



The **Psychology** of Sales Compensation

Using **Maslow's Hierarchy of Needs** to Help
Sales Teams Reach Their Full Potential

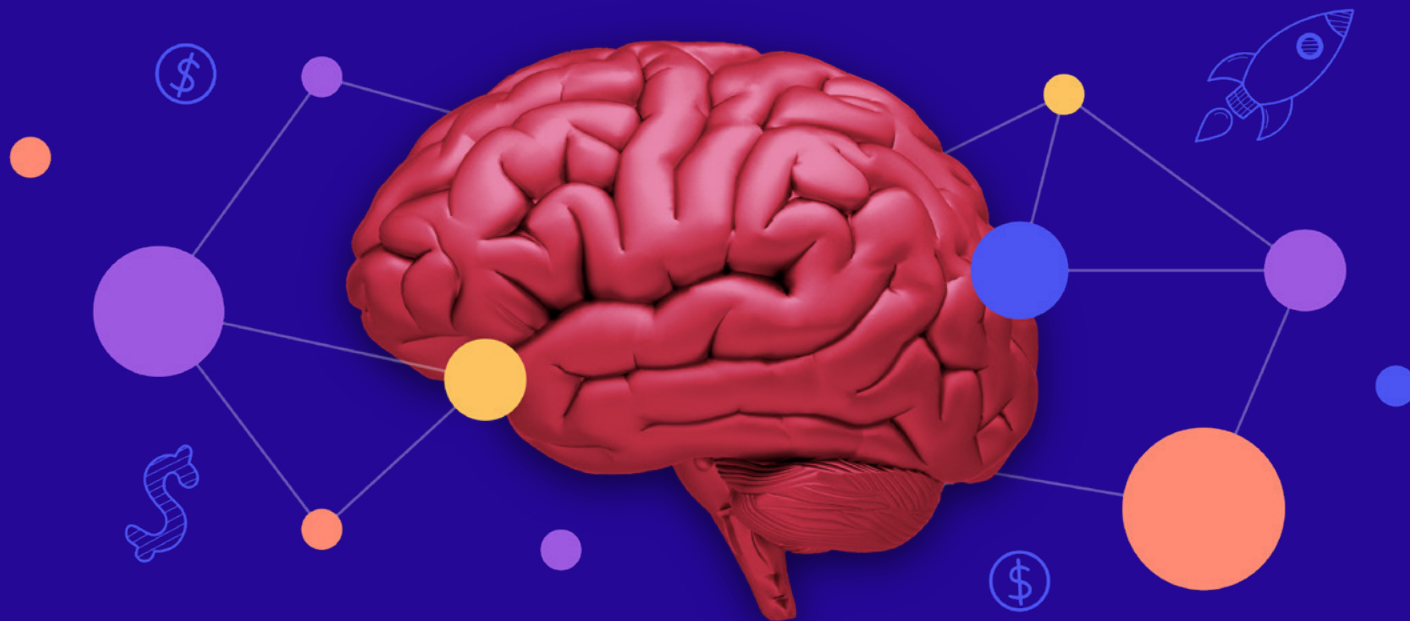


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Introduction

Compensation strategy is a core factor that plays a role in any business's ability to be successful. Yet, it's a topic that often takes a backseat to other, flashier aspects of a business's growth model.

Often, when "bigger" issues arise- say you don't hit your quarterly sales numbers, for example- we tend to tuck our compensation strategy away on a dusty shelf in the back of our minds and promise to revisit the topic when we have the time. But, that time never really comes. Maybe you make a few small tweaks and changes as you go, but eventually, you set it and forget it.

The reality is, compensation strategy goes beyond tangible benefits like salary and 401K matching.

And yet, far too often companies lean on salary as their main tool to improve cultural issues like low job satisfaction, lack of motivation, and poor performance. If you've worked in sales or compensation for any amount of time, you already know that money alone can't fix most things.



**DON'T JUST TAKE
OUR WORD FOR IT,
CONSIDER THIS
RESEARCH:**



Across countries, industries, and cultures, research shows there is **less than a 2% correlation between salary and job satisfaction**- consistently, across the board.

Research also suggests that other factors, like personality and perception of leadership, for example, are better indicators of job satisfaction than salary.

