

IT'S TIME YOU FELL IN LOVE WITH SALES COMPENSATION PLANNING

This Sample Sales Compensation Plan was Created by Cornerstone Software's Sales Motivator®

This Sample Sales Compensation Plan was Created by Cornerstone's Sales Motivator Software

For more information on our complete sales compensation software solution and consulting, visit us at:
www.cornerstonesoftware.com



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Your Company 2014 COMPENSATION PLAN - Sales Representative

Sales Representative Incentive Plan FY 2014

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Purpose

The Your Co, Inc. 2014 Compensation Plan (the "Plan") is established to direct the Participant to achieve goals assigned by the company. The base salary and incentive outlined in this plan is intended to reward the Participant with total cash compensation that is equal to or above what is paid for similar positions by similar companies upon achievement of the expected level of performance. The plan is also designed to provide exceptional earnings opportunities for outstanding performance. In addition, the goal of this plan is to reward you for meeting and exceeding your assigned quotas, goals and objectives.

Eligibility

Only those employees who are classified as a participant in a Plan and who have signed this Plan form are eligible to participate in the Plan. All participants must comply with all terms and conditions outlined in the plan and with general employment practices and policies of the company. They are also responsible for selling or supporting only authorized products and services in their assigned territory.

Smart, Step-By-Step Sales Compensation Planning

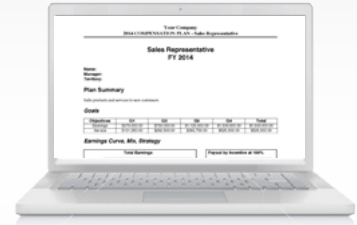
Sales Motivator takes you step-by-step through creating a sales compensation plan that will align your company's sales strategy with your organization's goals.



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Personalized Sales Compensation Plans

The software personalizes plan documents for each sales rep, based upon their individual territories, product lines, goals, base salary and commission rates.



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2014 COMPENSATION PLAN - Sales Representative

Sales Representative
FY 2014

Name:
Manager:
Territory:

Plan Summary

Sells products and services to new customers

Goals

Objectives	Q1	Q2	Q3	Q4	Total
Bookings	\$375,000.00	\$750,000.00	\$1,125,000.00	\$1,500,000.00	\$1,500,000.00
Service	\$131,250.00	\$262,500.00	\$393,750.00	\$525,000.00	\$525,000.00

Clear Definition of Roles Keeps Sales Reps Focused on Company Goals

The Plan Summary provides a high-level explanation of the sales rep's job responsibilities. Setting clear expectations helps to align business strategy and sales.

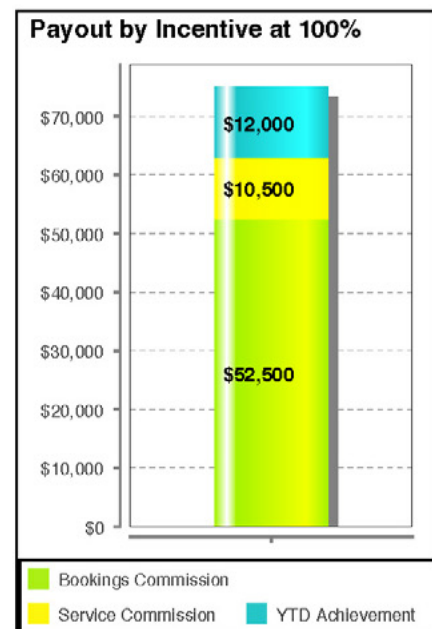
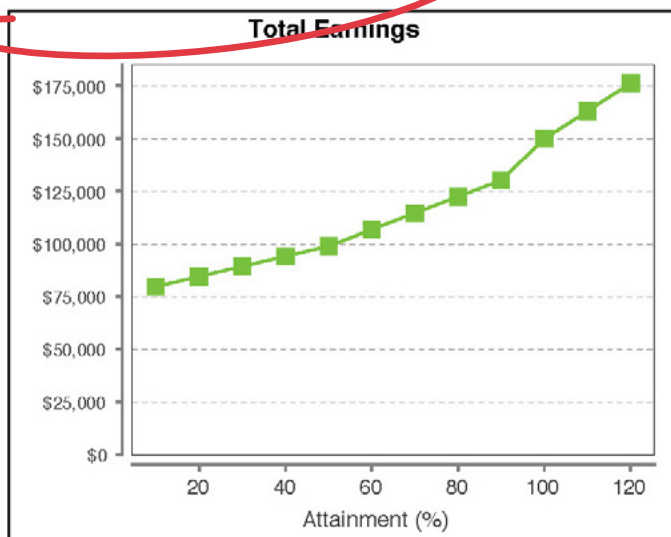
"Sales Motivator has been a huge time saver. It's easy to use, takes all the guesswork out of the sales team's paychecks, and gives me a clear look at where the business stands."

