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Achieving sales operations excellence with Intelligent Roster Management

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1 Introduction

Roster as the definition goes, is the list of the employees, current and previous along with the territory/geography assignments. At any point in time, it is critical for the Sales Operations business processes to have access to the latest and distinct set of sales personnel that will need to be accounted for. All functions of commercial operations including sales force sizing, alignment management, call planning, and incentive compensation management are data driven analytical processes that need to strongly align with the commercial strategy of the sales teams and hence have the need for accurate roster data to effectively plan and manage these processes.

Often to keep the roster up to date, there is a need to consolidate data from multiple data sources such as the HR and training systems, salesforce alignment and hierarchy data. HR processes such as hiring new sales force personnel, promotions, and transfers have a direct impact on the roster and so do deployment activities such as territory and sales force creation. There is a need to keep these multiple systems in sync and most of the times this starts with the commercial operations leader asking the question – how should I go about transforming my organizations current Roster operations?

2. Why should you consider transforming your current Roster operations?

2.1 Picture of Success and Articulating Goals

A successful Roster management process acts as the system of record for the sales rep assignment data.

While the HR system is the system of record for all personnel data, and the sales alignment process acts as the source of truth for the territory hierarchy data, roster management brings the 2 aspects together to synchronize and create the alignment record. Achieving synchronized dataset amongst all the critical applications is sign of a mature and successful roster management.

Responsiveness of the roster management process to the HR and business events to accurately reflect those changes is the hallmark of a flexible, nimble and agile roster management platform. Roster data determines eligibility for the incentive compensation process and hence the time element is key. The changes in roster need to be reflected in the incentives payout as soon as known and implemented.

Process changes in the organization also need to be executed to reflect this new way of thinking about roster management. The sales alignment cycle needs to be aligned to the roster and not performed in silos. This often requires coordination among different business groups to align on the timing of changes so the multiple systems are in sync. This would be a process change in many organizations where every action needs to be analyzed for the complete 360 degree impact.

2.2 Transforming Roster Operations - all the reasons why

The criticality of a central roster management process impacts all the crucial business processes and hence the need to look at the impact, roster management will have on the processes – upstream as well as downstream.

- Incentive Compensation process demands accurate Roster data to be the single source of field force rep to territory assignments.
  - New hire reps often shadow existing reps during training. However with the full-time rep still working

  in the territory, bonus and incentive calculations are done differently for the training period as compared to a regular territory. Imagine doing such calculations in an offline file or excel for multiple salesforces and thousands of reps.
  - Sales reps may be rotated across sales teams within the same IC period, each team having a completely different sales incentives plan
  - Reps may have taken a short term or a long term leave during the processing period. Treatment of leaves in both cases can vary differently and may even be different based on the leave reason (jury duty vs vacation)
  - Pharma companies having contracted sales forces or sales forces acquired through mergers and acquisition activity have employee data present in disparate HR systems. This makes the job of roster admin much more complex since now the admin needs to reconcile data from essentially multiple systems each being a 'source of truth' in its own accord.
  - Legacy HR systems usually do not consider territory hierarchy data in their design. So there could be inaccuracies in the data such as dissolved and expired territories still having active rep assignments leading to inconsistent and erroneous data.
- Territory design and alignment processes always take the rep location and training status to be an important input for creating and maintaining balanced territories. Ensuring that reps are placed in territories only after having completed the mandatory product specific trainings is what the roster management platform will and should do.
- Salesforce CRM access should be unequivocally based on the rep assignments to territories. There is a legal and compliance need to ensure the right rep has the access to the correct territory details. Additionally, this data is needed in case of exceptional coverage scenarios.
- Effective planning for resources in case of personnel movement – planned or otherwise. A flexible roster management platform ensures it is able to handle the planned and unplanned personnel movements resulting from terminations and other business scenarios. Imagine getting late notice of separation, when the roster for the last quarter is already processed and shared with IC administrator for incentives calculation. A roster management closely linked with HRIS as upstream and IC as downstream would not run into this challenge since the data can be accessed real-time rather than an offline and outdated snapshot.
- Off-cycle roster changes need to align all the downstream business processes.
  - Fleet management needs to sync up with HR events specifically about employee un-assignment immediately so that the organization's property such as the sales car etc. allotted to the rep can be transferred to the new rep.
  - Training organization needs to know about new hires to plan training based on the sales force and the state or city licensing needs for them to be eligible and effective in their new assignments
- Sample management and allocation process needs to know, in case of new rep assignments, to make the necessary sample allocation especially if a special sampling promotion is being targeted in the territory.