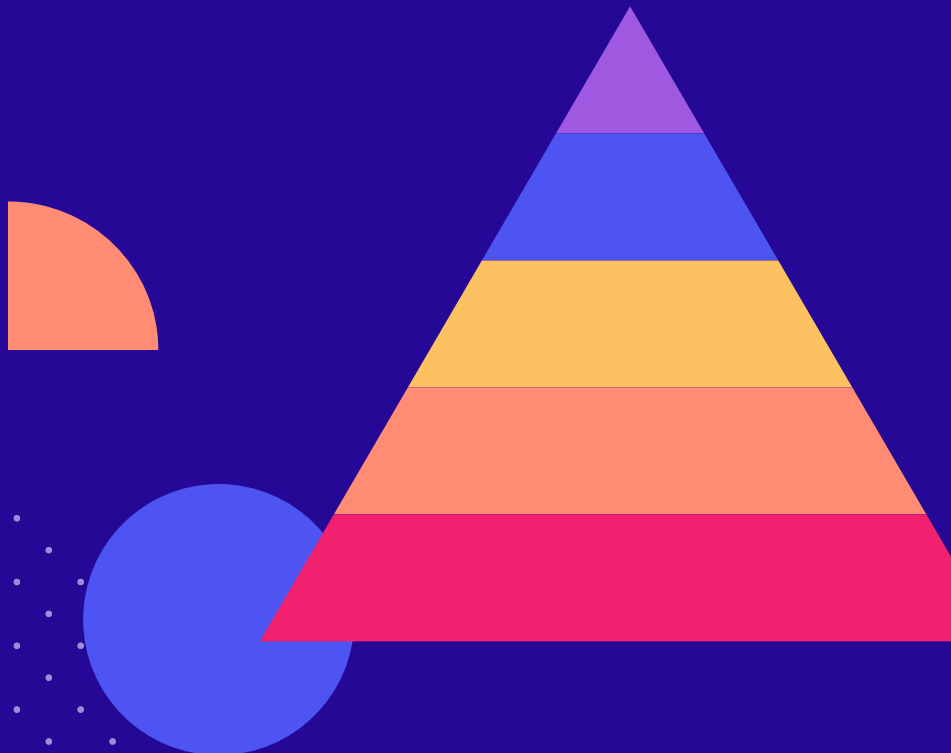
Employees earning salaries in the top half of the salary range reported similar levels of job satisfaction to those employees earning salaries in the bottom half of the salary range.

So, if we know there's less than a 2% correlation between salary and job satisfaction, what can we as revenue drivers and business leaders do to effectively incentivize and motivate our teams?

Today we answer that question and provide you with the tactics and strategies you need to boost performance, improve morale, increase productivity, and drive long-lasting motivation on your sales team.

BUT FIRST, A QUICK REFRESHER.

A Brief Refresher on Maslow's Hierarchy of Needs



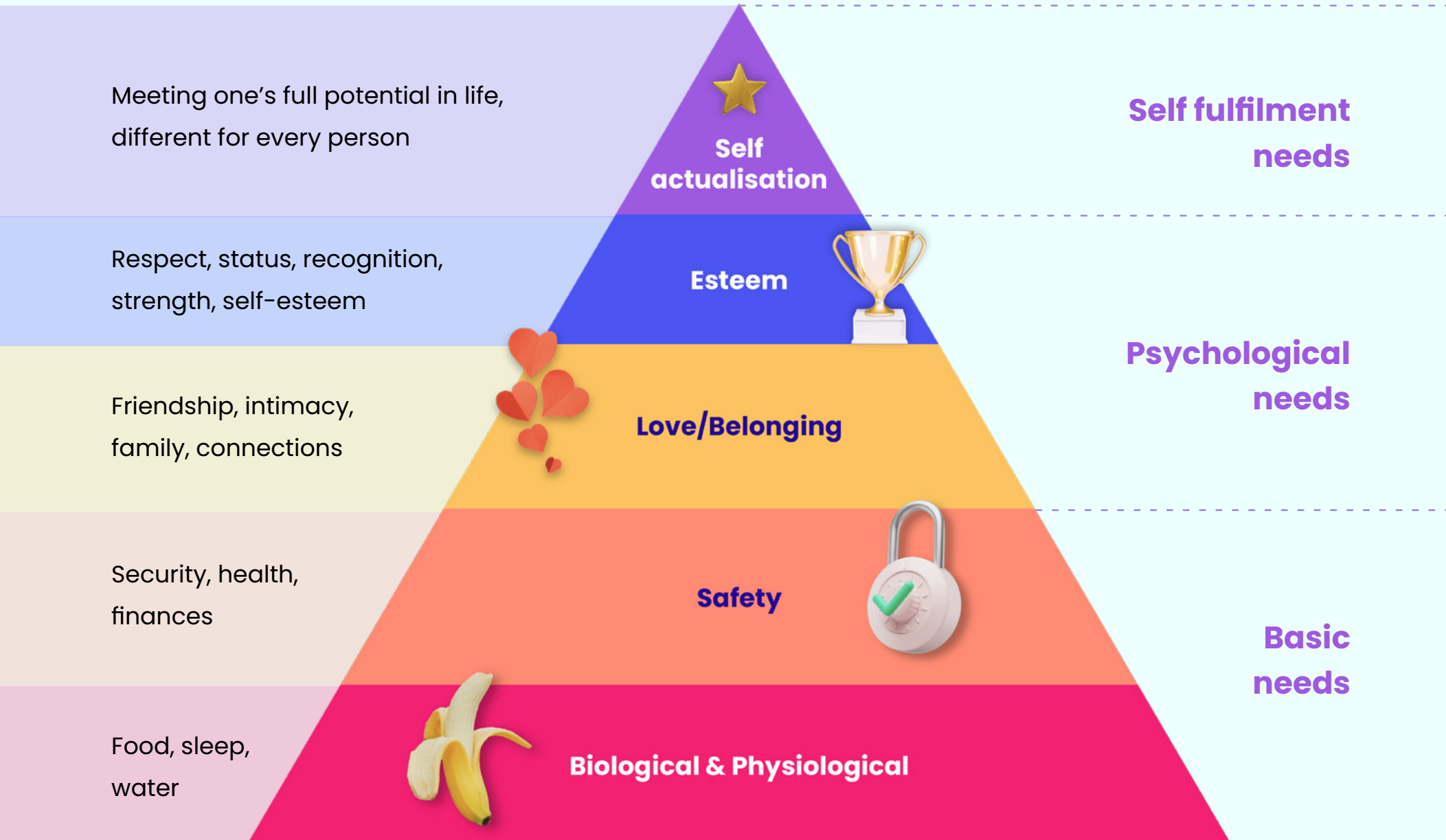
Do you remember learning about Maslow's Hierarchy of Needs? You know, the pyramid we all studied in Psych 101? Yup, we're bringing that back— but this time, we're putting a little spin on it.

