

The Right Compensation Plan Goes a Long Way Toward Changing Behavior

We were engaged by a client who needed behaviors to change in order to support specific corporate sales goals.

Opportunity

An investment firm selling specialized securities to financial institutions was in need of behavior change by its sales team. They needed to expand the client base and the CEO had committed to the Board that the sales team would open up 120 new accounts in the new year. The team had only opened 35 new accounts the prior year. The senior leader in charge of executing on the promise was concerned but determined that they would deliver.

Approach

We were engaged to first evaluate the potential of the individuals on the team, second, evaluate the fit of the newly appointed sales manager to drive the results, and third make recommendations regarding infrastructure and the compensation plan. The client desired to create an environment of incenting the right behavior while making it easy for the sales manager to identify opportunities to step in and help coach or motivate.

Recommendation

Based on the analysis completed, we determined that the sales manager was well suited to lead the team in this initiative and that there was upside potential to reasonably expect that the team could execute at a much higher level than they had previously. We recommended changes to the incentive compensation plan to reward the behaviors sought. Along with the compensation plan, we helped establish a sales infrastructure system creating a repeatable sales process and refining the reporting package enabling all to focus on leading indicators. We also coached the sales manager on the key areas that would have the most impact on the team, while training her on the effective use of the existing CRM system to track, coach and motivate her team.

Results

There were four major results from these efforts:

1. Through the first 8 months of the program the team had tripled the number of accounts opened versus the prior year and was at 89% of its goal.
2. The CEO could positively report back to the board that they felt confident they would meet the annual goal.
3. There was a significant increase in activity by the sales team, which led to increased account openings, and will pay dividends into the future as they are creating more awareness in the marketplace.
4. The team also significantly increased its sales of a specific higher margin product, increasing the revenue and profitability to the company.