

Oracle Fusion Sales Planning

The Shortest Path Between Now and a Stronger Sales Organization

Executive Summary

Remarkably, while most companies today have some sort of CRM or sales system in place, an overwhelming percentage still performs their Sales planning activities in spreadsheets and email. Market predictions and quotas are set through guesswork. Sales territories are defined based on last years' structures or through intense, manual analysis. Incentive compensation is defined independently, often disjointed from the go-to-market behavior it is trying to encourage. And because the process is so manual, companies struggle with the necessary planning adjustments as market changes occur, which of course, they always do.

Enabling efficient, effective sales planning is the next evolution in best-of-class sales force effectiveness. Putting intelligent, collaborative, enterprise-class systems into the hands of sales management can add significant value to your sales organization, dramatically impacting your top and bottom lines. Executing a high powered sales planning strategy, however, is not without challenges and will rely heavily on the technology solution(s) that enable it.

When considering how to improve your sales planning capabilities, it is important to analyze the phases of the lifecycle (sales prediction, territory management, quota management and incentive compensation) and identify areas of opportunity,

challenges and business benefits associated with optimizing any phase individually or altogether.

It is also important to know the key technology players that can enable your sales planning strategy; and Oracle's Fusion Sales Planning must be considered.

For a first release application, this solution has many compelling features to address Sales Planning challenges, and due to the nature of releases there are nuances associated with adopting it into your technology framework. This paper will attempt to provide some guidance for successfully adopting the program.

Regardless, effective sales planning will enable your sales leadership team to accurately and readily predict market opportunities, quickly and efficiently adjust to changing market conditions or barriers to entry, effectively incentivize and motivate your top sales performers, and achieve your revenue objectives.

The Challenge: Achieving Productivity in Sales Planning

For generations, sales organizations of all sizes have struggled to optimize results in their Sales Planning processes. Gartner reports that "through 2010, enterprises will miss the equivalent of 5% to 10% of annual sales as 'lost opportunity' that could have been captured through improved management of sales territories, quotas and compensation plans."

Some key challenges facing sales management professionals include:

- Modeling and creating sales plans that accurately reflect the market and opportunity in alignment with corporate initiatives.
- Managing and updating sales plans at a pace that keeps up with a rapidly changing sales landscape.
- Grasping real-time performance information in time to responsively and effectively adjust sales plans mid-cycle.
- Managing a consistent flow of timely information to local levels, where sales plans can be created and managed most effectively.

These challenges can negatively impact the sales planning process, most notably in sales prediction and forecasting, territory management, quota creation and management, and incentive compensation. Let's review a few of the questions an organization might face in achieving a productive sales plan (see below).

By addressing these challenges head-on, and with efficient and effective processes and tools, sales organizations can become more informed, focused and motivated, yielding greater productivity and better decision-making capabilities.

Sales Planning and Fusion CRM: A Process-Based Approach

The following process-based approach offers a rational way to wholly manage the performance of your sales organization:

- Defining the market opportunity for your company's products or services.
- Breaking that market opportunity down by territories that make sense for the product or customer base.
- Defining the pursuit approach from a quota and sales team perspective.
- Incentivizing the sales organization to meet or exceed their sales quotas in the defined territories.

As depicted in Figure 1.0 on page 3, this approach is repeatable, cyclical, and iterative.

As previously stated, numerous challenges can make defining, executing and managing a sales performance plan a daunting task. However, when sales planning is executed effectively, a number of benefits can be realized:

- Revenue growth and cost minimization:
 - A well-organized and coordinated sales force will more effectively pursue the defined market and adjust to market conditions, growing revenues and controlling cost.

Sales Prediction:

"As we progress through the product adoption lifecycle, how has the market and competitive landscape changed?"

"What impact will these changes have on my sales organization?"

"Which products do we want to sell and to whom, considering our product catalog is brand new and has no history upon which to evaluate, forecast or plan?"

Territory Management:

"What is the best way to organize my sales force, in alignment with new and existing customer and product opportunities?"

"Are there categories or criteria that I have not previously considered that will help

me define territories and further enable maximum sales productivity?"

Quota Creation:

"How should I allocate my quotas in order to maximize market potential and leverage the disparate skill sets of my sales team?"

"How can I best break down my overall quota, so that I have the highest probability of meeting or exceeding my goals?"

