

# Cloud-based Solution Provider Redesigns Sales Compensation Plan to Meet the Company's Unique Needs

## **Situation:**

A cloud-based solution provider transformed its go-to-market strategy and segmentation to increase sales coverage in existing segments while penetrating new markets to drive revenue growth. With an evolving sales structure and plans to increase the number of roles and headcount eligible for incentive compensation plans, the company needed to redesign the sales compensation plans to support the changing go-to-market strategy. Not only were there numerous compensation plans, but the existing "pod-" based sales structure included both individual and team-based goals for pod members.

## **Challenge:**

In order to align with the company's rapid growth aspirations, Executive Leadership wanted to drive a sales compensation design process that supports the organizational strategy and recognizes the shifting sales structure. It was important that the new sales compensation plans be both market competitive and in line with the financial metrics of a recurring revenue model.

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## **Solution:**

After confirming the company's compensation philosophy and corporate strategy with key stakeholders, Alexander Group assessed the current compensation structure's effectiveness

and alignment with corporate strategy / philosophy using both qualitative and quantitative analytics. Our proprietary Sales Compensation Benchmarking (SCB) allowed the company to compare its plan designs at the measure level for each benchmark job. Through structured and collaborative design sessions, we created market competitive sales compensation plans for all eligible sales roles, as well as an implementation plan that ensured a successful rollout and adoption of the newly designed plans.

## **Benefit:**

By combining best-in-class principles with marketing practices, we developed a compensation strategy that was tailored to the company's unique needs. The market competitive compensation plan drove sales growth while also reducing costs. Simplified plans with payout directly aligned to performance as well as increased upside on core measures enabled management to motivate the sales team to drive the growth they desired.