

How to Get C-suite Buy-in on Your New Sales Plan

Depending on company size, executives' involvement in making changes to sales plans will vary. Our tips can help sales leaders feel more confident in achieving final approval.

A good sales process makes the buyer so convinced of the need, and so engaged in the solution, that the decision to buy is an obvious outcome. Such is true with a well-run process to design and secure executive approval on a new sales compensation plan.

The traditional and most reliable sales compensation plan design process follows three basic phases:

- Discovery of the issue warranting a redesign
- Design and testing of solution options
- Implementation, onboarding and change management.

This paper will cover each of these as they pertain to the C-suite, highlighting some of the hurdles that, if not cleared, can keep you from sealing the deal.

Discovering the Real Issue

Relative to other issues that frequent the C-suite, sales compensation is relatively tactical and commonly viewed as inconsequential. Sales leaders may hype the issue, claiming the competition is luring the company's best performers with promises of more money. Finance leaders may take the point of view that the sales compensation plan doesn't motivate the selling of a more profitable product mix. These concerns can lack objectivity. And given bigger fish to fry, company executives may choose to punt on a sales compensation initiative for another year.

In a smaller organization, one where you have frequent access to the C-suite, you might emphasize to your executives the connection between sales compensation and strategy. Sales compensation for many organizations makes up more than 30% of the payroll and can be highly variable. How you design and manage the plan matters. Ideally, this expense positively correlates with revenue. If sales costs are trending upward while sales are flat or down, look at the sales comp plan for answers. Sales compensation can have a tremendous impact on salesforce motivation, recruitment and retention. It's tough to grow sales when management is struggling to engage the salesforce. Your executives need to understand this strategic link.

The larger the company, the more likely a perceived sales compensation issue never makes it beyond two levels of management. To break this ceiling requires agreement on the issue(s) necessitating the redesign across multiple stakeholders. Therefore, a key ingredient in effective discovery is to employ a cross-functional stakeholder group. The other ingredient needed are data— cold, hard facts that quantify the magnitude of the problem. Some stakeholders might question the degree of impact or choose to ignore the data completely. But without a basis of fact, you're left with anecdotes and differing opinions on what is right.

Competitive benchmarking can harmonize disparate views across the stakeholder team. Competitive practices are neither wrong nor right, but the starting point from which the company can compare its practices. It puts the opinion of “We pay our top performers too little” into context. Regardless of your bias, as long as you can achieve consensus with the benchmark, you'll probably get support for the findings. In our example, the consensus may be that we are paying our best performers well below what the competition pays its best performers. In a competitive labor market for top-tier sales talent, you may have an issue worthy of penetrating the C-suite's short list.

Once you have an executive audience, you'll need to be extremely concise: Less is more. A statement such as, “Our competitors pay their top performers 30% more than we do,” is likely to jump out because of the large number attached to it. Come to a meeting armed with enough data to answer what will certainly be a barrage of questions. Don't answer questions they didn't ask.

Designing From the Top Down

In the example of underpaying top performers, you don't need a separate executive-level meeting to solve a 30% pay gap. In a big company situation, you're more likely to be designing for multiple issues. At this point, executives agree there's an issue needing to be fixed. The solution can get very complex, and you don't want to get too into the weeds with the top layer of management. Instead, reach for agreement on a set of principles that will guide the detailed decision making by sales and compensation leaders.

Common principles include statements such as “Keep it simple” or “Measure what matters most.” Each statement should include a few examples of what it could mean for sales comp plan design changes, such as no less than 20% of the target incentive on each sales plan measurement. Your executives may have a few principles of their own. Your goal is to land on a manageable set of principles with just enough detail on the practical application of each principle. You want executives to conclude that they can support the design approach laid out. Should you hear “Well, it depends,” then you've got a weak principle that won't survive the design process.

Greasing the Implementation Skids

In a traditional design process, implementation of the new plan doesn't start before you've secured executive approval. However, short timelines and agile working environments oftentimes result in trying to implement changes well before you've received final approval. In the ideal scenario, your executives find the data supporting the challenges, and the principles guiding the solution so compelling that they're already envisioning the benefits of a new plan. Approving the final plan should be a formality on a concept they've already endorsed.

How often should you engage executives during the design process? There is no singular answer that addresses all situations. But based on my experience with many executives, I observe there being no need to engage them

between the points of securing the design principles to securing approval on the final plans. That approach won't work for executives who view sales comp more strategically or those who find the details captivating. Whatever the preference of your executive team, you want to avoid the element of surprise. That is, you being surprised when the C-suite doesn't approve the plan or top execs being surprised by what you've proposed. Once you've agreed to the issues the redesign needs to tackle and a set of design principles, the solution should be obvious.

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