

COMMISSION SOFTWARE BUYER'S GUIDE

How to Select the Right Commission
Software for Your Team



COMMISSIONS ARE A BIG DEAL

Commissions are a **big** part of a typical company's budget.



\$800B

Spent on sales
rep commissions
in the US alone

10%

Typical percentage of
a company's total budget
spent on commissions

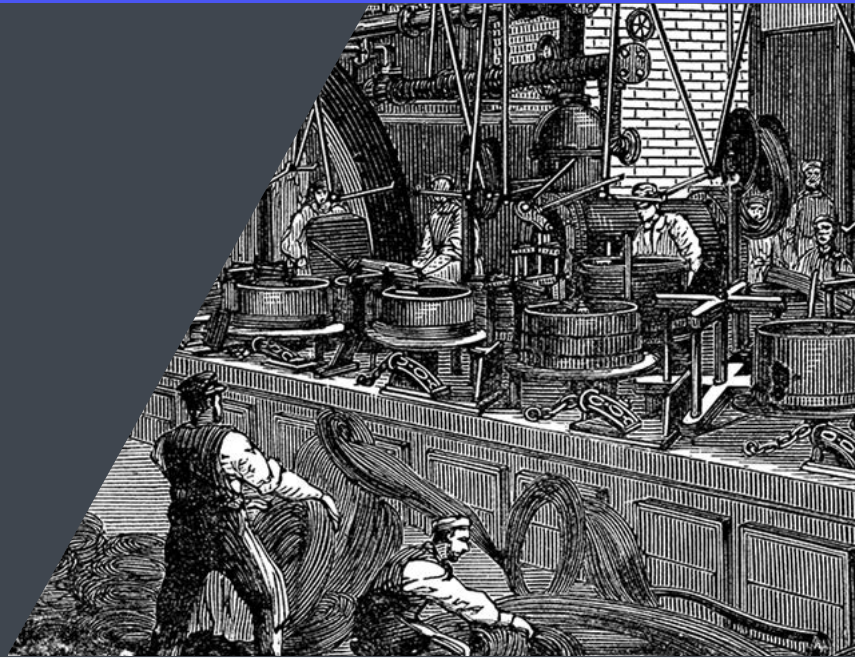


We talked to 189 companies before starting Spiff.
We heard some amazing stories of pain. One person
told us they were like the worst kind of manual labor.

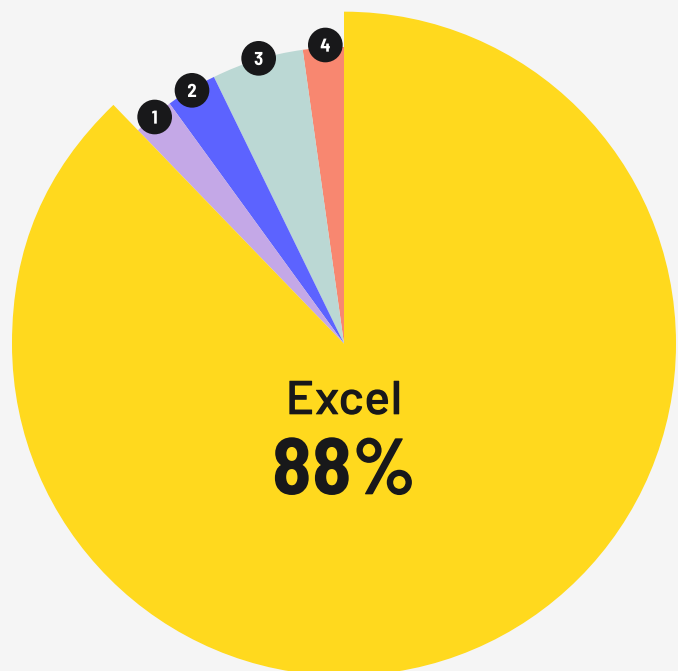
“

Commissions are like
Victorian-style manual labor
minus the smog and adverse
working conditions.

