

Compensation Tables

September 1999 Revision • Item # H-COMPTBL

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Salesperson numbers are assigned in the (HY) Salesperson Master screen. For details, see "Volume 4: Salespersons" in Book I: Customers, Vendors, and Salespersons.

Understanding the (L7L) Screen

The (L7L) Level Compensation Table Parameters screen offers you another way to calculate your salesperson commissions. See Figure 1. This screen uses a scale range to calculate compensation and is based on gross profit percentages.

In the (L7L) screen, you can split commissions among salespeople. In addition, you can specify whether a salesperson's compensation will be based on a percentage of the margin (the difference between the selling price and the cost) or of the entire sale.

Calculating compensation on a scale range means that you calculate compensation on specified ranges of dollar amounts. These dollar amounts can vary based on the amount of the customer's invoice. Within each dollar range, the percentage of compensation can also vary, depending on the gross profit percentage of that invoice.

While the (L7) Compensation Table Parameters screen and (L7L) screen are similar, the (L7L) screen gives you an additional advantage. Instead of using one line on the table to calculate compensation for each invoice, the (L7L) screen has the ability to add several different lines of compensation together.

Suppose an invoice totals \$11,000, and you set up the (L7L) screen to compensate a salesperson 28% for sales up to and including \$8000. The system would calculate the compensation for the \$8,000 on the invoice as one amount, in this example, \$2240 (8000 x 28% = 2240). The system would then use a separate line

Figure 1: The (L7L) Level Compensation Tables Parameters Screen

```

09:02:50                (L7L) Level Compensation Table Parameters                06/30/99
=====
Action [ ] (A=Add,C=Chg,D=Delete,I=Inq,N=Insert,X=Copy,B=Back) G/L Loc.[ 1 ]
=====
Slsm [ ] to [ ] Negative Compensation Y/N [ ]
Split Comp Y/N [ ] # % # % # % # % # %
=====

By Gross %      % of      Scale Dollars
From  To      Comp  S/M      From  To      S/M  Comp%
-----

```

on the table to calculate the remaining \$3000 on the same invoice. If you set up the table to compensate the salesperson 32.5% for sales from \$8001 to \$11,200, as shown in Figure 2, the compensation for the additional \$3000 would be \$975 (3000 x 32.5% = 975). Once the system has calculated each line separately, it adds the lines together to reach a compensation total. In this example, the salesperson would be compensated \$3215 for the \$11,000 invoice (2240 + 975 = 3215). As you can see, this table allows you greater flexibility to significantly reward the salesperson for higher sales.

You set up the (L7L) screen in much the same way you set up the (L7) screen. This handout describes all of the fields in the (L7L) Level Compensation Table Parameters screen and gives you instructions for making changes to these fields.

Note: You cannot have a compensation table set up in both the (L7) and (L7L) screens. If you previously set up a compensation table in the (L7) screen and want to begin using the (L7L) screen instead or if you want to practice using the (L7L) screen tables, you must first rename your compensation parameters file. To do this, go to the (Z) System Utilities screen and select the [F7] Rename A File function. At the prompt Enter File Name, rename the PAR-COMP file. The system will create a new PAR-COMP file when you set up a compensation table.

Field Definitions

The following text describes each field in the (L7L) screen. These fields are listed in the order the cursor moves through the screen.

**Figure 2:
Compensating
32.5% for Sales
Between \$8001
and \$11200**

```

17:24:01                (L7L) Level Compensation Table Parameters                08/31/99
=====
Action [C] (A=Add,C=Chg,D=Delete,I=Inq,N=Insert,X=Copy,B=Back) G/L Loc.[ 1]
=====
Slsm [ 101] to [ 101]      Negative Compensation Y/N [X]
Split Comp Y/N [N] #      %      #      %      #      %      #      %      #      %
=====
      By Gross %      % of      Scale Dollars
      From      To      Comp      S/M      From      To      S/M      Comp%
-----
1.      0.00      15.00      ---      -      -----
2.      15.01999999.99      M      0      8000      M      28.00
3.      15.01999999.99      M      8001      11200      M      32.50
4.      15.01999999.99      M      11201      14400      M      35.00
5.      15.01999999.99      M      14401      17600      M      38.00
6.      15.01999999.99      M      17601      9999999      M      40.00
    
```

Compensation Tables

Sism/To

This field determines the specific salesperson, order-writer, order packer, or order verifier for the compensation table. (You enter order-writer numbers when entering orders; you enter order packer and order verifier numbers when verifying orders.)

