

Sales Compensation in a COVID-19 World

April 2020



Content Directory

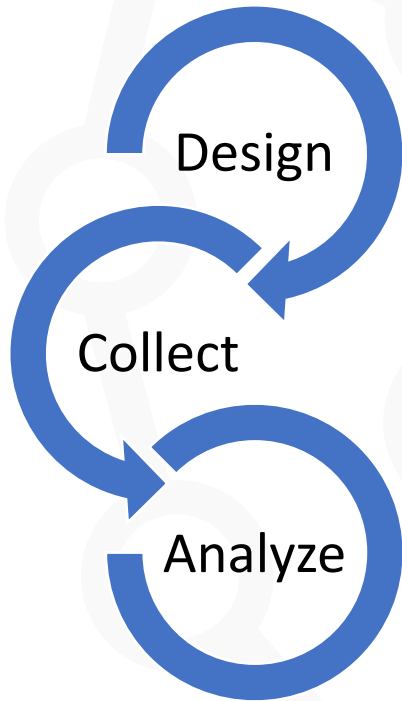
Methodology.....	2
Key Findings.....	3
Comprehensive Results.....	4
Respondent Profile.....	19
Contact Information.....	21



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Methodology



WorldatWork, in partnership with SalesGlobe, conducted a rapid response survey about sales compensation in a COVID-19 world.

We invited members and clients to participate in the survey via email and LinkedIn, resulting in a final sample of 372 respondents.

Results are generally representative of mid-sized and enterprise organizations, and the overall study has a 5% margin of error. Sample sizes vary by question and by respondent group. Please note that statistical reliability will fluctuate based on sample sizes.

Differences by company size and industry have been notated throughout the report.



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Key Findings

COVID-19 has put sales organizations in fast response mode, looking at compensation and beyond for answers.

Customers

Over half of organizations have defined to the sales team how to engage with customers.

Organizations have shifted from selling to helping and refocusing on less-impacted segments.

Most expect lower performance this year and nearly half plan to minimize compensation impact.

Communication

Most organizations are communicating proactively but only 15% have communicated compensation actions.

While almost half have assured the sales team of compensation action.

To back up these assurances, leadership has moderate to high trust, strongest in smaller companies.

Compensation

Only 36% of organizations have a plan to address sales compensation.

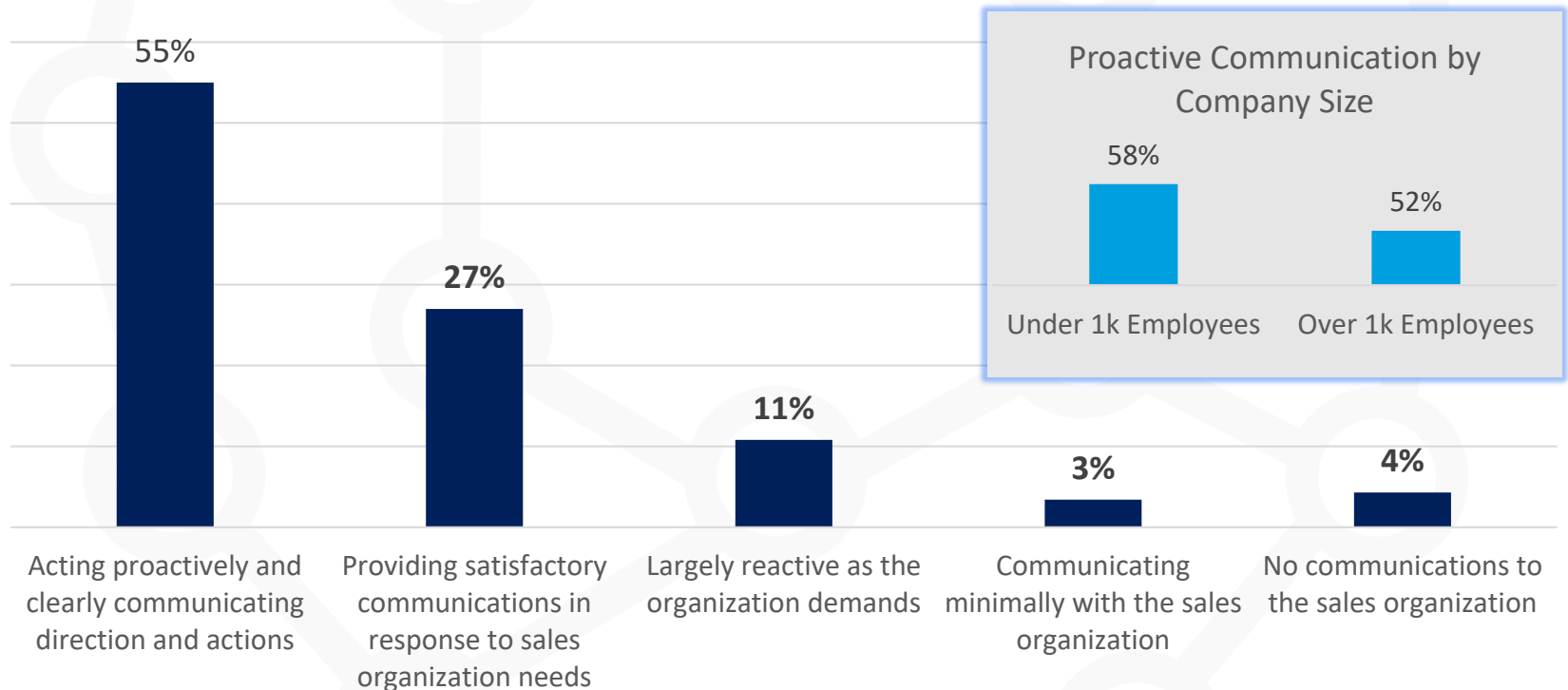
The top considerations are quotas, performance measures, and thresholds.

Of which, the most implemented so far are performance measure changes and and quota adjustments.



Most organizations communicate proactively, though smaller orgs are more proactive

What best describes how your sales leadership team is managing communications to the sales team relative to the COVID-19 crisis?



