

# NETSUITE INCENTIVE MANAGEMENT

Flexible Sales Commissions Management

NetSuite's Incentive Management module allows businesses to design, track and pay sales commission plans. NetSuite provides an easy-to-use solution to address the challenges of creating and maintaining complex multi-tiered commission plans, including managing and calculating sales compensation based on criteria such as quota, quantity sold, service item, product profitability and even one-time "spiffs." With NetSuite, sales teams get a clear view into their incentives through automated commission reporting, ensuring that sales reps understand their incentives and are aligned with business goals.

## Key Capabilities

- **Calculate commission rules** based on multiple criteria.
- **Calculate and report** on partner commissions
- **Multiple scale options:** linear, marginal, target factor
- **Split commissions** between team members on same sales transaction
- **Process commission payments** through sales managers and/or accounting personnel
- **Use analytics to forecast** commission earnings

## Centralize and Manage Commission Plans with Ease

With NetSuite Incentive Management, commission programs can be managed centrally and collaboratively. Executives, sales managers and finance managers alike can manage compensation rules within commission schedules in a familiar spreadsheet-like interface. Commission rules can be configured with different performance measures including:

- **Quotas:** Per period (monthly, quarterly, annually, year-to-date) categorized by total sales, product or service, subsidiary, class of business, department or location.
- **Total Sales or Quantity Sold:** Per order or period categorized by product or service, class of business, department or location.
- **Profitability:** Based on each order categorized by product.
- **Custom Measurement:** For all quota- and sales-based commission plans, NetSuite offers the ability to calculate commissions based on custom criteria.

With NetSuite Incentive Management, multiple commission schedules can be rolled into comprehensive commission plans that can include multiple rules and enforce effective dates. This provides flexibility into how you structure and deploy your commission plans.

### Key Benefits

- Motivate sales professionals with real-time visibility into commissions.
- Reduce sales commission errors.
- Roll out new commission plans with ease.

## Supports Sophisticated Commission Rules

NetSuite provides sophisticated rule management to ensure that you can structure commissions and payments the way you want them:

- With NetSuite, commissions can be calculated on a linear scale, a marginal scale, a target factor or no scale at all. A linear scale uses the total value of the order to determine the payment. A marginal scale allots portions of the order value to each step of a scale. A target factor enables a single schedule to be set using a linear scale to award a percentage of the target factor.
- Easily calculate indirect commissions that are due to managers and executives from sales at the field level. Simply set up a schedule that applies to sales managers and executives. When field sales personnel on the manager's team book orders that qualify, the amount will be reflected in the compensation due to the manager or other qualified individuals in the organizational hierarchy.

- Set up split commissions when needed. With Team Selling capabilities, you have the ability to split commissions between multiple parties on the same sales transaction. Simply specify the appropriate contribution percentages for each sales individual involved in the transaction, and commission schedules automatically use the contribution percentage to determine the payout.

## Manage Partner Commissions and Royalties

NetSuite Incentive Management extends to calculate and provide reporting on partner commissions. Both employees and partners can be paid on the same sales transaction:

- Partner commissions can be calculated based on the same parameters used for employees, such as commissions on sales, quantities, profitability and more.
- Partner commissions can also be calculated using custom criteria for additional flexibility.

The screenshot displays the NetSuite interface for a 'Commission Overview' report. The report is filtered for 'Sam R Cruz' and shows a list of sales transactions from 2/2/2015 to 9/30/2015. The table includes columns for Date, Schedule, Transaction Type, Document Number, Transaction Base Amount, Calculated Amount, Eligible Total, Authorized Total, Rejected Total, and Paid Total. The interface also shows navigation tabs, a search bar, and a footer with '© NetSuite Inc. 2016'.

