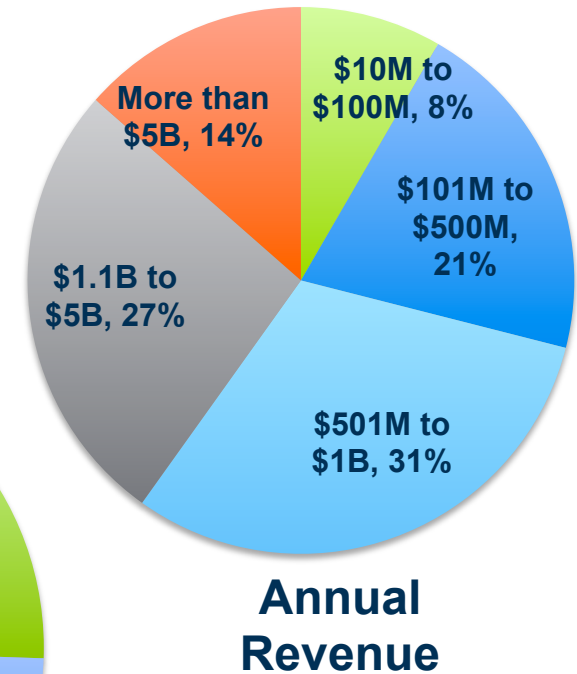
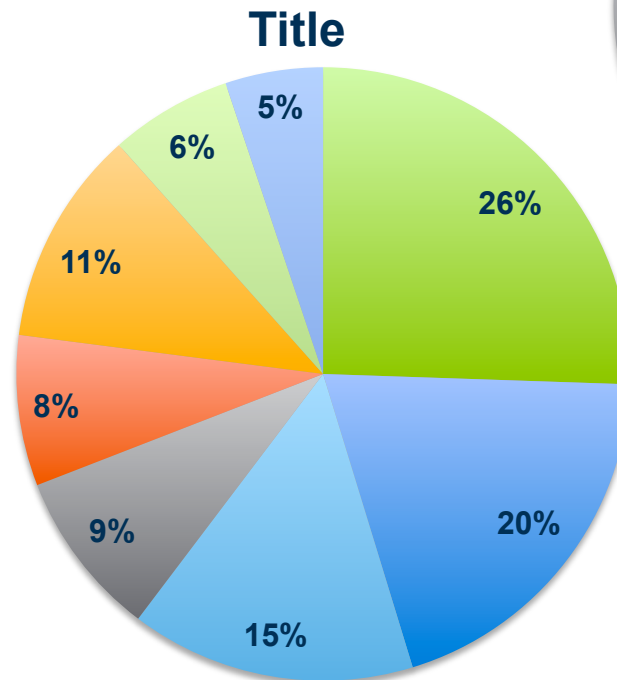
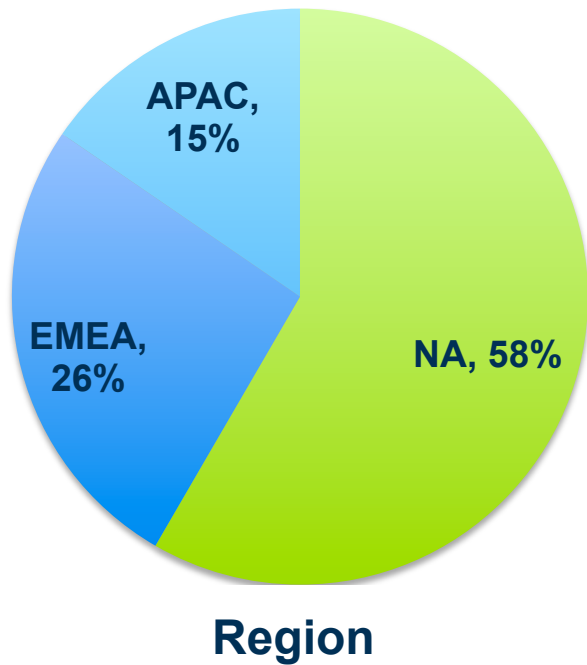


Sales Planning Survey

Prepared for Anaplan



Survey Demographics



- Chief Revenue Officer
- Chief Sales Officer
- EVP Sales
- SVP Sales
- VP Sales
- VP or Director - Sales Operations
- VP or Director - Sales Planning
- VP or Director - Sales Finance

