Motivating and Rewarding Your Sales Force to Maximize Productivity and Revenue

The Best-Run Businesses Run SAP™

Accelerating sales with targeted compensation

Commissions and incentives play a strategic role in sales management by driving business and improving sales force performance. But calculating and processing incentives can be challenging, since the rules and rates governing them change frequently. That's why insurance companies need **a powerful tool to quickly adapt to changes,** maximize productivity, and generate new sales.

Whether you sell policies for private health, company fleet, individual life, or pension plan insurance, you rely on incentives and commissions to boost sales and motivate partners and employees. Incentives and commissions are integral to competitive sales management. They are also volatile, requiring adjustment every time changes occur in your organizational structure, sales channels, or product offerings.

You can get the biggest return from your incentives and commissions program while keeping pace with necessary adjustments through the SAP® Incentive and Commission Management for Insurance application. It supports a variety of remuneration choices – commissions, brokerage fees, profit sharing, bonuses, and their liability scenarios – as well as the means to process all the transactions, agreements, and data that each choice requires. By aggregating information from various data sources, you can get different views of sales, performance, and product information.

Choosing a flexible organizational tool

Choosing a flexible organizational tool

Making complex calculations easier

Reducing risks and increasing transparency

Typically, incentives and commissions are allocated not only to a primary producer but also to managers, consultants, and others involved in the sale. With SAP Incentive and Commission Management for Insurance, you can split allocations more easily and include all the various recipients, such as captive agents, brokers, and independent agents.

You can also represent groups and hierarchies of incentive recipients and define a variety of standard contracts according to your recipient groups. You can even adapt these standard contracts to individual contracts, helping to ensure that single agreements are taken into account. And you can change contract data at any time to reflect quickly changing incentive and commission rules.

In addition, your investments – and your sensitive data – are well protected. For example, you can limit authorization to a certain area of your organization by assigning a commission manager to a specific branch of the organizational structure.

You can also centrally assign segments of your business portfolio to individual agents to facilitate the fostering of customer relationships and the launching of advertising campaigns. Plus, you'll have date-specific assignment insight, as well as the option to initiate mass portfolio transfers between agents.

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To support the varied requirements of insurance customers, SAP Incentive and Commission Management for Insurance bases calculations on objects, activities, and attributes. Objects may include an insurance contract or a policy, while activities can include a sale, a renewal, or a cancellation. Attributes may include line of business, tariff, or insurance coverage. You can add your own objects and attributes to support specific calculations and compensation goals. A browser-based editor for business rule definitions and guided procedures facilitates the definition and maintenance of standard contracts.

Leveraging an array of remuneration choices, processing can be triggered automatically by events such as a product sale, a policy renewal, or a customer service delivery. Calculations can also be based on the achievement of predefined objectives or periodic results (see Figure 1 on next page). This may include such entities as the annual sales volume of a broker or the number of customers served by an agent. Rule-based calculations allow straightforward and automated processing to reduce manual interventions to a minimum.

SAP Incentive and Commission Management for Insurance can help you streamline and manage the complete compensation process – from planning to payout.

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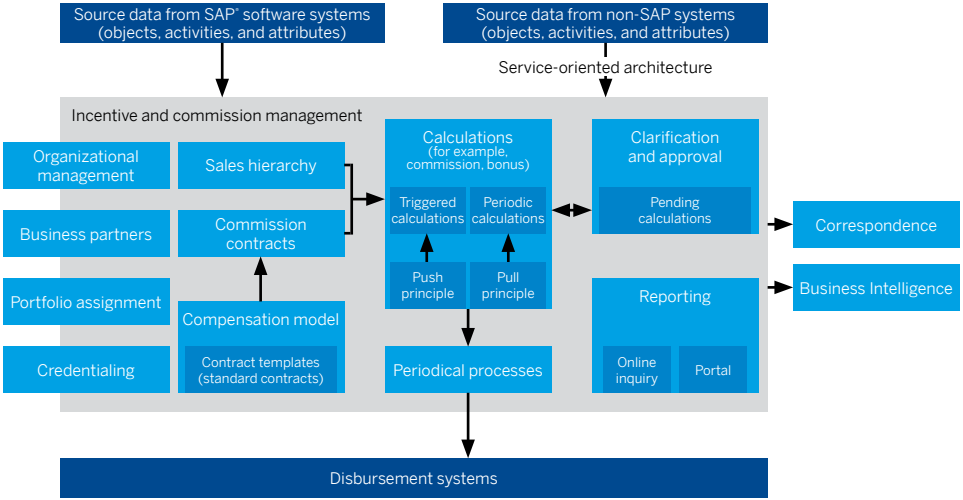

Figure 1: Compensation flexibility for complex plans

Reducing risks and increasing transparency

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Because long-lasting policies combined with high commission rates are predominant in insurance, SAP Incentive and Commission Management for Insurance comes with functionality for managing liabilities. Payment scheduling, actual commission, cancellation reserves, and manual payment release are further means to reduce your financial risks. Compliance with legal requirements for sales can be achieved by linking commission payouts to the necessary producer credentials, such as licenses and appointments.