Incentive Compensation:

"How can I most fairly compensate and incentivize my team through commissions and bonus plans?"

"How can I continue to motivate them to meet or exceed their quota and performance metrics?"

The Sales Planning Cycle Enabled By Fusion CRM



Figure 1: The Sales Planning Cycle enabled by Fusion 1.0

- Quick reaction/adjustment to changing markets
 - A scalable, yet adjustable plan, based on real-time market information, will allow sales managers to make better decisions in a dynamic environment.
- Optimized opportunity pursuit:
 - An efficiently distributed quota that is accurately and cost-effectively incentivized, is more likely to be achieved than one that is not.
- Manage and retain top talent:
 - A well-coordinated sales plan that leverages the distributed strengths and weaknesses of the sales reps while continuing to motivate them will help retain the top performers.

In order to help sales managers overcome the challenges and realize the benefits of an optimized sales planning initiative, Oracle developed the Fusion Sales Planning application.

We were invited to participate in the process. As a result, we became familiar with the solution, its features and functionality set, architecture and ability to coexist with Oracle's Applications Unlimited framework. We also gained insights into Oracle's product development methodology and the customer benefits associated with adopting Fusion Sales Planning.

Let's now take a deeper look into the Sales Planning lifecycle, and see what value Fusion CRM adds in its initial sales planning release.

Step 1: Predicting the Sales Opportunity

For the purposes of this document, "sales prediction" is defined as the art and science of evaluating market trends, product consumption history, or prospective product consumption based on related market and sales data, and making an educated and informed prediction as to where the market opportunity exists for the suite of products or services one is trying to sell.

This is done using a number of evaluation factors, including market size, market saturation, historic and competitive market shares, sales barriers, political and financial climate, and other trends influencing sales opportunities.

To assist, sales planning software vendors provide various tools that can make the prediction process more accurate, repeatable and consistent.

Oracle's Fusion Sales Planning is one such tool. Specifically, it:

- Allows leadership to establish business rules to predict the sales opportunity, based on historical data or market assumptions.
 - Historical data can be readily analyzed and segmented across product and customer purchase records, enabling quicker, more accurate sales prediction based on sales cycle and revenue averages.
 - Plans can be quickly and easily adjusted in response to the demands of the sales organization enabling on-going validation and refinement.
 - Sales predictions can be made for new products with no sales history, replacing "best guess" sales prediction methods used in the past.
- Provides packaged predictive models for quick boundary-setting and market opportunity evaluations.
 - Provides powerful predictive analytics that automates sales performance analysis.

In summary, the Fusion Sales Predictor helps to accurately set the stage for subsequent steps in the sales planning lifecycle.

Step 2: Breaking up the market opportunity across multiple territories

Once the market opportunity has been defined, the next step is to divide the opportunity logically across territories. These territories can be based simply on geography. However, more criteria typically contribute to the definition of a sales territory. Depending on the size of the organization and complexity of the opportunity, these criteria may include product, industry, customer size, customer type and strategic/named accounts.

Successful sales planning accounts for all of the above. For example, using only geography, one may find that the opportunity within a certain region may be substantially greater than in others, thereby requiring further territory division. This may dictate how one organizes its sales force and what the opportunity, and subsequently the quota/compensation should look like for a subset of the sales team.

While this probably seems obvious to most sales executives, it is sometimes overlooked by key stakeholders in the process.

Oracle recognizes this and has provided some extensive capabilities within the Fusion Sales Planning's Territory Management module:

- Create Complex Territory Models: Based on predefined criteria or criteria unique to the organization (e.g., named accounts, overlay sales organizations, etc.).
- Evaluate Territories in Real-Time: This allows you to define territories and see how an opportunity plays out across the territories.
 - Accurately determine territory breakdowns and adjust quickly to what makes the most sense.
- Compare Territories At-a-Glance: Including performance to date vs. plan.
- Validate Territories: Quickly identify gaps between defined territories and market opportunities.
- Includes Embedded Analytics: Quickly assess defined territories by impact to revenue, market coverage and workload vs. time-based intervals.

Once the territories have been defined, sales leadership can then begin to manage individual sales quotas for overall growth by market opportunity.