Executive Summary

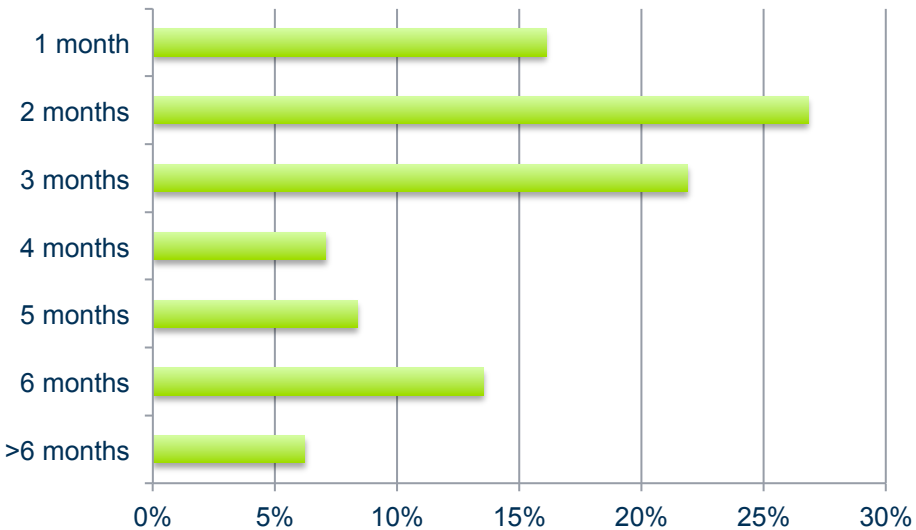
- For most large organizations, sales planning is a siloed process.
- Organizations typically need to analyze multiple years' worth of data to prepare for planning.
- There is an even split between organizations that lead the planning process from the top down and those that lead it from the bottom up.
- Most sales organizations complete the planning process before the beginning of the fiscal year.
- Revenue continues to be the primary measure of success for sales leaders executing the sales plan.
- A good sales planning process does not translate to timely territory design or on-time quota plan delivery.
- Quota attainment continues to track to a typical bell curve model.

Planning Process



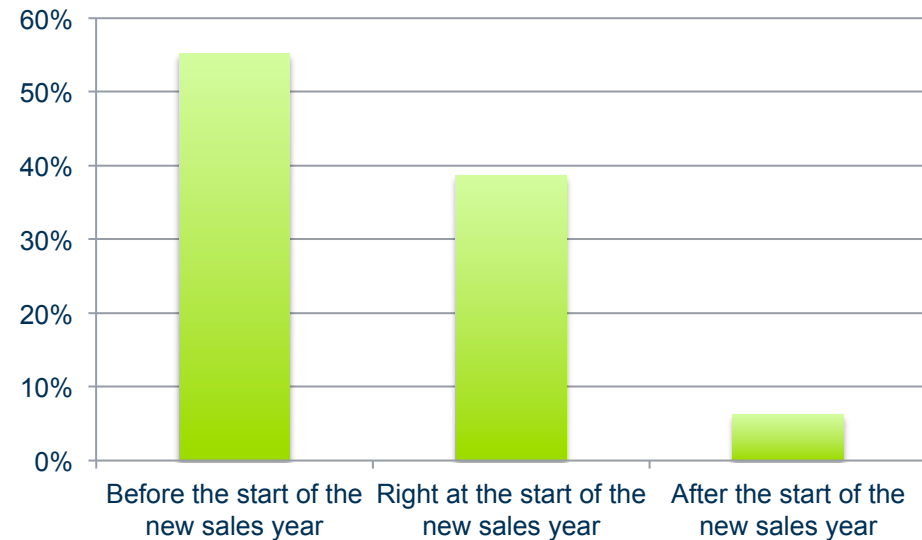
Planning Process

How soon before the end of the year do you start your sales planning process?



Most respondents start the sales planning process two to three months before the end of the current fiscal year

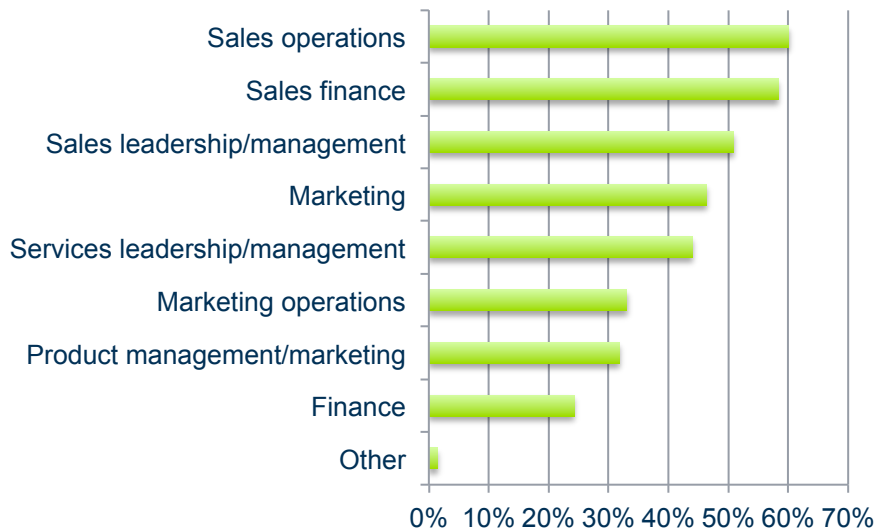
On average, when is the sales plan finalized?



