



The 2026 State of Sales Compensation

Benchmark Data & Behavioral Trends

Xactly[®]

Executive Note

Sales compensation has shifted significantly over the last five years, driven by volatile market conditions and higher expectations for performance.

Companies are increasingly directing a larger share of compensation to their strongest sales performers, while tightening expectations and investment across the organization. This change reflects a broader recalibration as businesses move from rapid expansion toward more disciplined, outcome-driven growth.

Xactly's market-leading data spotlights several clear trends shaping today's sales compensation landscape:

- Organizations are prioritizing proven sellers, often favoring experienced, high-performing reps over heavy investment in new hires.
- Pay gaps between top and low performers continue to widen, reinforcing a stronger 'winner-takes-more' dynamic.
- Compensation strategies are shifting away from growth at all costs and toward efficiency, predictability, and profitability.

Put simply, organizations are paying a premium for their top performers, tightening expectations across the broader team, and sharpening their focus on efficiency.

We created this report to clearly show how sales compensation has evolved beyond a growth lever to a precision tool for driving performance, accountability, and sustainable results in a more disciplined market.

Our goal is to give leaders key benchmarks and insights to make smarter plan decisions, motivate the right behaviors, improve productivity, and protect ROI.

Christopher Li
Chief Product Officer, Xactly

Introduction

Built on Xactly's 20+ years of proprietary data, the 2026 State of Sales Compensation: Benchmark Data & Behavioral Trends report focuses on the last five years of trends to reveal how sales compensation is evolving in 2026 and beyond in organizations across the globe.

The report spotlights the shifts shaping how companies pay, motivate, and manage their sales teams at a time when efficiency and performance matter more than ever. We break down the data across two critical areas: Pay Compression Trends and Cost of Sales Trends. Together, these insights translate compensation and cost-of-sales trends into actionable levers for improving performance and capital efficiency.

KEY FINDINGS

PAY COMPRESSION TRENDS

1 Organizations Pay More for Tenured Account Executives

Since 2021, companies have reduced pay and quotas for newer Account Executives (AEs) with 1 to 3 years of experience across every percentile, while raising on-target earnings (OTE) for tenured AEs with 3+ years of experience. AEs with 5+ years of experience saw the largest increase in OTE, reflecting a clear move toward experience-weighted compensation.

2 After Peaking, Account Manager Pay Differences Narrow

The pay gap between the highest- and lowest-paid Account Managers (AMs) recently peaked and is now starting to narrow, signaling that companies are intentionally adjusting how they structure AM pay.

3 Pay Gap Widens in Account Executive Performance

Pay gaps between top- and lower-performing AEs keep widening. As a result, top performers now drive most of the company's revenue, and take home the lion's share of total compensation.

4 Lead Gen Comp Becomes More Regional

Lead Generation pay gaps between the 25th and 90th percentiles grew in NA (North America) and EMEA (Europe, Middle East, and Africa) over the past five years, but dropped sharply in APAC (Asia-Pacific). This suggests companies are moving away from universal global pay models and tailoring their compensation to match the specific maturity and complexity of each regional market.

COST OF SALES TRENDS

1 A Market Reset Takes Shape

Pay gaps for AMs peaked last year and are now starting to narrow, signaling a reset in compensation strategy. At the same time, higher quotas across roles point to a clear shift away from growth at all costs and toward efficiency, predictability, and profitability.

2 Higher Quotas May Impact Turnover and Attrition

Increased pressure on mid- and lower-performing reps may start to hurt morale and retention, while less upside for early-career talent could weaken the future pipeline. Additionally, greater reliance on top performers increases risk if those individuals leave.

Pay Compression Trends

1 Organizations Pay More for Tenured AEs

FINDING

Over the last five years, companies have steadily lowered OTEs for new-hire and early-stage AEs with 1 to 3 years of experience across every percentile, while increasing OTEs for more tenured AEs with 3+ years of experience.

The biggest jump occurs among AEs with 5+ years of experience, signaling a deliberate shift toward experience-based compensation.

AE OTE By Tenure

Tenure	OTE Difference
<1 year	-\$16,000
1-3 years	-\$3,000
3-5 years	\$7,300
5+ years	\$26,000

In other words, organizations are setting lower earnings and expectations upfront to reduce ramp risk, keep costs in check, and stay flexible in uncertain market conditions.