SALES REP	DATE	SCHEDULE	TRANSACTION TYPE	DOCUMENT NUMBER	TRANSACTION BASE AMOUNT	CALCULATED AMOUNT	ELIGIBLE TOTAL	AUTHORIZED TOTAL	REJECTED TOTAL	PAID TOTAL
Sam R Cruz	2/2/2015	% of Sales Transaction Cash Sale		1251	\$695.00	\$34.75	\$34.75			
	10/12/2015	% of Sales Transaction Cash Sale		1280	\$11,973.20	\$1,197.32	\$1,197.32			
	10/13/2015	% of Sales Transaction Cash Sale		1283	\$23,976.00	\$2,397.60	\$2,397.60			
	9/2/2015	% of Sales Transaction Cash Sale		1302	\$18,595.50	\$1,859.55	\$1,859.55			
	10/27/2015	% of Sales Transaction Cash Sale		1306	\$1,349.10	\$94.44	\$94.44			
	10/2/2015	% of Sales Transaction Invoice		3090212	\$21,611.65	\$2,161.17	\$2,161.17			
	10/2/2015	% of Sales Transaction Invoice		3090215	\$41,122.20	\$4,112.22	\$4,112.22			
	10/2/2015	% of Sales Transaction Invoice		3090216	\$6,599.50	\$659.95	\$659.95			
	10/3/2015	% of Sales Transaction Invoice		3090314	\$3,250.20	\$227.51	\$227.51			
	10/6/2015	% of Sales Transaction Invoice		3090613	\$58,181.50	\$5,818.15	\$5,818.15			
	10/6/2015	% of Sales Transaction Invoice		3090614	\$14,277.20	\$1,427.72	\$1,427.72			
	10/8/2015	% of Sales Transaction Invoice		3090810	\$830.90	\$41.55	\$41.55			
	10/12/2015	% of Sales Transaction Invoice		3091215	\$14,378.95	\$1,437.90	\$1,437.90			
	9/3/2015	% of Sales Transaction Invoice		308038	\$2,930.15	\$205.11	\$205.11			
	10/2/2015	% of Sales Transaction Invoice		309028	\$15,460.90	\$1,546.09	\$1,546.09			
	9/3/2015	% of Sales Transaction Invoice		308039	\$51,495.65	\$5,149.57	\$5,149.57			
	10/2/2015	% of Sales Transaction Invoice		309029	\$920.80	\$46.04	\$46.04			
	9/10/2015	% of Sales Transaction Invoice		308109	\$29,492.50	\$2,949.25	\$2,949.25			
	10/9/2015	% of Sales Transaction Invoice		309099	\$3,649.25	\$255.45	\$255.45			
	9/11/2015	% of Sales Transaction Invoice		308116	\$32,116.10	\$3,211.61	\$3,211.61			
	10/10/2015	% of Sales Transaction Invoice		309106	\$25,676.35	\$2,567.64	\$2,567.64			
	9/16/2015	% of Sales Transaction Invoice		308166	\$8,251.90	\$825.19	\$825.19			
	9/18/2015	% of Sales Transaction Invoice		308185	\$9,689.80	\$968.98	\$968.98			
	9/18/2015	% of Sales Transaction Invoice		308187	\$11,132.90	\$1,132.93	\$1,132.93			
	9/23/2015	% of Sales Transaction Invoice		308237	\$4,922.20	\$344.55	\$344.55			
	9/27/2015	% of Sales Transaction Invoice		308277	\$3,972.10	\$278.05	\$278.05			
	9/28/2015	% of Sales Transaction Invoice		308284	\$64,250.55	\$6,425.06	\$6,425.06			
	9/30/2015	% of Sales Transaction Invoice		3083113	\$5,125.65	\$512.57	\$512.57			

Gain in-depth visibility and reporting of commissions.

## **Flexible and Adaptable Approval Processes**

NetSuite's Incentive Management provides numerous ways to process and approve commission payments:

- Commission calculations can be triggered when a customer is invoiced or once the invoice has been paid. In NetSuite, an approved sales order triggers the commission calculation.
- Commission amounts can go through sales manager approval together with accounting approval, or simply sales manager approval.
- Manual overrides are available during the commission approval process.
- Once compensation has been approved, payment can be made in NetSuite through accounts payable, or automatic integrated payroll processing.
- Overpayments and underpayments due to invoice changes are handled by providing a credit or debit towards the next pay cycle.

## **Sales Commission Reporting and Analytics**

NetSuite provides complete reporting and analytics from sales, to sales ops, to finance:

- Allow salespeople to forecast their earnings and see summary detail commission reports integrated into their sales dashboard and sales force automation (SFA) activities.
- Simplify compensation management for your channel—even allow partners to view their sales commissions in the online Partner Center.
- Ensure that sales, sales operations and finance can monitor sales trends, quota performance, attainment distributions, and summary and detailed compensation using role-based, real-time dashboards and reporting.