



2023

National Sales Compensation Survey

Association Name
Website
Phone number



2023 National Sales Compensation Survey

An Employer Associations of America (EAA) sponsored survey, coordinated by MRA – The Management Association in cooperation with employer associations nationwide.

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CONFIDENTIAL SURVEY REPORT

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- Remain strictly confidential
- Be restricted to authorized personnel only
- Not be used in collective bargaining or grievance proceedings
- Protect completely organizational identity



The National Network for Local Workplace Solutions

NATIONAL SURVEYS PRODUCED BY THE EAA INCLUDE:

- National Business Trends Survey
- National Executive Compensation Survey
- National IT & Engineering Compensation Survey
- National Policies & Practices
- National Sales Compensation Survey
- National Wage & Salary Survey

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Section One: Survey Information

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SURVEY INFORMATION



July 1, 2023
Data Effective



November 2023
Data Published



20
Jobs Surveyed



1,418
Participating
Companies



7,470
Employee Rates
Reported

The 2023 National Sales Compensation Survey evaluates the current market compensation for sales-related roles, intending to provide accurate information for compensation planning for your organization.

THANK YOU!

Thank you to all survey participants who submitted data and worked with the host association to ensure correct and complete data. Your participation is vital to maintaining the strength and integrity of the Employer Associations of America surveys.

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CO-SPONSORING ASSOCIATIONS



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Section Two: Executive Summary

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EXECUTIVE SUMMARY

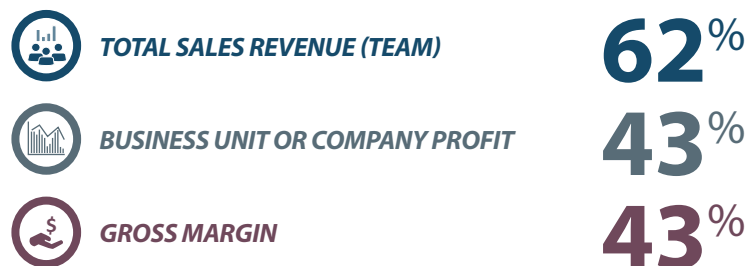
Today's market conditions and economic climate play a role in keeping an organization's sales team motivated and rewarded. When an organization's sales team works harder to achieve goals that were easily attained just a few years ago, they may not fully consider that the economy is working against them. Keeping performance-based employees such as sales representatives engaged can be more challenging than ever. To help, companies have begun looking beyond base pay adjustments and are offering bonuses, long-term incentives, and more. Creating a competitive and robust total rewards package can help with employee satisfaction, engagement, and commitment to an organization.

Giving top sales talent a reason to accept a job offer or remain in a position within an organization long-term can be crucial to the success of an organization. The information provided in this survey will help you understand the current market compensation of sales roles.

Incentivize Sales Employees

The incentives offered to sales team employees depend on their position. Sales management is more likely to receive a bonus (paid based on achievement against a defined goal). Whereas sales representatives are more likely to receive a commission (paid an amount per item sold).

Sales management and sales representatives have different performance plans. Management is incentivized most by their team's revenue performance. The top three bonus-based incentive plans for managers are:



Sales representatives are most likely to be incentivized by their own individual total sales revenue on an individual level. Top three commission-based incentive plans for sales representatives are:

