



# Using Data to Drive Growth

The Finance Leaders Guide

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GUIDE





# THE NEED FOR A DATA-DRIVEN FINANCIAL MINDSET

Today's competition is increasing at an unprecedented pace. Finance leaders must maximize efficiencies and revenue in order for their organization to survive.

The problem? They lack access to a single source of truth. With data housed in multiple spreadsheets and homegrown systems, you can't be efficient or aligned—because everyone on your team is accessing different data.

Aligning your entire organization around a single datasource solves this and helps you make smarter decisions, forecast more accurately, and drive growth.

CHAPTER 1

**HOW CAN FINANCE  
LEADERS USE DATA  
FOR COMPETITIVE  
ADVANTAGE?**

## CHAPTER 1

# HOW CAN FINANCE LEADERS USE DATA FOR COMPETITIVE ADVANTAGE?

To leverage your sales bookings, commissions, and financial data effectively, you first need to get it in order. With the right tools and technology, you can use it to your advantage to drive top- and bottom-line growth.

### Your Most Valuable Asset

The business landscape is growing more competitive, and every company needs to make strategic decisions to stay ahead of the competition. As a finance leader, you need to be well informed to forecast and plan accurately. That means you need access to the right data.

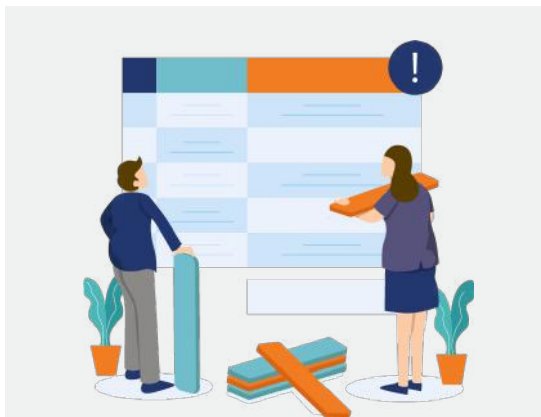
The first step in adopting a data-driven strategy is getting your data in order. This means you need to know what data you already have and where information gaps exist to get a true understanding of where your organization stands.

It's not just about data. According to Harvard Business Review, companies that adopt digital technology see nearly 20% higher gross margin.

You need a tool to manage your data effectively—and the best option is a sales performance management (SPM) platform.

According to Gartner, “Sales Performance Management (SPM) software comprises tools and process functions that automate and unite back-office sales processes. It is implemented to improve sales execution and operational efficiency.”

Unfortunately, more than 75% of organizations use manual processes, spreadsheets, and homegrown systems to house their data. They might seem good enough at first glance, but manual processes actually hold you back more than they help you.



**DID YOU KNOW?**  
**Human error in spreadsheets causes more harm than good.**

Spreadsheets impede top- and bottom-line growth because they can easily be riddled with errors. All it takes is one comma in the wrong place to create an erroneous formula and completely throw off your forecasting, planning, and financial statements.

CHAPTER 2

# ACHIEVING OPERATIONAL EFFICIENCY



## CHAPTER 2

# ACHIEVING OPERATIONAL EFFICIENCY

Efficient processes mean more accurate planning, better alignment with sales, and the ability to course correct in real time. Technology helps you use data effectively to optimize processes, and ultimately, maximize efficiencies.

### Optimizing Processes with SPM Technology

82 percent of CFOs are seeing measurable business ROI from digital finance investments.

- Accenture

Time is money in every organization, and even the smallest inefficiencies are costly. To ensure you aren't losing revenue on time-consuming efforts, you need to ensure your processes are efficient.

Using SPM technology to automate planning and forecasting eliminates manual processes. Plus, a seamless transfer of data between planning teams means one main thing—efficient operations.

When you use your data within an SPM platform, your planning becomes proactive. You're able to continuously identify areas to improve efficiency, reduce costs, and maximize revenue and course correct in real-time.

### How does data-driven planning maximize efficiencies?



#### TERRITORY MAPPING

Data-driven territory mapping uses your historical data along with third-party information to ensure your sales territories are balanced, maximize sales opportunities, and increase cost efficiency more than 15%.