Step 3: Defining and managing the sales quotas

With your territories and market opportunity effectively divided into pursuable, logical segments, the next step is to create quotas that can be reasonably achieved.

The key is to set accurate, yet aggressive targets that can be measured and adjusted as the market responds. Effective quota-setting should yield:

- Realized revenue targets through equitable distribution of sales goals by territory.
- Increased revenue by motivating sales reps with accurate quotas and incentives.
- Reduced compensation costs through proper incentives in-line with superior performance.
- Accurate performance histories for convenient, quarter-by-quarter quota adjustments.

Fusion Sales Planning achieves these benefits through its robust Quota Management functionality:

- Provides quick evaluation and validation of market opportunity vs. quota distribution.
- Calculators predict targets based on historic revenue and market opportunity.
- Quick quota-setting using repeatable forms and universal adjustment metrics for localized quota management.
- Seasonality allows managers to adjust quotas for local exceptions.
- Year to date analysis allows sales management to quickly act and react to market conditions and sales performance.

Step 4: Accurately defining the incentive compensation structure

The final step in developing an effective sales plan is to properly motivate and incentivize the sales force to meet or exceed their sales performance targets.

This requires not only setting accurate, aggressive and specific product or service goals, it also calls for providing the sales team with an accurate and current view of their performance. This, in turn, creates more "selling time," as sales team members spend less time evaluating their progress and more time closing sales.

To support this step of the process, Fusion Sales Planning Incentive Compensation module includes:

- Integrated territory, quota and incentive compensation business processes for rapid rollout of integrated plans.
- Top down, intuitively guided plan development for quick and easy replication.
- Individualized up-to-date quota performance and earnings information.
 - “My Commission” view enables the sales rep to see where he is with respect to YTD incentive compensation.
 - “My Team” view enables the sales manager

to assess performance and earnings information for the team.

- Ad-hoc reporting on real-time transactional data.

In addition, Oracle’s standard “enterprise-class” capabilities, such as a robust rules engine, scalability, globalization features and data security separate Fusion Sales Planning from the greater field of smaller niche vendors.

Step 5: Addressing “Unexpected” Business Events

Every sales manager knows that as soon as the sales plan is in place, business events occur that trigger changes. Consider what happens when:

Business Event	Sales Planning Response
A Sales Rep Leaves	<ul style="list-style-type: none"> • Territory Management: Reorganize territory/sales rep assignments to temporarily absorb customers until a replacement is found. • Quota Management: Adjust rep’s quotas without guessing. • Incentive Compensation: Keep up morale for the rest of the team, and encourage them to overachieve
A Competitor is Gaining Share	<ul style="list-style-type: none"> • Sales Prediction: Adjust the size of the opportunity and determine the impact it has on revenue goals. Adjust the quota plan to make up lost market share. • Quota Management: Adjust the quota plan to make up lost market share. • Incentive Compensation:
A Product is Recalled or is Underperforming	<ul style="list-style-type: none"> • Sales Prediction: Adjust your product specific plans and revenue expectations to more accurately predict the opportunity and adjust accordingly • Territory management: Determine how the product challenge impacts territories and expend management and support efforts accordingly. • A New Product is Introduced
A New Product is Introduced	<ul style="list-style-type: none"> • Territory Management: Model if an overlay sales force would be effective • Quota Management: Set quotas appropriately across the more complex sales force • Incentive Comp: Create a new incentive structure to include the overlay sales force

Because Fusion Sales Planning’s modules are integrated, yet discrete, individual actions can be taken while the interdependencies of the overall sales plan can be addressed efficiently and effectively.

What to consider when evaluating Fusion Sales Planning

As you begin to consider Fusion Sales Planning for your organization, there are a number of functional and architectural factors you will want to evaluate. At a high level, Fusion Sales Planning is designed to co-exist with any CRM, ERP or Data Warehouse implementations you may have in place.

A level down, however, the integration approach you follow will differ according to your specific business needs and IT infrastructure.

While the basic steps are the same independent of which module you implement, the business requirements, and therefore the integrations required will differ. The following detailed walk-through of the process will help you make informed decisions moving toward a fully functional Fusion Sales Planning implementation. However, we caution that each implementation will present unique challenges not anticipated in this paper and highly recommend you seek insights, clarification and direction before launching your program to ensure optimum results.

