

What Your Sales Compensation Plan Reveals About Your Operations



Agenda

1. The Opportunity
Why we've been looking at compensation plans the wrong way
2. Looking Beyond the Plan
What can really be derived from a single document?
3. The Knowledge Unlock
How implementation knowledge becomes reusable organizational intelligence
4. From Theory to Action
Watch one compensation plan become an operational solution.
5. The Future of Sales Compensation
Why knowledge—not documents—will become the competitive advantage.

How I Got Here

Twenty years of implementing sales compensation systems led to one recurring observation.



Christopher Orbe

Founder

Propel Consulting

Operations Administrator

Experienced the operational realities of compensation firsthand.



Delivery Consultant

Learned how to translate business intent into good system design.



Design Architect

Designed the operating models behind global compensation programs.



Ownership Operator

Saw what happened after go-live—and why the same problems kept returning.

The Recurring Pattern

Every implementation started with the **same compensation plan**, yet every project **recreated the same knowledge** from scratch.

What Is a Sales Compensation Plan?

Most organizations view it as a compensation document. I believe it's something much more.

Most Organizations See...

- A seller communication document
- Rules for calculating commissions
- Quotas, rates, and incentive mechanics
- An annual planning exercise

I See...

- The business policies that govern sales compensation
- The operational intent behind the program
- The foundation for implementation and administration
- The blueprint for the sales compensation operating model

A compensation plan doesn't just describe how sellers get paid. It defines how the entire sales compensation operation is expected to function.

