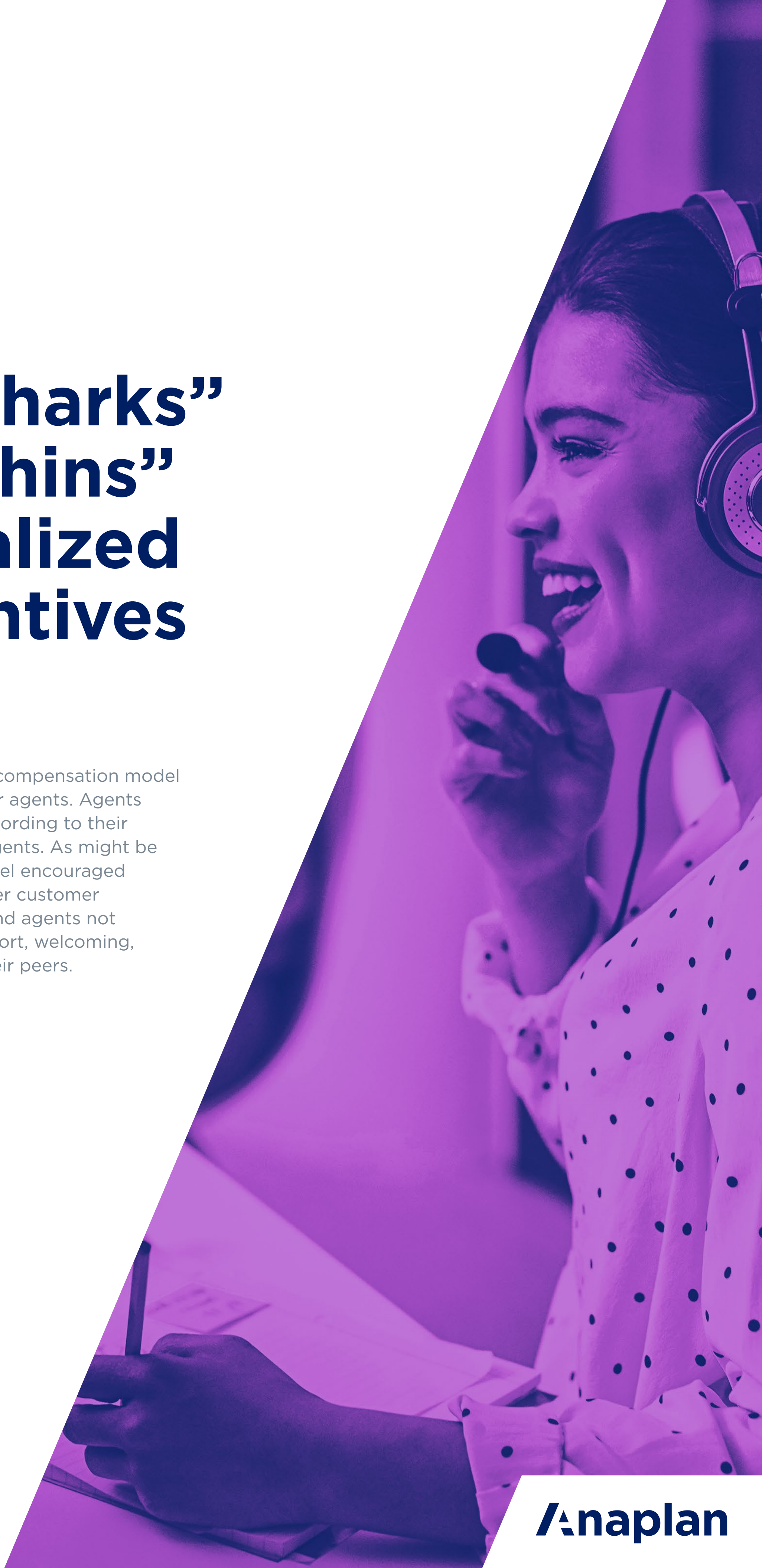
TELUS

CUSTOMER STORY

Turning “sharks” into “dolphins” with revitalized sales incentives planning

TELUS had long employed a traditional compensation model to incentivize its thousands of call center agents. Agents received sales targets and were paid according to their percent achievement relative to other agents. As might be expected, the company culture this model encouraged was also traditional: sales was prized over customer support, team chemistry was minimal, and agents not directly responsible for sales—tech support, welcoming, bill review—were less motivated than their peers.