Cognizant’s Step-by-Step Implementation Walk-Through

1. Determine Which Sales Planning Modules to Implement

Before implementing Fusion Sales Planning or its sub components, first evaluate your expected

return on investment. The project payback and your readiness to execute are major considerations in building your Fusion roadmap. Data quality, warehousing, governance and oversight, along with functional requirements, all factor into the cost and challenges you will likely face. Whether you plan to implement the entire suite or simply a few subcomponents, your functional plan should account for the necessary infrastructure, architecture and data-related requirements you need to support your goals.

2a. Determine Inbound Data Requirements and Associated Integration Points

Sales planning data and integration requirements are driven by what data you use to assess and frame your sales plan. Ask yourself:

- When analyzing markets and organizing sales reps by territories, what key dimensions do you consider? When you create incentive compensation rules, which criteria do you input for compensation?
 - Geographies. Are they hierarchical?
 - Industries. Are they hierarchical?
 - Customer size and other customer attributes
 - Product lines and product characteristics
 - Channels
 - Anything else?
- Incentive compensation only: On what transactions do you pay compensation?
 - Booked orders?
 - Billed orders?
 - Customer invoices?
 - Customer payments?
 - Other?

Your answers to these questions will help flesh out your implementation roadmap.

2b. Determine Best Data Sources

Next, consider your future architecture and where your required data will be stored:

1. What is your most reliable application source of the following logical data elements:
 - Customers and related attributes
 - Products/product catalog
 - Leads

- Opportunity revenue items
- Orders (Sales Predictor only)
- Assets (Sales Predictor only)
- Incentive compensation payment transactions n Any data identified in section 2a, particularly the initial point

* Examples of application data sources include: Siebel or another CRM system, Customer Hub, Siebel CRM, Product Hub, Oracle EBS or other order management systems, Corporate Data Warehouse or one or more "CRM" data marts (e.g., Sales Analytics, Pricing Analytics).

2c. Align with Data Warehouse Strategy

This step only applies to the Territory Management or Sales Predictor modules, as these modules are designed to work with Oracle's Business Intelligence Applications (OBIA) data warehousing solution. If you are not using these modules, you may skip down to step 3 of the walk-through below.

Territory Management and Sales Predictor Scenarios

Territory Management and Sales Predictor users may optimize their data warehousing strategy by first identifying data sources relative to the functionality they plan to use. Here are some key scenarios to consider when implementing your solution:

First, determine if some or all of the data can be reliably outsourced from a corporate data warehouse or data mart. If so, what technology will be used to support that outsource? Have you implemented OBIA solution, and if so, what version (e.g., OBIA 7.9.3, OBIA 7.9.6)?

Depending on your answers, determine which classification identifies your IT data infrastructure best:

- a. All or most data is reliably sourced from Siebel CRM. We have no reliable data warehouse, or we don't allow data to be sourced from a data warehouse.
- b. All or most data is reliably sourced from OLTP, not just Siebel CRM. We have no reliable data warehouse, or we don't allow data to be sourced from a data warehouse.
- c. All or most data is reliably sourced from OBIA 7.9.6. We plan to migrate to OBIA 11g as soon as it is available, so having OBIA 11g at the heart of Fusion Sales Planning lines up nicely with our data warehousing strategy.

- d. All or most data is reliably sourced from OBIA 7.9.6. However, we want to move forward with Sales Planning without upgrading the entire corporate warehouse. We prefer to leverage OBIA 7.9.6 as part of the solution instead.
- e. All or most data is reliably sourced from an earlier version of OBIA or another data warehouse.
- f. Data is reliably sourced from a mix of CRM, ERP and data warehouse solutions.

Integration Solutions for Your IT Data Infrastructure

Based on the IT data infrastructure you selected from the choices above, we can begin to arrive at some recommendations for integrating Fusion Sales Planning into your standing IT infrastructure. These recommendations fall into the following three basic solutions, all of which make use of Oracle's rich SOA and ETL integration capabilities.

Solution 1: Fusion Sales Planning with OBIA Data Mart (from OLTP)

If your answer was (a) or (b) or (c), we recommend our **Fusion Sales Planning with Data Mart** (from OLTP) solution (see Figure 2).

The Master Data and Sales History that is consumed by Sales Planning is primarily captured in Siebel or another transactional system, so the integration points connect from there.