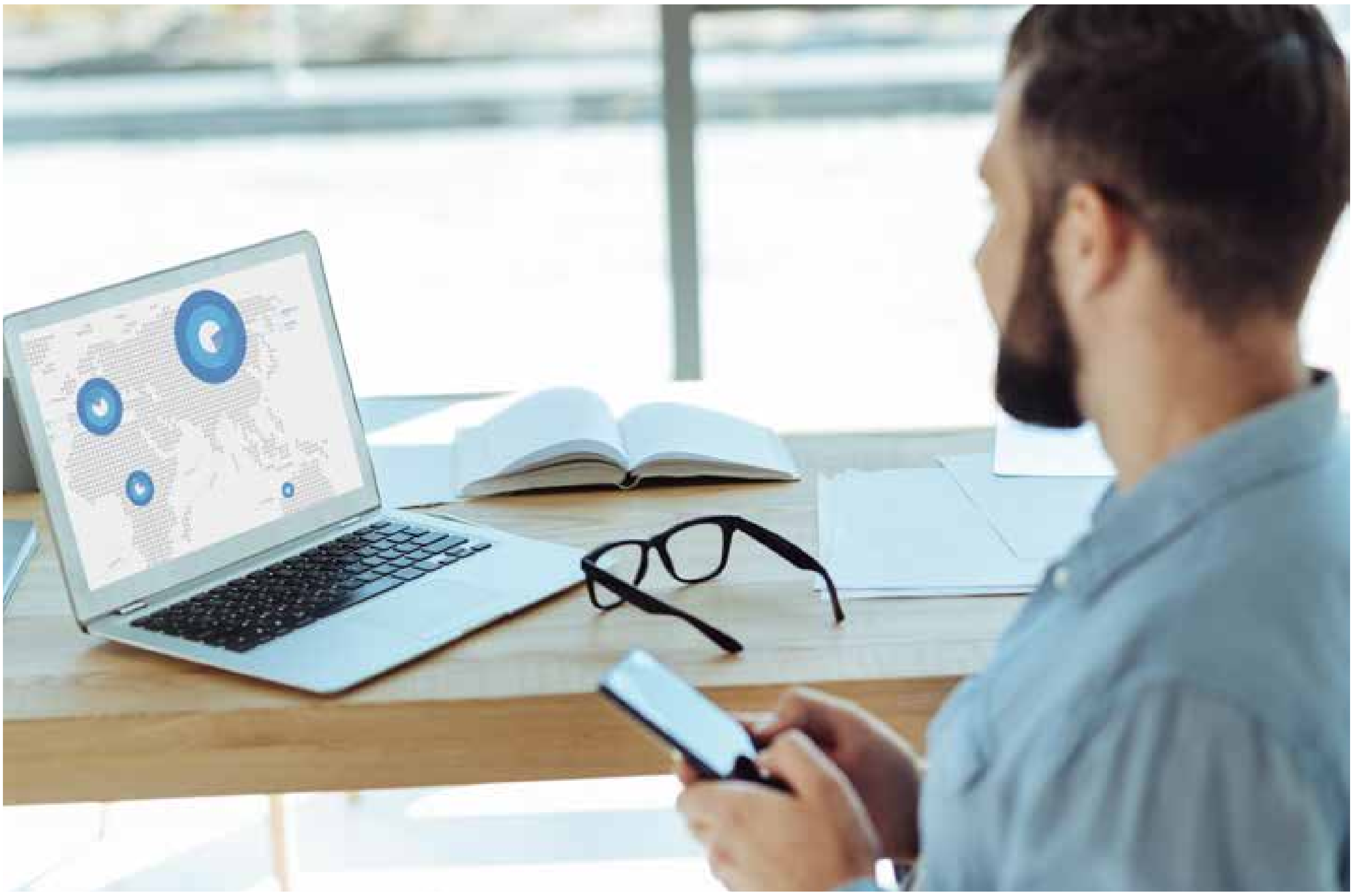
2.3 Starting Roster Management process off on the right footing

A key success factor for roster management is defining the process ownership and assigning accountability much like a success criteria for any process change. Who owns the roster management process - HR? Sales operations? Commercial strategy? Defining the owner right off the bat helps secure the capex funding and clearly demarcates accountability and power. This should be followed by the defining functions under roster management process and the data backbone for the said functions.

