

## **Compensating Salespeople**

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In a June issue of Quick Hits, ERC members were asked to complete the following survey relative to the way their organizations compensate sales representatives. **13** organizations participated in the poll.

### **1. Percentage of the total compensation provided to sales representatives at organizations that is represented by salary, commission, bonus, incentive, draw and other.**

#### **Company 1**

*Sales Revenue* – \$25,000,000

*Goods Sold* – Sample Preparation Equipment

*Sales Type* – Inside and Outside Sales

*Salary* – 100%

*Other* – We offer sales contests in which sales reps can earn an additional fix dollar amount for exceeding certain goals.

#### **Company 2**

*Sales Revenue* – Not Specified

*Goods Sold* – Specialty metal parts

*Sales Type* – Not Specified

*Salary* – 100%

*Other* – Bonus is 50% of salary based on goals; Kicker based on sales

#### **Company 3**

*Sales Revenue* – \$21,000,000

*Goods Sold* – Extruded rubber/plastic

*Sales Type* – Inside and Outside Sales

*Salary* – 85%

*Incentive* – 15%



**Company 4**

*Sales Revenue* – \$35,000,000

*Goods Sold* – Heavy Industrial Equipment

*Sales Type* – Outside Sales

*Salary* – 85%

*Other* – 15% Company wide profit sharing. All company personnel, including the sales force receive a base salary plus quarterly profit sharing. We did away with commissions last year and rolled the sales group into the PS plan which is based on total performance of the project not just the sale. Keeps the salesman involved in the entire project rather than making the sale, collecting the commission and going on to the next sale. The results have been very positive, and the sales force now works as one unit versus individuals only interested in their personal commission.

**Company 5**

*Sales Revenue* – \$12,000,000

*Goods Sold* – Industrial Welding Equipment

*Sales Type* – Inside and Outside Sales

*Salary* – 80%

*Bonus* – 15%

*Other* – An additional 5% SEP retirement fund distribution is given to all associates if all corporate annual sales goals are met.

**Company 6**

*Sales Revenue* – Not Specified

*Goods Sold* – Landscape Materials

*Sales Type* – Outside Sales

*Salary* – 75%

*Bonus* – 25%

*Other* – Health Benefits, 401(k), Paid Time Off

**Company 7**

*Sales Revenue* – \$494,000,000

*Goods Sold* – Thermoplastics-home, telecomm, industrial

*Sales Type* – Inside and Outside Sales

*Salary* – 70%

*Bonus* – 30%

*Other* – Attainment of regional and district goals, bonuses paid in August and March.



**Company 8**

*Sales Revenue* – \$2,587,049,000  
*Goods Sold* – ATMs, Security Systems, Voting Machines  
*Sales Type* – Outside Sales  
*Salary* – 65%  
*Commission* – 30%  
*Bonus* – 5%

**Company 9**

*Sales Revenue* – \$12,000,000  
*Goods Sold* – Staffing Services  
*Sales Type* – Inside and Outside Sales  
*Salary* – 60%  
*Commission* – 30%  
*Incentive* – 10%

**Company 10**

*Sales Revenue* – \$132,000,000  
*Goods Sold* – Fine Paper  
*Sales Type* – Inside and Outside Sales  
*Salary* – 34%  
*Commission* – 57%  
*Bonus* – 3%  
*Other* – 6%; Some Sales Reps are on a combination of base salary plus bonus/commission. Inside Sales has a bonus plan in addition to base salary

**Company 11**

*Sales Revenue* – Not Specified  
*Goods Sold* – POS sign holders, display accessories  
*Sales Type* – Inside and Outside Sales  
*Salary* – 100%  
*Bonus* – 25-40% of base salary  
*Other* – We supply office equipment including phones, blackberries, computers and fax machines



**Company 12**

*Sales Revenue* – \$14,000,000

*Goods Sold* – Software and related hardware

*Sales Type* – Outside Sales

*Salary* – 22%

*Commission* – 73%

*Bonus* – 5%

**Company 13**

*Sales Revenue* – Not Specified

*Goods Sold* – Mortgage Sales

*Sales Type* – Inside and Outside Sales

*Commission* – 100%

*Other* – Draw at hire for portion of time.

**2. The following perks are offered to sales representatives**

- 30.8%      Company Car
- 69.2%      Car Allowance
- 53.8%      Meal Allowance
- 53.8%      Travel Allowance
- 30.8%      Entertainment Allowance
- Other: - Fuel Cards, Calling Cards, Cell Phones, Laptops
- Expenses are paid as incurred
- Mileage