

AACA Luncheon Meeting

Introduction to Sales Compensation – Building the Foundation

March 11, 2025

AACA Overview

Atlanta's Largest Professional Association Dedicated to Compensation

“AACCA’s mission is to serve as a resource for total rewards professionals by offering high quality and cost-effective educational programs, information sharing, and opportunities to connect and network with peers in the Atlanta area.”

WorldatWork®
Elite Affiliate

Celebrating 35 Years!



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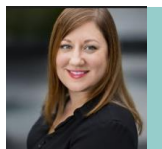
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Get Involved Today!

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Committee**

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Program Committee

University Relations Committee

**Membership
Committee**

Community Outreach Committee



Plan to Join us!

1. April 4 – Foundation of Hospital Art Project
2. May 13 – Hall Benefits Law
3. June 10 – Social Hour Event
4. July 11 – Open Hands Atlanta
5. August 12 – TBD
6. October 14 – Forum and Blessings in a Backpack
7. November 11 – TBD
8. December 9 – Holiday Event and Atlanta Angels



Membership Fees

- **Regular Individual:** \$200 (all events, except Forum)
\$250 (all inclusive, including Forum)
- **Company/Group:** 10% discount (5-member minimum)
- **Transitional:** \$25 (6-month membership offered to rewards professionals in transition and seeking employment)
- **Retiree:** \$75 (Retired TR professionals no longer working FT)
- **Student:** \$25 (University students with valid student email)

Membership duration is one year from date of payment (except transitional memberships)

With Thanks to our Group Members



2025 WorldatWork Update

*AACA is the local partner of WorldatWork,
the premier global total rewards association*

WorldatWork offers:

- **Free resources**, including webinars and articles on today's hot total rewards topics
- **Classes, virtual courses, e-learning and conferences**
- **Professional certification programs**, such as CCP, CBP, GRP

2025 WorldatWork Update

*AACA is the local partner of WorldatWork,
the premier global total rewards association*

As a member of AACA, you are eligible for significant discounts and special offerings:

- WorldatWork Membership Discount
- WorldatWork Certification Courses Discount
- Access to free Affiliate digital learning events

Contact WorldatWork Affiliate Support to receive the special pricing before making a purchase:

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Michelle Seger
COO and Partner,
SalesGlobe

Michelle Seger is a consultant with deep experience in sales effectiveness. She helps organizations worldwide navigate complex sales challenges and identify solutions that work for their business to drive growth.

With a background spanning technology, financial services, and retail, Michelle has led international ventures, managed large-scale sales transformation initiatives, and Artificial Intelligence as an enablement for the sales organization. She is a sought-after speaker, published contributor, and podcast host of *Riding the Big Wheel*, where she amplifies the voices of women in business worldwide.

Michelle holds an MBA from Emory University and MIT Sloan School of Management "Artificial Intelligence: Implications for Business Strategy" certification.



Gail Wright
Director Consultant,
SalesGlobe

Gail has over 19 years of experience in Sales Incentive Compensation (B2C and B2B) in which she has helped a broad range of organizations in the design, implementation, and administration of incentive compensation programs.

Prior to joining SalesGlobe, Gail was at Mattress Firm for over 15 years where she held roles in Sales, Finance & Analytics and Compensation. As the Director of Compensation, she managed the corporate compensation and annual merit process as well as the sales compensation process and leadership bonus program for over 5,000 people.

Gail earned her Bachelor of Administration, Computer Information Systems from the University of Houston Downtown in 2003 and her Master of Science, Predictive Analytics from Northwestern University in 2015. She serves with the Atlanta Area Compensation Associate (AACA) as the Board of Director Community Relations and received her World At Work CCP designation in 2019 and CSCP designation in 2024. Gail is also a Veteran of the United States Navy.



sales

What Every HR Professional Needs to Know About Sales Compensation

March 11, 2025

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Our Story: We Solve Your Biggest Sales Challenges and Operationalize to Get Results

We're rethinking sales.

We know the world of sales effectiveness and we're charting the path to the future of sales.

We have 2 priorities:

- 1 To partner with our clients to **solve the real problem**, and go beyond the benchmarks and best practices.
- 2 To work alongside our clients to **operationalize and get results**, beyond the presentation.

And we're experts at:

- **Insight**
 - Competitive Benchmarking
 - Customer Insight
- **Sales Strategy**
 - Go-to-Market
 - Account Segmentation
- **Customer Coverage**
 - Sales Structure and Role Design
 - Sales Capacity
 - Sales Process Optimization
 - Strategic Account Programs
- **Enablement**
 - Sales Compensation and Quotas
 - Technology Enablement
 - Sales Leadership Placement
 - Sales Playbooks

Books by SalesGlobe



Agenda

What is Sales Compensation?

Sales Compensation Methodology

Sales Role Alignment

Sales Compensation 101

The Role of HR and Cross-Functional Partnerships

What is Sales Compensation?

A Communication Tool!

Sales Compensation is a Sales Communications Tool

Sales Compensation

The Strategic Lever for Driving Growth and Alignment



Defines Priorities

Clarifies what matters most and directs focused efforts.



Aligns with Strategies

Connects individual performance to company goals.



Motivates Performance

Ties pay to performance to ensure responsibility.



Reinforces Accountability

Ties pay to performance to ensure responsibility.



Simplifies Complex Goals

Translates corporate objectives into actionable targets.

Sales Leadership

Aligning Strategy, Inspiring Teams, and Driving Sustainable Growth



Sets the Tone

Leadership highlights business priorities through compensation structure focusing team efforts on what matters most.



Continuous Communication

Regular updates reinforce goals ensuring teams stay aligned with evolving company objectives.



Transparent Approach

Clear explanations of incentives build trust providing Salespeople a clear understanding of how to succeed.



Team Engagement

Addressing real-world challenges ensures buy-in creating a culture of shared success.

