

# EMBARQ GETS STRATEGIC ABOUT SALES PERFORMANCE

Unless you're in the telecommunications industry -- or an investor who follows it -- you may not recognize Embarq Corp. by name just yet. The company traces its origins back to United Telecom, which purchased Sprint in 1991 and continued to operate under the Sprint name. Embarq was spun off by Sprint Nextel in 2006. Headquartered in Overland Park, Kansas, Embarq has approximately 19,000 employees and operates in 18 states.

Remember that earlier this decade, the telecommunications industry was in a state of upheaval. New products and services were becoming available; new infrastructure was required; indeed, the entire playing field was changing. Telecoms that had traditionally focused on customer service were under pressure to transform into sales organizations.

"Competition was knocking on the door, and we had to get into a sales mentality," says Kim Povirk, General Manager, Sales & Service, Consumer Markets, at Embarq. "We couldn't afford to be just a customer service company anymore. Our service representatives -- around 3,000 of them at the time -- were basically order takers, and we had to turn them into salespeople."

At first, Embarq attempted to implement an incentive pay program using a home-grown solution.

"We started with a 90-10 leveraged compensation model and over a period of time transitioned to 70-30," she says. "Now, when somebody starts messing with 30 percent of your pay, you have the right to expect accuracy, daily delivery of results, and timely payment. Our homegrown system could no longer support any of these objectives. Part of our organization is represented by labor unions, and we began receiving arbitrations and grievances on the pay and performance models. We were under immense pressure to seek an automated compensation solution that would address these issues for us."

After considering a few solutions, Embarq -- Sprint at the time -- decided to implement the TrueComp® Suite, an incentive management solution from Callidus Software. (In fact, three of the five largest telecommunications companies in the United States use TrueComp to manage sales performance.)

Povirk explained the drivers behind the company's selection of TrueComp:

**A platform for strategic compensation.** "We became a more strategic organization almost overnight, and we needed a system that allowed us to implement compensation models that would focus our sales representatives on what we needed them to do," says Povirk. "With TrueComp's rule-writing capabilities, we were able to start influencing our reps' behavior in the right direction very quickly."

**Real-time sales performance management metrics.** "Part of my job is providing our executives, call center and retail store managers with the metrics they need to manage their teams effectively," she says. "I draw 70 percent of this data out of TrueComp; the rest comes from various customer service metrics. This way, we're able to provide reps with scorecards, so they can manage their efforts on a daily, weekly or monthly basis. You lose people's focus when they have to wait for results, and wait to find out what the payout is going to be. Our reps trust the system. The first thing they do when they sign on in the morning is check their reports."

**Robust dispute-management capabilities.** "The paperwork required for handling grievances and arbitrations in our union environment was becoming unmanageable," she says. "Every time we made the decision to close a center or even terminate an employee due to poor performance, we needed to back up those decisions with accurate and timely data. Not only did TrueComp eliminate a huge amount of manual work, it gave us the credibility to get out of the nightmare we were in."

"I can't say enough about the credibility we have with TrueComp," says Povirk. "It's the only system in the company that allows us to accurately manage payments and optimize sales performance processes."



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