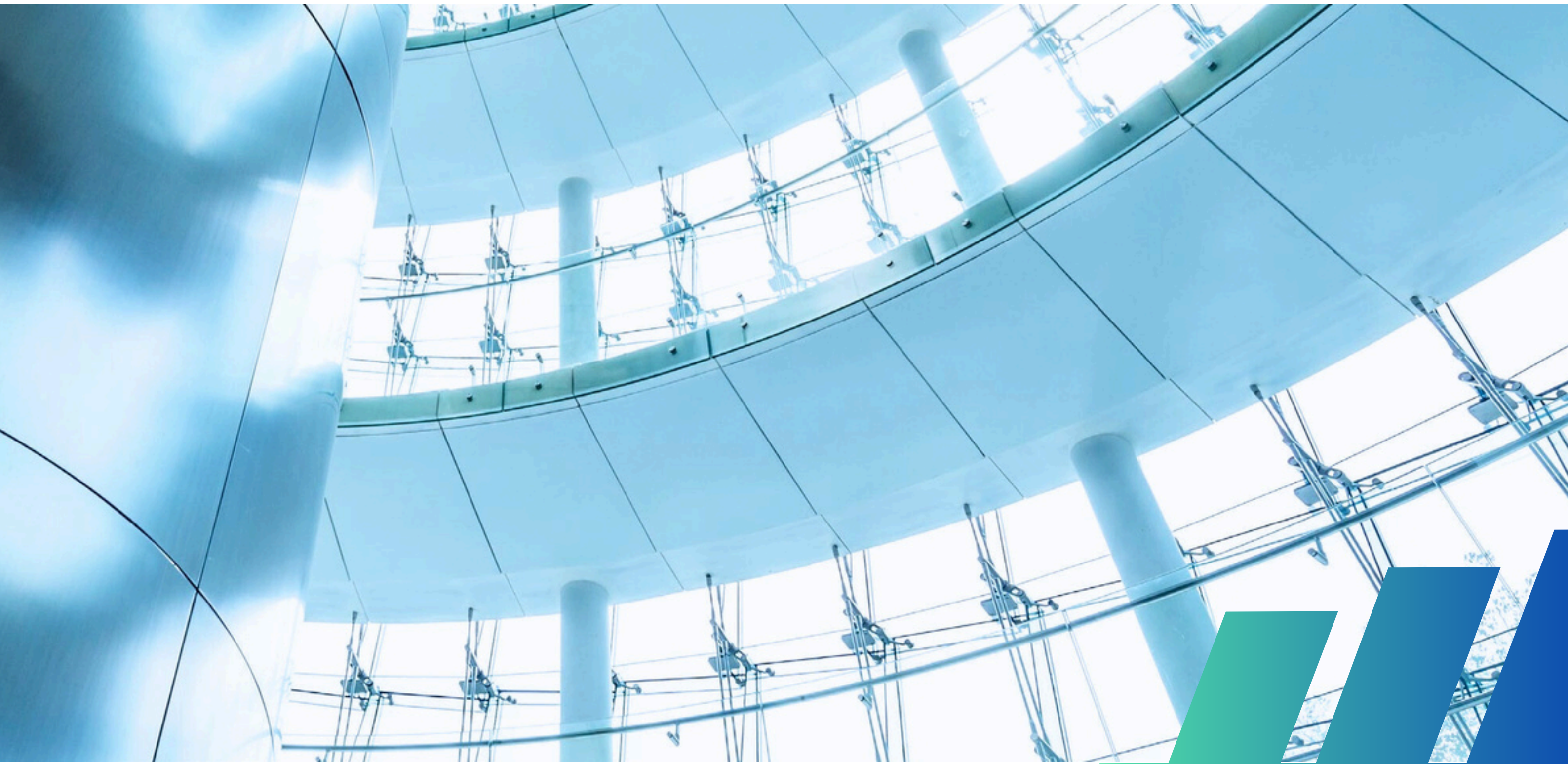
WHITE PAPER

The Comp Planning Playbook: **Shaping Your Sales Incentives for 2026 Success**

Revenue Shift



The window for smarter 2026 compensation planning

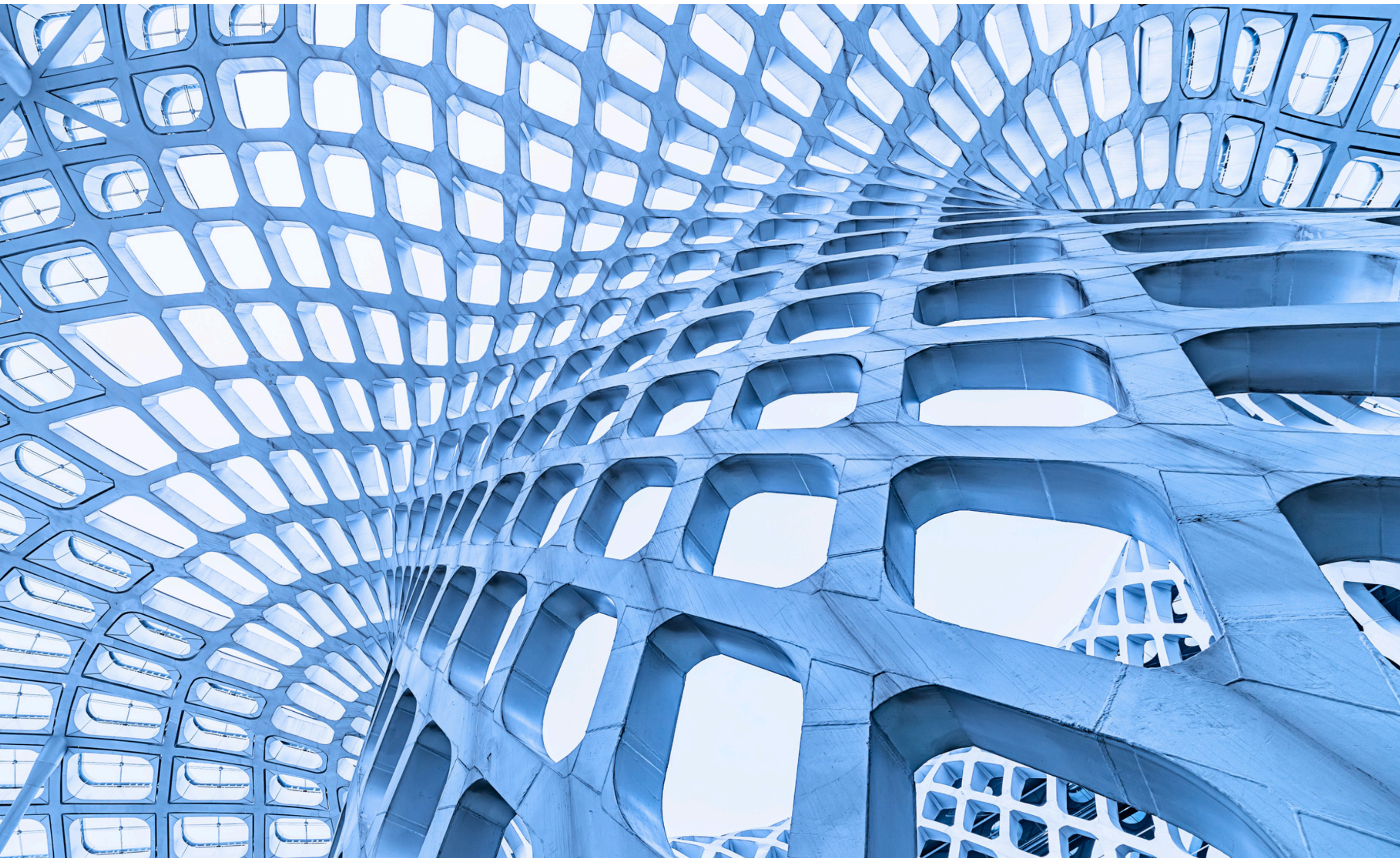
According to Forrester,[1] organizations that have alignment across their revenue engine grow 19% faster and are 15% more profitable than those that don't. When sales, marketing, and compensation strategies are working in concert, growth becomes more predictable, scalable and sustained.

For sales and HR leaders, the months from late summer to mid-November are a pivotal window in which to shape compensation incentive plans that drive this growth. That means designing plans that reflect next year's go-to-market strategy and land smoothly with the teams who will carry it out.

Acting now matters. By making smart adjustments before the year end, you can align incentives with business priorities, secure leadership buy-in and avoid the political bottlenecks and rushed timelines that can undermine January launches.

But urgency doesn't necessarily mean an overhaul. Many organizations find that targeted refinements – such as tweaks to payout structures, quotas or governance – are enough to unlock performance and prevent costly missteps. For those facing more fundamental redesigns, there is still value in starting the conversation now. Even if the full transformation is a longer journey, the groundwork you lay this fall will ensure a smoother, faster rollout when the time is right.

This white paper shows you the quick wins that can be implemented in weeks, and the foundational changes that will prepare you for 2026 and beyond. Drawing on real-world examples of organizations that moved early and saw measurable impact, we'll highlight practical ways to strengthen your compensation strategy and, most importantly, implement a plan that sticks.

