Fast Growth Cloud Company Reigns in Sales Job and Compensation Plan Proliferation

The Situation

A cloud company experiencing rapid growth from product and market expansion was facing a worrisome trend – assigning one of a few preexisting job titles to new hires even if it didn't match the position. To support the company's rapid growth, executive leadership afforded the regions with substantial autonomy. Managers had leeway to establish new roles without a centralized system for codifying and tracking them. In many cases, the responsibilities of a specific job were unclear and led to confusing internal communication and inconsistent sales compensation. With the rapid growth and quick hire process, the challenge of managing performance and job proliferation across the organization was becoming increasingly complex and difficult.

The Challenge

Sales leadership needed to reign in the rapidly expanding set of roles and sales compensation plans across the sales force. They required an approach that would strike the right balance between standardizing roles for simplicity and allowing customization of roles based on defined responsibilities. After several years of regional autonomy which, in many ways, helped them achieve successful growth rates, bringing a sense of "law and order" was going to be delicate, particularly with regard to compensation design.

The Solution

Working with global sales operations, the Alexander Group team began cataloging all the current roles using specific attributes such as segment assignment, channel focus, sales disposition and deployment. This provided a foundation for mapping the roles to a set of mutually exclusive and collectively exhaustive platform jobs. We then built a tool that included a comprehensive job hierarchy with 40 platform jobs grouped into 12 job families and five job areas. The regional leaders used this tool to map hundreds of incumbents to platform jobs. This provided a way for regional leaders to define their region specific roles based on a consistent set of job design parameters and principles. The tool went one big step further to provide "goalposts" for plan design for each sales job. These goalposts included such things as pay mix range, OTE range and recommended measures and plan mechanics.

The Benefit

Sales leadership brought a level of consistency across the sales roles helping to streamline talent management programs ranging from recruiting, on-boarding, training, coaching and performance management. Furthermore, they dramatically reduced the number of "one off" jobs and sales compensation plans. In the end, the number of unique sales compensation plans was reduced by more than 40 percent. This greatly simplified the task of setting targets and administering the sales compensation program. The company was able to continue scaling the organization in a structured and more orderly fashion, all while maintaining a healthy balance between sales roles.

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