

Sales Management Compensation

By Alex Rogers, CEO, CharTec LLC

I believe that an effective Sales Manager needs to do exactly what the title says – manage the sales force. Many times companies have sales managers also selling and their compensation is weighted heavily on commission rather than salary. That being the case, the Sales Manager will spend the majority of his time trying to sell rather than make his team successful. Furthermore, this creates an environment where the Sales Manager is actually competing with his own team.

A Sales Manager should be compensated with a competitive salary and then provided a monthly bonus based on the sales teams performance as a whole. I have also suggested a Quarterly Bonus paid on the percentage increase in sales from previous quarter (or period) as well as improved overall performance of the entire sales team.

I have provided a proposed Sales Manager job description and compensation package below. The numbers shown in the examples below are merely suggestions and the percentages and actual numbers should vary depending on your market. The most important fact is that your Sales Manager does extremely well only when the sales team does well. It is also very important that whatever amounts you put in place are in align with the money you are bringing in as profit. You do not want to pay your sales team more than you make on the actual sale. Do your homework to figure out your profit margins and your monthly burden to pay the bills. Then, base your quotas, salaries, bonus and commission off of that figure.

Remember, accountability goes both ways in this relationship. You are hiring a Sales Manager to hold your sales team accountable to do what you are paying them to achieve. The Sales Manager will do this by watching the sales funnel, reviewing the contact management software and holding daily, weekly and monthly meetings with the team. You in turn need to hold the Sales Manager accountable for those results by holding weekly meetings at a minimum for updates and assistance on any challenges or walls they may be facing. Also, consider monthly meetings to go over numbers and sales forecasts and quarterly wrap up meetings to look at the sales road map for either replacing sales people or hiring new sales professionals. Your Sales Manager needs to be met with and reviewed often to ensure they do the job or get the right people in place to do the job.

Below is the proposed Sales Manager Job Description and Plan I created to help you in this process. Keep in mind, you must tailor this to your own company revenues and marketplace.

Employment Proposal:

John Smith

I. Base Pay of \$50,000 Annual Salary Plus Commission and Bonus

(Add items/services/tools provided to help your Sales Manager succeed)

The Company will provide:

A company paid cell phone

200.00 monthly vehicle allowance

Chamber membership

Monthly & Quarterly Bonus Plan – See Exhibit A

Exhibit A

Monthly Bonus Plan

	Objective	Bonus Amount
1.	Sales Person Meets Quota	\$700
2.	Sales Person Meets Labor Quota	\$500
3.	Sales Person Meets Hardware Quota	\$500

Quarter 1, 2, 3 & 4 Bonus Plan

	Objective	Bonus Amount
1.	Entire Sales Team Hits All Quotas	\$5,000
2.	35% or More Increase Over Previous Quarter 3 in Labor Profit on Commissioned Projects**	\$3,000
3.	35% or More Increase in Profit on Hardware on Commissioned Projects**	\$3,000

II. Preliminary Duties

Responsible for the development and performance of all sales activities in assigned market. Staffs and directs a sales team and provides leadership towards the achievement of maximum profitability and growth in line with company vision and values. Establishes plans and strategies to expand the customer base in the marketing area and contributes to the development of training and educational programs for clients and Account Executives.

Responsibilities:

- Develops a business plan and sales strategy for the market that ensures attainment of company sales goals and profitability.
- Responsible for the performance and development of the Account Executives.
- Prepares action plans by individuals as well as by team for effective search of sales leads and prospects.
- Initiates and coordinates development of action plans to penetrate new markets.
- Assists in the development and implementation of marketing plans as needed.
- Conducts one-on-one review with all Account Executives to build more effective communications, to understand training and development needs, and to provide insight for the improvement of Account Executive's sales and activity performance.
- Provides timely feedback to CEO regarding performance.
- Provides timely, accurate, competitive pricing on all completed prospect applications submitted for pricing and approval, while striving to maintain maximum profit margin.
- Maintains accurate records of all pricings, sales, and activity reports submitted by Account Executives.
- Creates and conducts proposal presentations and RFP responses.
- Assists Account Executives in preparation of proposals and presentations.
- Controls expenses to meet budget guidelines.
- Adheres to all company policies, procedures and business ethics codes and ensures that they are communicated and implemented within the team.
- Recruits, tests, and hires Account Executives based on criteria agreed upon by senior management.
- Insures that all Account Executives meet or exceed all activity standards for prospecting calls, appointments, presentations, proposals and closes.
- Delegate's authority and responsibility with accountability and follow-up.
- Sets examples for Account Executives in areas of personal character, commitment, organizational and selling skills, and work habits.
- Conducts regular coaching and counseling with Account Executives to build motivation and selling skills.
- Maintains contact with all clients in the market area to ensure high levels of client satisfaction.
- Demonstrates ability to interact and cooperate with all company employees.

II. Benefits

Vacation Schedule:

1 week vacation after first year of successful full time employment

2 weeks' vacation per year after 3 years of successful full time employment

3 weeks' vacation per year after 5 years of successful full time employment

4 weeks' vacation per year after 7 years of successful full time employment

Employee Group Benefit Eligibility

Health: We will contribute 100% of Employee benefit plan cost with immediate enrollment of employee.

Life: Employee and family are eligible for enrollment into Group Life Insurance plan.

401K: Employee is eligible for participation in ARRC 401K plan after 1 Year.

(Add any other health/medical/retirement benefits from the Company)

I accept this agreement. I understand and agree to perform the required job duties to the absolute best of my ability. Most importantly, I will adhere to the ethical standards, business policies, and code of conduct established by Company Name.

X _____

Date: _____



Alex Rogers is founder and President of CharTec, a “Beyond HaaS” company located in Bakersfield, California. Rogers also established his own MSP practice, ARRC Technology, in 1992 with a \$300 investment. He has since built that MSP company into a multi-million dollar corporation and Master MSP, specializing in the service and design of computers, networks, phone systems, structured cabling, and managed services. His MSP practice is a four-time listed INC 5000 company and was twice listed as an MSPMentor Top World MSP.

Rogers is credited with the creation of CharTec, an exclusive HaaS solution nationally deployed for resellers. CharTec is the winner of multiple awards, including three Channel Insider Bull’s Eye Awards, Business Solutions Magazine Innovator of the Year Award, Comptia’s Best Hardware Product 2010 and Best Channel Vendor 2011. It is no wonder Alex was also chosen as one of MSPMentor Top 250 Entrepreneurs.

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