

# **The Key to Sales Growth: Empowering Our Sales Team**

Salespeople Performance Analysis and Action Plan



# Online Sales Drive Significant Growth

There is a **steady growth trend** in company's sales year-over-year.

01'/'02' to **present**  
sales increase

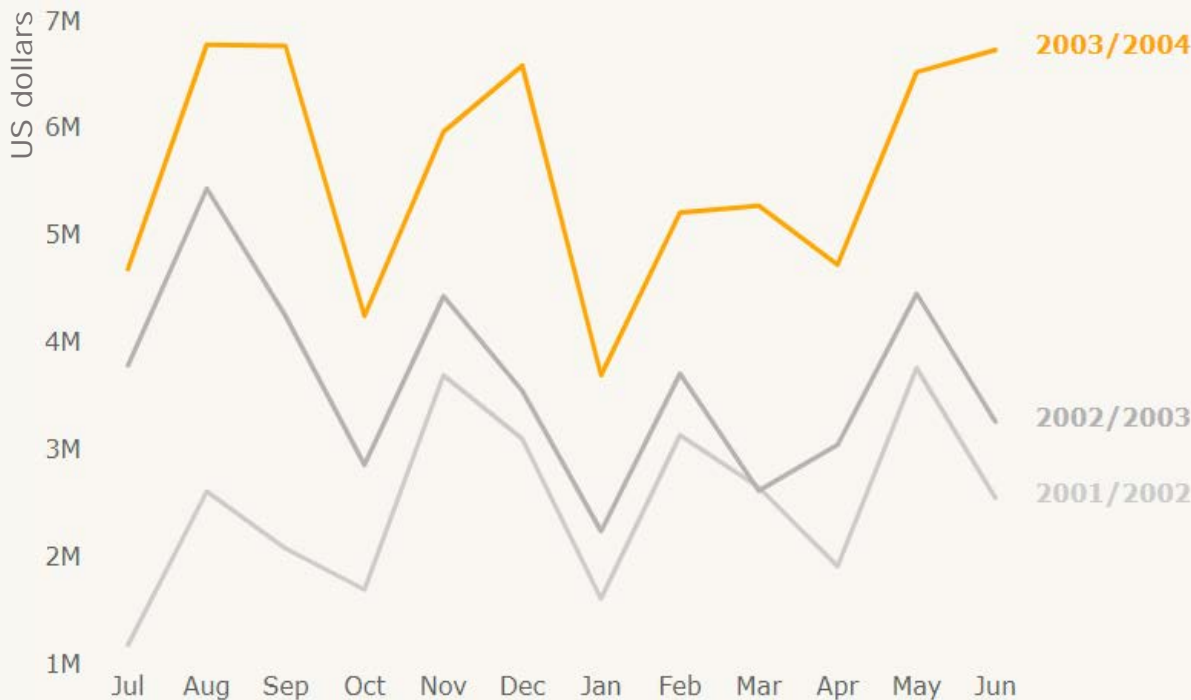
124%

02'/'03' to **present**  
sales increase

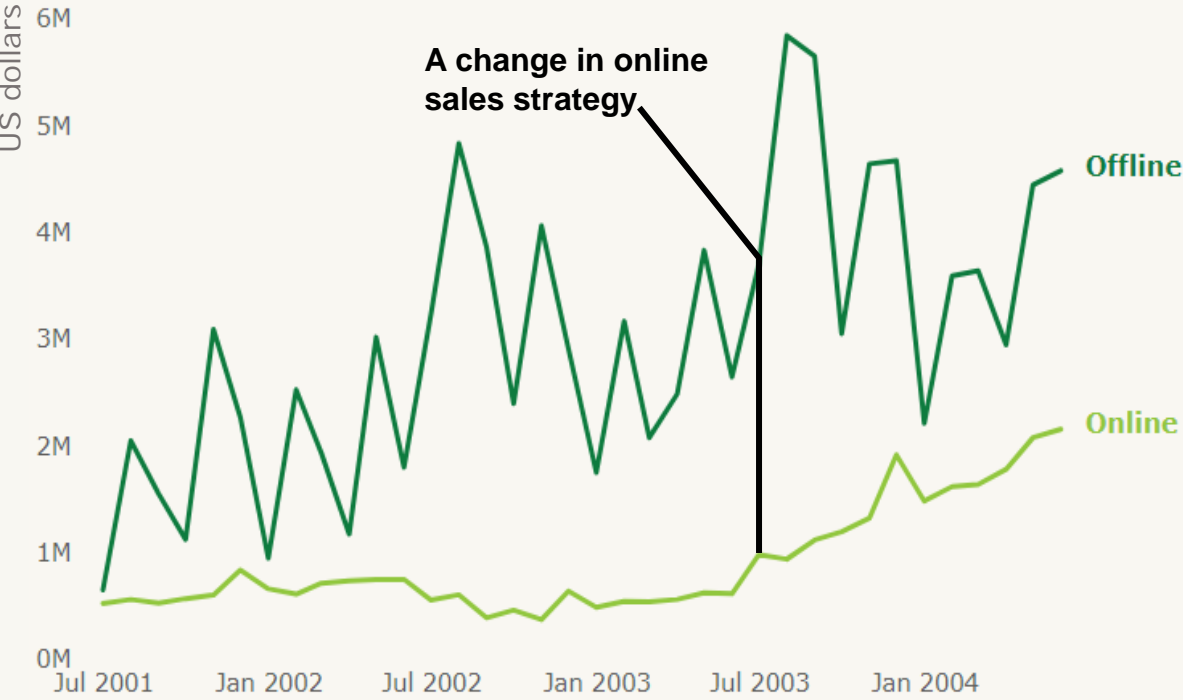
54%

Reason: **186%** increase in **online sales** from '02'/'03 fiscal year compared to **32%** in **offline sales**.  
There was a change in online sales strategy in the **beginning of the fiscal year**.