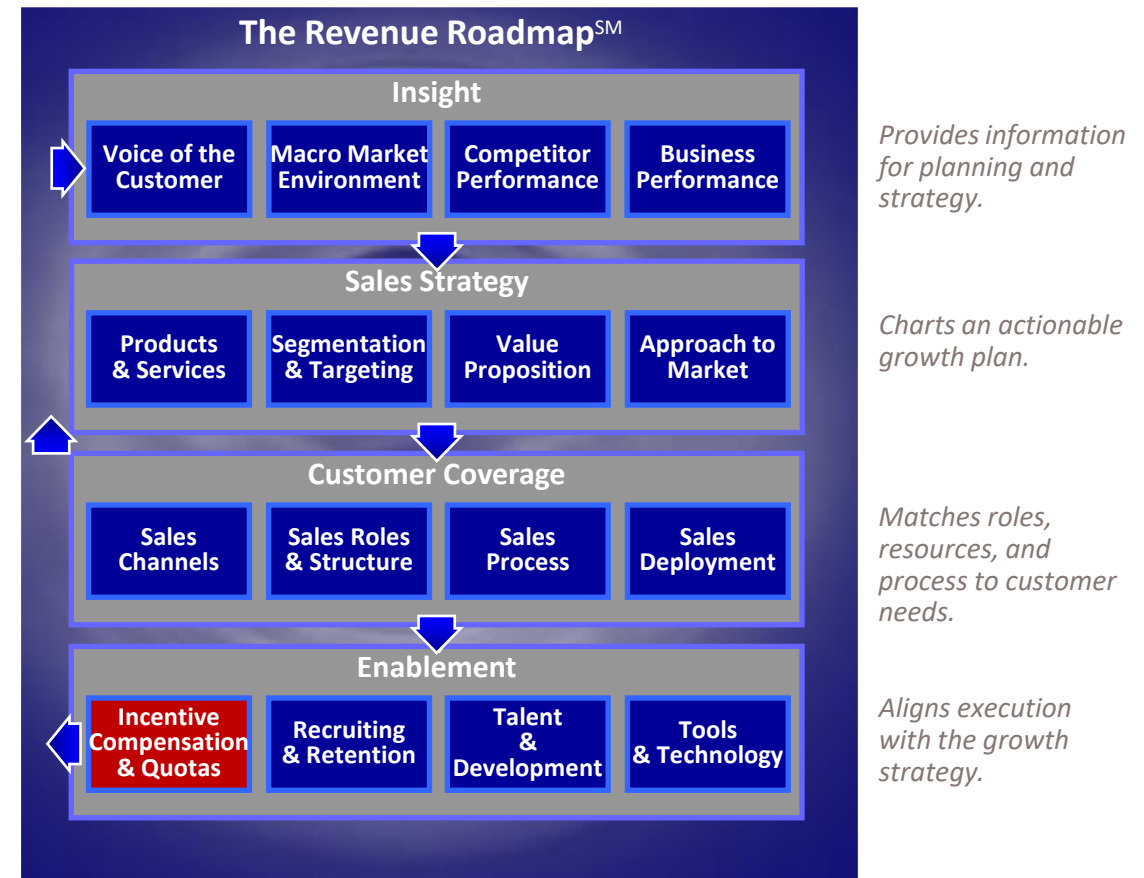
Sales Compensation Framework

Sales Compensation Works in a Broader Business Context

The foundation for our evaluation and design work is **The Revenue RoadmapSM** which **provides an integrated view of the four major competencies** of successful sales organizations:

- **Insight** (on customers, the market, and internal performance).
- **Sales Strategy** (that determines direction for the organization in terms of customer and product focus).
- **Customer Coverage** (that defines the organization's routes to market, sales organization and roles, and sales process).
- **Enablement** (that supports the upstream disciplines through recruiting, development, technology, and incentive compensation).

The Revenue Roadmap methodology encompasses sales, sales support, and non-sales roles based on their engagement with each growth discipline. To provide a comprehensive design of the new program, we will consider the upstream disciplines that impact sales structure and compensation.



What Sales Leadership is Thinking...



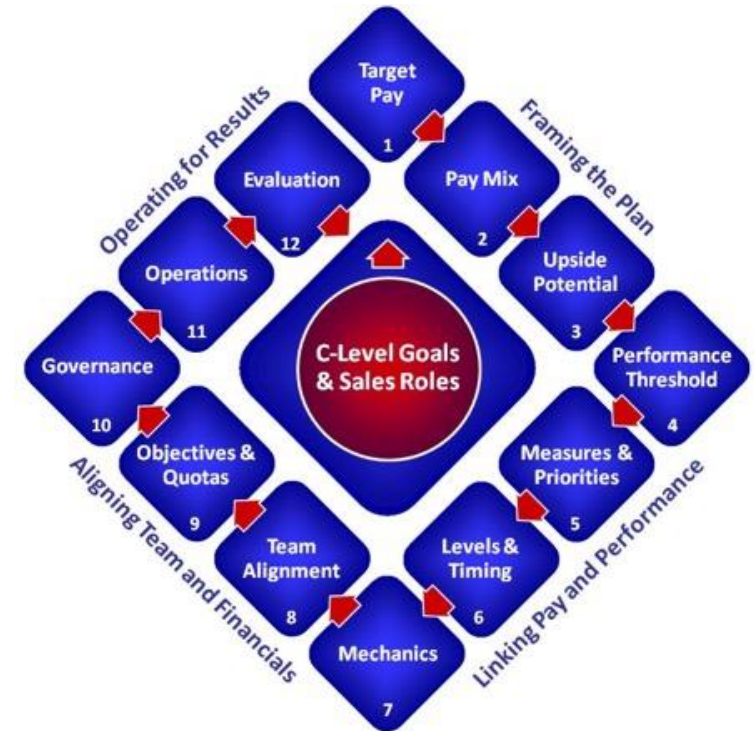
*How Should
Sales
Compensation
Support Our
Business Goals?*

C-Level Goals Define the Priorities Sales Compensation Can Impact

How can sales compensation impact...

