

IES Retail: How Sales Commissions work

Purpose

The purpose of this Document is to explain how the Sales Commissions work in the Retail system.

Introduction

A Retail Invoice consists of 1 or more line Items. Each line Item draws an Item from the Retail Catalog (whether a real Stock Item or a Services Charge), and each Item in the Retail Catalog has the potential to produce Sales Commission points.

When a Retail Deal (Sale, Invoice or Credit Note) is concluded, the system performs a Sales Commission calculation for the Deal. This calculation may or may not produce any Commission points, since it is entirely optional whether to offer Sales Commissions on any, or some, or all, or none of the Retail Catalog Items.

The Sales Commission Indicator in the Retail Catalog

The screenshot shows a 'RETAIL CATALOG' entry for 'CANON A7S DIGITAL CAMERA'. The 'PRICING and DISCOUNT' section includes the following data:

Prev Price	
Current Price	295.20
Cost of Sale Price	
Price Policy	def no markup
Club Discount	any any
Volume Discount	Full Volume Discount
Standing Offer	
Loyalty %	
Comm %	2.00

Above, we show part of a Retail Catalog entry, and we show a Comm% indicator of 2% for this Item.

Hint: For no Commission, no value would be specified.

This Item currently indicates a Sales Price of 295.20, therefore, if sold at that price, will yield 5.90 Commission points. If sold at a different price, points will be calculated on the actual Sales Price, before Tax.

Note that while Commission points are calculated to 2 decimals (as for Currency values), this does not mean that Commission points have to represent an equal amount of money. In other words, the points may be managed according to requirements. 5.90 points may mean \$5.90 or it may simply mean 5.90 points, accumulating towards a target. For example, there may be a policy that no actual (monetary) Commission is paid unless an Operator reaches 1,000 points in a month, and if qualifying, then the Operator gets points x 50% = money. It could also mean that the policy is something like the following: -

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Sales Persons with > 1000 but less than 2000 points get points x 1 = money;
Sales Persons with >= 2000 but less than 3000 points get points x 1.25 = money, etc. The points system then, can be managed in any way that suits the operation, and can be managed with incentives and sales targets. As for the points calculation, it will simply produce Sales Points based on a % connected to a Retail Catalog Item.

What happens with Credit Notes?

Credit Notes in Retail invariably represent Goods Returns. When a Goods Return Item is processed against a specified Invoice number, then the system is able to 'connect' to the prior Invoice, determine how many Commission points were accorded and to whom, and will pass an equivalent points reduction to the Operator(s) who received the points before.

If Goods Returns are processed without the prior Invoice number, then the system cannot determine how many Commission points to recover nor from whom. Hint: Returns without Invoice can be prohibited – see the User Retail Privilege Profile.

What happens with Line Cancellations?

Line Cancellations always take place on a known Invoice number, therefore the system will always be able to reduce Commission points as applicable.

Accrual and Split Commissions

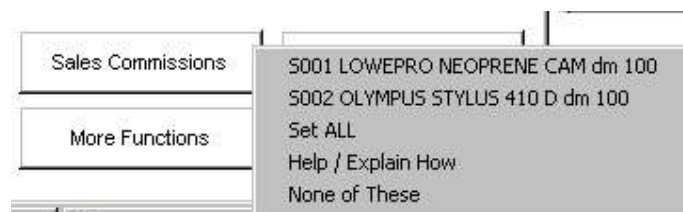
Any Line Item on any Invoice can split the Commission points as directed, and some Line Items on the same Invoice can produce points for split Commission while others do not, i.e. each Item Line on the Invoice is independent of all other lines in terms of Commission points calculation. What does all this mean?


ex Catalog 

	Stock Code	Store	Description	Price	Cust Price	Qty
1	1545020	01	LOWEPRO NEOPRENE	13.60	13.60	1.00
2	3008064	01	OLYMPUS STYLUS 4	423.07	423.07	1.00

Here we show a 'deal in progress', and there are currently 2 Line Items on the deal. By default, the system will automatically assume that all Commission points (if it turns out that there are Commission on these Items) are for the account of the current Operator who is performing the deal.

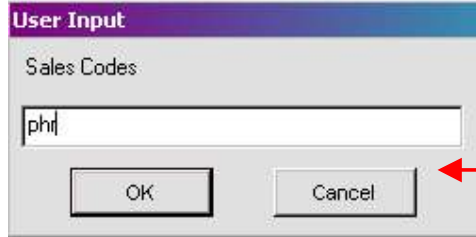
Therefore, if we select the "Sales Commissions" function at this stage, it looks like this: -



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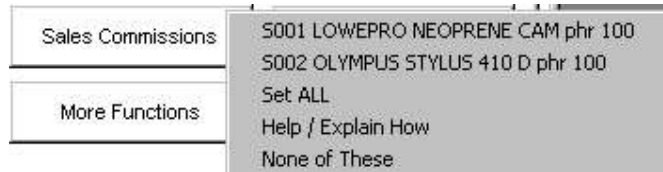
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In this example, the current Operator's code = "dm", and "dm" is automatically getting all Commission points that may derive on these Items (see 'dm 100' at the end of each line shown). So what if we want the points to go to someone else? Simply choose "Set All", and specify the target Operator code ...



