

SAP SuccessFactors Incentive Management (SFIM) Buyer's Guide

Why and how to
implement SFIM for your
organization according
to industry experts.

Table of Contents



| | |
|---|--------------|
| The case for incentive compensation management (ICM) software | 3 |
| Understanding SFIM's Capabilities | 4 |
| User Types and Challenges | 5 |
| Benefits of an SFIM Implementation | 6 |
| Implementation process at Canidium | 7 |
| Project Roles in Implementation | 8 |
| SOW Process | 9-10 |
| Case Study: Panasonic | 11 |
| Case Study: Heartland Dental Partners | 13 |
| Pricing of an SFIM Implementation | 14-16 |

Introduction



The more motivated your sales team is, the more revenue they will generate. However, managing complex incentive programs at scale is traditionally error-prone and labor-intensive. This inefficiency is the core issue that Incentive Compensation Management Software (ICM) solves.



ICM solutions such as [SAP SuccessFactors Incentive Management](#) are designed to manage and optimize sales incentives effectively, ensuring your team is appropriately motivated and rewarded. SFIM calculates commissions and bonuses based on real-time sales data. By automating the calculation of variable pay, ICM solutions eliminate the manual errors that often plague traditional methods, ensuring that every salesperson receives the correct compensation promptly.



ICM solutions facilitate designing and implementing incentive plans that motivate your sales team. These plans can be tailored to meet your business's specific needs, offering various incentives such as bonuses for achieving sales targets, additional commissions for upselling, or rewards for maintaining customer satisfaction.



At [Canidium](#), our ICM team designs, configures, and implements SFIM based on client specifications. Leveraging the extensive expertise of our in-house experts, we will walk you through everything you need to know in this comprehensive buyer's guide.

SFIM Capabilities



SFIM can keep your sales team motivated, engaged, and focused on driving sales by providing precise and achievable incentives. Let's delve into the core capabilities of SFIM, and explore how it can transform your approach to compensation and incentive management.

Performance Tracking: By continuously monitoring sales performance, SFIM provides valuable insights into how well your sales team is performing against set targets and company goals.

Optimization: SFIM optimizes your incentive structures to motivate your sales teams and maximize revenue.

Variable Pay Management: SFIM allows you to set up complex compensation structures for unit prices, discount levels, and sales volumes.

Incentive Plan Design: SFIM facilitates individually configured incentive plan design to target specific metrics.

Compensation Management: SFIM automates time-consuming and error-prone compensation management processes. It also increases compensation plan transparency, making it easier to adjust structures according to changing priorities or market factors.

Users and Challenges

SFIM is used by companies to design, implement, and manage compensation plans that align sales behaviors with business goals. Here are four key types of users within a company who typically interact with SFIM and the challenges the solution addresses for each role:

1

Compensation Administrators

Administrators are responsible for managing complex compensation plans, ensuring they are updated, accurate, and compliant with company policies and regulations. SFIM streamlines the management of compensation plans, reduces errors, and ensures compliance through audit trails and reporting capabilities.

2

Sales Representatives

Sales reps often struggle with visibility into their compensation and understanding how their sales activities link to payouts. SFIM provides real-time visibility into their earnings and detailed insights into how their sales activities contribute to their compensation. It helps them understand the compensation structure and motivates them by clarifying potential earnings from deals.

3

Executive Teams

Executives need to ensure that the compensation strategy aligns with overall business goals, is cost-effective, and drives the desired business outcomes. SFIM provides executives with analytics and reporting tools to assess the effectiveness of compensation plans.

4

Sales Managers

Sales managers need to monitor team performance, forecast earnings, and adjust targets or territories. SFIM allows sales managers to track team performance against targets, forecast future performance, and make necessary adjustments to territories or quotas.

The Benefits of SFIM

Improved Accuracy in Compensation Payments

SFIM automates the calculation of commissions and other incentive payments, reducing the likelihood of errors that can occur with manual processes. This accuracy helps in maintaining trust and satisfaction among your sales team, ensuring that they are paid correctly and on time.

Enhanced Visibility and Transparency

SFIM provides detailed dashboards and reporting tools that give sales representatives real-time visibility into their earnings, progress towards targets, and the specifics of how their incentives are calculated. This transparency helps in motivating the sales team and clarifying their goals and potential rewards.

Increased Operational Efficiency

By automating the process of tracking, calculating, and disbursing sales incentives, SFIM software significantly reduces the administrative burden on compensation managers. This efficiency allows companies to manage more complex and varied compensation plans without increasing administrative costs or workload.

