Planning for Sales Comp in 2021

How COVID Changes Everything

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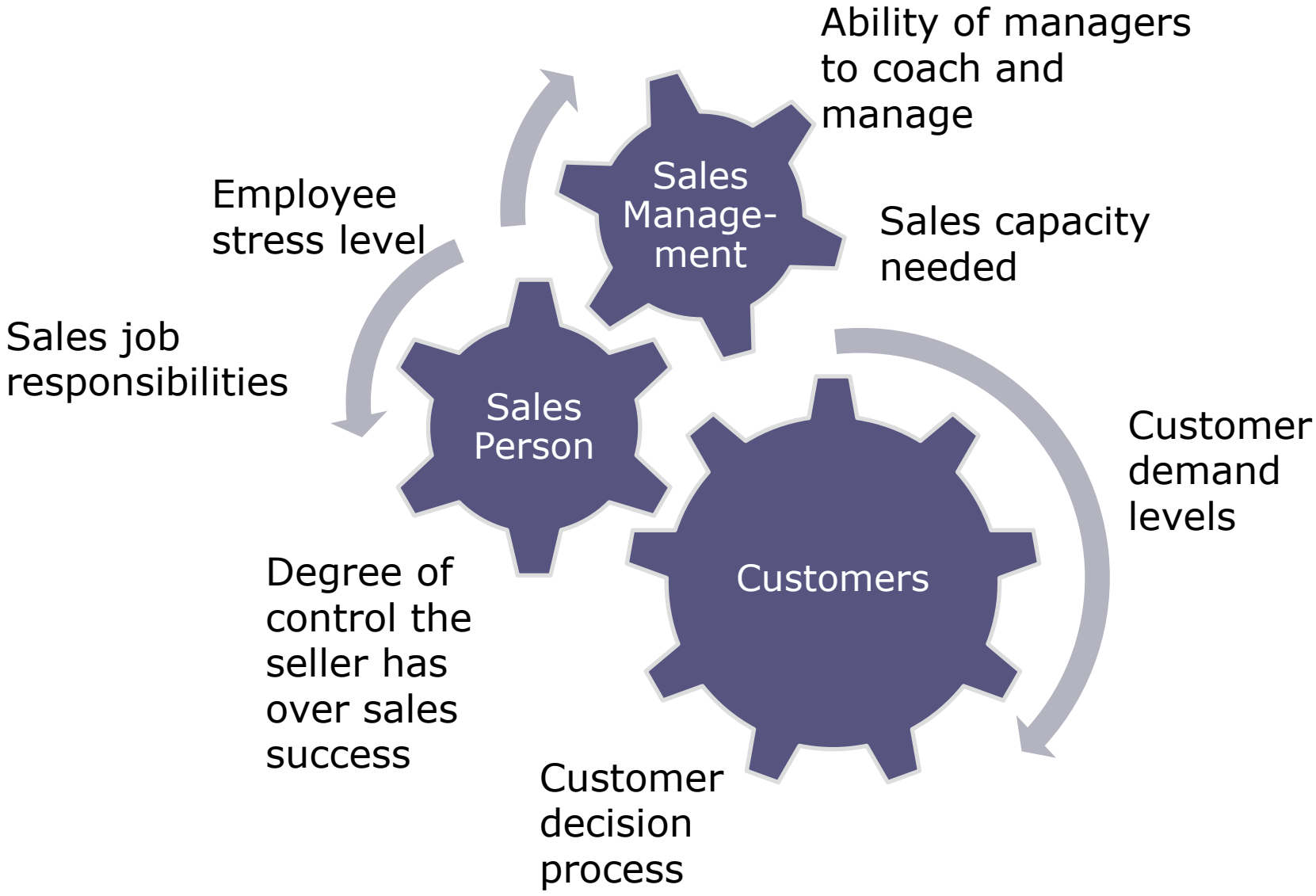
What is different about 2021 for sales comp?