Anaplan

Use cases

- Incentive compensation management
- Call center planning

Challenges

- Cumbersome manual processes
- Sales data arriving three weeks after pay period
- Compensation systems unable to scale
- Siloed roles due to information not being shared
- Current processes unable to support new customer service model

Solution

- Anaplan for Sales implanted as a partnership among TELUS, Anaplan, and Voiant
- Platform now used to run incentive program for over 7,000 employees
- From proof-of-concept to full production in five months

Results at a glance

- Sales and incentive reports produced weekly, instead of three weeks after pay period
- Margin of error for compensation payment estimates reduced to <1 percent, from 10-15%
- Compensation plan easily modified to meet new company goals
- Sales easily tracked across regions and currencies
- Timely data provides more coaching opportunities for managers

Why Anaplan

- Flexibility to adjust incentive plans to changing goals
- Rapid calculations reduce processing time
- Able to handle 35+ million transactions monthly
- Robust reporting capabilities
- Ease of implementation

Company

A global communications leader, TELUS offers a wide range of communications products and services to Canadians at home, at work, and on the move. The company employs over 50,000 team members, and posts $13.3 billion CAD of annual revenue, with over 13.1 million subscriber connections. The company is committed to giving back, and in 2010 was named the most outstanding philanthropic corporation globally by the Association of Fundraising Professionals.

From a systems standpoint, the managers responsible for overseeing TELUS' incentive compensation system, Alyson Lougheed, Manager of Sales Compensation, and Matthew Sturrock, Business Consultant, were struggling with ancient technology. The existing system was a clunky mix of spreadsheets and 16-year old databases, all of which had to be managed manually by Sturrock, who was the only employee who knew where all the data lived. Sales data arrived three weeks after the end of pay period, too late for managers to use it to coach their employees or for agents to gain insight into their own sales activity.

With over 35 million sales transactions a month, the system was at its breaking point, and was ill-equipped to handle the changes coming down the pike: a 250 percent increase in call center agents (from 2,000 to 7,000) across Central America, North America, and Asia, and a new customer service model that would push changes throughout the organization.

Introducing Customer Service 2.0

Introduced worldwide, TELUS' new customer service model, "Customer Service 2.0," offered a new way to think about selling. The idea behind 2.0 was that what sold TELUS products were the sum of interactions customers had with the company, not merely sales calls. Tech support, loyalty, welcoming, customer care, retention: these were important opportunities for TELUS to establish itself as a company that cared about its customers. In the 2.0 model, that support was as meaningful as direct sales. The point was still to drive sales—"the work these agents do all contributes towards yields in the end," says Sturrock—but now customer service would be at the center of the customer experience.

> "Together, we built our model and had it in production within five months."
>
> — Matthew Sturrock, Business Consultant

Clearly, putting 2.0 into effect in TELUS' call centers would require a major overhaul of the company's incentive plan. To do this, Lougheed and Sturrock hit on the idea of reducing incentive payments for individual agents and replacing them with incentives earned as a team. As Lougheed explains, "team members no longer have sales targets. Rather, they work towards earning on their individual performance, plus they earn a portion of their team target."

Lougheed and Sturrock described it as shifting the culture from "sharks" to "dolphins." "Sharks are typically known as independent and aggressive," Lougheed says, "whereas dolphins are very social. They gather in pods, easily sharing information, and work together efficiently to find a solution."

The idea was to incentivize agents to help the customer, whatever the circumstance. "They're going to earn, but the pressures are not there," describes Lougheed. "Just by serving the customer and keeping the customer happy and keeping them from churning, they'd be earning sales incentives." As a consequence, agents would be encouraged to share resources and work together to achieve a common goal. "Now they lean on each other," says Lougheed.

> "We're able to report—even to the product level—how many products or quantities of products agents are selling."
>
> — Alyson Lougheed, Manager of Sales Compensation

New requirements lead to Anaplan

To put this "dolphins to sharks" plan into action, Lougheed and Sturrock started hunting for a new technological solution, one that could meet four requirements. Whatever solution they chose would need to be:

1. Flexible enough to manage TELUS' unconventional incentive structure.
2. Able to handle large volumes of data.
3. Future-proof, able to accommodate sharp increases in the number of agents and an expanding set of world currencies.
4. Fast enough to provide useful data before the end of the pay period.

An in-house solution proved unfeasible given the prohibitive cost and inability to handle the necessary volume of transactions. What ultimately sold Sturrock and Lougheed on Anaplan was Voiant, who created a proof-of-concept Anaplan model in a matter of hours. "They came in and actually built a small model in house while we were there in the room, just to show how it worked," Sturrock says. "It was really amazing."

Implementation was truly a collective effort, with TELUS, Anaplan, and Voiant all contributing. "Working together, we completed the business logic and the model design," says Sturrock. "Together, we built our model and had it in production within five months." This speed in part resulted from Anaplan's flexibility, which allowed TELUS to deploy the model and keep tweaking: "We knew that what we put out didn't have to be perfect right away … we put out a viable product, and then we had the flexibility to make changes, tweak the models, and get to that perfect state while already in production."