## Year-Over-Year Sales Performance



## Sales Trends: Offline vs. Online

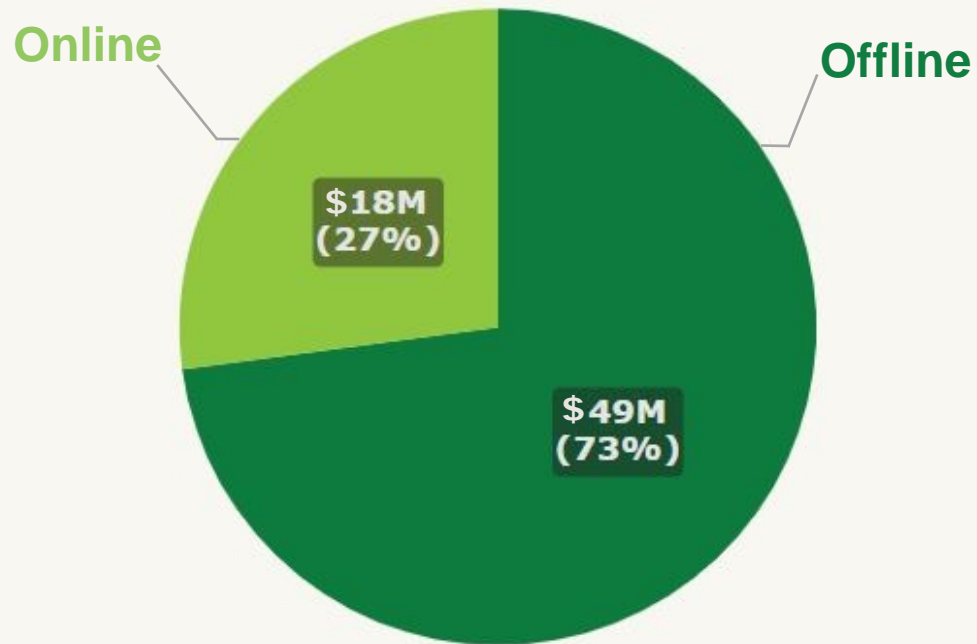


# Offline Sales: The Backbone of Our Profit

## Offline Sales Remain the Main Source of Profit

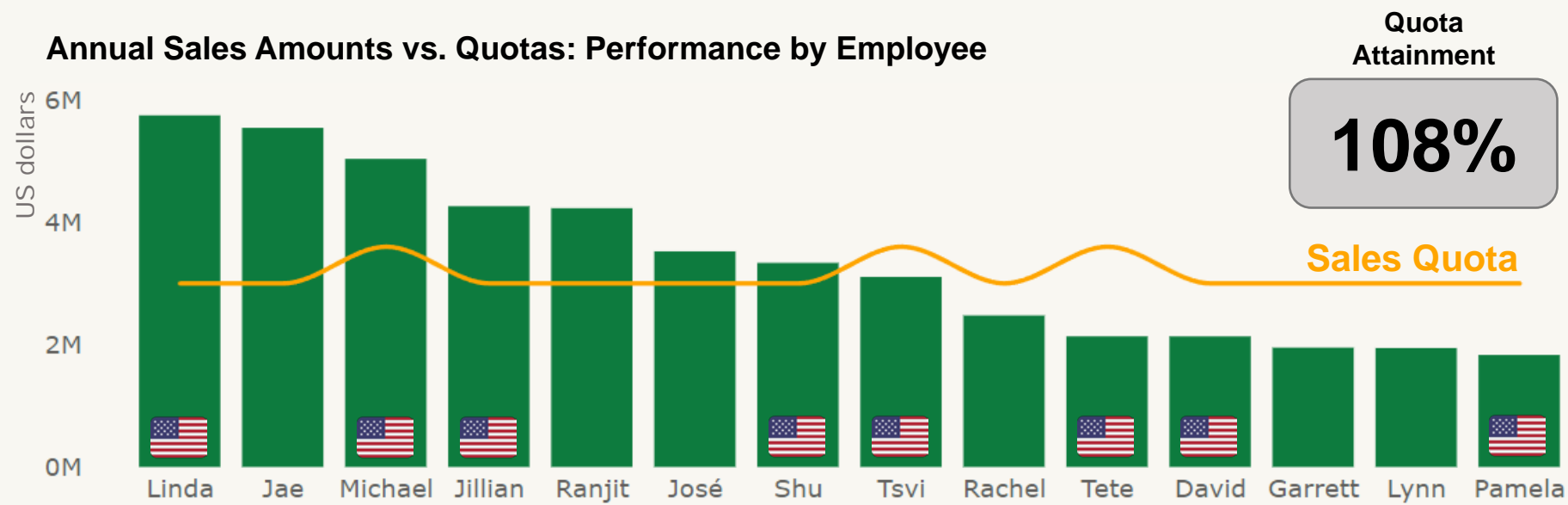
Despite the rise in online sales, **offline sales** still made **73%** of our company's gains in the last fiscal year.

### Sales Distribution by Type, 2003/2004



! Offline sales **contribute significantly** to