Solution Guide: Quota Planning

Anaplan

SOLUTION GUIDE: QUOTA PLANNING

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FOREWORD

Every all-encompassing sales strategy aims to answer three questions:

- **Where should we sell?** *Sales planning that defines our universe—territories, quotas, account segments, and sales capacities; the building blocks of the sales strategy.*
- **How should we sell?** *Sales incentive programs inspiring the right behaviors that drive sellers to the results we need.*
- **What should we sell?** *Sales insights that determine the things we need to do to increase sales performance.*

Planning and managing the components of the sales strategy may be centralized within a single person, team, or department, or managed de-centrally across different groups. Either way, much of the data needed for these processes is common such as: sales/territory hierarchies, seller information (internal and external), crediting rules, sales history, customer information, products, etc. The metrics from these processes feed into one another. Because of the shared data and metrics, Anaplan provides the flexibility to include all processes within the same model or separate them as business needs require. Processes can be separated into different models during implementation and data can be shared across models using a Data Hub. This practice is useful where organizations have very large volumes. Processes may also be combined into a single model depending on size and usability requirements. This will vary from customer to customer.

This paper addresses the specific **quota planning** efforts that, along with territory planning, account segmentation, and sales capacity planning, help answer the first question of, "Where should we sell?" The following represents Anaplan's point of view on sales planning best practices based on industry-leading research and customer experience.

QUOTA PLANNING

TYPES OF QUOTAS

A sales quota is a time-bound milestone used to measure performance and motivate sellers. In this documentation, quotas, targets, goals, and objectives will all be used interchangeably. Each term may have a specific meaning within an organization, but they are all referring to specific milestones for the sales organization.

There are four main types of quotas:

- **Revenue quotas:** Targets set based on revenue brought in by a seller. This is the most common measurement of sales performance. Revenue quotas can be measured by gross revenue or net revenue (profit).
- **Activity quotas:** Sellers are required to complete a specific number of activities/objectives for a specific time period. Activity quotas are common for BDRs, inside sales, and call centers.
    - Leading indicators: Number of meetings set, number of calls made, number of emails sent, pipeline size, etc.
    - Lagging indicators: Number of new logos landed for a given time period, number of deals closed.
- **Volume quotas:** Sellers measured on the number of units they sell. Salespeople with volume quotas are motivated to sell as many units as they can (not necessarily focused on margins).
- **Combination quotas:** Any combination of the above quotas. Many sellers have more than one quota, which can provide a roadmap to success with small milestones along the way to achieving the revenue quota. However, too many quotas can create confusion and lack of focus.

MEASURING QUOTAS AND PERFORMANCE

Performance relative to quota (i.e., "how close am I to my goal?") is monitored closely in sales organizations. And different stakeholders want different views of performance. Individual sellers want to know how close they are to achieving their individual target, but a sales leader may need to understand performance across regions, territories, product lines, customers, or across the entire sales organization.

Typical performance measures for quotas include:

- By territory.
- By account/customer.
- By product.
- By market segment/vertical.

More than 50% of the participating companies reported "correct goal/quota setting" as the No. 1 challenge facing the sales compensation program in the 2007 to 2010 results of the Alexander Group's annual Sales Compensation Trends Survey. In 2015, that number reached 59%.

Also, per the Alexander Group's annual Sales Compensation Trends Survey, "Setting the right quotas is one of the toughest tasks that sales operations has to deal with."

Quotas, by definition, are set for a specific period of time. Depending on the business, quotas can be set across any time-horizon (annually, quarterly, monthly, weekly, daily, or any other interval). Seasonality can also be factored into how quotas are allocated. For example, for industries dependent on seasonal sales, quotas may be adjusted to be higher during that time of year and lower during off season months.

QUOTA ALLOCATION

The definition of quotas is simple, but the planning and distribution of these targets is often quite complex. It involves finding a delicate balance of aspirational-yet-achievable quotas that motivate sellers and meet revenue objectives. When quotas are too high, they are demotivating and frustrate sellers, when they're too low, you may exceed your compensation budget with high payouts. It varies by industry, but best-in-class organizations aim for 60-70% of sellers achieving quota.

The two most common types of quota allocation (distributing quotas to sellers) are "top-down" and "bottom-up" allocation.

Top-down quota approach

A top-down approach refers to quota assignments set by leadership and spread across the organization. Top-down is the simplest way to distribute assignments, especially when quotas are just "peanut butter," spread equally across teams.

Traditionally, top-down quotas are set by analyzing historic sales and applying a growth percentage to the dollar value to come up with next year's overall goal. This "total target" is then allocated top-down through the sales hierarchy. The sales operations team, or finance function, calculates targets and distributes them to sales teams.

Without a transparent communication plan in place, sales reps may not understand how their quotas were calculated and may have concerns about whether they are fair and achievable. When sales teams feel like they have no part in the process and/or find their quota unobtainable, they can become demotivated and disengaged, which can lead to attrition. A top-down approach can also allow for biases, leading to managers favoring their top performers. With this approach, it is advisable to bring sales leaders and reps into the quota-setting process to make the process smoother and gain consensus.

Bottom-up quota approach

A bottom-up method, as expected, takes an opposite approach to top-down allocation. Although theoretically a more realistic approach, bottom-up quota assignments are more difficult to design effectively. Bottom-up involves evaluating what each seller is capable of (sales capacity), and analyzing historical data, the existing sales pipeline, and the revenue potential Total Addressable Market (TAM) of assigned accounts. This approach is founded in facts and data and is based on historical performance, leaving little room for bias and argument. Bottom-up quotas tend to be more realistic, balanced, and attainable than those set using the top-down method.

A combined data-driven approach

Many analysts and experts suggest a combination of a top-down and bottom-up approach. When both allocation approaches are used, you encourage a collaborative negotiation process among finance, sales operations, and sales management, which results in more realistic and achievable targets.

Using a data-driven approach to allocate quotas either top-down or bottom-up (or both), can enhance collaboration and the ability to do scenario-based planning. This can lead to more effective quotas, and better alignment to overall revenue goals. Few, if any, point solutions provide enough flexibility to manage a bottom-up allocation approach. Anaplan allows for either or both methods and also provides predictive insights at the account and opportunity level to make planning even more accurate.

QUOTA PLANNING PROCESS STEPS

Best practice approaches to planning and managing quotas include the following steps:

- Model market condition scenarios.
    - View total market revenue “what-if” scenario results using calculated relative account value and adjustment options.
- Top-down target setting.
    - “Total Target” is distributed proportionally top-down through the sales hierarchy. The proportion differs based on the allocation method. For example, an even allocation method takes the organization’s revenue goal and divides this equally across all territories. Typically, quota/targets are over-allocated at region and subregion levels using a percentage.
- Bottom-up target setting.
    - Calculate and associate potential revenue amount to customers and prospects in order to determine territory potential and sales capacity. Aggregate potential revenue up the territory hierarchy.
- A mixture of top-down and Bottom-up target setting.
    - Process where top-down and bottom-up territory planning are combined, which allows input from executives and sales and results in more realistic targets.
- Sales coverage planning.
    - Ratio of account assignments where salespeople can make their quota while effectively providing the optimal service to accounts and prospects.
- Sales analysis.
    - Measure your sales progress over a period of time. Analysis allows you and your sales team to identify weaknesses in your sales strategy and make changes so that you can improve the results over the next period.

Organization goals or targets are defined and turned into quota plans. Quite often, Total Addressable Market (TAM), or Serviceable Available Market (SAM) are defined by Finance and used as key metrics. These metrics are used as a starting point to help to define segmentation. Once the overall target is defined, goals are defined.

More mature organizations define quota at different levels, generally by role. Additional factors, such as product lines, account-based, and seasonality are often applied.

Many organizations allocate quota to territories and sales reps based on geographic location: states, regions, and countries. This type of allocation may work well for some types of businesses, but there are often other factors that should be considered to enhance market coverage and maximize sales rep skills. In addition to Geographic Location factors, leverage the sales potential of your team, and maximize market coverage in quota assignments based on:

- Products: Assign quota at the product-line level.
- Goals: Can I use revenue targets along with different goal metrics as part of planning?
- Specific accounts: Should accounts be assigned specific quota that then rolls up to sales reps?
- Historical performance: Will my current customer base expand or renew?
- Potential revenue: Which prospects are likely to buy?

In order to define quota, organizations need to understand the target market, targeted goals, and the potential of their sales force to achieve their goals.

COMMON QUOTA PLANNING CHALLENGES

Quota planning is difficult in most organizations due to lack of flexibility, lack of time, and manual, error-prone processes. It is most often a static one-time planning process performed right before the organization's next fiscal year rather than a fluid, on-going, process. Often the process spills over into the current year, which can leave sales confused and unsure of what to sell. Issues and limitations most often found in quota planning are as follows:

- Cookie-cutter assignments and targets that don't consider account value, scoring, and scoring adjustment processes, and only consider account geographic location.
    - Geographic allocation is overly simplistic and lacks sufficient insights into buying motivation.
- Limited or no ability to ramp and pro-rate based on role and tenure or other factors.
- Lack of understanding in coverage gaps.
- Difficulty in realigning and re-planning.
- Limited or no ability to create and compare scenarios.
- Complexity in sales models, channel and overlay assignments, and global impacts.
- No workflow or automated process to manage incremental changes after initial planning.
- Inability to look at factors such as product delivery, customer profile, and each sales rep's sales history. For example, taking into account average time to close, and average sales attainment to calculate total rep capacity.
- Challenges in allocating using a bottoms-up method; anecdotal details, and personal judgments can dilute the accuracy of the numbers as they are rolled up through the sales organization. Sales managers usually know the right questions to ask, but they often lack the time to inspect every opportunity, so this isn't the fail-safe that most companies believe it is.

QUOTA PLANNING USING PREDICTIVE INSIGHTS

Advanced technologies such as machine learning (ML) and artificial intelligence (AI) allow further analysis and predictive modeling using both first-party (internal) and third-party data. AI and Predictive Insights can enhance quota planning in many ways.

When modeling your customer successes and prospects using Anaplan's predictive insights engine, the platform first identifies an ideal customer profile (ICP) based on common indicators and intents. These ideal customer profile intents are based on existing customer wins and those accounts who most resemble those wins. Machine learning algorithms are applied to identify top customer indicator and Intents based on third-party online digital footprints and are appended to account and opportunity data. Once indicators and intents are identified, additional optimization is performed via propensity modeling, which applies additional machine learning logistic regression and gradient-boosted decision trees. Final results are used to score and rank accounts. Modeling can be performed for single and multiple products. Multiple product models score and rank each product separately.