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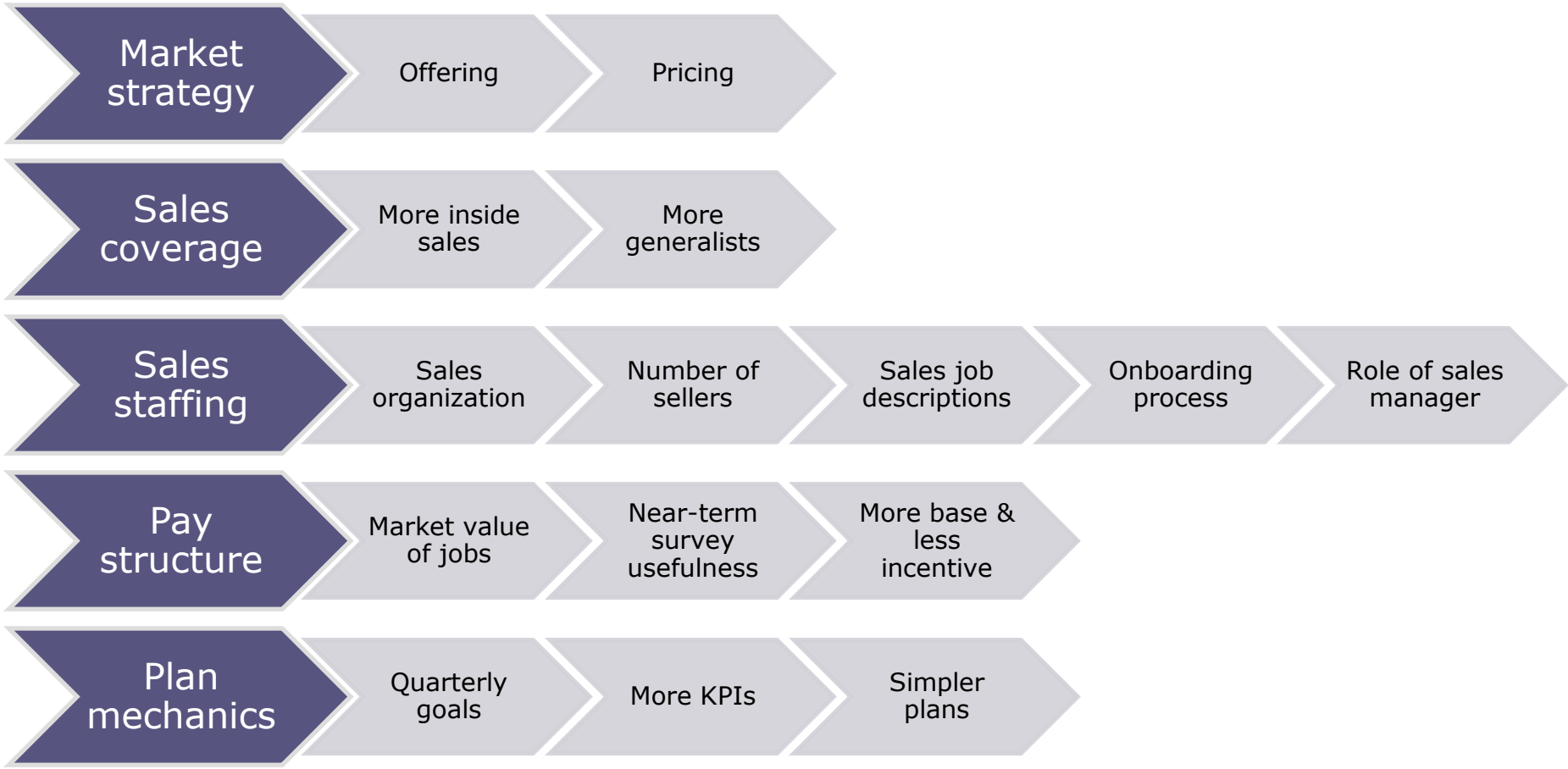
What may need changing in response?



