August 6th, 12 PM CST

10 Reasons *Why* Your Comp Plans Aren't Working

+ a bonus reason

RevEng × LANSHORE ADVANCING INTELLIGENCE

Speakers

Carmen Olmetti

Partner

RevEng

Matt Haller

Principal

RevEng

Bill Calhoun

Global Head of SPM Services

LANSHORE
ADVANCING INTELLIGENCE

About RevEng

Founded and headquartered in Chicago with offices in Houston and Los Angeles, RevEng Consulting is a modern, **remote-first commercial growth firm** specializing in **accelerating revenue through end-to-end go-to-market transformations.**

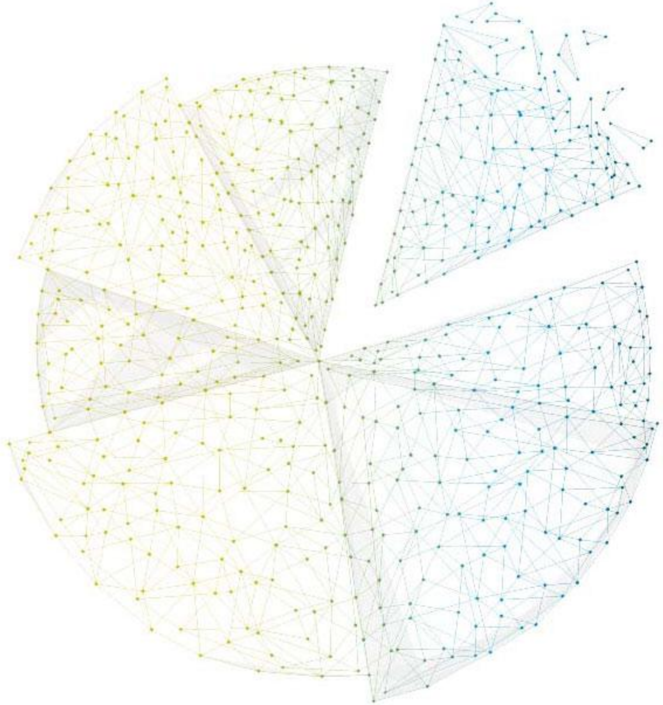
RevEng Consulting offers a results-driven consulting model that goes beyond advising—**steering full-scale implementational partnerships that measurably accelerate growth**. Backed by seasoned operators and a commitment to hands-on execution, they're designed for businesses seeking not just roadmaps, but revenue.

RevEng
CONSULTING

About Lanshore

Lanshore is a privately held technology consultancy, founded in 2012 and headquartered in Katy, Texas, with additional presence in EMEA and Latin America.

Lanshore is a **strategic partner for enterprise organizations seeking to enhance their revenue performance and operational efficiency.** They combine deep domain knowledge in **sales compensation and intelligent automation** with flexible vendor solutions and a **relentless focus on ROI.** Their expertise—rooted in a global team and powered by a dedicated Robotic Operations Center—**enables clients to automate complex processes, improve forecasting accuracy, and scale intelligently.**



LANSHORE
ADVANCING INTELLIGENCE

Sales Compensation *Growth Model*

<table>
<tr><td>Guiding Principles</td><td colspan="2">Market Competitive</td><td colspan="2">Supports Company & LOB Culture</td><td colspan="2">Leadership</td><td colspan="2">Results Focused</td><td colspan="2">Simple & Scalable</td></tr>
<tr><td>Corporate Level Elements</td><td colspan="2">Customer Segmentation</td><td colspan="2">Talent Strategy</td><td colspan="2">Budget & Financial Goals</td><td colspan="2">Operational Efficiency</td><td colspan="2">Regulatory and Compliance</td></tr>
<tr><td>Operational Elements</td><td colspan="2">Sales Process</td><td colspan="2">Organizational Structure & Job Role Design</td><td colspan="2">Comp Admin & Governance (Policies)</td><td colspan="2">Territory Design & Quota Setting</td><td colspan="2">System & Tools</td></tr>
<tr><td>Comp Plan Level Elements</td><td>Role Eligibilty</td><td>Pay Architecture & OTE</td><td>Role Pay Mix</td><td>Plan Measures</td><td>Pay Curve & Thresholds</td><td>Accelerator Rates</td><td>Performance Period & Payout</td><td>Crediting (Split crediting)</td><td>Out of Plan Elements</td><td>Special Incentives</td></tr>
</table>

Drumroll Please ...

