

COMPANY DEEP-DIVE

Former Regional Director Believes CXM's Sales Strategy Is Above Average but Has High Turnover and Can Benefit From Increased Focus on Verticals

INTERVIEW DATE	EXPERT PERSPECTIVE	ANALYST PERSPECTIVE
20 Feb 2024	Former	Investor-Led (Buy-Side)

CALL SUMMARY

- 1. In the expert's opinion, the sales practices at CXM are strong.
- 2. Believes turnover is high among some of the sales-related leadership but is unsure why.
- 3. Thinks a vertical focus has the potential to increase velocity and decrease the complexity of sales cycles.

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Expert Bio

Employment History

Expert was a Regional Director at Sprinklr, responsible for maintaining and expanding the partner landscape. Expert reported to a Global Director, ~2 levels removed from the C-suite

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Head of Growth | SAMY Alliance | 5/2023 to Present (Private)

Regional Alliances Director | Sprinklr | 5/2022 to 4/2023 (Public)

Global Sales Executive | Sprinklr | 6/2021 to 4/2022 (Public)

Global Account Executive | SAP | 3/2020 to 6/2021 (Public)

Senior Sales Executive Customer Experience | SAP | 5/2017 to 3/2020 (Public)

Commercial Director | Xebia Group International | 9/2016 to 4/2017 (Private)

Account Executive Digital Marketing | Adobe | 5/2014 to 9/2016 (Public)

Head of Commercial | Republic M! | 1/2013 to 4/2014 (Private)

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Analyst **First, this call will be recorded so it can be transcribed. Second, you understand the**
00:00:00 **definition of material non-public information and agree not to disclose any such**
information or any other confidential information during this interview. Third, you
confirm you do not have a non-disclosure agreement or any other type of agreement or
arrangement that would prevent you from speaking about any of the companies that
may be discussed during this call. If you can't answer any question I ask, it's no big
deal. Please feel free to let me know and we'll move on. Finally, you agree not to
discuss details of your current employer. Do you agree with this?

Expert **I do.**
00:00:28

Analyst **Okay. Terrific. We are continuing where we left off. We had already completed quite a**
00:00:31 **few questions on sales strategy, field sales strategy, everything from the organization of**
the sales team, seasonality of business, how linear is it quarter to quarter, anything
unusual or different there, sales philosophy, and then we're on to some questions about
the compensation of sales reps. You had mentioned last time that it's low, and you've
seen comp plans are higher at other places maybe a little bit and nuances around that
as well.

Expert **I would say particularly the over achievement compensation was lower compared to my other**
00:01:16 **experiences. In general, the fixed part of the composition is up to par on a 50/50 or 60/40 basis**
with depending on the roll, but I think we'll come to things like space and stuff like that as well, but
the over achieving in terms of your accelerators were lower compared to others.

Analyst **May be just in terms of a quick recap so that people can catch up to where we are.**
00:01:59 **They're just starting in on this section. You mentioned there's a tendency to move to**
smaller regions with more focused sales teams over time, adapting the approach to the
individual markets that became more of a focus over time as the company grew. In
terms of seasonality of the business, you mentioned is more demand-related rather
than sales-related. We got into whether or not sales tend to be back-end loaded or
product loaded during the quarter. You mentioned sometimes it's something, but at the
back end it ends up at the front end of the next quarter. Some nuances there.

Analyst
00:02:53 **In terms of the philosophy between variable and fixed, any major differences there? You said it's quite standard. In terms of the overall philosophy regarding enablement and incentive comp of average reps, it's difficult to respond in a meaningful way and strongly related to management style, management capability of the sales team or the sales management. Does that sound right?**

Expert
00:03:25 Yeah, it does.

Analyst
00:03:27 **Okay. The next question dovetails with what you were mentioning about overachieving comp being lower versus other places. This question I have here is what was the company's strategy around incentive comp caps and or accelerators?**

Expert
00:03:47 As I mentioned earlier as well in other companies, I've seen accelerators take in above 100% of the quota achievement with accelerators between 2.5X, 3X, sometimes 3.5X basically, which means effectively, any deal that you close over your annual subscription target or ARR target would be booked if you will, or would be recognized at 2.5X or 3X the value. That is basically the way that those kind of accelerators work.

