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## **Managing Sales Compensation**

How COLT increased operational efficiency and gained flexibility in managing incentive compensation and sales performance.

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# About Colt

Colt is the information delivery platform for European business, enabling its customers to deliver, share, process and store their vital business information.

An established leader in delivering integrated computing and network services to major organisations, midsized businesses and wholesale customers, Colt operates a 22-country, 43,000km network that includes metropolitan area networks in 39 major European cities with direct fibre connections into 18,000 buildings and 20 carrier neutral Colt data centres.



# Business Drivers

- Looking to replace the existing six-year old custom incentive system
- Utilizing an Infosys built and supported system out of India
- Ability to easily model and develop new pay plans
- Single solution to meet their business needs
- Need for flexible reporting and analytics
- Workflow driven inquiry functionality
- Solution that integrated with Salesforce.com
- No benefits of a true SPM solution.



# Outcome

- Options to solve the business drivers
  - Looked at packaged solutions (Varicent and Competitors)
  - Upgrade existing system

## Why we chose Varicent:

- System configurability and flexibility
  - High level of configurability was a major advantage in future requirements
- Integration with Salesforce.com
- Audit functionality and financial controls
- Best solution in the market our needs
  - Other solutions fell short functionality or technically
- Value for money – payback on investment



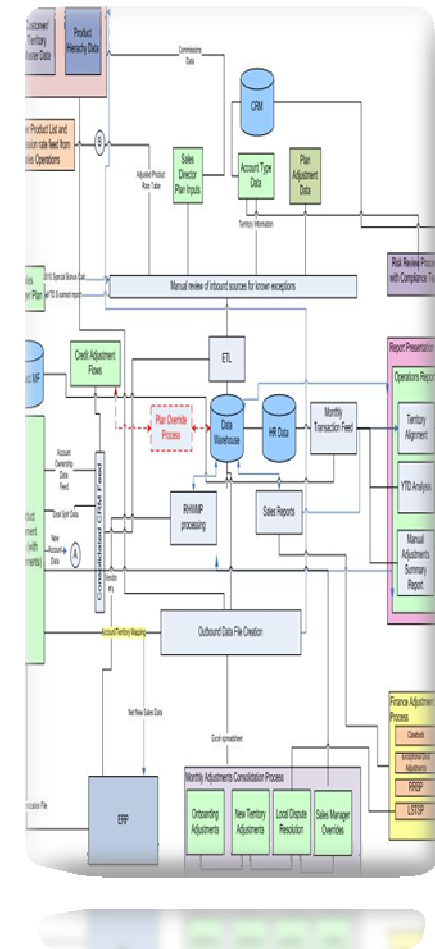
# ROI Benefits Achieved

- Legacy system was costing over \$200,000 a year to maintain and reconfigure when plans changed
- Initial investment of about \$1.5 million in a hosted SPM application. We have since renewed the three-year contract, at a cost of about \$500,000.
- Within months, satisfaction with the new system was at a much higher level than it had ever been with the old system.
- Opportunity to consolidate data sources moving from 40 down to 20
- Implemented for today with a focus on future needs



# Lessons Learned

- **Allow enough time for data integration**
  - Geek language, remove acronyms
  - What currencies do we use for revenue?
  - What happens when currency rates change?
  - Realistic expectations with manual processes?
  - Understand your internal processes and data feeds before embarking upon change



# Lessons Learned

- **Consider testing requirements early**
  - Backing into the prior results when data has changed
  - Train administrators on product
  - Volume of data
  - Testers have to know plans
  - Do not forget the importance of the User Experience (System Administrators, Plan Administrators, Sales Operations and Plan Participants)



# Lessons Learned

- **Communicate, Communicate, Communicate**
  - Allow for training decide upon the medium to be used
  - Adjustments statements match
  - Training vs. selling time
  - All hands on deck
  - Mailbox
  - PC skills
  - Reports are key!
  - Executive sponsorship





# Lessons Learned

- Consider how to handle history
- Plan for growth
- Involve IT



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# Future Plans

- Signed up for another 3 years
- Extending the use to our Sales Partners
- Improving the workflow experience
- Extended Reporting
- Managing the change with Varicent to IBM

# Thank you

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