Immediate results

Lougheed and Sturrock noticed results almost immediately. For Sturrock, what stuck out was the near-instantaneous calculation time. “To me, it’s the speed,” he says. “Calculations get done immediately. In the past, if we could see results by the end of the month, that was good enough. Now we can see results daily, which is amazing.”

For Lougheed, it was visibility across geographies and insight into the company’s sales data. “We’ve got a lot of team members offshore in Central America and Asia,” she notes. “In the past they looked after their own results. Now we have a lens there.” Sales data is equally accessible. “Before, we had to work with data at a very aggregated level. Now we’re able to report—even to the product level—how many products or quantities of products agents are selling,” she says.

Of the benefits Anaplan has contributed, some remain prominent:

- **Improved culture**. With Service 2.0, agents can focus more “on the customer experience, taking the pressure off of always having to sell all the time,” says Sturrock. As a result, “everybody works together as a team and gets paid.”
- **Real-time analysis**. Agents, managers, and executives can now track sales data in real time. “If the data was loaded in yesterday, I can see what it is,” Sturrock says.
- **Elimination of siloed roles**. “We were very siloed on more functional roles, whereas now, it cuts across horizontally,” Lougheed says. Adds Sturrock, “if an agent sells anything anywhere, it will roll up to them; they can sell whatever they want, and they’ll get paid for it.”
- **Simplified claw-backs**. Managing claw-backs for cancelled sales used to be messy, requiring Sturrock to manually reduce agents’ incentive payments over multiple months. Anaplan now automates the process, saving time and energy and minimizing disputes.
- **Regular reporting**. With their old tools, Lougheed and Sturrock received data three weeks after the month had ended. Now the two are generating data reports every week and are working toward doing so every day.
- **Flexibility**. One of TELUS’ corporate values is “Embrace Change.” Anaplan helps the company’s compensation strategy uphold that value. “If we want to change a variable, or a qualifier, or anything else, we can change it right away,” Sturrock says.
- **Accurate financial accruals**. Because data often came in late, Sturrock and Lougheed used to create payment estimates that were often 10-15 percent off per month. With Anaplan, the margin of error is now less than 1 percent.
- **Improved managing**. When data came in three weeks after a pay period, managers had trouble using it to mentor their team members. Now “our managers can coach team members to performance,” Lougheed says.
- **Visibility**. Anaplan offers a single site for viewing the organization’s sales and incentive data. “It’s really one vision of the truth,” says Lougheed. “You can look at it from all angles, whether it’s financial, productivity, or however you want to slice it.”

Swimming into the future

In TELUS' call centers, the cultural transformation has been noticeable. With the new incentive program in place, Lougheed says, "agents don't feel rushed. They can rest assured that they are still sharing in the team sales." Whatever service an agent provides to a customer, Sturrock adds, "we can capture that and compensate the agent. That makes the agents want to do it more."

Because even lower-performing agents are now getting paid for their efforts, they are both working harder and sticking around for longer. This, in turn, is driving profit: "if we can get the middle and bottom performing, that's great for us," Sturrock says.

Sturrock has also enjoyed changes in his day-to-day life. Before Anaplan, he explains, "nobody else knew how [the incentive program] ran. So my role was to do everything from start to finish." Now, he notes, "if team members get a question from leadership, they're able to answer it themselves." This frees Sturrock to focus on more value-added activities: "Now I can help manage other people, and do more advanced reporting."

As they move forward, Lougheed and Sturrock aim to incorporate more use cases into Anaplan. "Next on the list is expanding our forecasting and what-if modeling," says Sturrock. "Then we want to start bringing in the center of excellence." Lougheed imagines linking together disparate parts of the sales organization: "For us, connected planning is really getting that call center planning, the demand forecasting, the resource planning, the budgets, the sales compensation, and the frontline KPIs together. To bring it together will be very powerful for any kind of decision making."

Above all, Anaplan has made Lougheed and Sturrock's jobs easier. "We've become quite popular in our company," Lougheed quips. "Now that we're getting the data out weekly, people come looking for us."

It's also helped satisfy their core job requirements. Sturrock puts it best: "I don't like to pay out money when I don't have to pay out money. With Anaplan, I don't have to."

About Anaplan

Anaplan is driving a new age of connected planning. Large and fast-growing organizations use Anaplan's cloud platform in every business function to make better-informed plans and decisions to drive faster, more efficient planning processes. Anaplan also provides support, training, and planning advisory services.

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