Most respondents finish the sales planning process before the start of a new fiscal year

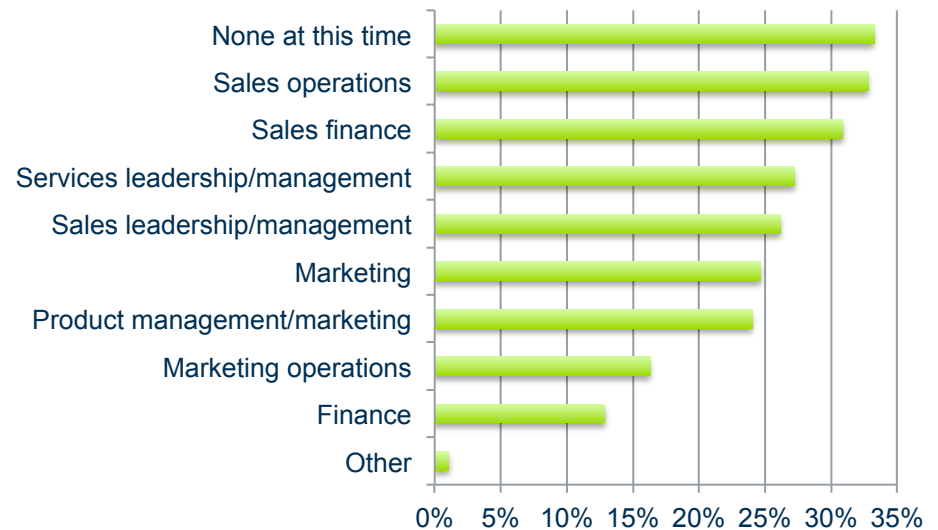
Roles at the Planning Table

Which groups are involved in the sales planning process?



Only 33 percent of respondents have marketing at the planning table; only 32 percent involve product

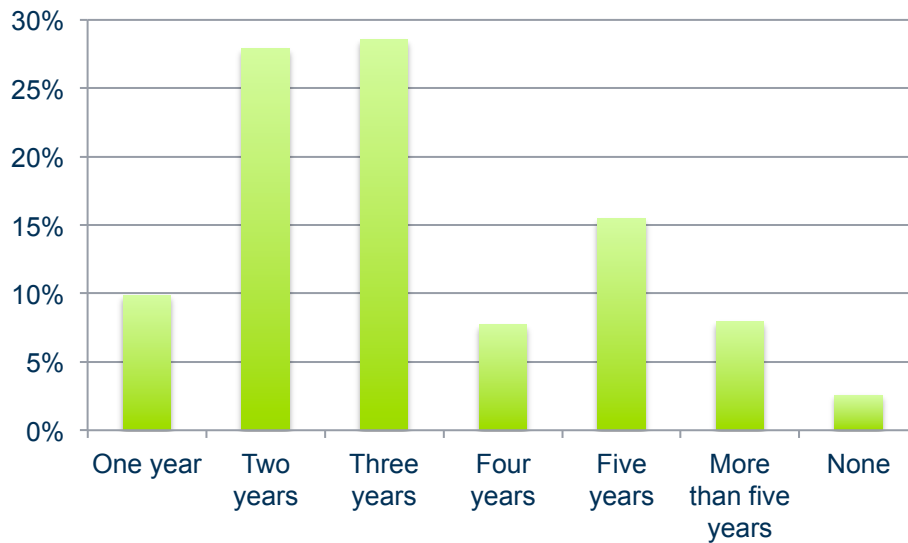
Are there other groups you would like to be involved in the sales planning process?