— Spiff Survey Respondent



We found that
90% of companies were
using spreadsheets to
calculate commissions.



- 1 Google Sheets: 2%
- 2 Custom Solution: 3%
- 3 Existing CRM: 5%
- 4 Other: 2%



The Benefits of Excel

Excel is familiar, easy-to-use, and flexible.

The Problems with Excel

But Excel is **missing key features**.

Automated
Calculations

Forecasting/
Testing

Real-time
Updates

Accounting
Automation

Rep Dashboards/
Quotas

Optimization/
Machine Learning

Audit Log/
History

Sales Performance
Management

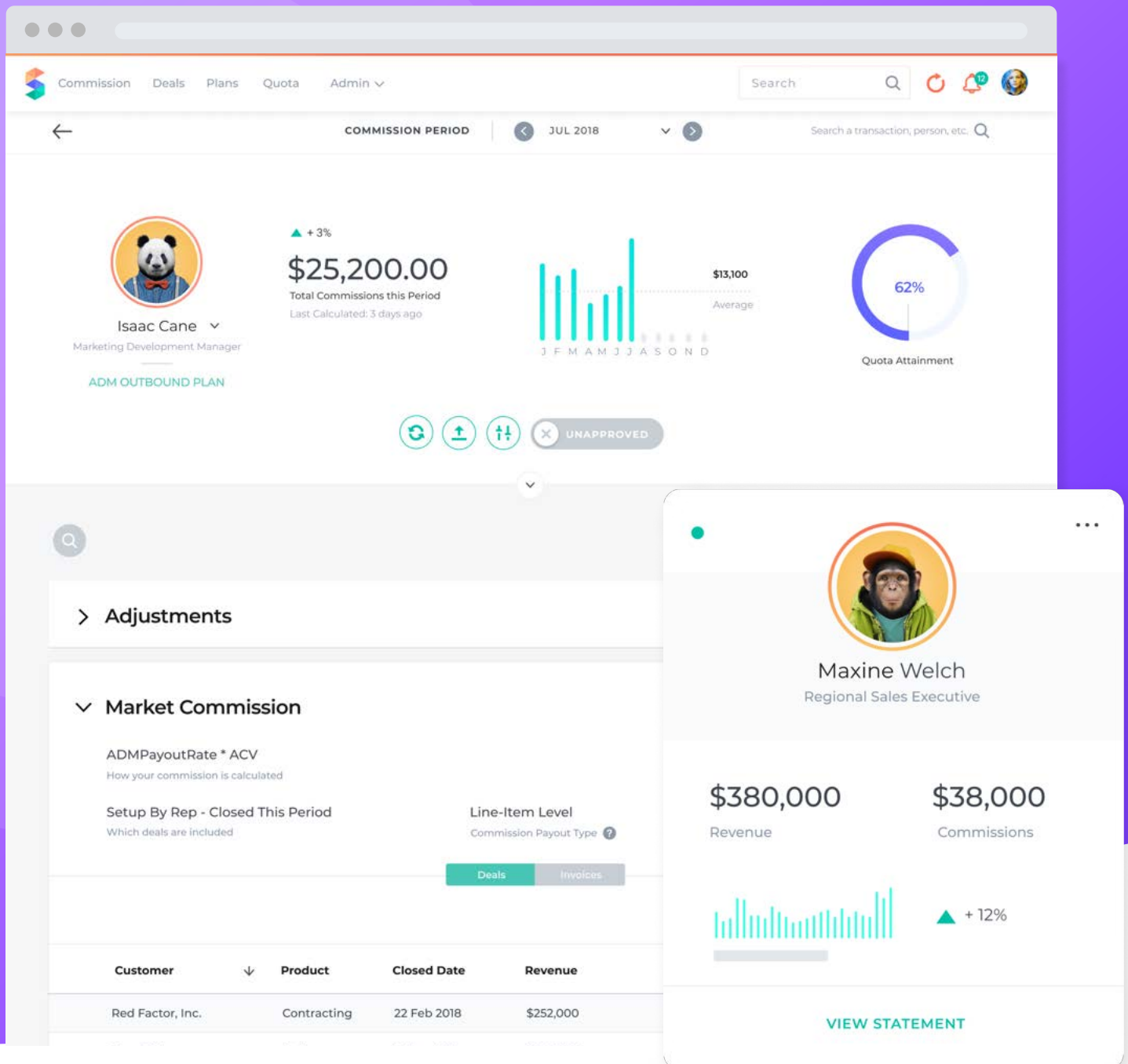
...and it **doesn't scale well**.