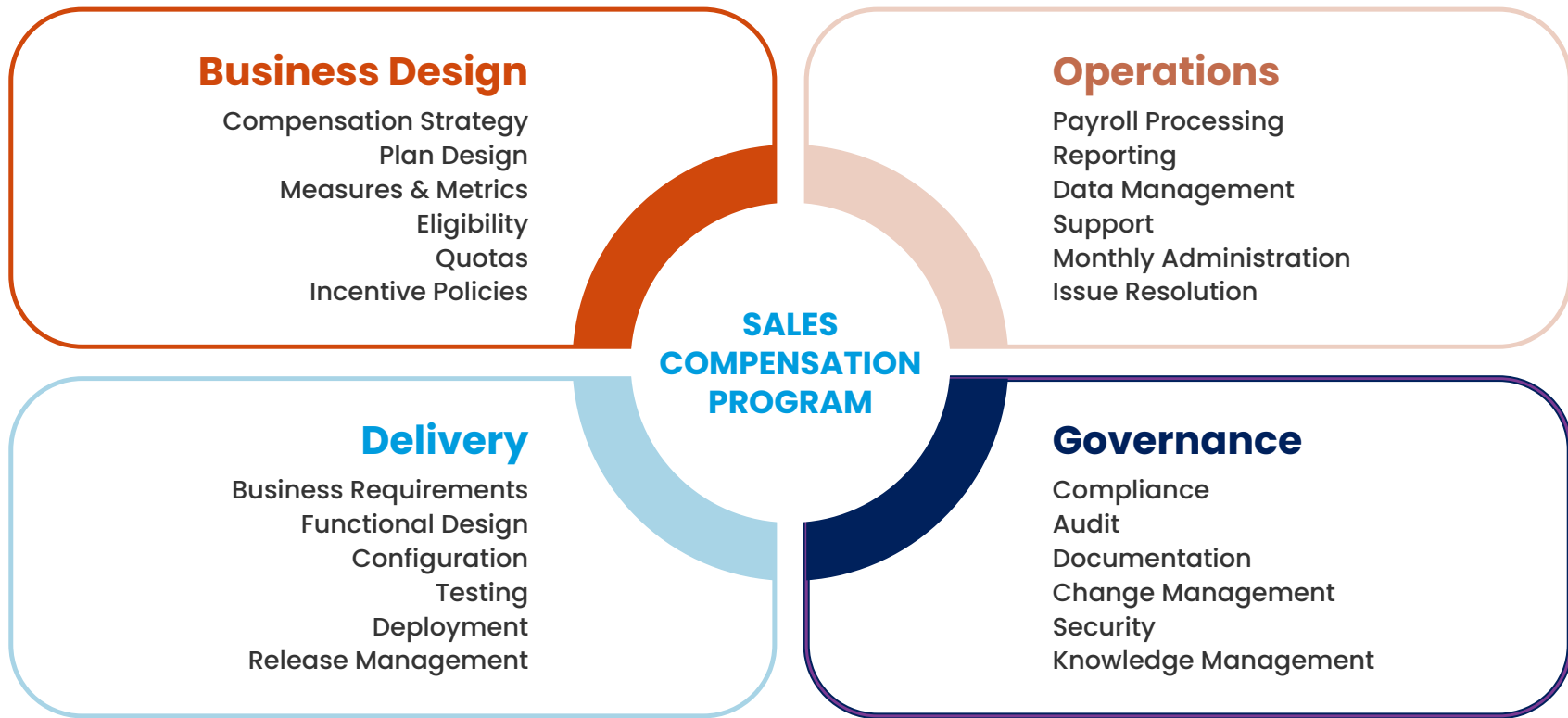


If a compensation plan already defines the business ...

**How much of a sales compensation
operation can actually be inferred from it?**

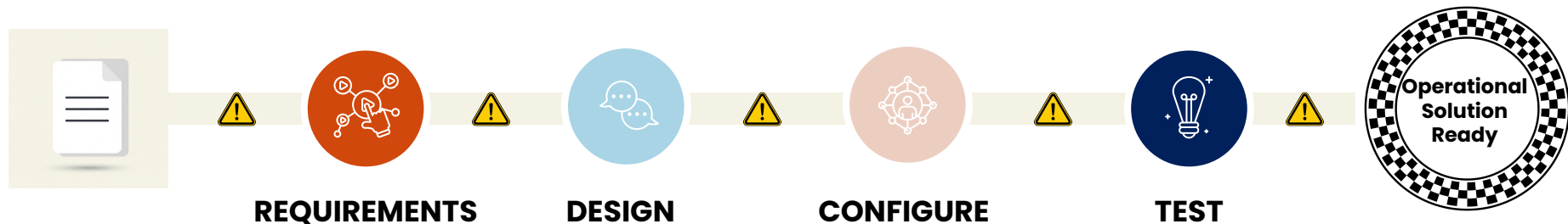
The Sales Compensation Operating Model

A compensation plan influences every capability required to design, deliver, operate, and govern sales compensation.



One Document. Many Interpretations

A single compensation plan is repeatedly translated into downstream implementation artifacts.



Each translation introduces

- ⚠ Interpretation
- ⚠ Assumptions
- ⚠ Missing Context
- ⚠ Rework
- ⚠ Inconsistency

Industry Perspective

Requirements quality remains one of the leading contributors to project success and failure.

The cost of correcting misunderstood requirements increases dramatically the later they are discovered.

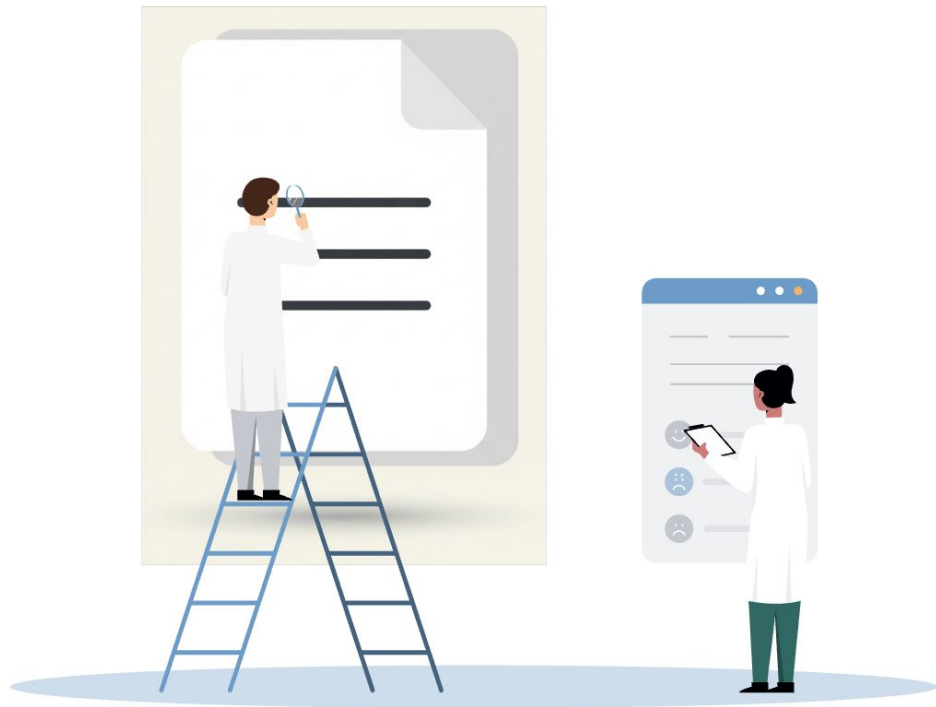
(Standish Group, Barry Boehm, software engineering research.)

