

# 4 TOP SALES COMPENSATION MISTAKES

## Unlock Growth!

### Correct these leading Sales Compensation missteps

The most successful companies have figured out how to transform their sales compensation plan from a cost center to a strategic asset. This allows them to uncover misalignments and inefficiencies that are holding back their sales teams and bottom lines.

We have identified the most common mistakes that companies make in their compensations plan designs. We also share some recommendations for how to correct them.

#### Too much complexity

The most common mistake is when plans are burdened with too many variables, intricate formulas, and conditions that are difficult for sales staff to understand and align with.

1. Focus on a few key KPIs
2. Combine or eliminate multiple pay components
3. Limit the number of accelerators



#### Misalignment

Properly aligning a sales compensation plan to company goals requires a strategic approach to incentives that drive the desired business outcomes and maintain a motivated sales team.

1. Define a few clear goals. Less is more
2. Identify the most meaningful KPIs
3. Consider quality-based goals and tiered payouts



#### Unrealistic Targets

It's vitally important to maintain high motivation across the sales team. Positivity and job satisfaction are critical to sustainable success and resiliency.

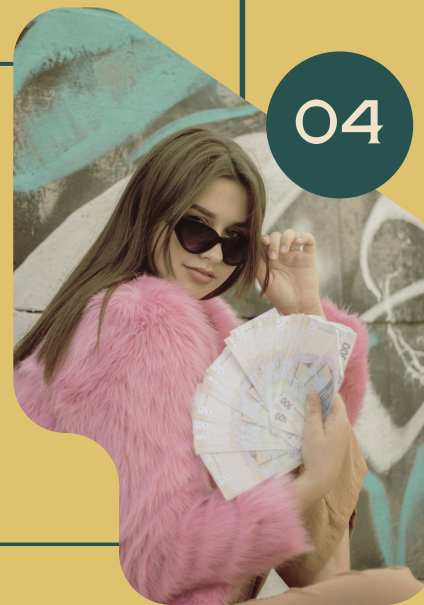
1. Benchmark actual results and set reasonable growth goals
2. Create opportunities for top performers
3. Involve the sales team in goal setting exercises



#### Overpaying or Underpaying

Finding the right balance can be tricky. Underpaying drives attrition and overpaying can dampen results and strain profitability.

1. Engage the team in personal goals discussions
2. Create larger compensation gaps for low and high performers
3. Balance fixed and variable pay



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GROWTH BY DESIGN