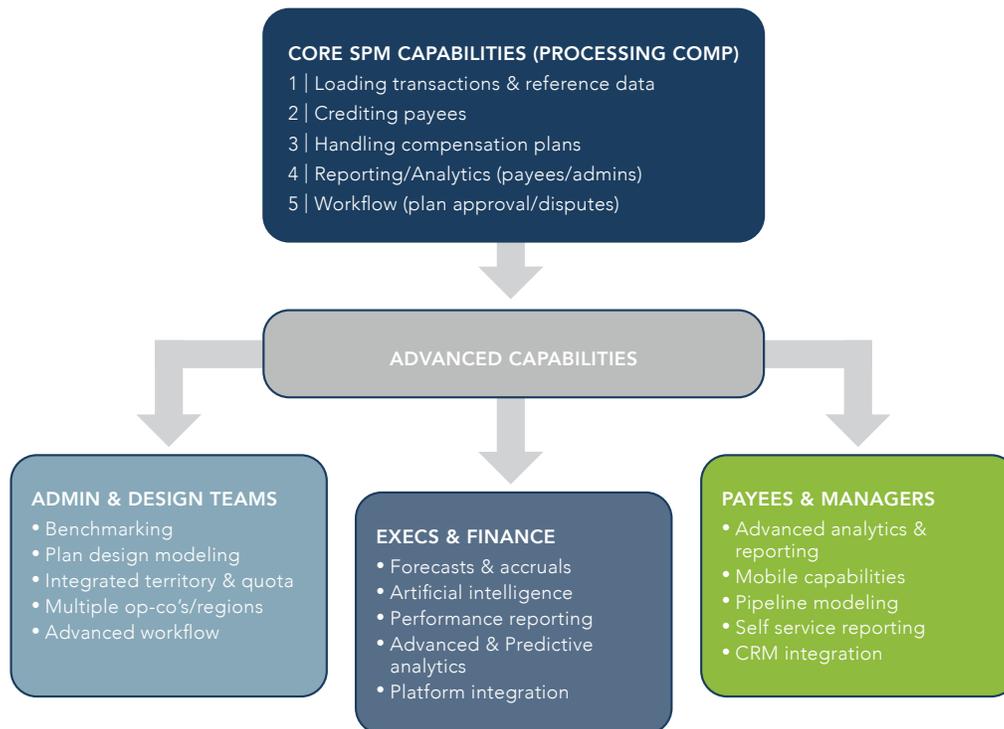
Note: It is not uncommon to identify over 200 SPM specific requirements for your SPM solution.

CORE AND ADVANCED CAPABILITIES

You must ensure that each functional area of your company will be supported by the SPM platform. We have provided a framework below that can be used to help prioritize and work through specific requirements that may be requested via the different user groups that interact with your SPM program and/or be dependent on SPM data to do their jobs.

Core SPM capabilities: At the bottom of this diagram are the basic out of the box or core capabilities that you would expect from any of the viable SPM solutions in the market. These five components align with the basic block and tackling of SPM management from capturing data to crediting and calculations and providing necessary reporting and workflow processes for various users.

Advanced Capabilities: You will also have requirements that are specific to unique users. These requirements will make it easier to differentiate between the solutions you are reviewing. While many vendor solutions can handle the core capabilities without issue, advanced capabilities will help your organization more easily achieve its desired outcome.



Note: When leveraging this model for your SPM or ICM (Incentive Compensation Management) model, it is important to consider both the current state as well as desired state across relevant requirements.



STEP 5 OUTCOME: You will create a prioritized list of criteria that will be used for your RFP and final vendor selection steps

STEP 6 | DEVELOP YOUR RFI OR RFP

Your vendor selection criteria will provide clear specifications that each vendor on your shortlist should meet. Your RFP will be tailored to your specific needs and guide each vendor in providing a thoughtful response.