our overall **revenue**, highlighting the importance of maintaining strong offline sales channels despite the rise in online sales. To **continue this momentum**, it is crucial to **invest in our sales team**, ensuring they have the resources and incentives needed to **drive further growth**.

# Challenges in Boosting Offline Sales Further



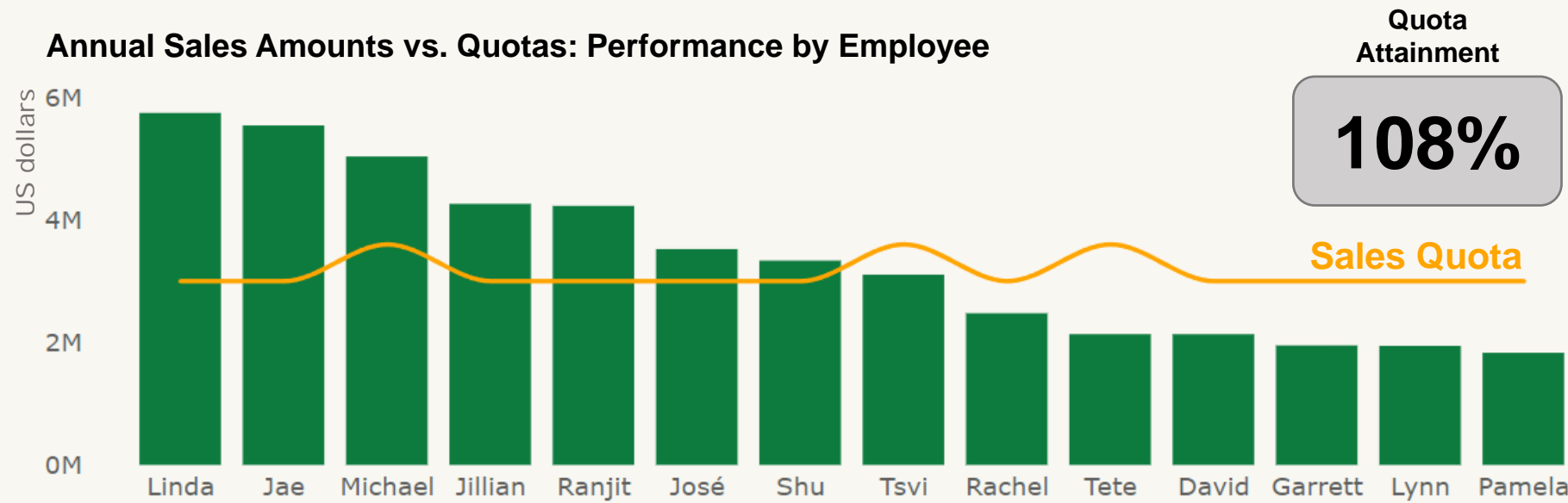
Only 50% of our salespeople **meet their quotas**, showing performance disparities.