Ideally, your organization has planned segmentation and scoring with the help of the predictive insights engine's insights. Once account results are scored and reconciled within the segmentation planning model, this data is brought into the Quota Planning model. Additional insights and calculations based on predictive scoring are added to enhance the overall planning process within the Quota Planning model. Quotas can be calculated at the account level, if desired, and used as a basis for bottom-up planning.

If starting with Quota Planning using Predictive Insights, account data can be pushed into the predictive insights engine, enriched, modeled, scored, and ranked. Data can then be imported back into the Quota Planning model and used in the following ways to enhance the planning process:

- A Predictive Value is calculated based on score ranges for current and opportunity accounts. Accounts with a higher score (0 to 100) and higher ranking (A, B, C, D, and F) are assigned a higher potential dollar value.

    - Use the Predictive Score Value as one of the top-down Quota Allocation methods in the planning model.
    - Use account and product-level Predictive Rank and Score when allocating quota bottom-up. Evaluate account-level indicators and buying intents as part of roll-ups.
    - AI can help sales teams broaden their reach and focus their efforts by identifying net new accounts that aren't typically considered part of the overall territory and quota planning process. These accounts are "look-alike" companies based on top ICP Intents. Net new accounts can be included in the initial planning process as part of potential toward meeting quotas.

  Scoring and ranking accounts using a predictive model provides an objective data-based view and a great benchmark that sales and finance functions can use to compare numbers during planning. Anaplan has used this advantage to calculate an objectively based predictive score value which is then compared to more subjectively based values during the planning process. Although the accuracy of science-based algorithms is known to outperform human judgment, many organizations aren't yet ready to embrace AI and ML. The approach is meant to augment human forecasting and planning.

Anaplan predictive quota planning demo model

Anaplan's predictive quota planning demo model:

- Provides the ability to easily create and use multiple metrics in calculating scores to assign account dollar values. Use account values to allocate against targets using multiple methods.
- Allocates quota and market target using multiple methods and easily add your own methods.
    - PY Spend, Predictive Value, Scored Market, Even, CRM Pipeline, Headcount, Headcount Average, Blended Allocation.
- Uses best practices to allocate targets using both top-down and bottom-up approaches to collaborate and negotiate across all levels. This practice creates a more realistic target and involves your sales team up-front, so they have a voice in the overall process, and generates a more effective sales plan.
- Easily applies seasonality.
- Covers capacity based on where resources will be most effective and have the greatest impact to revenue potential.
    - Use base or predictive potential to identify the greatest impact.
- Performs "what-if" scenario planning.
- Provides the unique ability to re-iterate targets and assignments, and rollback to different scenarios before finalizing plans.
- Automates quota changes across different functions and solutions, e.g., to territories and incentive plans.
- Uses Workflow for top-down and bottom-up planning processes.

ON-GOING QUOTA PLANNING

Quota planning doesn't end once you've finalized the quota for next year's sales plan. It is a continuous process and it is paramount that progress is measured to track how the plan impacts sales. Organizations should be prepared to fine-tune their sales plan on a regular basis.

Quota planning result metrics determine:

- Whether sales increased or decreased in a specific region, for products, or account types.
- If there are there any disparities between sales attainment in different territories.
- If there are any sales teams struggling to attain their quota.
- If there are sales reps meeting their quotas.
- If there are sales reps in need of coaching or training.

DEMO MODEL LINKS:

Download link to the model can be found in the Presales App Model.

Link to NUX app in the Demo Library Workspace:

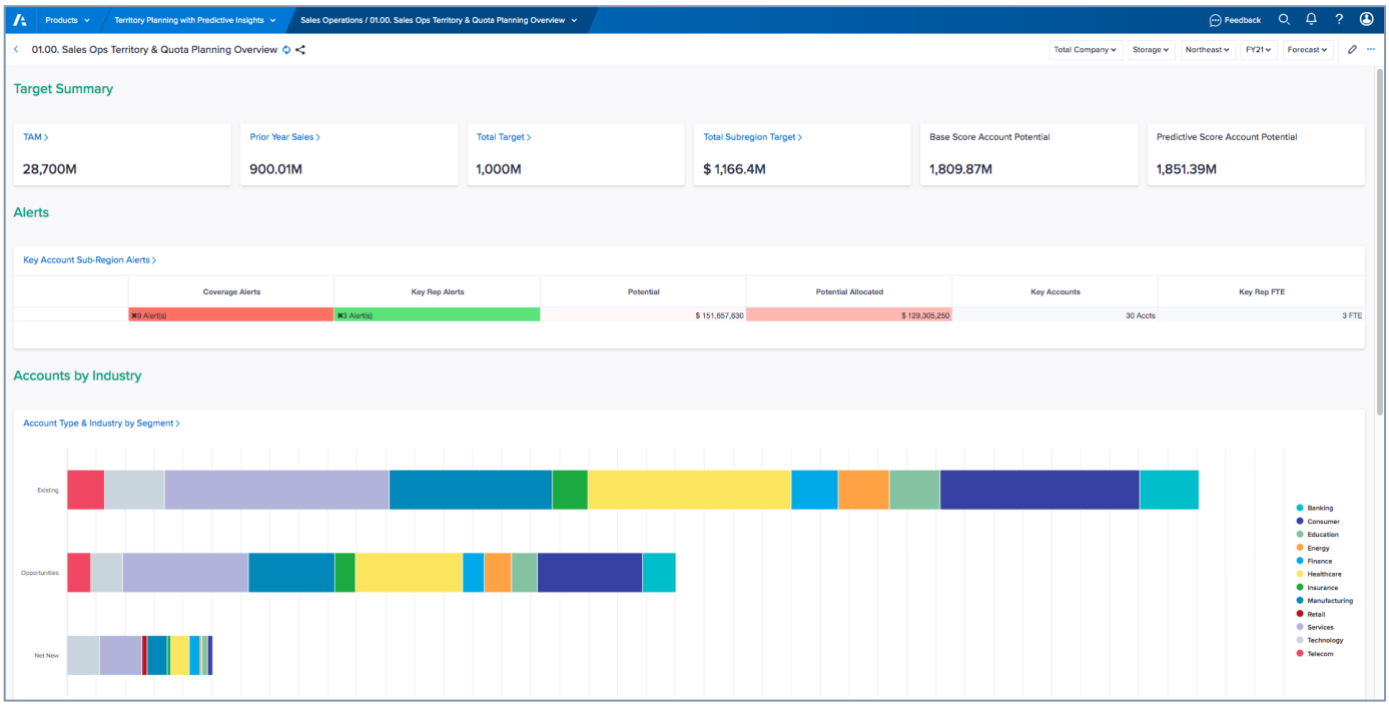
https://us1a.app.anaplan.com/a/apps/app/1b685a59-b0b3-4c8f-af33-497543bfb694

QUOTA PLANNING WITH PREDICTIVE INSIGHTS—DASHBOARDS AND DEMO FLOW

Following sections contain dashboards with talking points and differentiators. Talking points and differentiators are highlighted in blue.

Sales operations quota planning overview

This is the landing page (first dashboard) in the demo. 01.00. Sales Ops Territory and Quota Planning Overview



Each persona has a landing dashboard where he or she can view the overall state of planning, alerts, and new tasks necessary to more easily complete his or her job. The Sales Ops Overview dashboard presents high-level information, such as quota capacity, enterprise and mid-market allocation of potential (assignments), and general account segment information. Drill-downs (links) to detailed dashboards for each alert, task, and KPI are provided so Sales Ops can easily review and take action.

Planning KPI are displayed at the top of the dashboard. Anaplan has introduced a new calculated “Predictive Score Value” that is used throughout the planning model in various ways. The Predictive Score Value is derived and based on the predictive account score, is calculated by the predictive AI model, and can be compared to the base score and other metrics during the planning process.

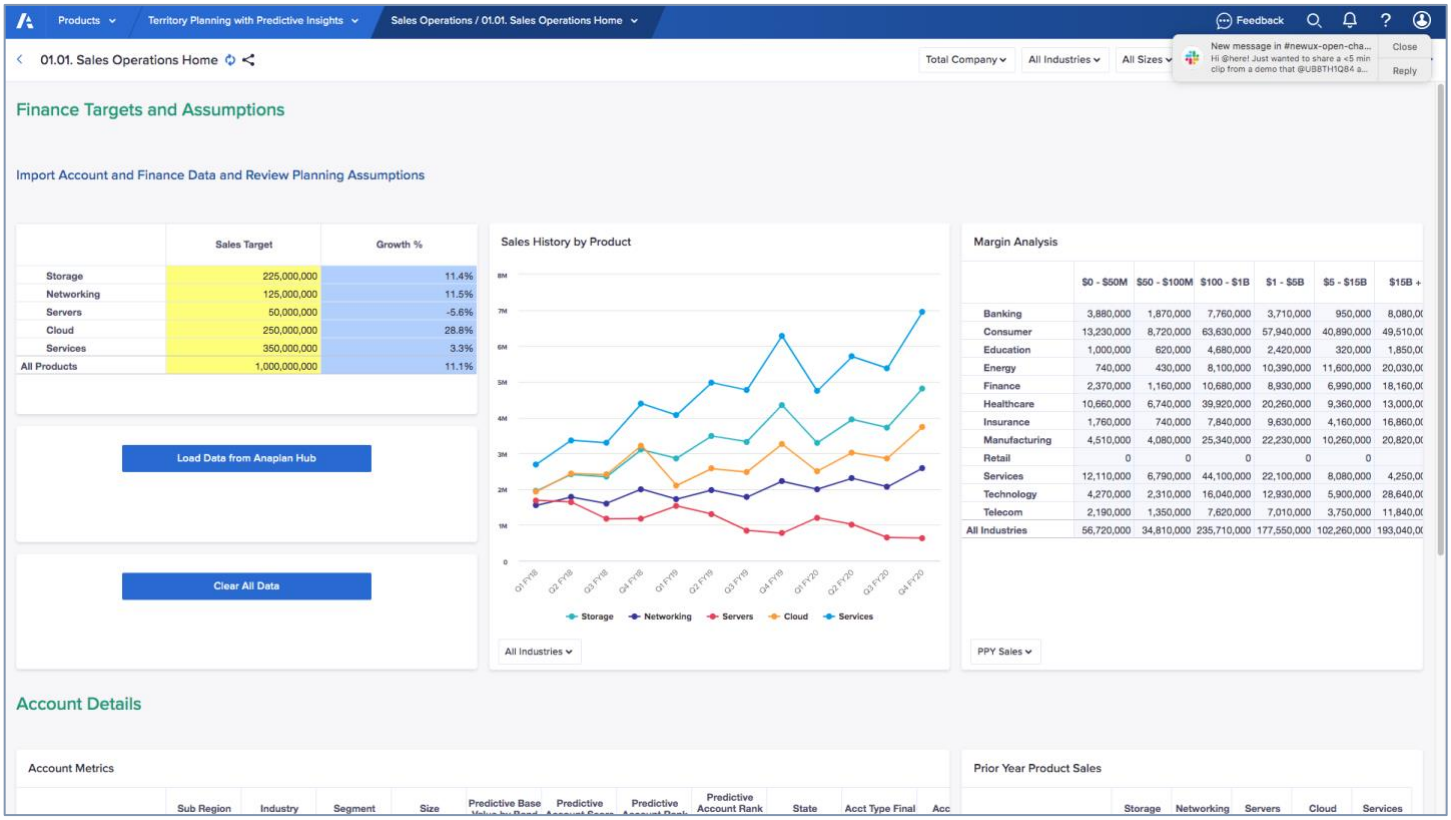
NOTE: Use this dashboard, KPI, and charts to introduce quota planning in general, and to discuss how we’ve folded predictive insights into the process.

