

Performance and Control System

When compensation design and revenue visibility break down in a shared-account selling model

<p>National</p> <p>selling model across large multi-location engineering and surveying accounts</p>	<p>Problem</p> <p>core questions: who made the sale and who should receive the commission?</p>	<p>Solution</p> <p>defined commission pool to control cost and reinforce collaboration</p>
--	---	---

CORE MESSAGE

“Performance systems do more than measure or reward outcomes. They shape the behaviour of the revenue organization.”

<p>Market Alignment</p> <p>Enterprise customer structure, account complexity, coordinated buying behaviour</p>	<p>Revenue Execution System</p> <p>Shared-account selling, role clarity, account influence, deal progression</p>	<p>Talent System</p> <p>Rep engagement, trust, collaboration, morale, sales behaviour</p>	<p>Performance and Control System</p> <p>Compensation, crediting logic, visibility, accountability, cost control</p>
---	---	--	---

A national distributor of surveying equipment operated across Canada, serving large engineering and surveying firms with offices in multiple provinces. The company sold into an industry where product innovation regularly created new growth opportunities. As field technology improved, surveyors gained access to tools that made their work more efficient, reduced time spent in the field, and lowered the total hourly cost of surveying activity. Those advancements created strong commercial opportunity for the distributor, especially within larger multi-location accounts that could standardize equipment choices across regional operations.

On paper, the sales opportunity was significant. In practice, however, the company was facing a growing internal problem that leadership could not resolve with confidence.

01 The shared-account model created crediting confusion.

Sales representatives across the country were each responsible for building business in their respective provinces. Many of the largest customers had a national structure: a head office in one province, supported by provincial offices in others. As a result, multiple sales representatives often touched the same customer account. A representative in one province might initiate the sale locally by working with the regional office, while another representative tied to the customer's head office would also be involved in the broader account relationship.

Over time, this created increasing confusion for leadership around two core questions:

Who actually made the sale?	Who should receive the commission?
The local provincial representative could point to the work done in creating demand, identifying opportunity, and advancing the deal in the regional office.	The representative connected to the customer's head office could point to the final purchasing authority and the importance of central account engagement.

The issue became particularly difficult because both sides of the picture seemed valid. The local provincial representative could point to the work done in creating demand, identifying opportunity, and advancing the deal in the regional office. At the same time, the representative connected to the customer's head office could point to the fact that the final purchasing authority often sat centrally and that the sale would not have closed without head office engagement.

LEADERSHIP CONCERN

“Leadership initially suspected that the company might simply be double counting revenue, or overpaying compensation because the same sale was being recognized by more than one representative.”

Leadership initially suspected that the company might simply be double counting revenue, or at the very least overpaying compensation because the same sale was being recognized by more than one representative. However, the reality proved to be more complex.

02 The diagnostic showed the issue was not simply double payment.

A Revenue Infrastructure Diagnostic was completed to assess the issue through the broader lens of the company's selling model, compensation design, and revenue controls. The diagnostic confirmed that the existing Performance and Control System had a genuine weakness: the sales compensation program was, in effect, allowing double payment against the same commercial event.

DIAGNOSTIC FINDING

"The compensation program was allowing double payment against the same commercial event, but the right solution could not ignore how enterprise revenue was actually being created."

However, the diagnostic also showed that the solution was not as simple as paying one rep and excluding the other.

After reviewing the actual sales process, it became clear that these were not standard one-owner transactions. They were enterprise sales operating through a group purchasing model. Local provincial offices often initiated the buying activity, surfaced the opportunity, or influenced the product consideration. But in many cases, the final purchasing authority rested with the head office. The sale was not created solely at the local level, nor solely at the head office level. It was the result of coordinated influence across multiple parts of the account.

That distinction mattered.

Pay only the provincial representative

The company risked discouraging the head office relationship work that was often essential to securing final approval.

Pay only the head office representative

The company risked suppressing the local sales activity that generated the opportunity in the first place.

If leadership chose to pay only the provincial representative, the company risked discouraging the head office relationship work that was often essential to securing final approval. If leadership chose to pay only the head office representative, it risked suppressing the local sales activity that generated the opportunity in the first place. Either approach would have damaged the behavior the business actually needed.

03 The solution redesigned control around a commission pool.

This is where the issue moved beyond compensation mechanics and became a broader Performance and Control System problem.

