

Survivor Analytics: Problem Solving Beyond the Numbers

August 21, 2017



STRATEGY



TRAINING

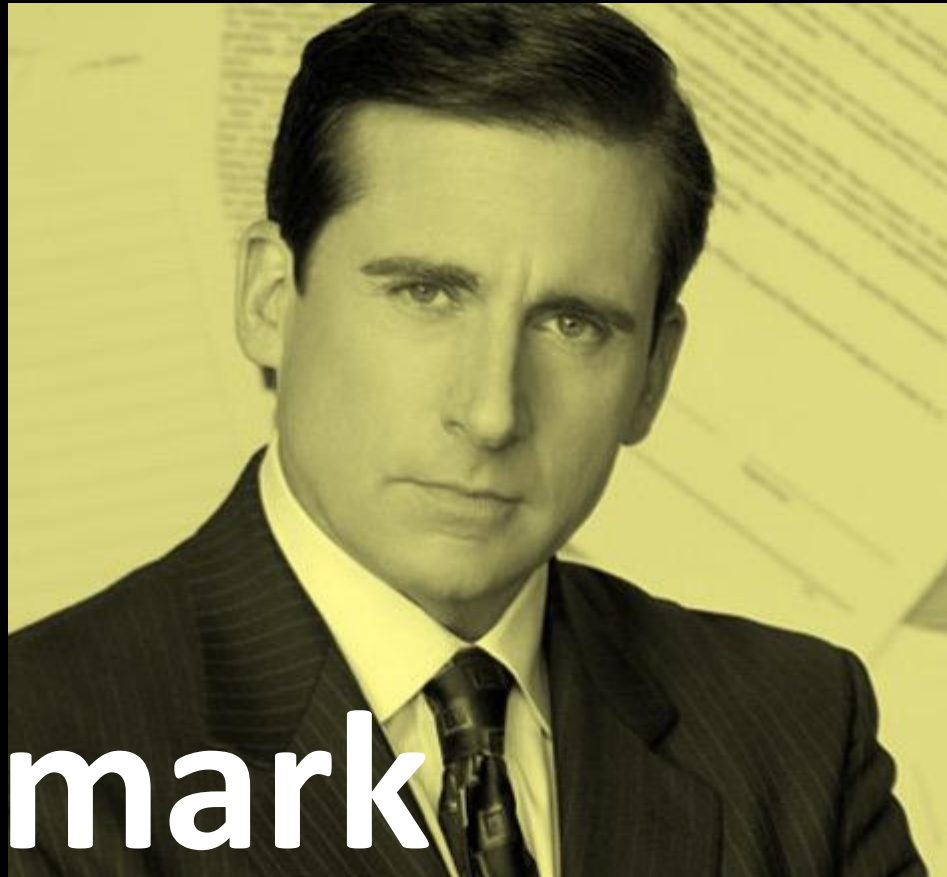


COMPENSATION



www.SalesGlobe.com
(770) 337-9897





- SalesGlobe Managing Partner
- Closet Art School MBA
- Sales Effectiveness Expert



- Waste Management, Sr. Manager, Sales Compensation
- Seen it All
- Nerves of Sales Comp Steel

salesglobe

A Bit About Us



Advisory and Consulting Services

- Sales Strategy and Organization
- Account Strategy and Planning
- Incentive Compensation and Quotas



@SalesGlobe



SalesGlobe.com

waste management

A Bit About Us



- Leading provider of comprehensive environmental solutions services in North America
- Fortune 200 Company valued at \$13 billion
- New York Stock Exchange listing (WM)
- Over 40,000 employees with headquarters in Houston, TX
- 21 million customers
- Markets include residential, commercial, industrial, municipal and government customers throughout North America
- Recycles enough materials in one year to fill the Empire State Building more than 20 times and enough paper to save 110 million trees each year
- Renewable energy provider operating over 134 beneficial-use landfill-gas projects, producing enough energy to power nearly 500,000 homes
- 25,000 acres of wildlife habitats on 95 properties
- Committed to developing new waste solutions that can help communities and organizations achieve their green goals, including zero waste
- Mission is to maximize resource value, while minimizing - and even eliminating - environmental impact so that both our economy and our environment can thrive



WM recycling ready for commodity market



WM Waste processing in Orange County



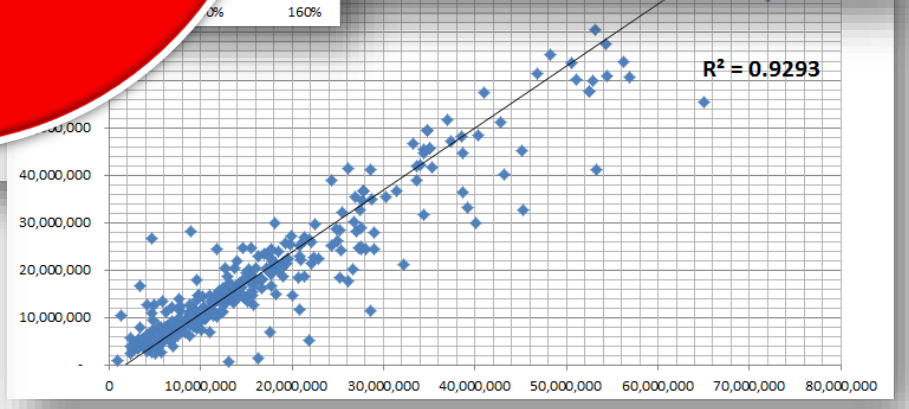
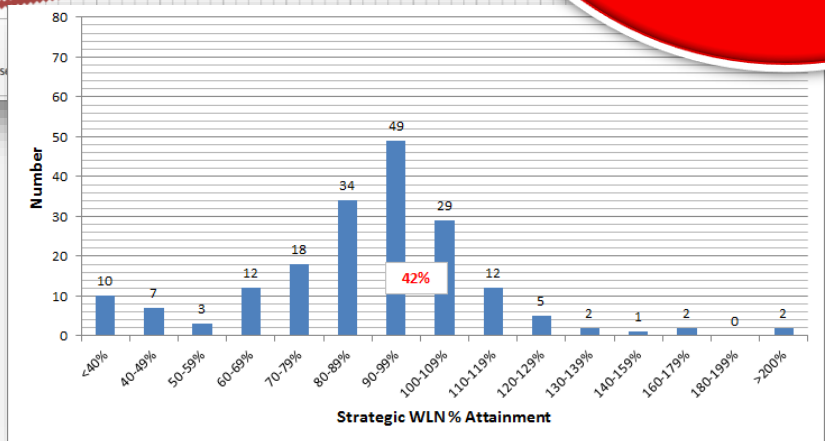
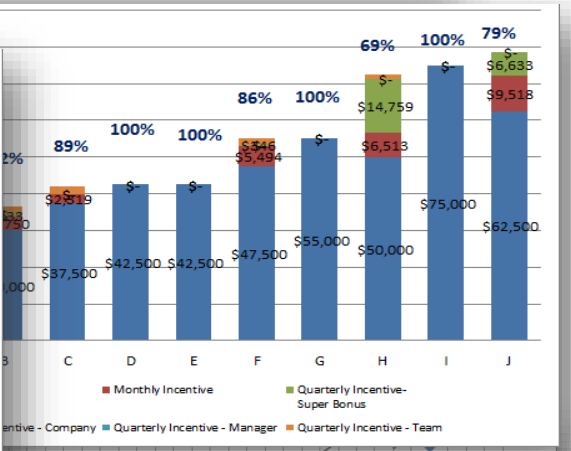
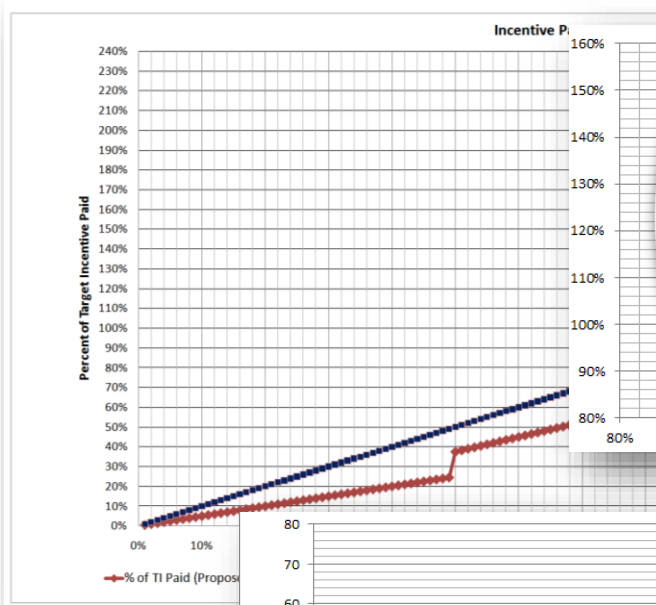
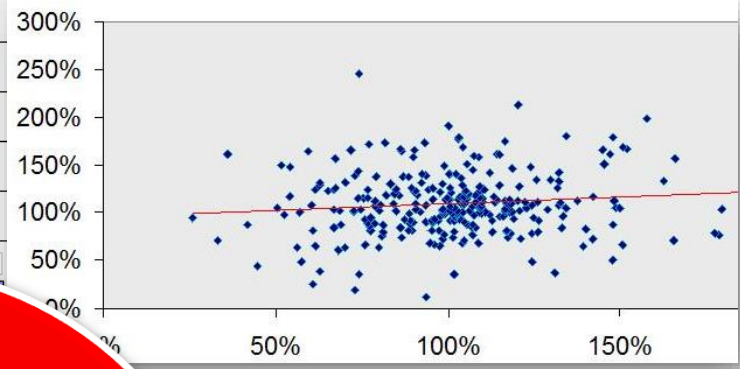
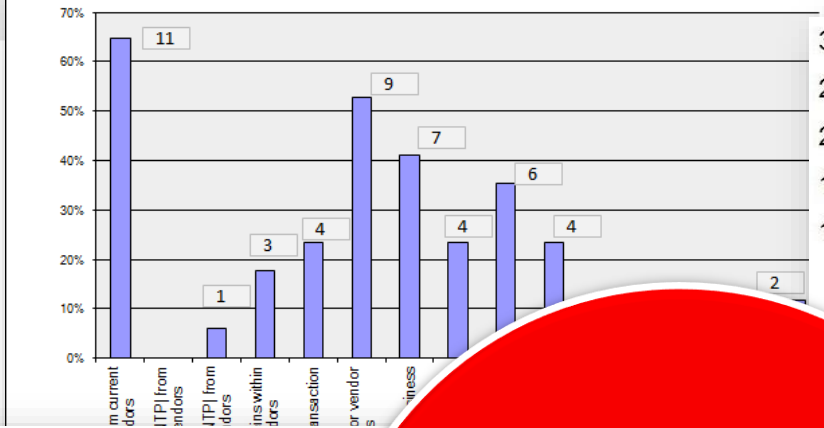
today

Topics

- What are the issues and why analytics?
- Solving problems, not running numbers.
- What do you do when you don't have the data?
- Four Survivor Analytics categories:
 - Stats
 - Strategy
 - Style
 - Systems
- Taking Action.

numbers

Analytics Without a Cause



The background is a dark, semi-circular logo for the TV show Survivor. It features a central figure of a person in a crouching position, surrounded by various animals like a tiger, a bear, and a snake. The words "OUTWIT", "OUTPLAY", and "OUTLAST" are written in a circular path around the top and bottom. The word "SURVIVOR" is written in large, bold, outlined letters across the middle.

**What's
the
Problem?**

ANALYTICS

earth's last eden

OUTLAST

The Big 5 Sales Compensation Challenges

“You hit your quota and get rewarded with a bigger quota next year. It’s not related to opportunity.”

