



Building your Sales Commission Plan

December 19, 2023

Who's with us today



Kyle Christensen
Co-Founder, Empath

- Co-Founder at Sierra Pacific Group, Exited in 2022
- Turned around two MSPs from 2012-2018
- 20+ Years in MSP Industry
- 2023 Disruptive Coach of the Year
- Former Certified EOS and Pinnacle Business Coach
 - 250+ logged sessions in MSP
- MSP Channel Advisor



Alex Farling
Co-Founder, Empath

- Co-Founder, Lifecycle Insights, Exited in 2023
- Successful MSP Exit in 2020
- 20+ years in MSP industry
- Expertise in Sales, vCIO and Account Manager optimization
- MSP Channel Advisor & Angel Investor

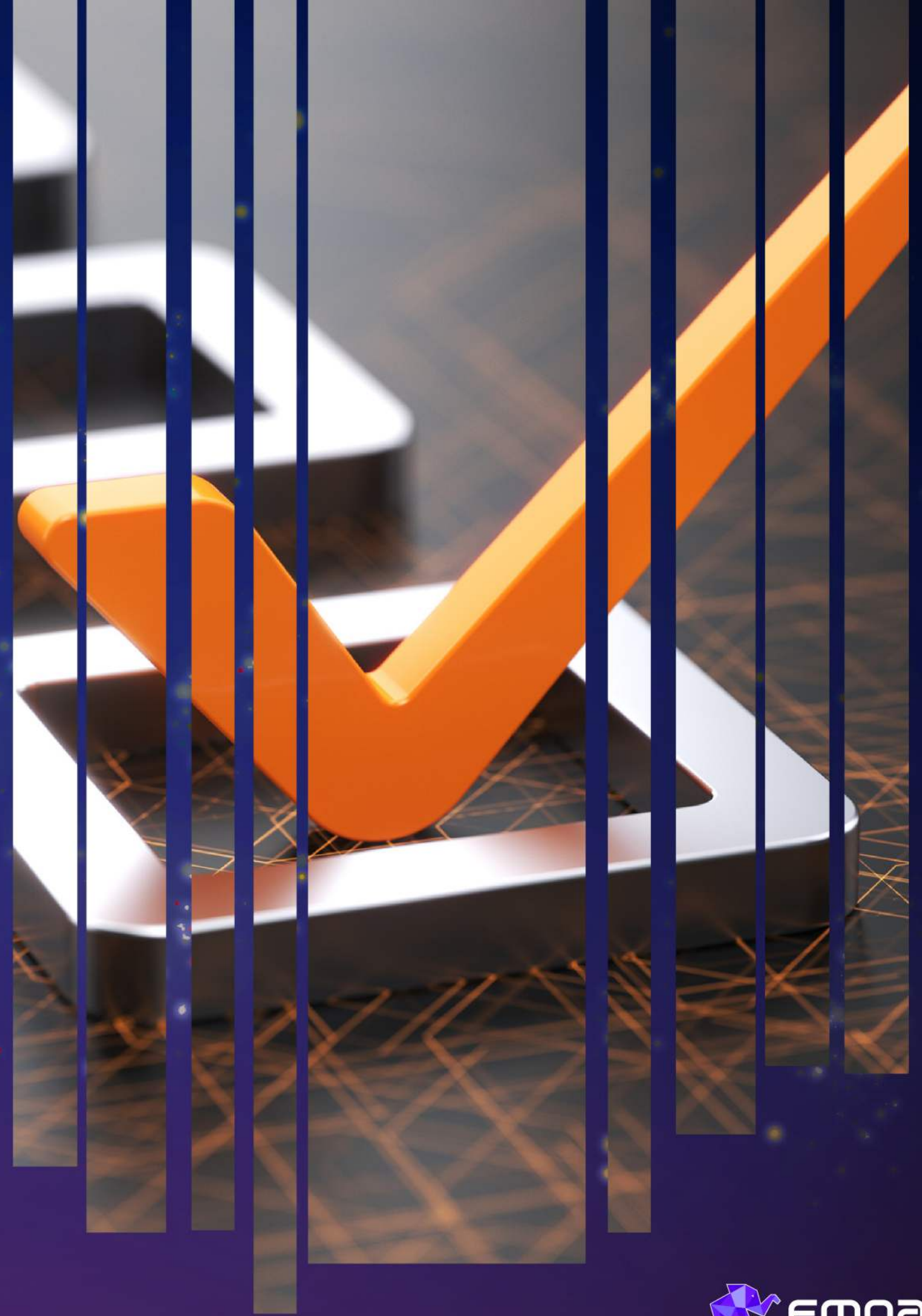


Adam Slutskin
Chief Officer of Revenue and Strategy, CyberFox

- Co-founded a cybersecurity company with David Bellini, specializing in password and privilege management.
- Former Chief Revenue Officer at ConnectWise and Liongard.
- Investor and advisor for multiple tech companies, fostering significant growth.
- Experienced leader in hiring, mentoring, and guiding revenue teams to close major deals.