Things to take into consideration

- **Identify the data requirements for effective Roster Management –** Roster management at its core is creating and maintaining the sales person to territory alignment. If there is change to either one of the entities, roster management system should be able to capture and track the changes. This process is only complicated by the timing of the changes which, most of the times, is asynchronous. The person-territory alignment might change with either the person related changes (new hire, termination, promotion, transfer) or territory changes (new territory creation, renumber, collapsing territories, splitting territories, territory expiration) happening together or independently.

- **Define the ownership of the roster data** – determining if the data will be decentralized and maintained by individual franchises/sales teams/geographic units or if one roster will be maintained for the entirety of the salesforce is a design consideration. It is critical to understand the need to define ownership and accountability of the data maintenance. Once this is identified, the headcount management will be part of the said organization.
- **Integrating the multiple data sources** – the HR information system, where the relevant information for all employees including the sales personnel is managed, and roster management system most often reside in multiple platforms. The information should flow seamlessly between the two systems and at any point in time, the data should be the same from both the systems. And the same is applicable for the roster management and all the downstream applications such as a data warehouse or reporting or incentive compensation processes and platforms.
- **Define data governance discipline** – conflict resolution in case of data discrepancies should be analyzed and accounted for. Educating the stakeholders (including the salesforce) about the data flow processes and ensuring they have a visibility into the behind-the-scenes processes would go a long way in having the stakeholder buy-in.
- **People process change** – education about the process of data flow and the steps involved. For instance, when a sales rep is terminated, the process starts with the HR capturing the event along with relevant information such as the termination date, supervisor details, work addresses etc. The data then flows through to roster which then captures this event and triggers the next steps from a roster management process. The next step could be creating a vacancy for the territory as of the term date, triggering events for notifications to the stakeholders and decisions on backfilling and compensation impact as well as fleet and sample processes to account for this change.



3. Challenges to watch out for

- Incentive compensation rules can be different for employees in different teams and is often a factor of the time spent by the rep in the territory. To add to this, multiple territory assignments within the same processing period, tracking roster changes in emails/excel becomes entirely complex.

Every incentive compensation analyst greatly depends on accurate roster data to calculate eligibility for incentive compensation calculations. Irrespective of the type of IC plan, calculating the eligible time of a rep in a territory can be tricky if the fundamentals rules are not accounted for in the roster management application.

- Movement of employees is not tied to the regular sales planning cycle - personnel changes in the salesforce happen. These changes are housed most often than not, in the legacy HR systems that are not designed to assess impact of these changes on the sales territories and downstream business processes.
  - HR systems are usually not built to handle territory data. They are the record of truth for the personnel data. Most of them treat territory and assignment data of the rep as additional attributes to the employee record. One of the recent pharma companies implementing a formal roster process discovered that their modern-day cloud based HR system did not have end dates for employee assignments, thereby leaving no way to determine a rep was unassigned starting on which date.
  - Typical users for HR systems are HR business partners and not the sales operations users. But roster decisions remain in the span of control of sales operations or the field leadership, both of which have no direct control over HR often leading to lag time in data updating in HR system.
    - o Off cycle roster changes not aligned to any particular pay cycle pose as challenges to the incentive calculations. Late notifications to sales ops for new hires, separations, or transfers, prevent sales operations groups from fully determining the impact of a roster change across the value chain of the sales operations process. The process needs to change to account for such asynchronous changes to be reflected across the value chain and the roster management design should engage with these stakeholders during the design for comprehensive impact analysis.

4. Key success criteria for an effective Roster Management process

As a sales operations effectiveness leader, below are what we think you would need to consider as measures for success for roster operations:

Design key HR events as triggers for roster changes and engage with HRIS as a key upstream stakeholder.