Key Insight

The challenge isn't writing the documentation. It's preserving the business knowledge through every translation.

The Experiment

Can a compensation plan become the foundation for an entire sales compensation Operation?



STARTING POINT

One real-world sales compensation plan.

No business requirements
No functional design
No operational documentation

OBJECTIVE

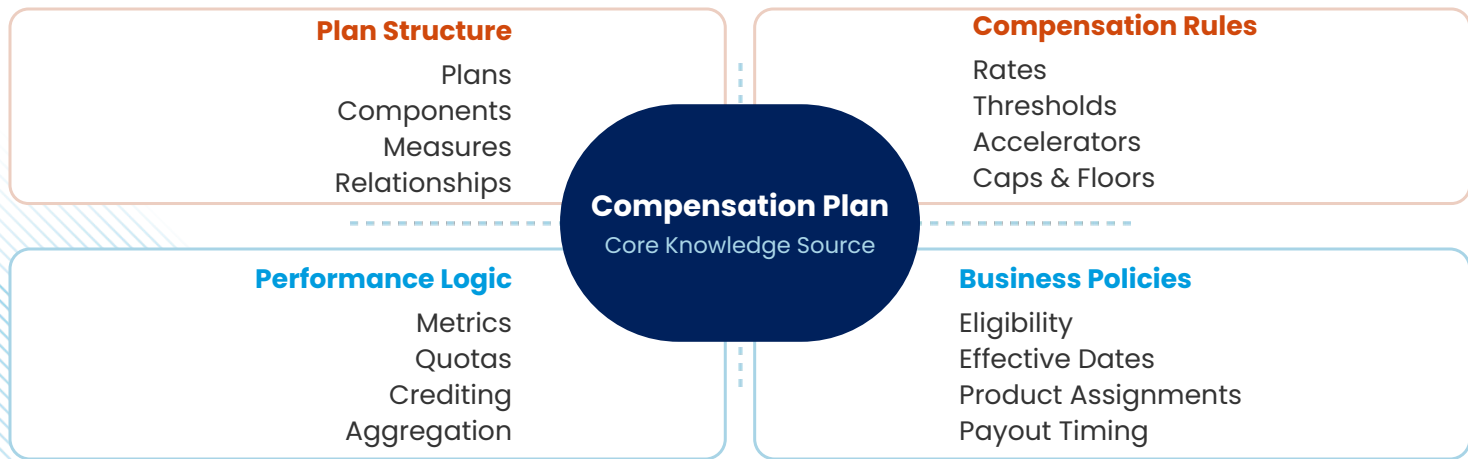
Determine how much of the Sales Compensation Operation can be reconstructed from the compensation plan alone.

METHOD

- Analyze the plan using AI
- Extract explicit business knowledge
- Infer only what the evidence supports
- Compare the reconstructed operating model to reality

What AI Can Extract

A sales compensation plan contains far more structured business knowledge than most organizations realize.



AI can reliably identify and organize explicit business knowledge contained within a compensation plan.

But implementation requires more than explicit knowledge.

What AI Can't Infer

Some of the most critical implementation knowledge never appears in the compensation plan.

Explicit Knowledge

Extracted directly from the Compensation Plan

- ✓ Compensation Structure
- ✓ Performance Measures
- ✓ Compensation Rules
- ✓ Eligibility
- ✓ Payout Logic
- ✓ Business Definitions