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Zooming out… the essential tenets

Lead with integrity	Be honest about what we do and don't know
Motivate during ambiguity	Keep the long-term in view AND encourage near-term innovation and creativity
Plan for uncertainty	Prepare plans for a range of future conditions
Support resilience	When possible, keep the familiar and predictable, saving more dramatic change for later
Balance consistency vs. customization	Recognize real differences in markets With some level of consistency in approach
Focus on fairness	Across sales jobs, sales teams, functional areas outside sales

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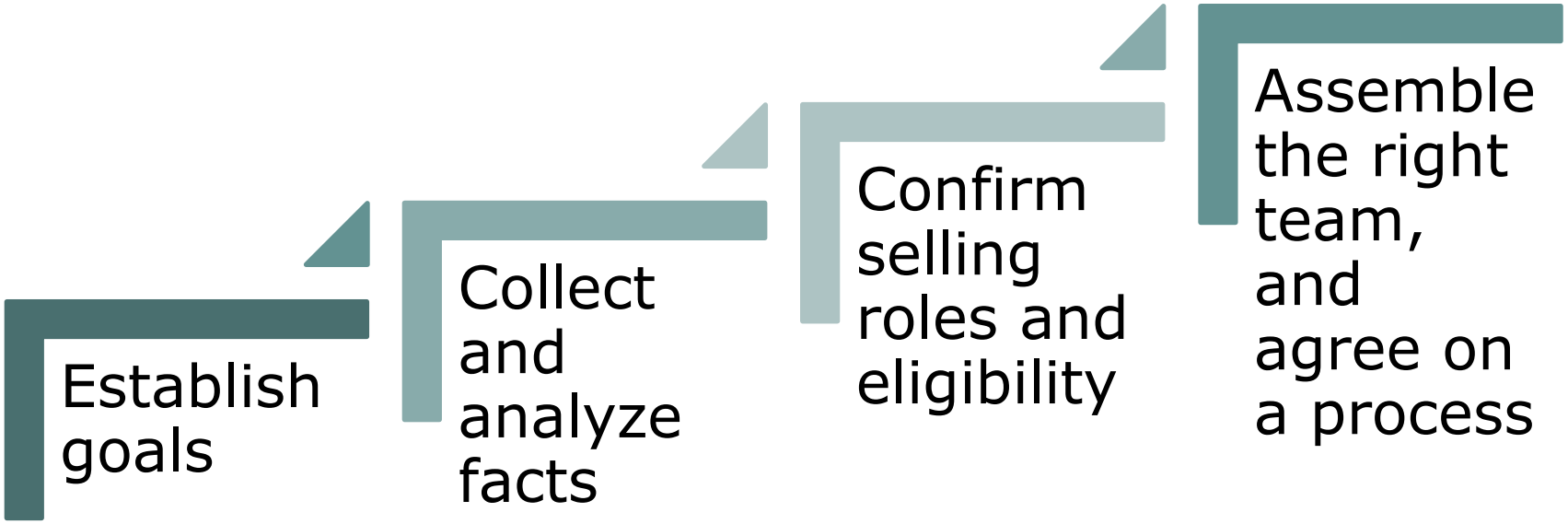
Preparing for sales compensation planning in "normal" times



BUT for 2021…

- **Business goals** are unclear
- **History** is not all that useful as a fact base
- **Selling roles** may need more redesign than confirmation

AND…

- **A Design Team** is still essential

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An agile process is key for 2021

1. Assemble the **Sales Compensation Team**
2. Establish initial **business objectives**
3. Agree on the **right assumptions** (vs. facts)
4. Design both an **initial plan** and a process to **adjust** it

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1 *Assemble the Sales Compensation Team*

Include the right people

Expect an ongoing responsibility through the coming quarters

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2 *Establish initial business objectives*

Starting place list of potential business objectives (pick 3!)