Modern HR information systems are setup quite efficiently to capture day to day changes to employee or personnel data. However, this data and changes therein impact multiple business processes differently. In the Roster Management context, the changes to the HR data are critical to track the accurate and ready-to-access personnel and consequently the territory assignment data to assess changes to high call value territories and impact on territory assignment. Below events are what we consider as most critical that Roster management platform needs to be deal with to accurately capture the various business scenarios

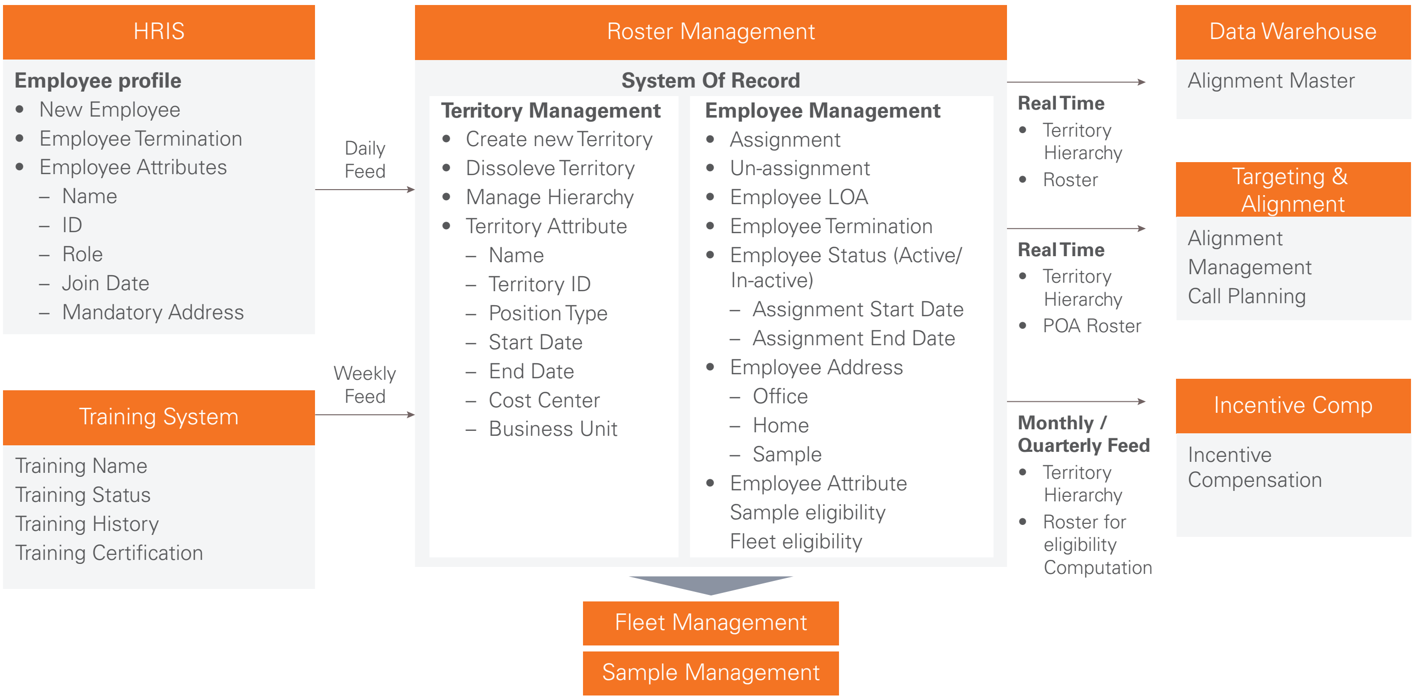
Technology transformation

IT partners must employ the right technology enablers to achieve efficient, automated roster operations with access to historical rosters for an employee or a team.

- A sales operations leader must have access to complete employee to territory assignments – current, historical and planned. This includes the ability to access employee assignment for dissolved territories and at any point access vacant territory and unassigned employee or territory data.
- The roster management platform must be able to retain historical change audit trail for legal and compliance purposes.

New Hire	Promotion	Transfer to Sales role	Transfer to non Sales role	Leave of absence	Transfer within Sales	Terminations

- A flexible and nimble roster management can update, manage and communicate to the downstream processes and platforms of roster data upon any changes to employee assignments. Examples include CRM, fleet management, sampling etc.
- Enable all roster consumers to access a central roster management system with varying degrees of access and control:
  - Sales Ops admin
  - Franchise specific home office
  - VPs (Sales, Marketing, brand strategy etc.)
- Seamlessly integrate with territory management system on a real-time basis to mirror and maintain the latest territory hierarchy information. This cuts the lag time involved to translate any territory changes to the roster system.
- Below is one representation of the roster system and its interaction with upstream and downstream data systems and business processes. A successful roster management platform seamlessly integrates with a territory management system on a real-time basis to mirror the data flow changes real-time.