- To set a global compensation table for this location, leave this and the corresponding To field blank.
- To set a compensation table for a range of salespersons, enter the beginning number in the range in the Sism field, and the ending number in the range in the corresponding To field.
- To set a compensation table for a specific salesperson, enter that salesperson number in both fields.

Split Comp

In this field, you can specify whether compensation can be split among salespersons.

Enter your response according to the following:

Y The system splits compensation among salespersons.

N (default) The system does not split compensation among salespersons.

The cursor only moves to the #/% field if you set the Split Comp field to Y.

#/%

This field works in conjunction with the Split Comp field. You use this field to specify the percentage of the compensation for each salesperson.

In the # fields, you enter the number of the salesperson who will receive part of the compensation. In each corresponding % field, you can enter the percentage of compensation you want that salesperson to receive.

You can enter percentages for up to five different salespersons.

Note: When you enter percentages, the total must add up to 100%. If the total is less than 100%, the system displays the Percents Must Equal 100% message. The cursor will return to the first # field so that you can adjust the percentages.

Negative Compensation

Negative compensation is money that is taken out of a salesperson's compensation. Salespeople can lose compensation money in several ways. First, if a customer returns an item, the compensation that the salesperson was awarded for that sale will be subtracted from his compensation pool. Second, if a salesperson sells an item for less than its cost (selling at a negative margin), the difference between the sale price and the cost will be subtracted from the salesperson's compensation pool.

Negative compensation can be calculated differently if compensation is paid based on the total dollar amount of the sale or based on the gross profit margin.

You can set up the Negative Compensation field in three ways. Enter your response according to the following:

- X** The system calculates compensation on negative margins and subtracts the compensation from the salesperson's compensation pool, regardless of how compensation is paid.
- Y (default)** The system calculates compensation on negative margins only if compensation is paid based on gross profit margin. (No compensation will be calculated if compensation is paid based on the dollar amount of the sale.)
- N** The system does not calculate compensation on negative margins.

By Gross % From/To

You use these fields to enter the range of gross profit percentages that this line of the compensation table applies to.

In the From field, specify the lowest gross profit percentage that you want this line to apply to. In the corresponding To field, enter the highest gross profit percentage that you want this line to apply to.

% Of Comp

You use this field to enter the percentage of compensation you want the salesperson to receive. You can specify that the salesperson receive less than 100%, 100%, or more than 100% of the calculated compensation.

Suppose you are offering a short-term promotion during which your salespersons can receive 105% of their compensation for any invoice over a specified amount. In this case, you would set this field to 105. When the promotion ends, you would re-enter the original compensation percentage.

However, if you want to protect your margin from freight and delivery costs, you might specify that your salespersons receive 97% of compensation, and use the remaining 3% for the costs.

If you want to give the salesperson 100% of the compensation, you can leave this field blank or set it to **100**.

Note: The Level Compensation Report shows the percentage of compensation each salesperson receives.

S/M

In this field, specify whether the compensation is a percentage of the margin (the difference between the selling price and the cost) or of the entire sale.

Compensation Tables

Enter your response according to the following:

- M** The system calculates the compensation as a percentage of the margin.
- S** The system calculates the compensation as a percentage of the entire sale.

Scale Dollars From/To

These fields work in conjunction with the By Gross % From/To fields and allow you to specify a dollar amount range that this line of the compensation table applies to, as shown in Figure 3. The dollar amounts will be based on the accumulated total of all invoices based on the scale totals you specify.

In the Scale Dollar From fields, enter the lowest dollar amount that you want this line to apply to.

In the corresponding To field, enter the highest dollar amount that you want this line to apply to.

S/M

In this field, specify whether the compensation is a percentage of the margin (the difference between the selling price and the cost) or of the entire sale.

Enter your response according to the following:

- M** The system calculates the compensation as a percentage of the margin.
- S** The system calculates the compensation as a percentage of the entire sale.