Tips for a successful RFI/RFP evaluation include:

- Simplify and align the main categories of the RFI or RFP for evaluators to easily connect the vendor's response to the scoring section.
- Provide both quantitative and qualitative scoring sections to capture a numeric score and the reasons why the evaluator chose that score. The commentary from across the group will lead to insightful cross-functional discussions.
- Ensure there is an appropriate aligned scoring range (i.e., 0 to 10 in multiples of 2) and an additional weight multiplier to further differentiate the sections and vendors for scoring.
- Record the evaluator and their respective team or department. This will provide additional breakdowns when reviewing the submissions, especially if the core team is large.
- Consider sharing how you weigh the different categories or requirements with your vendors. This will allow them to see where you are focused and facilitate improved answers and demonstrations.

Because you have already prioritized your criteria, your RFP will ask questions that address specific functionality, as shown below.

- *Example:* Does your solution provide for crediting of 15 or more payees?
Possible answers include a) yes, b) yes with some development, and c) no.
- *Example:* How hard will this requirement be to configure and deploy?
Answers include 1 to 5 levels of difficulty.
- *Example:* How hard will this requirement be to maintain?
Answers include 1 to 5 levels of difficulty.



STEP 6 OUTCOME: You will have a thoughtfully crafted RFP that guides vendor responses and demonstrations while holding SPM vendors accountable during the implementation phase.

STEP 7 | CONDUCT A TAILORED VENDOR DEMONSTRATION TO RANK CRITERIA

Tailored or customized vendor demonstrations are often considered the most important component of a successful SPM platform selection. It is in your best interest to have vendors give their best, needs-focused demonstration so you can evaluate the playing field effectively.

A tailored vendor demonstration allows you to structure the presentation and compare it to your SPM vision and criteria. Your goal is not to “stump the vendor” with confusing or complex requests. Your participation, including sharing specific criteria and direction, is critical to their success and your final selection. Share as much specific information as you can to get the best possible view of their solution.

Vendor demonstrations are often lengthy. For multiple vendor demonstrations, schedule them on different days so your evaluators can accurately assess the functionality of each SPM platform without confusing vendor presentations and offerings.

Communicating with the vendor in advance of the demonstration will allow them to tailor the presentation to your specific needs, resulting in a more effective presentation of your desired functionalities. Focus on the most important criteria and how they will contribute to the vision of your SPM platform.



STEP 7 OUTCOME: Your tailored vendor demonstration will provide a clear ranking of each platform’s ability to meet your criteria, aiding in your final choice of SPM vendor.



[7 STEP CHECKLIST FOR A SUCCESSFUL TAILORED VENDOR DEMO](#)

STEP 8 | CONDUCT VENDOR REFERENCE CHECKS

After the vendor presentation, you will conduct reference checks on the vendor.

Vendor reference checks provide the first-hand experience from another user of the SPM vendor's platform, are typically 30 minutes in length, and are discussed with a contact person provided by the vendor.

Preparing a list of detailed questions in advance will keep your call on track while providing specific answers that will help in your final selection. We have provided a detailed list of vendor reference check questions in the Appendix.

You will want to understand what their customer liked and did not like about the vendor's platform, service, and overall experience. Questions that focus on deployment, support, and alignment between functionality promised and what was deployed are also important, as well as any "lessons learned" about what they would do differently.



STEP 8 OUTCOME: You will choose an SPM vendor that you are confident will not only meet your criteria but help you reach the original vision you outlined in your SPM framework.



[CONDUCTING A VENDOR REFERENCE CHECK](#)

STEP 9 | IMPLEMENTATION READINESS AND CONTRACT NEGOTIATION

Before signing a contract, you will need to consider your implementation plans. You should outline a detailed plan of how to achieve your initial SPM framework, including required timing, company resources, and executive sign-off, before moving forward.

Part of this process includes evaluating your implementation readiness. It will take time and planning to ensure that you have the data, processes, and people in place to move to an automated environment and get the most out of your SPM investment. Your vendor of choice can assist you or you can use outside resources who have SPM implementation expertise.

Once you have verified that you are ready to implement, your Procurement department will begin contract negotiations. These contracts have many nuances, which is why many companies reach out to an SPM consultant to assist them in the SPM selection process.