Or, should we say, we're putting a little Spiff on it. See what we did there? No? Okay, moving on.

The original Maslow's Hierarchy of Needs was revolutionary in the field of psychology. Up until this point in history, the primary focus of psychology was on human behavior, reactions, and thought patterns in existing circumstances. Maslow, however, looked beyond the human experience and started to formulate a framework to unlock human potential and understand human motivation. Thus, Maslow's Hierarchy of Needs was born.

Maslow's Hierarchy of Needs is a psychological theory that explains human motivation as it relates to the pursuit of specific needs. This theory asserts that humans are hardwired to pursue and achieve the most basic needs first and then, later, move on to pursue and achieve more advanced needs. Let's take a look.

Maslow's Hierarchy of Needs



Applying this Model to Your Sales Compensation Strategy

Although Abraham Maslow probably wasn't considering sales compensation when developing the Hierarchy of Needs, his motivation theory still holds up today and can actually teach us a lot about cultivating a successful sales team.



REMINDER

The goal of Maslow's Hierarchy of Needs is Self-Actualization or meeting one's full potential. When applied to the world of sales and sales compensation, Self-Actualization becomes Team-Actualization—the ultimate goal of a sales or revenue leader.

Although we get into this a bit deeper later on, keep the idea of Team-Actualization in the forefront of your mind. This is what you're aiming for: **A team of individuals who have both met their full potential as sales reps and their full potential as a sales team.**

With Team Actualization as the ultimate end goal, think of the rows of the pyramid as the steps you must take to achieve that end goal. Each step is important in its own way and must be mastered before you can move onto the next level of the hierarchy.

Maslow believed humans could move onto the next level of the hierarchy only after they had achieved or fulfilled the previous level, starting with the very bottom of the pyramid. Each must be maintained while working to fulfill the next level or else the whole pyramid comes crumbling down.

Biological & Physiological Needs



In Maslow's Hierarchy of Needs, the base of the pyramid is made up of biological and physiological needs. These are the things human beings need to survive- think oxygen, food, sleep, water, etc.

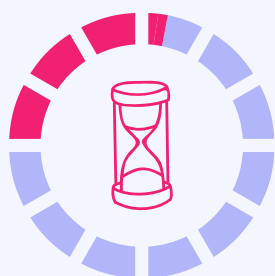
When we consider the basic building blocks of a successful sales team, the bare minimum

requirements needed to survive, four things come to mind. These four things come before all else. Forget cutting-edge tools powered by AI. Forget complicated gamification systems. Forget President's Club (for now). None of those things matter if these four needs aren't provided first.

01 ONBOARDING

Your sales onboarding program sets the tone for the remainder of each sales rep's time with your organization. Think about it as your first impression and your first opportunity to provide new reps with the information they need to be successful. It's often during onboarding where organizations provide the next three requirements.

Invest in your onboarding program to help fulfill the basic needs of your sales team.



3.4 months

Sales reps that go through the best onboarding programs are **productive 3.4 months sooner** than reps who go through weaker onboarding programs.

16.2%

Effective onboarding programs that meet or exceed expectations can **improve quota attainment by 16.2%**.

50%

Organizations with a standardized onboarding program have **50% greater new hire retention** than organizations without a standardized onboarding program.

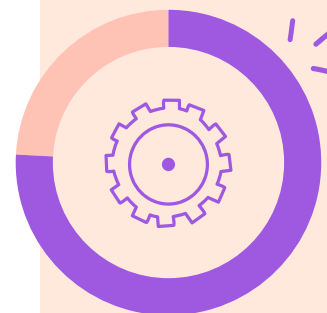
02

TECHNOLOGY

Consider what material goods a sales rep needs to actually do their job. We don't mean the nice-to-haves, we mean, what are the physical things that, if taken away, would prevent a sales rep from being able to carry out job-critical tasks like prospecting, cold-calling, and emailing, etc.

This will vary slightly from team to team but consider things like internet access, a telephone, a functioning email domain or inbox, access to a CRM, systems for lead handling, process documentation, and more.

Set your team up for success by providing access to the tools they need to complete job-critical tasks.



76%

76% of salespeople **cite sales technology as "Critical" or "Extremely Critical"** to closing deals.

85%

75%–85% of top salespeople **value CRMs, productivity apps, email marketing, and social selling** as key factors in their success.