“Our highest earners aren’t necessarily our highest performers. We can’t attract and retain the right talent.”

“Our plan promotes behaviors that are different than our strategy.”

“The plan doesn’t support solution selling. It drives an aggressive sales process and we need to be more consultative.”

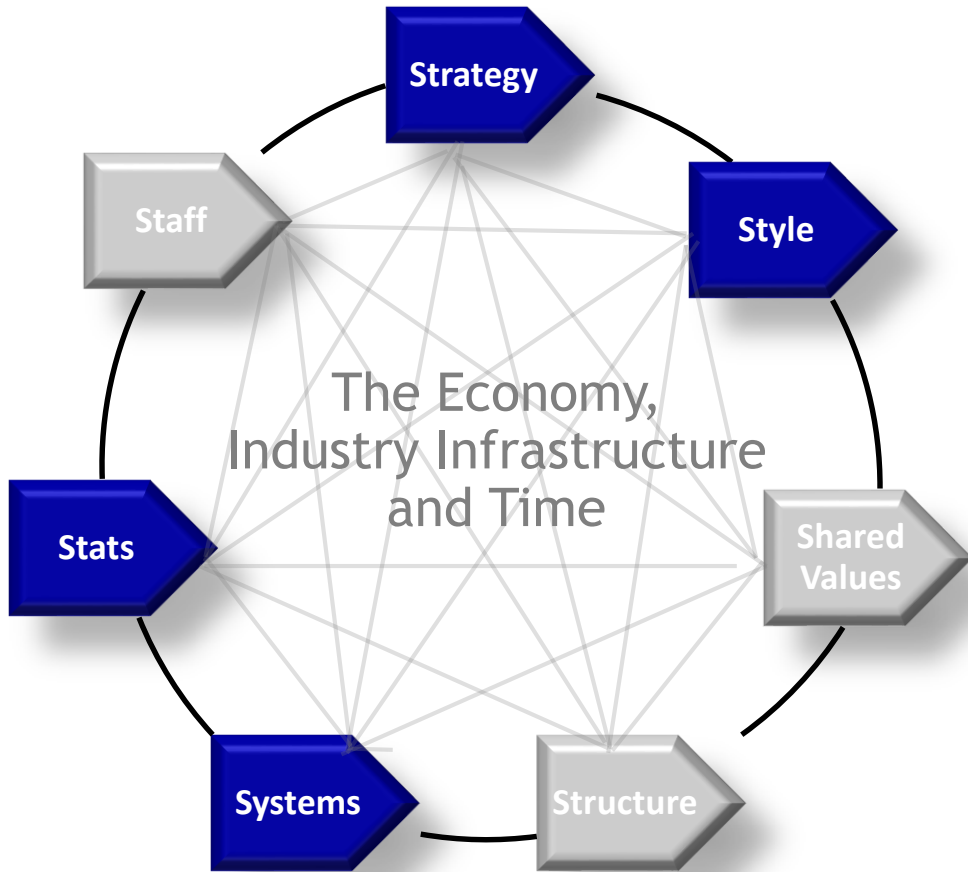
“Our reps aren’t hitting their objectives in this economic environment. We need to keep them focused.”



“I’m not clear on exactly how I’m paid. I just hope the check is right.”

Combining Problems and Insight

Sources of Incentive Plan Problems

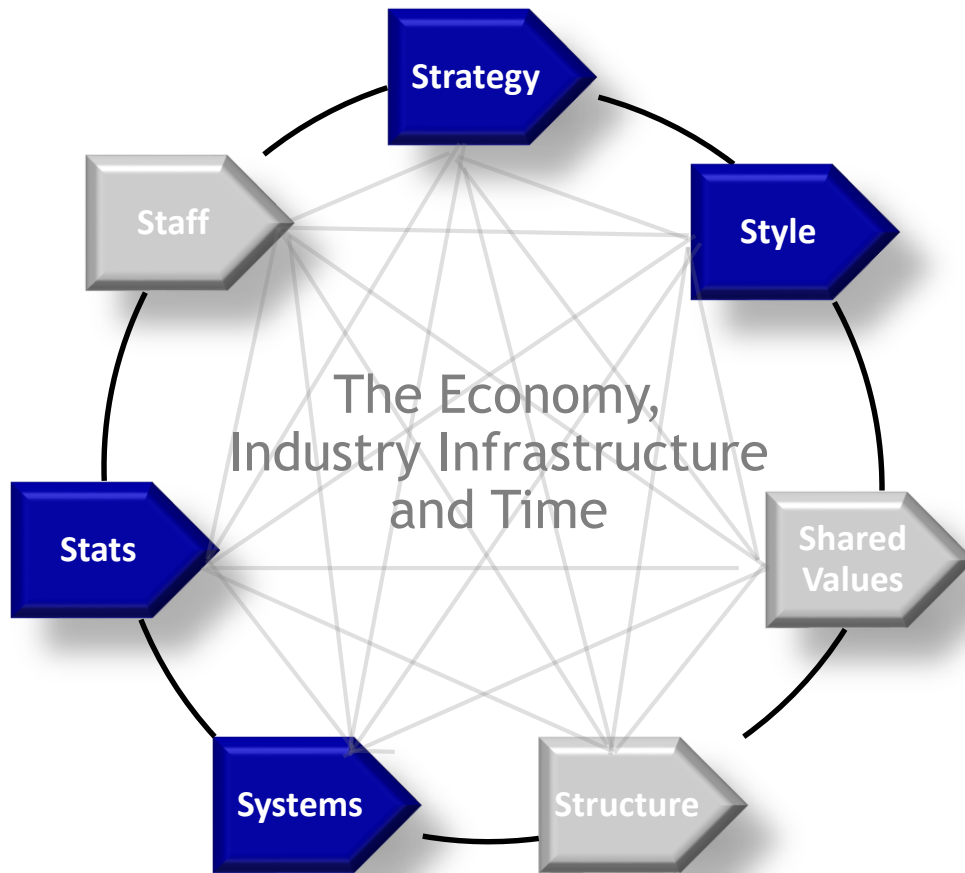


Sources:

- *Enduring Ideas The 7S Framework*, McKinsey Quarterly March 2008
- Further Developed by Dennis Gallinat 2017

Combining Problems and Insight

Sources of Incentive Plan Problems



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- Further Developed by Dennis Gallinat 2017

Problem Solving Approach



Sources:

- *The Innovative Sale*. Mark Donnolo, 2014

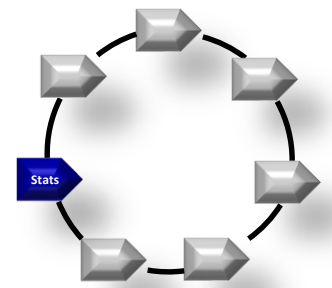
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Stats

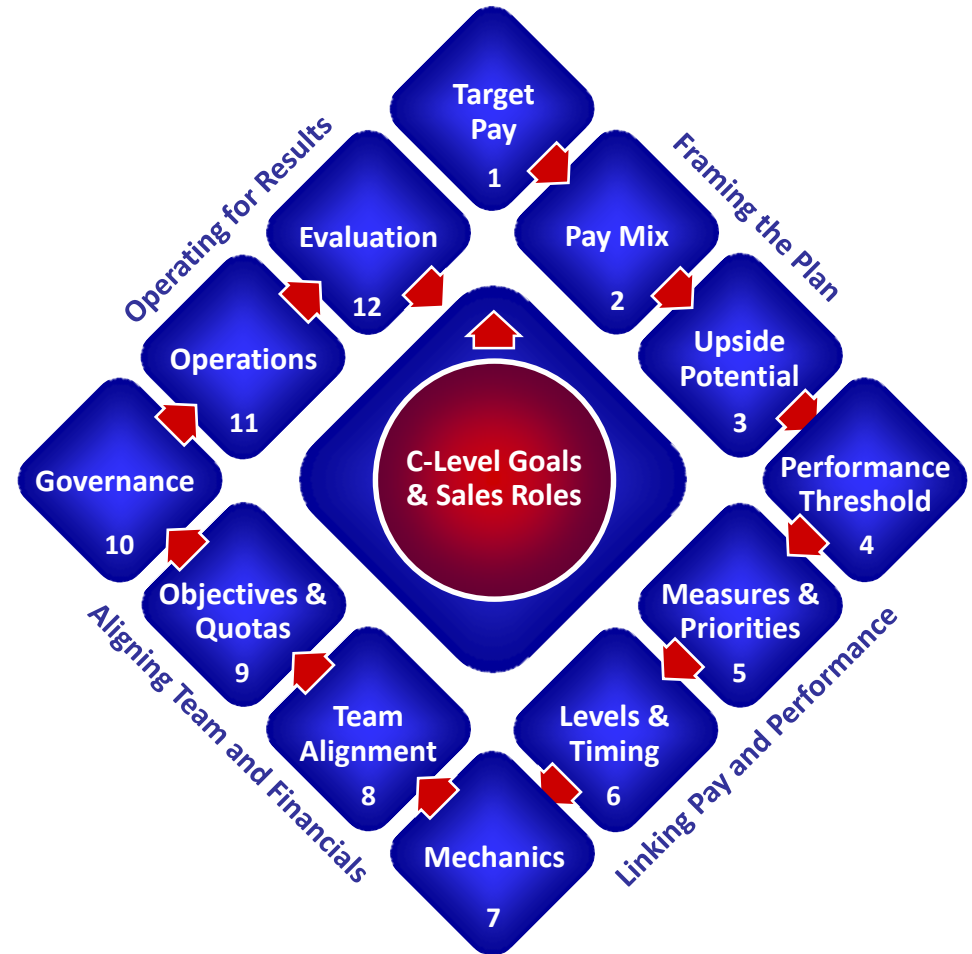
ANALYTICS

You Might Have a Problem if...

- ✓ You don't have visibility on the "critical vital signs" of the sales compensation plan.
- ✓ Your team doesn't understand what the analytics say.