- KPI values represent the total across all accounts. KPI provides an overall view of quota planning measures.
    - The Sales Ops Manager can select different regions, products, territories, and time, and view KPI and chart information relevant to those selectors.
- Key Account alerts are displayed (if any) based on the region or sub-region selected.
    - **Select the Northeast sub-region** to view alerts for Key Account coverage gaps**.**
- Accounts by Industry displays the number of accounts per industry by account type and by segment. Account types are Existing Customers, Opportunity Accounts, and Net New Accounts
    - Net New Accounts are those accounts recommended by the predictive model based on the Ideal Customer Profile. This is a new concept introduced into the Territory and Quota Planning Model.

- Capacity is represented in the Headcount by Region and Sub-Region chart. **Select the link** to "Prior Year Sales" KPI to navigate to the next dashboard in the flow "Sales Operations Home." Or use the menu to navigate.

Sales operations home

Sales Operations -> 01.01. Sales Operations Home



This was the original starting page for the demo. The demo started with importing the account and target data from the Data Hub. Prior to the import, the page was blank. After import, you saw the data along with all of the metrics, calculation results, and charts. **DO NOT PERFORM** the import step when reviewing this page. Predictive scores, ranks, and account indicators are not included in the Data Hub data at this time so leave the data as is.

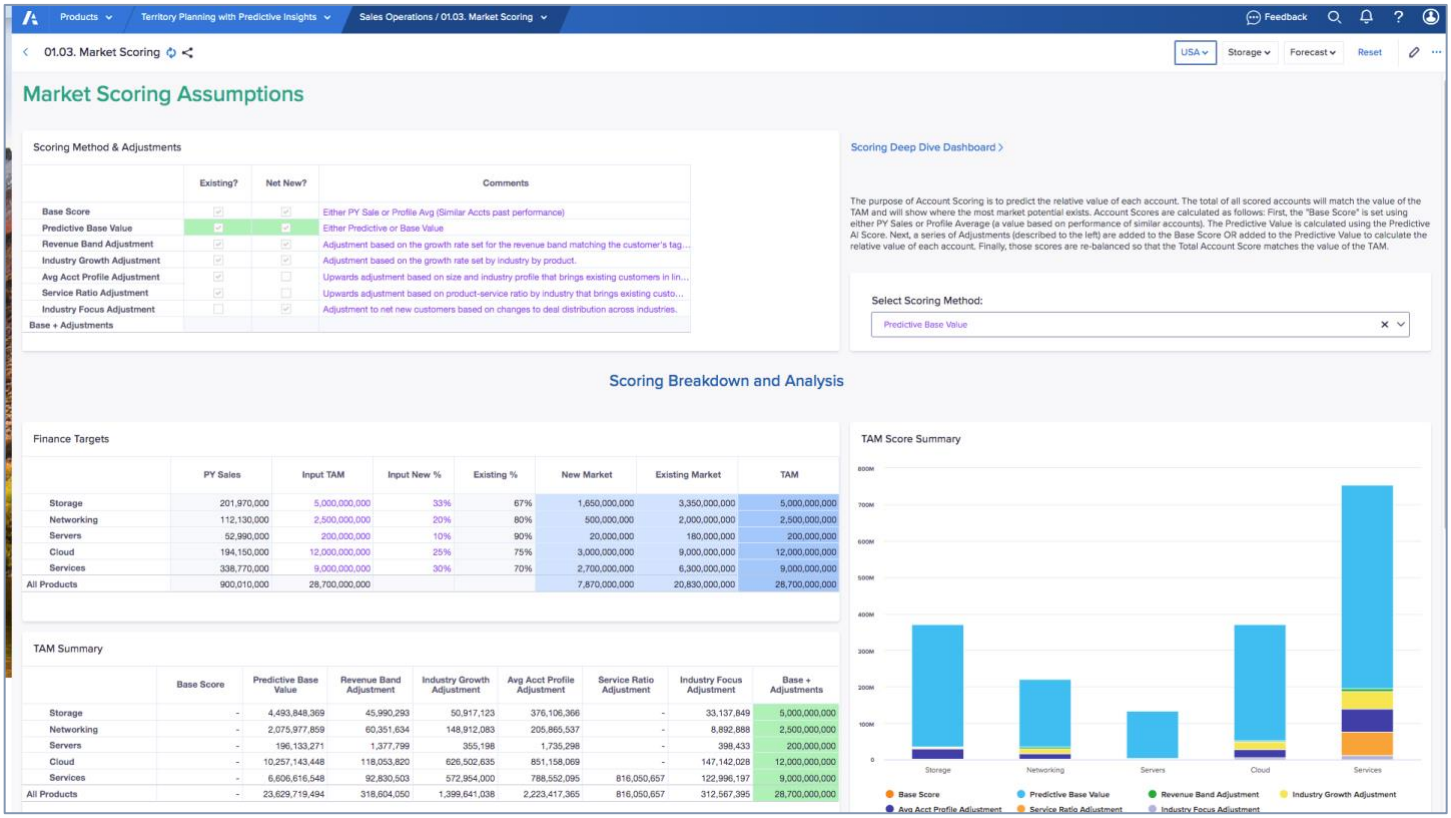
NOTE: If including this dashboard in the new demo, keep it short and sweet. Simply discuss that this is where the prior year's sales history is imported, validated, and reviewed. It Is also where **Targets** from Finance are imported. Customers have a connection point here between Finance, Quota, and Territory Planning.

Summary information is displayed in the chart and table. Review account data by industry and review industry by company size in order to analyze how targets and quota allocation methods might be best applied. Account Details are provided below the chart and table. Dashboard information displayed is:

- Sales History by Product displays sales trends over time.
- Margin Analysis breaks down different calculations by industry and account size (annual revenue). **Compare Market Scoring or PY Sales metrics** to the new Predictive Value calculation.
- Account details are displayed below the chart and table. Some of the calculated metrics are displayed by account. Predictive Score and Rank are also provided at the product level.
    - **Select a product at the top** to view relevant predictive score and rank for accounts.

Market scoring

Sales Operations -> TAM KPI to 01.03. Market Scoring



The purpose of account scoring is to predict the relative value of each account. This dashboard displays summary calculated scores. Adjustments are calculated and added to either the Base Score or Predictive Base Value methods. The total of all scored accounts matches the value of the TAM and shows where the highest market potential exists.

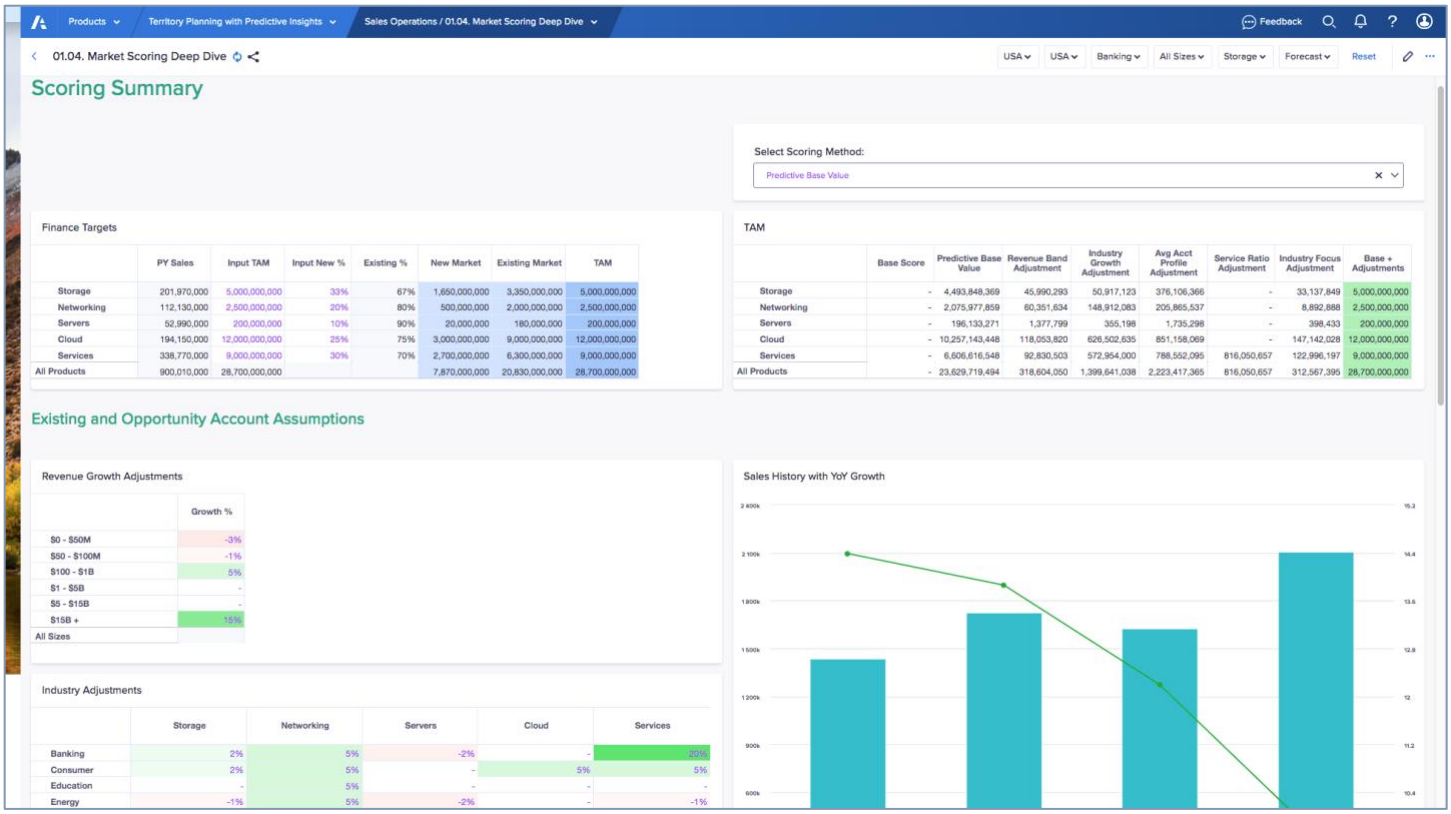
(Revenue Band, Industry, Profile Average, and Service Ration Adjustments are set up in the Margin Scoring Deep Dive Dashboard.)

