

## ***Carrots come in different varieties.....***

### ***The 21<sup>st</sup> century challenge of rewarding salespeople***



*Beth Rogers*

#### **Commission**

When it comes to rewards, salespeople are automatically associated with commission. Some salespeople are paid on commission alone. If they don't sell, they don't eat. There is undoubtedly a connection between pay and motivation for all of us. But are salespeople particularly mercenary? According to research, they are not. In fact, good salespeople can be particularly demoralised by extremely variable pay. High staff turnover is common in commission selling.

#### **Rewarding Relationship Building**

From the company's point of view, a simple formula of commission in return for sales may be too blunt an instrument for today's complex business environment. Does it help to meet business objectives such as profitability, customer retention or the company's good reputation? Many companies now prefer to reward sales behaviour that develops long-term customer relationships instead of sales volume today.

#### **Salary + Bonus**

Usually, that means salary-based remuneration with bonuses based on a broad portfolio of achievement with customers. Salespeople do feel that they take particular personal and career risks in being the ambassador of the company's brand to the royal courts of some pretty powerful and demanding customers. Financial reward and public recognition will always be important in rewarding that risk. However, the training and development to help them to meet increasingly complex challenges is often overlooked as a reward, and that's the biggest win for employee, employer and, importantly, the customer.

*Beth Rogers 2007*

#### **About the author**

Beth Rogers manages the MA Sales Management at Portsmouth Business School. Her book "Rethinking sales management", published by Wiley in June 2007 reached the Amazon.com "hot new releases" top 20 in the US in August 2007.

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