If you answered (a) or (b), then your data warehouse is not a factor. If you answered (c), then Fusion will nicely leverage your investment in OBIA, and the timing of your implementation will coincide with your plans to upgrade to OBIA 11g.

Solution 2: Fusion Sales Planning with Extended Data Warehouse

If your answer was (d), we recommend our **Fusion Sales Planning with Extended Data Warehouse** solution (figure 4).

This approach allows you to get started with Fusion Sales Planning quickly, using your existing Siebel (and other) integrations with OBIA 7.9.6 by selectively extending OBIA at the data schema layer. By implementing "11g-like" database views and/or schema updates, you extend OBIA to match OBIA 11g for just the areas that your implementation of Fusion Sales Planning requires (see Figure 3).

Then, when your organization is ready to migrate to OBIA 11g, you can do so without impacting

Fusion Sales Planning with Data Mart (from OLTP)

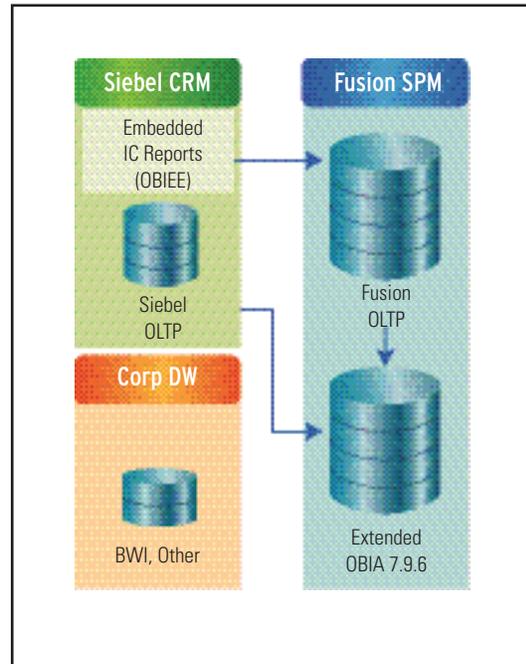


Figure 2

Fusion Sales Planning with Extended Data Warehouse

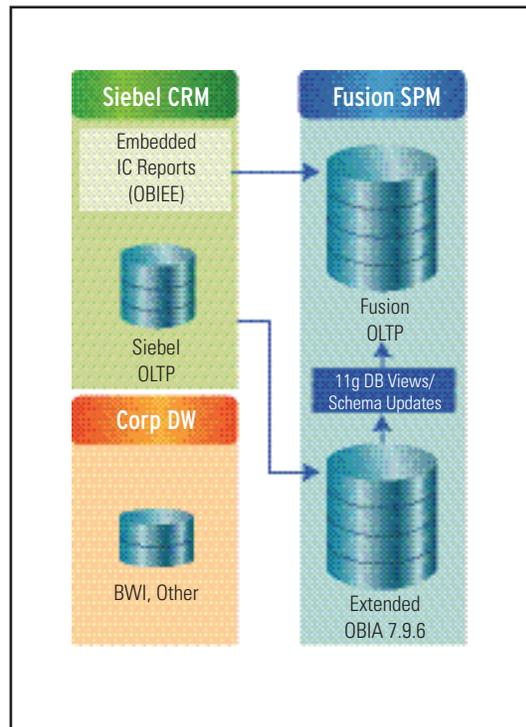


Figure 3

Fusion. Since Fusion is buffered from OBIA via a metadata layer that you have already mimicked, you can upgrade to OBIA 11g on your schedule.

Solution 3: Fusion Sales Planning with OBIA Data Mart (from Extended Data Warehouse)

In this case, you answered (e). The Master Data and sales history that is consumed by sales planning is primarily captured in your data warehouse. Perhaps you use another vendor besides Oracle, or you have a variety of data warehouses. Or maybe you have an older version of OBIA where the data structures and data itself require more transformation to populate Fusion Sales Planning's tables within OBIA 11g.

The integration points in this solution will pull mostly from your data warehouse, mapping OLAP-to-OLAP rather than pulling from your transactional systems (see Figure 4).

Lastly, if your answer was (f), then you should probably consider a combination of Fusion Sales Planning with Data Mart (from OLTP) and Fusion Sales Planning with Data Mart (from data warehousing). However, before acting on either solution, we recommend you seek a more detailed assessment of your situation.