Select the scoring method.

- Before selecting the scoring method, **select a region, e.g., USA, at the top of the page**. The charts below are populated with Input New % that is used to calculate the New Market and Existing Market values in the Finance Targets grid. Inputs can be adjusted by sales ops.
- When you **select Base Value**, the grid at the top of the dashboard highlights Base Value. When **Predictive Base Value** is selected, that row is highlighted in the grid.
- Finance Targets and TAM Summary grids also update with different values based on the selected scoring method.
    - Scroll down on the page so the Scoring Method is positioned at the top of the dashboard.
- For each scoring method, review the grid results.
    - The base score value or the predictive score is populated and highlighted in the TAM Summary grid.
- The TAM Score Summary chart automatically updates based on the scoring method.
    - **Deselect** either the **Base Score** or **Predictive Base Score** legend when reviewing the results to compare the breakdown of adjustments applied against these scores. This shows which adjustments drive the total score by product.
        - Adjustments are set up in the Market Scoring Deep Dive dashboard.

Market scoring deep dive

Sales Operations -> 01.04. Market Scoring Deep Dive



This is where scoring adjustment assumptions are entered. Anaplan provides an advantage over most applications. Growth percentage can be set at many different levels. Typically, it is a flat number set against all accounts or by product. Additional adjustments can and are also applied in addition to Growth percentage.

Select a region at the top of the dashboard to input or edit adjustment percentage, per band, for each adjustment type. Adjustment percent can be positive or negative values.

Summary scoring information is displayed at the top of the dashboard carried over from the previous Market Summary dashboard. **Use the Product Selector** to view grid and Sales History Chart product-specific results.

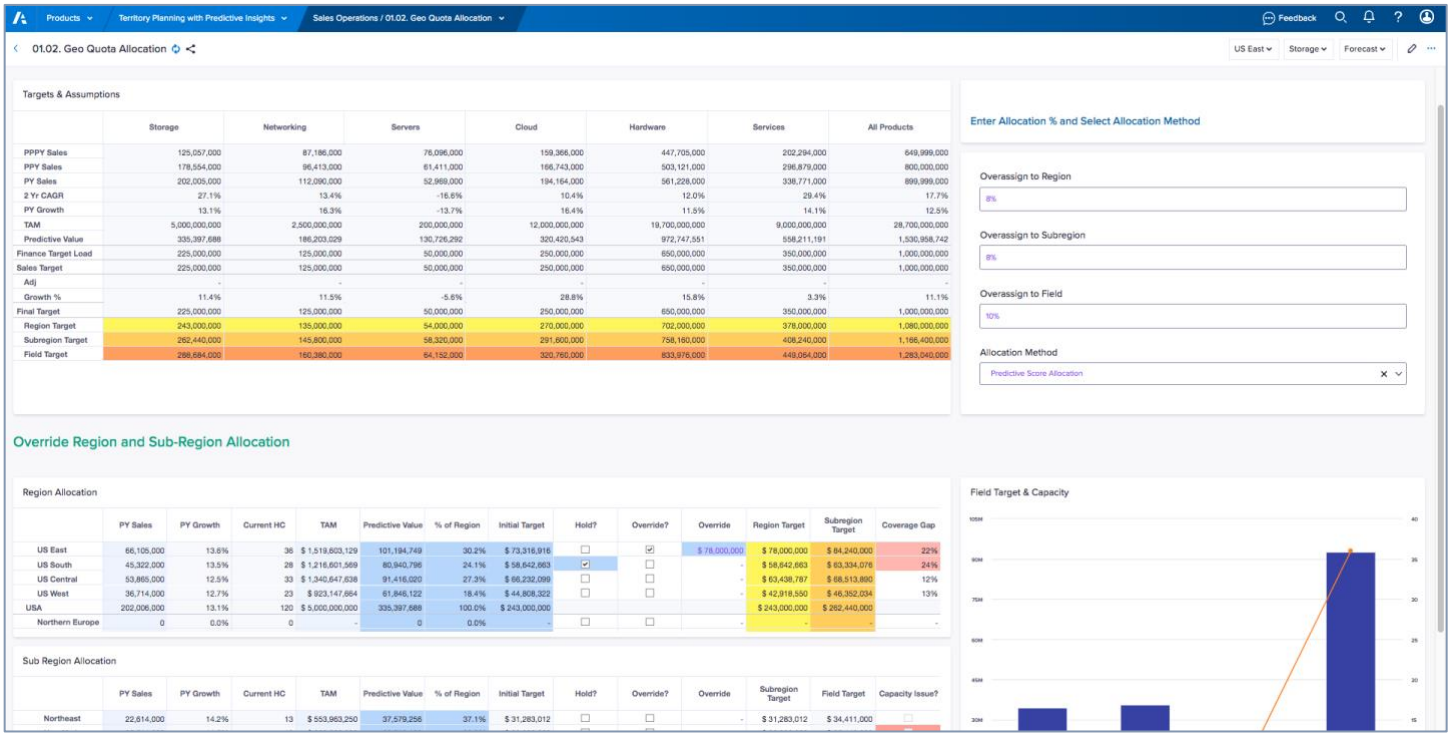
The Sales History with Year over Year Growth chart supplies helpful information when entering adjustment band percentages.

Enter or edit planning assumptions for:

- New and existing accounts.
    - Revenue growth adjustments.
    - Industry adjustments.
- Existing accounts only.
    - Bring to industry average.
    - Service ratio adjustments.
- New accounts only.
    - Industry adjustments.

Geo quota allocation

Sales Operations ->Total Target KPI to 01.02 Geo Quota Allocation



This is the first step used in the Top-Down Allocation process. The dashboard displays the entire Geo Hierarchy, including region and sub region. Sales Leaders have the ability to override or hold the quota in their own dashboard. Override values might be derived using bottom-up quota allocations and there will likely be differences between sales ops and sales leaders' numbers. When this occurs, negotiations typically take place between the two groups until a compromise is met.

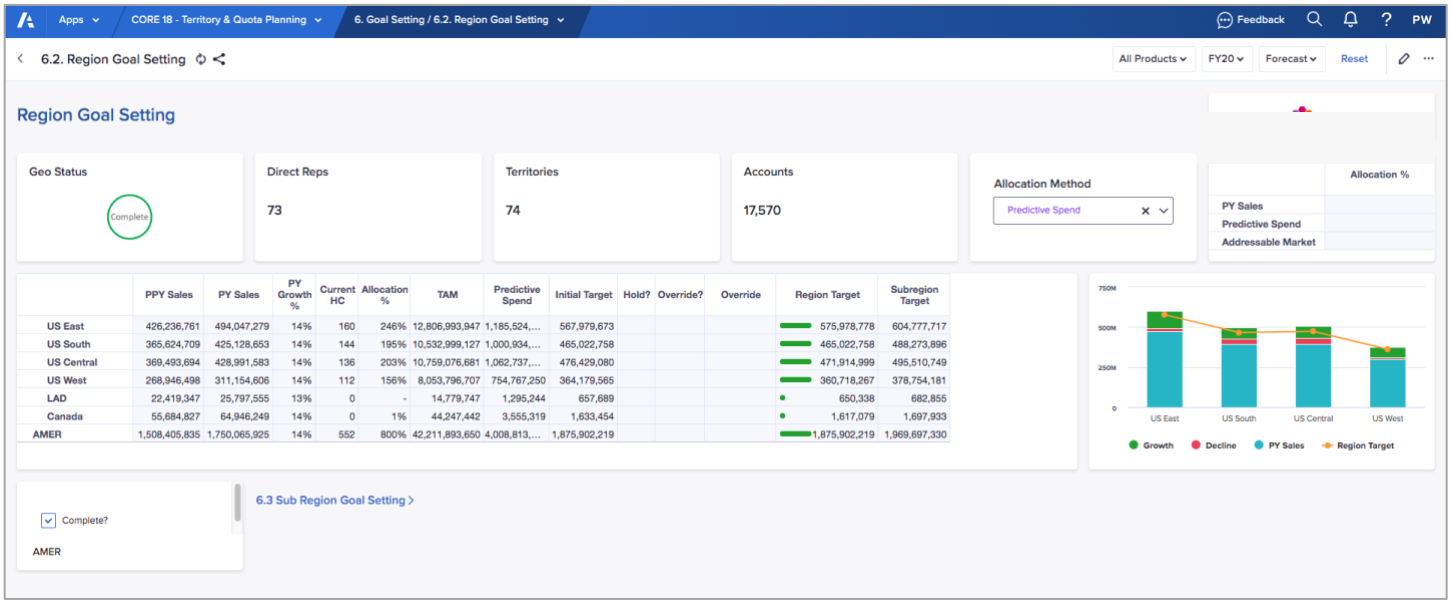
Review calculated TAM and Targets loaded into the planning application. These numbers are pushed all of the way down the hierarchy using PY Sales. There are additional allocation methods to use, and additional allocations can be added if a customer desires. **Enter or edit Over Allocation at the Region, Sub-Region, and Sales Field levels**. Target allocation percentage is applied to the total in the region and sub-region tables below.

Select an allocation method

- There are several methods included in the model. Anaplan has added a new Predictive Score Allocation method. **Select this method and compare to another, e.g., Scored Market.** Market Scoring is the next dashboard. Numbers are allocated proportionally across regions and sub-regions.
    - **Scroll down on the dashboard** so the Allocation Method selector is positioned toward the top of the page. This way, when selecting different allocation methods, the grids can be seen updating with different allocation percentages and conditional formatting.
    - **Hold a region and enter an Override** for the US East. Overrides can also be performed at the sub-region level.
- The Headcount and Capacity chart is to the right of the grids. When reviewing allocation in the grids, sales ops can view capacity alerts and view headcount compared to targets in the graph to the right of the region and sub-region tables.

