

Creating Sales Commission/Incentive Plans

Sales Commission/Incentive Plans will differ between organisations considering the different industry, products, markets, average deal size, and the complexity and nature of your sales cycle.

	Yes	No
Do you have a business strategy?	<input type="checkbox"/>	<input type="checkbox"/>
Have you considered other types of incentives?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have historical sales data to draw on?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have a team to assist you build the right plan (example Finance)?	<input type="checkbox"/>	<input type="checkbox"/>
Have you researched any available industry market data?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have competitive pay levels?	<input type="checkbox"/>	<input type="checkbox"/>
Do you understand your total target compensation?	<input type="checkbox"/>	<input type="checkbox"/>
Have you considered the length and complexity of the sales cycle?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have the right metrics to link the sales incentives to, and goals for those metrics?	<input type="checkbox"/>	<input type="checkbox"/>
Do you pay for partial achievement?	<input type="checkbox"/>	<input type="checkbox"/>
Do you use a multiple-hurdle approach?	<input type="checkbox"/>	<input type="checkbox"/>
Do you offer accelerators?	<input type="checkbox"/>	<input type="checkbox"/>
Do you cap your Incentives?	<input type="checkbox"/>	<input type="checkbox"/>
Have you tested and modelled the proposed sales commission plan?	<input type="checkbox"/>	<input type="checkbox"/>
Is your sales commission plan affordable, and for how long?	<input type="checkbox"/>	<input type="checkbox"/>
Have you developed a rules document, including the ability to review your plan at any time?	<input type="checkbox"/>	<input type="checkbox"/>

If you have answered 'No' to any of these you are either in breach of your legal compliance or alternatively not following 'best practice' employee relations. You should seek further qualified advice.