57%

Organizations that use technology effectively are **57% more effective at sales training and development** than ineffective technology users.

03

TRAINING

Although it's especially critical to provide new sales hires with top-notch training. Training is something that should continue well beyond new hire orientation. There are many different types of sales training and some are more necessary than others. Consider investing in the following types of sales training- selling basics, product-specific training, process-focused training, or personal motivation training.

Maslow's Hierarchy of Needs is like a ladder- if you're missing a rung, you will never reach the top. We point this out while we're talking about training for one reason: if you don't continue to provide ongoing training for your teams- you'll find yourself constantly back at the first row of the pyramid, unable to achieve Team Actualization.

Provide both new hire training and ongoing supplemental training to ensure your reps meet their full potential.



65%

65% of employees say the quality of **training and learning opportunities** available to them **positively influence their engagement**.

84%

84% of all sales training is lost after 90 days due to poor information retention among sales personnel.

This is why ongoing training is critical!

50%

Continuous training can result in up to **50% higher net sales** per employee.



04

CLEAR EXPECTATIONS

Openly communicate your expectations as an organization early and often. This ensures opportunities to ask questions and sets a level playing field among your team.

Specifically outline business goals, individual goals, key success metrics, required behaviors, and of course set expectations around the consequences for failing to reach goals or milestones.

Without clear expectations, your team will lack purpose and direction- both of which are critical to achieving Team Actualization.

Set clear expectations to align your team around a clear purpose and direction.

40%

Only 40% of the workforce reports knowing **their company's goals, tactics, and strategies.**

85%

85% of employees report that **effective internal communication** has the power to increase their engagement at work.

50%

Only 50% of employees report that they clearly **understand what is expected** of them.

Quick Tip



You can have the most robust, thought-out compensation strategy, but if you haven't mastered the basics mentioned in this section, your comp plan will still be a bust.

Let's look at a metaphor. You have two groups of people competing in a race set on the same course. One group is told that the prize for winning is \$1 Million and then told to start. The other group is told about the prize money and they're also given a map, instructions about trail markers and they're also told they'll be disqualified if they wander off the course.

Now, which group is set up for success? Which is more likely to win? Of course, the answer is the group with more information and preparation. Without proper onboarding, training, tools, or clear expectations, your sales team is that first group. They'll never reap the benefits of a well-designed comp plan if they're constantly failing to hit targets.

Safety & Security Needs



One level above Biological & Physiological needs, you'll find Safety & Security needs. In Maslow's original Hierarchy of Needs, Safety & Security refers to things like health, safety, shelter, and financial stability. This row covers many aspects of life that, although you won't die without them, your life will be subject to additional risk and hardship if these needs are not met.

Translating Safety & Security Needs to the sales world is simple. Consider the factors that make a team or individual rep feel safe and secure in their role- a lot of these things revolve around money, transparency, and the ability to know one's standing at all times. Let's take a deeper look.

01

A COMPETITIVE BASE SALARY

Although not all successful sales organizations use a base + commission compensation model, many of them do. And, while some successful sales organizations leverage commission-only models, chances are, they also tend to see higher rates of turnover. The reason for that is simple—no one wants to work in a role where they never know how much money they're going to make on any given day.

No matter what compensation model you use, to feel secure in their role, your reps must be able to reasonably earn a living wage. If you're not paying your reps enough money or making it difficult to earn a consistent amount of money, you run the risk of motivating the wrong types of behaviors in your team. **(Think overly pushy selling tactics, deceit, overstating value, high-stakes competition among members of the same team.)**

Going into 2022, here's a look into what sales reps are currently making in base salary:



Base salary in sales going into 2022 starts at **\$19,000** on the lowest end of the spectrum and gets up to **\$90,500** on the highest end of the spectrum.

\$47,500

The average base pay for a sales rep going into 2022 is **\$47,500** a year.

\$76,000

The majority of base salaries in sales going into 2022 fall somewhere between **\$32,000** (25th percentile) to **\$54,500** (75th percentile) with top earners (90th percentile) making **\$76,000** annually.

02

A WELL-DOCUMENTED COMPENSATION PLAN

Although research shows that salary itself isn't strongly correlated to job satisfaction, transparency is. In fact, research shows that transparency is the number one contributing factor when it comes to employee happiness.

(Management transparency has a correlation coefficient of 0.94 with employee happiness.)

At Spiff, it's often said that nothing is more critical to the success of a sales team than transparency surrounding compensation and commission structure. Think about it, if a rep doesn't understand the comp plan- i.e. how they're going to get paid for their work, they certainly aren't going to be motivated by it.

Our top tips to reduce commission confusion are as follows:

1. Keep it simple.

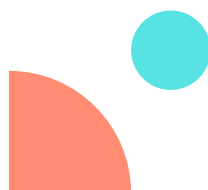
If you can't explain your commission structure in one or two sentences, it's too complicated.

2. Document it.

If you don't have a commission tool that already does this, be sure to outline the specific rules that govern your comp plan and keep it in a public drive or folder that everyone has access to.

3 Update it.

Update your compensation documentation any time a change is made. If it's not up-to-date, your documentation might as well not exist.