Region quota allocation

Goal Setting → 6.2 Region Goal Setting

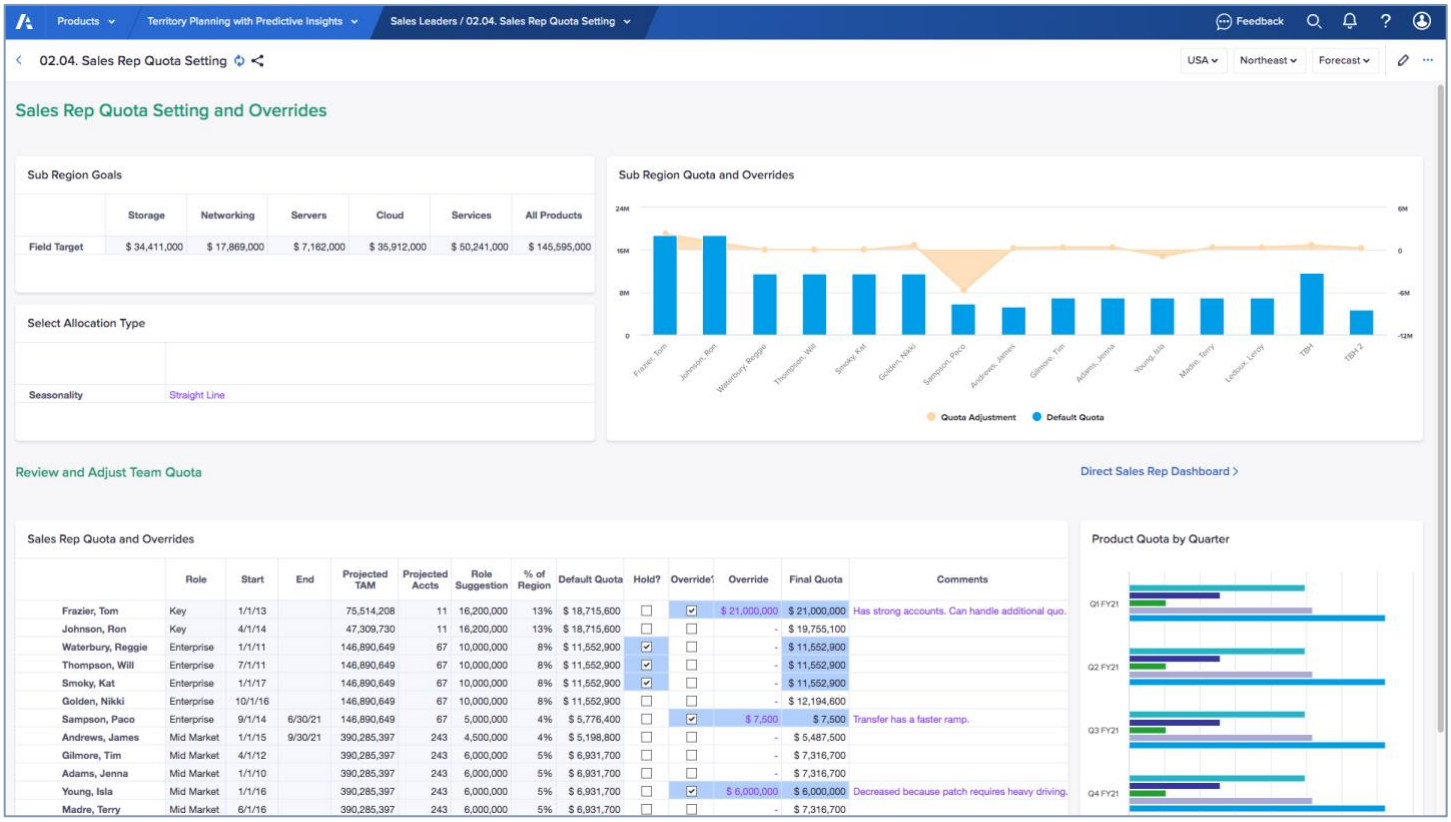


Here is an example of Top-down allocation at the region level using Predictive Spend allocation. Quota can be held or overridden at the region level and allocated to sub-regions.

Lock down Quota at this level using DCA after RVPs and Sales Ops review and sign off, then continue to the next Review Step at the Sub-Region Level.

Sales rep quota setting

Sales Leaders -> 02.04. Sales Rep Quota Setting



This dashboard is part of bottom-up quota allocation. This is where the Region and Sub-Region Manager's review quota is allocated to their teams based on assignments and role capacity. Sales Managers have the option to edit and override quota for each team member. The final quota, including overrides, flows back to Sales Operations and, when necessary, sales leaders and sales operations negotiate until an agreement is reached for the final numbers.

As the sales manager adjusts his team member's quota the graph at the top of the page updates. The sales manager can also enter comments as to why he or she is making adjustments that can be reviewed by sales operations.

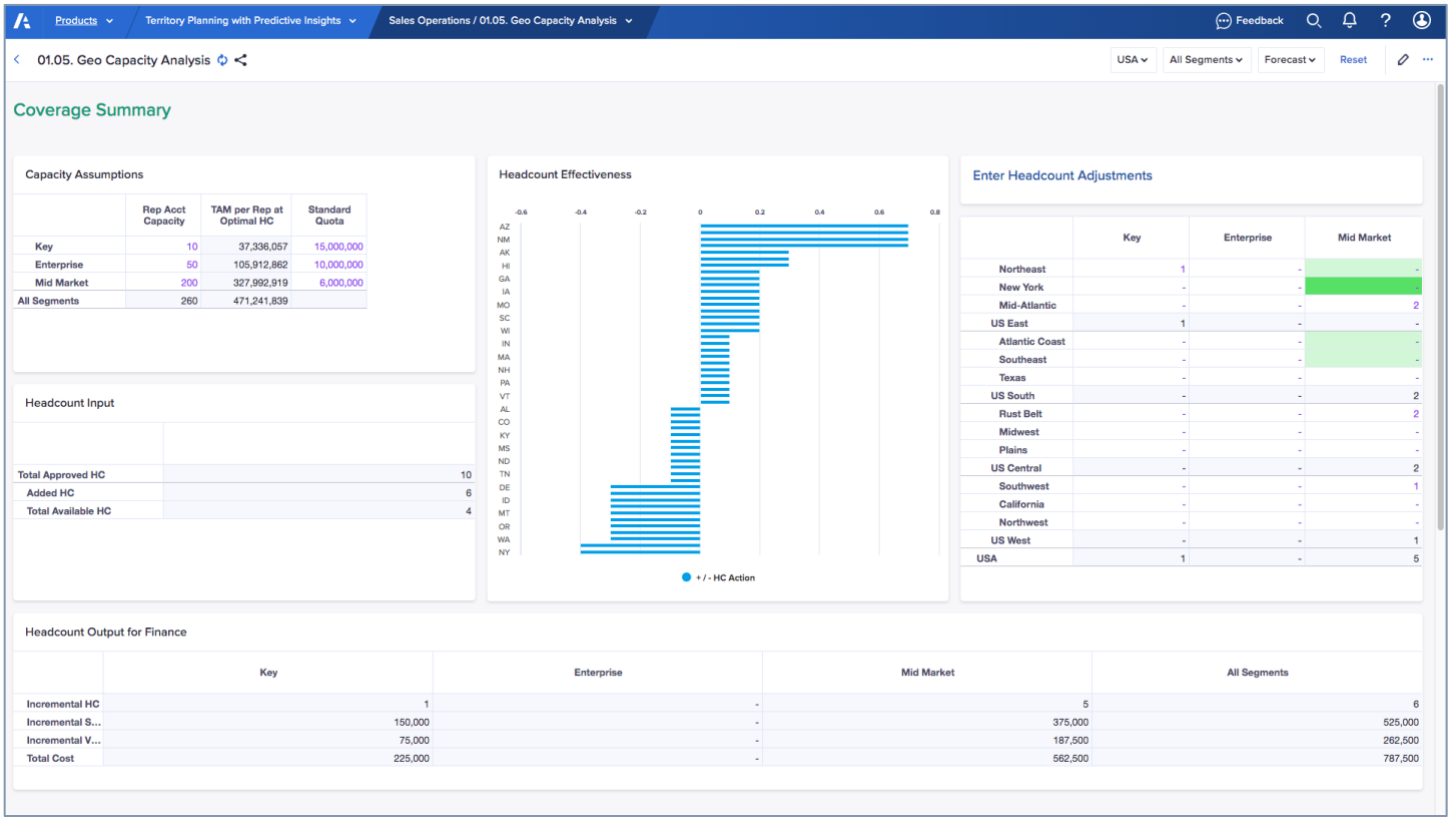
- **Override a quota and enter a comment** for one or two sales reps for a sub-region, for example, New York.

Sales Leaders can also easily **navigate to the Direct Sales Rep Dashboard to review the Direct Rep's accounts** and quota in detail. If navigating to the Direct Reps Dashboard, select a sales rep with a Key account role type.

NOTE: Quota/goals are overridden at the Sales Rep level in this dashboard. Many customers assign quota to their reps at a product (family) level. Quota may vary by time period and be allocated to reps by quarter or month using seasonality calculation factors. Goals may also be captured using units instead of revenue, depending on the customer's industry.

Capacity analysis

Sales Operations -> 01.05. Geo Capacity Analysis



This dashboard provides sales ops with strategic suggestions as to where the most potential will be gained by indicating where headcount should be placed by role and by region.

Select the USA region, if not selected. Based on approved headcount (or desired headcount) and standard quota (upper left grid), sales operations can enter headcount by role and for region in the top right table. The Headcount Effectiveness chart displays *plus* and *minus* headcounts across states and updates when headcount is entered into the Capacity Assumption grid.

