and system allocations as guidelines. So instead of seeing closed alloca-
tion or discounts as a lost opportunity for selling, they should be encour-
aged to shift demand to products or period where discounts are open
or persuade customers to upgrade. Their role should also include gath-
ering market intelligence on private deals that competitors are offering,
so products and discounts to match the competition can be introduced.
Indeed, sales has always performed a market intelligence function, it is
just made more challenging by RM because of the increase in the number
of products and the complexity of the sale restrictions.

Finding the right incentive structure for sales teams in a RM frame-
work is also an important challenge. Ideally, one would like to set incen-
tives for the salesforce to generate profitable sales, while still maintaining
the correct valuation for new incremental business. A few approaches
have been tried using non-volume-based measures. For example, in air-
line RM group sales, the salesforce may be rewarded based on the revenue
they generate *in excess* of the estimated bid prices (opportunity costs)
for the capacity they sell. Such incentives have the potential to better
align the saleforce's efforts with the objectives of the new RM system.

11.6.1.3   IT Department

Because of the massive technological development involved in RM,
IT departments are frequently placed in charge of implementation. A
RM system, however, is not like many other IT systems, in the sense
that it is based on scientific models that are highly data-fragile. The
system can be easily corrupted by data that is out of date, insufficient,
or not cleaned properly, even while it keeps giving out reasonable-looking
numbers.

RM systems also need data collected at the lowest possible level, and
they need data stored for a relatively long time in operational databases.
Storage costs have come down so much that it is no longer that expensive
or difficult to store detailed customer data over many periods. Rather,
the issue is more about developing the systems and procedures so that
data is automatically stored, retrieved, and analyzed quickly. If the firm
is not collecting the data suitable for RM, then the IT department must
start working on such data collection far ahead of a RM implementation,
so that the models have enough historical data to build on. Indeed, the
IT department may need to start collecting data even prior to choos-
ing a vendor or defining the need for a RM system, which may create
budgetary and staffing conflicts that require high-level intervention to
resolve. Also, there is the potential for something of a chicken-and-egg
dilemma in this regard, as a RM system won't perform well without data,
and the data is not worth gathering if the system is not performing well.