



**Profitable  
Sales Growth  
Strategies**

**Outbound Excellence**  
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## **Commission Compensation Plans**

**Under A Commission Type of Compensation Plan Outbound B2B  
Telephone Sales Representatives**

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**Are Paid A Percentage Of Their  
Invoiced - Sales or Margin Dollars**

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## **Types Of Commission Plans**

- **Straight Commission**
  - **Commission With Draw**
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## **3 Potential Advantages Of Commission Type Compensation Plans**

- **Simple To Understand And Administer**
  - **Pay Is Directly Related To Results Achieved**
  - **Perception That It Maximizes Incentive**
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**5 Potential Disadvantages**  
**Of Commission Type Compensation Plans:**

**1. Sales Representatives Will Focus Their Efforts  
On Sales Volume Rather Than On Profit**

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**2. Penetration Into Their Installed Base Of Accounts  
Will Normally Be Relatively Shallow**

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**3. During Sustained Periods Of Low Company Sales, Turnover  
Will Rise Significantly Due To A Lack Of Loyalty & Dramatic  
Compensation Swings**

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**4. Customer Service Will Take A Back Seat  
To Short Term Sales Resulting In  
Poor Customer Retention Performance**

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**5. The “Sweet Spot” Of The Sales Team  
Becomes De-Motivated As Sales Management / Leadership  
Succumbs To Pressure From Seasoned Reps To Transition Top  
Producing Accounts From Terminated Reps To These More  
Tenured, Yet Often More Stagnant Sales Representatives**