03

VISIBILITY INTO PERFORMANCE + POTENTIAL EARNINGS

Compensation transparency doesn't just apply to the details of your commission structure, it also applies to performance against plan and potential earnings. This means giving your reps real-time visibility into how much they've earned at any given moment, how statements are calculated, and insight into deals they have in the pipeline and deals they need to do to hit their next milestone.

A lot of companies get stuck on this one and aren't able to adequately provide this level of visibility to their sales teams. The reason why is simple. Commission management won't be transparent, trackable, or intuitive if you're not using the right dedicated platform to help you.

For companies who can't or won't make that investment (or perhaps invest in the wrong tool), it becomes impossible to master this level of the needs pyramid and therefore, makes achieving Team Fulfillment nothing but a pipe dream.

Organizations struggle to provide sales teams with the visibility they need to be successful.



37%

Only 37% of employers reported sharing **adequate compensation data** with their employees in 2021.

12%

12% of companies provide their sales teams with **no reporting**.

60%

60% of organizations report inaccuracies in their commission payments.

04

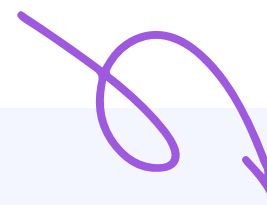
OPEN COMMUNICATION + CONSTANT FEEDBACK

If you were following along in real life, providing your team with each item as you went along, your reps would be making a livable wage, they'd understand their commission structure, and they'd have an idea of how they were performing and what steps they'd need to take to earn more money. And while this is a good starting point, it's not enough to satisfy all of your team's Safety and Security needs.

The last item in this category is to facilitate open communication and provide constant feedback. Ask yourself this, if you have an underperforming rep but they aren't sure how to actually do better, what good is a report on their poor performance going to do?

That's where you come in as their manager to provide actionable feedback and give them the tools they need to hit their targets and improve their performance. Reports and numbers only tell a sales rep where they stand and in some cases, can provide a rep the motivation they need to work harder. The human coaching element allows for actual improvement of a rep's sales skills.

Some of a rep's security and safety comes from knowing where they stand and part of it comes from knowing they have the resources and support to help them improve their performance should it ever be poor.



43%

43% of highly engaged employees **receive feedback** at least once a week.



71%

71% of employees **don't know** at any given time whether **they're doing a good job or not.**

Sales reps with **30 minutes or less** of sales coaching per week receive **win rates of 43%**, and those that receive at least **2 hours of coaching** per week, have a **win rate of 56%**.

Quick Tip



Develop an agenda for your one-on-one meetings with your sales reps. Be sure to go over performance to plan, commission earned to date, potential deals in the pipeline, key metrics, and recent call recordings. Then, dedicate the second half of each one-on-one to coaching and feedback.

Stick to this agenda over time and enforce attendance at your one-on-one meetings. Your team will appreciate the consistency and the agenda will keep the focus of the meetings on items that you know will improve performance and satisfy the Safety and Security needs of your reps.

Love & Belonging Needs



Beyond a person's physical needs, Maslow's Hierarchy also explains that humans are social creatures who also have complex mental and emotional needs. Many of these fall under the Love and Belonging category. In Maslow's version, Love and Belonging refers to things like friendship, family, and social connections.

When it comes to fostering a successful sales team, Love and Belong in our version of the hierarchy is similar in that these needs all revolve around connectedness. Let's take a look at your team's four primary needs related to Love and Belonging.

01

COMPANY CULTURE

Company culture isn't often directly associated with sales success- but whether it's talked about or not, organizational culture sets the tone for the success of the entire company- including your sales team.

Your company culture is your identity as an employer and the values and characteristics you prioritize as an organization. Facilitating a positive company culture is a key piece of fulfilling your sales team's Love and Belonging needs.

The trick to creating a company culture that fosters a sense of belonging is to be strategic about establishing values and traditions that you'd also find in your ideal sales reps. For example, if it's important to you that your sales team has a customer-centric mindset, that's something you must foster as an organization from the top down.

A great company culture attracts and retains great employees.



91%

91% of hiring managers consider **alignment with a company's culture** equal to or more **important** than a candidate's skills and experience.

24%

Employees who don't like their company's culture are **24% more likely to quit.**

46%

46% of job seekers report that **company culture is very important** to them when choosing to apply at a company.

02

TEAM CULTURE

Although similar to company culture, the culture on your sales team should also be defined and distinct. Team culture should be able to stand on its own, apart from, but compatible with, company culture.

While company culture establishes a sense of belonging among the greater organization, team culture gives you the freedom to get a bit more granular and job-specific.

It's just as important that your reps feel camaraderie and a sense of belonging among your smaller team, as it is to feel that sense of belonging among the larger group. To establish a positive team culture, consider the values and practices of your ideal sales team, then implement processes and guidelines that help enforce these principles.