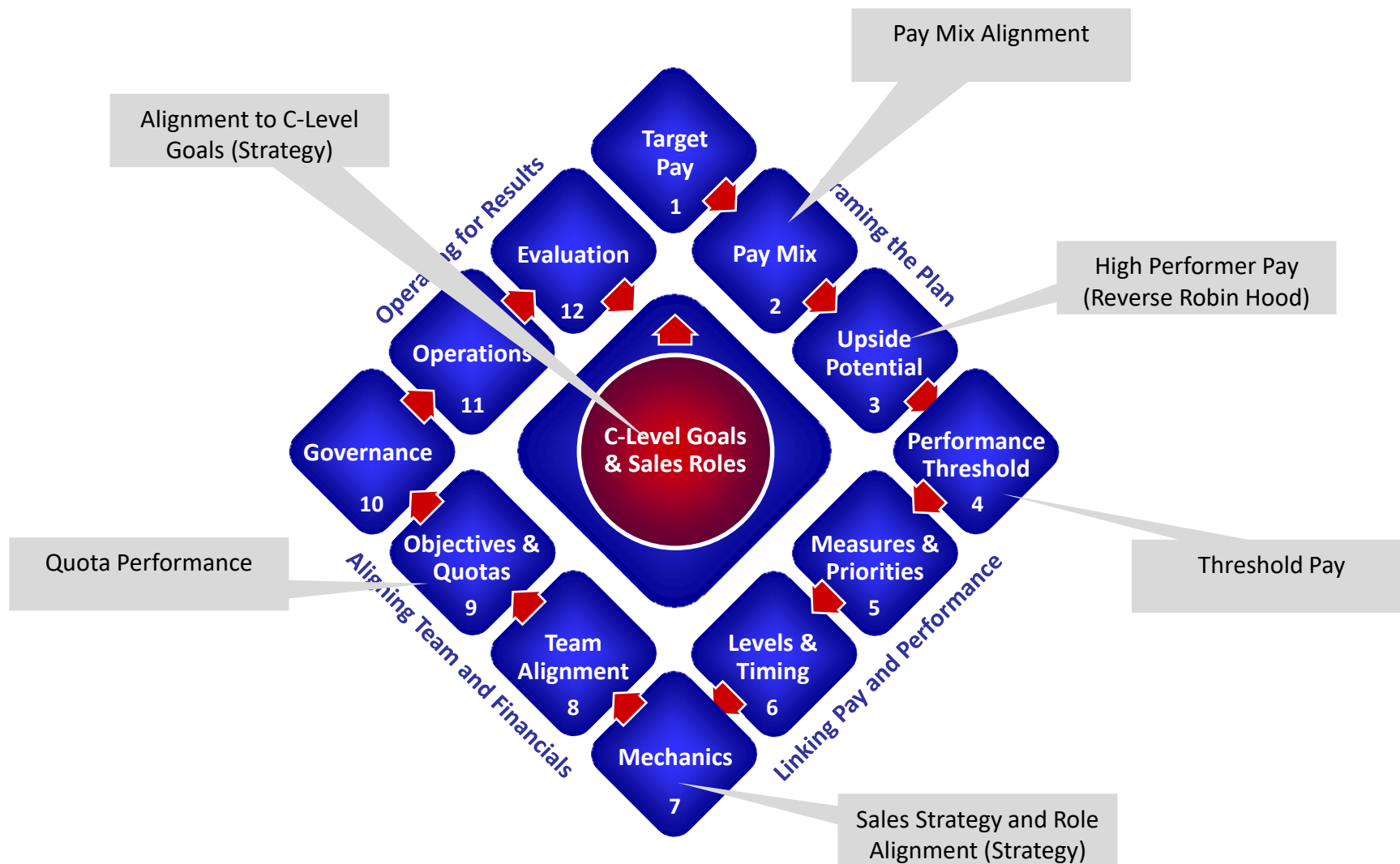


Action. Let's look at a few classics...



See "What Your CEO Needs to Know About Sales Compensation" for more information.

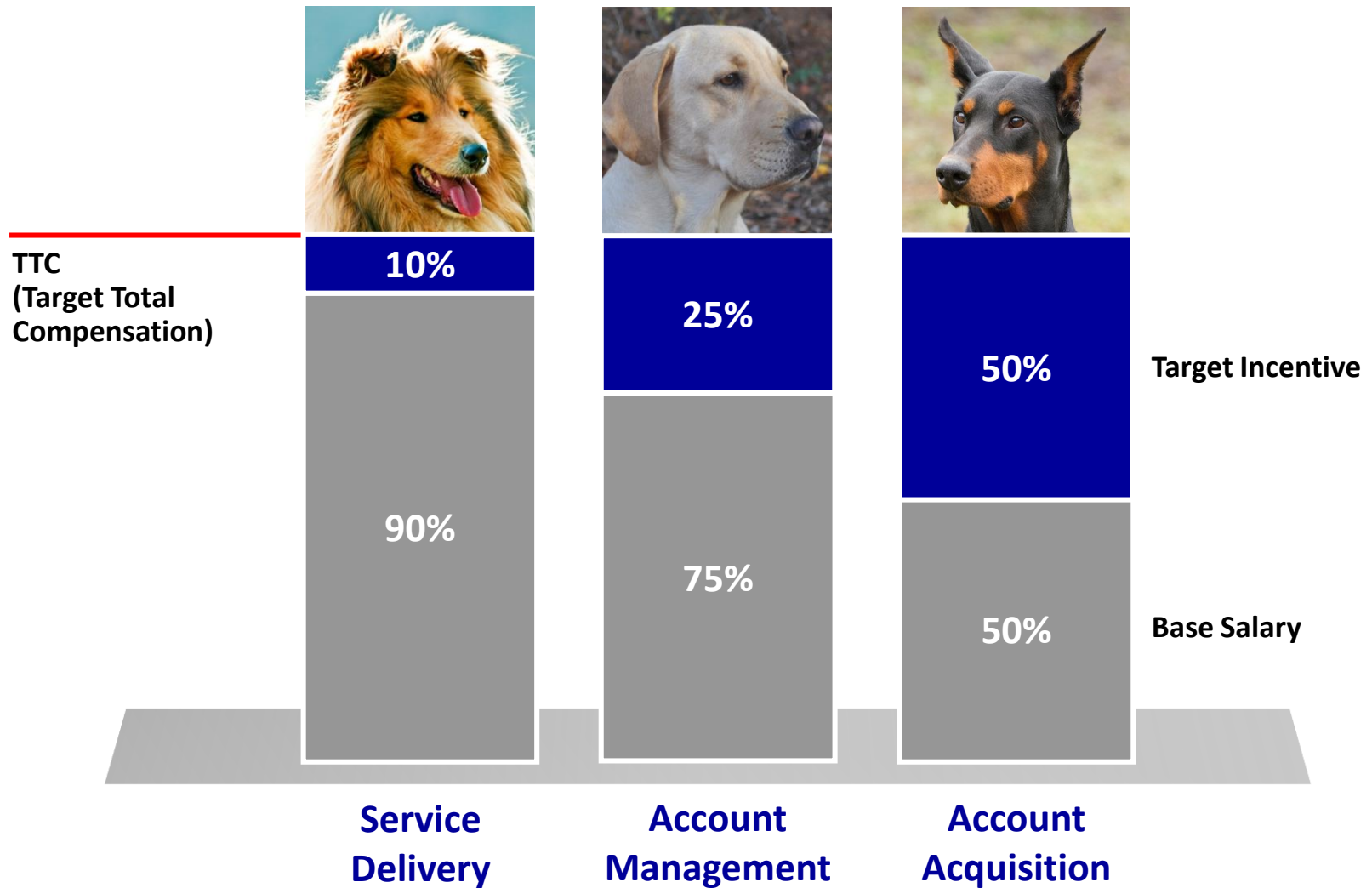
You Might Have a Problem if...



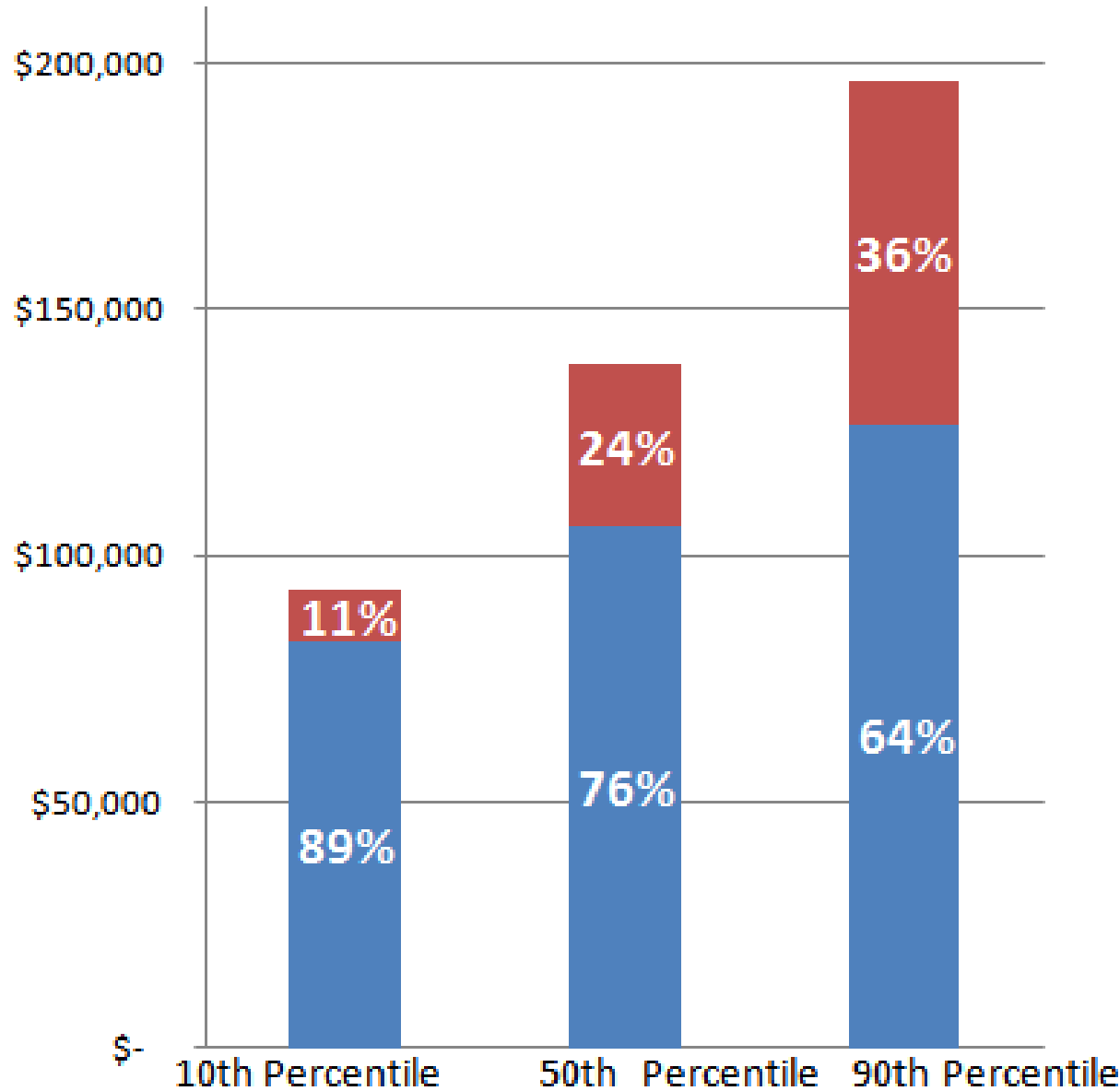
See "What Your CEO Needs to Know About Sales Compensation" for more information.

