






# Compensation For Sellers

# Compensation tips for sales

- ① Many media companies pay on performance.
- ① While incentives are good for motivation, 100% commission is not an easy plan for which to recruit.
- ① Our belief is that while it's essential to offer a longer security period for new hires, there needs to be proof that the new hire is moving in the right direction and should be given measurable objectives to reach while they are building a list that should eventually offer them the compensation they need. Too often a new hire is offered 90 days to prove themselves, and no one checks in until it is too late.
- ① This is not a good plan as the person will realize it takes time to develop the needed billing so they will mentally check out to look for a new opportunity. The time spent to promote the opportunity, to interview, check references and train will all be in vain.
- ① We are happy to share compensation practices, but encourage you to work with your financial advisor to come up with the perfect plan for your company!

# Is it a draw or a guarantee?

-  Either way you call it, it is scary for the new hire! Change your terms to offer a 'base or salary' so the prospective employee feels secure in accepting your position.
-  Forget about 90 days. Today's employers are offering 'sellers' a longer secure period. It is stated that there will be compensation for up to a year if the person is progressing.
-  If you promote your opening as **100%** commission you will struggle to find the quality of employee you need.

# **SPELL out the details in advance!**

## Popular plans include:

1. Salary plus commission
  - a. Can offer a lower amount of commission over and above
  - b. Can be paid out once salary is being covered
  - c. Option to go to 100% commission for higher rates, when list is billing enough to cover living expenses
2. Team compensation/Pool
  - a. Assign each member a % of revenue
  - b. Assign each member a salary plus % of revenue
3. Salary + override
  - a. Base salary with either quarterly or annual bonus/pay-out, this can be a good way to keep people longer. Bonus can be tied into goals, higher rates when goals are met, often with thresholds to meet to earn any bonus.
4. Draw or Guarantee

A 'loan' of base salary that needs to be covered with billing. Lack of revenue can put the employee into debt and should be addressed ASAP.

# Samples of MBO Management By Objective

When reviewing activity over and above revenue, offer measurable objectives to assure progression and understanding of job.

Examples:

- ① Set a goal & deadline to finish online training programs
- ① Set a # of shadow-appointments weekly with veteran team members
- ① Require specific reading assignments
- ① Have them do a presentation to the sales team
- ① Reach a specified # of prospects with goals of when to reach out
- ① Specified # of proposals out, face to face calls or client interactions
- ① Assign a project with a deadline