Three Comp Trends That Will Shape *2027 Plan Design*

New research with senior sales compensation leaders on AI, plan understanding, and pay fairness, and what each one means for the return on the largest investment you make in growth.

Carmen Olmetti and Quang Do, RevEng Consulting | September 23, 2026

What We Cover and *What You Leave With*

We will cover the assumptions we are carrying into 2027, then five takeaways from the study and what each one changes about FY27 plan design, and then what to do next.

Planning assumptions	Five things we think happen next year, drawn from the study, and why the spend they touch is the largest line in most companies' cost of sales.	Where we start
Five takeaways from the study	Capacity, fairness, understanding, timing and explainability. What the panel said, and what each one changes about how you design the FY27 plan.	Where most of the hour goes
What to do next	Five questions to answer about your own program, what to decide first, and the sequence for the months ahead.	What you leave with

Consumption based crediting and the detailed EU Directive material are in the appendix and the follow up rather than in this session.

Where are you in *2027 planning?*

One tap to start, and it tells us how much of today is useful to you now and how much is useful in January.

Not started

2027 design has not begun

In design

Working through plan changes now

In approval

Design is done, going through sign off

Already locked

2027 plans are final

Who *Participated*

Everyone who answered owns their company's compensation program, and most of them run it for several hundred sellers.

34

senior sales compensation and go to market leaders, director level and above

56%

work at organizations above one billion dollars in revenue

47%

run compensation for more than 500 quota carrying sellers

97%

run compensation for sellers in the United States

Sector mix: 38 percent software and SaaS, 32 percent healthcare and life sciences, with media, financial services, manufacturing, distribution, and hardware making up the rest. Half also employ sellers in the European Union.

WHAT WE ASKED THEM

Fifty two questions covering pay levels, plan design, quota and attainment, crediting, administration, pay transparency and AI, and with thirty four responses this gives you a direction rather than a projection. Every person who took the survey asked to see how they compared.

Percentages are of respondents answering each question. Where a question was optional, the base is noted on the slide.

Five Planning Assumptions *for 2027*

These are the assumptions we would build a 2027 plan on, each with a takeaway from the study behind it, and each one comes back at the end as a question about your own program.

01	Capacity	Quota conversations will assume an AI productivity gain that most companies cannot yet evidence.	Test the assumption before you set the target
02	Fairness	Budgets tighten and the top of the plan gets trimmed first, in programs where the upside was already thin.	Check the multiple before you cut it
03	Understanding	Program count keeps rising, and simplification keeps landing on the core plan instead of the add-ons.	Count the programs, not the measures
04	Timing	More companies move to shorter quota cycles without agreeing who approves an in-year change.	Write the rules before the year starts
05	Explainability	Pay differences get harder to explain as territory, quota and crediting drift apart.	Trace one pay difference end to end

RevEng planning assumptions for 2027, drawn from the study and from client work. They are assumptions to test against your own program, not forecasts.

Sales Compensation *Growth Model*

Every response was scored against these twenty five elements, and while the plan mechanics came back healthy, the strain sat in the layers above them, which is where four of the five assumptions live.

Guiding Principles
- Market Competitive
- Supports Company and LOB Culture
- Leadership
- Results Focused
- Simple and Scalable

Corporate Level Elements
- Customer Segmentation
- Talent Strategy
- Budget and Financial Goals
- Operational Efficiency
- Regulatory and Compliance

Operational Elements
- Sales Process
- Organizational Structure and Job Role Design
- Comp Admin and Governance
- Territory Design and Quota Setting
- System and Tools

Comp Plan Level Elements
- Role Eligibility
- Pay Architecture and OTE
- Role Pay Mix
- Plan Measures
- Pay Curve and Thresholds
- Accelerator Rates
- Performance Period and Payout
- Crediting and Splits
- Out of Plan Elements
- Special Incentives

WHERE THE FIVE ASSUMPTIONS LAND

Four of the five sit in the layers above the plan itself, and only fairness sits down in plan mechanics.

The RevEng Sales Compensation Growth Model, twenty five elements across four layers.

What Variable Pay Is Supposed to *Buy You*

Sales compensation is the largest line in most companies' cost of sales, and the return on it shows up in three places that all five assumptions put pressure on.

Capacity

Selling time you can account for

Variable pay buys seller hours. The return depends on knowing how many you have, and where they point, before a quota is set.

Differentiation

Upside a seller can reach

The plan is meant to pay a top performer materially more than a middle one. That return only exists if sellers actually land across the curve.

Clarity

Pay a rep can act on

A plan changes behavior only when the person carrying it can explain what earns more. Clarity is what turns the spend into effort.

Where the return leaks

Unmeasured time

capacity changes, and the quota is still set from last year's assumption about what a seller can carry

Unreachable upside

the curve is designed on paper, and the distribution of sellers never gets near the top of it

Program sprawl

the signal is split across plans, SPIFs and side programs that nobody has counted

WHY THIS MATTERS FOR 2027

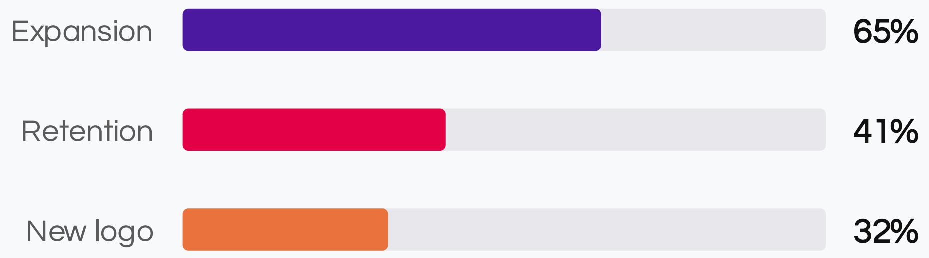
Each of the five assumptions reduces the return on the same spend, and none of them are visible anywhere in the plan document.

RevEng point of view, drawn from client work rather than from the survey.

Expansion Drives Growth. *Pay Follows New Logo*

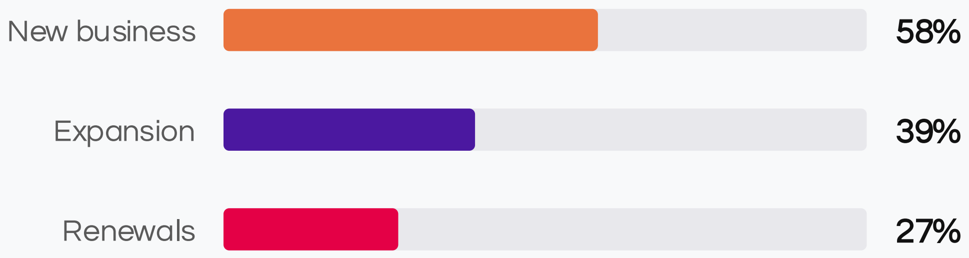
Companies say expansion is the motion that gets them to their growth goals, and yet the incentive weight in most of their plans still sits on new business.

