MANAGEMENT OF BUSINESS MANAGERS

Remuneration of Business Managers: performance lever or frustration factory?

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The remuneration of Business Managers can stimulate performance… or fuel injustice and demotivation. The whole challenge is to align the variable with the behaviors actually expected.

Just ask a few Business Managers in IT services companies to realize it: compensation is rarely neutral. It is a driver… or a barrier. A motivational lever… or a trigger for departure.

And yet, like with goals, many IT services companies seem to think that simply having *a* system is enough. Though it all depends *on which one*.

Two philosophies coexist

Overall, two main approaches coexist in IT services companies to structure the packages for the BMs:

- **The "developer" model**: a modest fixed salary, a significant variable, indexed on the margin. This focuses on individual performance, the desire to excel, and the commission logic.
- **The "manager" model**: a higher fixed salary, a more discreet variable, sometimes capped. This values stability, customer loyalty, and taking on broader responsibilities.

No model is bad in itself. But if poorly assumed, or poorly explained, it creates more tension than momentum.

Behind the word "variable," very different realities

When we talk about variable, everyone immediately thinks of the **generated margin**. It is often the main indicator, but it’s not the only one.

Here are some logics found, alone or combined:

- **Commission on gross margin**: classic. You earn a percentage of what you generate, period.
- **Progressive thresholds**: the more margin you make, the more your percentage increases. This encourages additional effort.
- **Signing bonus**: you receive a bonus as soon as a consultant starts a mission, whatever its length (often with a minimum nonetheless).
- **Renewal bonus**: sometimes, renewing a mission is as rewarding as signing a new one.
- **Qualitative indicators**: customer satisfaction, consultant loyalty, collective success, etc.
- **Retroactive or year-end bonuses**: a way not to play everything month to month, and smooth efforts over time.

But be careful: **the same system can be experienced as deeply unfair**, depending on the entrusted client portfolio. Some BMs find themselves with historical accounts that are not very dynamic or very locked, others with leading clients where you almost just have to bend down to pick up opportunities. The potential of a perimeter, in volume as well as in value, directly influences remuneration… without always reflecting the efforts made.

You get the behaviors you reward… and those you forget

This is a classic in management, particularly in sales:

You get the behaviors you reward.

But we often forget the other half of the sentence:

You don't get the ones you don't reward.

Example: do you want your BM to follow up on their consultants? Do you want an up-to-date CRM? Negotiated payment terms? Clear, well-defined orders, transmitted on time? Don’t be surprised if these tasks fall by the wayside… if they never factor into the variable calculation.

Another common drift: **the annuity.** When the variable is solely indexed on the margin, some BMs end up settling into a portfolio management logic. They cash in… but no longer develop. They exploit… but no longer create. And sometimes, they receive a significant variable on accounts they didn't even open themselves. Result: they become rentiers of a historical record, not actors of the future.

The real problem is not the model, it's the alignment

The problem doesn’t come so much from the choice of the system as from its **incoherence** with what one really expects from the BM.

If you want a BM who develops a team, who takes the time to train juniors, who creates a lasting relationship with clients, but you compensate them as a short-term opportunity hunter… there’s a problem.

If you tell your BM they are "responsible for their perimeter," but their variable only depends on the quarter’s margin, without considering consultant satisfaction or mission sustainability… you risk having neither satisfaction nor sustainability.

What if we changed the logic?

A good compensation system isn’t a carrot hanging from the ceiling. It’s a readable, understandable framework that makes you want to do the right things, not just the things profitable in the short term.

It's not the amount of the variable that counts. It's the **progression curve**: is the additional effort visibly and fairly rewarded?

It’s not the commission rate that retains a BM. It’s the **feeling that their involvement is recognized** – financially, but also humanly.

Do you want to keep your best BMs? Start by asking them a simple question:

"Do you find your compensation system fair and motivating?"

If they hesitate to answer, you already have a problem.

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