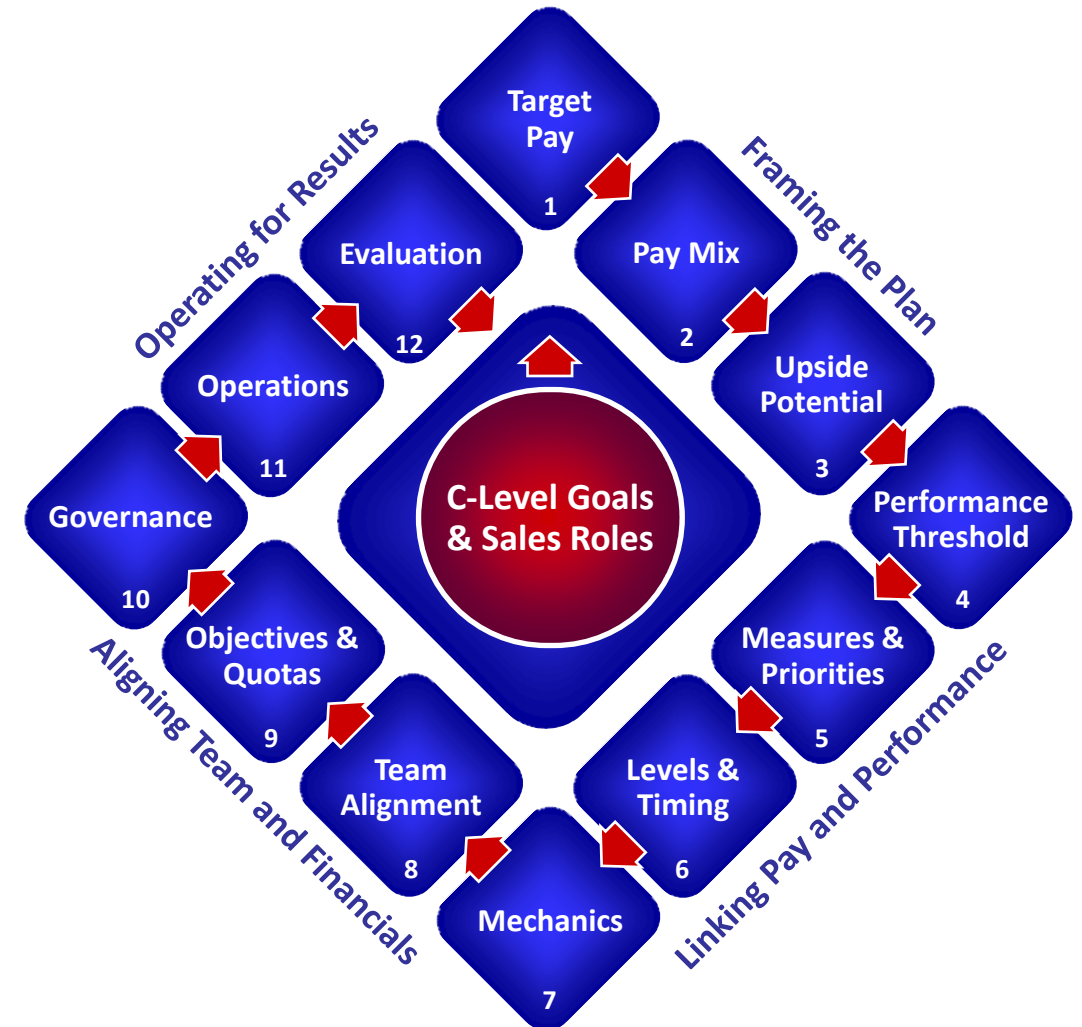


Sales Compensation Connects Roles to the C-Level Goals They Control



Sales Compensation Design Follows a Proven Methodology

- Plans should **reinforce** your strategic objectives and business priorities.
- Plans should **support and reward** for results based on **desired behaviors** for each role.
- Plans should enable the organization to **attract, reward, and retain the right talent**.
- Plans should support the coverage model but also **scale with building new channels or routes to market**.
- Plans should **promote and encourage positive change** within the organization.
- Plans should be **simple, easy to understand, measure & administer**.

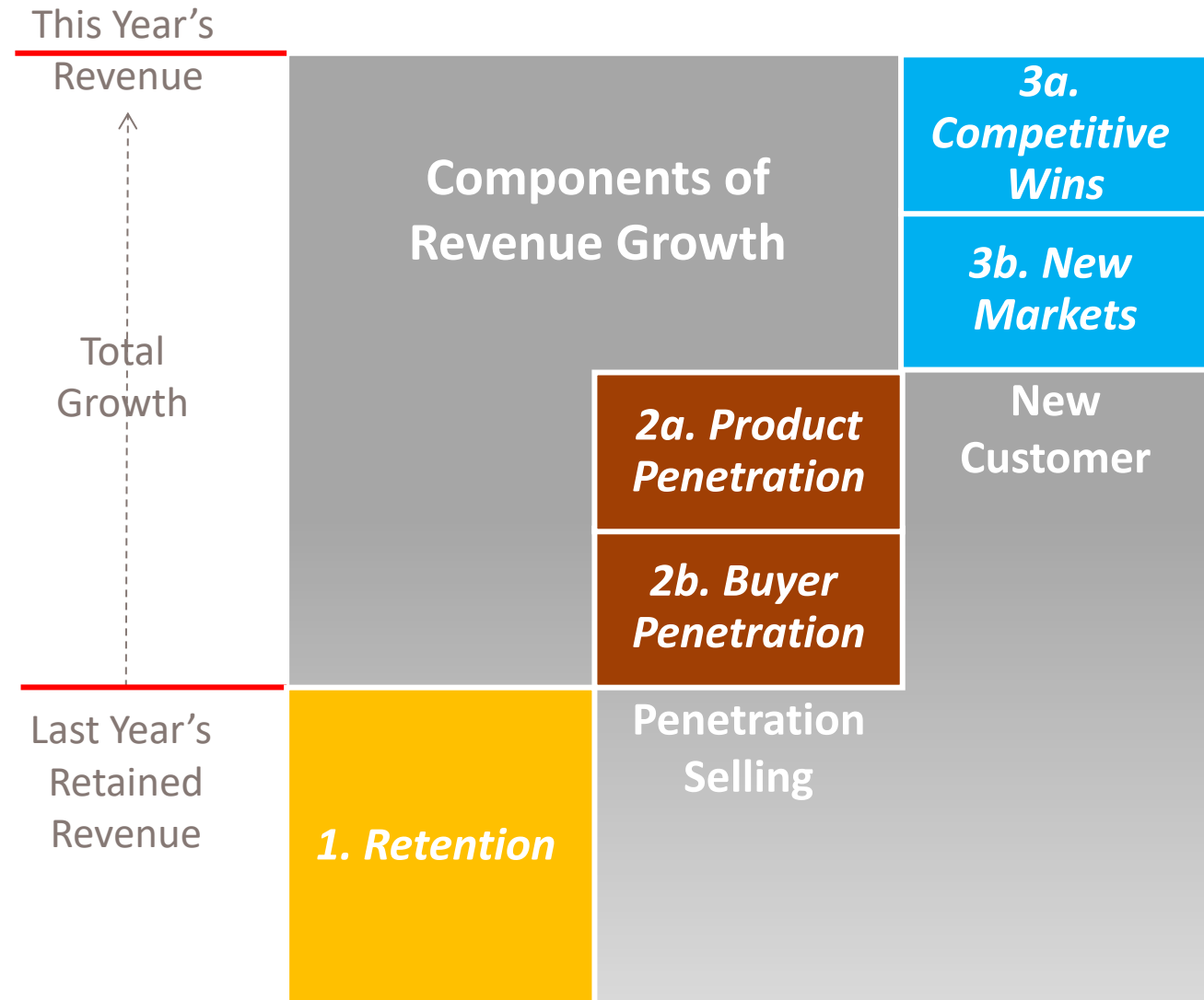


Role Alignment

We Only Grow Revenue in 3 Ways

Revenue growth is an expectation in all sales organizations.

The Revenue Growth Model helps understand the individual components of revenue growth across different customer and target accounts.



Motivating the Breed That You Need

Understanding a sales role responsibility in the revenue growth cycle can help provide clues as the what type of sales compensation strategy aligns best for that role.