Key Stakeholder and Process definition

Commercial operations leaders need to define process ownership and define clear roles for each step of the roster management process. While HR systems remain the source of truth for all employee related data, roster management must be the source of truth for all historical, current and future employee assignments to geographical positions. Automated workflows must be introduced to ensure that key stakeholders are either informed of or are approvers for important roster changes, and all key roster decisions must be included of quarterly business review. In Axtria's experience the following stakeholders are typically impacted by a transformation to the roster management process and hence need to be engaged as the sales operations leaders go on about thinking implementing roster management platform

- Sales Team leads – National Sales Director et al.
- Commercial Operations Home Office
- HR Business partner
- Data Warehouse/IT partners
- Fleet Management
- Training Administration

Analytical decision making for roster changes

Often, the field sales leadership and home office based sales operations organizations are forced to operate in circumstances with no access to complete or ideal data set. When a territory is rendered vacant due to a rep promotion or separation (or any unassignment scenario), business leaders are often making decisions without the complete visibility into the data.

What is lacking is an analytical approach to determine the best outcome by doing a cost benefit analysis for backfilling the territory (if that's the right approach!). As presented in the below case, there may be multiple decisions possible to demonstrate how the roster application would help eliminate this issue.

The following case analyzes a situation where a recent vacancy has come up:

Territory ID	Workload Index (Ideal: 800 - 1200)	Vacancy Status
T1	794.63	Filled
T2	286.25	Vacant
T3	851.88	Filled

The following three options are now available for the Home Office and District manager to work with:

- Keep Vacant (Keep Territory vacant)
- New Hire (Hire a new rep)
- Merge (With existing territories)

A simplified cost benefit analysis of the three options is presented below:

Option	Cost (associated with the option)	Business coverage (after option is exercise)	Team Morale (How would other reps take the change)
Keep Vacant	None	Reduced	No Change
New Hire	Hiring Cost	No change	No Change
Merge	None	No Change	Change

As demonstrated above, for this case, Option - Merge could be the most suitable option since it really operates at no additional cost, the district's business coverage remains same and other reps now get a greater pool of targets, within the recommended workload range often positively impacting the final IC payouts.

Of course, this decision can be more nuanced by introducing other factors such as travel times, available new rep pool, training opportunities for new hires etc. However, the overall objective of following such an approach is to demonstrate that in today's dynamic and data driven decision making sales ops ecosystem, there is no room for roster decisions, minor or major to be made in silos, without complete data.

All the relevant data and information must be available on demand, analyzed from all perspectives, and must be made presentable to the end business owner to arrive at the right resourcing decision.

5. Case study: Roster management in a Fortune 500 client

Overview

The client's sales force consisted of 10 specialty field forces (Including therapeutic area specific, hospital, market access) and one salesforce acting as the bench to offer stop gap engagements if the backfill for a sales rep is not immediately available. The incumbent roster management solution that existed was the list of employees maintained manually in an excel file. The file was a list of territories and the sales personnel assigned to it per month. The excel file was being emailed to the end business stakeholders on a weekly basis. So, if a sales leader is making rep assignment decisions then he/she may not be looking at the most up-to-date file.

Project objectives

- A centralized, web based platform for roster management which would serve as the repository for all the roster data needs

- Eliminate manual spreadsheet maintenance
- Reduce/eliminate time lag between roster-event and updates to various systems
- Reduce/eliminate misalignment errors due to manual maintenance and time lag issues
- Subsequently due to cleaner data, the IC payouts are more accurate now that eligibility is accurately and automatically calculated

Challenges

- Sales force was used to having the roster changes done in the roster assignment excel file by simply emailing a member of the sales operations home office team. The analyst would make changes to the roster file even when the changes were not input through the official record keeping HR system. While this achieved fast roster assignment change, due to circumventing the process, the data would be out of sync between HR system and the roster file. Many of the changes were based on a verbal request to the Home Office deployment team who would kick off the process of roster changes. With the new proposed automated roster management process, this was a huge component in the people aspect of the process where they couldn't ask the sales operations analyst to make off cycle changes anymore.
- Manual maintenance led to incorrect data and incorrect reporting of account level assignments and forced sales reps to account for human error while inputting and maintaining data.
- Changes such as personnel hire and termination data should have been housed in the HR system, which should be the official record keeper of the data. This data would flow into the roster management subsequently with appropriate event trigger details relevant for roster.
- The delay in the information flow resulted in a lot of time and effort in having to track the data in the two systems manually. The data has domino effect on the downstream

applications such as incentive compensation, CRM, and reporting.