Expert
00:04:37 In Sprinklr, what I've seen is those accelerators are more in the line of 1.5X to 2X. That's definitely not lower and could sometimes be restricted or capped, let me put it like that, with something called a large deal restriction or something like that. I don't recall the exact name, but there was, for certain deals that qualified as being such an outlier in terms of its value that there would be a managerial discretion in terms of defining how much of that deal would actually be recognized and particularly whether it was going to be recognized in one year or would be distributed over multiple years. I saw that at some other companies as well that I noticed, this was particularly something of focus for the sales reps, that they were not too happy about.

Analyst
00:06:01 **About the company's approach, general approach to territorial allocation and quota setting, how sophisticated and fair was the process for establishing these?**

Expert
00:06:16 In principle, every ramped AE in terms of the quota setting, every ramped AE in a region would have the same quota. Not particularly advanced, not particularly corrected for industries or patches of customers or potential clients to go after. In the time that I was there, there was no real distinction between different industries if you will. There wasn't any differentiation between how solutions worked for, let's say, financial services compared to retail, for instance.

Expert
00:07:13 Although, from a licensing perspective in terms of the number of licenses those customers in retail, customers in travel hospitality, for instance, would be typically lower in terms of numbers of users where in CPG financial services or a telco, for instance, that would be generally higher, and particularly also for the service part of the solution. I wouldn't comment on whether that was fair or not because I didn't have a direct insight in the exact batch, but since there was a relatively low number of installed base clients, the batch would be primarily prospects of course. The sales team would go after.

Expert
00:08:25 Territory, the definition as I said, there is no real separation between industries, for instance. There's no particular focus on that as well. There's not that I have seen, and therefore, I wouldn't

really qualify it as particularly sophisticated or adapted to local circumstances or local market dynamics, let's put it like that.

Analyst
00:09:03 **How balanced was quota attainment across reps? In other words, did a majority of reps make or almost make quota each year or more, or were most reps missing their numbers in any given year?**

Expert
00:09:19 Okay. I think overall, the attainment percentages were quite similar. That being said, achieving 100% would also qualify you for something called precedence plot or something like that, kind of a celebration of the highest performers. I always found it interesting [inaudible] that presence club was achieved with achieving 100%.

Expert
00:09:56 At other companies, you needed to significantly over-perform up to like 130% or even sometimes 150% of your quota to qualify for such an event. The number of salespeople or the percentage of salespeople actually, achieving 100% was not particularly high. I would estimate it at around 30%, maybe.

Analyst
00:10:35 **Any trends in this over time? Were things getting better or worse? Anything that maybe help us to understand how well the company was doing at selling? I think if they were underperforming, maybe that's because there's challenges with selling the product.**

Expert
00:10:58 No. I couldn't say I saw any particular trend in it nor by region or by year or something like that. I think, overall, the targets were quite high for reps to achieve them which is illustrated by the fact that only around 30% of the sales reps actually achieved 100% of their targets. During my almost three years there, I didn't see any particular evolution of that.

Analyst
00:11:52 **It looks like you were there up until April of 2023. Am I saying that right?**

Expert
00:12:02 Correct. Yes.

Analyst
00:12:03 **This is all fairly recent.**

Expert
00:12:07 Yes, it is.

Analyst
00:12:17 **Okay. How long does it take for a new rep to fully ramp? How well can we reasonably expect them to perform during the ramping period?**

