



## PHILIPS

sense and simplicity

### Business Profile

The global leader in medical imaging device manufacturing

### Industry

Medical Appliances & Equipment

### Solution

Commissions by CallidusCloud

### Summary

- Used spreadsheets to manage special incentive programs and compensation payments
- Could not track the effectiveness of incentive programs
- Selected CallidusCloud to manage SPIFF and sales compensation

### Benefits

- Identify poor product sales performance and initiate SPIFF programs to increase sales
- Complete insight into effectiveness of compensation spend
- Supply sales team with thorough, accurate and timely compensation reports Success Story

## Philips Medical Drives Effective Sales Operations with Commissions

Philips simplifies healthcare by focusing on the people in the care cycle – patients and care providers. Philips is committed to developing tools that deliver value throughout the complete cycle of care – from disease prevention to screening & diagnosis, to treatment, health management & monitoring – in key areas including cardiology, oncology, critical care and women's health. By combining human insights and clinical expertise, Philips aims to develop innovative solutions that improve patient outcomes at lower overall costs. Philips pays 650 sales people on net new product revenue and overall quota attainment in the United States and Canada averaging 10,000 transactions per month with 50,000 credits.

### Leveraging Incentive Compensation to Drive Sales

Under pressure to deliver profitable sales growth while managing costs, Philips' compensation department faced several challenges to maintain the competitive edge of its sales force. Executives identified that to raise sales productivity they needed to leverage incentive compensation as effectively as possible. SPIFF programs were introduced to drive specific sales behaviors, compensating the sales team when they achieved the goals outlined in the program.

Philips' compensation team quickly realized that they could only track the extra amount paid in compensation to a sales representative throughout the duration of the program. Using its existing home grown incentive compensation, they could not track the effectiveness of the SPIFFs. Philips needed a solution that could provide them with insight into the overall effectiveness of each SPIFF, including which sales representatives met the program objectives and which territories were the most successful. The department's executives were keen to know whether the additional incentive payments were driving the proper ROI for Philips.

Philips existing incentive compensation solution involved manually intensive spreadsheets. The process was error prone and time consuming to maintain. When a spreadsheet formula was not entered correctly or omitted entirely, the sales commission for that period was not paid or the sales representative would be overpaid. Incorrect payments created distrust in the compensation system and overpayments meant reduced profits for Philips' bottom line. Miscalculated commissions also meant that the compensation team was handling a high level of inquiries and disputes from the sales team. The sales team demanded improved visibility into their compensation and how they were being paid.



**CallidusCloud**

“ Standardizing on CallidusCloud’s solution has enabled us to make timely business decisions and given us the flexibility to take the necessary steps to grow the business.”

Julie-Orr, Senior Manager  
Philips Healthcare



### **Lack of visibility leads to distrust**

Using spreadsheets to calculate commissions did not allow the compensation team to provide comprehensive insight into the commission payment process. Consequently, the sales team did not understand how their compensation was being calculated nor did they have the ability to measure their performance against their quota and attainment levels.

### **Philips Chooses CallidusCloud’s Commissions**

The limitations of the existing home grown incentive compensation solution required Philips to look for a more robust, end-to-end solution. Philips chose CallidusCloud’s solution. Managing SPIFF programs within CallidusCloud’s Commissions allows Philips to identify pockets of poor product performance and deploy targeted SPIFFs to lift the performance. Now, the compensation team can measure the results of each program and determine its overall lift. Executives and sales managers have complete insight into the effectiveness of their compensation spend. In addition, they can make changes to the sales compensation plans to optimize their impact in a timely manner.

With Commissions, Philips’ sales compensation team is now able to supply the sales team with thorough, accurate and timely compensation reports. Since implementing Commissions, the number of sales compensation related inquiries and disputes has decreased considerably. With greater trust in the accuracy and timeliness of their commission payments, the sales team is able to focus on their core competency: selling, and spend less time questioning the compensation team.

For the past six years Philips Medical has relied on Commissions to manage SPIFFs and measure the programs’ effectiveness. Standardizing on CallidusCloud’s Commissions has enabled Philips to gain trust from its executive team and its sales organization.

### **About Commissions by CallidusCloud**

Commissions is the industry’s most powerful, flexible and user-friendly incentive compensation management solution, capable of improving productivity and visibility at every level of your organization.

For more information visit <http://www.calliduscloud.com/product/commissions> or call 1 866 812 5244.