stats

Pay Mix



A Look at Pay Mix



What We're Looking For

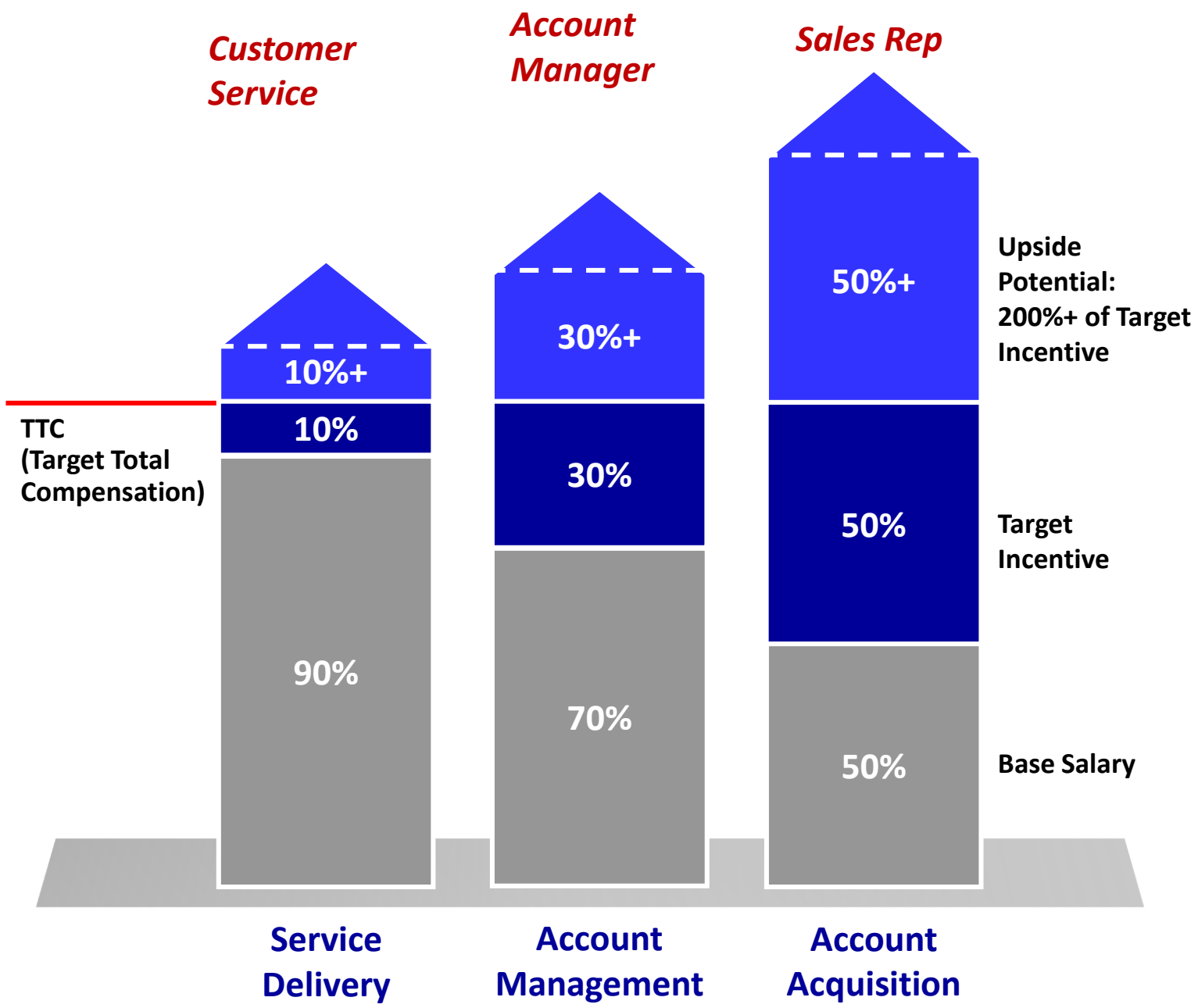
- Alignment with the design
- High earners with pay in upside incentive

Diagnosis Questions

- 50th as designed
- Why high earners high base?
- High earners high performers?

stats

Upside Potential



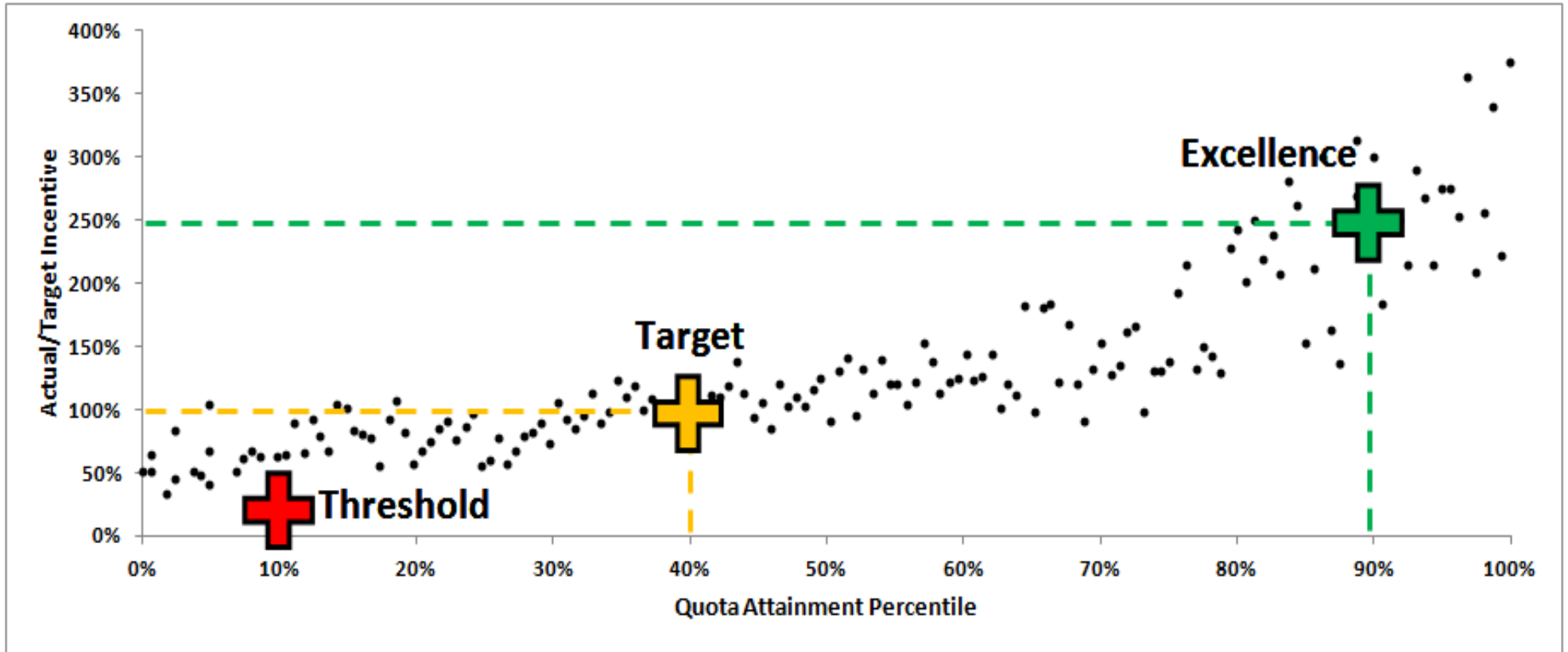
What We're Looking For

- Significant upside (200%+) and differentiation between top, average, and low performers

Diagnosis Questions

- What is performance?
- What else is delivering pay?

The Reverse Robin Hood



Quota Attainment Distribution

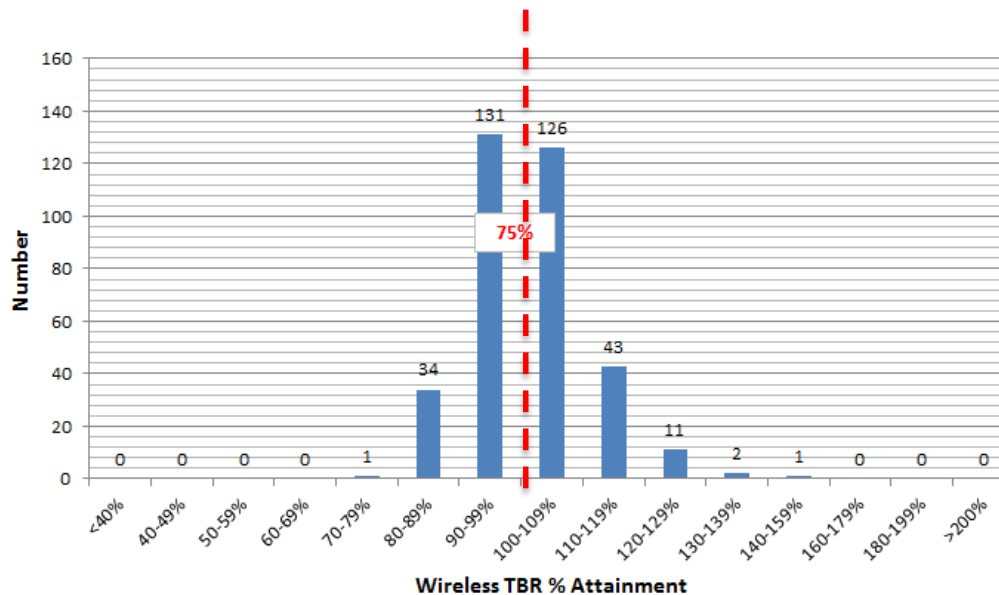
We want 50% to 70% at or above quota.

Why?

- Business Plan Predictability
- Management of CCOS and Accelerators
- Motivation... A Culture of Winners

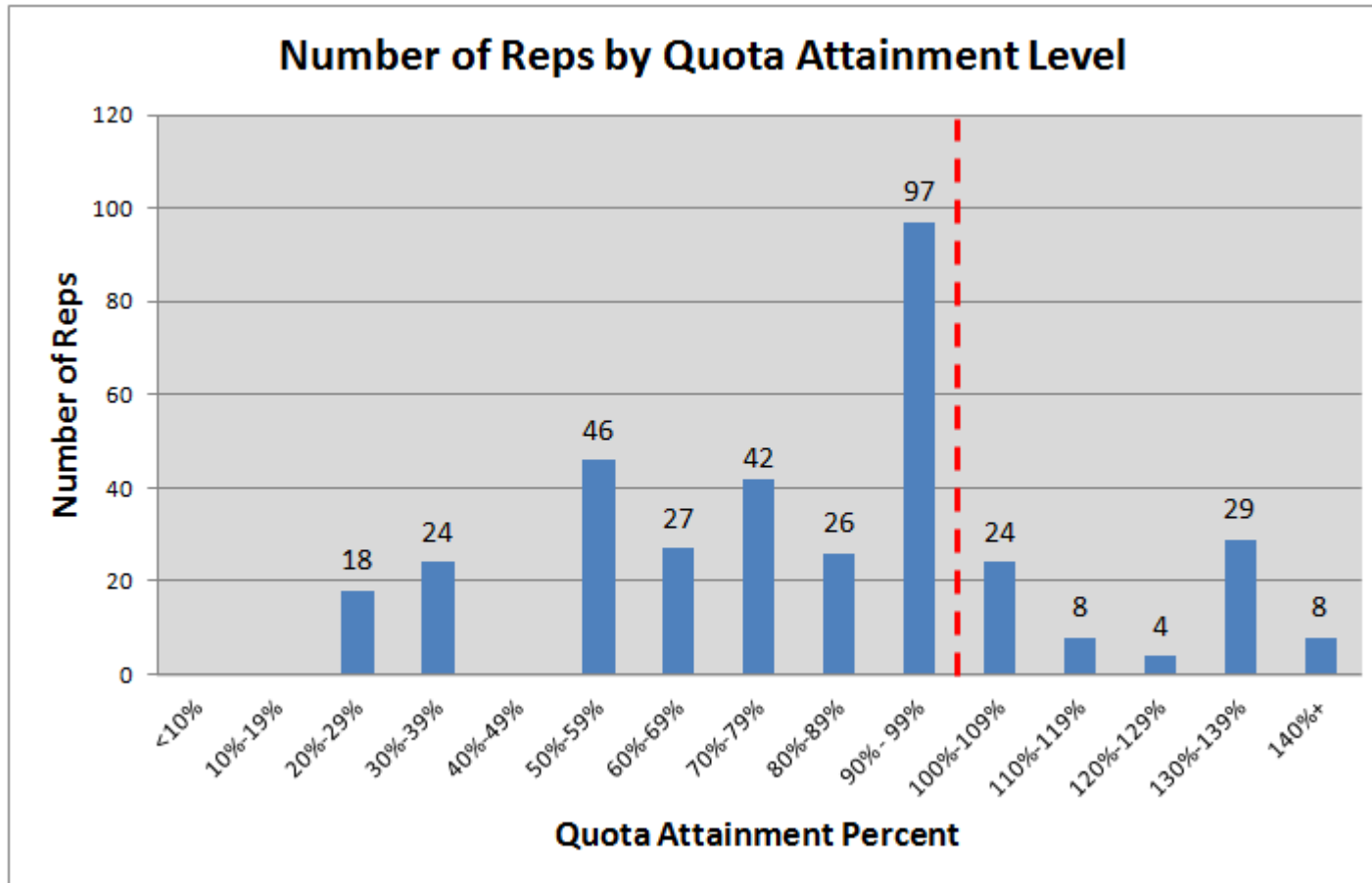
What We're Looking For

- 50% to 70% at or above quota
- Predictable distribution



Quota Attainment Distribution

Only 31% at or above quota.