Below is an actual commission formula 🤖

```
=IF(LEN(AT4528)>0,AT4528,IF(OR(BV4528,AY4528="HSE",AND(OR(AY4528="BD",AY4528="DEF",B4528<DATEVALUE("01 May 2017"),NOT(I4528=" "))),0%,MAX(0%,IF(AND(B4528>=DATEVALUE("01 Jul 2019"),AY4528="AOG"),10%,IF(OR(BA4528="RE",BA4528="MB",BA4528="BW",BA4528="KL",BA4528="GL",AND(BA4528="TB",B4528>=DATEVALUE("01 Oct 2017")),AND(BA4528="NN",B4528<=DATEVALUE("04 Dec 2018")),AND(BA4528="YE",B4528>=DATEVALUE("01 Jan 2019"),BA4528="AB",AND(BA4528="SS",B4528>=DATEVALUE("01 Jul 2019")),IF(OR(W4528<=15,AND(I4528=" " ,X4528>=DATEVALUE("01 Jul 2019")),AND(LEN(M4528)=0,LEN(N4528)=0,CH4528="M",35%-IF(AND(H4528=" " ,BA4528="SS",BD4528="LUI5_A"),2.5%,0%,IF(OR(W4528<=365,I4528=" " ,I4528="Costed Out",20%,0%)),IF(OR(BA4528="TB",BA4528="MM",BA4528="AT",BA4528="MK",BA4528="ZH",BA4528=" " ,BA4528="KK",BA4528="YB",AND(BA4528="YE",B4528>=DATEVALUE("16 May 2018")),AND(BA4528="MA",B4528>=DATEVALUE("1 Sep 2018")),AND(BA4528="FS",B4528>=DATEVALUE("1 Dec 2018")),AND(BA4528="ME",B4528>=DATEVALUE("01 Jun 2019"),BA4528="AG",BA4528="JM",IF(OR(W4528<=15,AND(I4528="Consign",X4528>=DATEVALUE("01 Jul 2019")),AND(LEN(M4528)=0,LEN(N4528)=0,CH4528="M",IF(OR(BA4528="AG",BA4528="JM",15%,30%,IF(OR(W4528<=365,I4528="Consign",I4528="Costed Out",IF(OR(BA4528="AG",BA4528="JM",10%,20%,0%))),IF(AND(BA4528="MA",B4528<DATEVALUE("1 Sep 2018"),15%,IF(OR(AND(B4528>DATEVALUE("31 Jul 2017"),AZ4528="RK",AND(IF(LEN(BI4528)>0,BI4528,BH4528)="RK",IF(LEN(BJ4528)>0,BJ4528,BH4528)="RK"),AND(B4528>DATEVALUE("01 Feb 2019"),AZ4528="PE",AND(IF(LEN(BI4528)>0,BI4528,BH4528)="PE",IF(LEN(BJ4528)>0,BJ4528,BH4528)="PE"))),20%,IF(OR(BA4528="ME",AND(BA4528="YE",B4528<DATEVALUE("16 May 2018"),BA4528="FS",BA4528="MMS",BA4528="RS",BA4528=" " ,15%,IF(BA4528="SS",IF(OR(W4528<=15,AND(I4528="Consign",X4528>=DATEVALUE("01 Jul 2019")),AND(LEN(M4528)=0,LEN(N4528)=0,CH4528="M",35%,20%,0%))))-IF(AND(AY4528="Eng",BD4528="KL"),0%,SUM(BE4528))-IF(OR(BG4528="ILS",BG4528="Exp",IF(AND(W4528>30,OR(AY4528="BD",AY4528="DEF")),5%,0%,IF(AND(W4528>30,OR(BG4528="Exc",BG4528="HSE")),5%,SUM(BL4528,IF(AND(AY4528="Eng",BD4528="KL"),0%,BO4528),IF(BG4528="DEF",0%,BR4528))))))
```

