

ABSTRACT



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Aligning the sales force to the strategy implementation is seen essential in today's organizations. The purpose of this study is to explore how sales force incentives can be used in form of a compensation plan to reach strategic objectives. The theoretical framework focuses on strategic planning and business marketing, and finally on compensation planning as a form of sales force incentive. The study uses a qualitative research method and the primary data consist of seven theme interviews with managers in a medical technology company. The collected data were first categorized and then analyzed according to the central themes based on the research problems.

The studied company combines several sales promotions with its product development strategy. All strategically relevant sales promotion activities are incorporated into its compensation plan.

The central finding of the study is that the compensation plan works well as a sales force incentive to encourage the desirable behavior of the sales force. The current compensation plan works like an agenda to help to plan the work, emphasize both long-term and short-term objectives of the company and consists of an appropriate amount of measurements that the sales representatives self can affect. It also encourages the sales representatives to develop social skills and ability to listen to the customer as well as to increase their knowledge. That is important because the strategy implementation requires that the sales representatives work merely as consultants and experts than salesmen.

However, the current compensation plan also seems to hide potential that is not in use yet. Following up and adjusting the compensation plan at least on yearly basis to the changing market situation and company's new products offers is seen essential. Additionally, it is critical to keep direct sales goals in the compensation plan to remind the sales representatives that the sales-orientation should be maintained even if implementing the strategy strongly involves concept selling as well. More feedback of attaining the goals to the sales representatives is also a key factor to increase the effectiveness of the compensation plan in the strategy implementation.

Key words	Strategic planning, Sales promotion, Sales force promotion, Sales force incentive, Compensation, Performance bonus
Further information	