

Sales Compensation Plan Evolves to Match Strategic Shift

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The Situation



A top hybrid software company historically focused on perpetual

license product offerings. The company desired to create sales representative parity to sell either subscription licenses or perpetual license product offerings. At the same time, the company also wanted to provide sellers with special incentives to sell newer products.

The Challenge

The company needed to maintain seller focus towards perpetual offerings while increasing focus on subscription. The development of a pilot rollout strategy to test sales compensation plans in select markets was also a high priority.

The Solution

The Alexander Group (AGI) facilitated team design sessions. After an assessment, AGI developed a model to establish an appropriate level of parity/preference between subscription and perpetual offerings. In this model, AGI introduced a **multi-year sales compensation roadmap** that included a three-year sales compensation plan evolution as the organization gradually shifts focus to subscription and away from perpetual offerings. AGI also provided guidance for the establishment of a **pilot model—a rollout** strategy for sales compensation plan changes to test plan design in select markets prior to a company-wide launch.

The Benefit

The company revised their sales compensation plan measures and crediting rules to align the sales compensation focus with the company strategy. They also implemented the recommended multi-year sales compensation plan evolution by role, as well as the pilot rollout strategy.