



*Advisor's Checklist
for
Identifying Potential Compensation Issues*

The questions listed below may be employed in discussions with current or prospective clients (ideally in the position of CEO, President, COO, CFO, or HR executive) to identify areas in which their organizations might benefit from the services of an executive compensation consultant. If you wish, the Organizational Consulting Group will be glad to be of assistance.

QUESTIONS	COMPENSATION SUBJECT AREAS			
	Executive Compensation	Variable Compensation	Sales Force Compensation	Intermediate Sanctions (Tax-exempts)
<i>Business Issues</i>				
What is your long-term business strategy?	X	X	X	X
How is your organization performing (e.g., sales, profitability, etc.)	X	X	X	X
Is productivity where you feel it should be?		X		
What is your cost of sales? [Tax-exempts: cost of booking memberships, subscriptions]			X	
Is there a reasonable relationship between your cost of sales and revenues? If not, why not?			X	
What are your payroll costs as a percentage of revenues? [Redline: above 30%]	X	X	X	
Is your business growing at an acceptable rate?	X	X	X	X

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	Executive Compensation	Variable Compensation	Sales Force Compensation	Intermediate Sanctions (Tax-exempts)
Are your sales meeting expectations, both internally and externally?	X		X	
<i>Executive Issues</i>				
Can you attract and retain the executives you want or need to run the organization?	X	X		X
Do you now have the quality of executives necessary to meet your organizational goals?	X	X		X
What is the turnover rate among your executives?	X	X		X
Is your executive pay fair and justifiable?	X			X
<i>Compensation and Human Resources Issues</i>				
What is your compensation strategy and philosophy?	X	X	X	X
Is pay in your organization tied to performance? If so, how? If so, is it effective?	X	X	X	X
What is your overall turnover rate?		X		
Can your organization attract and retain employees? If not, is there a specific area of concern?		X	X	X
Do your employees have the skills necessary to meet organizational goals?		X	X	

QUESTIONS	COMPENSATION SUBJECT AREAS			
	Executive Compensation	Variable Compensation	Sales Force Compensation	Intermediate Sanctions (Tax-exempts)
Do your employees have the skills necessary to perform their jobs?		X		
Are you able to identify appropriate measures for various positions?		X		
<i>Culture Issues</i>				
How is morale in your organization?		X		X
Have you heard any recent comments about compensation?	X	X	X	X
How do your employees feel about their compensation?		X	X	
Do your employees feel they have a future with the organization? Do they leave after a short time?		X		