- Expert
00:12:28 The standard in Sprinklr is six months. That's quite ample to be fair. I think ample is the right where there. Six months is, for me, quite long for that. It takes six months. During that six months, you do have a target which starts after three months. For months four, five, and six, by the second quarter of the sales guy being hired, there would already be a ramp target, and this ramp target would be then for the first full fiscal year of the rep being in the company.
- Expert
00:13:35 Performance during ramp, I think that differs quite a lot from AE to AE. I've seen people come in from other companies that ramped pretty quickly and were already closing deals in their third, fourth month, but I've also seen reps that really took six months, seven months to close their first deal. It's also a bit of luck, of course, in terms of what is the territory that you were being assigned.
- Expert
00:14:16 Particularly, in those smaller regions, if a sales rep decided to leave but his position wasn't immediately fulfilled by a new hire, then clients that he managed or opportunities that he was working on were also absorbed basically by the other salespeople in the region, where if the new hire would be kind of seamless in transition, then the tendency was to also transfer those open opportunities to the new hire which often helped, of course, in the time required for their first deal to close.
- Expert
00:15:06 I would say overall, I think the whole idea of a ramping target and then six months before the first full quarter on a full target if generous, let's put it like that. The management of sales rep coming in and helping them on the way that Sprinklr sales management works and how they would like to see forecasts being done and specific metrics that they manage towards was quite good, something we discussed in the previous interview as well, that I think their sales methodology in general is pretty good and pretty well at times.
- Analyst
00:15:59 **All right. How effectively and appropriately was this used? How well-lined were they to keep business objectives?**
- Expert
00:16:11 Limited knowledge, I have to say. I think, in general, there were relatively low number of spiffs. The second part of your question was how well were they?
- Analyst
00:16:37 **How well aligned were they, the key business objectives. For definition of [inaudible] this demand the company sets aside with the plan of using it to reward sales reps for achieving short-term goals. Is that how you look at it?**
- Expert
00:16:58 Yeah, exactly. That's exactly how I look at it as well. You would see some steps come in in preparation for Q4 to indeed achieve certain targets on certain products. The ones that I remember were such short-term, short notice also that not everybody was able to actually qualify for them having to deal with, for instance, the date, the time frame in which the deal was actually registered to qualify for the spiff. I couldn't comment on whether they were very effective or not. I don't have that idea that it was particularly effective.
- Analyst
00:18:02 **Okay. Overall, how well did the company do it, developing a sales comp plan that was simple, properly directed, and reasonably stable?**

Expert Reasonably stable?
00:18:16

Analyst I'm not sure exactly what that means. Maybe it didn't change much. It stayed the same year over year is how I would interpret that.
00:18:23

Expert Maybe that's a good interpretation. Maybe in relation to things like quota setting and territory management, complaints were pretty standard and well-defined for role. Whether you're in success or pre-sales or a direct seller in AE, it would be very clear how the complaint is structured. I think it was relatively well directed in terms of the fact that it basically came down to the fact that every salesperson would get a percentage of the revenue closed. The first year ARR was the qualifying criteria basically, and year over year, the percentage of the revenue which was basically taken from the first year ARR was the gross amount of variable being added.
00:18:33

Expert That process worked, I think, genuinely well also quite fast, faster than I've seen at other companies. Well-directed from that perspective, if you close the deal in February, you get your payout in March which is quite quick. Stable, I think, in terms of year over year. I didn't notice and I wasn't aware of any significant changes in that except for the change to service where there was a switch made in the percentage payout by size of the deal, basically. Anything above a certain value would get a slightly lower percentage.
00:20:03

Analyst How well did the company enable rapid and effective internal access to product specialists and solution engineers for the field sellers to draw upon whenever it was relevant? Any improvements to this process that you saw or believed the company could undertake?
00:21:02

Expert I think this is just an organizational topic, but also a capacity topic. In terms of how it's organized, there were specific things like forms, so request forms for particularly sales specialists at a certain point due to the high demand for a sales specialist. I think that that is a natural outcome of the sales process, the customer engagement process, as they call it, within Sprinklr. As we discussed in previous calls, the whole cell cycle is set up to have a so-called TDD, a technical deep dive called quite early in the process which would then also act as a go/no-go moment for both Sprinklr and the customer to decide whether there was a strong fit or not and whether both parties should continue to invest resources in this particular sales cycle.
00:21:30

Expert Having that TDD quite early in the sales cycle and the importance of it for basically qualifying the deal in or out, there was a high demand for that, plus given the fact that the modus operandi at Sprinklr is to never do a generic demo or not do a demo that wasn't particularly geared towards identified pains and processes that needed improvement on the customer side. This means that preparing for a demo is quite a labor-intensive task, difficult task.
00:22:49

Expert With the other aspect, the capacity number, the number of solution sales or sales specialist, if you would, if you call it that way, being relatively low in the organization, there was a high demand for solution specialist always. That led to indeed the move to improve through a more structured approach because otherwise, sales people are naturally gravitating towards specific solution salespeople that they know well, that they've worked with before and not so much utilize more recent hires or people that were not in their region.
00:23:39

