



WHITE PAPER

Building Sales Excellence Through Sales Performance Management

A Leadership Guide to Building Connected, Data-Driven Sales Teams

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Every sales quarter unfolds the same way: sellers rushing to close deals, opportunities slipping away, and revenue goals falling short. Yet leadership often responds with surprise, as if underperformance were a sudden, uncontrollable event. The truth is more structural—your sales team isn't under-delivering; your organization is under-planning.

Only 30% of sellers believe they will meet their quotas¹. This gap isn't primarily due to a lack of talent or effort—it stems from flawed assumptions. Anyone who has worked in sales has at various points experienced a sales cycle where quotas and forecasts are often built on optimism rather than data, and as a result sales plans are either rushed or overlooked entirely. Due to this, reps are expected to deliver against arbitrary targets, manage poorly designed territories, and work within misaligned incentive models only to be held accountable when results inevitably fall short.

Sales success isn't a last-mile issue—it's a company-wide challenge. If leadership views sales planning as a siloed function, then the revenue engine will continue to stall. To drive consistent performance, organizations must adopt a Sales Performance Management (SPM) approach, which is a strategic capability that aligns sales planning, execution, and support across the entire sales ecosystem.

Section 1: The Need for Sales Performance Management (SPM)

Sales Performance Management is a critical yet complex capability for large sales organizations. It centers around three core components: *the sales force resourcing model*, *the sales deployment approach*, and *the sales motivation system*—each essential to ensuring the organization is properly structured, aligned, and empowered to meet its sales objectives.

1. Sales Resourcing Model

The resourcing model defines the size and composition of the sales force required to achieve business goals. Typically aligned to annual planning processes, this model helps organizations make informed decisions about role types, headcount planning and sales capacity. Key activities within this model include:

- **Determining account types and sales volumes:** To establish a solid foundation for planning, organizations assess the composition of their new and existing accounts alongside anticipated transaction volumes. They use key sales and customer data, such as pipeline volume, average deal size, onboarding time, and account segmentation, to model the level of sales activity needed to meet their targets.
- **Defining optimal loading ratios:** For each sales role in the organization, determine how many of each account type an FTE can manage based on the required levels of service for each customer tier. Further refine this based on the territory make-up, including account type (e.g., large vs. small, new vs. existing), deal complexity, and so on.

1. SFDC State of Sales 6th Edition Report (2024).

- **Quantifying required sales FTEs:** Once loading ratios are modeled, organizations can calculate the number of full-time sales employees (FTEs) needed to cover them. This is compared against existing capacity, expected attrition rates, and the organization's ability to recruit new talent in time to fill the gaps to determine a final headcount recommendation.
- **Validating profitability and ROI:** Beyond capacity modeling, organizations evaluate the profitability of each rep and compare it with alternative go-to-market investments, to ensure their go-to-market model is profitable and attractive to the organization.

2. Sales Deployment Process

Once the headcount is defined, the next step is deploying those resources effectively. Deployment is about assigning the right sellers to the right accounts in a way that maximizes coverage and minimizes disruption. This process includes:

- **Defining the sales deployment model:** Organizations must choose how to segment and allocate their headcount and territories, whether by geography, industry, customer segment, or named accounts. Supporting data such as whitespace potential, historical sales, and anticipated effort levels become essential to ensure territories are balanced.
- **Assigning sellers based on suitability:** Not all reps are equally suited for all accounts. Assignments should consider tangible factors like proximity to clients, existing relationships, and tenure or experience level.
- **Managing account disruptions:** Proactive planning is key to minimizing the impact of account disruptions during territory changes or rep transitions. Organizations must establish clear processes and guidelines for handovers. For example, crediting the original and final sales representative for any sales for at least a quarter after an account is migrated. This way, both sellers are motivated to manage the relationship migration effectively to ensure the customer continues to purchase – and therefore provide credit to both sellers. Conversely, it's also important to structure incentives in a way that discourages reps from 'clinging onto accounts' that are no longer aligned with the organization's goals.
- **Defining in-year territory change policies:** Markets shift, people enter or leave organizations, and sales strategies evolve. Having a transparent policy for in-year territory adjustments, whether due to new account acquisition, rep attrition, or client requests, enables agility while avoiding internal conflicts and confusion.