Figure 3:
Entering a
Dollar Amount
Range

```

17:24:01          (L7L) Level Compensation Table Parameters          08/31/99
=====
Action [C] (A=Add,C=Chg,D=Delete,I=Inq,N=Insert,X=Copy,B=Back) G/L Loc.[ 1]
=====
Slsm [ 101] to [ 101]   Negative Compensation Y/N [X]
Split Comp Y/N [N] #    %    #    %    #    %    #    %    #    %
-----
By Gross %      % of      Scale Dollars
From   To      Comp   S/M   From   To      S/M   Comp%
-----
1      0.00  15.00      M      9999999  M      25.00
2      15.01999999.99      M      0      8000  M      28.00
3      15.01999999.99      M      8001  11200 M      32.50
4      15.01999999.99      M      11201 14400 M      35.00
5      15.01999999.99      M      14401 17600 M      38.00
6      15.01999999.99      M      17601 9999999 M      40.00
  
```

Comp%

In this field, enter the compensation percentage of the sales margin or the entire sale, as determined in the S/M field.

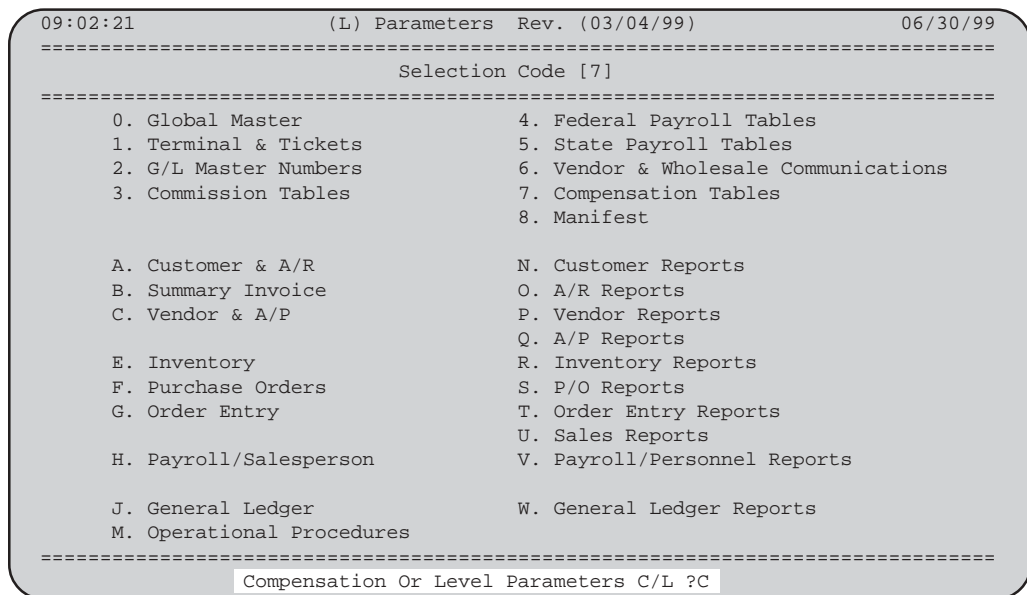
You can enter partial percentages in this field. For example, if you want the compensation to be 10.75%, enter 10.75. If you enter a whole number, the system automatically adds the suffix .00. For example, if you enter 15, the system enters 15.00 in this field.

Setting Up Compensation Tables

The following text gives you instructions for setting up compensation tables in the (L7L) screen.

- 1 Go to the (L) Parameters screen and select [7] Compensation Tables.
- 2 The Compensation Or Level Parameters prompt appears, as shown in Figure 4. Type L.
- 3 The (L7L) screen appears. To set up a compensation table, select the [A] Add action code.
- 4 In the G/L Loc field, enter the location for which you want to set the parameters. (This field defaults to the location entered for the terminal you are using in the (L1) Terminal and Tickets Parameters screen.) You can enter a new location or accept the default location:
 - To accept the default location, press Tab.
 - To set parameters for a different location, enter the number. If you enter fewer than two characters, press Tab.

Figure 4: The Compensation Or Level Parameters Prompt



Compensation Tables

Note: Your responses to the fields in the (L7L) screen apply only to the location you specify in the G/L Loc field.

- 5 Enter the appropriate responses in each of the fields in this screen. For field descriptions, see the heading **Field Definitions**.