Named as the most important motion



12 of 25 companies naming expansion or retention as most important still weight new business most heavily

Carries the most weight in incentive design



THEIR SINGLE BIGGEST FRUSTRATION WITH THE PLAN

"Balancing incentivisation of acquiring new business aggressively vs retaining and growing existing."

Compensation Lead, media and advertising

HOW TO READ THIS

Incentive weight was asked once for the whole organization, so the real question is whether the roles carrying the expansion motion are actually being paid for it.

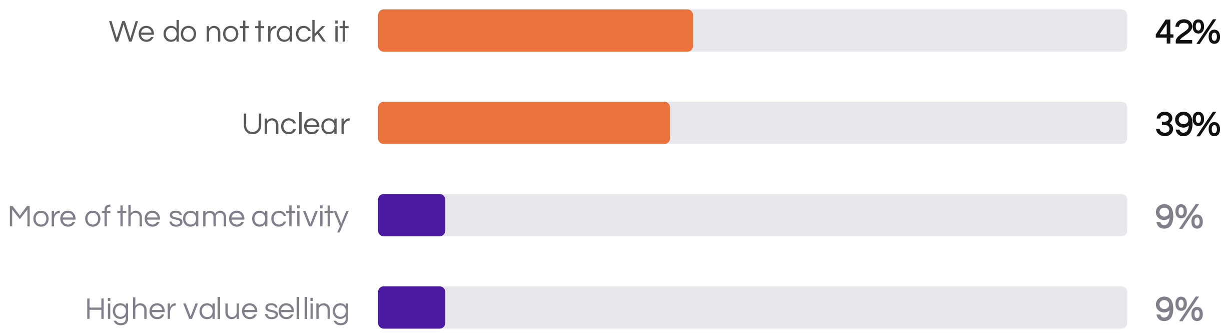
RevEng 2026 Sales Compensation Practices Study, 34 senior sales compensation and go-to-market leaders. Motion importance was asked for 2026. Base: 34 for motion, 33 for incentive weight. Respondents could mark more than one item most important, so figures do not sum to one hundred.

AI Is Freeing Time, but Few Can Say *Where It Goes*

81%

cannot say where the selling time AI freed up has gone, although 58 percent say AI has freed selling time somewhat or significantly.

Where the freed selling time went



THREE SIMPLE MEASURES SHOW WHETHER CAPACITY HAS CHANGED

Selling time

Hours per week spent with customers or on active opportunities.

Accounts worked

Accounts with meaningful activity in the quarter, per seller.

Opportunities created

New qualified opportunities per seller, by segment.

THE SO WHAT FOR 2027

Quotas get set on an assumption about what one seller can carry, so if AI has changed that, next year's number is built on last year's assumption. Measure where the time goes before you raise the target.

RevEng 2026 Sales Compensation Practices Study, 34 senior sales compensation and go-to-market leaders. Base: 33.

Name the Lever Before *You Raise the Quota*

Revenue comes from four levers, so an AI uplift in the quota should say which one it expects to move and how that will be measured.

Number of deals × Win rate × Deal size ÷ Cycle time = Revenue velocity

HIGHEST-SCORING AI USE CASE IN OUR STUDY

Number of deals	Win rate	Deal size	Cycle time
Autonomous prospecting	Deal risk analysis and conversation intelligence	Price optimization and cross-sell targeting	AI seller assistant

A DEFENSIBLE APPROACH FOR 2027

Set quotas on measured capacity

Use today's selling time and results as the baseline.

→

Name the lever and the evidence

State which lever the uplift assumes and how it is tracked.

→

Review on a set date

Adjust only under published rules and agreed evidence.

Avoid

One flat AI uplift for every seller

Velocity equation from the RevEng 2027 Comp Trends webinar. Use cases from RevEng's 2026 study analysis of 16 AI use cases scored for revenue impact.

How will you handle *AI in the quota?*

A quick pause here, because this is the decision most 2027 plans are about to make without ever stating it out loud.

Uplift everyone

One AI gain applied across the board

Measured gain

Applied only where adoption is evidenced

Hold and review

Set on current capacity, revisit later

Not considered yet

It has not come up in planning

Poll two of three | Answer in the poll panel

How Much AI Gain to *Build Into Quotas*

Few organizations can yet say how much capacity AI has added, which makes the assumed uplift one of the most consequential numbers in the 2027 plan.

Apply one uplift to everyone

A single percentage increase across all sellers to reflect expected AI gains.

WATCH FOR

Adoption and benefit differ by role, team, and territory, so a uniform uplift can produce uneven attainment that is hard to explain.

Build in a measured gain

Raise quotas by the capacity change actually observed, role by role.

WATCH FOR

Needs baseline data on selling time and results, which many teams do not yet have.

Hold, then review

Set quotas on current capacity and review at an agreed point using measured results.

WATCH FOR

Needs agreed rules for in-year changes, shared with sellers before the year begins.

How often quotas are set today

Annually	44%
Quarterly	32%
Semi-annually	21%

IF QUOTAS WILL CHANGE DURING THE YEAR

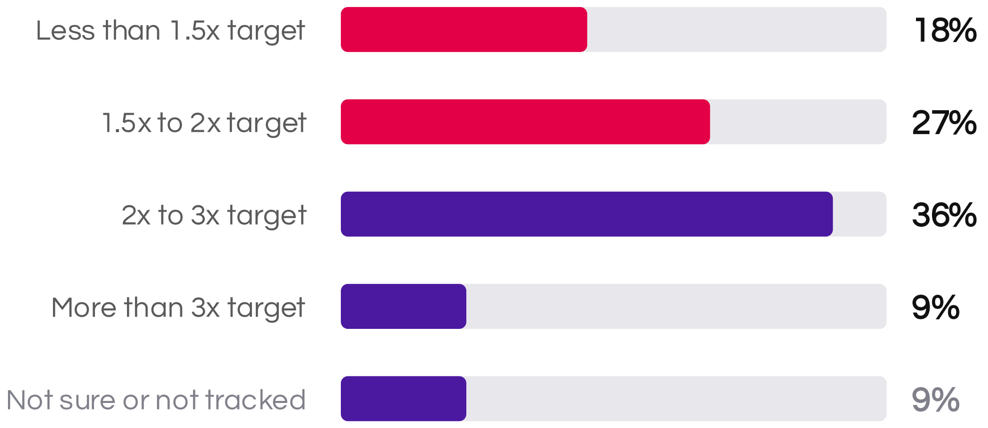
Agree in advance who decides, what evidence is required, and when changes can happen, and tell sellers before the year starts. Adjustments made under published rules are much easier to explain than adjustments made case by case.