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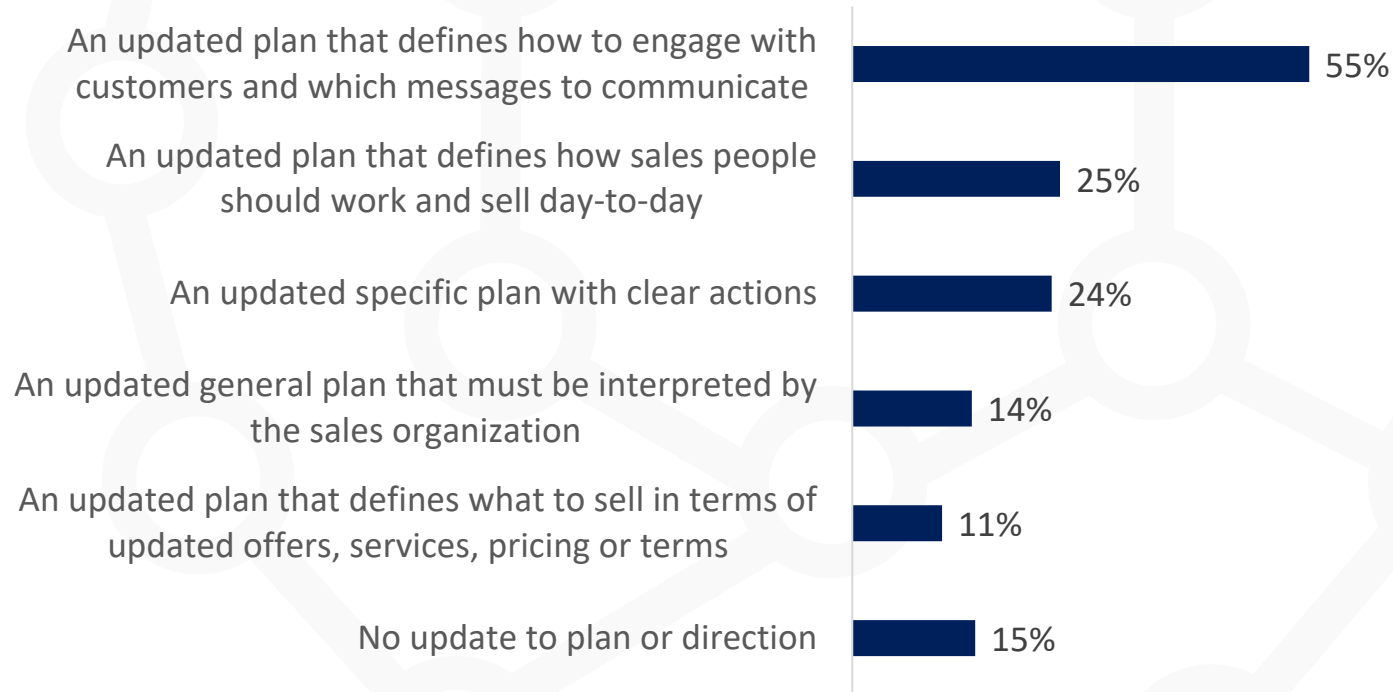


n = 372

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The majority of organizations have provided defined plans with customer messaging

How has your sales leadership team provided a plan to the sales organization about how the sales team should navigate as sellers in the current environment?



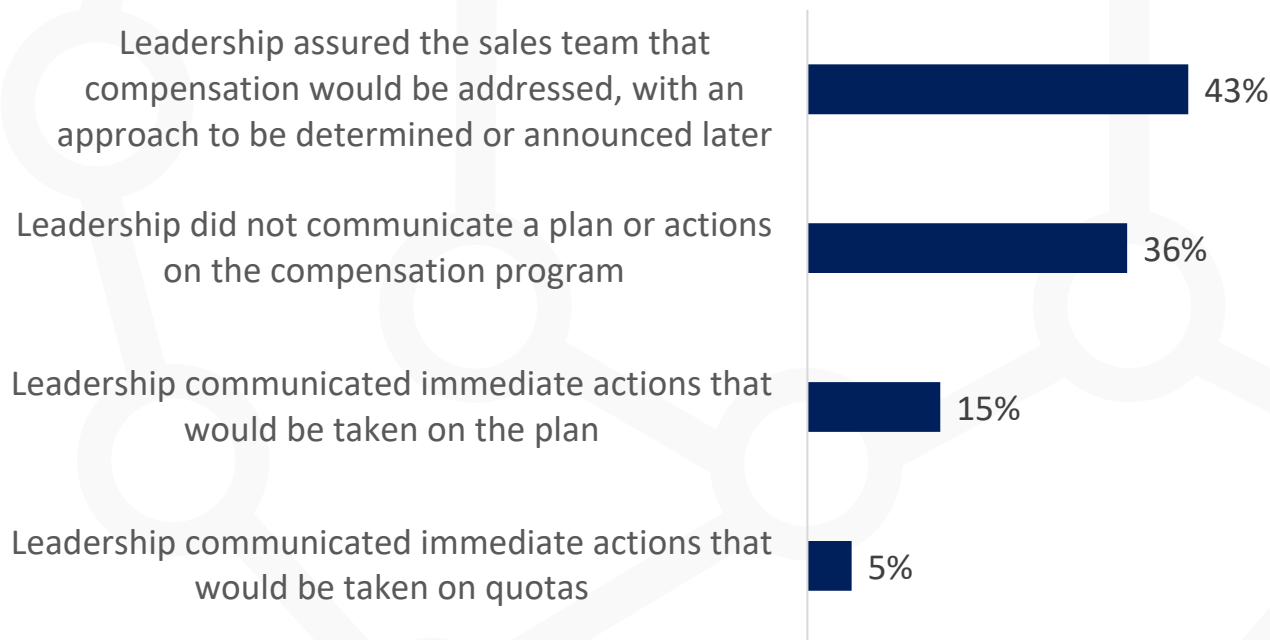
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n = 261

Only 15% have communicated immediate compensation action and 5% quota action

How has your sales leadership team communicated to the sales organization about how their incentive plan may be impacted in the current environment?