After combing through the internet high and low, these are the words most often used to describe a healthy sales culture. Consider which ones you and your team identify with most:

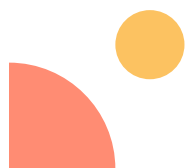
- Competitive
- Customer-Oriented
- Supportive
- Friendly
- Data-Driven
- Merit-Based
- Conversational
- Transparent
- Communicative
- Fair
- Bonded
- Goal-Oriented
- Fast-Learners
- Driven
- Efficient
- Minimal Rep Turnover
- Collaborative
- Psychologically Safe
- Focused
- Kind
- Willing to Help Out
- Engaged
- Shared Vision
- Direct
- Self-Policing
- Receptive

05

TRUST

To feel a sense of Love and Belonging, reps must feel like they have trust in their organization as a whole, in their manager, in leadership, in their technology, in their commission checks, in the finance department, in the marketing department, and in their co-workers. Without trust, there's no amount of team building or culture exercises that will help fulfill this level of need within Maslow's hierarchy.

Trust is tricky because it's not easily won and can be very quickly broken. This is another factor that, like sales training, will always require ongoing maintenance.



Although there's no one-size-fits-all approach to cultivating trust within a team, here are our top tips that might work for you:

01. Start during the hiring process.

Hire people you feel comfortable trusting to get the job done. Keep your promises during the interview process. And always make fair offers. Hiring isn't the time or place to try and save a few dollars.

03. Lead by example.

Whatever it is you're trying to encourage or develop on your team, you must lead by example. New training module? You better be the first to take it. New selling tactic. You should be actively using it. Need to pull better numbers? Your own can't be lacking.

05. Be honest.

Although this seems like a no-brainer, a lot of leaders feel they need to manipulate or trick their reps into acting a certain way or doing a certain task. This just isn't the case. By being deceptive you run this risk of losing their trust and respect. Always be honest, even when it's difficult.

02. Practice servant leadership.

Servant leaders take traditional leadership models and flip them upside down. They lead by empowering and developing instead of commanding. Servant leadership requires minimal ego and maximum selflessness.

04. Get to know your team.

While we don't encourage becoming best buddies with your reps, we do encourage getting to know them as people. If you know what they're like, how they act, and what motivates them in real life, it will not only build trust, but it'll also give you better insight into how they like to be managed.

06. Encourage open communication.

If you're direct and open in your communication style and encourage the same in your reps, you'll develop a reputation for telling it like it is. Your team won't have to worry where they stand with you or if you're steering them wrong—because you've proved that you tell the truth and don't play games.

04

SHARED PURPOSE

Although we know it would be easier to hire a team of people who all like each other and get along great, this just isn't realistic. Everyone on your team is different. They have different likes and dislikes, they're each motivated by different things, they all have different work styles, and they may not get along with the same types of people.

And that's okay. In fact, that's great. You need a diverse group of thinkers to offer different perspectives and have different strengths. But, that also means, to cultivate an environment of Love and Belonging, you need to provide your team with a shared purpose.

A shared purpose is what will unify your team and motivate them to work together despite their differences. Your shared purpose will be different, depending on where you work. In some sales organizations, the shared purpose is straightforward- like a specific goal or number. In others, the shared purpose is more of a feeling- like a value, a key differentiator, or even the reason why the company exists. Your shared purpose might even be a common enemy-- the problem you're solving as an organization or your biggest competitor.


We're not here to tell you what's right or wrong, but if you're not sure what your shared purpose is, ask yourself the following questions to start brainstorming



What makes your organization different from its competitors?

What does your company bring to the world that no other company has?


Why does your organization exist?


What are your organization's core values?

What is your biggest goal as a sales team?

What is your biggest goal as a company?

What is the biggest problem your customers face that you can solve?

What is your company's mission?


What key motivators have you seen work best for your sales team?

Quick Tip



Strategically build a sense of shared purpose into your sales compensation plan. Whether through a team goal or by using an accelerator, it's important to give your team a goal or incentive they can only hit as a group.

This encourages selflessness and teamwork in a way that utilizes a shared purpose and ties it back to a monetary incentive.

Esteem Needs



If you've ever worked with really great salespeople, you'll notice they often share one trait-- confidence! The best sales reps speak with conviction, they don't talk in circles, they know the value their organization brings to the table, and they know the value they bring to the table as a sales rep.

Although confidence and self-assuredness occur more naturally in some people than it does in others, a lot of a rep's confidence can be credited to a leadership team that successfully meets their esteem needs.

Let's take a look at four ways you can do this in your own organization.

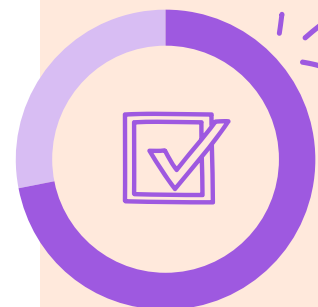
01

RESPECT

Every workplace and every department will experience conflict from time to time. That's inevitable anytime you have groups of people working together. Conflict itself isn't bad, in fact, when handled respectfully and professionally, conflict can actually help to advance conversations and squash tension.

Respect is one of the more important requirements on this list. Without respect, there's no psychological safety, no trust, and no esteem. Without respect, you won't be able to cultivate a sales team that's able to reach its full potential.

Here's why cultivating a respectful work environment is important



72%

72% of surveyed employees rated **"Showing Respect to All Employees"** as **very important**.

