Touring Club Switzerland takes off with flexible commission calculation

Cloud-based solution gives sales partners an instant overview of current sales and commissions

Overview

The need
Touring Club Switzerland wanted to structure its sales processes more efficiently and automate commission calculations for its partners. Better commission models would optimize sales and distribution.

The solution
The company chose a cloud-based IBM® Incentive Compensation Management solution and seamlessly integrated it with its Salesforce CRM and SAP ERP solutions.

The benefit
Contracts, commissions and payments are now available to view online at any time. Automation and self-service improve partner satisfaction and reduce the cost of creating commission statements by 50 percent. Comprehensive analysis and flexible models enable targeted performance management.

With 1.6 million members, Touring Club Switzerland (TCS) is the country's largest motoring club. Founded in 1896, the non-profit association operates its own fleet of around 220 breakdown service vehicles, and also runs hotels and campsites, as well as technical centers and training facilities with associated test tracks.

In addition to roadside assistance, TCS offers its members travel, international and legal protection insurance. These services are distributed by the company's own sales channels and by more than 100 external partners, such as travel agents and garages. The average value per contract is relatively low, at around 100 Swiss francs – so it is important to keep distribution costs correspondingly low.

Too much time on administration, too little on sales

In the past, the use of several different commission models complicated the billing and payment processes for partners. For the most part, individual figures were collected manually in spreadsheets and exchanged by e-mail. This led to errors, and it took a relatively long time for the commission to be paid. As a result, the partnership team at TCS head office received a large number of telephone inquiries, which were costly to deal with.

Umut Tiryaki, Head of Sales Channels at Touring Club Switzerland, explains the situation at that time: "Manual processes accounted for a large part of our work on managing and troubleshooting the commission process. The flexibility and sales agility we desired were left by the wayside. We urgently needed a modern, efficient and integrated sales information and billing system, which could automate most processes, reduce transaction costs and provide us and our partners with a current overview of contracts, commissions and payments at any time. In addition, we wanted to manage sales in a more active way by means of targeted incentives such as quotas, bonuses and temporary promotions."

Solution components

Software
- IBM® Incentive Compensation Management

Services
- IBM Analytics Software Services

Modern solutions create freedom

After a thorough situation analysis, the TCS decided to use Salesforce.com as a CRM solution. Because it was impossible to flexibly map the requirements of the commission models with this solution, TCS initially considered developing the additional functionality it required as a Salesforce program expansion. However, the TCS team ultimately decided to deploy a standard solution instead, which could be implemented more quickly and with less risk. The company asked IBM to support the implementation of IBM Incentive Compensation Management and its integration with Salesforce.

As a result, TCS now has a fully integrated sales and billing solution that is ready for rollout to its partners. Salesforce and the IBM solution, which are both cloud-based solutions, are linked via customized interfaces with TCS's SAP ERP application in Geneva. To comply with Swiss data protection directives, sensitive customer data is not stored in the cloud, but only on TCS's own servers.

Promising initial results

Partners who have Salesforce accounts can now log in and click on a new "commission accounting" tab. This enables them to view updated information on all their contracts at any time, including data such as order values, commissions and payments. The integration between Salesforce and the IBM solution is so seamless that users do not even notice which solution they are working in.

Meanwhile, partners who do not use Salesforce can access the IBM solution directly via a web portal, which displays the same full set of information about their contracts.

The various commission models are fully mapped to IBM Incentive Compensation Management, and automated data exchange should minimize the amount of manual effort required to manage them.

"By eliminating manual processes and minimizing complaints and inquiries, we believe that we can reduce our administration costs by around 50 percent with IBM Incentive Compensation Management," says Umut Tiryaki. "The automation of standard processes improves efficiency and frees up time that our head-office strategic sales team urgently needs. It also sets the stage for future revenue growth, and helps us increase the satisfaction of our partners and customers."

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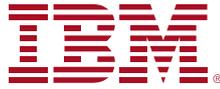— Umut Tiryaki, Head of Sales Channels,
Touring Club Switzerland

Performance management opens up new perspectives

In the future, Umut Tiryaki wants to develop the sales process further. "With the new solution, we can develop and implement differentiated or alternative commission models by ourselves. For example, we could introduce bonuses for the achievement of sales targets, successful cross-selling or securing contract extensions from end customers. This means we can manage our sales operations in a more active way. Our partners are also very interested in alternative commission models, because we should be able to create custom models that provide a win-win scenario for both them and us."

Umut Tiryaki is also pleased with the extra features of the new solution: "The modern analysis tools of the IBM solution enable us to create benchmarks for different products, partners and regions. Realistic forecasts and detailed budget management are also no longer a problem for us. We have only just begun to benefit from the new technology, and I am sure that we will discover enormous potential for further efficiencies in the future."

About IBM Analytics

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