



## CASE STUDY

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# National Cable Network

## Media Sales Compensation Design

### Situation

- Sales force is organized around selling advertising (Advertising sales) and selling programming (Affiliate sales)
- Sales organization “owns” the incentive plans
- Human resources initiated a competitive pay analysis, primarily focused on base pay, utilizing industry survey data
- Sales compensation model and supporting elements were not optimal ... created a growing level of concern and frustration

### Challenges

- Senior management (HR and Finance) was concerned that the current incentive plan designs are not effective, and the plan payouts may be out of line with competitive pay levels
- Looked for consulting support to assess the pay plan competitiveness and effectiveness of several sales and sales support roles and recommend more effective pay plan designs
- There were too many measures in the Advertising sales incentive plan and goals were perceived to be too aggressive
- Affiliate plans did not support the evolving sales/service roles
- Compensation plan was inhibiting collaboration between on air and online Account Executives

### Actions

- Developed an inventory of Advertising and Affiliate sales incentive plan designs
- Assessed the current compensation plan philosophy and framework
- Assessed the competitiveness, effectiveness and alignment of compensation plans
- Created straw model compensation plan alternatives
- Facilitated cross functional Design Teams to assess straw models and recommend plan designs to senior management for implementation
- Developed an implementation plan to rollout the redesigned plans in a timely and effective manner

### Results

- Adjusted pay mix closer to market and more in line with role responsibilities
- Calibrated upside pay for excellent performance closer to market
- Reduced the number of overall distinct measures to create a simpler and more focused plan
- Incorporated cross property and convergence (on air/online) measures to drive and reward selling success across AEs
- Executed implementation work plan including communication strategy
- “There are a lot of positives in the plan designs that will be received very well by the sales force” – Client Implementation Team member