#1: Your Quotas Live in a *Fantasy* World

What You Think Is Happening

You've set challenging but achievable targets that will motivate your sales team to perform at their best.

The Reality Check

Only 53% of reps hit quota in 2023, down from 75% a decade ago. Your quotas were likely set by dividing company revenue targets by number of reps, creating demotivating, unrealistic goals.

The Strategy Fix

Build bottom-up quotas based on actual territory potential and maintain 60-70% attainment rates.

The System Fix

Key success factors include territory alignment based on market opportunity. Vendors provide AI-driven territory planning tools that analyze market opportunity and set realistic targets.

Source: Forrester

Why this Matters for Talent Strategy & Sales Compensation Design

- Misaligned quotas affect both **Sales Comp** and **Talent Strategy**
- If company attainment > median quota, **retention risks** increase
- **Market/territory differences** can distort performance measurement
- **Top talent may miss quota** due to location, not capability
- Performance tied to **where they sit, not what they do**

Figure 5

Compensation Alignment

Source: Forrester Research Inc. Unauthorized reproduction, citation, or distribution prohibited.

#2: Your Plans Are *Too Complex* to Understand

What You Think Is Happening

Your sophisticated compensation plan with multiple measures rewards all the right behaviors and drives optimal performance.

The Reality Check

Rep comprehension drops 25% for each measure beyond three. If reps can't understand how to maximize earnings, they can't optimize behavior.

The Strategy Fix

Limit to three measures that directly connect to controllable outcomes.

The System Fix

Plan modeling tools with natural language "what-if" scenarios.

Common Measurement *Pitfalls*

Too Many Measures

More than 3-4 measures dilute focus and create confusion. People can't optimize for everything.

Measuring the Unmeasurable

If data quality is poor or measurement is subjective, it shouldn't drive compensation.

Activity Over Outcomes

Rewarding calls made instead of deals closed creates busy work without business value.

Gaming Potential

Every measure can be gamed. Consider how people might manipulate metrics for personal gain.

Measure Selection Best Practices

- Start with desired business outcomes and work backward to identify predictive measures
- Limit to 2-4 primary measures to maintain focus and clarity
- Ensure reliable data sources and consistent calculation methods
- Balance individual achievement with team and company success
- Review and adjust measures as business priorities evolve

#3: Nobody Knows Who Gets *Credit* for What

What You Think Is Happening

Your crediting rules are clear and fair, encouraging collaboration across the sales team.

The Reality Check

B2B deals now involve 6-10 stakeholders, and therefore more sellers to cover them, making crediting exponentially complex. Without clear rules, every deal becomes a negotiation and collaboration turns into competition.

The Strategy Fix

Define clear role-based/measure-based crediting rules aligned with your sales methodology.

The System Fix

Ensuring proper crediting is occurring in a transparent and accurate manner.

Audience Poll:

What % of time do you think your reps are spending on calculating comp/credits/disputes?

#4: You're Still Living in The Spreadsheet

Abyss

What You Think Is Happening

Your Excel-based system gives you flexibility and control over commission calculations.

The Reality Check

3-8% error rate can cost a $10M commission budget $300K-$800K annually. Manual calculations mean payments are late, wrong, and opaque.

The Strategy Fix

Phase out spreadsheets; maximize your SPM platform capabilities.

The System Fix

Cloud ICM platforms deliver 99%+ accuracy with anomaly detection.

#5: You're Incentivizing *Yesterday's* Behaviors

What You Think Is Happening

Your compensation plan rewards the activities that have historically driven success in your business.

The Reality Check

Most plans focus on 1-2 velocity drivers, missing key growth levers. Markets shift but your plan still rewards volume when customers demand value, or new logos when growth is in expansion.

The Strategy Fix

Align measures with current strategy across all four sales velocity drivers.

The System Fix

Analytics that correlate behaviors to outcomes with A/B testing.