Key Observations

- Financial services leadership are more likely to have already communicated actions (22%)
- Consulting is least likely to have communicated actions (50%)
- Almost half have addressed sales team concerns



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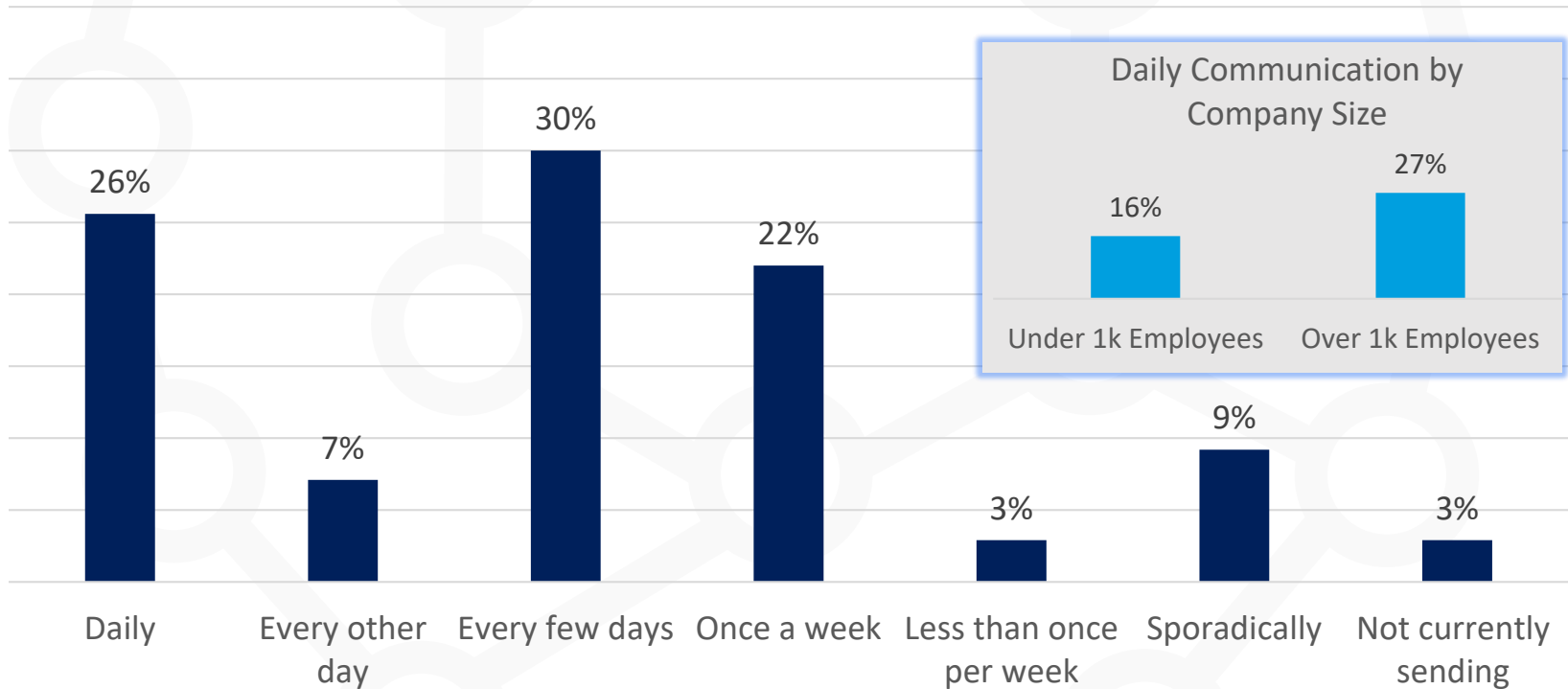


n = 261

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Most organizations are communicating once every few days or more frequently

How frequently is your sales leadership team communicating to the sales organization regarding their COVID-19 actions and plan?



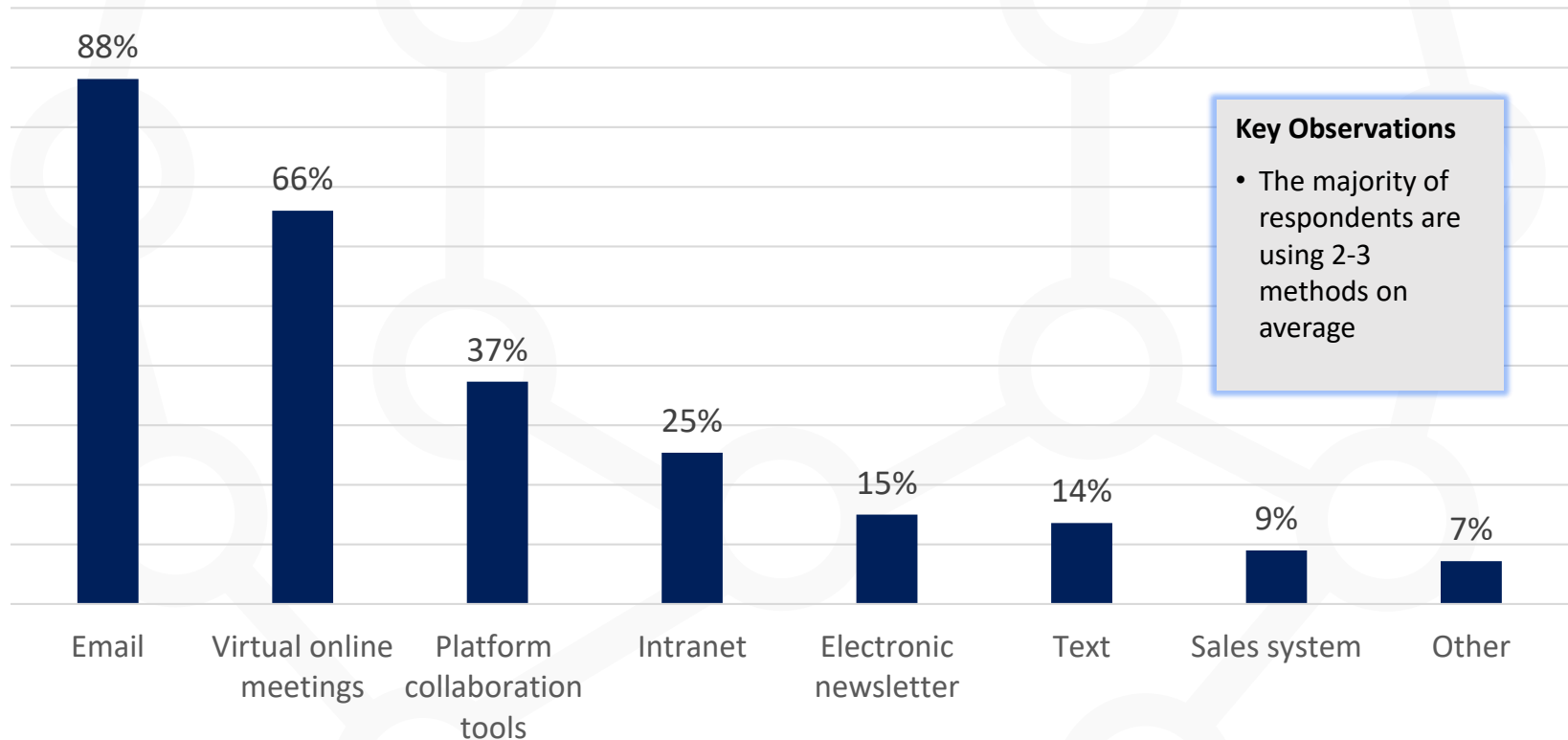
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n = 250

Email is still the most common method with online meetings close behind

What communication delivery methods is your sales leadership team using to communicate with the sales organization? Please select all that apply.