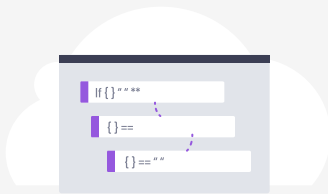
COMMISSION SOFTWARE

Commission software should be flexible and easy-to-use while scaling 10x better than spreadsheets



ICM and SPM

Historically Commission Software has been divided into two categories: Incentive Compensation Management (ICM) and Sales Performance Management (SPM).



Incentive Compensation Management (ICM)

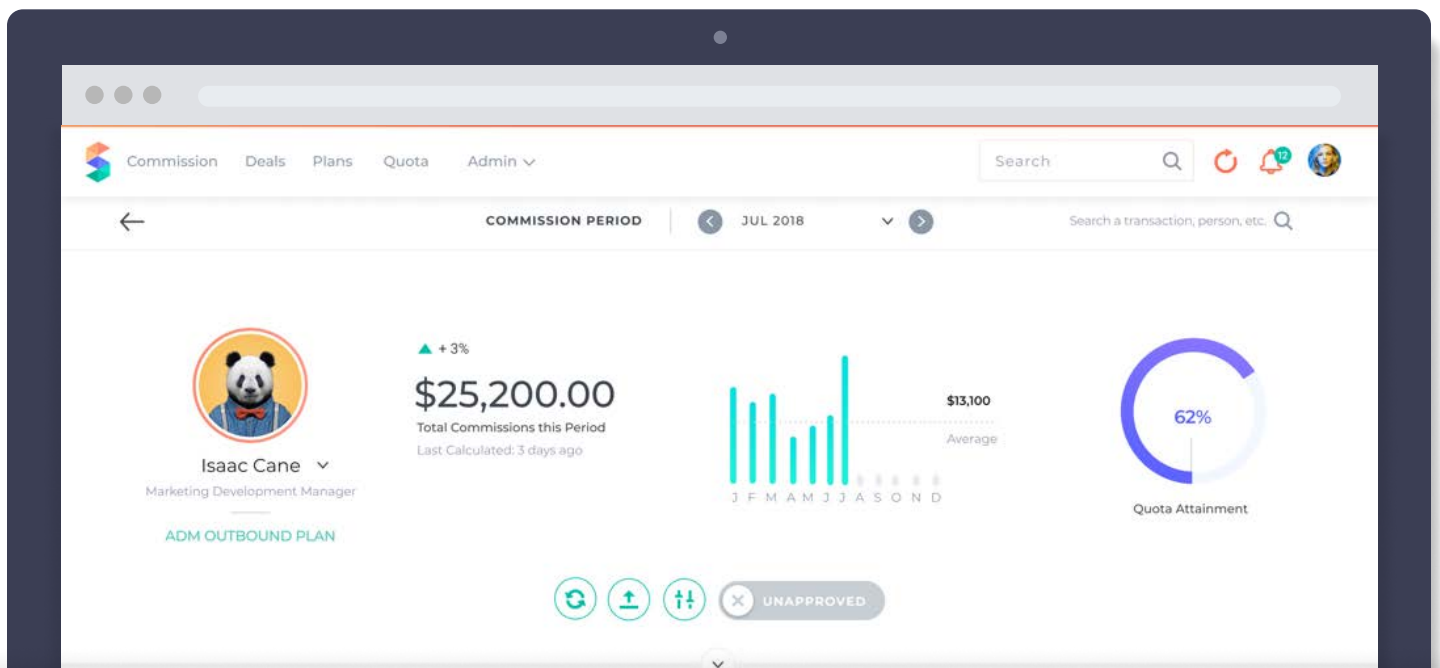
Software to automate commission calculations and other incentive payments.