Once the incentives and commissions are calculated and released, they can be disbursed via any SAP or third-party accounts payable or payroll application (see Figure 2 on the next page). A remuneration inquiry incorporates all transactions related to a producer and the producer's contract.

Containing both open and cleared items, the inquiry lets you carry out evaluations related to products, regions, sales channels, or any other element. Sales representatives can access their target achievement, team ranking, and earning information directly in a browser interface, thus lifting query and dispute burdens. As SAP Incentive and Commission Management for Insurance consistently combines sales data from multiple SAP and non-SAP transactional systems, comprehensive reports and dashboards provide financial transparency to your managers

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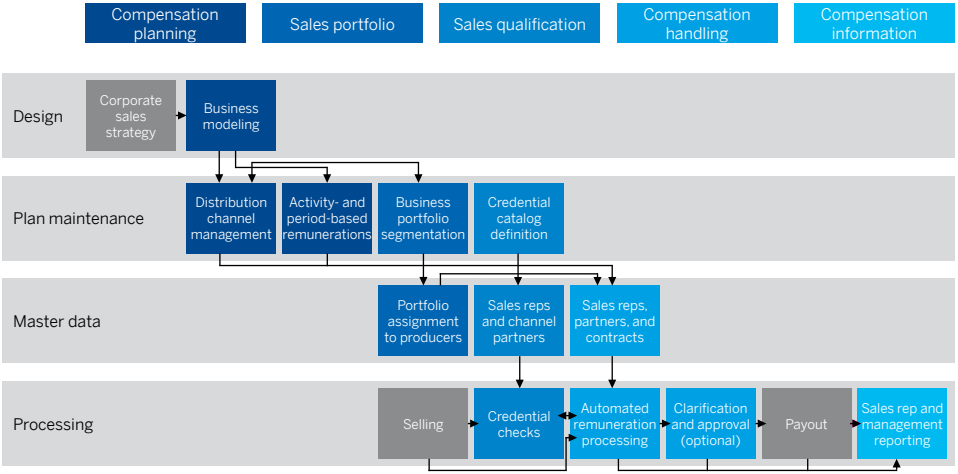

Figure 2: Extensive options for processing compensation plans

Increasing sales agility and value creation

Increasing sales agility and value creation

SAP Incentive and Commission Management for Insurance provides the tools you need to design a comprehensive compensation model that turns corporate sales objectives into sales channels' targets. The application also allows you to fine-tune a compensation rule set for each target's achievement. With a consistently designed remuneration plan, your sales organization will be motivated to focus on clearly set and rewarded sales objectives.

You can quickly adapt your compensation model with cascading plan changes from company level to individual level and have the flexibility to add both internal and external salespeople. Centralizing sales organization and remuneration model maintenance reduces time to market for innovative ideas such as new sales channels, product offerings, or remuneration rules.

A high degree of automation, combined with high scalability, ensures the quick processing of a high volume of sales compensation data and allows you to perform complex calculations accurately and at low costs. Meaningful analytics facilitate monitoring the success of your sales organization.

Better transparency and more efficient processes lead to more satisfied producers, encouraging them to effectively increase sales.

Summary

The SAP® Incentive and Commission Management for Insurance application lets you automate and streamline sales compensation activities. It delivers the foundation you need to use variable sales rewards in a strategic way and to align sales force activities with company objectives. You can motivate your internal and external sales force, decrease the churn rate, and retain your best sales channels and talents.

Objectives

- Design consistent sales compensation plans for internal and external sales forces
- Rapidly adapt compensation rules for volatile sales channels and quickly changing products
- Reduce manual interventions in the compensation process
- Provide sales forces with detailed insight into compensation data

Solution

- Centralized maintenance of sales organizations, responsibilities, and remuneration models
- Cascading compensation templates for sales forces
- Management of overriding commissions
- Credential checks for secure compliance
- Rule-based calculations for straightforward processing
- Liability management for recalling incentives for nonsubstantial sales

Benefits

- Speed up sales forces by focusing on clearly set and rewarded objectives
- Promote innovative sales concepts by accelerating compensation
- Boost commission managers' efficiency by automating routines

Learn more

To find out more, call your SAP representative today or visit us online at www.sap.com/insurance.

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