Each contract section should be carefully reviewed to ensure you not only fulfill your SPM framework's vision but pay a competitive rate and receive all that you were promised. Several considerations include:

- Reviewing your implementation timeline, available resources, and additional support required from your vendor.
- Understanding that vendor pricing is often negotiable after the initial proposal and after they collect more information more about your company's needs and implementation plans.
- Considering payment timing, license fees, and your implementation timeline. Some vendors may require upfront payment before actual implementation is completed, which may take up to six months.
- Ensuring that there are no hidden fees in the contract that were not previously discussed.
- Reviewing details related to volumes storage, renewal rates, and environments.
- Verifying if future new features are included in your core license or if they will incur additional charges.

Reviewing these issues with Procurement, Finance, IT, and other team members will ensure that your final selection not only makes the greatest use of SPM capabilities but also optimizes company resources.



STEP 9 OUTCOME: You are now ready to leverage your SPM framework for results.

STEP 10 | LEVERAGING YOUR SPM FRAMEWORK

Your vision, framework, and desired vendor solution are the basis for deploying your SPM platform. These will serve as a guidepost to ensure that your SPM solution fulfills your vision, meets documented requirements, and aligns with your strategy.

Successful firms remain focused on their original framework and review their original criteria to make sure they are implementation ready. Your organization will benefit from the advanced technology, streamlined processes, and advanced sales leadership.

We recommend that organizations do not re-invent the wheel. Vendors and consultants have the expertise to help you be efficient as you deploy your solution. You will need to understand the impact the process will have on your organization as well creating a dedicated testing team once to ensure the solution meets your expectations. Finally, you should detail your post-go-live expectations to ensure your team meets your expectations.

Implementation will require project management, coordination of resources, training, and organizational change toward a streamlined, automated system that improves revenue and profitability. This phase is detailed and requires dedication at all levels of your organization to succeed. SPM platforms offer proven results, and the payoff of the effort can be substantial for your company.



STEP 10 OUTCOME: You are ready to realize the results that SPM platforms have to offer, increasing both revenue and profits.

10 STEPS TO FLAWLESS SPM EXECUTION

The SPM Value Proposition. Sales Performance Management (SPM) platforms improve efficiency and effectiveness in enterprise-wide sales operations, improving both revenue and profitability.

- 1 Develop your SPM framework.** You will create a customized SPM framework based on internal needs and strategy alignment. Your framework will allow you to level up your current programs and ensure you receive the maximum benefits that SPM has to offer.
- 2 Perform SPM vendor research to create a list of top candidates.** Your vendor research will result in a list of 4 to 6 leading SPM vendor candidates, including their qualifications and product offerings, that your internal SPM project team will review for further consideration.
- 3 Create your SPM vendor shortlist.** You will narrow your list to 2 to 3 ideal SPM vendors. You will attract more serious vendors who will be responsive to your interview and demonstration requests.
- 4 Establish your vendor selection project plan and timeline.** You will create a vendor selection project plan and timeline that will guide the remaining steps in your SPM vendor selection process.
- 5 Identify and prioritize your vendor selection criteria.** You will create a prioritized list of criteria that will be used for your RFP and final vendor selection steps.
- 6 Develop your RFI or RFP.** You will have a thoughtfully crafted RFP that guides vendor responses and demonstrations while holding SPM vendors accountable during the implementation phase.
- 7 Conduct a tailored vendor demonstration to rank criteria.** Your tailored vendor demonstration will provide a clear ranking of each platform's ability to meet your criteria, aiding in your final choice of SPM vendor.
- 8 Conduct vendor reference checks.** You will choose an SPM vendor that you are confident will not only meet your criteria but help you reach the original vision you outlined in your SPM framework.
- 9 Implementation readiness and contract negotiation.** You are now ready to fulfill the vision of your SPM framework by moving onto the Implementation Phase.
- 10 Leveraging your SPM framework.** Use your framework to align with your vision and ensure a smooth implementation.



SPM CONSULTANT BENEFITS

External consultants specialize in identifying an organization's SPM vision and goals to make the vendor selection process more focused.