- ❑ *Incentivize continued aggressive focus on selling*
- ❑ *Manage the cost of the sales team down*
- ❑ *Focus sales efforts on the most important sales*
- ❑ *Retain key talent*
- ❑ *Elevate the focus on existing customers and their challenges*
- ❑ *Use sales resources well while they spend less time selling*
- ❑ *Maintain a reasonable income level for salespeople*
- ❑ *Manage run-away compensation costs due to market-based demand surge*

What do your sales compensation plans need to support?

Consider interviewing business leaders who aren't part of the Sales Comp Team to confirm objectives

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3 *Agree on the right assumptions*

- Do we need to rebalance headcount across sales roles?
- Are some sales more important than others right now?
- How will our sales change as the recovery unfolds?
- How far ahead can we reasonably set sales goals?
- Is collaboration and mutual support across Sales important?
- Do we need to take action to retain key talent?
- Do we have spending constraints to meet?

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4 *Design and communicate both an initial plan and the ongoing process*

Initial plan

Sales role adjustments

Comp plan measures and mechanics

Sales goals (for the coming quarter?)

"Working assumptions" about the rest of the year

Ongoing process

Who will be involved

Goal review timing

Criteria for making changes

Commitment to fairness and transparency

Method for asking questions

Exception management process

The initial plan is based on the current situation

The ongoing process provides an agile response as things change

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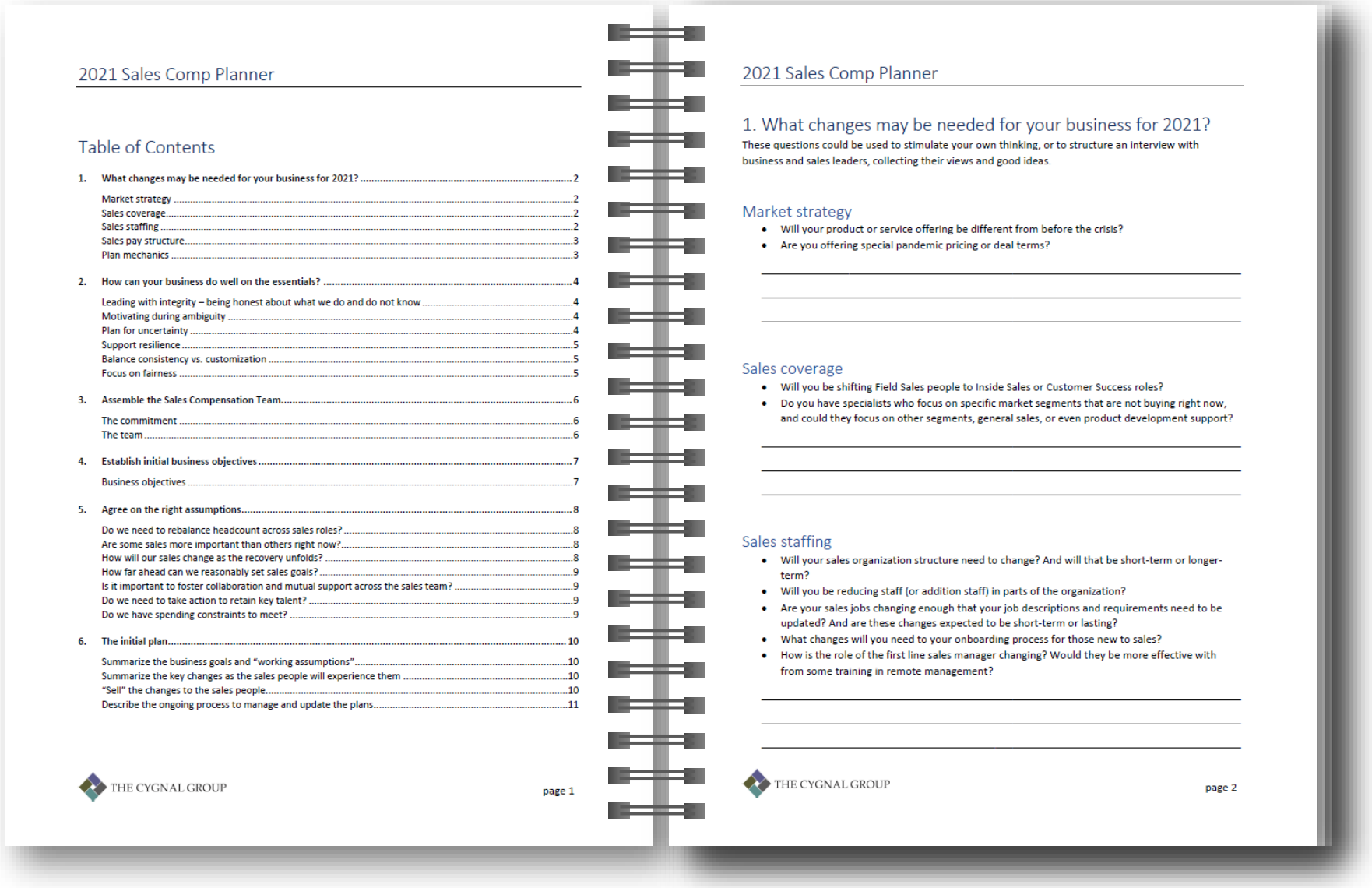
There's a workbook!