3. Sales Motivation System

Even with the right number of sellers in the right places, performance ultimately depends on how well those sellers are enabled and incentivized. The sales motivation system ensures that the sales force is equipped, energized, and aligned with strategic goals. This includes:

- **Designing the right incentives model:** Compensation structures should be thoughtfully crafted, balancing fixed and variable pay in a way that drives the right behaviors. This involves selecting metrics that motivate core sales activities and designing pay rates and accelerators that motivate sustained performance at all performance levels.
- **Setting achievable and motivating targets:** Quotas must be realistic and tailored to individual reps based on their territory potential, past performance, and strategic priorities. Quotas that are too high or too low risk demotivating the sales force and undermining the whole incentive program.
- **Providing transparent performance reporting:** Sellers should have timely visibility into their performance and how it ties to compensation. Frequent (e.g., instant, daily, or weekly) and accurate reporting not only builds trust but also enables reps to self-correct and optimize their activities throughout the quarter, rather than reacting too late.

- **Delivering targeted training and coaching:** Organizations must provide relevant and role-specific enablement that spans both hard and soft skills. This includes product knowledge, consultative selling, relationship management, and ongoing coaching models that support growth and skill development over time.

Section 2: Challenges in Implementing Sales Performance Management models

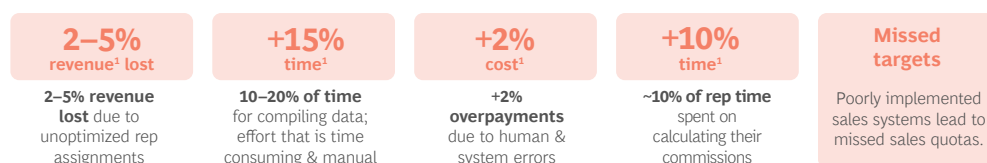
SPM is inherently complex and requires coordinated action across multiple dimensions. Key challenges include:

- **Rising complexity in go-to-market models:** Today's GTM structures span multiple layers with different role types, product lines, geographies, channels, and customer segments. This makes it difficult to evaluate performance or ensure strategy is aligned with opportunity.
- **Data overload without integration:** While organizations now have access to more data than ever, across CRM systems, activity logs, transactions, and customer attributes, the lack of integrated analytics capabilities makes it hard to extract actionable insights for planning, deployment, or compensation decisions.
- **High turnover and evolving strategies:** Increased sales force churn and more frequent shifts in strategy require organizations to revisit territory planning, deployment, and quota setting far more often, placing additional pressure on planning teams.
- **Cross-functional misalignment:** Effective sales planning requires close coordination across marketing, finance, HR, product, and operations, each bringing different objectives and timelines. Without clear alignment, this can slow decisions and create an execution risk.
- **Limited internal expertise:** Core SPM areas like incentive design, quota calibration, and performance modeling require specialized expertise that is difficult to build and retain.
- **Fragmented tooling landscape:** Many organizations rely on a patchwork of narrow, disconnected tools—across account planning platforms, segmentation models, compensation systems, and CRMs. This can lead to inefficiencies, duplication, and lost insight across the process.

These challenges add up to real pain points: leaders are forced to make critical decisions without a clear view of the data, sales teams lack the agility to respond to change midyear, and operations teams face rising administrative burden that ultimately impacts performance and profitability. The business impact is significant, as shown in **Exhibit 1**.

EXHIBIT 1

Business impact due to ineffective SPM capability



¹Quantification based on prior BCG experience implementing SPM solutions; supported by market participant interviews.

Section 3: Best Practices for Sales Performance Management Success

While implementing Sales Performance Management can be complex, there are proven approaches that help organizations manage it effectively. Based on our client experience, we've outlined best practices across four critical areas: **tools**, **processes**, **people**, and **data**.

SPM Tools

Purpose-built SPM tools are becoming increasingly popular among sales leaders, as they directly address many of the core challenges within the SPM process. These platforms often include integrated capabilities such as capacity planning, territory design and management, sales roster planning, incentive compensation, and target setting.

Because these tools are interconnected, the output of one module (e.g., territory design) can directly feed another (e.g., quota modeling), creating a more seamless and efficient planning workflow.

When fully implemented and adopted, SPM tools can deliver significant benefits across:

- **Data-driven decision-making:** Analytics embedded across the process allows for informed decisions around headcount, territory allocation, compensation, and quotas.
- **Reduced seller distractions:** With clearer visibility into performance, sellers spend more time selling and less time doing “shadow accounting”.
- **Greater sales agility:** Tools enable organizations to quickly adjust quotas, territories, or compensation plans in response to market shifts or internal strategy changes.
- **Performance transparency:** Real-time reporting gives reps and leaders clarity on where they stand, with insights benchmarked against initial assumptions.
- **Operational efficiency:** Automation of sales rep performance and payout calculations reduces commission errors, limits overpayments, and frees up capacity for operations teams to focus on strategic support and insights.

SPM Processes

The success of any SPM effort depends on having a structured planning process and the right expertise in place to guide it.

