



# The Sales Showdown: Mastering the Art of Revenue - Boosting Incentive Plans for Sales Teams

Approximately 10% of a company's revenue is spent on incentive compensation for the sales team — that's a lot of moolah! But with the power of effective incentive compensation plans, you'll be turning that expense into pure profit. Use this visual guide as your secret weapon to create compensation plans that not only drive your reps to perform at their best, but also transform sales goals into glorious victories.

## Steps to Unleashing Your Sales Superheroes

- > **Make sure anything you are designing can actually be put into a system:** all of the different plan types, matrix plans, and tiered or payout curve plans.
- > **Look at your plan from the perspective of your sales rep;** put on the sales rep shoes, make sure you know what selling is like, what their challenges are, and how they're getting there.
- > **Design incentive plans that drive desired behaviors.** Effective plans really change behaviors.
- > **Instill fairness in incentive plans,** as research shows unfair objectives lead to higher turnover among high-performing employees.
- > If you don't **set your quarters based on territories,** you don't have a fair plan.
- > **Don't confuse incentives with rewards.** Incentives tie directly to specific individual behaviors.
- > **Model out total costs** at different levels of performance.
- > **The comp plan should be developed through a collaborative process** involving various departments and executives.
- > **Pay incentives on time, pay quickly, and pay often**—the longer it takes you to pay, the less of a positive impact there is.

# Metrics and Data Analysis to Consider for Supercharged Sales Performance

- **The comp plan should be ranked by a voting system** by stakeholders to determine the top measures.
- **Consider the payout curves for sales teams**, including objectively managed goals and quarterly reviews.
- **Measure only three key metrics** to avoid confusion and ensure focus.
- **Measure sales performance effectively**, including tracking spikes and incentivizing multi-year agreements.
- **Pay attention** to what your turnover is.
- **Sales reps should be included in the comp plan discussion** to provide insight into how the plan can be gamed and how it aligns with their goals.
- **Ensure data is easily accessible in order to build a plan that avoids underpayment** or overpayment of commissions.
- **Watch out for bad measures**, those that just don't work or that don't apply.
- **The consequences of errors** can be costly (a Gartner study shows a 3-8% error rate).
- **Adjust incentive plans mid-year** to reflect market changes (such as holding a contest to increase sales of a product that wasn't selling).
- **Make tweaks throughout the year** to incentive plans, rather than waiting for a major change.

## Execute the Plan

Having the plan design is vitally important, but the flip side of the coin is the execution of that plan. A plan is no good if you can't execute the processes.

## With Xactly Incent:

- ✔ See right away how reps are doing towards the current year attainment.
- ✔ Reps can compare themselves to peers and other areas, such as President's Club and their ranking in the organization.
- ✔ Reps can calculate what their commission could or would be.
- ✔ Free up your time to focus on the administration and the analysis of commissions.

Learn more at [xactlycorp.com](https://xactlycorp.com)

The Xactly logo features the word "Xactly" in a bold, white, sans-serif font. The letter "X" is stylized with a blue-to-white gradient. The logo is positioned in the bottom right corner of the dark blue background, which also features a large, faint, white chevron graphic pointing downwards.