

Media Company Compares Benchmarks and Best Practices to Drive Growth-Oriented Sales Compensation Redesign

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The Situation



A legacy media company wanted to better address new sales pressures caused by a changing industry landscape. With declining revenue, driven in large part by sellers' reliance on the company's legacy brand name to maintain their current accounts, the company desired a pay-for-performance culture to encourage change and ignite growth.

The Challenge

The company asked the Alexander Group (AGI) to align sales compensation with corporate strategy and best practices by creating plans that promoted growth into large-account white space.

The Solution

To better understand how the company compared to market, AGI facilitated a sales model assessment and benchmarking exercise. Based on the findings, they provided recommendations and helped develop a sales compensation design roadmap to guide the company as it worked to reach its goals.

One key AGI recommendation was to remove a corporate measure in the core sellers' plan, a practice that was used infrequently at comparable companies. By doing so, the company strove to create a pay-for-performance culture that was more focused on sales successes. AGI also recommended removing the cap on earnings for core sellers, which was the minority practice in the industry, and not a best practice for driving growth.

To motivate sellers to better target large-account white space, AGI recommended modifying the team measure for account executives so they would focus on selling strategic products, such as digital offerings, to clients above a certain size threshold. AGI also recommended the company look at targeting accounts by white space potential instead of by historical performance and other factors, thus allocating the highest-value accounts to the sales roles best aligned to their needs.

The Benefit

By comparing to market and best practice, the company found significant opportunities to better align their resources to strategic opportunities. In addition to modifying the core seller plan to motivate focus on high-potential opportunities, AGI recommended shifting some support roles from corporate plans to sales compensation plans to align their incentives with role intent and behavior. Ultimately, the benchmarks and AGI best practices brought attention to the areas where the company's sales process and structure were most in need of improvements.