The current quota system **lacks flexibility**, applying the same targets to both overachievers and underperformers.

Additionally, **8 out of 14** salespeople **work in the US**, our largest market, yet their quotas **don't reflect regional differences**.

# Challenges in Boosting Offline Sales Further

Annual Sales Amounts vs. Quotas: Performance by Employee

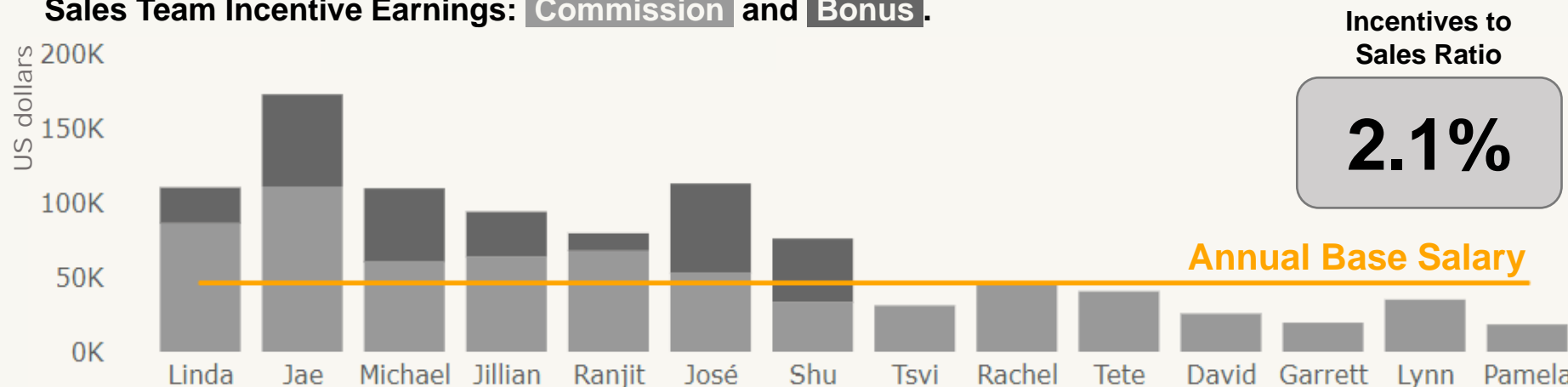


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Sales Team Incentive Earnings: **Commission** and **Bonus**.



Bonuses **vary significantly**, with some reps receiving up to **6 times higher** bonuses than others.

Our **incentives to sales ratio** is only **2.1%**, whereas industry **standards** start at **5%**.

These disparities **hinder** our employees' **potential performance**.

# Tailored Motivation Strategies for Maximizing Team's Performance

## Different Strokes for Different Folks

A typical sales team consists of **three groups**: **core performers**, a small elite group of **stars**, and a group of **laggards**.