Use the following instructions for cursor movement in this screen:

- To move the cursor ahead one field, press Tab.
 - To move the cursor back one field, press Backspace.
- 6 When you complete the Comp% field or press Tab, the system displays another line identical to the compensation line you just completed. Press Tab to change the fields on this line and enter the new information over the existing information. You can add up to 99 lines of compensation.
 - 7 When you finish adding lines, complete the fields on the last line you want to add. When the system displays an identical line, press Esc.

Printing the Level Compensation Report

You can print the Level Compensation Report in the (UR) Sales Report screen. This report includes sales totals, gross profit margin, gross profit percentages, and compensation percentages and amounts for each salesperson. This report sorts by salesperson, gross profit range, and customer account number.

Use the following instructions:

- 1 Go to the (UR) screen and select the [S] Salesman Compensation Report action code.

Figure 5: The Salesman From Field

```
11:26:48          Salesman Compensation Report rev. (07/08/XX)          08/09/99
-----
Salesman   From ? [ ]..          To ? ....
Customer   From ? .....          To ? .....
Invoice #   From ? .....-          To ? .....-
Contract   From ? ..              To ? ..
Inv. Date   From ? ../../..        To ? ../../..
District    From ? ....            To ? ....
Writer      From ? ....            To ? ....
Department  From ? .                To ? .
Paycode     From ? .                To ? .

Salesman Type P/A ?P Compensation Report Y/N ?N
Calculate Compensation for :S ( Salesman, Writer, Verifier, Puller )
Print in Salesman Name Order Y/N ?.
Only Print Lines that have a match in Compensation Table Y/N ?.
Print No Charge Invoices Y/N ?.
Report Cost Y/N ?. Cost Type M/W/A/P ?A

File ?JOUR-S      Volume ?W3

Location [ 1] Printer [P1] Copies [ 1] Totals Only [.] (Y/N)
```

- 2 The system displays the Salesman Compensation Report screen, with the cursor in the Salesman From field, as shown in Figure 5. You can use the From and To fields to set limits for the information that you want to include on the report. You can limit the report by salesperson numbers, customer account numbers, invoice numbers, contract numbers, invoice dates, tax districts, order-taker numbers, inventory departments, and pay codes.
 - If you do not want to set limits for this report, press Tab until the cursor moves to the Salesman Type field. Go to **Step 3**.
 - To set limits, tab to the fields you want to limit by and enter the beginning of the range in the From field. Enter the ending of the range in the corresponding To field.
- 3 When you complete or tab through the Paycode To field, the cursor moves to the Salesman Type field. In this field, specify which salesperson's information you want to include on the report. You can include information for the primary salesperson assigned to the customer in the Slsn # field in the (A) Customer Master screen, or the additional salesperson assigned to the customer in the Add Slsn # field in the (A) screen. Enter your response according to the following:
 - P** Use the primary salesperson assigned to the customer in the (A) screen.
 - A** Use the additional salesperson assigned to the customer in the (A) screen.
- 4 In the Compensation Report field, you must specify to print the Level Compensation Report. To print the Level Compensation Report, you must type N. (If you press Return or type Y, the system prints the Salesman Compensation Report instead of the Level Compensation Report.)
- 5 In the Calculate Compensation For field, specify who the compensation will be calculated for. Enter your response according to the following:
 - S (default)** Calculate the compensation for salespersons.
 - W** Calculate the compensation for order-writers.
 - V** Calculate the compensation for verifiers.
 - P** Calculate the compensation for order pullers.
- 6 In the Print In Salesman Name Order field, specify the order in which you want to print the report. Enter your response according to the following:
 - Y** Print the report in salesperson name order.
 - N** Print the report in salesperson number order.