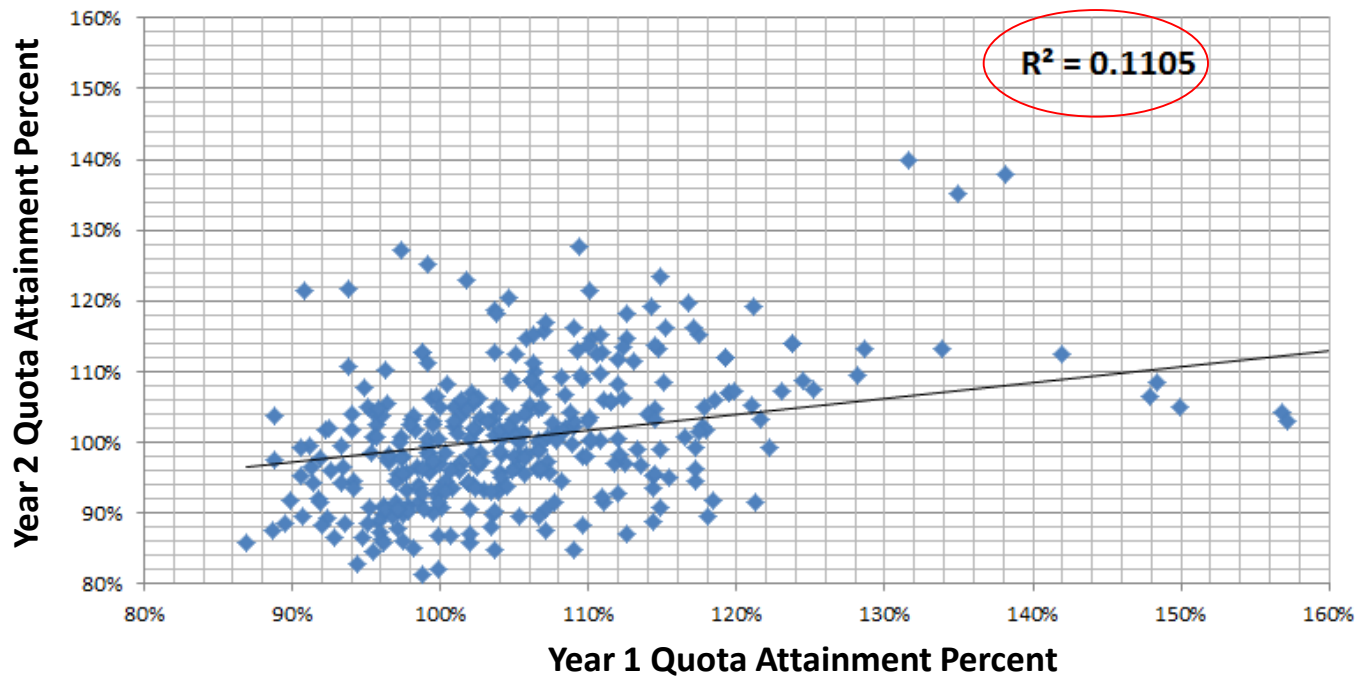


Diagnosis Questions

- Why are there sticking points below quota?
- Is this a quota, plan, or performance issue?

Year Over Year Quota Attainment

No relationship with YoY attainment.



What We're Looking For

- YoY consistency in quota attainment by rep

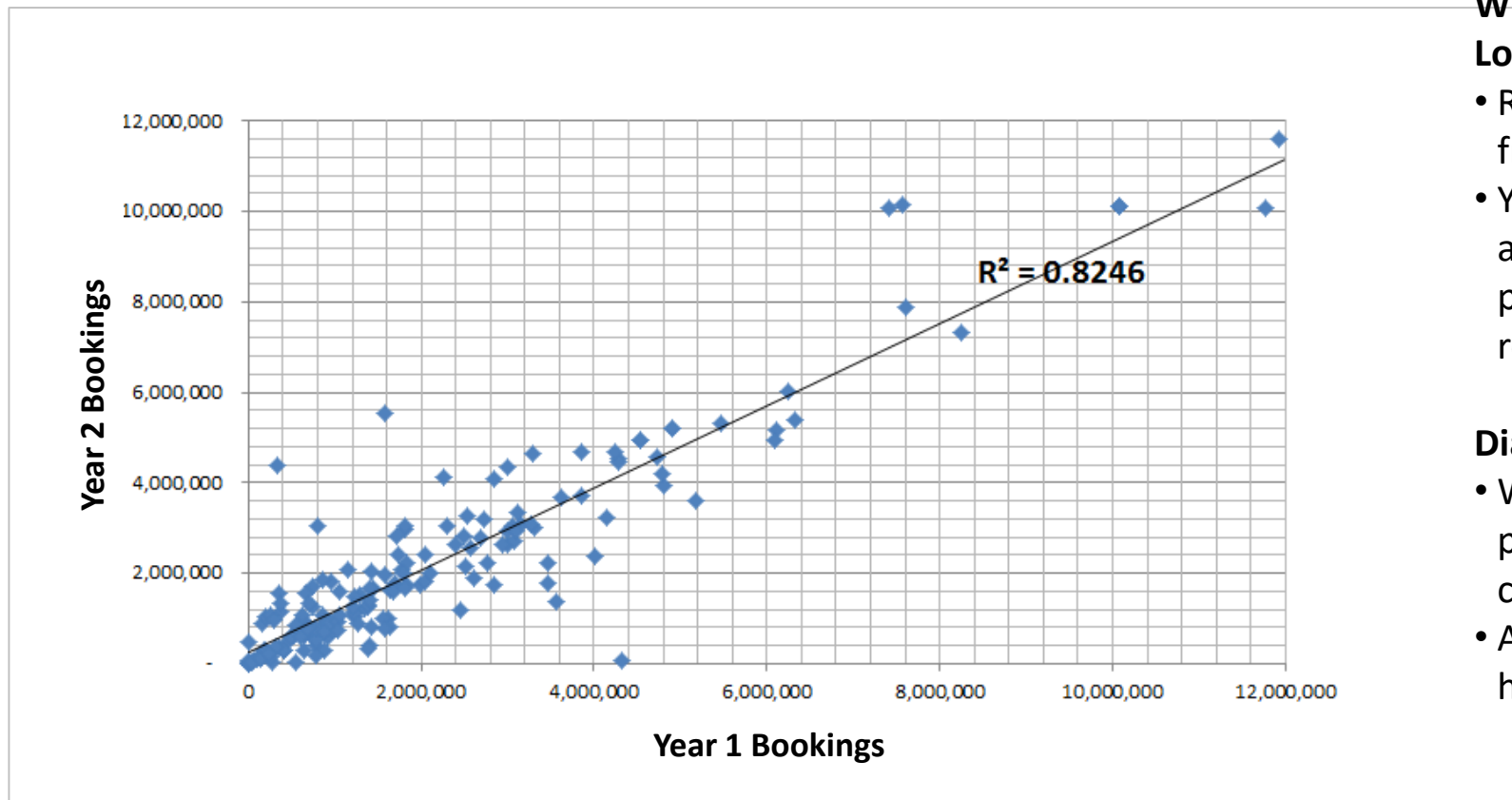
Diagnosis Questions

- Why is quota attainment sporadic?
- Is this a quota or performance issue?

stats

Year Over Year Bookings

But strong YoY sales performance relationship.



What We're Looking For

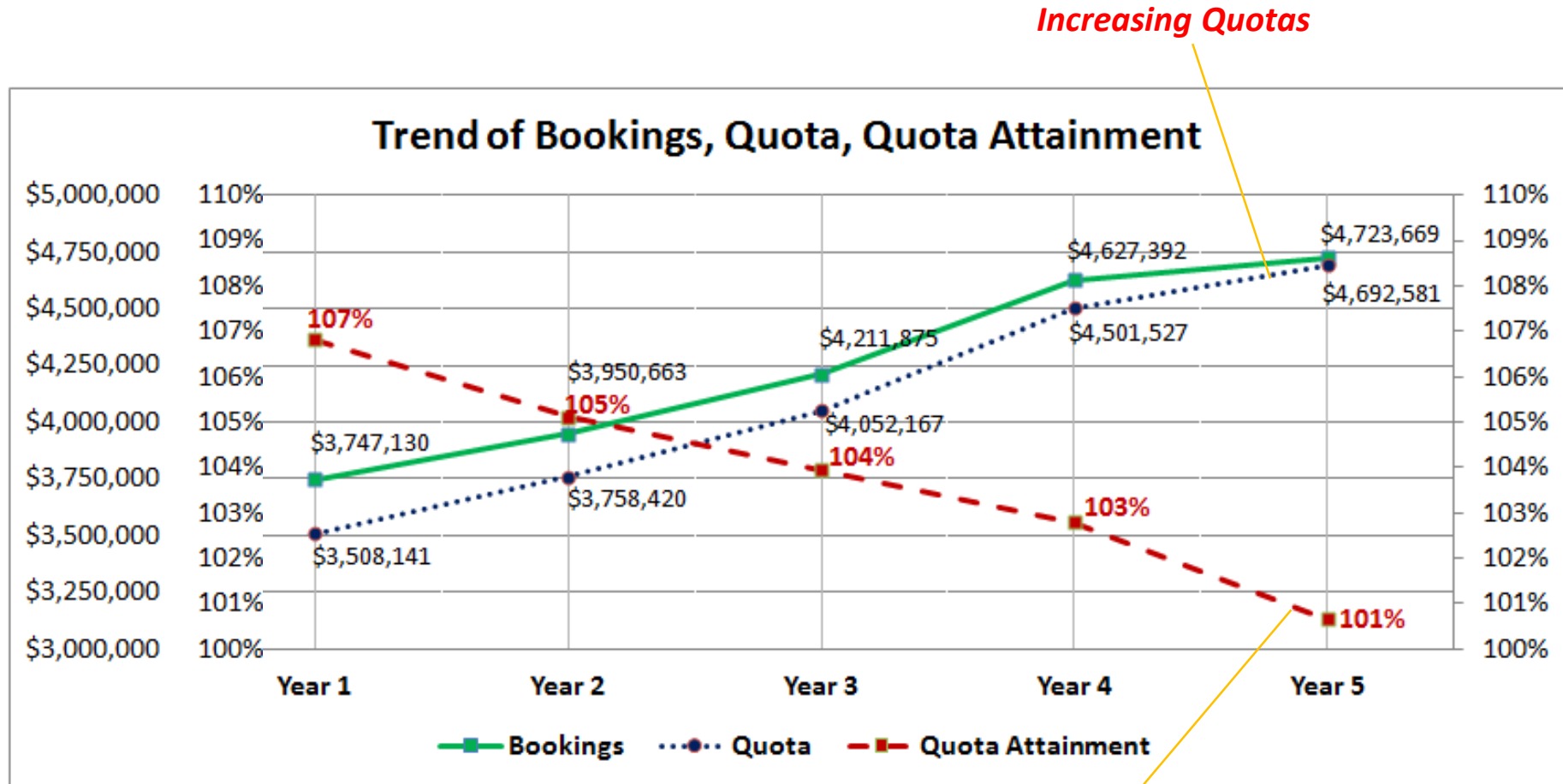
- Removing quota from the analysis
- YoY consistency in absolute performance by rep

Diagnosis Questions

- Why is performance consistent?
- Are quotas set historically?

Company Goal Attainment

The big issue: Declining organization and company performance.