#1

One survey of over 20,000 employees revealed **respect as the number one behavior** that leads to greater employee engagement and commitment.

63%

Employees who felt their leaders treated them with respect were **63% more satisfied with their jobs, 55% more engaged, 58% more focused, and 110% more likely to stay** in their job.

02

FINANCIAL INCENTIVES

Research shows self-worth is strongly tied to financial success. And while one's self-worth shouldn't be solely determined by one's net worth, it's important for employers and leaders to acknowledge the importance of paying reps a fair salary.

When it comes to compensating sales teams, organizations must fairly reward reps for strong performance in order to fulfill their team's esteem needs. If you pay your team too little or make it too difficult to earn a living wage, you're in trouble. You'll see low morale and inconsistent performance across the board.

If you pay your team too much or make it too easy to earn far more than a living wage, you'll find yourself with a different set of problems. Your team will have less incentive to go above and beyond and motivation will be non-existent.

We recommend you find the right balance with a compensation plan that's fair but only rewards reps financially for doing revenue-generating activities.

Keep these stats in mind when creating financial incentives for your sales team

**90%**

90% of top-performing companies **utilize incentive programs** to reward their sales associates

44%

Properly **structured incentive programs** can **increase employee performance by 44%**

79%

Companies utilizing an incentive program reported a **79% success rate** in achieving their established goals when the correct reward was offered



03

NON-MONETARY RECOGNITION

Financial and monetary recognition is only one side of the proverbial sales incentive coin. **Pun intended.**

The other, equally important, piece of the puzzle is, of course, **non-monetary recognition**. These are the things you as a leader or organization do to recognize team members who do a good job. Think President's Club, a shout-out during an all-hands meeting, or additional leads from within a coveted territory.

This type of incentive is just as important as any kind of financial incentive when it comes to meeting your team's esteem needs. Let's look at a quick example- say you offer your reps a \$500 bonus for every deal they close past their quota. Of course, that \$500 bonus will no doubt be appreciated, but will they remember every single deal they close with fondness for years to come? Probably not.

Now, let's say you give the same \$500 bonus as part of the same incentive program, but this time, you also pair it with a non-financial incentive- maybe a personal shoutout during the next company meeting or an additional chance to win a seat to an exclusive end-of-year trip. Would this make your reps more likely to look back fondly on that shoutout or that trip for years to come? Yes, probably.

The reason for this is simple- non-monetary recognitions are easier to assign emotions and meaning to than monetary incentives. They're often personal to a specific person or team and therefore, can help drive performance more effectively than monetary compensation alone.



03

NON-MONETARY RECOGNITION (CONT.)

Need some inspiration? We've got you covered!



Remote or flexible work options.

Admission to an exclusive event or trip. Or, a chance to win admission to an exclusive event or trip.

Tickets to a local sporting event or game.

Team outings

Extra PTO



Private praise from a leader during a one on one or a private slack conversation.

Additional leads within a coveted territory.



Free lunch!

Plane tickets, travel vouchers, or free trips to their preferred destination.

Dinner with the CEO- one on one or with a small group of reps.

A public shout-out during a company-wide meeting, in a LinkedIn post, or in a public Slack channel.

Museum or gallery tickets

Learning opportunities or training.

Gift cards



Gym or fitness vouchers

Monthly subscriptions

Team retreat or Spa passes.

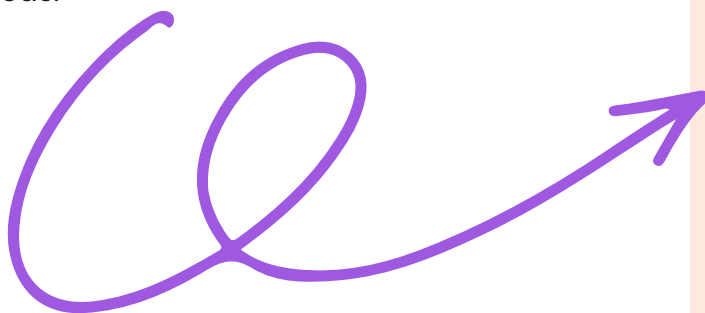
Tangible gifts or swag- think tech or appliances.

04 PROMOTIONS + GROWTH OPPORTUNITIES

High performers- the people you hope to hire on your sales team- are often happiest and most confident in roles that challenge them, roles that require their particular expertise, and roles that give them purpose in life.

It shouldn't be a surprise that we want our jobs to be meaningful and engaging. After all, **we spend nearly a third of our adult lives at work.**

The easiest way to make sure each person on your team finds their role meaningful and challenging is to make sure you provide them with clearly defined growth paths and development opportunities. Without promotions and opportunities for growth, you will find it difficult to fulfill your team's esteem needs.



Let's dig in a little more:



33%

33% of people changing jobs cite **boredom and the need for new challenges** as their main reason for leaving a role.

29%

Only 29% of employees say **they're happy with the career advancement opportunities** within their organization.

76%

76% of employees say they're **looking for opportunities to expand their careers.**

Quick Tip



Always remember that no two people are exactly the same. Therefore, what fulfills one rep's esteem needs won't necessarily work for another. This is why it's so important to get to know your reps as individuals. Figure out what makes them tick, what motivates them, what they want in life, etc.