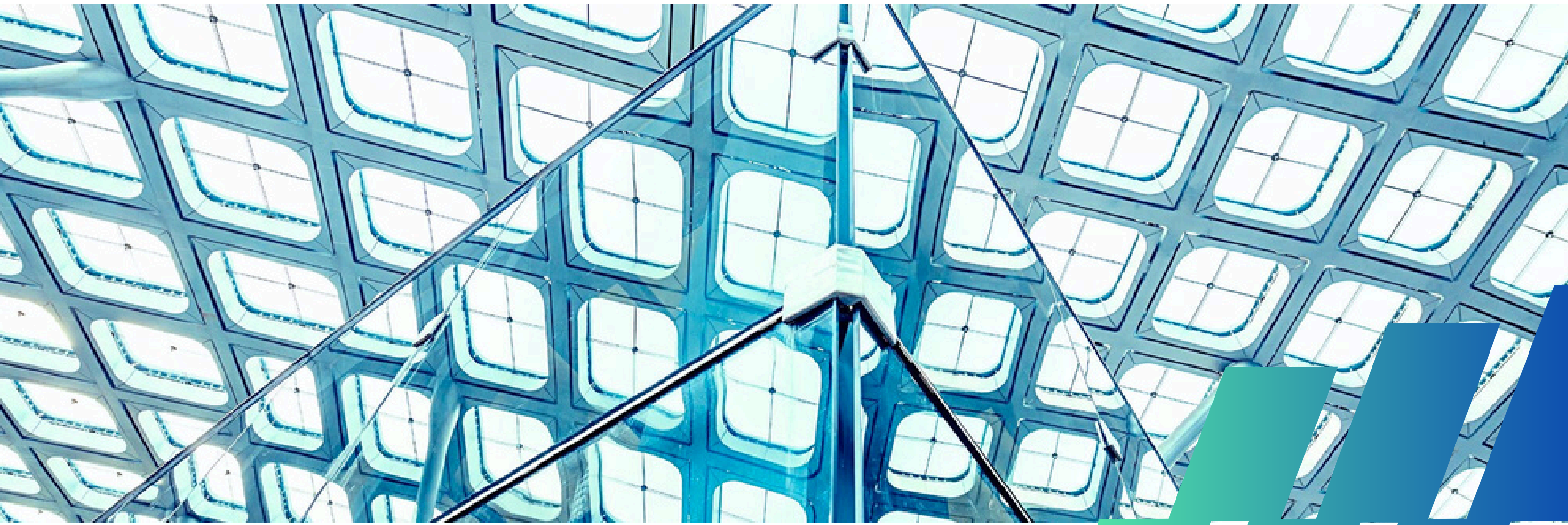


Setting your sales team up for success

When the clock's ticking and your inbox is bursting, the path of least resistance is to default to last year's incentive model. But in today's ever-changing environment that's likely to have a detrimental impact on sales performance.

Go-to-market strategies are evolving rapidly, driven by AI-enabled productivity, enhanced customer engagement models and new routes to market. Compensation plans that don't keep pace risk misaligning quotas, goals and the incentives that motivate sales teams to sell.

Barriers to timely planning rarely come from technical challenges. More often, progress stalls because of internal debates over budget or quota fairness, conflicting sales and HR priorities, or a lack of visible executive support. By embedding compensation planning into your go-to-market strategy, these obstacles can be addressed early, giving your sales team the clarity and focus they need to succeed.



Realizing momentum-building quick wins

Alongside highlighting barriers to change, incentive planning will identify potential quick wins that can deliver immediate results and create the conditions for deeper change, including:

Simplifying complexity from acquisitions or expanded product portfolios

Mergers, acquisitions and product launches often create layers of commission rules that confuse reps and frustrate managers. Streamlining incentive structures to emphasize key strategic priorities can quickly restore clarity and focus.

Realigning incentives to changing pricing strategies

Companies are increasingly turning to consumption-based pricing and refocusing on profitability over revenues. Incentives adapted to this new landscape drive real business value and prevent ballooning payouts that don't.

Setting quotas that reflect the economic landscape

In uncertain and rapidly-evolving markets building flexibility into quota-setting, so reps can succeed even as conditions shift, keeps the salesforce engaged and aligned with company performance.

We've seen the value of accessing quick wins during our work with a leading photonics manufacturer. The company faced rising input costs that squeezed margins, yet their revenue-focused incentives continued paying out as if business were booming.