Axtria's Approach to roster management

- Identify the stakeholders for the end to end process – HR IS, IT, incentive compensations, sales alignment team, brand teams
- Define the data ownership and stewardship - Axtria worked with the commercial sales operations team to define and establish a comprehensive set of rules and responsibilities of each of the stakeholders and their respective roles in the new to be established roster management business process. Axtria team defined the change to the existing business processes that was then socialized with the stakeholders to make a confident transition with the support of the stakeholders.
- Use case based approach was designed by Axtria considering all the triggers for the alignment change and was bucketed into the below 2 categories which essentially created events in the roster management application. This was done by analyzing the HR activity data and identifying the key data elements necessary for the below.
  - Events triggered by changes to rep or personnel data: New hire, rehire, termination, transfer, promotion, move into sales org, move out of sales org, rep swapping
  - Events triggered by changes to territory data: Territory creation, territory dissolution, territory renumbering, territory reinstatement
  - These events would be created in the roster management application every day with inputs from HRIS and would be served up to the commercial operations business user.
- Defined business rules to identify the use cases described above and execute the changes
  - Compare the daily HR file with the previous day's file to determine the daily delta changes
  - Execute the changes according to the event
  - Update the alignment database to reflect the roster changes
  - Send the details to CRM, reporting and incentive compensation/ crediting modules.
- Quality and data integrity checks intertwined in the process flow.
  - Every step in the new roster management process had a set of business rules defined to maintain the client requested guardrails and rules to maintain the data integrity. E.g. making sure that any future assignments are disallowed for an expired territory
  - Role based access allowed the application users access to only the requisite data that they are supposed to see. E.g. restricting the access of a sales force leader of one therapeutic area so they can see the data for only that salesforce and not the others unless requested as an exception.
- Flexible reporting that allows the end user to access the data for a specific time period and gives them the ability to choose the data points they need.
- Established a cadence to validate the data as a part of the regular output creation and share the changes to the downstream processes
  - Validation checklist to look out for most commonly occurring issues e.g. date checks, field format checks
  - Alerts to the sales operations users for any anomalous data issues such as 0 byte files or number of records outside the expected range. This will help the users get ahead of the problem instead of waiting for the downstream systems to fail and then be reported.

Outcome and results

- The roster management platform upon deployment, helped the commercial operations team track the HR events as they occurred in the context of the roster process to be tracked linearly from the source application (HRIS) to the consumer downstream (Roster)
- Automated event creation logic cut down the time from 4 days to 2 hours of an HR event occurring and the data being reflected in the roster application.

- Commercial operations team didn't have to contact the HR IS personnel to understand the changes to the data. If any of the defined business rule criteria were met, the events would be created in the roster management application and the commercial ops team didn't have to go searching of the data.
- Reduction of sales operations analyst's time from maintaining and tracking the manual changes to the making the actual changes to alignment data.
- Easy and immediate access to rep to territory alignment data readily available for historical, current and future time period.
- Simultaneous and consistent data availability to all the different business functions such as Fleet management, sample allocation and management, CRM and IC

6. Conclusion

An effective sales operations driven roster process requires participation, process ownership and technical expertise from many different stakeholders including leadership in commercial functions, sales ops leaders & analysts, HR business partners and IT architects.

Without involvement of any one of the above, the definition of the process itself and the rigor required to maintain the roster transformation will always be deficient in some aspects. On the other hand, complete participation of all functions leads to analytical decision making for roster changes, painless data communication for downstream systems, instant turnaround time for roster data requests and cost savings due to elimination of manual process.

Analytical platforms and technologies are effective tools for transformations but then again success of such transformations relies on a strong leadership and collective organization culture to adjust and standardize processes to keep up with evolving business challenges.

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