Compensation Tables

- 7 In the Only Print Lines That Have a Match In Compensation Table field, you can specify to exclude line items that are not defined in the compensation table. Enter your response according to the following:
- Y Exclude any line item that is not defined in the compensation table.
 - N Include all line items in the report.
- 8 When the cursor moves to the Print No Charge Invoices field, you can specify whether to include invoices with a pay code of zero. A pay code of Ø is a no-charge invoice. Enter your response according to the following:
- Y Include invoices with a pay code of zero on the report.
 - N Do not include invoices with a pay code of zero on the report.
- 9 In the Report Cost field, specify whether cost will be included on the report. Enter your response according to the following:
- Y Include the profit margin and the gross profit percentage for each line.
 - N Do not include the profit margin and gross profit percentage for each line.
- 10 The cursor moves to the Cost Type field. In this field, specify which cost you want to print on the report. You can specify to print the manufacturer's cost, the wholesaler's cost, the average or actual cost, or the pricing cost. Enter your response according to the following:
- M Print the manufacturer's cost. The manufacturer's cost is the current cost to buy the item from your manufacturer. This cost is displayed in the Cost field in the Direct Buy Record of the (E) Inventory Master screen. If no manufacturer's cost is specified for an item, the cost will default to the wholesaler's cost. Go to **Step 13**.
 - W Print the wholesaler's cost. The wholesaler's cost is the current cost to buy the item from your wholesaler. This cost is displayed in the Cost field in the Primary Wholesaler Record of the (E) screen. If no wholesaler's cost is specified for an item, the cost will default to the average or actual cost. Go to **Step 13**.
 - A Print the average or actual cost on the report. The average or actual cost is displayed in the Cost field in the Pricing

If a manufacturer's or wholesaler's record exists for an item but has no cost, the report will print a zero cost.

Record of the (E) screen at the time of the order. It can also be the cost from a received purchase order. Both of these costs are stored in the JOUR-S file. If you have accurate on-hand inventory, this will be your true cost. Go to **Step 13**.

- P** Print the pricing cost. The pricing cost is stored in the JOUR-S file that is assigned to the customer in order entry when an item is sold. If a pricing cost does not exist for an item, the cost will default to the average or actual cost. Go to **Step 13**.
- %** Prints the up cost percentage. The system increases the cost that appears on the report before the margin is calculated. This cost type is called the up cost percentage. Go to **Step 11**.

11 If you specify to increase the cost that appears on the report, the Cost Type prompt appears. You can specify the cost on which your profit margin is based. Enter your response according to the following:

- M** The profit margin is based on manufacturer's cost.
- W** The profit margin is based on wholesaler's cost.
- A (default)** The profit margin is based on average or actual cost.
- P** The profit margin is based on pricing cost.

Increasing the cost that appears on the report will lower the margin on the report.

Figure 6: The Percent To Up Cost Field

```

11:26:48          Salesman Compensation Report rev. (07/08/XX)          08/09/99
-----
Salesman   From ?           To ?
Customer   From ?           To ?
Invoice #   From ?           -   To ?           -
Contract   From ?           To ?
Inv. Date   From ? / /       To ? / /
District   From ?           To ?
Writer      From ?           To ?
Department From ?           To ?
Paycode     From ?           To ?

Salesman Type P/A ?P Compensation Report Y/N ?N
Calculate Compensation for :S ( Salesman, Writer, Verifier, Puller )
Print in Salesman Name Order Y/N ?Y
Only Print Lines that have a match in Compensation Table Y/N ?Y
Print No Charge Invoices Y/N ?N
Report Cost Y/N ?Y Cost Type M/W/A/P ?%

File ?JOUR-S      Volume ?W3

Location [ 1 ]   Printer [P1]   Copies [ 1 ]   Totals Only [.] (Y/N)
COST TYPE M/W/A/P ? [A] PERCENT TO UP COST ? [ ]
    
```

Compensation Tables

At the end of each month, you must rename the sales journal. For more information about renaming sales journals, refer to "Volume 2: Utilities" in Book VII: System Maintenance and Utilities.

The default volume serial comes from the Sales Jour field in the Volume Serials Record of the (LØ) screen.