- The darker the highlight in the grid, the more impact adding headcount will have, based on scored market numbers that roll up to each region and sub-region. **Enter the number "1" in the grid for the darkest cells.**

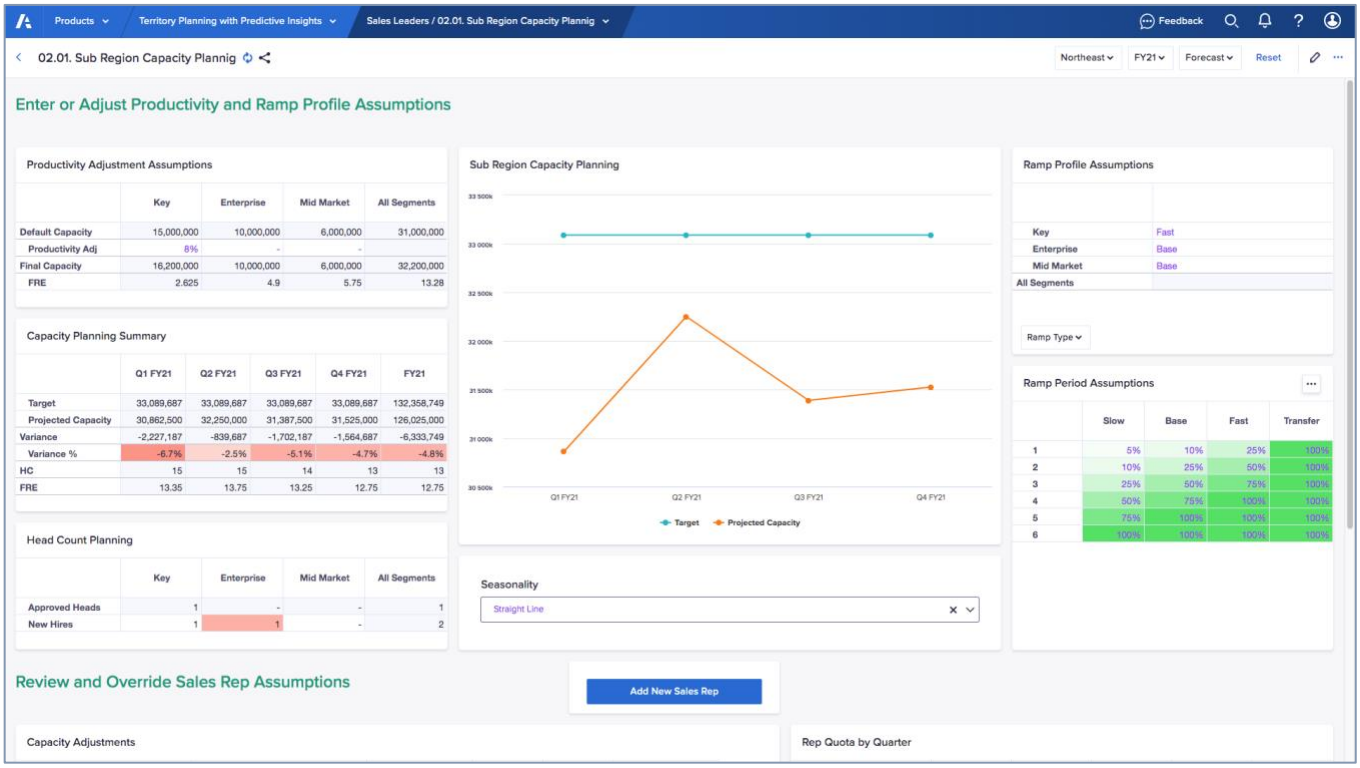
The Finance Output table is automatically updated with costs as adjustments are entered. This information can be easily exported and sent to finance.

Coverage Capacity and Gaps are located at the bottom of the dashboard. This table displays coverage, potential, number of accounts, gaps, and Impact details.

NOTE: The impact can be enhanced by including an option to use Base or Predictive Score values to calculate the impact. This isn't included in the current demo model but can easily be added.

Sub-region capacity planning

Sales Leaders -> 02.01. Sub Region Capacity Planning



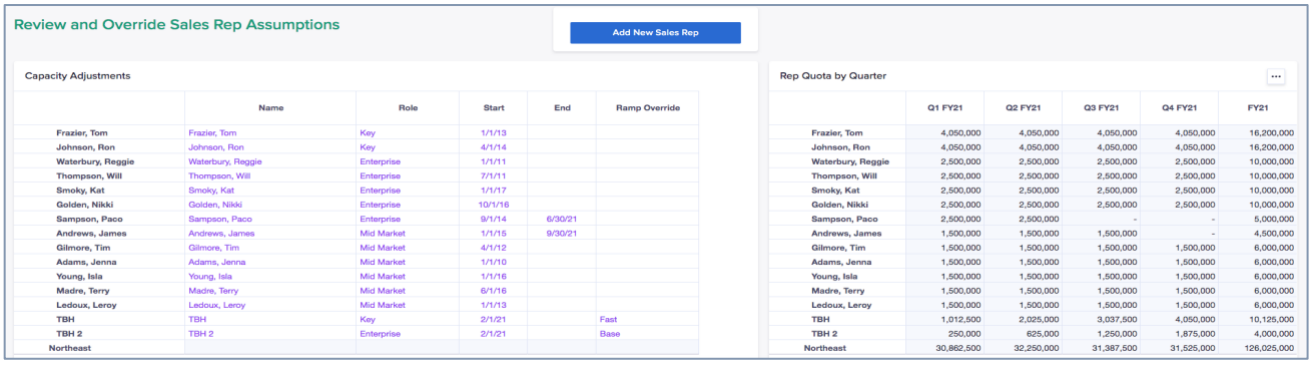
This is where sales leaders start their bottom-up quota planning. The goal is to bring your capacity in line with the target. Quota can also be overridden in separate dashboards. **Go to the Rep Quota Allocation or Region Quota dashboard after this and override, then return to show how everything automatically updates and discuss bottom-up quota allocation if you are focusing on quota.**

The left-hand grid, Productivity Adjustment Assumptions, displays capacity by role and allows a Productivity Adjustment to be entered by role.

- As productivity percentages are added in the assumption grid, the red line (capacity) moves up toward the blue line (target).

A Region/Sub-Region capacity summary displays Target and Projected capacity by quarter in the grid below, and the Head Count Planning grid highlights approved headcount by role.

To further visualize balancing capacity to target, sales leaders add new hires (and transfers) in the grid at the bottom of the page.



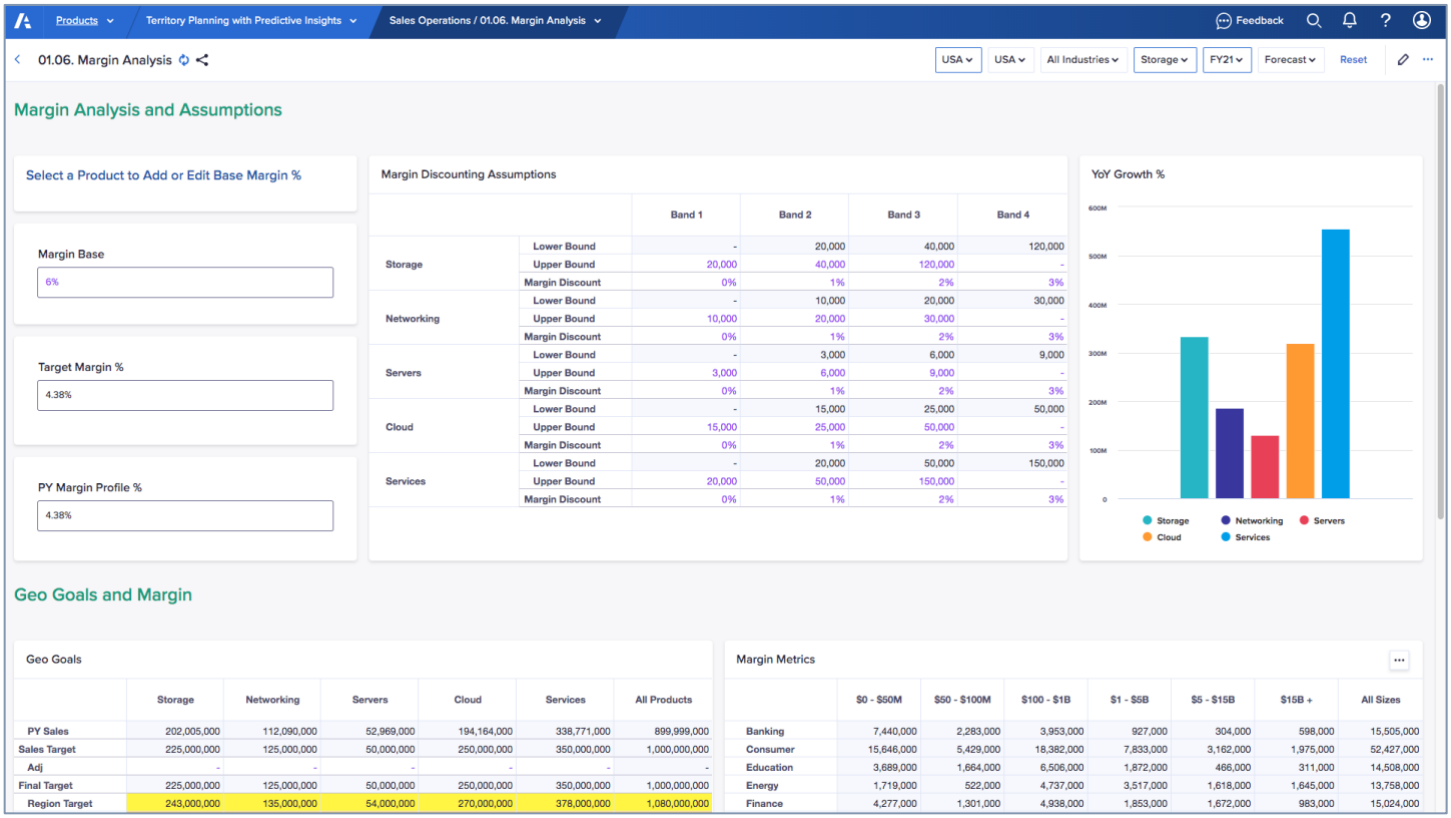
- **Add a new hire** (based on approved headcount) by clicking the **Add New Sales Rep** button. After adding a **start date**, the Rep Quota is automatically updated in the Rep Quota by Quarter Grid, based on the Ramp Role.
    - The chart at the top is automatically updated with additional capacity.

- Ramp (how quickly the rep will meet quota) can also be overridden in this table. Change the Ramp Profile at the top to update the chart even more.

Add one or two new reps to bring the capacity level to the target and point this out in the Sub-Region Capacity Planning chart.