Inference Gap

Implicit Knowledge

Requires organizational knowledge not in the document

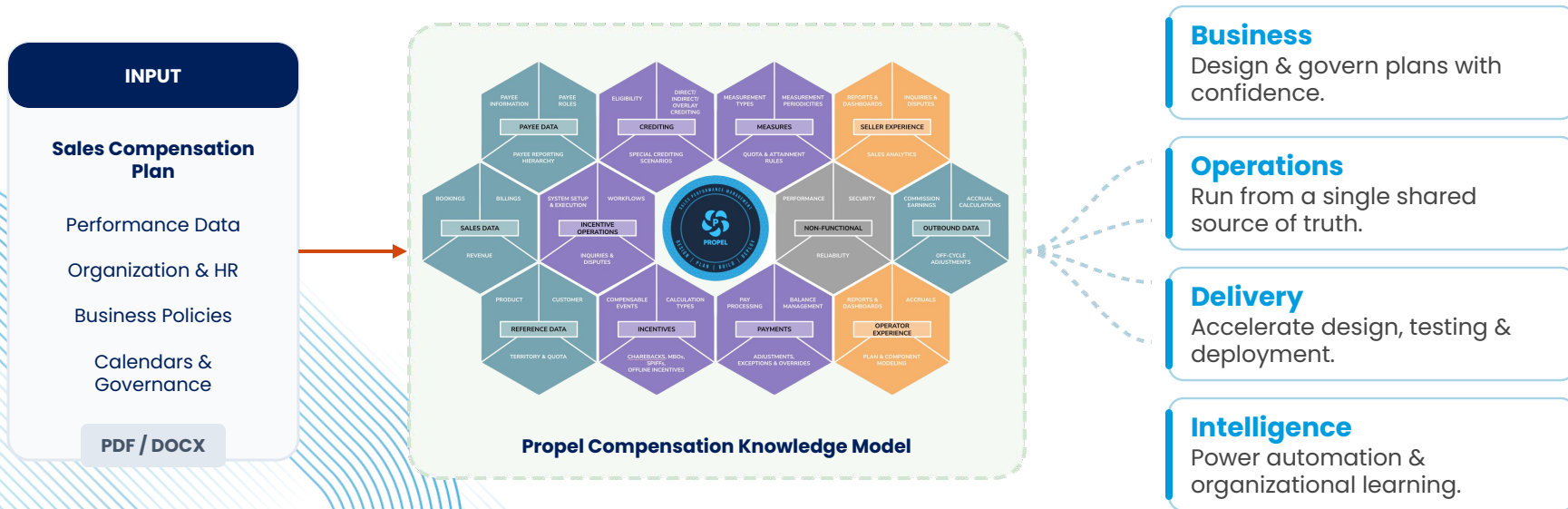
- ? Source Systems
- ? Processing Cadence
- ? Data Mapping
- ? Exception Handling
- ? Operational Ownership
- ? Security & Access
- ? Approval Workflows
- ? Integration Strategy

The compensation plan explains what should happen.

It rarely explains how it actually happens.

The Compensation Knowledge Model

Transforming a compensation plan into reusable business knowledge.



The compensation plan defines the business. The Compensation Knowledge Model enables the business.

Generated Business Assets

From a single sales compensation plan, the Compensation Knowledge Model generated the following deliverables.

DESIGN



Business Requirements



Functional Design



User Stories

BUILD



Configuration Workbook



Data Dictionary

VALIDATE



Test Cases

OPERATE



Payroll Playbook



Administrator Guide

INTELLIGENCE



AI Assistant

The following artifacts were generated from a single sales compensation plan.

Beyond Delivery

The Compensation Knowledge Model becomes a long-term business asset that continuously improves how organizations design, operate, and evolve sales compensation.



Impact Analysis

Understand downstream impacts before making plan changes.



Change Management

Automatically identify affected requirements, config, testing, and ops.



AI Assistant

Ask natural language questions and receive context-aware answers.



Governance

Maintain complete traceability from business intent to implementation.



Operational Excellence

Standardize administration, reduce risk, and accelerate onboarding.



Program Evolution

Model and evaluate compensation changes before implementation begins.

Implementation creates a solution. **The Compensation Knowledge Model creates organizational intelligence.**

Why this Matters

Organizations can continue translating business knowledge ... or start preserving it.

TRADITIONAL IMPLEMENTATION

-  Business knowledge recreated every implementation
-  Requirements begin from scratch
-  Documentation becomes outdated over time
-  Critical expertise remains with individuals
-  AI is limited by fragmented information

KNOWLEDGE-DRIVEN ORGANIZATION

-  Business knowledge captured once
-  Implementation artifacts generated on demand
-  Documentation remains synchronized
-  Organizational knowledge is retained and reusable
-  AI operates with business context

The future isn't generating better documentation. It's preserving business knowledge.

The Next Generation of Sales Compensation

The future of sales compensation won't be defined by better software, but by better business knowledge.



When business knowledge becomes reusable, **every implementation gets faster**, every change becomes easier, and every organization becomes smarter.



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