

Model N

ams AG
Case Study

CHANNEL DATA MANAGEMENT



Model N brings a systematic approach to the commission process.

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— Heribert Hochrinner,
Global Channel Partner Manager for ams AG

How ams AG Improved Channel Partner Relations and Increased Sales

With over 1,700 employees, ams AG, headquartered in Austria, manufactures sensors that enable their customers to create highly differentiated products that are smart, safe, easy to use, and eco-friendly. With direct sales operations in over 20 countries, ams AG has a network of forty channel partners, including three worldwide distribution outlets.

Challenges

Originally ams AG was an Application Specific Integrated Circuit (ASIC) manufacturer that produced customer-specific solutions. In 2005 the company started producing standard products necessitating the creation of a distribution department. Between 2009 and 2014, channel partner revenue grew tenfold. At the end of 2014, ams AG had 58 representatives and distributors located in the Americas, EMEA, and APAC. Over 17,000 transaction line items were generated each month. Inevitably, such explosive growth came with its own set of issues. Heribert Hochrinner, Global Channel Partner Manager for ams AG, who created the distribution department says, "We could see that our high-growth level would continue well into the future. We needed to make sure that our system support processes were in place and well defined."

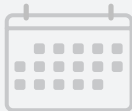
Calculating incentive payments was particularly challenging. Heribert says, "We collected POS sales data manually, and on a quarterly basis. The problem was that we have a rep network, which has to be paid on time and it typically took us three months to collect the data, validate and review the data, and then calculate commissions. For example, a sales rep's revenue from January to March was the basis for his first quarter commission, but it took us until June to pay that commission. The rep community was not very happy about the long period of lack of payment. This was a big hurdle that we needed to overcome and correct quickly."

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HERIBERT HOCHRINNER**
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The process ams AG was using was entirely manual. Processing all this data required a minimum of 224 man-hours per quarter and sometimes led to over-payment of commissions.



Processing the company's data required a minimum of **224 man-hours** per quarter



ams AG saved **28 man-days** per quarter by partnering with Model N

It became imperative that ams AG automate the process and reduce the time it took to determine and pay accurate partner and sales rep commissions. ams also wanted to prevent channel contention and automate partner tracking. They wanted real-time partner scorecards and an auditable trail for their finance department. As such, ams AG decided to look for a third party organization that could help them collect, process and calculate partner and sales payments in a more timely and accurate manner.

Solution

ams AG needed a partner who would collect POS data from all forty channel partners on time, and then cleanse, or standardize, transaction data and end-customer names before presenting the data back to ams. Hochrinner says, "It's very important that I receive a unique customer name with every corresponding line item. It is quite common for channel partners to enter customer names in different formats, including typos or use of abbreviations. But, because I pay my reps based on customer name it is mandatory to have customer names reflected correctly in the data."

Because of its automated technology and superior customer support, ams AG selected Model N's cloud-based channel data management solution to collect, cleanse, and enhance their channel partner point-of-sale data in real time. Model N is able to cleanse corporate names because it has a huge database of global customers. "Model N has a self-learning system so even if a partner inputs a customer name in Chinese or Korean characters it will find the correct customer name and correct it automatically," stated Hochrinner, which minimized data processing time and eliminated human errors.

Also, ams AG uses the Model N CDM platform to gain management insight into channel sales, and partner incentives and commission payments. Mr. Hochrinner also valued Model N's ease in onboarding new partners. He says, "Model N has a team of people who work directly with our new distributors and set them up with a reporting method that they are comfortable with, such as Excel, email, or EDI. Then the distributor simply uses the same process every time to upload their POS data to the Model N system. This prevents human errors and saves us a lot of time." ams AG chose Model N because of its ability to meet the application requirements, its scalability, the quickness of the implementation process, and the ease of on-boarding its many channel partners.

Benefits

HOCHRINNER CITED THREE MAIN BENEFITS TO USING THE MODEL N SOLUTION:

“The first benefit is a big one,” he says. “We saved 28 man-days per quarter by partnering with Model N and implementing their CDM solution. This was equivalent to a man-month per quarter.”

“The second big advantage is that Model N takes care of the whole data collection and cleansing process. I don’t need my assistant to remind every distributor on a monthly basis to send their data because Model N does all of this for us. The average time to collect POS data in the past was a month. Today it takes us ten days. We receive all our POS data files three weeks earlier than we were able to prior to implementing Model N’s CDM solution. That means I was now able to inform my business lines about new customers much earlier than in the past. This alone provided me with a big advantage.”

“Thirdly, Model N brings a systematic approach to the commission process. In the past everything was calculated manually. We would transfer the data to our Controller, but the Controller had no tool to check the data. Today every transaction is accurate and it’s easy for the Controller to do an audit. This is a huge advantage compared to our previous manual solution.”

Choosing and implementing the Model N channel data management solution has allowed ams AG to improve their partner relationships and grow channel sales. “Model N helped us strengthen our channel partner relationships, resulting in increase channel sales and reduce operational expenses. We can now pay our representatives and partners much faster and more accurately, which is a very important part of our business relationships” stated Hochrinner. Hochrinner concluded by stating, “The Model N solution was, without question, the best value and performance to meet our needs.”

MODEL N CDM CUSTOMER SINCE 2015



ams AG takes sensing to the next level by providing a seamless interface between humans and technology. We enable our customers to create highly differentiated products that are smarter, safer, easier to use and more eco-friendly. We develop high-performance solutions for the most challenging applications in sensors, sensor interfaces, power management and wireless. ams.com

Deployment Scope

- 44 distributors and 26 representatives worldwide
- Processes an average of 8,164 transaction line items monthly

Model N Products at ams AG

- Model N CDM application
- Model N Partner Network

Solutions Replaced

Excel
Internal Proprietary Systems

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