

# CSO Insights 2014 Sales Compensation Report: "A Players Outdistance All Others"

*Report Could be Titled: No Firms Left Behind - Not!*

BOULDER, CO, USA, September 19, 2014

/EINPresswire.com/ -- CSO Insights announces the release of their 2014 Sales Compensation and [Performance Management Report](#). This year's

report asked survey respondents to grade their current compensation/incentive management program, explain the main reason for the grade given, and the main obstacle to changing if a lower grade were given.



850 firms responded to the survey, with 37% giving their current plan a grade of C, D, or F. Surprisingly, even B players saw major differences in rep quota attainment, the ability to deliver managers timely/accurate metrics, and much more. Tied for main reasons perpetuating the current systems - despite low grades - were lacking staff expertise to introduce a more effective program and/or senior management having no interest in modifying the design philosophy.

"You might fear a rebellion by sales reps when changing the compensation plan design, but only 6% of firms offered this as the most compelling reason to maintaining the status quo," says Barry Trailer, Managing Partner, at CSO Insights. "Also of note, while 24% of respondents reported senior management had no interest in changing, less than half this figure (10%) said sales management had no interest in changing."

With nearly seventy metrics being measured, the report also found:

- The percentage of reps "actively engaged" in their jobs fell 10%.
- Selling to new accounts continues to be the area compensation plans most emphasize.
- 90% of all firms consider providing managers with timely and accurate rep performance metrics mission critical/very important; but only 5.5% of firms exceed expectations in doing so.

While the super-majority of firms (90%) report that providing their managers with timely/accurate performance metrics is very important or mission critical, 49% say they need improvement in doing so. The firms that exceed expectations in this regard also outdistance those needing improvement in vital areas, including the percentage of reps meeting/beating quota (59% versus 50%), lower total rep turnover (16% vs. 20%), and coaching with CRM data as

opposed to data kept separately by managers.

The report details the shift from lagging to leading indicators and firms' ability to get performance metrics to sales managers. Fundamental to having this ability is moving off spreadsheets and leveraging systems now available, yet one-half of all companies and one-third of companies with annual revenues >\$1B continue to rely on spreadsheets as the basis for managing territories and compensation.

Asking participants to rate their compensation plan was new to this year's survey and the performance measures support the grades people were giving. "A" players did better overall and in specific measures than others, "B" players did better than "C's", and down the line. The data make clear that lower grades reflect lower performance, the likelihood of falling further behind competitors, and calls into question why firms recognizing their shortfall (i.e., poor grade) staunchly resist changing.

The report opens stating that 74% of companies gave themselves a grade of "B" or lower and closes with a discussion of the differences surfaced on this basis. The discussion throughout this thirty-page report offers several suggestions. The report ends with the Going Forward Analysis that shows the increased need for: 1) Ease of implementation, 2) Flexibility, 3) Robust analytics; and 4) Visualization.

[Click here to receive the Sales Compensation and Performance Management report](#)

## About CSO Insights

CSO Insights is a sales and [marketing effectiveness](#) research firm that specializes in measuring how companies are leveraging people, process, technology, and knowledge to improve the way they market and sell to customers. For 20 years, CSO Insights' surveys of over 20,000 [sales effectiveness](#) initiatives have been the standard for tracking the evolution of the role of sales, revealing the challenges that are impacting sales performance, and showing how companies are addressing these issues.

## For Media

- To interview Barry Trailer, please email [Barry.Trailer@csoinsights.com](mailto:Barry.Trailer@csoinsights.com) or call 916-712-9621.
- To obtain a PDF copy of the full report, please email Kim Cameron at [Kim.Cameron@csoinsights.com](mailto:Kim.Cameron@csoinsights.com).
- Tags: sales compensation, sales quota, performance management, compensation design, sales management.

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