RevEng 2026 Sales Compensation Practices Study, 34 senior sales compensation and go-to-market leaders. Quota cadence base: 34; a further 3 percent set quotas monthly.

Top Performers Are Not Paid *Much More*

Seventy percent say the gap between top and middle performers is holding steady, which raises the better question of how wide that gap was to begin with.

What a top ten percent seller earns against target variable pay



45%

pay their top ten percent less than 2x target variable. The standard for an account executive at a 50/50 mix is 2.5x to 3.5x.

There is no true accelerator that rewards people for crushing their quota.

Chief Revenue Officer, data as a service

THE SO WHAT FOR 2027

If you trim the top of the plan next year, 45 percent of this group would be trimming something that was never there, and another 62 percent already run a cap or a provision that flattens it further, so check what your top ten percent earns first.

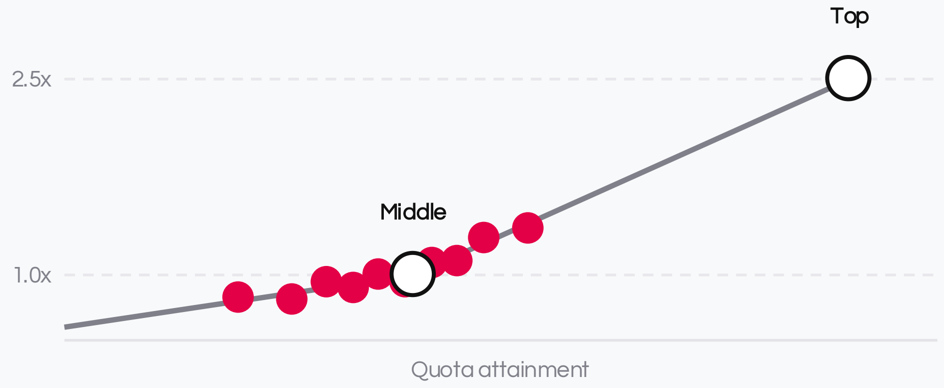
Base: 33 respondents. None of the six paying under 1.5x run an above target provision, so that upside was designed thin rather than flattened. Pay multiple standards from the 2026 RevEng Sales Compensation Guide, Part 4.

The Design Can Be Identical. *The Spread Is Not*

Both of these companies pay the middle performer the same and the top performer the same, so what differs is where individual sellers actually land between those two points, which is what a team experiences as pay for performance.

Everyone lands in the middle

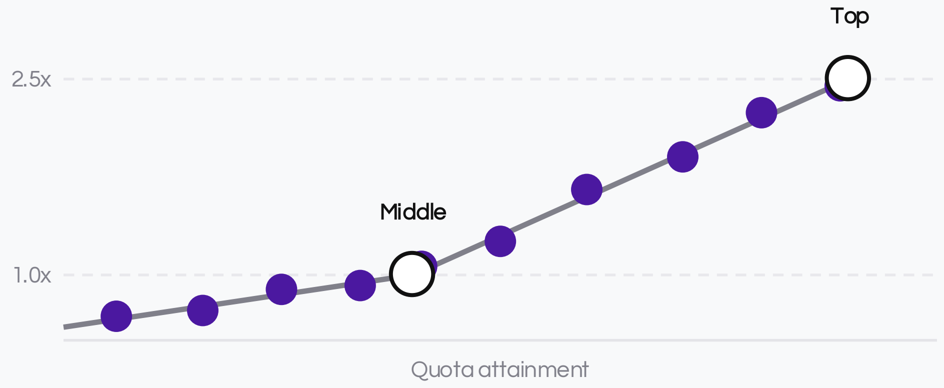
The upside exists on paper, and almost nobody reaches it.



Ten sellers, all within fifteen points of target. The plan says 2.5x is available. For this team it is not.

The whole curve gets used

Same plan, and the distance between middle and top is real.



Ten sellers, spread across the whole curve. The same 2.5x is earned by somebody every year.

WHY THIS MATTERS

What the plan allows and what the distribution delivers are two different things, and with twelve percent of this group saying fewer than a quarter of their sellers hit quota, the top of their curve is theoretical.

Illustrative. Each dot is one seller. Both panels use the same plan, the same middle performer, and the same top performer.

Tracing a Pay Difference *Back to Its Source*

When two sellers in the same role are paid differently, the way to find out why is to start at pay and work backwards.

STEP 4	STEP 3	STEP 2	START HERE
Territory	Quota	Attainment	Pay
Same assignment method?	*Same method, prorated for leave?*	*Same crediting, including coverage?*	*Same pay curve?*

Yes at every step

The difference reflects performance

No at any step

The difference reflects how a seller was set up

Leave is a common source

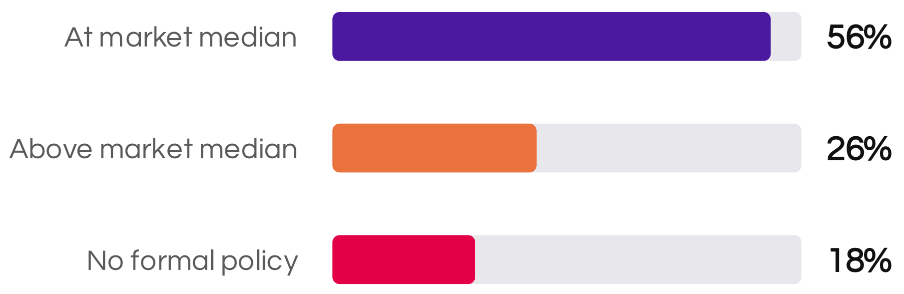
Quotas prorated for leave? Coverage credit rules written down, impact on seller who takes leave.

Of 17 respondents with EU sellers, 1 is very confident its criteria for pay differences are documented. 7 are not sure.

