

Regional Health Plan Uses New Compensation Plan Design to Drive Net-New Sales

The Situation



A regional health plan provider struggled with competition from national plans. The company was trying not only to maintain market share, but also to grow sales. The past few years had seen a slowing or declining sales growth rate primarily due to the fact that sales personnel focused their effort on current clients.

The Challenge

The vice president of Sales wanted to evaluate the sales roles in his organization and identify opportunities to drive growth. One area of focus was to determine whether or not they should develop a stand alone new-accounts seller role or keep the current sales role combining new and retention selling. Regardless of the ultimate recommendation, they needed to redesign the compensation plans to ensure the plans rewarded results.

The Solution

To establish a clear understanding of the strengths and weaknesses of the sales team, the Alexander Group assessed current job roles, processes, activities and compensation plans. Additionally, we analyzed various components of the compensation plans, including the move to a bonus versus a commission plan. In order to increase focus on new sales, we updated the roles and responsibilities for the two primary sales roles as well as adjusted the incentive compensation plans. To help the company implement the recommendations, we defined requirements for how the roles should evolve.

The Benefit

After implementing, the refined Account Executive and Account Manager roles focused more on new account sales; the company saw a significant shift in sales to new clients. The incentive plan was used to drive focus on new sales using a modified commission plan to reward goal attainment.