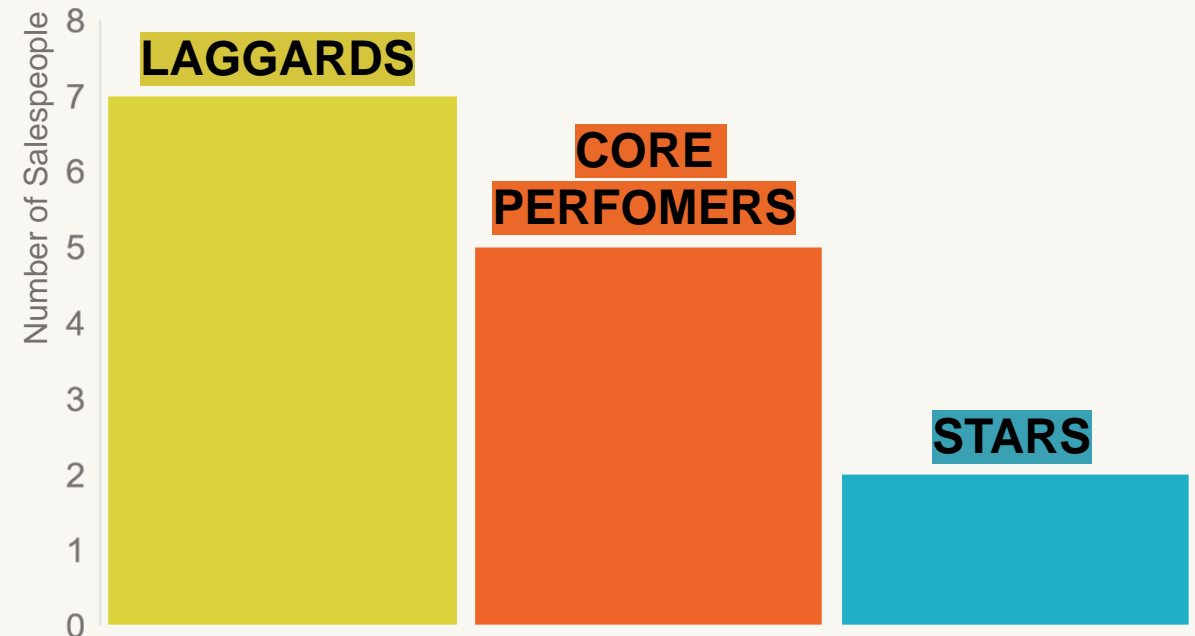
Boosting performance at all levels requires using **different strategies for each group**.



Our sales team distribution **differs from the typical model**. In our company, a **larger proportion** of salespeople fall into the **laggards** group.

It's essential to **focus on** improving the performance of **laggards** while **continuing to support** and develop our **core performers** and **stars** to boost offline sales further.

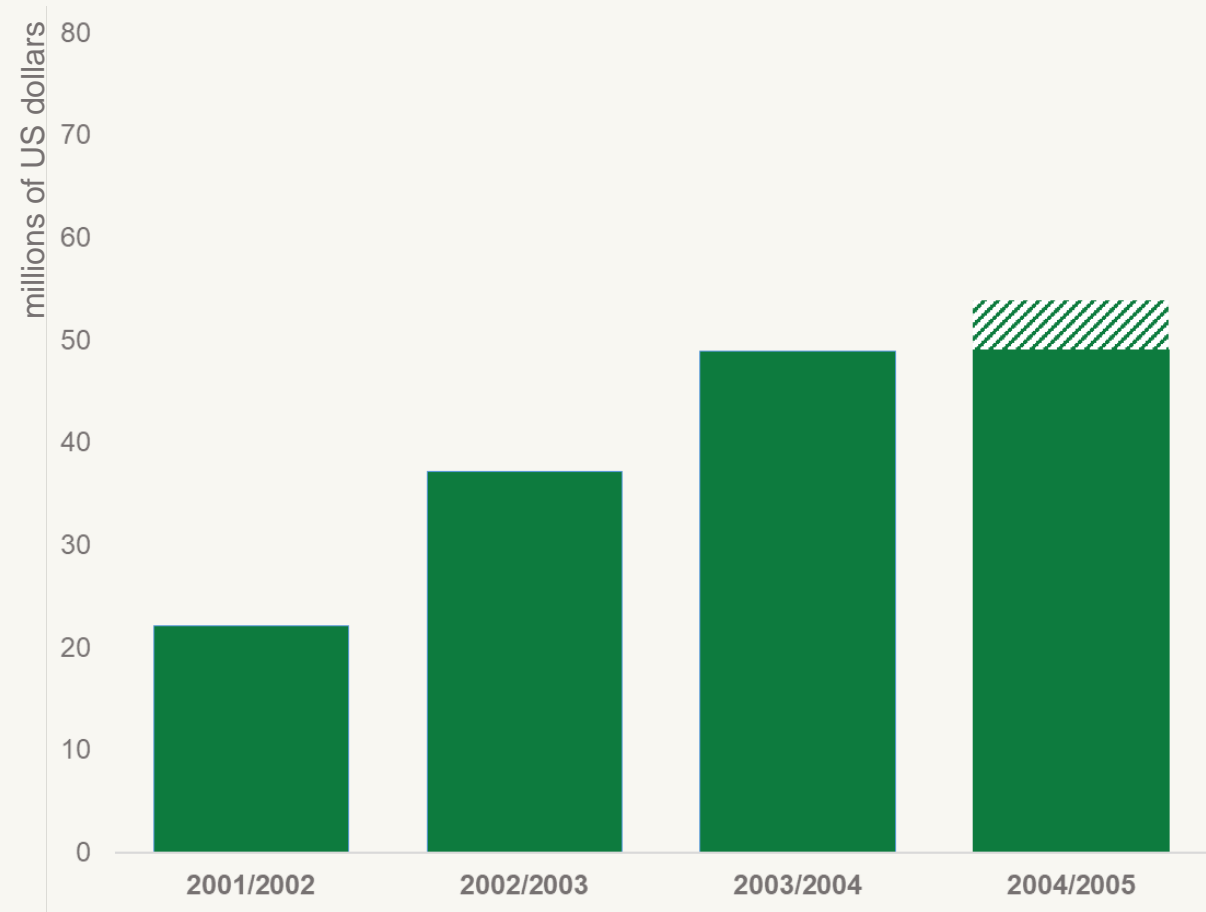
Performance Segmentation of Our Sales Team



