

# Sales incentive plan for BDMS

## Industrial staffing company

Analyzed the current Incentive plan in place for BDMs (Business Development Managers) and proposed a revised plan intended to incentivize new customer growth

# Development of sales incentive plan

## Situation

- Client employs various Business Development Managers (BDMs) to drive new account generation and also manage relationships with current accounts ensuring client retention. BDMs are incentivized based on the gross profit of their customers without differentiating new and retained accounts.
- Partnered with the client to propose a new incentive plan focused on driving New account growth along with ensuring minimal BDM resistance to change in compensation structure

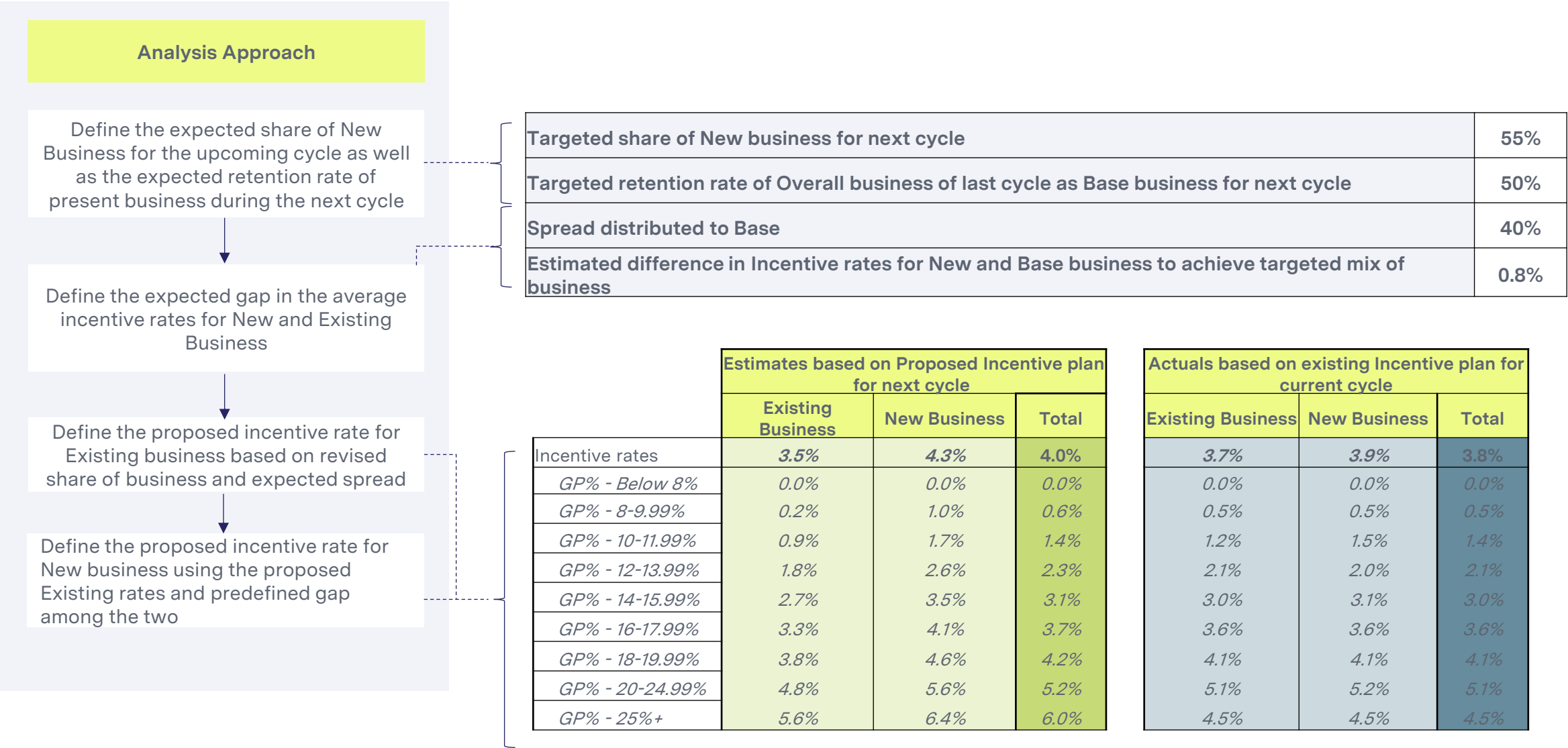
## Accordion Value Add

- Analyzed the historical Incentive pay outs of the BDMs to understand the current distribution of new and existing accounts vis-à-vis the incentive payouts.
- Drafted a proforma incentive plan that focuses on driving New sales generation by setting higher incentive rates for new business and creating a variation in the rates offered for “New” business vs. “Existing” business
- Assessed the impact of the proposed incentive plan on the overall payouts with the incentives being based on book of business rather than customer level

