

OPERATIONAL EXCELLENCE THROUGH BUSINESS TECH: **2024 & BEYOND**





2024 is an exciting time for businesses, regardless of the reverberations that are still being felt from the early 2020s. Economic uncertainty and geopolitical conflicts aside, **the acceleration of technological innovation will be the biggest driver of change this year.** And although large businesses have closed down, and new tech startups have taken on a unicorn status recently, operational excellence through technology like Sales Performance Management (SPM) will help businesses succeed.

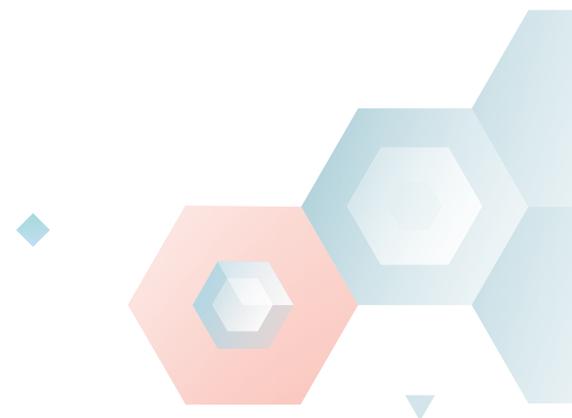


Later in this whitepaper, we will examine useful technologies that help businesses succeed through SPM with cloud computing, Artificial Intelligence (AI), improved and easier data availability, and improved and easier tools for forecasting and territory management.



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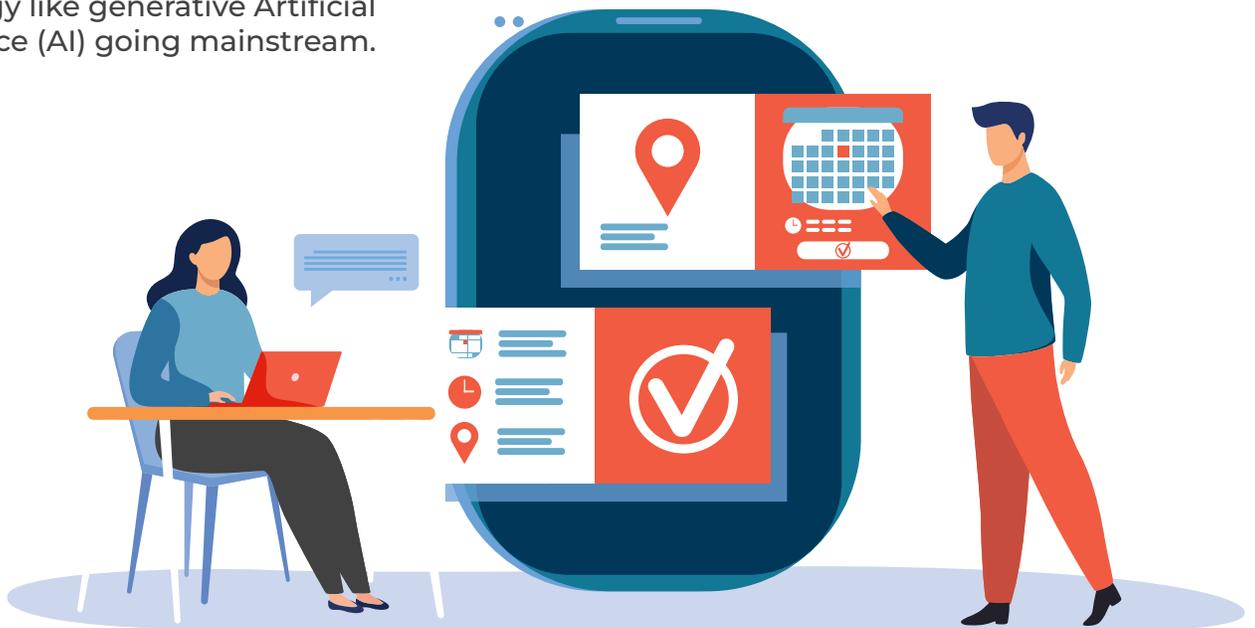
01 Why Do Businesses Need Operational Excellence Through Tech More Than Ever?

Businesses need operational excellence through technology now more than ever before, as the old ways of doing business are no longer sustainable. From operations to branding, businesses have been forced to rethink and adjust their branding, their business models, and their go-to-market strategies.

And with the current macro-economic environment, organizations have had to rapidly adjust to volatile shifts in consumer spend while trying to balance internal operations to improve cost efficiencies. Believe it or not, this is a good thing, as businesses should always be adapting, and changing to current trends and market conditions.