# Expected Benefits of Proposed Changes

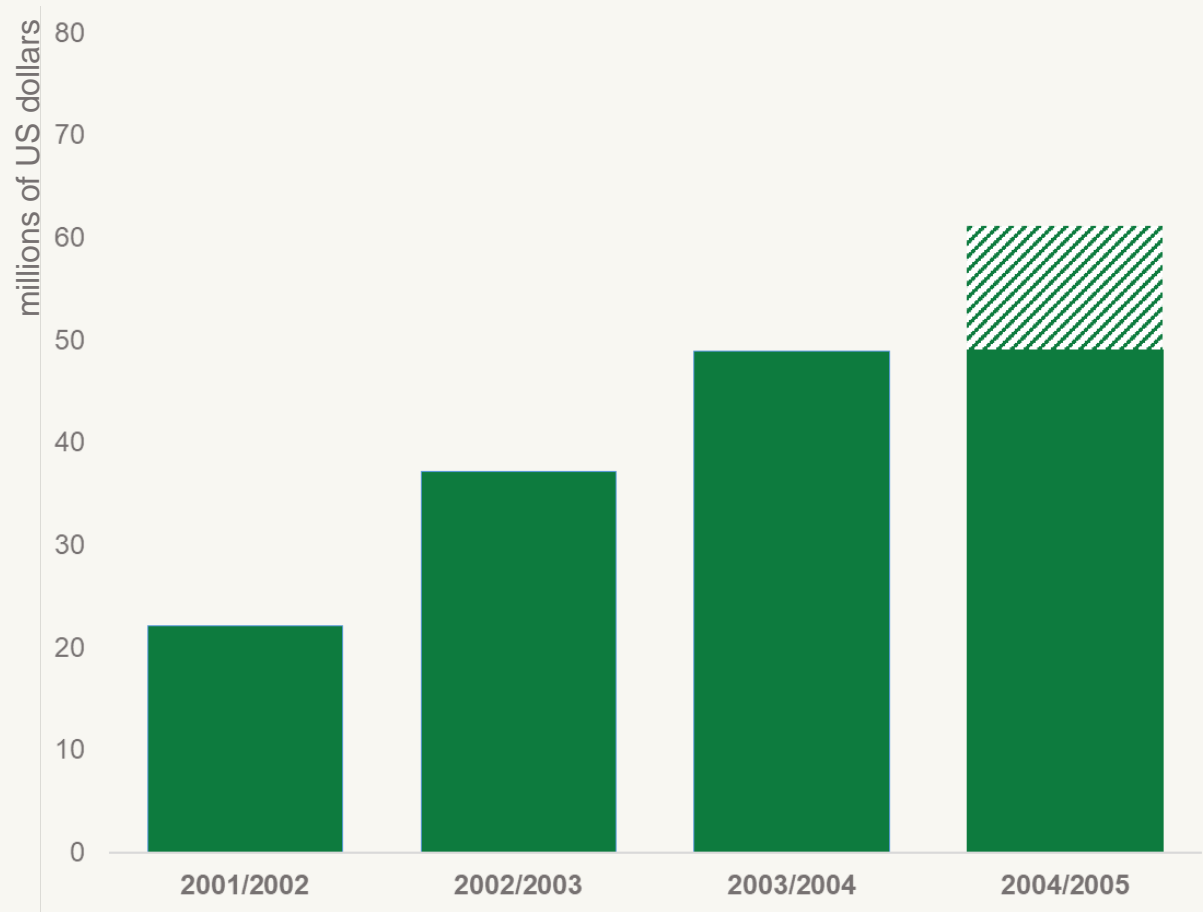
## Realistic Scenario

Reflecting the impact of our **improved incentive programs**, we anticipate a **10% increase in offline sales (\$5M)** in the next year.