We helped them implement a targeted redesign, aligning commissions with growth and cost structures. The result was disciplined, profitable payouts and a motivated, focused sales team.

Small, strategic adjustments like these do more than patch up holes, they create momentum. By driving measurable results today you build a platform for ongoing sales success.

Four steps to implementing a 2026-ready compensation plan

When it comes to implementing an incentive plan that overcomes internal barriers and enables you to grab growth opportunities, there are four key elements: strategy, roles, incentives and implementation.

1. Strategy: map compensation to go-to-market priorities

Effective compensation planning starts by defining the outcomes that matter most to your business, whether that's driving margin improvements, accelerating cross-sell opportunities, or expanding into new markets. Incentive models should be designed to reinforce those goals and digital tools tailored around them, ensuring compensation structures serve strategy rather than constrain it.

Scenario analysis and data-driven modeling can then stress-test how pay structures perform under different market conditions.

By combining strategic clarity with customer and market insights, organizations can ensure their compensation plans are aligned with go-to-market opportunities.

2. Roles: diagnose friction and clarify responsibilities

Compensation plans often stumble because of organizational friction. Misalignment between sales, HR, and finance, unclear accountabilities, or competing priorities can stall progress and push decisions into the final weeks of the year. The most effective planning starts with a clear understanding of how each role contributes to commercial success and where political or structural bottlenecks are likely to appear.

By highlighting challenges and clarifying role expectations early, organizations can move faster, secure broader support for new incentive models and align everyone with strategic goals. For example, when HR and sales leaders view compensation planning as an opportunity to partner strategically, rather than a box-ticking exercise, they can shape behaviors that underpin outcomes from profit growth to staff retention.

3. Incentives: design for flexibility and focus

Markets shift quickly. Quotas rise or fall, margins tighten, and product portfolios expand through acquisitions or launches. Compensation structures need to be resilient enough to absorb these changes without creating runaway payouts or confusing sellers. The most effective plans keep the focus sharp: aligning incentives with one or two core priorities while embedding levers that can evolve with the business.

Linking payouts to profitability instead of revenue, simplifying overlapping commission rules, or adjusting mechanics to reflect pricing shifts can have a significant impact.

These changes help organizations remain financially disciplined while giving sales teams confidence they'll be compensated fairly as the landscape around them changes.

4. Implementation: start early and communicate clearly

Even the best-designed plan will fail if it isn't implemented well. Late approvals, rushed system updates and unclear communication will erode trust among sales teams. Working backwards from a Q1 Sales Kick Off creates the space to secure leadership alignment, finalize governance, and ensure systems and processes are ready to support the plan.

Equally important is how the plan is communicated. Sales managers must be able to explain the new structure with confidence, and reps need to see a clear connection between their performance and their rewards.

Putting planning into practice

Powering performance by realigning sales incentives

We supported building materials business James Hardie to align payouts with true performance, reshaping its sales incentives to drive revenue growth.

Challenge: Reset incentives to build a higher performing sales culture

A pay curve designed for the Covid-era paid out 100% of the incentive for reaching under 100% of the quota. What was a unique solution for a temporary situation was now leading to underperformance with goals often encouraging reps to hit below quota.

Alongside this exceptions to incentive targets were granted inconsistently to reps who missed quota. In short, the business was missing an opportunity to use incentives to drive up sales performance.