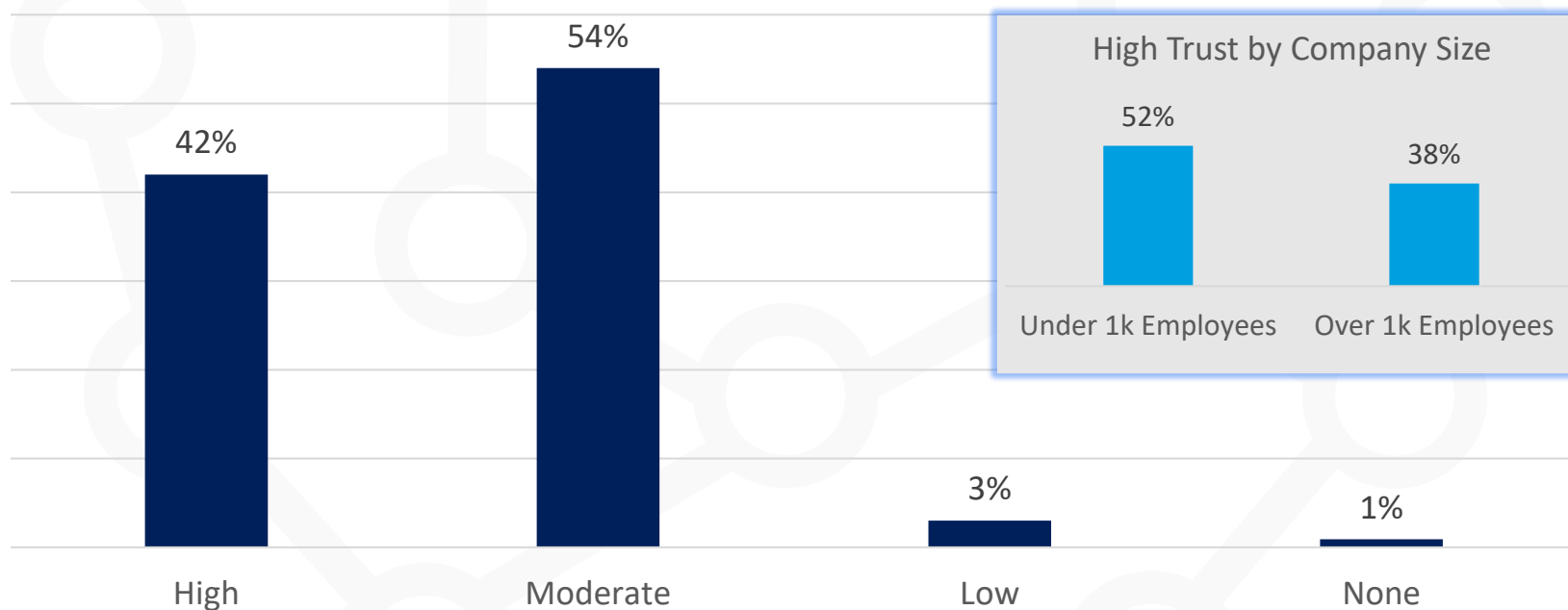
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n = 247

Leadership has a moderate to high degree of trust, which is highest in smaller organizations

How would you rate the degree of trust the sales organization has that leadership will treat the organization fairly with sales compensation in light of the current conditions?



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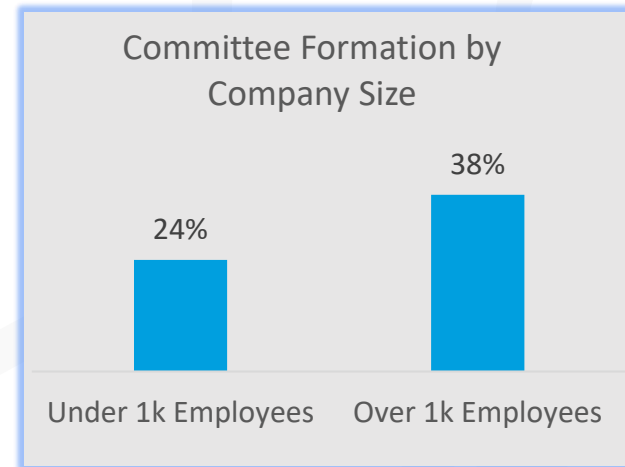
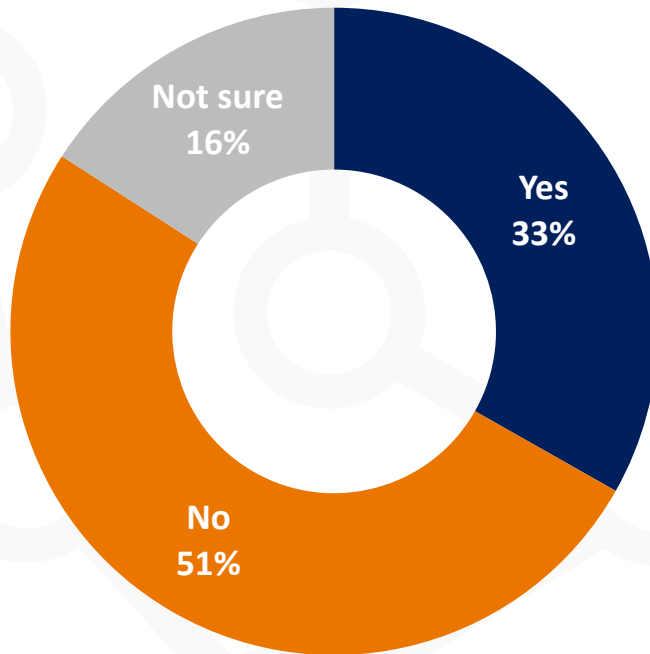


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Most organizations have not created a committee to focus on sales comp actions

Has your organization formed a committee focused on sales compensation actions?



