



# 5 Key **Incentive Plan Design** Guiding Principles

## **Aligned**

- Supports sales and marketing objectives
- Focuses on the "right" customers and activities
- Emphasizes the promotion of the "right" products

## **Motivating**

- Simple to understand and communicate
- Substantial effort leads to significant reward
- Keeps people engaged and excited about their goals
- Attracts top performers while controlling attrition

## **Fair**

- Payout is competitive in the marketplace
- Similar earning potential for everyone
- The plan doesn't penalize the sales force for forecasting uncertainties
- Success is aligned with outcomes and growth and not only with effort

## **Responsible**

- At multiple corporate performance levels, the total compensation payout is within an acceptable budget range
- Total compensation payout varies appropriately according to the company's success (failures and successes of the team)

## **Easy to Build**

- The current systems ecosystem and resources can support incentive plan administration
- Available data can be positively utilized to measure individual and company performance