



*Capture the Magic* Nov. 4-5, 2019  
Loews Coronado Bay Resort  
Coronado, California

Hosted by  
**BTA** Business Technology Association West

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## Luis Gonzalez

- Owned Dealership In South Florida for 21 Years
- Sold To Sharp Electronics in 2007
- East Coast Director Sharp Business Systems (SBS)
- Senior Vice President (All Direct Sales US)
- Designed and Developed Sharp OSA Applications
- Founded SalesScoreKeeper in 2011



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## Today's Topics

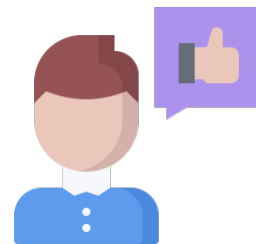
- Compensation Plan Building Blocks
- Aligning Compensation with Products and Services
- Incentive Compensation for Ongoing Contracted Services



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## My Compensation Philosophy

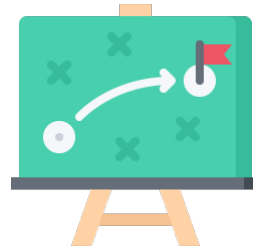
- Simple
  - Understandable
  - Trackable
  - Able to be Administered
- Multi-dimensional
  - Match Company Sales Objectives
  - Show Incentives for Behavior
  - Flexible
- Well Documented
  - Details
  - Payouts
  - Policies



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## Compensation Building Blocks

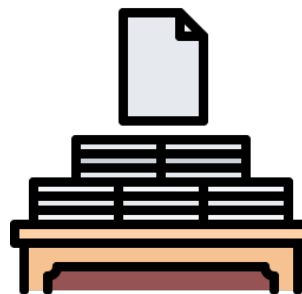
- One Size Does Not Fit All
- What are the company's sales objectives?
- What products are we selling?
- What services are we selling?
- Who is selling what?
- What does the perfect “deal” look like?



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## Compensation Building Blocks

- Quotas
- Transaction Payouts
  - Base Commission
  - Incentives
- Bonus Payouts
  - Bonus Conditions
  - Bonus Payouts
- Contracted Services
  - Recurring Service Revenues



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# Commission Plan Components

### Payouts

- XX % of Gross Profit
- X % of Revenue
- X % New Logo
- X % Bundle Lease
- X % First Year
- X% Revenue
- Incentive
- Conditions

### Bonuses

- X % Of Monthly Gross Profit
- X % Of Revenue
- X % of Net New Revenue
- Conditions
- Gates

### 2020 Sales Comp Plans

- Sell more stuff
- Hire more reps
- Increase GP
- Sell MNS

### Quotas

- Revenue
- Gross Profit
- Solutions
- MRR
- Net New

### Policy

- Revenue Recognition
- Pay Dates
- Deal Structure
- Discounting
- Price Level
- Lease Rates
- Service Rates

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# Stacked Payouts

Base Commission

25%

Published Service Rates

5%

Bundle Lease Payment

5%

Net New

5%

Total Payout

40%

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## Communicate The Plan

- Clear simple documation
- Example of payouts and bonuses
- Have payouts for everything
- Provide clear complete guidelines
- Have glossary if needed
- ~~"Commissions for special deals will be negotiated"~~
- Standarized documentation (use templates)
- Gain acceptance
- Review acceptance every year



## Is this happening at your dealership?

- Company has increased product offering to secure current clients and attract new clients.
- Large investments have been made in introducing these products and sales adoption is crucial.
- Company is selling more and more contracted service type products that require ongoing account management.
- Sales reps are not adopting to the new portfolio of products and are able to make sales budgets by selling legacy products.
- You want to change your sales reps from selling transaction-based methods to selling with an account management perspective.



- Have found themselves selling a wide array of products and services and are not getting the traction or adoption of selling the new products as they had expected.
- Are selling contracted services that pay on monthly basis and are looking for a way to compensate that area of the business. Also looking for ways to have the sales reps to manage these accounts on an on-going basis.

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- What are the products or services that Acme wants rep to sell?
  - Solutions, Document Management, 3D Printing & Production
  - MPS, MNS, Professional Services & VOIP Services
- Create categories of products and services for these specific sell items.
- Create quotas based on the products and services categories.

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Quota Type	Monthly Target/Quota	Condition	Pay Out
Revenue	\$50,000.00	100% of Quota	5%



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Quota Type	Quota	Eligible Revenue (Categories)	Condition	Payout
Total Revenue	\$50,000	All	100%	2% Of Total Revenue
MFP/Printer	\$42,500	Copiers, Printers, Production, Color	100%	1 % Of Total Revenue
Solutions	\$7,500	Document Management, OEM Solutions, Third Party Solutions	100%	1 % Of Total Revenue
MS	\$750	Base Monthly \$'s Amount Contracted	Total Monthly Revenue of \$750 in Either MS/MPS or Combined	1 % Of Total Revenue
MPS	\$750	Base Monthly \$'s Contracted amount		




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## Gated Bonuses



- Create bonus payout dependices.
- Elevate the value of a single transaction by having them affect bonus dollars.
- Spread out the budget bonus dollars over various quotas or achievements.
- Use bonus to motivate gross profit/revenue as needed.

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- Current Contract Services Commission Payouts
  - One (1) Month Of Base Contract For Deals Contracted 12-24 Months
  - One and half (1.5) Months Of Base Contract For Deals Contracted 36+ Months
  - Renewals Paid At Same Rates Annually

*Sample : ABC Company Signs up for MNS Contract for 36 months @ \$450.00 Per Month. Sales Reps Will Get Paid \$675 Commission The Following Month.*

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- 7% of Contracted Services Invoice Paid Monthly
- Sales Professional Must Be Minimum of 80% of Total Revenue Quota To Receive Payment

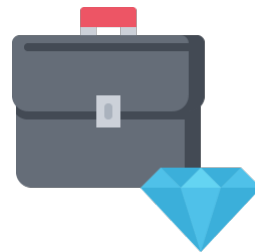
***Sample :** ABC Company Signs Up For MNS Contract For 36 Months @ \$450.00 Per Month. Sales Reps Will Get **Paid 7%** Of Monthly Invoice \$31.50 Per Month That Is @ **100%** Of Revenue Quota*

***Sample :** ABC Company Signs Up For MNS Contract For 36 Months @ \$450.00 Per Month. Sales Reps Will Get **Paid 0%** Of Monthly Invoice \$31.50 Per Month That Is **Less Than 100%** Of Revenue Quota*

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## Recurring Commissions Benefits

- Low Initial Out Of Pocket Sales Expense
- Creates Recurring Earning For Sales Reps
- Creates Transferable Commission Dollars
- Ties To Other Performance Targets
- Creates Financial Loyalty
- Aligns With Company Revenues And Profits
- Enforces On Going Account Management



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# Thank You

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