



CASE STUDY

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this case study?**

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Building Controls, Protection and Security Provider Sales Compensation Design and Implementation

Situation

- Unexpected, high sales compensation system costs
- Complex sales compensation plans
- Manual sales compensation administration processes
- High number of “exceptions and adjustments” required to administer the plan
- Need for extensive support from the third-party vendors
- Need to upgrade or replace the existing sales compensation software in coordination with software licensing agreements and an SAP ERP implementation

Challenges

- Engaged sales effectiveness and technology assessment teams to:
 - Create sales roles based on new business strategy and new sales organization
 - Develop target pay levels for the new sales roles
 - Redesign sales compensation plans
 - Assess sales administration process
 - Select incentive compensation vendor

Actions

- New sales compensation plans directly tie sales goals to field management plan that supported the new business strategy and the new sales organization structure
- Streamlined administration for managers and employees to enable timely, clear & accurate payments, reports and documentation
- Selected and began sales compensation vendor implementation in coordination with the SAP ERP implementation

Results

- Sales plan and system implementation initiated successfully
- Legacy incentive compensation management system phased out over time
- Old plan cash outs estimated and coordinated over a five year period