



Build vs Buy:

What's Right for Your Incentive Compensation Programs?

Should you build your own homegrown incentive compensation management (ICM) solution and continue to muddle through via spreadsheets and uploads/downloads, or is there a better way?

Let's break down a few considerations for each path.



BUILD

Spreadsheets and Other Tools

VS

BUY

Purpose-Built Compensation Software



Becomes Complex

- ✗ Complicates compensation programs when company mergers, global expansion (with different currencies), or additional payees come into the mix



Complexity

Simplifies the Complex

- ✓ Supports any type of comp program
- ✓ Comes built with industry best practices baked in

Creates Errors

- ✗ Inserts commas accidentally in the wrong places
- ✗ Processes inaccurate pay and is often behind schedule
- ✗ Risks the loss of valued reps



Accuracy

Creates Precision

- ✓ Utilizes automation for timely and accurate commission payouts
- ✓ Keeps reps happy

Gets Technical

- ✗ Requires engineering or IT to build dashboards and reports for more in-depth analytics
- ✗ Misses important insights to drive better performance



Analytics

Surfaces Insights

- ✓ Includes powerful out-of-the-box reporting
- ✓ Features intuitive, customizable dashboards
- ✓ Tracks sales and compensation plan performance

Lacks integration

- ✗ Fails to connect to crucial CRM, ERP, payroll, and other systems required for efficient planning and optimization of comp plans



Silos

Creates Cohesion

- ✓ Establishes a single source of truth for all Sales Performance Management (SPM) activities
- ✓ Breaks down deep silos and fosters a culture of trust and transparency

Adds Up

- ✗ Misuses time spent on shadow accounting and dispute resolution
- ✗ Wields inefficient internal systems that cannot keep all SPM stakeholders on the same page



Long-Term Costs

Reveals Worth

- ✓ Provides long-term gains and savings
- ✓ Provides a possible 328%¹ ROI

Gets Complicated

- ✗ Requires significant effort to implement and maintain compliance with regulatory requirements like the Sarbanes-Oxley (SOX) Act



Audits

Becomes Effortless

- ✓ Protects organizations with a fully auditable incentive compensation solution
- ✓ Gives detailed audit trails to ensure and simplify compliance with SOX and other regulatory requirements

Creates Confusion

- ✗ Lacks transparency and visibility for sellers
- ✗ Leaves reps in the dark on performance and upcoming commissions



Transparency

Provides Clarity

- ✓ Provides sellers with complete transparency and visibility into how they're paid
- ✓ Gives sellers insight into potential earnings and how they compare to colleagues

An in-house ICM solution might look like an attractive and lucrative option at first, but there are many disadvantages that start surfacing as soon as you start building it.

Compensation plans are strategic assets that help your company build and sustain a competitive advantage. Considering all the factors, risks and limitations that come with developing and maintaining a homegrown system, it is essential for organizations to invest in a robust and future-proof ICM platform that goes beyond just incentive plan execution.

ICM is only the beginning to shaping and motivating your salesforce. To truly succeed, organizations must look to holistically plan, execute and continually optimize their sales processes. Xactly's Intelligent Revenue Platform is the only solution that aligns seller behavior with boardroom strategy to create a resilient, predictable, and profitable business.

Source: ¹Forrester Consulting Total Economic Impact™ study

[Xactly Incent and the Intelligent Revenue Platform](#)

About Xactly

Xactly provides the only AI-powered platform that combines revenue intelligence and sales performance management so organizations can unlock their full revenue potential. Backed by two decades of pay and performance data, Xactly's Intelligent Revenue Platform is designed for finance, revenue, compensation, and sales leaders who want to drive quality, sustainable revenue. To learn more about Xactly and the latest issues and trends in revenue intelligence, visit us at XactlyCorp.com, follow our [blog](#), and connect with us on [LinkedIn](#).