This Year's
Revenue



Total
Growth

Last Year's
Retained
Revenue

Components of Revenue Growth



Account
Acquisition



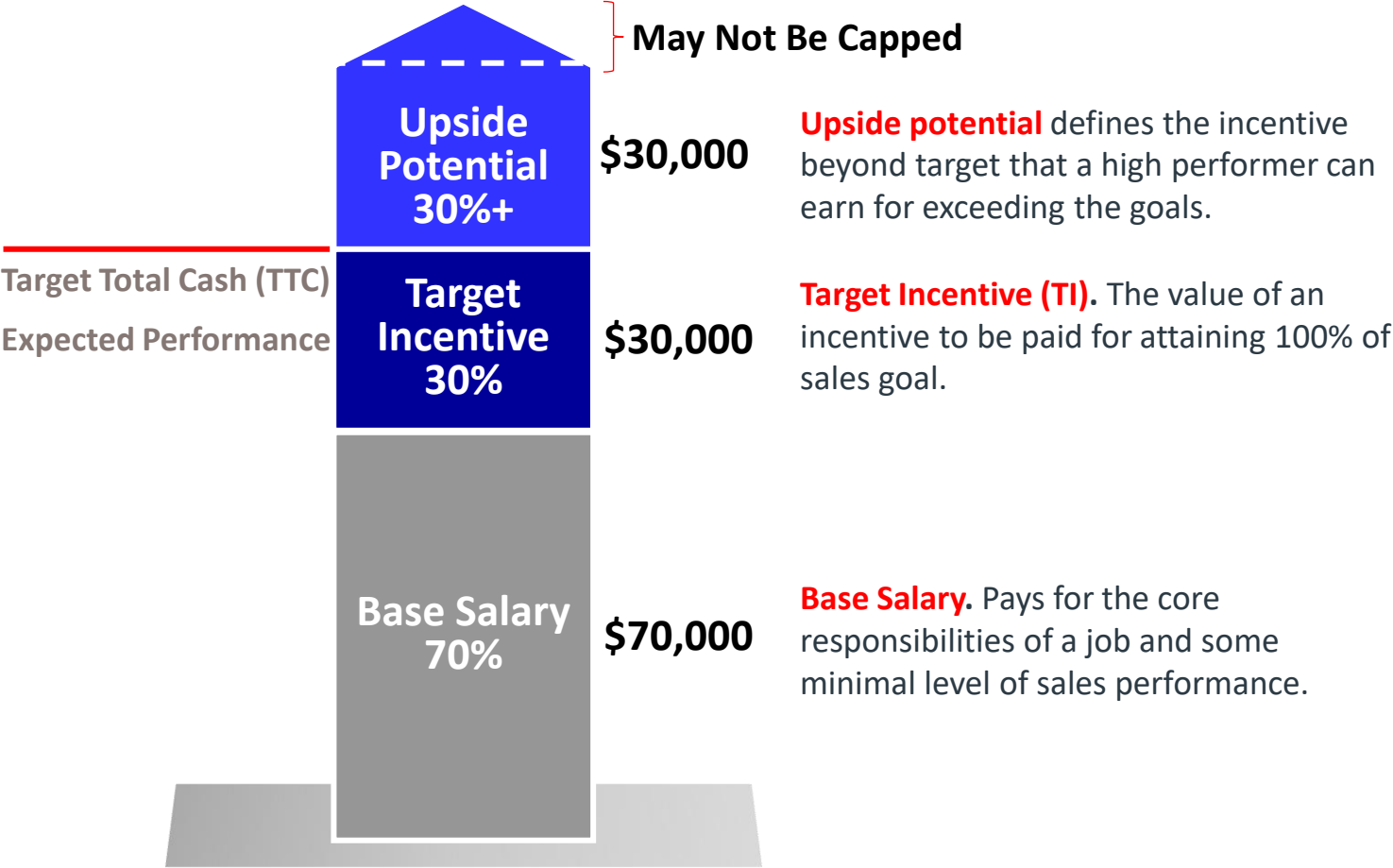
Account
Management



Service Delivery

Sales Compensation is Created from Simple Building Blocks

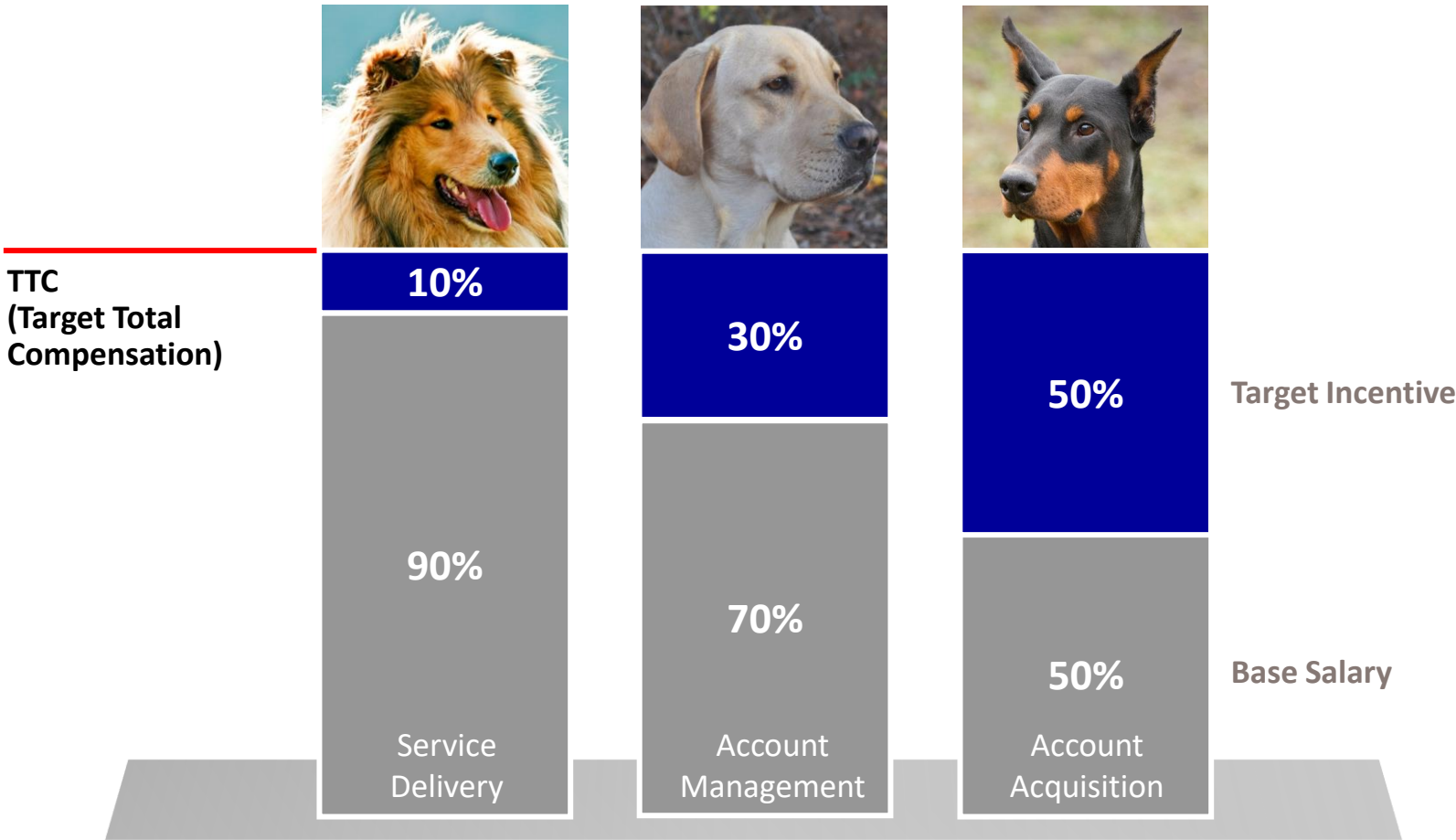
Target Total Compensation (TTC). The amount of pay that a role is expected to earn at 100% of expected performance. Using TTC provides a benchmark that you can use in comparison to external market data and evaluate internal equity for similar roles.



