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Ingres Powers Strategic Sales Focus with Xactly Incent

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Doug Harr, CIO of Ingres

Ingres Corporation is a leading provider of open source database management software and support services, serving thousands of customers through major development, sales, and support centers around the world. From day one, the fast-growing company faced a formidable array of sales compensation management challenges, such as handling multi-currency payouts, attempting to maximize compensation process accuracy and productivity, and ensuring SOX compliance. In turning to Xactly Incent, Ingres successfully tackled those challenges and more, while achieving new levels of operational efficiency and sales performance.

Challenge

As the company continued to grow, Ingres knew it needed a way to effectively manage the sales-commissions process. The company was determined not to go down the road of error-prone, spreadsheet-based compensation management. However, on-premise software packages for managing incentive compensation were prohibitively expensive to purchase and maintain. As a stopgap measure, the company used a complex spreadsheet to manage commissions for the first year. But predictably—lacking reporting, audit and multi-currency functions and unable to adequately scale—that solution ran out of gas as the new company continued its rapid expansion.

“We soon became too mature and global for a solution like that to be effective,” claims Mike Kostow, vice president of business operations, Ingres. “Fortunately, the Software-as-a-Service (SaaS) industry was on its own maturity curve, and 100-percent SaaS-based sales compensation management solutions were now an attractive option. On-demand was very clearly the way we wanted to go to leverage advantages in cost, time to market and scalability.”

The executives at Ingres were already strong SaaS proponents, relying on nearly a dozen on-demand applications, including Salesforce CRM for sales force automation and Intacct for order management and financials. They then turned to Xactly to automate and improve their incentive compensation management process for nearly 70 payees, in nine currencies, and across direct and channel sales as well as pre-sales and services.

Solution

Ingres selected the Xactly Incent on-demand sales compensation management application to automate its global incentive compensation management process end to end, from plan design and distribution to ongoing administration to reporting and auditing. The solution was live within a matter of weeks, using Xactly templates to extract data from Intacct and Salesforce CRM.

“Both the CFO and I had heard positive things about Xactly Incent. Once we saw the application, we were pleased with what it provided in the way of robust reporting and multi-currency support, easy integration and scalability, and ensured accuracy,” says Doug Harr, CIO, Ingres. “For example, we sure sleep better at night knowing there are checks and balances, with data coming directly from our invoicing application for review and processing in Xactly.”

When the company rolled its 2008 sales compensation plans out to the field through Xactly Incent, the ease the solution brought to compensation management was readily apparent. “Plan implementation was an extremely simple process, wrapped up in well under two weeks,” recalls Shelley Keefe, business operations analyst, Ingres. “Before I had to manage three separate comp plans in three separate ways; now I can combine their rollout and management in one system. One load, and I’m done.”

Using Xactly Incent’s integrated Xactly Document Management feature, Ingres now distributes and obtains signoffs on compensation plans and certification letters electronically, resulting in further speed advantages and other benefits. “Plan signoff used to be a frustrating and time-consuming manual process, but doing it electronically through Xactly Incent saves us countless hours of chasing

people down," claims Keefe. "Plus we're easily able to provide a report to the auditors as to who has accepted and signed off on their plans. A complete audit trail is right there in the system and no longer in some notebook."

The sales force has reason to rejoice as well. Instead of receiving manually produced, difficult-to-comprehend statements, reps now have real-time, online visibility into plans and attainment. "Now if a rep or field manager has a question, I get on the phone and walk them quickly through it," says Keefe. "I can point to a line item, and they will see exactly what I'm seeing as we go through the commission and exchange rates that have been applied to each credit. I like that enormously, as does the field. This, and so much else, simply wasn't possible before Xactly."

Benefits

Ensured accuracy

Previously, when Ingres had a suspicion that it was overpaying, it had no easy way to prove it. Now, with Xactly Incent's rules-based compensation engine providing accurate calculations combined with the application's easy auditability, overpayment is a non-issue. "We no longer stress about the issue of overpaying and have a much better handle on compensation accuracy and timeliness in general," says Kostow. "We set the rules and the rest is automated, with a clear audit trail of all our transactions and decisions."

Multi-currency processing

In the past, Ingres had to handle foreign currency payouts outside of its home-grown system. Now it manages all its payouts, regardless of currency, inside of Xactly Incent. Additionally, Ingres previously lacked an easy way to stay on top of foreign currency-exchange rates and was unable to update the rates regularly. "Now," claims Keefe, "I get updated exchange rates automatically within Xactly Incent every month."

Robust reporting and real-time visibility

With a limited number of resources to handle commissions, Ingres wanted to

push as much compensation intelligence as possible out to the field via reporting and real-time visibility. "Real-time visibility and reporting is paramount when you have a mobile workforce," asserts Keefe. "Now reps and management alike know exactly where everything stands at any point in time in regard to compensation, and how to earn more of it. It has made both my job and theirs' a lot easier and more rewarding, literally."

Increased productivity

Even as Ingres continues to expand, Xactly Incent has enabled the company to hold the line on the administrative resources dedicated to compensation management, and even to recoup some valuable time. "The work involved in managing incentive compensation decreased by 90 percent from a year ago," says Keefe.

"One person now spends just part of her time handling compensation for almost 70 people," adds Kostow. "That's an excellent ratio. From sales to finance to operations, the whole company has gained from the increased productivity because less time spent filtering through compensation issues means more time can be spent focusing on more strategic matters."

Compliance and enhanced business processes

Ingres' previous compensation management system was not easily auditable, nor were the spreadsheets used to augment it. That has all changed. "It was always hard to explain what was happening," says Kostow. "There was no built-in auditing, the auditors didn't know how to audit a spreadsheet, and foreign currency was always a thorny issue. Now, instead of burning time working through audits, we can just point to the records in Xactly and the auditors can get the full picture. Plus, Xactly Incent is SAS-70 certified, so the auditors trust it."

Xactly Incent has also had a positive effect on various business processes that are aligned with—but outside of—compensation. For example, Ingres is now able to more easily handle credit memos in the same quarter in which they occur,

where before it was a manual process that could stretch across quarters. "Xactly has helped us tighten up that process," explains Kostow, "and in doing so has saved us considerable time and exposure to risk."

Cost-effective business enablement

As an open source software company, Ingres has a natural affinity for the enabling power provided by SaaS applications like Xactly Incent. Up to 95 percent of the company's information infrastructure is built on on-demand solutions.

"Xactly Incent is exactly the kind of application we want for Ingres," says Harr. "It integrates easily and inexpensively with other applications, including other SaaS solutions, it's extensible and cost-effective to scale, and it implements in a fraction of the time required by on-premise solutions. If that isn't enough, it provides tremendous cost savings over our legacy software for sales compensation management, both in upfront costs and annual maintenance fees."

Concludes Harr, "As CIO, it's my goal to take maximum advantage of vendor domain expertise, and not try to reinvent that on my own servers. Xactly has provided us with the most reasonable implementation I've seen in the compensation environment in 20 years."