1

Stats

2

Strategy

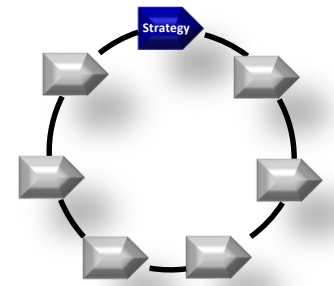
ANALYTICS

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OUTLAST

strategy

You Might Have a Problem if...



- ✓ Your comp plans are not aligned with key business objectives
- ✓ The Sales Manager comp plan is not aligned with rep objectives
- ✓ Plans are not easily automated or “auditable”
- ✓ Compensation appears to be driving competition between sales channels or across LOBs
- ✓ There are opportunities for self-reported data inputs
- ✓ Sales compensation is used as a substitute for sales management



Align sales incentive compensation with organizational strategies to...

- *Build competitive advantage*
- *Create new markets*
- *Seize fresh opportunities*
- *Change rules of engagement*
- *Compete through collaboration*
- *Project market power*
- *Deliver revenue and profits*

strategy

Insight and Analytics

Clues to your company's strategies...

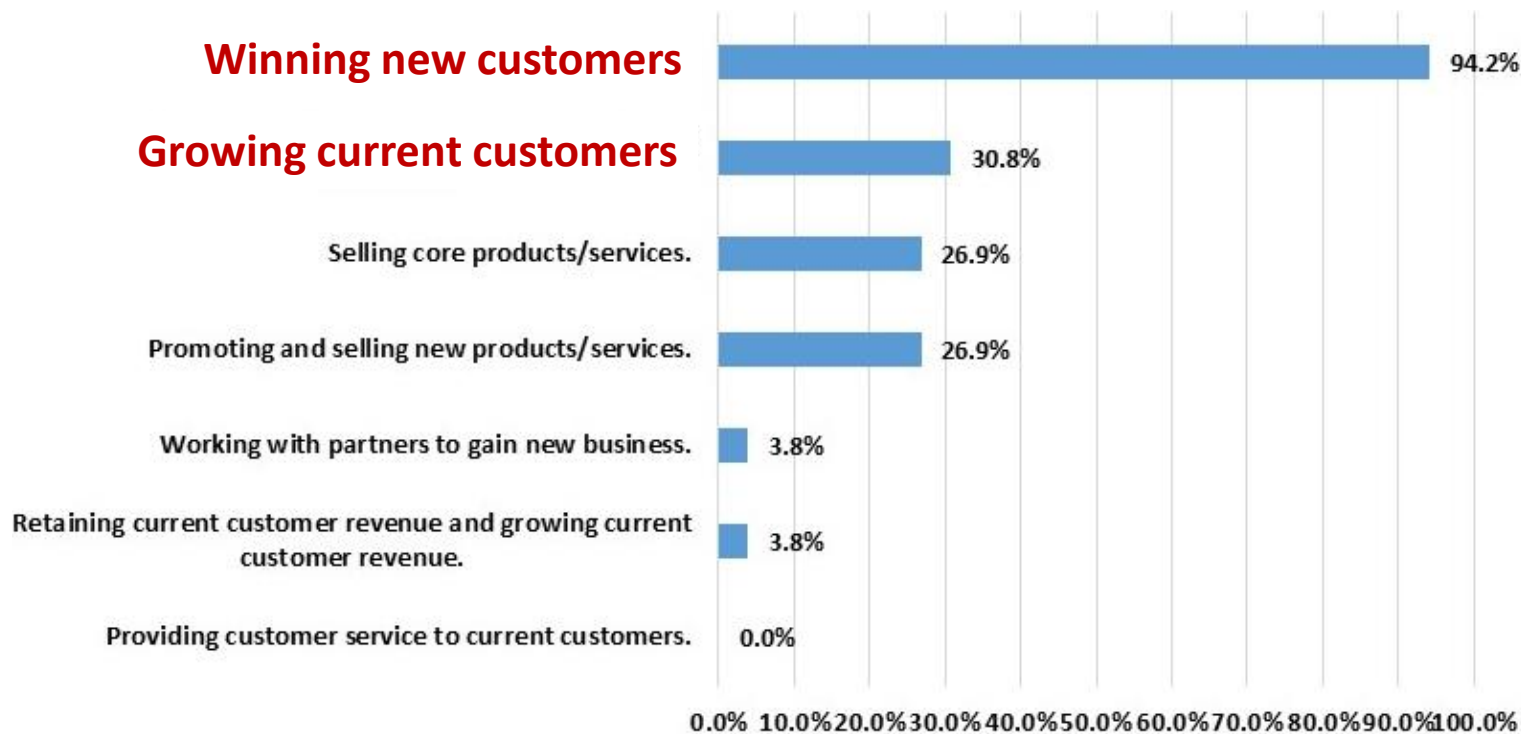
- Company website information
- Executive presentations
- Executive emails and videos
- Statements from Investor Relations and earnings reports
- Annual Report and company 10K

Example: "Our fundamental strategy has not changed; we remain dedicated to providing long-term value to our stockholders by successfully executing our core strategy of focused differentiation and continuous improvement, with the current state of our strategy taking into account economic conditions, the regulatory environment, asset and resource availability and current technology. We believe that focused differentiation in our industry, driven by capitalizing on our extensive, well-placed network of assets, will deliver profitable growth and competitive advantages. Simultaneously, we believe the combination of cost control, process improvement and operational efficiency will deliver on the Company's strategy of continuous improvement and yield an attractive total cost structure and enhanced service quality. While we will continue to monitor emerging diversion technologies that may generate additional value and related market dynamics, our current attention will be on improving existing diversion technologies, such as our recycling operations." - WM 10K Feb 2017

- In-person interviews with senior leaders and sales executives
- Regular in-person meetings in the field with sales leaders

What Are the Sales Team's Priorities?

What is most important to accomplish in your role? (top two)



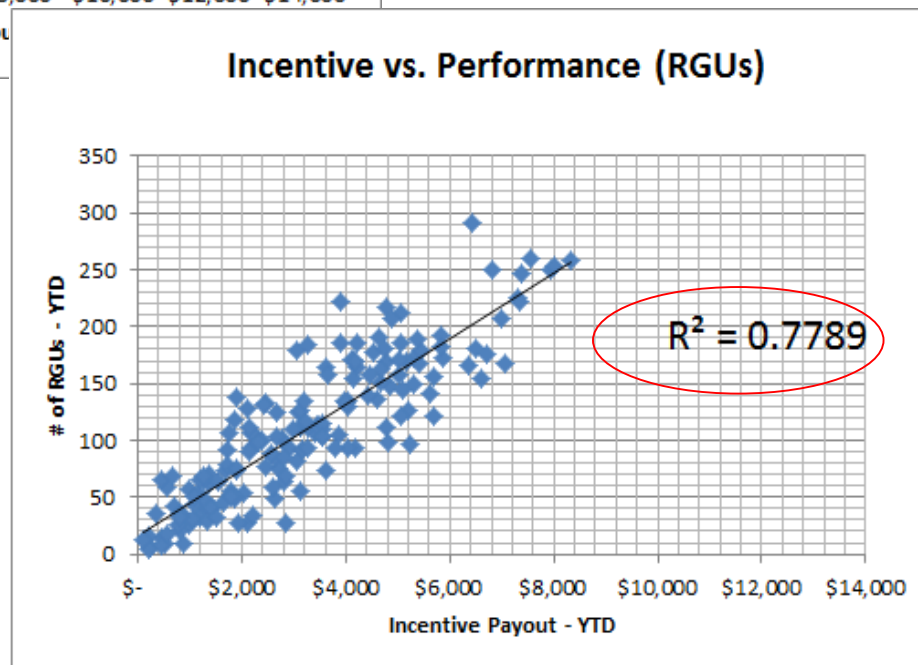
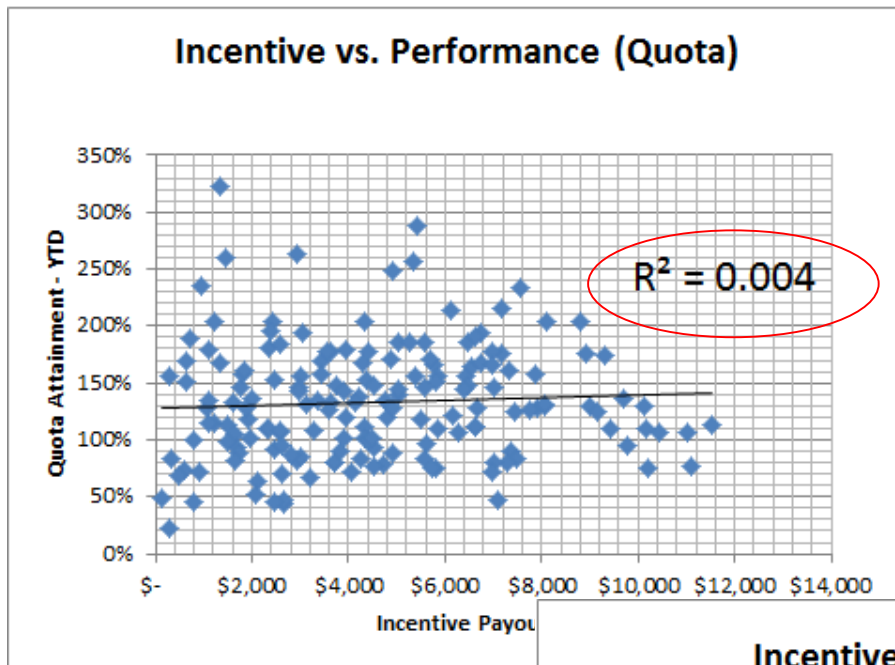
What We're Looking For

- Alignment with the strategy
- Clear emphasis, not ambiguity

Diagnosis Questions

- Are new customers really the priority?
- Who grows current customers?

Are We Paying for the Strategy?



What We're Looking For

- Alignment with the strategy
- Few measures, simplifying the message

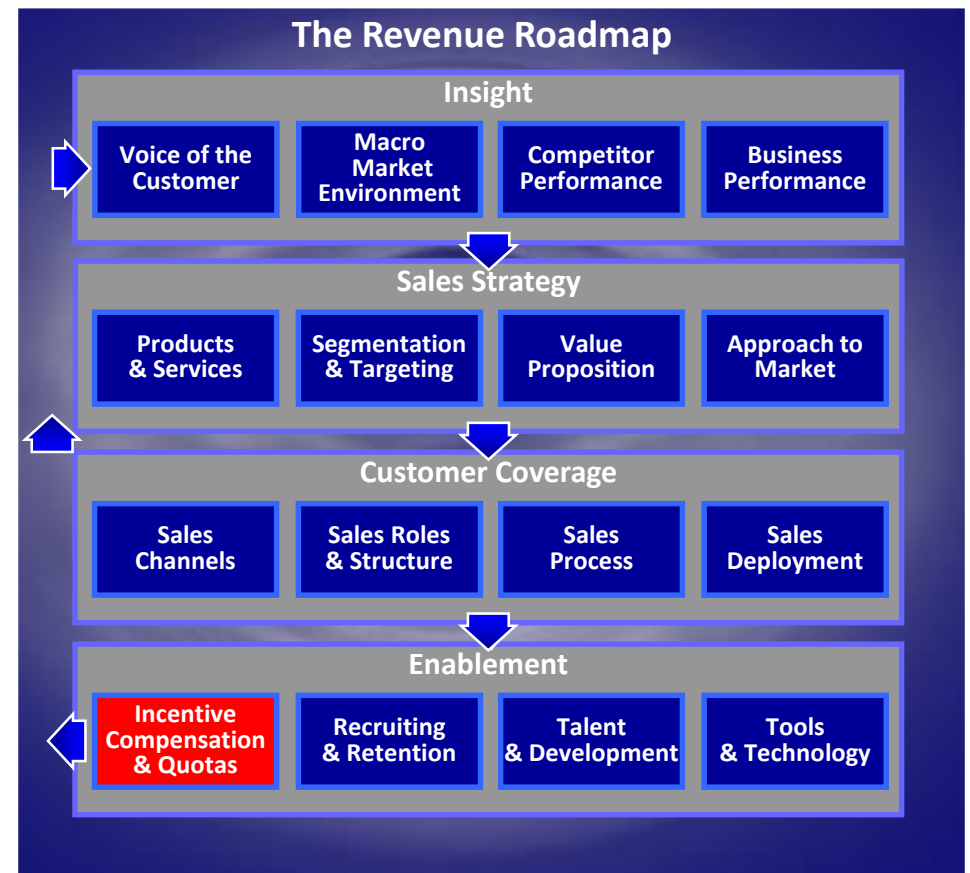
Diagnosis Questions

- If quota is important, then shouldn't the plan align?

strategy

Actions

- Understand sales compensation in context.
- Know that it's not always a sales compensation issue.
- Establish the upstream and downstream alignments that impact sales compensation.