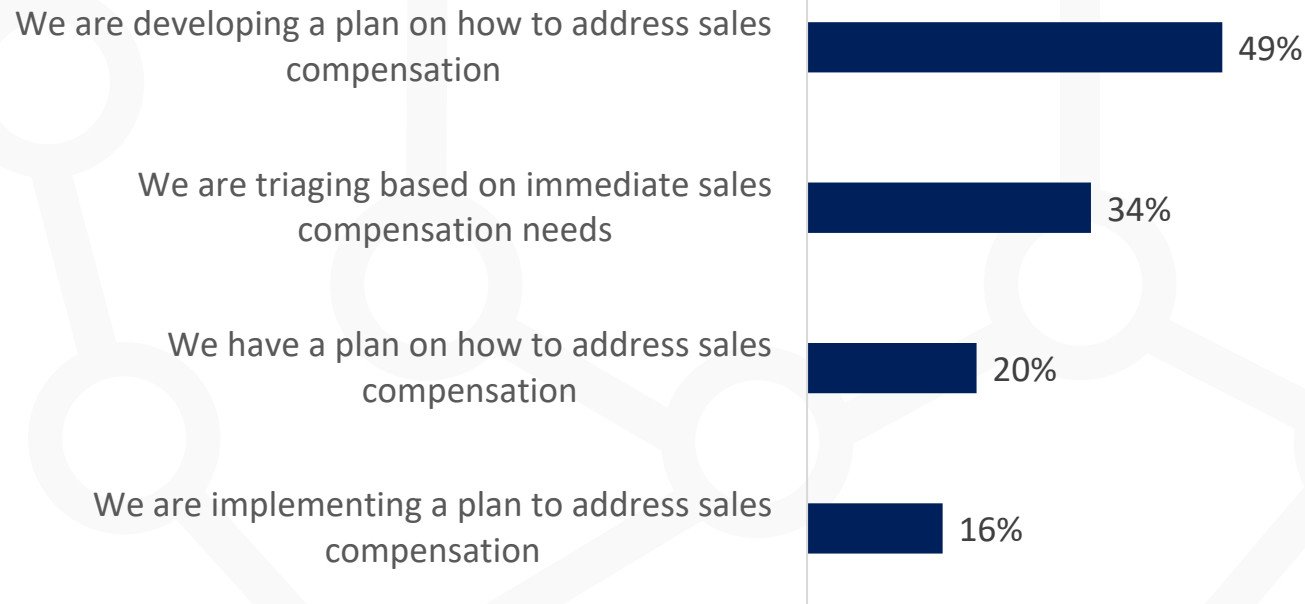
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n = 239

Only 36% of organizations have a plan to address sales compensation

*At what stage of planning or implementing are you with sales compensation changes?
Please select all that apply.*



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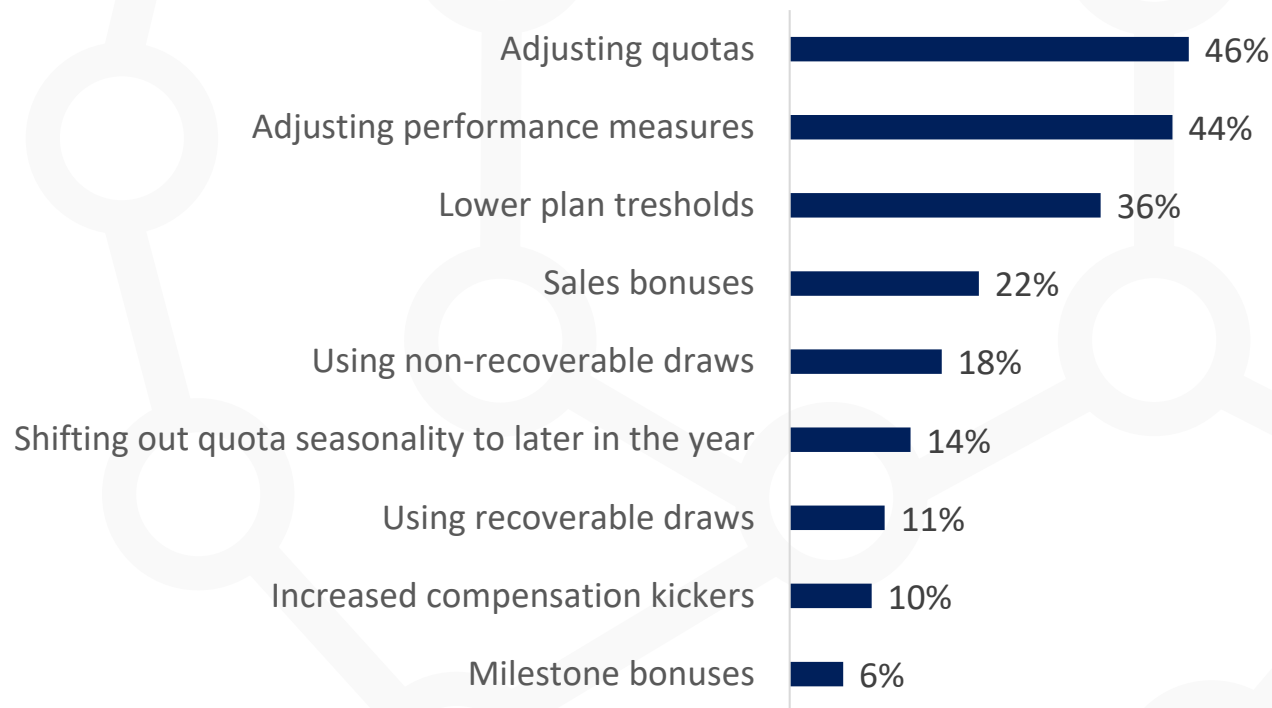


n = 226

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The actions most considered are adjusting quotas, performance measures, and thresholds

*What sales compensation actions are being CONSIDERED in response to the COVID-19 crisis?
Please select all that apply.*



