



## Motivating the Sales Force

Sales Organizations today, especially these on the B2B space, are building strong teams of sales and business development professionals to achieve results.

Sales people must perform in a highly competitive environment where buyers are well educated and they know what exactly they want.

The sales management needs to motivate and coach the sales force today differently. Sales require a consultancy approach, they need to be disruptors, educate their clientele and provide them with insights that will bring true ROI. Part of the sales management tools used today is the sales compensation and incentives plan.

## The evolution of the Sales Incentives Schemes

Sales incentives plans are categorically the most valued sales management tool in effect today. Almost any organization today works with one.

Especially for these companies in the B2B business they use motivation schemes to:

- ❖ Align sales force tasks and activities to strategic corporate objectives
- ❖ Perform in certain areas of business and achieve targets
- ❖ Make sales people eager to reach and exceed their quotas

## Reported Challenges in Sales Environments

- High turnover of sales people
- Misalignment to company's plan
- Underperformance of sales
- Poor revenues and profitability results
- Discrepancy of performance between sales people
- Inconsistent sales results between time periods

..and others, are some of the problems companies face when their incentives plan is not carefully designed.

## The process of Designing an Efficient Incentives Scheme

Designing a sales compensation plan requires that a certain process is followed, conducted by a specialist team. Five main elements shall be answered in the process:

1. Analyze the current situation and the future objectives of the company
2. Decide the short and long term plans for the sales team
3. Amend the current scheme, aligning the system to the new goals or changing the program completely
4. Communicate the new system to the sales force and finally
5. Assess the newly designed system

Some of the technical decisions to be made while designing and applying a new sales compensation scheme are:

- Decide the sales roles eligible for being compensated under the plan
- Consider the total target total cash compensation for each role and how much of that shall be paid in fixed salary and how much in the variable part
- The performance measures to be used, their weight and the incentives mechanics like a cap, linkages, entry thresholds, etc.
- Finally the formula type; how incentives shall be paid using bonus, commissions, pool, team bonus or a combination of these

The incentives plan also includes the important role of territory assignment and target allocation. These are integral parts of the program as without them the system is not complete.

## How C4S can help

C4S supports any company that wants to improve efficiency and performance in its sales compensation program.

- ✓ We analyze current schemes, see where the challenges are and understand the company's future objectives
- ✓ We design brand new schemes or amend existing, based on quantitative and qualitative factors
- ✓ We assess the new system and its efficiency
- ✓ We help companies to communicate the new system to the sales force having minimum negative impact
- ✓ We suggest operational changes so that companies can deploy an efficient operational model



### Who is C4S

C4S is a consultancy that helps companies design efficient and effective sales incentives schemes.

C4S with its analytical approach and its quantitative methods is able to analyze and assess current system, amend, design and implement brand new schemes.

[www.comp4sales.com](http://www.comp4sales.com) is C4S's online knowledge center.

Contact us at [info@comp4sales.com](mailto:info@comp4sales.com) to discuss your own challenges and objectives.