

Qcommission Sample Plans

Industry – Printing

Introduction

With approximately 73,000 firms and sales of \$210 billion annually, the printing industry is a significant contributor to the overall U.S. economy. Printing firms vary in size from a single employee firms to more than thirty firms employing above 10,000 employees. 50% of the firms employ more than 4 employees. Some of the types of printing firms in the marketplace are: General commercial printer, specialty printer, screen printer, publication printer, book printer, etc.

Printing firms have been going through some massive changes in the last two decades due primarily to technological advances. Here are some key changes that have affected the printing industry recently:

- Digital printing
- Digital link to customers
- CTP workflow
- Elimination of film
- E-commerce
- Variable data printing

These advances have changed the landscape of the printing industry and continue to affect it. The printing industry is anticipating many further challenges:

- Some pre-press production moves in-house due to more powerful computers
- Non-print alternatives such as Adobe Acrobat formats eliminate print volume
- Print advertising is in decline as advertising moves online

Printing firms are looking at being more efficient and innovative to succeed in this changing marketplace. Sales compensation plans are one way they use to align their sales processes with their corporate goals.

Staff

The following staffs are typically paid sales commissions in this business

- Sales Rep
- Graphic Designers
- Marketing Agency
- Manager

Products and Services

Print Jobs under various categories

- Digital Printing
- Variable Data Printing
- Books
- Greeting Cards
- Specialty

Transactions

The transactions and data driving commissions and bonuses are normally:

- Sales orders
- Invoices
- Payments

Performance Measures

Commission is paid against the following performance:

- Revenue
- Gross Profit
- Markup

Sales Commission and Incentives

Commissions to sales people are typically paid on sales orders or invoices. Sometimes commissions are not due to sales people until payments have been received.

Commissions can be calculated monthly and paid out either monthly or quarterly.

Plans

These plans demonstrate various features of the QCommission product used in the Printing Industry. These plans are not intended to be comprehensive; they demonstrate the suitability of QCommission for similar plans.

Sales Rep Plan

Sales reps can be employees or contractors. Commissions are calculated when invoice is generated.

Sales Rep Commission

This commission is paid monthly. Sales Rep is paid a flat commission based on list price of job being quoted. If the job is billed at less than the list price, no commissions are due.

Commission rate: 8%

Sales Rep Markup Commission

This commission is paid monthly. Sales Rep splits the markup between list price of the job and the actual price billed to the customer. The split is 50/50.

Sr Sales Rep Plan

Commissions are calculated when invoice is generated.

Sales Rep Gross Profit Commission

This commission is paid monthly. Sales Rep is paid a commission based on gross profit of the print job. Commission rates vary based on gross margin achieved.

Grid Level	Gross Margin level	Comm. Rate
1	0 – 10%	20%
2	11% - 20%	25%
3	20% – 30%	35%
4	31% and above	45%

Sales Rep Bonus

This commission is paid monthly. Sales Rep has a monthly quota of sales to be achieved. Commission rates vary based on achievement against quota

Grid Level	Cumulative Sales	Comm. Rate
1	0 –100%	2%
2	101% - 150%	5%
3	151% and above	10%

Payout is calculated for cumulative sales for every month.

Graphic Designer Plan

The firm gets a lot of business when graphic designers steer business towards the firm. In those cases, the designer gets a commission.

Referral Incentive

The designer is paid an incentive for every referral made. The incentive is paid when the sales order is signed, and for each order.

Referral amount: \$250

Incentive is paid monthly.

Marketing Agency Plan

Marketing and advertising agencies are main conduits of business to printing firms. For any business brought in by these agencies, the agencies get a commission.

Referral Incentive

The agency is paid an incentive for every referral made. The incentive is paid on receipt of revenue for the print job.

Referral comm. rate: 10% of revenue.

Incentive is paid monthly.

Manager Plan

Managers are responsible for managing a set of sales people.

Manager Override

Managers get credit for any sales brought in by their team of sales people. They get an override commission on the revenue of the print jobs.

Manager Override Commission rate: 1%

This commission is paid monthly.

Resources

<http://print.rit.edu/research/>

www.cabb.com

www.napl.org

www.statestreetconsultants.com

www.capv.com

www.npes.org