Key Observations

- On average, organizations are considering 2-3 actions



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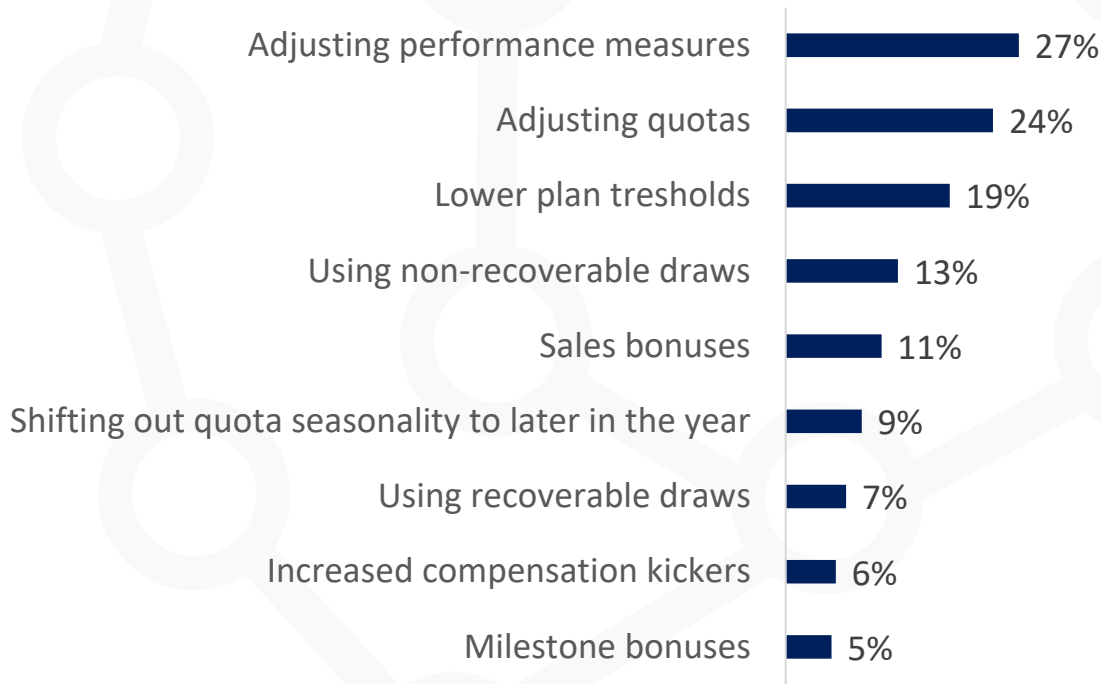


n = 221

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Organizations with actions implemented are focused on adjusting performance measures and quotas

What sales compensation actions are being IMPLEMENTED in response to the COVID-19 crisis? Please select all that apply.



Key Observations

- On average, organizations have only implemented one action so far



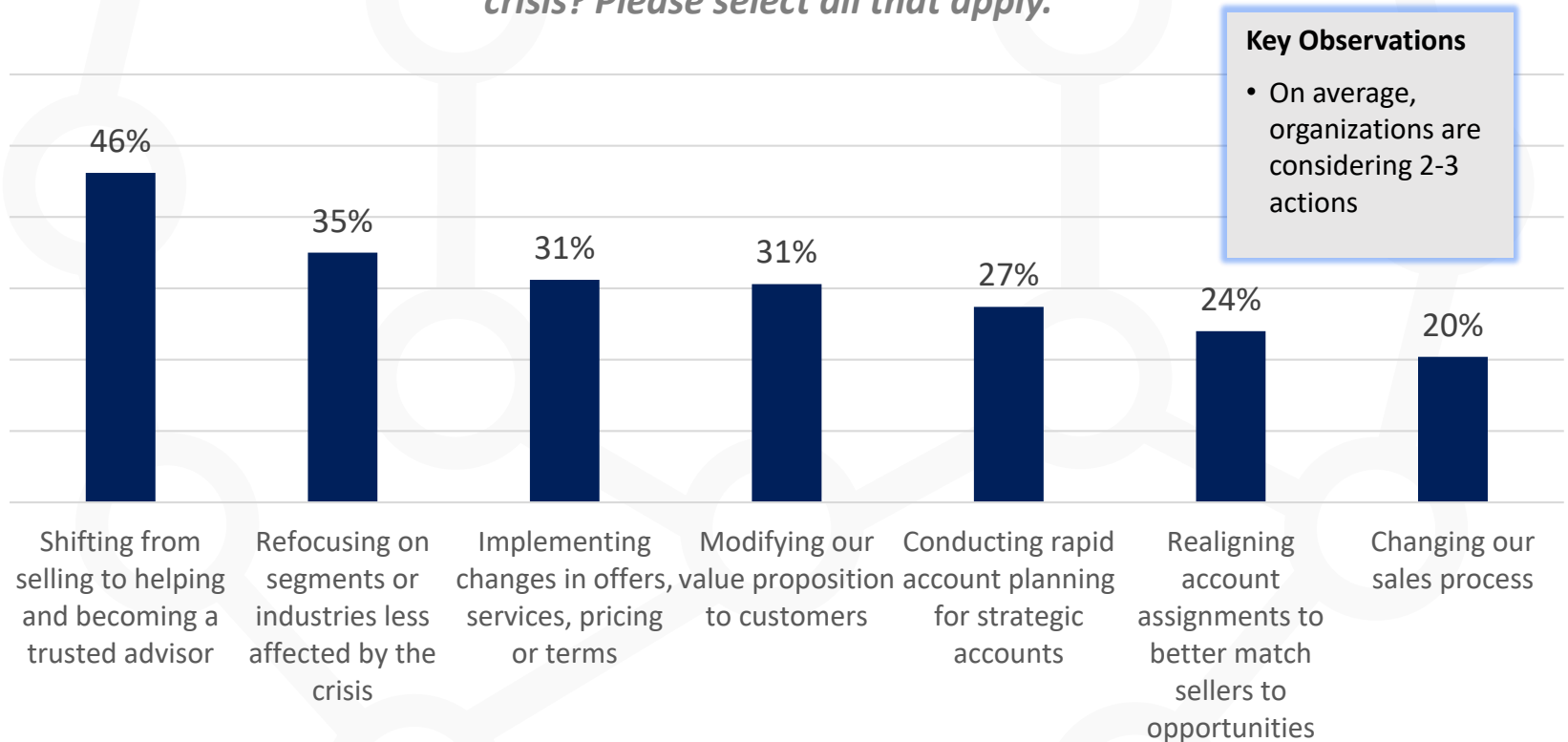
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n = 180

Organizations have shifted from selling to helping and advising

What sales strategies are being considered or implemented in response to the COVID-19 crisis? Please select all that apply.



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n = 196

Most organizations are expecting to perform lower to plan this year

What do you BELIEVE will be the impact to the sales compensation program as a result of the COVID-19 crisis? Please select all that apply.