Alicia Wellington
Owner and President
WSI Healthcare Personnel

Your Company
2014 COMPENSATION PLAN - Sales Representative

Sales Representative
FY 2014

Earnings Curve, Mix, Strategy



Reps can clearly visualize their earning potential

The software personalizes these graphs based upon the individual rep's base salary, goals and commission rate. The visualization of how much the rep can make at various levels of attainment is proven to be a very effective motivation tool, helping to maximize their earning potential and align their behavior with the organizational strategy.

Unique Modeling Tools Built Right In

Our software provides visual modeling tools critical to the success of your organization's sales compensation plan. It lets you easily model different payout scenarios and forecast the financial impact on the business.



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Sales Representative FY 2014

Incentive Elements

Annual Target Total Compensation (TTC)			Salary/Incentive Mix		Upside
80%	100%	120%	Salary	Target Incentive	150%
\$122,400	\$150,000	\$176,100	50%	50%	1.9x

Set Clear Targets That Motivate Your Reps

Model different sales commission scenarios to help your reps visualize their earning potential at various levels of attainment.

Sales Rep Portal

The software features a secure, web-based portal for your reps that lets them see their commission details. Spend less time talking to your reps about commission calculations, more time focused on sales strategy.



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Plan Details

Commission

Commission is variable pay tied to sales revenue, unit sales, profit or some other volume-based metric.

Bonus

A bonus is an opportunity to earn money for achieving specific results. Bonus opportunities are defined in the plan documentation.

Measures & Payout

The following items will be measured to determine your commission rates and timing of payment. Crediting and payment will be calculated based on formulas in the Compensation Calculation section.

Incentive	Annual goal or expectation	Amount based on	Timing	Rates & Formulas	Annual earnings at quota	Payment timing
Bookings Commission	\$1,500,000.00	Amount	Booking	2.5%–8% Ramped	\$52,500	Earned and Paid
Service Commission	\$525,000.00	Amount	Booking	2% Flat	\$10,500	Earned and Paid
YTD Achievement	\$1,500,000.00	Amount	Booking	\$3,000.00 Flat	\$12,000	Earned and Paid Quarterly

Commissions Are Calculated With Complete Transparency

Our solution features:

- A sales compensation plan document that clearly defines goals and details compensation
- An online portal that gives your reps up-to-date commission payout information

Now that your reps are no longer preoccupied with their commissions, they can focus on increasing revenue for your business.



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"If I can save four hours of time each month on conversations with sales reps, that's four hours of strategy sessions I can spend with new companies."

Denise DeSimone
Chief Executive Officer
C-Levelled

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Compensation Calculations

Commissions

Commission is variable pay tied to sales revenue, unit sales, profit or some other volume-based metric.

Bookings Commission

Measure/Credit	Rate	Formula	Payment
Bookings	Ramped	% Rate * Credit	Earned and Paid

Bookings Credit

Bookings credit for product orders includes the net amount (list less any discount) on orders that have been accepted by the finance department following their guidelines, and is credited as of the date of acceptance of the order.

Focus on Selling, Not on Commission Calculations

The sales compensation plan document clearly lays out how and when sales commissions are paid. The commissions are automatically calculated in the software based upon the sales compensation plan that you created for each rep. This saves substantial administration time each month, freeing your team up for more strategically focused efforts.

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Bookings Commission Rate

The commission rate for Bookings commission is determined based on annual attainment. The following table is used to determine the rate. The commission earned will be calculated by multiplying the rate times the attainment dollars at the time of credit.

Formula: % Rate * Credit

Bookings Attainment	Rate
<= 50%	2.5%
<= 100%	4.5%
> 100%	8%

Service Commission

Measure/Credit	Rate	Formula	Payment
Service	Flat	% Rate * Credit	Earned and Paid

Service Credit

Credit for services orders includes the net amount of service on an SOW within 90 days of the associated product sale.

Service Commission Rate

Sales Representatives earn a flat commission on Services credit.

Formula: % Rate * Credit

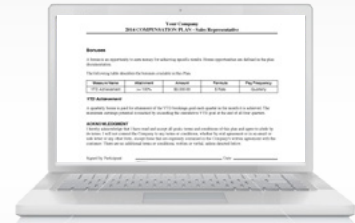
Service Attainment	Rate
>= \$0.00	2%

Fire Up Your Sales Force

Ramped rates are a sure-fire way to motivate your team. With Sales Motivator, your reps can see how much more they need to sell before the accelerated rate kicks in. Nothing else will push them harder!