Only 25 percent of respondents would like to have marketing involved; only 24 percent wish product were involved

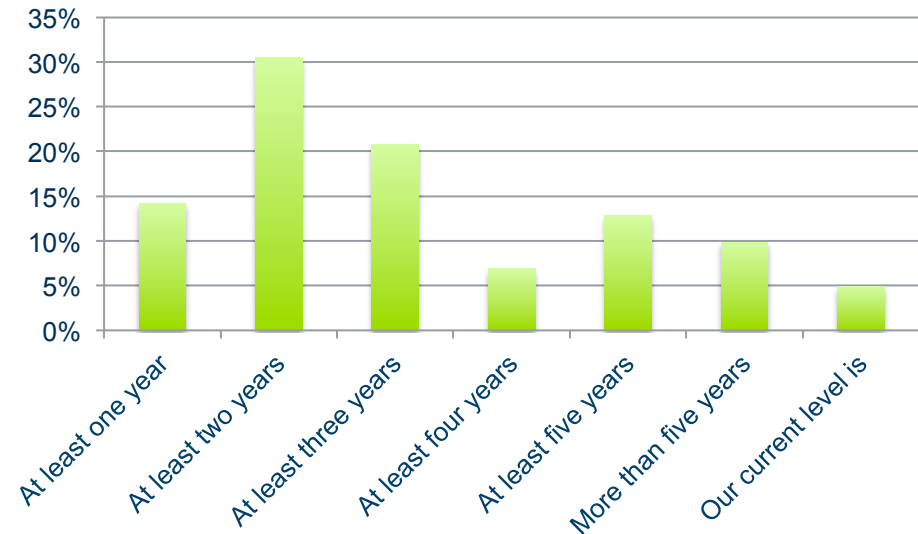
Planning Data

How many years' worth of sales performance data is currently used in the planning process?



Most respondents are using two to three years of data to support the planning process

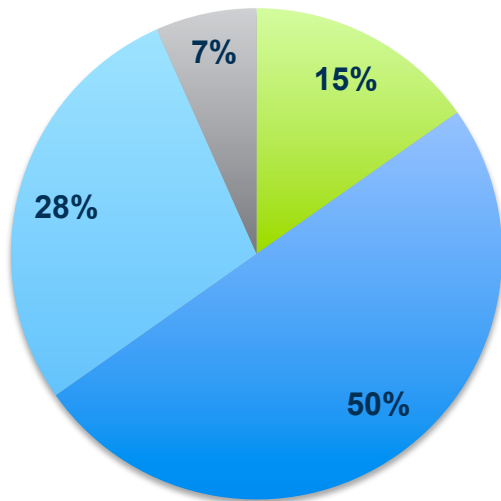
How many years' worth of sales performance data would you like to use to build your sales plan?



Thirty percent of respondents that had one year or less of sales data would like to be able to analyze two years of data

Planning Iterations

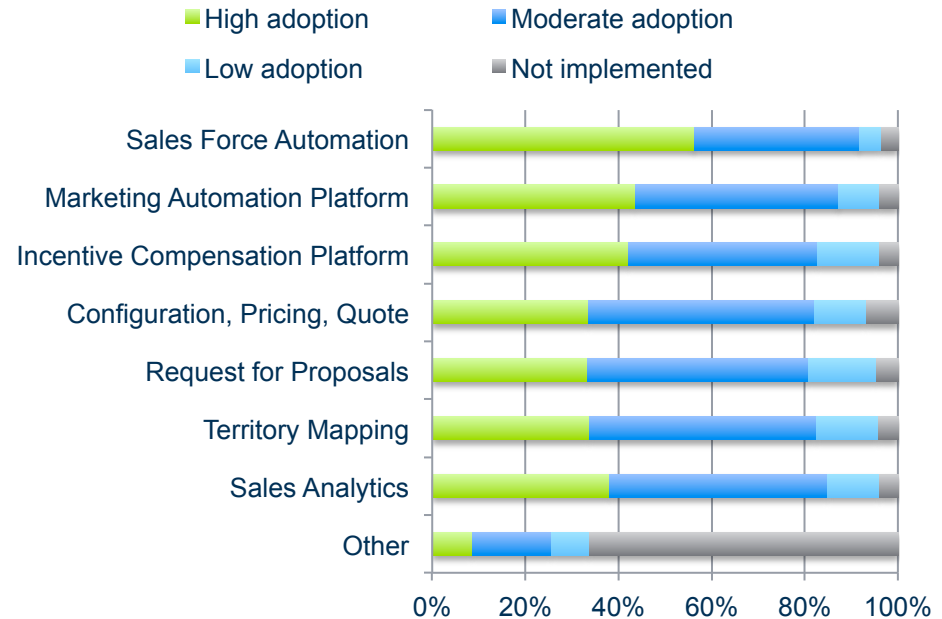
How many iterations does your sales plan go through before it is finalized?



■ 1-5 ■ 5-10 ■ 10 or more ■ Too many to quantify

Half of respondents go through more than five iterations of their sales plan before completion

For the tools/systems listed below, please indicate how well they are adopted.



