QCommission

Pay People Properly

Many companies face the following scenario regularly- their best and brightest salesperson has been working heavily closing a ton of deals. They are eagerly tallying up their score and anticipating a huge payout at the end of the month. But at the end of the month and sometimes many days after, the salesperson is at the manager's door demanding why their compensation does not match what they expected. Very quickly the salespeople develop mistrust in the calculation of their pay and it is not soon after that they are looking for greener pastures.

Trust

Accuracy

Most companies attempt to use spreadsheets posed by the nightmares of calculating and paying sales commissions. But the spreadsheets do not solve the many issues inherent in the process. Spreadsheets allow the entry of any kind of data without any validation. Macros can be used indiscriminately to calculate the commission. A misplaced cell name or the wrong copy and paste can wreak havoc with the most important thing you can provide your sales reps- their compensation. Accuracy in calculations is paramount.

Transactions that are used to pay commissions are accumulated every month and paid out in the proper time. Sales person information can change every month and needs to be kept track of. Attainment of quotas against sales has to be track of and used to figure out commissions, sometimes on a transaction-by-transaction basis. But without good organization and structure none of these are really possible. The process used for the calculations has to be reliable.

Reliability

Timely

At the end of the month all of the information has to be collected, entered into the tool being used, calculated, matched against prior information, netted against draws, verified and distributed to the sales rep. The calculations can be completely independent and different for each sales person. All while the sales person is anxiously waiting for the outcome. The calculations need to be completed in a timely fashion to have the proper motivational effect.

The only information many companies give to their sales people regarding sales commissions is the paycheck representing the commissions. This is not nearly adequate. The information calculated has to be presented in a form that makes it crystal clear as to the performance of the individual, the transactions involved, the commissions calculated, the adjustments made and the final payment. The sales person should not have to call and verify the calculations. Further, information should be available for past periods so that any queries can be easily answered. The communication to the sales people should be clear.

Clarity

" These are significant problems for small businesses and now there is a solution to solve these problems for the harried administrator. "

QCommission is a powerful and flexible sales commission software that's easy to use and cost effective to implement, and offers all the features, benefits and functionality that you are looking for. It is a *stand-alone product that has functionalities such as setting up a commission plan, and tracking and calculating commission or bonus for sales people independently. It can also integrate with QuickBooks™ and share the data already entered into QuickBooks™.*

Product Overview

Sales Commissions drive the performance of sales people in most companies. For good performance, it is important to be able to calculate and track commissions accurately and on time. QCommission helps to do this task easily. QCommission solves the major issues for most small companies in calculating and paying out sales commissions. QCommission comprises of six components: Import/Export, Plan maintenance, Setup, Calculation, Reporting, Analysis.

Features

General

QCommission is a very easy to use application given the complex nature of commissions. User operations are guided by wizards.

Import/ Export

QCommission is designed to integrate with QuickBooks. QCommission can also operate stand alone.
· Import data from QuickBooks including Invoice Transactions, Payees, Customers and products
· Import from US Editions of QuickBooks 2002, 2003 & 2004 Pro, Premier, Accountant Editions and Canadian Editions
· Import from Excel, and fixed or text-delimited files
· Export data to Excel, and fixed or text-delimited file formats
· Import process is guided by a wizard

Data Maintenance

· Enter and modify transaction data
· Maintain Payee, Customers, Products, Organization Structure within QCommission
· Add, modify, delete data within the application

Plan Setup

QCommission plan describes what your sales commission plan is all about.
· Setup plans for any calendar, calculate payouts weekly, monthly, quarterly and other frequencies
· Create unique plans for every payee