#5 Incentivizing *Tomorrow's* Behaviors

Sales Velocity = (Opportunities x Deal Size x Win Rate) ÷ Sales Cycle Length

Number of Opportunities

Pipeline Volume & Quality

Base Compensation Measures

Qualified Pipeline Generation
% of quota tied to creating qualified opportunities (not just MQLs)

Multi-Threading Bonus
Extra compensation for opportunities with 3+ engaged stakeholders

Spiffs & Contests

New Logo Discovery Sprint
Quarterly SPIF for net-new account opportunities in strategic segments

Ai-Powered Prospecting Contest
Rewards for hughes conversion rate using AI prospecting tools

Accelerators & Kickers

Territory Penetration Accelerator
1.5x multiplier when opportunities exceed territory potential benchmarks

Average Deal Size

Value Creation & Capture

Base Compensation Measures

Deal Size Tiers
Progressive commission rates: 6% (<$50k), 8% ($50-150k), 10% (>$150k)

Multi-Product Bonus
+2% commission for deals including 2+ product lines

Spiffs & Contests

Value-Based Selling SPIF
$1,000 bonus for deals with documented business case showing 3x ROI

Strategic Account Upsell Sprint
Double commission on expansion deals >$100k in existing accounts

Accelerators & Kickers

Enterprise Deal Accelerator
2x multiplier for deals exceeding 2x average deal size

Win Rate

Execution Excellence

Base Compensation Measures

Win Rate Component
20% of variable comp tied to maintaining >25% win rate

Multi-Threading Bonus
+$2,500 for wins against top 3 competitors

Spiffs & Contests

Perfect Quarter Club
$5,000 bonus for reps achieving > 40% win rate in a quarter

Deal Desk Collaboration SPIF
Team bonus when win rate improves 10%+ through better crediting / collaboration

Accelerators & Kickers

Conversion Excellence Kicker
1.25x multiplier when individual win rate exceeds team average by 15%+

Sales Cycle Length

Velocity & Efficiency

Base Compensation Measures

Velocity Bonus
+15% commission for deals closed <30 days (vs. 45 day average)

Fast Track Multiplier
1.2x commission for deals progressing through stages 25% faster than average

Spiffs & Contests

AI Tool Adoption SPIF
$500/month for reps using AI-Powered sales tools with >80% adoption

Rapid Response Contest
Weekly prize for fastest lead-to-opportunity conversion time

Accelerators & Kickers

Quarter-End Velocity Kicker
2x commission for deals closed in final 2 weeks that beat average cycle time

#6 Your Tech Stack Is Where *Productivity* Goes to Die

What You Think Is Happening

You've invested in multiple best-in-class tools that give your reps everything they need to succeed.

The Reality Check

Reps spend only 35% of time selling; poor integration wastes 60 hrs/year per rep. Your disconnected systems force manual data entry & create distrust in the CRM.

The Strategy Fix

Think like a product manager—design the rep experience holistically.

The System Fix

Integrated platforms with automation that eliminate duplicate data entry.

Source: Gartner

7 Deadly Sins of Enterprise Sales Systems

1. **Building in Multiple Ecosystems:** Modern enterprise systems exist within complex product ecosystems that are increasingly walled gardens that do not easily integrate.
2. **Limited Technical Expertise Capacity:** Technical resources spend more time managing non-native integrations and troubleshooting issues than being a strategic partner to the business.
3. **Workflows Not Fully Aligned to Customer Journey:** Systems cannot accurately measure the customer journey and therefore struggle to offer meaningful automation and time savings
4. **Inconsistent Definitions:** Globally opportunity stages have colloquially different definitions, making it difficult to forecast and collaborate using CRM data.
5. **Unnecessary and/or Inaccurate Data in System:** Legacy data fields and options remain in the system, resulting in reps spending crucial selling time navigating the CRM instead of selling.
6. **Band Aid System Patches:** Quick fixes and point solutions mask structural issues that increase tech stack complexity and the cost to support
7. **Lack of Architectural Documentation:** If key people leave, knowledge of the systems leaves with them

#7 There's No Line of Sight Between *Activity & Reward*

What You Think Is Happening

Your monthly commission statements provide adequate feedback for reps to understand their performance.

The Reality Check

Reducing performance-to-payment time by two weeks increases motivation 20%. Six-week lag between closing and commission visibility kills motivation and prevents course correction.