There is high adoption of sales force automation platforms, but mapping and analytics, which are needed in planning, only have moderate adoption

Planning Takeaways

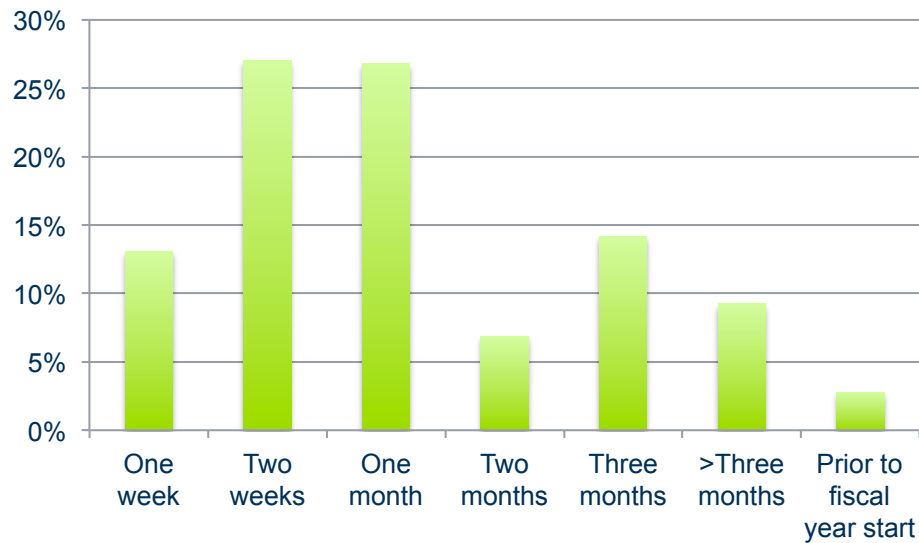
- As the planning process occurs during the last two to three months of a fiscal year, sales will struggle to concentrate as it tries to close business
- The planning process must be extremely efficient in order to balance sales leaders and sales operations time
- Twenty-five percent of organizations do not see the need to involve marketing in sales planning
- Planning alignment between sales, marketing and product is a critical best practice
- The sales organization's ability to collect valid data over multiple years is critical to sales planning analysis
- Adoption of better tools cuts down the number of planning iterations, which increases productivity

Quota Plan and Sales Rep Attrition



Time to Execution

After your fiscal year begins, what is the average time it takes for sales reps to receive their compensation packages?



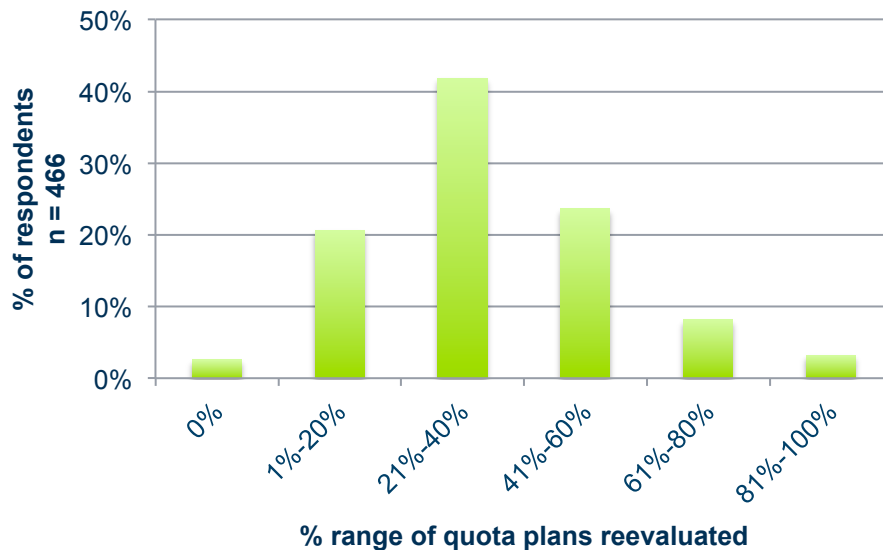
See related data point on next slide

Most respondents deliver quotas two weeks to one month after the start of the fiscal year