Fusion Sales Planning with Extended Data Warehouse

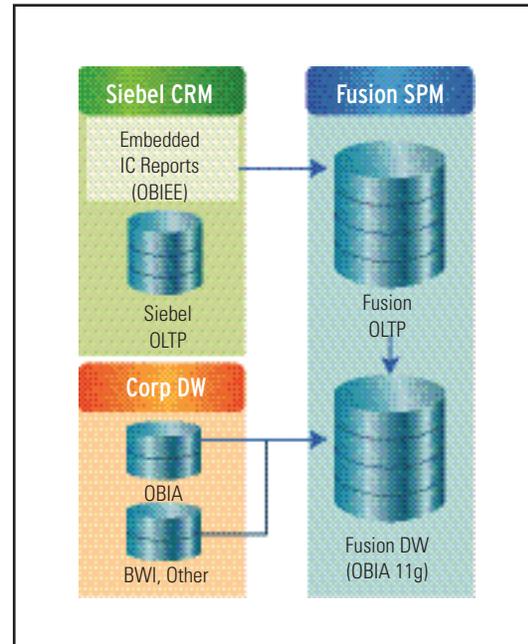


Figure 3

The following is a table of what data should be considered or necessary for each Fusion Sales Planning solution:

	Territory Management	Sales Predictor	Incentive Compensation
Fusion OLTP: Master Data	Employee, Partner – Optional. <i>Required to maintain association of sales reps to territories and to enforce security (e.g., restricting sales managers to seeing only some territories)</i>	Product Catalog – Required. <i>Used in picklist for defining engine rules.</i> Customer – Optional. <i>Used in picklist to run model simulation for select set of customers.</i>	Employee, Partner – Required. <i>Used to identify and load IC participants staging.</i> Employee Org Hierarchy, Industry, Customer Org Type, Geography, Channel, Customer, Product/Catalog – Optional. <i>Used for picklists of IC Rules Qualifiers. (Can be manually keyed).</i>
Fusion OLTP: Transactions			At least one transaction for credits (map into IC credits): orders, invoices, customer payments, POS, other transactions.
Fusion DW (OBIA 11g): Master Data	Employee - Required. Employee Org Hierarchy, Industry, Customer Org Type, Geography, Channel, Customer, Product/Catalog – Optional. <i>Required as needed per business requirements to model territories</i>	Employee, Territory, Customer, Product/Catalog – Required. Employee Org Hierarchy, Industry, Customer Org Type, Geography, Channel, Partner – Optional. <i>Required as needed per business requirements to model territories.</i>	
Fusion DW (OBIA 11g): Transactions	Oppty Rev Items, Leads, Forecasts – Optional. Additional metrics/more intelligence.	Oppty Rev Items – Required. Leads, Agreements, Orders, Assets – Optional. Provides more intelligence.	

A Few Final Considerations:

As you begin to evaluate your database schemas and versions in preparation for your Fusion initiative, here are a few facts you may find valuable:

- OBIA will continue to be the Business Intelligence Framework for Fusion applications.
- If you currently use Oracle's CRM Analytics (eg. Sales Analytics, Price Analytics, etc.), you can leverage that investment as you migrate to Fusion. The data schema, metadata definition (RPD), data transformations (ETLs), and OBIEE platform used in OBIA are the same as those used by Fusion.
- Fusion CRM runs on OBIA 11g. The main enhancements for Fusion Sales Planning that were added to OBIA 11g make key planning dimensions more hierarchical.

Because each company's business needs and IT plans are different, Oracle and Cognizant have solutions that allow choices, so you may align your data warehouse strategy and upgrade path to Fusion in the way that best suits your needs.

• Determine Outbound Requirements and Associated Integration Points

Fusion Sales Planning is extremely data reliant, as illustrated above, consuming Sales data that is passed to Fusion from the source system. The more data consumed, the more intelligent your planning. Your inbound data assessment is therefore critical to the overall sales planning effort. However, the solution also provides data back to the source systems (Siebel CRM and/or ERP).