- 12** In the Percent To Up Cost field, specify the percentage by which you want to increase the cost that appears on this report. See Figure 6. For example, to increase the cost by 10 percent, enter 10. You can only specify whole percentages. The system will not accept a partial percentage, such as .5.
- 13** In the File field, you can specify the sales journal from which you want the system to gather the information for this report.
 - To accept the default sales journal, JOUR-S, press Tab.
 - If you want to print this report using information from a previous month's sales journal, enter the name you assigned the file when you performed the month-end procedure.
- 14** In the Volume field, press Tab to accept the default volume serial or enter the volume serial of the unit where the file is located.
- 15** In the Location field, press Tab to accept the default location or enter the G/L location for which you want to print this report. To include all G/L locations, space through this field.
- 16** In the Printer field, press Tab to accept the default printer or enter the logical name for another printer.
- 17** In the Copies field, press Tab to accept the default of one copy, or enter the number of copies you want to print.
- 18** In the Totals Only field, specify whether you want to print the entire report or only commission totals for each salesperson. Enter your response according to the following:
 - Y** Print only totals on the report.
 - N** Include report detail.
- 19** At the Are You Sure prompt, type **Y** to print the report.

Sample Level Compensation Report

NUMBER	DEPT NAME	NUMBER	DATE	C	SALES	MARGIN	GROSS%	LO	COMPEN	
DDMS LEVEL COMPENSATION REPORT [JOUR-S] 08/31/99 P.O.BOX 507 Dates (MONTH TO DATE) LOCATION (1) [A] [02] 16:15:58 ROANOKE TX 76262 FOR (121) BARRY HOMES PAGE 1 COMPENSATION BY INVOICE - NEGATIVE COMPENSATION										
SALESPERSON (121) BARRY HOMES										
FOR GP % (0.00- 15.00)										
354800	A & M COMPANY	40325-0	04/09/98	0	.00	-784.06	.00	1		
376000	BLACK'S OFFICE	10225-0	07/06/98	2	21188.12	3017.66	14.24	1		
TOTAL FOR GP % (00.00- 10.00)					21188.12	2233.60	10.54		558.40	
FOR GP % (15.01-9999.99)										
495500	MAPLE CO	10240-0	12/17/98	2	37504.35	13963.16	37.23	1		
		10243-0	04/21/98	2	1035.60	349.00	33.70	1		
985632	CALAHAN SUPPLIES	10242-0	11/18/98	2	559.20	188.45	33.70	1		
		10244-0	08/17/98	2	1182.60	398.54	33.70	1		
		C 10242-0	12/17/98	2	-559.20	-188.45	33.70	1		
TOTAL FOR GP % (13.01 - 99.99)					39722.55	14710.70	37.03		4518.07	
TABLE TOTALS FOR: SLSM: 121 TO 121										
TOTAL FOR LINE 1.	0	999999	M	.00	15.00	M	25.00		2233.60	558.40
TOTAL FOR LINE 2.	0	8000	M	15.01	999999.99	M	28.00		8000.00	2240.00
TOTAL FOR LINE 3.	8001	11200	M	15.01	999999.99	M	32.50		3200.00	1040.00
TOTAL FOR LINE 4.	11201	14400	M	15.01	999999.99	M	35.00		3200.00	1020.00
TOTAL FOR LINE 5.	14401	17600	M	15.01	999999.99	M	38.00		310.70	118.07
SALESPERSON TOTALS					60910.67	16944.30	27.82		5076.47	

NUMBER	DEPT NAME	NUMBER	DATE	C	SALES	MARGIN	GROSS%	LO	COMPEN	
DDMS LEVEL COMPENSATION REPORT [JOUR-S] 08/31/99 P.O.BOX 507 Dates (MONTH TO DATE) LOCATION (1) [A] [02] 16:15:58 ROANOKE TX 76262 TOTAL OF ALL COMPENSATIONS PAGE 2										
***** SUMMARY FOR (121) BARRY HOMES										
TABLE TOTALS FOR: SLSM: 121 TO 121										
TOTAL FOR LINE 1.	0	999999	M	.00	15.00	M	25.00		2233.60	558.40
TOTAL FOR LINE 2.	0	8000	M	15.01	999999.99	M	28.00		8000.00	2240.00
TOTAL FOR LINE 3.	8001	11200	M	15.01	999999.99	M	32.50		3200.00	1040.00
TOTAL FOR LINE 4.	11201	14400	M	15.01	999999.99	M	35.00		3200.00	1020.00
TOTAL FOR LINE 5.	14401	17600	M	15.01	999999.99	M	38.00		310.70	118.07
SALESPERSON TOTALS					80110.67	16944.30	21.15		5076.47	
SALESPERSON TOTALS					80110.67	16944.30	21.15		5076.47	

