

The Xactly logo is displayed in a large, white, sans-serif font. The letter 'X' is stylized with a diagonal line through it. The background of the top section of the page features a dark blue grid of dots, with the word 'here' written in white, tilted at an angle, and a teal triangle pointing downwards.The word 'here' is written in a white, sans-serif font, tilted at an angle. Below the 'e' is a teal triangle pointing downwards.

Let's Talk Forecasting: HERE Technologies Increased its Accuracy of Sales Commission Forecasts to over 98% with Xactly

HERE Technologies is an innovative organization, and like many companies during 2020, they accelerated their digital transformation programs and Sales Performance Management adoption to fuel growth, increase accuracy, and remain competitive. Recently, Erik Charles VP, Solutions Evangelist at Xactly sat down with Todor Atev, Senior Director of Finance at HERE Technologies to talk through why companies have had to change so quickly and how Sales Performance Management (SPM) supported those critical changes.

Q: ERIK CHARLES

Due to the myriad back and front office systems available to today's leaders, sometimes companies have the mindset that compensation is just about calculating commissions without understanding how it connects to the more significant needs and goals of the business. You and I both know that's not the case and that it's actually a focal piece of the revenue lifecycle. Why do you think that the sales compensation piece of the puzzle is so important right now?

A: TODOR ATEV

There are several key learnings that can be garnered from the past year. First of all, now more than ever, revenue generation is a component of the business that should be looked at on a daily basis. At HERE Technologies, we believe that sales compensation is one of the most important tools for us to drive the desired behaviors and directly manage revenue generation. We have gone into a mode where we scrutinize everything that impacts our top line and make timely corrective adjustments, throughout the financial period and not just on an annual basis. This applies to plan design, special incentives, effectiveness, cost, etc. but also the full picture beyond the pure sales metrics, also including the supply side and cost side.

Q: ERIK CHARLES

You mention the need to scrutinize everything, and that can be nearly impossible if you haven't automated your processes and realized the need for digital transformation. What kind of benefits are you seeing from being able to respond quickly?

A: TODOR ATEV

In this virtual environment, we need a significantly faster reaction time given the changing outside world and the changing business environment. Secondly, we also realized quite quickly that we need a highly flexible, adaptable sales performance structure to bridge the gap between company strategy, and which levers to pull in order to achieve a specific behavior or result. The quicker we are at measuring, understanding and



adjusting, the faster and more successful we are at achieving and exceeding our set objectives. Lastly, you need a platform with reliable data to use as a feedback loop to drive for enhancements and decisions along the way.

Q: ERIK CHARLES

Excellent. What are the top two imperatives that you believe the sales team has in place to keep you competitive?

A: TODOR ATEV

First of all, think about all the levers you have within a sales plan (and the way it's executed) to manage and drive the set of behaviors you want in order to achieve a specific output. For example: What is the compensation plan? Is it multi-component, at what mix, and why? How often do we change it? What is the trade-off between cost and revenue generation?

Second, going beyond the pure compensation area, the operational alignment is key: What are our quotas and territories going to look like? How do we generate and manage sales opportunities? How are the various teams within sales collaborating? With this in mind, a reliable SPM solution with real-time data is key to ensure that execution is aligned to the strategic plan.

Q: ERIK CHARLES

What are your thoughts for the next phase at HERE Technologies?

A: TODOR ATEV

So far, it's been a great journey with Xactly and it's been a great fit with our overall digital acceleration initiatives. We've been very quick and focused on growth and evolution into new areas, but also on capturing external data and using it a lot more successfully. This was exemplified by the multiple parallel implementations we ran and a hugely successful project around artificial intelligence. We now use AI systematically across our three global regions to predict sales performance. In terms of next phase, we will keep the momentum of innovation initiatives and keep adding AI models and automation across the full lead to cash cycle.

Q: ERIK CHARLES

Thanks for bringing up that forward-looking view. Let's switch gears and talk about how you've leveraged Xactly's data along with AI from Salesforce Einstein to forecast the likelihood of closing a deal with 98% accuracy. I want our readers to understand what a feat this is—Sales forecasting is historically ineffective—clunky, shockingly manual, and largely inaccurate. Per Gartner, over half of sales leaders aren't confident in their forecasting accuracy. How has HERE Technologies managed to be so ahead of the curve?

A: TODOR ATEV

When I joined the company, I was fortunate to have been given the mandate to "innovate at 100%". This meant that when I took the lead of the Einstein project, I could look objectively at the current landscape and create the best sustainable solution without any restrictions. It was more difficult to build something this advanced from scratch and doing so required a lot of internal change management efforts. However, once we showed Sales that we can go from lumpy, manual, and subjective process to over 98% accuracy and at the same time reduce admin, saving days across teams, things really took off. We now track and optimize performance in real-time and with significantly enriched insights, not just in quarterly or year-end reflections.

Q: ERIK CHARLES

For those who want to understand a little bit more about how this works, can you share some more details?

A: TODOR ATEV

We link our Salesforce opportunity data to predictive models in Einstein. These models estimate the statistical correlation between a set of parameters for each of our deal stages, such as region, segment, use case, etc. and predict the expected outcome for our current pipeline. The result is used in our sales forecasting, but also is being combined with our Xactly data, producing an accurate assessment of performance-related variable compensation. The result is that we can make sales decisions with significantly higher precision and more robust outputs for the entire company. This is all-the-more important right now, given widespread economic uncertainty and more pressure than ever on growth leaders to deliver on high growth targets.

Q: ERIK CHARLES

In a perfect world, what would you like a Forecasting solution to be able to do for your organization?

A: TODOR ATEV

Ideally, a forecasting solution would be able to be highly predictive and capable of forecasting accurately consistently each quarter. It would be able to flag at-risk deals, show deals that leaders think may close but actually show signs of being pushed to the following quarter. This is important to enable corrective actions and better support each sales manager. Further, it also enhances the ability of the senior management to understand and navigate successfully through each month and quarter.

TOO LONG DIDN'T READ (TLDR) TAKEAWAYS:

Using Xactly's Sales Performance Management suite, in addition to Salesforce Einstein, HERE Technologies was able to:

- ▶ Improve Sales Forecasting accuracy to 98%
- ▶ Make quick changes during the pandemic that drove new business growth and expansion
- ▶ Build adaptable, flexible sales plans
- ▶ Bridge the gap between siloed departments to get a better understanding of accurate revenue versus costs