Time to Execution, continued

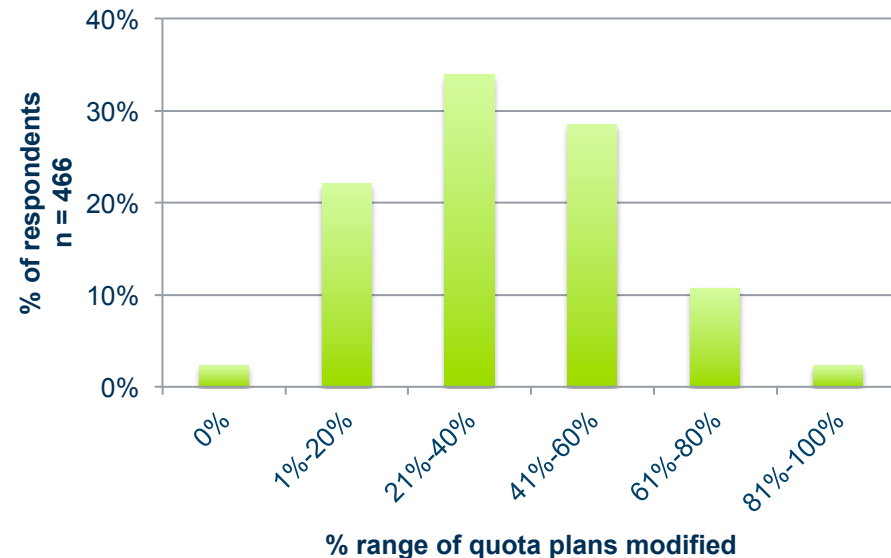
1) What percentage of quota plans are reevaluated after delivery to sales reps?

Percentage of quota plans reevaluated



2) Of the quota plans that are reevaluated, what percentage are then modified? *(Answered by all participants. This is not a sub-set of Q1 on the left)*

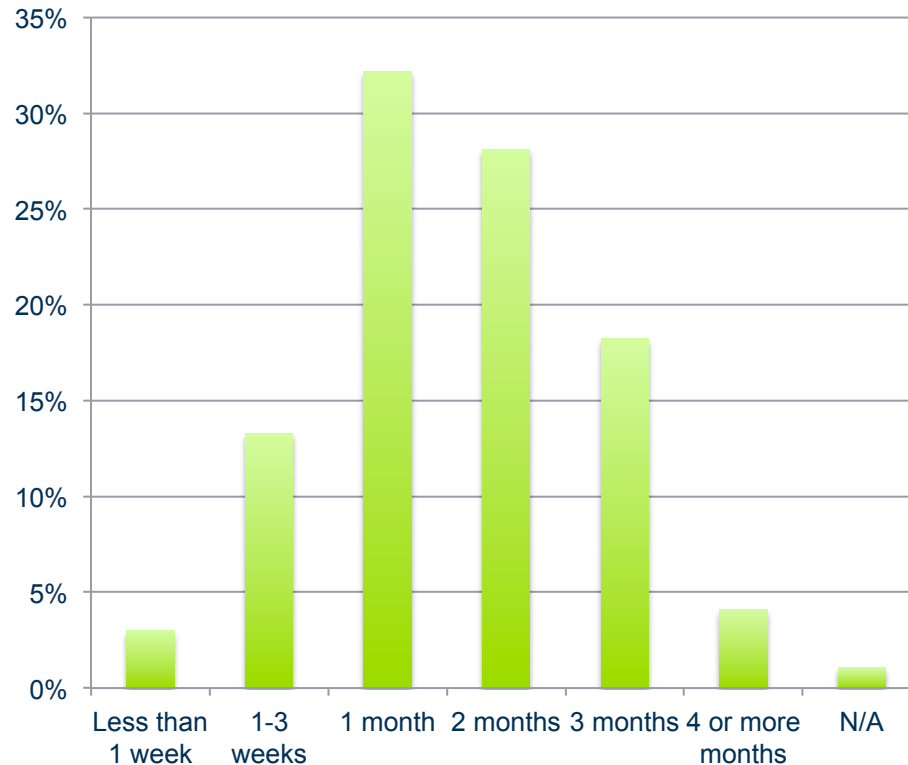
Percentage of quota plans modified



A high percentage of respondents reevaluate and modify more than a third of their quota plans.

Time to Execution, continued

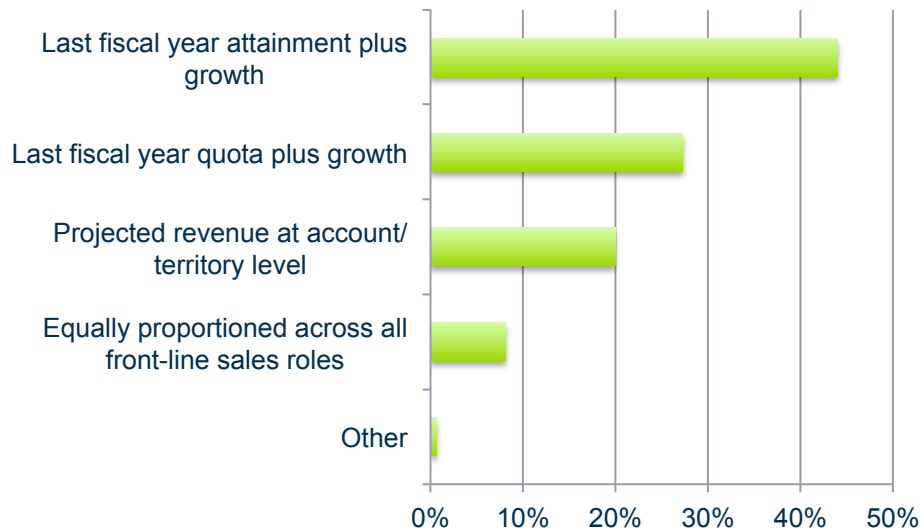
What is the average length of time the reevaluation process takes?