- Expert
00:24:37 Sales management, pre-sales management, solution consulting, they moved away from more informal ways of organizing that towards a more structured way and actually doing that based on things like qualification criteria, deal value, in or out of quarter, something like that to help prioritize that and then help manage the number of requests particularly to solution sales.
- Expert
00:25:12 Product specialists was more informal. I have to say I was always happily surprised by the availability for their product specialists and their willingness to be of service to clients that had questions or issues with certain products. I thought that works really well, although it was, as I said, a bit more informal than the procedure for solution sales. I think particularly, access to the product specialists worked really well.
- Analyst
00:26:11 Wondered, what is the company's approach to vertical specific selling, and how did that approach evolve over your tenure?**
- Expert
00:26:21 As I said, at my first year and a half, maybe two years, there was no specific focus on industries. The whole focus of the solutions was very much geared around the type of product, service or research or social marketing, and wasn't particularly organized or adapted towards a specific industry. Over the last, say, a year or so of my time at Sprinklr, that evolved quite rapidly and made a lot of difference for particularly the sales reps, and to an extent also to the solution consulting team to be able to work off more customer cases, more references, and more well-developed demos that they could more easily adapt to this particular client.
- Expert
00:27:44 Typically, there's not a lot of difference in, for instance, if you take retail, it's all about things like monitoring customer behavior, optimizing product mixes and stuff like that that can be used for one retailer versus another, but indeed needs a lot of change, some logos or something like that. That focus is not much more there. There's a clear definition and sales content like presentation, sales enablement, customer cases, reference stories, everything like that around, I think six main industries that Sprinklr now targets, CPG, FSI, retail, telco travel and hospitality, and a bit more generic but technology brands.
- Analyst
00:28:57 Were there particular ways the company tailored its go-to market organization for vertical specific selling that were quite successful? If so, please discuss what they were and what made them successful.**
- Expert
00:29:23 In terms of the go-to-market, I think I've covered that already in my previous answer. Maybe to extend to that a little bit, in the industry specific value cases, for instance, were developed. Sprinklr works a lot with business cases or as an outcome of the customer engagement process, if you will. The business case is a really, really important point. It's after the go/no-go stages. After the technical deep dive, becoming the vendor of choice in terms of technology, the immediate next step is to build a validation process basically ending in a very well-defined and very customer-specific business case.
- Expert
00:30:49 That being such a really important part of the, say, later stages of the sales cycle, having industry specific content for that sales reps and solution specialists, sales management, value consultants, whoever they were, were much quicker to make, much more specific also in terms of what do we see as reference points. In the industry, what are the industry standards currently, for instance, in things like, response times or customer satisfaction scores, call handling, stuff like that.

Expert
00:31:57 That improved quite a bit with the stronger focus on industries. As a result of that, the business cases were quicker to make. It didn't take weeks, but could actually be covered in days once the data was available. As I mentioned as well, in the earlier stage, the scoping go/no-go stages of the sales cycle doing a customer specific technical deep dive with specific use cases that needed to be confirmed and checked with the customer, those became a lot easier to make as well and much quicker to do. In that respect, less strain on resources and better-developed higher quality sales content.

Expert
00:33:18 Were there particular ways the company attempted to tailor its go-to market organization for vertical-specific selling that were notably unsuccessful or counterproductive? The opposite of this prior question. If so, can you discuss what they were and what made them problematic?

Expert
00:33:40 Measures that were taken in this specific development towards more industry focus or more generic as well?

**Analyst
00:33:55 Of vertical-specific selling.**

Expert
00:33:57 Yeah, vertical-specific.

**Analyst
00:34:00 Did they try to tailor things for verticals that didn't work out well?**

Expert
00:34:11 No, they didn't. Genuinely can't think of anything. I think it's maybe interesting to add, but it's not really industry- or vertical-specific, but what I noticed was strong tendency, a strong desire, I think coming up from the sellers to sales management as well to simplify Sprinklr, to simplify the way to talk about unified customer experience management.

Expert
00:35:00 I think partly because of the fact that the full capabilities of the systems, if you look at across the four different suites is so extensive, it would sometimes be difficult, and I think we had a question or a topic around this early as well, to really understand what's the full capability of Sprinklr which you could actually do with it if you had the full grasp of it and how that impacted different elements or divisions or parts of the organization.

Expert
00:35:48 The development that I've seen was to create sales content that was really geared towards indeed trying to simplify the explanation, basically, make it one sheet that you could talk a lot about basically. One sheet that contained certain graphics or something like that. We would call that in Dutch, the literal translation would be the talking sheet, basically. This is one sheet that you could put up and talk like 30 minutes about.

