

BETTER INSIGHT. GREATER IMPACT.

# Sales Compensation Responsibility Matrix

Clarifying Ownership and Decisions



# Our View: As organizations grow, decisions require new forms of coordination across functions and team structures that benefit from a clear framework

As the organization grows, decision making must become formalized and delegated to ensure both quality and speed. In particular, it is important to determine which decisions require *agreement* across all L2 leaders rather than simply gathering *input* from that group.

Tools such as a RAPID<sup>1</sup> decision making framework can help clarify how decisions are made and provide comfort that the right feedback will be gathered.

## Sales Compensation Decision Model - EXAMPLE

	Sales	Sales Operations	Finance	HR	ELT
Sales Role Definition	R / D	A		A	
Target Compensation	D	A	I	R	
Plan Design Strategy (Measures/Mechanics)	A	A		R	I
Plan Design Modeling / Calibration	D	P	I	R	
Final Plan Approval	D	R	A	A	
Goal Setting	A	R	D	I	A
Goal Allocation	D	R / P	I	A	
Ad-Hoc Program Creation	D	R / P	A	A	
Exception Adjudication	D	R	A	I	

- *Recommend* a decision or action; responsible for identifying choices, framing solution implications, and proposing a preferred decision
- *Agree* to a decision - views must be reflected in the final proposal and decision
- *Perform* the decision once made; conducts and delivers supporting work and analysis to inform decisions
- *Input* to a recommendation - views may or may not be reflected in final proposals, but is explicitly involved and provides feedback
- *Decide* and commit the organization to action

<sup>1</sup> The RAPID decision making model is a registered trademark of Bain & Company Inc.



# Our View: As organizations grow and functionalize, certain processes require new forms of coordination that benefit from a clear framework

As teams specialize and add value through capabilities, processes that used to be “someone’s job” are now better performed through cross-functional collaboration. In particular, it is important to be clear on who is accountable for what and what new forms to communication are needed to maintain alignment.

Tools such as the RACI accountability framework can help clarify who how work needs to be completed to maximize effectiveness.

## Sales Compensation Execution Model - EXAMPLE

	Sales	Sales Operations	Finance	HR	Legal	ELT
Plan Documentation	A	R	I	C	C	
Rollout Communication	A	R	I	C / R	C	I
Payout Calculation	I	A / R	C			
Ongoing Communication	A	R	C	C	I	
Monthly Plan Result Review	I	A / R	I	I		
Quarterly Plan Result Review	I	A / R	C	C		I
Annual Plan Assessment	A	R	C	C	C	C

- **R**esponsible: Those who do the work to complete the task
- **A**ccountable: Ultimately answerable for the effective completion of the task
- **C**onsulted: Those whose opinion is sought and with him there is two-way communication on the task
- **I**nformed: Those who are kept up-to-date on progress and/or included in the communication of final delivery





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