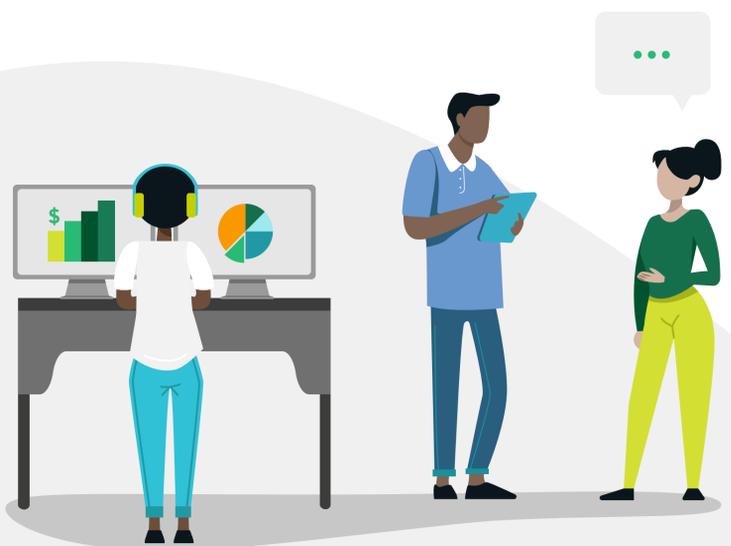


BCG Digital Sales Market Insights

VOLUME SIX



Compensation and Incentives

In the sixth survey of an ongoing series, BCG partnered with the American Association of Inside Sales Professionals to assess compensation, bonuses, and other incentives. The results show that companies still set targets primarily on the basis of historical performance, which means that they are missing an opportunity to use compensation and rewards more strategically to reinforce and reward the right behaviors in sales teams.

1 Despite the emergence of analytical tools that can better predict customers' buying behavior, sales executives report that they continue to rely heavily on traditional approaches in determining seller targets—although they also express a desire to improve.

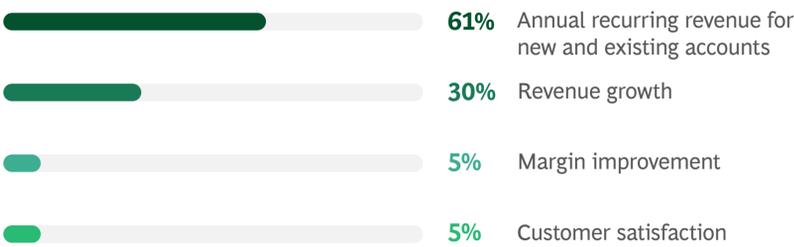
86%
set sales quotas and targets by looking at historical performance.

23%
use advanced analytics to estimate potential sales in order to inform targets.

90%
want to improve their quota-setting process.



PERCENTAGE OF COMPANIES THAT INCLUDE METRIC IN SELLER TARGETS:



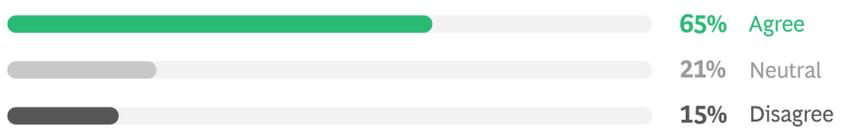
2

Near-term revenue remains the primary metric for setting sales targets, as relatively few companies factor growth, profit margins, or longer-term customer success into the equation.

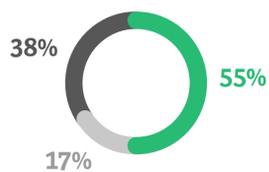


3 Companies have aligned their compensation plans with near-term strategic objectives, but sales executives are divided about how effectively these plans reinforce the company's core values and sustainability.

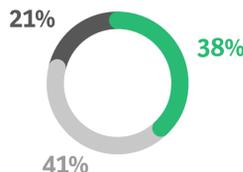
"OUR COMPENSATION PLAN ... maximizes revenue for the firm."



"... boosts customer satisfaction and relationship-building efforts."



"... drives upselling and cross-selling opportunities."

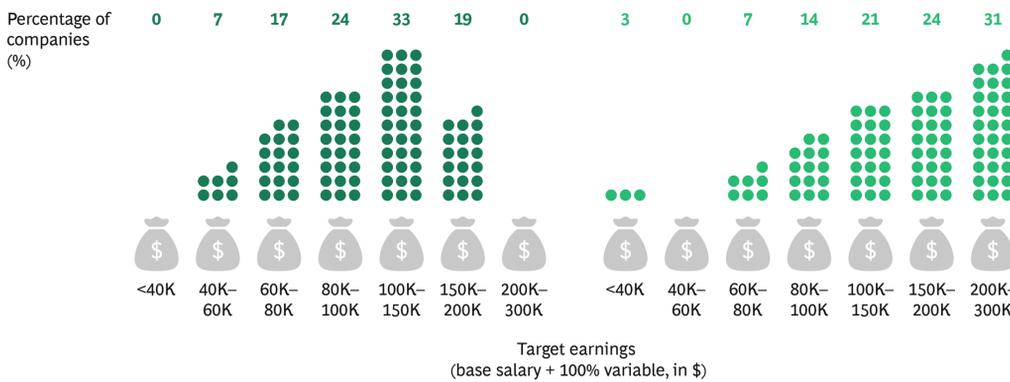


"... boosts morale and retention among the sales force."



INSIDE SELLER COMPENSATION

FIELD SELLER COMPENSATION

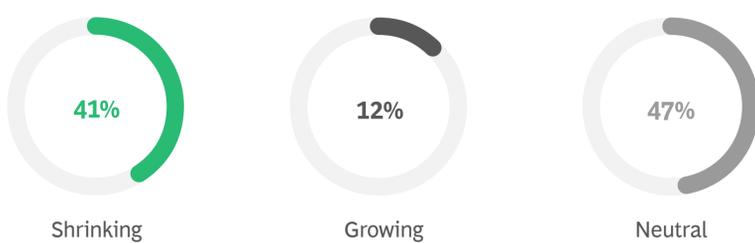


4

The pay discrepancy between comparable inside sales teams and field sales roles remains—reinforcing the cost advantage of inside sales.

5 The pandemic has compelled companies to review and reassess their compensation and incentive structures in light of the shift to virtual selling and the new ways of working that are emerging.

"THE PAY GAP BETWEEN INSIDE AND FIELD SALES IS ..."



Share of companies that say COVID-19 has triggered a review of compensation for inside sales versus field sales:

47%



Source: BCG survey, July 2021, fielded to AAISP membership.