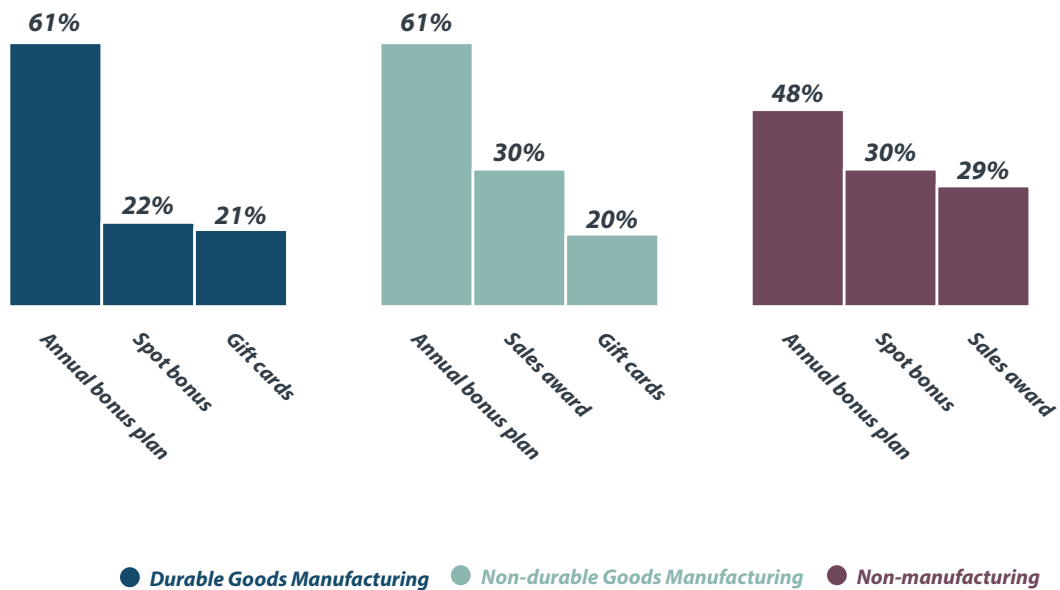


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Additional Benefits for Sales Representatives

Attracting and retaining talent has become more complicated in recent years, which has led some organizations to consider creative ways to recognize employees, including providing additional benefits. This year, the most common way organizations are recognizing employees is through an annual bonus plan. Among both durable goods and non-durable goods manufacturing (61 percent), it is the most popular bonus given to sales employees.



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Base Pay for Sales Representatives

Compensation, primarily base pay, is the largest part of employers' total reward commitment to employees. Consistently reviewing and taking the time to understand an organization's compensation strategy can help ensure it is competitive enough to retain key employees. While base pay remains a central aspect, it's important to recognize that specific roles, such as sales professionals, often operate under distinct compensation structures. In sales, compensation plans typically extend beyond base salary to include commission and additional incentives. These elements are strategically designed to motivate and reward sales professionals for meeting or surpassing their quotas, aligning their financial success with the organization's success. Acknowledging the differences in compensation structures across various roles can help ensure that employees receive recognition for their work and boost overall morale.

The top three ways organizations manage base pay for sales representatives, as broken out by industry, are:

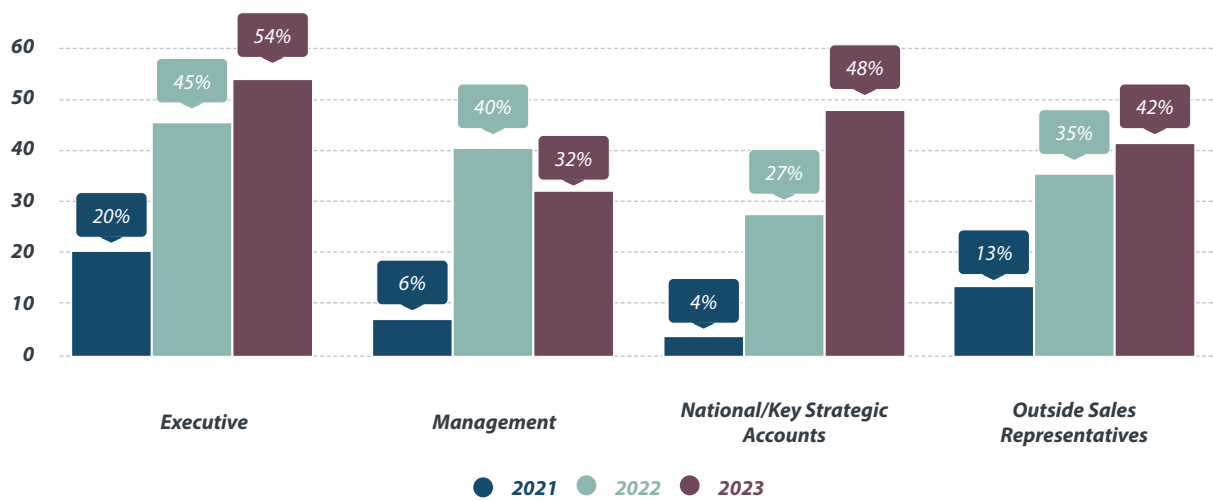
- **Durable Goods Manufacturing:**
 - Representatives are eligible for an annual merit adjustment (58 percent).
 - Representatives have different base salaries due to variable compensation or incentive arrangements (41 percent).
 - There are different pay rates to recognize geographic differences (27 percent).
- **Non-durable Goods Manufacturing:**
 - Representatives are eligible for an annual merit adjustment (57 percent).
 - Representatives have different base salaries due to variable compensation or incentive arrangements (44 percent).
 - There are different pay rates to recognize geographic differences (28 percent).
- **Non-manufacturing:**
 - Representatives have different base salaries due to variable compensation or incentive arrangements (52 percent).
 - Representatives are eligible for an annual merit adjustment (49 percent).
 - There are different pay rates to recognize geographic differences (32 percent).