RevEng 2026 Sales Compensation Practices Study, 34 senior sales compensation and go-to-market leaders. Figures are of the 17 respondents who employ sellers in the European Union.

Almost Everyone Pays the *Market Median*

Where companies set target total cash against market



68%

of teams paying at the median rate their confidence in attracting and retaining talent at 3 or lower out of 5.

89%

of teams paying above the median rate that same confidence at 4 or 5. Only one respondent in the whole group gave a 5.

WHY THIS MATTERS

Most companies target the same number, and the ones sitting on it are the least sure it is working. If you have a talent problem, it is usually one of these three, and each has a different fix.

Attract

Brand equity, equity and fringe benefits, and the fact that junior and senior candidates weigh those very differently.

Reward

Merit movement against the cost of labor, how often you benchmark, and whether the upside is real.

Retain

Whether the plan paid what it promised, and whether overachievement is genuinely available.

A plan is market competitive when a good performer can realistically earn the target pay, which is an operational test rather than a benchmarking one.

What People Said in *Their Own Words*

Only 27% say a rep can explain their pay exactly, even though 84% already limit a plan at three measures or fewer, and the same themes came back unprompted about too many programs, quotas nobody trusts, and comp being asked to fix strategy problems.

We have too many plan permutations.

Manager, Revenue Planning and Analysis, software

It is extremely complex with several add-ons and confusing policies that our sales leadership refuses to unwind and simplify.

Senior Manager, Sales Comp and Strategy, software

Attainment can swing due to many drivers such as experience and uncontrollable headwinds which is not baked in quota setting.

Senior Finance Manager, healthcare and life sciences

The frustration is more with the sales strategy to which the comp plan aligns.

Senior Director, GTM Performance Management, software

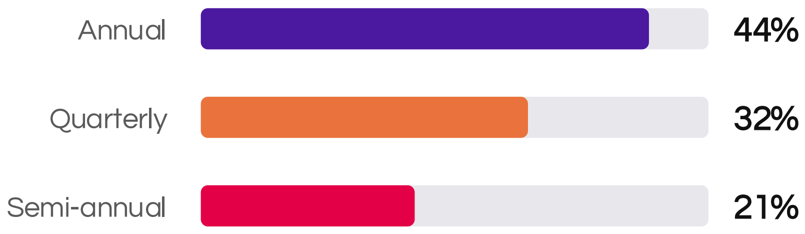
Verbatim responses to: what is your single biggest frustration, and what would you change. Titles shown, companies withheld.

What Leaders Say They Will *Change Next Year*

We asked what they intend to change in the next twelve months, and the top three answers have nothing to do with the plan formula.

Planned changes in the next twelve months

How often quotas are set today



Early planning and involvement in GTM planning, so that the comp plan can follow the sales strategy.
Head of Global Sales Compensation, software

I would strengthen quota-setting rigor.
Senior Manager, Total Rewards, media and advertising

THE SO WHAT FOR 2027

Two thirds share the final decision across functions. If you are going to change quotas more than once a year, agree the governance up front: who decides, on what evidence, and communicate it at the start of the year rather than at the moment of the change.

Respondents could select more than one planned change, so the figures do not sum to one hundred. Base: 33 for planned changes, 34 for quota cadence, where a further 3 percent set quotas monthly.

The Structure a Quota Change *Should Sit Inside*

Governance is the agreement about how compensation decisions get made, written down before you need it, and there are four parts to it that most teams only have two of.

01

Strategic alignment

- Plans follow the go to market strategy, not the reverse
- Changes tested against the outcome they should move
- Growth and profitability balanced on purpose

02

Process

- One design method everyone uses
- A written approval path, with names against it
- A published calendar for in-year changes

03

Risk and control

- Exceptions handled by policy, not by relationship
- Regulatory and pay reporting requirements built in
- An audit trail for every override

04

Improvement

- Attainment and cost reviewed on a set cadence
- Seller feedback collected before the next cycle
- What did not work gets retired, not carried forward

HOW TO USE THIS

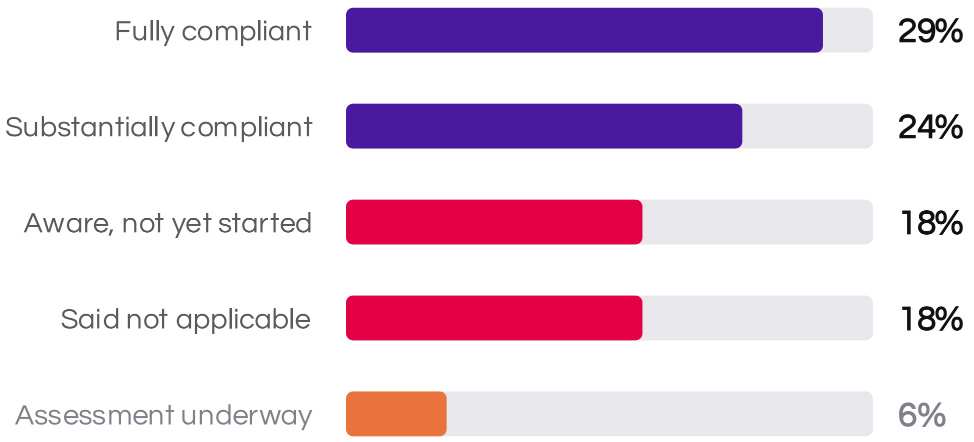
Before you shorten the quota cycle, write down who approves a change, what evidence it needs and when it can happen, because a quota change with an agreed process behind it is a management decision rather than a credibility problem.

From the RevEng sales compensation governance framework.

The EU Reporting Clock Is *Already Running*

Half of this panel employs sellers in the European Union, where the first pay transparency reports are due June 7, 2027 and cover variable pay the 2026 year.

Readiness for the EU Pay Transparency Directive



3 of 17

companies with sellers in the European Union answered that the Directive does not apply to them. This should be confirmed.

Whether pay differences can be explained

Of the 17 companies with EU sellers, one is very confident it has documented objective criteria for pay differences. Seven are not sure.

THE SO WHAT FOR 2027

Gender pay gap figures include variable pay, so commission data, quota assignment, and territory allocation all come into scope. Confirm who is in scope by entity and headcount, then check whether quota and territory assignment would survive being reported.

Readiness and pay equity confidence are of the 17 respondents who employ sales staff in the European Union. Directive timing is directional; confirm with counsel per member state.

Which would you *look at first?*

Last one.

