Visual Analytics for Comp Plan Assessment

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From data to information
Where is the money going?

Group sales payments by
- Role category
- Comp plan measure

Use size to show
- % of total dollars by category

You can tell at a glance
- Where your comp dollars are going by role and measure

<table>
<thead>
<tr>
<th>Percent of Total Dollars Paid by Role and Measure Total Year</th>
<th>Inside Sales Rep</th>
<th>Direct Sales Rep</th>
<th>System Engineer</th>
<th>Channel Manager</th>
<th>Sales Managers</th>
<th>Sales VPs</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bookings</td>
<td>8%</td>
<td>45%</td>
<td>8%</td>
<td>10%</td>
<td>6%</td>
<td>5%</td>
<td>82%</td>
</tr>
<tr>
<td>Uplift Product Bookings</td>
<td>-</td>
<td>9%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>QCB</td>
<td>-</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MBO</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9%</td>
<td>56%</td>
<td>9%</td>
<td>12%</td>
<td>7%</td>
<td>7%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Group sales payments by
- Geography
- Comp plan measure

Use size to show
- % of total dollars by category

You can tell at a glance
- Where your comp dollars are going by role and geography

<table>
<thead>
<tr>
<th>Plan Measure</th>
<th>North America</th>
<th>Europe, MidEast, Africa</th>
<th>Latin America</th>
<th>Asia Pacific</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bookings</td>
<td>48%</td>
<td>19%</td>
<td>9%</td>
<td>6%</td>
<td>81%</td>
</tr>
<tr>
<td>Uplift Product Bookings</td>
<td>8%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
<td>15%</td>
</tr>
<tr>
<td>QCB</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>MBO</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>57%</td>
<td>23%</td>
<td>12%</td>
<td>8%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Group sales payments by
- Geography
- Comp plan measure
- Sales role

Use size to show
- % of total dollars by category

Use color to show
- % of dollars in each cell from each geo

You can tell at a glance
- Where your comp dollars are going by role and measure, with a good idea about which geos dominate the spending
Who is earning what on which plan component?

Group sales payments by
- Comp plan measure
- Sales role
- Quarter
- Person

Use size to show
- Average payout per person per quarter

You can tell at a glance
- Which sales people are earning the most
- Which components are delivering the most pay by role

<table>
<thead>
<tr>
<th></th>
<th>Inside Sales Rep</th>
<th>Direct Sales Rep</th>
<th>System Engineer</th>
<th>Channel Manager</th>
<th>Sales Managers</th>
<th>Sales VPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bookings</td>
<td>$5.6K</td>
<td>$21.8K</td>
<td>$5.1K</td>
<td>$8.4K</td>
<td>$9.4K</td>
<td>$11.7K</td>
</tr>
<tr>
<td>Uplift Product Bookings</td>
<td>$1.0K</td>
<td>$4.7K</td>
<td>$0.9K</td>
<td>$2.3K</td>
<td>$4.6K</td>
<td>$6.6K</td>
</tr>
<tr>
<td>QCB</td>
<td>$1.1K</td>
<td>$0.5K</td>
<td></td>
<td></td>
<td>$0.6K</td>
<td></td>
</tr>
<tr>
<td>MBO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2.4K</td>
<td></td>
</tr>
</tbody>
</table>

All the variations in the prior series can be applied to this one as well (by geo, by role and geo)
Which components are payout over/under target?

Group total payout % target by
- Comp plan measure
- Sales role
- Person

Use size to show
- Average payout across all participants

You can tell at a glance
- Which components are payout over/under target
- Which roles are earning over/under target

<table>
<thead>
<tr>
<th>Total Year Payout % TIC - by Measure and Role</th>
<th>Inside Sales Rep</th>
<th>Direct Sales Rep</th>
<th>System Engineer</th>
<th>Channel Manager</th>
<th>Sales Managers</th>
<th>Sales VPs</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bookings</td>
<td>101%</td>
<td>121%</td>
<td>105%</td>
<td>107%</td>
<td>96%</td>
<td>91%</td>
<td>111%</td>
</tr>
<tr>
<td>Uplift Product Bookings</td>
<td>90%</td>
<td>143%</td>
<td>91%</td>
<td>111%</td>
<td>114%</td>
<td>105%</td>
<td>125%</td>
</tr>
<tr>
<td>QCB</td>
<td>39%</td>
<td>43%</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>MBO</td>
<td></td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>99%</td>
<td>116%</td>
<td>101%</td>
<td>105%</td>
<td>99%</td>
<td>94%</td>
<td>108%</td>
</tr>
</tbody>
</table>
How is performance disbursed around quota?