Reevaluation and modification of quota plans often adds an additional 1-3 months to the process.

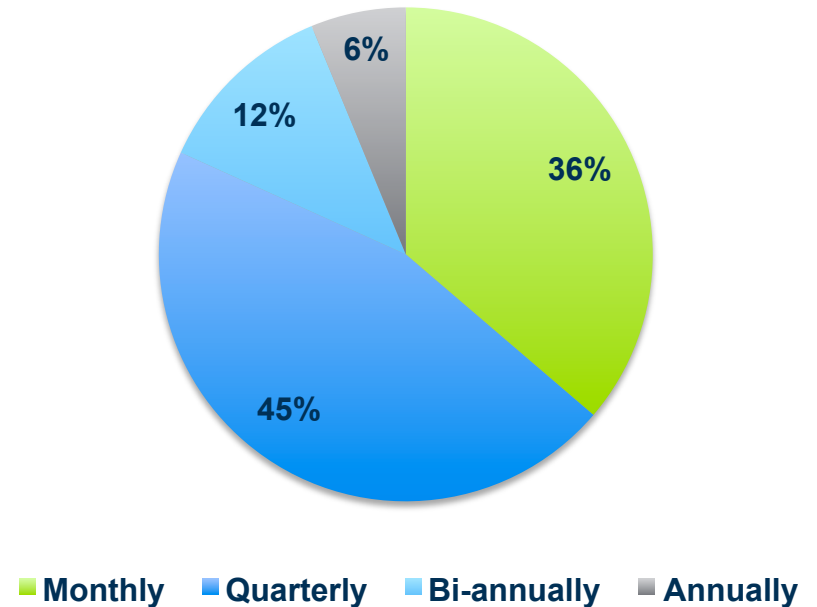
Quota Allocation

How do you allocate quota to sales reps?



Majority of respondents develop quotas by adding growth to last fiscal year attainment

How is incentive compensation paid?



Quarterly quota calculation continues to be the majority of models, but monthly has become more prevalent

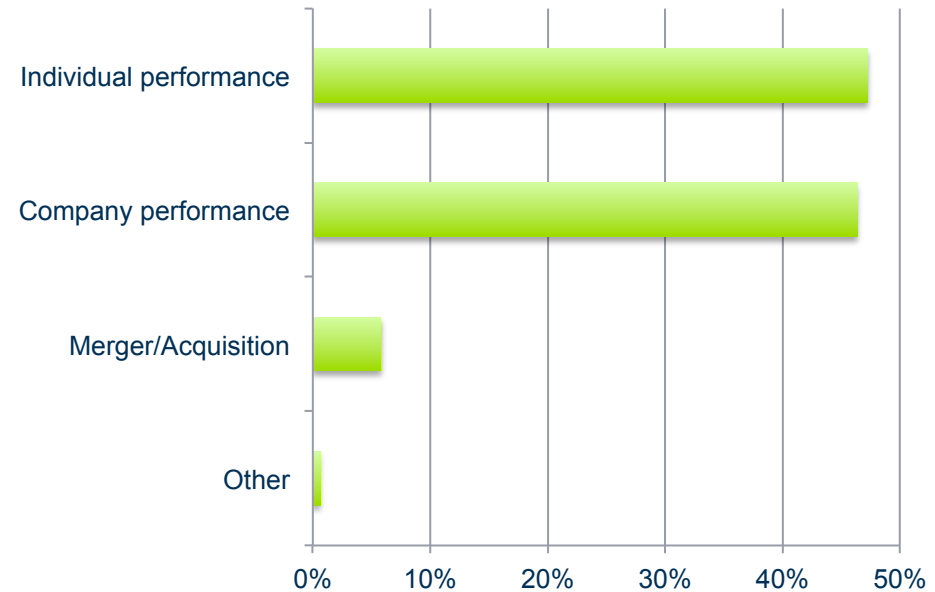
Sales Attrition

What is the most often cited reason for sales headcount VOLUNTARILY leaving your company?