The Strategy Fix

Enable forward-looking visibility with pipeline-based projections.

The System Fix

Real-time dashboards with predictive analytics and mobile access.

#8 You Can't *Adapt* When the Market Shifts

What You Think Is Happening

Your annual compensation plan provides stability and consistency for the sales team throughout the year.

The Reality Check

32% of sales leaders rank SPM as top ROI generator due to flexibility. Markets change faster than annual cycles—your Q2 plan may already be obsolete.

The Strategy Fix

Build flexibility into program structure with clear governance levels.

The System Fix

SPM platforms with version control and scenario modeling capabilities.

Audience Poll:

Do you make in-period comp plan adjustments?

#9: Your Data Is a *Disaster*

What You Think Is Happening

Minor data quality issues are normal and don't significantly impact your commission calculations.

The Reality Check

Poor data quality costs organizations $12.9M annually on average. 60% complete CRM data = 100% distrust in commission calculations.

The Strategy Fix

Focus on minimum viable data points—quality over quantity.

The System Fix

Automated data quality monitoring with RPA synchronization.

Sales Incentive Compensation Architecture

#10: You're Flying Blind *Without* Feedback Loops

What You Think Is Happening

Your annual planning cycle is sufficient to keep compensation plans aligned with business objectives.

The Reality Check

By 2028, 40% of organizations will use AI agents for plan optimization. Set-and-forget approaches miss whether plans drive intended behaviors or generate appropriate ROI.

The Strategy Fix

Monthly leading indicators, quarterly deep dives, continuous rep feedback.

The System Fix

ML-powered platforms that track effectiveness and surface insights.

The Bonus Reason

#11: You're Not Ready for the *AI-Powered* Sales Force

What You Think Is Happening	AI is an interesting technology that might impact sales someday, but traditional selling methods still work fine.
The Reality Check	By 2028, 60% of B2B selling will happen through AI interfaces. Your competitors use AI to 10x productivity while you debate territory splits.

The Strategy Fix

Design incentives that reward human-AI collaboration and new metrics.

The System Fix

SPM platforms with mature AI capabilities and open ecosystems.

The Path Forward

The Common Thread

All 11 problems = disconnects between strategic intent and operational reality.

The Reality

Brilliant compensation strategy + poor execution

= worthless.

The Solution

- Approach compensation as a critical business system, not an HR function
- Leverage AI-powered platforms to bridge strategy-execution gaps
- Start with your biggest pain point and scale from there

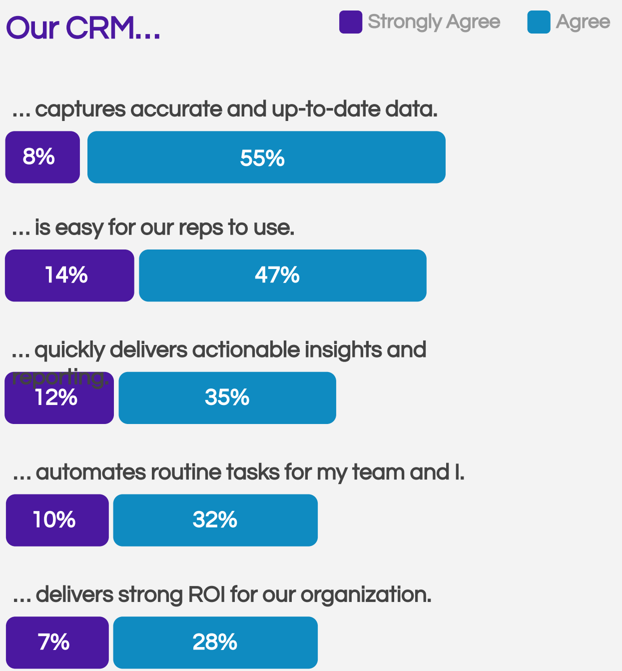
The Bottom Line

Your sales compensation plan is only as good as your ability to execute it. In the age of AI, execution is everything.

Companies that align sales behavior with business objectives—*at scale*—win.