Expert
00:36:27 That didn't particularly help in trying to explain to more C-level executives what the impact of the system could be. It would try to more unify it or more high-level describe it, but it didn't resonate really well. I've seen various versions of that coming to life and being trialed, but none of them seem to really have that impact.

**Analyst
Why is that? Why didn't this work?**

00:37:06

Expert
00:37:11 Why it didn't work?

Analyst
00:37:13 **Yeah. What are your thoughts on why that didn't seem to work very well or why it didn't resonate very well?**

Expert
00:37:20 Such a talking sheet, as I put it, would be by nature, lots of graphics, lots of arrows or circles or connectors between different stages or something where there was still trying to explain basically from either a funnel perspective like marketing funnel or a customer service perspective, what all the functionalities could actually do and how that would integrate over things like analytics and then engagement, conversion, retention, stuff like that.

Expert
00:38:09 I think, from my perspective, at least that's how I look at it, the higher you go up into the organization, the less the executives are interested in what it is that your solution actually does, but more how it controls or influences basically three main levers. It's either increase revenue, decrease cost, or mitigate risk. In my strong belief in my perception, if you want to talk to a CMO or a CEO or a CIO, you need to talk about one of those three levers and how Sprinklr is able to influence one or two of them sometimes or even maybe one or two of them at the same time, geared towards, of course, the customer-specific objectives.

Expert
00:39:09 Trying to simplify how Sprinklr works and what it all can do by talking about it from still pretty much a functionality or a general coverage perspective and how those solutions then tie into each other, it just didn't make it effective in terms of it didn't connect with what a higher level executive actually cares about. It might be me, but I have a pretty strong opinion about that.

Analyst
00:39:57 **Okay. It sounds like there's just points to the challenge that's been mentioned many times about what Sprinklr can do being really use-case-specific. Everyone's different. It can do many different things, four or five different products suites, menu items within each, and it's hard to explain what it does for that reason. You're saying speaking to those things that have already been mentioned in that perspective?**

Expert
00:40:29 Yeah, it does, but that's also a bit contradictory because Sprinklr basically thinks about this in two really connected ways. One is something that you would call positive business outcomes, PBOs, which are always geared towards or always around in the improve revenue, reduce costs, or mitigate risk. Although they're done quite high level, they are the primary, indeed, business outcomes that executives can relate with.

- Expert
00:41:32 Also, for instance, in customer service, Sprinklr is able to decrease your costs in your customer service operation by bringing a lot more operational efficiencies. If you then need to detail that, if you now want to zoom in on, "Okay, so what does that actually mean?" you go into more detail where you think you talk about things like, "Okay, so we're able to, for instance, improve your customer service SLAs because we reduce the time that agents spent on handling cases because AI-based automation actually provides agents with the best possible answer based on the AI analysis of the case." I think that in itself is really good. It's really, really strong and able for someone to understand.
- Expert
00:42:45 The controversy is there. For that to work or that to actually be available, a lot of different smaller components of the solution actually need to come together and need to work together. To be able to explain that, you need a much more detailed explanation of how conversational AI and contact center intelligence and contact center automation and knowledge bases all work together and make the magic happen basically.
- Expert
00:43:40 The challenge is always to connect the lower level, what Sprinklr also would call the primary business use cases, which is basically that lowest level to positive business outcomes to company objectives. Although that sounds pretty straightforward in the sales cycle, managing many different stakeholders, that's just genuinely difficult to do, and, again, requires multiple components of the Sprinklr solution to be active and integrated and tied together for it to come to life. I think there is the real challenge in making sure that someone understands what all that Sprinklr is and what it can do, but you ultimately do that indeed by bringing that back to the positive business outcomes and the primary business use cases.
- Analyst
00:44:57 **What was the company's approach to splitting versus integrating, hunting and farming? How did that approach evolve over your tenure? New logo acquisition versus existing customer expansion. How did they split versus integrate the two?**
- Expert
00:45:16 Sprinklr's sales is very much geared towards new business. New logos basically versus farming or cross selling, sometimes upselling, but more cross selling is less of a focus, if you will, at least in the enterprise and sub-enterprise level accounts. The whole approach is land and expand. That is true, but for expand to take place, you first need to land, of course. There was a lot of focus on getting new logos in, and reps were particularly managed towards that like PG, pipeline generation activities being really, really important and particularly at indeed prospects that were not yet a Sprinklr customer.
- Expert
00:46:29 Farming is primarily a task for customer success, trying to bring other solutions of the Sprinklr suite in the spotlight. Talking about benefits of integration and stuff like that. Expanding the network within a particular client. That's, by the way, as I said, just for enterprise and sub-enterprise level customers. \$500 million and up in annual revenue would be enterprise. Anything below that would be mid-market basically.
- Expert
00:47:19 It's completely different for customers that have over \$1 million ARR spent already which are then categorized as strategic customers, but arbitrary if you ask me, but any customer having over \$1 million ARR would be a strategic customer, and then would also be assigned a strategic account director who is much more managed and also much more incentivized to actually farm the account and make sure that the footprint of Sprinklr within the account would expand.

