

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy



**Motivating Sales Persons to increase productivity and sales by providing proper commissions on the targets achieved by them.**

**Best Practice**  
**eXensys – Sales Targets and commissions w.r.t**  
**Sales Person**

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## Introduction:

Increasing profits is the main aim of every organization and it can be realized by increasing sales. To increase revenue organizations provide a driving force through incentives, to the sales person so that they can achieve their targets. Sales persons form an integral part of the organization which generates revenue and profits for the organization. Based on the revenue generated the organization rewards the sales person with incentives by checking the period and the targets achieved. eXensys Sales and Distribution offers wide flexibility to define sales person targets for various entities based on which disbursements are done for a specific period as defined by the organization. Motivating the sales person is an important part of an organizations process, for example, a good motivation will always prompt the sales person to work harder and get more revenue for the organization. Sales targets are used to encourage the sales person to increase the growth and revenue of the organization and in turn, the organization rewards them for their efforts by providing commissions for their achieved targets.

eXensys Sales and Distribution provides the option of defining sales person targets on the basis of Item, Invoice and the product group. The targets are defined for a fixed period of time where in the sales person has to achieve the given targets to earn their commission. The user of the organization can apply any of the combinations with respect to the sales person define the targets and the slabs for targets to be achieved. The sales person commission is disbursed based on the percentage, the value and on the targets achieved.

## Overview:

eXensys sales provides the flexibility to define various targets for the sales person. The main aim in providing targets is to motivate the sales person to make more sales which in turn will help the company to earn more revenue and profits. Disbursements are done on the basis of the targets achieved by the sales person, which can be of absolute value or percentage value.

The sale person commission can be disbursed on the basis of:

1. Item



2. Product Group



3. Sales Invoice



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**Disbursement to sales person on the basis of Item:** In this case, the organization defines the sales target that needs to be achieved by the sales person with respect to the items. The items and the target quantities are defined by the organization. On the basis of the targets achieved by the sales persons incentives are provided with respect to the items in this case. The system automatically calculates the total number of items that are sold by the sales person with in the specified time period. The commission viz. absolute or percentage paid to the sales person will be automatically calculated based on the sold items. Organization can pay the commission in installments based on which the balance amount is automatically calculated.

The sales commission paid to the sales person is provided to them with their monthly salary, which is done via integrations built with the sales and the HR module.

Eg: A Sales person made sales of 35 qty. The targets for the sales person w.r.t item is defined as from 30 to 50 and the commission provided is 1000Rs

The sales person has made a sale of 35 unit then 1000Rs

**Disbursement to sales person on the basis of Product Group:** Targets here are defined on the basis of the product group where as in the sales commission it is distributed to the sales person based on the items sold in the product group. The cumulative sales of the items in that product group are taken into account and the commissions for the sales persons are calculated on the target slabs defined for that product group. The commissions are disbursed on the basis of absolute and percentage basis, the cumulative sales of items of that product group are taken into account and commissions are disbursed for the same on that basis. The system automatically calculates the number of items and the total value of the items sold by the sales person with in define time period. Based on the commission type that is absolute or percentage type the commission that is to be provided is automatically calculated. Organization can pay the commission in installments based on which the balance amount is automatically calculated.

The sales commission paid to the sales person is provided with their monthly salary, which is done through integrations built in sales and HCM module.

For Example: There are two items in a product group –

Product group name - PGA&B

Item A and Item B

Targets defined for PG – 1000Rs to 2000Rs commission is 200Rs

The cumulatively value for both the items are taken into account, for example, the value for item A is 1000 and for item B is 500 then the cumulative amount for that product group will be 1500. So in this case the sales person has achieved the target of 1500. So he will receive a commission of Rs200.

**Disbursement to sales person on the basis of sales Invoice:** Targets are defined here on the total invoice amount. The amount of sales done is calculated on the basis of the total invoices generated. The total value of invoices generated with respect to the sales person is cumulated and on the basis of which the commission is disbursed to the sales person. The amount of the cumulated sales invoices are automatically calculated and based on the commission type that is absolute or percentage type the commission that is to be provided is

automatically calculated. Organization can also pay the sales person in installments; the balance amount that is to be paid is automatically calculated.