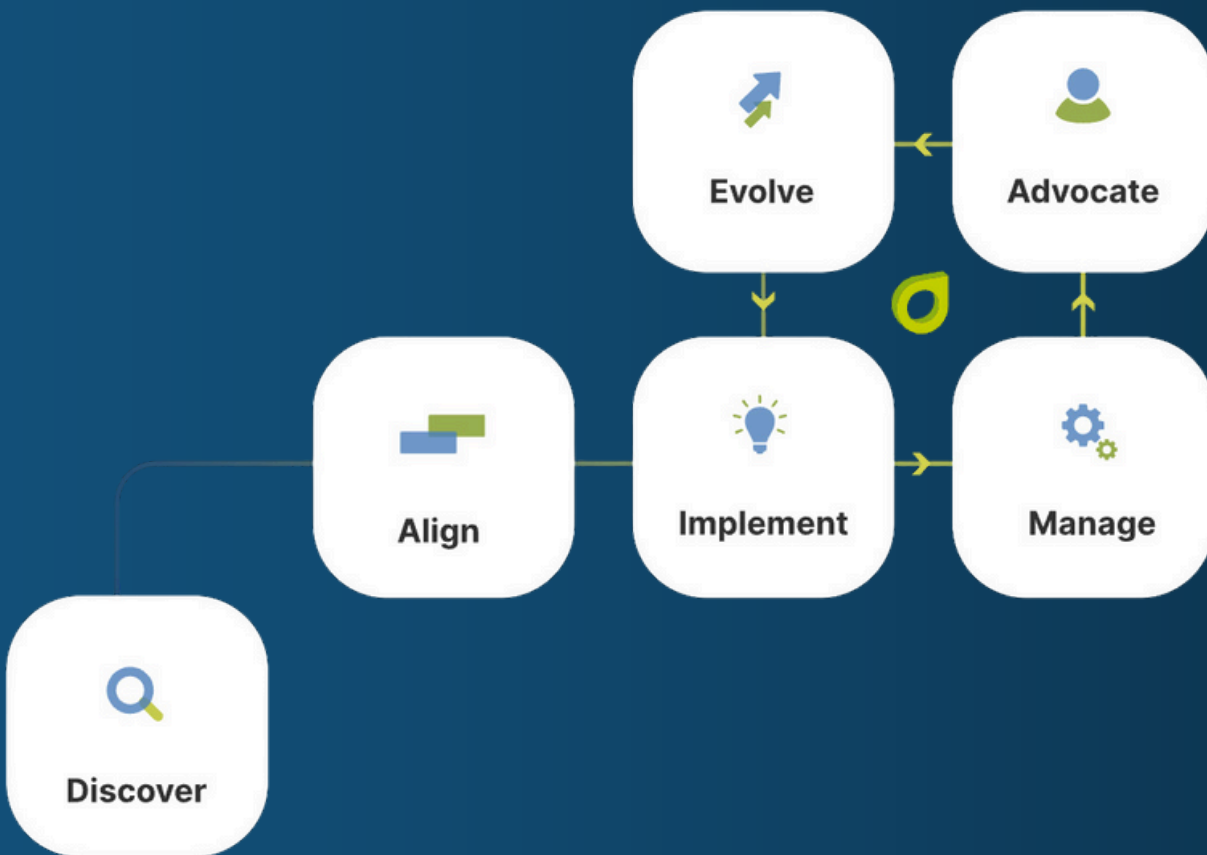
Strategic Sales Management

SFIM tools often include features for modeling and forecasting that help leadership and sales managers to plan and adjust sales strategies effectively. This strategic management capability enables businesses to swiftly adapt to market changes, optimize sales territories, and realign sales objectives with broader company goals.

Regulatory Compliance and Risk Management

The software ensures that compensation plans comply with internal corporate policies and external regulatory requirements. Audit trails, consistent application of compensation rules, and detailed reporting help mitigate risks and ensure compliance.

The Canidium Process



Discover

What are your current processes? Pain points? Goals? Through interviews, workshops, and documentation review, we assess your requirements to identify the key objectives of the pricing implementation.

Align

You'll work closely with the implementation team to align the pricing solution with your business goals and processes. This may involve mapping out current workflows, defining new processes, and creating a roadmap for the implementation.

Implement

During implementation, we'll configure the pricing software to meet your specific requirements, integrate it with other systems (such as CRM and ERP), and test the solution.

Manage

Once the pricing solution is implemented, the focus shifts to managing and maximizing its performance. We'll train users, monitor system performance, and adjust as needed to optimize the solution.

Advocate

We'll work with you to promote the benefits of the pricing solution within your organization. This involves highlighting success stories, conducting training sessions, and providing ongoing support to ensure the project's success.

Evolve

Your business needs will change. We'll evaluate and evolve the pricing solution by implementing new features when appropriate, exploring integrations, and optimizing processes to improve performance and ROI.

Roles During an Implementation

Successful implementation of SFIM requires collaboration among various roles within your organization and with your chosen SI partner's team to ensure seamless integration, customization, and operation. Each role plays a critical part in the project's success, contributing expertise and guidance to achieve the desired outcomes efficiently.