The sales organization will perform lower to plan this year and the company will do its best to minimize the compensation impact to the team	43%
The sales organization will perform lower to plan this year and earn less	38%
The sales organization will recover in the second half of the year and regain a moderate amount of compensation	35%
We will likely rethink our sales compensation program for 2021	22%
We will likely return to our current compensation program later in the year	21%
We will likely retain the plan changes we've made for this crisis for the rest of this year	15%
We will likely continue our current compensation program for 2020	15%
We will likely retain the plan changes we've made for this crisis for 2021	3%

Key Observations

- About one third are optimistic on recovering sales and compensation
- Less than a quarter plan to rethink their comp plans for 2021
- Consulting expects to perform lower to plan and earning less this year (52%)
- Financial services expects to perform lower to plan and do their best to minimize the compensation impact (61%)



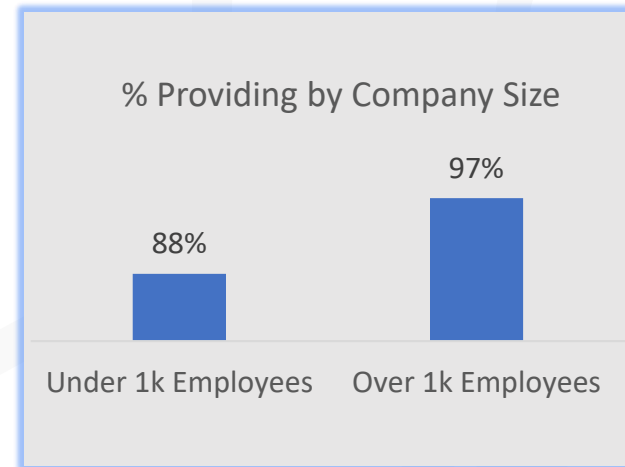
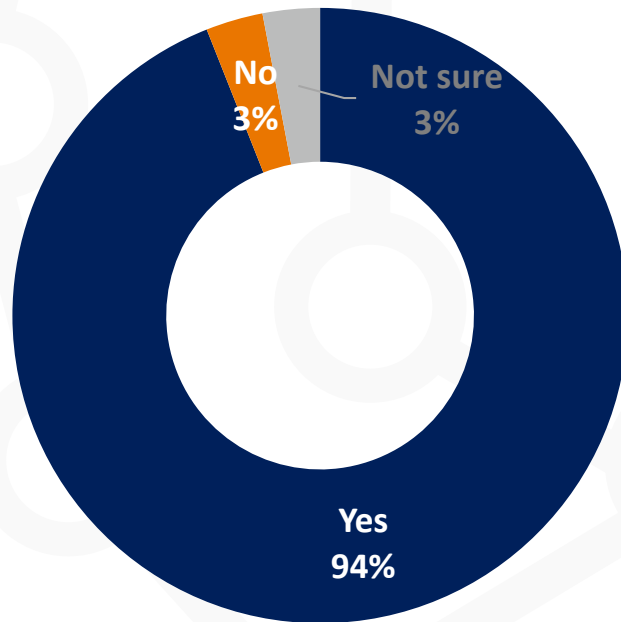
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n = 210

Nearly all employers are providing support to help associates adjust during lockdown

Is your organization providing support to employees on how to adjust to an environment of self-isolation and social distancing?



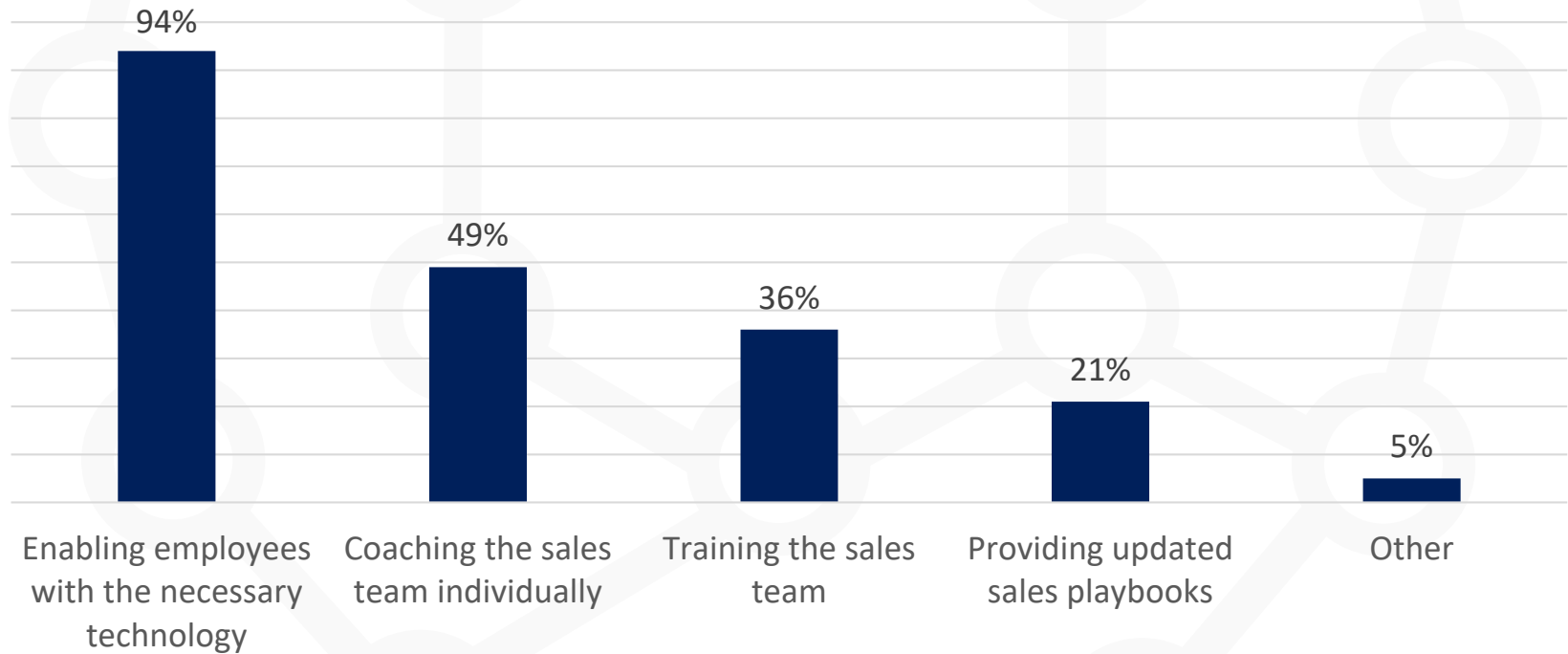
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n = 208

Technology is being leveraged by nearly all organizations to maintain team effectiveness

How is your organization helping the sales team work effectively in this environment? Please select all that apply.



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n = 203

Live forums and webinars are considered the most valuable sources of strategy information

Please rank the most valuable way for you to learn about current practices other companies and the market are using to address the COVID-19 crisis from a sales and compensation perspective.