2021 Sales Comp Planner

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   - Summarize the key changes as the sales people will experience them 10
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   - Describe the ongoing process to manage and update the plans 11

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2021 Sales Comp Planner

1. What changes may be needed for your business for 2021?

These questions could be used to stimulate your own thinking, or to structure an interview with business and sales leaders, collecting their views and good ideas.

Market strategy

- Will your product or service offering be different from before the crisis?
- Are you offering special pandemic pricing or deal terms?

Sales coverage

- Will you be shifting Field Sales people to Inside Sales or Customer Success roles?
- Do you have specialists who focus on specific market segments that are not buying right now, and could they focus on other segments, general sales, or even product development support?

Sales staffing

- Will your sales organization structure need to change? And will that be short-term or longer-term?
- Will you be reducing staff (or addition staff) in parts of the organization?
- Are your sales jobs changing enough that your job descriptions and requirements need to be updated? And are these changes expected to be short-term or lasting?
- What changes will you need to your onboarding process for those new to sales?
- How is the role of the first line sales manager changing? Would they be more effective with from some training in remote management?

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10 pages of questions with space to record your thoughts and prepare for the meetings ahead

Use the link on the following page to download it, and print as many as you'd like

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Recommended resources for 2021 sales planning

Recent posts worth reading

From ZS

"Four things sales organizations must do to adapt to the crisis"
https://www.zs.com/insights/four-things-sales-organizations-must-do-to-adapt-to-the-crisis

From Better Sales Comp

"Supporting Your Sales Compensation Program During the Coronavirus Crisis"
https://bettersalescomp.com/2020/04/15/sales-compensation-program-coronavirus/

From Prosperio Group

"Managing Compensation Plans Through Extreme Market Volatility"
https://www.prosperiogroup.com/compensation-blog/compensation-in-the-time-of-covid-19

From The Alexander Group

"Sales Compensation Reset: Best Revenue Recovery Solution"
https://www.alexandergroup.com/insights/sales-compensation-reset-best-revenue-recovery-solutions/

From The Cygnal Group

Downloadables from this webinar, including the 2021 Sales Comp Planning Workbook
https://cygnalgroup.com/c19-2021-planning/

From OpenSymmetry

"Leading Your Sales Organization Through COVID-19"
https://www.opensymmetry.com/blog/leading-your-sales-organization-through-covid-19

Book an hour to talk it through

Ted Briggs
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Jon Clark
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David Johnston
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Donya Rose
https://cygnalgroup.com/calendars/donya/