Pay Mix Aligns with Roles and Desired Behaviors

Pay Mix. The ratio of Base Salary and Target Incentive (TI) compared to Total Target Compensation (TTC). It is expressed as Base Salary/TI. For example, a 70/30 pay mix means that Base Salary is equal to 70% of TTC while the TI is 30%.

Pay Mix nearly always varies by sales role



Example:

For an individual with a:

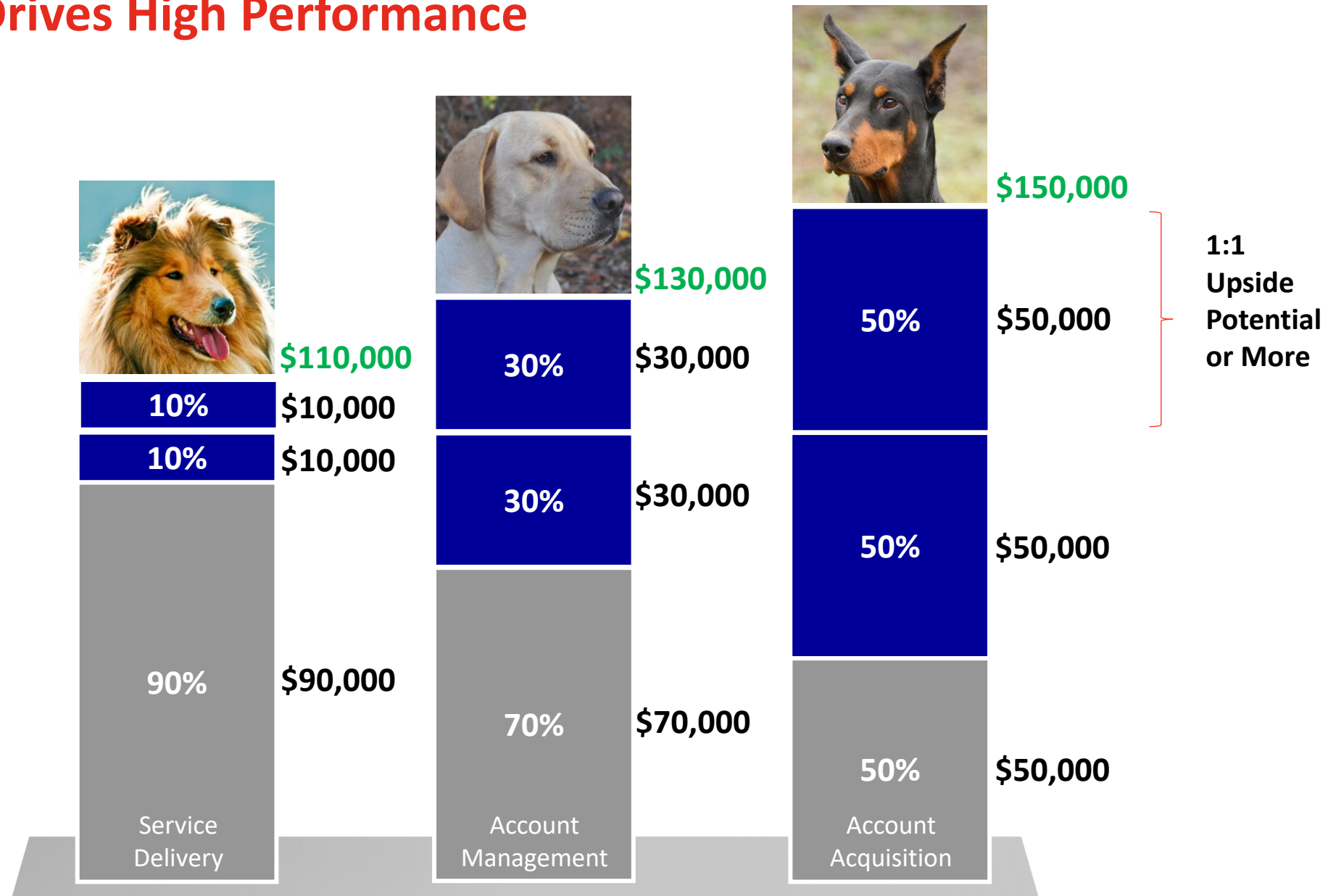
- TTC of \$200k
- Base Salary of \$120k
- TI of \$80k

The Pay Mix is equal to $\$120k / \$200k = 60\%$ and $\$80k / \$200k = 40\%$ or a final Pay Mix of 60/40.

Upside Potential Drives High Performance

Key Points

- Upside, or Leverage, is incentive pay, above target, for performance exceeding the target.
- Outstanding or excellence performance is often regarded as the 90th percentile performer (top 10%) and above.
- Leverage is described as a multiple of target incentive, for example, 200% of target incentive where target incentive is 100%.



Eligibility

The Role Must Involve Direct Interaction with Customers to Qualify for Sales Compensation

1. Customer Contact



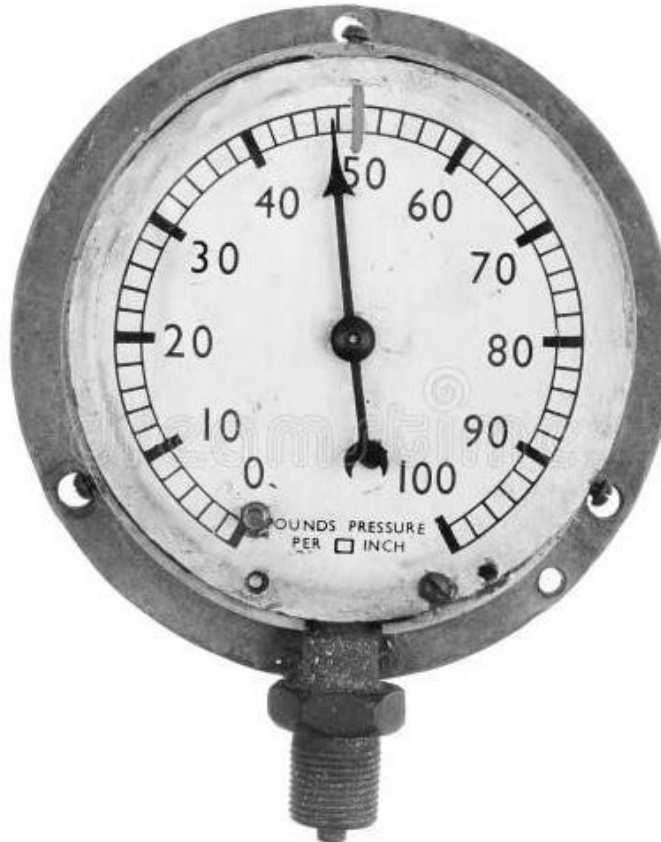
The Role Must Influence Customer or Partner Decisions to Drive Sales