- | | | | |
|----------|---|----------|---|
| 1 | Information from live forums that include peer companies and leaders 34% | 4 | Information from web communities, blogs, or chat boards 7% |
| 2 | Information from webinars 29% | 5 | Information from news media 7% |
| 3 | Information from the business press 22% | 6 | Information from internet searches 3% |



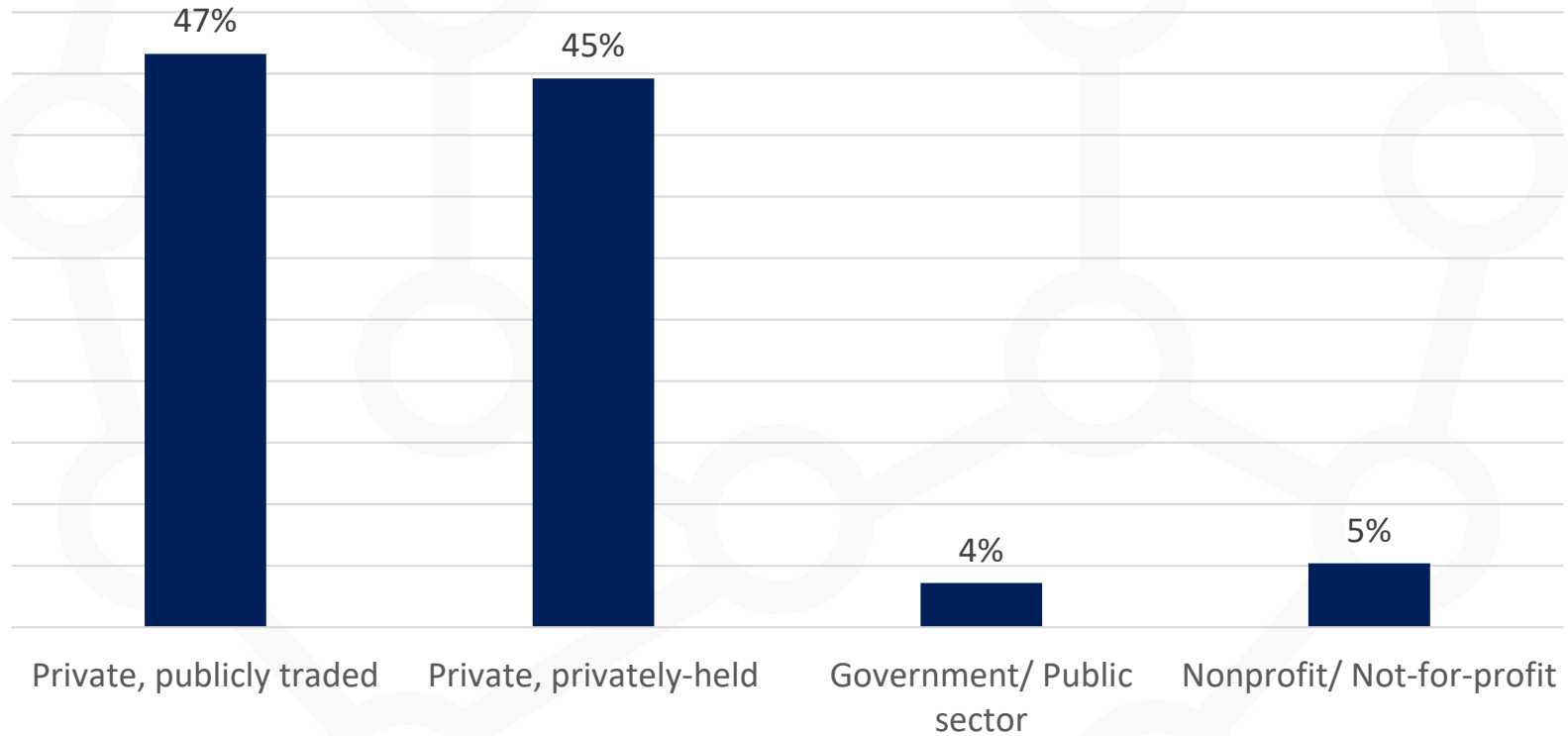
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n = 198

Company Sector

Your organization is:



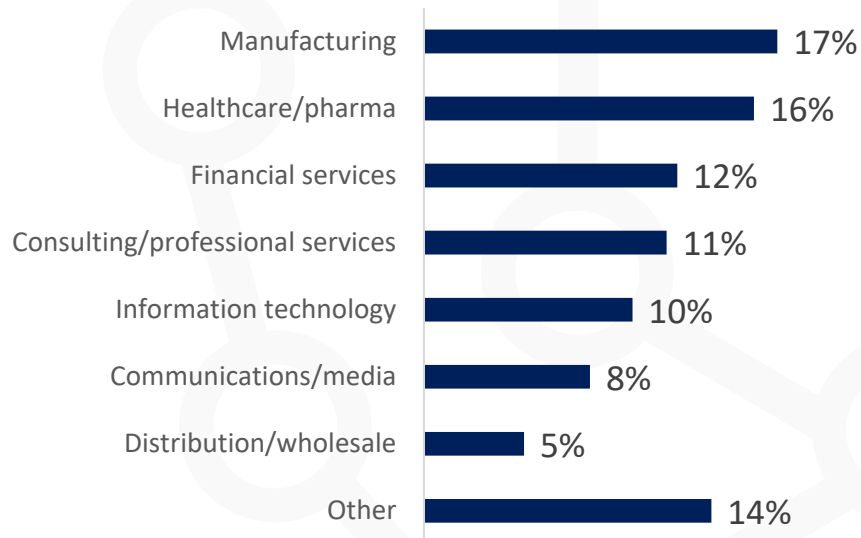
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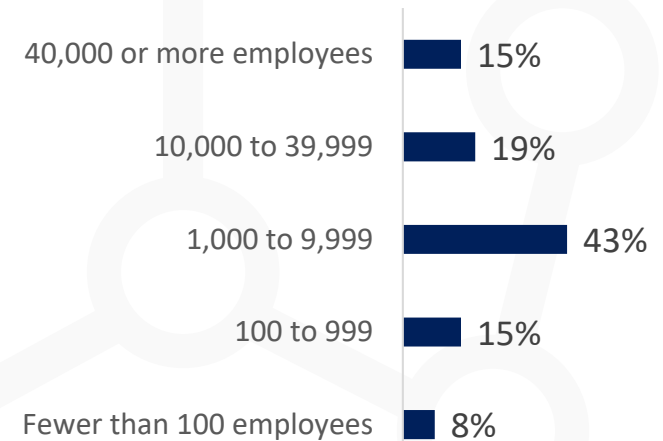
Company Industry and Size

Under which industry does your organization fall?



Only industries with at least 5% of responding organizations are listed here.

How many full-time equivalent (FTE) employees does your organization have?



n = 193



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