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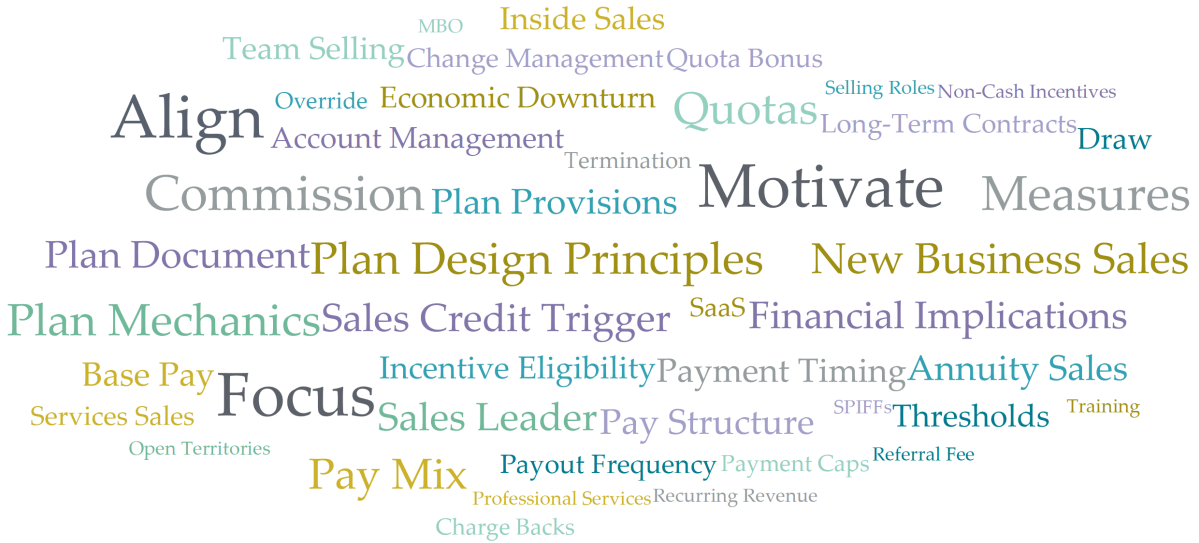
MORE INFORMATION ABOUT THE CYGNAL GROUP

The Cygnal Group's exclusive focus is sales compensation

The Cygnal Difference

Senior experienced professionals lead every engagement, attend every meeting, and finalize every deliverable. The person who sells you the engagement will be with you every step of the way. Our thought leadership is solid and well recognized.

Repeat engagements have taken us beyond best practice theory. We have a track record of repeat engagements that is rare in consulting with many clients choosing to engage us year after year. This means we were there to see what happened next, learning from experience the power of simple, practical plans.



We are serious nerds, on a first-name basis with your numbers. We see the patterns and diagnose the issues using beautiful and compelling visual analytics that make the answers come alive for your business leaders.

We love our work with edge-of-the-seat personal interest in our clients' hardest puzzles. Once we have understood your biggest challenge, we can't help working on it until it's solved.

We scope carefully, right-sizing the engagement to ensure client needs are met via an efficient process that shortens engagement duration and keeps fees in check. We change scope rarely, and more often reduce it than increase it.

We sell answers, not hours. We understand that our clients want sales compensation plans that meet the needs of their business. Our hours, trips and deliverables can be part of making that happen, but they are not our product. All of our design engagements include unlimited access to your Engagement Manager for the first year with your new plans.

The Cygnal Group's product:
More effective selling by your sales team enabled by better sales compensation plans.

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Our client experience is extensive and varied, showing a longevity of relationships that is rare in consulting