2. Influence

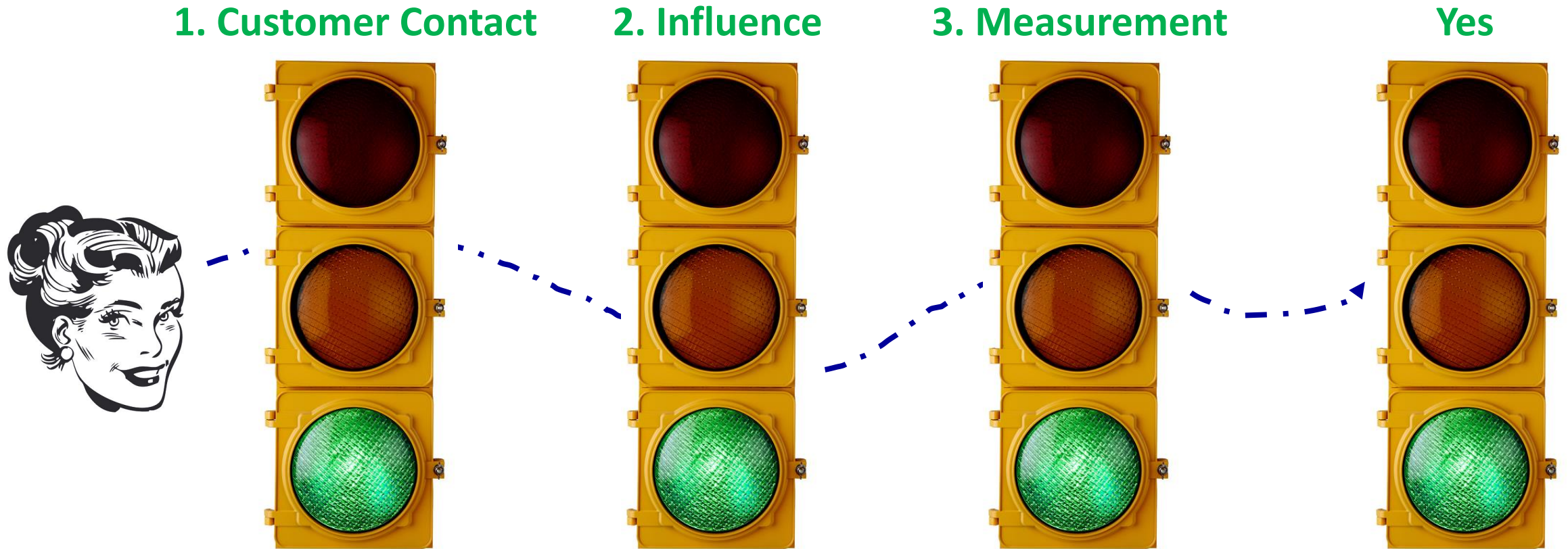


Performance Must be Measurable and Tied to Sales Results

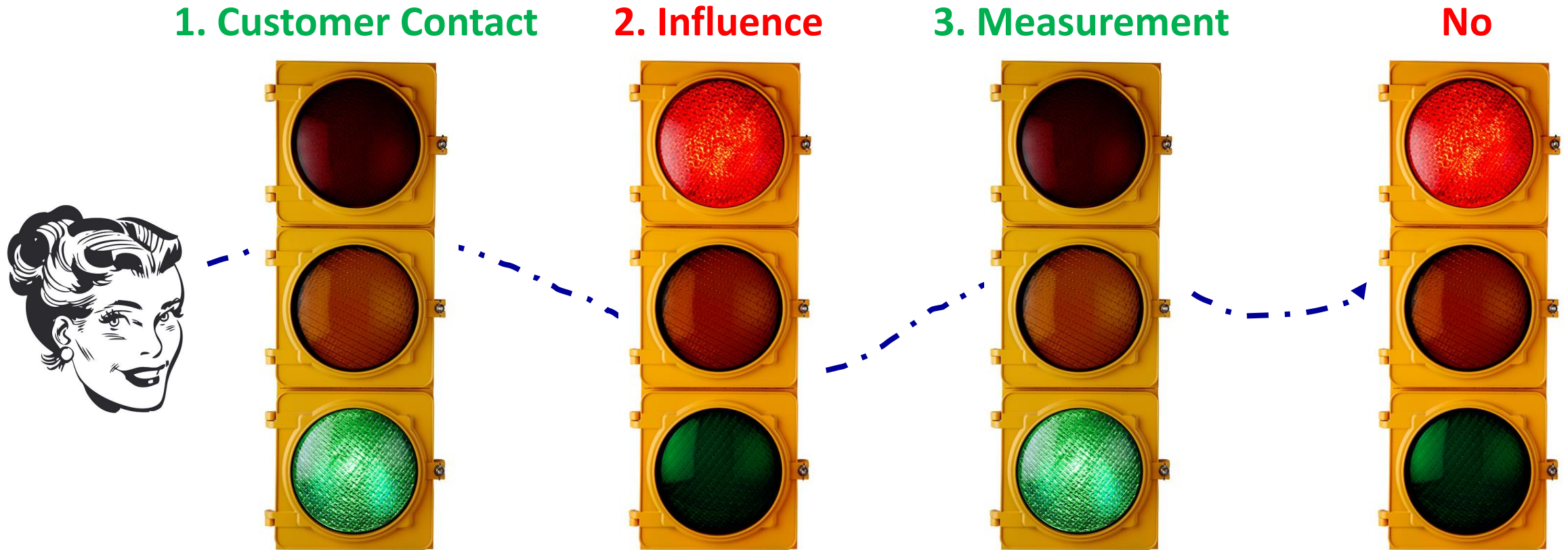
3. Measurement



Roles With Customer Impact and Measurable Results Qualify for Sales Compensation

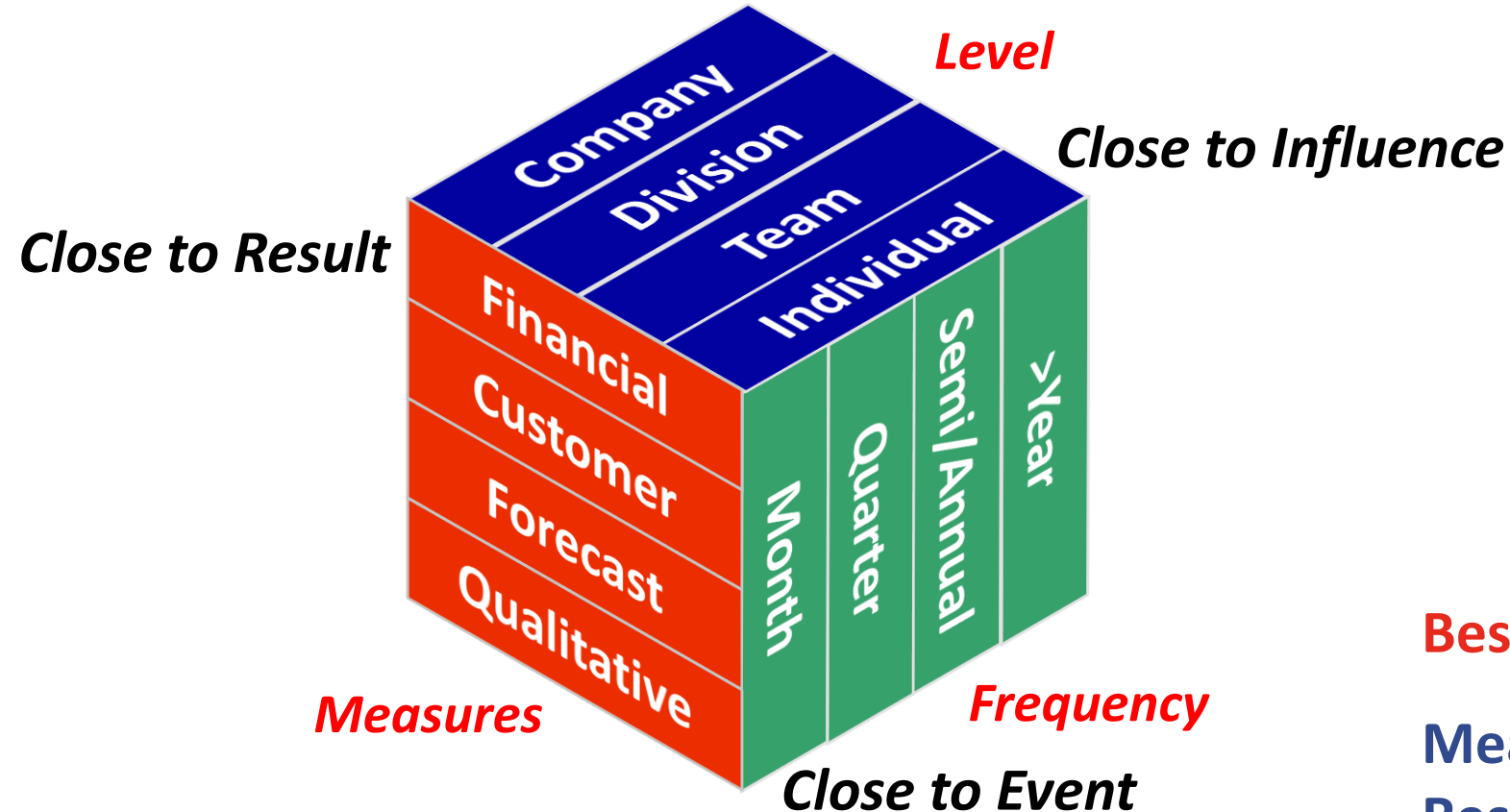


Roles Without Customer Impact May not Qualify for Sales Compensation



Performance Measures

Performance Measures Have 3 Dimensions