Then, find ways to validate and fulfill their esteem needs in a personalized way. Going the extra mile will make all the difference and mean that much more to your team.

Team Actualization



Throughout this guide, we've mentioned the idea of Team Actualization quite a bit. In fact, you'll remember, we asked you to keep Team Actualization in the forefront of your mind while reading. But, before we dive any deeper and get into why Team Actualization is so important, here's a quick refresher.

Here's what we know so far.

- Team Actualization refers to a sales team that has met its full potential.
- Team Actualization is the end goal for all sales and revenue leaders who manage teams.
- To achieve Team Actualization, a leader must ensure that their team's needs are met.
- Needs are organized in a pyramid. Starting at the bottom of the pyramid, you can only progress to the next level once you've mastered and maintained the previous level.

01

POTENTIAL, NOT PERFECTION

The next thing we want to get out of the way is this: Actualization is not the same as perfection. Read that again, we'll wait.

Your ultimate goal as a sales or revenue leader should never be perfection. That's not realistic and nor is it attainable. As long as our sales reps are human, they will never be perfect and that's okay. Instead of working towards perfection, you should be striving to help your reps and your team reach their full, imperfect, potential.

Full potential looks different for every person and every sales team. To complicate the idea further, a team's full potential might look one way now but completely different down the line. Potential is subjective and fluid, making it hard to measure and achieve.

We recommend periodically defining what your team's full potential looks like. Whether you do this every year, every quarter, or every month, it can be helpful to have documentation of where you're headed and how that goal may be changing over time.



01 POTENTIAL, NOT PERFECTION (CONT.)



To get to your definition of full potential, try asking yourself these questions



What do I spend the most time coaching my team on?

What areas of my team's performance need the most improvement?

When am I most proud of my team?

What behaviors have led to my team's best week, month, quarter, or year?

What qualities do your most successful reps have in common?

What qualities do your least successful reps have in common?

Which needs do you find yourself neglecting the most when it comes to your team?

Do you have the people on your team that you need to hit your goals?

Does your team have access to the resources they need to be successful?

Is your team equipped to sell your entire suite of products, features, or functionalities?

Is your team equipped to sell to multiple buyer personas?

Do you ever worry about your team's interactions with customers and prospects?

How does your team compare to industry benchmarks?

How much handholding does your team require?

What activities does your team spend the most time on?

Do you have an accurate view of your team's performance?

Do you understand your team's goals and the overarching company goals?

What causes the most confusion on your team?

02


PROCESS + PERSONALIZATION

Luckily, the steps you must take to achieve Team Actualization are less murky than the concept of Team Actualization itself. These steps are clearly defined within Maslow's Hierarchy of Needs and your success ultimately comes down to your ability as a leader to meet these needs within your team.

And, while this can seem like a daunting task laid out in front of you, the key to making your job manageable is to strike the right balance between process and personalization.

Here's what we mean by this. You must learn to create and enforce processes that help to meet your team's needs at scale, while also knowing when your team requires a more personal approach to leadership.

Let's look at examples from each step of Maslow's Hierarchy



	Process	Personalization
Biological & Physiological	You create a standardized 30:60:90 plan to onboard new sales reps.	You handpick and assign specific training courses to individual reps based on which skills each rep needs to develop.
Safety & Security	You push for a commission tool that will provide your reps with visibility into their earnings in real-time.	You check in with several of your reps on Slack, outside their scheduled one on ones because you know they do well with more frequent feedback.
Love & Bonding	You add a team incentive component to your compensation plan.	You occasionally treat reps to one on one lunches throughout each quarter when you get the sense they might need more connection.
Esteem	You establish clear career paths and growth opportunities for your team.	You regularly have growth conversations with your reps to talk through what each individual must accomplish or master to receive their next promotion.

What's Next?

We have both good news and bad news to share with you. Here it is: You'll likely never achieve Team Actualization. And while that might be frustrating to hear after all we've gone through in this guide, it's not actually a bad thing.

It's just a fact of sales.

Just when you think you've hit your stride, your best rep will leave, you'll be given a new, more aggressive goal, or you'll have a brand new class of reps to onboard. With constant change comes constant room for improvement.

We recommend, when you feel things slipping or performance isn't what you'd like it to be, go back to the basics. Consider which of Maslow's needs you might be failing to fulfill and take the necessary steps to remedy that. Think of your role as a sales leader as an ongoing cycle of evaluation and action— not just a simple checklist of dos and don'ts.

Final Thoughts



Throughout this guide, you may have noticed a common thread within each section. That thread is sales compensation and incentive planning. This, of course, wasn't accidental or by coincidence.

Sales compensation has far-reaching implications that go beyond a monthly paycheck. The right compensation structure can motivate more of the right behaviors, establish a sense of camaraderie, build confidence in sales reps, and so much more. The wrong compensation structure, however, can be the source of a sales team's major issues- think lack of motivation, performance problems, lack of trust, and more.

As you evaluate your own team and consider how you're meeting their needs as a leader, also consider whether your compensation plan is working for you or against you when it comes to setting your team up for success. Not sure where to start? Spiff can help!



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