



Optimum Lightpath Case Study

Optimum Lightpath Strengthens Strategic Sales Focus with Xactly Incent

“With Xactly, we can scale the complexity and effectiveness of our sales compensation programs without scaling our administrative overhead. We don’t have to water down our programs any more, but can instead align them closely with corporate objectives and achieve new business agility.”

Matt Grover, Optimum Lightpath, Vice President of Sales Operations

Introduction

A business telecommunications services division of Cablevision Systems Corporation, Optimum Lightpath delivers converged data, Internet and voice solutions to businesses throughout the New York metropolitan area. Its advanced fiber-to-the-business premises network extends 2,500 route miles throughout the most heavily inhabited parts of New York, New Jersey and Connecticut, enabling the company to supply reliable telecommunications services at lower prices than traditional offerings.

Challenge

Advanced technologies, lower prices, superior customer service—since its inception, Optimum Lightpath has possessed a singularly compelling sales proposition. But behind the scenes, the fast-growing company was being hobbled by manual processes for managing sales compensation. Its sales landscape is complex: a diverse set of products and services, salespeople paid based on customer location (for example, is the building already “lit” or does there have to be costly new

construction?), and multiple sales teams (enterprise; multi-tenant buildings; government, education and medical; wholesale) with different compensation plans. The company found itself challenged to manage sales compensation strategically and drive desired sales behaviors because of its heavy reliance on spreadsheet-based processes.

Explains Matt Grover, vice president of sales operations at Optimum Lightpath, “We had difficulty in implementing the kind of sophisticated plans that would align tightly with our corporate goals. We had to make so many compromises because if we didn’t make the compensation program simple, we’d have an administrative nightmare.”

Adding fuel to the fire was another drawback typical of manual processes: lack of ready visibility. Like many companies, Optimum Lightpath had no universally accessible (and auditable) central repository for commissions data, and thus no guarantee that sales reps and managers possessed comprehensive and accurate views of past and present commissions statements. Tied to this was a lack of timeliness, with

source data first imported into worksheets for calculation, then laboriously prepared statements passed manually for approval, and finally payments being processed two to three weeks later.

Putting all these issues into bold relief was Optimum Lightpath’s highly successful Salesforce implementation, which had already demonstrated what could be accomplished with an automated, on-demand service in terms of driving sales performance. With this in mind, the company began looking for a complementary sales compensation management solution that would:

- Enable sales compensation to be leveraged strategically
- Automate and streamline the compensation management process, end to end
- Provide 360-degree visibility into its compensation program
- Support regulatory compliance efforts through centralized archiving
- Integrate seamlessly with salesforce.com

Solution

Following a thorough examination of competing options, Optimum Lightpath selected Xactly Incent™, a web-based, on-demand solution for automating sales compensation management and optimizing its use as a strategic tool.

"We looked at other sales compensation management vendors before selecting Xactly, but the other vendors had a legacy application architecture. We needed a solution whose reputation in the industry matched that of our CRM partner salesforce.com, and Xactly was the best fit," explains Grover.

Xactly Incent now helps manage compensation across Optimum Lightpath's entire direct sales force. The company's sales reps use Xactly Incent for online real-time visibility into where they stand versus plan, and to determine which sales opportunities deliver the maximum return. Sales operations has shaved countless hours from calculating payouts and preparing statements, and has been able to quickly introduce SPIFs to further incent the sales force on an opportunistic basis. And sales management has gained the tool they need for creating and implementing more complex compensation plans, and for measuring progress.

As planned, Optimum Lightpath has linked Xactly Incent directly to its Salesforce implementation, providing users with convenient "single sign-on" functionality. Once logged into Salesforce, users can go straight into Xactly Incent through a pull-down menu. With this integration comes the ability for sales reps to access Sales-

force opportunities of interest (using filters such as date and probability of closure) and estimate potential commissions and bonus payments before, during and after a sale via the Incentive Estimator™ feature of Xactly Incent.

Benefits

Strengthened strategic focus

Previously, Optimum Lightpath simplified its compensation programs so as not to exceed the limitations of its manual processes. Now, the end-to-end automation provided by Xactly Incent has opened the door for plans to be increasingly complex and strategic, starting with the company's 2008 plan. "We don't have to water down our programs any more, but can instead align them closely with corporate objectives and achieve new business agility," asserts Grover. "For example, as we expand our sales compensation management program to include external third-party channel reps, Xactly will drive the right behaviors while eliminating the administrative nightmare."

Increased productivity

Xactly Incent has helped enhance Optimum Lightpath's performance and the productivity of its employees along several vectors. For example, commission processing time has been cut by one-third and continues to decrease. Statistically, where 1.5 employees were needed to manage the compensation process before, only one person is required going forward. Error rates and time-to-remediate error rates are also declining dramatically, leading to further productivity advances—both in the back office and in the field—as both reps and operations personnel are freed

from engaging in disputes and chasing down mistakes. Importantly, as Xactly Incent is online and on-demand, the compensation administrator is not tethered to the office, and can now do the job "at home or on the road without missing a beat," says Grover.

360-degree visibility

Comprehensive, real-time visibility into compensation now extends across the sales force and top management, leading to further productivity and performance gains. Not only can sales reps quickly see where they stand, but management can see at any time how each rep is being compensated, without waiting for ad hoc reports. "The real-time visibility of Xactly Incent helps senior management get closer to the business," claims Grover. "With Xactly Incent, top managers don't have to wait for rolled-up numbers, but can log in whenever they want, and dive down as deep and as far back as they want. As a result, new kinds of questions are being asked—the ones that further enhance sales performance."

Enhanced compliance

All of Optimum Lightpath's past and present commission information is now kept in a single application with broad reporting and audit capabilities to support the internal controls and regulatory compliance efforts of parent-company Cablevision. This includes verification that sales reps have read and signed off on compensation plans. The Xactly Incent automated process for defining, calculating and paying compensation, meanwhile, ensures the accuracy that is mandatory for all compliance initiatives.