Margin analysis

Sales Operations -> 01.06. Margin Analysis



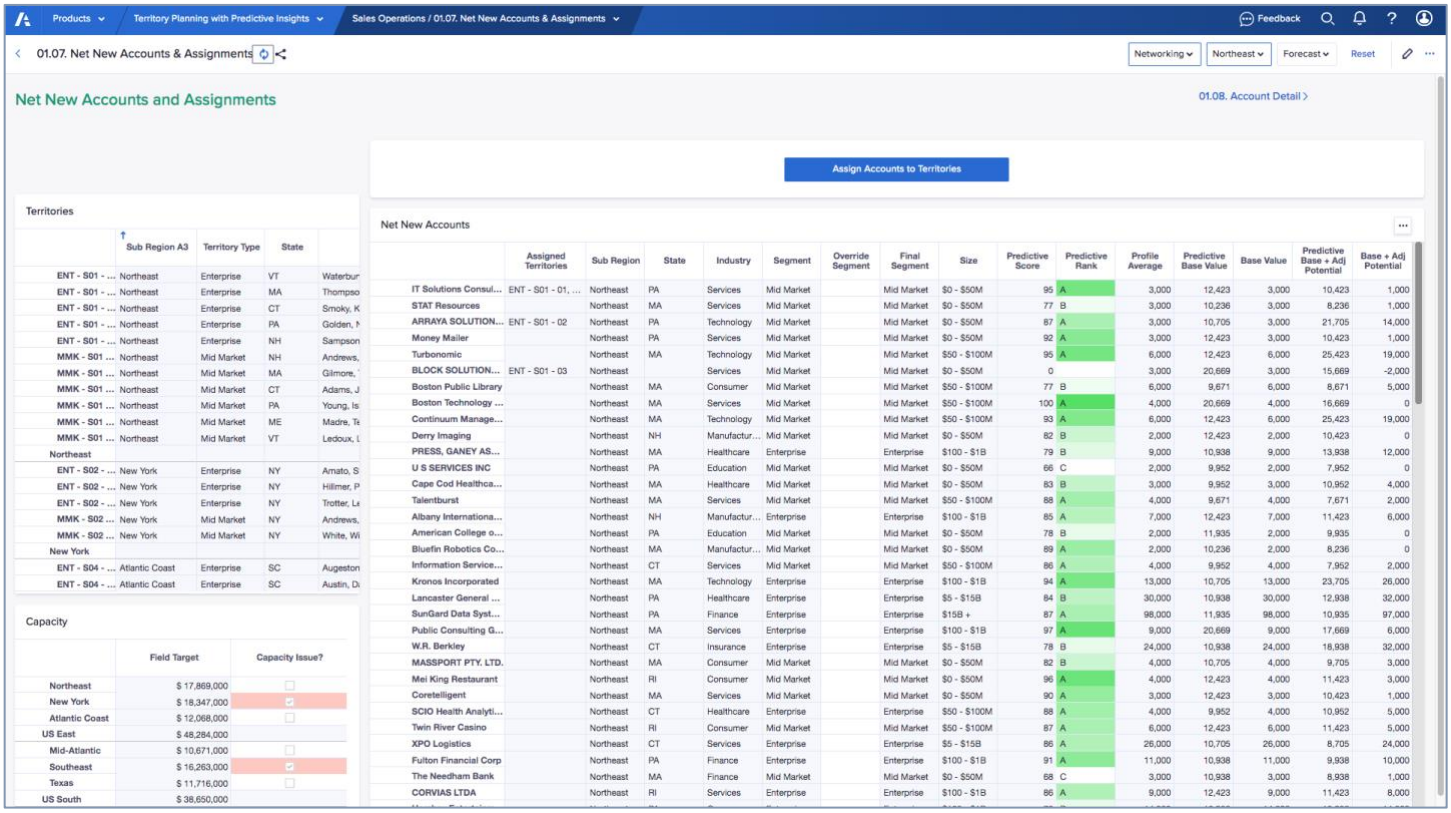
Analyze and edit margin discounting assumptions by Product in this dashboard. Discounts are applied as adjustments to the final adjusted base score value.

This dashboard is another example of applying weighting to account value calculations. Region and Sub-Region Goals can also be overridden at the Product level.

- Year over Year Growth % chart information assists when adding margin discounts.
- Margin Metrics, for example Predictive Value, assist if overriding Region and Sub-Region quota.

Net new accounts and assignments

Sales Operations -> 01.07. Net New Accounts and Assignments



Net New Accounts are “look-alike” companies based on top Ideal Customer Profile (ICP) fit indicators and intents. The predictive model’s engine scores and tags look-alike accounts that are likely not even on the sales team’s radar. Predictive Insights can help sales teams broaden their reach and focus their efforts by identifying Net New Accounts that aren’t typically considered as part of the overall territory and quota planning process. This capability is a **competitive differentiator**.

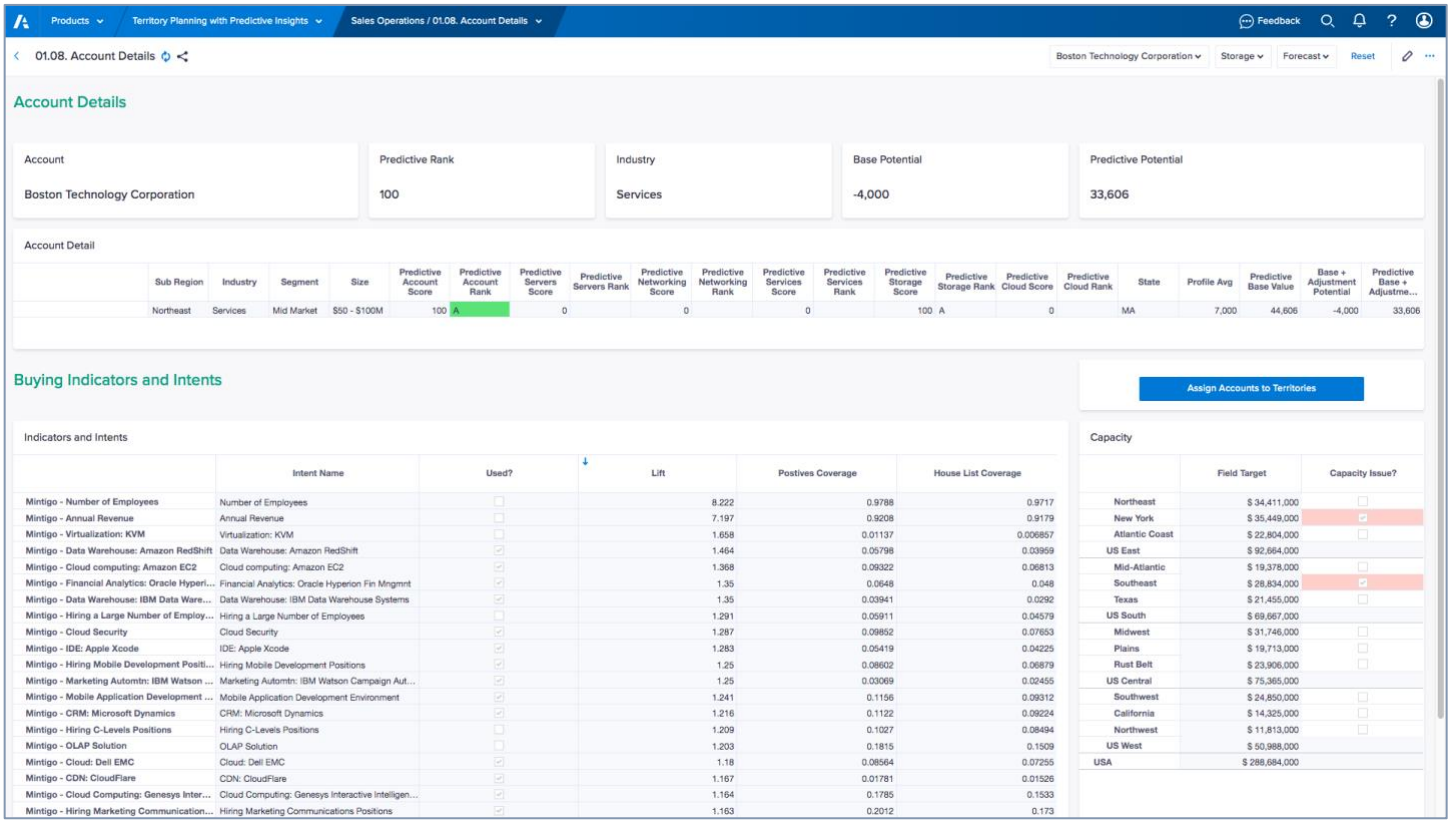
These Net New Accounts can be included in the initial planning process and/or included after Allocation has occurred.

View account rank and score in the Net New Accounts grid.

- Select an account and **click the Account Details** link at the top of the page to view additional account information, including all of the indicators and buying intents used to score and rank the individual account.
- Territory and Capacity information is available in the left grids to help when making an assignment.

Account details

Sales Operations -> 01.08. Account Details



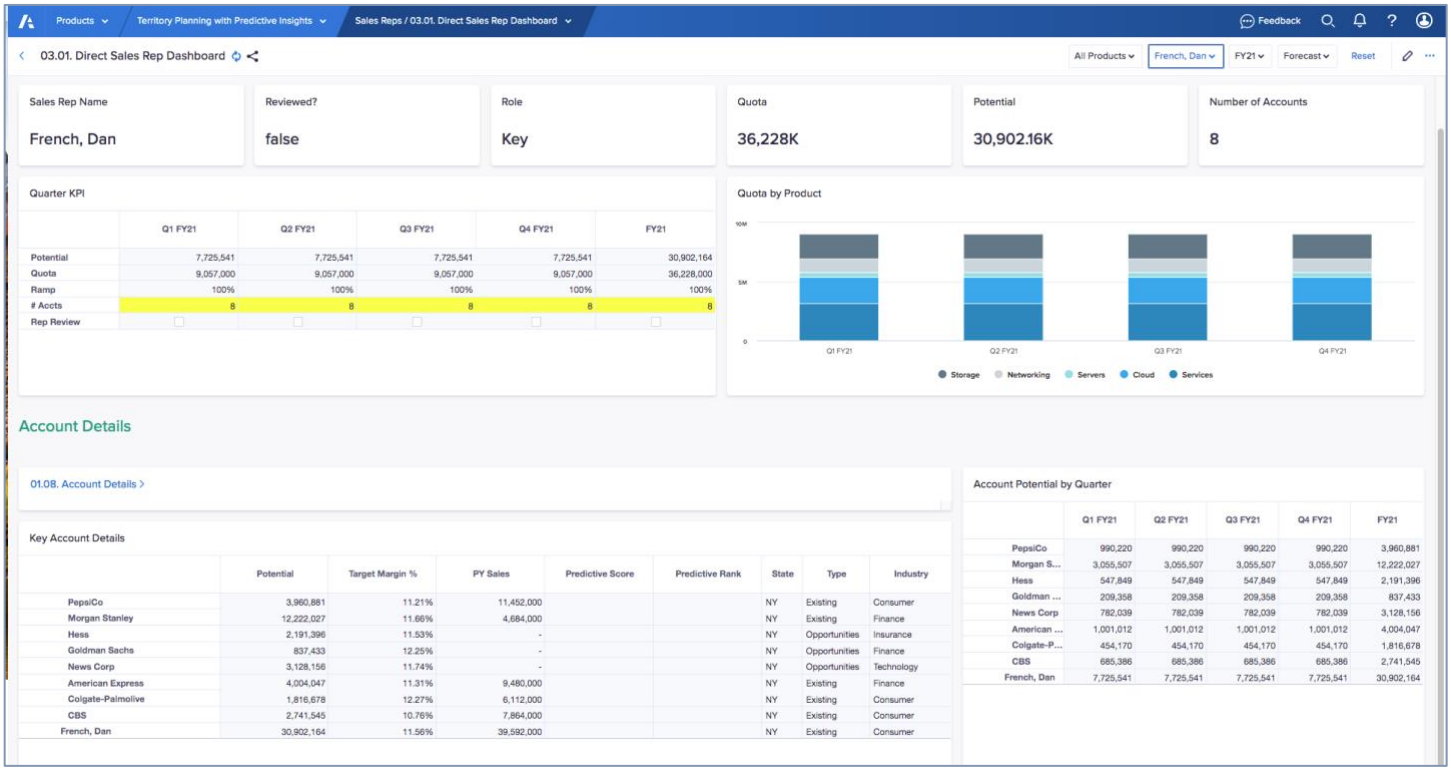
This dashboard displays account information, including rank and score, along with all of the top indicators and buying intents used for scoring and ranking the individual account. This information assists in determining whether a particular account should be assigned a specific quota, and where it should be assigned.