Due to this reality, there has been a particularly heightened focus on operational excellence through technology. This approach seems well-advised as businesses wrestle with severe supply chain disruptions, cultural upheavals affecting employee morale and productivity, and technology like generative Artificial Intelligence (AI) going mainstream.

But with turbulence worldwide, how can businesses achieve operational excellence?



02 What Is Operational Excellence?

Before tackling the topic, it is best to define **operational excellence**. According to IBM “operational excellence (OpEx) is an approach to business management that emphasizes continuous improvement across all aspects of the business and within all business processes, by creating a culture where management and employees are invested in business outcomes and empowered to implement change.”

Straightforward. But as we break down this definition, there are a few things to note:

- 1) Operational excellence is **based on value-creation**.
- 2) Operational excellence **starts with a cultural shift**.

01 Operational excellence is based on value-creation.

The core value proposition of operational excellence is to deliver products and services to customers at highly competitive prices, with minimal inconvenience. This approach focuses on cost reduction but understands the necessity of maintaining a competitive edge. Firms such as Boston Consulting Group (BCG) note that end-to-end operational excellence can deliver impressive value for companies, including a 5% to 15% boost to EBITA.

But how about the state of the market? With supply chain volatility, it has become difficult to cut costs in the value

chain. It has also become challenging to meet increasingly high customer expectations around products, services, experiences, and prices. And with almost every organization using marketing buzzwords, it is almost impossible to differentiate and maintain a competitive edge on that front.

But how to achieve operational excellence in reality?

02 Operational excellence starts with a cultural shift.

The thought-provoking phrases in IBM’s definition of operational excellence are: “invested in business outcomes” and “empowered to implement change”. For even the best organizations, this is a challenge that needs to be intentionally and thoughtfully addressed to say the least.

Companies are consistent in setting timely strategic plans and objectives, and staying laser-focused on continued growth. In fact, a [2023 Process Excellence Network \(PEX\)](#) study reported that “40 percent of respondents were focusing on culture for the next 12 months”. So, the challenge arises when business leaders and organizations need to excite and motivate employees to achieve these goals.

How to effectively align employee behavior with strategic objective, so that they are truly invested in business outcomes?

Continuous improvement within

03 The Path to Achieving Operational Excellence

business processes has taken on an entirely different meaning in today's era. In the old days, process improvement frameworks and methodologies flooded the corporate world. Terms such as Six Sigma, Total Quality Management, Business Process Management (BPM) and the like filled the conversations around how to improve business operations.

That is not the case today. With the innovative landscape as it is, organizations are grappling with the impact of technology on the market, as well as within the business. Over recent years, we have seen companies increasingly adopt marketing buzzwords like **data-centricity** or **customer-centricity**. Today a growing number of companies want to brand themselves as being **AI-driven**.

The problem is that adoption of emerging technology has taken priority over addressing tangible, actionable real use cases that make a difference in the bottom line.

This has led to multi-million-dollar

investments by executive leadership teams in data, analytics, and AI initiatives that invariably become a cost drain at some point due to the lack of ties with true business requirements.

At some point, business leaders inevitably ask the question: "Can you show the value of our investment in data, analytics, or AI?" Naturally, it is difficult for functional leaders or CIOs and CDOs to answer this question, since the initiative generally failed to factor in business needs.

To overcome this challenge, businesses need to take a simpler, clearer, value-driven approach to building and improving operational excellence.

The following three-part questionnaire orients organizations towards a structured mindset around improving operations:

1) What are the critical areas of improvement where we can unlock the greatest value?

This question is meant to narrow the



03 The Path to Achieving Operational Excellence

definition of value, or rather think about it in a stepwise fashion. Instead of equating it directly to cost efficiencies, value here can be defined. For example, by implementing the cultural shift required to align employee behavior with business outcomes, there is ultimately an improvement in customer experience, a reduction in cost, and measurable growth.

2) Do we have the process and/or technical infrastructure to drive targeted or required efficiencies? And if not: What are our key prioritized business use cases that help us realize the highest ROI on our investments and efforts?

3) How are we measuring the success of our operational excellence initiatives? Are we defining the right KPIs and metrics that allow us to monitor and accurately report on the impact of our changes? Do these KPIs and metrics tie back to our strategic objectives in some fashion?

A thoughtful, business-first approach like the one laid out above, lets organizations discover key gaps that need to be addressed in a prioritized manner. This allows the development of end-to-end operational excellence across the organizational value chain.