Capacity	Fairness	Understanding	Timing and explainability
Where the freed time went	What the top decile earns	What a rep can explain	Governance, the rules and the record

Poll three of three | Answer in the poll panel

Five Questions You Can Answer *This Week*

These are the same five assumptions from the start of the session turned into questions, so count how many you can answer wit h a number rather than an impression.

01	Capacity	Do you know where the selling time AI freed up went last year?	Hours by activity, not a general sense
02	Fairness	What did your top ten percent actually earn against target variable last year?	A multiple you can state with confidence
03	Understanding	How many distinct plans, SPIFs and side programs is a typical rep carrying?	A count, from a list someone maintains
04	Timing	Who signs off on an in year quota change, and where is that written down?	A named approver and a published calendar
05	Explainability	Could you explain why two sellers in the same role were paid differently last year?	Territory, quota, and crediting differences you can point to

The full version of this read is the RevEng Sales Comp Health Assessment, twenty eight questions scored against the Growth Model.

What to Decide *Before You Set 2027*

Each takeaway comes down to one decision and one thing to measure.

TAKEAWAY	THE DECISION TO MAKE	WHAT TO MEASURE FIRST
Capacity	Does the time AI freed up go into a bigger quota, or into new coverage?	Where seller hours go today
Fairness	Is the top of the plan worth defending at what you already spend on sales?	What your top ten percent actually earns
Understanding	Which programs do you retire, rather than which plan do you rewrite?	A count of every plan, SPIF and side program
Timing	Who approves an in-year quota change, and on what evidence?	Whether a written rule and a named decider exist
Explainability	Can you explain why two sellers in the same role were paid differently?	One pay difference traced end to end

THE THREAD RUNNING THROUGH ALL FIVE

None of this gets answered inside the plan document, it gets answered in the layers above it.

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What to Do *in the Months Ahead*

Now
DIAGNOSE

- Measure selling time
- Size territory opportunity
- Count the programs a rep is on

Before quotas are issued
DESIGN

- One written method per role
- Name the AI lever and evidence
- Write in-year change rules

Before plans launch
DEPLOY AND DECODE

- Model the pay curve against actual attainment
- Test what sellers believe they can earn
- Equip managers to explain

REVIEWED TOGETHER BY

Sales leadership

Sales operations

Finance

HR and compensation

Legal

Enablement

Phases follow the RevEng 4D Framework: Diagnose, Design, Deploy, and Decode.

Appendix

Additional detail from the study, held back from the main readout and sent with the follow up.

The Numbers Worth *Remembering*

81%

cannot say where the selling time AI freed up has gone

45%

pay their top ten percent less than 2x target variable

27%

say a rep can explain their pay exactly

45%

run more than twenty distinct incentive plans

30%

are not confident the plan motivates the middle 60 percent

74%

have not changed pay mix in eighteen months

58%

name quota setting as a change they plan to make

52%

run provisions that reduce the payout rate above target

1

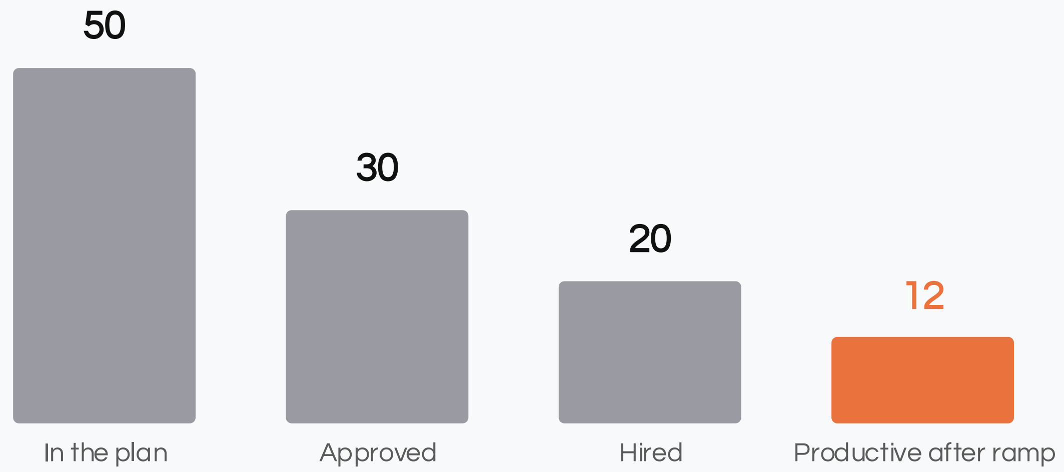
respondent out of 34 is fully confident their plans attract and retain

Base varies by question between 31 and 34 respondents.

Start From the Capacity *You Will Actually Have*

Quotas are often built on the headcount in the plan, when revenue is actually delivered by the sellers who are in seat and productive.

From planned headcount to productive sellers



What productive capacity depends on

Productive sellers

Driven by hiring, ramp time, and attrition.

× **Selling time per seller**

Where AI may add time, if the gain is measured.

× **Results per hour of selling**

Driven by skill, enablement, and territory quality.

BUILDING THE NUMBER

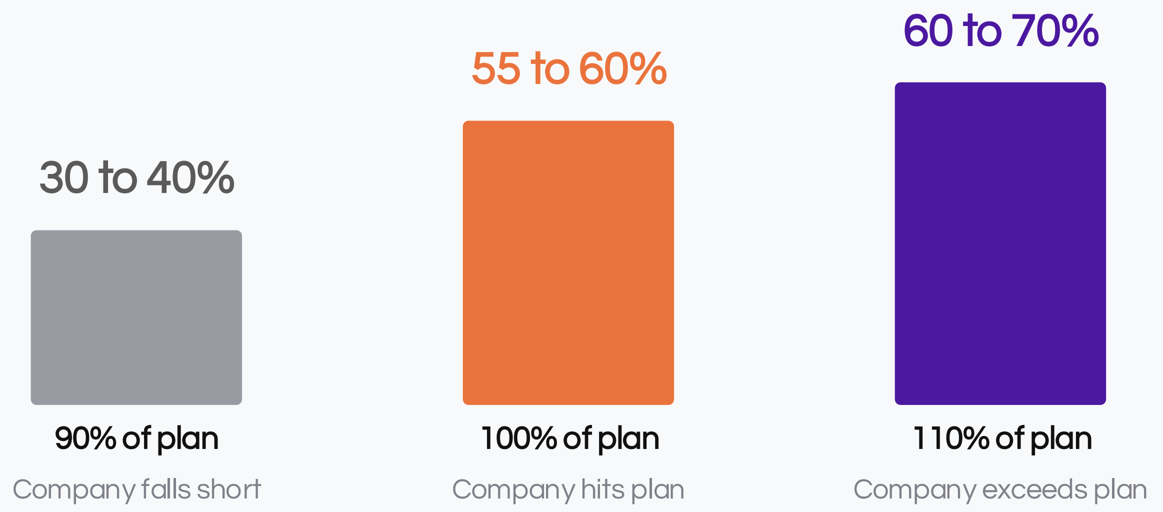
A quota plan should add up from the sellers who will be productive during the year, and while AI may raise the time or the results each seller produces, that gain should be measured before it is written into targets.