Legally Binding Documents

Sales Motivator helps you to avoid the common pitfalls of sales compensation planning. You'll also have professional documentation that can be shared with Legal and HR for final review.



Your Company **2014 COMPENSATION PLAN - Sales Representative**

Bonuses

A bonus is an opportunity to earn money for achieving specific results. Bonus opportunities are defined in the plan documentation.

The following table describes the bonuses available in this Plan.

Measure Name	Attainment	Amount	Formula	Pay Frequency
YTD Achievement	$\geq 100\%$	\$3,000.00	\$ Rate	Quarterly

YTD Achievement

A quarterly bonus is paid for attainment of the YTD bookings goal each quarter in the month it is achieved. The maximum earnings potential is reached by exceeding the cumulative YTD goal at the end of all four quarters.

ACKNOWLEDGMENT

I hereby acknowledge that I have read and accept all goals, terms and conditions of this plan and agree to abide by its terms. I will not commit the Company to any terms or conditions, whether by oral agreement or in an email or side letter or any other form, except those that are expressly contained in the Company's written agreement with the customer. There are no additional terms or conditions, written or verbal, unless denoted below.

Signed by Participant: _____ Date: _____
(Print:)

Accepted by : _____ Date: _____
(Print:)

Motivate Your Sales Reps

Knowing how close they are to making their quotas is one of the most powerful tools you have. Sales Motivator takes all the work out of the process. It calculates bonuses so you and your sales team don't have to.

Sales Compensation Plan Definitions

Below is a sampling of the definitions that the software provides. To see more of the definitions that are critical to sales compensation planning, view our definition document.



[View Definitions](#)



Your Company **2014 COMPENSATION PLAN - Sales Representative**

Plan Definitions

Accelerator

This is a sample definition:

An accelerator increases payment for attainment over 100%. Commission rates and quota rates move to an accelerated rate when the Participant achieves the annual quota. Sometimes people use this term like ramped rates and would qualify the idea of the rate to be paid over quota in another way such as: "Over-quota accelerator".

Bonus

A bonus is an opportunity to earn money for achieving specific results. Bonus opportunities are defined in the plan documentation.

Cancellations

This is a sample definition:

Orders that are cancelled are considered not earned and any commission or bonus payments made will be recovered. See Overpayment and Recovery. Cancellations are posted in the period in which they occur and processed as negative transactions.

Commission

Commission is variable pay tied to sales revenue, unit sales, profit or some other volume-based metric.

Eligibility

Only those employees who are classified as a participant in a Plan and who have signed this Plan form are eligible to participate in the Plan. All participants must comply with all terms and conditions outlined in the plan and with general employment practices and policies of the company. They are also responsible for selling or supporting only authorized products and services in their assigned territory.

Leave Nothing To The Imagination

You can use the software to edit or redefine language to your specifications. For example, many companies choose to add their own legal terms and conditions in this section.

You only need to change your definitions once. The software will apply the updates wherever the definitions appear in the plan document.

"If you wrestle with spreadsheets every quarter and you want to eliminate all that pain and noise, look at this software."

Jamie Mair
Principal
SwervePoint

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Policies and Procedures

Transition Policies

Quota Change

This is a sample definition:

Occasionally it is necessary to change quota. Quotas are effective for the full month of the point of change. There will be no partial month quota changes. All future commission and bonuses earned will be calculated based on the new revised quota. Changes to quotas will be made in writing to the Participant.

Rate Change

This is a sample definition:

Rate changes are effective for the full month of the point of change. There will be no partial month rate changes. There is no retroactive change for commissions and bonuses earned. All future commission and bonuses earned will be calculated based on the new revised rates. Changes to rates will be made in writing to the Participant.

Administration

Ambiguities and Inconsistencies

This is a sample definition:

Should there be any questions of interpretation regarding payments or earned amounts, the final authority for interpretation will reside with the VP of Sales and the Chief Financial Officer.

Changes to the Plan

This is a sample definition:

The company reserves the right to amend, modify, or terminate this Plan at any time, but such change will be made in writing by the VP of Sales to all Participants as far in advance as possible of the effective date of such change.

Arbitration

Disputes

This is a sample definition:

All disputes which arise out of this Plan and/or the participant's employment or termination thereof, whether or not such latter claims are based exclusively on the terms of this Plan, shall be submitted to binding arbitration if the parties are unable to resolve their dispute within thirty (30) days after exercising good faith efforts. The location of the arbitration shall be in the city and state in which the employer's principal place of business is located. The Employment Arbitration Rules of the American Arbitration Association shall apply to all aspects of the arbitration between the parties. The parties agree that after arbitration has been initiated; all other civil actions between the