Agenda

- **Compensation Plan for Business Development Representative (BDR)**
- **Example Commission Table for a BDR with a \$75,000 Year OTE**
- **BDM Sample Comp Plan**
- **Sales Rep Sample Comp Plan**



Compensation Plan for Business Development Representative (BDR)

1. Base Salary and Commission Structure

- **Base Salary:** 40% of On Target Earnings (OTE).
- **Commission:** 60% of OTE, based on quota attainment from booked appointments.

2. Activity Expectations

- **Total Activities:** 250 activities per week, including emails, phone calls, door pulls, and LinkedIn messages.
- **Booked Appointments:** Requirement of 10 booked appointments per week from these activities.
- **Disqualification Clause:** Booked appointments can be disqualified by the Account Executive if they do not meet standard Sales Qualified Lead (SQL) expectations.

3. Daily Follow-Ups

- **Requirement:** 20 follow-ups per day, which can be done via email or LinkedIn.

4. Commission Based on Booked Appointments

- **Standard Quota Achievement:** Commission awarded based on meeting the weekly booked appointment quota.
- **Calculation Method:** Commission is awarded for each qualifying appointment that meets the standard Sales Qualified Lead (SQL) criteria.

Example Commission Table for a BDR with a \$75,000 Year OTE

Activity	Target	Commission per Activity	Weekly Potential	Annual Potential
Base Salary	-	-	-	\$30,000
Booked Appointments (Fixed)	10/ <u>wk</u>	\$86 per appointment	\$860	Part of \$45,000 OTE
Total	-	-	-	\$75,000 OTE

Note: The specific commission per appointment will be calculated based on the BDR achieving their annual OTE of \$75,000, with 60% (\$45,000) coming from commission.

5. Bonus Opportunity

- **Bonus for Exceeding Quota:** Additional bonuses for booked appointments beyond the standard quota.
- **Bonus for Closed Deals:** Additional bonuses for deals closed by the BDR.
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6. Three-Strike Policy for Underperformance

- **Implementation:** If performance falls below 80% of the quota.
- **Strikes:**
- **Strike 1:** Warning and performance review.
- **Strike 2:** Mandatory training or development plan.
- **Strike 3:** Possible reevaluation of the role or other HR actions.

7. Professional Development and Shadowing

- **Shadowing Requirement:** Expected to shadow the Account Executive 3-5 times per month.
- **Incentive:** Potential to become an Account Executive when positions become available.

8. Legal and HR Compliance

- **Equal Employment Opportunity:** Compliance with EEO principles.
- **At-Will Employment:** The role is at-will, and terms of compensation can change.
- **Performance Evaluation:** Regular and fair evaluation of performance against the set KPIs.
- **Confidentiality:** Requirement to maintain confidentiality of compensation details and business strategies.
- **Dispute Resolution:** Adherence to the company's dispute resolution process for any grievances.
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BDM Sample Comp Plan

Q1	
Quota (MRR)	\$11,000
Actual Sold (MRR)	\$11,000
Quota Attainment	100%
Commissions Earned	\$7,500
Payout Rate	\$0.68

Annual MRR Bonus	Payout
100% - 110%	\$2,250
111% - 120%	\$3,500
121% - 130%	\$5,000
131% - 140%	\$6,000
141% - 155%	\$6,500
156%+	\$7,500

Quarterly MRR Bonus	Payout
100% - 110%	\$1,750
111% - 120%	\$2,500
121% - 130%	\$3,300
131% - 150%	\$3,850
151%+	\$5,000

Monthly FTA Completed Bonus	Payout
20	\$200
23	\$600
31	\$1,250
35	\$1,500
40	\$1,750
Monthly Bonus for 1,200 outbound calls	\$200

Sales Rep Sample Comp Plan

Q3	
Quota (MRR)	\$10,000
Actual Sold (MRR)	\$10,000
Quota Attainment	100%
Payout Rate	\$2.00
Commission Earned	\$20,000

Quarterly Bonus:	Payout
100% - 110%	\$1,750
111% - 120%	\$2,750
121% - 130%	\$5,000
131% - 140%	\$6,500
141%+	\$8,000

Annual Bonus:	Payout
100% - 110%	\$3,000
111% - 120%	\$4,000
121% - 130%	\$5,000
131% - 140%	\$6,000
141%+	\$7,000

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Let's address this **ELEPHANT** IN THE **ROOM**

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