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## Welcome back to "Sales Sagacity"!



There are few things more challenging to management (or emotional to sales) than sales compensation!

This month, we'll explore the **five keys to developing a winning sales compensation plan**.

As always, I welcome your comments!

Ron Visocchi  
Managing Partner and *Sales Sage*

## The 5 Keys to a Winning Sales Compensation Plan!



Sometimes developing a win/win compensation plan is like navigating a ship through *The Bermuda Triangle* while the crew is threatening *mutiny on the bounty!*

**The key**, of course, is to drive corporate objectives by motivating sales to achieve targeted and consistent performance. That's quite a trick, especially when you consider what sales professionals expect to earn, so **where do you start?**

- ✓ First, take a step back! Before you can even think about sales compensation, you must first establish clear corporate goals and strategic sales objectives. Why? Because **a winning sales plan must be designed to drive each sales objective** to ultimately fulfill corporate goals.
- ✓ Second, be sure that you **create sales territories with quantified potential, right focus and effective coverage** to fulfill your objectives. Don't assume that more staff means more sales; depending on the circumstances, **a smaller, well focused team can often produce more sales for less cost**.
- ✓ Third, **quotas should represent a realistic stretch** without de-motivating the sales staff. There should always be room for over-achievement; **consistency and over-achievement should be the object of greatest reward**.
- ✓ Fourth, **compensation plans should provide positive rewards**; punitive plans that deduct money for missed targets can negatively affect sales motivation and create needless conflict. A **fast start bonus** is a good example of positive motivation and a great way to help stimulate a strong start to a new quarter or a New Year.
- ✓ Finally, **keep sales compensation simple**. Complexity causes misunderstandings and may result in a failure to motivate. **Ideally, a sales person should always know what's best for them (and you) even as they are conducting a sales call**.

Compensation plans and quotas are a real challenge for management, but these **five keys** will go a long way towards helping you **to design a winning sales compensation plan!**

## Sales Tip of the Month

- ✓ **Solicit input and support from your leading sales performers as part of the process**. This will reduce the inevitable conflict in a proactive way and increase the odds that you won't waste half a quarter working out issues!

## About The Benjamin Group

The Benjamin Group is a management services company that achieves sales growth for its clients by developing and implementing sound sales strategies and tactics.

The firm's mission is to partner with management to produce immediate and measurable business results through proven methods and experience.

The firm was founded because of a strong belief in the need for hands-on consulting that is results-oriented, practical, and consistent with the corporate culture and goals of the client.



**THE  
BENJAMIN  
GROUP LLC**

P.O. Box 373  
North Reading, MA 01864  
(978) 276-0037  
(978) 231-0456 Fax  
[www.benjamin-group.com](http://www.benjamin-group.com)

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