

The Sales Commission-Quota Attainment template is designed to help you determine how to pay your sales personnel through commission targets and goals. This specific template will look at Quota Attainment to help set your targets and calculate actual payouts.

Please be guided by the following highlighted cells and fonts:

Green – where you can enter data that is vital for the formulas to work.

Grey – contains formulas or links that are mostly locked or hidden to avoid getting deleted.

The rest of the cells will not have any color and are mostly usable if you want to make changes.

Each Employee will have 2 specific pages:

1st – Determine Commission – to set the targets and goals

2nd – Employee Details – to calculate the commission payouts

Summary page – will show the totals of all Employee pages for commission targets and payout calculations.

Determine Commission Percentage Page

This tab is where you can enter most of the data that will determine how to set up your commission program based on sales volumes. The information defined in this page will also carry over into the employee’s detail page.

Step 1: Determine your Targets

Determine the employee’s Total Target Cash (TTC) – this is the annual amount you want to target paying the incumbent, including base pay and incentive pay, if they are performing at targeted levels.

Target Sales Volume – what is the ideal target sales volume that is challenging, yet also attainable?

**Tip: The target sales volume should be achievable by at least 65% - 70% of the sales force.*

Step 2: Determine the employee’s Pay Mix

Pay mix represents the ratio of base pay to planned incentive amount, at the Target. It is expressed as two portions of 100%. The Pay Mix is determined at the 100% quota or planned target performance.

***What pay mix should be used?** The degree to which the salesperson influences the sale should be considered. Below is an example of how different pay mixes affect certain types of jobs:

Pay Mix Examples	Job Types	How Incentive is calculated
100/0	Service jobs, Complex sale or long sales cycle	No incentive, this represents 100% base pay & 0% incentive pay
90/10	Limited Sales Influence	90% of TTC is base pay; 10% of TTC is incentive pay
70/30	Execution of established sales strategy	70% of TTC is base pay; 30% of TTC is incentive pay
0/100	High-influence sales job; seller-driven	No base pay; 100% of the pay is from commissions

Step 3: Determine whether to apply leverage to the incentive calculation.

Leverage is what can incentivize going above and beyond the target. How much more would you want to pay for exceptional performance that exceeds the original target? What would be considered exceptional performance?

**Tip: Leverage is typically at 2-3x the target incentive commission and based on exceptional results.*

Step 4: Determine your Sales Volumes at Threshold and at Exceptional Performance

Threshold - is the minimum amount of sales volume that needs to be achieved before a commission can be paid. At least 90% of all personnel should be able to meet or exceed the threshold.

Leave the Threshold blank if there is no minimum. When there is a threshold, the template will calculate the difference between the threshold and target, to determine actual payout and commission percentage based on sales occurring above threshold only.

Exceptional sales volume - Next, determine what would be an exceptional sales volume goal. This should be achievable by 10-15% of the sales force.

Determining Levels	Typical Guidelines
Threshold	90% of salesforce can achieve at threshold or above
Target	65% - 70% of salesforce can achieve this
Excellence	10-15% of salesforce can achieve this

As you enter the information in the green cells, you will see the other cells populate with recommendations.

Equivalent Quota Attainment – these will calculate based on your Sales Volumes for Minimum/Threshold, Target and Excellence.

- The target sales volume will always be = 100% Quota Attainment
- If someone meets the target sales volume, they will have met 100% of their Quota
- The threshold and excellence Quota attainment is then calculated as the Minimum or Excellence Sales volume divided by the target sales volume.

In the example below, the arrows are showing what the incumbent would earn if they met each sales volume amount listed on the right:

The screenshot shows a spreadsheet with the following data and annotations:

4	Enter the ideal and/or average Total Target Cash and Pay Mix:		
5	Enter TTC (base & incentive target)	40,000	What is the Minimum Sales Volume Amount that needs to be met before a commission is paid?
6	Enter Pay Mix (must add to 100%)	100%	100,000
7	Enter Pay Mix Base	90%	Equivalent Quota Attainment: 80%
8	Enter Pay Mix Incentive	10%	
9	Leverage applied to incentive (usually 2-3x)	2	What is the Target Sales Volume to be met, in order to pay the TTC with Base and Incentive?
0			125,000
1	Base Pay:	36,000	TTC (Base & Commission): 40,000
2	Incentive Potential at Target:	4,000	Includes target Commission: 4,000
3	Incentive Potential at Excellence:	8,000	What is the Sales Volume Amount to start recognizing Excellent performance?
4	Excellence Pay Total (base & commission):	44,000	140,000
5			Equivalent Quota Attainment: 112%