To view product-level score and rank, select a specific product from the drop-down at the top of the page.

This dashboard should also be accessible by sales leaders.

DIRECT SALES REP DASHBOARD

Direct Sales Rep -> 03.01. Direct Sales Rep Review



This dashboard can be used by sales managers to review accounts and quota set up for their team members during the planning process. It is specific to Key Account (Direct) Reps.

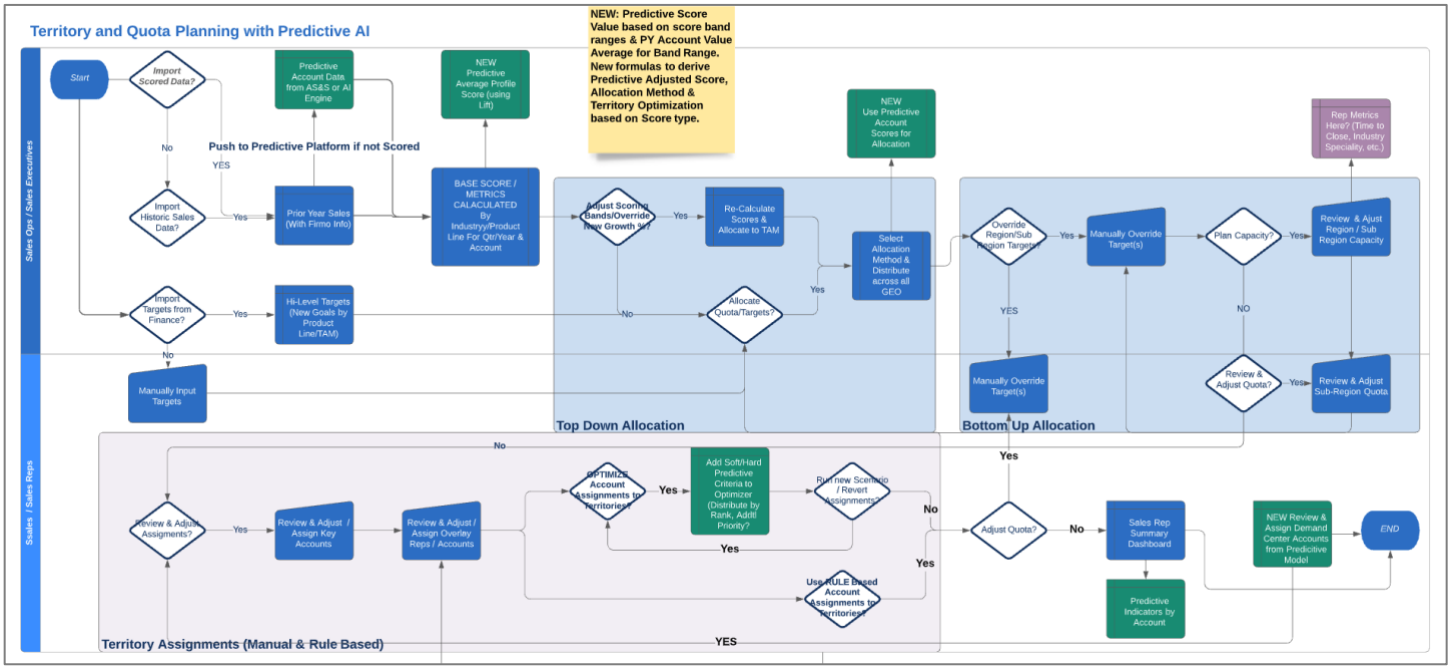
The dashboard can also be used by Direct Reps during and after planning for reviewing any changes to account and territory assignments, and high-level account information, including predictive score and rank by product.

- Quarterly KPI accounts are highlighted when over- or under-assigned.

A link is provided to the Account Details dashboard where account level, indicators, and buying intents can be viewed.

QUOTA PLANNING WITH PREDICTIVE INSIGHTS—PROCESS FLOW

The following is the process flow depicted in the new model.



The planning model encompasses all of the process steps necessary for applying best practices to territory and quota planning. It also incorporates predictive insights, which enhances the overall planning process.

Many organizations have separate Quota, Territory, and Capacity planning processes. These processes may even be performed within different departments. However, much of the data needed for planning is common, such as Sales/Territory Hierarchies, Sales Reps, Sales History, Customer Information, Roles, and Products. Metrics from these processes feed into one another. Because of shared data and metrics, the underlying model includes all three processes. They can be separated into different models during implementation and data shared across models using a Data Hub. This practice is useful where organizations have very large volumes.

ANAPLAN MODEL

The Anaplan Model used as the basis for the Predictive Territory and Quota Planning Model was downloaded from the Anaplan Demo Library. This model includes processes for Territory and Quota planning and modeling, Market Scoring, Capacity Planning, Quota Allocation (top down and bottom up), and Territory Assignments. Territory Assignments are performed manually for Key Accounts and automatically (using Optimizer) for Enterprise and Mid-Market Accounts. Predictive Insights are layered into the model where it made sense and there are four new dashboards in the NUX in addition to the dashboards in classic.

The model also contains Optimizer scenario analysis and the ability to model Potential Account Value. Potential Value is calculated by account and aggregated across all Accounts, by Segment, Product, Territory, Region, etc. It's represented by several different metrics: Industry Average, Prior Year Sales, Predictive Value, Industry Penetration %, etc.

For Market Scoring, a Base Score is calculated; either the prior year's sales revenue or, if a new account, the industry average from the prior year's sales. Additional growth and discounting adjustments, along with a final "Balance Factor," are added and applied to

the Base Score to come up with a Final Score. The final aggregated score of all accounts is how TAM is calculated in this model. The purpose of Market Scoring is to predict the relative value of each account. Final Score is used as potential amount for territories.

When comparing calculated metrics, some of the summary analysis dashboards used two new line items for comparison: Base Score + Adjustments and Predictive Account Value + Adjustments in order to have like-for-like comparisons. Net New Accounts and Account Details dashboards include the new line item values.

When running Optimizer, **select either the Base Score or the Predictive Base Value** as the first criteria. These two scores provide a basis for like-for-like territory assignments.

The **Predictive Score Allocation** method is added to the model for Allocating Quota. Quota values (Target) is already included in the demo model so does not need to be imported. Targets can be updated easily in the Sales Operations Home page or Geo Goal Setting module.

Processes are included to clear data from the model, and to populate account and target (quota) lists. Use the Account and AI data included in the Demo.

Anaplan recommends using existing Demo data because it is enriched with predictive scores and ranks (overall and by product) and associated to account indicators and buy intents. Original account data was exported and imported and used to create a predictive model within Predictive Insights. Customer Successes and Opportunities were used to create the predictive model and then enriched, scored, and ranked. Scores, ranks, and indicators were then imported into the Anaplan Model.

IMPORT ACCOUNT DATA

Ideally, customers will take their modeled and scored account data from the *Predictive Account Segmentation & Scoring* Anaplan Model and import the account, indicators, and intents into their Territory Model. If this approach is not used, customer data is either fed directly to Predictive Insights, modeled, enriched, tested, and scored. Or account data is imported into Anaplan and pushed into Predictive Insights via direct integration. (Integration is not yet available but expect something by mid-year 2020. We also expect to have automated integration for updating account scores, intents, and buying stages.)

If pushed directly into the Predictive AI Engine from Anaplan (recommended approach), the unique Anaplan code can be retained and matched during re-import. Data will still need to be modeled, enriched, and scored within Predictive Insights before re-importing back to the Anaplan Model. See basic Predictive Insights Set-Up Steps below.

The advantage to using the push from Anaplan is that the data doesn't need massaging before re-importing. Firmographic metrics are easily retained and mapping to create a geo hierarchy won't be needed.

Anaplan is working on integrations between Anaplan models and the Predictive Insights platform. Initial integration actions to be included in the demo model and available for customers are:

- Account Push from Anaplan to Predictive Insights: Positive List (Customers) and House List (Prospects).
- Account Indicators: Populates Predictive Insights Indicators Lists and Modules.
- Account Attributes: Updates Account list and Modules with appended data from Predictive Insights. Includes additional firmographics, including Account Annual Revenue, Employee Count, Industry, and Geo information; and Indicators and Intents with lifts and lift coverages.

PREDICTIVE INSIGHTS PLATFORM PREDICTIVE MODEL SET UP

See the Predictive Insights Modeling Guide for more detailed information. What follows is a simple set up description.

As mentioned above, it's suggested that data be pushed into Predictive Insights from the Anaplan model. Accounts roll up the Geo hierarchy configured within the Territory and Quota Planning model. Customer Accounts (wins), along with prospects, are imported into Anaplan along with any firmographic attributes. Be sure to populate the Account (L4) Code with a unique identifier.

In order to score accounts, you need to create a model in Predictive Insights using the newly imported account data. Manual steps to accomplish this follow.

Set up your Customer Predictive Insights Account: Create a new password, if needed, and log into your account.

Create a New Market: If this is a new Predictive Insights account, you'll be asked to create a Market (name), which you create the model for.

Data: Account data should include fields to identify the account as Existing (closed/won) which is the Positive List, and Opportunities (new prospects), known as the House List. It's best to have separate files for each source type. Account Name should be provided and if possible, provide the account domain URL. This is known as Conversion data.

Also include any other Interaction data if possible. For example, product(s) purchase history, or other behavioral data. During manual import, you'll need to set up mapping from the source (export) to the target fields. When data is imported into Predictive Insights, it is validated, matched to Predictive Insights existing account data, and appended with all data that Predictive Insights has for that account record.

Create Model: Select the model type—either single product or multiple products. A simple wizard walks you through this process. Machine Learning Algorithms are applied to accounts to identify top Intents based on third-party online digital footprints and are appended to account and opportunity data. Once indicators and intents are identified, additional optimization is performed via propensity modeling that applies additional machine learning Logistic Regression and Gradient Boosted Decision Trees. Final results are used to score and rank accounts. Once accounts are scored, account information is pulled back into the Anaplan model and used for analysis.

See the Predictive Insights Modeling Guide and the Integration Guide on Anaplan Community for more detailed information.