

Private Equity Portfolio Expansion Requires Changes Beyond Sales Compensation

IP leader: Dave Eddleman | Project Leader: Norberto Lopez

The Situation



A private equity backed pension management firm was expanding

their financial product portfolio into wealth management and insurance. After realizing that the adjustments made to the sales compensation plans were not driving required behavior, the company engaged the Alexander Group.

The Challenge

The company needed to drive sellers' focus to strategic, and sometimes less profitable, new products. Many change levers were required to increase in the organization's sales productivity.

The Solution

The Alexander Group completed a comprehensive sales compensation assessment by country. Then, in collaboration with sales leadership in each country, designed new plans aligned with the new strategic focus of the company. The Alexander Group recommended a sales transformation roadmap to ensure proper sales execution aligned to the new business strategy.

The Benefit

In the short term, new sales compensation plans were launched. This led to many other discussions about longer term changes in their go-to-customer strategy. A region-wide sales transformation roadmap was formulated for board meeting approval. The company's new strategic focus began to gain momentum and produce revenue growth.

Comprehensive sales compensation assessment by country to inform new design

Goal	Attract, retain and reward high-performing sales force							
Guiding Principles	Plans are aligned with strategy and jobs			Plans are motivational			Pays for performance	
Component Guidelines	Eligibility	Pay mix and leverage	Measures	Mechanics and payout curve	Perf. and payout periods	Quotas	Crediting and policies	Special Incentives
Support Elements	Investment ROI		Effective Communication		Efficient Administration		Governance, Assessment, Design	

- Working Well
- Room for Improvement
- Needs Fixing

Sales transformation roadmap to ensure proper sales execution aligned to new business strategy

- 1 Finalize comp plans per project; platform jobs and associated management
- 2 Select implementation pilot cities and roll-out comp plans
- 3 Prepare communication and back-office for rest of country roll-outs
- 4 Roll-out new plans in 2016-Q1
- 1 Detail descriptions for job roles and competency models
- 2 Develop sales process and playbooks
- 3 For each segment, create a workload model, size the sales org and assign territories

2015-Q2	2015-Q3	2015-Q4	2016-Q1
Comp Design ①	Implementation Design ②	Country Roll-Out Prep ③	Country Roll-Out ④
	Job Descriptions and Competency Models ①	Sales Processes and Playbooks ②	Sizing and Deployment ③