For example:

- **Territory Management:** Provides reports for manual translation into CRM, if you choose to automate sales rep assignments
- **Sales Predictor:** Provides leads, if you implement it as a lead generation tool in addition to a market potential tool
- **Incentive Compensation:** Accommodates payments to AP for partners or payroll for employees, if you choose to automate outbound incentive compensation payments

The following diagram is a graphic representation of the comprehensive data flow associated with Fusion Sales Planning.

Fusion Sales Planning: Data Flow

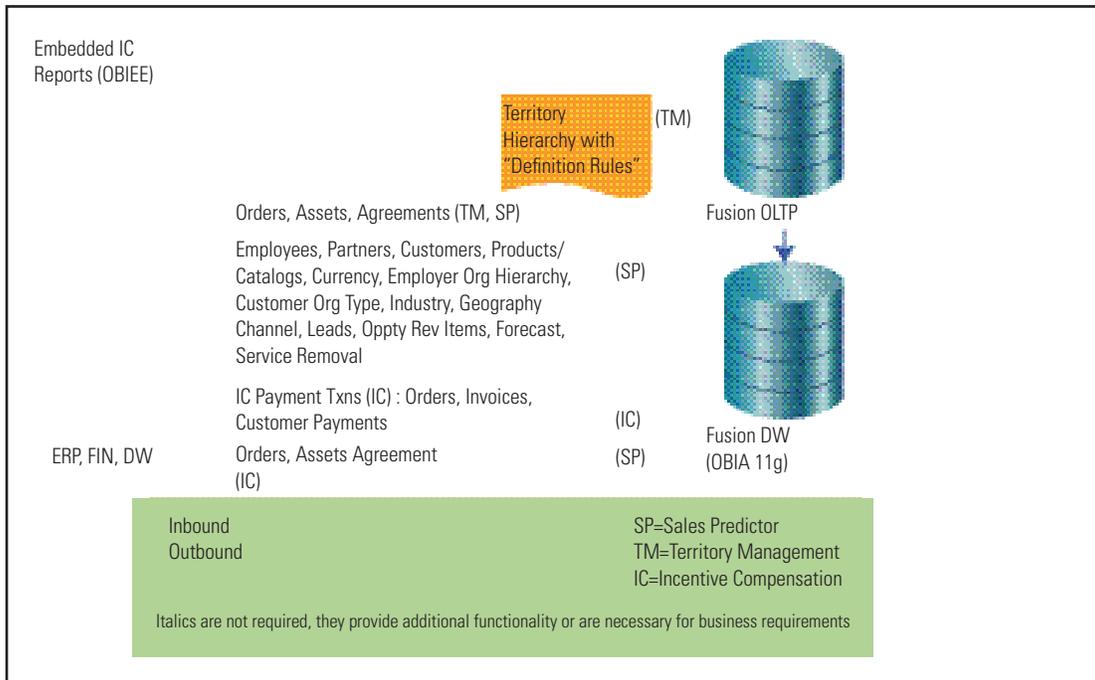


Figure 3

Fusion Sales Planning and Cognizant: The Choice is Easy

As you evaluate the effectiveness of your organization's sales planning capabilities, it is important to consider each phase in the lifecycle: sales prediction, territory management, quota creation and management, and incentive compensation.

Each of these phases lifecycle has its own unique challenges, yet when those challenges are addressed through process optimization and enabling tools, the business benefits can be extraordinary. You will be able to:

- Accurately and readily predict your market opportunity.
- Quickly and efficiently adjust to changing market conditions or barriers to entry.
- Effectively incentivize and motivate your top sales performers.

For all these reasons, enabling a high-powered Fusion Sales Planning solution in your organization is a worthwhile investment.

We were chosen by Oracle to develop tools to enable the seamless, secure and rapid migration of critical customer data from the Siebel CRM to Fusion CRM platforms. We also assisted Oracle in Fusion application testing. Our staff is immersed in extensive training on Fusion applications and technology, including its architecture and data model.

The competition is not standing still. Technology is evolving in the right direction along a logical path, and we have been down that path with a view to the future. Are you ready to take the next step? We are. For more information or to discuss your options, contact CSP@cognizant.com today.

About Cognizant

Cognizant (NASDAQ: CTSI) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and approximately 111,000 employees as of March 31, 2011, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 1000 and is ranked among the top performing and fastest growing companies in the world. Visit us online at www.cognizant.com or follow us on Twitter: Cognizant.



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