Group actual sales % quota by
• Comp plan measure
• Sales role
• Person
• Geography

Differentiate marks
• Color for geography
• Shape for measure

Add reference lines & color code them
• Median
• 90th percentile
• 5th percentile

You can tell at a glance
• What the performance distribution is for each column, and how they compare
Group sales people by
• Role category
• Geography
• Actual comp % target

Use color to show
• <100% red
• Around 100% gray
• >100% green

You can tell at a glance
• Where the people are
• Which regions are paying over/under target
• Which roles are performing over/under target
• Where there are non-normal distributions
Comparing total compensation distributions

Group sales people by
- Role category
- Legacy company
- Actual comp total compensation last year

Use color to show
- Legacy company

You can tell at a glance
- The distribution of total compensation by role
- The difference in compensation practices between companies
Understanding the sources of variability in comp

Group sales people by
• Role category
• Legacy company

Use color to show
• Legacy company

Chart
• Plot actual variable pay vs. base pay
• Add reference lines at 25th and 75th percentiles

You can tell at a glance
• Where variable pay is the primary source of variability in pay, and where base contributes as much or more
The relationships between variable pay and productivity

Group sales people by
• Role category
• Legacy company

Use color to show
• Sales role

Chart
• Plot actual variable pay vs. quota attainment
• Add reference lines at 100%

You can tell at a glance
• How much quotas matter to total compensation
• Whether management discretion is liberally applied
Pay mix compared across two organizations

Group sales people by
- Role category
- Legacy company

Use color to show
- Legacy company

Chart
- Pay mix (Actual incentive % Total Comp) vs. Base, by year
- Add reference lines at median, 25th and 75th percentiles

You can tell at a glance
- How pay mix compares between companies
- How stable pay mix has been across years
- If people with higher bases tend to have higher or lower incentive payouts
Group sales people by
• Role category
• Legacy company

Use color to show
• Each person separately

Chart
• Actual sales % quota for two consecutive years

You can tell at a glance
• If performance against quota is overall up or down year over year
• If top performers one year are also top performers the next year
How consistent is quota performance by person

Group sales people by
• Role category

Use color to show
• Selling roles

Chart
• Actual sales % quota for two consecutive years on an XY plot

You can tell at a glance
• If top performers one year are also top performers the next year
How have plans changed over time?

Group sales people by
- Role category
- Year

Use color to show
- Plan measures

You can tell at a glance
- If variable pay has generally been up or down over the years
- How much plan measures have changed
- How consistent plan measures are across selling roles

<table>
<thead>
<tr>
<th>Compensation by Component by Year - Average per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telesales</td>
</tr>
<tr>
<td>2008 Marginal Contract Value</td>
</tr>
<tr>
<td>2007 Marginal Contract Value</td>
</tr>
<tr>
<td>2006 New Bookings</td>
</tr>
<tr>
<td>Account Manager</td>
</tr>
<tr>
<td>2008 Marginal Contract Value</td>
</tr>
<tr>
<td>2007 Marginal Contract Value</td>
</tr>
<tr>
<td>2006 New Bookings</td>
</tr>
<tr>
<td>Account Executive</td>
</tr>
<tr>
<td>2008 Marginal Contract Value</td>
</tr>
<tr>
<td>2007 Marginal Contract Value</td>
</tr>
<tr>
<td>2006 New Bookings</td>
</tr>
<tr>
<td>Channel Manager</td>
</tr>
<tr>
<td>2008 Total Revenue</td>
</tr>
<tr>
<td>2007 Total Revenue</td>
</tr>
<tr>
<td>2006 Invoiced Revenue</td>
</tr>
<tr>
<td>Manager Roles</td>
</tr>
<tr>
<td>2008 Marginal Contract Value</td>
</tr>
<tr>
<td>2007 Marginal Contract Value</td>
</tr>
<tr>
<td>2006 New Bookings</td>
</tr>
<tr>
<td>Director Roles</td>
</tr>
<tr>
<td>2008 Total Revenue</td>
</tr>
<tr>
<td>2007 Total Revenue Marginal Contract Value</td>
</tr>
<tr>
<td>2006 Invoiced Revenue Op Revenue New Bookings</td>
</tr>
<tr>
<td>VP Roles</td>
</tr>
<tr>
<td>2008 Total Revenue Marginal Contract Value</td>
</tr>
<tr>
<td>2007 Total Revenue Op Revenue New Bookings</td>
</tr>
<tr>
<td>2006 Op Revenue New Bookings</td>
</tr>
</tbody>
</table>

Average Actual Compensation

- $0K $20K $40K $60K $80K $100K $120K $140K $160K $180K $200K
How did you do that?

The tool we use is Tableau, personal edition, v4.1 from Tableau Software, www.tableausoftware.com

To get the charts you want, you need to “stack” the data

One row for each
- Person
- Year (or quarter)
- Measure (including Base)

On each row provide
- Identifying information (business unit, hire date, employee ID, etc.)
- Performance goal (quota)
- Performance actual
- Target incentive
- Actual incentive

Another favorite reference:
The Visual Display of Quantitative Information by Edward Tufte
see www.edwardtufte.com
About The Cygnal Group

The Cygnal Group is a consulting firm specializing in sales compensation plan design. We are based in Chapel Hill, NC and serve clients headquartered all over the U.S., and even some in Europe. Our practice spans large and small companies, public and private, global and locally focused.

Clients include very large companies (e.g., Home Depot, Comcast), mid-sized companies (e.g., Valassis, Misys, Thomson), game changers (e.g., Red Hat, Sensus Metering), and smaller companies (e.g., GXS, Prometric), and even some companies hiring their first sales person (e.g., Meritech, Magnet Street).

Donya Rose is the Managing Partner of The Cygnal Group. She speaks regularly to audiences of Business, Sales, and HR leaders, and has contributed to numerous articles on the subject of compensating the sales force. Prior to founding The Cygnal Group, Ms. Rose was a consultant in the Sales Rewards practice at Towers Perrin.

Learn more about our services, and read our sales comp blog at www.cygnalgroup.com

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