At the same time, they're investing in proven, tenured sellers who can deliver more predictable revenue. This change also reflects tighter ROI scrutiny on sales headcount as companies would rather retain and maximize productivity from experienced AEs than hire fresh talent.

That said, this strategy comes with trade-offs. It may improve short-term efficiency, but it can also weaken long-term outcomes if lower early-career compensation stifles motivation, increases ramp-time attrition, or makes the AE role less appealing.

2 After Peaking, AM Pay Differences Narrow

FINDING

After growing by more than \$50k since 2021 to \$181.5k, the gap in AM OTE from high to low performers dropped to \$162k in 2025.

This suggests a recalibration in how organizations pay AMs. After a stretch where compensation increasingly favored top performers, organizations appear to be moving toward more balanced pay structures for AMs.

AM OTE Differences By Percentile, 2021-2025

OTE	25 th	50 th	90 th	Difference
2025	\$83k	\$105k	\$245k	\$162k
2024	\$84.5k	\$110k	\$266k	\$181.5k
2023	\$82.2k	\$107k	\$250k	\$167.8k
2022	\$74.4k	\$96.1k	\$247k	\$172.6k
2021	\$68.1k	\$85.1k	\$199k	\$130.9k

Further, many companies are likely tightening accelerators, putting more weight on base salary, or rewarding account coverage and retention more than pure expansion. This shift fits with more mature customer bases and a growing focus on renewal stability. It also helps companies reduce earnings volatility while improving retention and encouraging stronger collaboration across other sales teams.

Unlike AE compensation - where the pay gap between high and low performers continues to grow - AM pay has narrowed across all cohorts. This shift signals a move toward more sustainable, predictable growth, driven in part by high inflation and ongoing market volatility.

3 Pay Gap Widens in AE Performance

FINDING

Pay differences from 25th to 90th percentile AE performers have increased over the last five years, reaching nearly \$200k in 2025.

While the differences remained relatively flat for the 25th and 50th percentile, OTE for the 90th percentile grew by \$16k.

AE OTE By Percentile, 2021-2025

OTE	25 th	50 th	90 th	Difference
2025	\$95k	\$144k	\$294k	\$199k
2024	\$99.4k	\$150k	\$295k	\$195.6k
2023	\$95.5k	\$141k	\$281k	\$185.5k
2022	\$99k	\$144k	\$282k	\$183k
2021	\$91k	\$136k	\$274k	\$183k

This shows how organizations are rewarding their elite performers with bigger variable payouts, richer accelerators, and better territories, while lower-performing AEs see much smaller earnings gains. This pattern holds across regions, which suggests it's less about local market differences and more about broader go-to-market shifts, meaning higher quotas, fewer but larger deals, and a heavier dependence on top performers to hit revenue targets.

This strategy can boost short-term results, but it comes with risk. If pay feels too volatile or unfair, companies may see declines in morale and retention, and a weaker 'bench' of mid- and rising-tier AEs over time.

4 Lead Gen Comp Becomes More Regional

FINDING

Lead Gen pay differences from 25th to 90th percentile increased in NA and EMEA, but fell dramatically in APAC over the last five years.

Lead Gen OTE Differences By Region, 2021-2025

Region	OTE Difference	Difference %
APAC	-\$13,200	-27.2%
EMEA	\$1,700	7.5%
NA	\$1,100	5.4%

In North America and EMEA, the pay gap between 25th and 90th percentile Lead Gen signals that companies in these more mature, competitive markets are separating top performers from the rest and paying accordingly.

APAC tells a different story. Companies likely rely more on standardized pay bands, team-based performance, and tighter limits on variable pay to keep costs predictable.

Overall, this trend shows that Lead Gen compensation is becoming more regional. Instead of using one global pay model, companies are tailoring incentives to market maturity, demand gen complexity, and hiring scale.

Cost of Sales Trends

1 A Market Reset Takes Shape

FINDING

The Compensation Cost of Sales (CCOS) for AEs (OTE / Quota) increased for the 90th percentile performers over the past five years, while dropping for the lowest-tier performers.

What's interesting is that top performers are earning more even as their assigned quotas have gone down.