Illustrative headcount figures.

What a Healthy *Quota Outcome Looks Like*

When the company hits plan, 55 to 60 percent of sellers should reach or exceed quota, with about two-thirds landing between 85 and 115 percent of quota.

Share of sellers at or above quota



SIGNAL

Fewer than half reach quota in a year the company hits plan

Quotas are likely set too aggressively, or allocated unevenly across territories.

SIGNAL

70 percent or more reach quota

Quotas are likely too low, and the plan may cost more than intended.

WHERE TO LOOK WHEN THE DISTRIBUTION IS OFF

Check quota allocation and territory balance first and then the pay curve and thresholds, and while you are there the distribution will also show whether similar sellers in different teams or countries are being held to comparable standards.

RevEng 2026 Sales Compensation Guide, the 55 to 60 percent achievement standard.

Questions to Answer Before *You Set 2027 Quotas*

Count how many of these you can answer with evidence rather than with an impression.

01
Capacity
Is the quota plan built on the sellers who will be productive during the year?

A capacity model by quarter

02
AI
What AI productivity gain is assumed in the target, and what evidence supports it?

A stated assumption with data behind it

03
Method
Which method sets individual quotas, and is it the same for everyone in the role?

One written method

04
Outcome
What share of sellers reached quota the last time the company hit plan?

A percentage from your own data

05
Changes
Who approves an in-year quota change, and on what evidence?

Written rules and a named approver

THE NEW QUESTION THIS YEAR

Many 2027 financial plans will carry an assumption about AI productivity even where it is not stated, and question two is there to get that assumption written down and supported with data.

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A Quota Method *You Can Explain*

Five principles from our quota-setting work, with what you should be able to show for each one.

PRINCIPLE	WHAT IT MEANS	WHAT TO BE ABLE TO SHOW
Achievable	55 to 60 percent of sellers reach quota when the company hits plan.	The attainment distribution for the last two years, by role and team.
Aligned	Quotas reflect the sales strategy, the role, and the pay plan.	How each quota measure links to a stated priority for the year.
Consistent	The same method is used across teams, countries, and years.	A written method applied to every seller in the same role.
Transparent	Sellers understand how their number was set.	A short explanation that every manager can give in the same way.
Timely	Quotas arrive before the period starts, on a published calendar.	Issue dates, and a log of in-year changes with the reason for each.

WHERE DIFFERENCES USUALLY START

Relief, adjustments and exceptions granted during the year are a common source of pay differences that are hard to explain later, so record each one and the reason it was granted.

RevEng five guiding principles of quota setting, from the RevEng 2026 Sales Compensation Guide.

Example Rules for *In-Year Changes*

In-year changes are normal, and agreeing the rules in advance is what makes them explainable afterwards.

CHANGE	WHEN IT CAN HAPPEN	EXAMPLE RULE	WHO DECIDES
Quota adjustment	At quarter boundaries only	Considered when a change affects roughly 15 percent or more of a seller's business, with the reason recorded.	Sales leadership, with finance agreement
Account transfer	Any time, with approval	Quotas of both sellers are adjusted automatically, and the transfer is logged.	Sales management
Plan change	Quarterly, for major shifts	Only for significant market changes or a change in strategy.	Compensation steering committee
Role change	Any time	Pay for the previous role is calculated on performance to date, and the new target is pro-rated.	Sales leadership, with HR

WHY THIS BELONGS IN THE TRANSPARENCY DISCUSSION

Every change in this table alters what a seller is paid. A written rule, a named decision owner, and a log of each change are the records that allow those differences to be explained later.

Example rules from RevEng compensation governance work. Adapt thresholds and decision owners to your organization.

One Capacity Decision, *Three Design Choices*

Decide where freed capacity should go first, and then design territory, quota and pay to match it.

IF FREED CAPACITY GOES TO	Territory	Quota	Compensation
More accounts per seller	Larger territories	Higher quotas	Protect the upside
More time per account	Deeper coverage	More expansion weight	Reward expansion
A new motion	New layer or overlay	Separate targets and ramp	New measure, transition cover
No decision made	Unchanged	Flat AI uplift	Pay swings no one can explain

RevEng point of view, drawn from client work.

Freed Capacity Can Go *Three Ways*

Each option is a legitimate choice, and each one changes the quota and the plan in a different way.

1 Wider coverage

Sellers take on more accounts or more of the market.

WHAT IT MEANS FOR THE PLAN

More accounts per seller, so the quota rises on coverage and the crediting rules have to cover the newly assigned accounts.

2 Deeper coverage

Sellers keep their accounts and spend more time in each one.

WHAT IT MEANS FOR THE PLAN

The same accounts with more depth, so the quota rises on expansion and the plan needs a measure that actually pays for it.

3 A new motion

Time moves to a new segment, a new product, or a new-logo effort.

WHAT IT MEANS FOR THE PLAN

A new target and often a new role, with its own ramp period and its own measures rather than a uniform uplift.

THE CASE TO AVOID

The difficult case is a quota that assumes extra capacity when no one has decided where that capacity should go, because the target rises, the territory stays the same, and the gap shows up later in attainment and in pay.

RevEng point of view, drawn from client work.

The Core Plan Is Not *the Problem*

Eighty four percent already cap a single plan at three measures or fewer, yet only twenty seven percent of reps can explain their pay exactly, so the confusion is coming from what is layered around the core.

27%

say a rep can explain exactly how their variable pay is calculated. Two thirds say roughly.

Why the plan itself may not be the problem

84% cap any single plan at three performance measures or fewer, which is inside the design standard

45% run more than 20 distinct incentive plans

1 in 8 run more than fifty distinct incentive plans, which is the top of this panel

When you tell a rep to focus on 10 different things, they don't focus on anything.

Senior Manager, Sales Compensation and Strategy, software

Too many distracting comp programs outside of the Core.