Analyst
00:48:17 **Were there particular ways the company approached separating or integrating hunting and farming that were quite successful? If so, please discuss what they were. What made them successful?**

Expert
00:48:32 Particularly for separating or integrating hunting and farming?

Analyst
00:48:44 **I guess optimizing the other approach to dealing with both of those. Did you have separate people dedicated to one versus the other? How did that work?**

Expert
00:49:10 Maybe a bit complex to answer, but the only real separation in terms of responsibility and in terms of specific attention for hunting was made by hiring specific sales specialist. Not solution specialist, but really sales specialist for the service solution. That was a change that was made end of 2022, beginning of 2023 calendar year, not the Sprinklr fiscal year. That's where there was a specific separation in terms of these specialists were only hunters basically. They were not geared towards farming in clients unless there was a real big opportunity or really clear opportunity within an existing account. It was only about hunting [inaudible].

Expert
00:50:23 I've discussed earlier as well that I think that that move was a good move in itself, but as I've seen it, wasn't necessarily really effective, at least not in the, obviously I left in April, but not in the first five or six months that I saw that happening. I think it's in general a good move if well-managed. I just didn't see the immediate result of that in terms of new business.

Expert
00:50:57 What I will have to say around farming, what every accounting does for every existing customer of Sprinklr is they run QBR, so quarterly business reviews. That particular activity is, of course, a really good way to try to farm the account and try to cross-sell solutions and expand within the company. I thought that process worked particularly well. The content was overall very well-organized and structured and very clear for the EB, the executive buyer that would participate in that QBR as well. I hope that makes sense. Maybe a bit complex answer.

Analyst
00:51:55 **Were clients aware salespeople compensated differently for hunting versus farming?**

Expert
00:52:03 No. Farming can also create net new dollar revenue, NDD. Sorry, NDE, net dollar expansion. As long as it results in that dollar expansion, it doesn't matter whether it's with an existing client or with a new client. There's just a real strong focus from sales directors on getting new logos in.

Analyst
00:52:58 **I think if you're a sales director and you bring in a new logo, do you get the responsibility for the cross-sell, or does that become your territory, something that others can't touch, or is it just free game?**

Expert
00:53:20 No. If you're an account executive and you land a new logo, that logo stays with you for at least the fiscal year that you're currently in plus the following. Of course that's important, plus there's also something like, of course, sales QBRs. A particular focus of sales QBRs was what are the net new

logos that came in. There was a particular focus on that, and people that had a high number of new logos were looked at with specifically for that respect, but that was extensively talked about.

Analyst
00:54:12 **Were there particular ways the company attempted to separate or integrate hunting and farming that were notably unsuccessful or counterproductive? The opposite of this prior question. What were they? What made them problematic?**

Expert
00:54:30 I think maybe counterproductive was that the whole farming activities seem to be more of a customer success management activity. They had weekly goals with stakeholders at the company and then trying to make sure that they of course, used system as it should to answer any questions and then broaden the scope of the conversation to maybe include other parts of the solution as well. By nature, also I think maybe a capacity topic, but those conversations customer success managers have are just really, really overbooked agenda of all the customer meetings that they need to have to first make sure that they use the software correctly and their issues are handled.

Expert
00:55:45 Also having that added responsibility of trying to expand within the same account was to my perception, yeah, more counterproductive than productive because oftentimes they would go like, "I know I need to discuss this, but we had so much to discuss already on current questions that the customer has," or training issues or whatever it was that they needed to discuss which took much longer of their time. It wasn't a particular focus of them anymore, and they weren't also necessarily specifically incentivized for it where salespeople were.