BENEFITS OF USING AN EXTERNAL CONSULTANT

- **Independent, agnostic approach to vendor selection.** Choose a consultant who is not a reseller of SPM applications to provide an independent opinion on market-place offerings.
- **Drive project management.** There are lots of moving parts to SPM selection. An external consultant will make sure that vendor demonstrations, evaluation, RFP management, and selection are driven forward, with clear communication with leading vendors.
- **Driving future state discussions.** External consultants improve the adoption of SPM best practices and clear definition of required functionality and deployment.
- **Improved execution and deployment.** Increased confidence in the chosen platform, choosing a solution that meets both current and future needs.
- **Provide market expertise.** Leveraging industry expertise and knowledge of SPM solutions, pointing out challenges and opportunities, and revealing gaps in vendor functionalities and knowledge.
- **Avoid unnecessary risk.** External consultants provide knowledge of expected commercial and contracting terms, ensuring competitive pricing and risk mitigation of usage and data storage pitfalls.
- **Proven SPM experience.** An external consultant's qualifications should include SPM expertise in your industry, contemporary knowledge of vendors and their functionality, lack of bias or conflict of interest, proven resources (tools and templates) that reduce the learning curve, and experience running SPM selection processes.
- **On-time. On budget.** Using an external consultant provides realistic expectations of SPM functionality while lowering the risk of overpaying or choosing a solution that does not support your vision. Work is completed on time, saving company time and effort while not overburdening existing staff with complex vendor selection processes.

OPENSYMMETRY – YOUR SPM SELECTION EXPERT

OpenSymmetry enables its clients to achieve greater operational efficiency and get better sales results by providing specialized planning, implementation, and management of SPM solutions. OpenSymmetry is a global consulting company and supported by the industry's leading technology suppliers.

As a consulting company, our success is directly tied to the success of our customers. Our top priority is making sure our customers successfully reach their goals. We have partnered with over 2,000 clients, including over 100 Fortune 500 leaders, to achieve results that markedly improved their sales operations through proper selection and implementation of the right platform that fit their specific needs.

OS Team members are entrepreneurs at heart, embracing growth and change by developing radar for new ideas. They approach challenges with a “we can do this” attitude, and consistently attempt to build what does not exist.

Through our focus on customer success, commitment to accountability, and by staying at the leading edge of the industry, our mission is to:

- Empower an unstoppable workforce
- Create transformation using global experience
- Elevate what is possible with innovative solutions

Our deep expertise and client commitment create profound and successful partnerships. For more information, contact: os_info@opensymmetry.com or www.opensymmetry.com



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APPENDIX

Valuable Resources for Your SPM Vendor Selection

At OpenSymmetry, we have helped numerous clients choose the right SPM solution that fits their needs. To make it less complex for you, we've included detailed checklists that will help you select the right vendor and the right solution for you.

Resources:

- [Vendor Selection Question Checklist](#)
- [7 Step Checklist for a Successful Tailored Vendor Demo](#)
- [Speeding Up the Process: The Condensed Vendor Selection Process](#)
- [Conducting a Vendor Reference Check](#)
- [Limitations of Out-of-the-Box SPM Solutions](#)

VENDOR SELECTION QUESTION CHECKLIST

- Do the technologies integrate with your internal CRM, HCM, ERP, and other existing systems?
- Does the vendor support your strategic and operational needs, including analytics, workflows, plan design, audit and compliance, and other key functions?
- Will the system support international or multi-business line needs like currency conversion, data segmentation, security, languages, and other compatibility issues?
- Will the system support long-term goals for benchmarking, AI and ML implementation, or mergers and acquisitions?
- Does the system provide territory and quota planning and management capabilities, either integrated or at an additional cost?
- Does the solution provide advanced integration capabilities with our core systems such as POS or CRM platforms?
- Does the solution have a proven track record in our specific industry?
- Does the solution provider maintain or have an ecosystem of partners that can be used for initial deployment and support?
- What type of resources will be needed to maintain the solution, and will it be possible to hire experts if required?
- Does the solution support our desired workflow, self-service, and automation requirements?
- Does the solution provide the ad-hoc and reporting flexibility to support our current and future needs?

