

Sales Compensation for The Service-Led Dealership

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Luis Gonzalez

- Owned Copier Dealership in South Florida 20+ Years
- Sharp and Konica Minolta Dealer
- Sold to Sharp Electronics in 2007
- Stayed on as Branch President, Sales & Marketing Director SBS
- Senior Vice President Sharp US Direct Sales
- Founded SalesScoreKeeper 2012

Today's Talk Track

- Reviewing Your Own Compensation Plan
- How do I make changes?
- Paying on (Fill in the Blank) Services
- My Recommendation On Services Compensation
- Questions and Answers

My goal today is to get you thinking about items that make up your compensation plan and are there areas you can improve.

REVIEWING YOUR OWN COMPENSATION PLAN



Simple

- Is your compensation plan simple to understand?
- Do your sales professionals understand why they get paid on certain components of your plan?
- Does your administrative staff understand your compensation plan?
- Is it easy to administer?

Documentation

- Do you have your compensation plan(s) formally documented?
- Do you show examples of both transaction and bonus payouts?
- Do you have sales professional's acknowledgement of your compensation plan?
- Do you have a standard compensation plan?



Incent the right behaviors?

- Does your compensation plan match your companies goals?
- When is your highest pay out made?
- Do you have carrots or whips in your comp plan?
- Is there a clearly defined carrier path?
- Do you have both long term and short term incentives?

Provide Feedback?

- Do you have measurement components in your plan?
- Do you provide regular status updates on performance?
- Does your sales professional know how much they are making?
- Are you able to provide corrective action?
- Do you acknowledge great sales performance?



SO HOW DID YOU DO?

HOW DO I MAKE CHANGES?

Why Changes?

- New Products or Services
- New Manufacture Programs
- New Company Programs
- Plan Not Working
- New Sales Structure



Making the Change

- Define The Product Or Service
- Document The Way We Will Sell
- Set Pay Out Budget (Benchmarks)
- What Good Looks Like
- Sell This vs. That
- Test The Waters
- Officially Launch
- Receive Acknowledgement
- Measure Results

PAYING ON (FILL IN THE BLANK) SERVICES

Services

- Managed Print Services
- Managed Networks Services
- Facility Management Services
- Scanning Services
- Etc.



Transactional vs. Services/Account

Transactional

- Event Driven
- Billed All at Once
- Minimal Follow Up
- Financed
- Replacement Process
- High GP Equipment

Services/Account

- Continuous Sales
- Billed Monthly
- Extreme Follow Up
- Embedded Processes
- Mission Critical
- Low GP Equipment

Services Sales Process

Sales Professional Solo Sale

Sales Professional Assisted Sale

Specialist Solo Sale

Common Services Payout

- First Month Payment
- 10% of First Twelve Month Revenue
- Twelve Month Revenue Calculate To GP Pay Standard GP %
- Twelve Month Revenue Pay Standard Revenue Rate
- One Monthly Payment Now, One Monthly Payment 13th Month
- Lease Services Provide Out Cost Pay GP %



Why?

- As our traditional copier services margin erode because of competitive pressures and lower over all CPC we are looking for new source of higher GP revenue.
- We want to go deeper and wider in our current accounts and capitalize on our relationships with the customer.
- Most of our competitors are doing something and we have to give our sales teams the services to compete with.

What?

- Plan to sell seat based network services to our current clients and new prospects.
- Provide our customer with a full professional network assessment deliverables.
- Provide the customer the ability to purchase fully configured PC's Servers and other network peripherals, that we will purchased thru distributor.
- Provide project work to customers that maybe not be in scope of the monthly services.

Who?

- Our Sales Professional will be trained and be responsible to find and create the appointments.
- We will have a team of specialist that will help the sales professional assess, demo and quote the sale.
- We will want our Sales Professional to maintain the field relationship after the sale, introduce new services or products and complete ongoing adds.
- Our specialist will introduce and train new products and service to sales professional.

Recommendations

Sales Professional

- **Monthly Managed Services**
 - Pay up to x% of monthly contracted invoice amount.
 - Must achieve x% of Hardware Quota to Receive “X” Services Commissions
 - Will Pay as percentage of achieved Hardware Quota.
 - Must achieve greater than 80% to be paid.
 - Will be paid matching percentage up to 100%

Recommendations

- **Assessments** will be paid at x% of sales price.
- All **new hardware** will be paid at x% of sales price.
- **Project work** contracted will pay x% of sale price.
- **New Solutions / Software** will be paid at x% of sales price

Recommendations

Specialist Compensation Plan

- **MNS Contract** -% of twelve months revenue, paid one time.
- **Assessments** will be paid at x% of sales price.
- **Project work contracted** will pay x% of sale price.
- **New Solutions / Software** will be paid at x% of sale price

Recurring Commission Advantages

- On Going Commission Payments for On Going Sales Activities
- Ability to Tie Services Payout to Other Quotas
- “Golden Handcuffs”
- Build/Transfer Assignments
- Cash Flow, Not Fronting Unearned Dollars
- Services/Account Based Incentive Pay



Questions & Answers

Thank You for Attending Today!

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