



Calibrate your company's alignment using a 5-point scale, which can help provide confidence in your current plan designs or consider where to focus your improvement efforts. Contact info@bettersalescomp.com for more information.

Don't Follow	Rarely Follow	Follow w/Exceptions	Mostly Follow	Always Follow
1	2	3	4	5

Category	Better Practice	Rating
A. Eligibility	1. Members of the sales team with a reasonable degree of impact on sales results are eligible for participation in the sales compensation program.	1 2 3 4 5
	2. We clearly document objective criteria for determining eligibility for sales compensation, e.g., individual impact on sales, ability to measure impact, % of role focus on creating sales, etc.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
B. Ranges and Structure	3. Compensation ranges and salary structures are represented in terms of Target Total Compensation (TTC), e.g., base + target variable incentive.	1 2 3 4 5
	4. We use a unique salary structure for sales employees compared to other employee populations.	1 2 3 4 5
	5. Our Target Total Compensation ranges for sales allow for progression of pay based on annual or periodic performance evaluations.	1 2 3 4 5
	6. Merit adjustments for sales roles are applied at the Target Total Compensation level (base + target incentive; not just base).	1 2 3 4 5
	7. Structures as well as policies are in place to help manage career/job transitions between sales and non-sales roles.	1 2 3 4 5
	8. Our individual contributor TTC ranges allow the potential for individual contributor's pay to go beyond the range of a direct supervisor.	1 2 3 4 5
	9. To attract above average sales talent, we expect to pay above median market pay levels.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
C. Pay Mix	10. Pay mix (base/target incentive) is set by role.	1 2 3 4 5
	11. Pay mix align to a role's sales prominence.	1 2 3 4 5
	12. Pay mix reflects the degree of a role's influence on business results within the measurement period.	1 2 3 4 5
	13. Pay mix aligns with the degree of actual variability exhibited by individual performers, e.g., higher incentive mix for higher variability or lower incentive mix for lower variability.	1 2 3 4 5
	14. Pay mix is not less aggressive than 85/15 base to target incentive for any sales role.	1 2 3 4 5
	15. Pay mix generally provides a lower percentage of pay-at-risk as individuals move up the management hierarchy.	1 2 3 4 5
	16. Pay mix factors in local market or country practices in global sales organizations.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
D. Upside	17. The actual upside opportunity is proportionate to the at-risk component (target incentive) of the pay plan.	1 2 3 4 5
	18. If in a high performing sales environment, the best sales performers are able to double or triple one's target incentive amount.	1 2 3 4 5
	19. Our upside levels ensure top performers can reach top tiers (e.g., 75th to 90th percentiles) of market actual compensation.	1 2 3 4 5
	20. Plan payouts are appropriately modeled to ensure plans are affordable within relevant scenarios of sales results.	1 2 3 4 5
	21. In most cases, our payments to high performers exceed savings from low performers, and our budgets factor that in, e.g., sales comp budgets are usually 108-110% of the sum of TI levels.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5

Category	Better Practice	Rating
E. Performance Measures	22. Performance measures align with selling/financial objectives of the company/BU.	1 2 3 4 5
	23. Performance measures primarily focus on sales volume such as revenue or bookings.	1 2 3 4 5
	24. Performance measures only secondarily consider a focus on strategic results such as profit, targeted products, and/or specific accounts.	1 2 3 4 5
	25. For the majority of roles, an MBO type performance component, if used, comprises no more than 50% of a plan's measurement weightings (and ideally much less).	1 2 3 4 5
	26. All sellers have the opportunity to achieve results within each at-risk plan component.	1 2 3 4 5
	27. Performance measures reflect controllable results of each role rather than effort, e.g., sales activities, behaviors, or milestones.	1 2 3 4 5
	28. One's compensation plan has no more than three measures, with each measure weighing at least 15% of plan opportunity.	1 2 3 4 5
	29. Performance measures are objective and observable.	1 2 3 4 5
	30. Measures are reportable on a timely basis allowing for individuals to react to and influence results, i.e., drive performance outcomes.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
F. Performance Targets	31. Individual performance targets align with business objectives or targets of the company/business unit.	1 2 3 4 5
	32. Individual performance targets generally have no more than a 5-10% over-assignment or "hedge".	1 2 3 4 5
	33. Individual performance targets reflect realistic market potential/opportunity.	1 2 3 4 5
	34. Individual performance targets are achievable with reasonable or stretch effort.	1 2 3 4 5
	35. Individual performance targets balance the degree of influence versus non-controllable results, e.g., market movement or "chance" volume.	1 2 3 4 5
	36. Minimum requirements (minimum quota or production) by role exist and reflect the economics of the compensation costs.	1 2 3 4 5
	37. In a typically strong performance period, we strive to have at least 50-60% of sellers achieve or exceed goal.	1 2 3 4 5
	38. During the measurement period, quotas are only be adjusted minimally unless extreme changes in business conditions occur.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
G. Crediting	39. Appropriate team members are credited for a multiple party selling efforts.	1 2 3 4 5
	40. Crediting activity reflect one's influence over customer decision making and timing of that decision making.	1 2 3 4 5
	41. Crediting reflects the degree of teamwork or unique influence required to achieve the deal, e.g., splits, double credits, or partial deal, as appropriate.	1 2 3 4 5
	42. To promote effective team selling, sales crediting includes proactive (and cost effective) double quota/double credit rather than split crediting.	1 2 3 4 5
	43. Productivity expectations, target setting, and/or quota setting factors in details of our sales crediting model.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5
H. Plan Mechanics	44. Plan mechanics structure considers what most effectively and fairly evaluates individual performance, e.g., absolute results versus relative (quota or target-based) results.	1 2 3 4 5
	45. As needed, plan mechanics balance individual results of a measure with total performance of multiple components.	1 2 3 4 5
	46. Plan mechanic details (threshold, accelerators, and regressive rates) reflect the nature of the expected performance range.	1 2 3 4 5
	47. To avoid sales force demotivation, we avoid using hard caps or use them only in extreme situations.	1 2 3 4 5
	48. When utilizing a threshold, no more than 5-10% of salespeople fall below threshold in a typical performance period.	1 2 3 4 5
	49. Payout formulas provide significant differentiation between low performers and high performers in the same role.	1 2 3 4 5
	50. Payout timing occurs as close to the sales event as is reasonable and administratively feasible.	1 2 3 4 5
Indicate Your Overall Alignment Score for This Category:		1 2 3 4 5