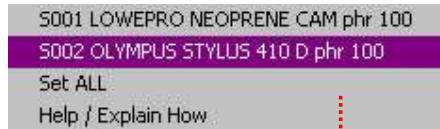
User Input
Sales Codes
phr
OK Cancel

After choosing "Set All" and selecting "phr" as the beneficiary, the system now indicates "100" % of the points will accrue to "phr" on all Items ...



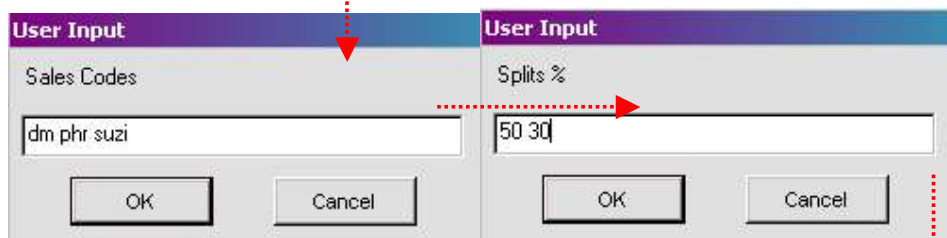
Sales Commissions	5001 LOWEPRO NEOPRENE CAM phr 100
	5002 OLYMPUS STYLUS 410 D phr 100
More Functions	Set ALL
	Help / Explain How
	None of These

We could also select only a specific Line to be dealt with differently, or even to be split 2 or 3 way. Let's do an example, and suggest that we want to split the points 3 way between "dm", "phr" and "suzi", where "dm" will get 50%, "phr" will get 30%, and "suzi" will get the remaining 20%, but ONLY for Item "S002". (PHR and SUZI both helped explaining the benefits of the Olympus Stylus and helped to close the deal, and are getting a % of the points.)



	5001 LOWEPRO NEOPRENE CAM phr 100
	5002 OLYMPUS STYLUS 410 D phr 100
	Set ALL
	Help / Explain How

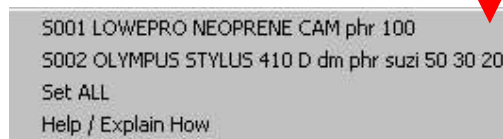
So we simply click on and input the split Operator Codes, followed by the split %.




User Input
Sales Codes
dm phr suzi
OK Cancel

User Input
Splits %
50 30
OK Cancel

Note that we never specify the % for the last Operator - the system gives the last Operator 100 - (total other %)



	5001 LOWEPRO NEOPRENE CAM phr 100
	5002 OLYMPUS STYLUS 410 D dm phr suzi 50 30 20
	Set ALL
	Help / Explain How

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What will the system do with these points?

If we choose the DEAL VIEWS function, and then 'Loyalty and Sales', we can see the Points accrual.



INDICATORS :-

Account: * Not Indicated	Account Balance :	0.00
CRM # :	Credit Limit :	0.00
Club # : * Not Indicated	Available Credit:	0.00

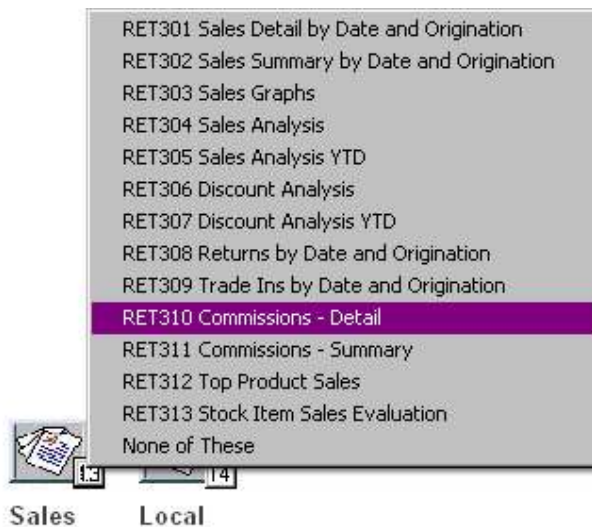
Tax Status : May Include Taxable and Exempt Items

RateBook : None	Currency : LOCAL \$
Origination: 06/01/2006	Operator : Data Manager

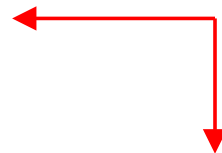
LOYALTY AND SALES COMMISSION POINTS :-


Customer Loyalty Points =	0.00
Sales Points :-	
Data Manager	22.51
Philip Quatro	12.69
Suzi Theron	8.46

Commission Points Reports



There are Detail and Summary Reports available on the Commission Points



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Retail Commission Detail

User.....	Invoice	Activity..	Date.....	Points.....	Volume.....
da Data Manager	0000375	Sale	06/01/2006	22.51	436.67
phr Philip Castro	0000375	Sale	06/01/2006	12.69	423.07
susi Susi Theron	0000375	Sale	06/01/2006	8.46	423.07

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