Senior Director, Global Sales Compensation, software

THE SO WHAT FOR 2027

There are two problems here and they need different fixes, because the core plan can still feel confusing and be worth rewriting, but what a rep is really carrying is every SPIF and side program layered on top of it, and no system will simplify that for you.

Base: 32 to 33 respondents. Understanding showed no material difference by administration platform or by number of measures.

Nothing in the Structure *Predicts Understanding*

We tested understanding against administration platform, number of measures and number of plans, and none of them separate the teams whose reps can explain their pay from the teams whose reps cannot.

0 of 4

companies running more than fifty distinct plans have a rep who can explain pay exactly. That is the only structural break in the data.

What did not separate the groups

One — Platform. 24 percent of teams on a dedicated ICM platform say a rep can explain pay exactly, against 3 of the 6 teams on spreadsheets.

Two — Measures. 84 percent already cap a single plan at three measures or fewer, and understanding does not move with the count.

Three — Plan count. 27 percent at one to five plans, 36 percent at twenty one to fifty. No gradient until the very top.

THE SO WHAT FOR 2027

Test communication rather than structure, and the way to do it is to ask your sellers what they believe they can earn at target and at top performance, then compare their answers to the plan.

Base: 33 for understanding. The comparison groups are small, six teams on spreadsheets and four running more than fifty plans, so read these as direction rather than as effect sizes.

How Widely to Differentiate Pay *Is Still a Choice*

Organizations can decide how much more a top performer earns than a middle performer, and pay transparency raises the standard of evidence for whichever spread they choose.

Narrower spread — **Wider spread**

Top performers earn modestly more

There are fewer large pay differences to explain. Top performance is rewarded less, the top of the pay curve may rarely be reached, and strong sellers may look elsewhere.

Top performers earn a multiple

Top performance is rewarded strongly. The organization needs stronger evidence that the differences come from performance against fairly set territories and quotas.

45%

of study respondents pay their top 10 percent of sellers less than twice target variable pay. For an account executive on a 50/50 pay mix, the RevEng standard is 2.5 to 3.5 times.

WHAT THIS MEANS IN PRACTICE

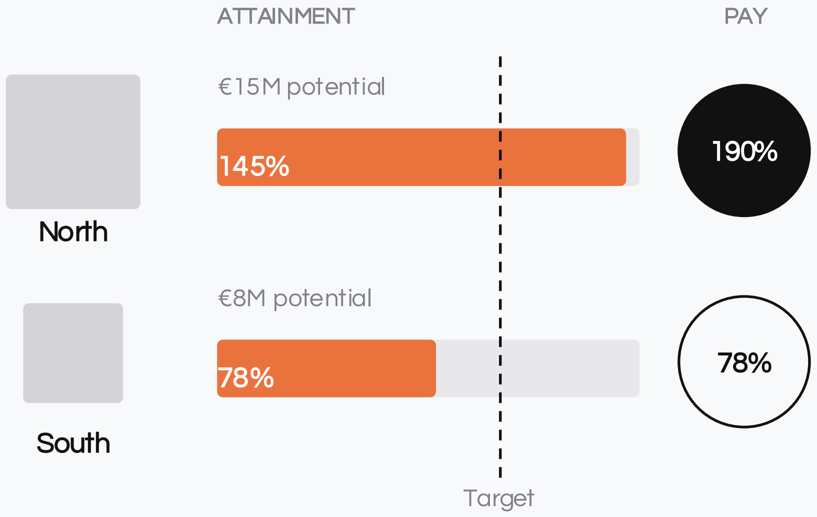
The wider the spread, the more it depends on balanced territories, consistent quotas, and a record of how both were set.

RevEng 2026 Sales Compensation Practices Study, 34 senior sales compensation and go-to-market leaders. Base: 33. Pay multiple standard from the RevEng 2026 Sales Compensation Guide.

Uneven Territories Create *Uneven Pay*

Assignment drives pay for an individual seller, and across a team it can turn into a pay gap that has nothing to do with performance.

1 Same quota, same win rate



2 Across a team of twelve sellers

Variable pay counts toward the gap for a category of workers. A gap of 5% or more that cannot be justified leads to a joint pay assessment.

Illustrative. Every seller has the same quota and wins the same share of territory potential. Real territories also differ by account concentration, incumbency, and revenue mix.

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Territory Assignment Now Needs *a Clear Record*

The Directive does not regulate territories directly, but it does require that pay differences can be explained, and in sales many of those differences start with territory.

What the Directive asks

1. Pay, including variable pay, is set using objective, gender-neutral criteria.
2. Employees can ask for their own pay level and for average pay, by sex, of colleagues doing the same work or work of equal value.
3. Larger employers report gender pay gaps, including gaps in variable pay.
4. A gap of 5 percent or more in a category that cannot be justified, and is not corrected within six months, leads to a joint pay assessment with worker representatives.

What that means for territories

1. Write down how opportunity and workload are measured and how territories are assigned.
2. Apply the same method across teams and countries for sellers in the same role.
3. Record each account move during the year and the reason it was made.
4. Check whether territory quality differs systematically between men and women in the same role.

Summary for discussion, not legal advice. Directive (EU) 2023/970. National implementation and timing vary by member state.

What the Directive Asks of *Sales Compensation*

A plain summary of the obligations that matter most to variable pay.

OBLIGATION	WHAT IT REQUIRES	WHAT IT MEANS IN SALES
Before hiring	Candidates receive the starting pay level or range, and employers cannot ask about pay history.	Expect candidates to ask about target earnings and how variable pay works.
Pay criteria	The criteria used to set pay and pay progression must be objective, gender-neutral, and accessible to employees.	In sales, much of an individual's pay is shaped by how quotas and territories are set.
Information rights	Employees can request their own pay level and average pay, by sex, for colleagues doing the same work or work of equal value.	Sellers can compare their earnings, including commission, with averages for their category.
Reporting	Employers with 150 or more employees report gender pay gaps, including in variable pay. Under the Directive's timetable, first reports are due in June 2027.	Commission and bonus data need to be reportable by sex and by category of worker.
Joint assessment	An unjustified gap of 5 percent or more in a category, not corrected within six months, leads to an assessment with worker representatives. In claims, the burden of proof shifts to the employer.	Differences that come from territory or quota allocation need a documented rationale.

STATUS IN SEPTEMBER 2026

Four member states met the June 2026 deadline and several others have set dates in 2027, so timing varies by country. UK entities are outside the Directive, but employees in EU member states are covered.