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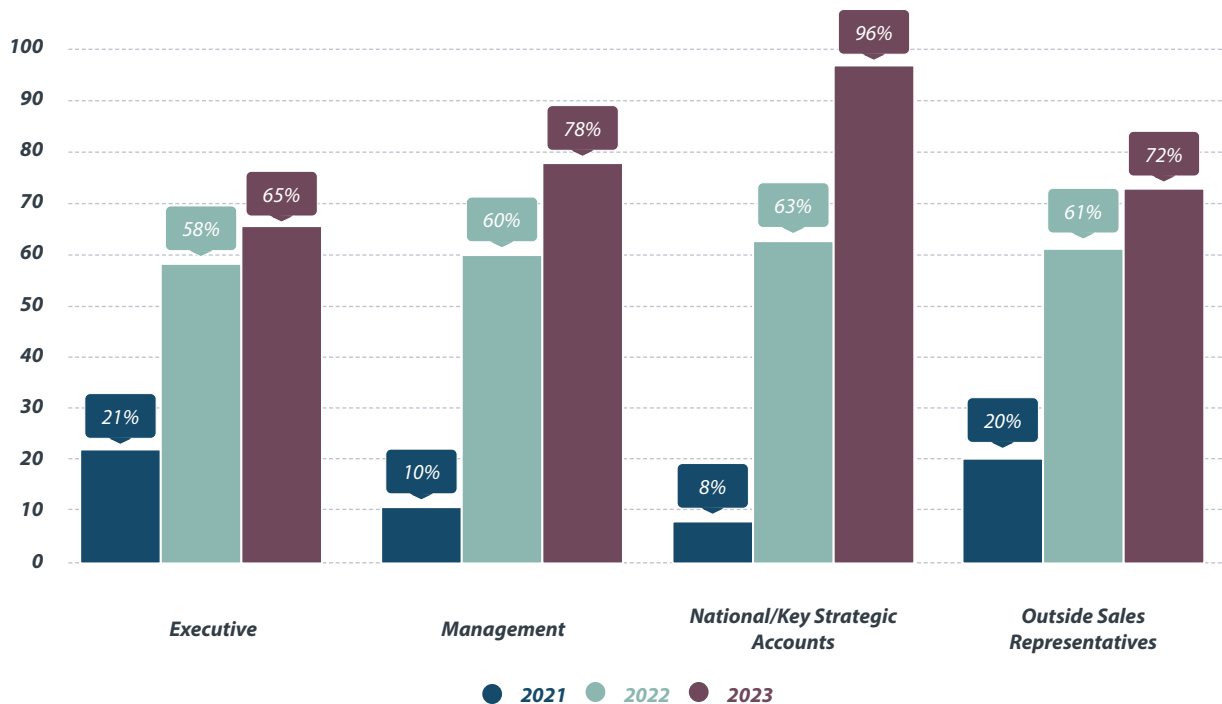
Transportation Expense

The cost of providing transportation for sales representatives continues to climb. Despite recent years' popularity of virtual sales meetings, companies still see the value of the personal touch that in-person meetings bring to achieving sales. The number of companies providing a company car has increased significantly over the last couple of years. Automobile prices have increased considerably, increasing companies' average car purchase costs for employees who travel. The number of companies offering car allowances to their employees has also increased.

Company Car Provided



Car Allowance Provided



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Employee Turnover

When evaluating employee turnover, it is essential to distinguish between two primary types: voluntary and involuntary. Voluntary turnover occurs when an employee leaves their current position, whether for an opportunity elsewhere, an internal transfer, or retirement. This turnover is often more costly to organizations, as it frequently involves departing high-performing employees. Involuntary turnover encompasses layoffs, workforce reductions, and the termination of underperforming employees. In contrast to voluntary turnover, involuntary turnover can be strategically beneficial to the organization, allowing for the removal of personnel who may not be contributing effectively to the overall success and objectives of the company.

Sales management turnover decreased slightly from 15.2 percent to 14 percent. Voluntary sales management separations increased from 7.5 percent to 10.6 percent. Voluntary separations among sales representatives increased slightly from 11.1 percent to 11.7 percent.

Turnover by Employee Group