Arrows in the image indicate the following relationships:

- From 100,000 (Minimum Sales Volume) to 36,000 (Base Pay)
- From 125,000 (Target Sales Volume) to 4,000 (Incentive Potential at Target)
- From 140,000 (Sales Volume for Excellent performance) to 8,000 (Incentive Potential at Excellence)

For example, if they do not meet the Minimum/Threshold, they can still expect just the base pay with 0 incentive. If they meet the 125,000 in sales, they receive an additional incentive of 4,000, or if they met 140,000 in sales, the incentive increases to 8,000.

Details Page

The details page will pull in most of the information entered and calculated from the first page. The only information you will need to enter in this page is: Actual Sales Volume

If you are using the file to calculate bonuses for multiple employees, you can enter their names, or you can use the Name column to model what the payout would be at different performance/sales Volume levels. Below are a few examples.

Example #1: A 90/10 pay mix with a 2x leverage potential:

3				
4	Enter the ideal and/or average Total Target Cash and Pay Mix:			
5	Enter TTC (base & incentive target)	40,000		
6	Enter Pay Mix (must add to 100%)	100%		
7	Enter Pay Mix Base	90%		
8	Enter Pay Mix Incentive	10%		
9	Leverage applied to incentive (usually 2-3x)	2		
10				
11	Base Pay:	36,000		
12	Incentive Potential at Target:	4,000		
13	Incentive Potential at Excellence:	8,000		
14	Excellence Pay Total (base & commission):	44,000		
15				
16				
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22				
23	Based on the information entered:			
24				
25	Recommended Target Commission:	16%		
26	Target Volume minus Threshold:	25,000		
27	Incentive Potential at Target:	4,000		
28				
29	Recommended Above Target/ Excellence Commission:	27%		
30	Excellence Volume minus Target Volume:	15,000		
31	Leverage total minus Target Incentive:	4,000		
32	Incentive Potential at Excellence:	8,000		
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	What is the Minimum Sales Volume Amount that needs to be met before a commission is paid?	100,000	Equivalent Quota Attainment	80%
	What is the Target Sales Volume to be met, in order to pay the TTC with Base and Incentive?	125,000	Quota Attainment at Target:	100%
	TTC (Base & Commission):	40,000		
	Includes target Commission:	4,000		
	What is the Sales Volume Amount to start recognizing Excellent performance?	140,000	Equivalent Quota Attainment	112%

Sales Volume	Sales Volume Amount	Earnings	Amount
Threshold	100,000	Base Only	36,000
Target	125,000	TTC with Target Commission	40,000
Excellence	140,000	TTC with Excellence Commission	44,000

Category	Sales Volume	Earnings
Base Only	100,000 (Threshold)	36,000
TTC with Target Commission	125,000 (Target)	40,000
TTC with Excellence Commission	140,000 (Excellence)	44,000

Based on the above example, these are different payouts for each sales volume amount:

	Min. % of Quota Attained	Max % of Quota Attained	Commission Rate	Commission Category
To Threshold:	0%	80%	0%	Below Threshold
Threshold to Target:	81%	111%	16%	Within Target
Excellent Performance:	112%		27%	Above Excellence

Name	Pay Mix													
	Threshold	Target Sales Volume	Actual Sales Volume	Quota Attainment	Total Target Cash - Base + Incentive	Base Pay	Incentive	Base Pay	Incentive at Target	Incentive Above Excellence	Commission Category	At Target Payout	At Excellence Payout	Total Commission Payout
Example below Threshold	100,000	125,000	100,000	80%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Below Threshold	0	0	0
	100,000	125,000	110,000	88%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	1,600	0	1,600
	100,000	125,000	115,000	92%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	2,400	0	2,400
Example at Target	100,000	125,000	125,000	100%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	4,000	0	4,000
Above target, not to Excellence	100,000	125,000	130,000	104%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	4,800	0	4,800
Above target, not to Excellence	100,000	125,000	135,000	108%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	5,600	0	5,600
Above target, not to Excellence	100,000	125,000	139,000	111%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Within Target	6,240	0	6,240
Example at Excellence	100,000	125,000	140,000	112%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Above Excellence	4,000	4,000	8,000
Above excellence goal	100,000	125,000	145,000	116%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Above Excellence	4,000	5,333	9,333
	100,000	125,000	150,000	120%	40,000.00	90%	10%	36,000.00	4,000.00	4,000.00	Above Excellence	4,000	6,667	10,667