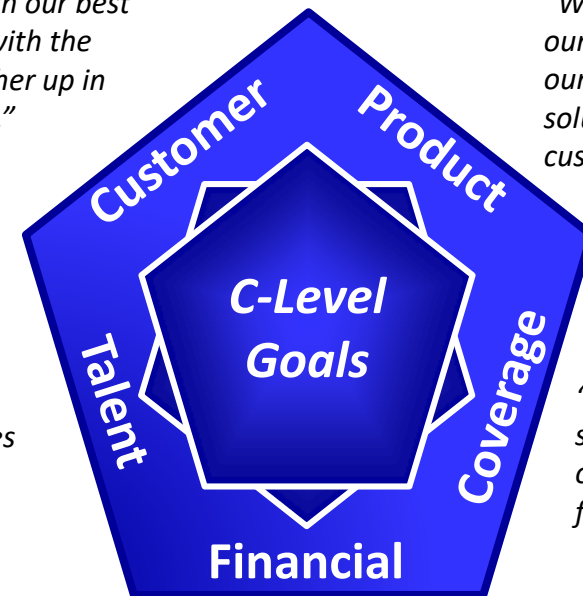
strategy

Actions

- Get the executives to articulate their C-Level Goals.
- Use those as checkpoints and a communications feedback loop.

"We want to align our best sales resources with the right buyers further up in the organization."

"We want to execute our strategy of offering our full portfolio of solutions based on customer needs."



"We need to break the complacency in our sales culture."

"We need to build the sales organization of our future with one face to the customer."

"We want to drive twice as much sales productivity three years from now."

1

Stats

2

Strategy

3

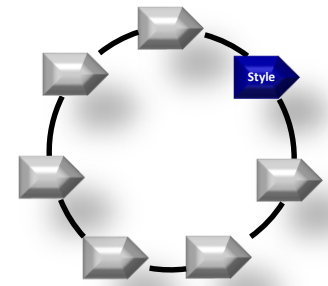
Style

ANALYTICS

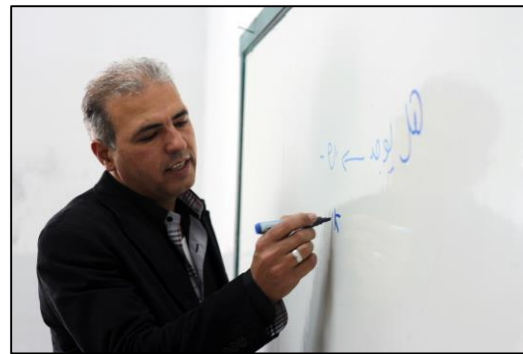
earth's last eden

OUTLAST

You Might Have a Problem if...

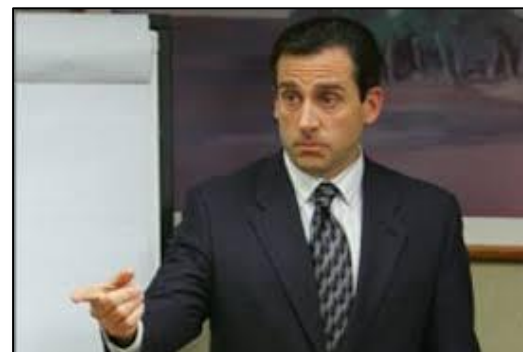


- ✓ You are 3 slides into your 60 slide PowerPoint and the senior exec to whom you are presenting starts texting on his smartphone.

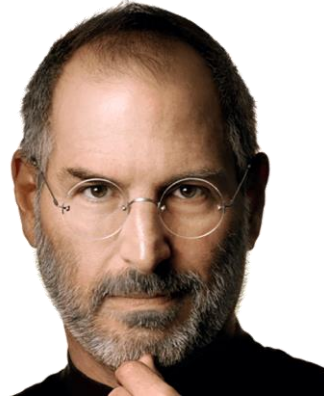


- ✓ You are presenting the new comp plan when the Sales VP gets up and starts writing on a white board, telling you what they want.

- ✓ You scrub worksheets for weeks to present solid statistics and data, but then are asked, “Did you speak with any sales managers?” And you didn’t.



The three most important things about style are people, people and people.



Clues:

- How does management view and treat employees?
- What are management's priorities?
- What are management's relationships with employees?
- **Who's name is not on the new org chart?**

style

Insight and Analytics

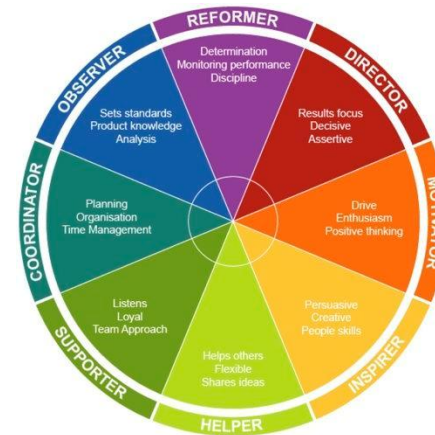
Numerous ways to look at styles.
 What is your comfort zone? Your strengths and weaknesses?

ISTJ 'Doing what should be done' -Inspector-	ISFJ 'A High Sense of Duty' -Protector-	INFJ 'An inspiration to others' -Counsellor'	INTJ 'Everything can be improved' -Mastermind-
ISTP 'Try anything once' -Crafter-	ISFP 'Sees much, shares little' -Composer-	INFP 'Noble service to society' -Healer-	INTP 'Love to solve problems' -Architect-
ESTP 'The ultimate realist' -Promoter-	ESFP 'You only live once' - Performer-	ENFP 'Give life an extra squeeze' -Champion-	ENTP 'One exciting challenge after another' - Inventor-
ESTJ 'Love to administer' -Supervisor-	ESFJ 'Love to be the host for everyone' - Provider-	ENFJ 'Smooth talking persuader' -Teacher-	ENTJ 'Life's natural Leaders' - Field Marshall-

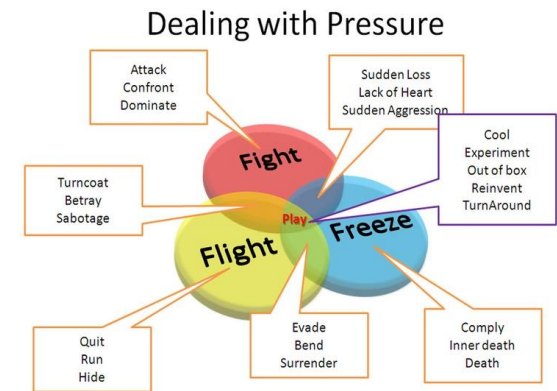
Myers Brings Model



Keirsey's 4 Temperaments



Insights Discovery Model
 from The Insights Group Limited



Fight, Flight or Freeze

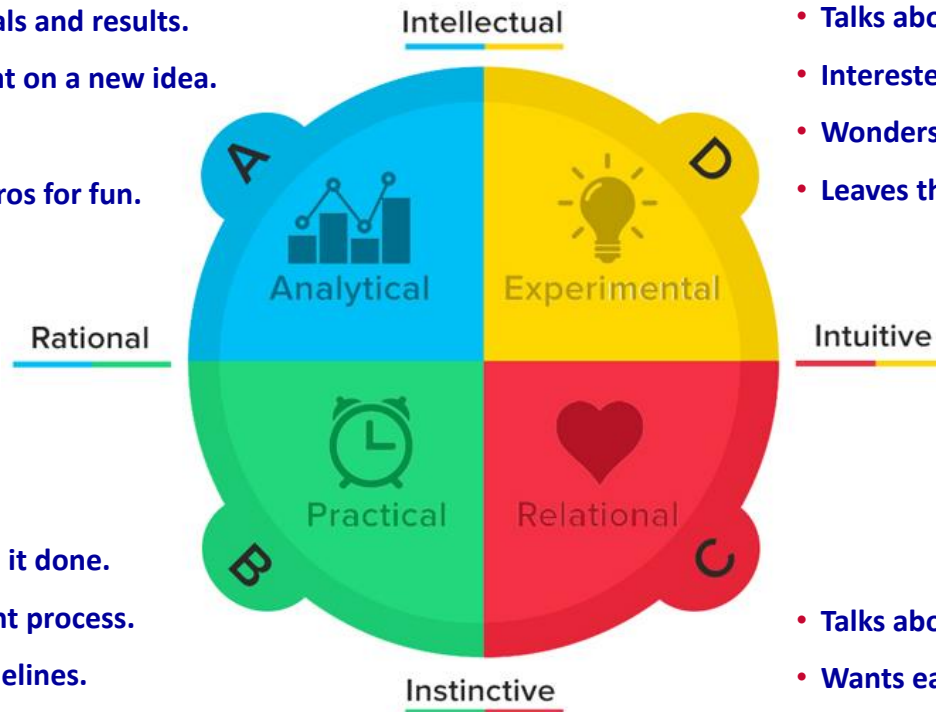
Actions

How can you find clues to how your team thinks? Their strengths and weaknesses?



- What they say
- Their habits
- Their surroundings

- Talks about the financials and results.
- Cuts quickly to the point on a new idea.
- Thinks in probabilities.
- May enjoy writing macros for fun.



- Talks about strategy and the big plan.
- Interested in trends impacting the industry.
- Wonders if we've really pushed our thinking.
- Leaves the details to others to execute.

- Talks about how we'll get it done.
- Wants to develop the right process.
- Loves work plans and timelines.
- May be uncomfortable with big adjustments.

- Talks about the organization.
- Wants each team member to provide input.
- Thinks about the impact on people.
- Connects with people easily.

Actions

How can you find clues to how your team thinks?

- Company website information
- Executive Biographies...

James C. Fish, Jr.

President and Chief Executive Officer

James (Jim) Fish, Jr. is president and chief executive officer for Waste Management. He is also a member of the Board of Directors.

Prior to becoming CFO in 2012 and his promotion to president in July 2016, he held several key positions with the Company, including senior vice president for the Company's Eastern Group, area vice president for Pennsylvania and West Virginia, market area general manager for Massachusetts and Rhode Island, vice president of price management and director of financial planning and analysis. He joined Waste Management in 2001.

Before joining Waste Management, Fish held finance and revenue management positions at Westex, a Yellow-Roadway subsidiary; Trans World Airlines; and America West Airlines. He began his professional career at KPMG Peat Marwick.

Fish earned a Bachelor of Science in accounting from Arizona State University and an MBA in finance from the University of Chicago. He is also a certified public accountant.

