CaptivateIQ

What to Look for in a Sales Commission Solution

CaptivateIQ

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What's wrong with running commissions in spreadsheets?

In yoga class, the instructor often tells us to "let go of the things that do not serve you." And yet, too many businesses are running on software that no longer serves them simply because they don't know where else to turn.

By the fall season, most companies will be entrenched in planning for the upcoming year, including planning compensation strategy. We anticipate that companies will be even more thoughtful about how to properly incentivize their sales teams following what seems like a year living in an episode of "Black Mirror."
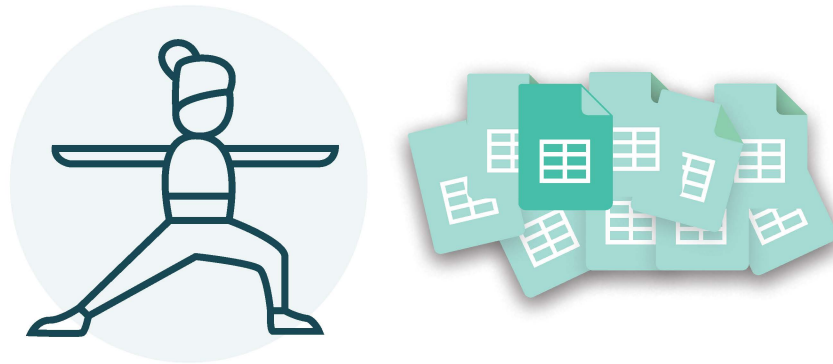
However, if your team relies on manual calculations saved across multiple spreadsheets, then you're not getting a full understanding of your options. And in today's environment of uncertainty, it has become especially important to understand one's options.

We published a [blog post](#) discussing how manual calculations could be losing your company money. Before diving into your options, here's a recap of the top three lessons from that article:

Top 3 reasons you are losing money from manual calculations

01 Time wasted not focused on growing the business

Admins spend days pulling data, cleaning it, checking Excel formulas, configuring reports, sending individual reports to the team, troubleshooting pay disputes, and auditing the entire process again. Talk about a fun week each month looking backward instead of focusing on growing your business.

02 Miscalculations can be very costly to the company

Human errors can lead to massive overpay or in worst cases, lawsuits due to inaccurate and delayed payments. Oracle was sued for $150 million in a class-action lawsuit in 2017 for underpaid commissions. IBM faced a similar consequence in 2019. Hewlett Packard settled a $25M lawsuit over faulty sales pay. Don't end up like these guys.

03 Teams lose trust in the organization

Lack of pay transparency hurts sales productivity because reps will spend time managing their own commissions to ensure accuracy which takes away valuable time from their real job of selling.

So what are my options?

There are over 247 million search results when you type "sales commission software" into Google. It can be daunting to figure out which solution might be the best fit for your business, so we pulled together this guide to help you evaluate your options.

How will a commission solution help my business?

You get why you need a better commissions solution but does the rest of your organization? Before diving into what to look for in a possible solution, we want to help you make a solid case for why your company needs an upgrade.

Unlock crucial benefits across the organization

Finance and sales leaders
Quickly see how much deals are costing the company to better understand unit economics and make necessary adjustments.

Sales operations and admins
Scale your efforts with automation and accuracy using the power of technology to simplify the complicated process of commission calculations.

Incentive-compensation based teams
Provide increased transparency to both sales teams and management on sales performance to drive the right motivation.

Legal and accounting teams
Easily manage large volumes of data to produce robust legal and compliance records that are ASC 606 ready without spending weeks on them.

Share social proof

60x faster to calculate monthly commissions for a sales team that scaled 3x

25 hours saved each month to onboard a growing team of 100+ reps

6x faster to create commission plans and determine the right one to grow the business

What features should I look for?

The following is a list of baseline product features that we think any commissions solution should offer:

Data syncing

If your finance team needs to pull data from external systems used by your sales team such as a CRM (i.e. Salesforce) or another data warehouse (i.e. MySQL), it's important to ensure that your sales commission platform can sync data from external platforms in real-time. A common concern we hear from companies is that they don't have "clean data" so they're not ready for a commissions solution. But this is *exactly* why you should look into a solution that can help organize and structure your data in their system to save you hours cleaning it.
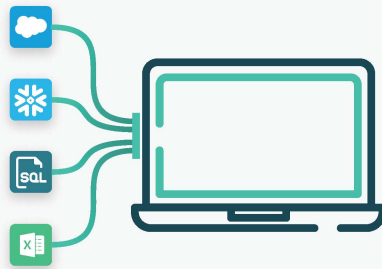
Flexibility to customize any plan

Change is the only constant. Commission plans are always changing to evolve with the business. The company could include a SPIFF one quarter, add new teams, or introduce a new product into your business model. You want a commission solution that can adapt and scale with your business versus the other way around.
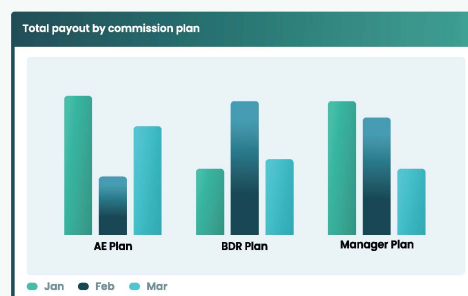
Automated real-time calculations

The ability to sync data from other critical platforms means that you are able to run calculations in real-time and save hours collecting data. Not only will this reduce human error, your sales team will get paid faster and trust that they're getting paid the right amount. The happier they are, the more motivated they'll feel.