Trying to achieve operational efficiencies

without taking stock of the future impact of changes both outside and inside the business, has caused many great organizations to spend more, instead of realizing cost reductions or productivity increases.



04 The Role of Technology in Building & Improving Operational Excellence



As noted earlier, emerging and rapidly developing technology such as AI is now embedded in the fabric of how companies present themselves and run the business. However, applying that to building operational excellence can be divided into two components:

1) Automation of select tasks that improve productivity and lower overhead costs.

2) Implementation of a technological framework that allows execution of strategic goals. For example, aligning sales behavior to corporate objectives.

Revisiting the definition of operational excellence allows the opportunity to analyze a practical case study. One of the core questions to be answered is: **“How do we create a culture where management and employees are invested in business outcomes?”**

For many companies, one of the most crucial areas where this is a required ask is in Sales. If organizations cannot find a way to properly align, motivate and incentivize their own sales teams to achieve corporate goals, then growth and even company viability will become a concern.

While the previous statement might sound harsh, a simple solution to the problem could include implementing good commissions or rewards programs, and ensuring that sales teams have good morale, as well as a proper team structure.

05 How to Align Sales Behavior to Corporate Goals?

In today's world, simply having monetary incentive programs like commissions or bonuses are not enough. As the world changes, so do workforce and employee expectations. Incentives such as flexible working hours, remote work options, childcare, and parking spots are just some examples or benefits of non-monetary rewards that employees value.

So, the first step to aligning sales behavior to corporate goals is to understand employee needs, motivations and behaviors. This data is available from historical data and industry information, and can inform the business of possible rewards expectations. Then comes the implementation of these structures. This is where Finance and Accounting and HR teams, at the very minimum, get involved.

Historically, teams have tried to manage rewards and incentive programs in error-prone, time-consuming excel spreadsheets or in-house systems. This has led to [shadow accounting](#) and significantly low employee trust in payment accuracy. This, of course, becomes a great impediment to keeping employees motivated to hit corporate sales targets.

And it has been a challenge to allow sales teams to monitor, manage and appropriately adjust performance to achieve targets. Though, without proper tools and solutions to aid with such initiatives, the sales team can hardly be blamed.

This is where technology known as [Sales Performance Management \(SPM\)](#) plays a vital role. SPM has increasingly gained global attention across both large and small organizations, by allowing businesses to achieve operational excellence while hitting their growth targets consistently.



05 How to Align Sales Behavior to Corporate Goals?

The premise of SPM technology is to help businesses align sales or employee behavior with strategic goals, which is a fundamental element of achieving operational excellence.

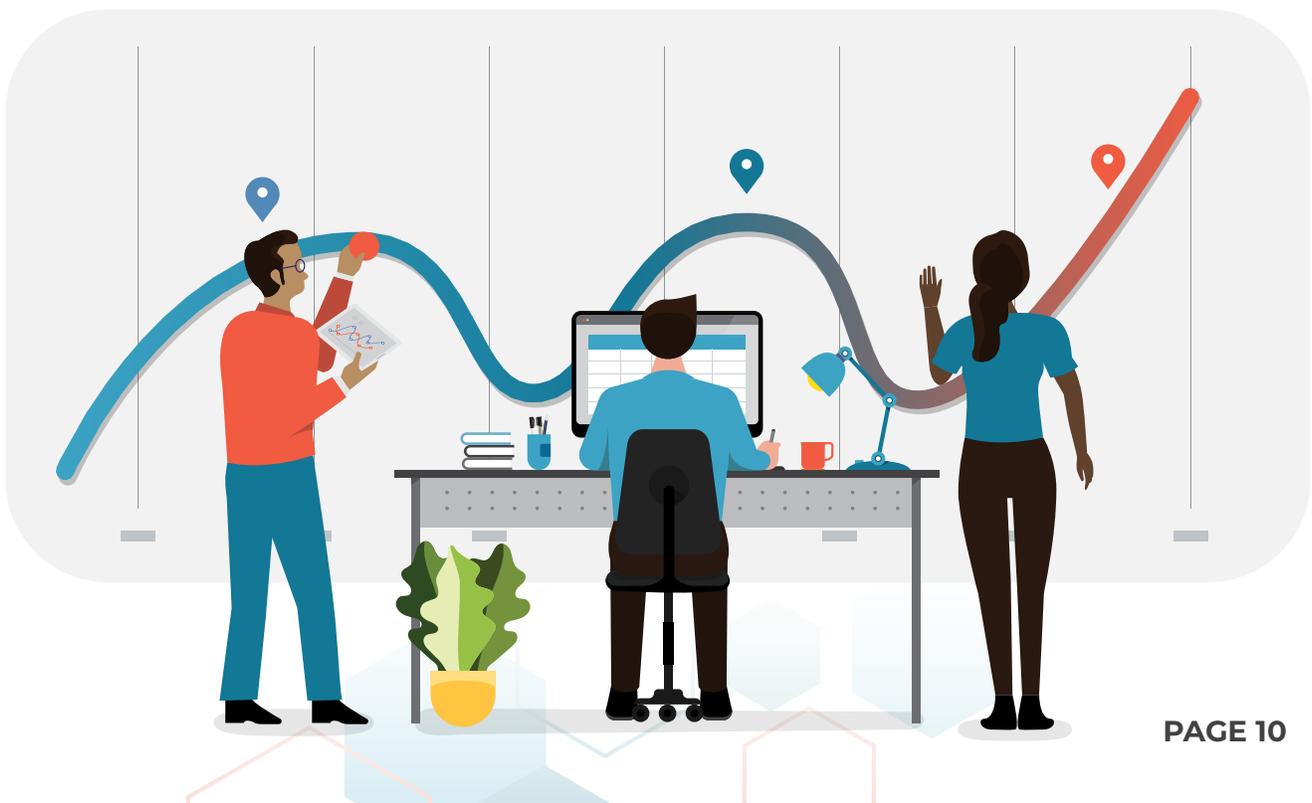
In its comprehensiveness, SPM drives both components of operational excellence:

