TELEIOS STRATEGY

A COMPENSATION DISCIPLINE TOOL

The Comp Plan Drift Audit

Five checks that reveal whether your largest go-to-market investment still pays for the strategy you're running.

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THE INSIGHT

Your comp plan is executing a strategy you abandoned.

Strategy shifts during the year. Plans get reviewed once a year at most — and most revisions adjust rates, not direction. Your producers aren't ignoring the strategy. They're following the one document that pays them every day, and it's usually the oldest one in use.

40%

of total sales costs is variable compensation — the largest sales expense

1 in 5

companies rate their comp plan as highly effective

28%

of sales professionals believe their team will hit full quota — declining three years running

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Sources: Alexander Group sales compensation research; Salesforce State of Sales; CaptivateIQ analysis

THE FRAMEWORK

Five checks. One meeting.

Run all five before the annual plan locks, while changes are still inexpensive.

CHECK 01

Strategy

ASK

Name the plan element that pays for each of your top three priorities.

DRIFT IF

Any priority has no plan element behind it.

CHECK 02

Top Earner

ASK

What behavior did your five largest payouts reward last quarter?

DRIFT IF

The checks rewarded the previous strategy.

CHECK 03

Margin

ASK

Does the plan pay on revenue while the strategy calls for profitability?

DRIFT IF

You're paying producers to discount.

CHECK 04

Mix

ASK

Does the new-business vs. retention weighting match where growth comes from?

DRIFT IF

The plan overpays the old growth engine.

CHECK 05

Quota

ASK

Can most of the team realistically win under this plan?

DRIFT IF

Attainment is concentrated at the top.

THE IDEA TO REMEMBER

Read the plan the way your team reads it: as instructions.

Producers don't follow the strategy deck.

They follow the pay plan.

The plan was right when it was written. Then the strategy moved — one shift at a time — and each shift widened the gap between what you ask for and what you pay for. The rule that closes it: the plan changes when the strategy changes, not when the calendar says so.

PUTTING IT TO WORK

How to use this in comp planning season

Stop Doing

- Reviewing the plan once a year while the strategy moves quarterly
- Paying on revenue while asking for margin
- Calling it an execution problem when the plan disagrees with the strategy
- Leaving the plan alone because comp conversations are hard

Start Doing

- Running the five checks before the January plan locks
- Mapping every strategic priority to a plan element that pays for it
- Reviewing your top payouts quarterly: what did we pay for?
- Changing the plan when the strategy changes

The rule: the plan changes when the strategy changes — not when the calendar says so.

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KEEP GOING

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