The sales commission to be paid to the sales person is provided to them with their monthly salary, which is done via integrations built with the sales and the HCM module.

Eg : Sales made by a sales person with Invoice amount – 800Rs

Disbursement – if amount is between 500 to 1000 commission of 100Rs

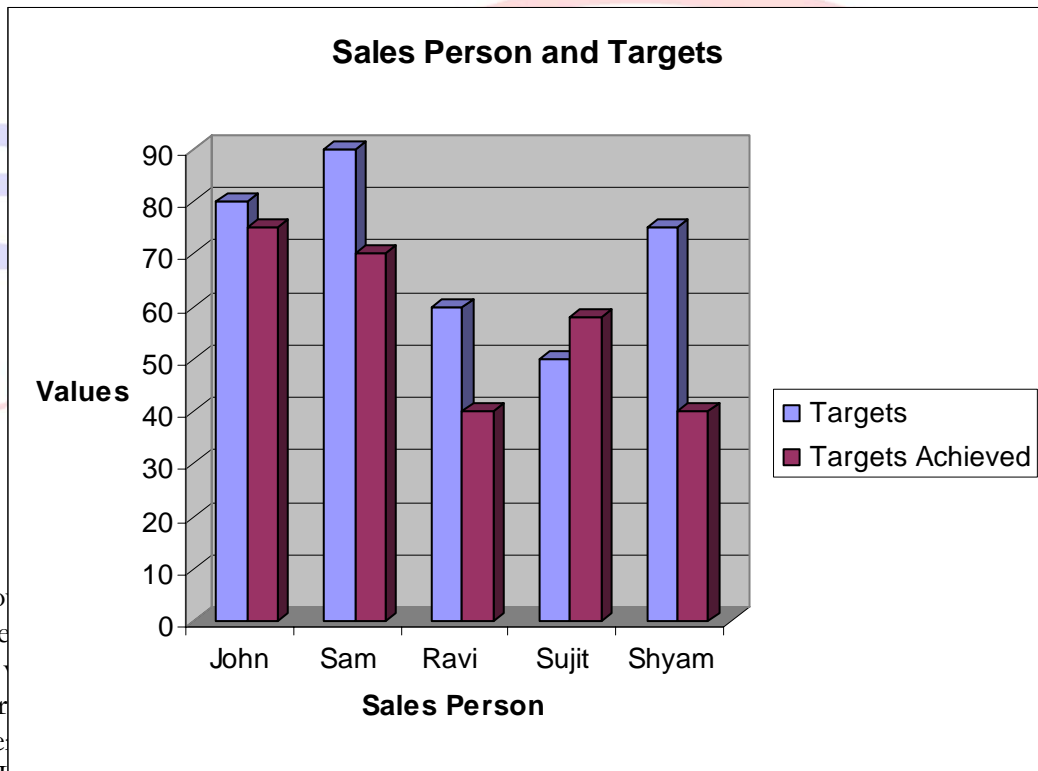
As the sales person has made sales of Rs800 he will avail the commission of Rs100

The sales commission paid to the sales person is provided to them with their monthly salary, which is done via integrations built with the sales and HCM module.

Eg: Sales amount in Collection cumulatively done is 5000

and slabs are defined for the same as 3000 to 6000 commission of 500

so the commission received by the sales person will be of Rs500



The above chart shows the performance of the sales person against the target defined. The sales person can be compared with the target defined for the period. It also tracks the performance of the each sales person.

Benefits:

- A variety of Sales person targets can be defined.
- Monitor actual results vs. sales person targets.
- Analyze performance results of the sales person.

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- Adjustments can be made to the targets as well as the commission made can be adjusted.
- Improved sales volume.
- Improved organization growth and profits.
- Improve sales person satisfaction.
- Improve sales person wise turnover.

Conclusion:

eXensys sales and distribution not only provides a wide flexibility in defining targets but also motivates the sales person to achieve their targets through commission disbursement. This helps in increasing the sales persons satisfaction, increasing turnover and helps in the organization's growth. Increasing profits is not the only aim of the organization but also looking into the satisfaction of the employees forms an important part of the organizations processes. Exensys not only takes care of this but also takes care of the integrations with other modules. Different analytical reports are also available which helps to analyze the sales persons performance and the profits made by the organization.