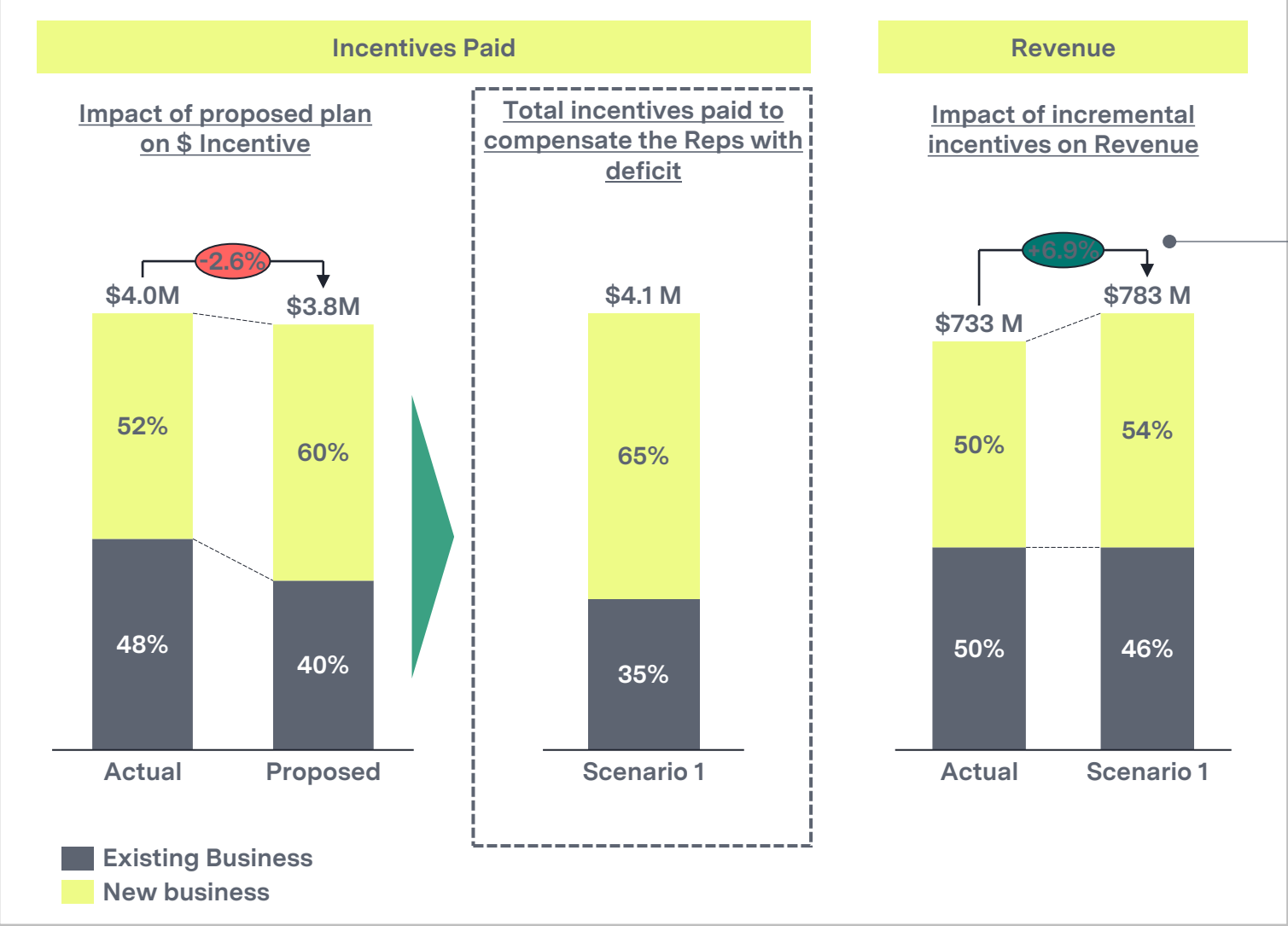
## Impact

- Proposed plan has a clear distinction between the incentive rates for New business vs. Existing business with minimal impact on the overall payouts
- Based on assessment of the existing data, the proposed plan could potentially translate to an incremental annual revenue of ~\$50M for the same amount of incentives paid to the BDMs as present.

# Approach and methodology



# Incentive structure designed to minimize resistance



- Scenario 1 represents the total incentives paid assuming those who experienced a decline are made whole
- If all BDMs were made whole the incremental incentives paid would amount to ~\$300k under the new plan
- This would translate to an incremental revenue of \$50M