- **Planning activities timeline:** A clearly defined planning calendar is essential, especially since finalizing headcount, territories, and quotas can take several months. Pre-scheduling assumption reviews, decision meetings, and executive check-ins, with standardized templates, helps streamline the process and ensure alignment across stakeholders.
- **Activity dependencies:** Each stage of the SPM process builds on the last. Understanding these interdependencies is key to planning effectively and avoiding downstream delays. For example, a sample of these interdependencies:
 - The strategy informs the financial plan and motivation model.
 - The financial plan drives resourcing and quota requirements.
 - The resourcing model shapes the headcount plan.
 - The headcount plan determines the number of territories.
 - The territory structure informs final quota allocation.

SPM Experienced People

Many organizations lack the in-house expertise required for all aspects of planning. While Sales Ops or RevOps teams typically own SPM, leading companies often supplement internal teams with external consultants, solution providers, or data vendors to bring in a mix of perspectives and specialized knowledge. This external input is especially valuable for challenging decisions, such as determining the right account-to-rep ratio, setting fair yet ambitious quotas, or deciding how many product specialists should support a frontline team.

A best practice some companies have adopted is building an SPM center of excellence (CoE), focused on ensuring SPM best practices are adopted, consistently applied, and serving as the stewards of the capability both from a strategic design and an ongoing administration perspective. Key roles in this team can include:

- 1. SPM program lead:** responsible for the entire SPM capability, from strategy to overall execution and is a key partner to executive level sales leaders
- 2. Incentives analyst:** responsible for incentive compensation administration, health check reporting and supporting or leading incentives design efforts
- 3. Territory planner:** responsible on optimal and balanced territory design, with a detailed view on appropriate loading ratios by role and capacity requirements by account-tier
- 4. Performance reporting manager:** responsible for design of effective leading and outcomes focused metrics, and designing + managing sales performance dashboards across the sales organization
- 5. Data and insights manager:** focused on understanding and embedding relevant data (e.g., customer, performance and sales data) into all SPM data-driven activities







The CoE is often a nimble and highly effective team that improves sales team performance by effectively running the end-to-end SPM capability.

SPM Data

A core success factor for SPM is the ability to connect and harmonize data from across the business—including sales, finance, marketing, product, customer success, and HR—to drive effective planning and execution, as shown below.

EXHIBIT 2

Example Data Needs for Sales Performance Management

Function	Example Data needs
 GTM and Sales Teams	Customer performance data including growth, churn, and acquisition Sales org structure, roles and headcount plan Sales resourcing models and ratios Pipeline, forecast, and close data Customer database + territory/account assignments Incentive plans and quota rollups
 Finance	Budget and spend estimates/approvals Revenue plan/forecast and actuals Incentive budgets/actuals
 Marketing	Account/lead universe and segmentation Lead/campaign forecasts and expected conversion Customer personas and vertical targeting
 Product and Pricing	Product hierarchy, SKUs and growth expectations Pricing and discounting approach Product launch timelines
 Sales Enablement	Ramp time estimates to full productivity Capability gap assessment and training recommendations Sales rep survey feedback and recommendations
 Human Resources	Talent health: attrition rates, offers made, offer conversion, "time to fill" Pay level and mix benchmarking and recommendations Sales rep survey feedback and recommendations

Conclusion: Taking the Next Step in Sales Performance Management

Sales Performance Management is not a side project—it's a strategic capability that requires focus, commitment, and cross-functional ownership within the organization to ensure its success.

To get started, organizations must align on the following critical enablers:

- **Leadership alignment:** Securing buy-in on objectives, scope, and success metrics is critical to drive momentum and accountability.
- **Investment:** To build a sustainable SPM capability, teams must be prepared to invest in both initial setup and ongoing operational costs in the form of licenses, people and tools.
- **Data:** Connecting relevant data sources across functions enables more accurate planning and sharper decision-making.
- **Technology:** Selecting the right SPM platform based on your business needs, scale, and complexity.
- **Expertise:** Leveraging experienced partners that can accelerate progress, avoid missteps, and infuse best practices across the SPM process.

Sales Performance Management isn't just about planning better—it's about performing better. Organizations that treat SPM as a leadership priority, invest in the right tools, and build the cross-functional capabilities to sustain it will be positioned to outpace uncertainty and outperform expectations.

The cost of a poorly managed SPM is steep: misaligned targets, overwhelmed sellers, and missed revenue.

The advantage lies with those who turn SPM from a reactive process into a true growth engine with purpose and focus. Now is the moment to rethink your SPM strategy and set your revenue engine on a smarter, faster path forward.

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