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Want to delight and motivate your sales reps? Then make them love your commission plan



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If you want to make your sales reps happy, look beyond what you pay them. <u>Studies</u> have shown that employees also want meaningful work, the right tools to do their job, and flexibility when they need it. They want to feel valued. And that starts with the right incentive framework.

Most companies, however, don't have one. They're either using Excel or some clunky software to handle it for them. If your plan is locked away on some CFO's laptop, causes arguments every month, and contains so many errors reps keep their own records, it's time you threw it out and started afresh.

How you compensate is just as important as what you compensate. If your employees don't love your commission plan, it won't matter how much you pay them – they'll never feel valued. So let's take a look at three qualities your reps want from the commission plan and how you can give it to them.

Recognize the nuances of their job

Whether your reps are selling SaaS subscriptions or luxury apartments, you need to recognize the activities that generate sales. Selling is a nuanced job comprising <u>many different responsibilities</u> that continue long after the customer signs on the dotted line. Think renewals, client relationships, troubleshooting, consultation, product support, reviews, referrals – how important are these to you?





Chances are, your sales reps are already doing several of these roles to varying degrees. So perhaps it's time you got out of the revenue-volume-profit mindset and rewarded some of the other activities that win and retain customers. Selling is one thing, but if you want to ensure they're using the right tactics, adjusting your commission plan to recognize the nuances of the rep's role will incentivize just the right behaviors.

Make the plan so easy the cleaner understands it

If your commission plan is opaque or obscure, it won't matter how accurate the numbers are, nor how easily reps can track their performance – your reps still won't know if they're being appropriately rewarded. The plan must be "easy" in the most practical sense: easy to use, easy to understand, and completely transparent. That way, your sales reps can focus on hitting their targets instead of worrying about compensation.

One way to do this is to <u>involve sales reps</u> in the commission planning process. Not only will this give them deeper insight into their compensation, but you'll probably learn a thing or two about what they really want. This collaborative approach to commission planning will show you value your reps' input, and you won't need to waste time second-guessing their opinion.





Reward the heavyhitters (and motivate the rising stars)

People, even sales reps, come in all shapes and sizes. Some will excel at closing sixfigure deals, others will sell your products like proverbial hotcakes, while others still might be expert relationship managers. If you want your sales reps to love your commission plan, you need to find a way to reward all types of salesperson – and do so fairly.

Does this mean a separate plan for each rep? No, but it does mean listening to your employees, testing plan variables, and understanding how external factors can influence performance. <u>Geography</u>, for example, or managing a particular client's account can impact sales numbers. You need to make those top tier earnings accessible to everyone, otherwise you risk alienating staff. And whatever you do, <u>don't cap commissions</u>.





Sifting through the mud

If you've been shaking your head thinking, "this is all just too impractical" or "I don't have time to go through all of this," then I'll counter with a question...

Do you want happy, motivated sales teams?

If so, then you must give the commission plan as much attention and effort as you give the other aspects of your business. No, it won't be quick, and it probably won't be painless, but don't confuse complexity for sophistication, either. Once it's done, you'll be amazed at how easier life gets – I know, as I've been through it before.



So where should you start?

Everything I've written above depends on the plan having a high degree of flexibility, customization, and usability. Without these qualities, you're doomed to rebuild the plan every time your objectives change. So your first step should be finding a dedicated commission application that meets these criteria.

Then, it's time to ask your employees what they think. If the feedback is anything less than glowing praise, you know what you have to do. Sit down and build a sales commission plan your team will be proud of.



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