1

Project Manager

SI Partner-Provided

Project managers serve as the backbone of SFIM implementations; They are responsible for setting project timelines, managing resources, and ensuring that the project stays on track to meet its objectives. Project managers act as a central point of contact for all stakeholders.

2

Solution Architect

SI Partner-Provided

Solution architects are responsible for designing technical solutions that align with the organization's business requirements and objectives. They work closely with project managers and stakeholders to understand business needs, assess existing systems and infrastructure, and develop a roadmap.

3

Configuration Engineers

SI Partner-Provided

Configuration engineers play a crucial role in configuring SFIM to meet the specific needs and requirements of the business. They leverage their expertise in SFIM's configuration capabilities to design and implement tailored solutions that address unique business challenges.

4

Data Lead

Provided By you

Data leads are responsible for facilitating information migration and ensuring accuracy throughout the implementation process. They work closely with IT teams, data analysts, and stakeholders to assess existing data sources, cleanse and transform data as needed, and migrate data into SFIM.

Canidium's SOW Process: 15 Steps

Using our experience creating thousands of SoWs, we have put together a comprehensive guide on the subject so that you can go into the process fully informed and ready to proceed efficiently. No matter which implementation partner you choose, we want you to be armed with the right expectations, so you can succeed.

1. Project Overview

This defines the project's purpose and overarching goals. It ensures that all participants understand the implementation's direction and objectives.

2. Scope Description

This step details the software's features and functionality. This clear delineation helps avoid ambiguities and sets expectations for the final product.

3. Project Objectives

Lists specific goals that guide the project towards successful completion. These objectives are used as benchmarks to measure progress and make decisions.

4. Project Deliverables

Specifies the tangible items and outcomes expected from the project. Each deliverable is clearly defined to give stakeholders a concrete sense of progress.

5. Project Schedule

Provides a detailed timeline that includes phases, milestones, and deadlines. This schedule is crucial for keeping the project on track and managing time efficiently.

6. Resource Requirements

Details the personnel, hardware, software, and other resources required for the project. Proper resourcing is essential for turning the project vision into reality.

7. Roles and Responsibilities

Clarifies the duties and expectations of each team member and stakeholder. This clarity promotes efficiency and helps prevent conflicts and overlaps in responsibilities.

8. Project Assumptions

Document the assumptions made during the planning phase. Acknowledging these assumptions helps manage risks and prepare for potential challenges.

Canidium's SOW Process: 15 Steps



9. Risk Assessment

Identifies potential risks and outlines strategies to mitigate them. Proactive risk management is key to maintaining the project's integrity and timeline.

10. Change Control Process

Describes the method for managing changes to the project scope. A well-defined process ensures that changes are controlled and do not adversely affect the project's trajectory.

11. Budget and Cost Estimate

This provides an estimate of the total costs associated with the project and outlines budget constraints. Financial planning helps manage resources and ensure the project stays within financial limits.

12. Quality Assurance and Testing

Details the procedures for testing the software and ensuring quality standards are met. These measures are vital for delivering a reliable and user-approved product.

13. Acceptance Criteria

Sets the specific criteria that the project must meet to be considered complete. This clarity ensures that the project meets all functional and operational requirements before deployment.

14. Communication Plan

This plan outlines how communication will be managed among team members and stakeholders. Effective communication is crucial for maintaining transparency and ensuring everyone is aligned with the project goals.

15. Legal and Compliance Considerations

Addresses any legal or regulatory issues that must be complied with. This ensures the project adheres to all applicable laws and regulations, avoiding legal complications.

Case Study: Panasonic



Panasonic previously utilized Excel to calculate and report on commission payments. They managed disputes through email and spent extensive time overseeing this highly manual process. The capabilities that drove Panasonic to implement SAP SuccessFactors Incentive Management included automated processes that greatly reduced human error and incidental losses.

RESULTS:

- Completed end-to-end implementation in a compressed timeline to deliver value quickly.
- Key collaboration between data integration consultants and Panasonic resources minimized any potential timeline delays and helped in achieving testing success.
- Compensation resources adapted to clients' changing requirements and those requirements changed significantly from the initial scope.
- Effective relationships with the SAP AE, as well as key support resources, ensured any blockers from SAP were quickly resolved.

METRICS:

- Ability to pay incentive compensation components accurately, on time, every time
- Creation of focused sales incentive plans aligned with organizational direction
- Improved transparency of calculations and data via reporting and dashboards.
- Better control over change
- Established process for their MBO components via advanced workflow abilities

Highlights

**Shortened
Implementation
Timeline**

**Streamlined Comp
Admin Processes**

**Increased Revenue
and Profitability**

**Motivated Sales
Teams**

**Compensation
Structure
Adaptability**

All Your ICM Questions, Answered

Discover more about ICM solutions at our [Learning Center](#)



To be at the forefront of your market, you must give your sales team a reason to outperform your competition. However, it is impossible at scale to manually manage the complex compensation structures and incentives required to effectively motivate different sales teams with diverse priorities.

