

**Final Copy**

**Sales and Account Management Plan  
Company X**

(For Systems Integration and Managed Service Organization)

**July 1<sup>st</sup> 20xx to June 30<sup>th</sup> 20xx**

Consulting Cloud Preview

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## 1. OPERATIVE PERIOD

The sales plan shall operate from 1<sup>st</sup> July 20xx to 30<sup>th</sup> June 20xx. The plan is subject to review on an annual basis or as decided by management.

## 2. COMMISSIONS

Commissions will be paid at the rates contained in Schedules 1 and 2 (or as superseded by any individual Personal Sales Plans) as appropriate for the types of approved business that COMPANY X engages in.

Commissions are only payable to a person for invoices raised whilst he/she remains an employee of COMPANY X.

Each person will be allocated a "quota", which represents his/her sales invoiced in the current financial year.

### 2.1 Product

On approved product sales (eg: IBM hardware & software) or other COMPANY X approved third party product, commission will be paid on the gross margin achieved on the sale. In calculating the gross margin, allowance will be made for any services provided for free or concessionally and for any abnormal or excessive pre-sales support or pre-sales usage. Product forming part of an Outsourcing or Facilities Management deal will also be subject to this rule.

### 2.2 New Business

'New Business' is defined as:

- a) an account where no Outsourcing/FM contract with COMPANY X exists, or
- b) an existing account which has been agreed to be treated as a New Business Account by the State or COMPANY X General Manager. In certain cases where there is a significant opportunity in an Existing Account the State, COMPANY X General Manager and the National Sales Manager may agree to the treatment of that account as New Business in respect of that opportunity.

Under normal circumstances, it is expected that the New Business Sales Executive will hand the account over to the Account Manager within 6 months of the contract being signed. However, accounts defined as New Business Accounts may under special circumstances continue to be treated as such for an extended period if so requested by the Sales Executive at the time of the initial sale and approved by *the State Manager* and the COMPANY X General Manager.

### 2.3 Existing Accounts

Existing Accounts are all other accounts other than those defined as New Business.

### 2.4 Contract Revenues

Contract revenue is defined as revenue generated from a contract of one year or more in duration. Contract revenue is the revenue actually contracted for including revenue incidental or related to that revenue (eg: out of hours charges etc.) but excluding revenue not specifically contemplated in the contract. Contract renewals are paid as ongoing account revenues, rather than new sales.

## 2.5 Account Management - New Outsourced Accounts

Where new contracted outsourcing accounts are passed from the Sales Executive to the Account Manager to manage, commission rates will apply as per schedule 2. The Account Manager quota will then be set to reflect new incremental contracted revenue. Alternatively the Sales Executive may request to retain his/her interest in the account instead of appointing an Account Manager for an agreed number of months to close on strategies already developed.

## 2.6 State Sales Managers and State Account Managers

In some states COMPANY X has executives in the positions of State Sales Managers and State Account Managers (ie: manager of the account managers).

These executives will be subject to individual Sales Plans which are both aligned to their staff's objectives, as well as containing specific key performance objectives.

## 3. ELIGIBILITY FOR COMMISSION

### 3.1 Sales Executive /Account Manager Structure

The commission structure detailed in Schedule 1 is based on New Business being engaged by a Sales Executive such that the new business commission is paid only to the Sales Executive. This includes both the commission on contracted revenue, and on additional product or service.

After appointment of an Account Manager to manage an outsourced contract (the period after contract signing may vary – see above) the account is then classified as Existing, and commission on the incremental contracted revenue, indexed annual increases and on additional product or service revenue from then on will be paid to the Account Manager at the commission rate detailed in Schedule 2

If the Sales Executive has retained the sales activity in the account and there is no involvement of an Account Manager then the Sales Executive will be paid as detailed in Schedule 1.

Note that payment of commission to Account Managers under the sales plan is confined to assigned existing outsourced accounts only.

### 3.2 Documentation

To be eligible for commission all documentation including contracts, service schedules, cost models, margins models, Contract Purchase Requirements sheet (as appropriate) together with appropriate sign off must have been properly completed and approved. Additionally forecasts and 'lost business' reports must be up to date. The use of non-standard documentation will render commission ineligible for payment.

Where rate increases, changes to payments and any general invoicing generation has not been applied in line with the contractual commitment, the Account Manager or Sales Executive (if not handed over) will have 50% of his/her commission reduced for the specified account for the entire length of the period in which the error occurs.

Payment of commission is also dependent on the Sales Executive/Account Manager consistently updating his/her sales activities in COMPANY X's contact management system "Coordimax", and on the Sales Executive/Account Manager consistently updating his/her appointments schedule in Lotus Notes calendars.