#### SALES CAPACITY PLANNING

Using technology for capacity planning, your performance data helps you calculate the precise number of reps you need to cover territories effectively and hit goals, maximizing resource efficiency and eliminating imprecise headcount estimates.



### QUOTA ALLOCATION

With an accurate resource and capacity plan, you can allocate quotas more effectively. Plan modeling technology allows you to set aggressive, yet realistic, goals and accurately forecast sales performance.



### INCENTIVE COMPENSATION

Your data allows you to ensure your incentives are aligned with organizational goals and designed to drive revenue. Automating the planning and payout processes also allows you to reduce staffing costs up to 50%.

Digitized territory alignment increases revenue up to 15%

–Sales Management Association



### DID YOU KNOW?

**Companies can achieve a 10-15% cost reduction (or allocation) with territory optimization.**

According to the Alexander Group, when you use data to match territory size with revenue and profit growth opportunities, you reduce the number of territories and lower cost channels.

CHAPTER 3

# ELIMINATING FINANCIAL RISK





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# ELIMINATING FINANCIAL RISK

Financial risk poses a threat for every organization. A single source of truth increases your data integrity, reduces financial risk, and provides for better scalability, interoperability, and security.

## The Impact of Intelligence & Insights

Only 11% of companies say they do a good job of creating a “risk-aware culture at all levels.

- BCG

Financial risks can be detrimental to the success of any business. Anything from incorrect financial statements, under- or overestimated accruals, or the failure to comply with GAAP regulations, destroys your trust and credibility with the entire organization, key stakeholders, and board members.

Financial trust is key in any company. You need to be able to trust the data you share with the rest of the organization, but you also need to trust that data is secure and controlled, processes and plans are scalable, and your decision making maximizes interoperability with different teams.

To do this effectively and efficiently, you need deeper intelligence and insights to champion and maintain credibility within your organization. Using SPM technology to create a single data source, you ensure:

DATA CONTROL	You can trust your data integrity and eliminate risks associated with version control and manual entry.
SCALABILITY	As your organization grows, you can easily scale plans and forecasting to maintain maximum ROI.
SECURITY	Using technology to centralize data, you can be confident your data is secure and accurate.
ALIGNMENT	Create a seamless data flow between teams to allow leadership to make strategic, data-driven decisions.

### DID YOU KNOW?

**More than 40% of CFOs say the biggest driver behind automation is demand for faster, higher quality insights from executives and operational stakeholders.**

–CFO Indicator Report

With a single source of truth, you eliminate data gaps and can provide high-quality data insights to your executive team, board, and other stakeholders.

CHAPTER 4

# MAXIMIZING ON YOUR BIGGEST INVESTMENT



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Data-driven management of sales incentive compensation eliminates errors, improves efficiency and increases the ROI of your biggest investment. See how Cox Automotive took the leap and the payoff was worth it.

## The ROI of Automated Compensation

The average company spends at least 10% of annual revenue on sales compensation

- 2018 Sales Compensation Administration Best Practices Survey

Compensation is a big investment for every business. While you might consider it, your biggest expense, it's actually your biggest investment—and the ROI is the revenue it drives through sales performance. As one of the most important financial line items, it's vital that these processes are optimized for accuracy and efficiency.

Consider this: If you pay 5,000 sales reps \$100,000 in incentives per year, that equates to a \$50M investment. An error rate as small as 3% means that \$15M is being mishandled each year. That's a risk no organization can afford to take.

### Cox Automotive made the investment for better incentive compensation and it paid off.

#### Reduced Compensation Errors

Cox achieved 99% payout accuracy

#### Maximized Process Efficiency

Cox saved 170+ hours of monthly administration time

#### Eliminated Unnecessary Costs

Cox saved \$2.5M in related expenses



### **DID YOU KNOW?**

**Without automation, the average company spends up to 6 weeks completing commission payouts.**

By implementing SPM technology and automating processes, companies reduces up to 90% of errors and complete payout in less than 3 weeks.