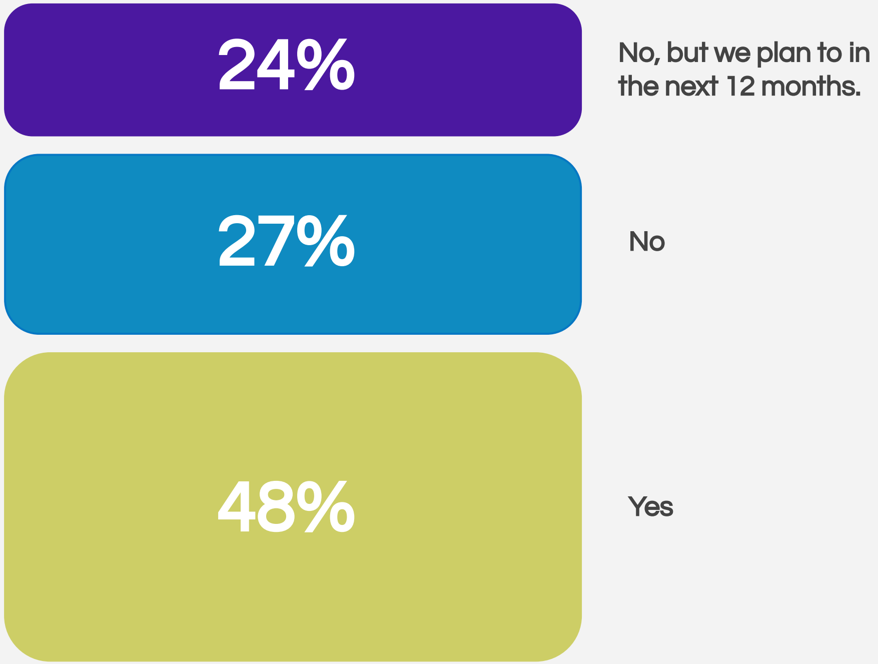
Appendix

Leaders are hopeful AI will improve lackluster data, insights, and actions delivered by CRM



¾ of revenue teams plan to use AI in 2025

Does your revenue organization currently use AI?



Crediting & Split Rules: *Encouraging Collaboration While Maintaining Accountability*

Standard Team Sale

$250,000
New Enterprise Deal

Account Exec	Sales Engineer	SDR
Lead Role	Tech Support	Qualified Lead
70%	**20%**	**10%**
$175,000 credit	$50,000 credit	$25,000 credit

Complex Multi-Territory Deal

$500,000
Global Expansion

AE - East	AE - West	Global AE
Primary	Secondary	Coordinator
50%	**30%**	**20%**
$250,000 credit	$150,000 credit	$105,000 credit

Account Transition

$150,000
Renewal + Upsell

New AE	Previous AE
Current Owner	Relationship Builder
60%	**40%**
$90,000 credit	$60,000 credit

Channel Partner Deal

$300,000
Partner-Sourced

Channel Manager	Direct AE	Partner (Shadow)
Partner Support	Deal Support	Primary Seller
40%	**30%**	**30%**
$120,000 credit	$90,000 credit	$90,000 shadow

Crediting & Split Rules: *Encouraging Collaboration While Maintaining Accountability*

Split Crediting Option Comparison

Split Type	Description	Typical Allocation	Pros	Cons	Best For
Hard Split	Credit divided, totaling 100%	70/20/10 or 60/40	• Budget neutral • Clear ownership	• Can discourage collaboration • Disputes over percentages	Budget conscious orgs
Double Credit	Multiple people get 100%	100/100	• Maximum collaboration • No disputes	• Expensive • Can inflate results	High-margin products
Overlay	Primary gets 100%, support gets %	100/25/10	• Clear primary owner • Supports team selling	• Higher cost than hard split • Complex tracking	Team selling cultures
Pool-Based	Team shares pool based on contribution	Varies by performance	• True team alignment • Flexible	• Complex calculation • Less individual control	Highly collaborative teams
Milestone	Credit based on involvement stage	By sales stage	• Rewards actual contribution • Clear rules	• Requires detailed tracking • Stage definitions critical	Long complex sales cycles
Shadow Credit	Full credit for reporting, no comp impact	100% shadow	• Tracks involvement • No comp cost	• No financial motivation • Just for tracking	Training, partnerships