



Sales compensation *directly impacts* your sales revenues and people.

A well-designed sales compensation plan can deliver expected revenues, growth in tough territories and happy, hard-working salespeople.



## Sales Compensation Plan Services

8020 Consulting can help improve both the design and execution of your sales compensation plan, particularly if you are experiencing any of these issues:

- Lower than expected revenues
- Lower than expected market share
- Missed quota in many territories
- High voluntary turnover of salespeople
- High volume of sales compensation complaints
- High volume of mistakes in calculation of payments
- Long period of time to calculate payments (i.e., mostly manual processes)

# Common Causes of Poor Outcomes

We can help you address and solve these *common issues with sales compensation*.



## Sales Compensation Plan Complexity

Sales staff complaints can often be traced to a lack of understanding of the compensation plan. If stakeholders (i.e., salespeople and management) don't understand the plan, it's unrealistic to think they'll drive revenue in strategic growth areas. Simplicity generates results. Targeting growth areas utilizing variable compensation, while supporting your sales team in building their territories, is a must. Simplicity also relieves the burden from your finance and accounting functions, as complex compensation plans are difficult to calculate and maintain.



## Number of Compensation Plans

Salespeople are competitive, and they talk not only with their clients, but also their fellow salespeople. Too many compensation plans with only slight differences can increase the number of complaints as salespeople compare compensation structures and take-home pay. And managing minor differences between plans—and the discord among salespeople—is difficult for both the sales and sales compensation teams.



## Mismatched Market Expectations

In highly competitive markets, salespeople are highly desirable and in limited supply. If your sales compensation plan is noncompetitive or strays from expectations, you're at risk for losing your best salespeople to your competition and at a disadvantage for recruiting new salespeople.



## Difficulty in Calculating Payments

Common signs of systemic issues with plan execution are complaints centered on pay mistakes and lags in payments due to an overburdened sales compensation team. How many spreadsheets, hours or days does it take to calculate payment? If your calculations are complex or overly manual, it's time to review the process for optimization.

# Sales Compensation Function Optimization

We approach sales compensation projects in *two major phases*.

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## SALES COMPENSATION DESIGN

Get a full assessment of your sales compensation plan.

In this critical and comprehensive phase, our consultants will:

- Interview a cross-section of the sales team, executive, HR and finance teams
- Conduct analyses of all compensation plans' productivity
- Review compensation as a percentage of sales
- Analyze compensation by territory and/or salesperson
- Deliver recommendations specific to your company's short-term and long-term growth objectives
- Build your new compensation plan

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## SALES COMPENSATION EXECUTION

Improve your sales compensation processes.

To optimize processes for your sales compensation function, our consultants will:

- Map the full sales compensation process
- Conduct error/gap analysis
- Analyze compensation by territory and quota
- Perform a systems analysis
- Provide recommendations for moving from current to optimized processes
- Project manage agreed-upon implementation of those processes
- Automate your compensation plan using software tools, if applicable



## Core Benefits of Strong Compensation Plans:

- 1 Increased revenues
- 2 Targeted territory design
- 3 Easier maintenance and recruitment of highly desirable salespeople
- 4 Achievement of desired cost of sales compensation as a % of sales
- 5 Easier calculation of sales compensation plan and accruals
- 6 More efficient and effective sales compensation processes



# Bring in the Planning *Experts*

8020 Consulting applies the intellectual capital, technical expertise and energy of our team to address a range of financial projects for clients ranging from Fortune 50 companies to middle market and venture backed firms.

With a team of nearly 100 professionals headquartered in Los Angeles and capable of working remotely to serve companies across Southern California, we can quickly assess and respond to your unique requirements and mandates. Even in this unique time of business, we are ready to apply our commitment to the value of “continuous improvement” and “focus on the critical” to generate immediate results. Contact 8020 Consulting today to optimize your sales compensation function—*now is the time.*



For more information, *contact us:*

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