· Copy plans from one payee to another
· Setup many incentives for a single plan
· Include draws, guarantees and caps
· Set quotas for any period and for the entire year
· Calculate straight commissions, tiered commissions, bonuses, etc
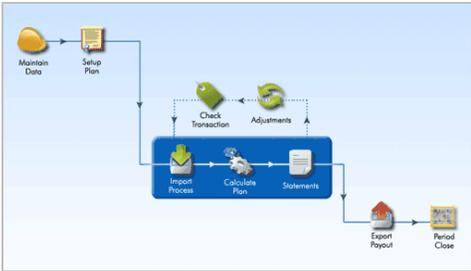
· Pay Commission by Product, Customer and by type of sales
· Calculate based on sales, margin, quantity
· Calculate multiple incentives and bonuses for a payee per period
· Calculate incentives as often as you want, even multiple times a day
· Make transaction adjustments
· Pay for standard transactions, cancellations and adjustments
· Pay sales people as well as managers
· Rollup credits to multiple levels of the organization

Reports

A standard set of reports are provided with the application as well as a report writer.
· Generate detailed commission report and other reports
· Create your own reports using MS Access reporting capability

Analytics

Analytics allows multi dimensional view of all your data
· Slice and dice analytical ability
· All calculation data is viewable
· View performance according to payee, product, incentive, period

Sales Commission Plans

Sales Commission is a standard way of compensating sales people in most businesses. Unlike standard compensation methods such as Hourly Salary or Exempt Salary, where employees are paid either by the hour or on an agreed upon rate per year, Sales Commissions are dynamically calculated based on the performance of the sales person. Sales Commissions are also variously known as Pay-for-performance, Sales Compensation, Incentive Compensation, Variable Pay, etc.

Sales commission programs are possibly the most variable programs conducted by a firm. These programs tend to vary significantly from industry to industry, and many times within companies in an industry. Sales commission programs tend to be different by employees even within a single firm. Unlike regular salary programs, Sales Commissions tend not to be governed by a lot of laws and rules, and this adds further variability to the programs. Variations can include the kind of performance being incented (Revenue vs Gross Profit), the frequency
of calculation (Monthly Vs Quarterly), the type of transactions being incented (Sales orders Vs Invoices Vs Payments), the level of salespeople being incented (Salesrep Vs Sales Manager), whether Draw or Cap is being used, and so on.

Sample Plan: A Mortgage company provides commissions to its brokers as a percent of total loan amount. Additional incentives include a flat bonus for new accounts and an incentive based on every loan paid over a particular threshold. Sales managers get an automatic rollup on all loans made by brokers reporting to them. More than one broker can be eligible for certain loan types, based on a predetermined percentage. Trainees get a guaranteed payment, while the next level of broker is supported by a recoverable draw.

Implementation: The above plan can be easily executed in QCommission to calculate the payouts. Variations can be brought into the same plan and can be administered through an easy to use interface that isolates the end user from much of the complexity.

• Enter sales data online
• Establish guarantees and draws at job level or
  salesperson level
• Use criteria such as sales revenue, gross profit,
  customer satisfaction, units sold, new accounts, etc.
• Pay incentives as a portion of results, flat amounts,
  tier rate with thresholds etc.
• Set sales credit based on product, customer or
  salesperson
• Choose salespeople eligible for payout
• Choose various calendar frequencies, monthly,
  quarterly etc.
• Model the plan payouts using sample sales information
• Apply payout caps as a fixed amount
• Setup payout, draw, cap adjustments
• Generate Plan statements for every payee
• Produce detailed standard payout statements or create
  custom payout statements using included Report Writer
• Analyze the payout data using drag and drop facility
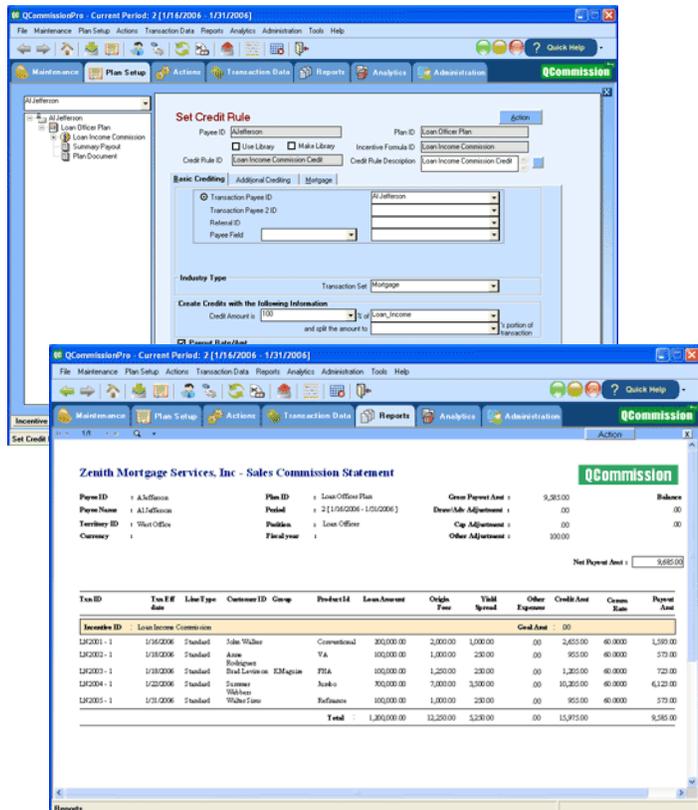
Benefits

