



PEGA POWERED INTELLIGENCE- DRIVEN INCENTIVE MANAGEMENT SOLUTION

Client Background

The customer is a leading global automobile manufacturing company with a diverse portfolio ranging from cars, sports utility vehicles, trucks, and buses to defense vehicles. Being one of the world's largest OEMs, the organization offers an extensive range of integrated, intelligent, and e-mobility solutions for electric and conventional automobiles.

Engagement Story

The Backdrop

The automotive industry is a highly competitive sector and has recently faced a wide range of challenges, from the transition towards e-mobility and the pandemic disruption to the change in customer trends. In the past few years, automotive sales have declined while more players are entering the market and increasing the rivalry. Product lifespans have become shorter, which requires manufacturers to provide incentives to stay in the game and move out their end-of-life-cycle vehicles more frequently. Vehicle incentives are usually short-lived. All models and trims must have incentives available for the entire product range, which usually involves multiple options

The customer was using an inefficient manual approach to manage their incentives. This resulted in frequent adjustments and a constant flow of information among stakeholders, with several revisions affecting the stakeholder's judgment. As a result, sales go down, and the competition offers higher rebates which impose financial problems.

Call Out #1

Incentives for purchasing cars and other vehicles are typically only available for a limited period. It is necessary to have these promotions available for all models and versions of the product, which often includes numerous variants.

Key Business Challenges

The company faced three significant challenges that affected its employees, alliances, and returns. As the manual incentive planning process has to be carried out painstakingly, incentive planners cannot afford to make mistakes or overlook details that may eventually counteract the goal of the incentive scheme. Campaigns that take stock of contemporary variables offer the best possible compensatory plans without affecting bottom-line performances and have reinforced relationships, created loyalties, and built powerful synergies. Conversely, an inadequately planned campaign can have the exact reverse effect.

Some of the most common challenges that organizations face due to manual incentive planning are:

Extensive data collection:

Incentive planners spend a significant portion of their time gathering and refreshing data from various sources before starting their planning. This leaves little time for actual analysis and planning, and delays in the process can put the sales targets and corporate objectives at risk.

Lack of intelligence and analytics:

Due to manual analysis, there are no predefined metrics to guide decision-making. The campaign results rely heavily on the skill of the incentive planner. Without proper checks, discrepancies and mistakes in the data can substantially affect profit margins.

Loyalty and Relationship:

An effectively designed planner incentive program will positively affect everyone associated with it. If a campaign is tailored to consider all the relevant factors, it can offer incentives without hurting the bottom line. This, in turn, will lead to stronger relationships, reinforce loyalties, and form productive alliances. On the other hand, the results of an improperly organized campaign can be the precise opposite.

EvonSys Solution

The Evonsys IIOIP Intelligent Incentives, Offers, and Promotions engine built on the PEGA platform has enabled OEMs to create attractive and competitive offers for potential buyers. This engine allows users to simulate Incentives and develop an optimized Incentive plan within the given budget.

Furthermore, the automation of the Incentive Planning process through this engine helps reduce the need for human intervention. This strategy ensures that these offers are more attractive and competitive than conventional methods. The PEGA platform, combined with the IIOIP engine, provides an effective solution for OEMs looking to engage potential buyers.

IIOIP Features

Data Orchestration

IIOIP is a data-driven application designed to gather all the necessary input data by integrating with various systems for Incentive Planning. Several external systems were integrated, including financial systems for input data and advertising portals for output data.

Incentive Simulation

The application has a standardized and simplified scenario generator to assist users in simulating what-if scenarios for better decision-making.

Power Incentive Calculation Engine

IIOE handles the calculations quickly and precisely, saving significant time and money for OEMs. The accuracy of automatic computations of IIOE is higher than that of manual computations and reduces human error.

Intelligent Data Analytics (Seasonality, Reconciliation, Market Share, Incentive Projection & Audit Trail)

The Data representation enables businesses to gain real-time insights into sales, finance, and other areas. It enables business teams to collaborate and achieve better results. It can help businesses analyze past performance and optimize future business processes.

Incentives Multi-Level Approvals

Approval Workflow is included in the Case so that all required Signatories may approve the final IIOE Plan in the system. The automated digital signing procedure is made possible by Pega's out-of-the-box integration with DocuSign.

Incentives Launch to Multiple Portals

Finalized incentive plans for all Tiers and Terms for various Models may be released into various Dealer digital channels where all the dealers can access the Incentive Plans.

Incentive Management

IIOB handles the life cycle of the Incentive planning process. Starting from the data gathering, Incentive planners can simulate different scenarios for models, trims, and incentive-type combinations. The optimized Incentive plan within the current budget is ready for approval. The collated set of incentive plans is routed for approval. Once approved, the finalized plan will be launched in the dealer portal.

Geo-Specific Planning

The application is highly scalable, and organizations can plan the incentives across national, regional, and international market levels.

National Level Planning

With IIOB application, OEMs can plan the incentives at the National level, which is a geographically categorized area. The incentive planner simulates the incentive plans based on the inputs, and PNUR values will be calculated.

Regional Level Planning

With the IIOP application, OEMs can plan the incentives at the Regional Level, a geographically categorized area, where the application is further drilled down from National to Regionals. Here at the regional planning, the Incentive Planner simulates the plans for all the regions. All the Regional Level PNUR values are accumulated to calculate the National Level PNUR values.

Market Level Planning

With the IIOP application, OEMs can plan the incentives at the Market Level, which is another geographically categorized area, where the application is further drilled down from Nationals to Regionals, and Regionals are further classified into Markets. Here in Market Level Planning, Planner calculate the PNUR values of the specific markets. These market PNUR values are accumulated to calculate the Regional PNUR. Similarly, Regional PNUR values are accumulated to calculate the National Level PNUR values.

Business Value

- OEM now saves significant money and time by leveraging the IIOP.
- Time taken for new offers to reach the market has decreased from days to hours.
- Overall incentive-spend will be decreased by 5%.