



CASE STUDY

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Regional Bank

Incentive Governance, Design, and Technical Enablement

Situation

- Large, fast growing commercial-banking institution: \$65b in assets, 700+ branch locations, 6,000+ participant on the sales compensation program
- Multi-year initiative to remove inefficient processes and update technology
- Strong culture for talented sales professionals

Challenges

- Performance reporting and payment calculation error prone; high participant dispute rate
- Reporting systems unreliable – frequent system crashes and missed reporting deadlines
- Ownership of incentive decisions unclear; processes cumbersome and time consuming
- Current incentive plans not aligned with the evolving business strategy

Actions

- Developed an incentive compensation governance structure: roles, decision accountabilities, key processes and annual calendar
- Designed requirements for the evaluation, redesign, approval and ongoing management of over 40 unique incentive plans
- Lead a redesign effort to better align the incentive plans with the evolving business strategy with an emphasis on more objective and transparent measures
- Assisted in the communication of incentive plan changes, including development of key messages, processes and discovery of risk factors
- Defined business and technical requirements for administrative support of the new incentive plans
- Developed a business case for the investment in new technology to meet the business and technical requirements
- Developed a detailed request for proposal
- Identified qualified third-party application providers, facilitated demonstrations and vendor negotiations

Results

- Simplified plans by reducing the number of measures and payment calculation requirements
- Greatly reduced the time and subsequently increase productivity of those engaged in functions to support the evaluation, design, approval and ongoing management of the incentive plans
- Reduced payment calculation errors
- Increased sales productivity by simplifying the plans, motivating behaviors more in line with sales results, increasing reliability of the incentive compensation management system and reducing the time spend on disputing sales credits and payment amounts