1) SPM automates the management and distribution of incentives, which leads to significant improvements in productivity of the Finance and Accounting, or Compensation functions.

2) SPM provides robust functionality such as advanced analytics and reporting to understand, monitor, manage, and improve employee behavior so that they remain invested in business outcomes.

While there are many solutions in the market that tackle improving small parts of the value chain, SPM really underscores the value of technology in realizing wide-scale operational efficiencies, without compromising on business growth.

In 2024 and beyond, there will be the continued adoption of exciting technologies like SPM. This movement will address an enterprise-scale challenge, yet a very specific business use case, and foundational requirements to achieve operational excellence. The challenge will be to quickly identify such impact-driven areas of improvement, and address it from a process and a technology standpoint, thus maximizing the effect on operations.



06 Which Tech Tools Help Your Business Achieve Operational Excellence?

Sales Performance Management software helps your business thrive, scale, and achieve operational excellence now more than ever before. This is powerful technology that can positively impact competitive standing if activated. Conversely, failing to understand how the tech works and impacts commerce can be detrimental to success.

SPM now offers:

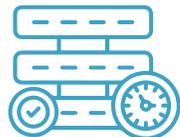
Cloud computing



Artificial Intelligence (AI)



Improved and easier data availability



Improved and easier tools for forecasting and territory management



Cloud computing makes it simple for teams to receive and share information from anywhere in the world with SPM. Not only does this make collaboration seamless, it also helps businesses run more smoothly, efficiently, and profitably.

Artificial Intelligence (AI) helps sales teams plan better and understand what customers might really want, based on current data. **Natural Language Processing (NLP)** is a branch of AI that helps computers understand natural language, which enables any authorized team member to easily gain access to the raw, unharnessed data.

06 Which Tech Tools Help Your Business Achieve Operational Excellence?

Improved and easier data availability ensures that the information is not only there when a business needs it, but is also trustworthy. One of the greatest improvements in data accessibility, is the *democratization of data*. This means that team members of all skill levels can access information from the SPM software, and do not need strong technical knowledge to complete this task.

Improved and easier tools for forecasting and territory management enhance accuracy by analyzing past trends and data, helping inform sales decisions. Tech tools like these simplify the process and save time and effort. And through better forecasting, businesses are empowered to allocate resources more effectively, optimize sales strategies, and improve overall performance.

The future is now, and it is SPM.



07 About InnoVyne

InnoVyne is a leading consultancy for Sales Performance Management (SPM) implementations. We equip companies to utilize big data to make superior decisions across the enterprise, from Sales and HR to Finance and executive management.

Our reporting and analytics capabilities help businesses uncover actionable insights, monitor key performance drivers, and gain predictive intelligence crucial to driving business growth.

Whether your business needs an Incentive Compensation Management system to get started or a comprehensive Sales Performance Management integration, trust the experts at InnoVyne to get you there. [Book a free consultation to learn more.](#)

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