The company did not simply need to stop overpaying. It needed a compensation model that reflected how enterprise revenue was truly being created, while also improving revenue visibility, controlling commission cost, and reinforcing the right selling behavior.

SOLUTION ARCHITECTURE

“Rather than allowing duplicated commission outcomes, each qualifying enterprise sale was assigned a defined commission pool base amount.”

The solution was to redesign the compensation approach around a commission pool model.

Rather than allowing the same sale to generate separate, potentially duplicated commission outcomes, each qualifying enterprise sale was assigned a defined commission pool base amount. That pool represented the maximum commission cost attached to the sale. Contributing sales representatives associated with the account could then be paid from that pool based on their role in the opportunity.

This structure did several important things at once.

1. Cost control It established a clear ceiling on commission expense tied to each sale, which improved cost control and eliminated the risk of uncontrolled double payment.	2. Enterprise economics It reflected the true economics of the enterprise selling process, recognizing that more than one representative could make a legitimate contribution to the same account outcome.
3. Coordinated behaviour It encouraged coordinated team selling across national accounts, rather than internal competition over who would claim the transaction.	4. Management visibility It clarified how compensation should work in shared-account situations and improved visibility into how national sales resources were collaborating.

04 The Performance and Control System gap affected the full Revenue Infrastructure Model.

From a Revenue Infrastructure Model perspective, this issue sat most visibly inside the Performance and Control System, but its effects reached much further.

Revenue Infrastructure Layer	What weakened	Operational consequence
Market Alignment	Large enterprise customers increasingly required coordinated selling across multiple locations.	The company's internal model had to match the complexity of the accounts it was pursuing.
Revenue Execution System	The sales process itself was not being matched by the compensation logic.	Shared-account selling became harder to manage and reinforce consistently.
Talent System	Unclear or unfair commission structures weakened morale, trust, and rep engagement.	Salespeople had reason to compete internally rather than coordinate around national account outcomes.
Performance and Control System	Compensation design, crediting logic, revenue visibility, and commission cost controls were not aligned.	The company risked overpayment, conflict, distorted credit, and weaker control over the economics of growth.

The compensation design problem created tension in the Revenue Execution System, because the sales process itself was not being matched by the compensation logic. It affected the Talent System, because unclear or unfair commission structures can quickly weaken morale, trust, and rep engagement. It also touched Market Alignment, because large enterprise customers increasingly required coordinated selling across multiple locations, and the company's internal model had to match the complexity of the accounts it was pursuing.

In other words, the compensation issue was not just a payroll problem. It was a control-system problem with direct implications for behavior, collaboration, cost management, and revenue quality.

HIGH-PRIORITY ISSUE

“Leadership needed a structure that controlled commission cost without weakening sales effort, and that is exactly what the redesigned model delivered.”

The **360 Revenue Infrastructure Diagnostic Report** identified this gap as a high-priority Performance and Control System issue because it was undermining both financial discipline and sales behavior. Leadership needed a structure that controlled commission cost without weakening sales effort, and that is exactly what the redesigned model delivered.

05 Why this example matters

This case illustrates an important principle: performance systems do more than measure or reward outcomes. They shape the behavior of the revenue organization. When compensation logic does not reflect how revenue is actually produced, it can create conflict, distort credit, reduce trust, and drive the wrong commercial behavior. When designed properly, however, the Performance and Control System can improve discipline, reinforce collaboration, and create much better control over the economics of growth.

CLIENT TAKEAWAY

“When compensation logic does not reflect how revenue is actually produced, it can create conflict, distort credit, reduce trust, and drive the wrong commercial behavior.”

This is a strong example of why the Performance and Control System cannot be treated as an administrative back-end issue. In revenue organizations, compensation design, revenue visibility, crediting logic, and management controls directly influence how people sell, how accounts are managed, and how profitably growth is achieved.

THE PRACTICAL LESSON

“Compensation design, revenue visibility, crediting logic, and management controls are revenue infrastructure - not back-office administration.”

Market Alignment Match internal models to customer buying complexity.	Revenue Execution System Align sales process with actual account influence.	Talent System Protect trust, morale, collaboration, and role clarity.	Performance and Control System Control cost while reinforcing the right selling behaviour.
---	---	---	--