DIRECTIONS FOR QUOTA ATTAINMENT COMMISSION TEMPLATE

Example #2: Increased leverage at 3x, change pay mix to 80/20 and increase target and excellent sales volume goals:

2 Directions ~ Enter your information in the Green Cells; the grey cells will calculate

3

4 Enter the ideal and/or average Total Target Cash and Pay Mix:

5 Enter TTC (base & incentive target) 40,000

5 Enter Pay Mix (must add to 100%) 100%

7 Enter Pay Mix Base 80%

3 Enter Pay Mix Incentive 20%

9 Leverage applied to incentive (usually 2-3x) 3

1 Base Pay: 32,000

2 Incentive Potential at Target: 8,000

3 Incentive Potential at Excellence: 24,000

4 Excellence Pay Total (base & commission): 56,000

What is the Minimum Sales Volume Amount that needs to be met before a commission is paid?
100,000 Equivalent Quota Attainment: 71%

What is the Target Sales Volume to be met, in order to pay the TTC with Base and Incentive?
140,000 Quota Attainment at Target: 100%

TTC (Base & Commission): 40,000
Includes target Commission: 8,000

What is the Sales Volume Amount to start recognizing Excellent performance?
190,000 Equivalent Quota Attainment: 136%

Sales Volume	Sales Volume Amount	Earnings	Amount
Threshold	100,000	Base Only	32,000
Target	140,000	TTC with Target Commission	40,000
Excellence	190,000	TTC with Excellence Commission	56,000

Based on the information entered:

Recommended Target Commission: 20%

Incentive Potential at Target: 8,000

Recommended Above Target/ Excellence Commission: 32%

Incentive Potential at Excellence: 24,000

Determine Commission Percentage | Enter Details | Guidelines

Based on the above example, these are different payouts for each sales volume amount:

	Min. % of Quota Attained	Max % of Quota Attained	Commission Rate	Commission Category
	0%	71%	0%	Below Threshold
	72%	135%	20%	Within Target
	136%		32%	Above Excellence

Name	Threshold	Target Sales Volume	Enter Actual Sales Volume	Quota Attainment	Total Target Cash - Base + Incentive	Pay Mix		Incentive at Target	Incentive Above Excellence	Commission Category	At Target Payout	At Excellence Payout	Total Commission Payout
						Base Pay	Incentive						
Example below Threshold	100,000	140,000	100,000	71%	40,000.00	80%	20%	32,000.00	8,000.00	Below Threshold	0	0	0
Example at Target	100,000	140,000	140,000	100%	40,000.00	80%	20%	32,000.00	8,000.00	Within Target	2,000	0	2,000
Above target, not to Excellence	100,000	140,000	145,000	104%	40,000.00	80%	20%	32,000.00	8,000.00	Within Target	9,000	0	9,000
Example at Excellence	100,000	140,000	189,000	135%	40,000.00	80%	20%	32,000.00	8,000.00	Within Target	17,800	0	17,800
Above excellence goal	100,000	140,000	190,000	136%	40,000.00	80%	20%	32,000.00	8,000.00	Above Excellence	8,000	16,000	24,000
	100,000	140,000	200,000	143%	40,000.00	80%	20%	32,000.00	8,000.00	Above Excellence	8,000	19,200	27,200
	100,000	140,000		0%	40,000.00	80%	20%	32,000.00	8,000.00	Below Threshold	0	0	0
	100,000	140,000		0%	40,000.00	80%	20%	32,000.00	8,000.00	Below Threshold	0	0	0
	100,000	140,000		0%	40,000.00	80%	20%	32,000.00	8,000.00	Below Threshold	0	0	0

For more information on how to best use your template and free spreadsheet tips, checkout these resources:

<https://timesavingtemplates.com/get-started-excel/>

<https://timesavingtemplates.com/freeresources>

<https://timesavingtemplates.com/faq>