An organization's offering potential still leads as a reason for voluntary attrition, but quota allocation has increased as a reason

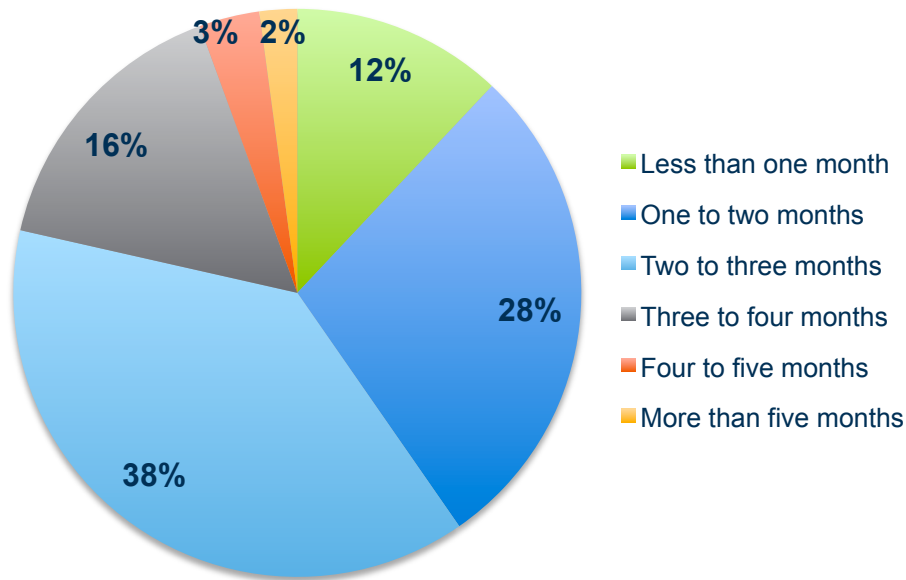
What is the most often cited reason for sales headcount INVOLUNTARILY leaving your company?



A better balance between individual and company performance for involuntary attrition can be correlated to economic recovery

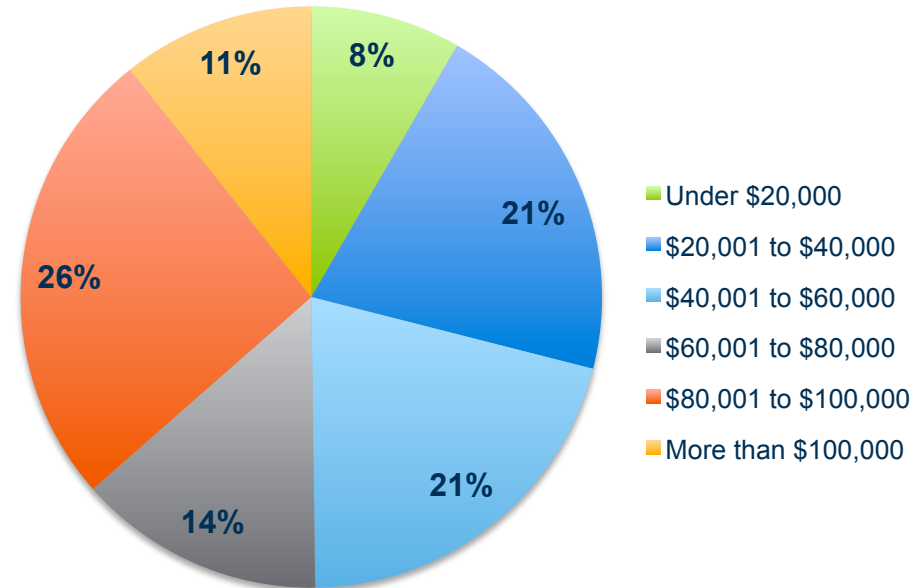
Cost of Replacement

What is the average time required to replace a rep?
(recruiting and onboarding)



More than a third of respondents indicated that it takes two to three months to replace a sales rep

What is the average cost to replace a rep?
(recruiting and onboarding costs, excluding earnings - commissions, incentives, T&E, etc.)



The cost of replacing a sales rep can quickly exceed expected sales expenses

Staffing and Quotas Takeaways

- Almost all organizations are developing territory design and coverage models between top down and bottom up
- The first quarter of a new fiscal year is unproductive for sales organizations due to time lost on delivery, reevaluation and modification of quotas
- Most organizations are still not taking an opportunity-based approach to quota allocation
- Quota allocation, not potential earnings, is increasingly cited as a reason why sales reps leave organizations
- Organizations should conservatively plan to spend three months finding and onboarding each new sales rep
- Onboarding alone does not equate to rep productivity; organizations must plan the time need to reach productivity based on sales rep tenure and account/territory assignment