7 STEP CHECKLIST FOR A SUCCESSFUL TAILORED VENDOR DEMO

- Prepare the vendor.** Provide key information and expectations a few weeks in advance of the demo so the vendor can adequately prepare a tailored presentation. Also, provide them with demonstration scripts and business objectives in advance so they are prepared.
 - **Demonstration preparation call.** Vendors will want to meet with your team before the demo to discuss your vendor scripts and goals for the presentation. This advanced preparation will significantly improve your presentation outcomes. Each vendor will have more insights into your vision and ensure they can address all your concerns appropriately.
- Provide current data and compensation plans.** Where feasible, provide necessary data files, compensation plans, process maps and workflows, sample reports, and analytics dashboards. With enough time, vendors will be able to incorporate this information into their demonstrations to ensure your team can have a focused discussion of the system's capabilities.
- Focus on "day in the life" demo scripts.** Create scenarios that emulate the day in the life of various users, including admins, Sales, executives, Finance, and other users. Ask vendors to demonstrate how each user would interact with the platform daily.
- Reporting and configuration scenarios.** Understanding reporting and analytics is a critical reason for purchasing an SPM platform. Take time to consider what types of data your different users must access.
 - **Provide your business intelligence goals.** For each type of user, allow vendors to present different mediums (ex: static reports vs. interactive dashboards) and explain their approach to addressing each user's needs.
- Day of demo scenarios and requests.** Consider defining, but do not provide in advance, one or two scenarios that show how the vendor's solution can respond to unexpected requests for modifications or additional functionality. Without prior notice, ask the vendor to create a component from scratch (ex: a plan or report) as well as modifying information once implemented.
- Scoring.** Use your criteria priority list to develop a scorecard system for your evaluators to rank features and functionality shown in the vendor demonstrations. Consider each scenario as to how well they meet the business needs. Provide room to insert additional notes and comments.
- Post-demo analysis.** After the vendor leaves, allow the group to discuss the presentation and address real or perceived gaps in desired functionality. Consider allowing further discussion or demonstrations if any aspects are unclear.

SPEEDING UP THE PROCESS: THE CONDENSED VENDOR SELECTION PROCESS

If you are on a tight timeline, a condensed vendor selection process can help. Steps to take include:

- 1 Use an external consultant will typically help speed the selection process.
- 2 Spend more time reviewing or researching the market to quickly lock in on 2 maybe 3 vendors who are most likely to meet your needs.
- 3 Set expectations with the vendors early that it will be a fast process and you will need responsiveness.
- 4 Create an abbreviated RFI focusing on a shorter set of questions specific to key areas of functionality, price, and security requirements focusing on checking the box on standard requirements, security checklists and any needs specific to the procurement team.
- 5 Use a pre-demo (sales demo) approach before the function-specific demo.
- 6 Reduce the number of vendors early and often before getting to demos.
- 7 Conduct vendor demos that focus on common functionality and differentiator functionality.
- 8 Begin contract review with final two vendors during selection to expedite procurement path.

When a condensed vendor selection approach is used, many potential issues can be overlooked. However, when engaging with an external consultant, they can proactively or quickly address these types of items and raise awareness. These consultants help you focus on what to look for before demos occur or and provide agnostic pros and cons of each system.

CONDUCTING A VENDOR REFERENCE CHECK

General

- When did you implement this software?
- Why did you choose this vendor over others?
- How many issues are reported each month?
- What recommendations have you requested for the software since implementation and why?
- How do the business users like the product?
- What do you like the least about the software?
- What would you change?
- What one piece of advice did you wish you knew before moving forward with this vendor/solution? In POC or other times?
- Is there anything you wish I had asked? If yes, what?
- Would you select this vendor/solution again knowing what you know today? Why or why not?

Implementation

- How is your post-implementation experience?
- What is IT required to do after implementation (that the business partners cannot do)?

Configuration

- How much modification did you need to make to the core product to support your requirements if any? Any complex rules or situations that you needed to go outside the core application to support the business need?
- How complicated is your business – how many payments, how many producers, what type of calculations?

Integration

- Do you have several inbound and outbound files, in varying formats and layouts that the vendor needed to accommodate?
- If yes, was the vendor able to complete this easily or with some difficulty?
- What was required to accommodate the various formats?

