



CASE STUDY

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Retail Brokerage

Incentive Design, and Technical Enablement

Situation

- Seventy-plus year-old retail brokerage and insurance firm
- Over 2,500 financial advisors and 200 branch locations
- Successful, profitable enterprise

Challenges

- Incentive plans generally viewed as too complex and inflexible for adding new products
- High (30%+) turnover of first-year advisors
- Sales leadership opposed to any changes to the incentive plans
- Current technical infrastructure lacking capabilities for core incentive management requirements

Actions

- Performed a detailed assessment of the current incentive plan:
 - Interviews with a cross-section of advisors (geographic, performance history, tenure)
 - Designed and administered a web-based advisor and manager survey
 - Robust historical participant performance and pay analysis relative to industry benchmarks
- Facilitated a leadership workshop to prioritize compensation plan design alternatives
- Recommended specific plan changes based leadership consensus
- Provided detailed cost modeling analyses for each plan alternative
- Assisted in the development of a detailed communication strategy and tactical action plan
- Developed business and technical requirements for administration and management of the incentive program
- Developed a request for proposal, identified viable application providers and assisted a technology task force with vendor review and selection

Results

- Clarified issues and priorities tied to advisor retention and overall productivity
- Provided alternatives for a more cost-effective, competitive and simple advisor incentive plan
- Enabled a more cost-effective administrative approach and system
- Enabled a more flexible plan structure, one able to accommodate new products and commission schedule changes