SAMPLE CLIENTS

- Acquia
- Advanced Sensor Technologies+
- Allied Building Products**
- Allscripts****
- Amazon Web Services
- Arysta Life Science
- Bandwidth+
- Blackboard
- Broadsoft**
- Cardinal Health+
- CarQuest
- Carnival Cruise Lines***
- CIRCOR**
- CloudBees+
- Comcast / Business Services******
- Constant Contact
- Coriant/Tellabs******
- Criterion Brock+
- Daiichi Sankyo
- Deltek***
- Dude Solutions***
- Elsevier / CDS Group+
- Elster Electricity
- Equifax+**
- ETS / Prometric******
- FMC+***
- Genomic Solutions
- GXS+
- Guidepoint Global**
- HD Supply*****
- Ingram Entertainment
- Invensys / Eaton+**
- Finastra/Misys Banking+****
- Kontoor Brands+
- MModal+**
- Nginx
- NCSA**
- Novartis
- Patheon
- Packsize+
- Pep Boys
- PDI - Ninth House+****
- R3+
- Roofing Supply Group
- Rose Paving**
- Red Hat Software+**********
- Sensus / Metering Systems**
- Scholastic Publishing*****
- IMS / SDI / Verispan****
- SeaChange**
- Sparta Systems+********
- Standard & Poor's / Capital IQ
- SunGard****
- SunTech Medical**
- Temper Sealy**
- Turner Broadcast Media
- Thomson Learning***
- Valassis***
- Valet Waste+**
- Xactly+**
- Zinwave**

* *The number of asterisks represents the number of incentive plan years we have assisted with that client's plan designs (if > 1 year)*

\+ *Indicates a client with the VP Sales, VP HR, CEO or Board member hiring us after we worked with him/her at a prior client*

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Today's speaker: Donya Rose

See cygnalgroup.com for additional information and over 200 posts on sales compensation topics

Donya Rose has over twenty-five years of experience in leading the design and implementation of systems and processes to ensure alignment of sales results with top business priorities. She has led projects in sales target setting, measurement and forecasting, technology enabled selling, and sales compensation plan design. Today Donya focuses primarily on sales compensation plan design, and has designed hundreds of sales compensation plans since that became her focus in 1999.

Donya's consulting experience before founding The Cygnal Group 15 years ago includes three years with Towers Perrin/Willis Towers Watson's Sales Effectiveness and Rewards practice.

Donya is the sole consultant member of WorldatWork's Sales Compensation Expert Council. Other members include heads of sales compensation from major global companies including Cisco, Siemens, PayPal, Dell, and IBM.

Donya's passion is practical value-creating compensation plan design supported by thorough modeling to anticipate effects of proposed plans on individuals and the company.

Donya's credentials:

- WorldatWork Certified Sales Compensation Professional (CSCP)
- Master of Science in Operations Research and Systems Analysis from the University of North Carolina at Chapel Hill
- Bachelor of Science in Mathematics from Davidson College

Donya's recent speaking engagements and articles include**:**

- Presented at August 2019 WorldatWork Spotlight on Sales Compensation, "What To Do When the Goal Posts Move – Mid-year Plan Adjustments"
- Led a workshop for NC CEOs in June 2019, "Support Your Growth Plan With Aligned Sales Compensation"
- Presented at the May 2019 WorldatWork Total Rewards Conference, "Sales Compensation Success: The Secret is Preparation"
- Presented at the IBM Sales Performance Management Summit in June 2019, "Sales commission to goal-based incentive – when, why and how to make the change"
- Led two sessions at the 2018 WorldatWork Spotlight on Sales Compensation conference, "Practical Approaches to Predicting the Cost of Your Proposed New Plan," and "Balancing Stakeholder Interests to Create a Great Plan"
- Presented at the August 2017 WorldatWork Spotlight on Sales Compensation conference, "The End of Weighting: Relative Rate Plans to Direct Sales Focus"
- Presented at the May 2017 WorldatWork Total Rewards Conference 2017, "Small But Mighty: Sales Compensation Strategies for Sales Forces Under 100"
- Featured contributor to an article in WorkSpan magazine, "Cross Selling" (May 2017)
- Presented a WorldatWork webinar, sponsored by Xactly, in January, 2017, "Optimize Your Sales Compensation Plans to Drive Results"
- Presented, with Tom Notar, VP Corporate Sales and Financial Operations at Deltek, at the August 2015 Sales Compensation Spotlight Conference, "Multi-product Software and the Single Quota"

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