## Optimistic Scenario

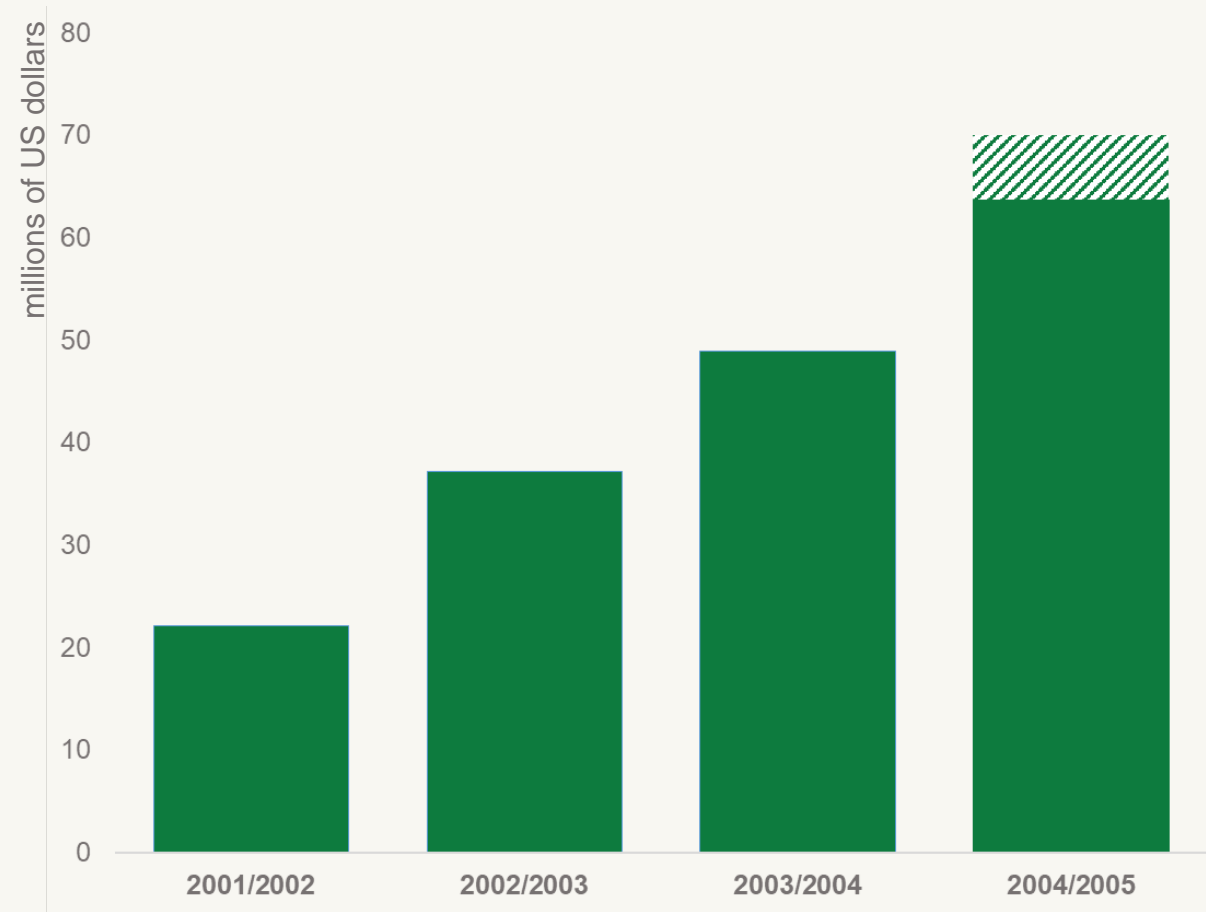
Reflecting the impact of our **improved incentive programs**, we anticipate a **25% increase in offline sales (\$12M)** in the next year.