Solution: Comp planning that underpins strategic goals

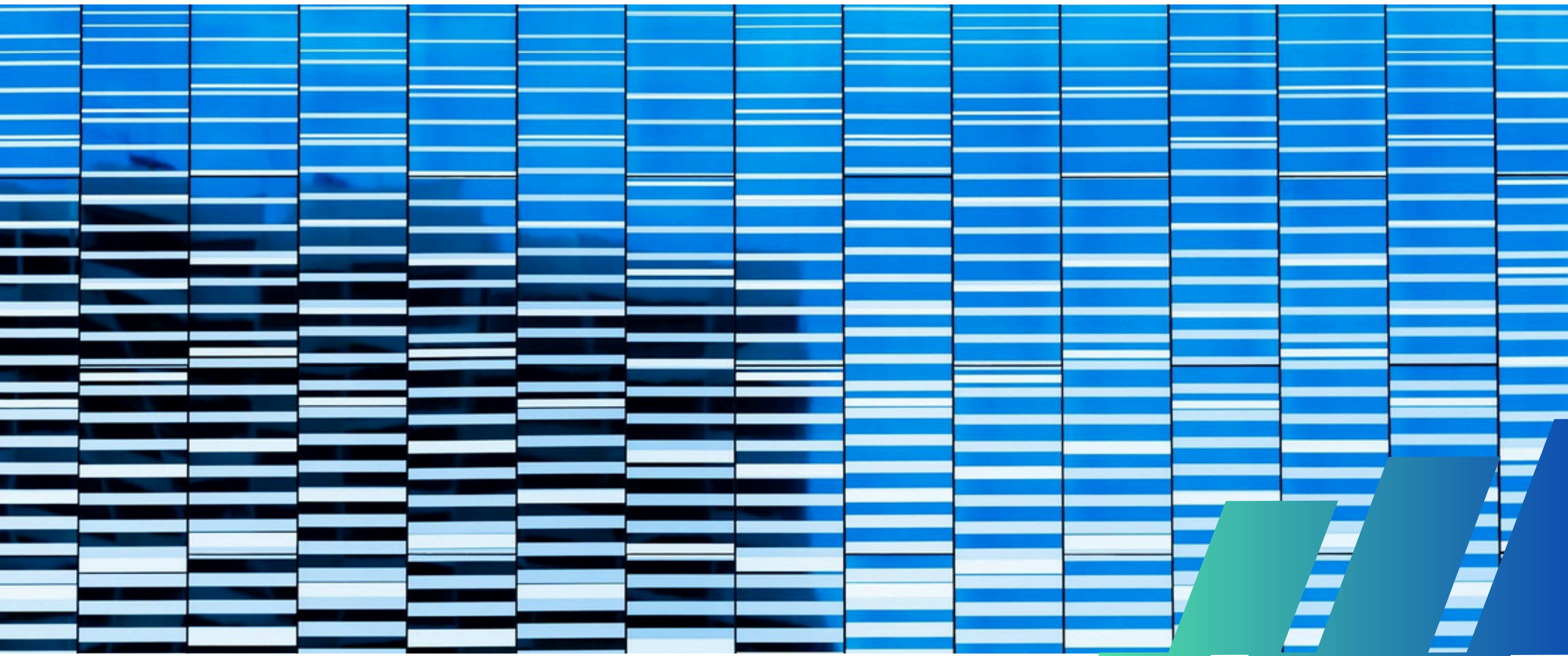
We worked with James Hardie on three key areas of its comp strategy:

1. Plan design – Redesigning the pay curve to eliminate structural misalignment and ensure payouts reflected actual achievement.
2. Goal setting – Establishing a structured process based on past performance, territory dynamics and growth needs. Goals now reflected market-specific requirements and took into account variable market share in each territory, rather than individual performances.
3. Exception processes – Formalizing a review and exception process, with rules that enabled the team to make exceptions for high performers impacted by uncontrollable events while eliminating ad-hoc decisions. Balancing flexibility with performance accountability.

Results: A comp strategy that powers business growth

Linking payouts to company performance and shifting goal-setting to reflect strategic growth priorities, has embedded a disciplined, best-practice aligned incentive strategy at James Hardie.

Alongside this, by establishing clear governance and decision rights between finance, HR, sales leadership and sales operations, the foundations were laid for long-term cultural transformation. The company is now operating with a sales framework of incentives and goals that drive, rather than hold back, business growth.



From insight to action: building momentum for 2026

It's never too late to reassess your compensation incentive plan. Even if you haven't started yet, meaningful progress is still possible and small, well-targeted changes can deliver a measurable impact heading into the new year.

That said, beginning now gives you the advantage of time: the ability to secure leadership buy-in, prepare systems and communicate clearly so your plan is ready to launch and your sales team can hit the ground running in 2026.

These refinements don't just unlock short-term performance, they also create a strong foundation for a more comprehensive redesign should your organization choose to take that path in the future. Acting now ensures that whatever direction you take, you're building from a position of strength.

Working with the right partner can make a difference too. As a boutique consultancy, RevenueShift can bring the speed, agility and senior-level expertise that larger firms often can't match. They combine strategic insight with practical execution, staying engaged from plan design through rollout and adoption, taking your compensation strategy goes from theory to delivery.

If you're eager to implement an incentive plan that will support your sales team to thrive in 2026, now is the ideal moment. Get in touch to discuss how we can help.

[1] Source: https://www.forrester.com/blogs/dont-skimp-on-annual-sales-planning/

Where **RevenueShift** fits in

The nature of consumption-based pricing makes the modeling process complex; more so than traditional pricing models. That's where external expertise can help. We have a track record of applying the latest modeling techniques and developing account planning approaches that maximize revenue.

Whether you're about to embark on a consumption-based pricing transformation or fine-tuning your existing model, we can help you align your sales strategy, from account planning and quota design to value modeling and sales deployment.

Let's chat about how we can support you.

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