Reduce errors in sales commissions calculation
Calculating commissions in Excel, Spreadsheets or other manual processes are highly prone to errors. A systematic, professional approach like QCommission can help reduce errors that may creep in during calculation. You not only save money, but also gain your employee's trust.

Direct integration with QuickBooks™
If you are a QuickBooks user, you have an added advantage. You save a lot of time and effort in bringing in the data into QCommission and avoid dual typing and errors.

Timely payment of commissions
Manual calculation processes consume a lot of time and can delay the distribution of commissions badly. An automated system for commission lets you calculate commissions in time.

Clear communication
Even the most beneficial and well-designed plans may fail to serve their purpose, if the payment details are not communicated properly. QCommission can generate accurate and clear statements. This avoids confusion among the sales people and lets them focus sales activities.

Visibility to all data
QCommission encompasses the ability to report comprehensively on sales and commissions. An analytical component introduces slice and dice analysis of data maintained in the system.

For more information about QCommission, contact us at qc_support@cellarstone.com .

CellarStone, Inc. specializes in Enterprise Incentive Management (EIM), an umbrella term covering business processes and systems that are used to administer Pay-For-Performance programs. This area would include Sales Commission Programs, Variable pay and Bonus programs, Executive Compensation Programs, Channel Incentive Programs, etc.

Customer Case Study

QCommission Provides Satisfaction for Community Lender

Community Lender is a full service mortgage company located in Meridian, Idaho. The company offers many different lending programs to meet the variety of needs of its customers. The recent housing boom, due to the lowest interest rates seen in the United States in the last 45 years, has caused many mortgage companies like Community Lender to expand rapidly. With larger volume, additional employees, and compensation calculation changes due to this rapidly changing industry, commissions paid to brokers have become harder to track, calculate and communicate.

Dennis Loosli, the founder of Community Lender, has nine loan officers that are paid weekly commissions using different payout rates and methods. Leads generated through company advertising are paid at different rates than external leads; different loan types are paid at different rates. Different rates are paid for products from different loan providers. Additional commission kicks in if goals are achieved for the month; managers are paid with different rates for direct reports sales (rollups) and for their own sales.

QCommission's flexibility easily accommodated all of Community Lender's calculation needs. It is easy for Community Lender to enter the loan closings, calculate and make the payouts every week. Not only does consistent calculation insure accurate payouts, now Dennis has commission reports he can give to his brokers providing actual details for what the payments entail. His people were used to getting
"bits of paper with chicken scratch hand-written notes, they're very happy to have these reports".

During the setup of QCommission and discussion of plan calculations, Dennis discovered inconsistencies in the way he had been paying his reps. ROI was achieved instantly upon this discovery. Reps had been over-paid for internal lead generated loans. "I'm just tickled pink with this program, it has already paid for itself and more", Dennis said after discovering the payout inconsistency.

Community Lender shares some of the same values as Cellarstone. Dennis has a firm belief that "the client comes first, and that excellent service should be provided to every customer." Dennis says, "For
such an affordable product, I am amazed at how much effort CellarStone put into making sure that I was satisfied". CellarStone's purpose is "to satisfy customers by solving problems" and it was expressed in the partnership with Community Lender.