Multiple reporting formats

You should be able to generate reports appropriate for various audiences. For example, what your legal team needs varies from your sales team vs. the finance team. Being able to customize reports and metrics can help serve multiple needs.

Payout by Employee

Abigail Cologna	$1,500
John Lewis	$2,200
Rachel Dickerson	$2,000
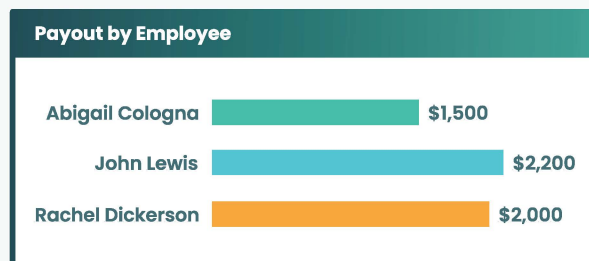
Top of the line security

As with any system that handles sensitive customer data and compensation data, you want a solution that complies with data protection laws and offers robust security features.

GDPR & CCPA Compliant & SOC 2 Type II Certified

How much support will I receive?

The amount of support that your company needs will depend on factors such as whether your finance team has the bandwidth to implement a new solution or whether you have a full-time CTO or IT manager.
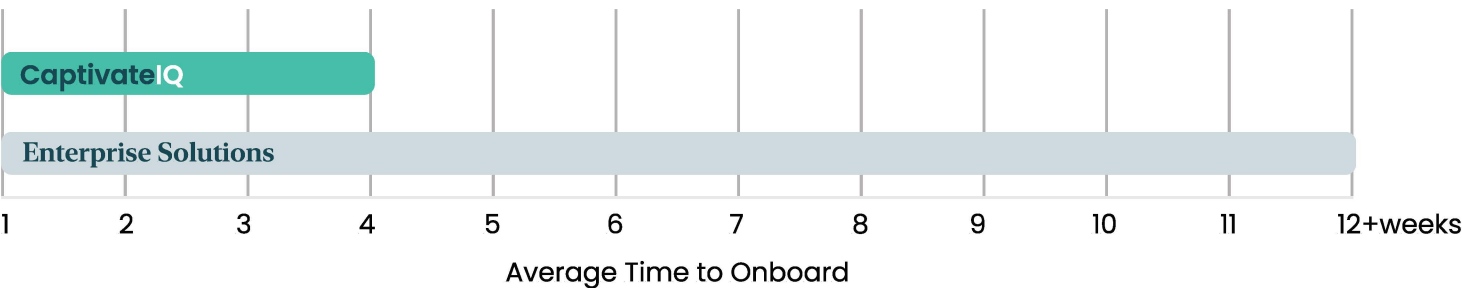
Take a look at the various levels of support offered by each solution. Some may offer enterprise-level assistance which can include an implementation consultant. Some may offer only ad-hoc support via phone, e-mail, and chat.

Simply answer two questions:
1. What amount of support do you need?
2. And what amount of support is being offered and at what cost?

How long will it take for me to implement?

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1   2   3   4   5   6   7   8   9   10   11   12+weeks

Average Time to Onboard

For some companies, implementing a new solution can be a heavy lift because all of their IT systems are custom-built. There are consulting firms and software companies that do offer white-label solutions and fully-customized platforms built from scratch. These obviously require the longest timeline and can take up to a year to build.

For many, however, an out-of-the-box solution with some customizable options may be more than enough. While some enterprise solutions can take 6-12 months to implement, we have found that the average CaptivateIQ customer takes about 4-6 weeks to implement our solution.

Remember, a short implementation timeline is not necessarily better or worse. It really depends on your specific business needs.

Where can I find more information?

Once you have clarified your business needs and drafted a shortlist of potential solutions, we suggest that you look to independent reviewers to help guide your decision-making process.

Research what past and current customers are saying on independent review sites

Dig into what the customers before you have experienced with these services. They'll share the good, the bad, and the ugly on popular software review sites such as:

Capterra

G2

GetApp

Tap into your social network to see what experts are saying

We also suggest looking on LinkedIn and researching what industry experts are talking about on their newsfeeds or in popular discussion groups.

At CaptivateIQ, we often feature stories and reviews by our customers, like this review by Udemy, the leading online education company that wanted to share their experience working with us.

Get a product demo

After doing your research to see which solutions could fit your needs, schedule a demo with them. A live demo can be a great way of gathering all of your relevant stakeholders and giving them a feel for how their work will be impacted by a new solution.

Interested in CaptivateIQ?

If you're interested in exploring CaptivateIQ as a potential solution for your business, schedule a demo here. We would love to show you how we can help you take your business to the next level.