Enterprise or mid-level operations must have [incentive compensation management tools to augment their administrative capabilities](#). These tools streamline administrative processes and ensure accurate and fair compensation, motivating sales teams to excel.



Case Study: Heartland Dental Partners



Heartland chose to partner with Canidium and Dickenson to implement SAP SuccessFactors Incentive Management. With commissions data previously being tracked in spreadsheets, Heartland needed an all-encompassing and reliable system.

The capabilities that drove the decision to implement SAP SuccessFactors Incentive Management included the solution's flexibility, transparent reporting capabilities, automated workflow routing, centralization of compensation administration, and increased speed to payment.

RESULTS:

- Increased visibility to doctors via one dashboard, minimizing on-off report requests.
- Empowered doctors via self service workflow to automate routing and adjustment approval.
- Synced commissions data for bonus calculations, reducing payment errors.
- Increased commissions automation, enabling quicker processing and a scalable solution.

METRICS:

- Close process moved up by 2 days, enabling doctors to get paid sooner.
- Automated workflow allowed removal of middle administrative layers.
- Improved automation allowed for sustainable increase in new clients.

Highlights

Increased Commissions
Visibility

Automated
Commissions
Processes

Increased Revenue
and Profitability

Reduced Manual
Workflows

Four Factors Impacting SAP SuccessFactors Incentive Management Implementation Costs

- 1. Inbound feeds:** An inbound feed is a data source that needs to be drawn from. The number of transactional inbound feeds will help determine your project size. Examples of inbound feeds include commission spreadsheets, HR/employment records, sales data, and product data.
- 2. Number of plans that need to be built:** The more intricate the compensation structure, the bigger the project. For instance, if you require only ten plans (typically one plan per role), your project may be considered small. If you require upwards of 25, your project would be considered large.
- 3. The complexity of reporting and dashboards:** Depending on the intricacy of your reporting needs, the price can vary. For example, your organization may require the software to generate statements, operational reporting, accrual reports, and dashboards. It may also include outbound data to payroll.
- 4. Adjustment of testing needs:** The longer testing takes, the more it costs. If your project becomes more complex, internal and user acceptance testing will take longer. This may increase the number of hours needed. It may also extend the deadline of your project, adding to your operational costs.

SFIM Enterprise Level Implementation Costs

| Plan Factors: | Small: | Medium: | Large: |
|-----------------------------|-----------|-----------|-----------|
| Typical Timelines | 6 months | 9 months | 12 months |
| Implementation Fees | \$500K | \$800K | \$1.2M |
| Transactional Inbound Feeds | 1-5 | 6-10 | Unlimited |
| Compensation Plans | Up to 10 | Up to 25 | 25+ |
| Complexity Rating | Low/Med | Med | Med/High |
| Manager / Finance Reports | 1 custom | 5 custom | 10 custom |
| Outbound Feeds | Up to 3 | Up to 5 | Up to 10 |
| Plan Communicator | < 2 hours | < 4 hours | < 4 hours |

SFIM Small Business Level Implementation Costs

| Plan Factors: | Small: | Medium: | Large: |
|-----------------------------|-----------------|-----------------|-----------|
| Typical Timelines | 4-6 months | 6-9 months | 9 months+ |
| Implementation Fees | \$250K - \$400K | \$400K - \$650K | \$800K+ |
| Transactional Inbound Feeds | 1-5 | 6-10 | Unlimited |
| Compensation Plans | Up to 10 | Up to 25 | 25+ |
| Manager / Finance Reports | 1 custom | 5 custom | 10 custom |
| Outbound Feeds | Up to 3 | Up to 5 | Up to 10 |

More Resources

Still have questions? You can [reach out to our team of experts here](#). You can also [learn more about sales performance management \(SPM\) here](#).

[How to Scale Incentive Compensation Plans](#)

[Your Guide to Requirements Workshops for SuccessFactors Incentive Management \(SFIM\)](#)

[5 Reasons Why Incentive Compensation Software Doesn't Work Out-of-the-Box](#)

[Defining Territories and Managing Quotas to Improve Sales Performance](#)

[Bundling Your Software Implementations: Should You Use the Same Partner for Different Projects?](#)

[How to Prevent Incidental Losses With SAP SuccessFactors Incentive Management \(SFIM\)](#)

[7 Indicators You Need a New Incentive Compensation Management Tool](#)

Ready to begin your SFIM Project?

Reach out to our team of experts [here](#). You can also learn more [on our website](#).