Summary for discussion, not legal advice. Directive (EU) 2023/970. Confirm requirements, thresholds, and timing with counsel in each member state.

How Plans Are Set Up, *Setting by Setting*

The settings people ask about most, what everyone else does, and what to watch for in your own plan.

PLAN SETTING	WHAT EVERYONE ELSE DOES	WHAT TO WATCH FOR
Pay mix	41 percent run 50/50 on the core AE role, and 74 percent have not changed mix in 18 months	Mix follows influence over the sale: AE 50/50 to 60/40, AM 70/30, CS 70/30 to 80/20
Primary measure	Recognized revenue 50 percent, bookings 32 percent	Outcomes should drive 50 to 80 percent of variable pay, less in long enterprise cycles
Crediting event	Invoiced 35 percent, revenue recognized 32 percent, booked 29 percent	The gap between booking and credit is where seller trust is lost
Threshold before payout	52 percent use one, and 71 percent of those start between 50 and 75 percent of quota	A threshold above 75 percent switches the plan off for the middle of the distribution
Decelerators below quota	58 percent use them	Defensible with a wide distribution, punishing when quotas are unreliable
Caps on payout	32 percent cap	A cap is a decision to stop selling at a number you set in advance
Provisions above target	52 percent run windfall, large deal, or diminishing rate provisions	These quietly flatten the top of the curve after you designed the upside
Clawback or holdback	82 percent use one	Standard practice now, and worth aligning to the crediting event
New hire ramp	45 percent run three months or less, 36 percent four to six	A ramp shorter than the sales cycle is a retention risk
Payout frequency	70 percent monthly, 24 percent quarterly	Monthly payout against quarterly measurement creates true-up noise
Design authority	67 percent share the final decision across functions	Shared authority works only where the decision rights are written down

Base: 33 to 34 respondents per question.

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Consumption Pricing, and *How to Credit It*

Two thirds of this group do not sell on consumption today, and for the third who do or will, the design question is when a se ller gets credited.

Credit the commit

WHAT IS CREDITED

Committed spend at signature

BEHAVIOR IT DRIVES

Maximizes commit size at the close

THE RISK

Shelfware. Inflated commitments that never draw down

Credit as consumed

WHAT IS CREDITED

Metered usage as it is realized each period

BEHAVIOR IT DRIVES

Drives adoption and real usage growth

THE RISK

Weak pull at the point of sale, and payout stretched over quarters

Hybrid

WHAT IS CREDITED

Part at signature, the rest as usage lands

BEHAVIOR IT DRIVES

Closes the commit, then stays engaged through drawdown

THE RISK

Two payment streams per deal, and the heaviest to administer

Connecting the billing data back to the original bookings data, and keeping people motivated when payouts are stretched out.

Manager, Revenue Planning and Analysis, software

HOW TO CHOOSE

Pick the model your data can actually support. Crediting as consumed needs usage telemetry you trust. Without it, the hybrid is the honest answer.

Base: 33 respondents. 24 percent sell a portion of revenue on consumption, 6 percent are piloting, and 3 percent sell mostly that way.

Which Crediting Model *Fits Your Business*

The right answer depends on how predictable your consumption is, so score yourself one to five on six factors and then read the band at the bottom.

Collection rate
What share of contracted consumption do customers actually use?
1 Below 75 percent 5 Above 90 percent

Time to value
How long from signature to production usage?
1 Over 12 months 5 Under one month

Customer concentration
How concentrated is revenue in one customer?
1 Above 25 percent 5 None above 5 percent

Product maturity
Can you forecast usage from history and cohorts?
1 Patterns unknown 5 Highly predictable

Sales predictability
Are qualification and deal cycles consistent across the team?
1 Highly variable 5 Highly consistent

Market position
How exposed are you to competitive and usage volatility?
1 Disrupted market 5 Market leader

Add the six scores, then read the band

25 to 30
Aggressive
90 to 100 percent credited at booking

18 to 24
Balanced
70 to 85 percent at booking, rest on milestone

12 to 17
Conservative
40 to 60 percent, milestone driven

Under 12
Not ready
Fix the fundamentals before changing the plan

From the RevEng consumption compensation framework. Scores are a starting point for the conversation, not a formula.

One Selling Motion Becomes *Three*

Consumption splits the job into landing, protecting and growing, each credited on something different, and the guardrails underneath are what keep the plan payable.

L Land
New business

70 to 85 percent credited at booking, the balance at implementation, so the seller is paid for a customer who actually starts.

R Renew
Base protection

Split credit between the renewal itself and maintaining consumption, because a renewed contract that is not used is not revenue.

E Expand
Growth and upsell

Credited on consumption growth above an agreed baseline, which is the only way expansion stays distinguishable from renewal.

The guardrails underneath

7 to 8%

of variable pay held in a reserve pool, so the company is not paying out on consumption that never lands

6 to 12 months

of income protection while sellers move onto the new model, or the best ones leave during the transition

Three controls

anomaly detection, consumption caps, and clawback provisions, agreed before the first payout runs

WHERE TEAMS GET THIS WRONG

Almost everyone designs the crediting rule first and the transition last, when it works far better the other way round.

From the RevEng consumption compensation framework rather than from the survey.

About *This Study*

Who answered

34 sales compensation and go to market leaders at the director level and above. 38 percent software and SaaS and 32 percent healthcare and life sciences, with media, financial services, manufacturing, distribution, and hardware making up the rest. Fielded in 2026.

How to read it

Percentages are of respondents answering each question, and bases range from 31 to 34 because several questions were optional. Some totals do not reach one hundred because of rounding or because respondents could select more than one answer.

Confidentiality

Responses are confidential and no company names are disclosed. Open text answers are quoted verbatim with the respondent title only. Design guidance throughout is drawn from the 2026 RevEng Sales Compensation Guide.

ON THE FIVE TAKEAWAYS

The five takeaways and the planning assumptions behind them are our view, based on this group and on published research, so treat them as assumptions to test rather than as market forecasts.

See How You *Compare*

Every respondent in this study asked for a personalized comparison of their own results. We are extending the same to everyone on this session.

Scored assessment

Your program scored against the twenty five elements of the Growth Model, with the layers carrying the most risk called out.

Your comparison

Your answers set next to everyone else on capacity, upside, programs, quota, and readiness.

A working session

Sixty minutes with us to test the three trends against your own data and agree the first move for 2027.

Carmen Olmetti and Quang Do | revengconsulting.com/contact