



## 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.

- Do you have a business strategy?
- Have you considered other types of incentives?
- Do you have historical sales data to draw on?
- Do you have a team to assist you build the right plan (example Finance)?
- Have you researched any available industry market data?
- Do you have competitive pay levels?
- Do you understand your total target compensation?
- Have you considered the length and complexity of the sales cycle?
- Do you have the right metrics to link the sales incentives to, and goals for those metrics?
- Do you pay for partial achievement?
- Do you use a multiple-hurdle approach?
- Do you offer accelerators?
- Do you cap your Incentives?
- Have you tested and modelled the proposed sales commission plan?
- Is your sales commission plan affordable, and for how long?



# Employee Matters



Have you developed a rules document, including the ability to review your plan at any time?

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.