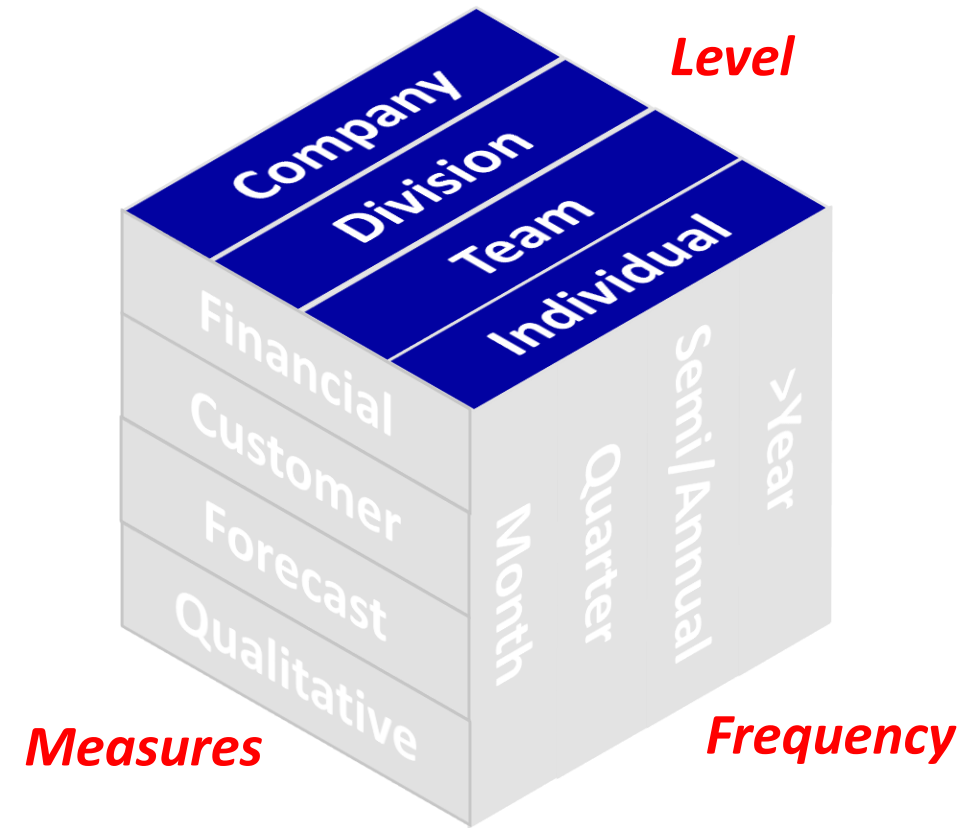


Best Practice:

Measure Closest to
Result, Rep Influence,
and the Sales Event

Linking Pay and Performance– Levels

- The decision on measurement level should be driven by the factors of desired behavior and influence.
- **BEST PRACTICE:** Keep the measurement at the lowest level possible to match and maximize the individual's ability to influence that measure.