# Expected Benefits of Proposed Changes

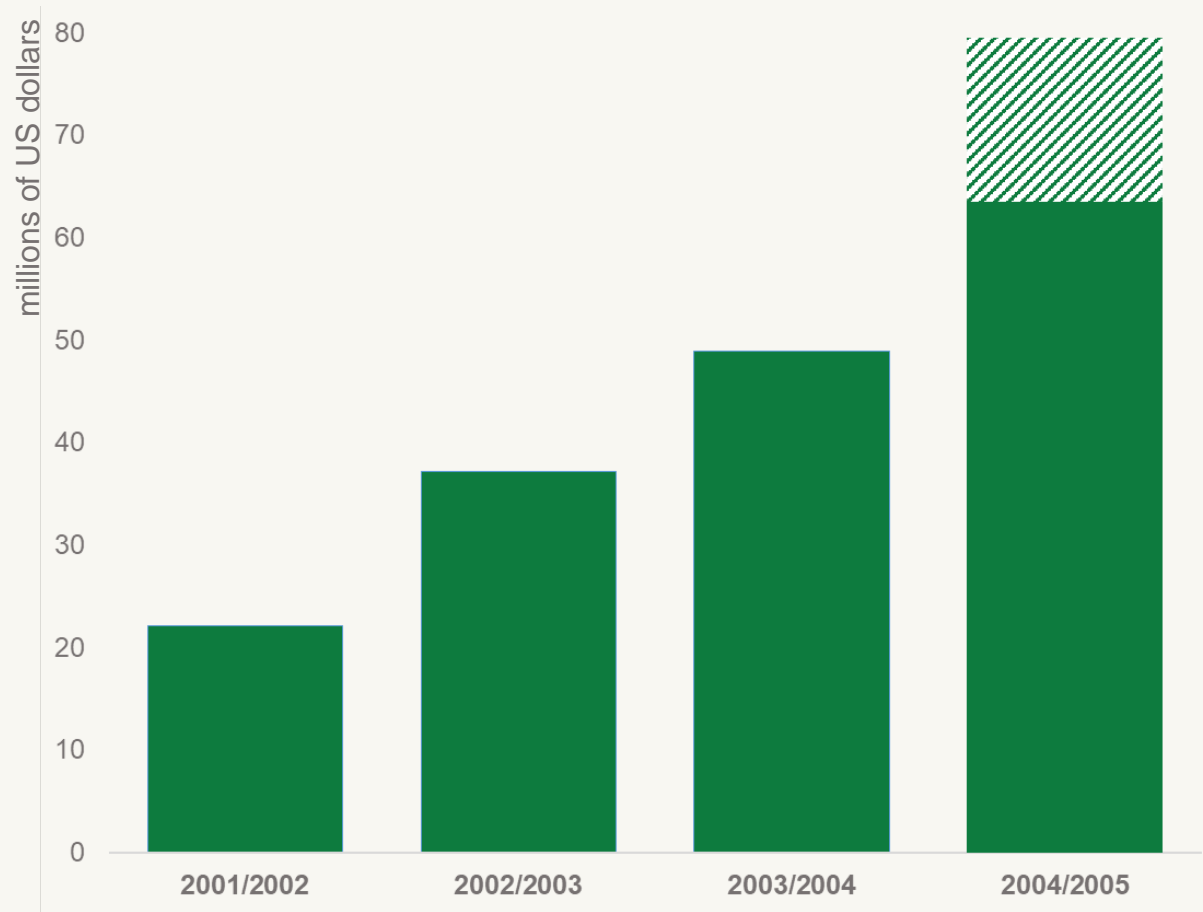
## Realistic Scenario

Accounting for **both company growth (↑30%)** and **improved incentives (↑10%)**, we project an overall **growth of \$21M** in the next fiscal year, whereof **\$6M result from suggested changes**.



## Optimistic Scenario

Accounting for **both company growth (↑30%)** and **improved incentives (↑25%)**, we project an overall **growth of \$30M** in the next fiscal year, whereof **\$16M result from suggested changes**.





# Key Takeaways and Strategic Recommendations

## Current Sales Performance

- **Offline** sales remain the **main source of profit**, constituting **73%** of total sales.
- **Only 50%** of salespeople **meet their quotas**, with significant disparities in performance and incentives.

## Incentives' Disparities and Hinderance

- Current **incentives to sales ratio** is only **2.1%**, compared to **industry minimum of 5%**.
- These disparities **hinder the potential performance** of our sales team.

## Sales Team Development

- The sales team has a **larger proportion of laggards** compared to industry norms.
- It is advised to implement **targeted and flexible incentives** to better motivate and support all performance levels.

## Expected Benefits

- **Realistic Scenario**: a projected **increase of \$6M** for the next fiscal year.
- **Optimistic Scenario**: a projected **increase of \$16M** for the next fiscal year.