Relationship

- How satisfied are you with subsequent services, such as annual support? Including maintenance or upgrades, etc.
- Describe your relationship with the vendor. Do you consider them a partner in your success? Why or why not?
- How well did the vendor cooperate with other vendors, for example, with integrations?
- How did they handle conflict-resolution? Any examples of conflict or resolution and how did it get resolved?

Reliability/Performance

- How much downtime have you had? Did any outages occur in your processing due to the software? What were they and how long did it take to resolve?
- What types of volumes are you processing and how long does it take?
- What is the complexity of the calculations that you are processing?
- What is the window timeframe that you can complete your processing for your volumes?

LIMITATIONS RELATED TO SPM SOLUTIONS THAT FOCUS ON THE SMB OR COMMERCIAL MARKETS

There is a multitude of SPM solutions in the space and they all have varying degrees of capabilities based on their initial vision, architecture, and most importantly their on-going development is driven by client experience. While some of the older solutions in the market have been able to develop their offerings based on client-driven needs there are still a few of the older solutions or some of the new ones that have not yet obtained the level of sophistication regarding what we may consider a true enterprise solution.

Many determinants separate SMB and Enterprise programs. To provide context, we have identified examples of where SMB solutions fall short from a functional offering standpoint and the potential impact it may have on a client's long-term satisfaction with the solution.

CAPABILITIES/GAPS	DESCRIPTION	BUSINESS IMPACT
Multiple Hierarchies	Solutions may be limited to one hierarchy with custom workarounds.	Clients will have to create workarounds to distinguish a separate crediting hierarchy from a reporting hierarchy to support multiple channels and cross-selling.
Complex Crediting/Calculations	Limitations may exist in handling complex credit and calculation rules that may be required to assign credits to larger numbers of reps or through compensation plans.	Clients may need to purchase other modules or move business rules logic into an ETL or custom solution, limiting the client's business owner's access to make changes or updates. For compensation plans, clients may need to adjust plan designs to fit within the system or maintain outside of the solution.
UI Language	There are limited language options that would allow for a customized solution to meet local language needs for Admins or End Users.	A gap between UI languages available between Admin and End Users can cause challenges for admins who work remotely in different regions.
Volume processing	SMB solutions have difficulty in managing large volumes of data when attempted performance is impacted.	May require steps to negate performance issues. The vendor provides dedicated servers that cost more, pre-processing of credit assignment outside of solution, and there is less access to the system while processing is being run.

CAPABILITIES/GAPS	DESCRIPTION	BUSINESS IMPACT
Data Management	Solutions may have limited DI integration capabilities or create a reliance on the vendor to manage data integration processing.	For complex data integration, deployments may require additional client IT support or a heavy dependence on a vendor or consulting firm (e.g., for data cleansing and error handling).
Multi-business Units	Ability to support multiple business units or international entities in a single SPM environment. Limitations may relate to data segmentation, coordination of processing and security, or access.	Clients may need to purchase and maintain multiple instances of their SPM solution with limited ability to consolidate or roll up data as well as develop a coordinated center of excellence for on-going governance.
User Record Continuity	Limited ability to tie all legacy and current records to one user profile without leveraging more than 1 unique ID.	Plans may need to credit and calculate with overlapping dates. Without the out-of-the-box ability to have the same payee under more than one plan at a time, the user would have to switch user profiles to view performance for each plan.
Calendar Flexibility	Limited levels of calendar setup (e.g., Monthly, Quarterly, Annually) or ability to assign different frequencies for different payee groups.	Additional configuration for OOB set structured calendar levels needed. May need custom objects being built and maintained (i.e., additional crediting rules) or additional environment to support payout frequencies.
Disparate Platforms	Some of the platforms have acquired applications to meet specific SPM needs and have not integrated these platforms.	Clients can be overwhelmed by the number of modules to manage platform requiring expertise across solutions or the necessity for creating manual fixes where integration can't be leveraged.
Reporting/Analytics	No reporting and analytics capabilities or very restricted with dependence on client BI to communicate commission data.	An expectation that the client will need to build out reports in their own BI environment without the ability to use templates or SPM best practices.



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