Sales Performance Management (SPM)

Software and data analytics tools to help sales managers optimize sales performance.

BUT THE TWO ARE MERGING!



Commission Software Features

COMMISSION SOFTWARE PLATFORM

CALCULATIONS

- Handles all math transformations
- Real-time and audit-proof calculations
- Trace every calculation while building
- Multi-currency support
- Team automation

VISIBILITY

- Real-time updates
- Customizable statements
- Plan contract automation
- iOS and Android mobile apps
- Trace every calculation on statements

COMPLIANCE

- Complete overwrite audit logs
- Integrated commissions expensing module
- ASC 606 / IFRS 15

INCENTIVES

- Contests and leaderboards
- Badges and awards
- Spiffs and bonuses
- Goal setting

WORKFLOWS & APPROVALS

- Basic workflow management
- Dispute management

MODELING

- Ability to test new plans
- What-if calculations
- Predictive analytics and insights

DATA & INTEGRATION

- Integration with source data (ERP, CRM, etc.)
- Integration with BI and big data platforms
- Pull from and push back to source systems
- Real-time connections (not daily or monthly)
- Complete API support

REPORTING & BENCHMARKING

- Pre-built reports
- Advanced reporting
- Team and territory reporting
- Business intelligence level reporting



ROI CALCULATOR

We've built an ROI Calculator to help you build an internal case for commission software.

The screenshot shows a Google Sheet titled "Copy of Spiff ROI Calculator". The interface includes a menu bar (File, Edit, View, Insert, Format, Data, Tools, Add-ons, Help) and a toolbar with various formatting and editing tools. The spreadsheet is organized into sections for data entry and calculation.

	A	B	C	D	E
1					
2		TELL US ABOUT YOUR SALES FORCE		COMMENT	
3		How many commissioned reps do you have?	500		
4		What is their average annual variable comp?	\$ 75,000	We assume \$50k if you don't enter anything	
5		What is the average revenue quota per AE per statement period?	\$ 150,000		
6					
7					
8		TELL US ABOUT YOUR ADMINISTRATIVE TEAM			
9		How many people are involved in calculating commissions per statement period	1	This can be finance team members, sales ops, and sales leadership	
10					
11					
12					
13		TELL US ABOUT YOUR COMMISSION STRUCTURE			
14		How often do you pay commissions?	Quarterly		
15		How many commission plans do you have?	8		
16					
17		Increase productivity due to commission transparency	2%	Total increased sales per statement period	
18					
19					
20		ROI CALCULATION			
21		Estimated Spiff subscription	\$ 210,000	\$ per year	
22					
23		Direct Savings			
24		Time spent calculating and communicating commissions	\$ 4,554		
25					
26		Indirect Savings			
27		Shadow economy savings	\$ 157,500		



Actual ROI for Spiff Customers

CUSTOMER ROI FROM AUTOMATION



Qualys

Used to take 2 people 1 full week at quarter end vs. 3 hrs with Spiff

SAVINGS

(1.5 days/mo each for team of 2) / **18 days per year**



Bitglass

Used to take 1 people 4 days to manually calculate commissions vs. 0.5 days with Spiff

SAVINGS

(3.5 days/mo for team of 1) / **42 days per year**



HireVue

SAVINGS

(18+ hrs/mo for team of 1) / **216 hrs per year**



Compstak

SAVINGS

(10+ hrs/mo for team of 1) / **120 hrs per year**



Sysdig

SAVINGS

(12 hrs/mo for team of 1) / **144 hrs per year**



Interested in Spiff?

Schedule a demo with a commission specialist today.

[SCHEDULE A DEMO HERE](#)



SPIFF