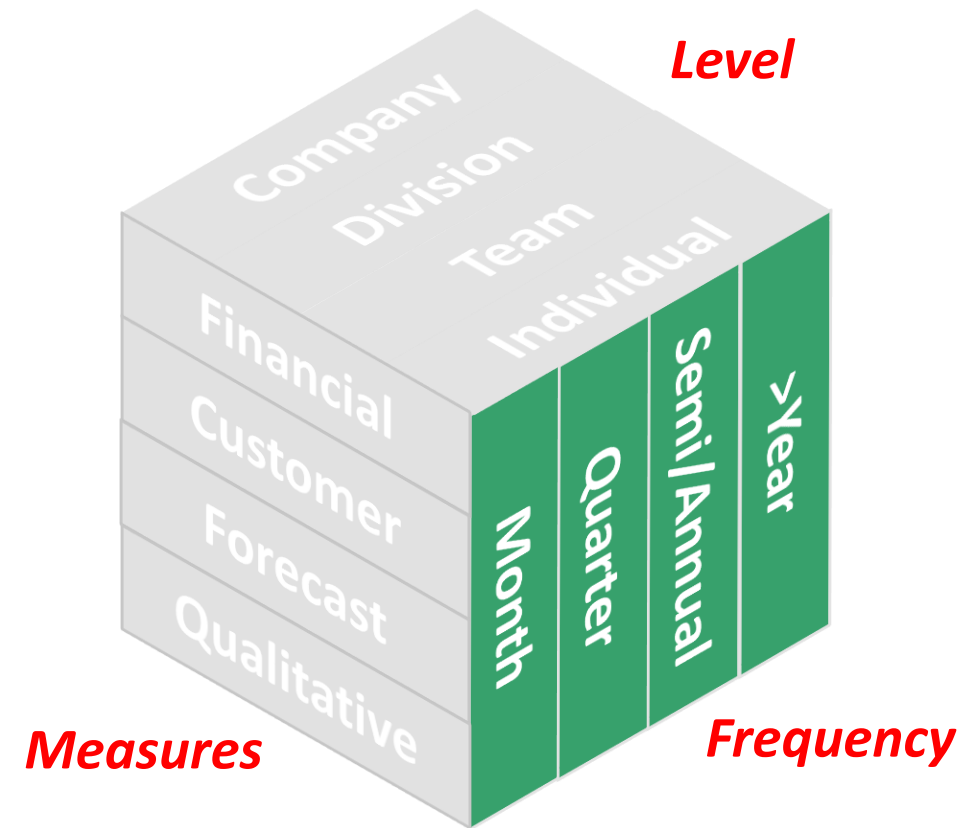


Performance Measures Cubed

Linking Pay and Performance– Timing

Pay as close to the sales event as possible

- **Too Frequently:** Can push for unnatural results.
- **Too Infrequently:** Can lose the connection.
- **Measures:** Can have different frequencies.
- **Higher Frequency:** Greater administration.
- **Lower Frequency:** Can impact rep cash flow.

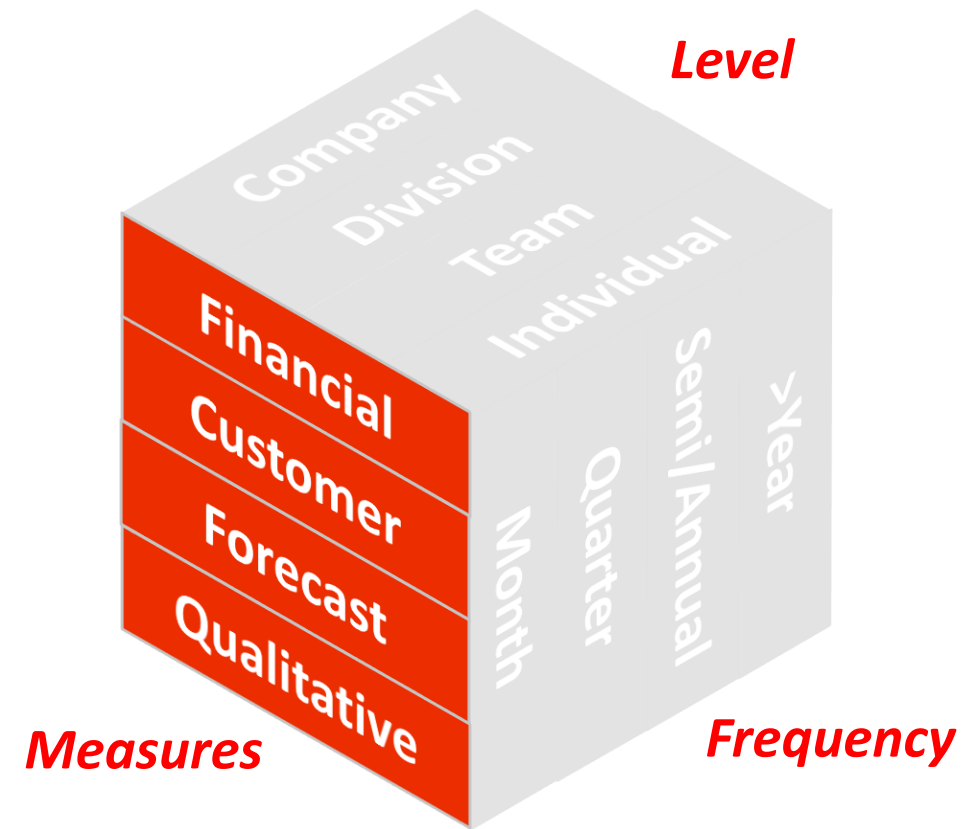


Performance Measures Cubed

Linking Pay and Performance– Measures

Plan measures should be aligned with behaviors or results that the sales team can influence.

- Measures should be **limited to 2 or 3** for simplicity and focus.
- Measures should correlate to factors **within seller's control and influence**.



Performance Measures Cubed

What is the Role of HR?

HR is a Critical Role in the Success of Sales Compensation

1.

Trusted Advisor to Sales Leadership

Sales Leadership Partner

- Pay Philosophy
- Sales Roles
- Total Target Compensation
- Pay Levels
- Career Progression

Role Definition Pay Alignment

- Job Descriptions
- Role Competencies
- Pay Plan
- Pay Mix
- Market Pay Level Alignment

2.

Cross-Functional Business Partner Sales - Finance - Sales Operations - Legal

Talent Management

- In-Role Progression
- Career Progression
- Employee Surveys
- Exit Interview

Governance

- Member of Cross-Functional Committee
- Trusted Advisor

AI-Powered Sales Compensation Solutions

SALES COMPENSATION FOR RESULTS

The only platform that combines cutting-edge AI assistance, expert resources, and actionable tools to simplify compensation planning.

- Get Instant Guidance With the SalesGlobe Sage AI Assistant
- Access Expert-Designed Resources to Enhance Team Expertise
- Align Sales Leaders With Executive Compensation Strategies

SEE WHAT'S INSIDE



Thank
you

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Introduction to Sales Compensation – Building the Foundation

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