

Customer Success Story

Alert Logic Strengthens Sales Performance with Xactly

About Alert Logic

Houston-based Alert Logic is the leading provider of Security-as-a-Service solutions for the cloud. The company offers intrusion detection, vulnerability assessment and log management solutions, coupled with 24x7 monitoring from their security operations center. More than 1,700 enterprise customers trust Alert Logic to secure and protect their digital information and stay in step with regulations including PCI, HIPAA and SOX.

The Challenge

When Ben Lesem joined Alert Logic's Finance team in 2010, his marching orders were fairly straightforward: "Log in to Salesforce to see what was sold, then take each sales team member's commission plan and make sure they get paid the right amount."

He quickly found out that was much easier said than done. He had separate spreadsheets for each sales rep, and few of them were

Keeping track of the backlog in commissions earned but not paid was especially difficult using Excel.

As Alert Logic grew rapidly and developed three product lines for detecting network intruders — bringing in \$30 million in revenue and climbing — company leaders knew the manual method of calculating commissions simply couldn't keep up.

The Solution

In 2010, Alert Logic decided to automate, and chose Xactly, the ideal solution for companies with fewer than 100 sales reps.

Xactly provided Alert Logic with the required automation, visibility and management reporting, as well as the ability to integrate with existing systems such as Salesforce CRM. Xactly's ability to keep pace with Alert Logic's booming business has also spared Lesem from growing pains.

Our business has doubled in the time since we implemented Xactly. We haven't had any concerns about whether Xactly can scale to meet that. Xactly has been able to handle that growth for us so far.

— Ben Lesem, Alert Logic

routine. "There were lots of one-off rules," he said. The Houston-based Security-as-a-Service company landed many of its deals through team selling, which added to the complexity.

"You'd have multiple individuals being paid for each deal with different rules and at different rates," Lesem said. "We needed to systemize those rules."

The manual spreadsheet system also had so many moving parts that it was impossible to manage without error. Lesem felt like he was "driving blind" because he wouldn't have complete commission statements or other necessary information.

"There were errors, omissions and mistakes made every period when we were manually calculating commissions," he recalled.

It took him a full week every month to do his calculations in Excel, get reports to the sales team, and make the necessary revisions.

Another challenge stemmed from the lag between the time deals are signed and when the sales reps receive payment for those deals. Alert Logic calculates commission attainment at the time deals are signed, but sales reps are not paid until customers are fully up and running with their Alert Logic services.

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Benefits

Xactly has helped Alert Logic get its sales compensation system in order so the entire staff can focus on other priorities and be more productive overall. Some of the improvements they've seen include:

Time savings. The calculations that took Lesem a week to do in Excel now take about a day and a half—and only that long if he has to go into the system and make some manual adjustments. "If it's a straightforward month, it probably takes six hours. It's significantly less," he said.

If there are any discrepancies, those are easily fixed. Instead of having to rerun Excel and redistribute reports to the entire team, he can make instant changes that sales reps can see on their Xactly dashboard.



That self-service ability is a huge advantage. “If you send out Excel files, people look at you as the owner and come to you with questions. On a dashboard, they can figure things out on their own. It takes the time for answering questions and making changes from another three or four days of work down to almost nothing.”

The dashboard also enables sales reps to see the commission payments that are in the backlog, so they don’t have to worry about future payments being properly tracked.

Increased trust. Pay disputes have decreased by at least half since Alert Logic started using Xactly, because the sales team has a higher degree of confidence in the calculations. “I get at most one or two questions per quarter, and they’re usually not

around calculations, but how the commission plan was applied,” Lesem said.

Easy auditing. Auditing requirements are essentially a non-issue. “We’ve cut audit time almost completely out,” Lesem said. He used to have to explain his spreadsheets, but now he simply runs a report out of Salesforce and submits it.

Simplicity. Even the most complicated sales structures are easily managed with Xactly. If a particular sales rep has multiple commission plans, based on where the deals came from and the mechanics involved, those variables don’t take more time.

Said Lesem, “So far, Xactly has been able to handle any compensation scenario we’ve wanted to implement for our sales team.”

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