AE CCOS By Percentile, 2021-2025

OTE Quota	25 th	50 th	90 th
2025	11.772%	6.545%	0.231%
2024	11.862%	5.769%	0.118%
2023	10.914%	4.548%	0.069%
2022	11.327%	4.800%	0.084%
2021	13.200%	6.200%	0.100%

Average AE Quota By Percentile

AE Quota	25 th	50 th	90 th
2025	\$807k	\$2.2M	\$127M
2024	\$838k	\$2.6M	\$250M
2023	\$875k	\$3.1M	\$405M
2022	\$874k	\$3M	\$337M
2021	\$690k	\$2.2M	\$288M

The data tells a clear story: Companies are increasingly willing to pay more for elite performance.

As top performers generate a bigger share of revenue, often by closing larger, more complex deals, organizations are choosing to spend more per dollar of quota in exchange for more certainty. They're essentially trading efficiency for stronger confidence in deals, faster sales cycles, and more wins in strategic accounts. In many cases, companies are simply 'paying up for certainty' because they trust top-tier AEs to outperform standard productivity expectations.

In some cases, this may be a pay increase in disguise for top performers. Lower quotas help these sellers hit their goals more easily and unlock higher incentive payouts.

The downside is concentration risk. This approach makes companies more dependent on a smaller group of sellers and increases exposure if those individuals leave, or if earnings volatility grows as performance becomes more top-heavy.

2 Higher Quotas May Impact Turnover and Attrition

FINDING

CCOS for AM and Lead Gen roles rose over the last five years, then suddenly dropped to well below 2021 levels in 2025.

AM CCOS By Percentile, 2021-2025

AM	25 th	50 th	90 th
2025	5.533%	1.909%	0.163%
2024	7.682%	2.157%	0.171%
2023	7.473%	2.229%	0.185%
2022	5.723%	2.288%	0.225%
2021	5.200%	1.900%	0.100%

Lead Gen CCOS By Percentile, 2021-2025

LG	25 th	50 th	90 th
2025	4.508%	0.942%	0.115%
2024	6.390%	2.670%	0.436%
2023	10.150%	3.130%	0.594%
2022	65.444%	6.870%	0.238%
2021	49.100%	0.700%	0.100%

What's driving the drop? Quotas. Organizations have increased quotas sharply, which raises the expected output per dollar of compensation. In other words, after a period of higher costs—driven by growth goals and market uncertainty—companies are now tightening the reins and pushing harder for efficiency and profitability.

This reset can improve unit economics in the short term, but it also adds risk. If quotas rise faster than market demand or team capacity, AM and Lead Gen teams may struggle to hit targets. That gap can drag down attainment, hurt morale, and increase turnover.

Conclusion

As compensation strategies continue to favor proven performance—while adapting to regional and role-specific realities—organizations need greater precision and confidence in how they design, manage, and evolve their plans.

Moving forward, organizations should balance performance differentiation and reward top performers without undermining morale, ramp success, or long-term talent pipelines. They should also design compensation plans that motivate newer reps and lower performers by offering clear earnings progression, attainable milestones, and powerful incentives.

Xactly empowers organizations to strike that balance. Xactly provides the data and tools to benchmark pay and quotas, model trade-offs before rolling out changes, and monitor results across roles, regions, and tenure bands.

With Xactly, leaders can turn these market trends into smarter, more proactive decisions, and align compensation with business strategy while maintaining fairness, predictability, and growth.

How Xactly Can Help

In a market that rewards efficiency and certainty, compensation strategy can't rely on instinct alone. [With the right platform like Xactly](#), organizations can build comp programs that motivate performance, improve predictability, and deliver stronger returns in 2026 and beyond.

Businesses of all sizes and industry use Xactly to:

- Model compensation scenarios to understand how changes to quotas, OTE, or accelerators impact cost of sale and attainment before rollout.
- Benchmark plans against market data to stay competitive while protecting unit economics.
- Improve incentive governance and visibility so finance and sales leaders can track performance, payouts, and ROI in real time.
- Identify risk early by monitoring attainment trends, pay dispersion, and retention pressure across teams and regions.
- Align incentives to business outcomes by tying compensation directly to the behaviors that drive profitable growth.

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About Xactly

Xactly provides the only AI-powered platform that combines revenue intelligence and sales performance management so organizations can unlock their full revenue potential. Backed by two decades of pay and performance data, Xactly's Intelligent Revenue Platform is designed for finance, revenue, compensation, and sales leaders who want to drive quality, sustainable revenue. To learn more about Xactly and the latest issues and trends in revenue intelligence, visit us at [XactlyCorp.com](#), follow our [blog](#), and connect with us on [LinkedIn](#).

