

# Internet Service Provider's Partnership with AGI Drives Meaningful Improvements in Sales Compensation Program

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## The Situation



A well-known internet service company struggled with its sales

compensation program. The sales force was functioning in silos, and as a result, the sales compensation design principals, practices and processes varied dramatically across teams. With little onboard expertise in sales compensation design and process, the management team was seeking guidance for evaluating their sales compensation programs.

## The Challenge

Sales leadership anticipated ongoing strategy and job role changes over the next few years and knew they lacked the structure, support and capabilities that the program needed to navigate the changes ahead. They sought external expertise to support the design of compensation plans aligned to the business strategy and job roles and provide structure to the plan design process.

## The Solution

The Company engaged the Alexander Group to co-manage the plan design process with them. As an initial step we developed a set of best-in-class design principles, governance structure and design processes tailored to their business. We worked collaboratively with the client team to manage the annual design process and mid-year updates. Additionally, we created a specific work plan and analyses to accommodate the changing needs each year. The process went so smoothly and effectively, the company invited us back to co-manage it with them every year for five years running.

## The Benefit

The Company measured and recognized significant improvements along multiple dimensions. The high degree of linkage to strategy and job focus led to greater plan satisfaction from management and sales representatives. The Company went from losing 5-9% in revenue (excluding traffic acquisition costs) to growing by 1-4%. All stakeholders reported improvements in the sales compensation designs, processes and practices. Annual internal audit scores for program governance, process/timing, assessment, design, costing and communication went from an average of 2.9 to 4.1 on a scale of 1-5 with 5 being the highest.