Expert
00:56:35 I've seen more than one instance of the success manager actually going to an account executive. You really need to start joining our calls because there's something happening, and I don't really have time to discuss all of it, and I'm also not compensated for it. Can you please start joining more calls because otherwise, A) it's not going to happen and B) I don't have any incentive for it to happen. It will only mean more work.

Analyst
00:57:10 **Last question here for this section. What was the company's approach to allowing different sales reps or parts of an organization to independently sell into the same customer account? I think you mentioned this or you spoke to this just a second ago...**

Expert
00:57:27 In principle, that's a no-go. You don't sell into someone else's account with the distinction, of course, that a customer could have a European headquarters in Amsterdam and a global headquarters in New York. As long as they are separate entities and they're not really talking to each other, then you could potentially sell into the Amsterdam-based EMEA office with the best practice of at least informing the account executive on the other side.

Expert
00:58:18 If it was a strategic account, then you would need to have a so-called permission to engage from the strategic account director because it would be globally responsible for the client where on enterprise level account executives, it was a bit more of a free go-as-you-please, but with a more global organization that would indeed, take Nike for instance, strategic account, very strong a presence in the Netherlands.

Expert
00:58:57 For EMEA, you don't engage with Nike if you don't have the permission to engage from the global account director. Look at a company like Coty for instance, much lower in terms of its annual

spend and very separately organized in terms of EMEA versus U.S. that did happen. That was no particular objection to do that.

Analyst
00:59:30 **Did they strike the right balance in doing it this way, centralizing versus decentralizing sales logo?**

Expert
00:59:40 I think in general, yes. I think so. The permission to engage for a strategic client, I think, is a really good one for enterprise clients. I used to work with a local marketing team there that is maybe 10 people in that particular part of the organization. It's not necessarily required to align that with the U.S.-based organization that also has maybe 15 people or something like that doing that. If they recognize they're separate entities in the Sprinklr CRM system, then yeah, I don't see why not.

Analyst
01:00:32 **Okay, great. I just wondered if you have any final last words on this entire section, including what was spoken about on the last call, just a sales strategy in general, field sales strategy, the organizational teams, the compensation, all different ways of selling to accounts, hunting versus farming. Wondered, anything that just really stands out as a big negative, big positive, or something to worry about or think more carefully about with the future as the company continues to evolve, focusing more on CCaaS. Any final last words?**

Expert
01:01:17 There are a lot to cover. I think we covered really a lot in this particular section. I have to say, generally, compared to the three, four other SaaS companies that I've worked for, Sprinklr stands out in its sales methodology and the way that sales management directs that basically. I do have to say that I do like their processes, the content, the way that they manage the sales cycle in terms of the deal qualification or anything like that. That's definite positive. I think if they are able to continue that, then that will reap its results.

Expert
01:02:13 I think, overall, on all the other subjects that I can't comment, but in terms of a challenge and something that seems to be a bit of a tendency at Sprinklr is that they go through cycles of sales management in terms of the key people in key positions quite regularly as well. At least from the time that I got to know about Sprinklr, which was about two years or something before I actually joined, to now, which is almost a year after I left, there's been three significant changes involved there.

Expert
01:02:59 CRO, divisional vice presidents, senior sales leadership in regions that have been quite substantial and have had its effects in the regional sales organizations as well. I wonder sometimes why that is and why that happens so often. Definitely more often compared to other companies and more substantial. SAP, for instance, you would see managing director for a local company to change every two or three years or so, which it seems to be quite a bit of a natural cycle. Sprinklr, I've seen that happen on more senior levels with the same frequency which I found particularly interesting, but also have had a lot of effects in terms of the people that work with them and for them. I think that's a challenge they need to address and tackle. I hope it can be a bit more stable as well.

Analyst
01:04:25 **Okay. Great. Anything that you've seen that could be a big game changer in terms of things they should do differently or the way they're doing things now or something that could really impact the financials or the margins?**

Expert
01:04:38 Yeah. I think that that vertical focus that we discussed earlier has the potential to both increase the velocity and decrease the complexity of sales cycles, and brings more focus to the sales teams as well. I don't yet know or don't actually know whether that is completely integrated in the way that they structured their sales teams as well, but it seems that it will do that. I think that is a big change in the way that they approach that. If you combine that with specific focus on CCaaS with more specialized sellers there, I think that will do the company good and will give them more credibility in both verticals and in that particular part of the solution.