- LinkedIn, Facebook, social media
- Executive presentations
- Executive emails and videos
- Interviews with key senior leaders and senior sales executives

Waste360: What do you do when you're not on the clock?

Jim Fish: I'm a sports nut. I'm a Cowboys fan. But I don't watch the games a lot of the time. It's too stressful. I like to DVR the games and watch later if it's a good game. I also like to read. And my wife and I do philanthropy. We volunteer at food banks. Our two girls also help out with that. I've always felt giving back is important.

Relational

Analytical

Actions

Present information logically to communicate clearly and be understood by pretty much any senior executive-level audience.

- Follow Guy's famous 10-20-30 Rule.
- Organize your thoughts following this proven persuasive format:
 1. Problem
 2. Cause
 3. Solution
 4. Cost
 5. Cost Justification



Guy Kawasaki's 10 - 20 – 30 Rule

10 – Slides

To be presented in

20 – Minutes

With minimum

30 – Point Font

1 Stats

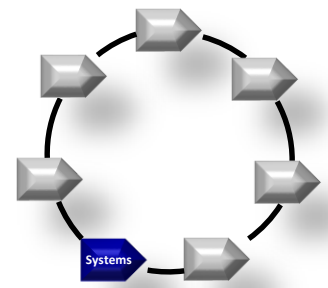
2 Strategy

3 Style

4 Systems

systems

You Might Have a Problem if...



The quality and integrity of the data and reports you have (or don't yet have) becomes suspect if the system is compromised and "things" happen, like...



- ✓ Calculations feature "invisible" data



- ✓ Calculator locks are picked and hidden formulas changed

- ✓ Design was "misunderstood" by programmers, or salespeople deliberately book business incorrectly



Insight and Analytics

You discover *White Print on a White Background*



		VISIBLE	INVISIBLE
	New Account	Sales	Sales
1	ABC Plumbing	\$3,435.54	\$3,435.54
2	Beagen's Bait and Tackle	\$80.82	\$80.82
3	JP & Co.	\$6,408.77	\$6,408.77
4			
5			
6			
7			
8			
9			
10			\$100.00
	Total	\$10,025.13	\$10,025.13
	Commission	\$1,002.51	
2% Commission if < \$10,000 goal or 10% Commission if ≥ \$10,000 goal			

The actual commission should be \$198.50

PROBLEM:

- A rep adds bogus \$ at the end of list of inputs in an amount small enough to go unnoticed but will change the result (like placing them into a higher bracket)

Rx:

1. Automatically have the CompCalc turn input cells black when the CompCalc is opened. You wouldn't want the CompCalc to just do it when it was saved because a Rep could send an unsaved CompCalc to a manager who opens it from the email and reviews it before saving it. Also checking it after you receive the CompCalc would require it to be opened, thus slowing down pulling out the data.
2. Shut off Cut/Copy capabilities. Have every Cut/Copy turned into a "Copy Paste Special Values", this requires some effort to get around for fraud, but it is mostly to eliminate accidents.

Insight and Analytics



You discover reps unlocking worksheets and changing formulas

	VISIBLE	Tinkered formula
New Account	Sales	Sales
1 ABC Plumbing	\$3,000	\$3,000
2 Beagen's Grill	\$900	\$900
3 JP & Co.	\$6,000	\$6,000
4		
5		
Total	\$9,900	\$9,900
Commission	\$198	\$495
2% Commission if < \$10,000 goal, or 10% Commission if ≥ \$10,000 goal		Changed 2% to 5% in the formula

PROBLEM:

- A rep or manager unlocks their CompCalc and changes formulas.

Rx:

- Hire 100% ethical sales people.
- Assume no Excel worksheet is unbreakable.
- Verify. The only way to prevent hacking 99.99% of the time is to pull out the data from an unopened CompCalc and recalculate the data in a clean CompCalc, and then have the manager verify that it is the same number they approved.

Insight and Analytics



Your programmers misinterpreted your plan design

OOPS FACTOR	Transposition Error	Transplacement Error	Attention Error
WHAT # SHOULD BE	\$1,234	\$1,234	\$1,234
DATA ENTRY ERROR	\$2,134	\$12,344	\$2,000
\$ DIFFERENCE	\$900	\$11,110	\$766

"OOPS" Factor...

100 Reps impacted

\$766 x Error in target incentive per month

6 x number of months error is undetected

\$459,600 Total amount overpaid

PROBLEM:

- Programmers misinterpret the sales incentive plan design or make a simple mistake.

Rx:

- Validate inputs and formulas, and then check incentive compensation management system outputs against an Excel worksheet that aligns with the sales comp plan.
- Have a great Sales Comp Admin team that catches things like this.

systems

Actions

- Know thy plan designs
- Know the law
- Have reps acknowledge rules
- Trust, but verify



Thanks... Now Take Action!

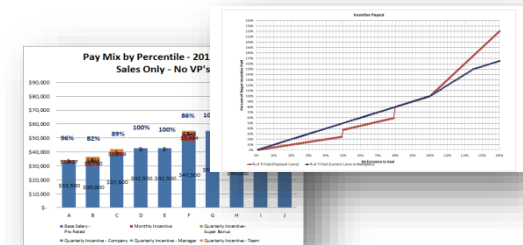
1. Get the Book to Align Your Team

Here, Amazon.com, BarnesandNoble.com



2. Sales Comp Workshop- Schedule It!

One Day to Your Best Program



3. Get Your Sales Comp Report Card

WhatYourCEONeedsToKnow.com

Category 1: C-Level Goals and Sales Roles						
Grading Points	A	B	C	D	E	F
1. We have a clear Revenue Roadmap						
2. We have articulated annual Customer, Financial, and Sales Goals						
3. The sales comp C-Level Goals align with the organization's priorities						
4. Our sales jobs align with the sales comp management roles						
5. We have clearly defined the sales comp management roles						
Total up number of all 5 items						
Multiply by grade						
Total score						
Total of all grades divide by 5						

Category 2: Framing the Plan						
Grading Points	A	B	C	D	E	F
1. Our performance is significantly better than our competitors						
2. We use the best sales comp practices for each job and role						
3. We pay for only what we measure						
4. Our top executives are involved in the sales comp process						
5. We have clear communication and manage plan change effectively from plan inception through						
Total up number of all 5 items						
Multiply by grade						
Total score						
Total of all grades divide by 5						

Category 3: Linking Pay and Performance						
Grading Points	A	B	C	D	E	F
1. Our performance is significantly better than our competitors						
2. We use the best sales comp practices for each job and role						
3. We pay for only what we measure						
4. Our top executives are involved in the sales comp process						
5. We have clear communication and manage plan change effectively from plan inception through						
Total up number of all 5 items						
Multiply by grade						
Total score						
Total of all grades divide by 5						

Category 4: Aligning Team and Financials						
Grading Points	A	B	C	D	E	F
1. Our performance is significantly better than our competitors						
2. We use the best sales comp practices for each job and role						
3. We pay for only what we measure						
4. Our top executives are involved in the sales comp process						
5. We have clear communication and manage plan change effectively from plan inception through						
Total up number of all 5 items						
Multiply by grade						
Total score						
Total of all grades divide by 5						

Category 5: Operating for Results						
Grading Points	A	B	C	D	E	F
1. Our C-level executives are involved at the right points from setting strategy to connecting with the front line						
2. Our C-level executives ask the right questions around Representation, Motivation, Rewards, Dependence, Risk, Simplicity, and Change						
3. We communicate and manage plan change effectively from plan inception through						
4. Our sales jobs align with the sales comp management roles						
5. We have clear communication and manage plan change effectively from plan inception through						
Total up number of all 5 items						
Multiply by grade						
Total score						
Total of all grades divide by 5						

Questions and Counsel:

Mark Donnolo- MDonnolo@SalesGlobe.com; 770 335 9225

Dennis Gallinat- Gallinat@WM.com; 713 394-5296

ahead
Thanks... Now Take Action!

**See Our Sessions on
“Connecting the Corner Office”
(Tuesday at 3:30)**

**“The Art and Science of Quota Setting”
(Wednesday at 11:00)**

Questions and Counsel:

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Thanks!



Appendix



Sales Performance... Our Sole Focus

SalesGlobe is a thought-leading sales innovation firm that works with clients to combine analytics and creative principles to develop new approaches that give them a competitive advantage.



A few publications from SalesGlobe.



@SalesGlobe



SalesGlobe.com

We work with our clients to get ROI through attainment of financial and strategic objectives. Our work includes:

- **Sales Strategy and Transformation.** Undertaking significant strategic and organizational changes across multiple sales effectiveness disciplines.
- **Account Segmentation and Team Alignment.** Identification of growth opportunities, definition of optimal segments, and deployment of the sales team to accounts.
- **Voice of the Customer Insight.** Understanding customer expectations, company performance, competitor performance, and developing strategies to address gaps
- **Sales Process Optimization.** Development of the sales process and customer engagement model that incorporates sales roles and interaction points.
- **Sales Organization Design.** Sales role and organization structure development to align with the sales process and engagement model.
- **Sales Operations Improvement and Management.** Optimizing and operating the critical support and sales enablement roles for your organization.
- **Sales Capacity Planning.** Improving performance for sales time allocation and sales workload to increase team productivity.
- **Talent Assessment.** Optimal talent and skills definition, individual-level capability evaluation, and organization change planning.
- **Strategic Account Planning.** Account level growth strategy with the sales teams, supported by a living account planning process.
- **Sales Compensation.** Incentive program design and implementation to motivate and align the sales team and customer-facing roles to the organization's C-level goals.
- **Quota Setting.** Market-based goal setting to allocate the overall company sales plan and improve team and business performance.
- **Technology Readiness.** Assessment, requirements definition, and support to implement sales technology platforms that enable the organization.

biography

Mark Donnolo



Mark is a founder and managing partner of SalesGlobe, a thought-leading sales innovation firm that works with clients to combine analytics and creative principles to develop new approaches that give them a competitive advantage. SalesGlobe works in areas that include sales strategy, sales organization design, sales training, and incentive compensation. Mark's work spans several industries including technology, communications and media, business services, healthcare, manufacturing, staffing, and financial services.

Mark is also a founder and managing partner with the SalesGlobe Forum, a community of senior sales executives that provides a environment for addressing critical growth issues, sharing best practices among members in a confidential environment, hearing outside speakers, and building business relationships with peers in non-competitive businesses. The Forum operates with professorial guidance from Georgia Tech's College of Management and SMU's Cox School of Business.

He was a Senior Vice President with MarketBridge, leading the firm's Sales Effectiveness Practice. He was also a Partner and Senior Vice President with Sibson Consulting, where he was on the firm's management team and led its Sales & Marketing Effectiveness Practice. Previously, he was a Vice President with The Alexander Group and a consultant with Siegel & Gale/Saatchi & Saatchi, an international marketing and advertising firm. Mark also launched CoalTek, an emerging clean energy technology company with operations internationally, including China. He co-founded and was CEO of Biltmore Communications, and was President of InfraStream, a venture-funded VoIP service provider.

Mark holds an MBA from the University of North Carolina at Chapel Hill and a BFA from The University of the Arts in Philadelphia.

Mark speaks on sales and marketing topics and has been published in publications that include *Fortune*, *Sales & Marketing Management*, *Selling Power*, *Telephony*, *Investment Property*, *Telecommunications*, *Velocity*, *Workspan*, *American Way*, and *Marketing News*.

He is the author of the books "The Innovative Sale", "What Your CEO Needs to Know About Sales Compensation", and "Essential Account Planning"

Mark serves on the Board of Trustees of The University of the Arts, founded in 1876 as the Philadelphia Museum and School of Industrial Art, now the country's first visual and performing arts university.