It's more than calculating commissions...it's inspiring a sales force to be the best they can be.

- Justin Ritchie, Cox Automotive Sr. Director of Sales Operations Strategy

See the real ROI impact of data-driven incentive compensation in this executive guide.

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CHAPTER 5

# **EFFICIENT COMMISSIONS ACCOUNTING**



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# EFFICIENT COMMISSIONS ACCOUNTING

Cost capitalization processes under ASC 606 (IFRS 15) are complex. Increasing process efficiency with technology helps reduce costs, improve audit preparedness, and maintain GAAP compliance more effectively.

### Reducing Process Complexity

ASC 606 (IFRS 15) is a GAAP accounting standard that changes the way organizations must recognize revenue and commission expenses. This requires granular data at the sales rep, customer, and individual contract level.

The farther companies get into cost capitalization under ASC 606, the more they're discovering this process is extremely complex and time-consuming. Not to mention, there's no room to spare data integrity when it comes to GAAP compliance—and spreadsheets are not error friendly.

### DID YOU KNOW?

**You can reduce data processing time from days to hours with technology.**

One technology company did exactly that. By implementing a commission expense accounting solution, they drastically improved cost capitalization process efficiency and increased their data integrity across the entire organization.

### Automating Commissions Accounting

Cost capitalization of commissions under ASC 606 is complex—and error-prone spreadsheets and manual processes are simply unable to support it.

You need accurate data for every element of your organization—but it's extremely important under ASC 606 that you have the data you need to be audit ready. You can't eliminate the possibility of an audit, but you can ease the stress by gaining confidence in your data and optimizing cost capitalization processes with technology.

### How Automation drives Compliance and Efficiency

#### Automatic Journal Entries

Data-driven cost capitalization pulls directly from your single source of truth, ensuring accurate journal entries.

#### Digital Audit Trail

Eliminating spreadsheets helps ensure data integrity, reduces errors, and creates a digital audit trail.

#### Audit Preparedness

With accurate data and a digital audit trail, you have everything you need and are audit ready.

CHAPTER 6

# **ALIGNING FOR STRATEGIC PLANNING**



## CHAPTER 6

# ALIGNING FOR STRATEGIC PLANNING

A data-driven mindset allows for better alignment, accurate and agile sales forecasting, and bottom-line growth. When your entire team is aligned, your organization is set up to succeed and maximize performance.

More than 40% of CFOs spend the majority of their time on strategy, transformation, or another non-finance area.

- McKinsey & Company

With nearly half of all CFOs spending more of their time on non-traditional responsibilities, the need to be informed and aligned with the rest of the organization is more important than ever.

Sales Performance Management (SPM) platforms help you maximize operational efficiencies and ensures the same data source drives all aspects of sales planning, from territory to capacity and resource planning, to quota allocation and incentive compensation design.

This results in more accurate, aligned planning because everyone on your team uses the same data to plan and analyze performance.

Over 90% of CFOs say the ability to dynamically plan “in the moment” is important to react in a fast-changing business landscape.

- CFO.com

Yet, only 50% of companies make any forecasting or compensation adjustments in response to organizational changes. When you're not able to proactively adjust forecasting, you risk missing revenue and growth goals.

When you can dynamically plan in the moment, your entire organization benefits. A data-driven approach with SPM allows you to course correct forecasting in real time alongside changes made to sales plans. And ultimately, agile planning gives companies the insight they need to ensure they maximize top- and bottom-line growth.

### DID YOU KNOW?

**In 2016 78% of CFOs considered Excel proficiency as the most important skill for FP&A teams; today only 5% feel the same.**

– CFO Indicator Report

Today's leading CFOs recognize the need for digital technology adoption. Yet, even though they don't hire Excel proficiency as the top skill, more than 80% of companies still rely on spreadsheets.





## ABOUT XACTLY

Xactly delivers a scalable, cloud-based enterprise platform for planning and incenting sales organizations, including sales quota and territory planning, incentive compensation management, and predictive analytics. Using this powerful sales performance management (SPM) portfolio, customers mitigate risk, accelerate sales performance, and increase business agility.

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