

# Oracle® Sales Compensation User's Guide

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Oracle® Sales Compensation User's Guide  
Release 11

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**Glossary**

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# Preface

Welcome to the *Oracle® Sales Compensation User's Guide, Release 11*.

This user's guide includes the information you need to work with Oracle Sales Compensation effectively. It contains detailed information about the following:

- Overview and reference information
- Specific tasks you can accomplish using Oracle Sales Compensation
- Oracle Oracle Sales Compensation setup
- Oracle Oracle Sales Compensation functions and features
- Oracle Oracle Sales Compensation windows
- Oracle Oracle Sales Compensation reports and processes

This preface explains how this user's guide is organized and introduces other sources of information that can help you.

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## About This User's Guide

This guide contains overviews as well as task and reference information about Oracle Sales Compensation. This guide includes the following chapters and appendices:

- Chapter 1 gives you an overview of the key product features and the compensation process, provides a setup checklist, explains how to set up user responsibilities, and set up system parameters. This chapter also defines the profile options, explains how to integrate with other Oracle Applications, and how to distribute compensation processing functions.

**Note:** Implementation information and procedures are contained in this chapter.

- Chapter 2 defines a compensation period and explains how to define your calendar effectively for your compensation system. Oracle Sales Compensation uses compensation periods based on a general ledger (GL) calendar you define.
- Chapter 3 explains how to categorize your sales revenue, set up revenue classes and define a set of rules Oracle Sales Compensation can use to assign a revenue class to each compensation transaction processed. Oracle Sales Compensation uses categories of business revenue you define—called revenue classes—to determine whether a salesperson can receive a compensation payment.
- Chapter 4 explains how to define the data you need to Oracle Sales Compensation, and where to collect the data from. Each sales organization has different ways of paying compensation, and thus each organization needs different types of data to calculate a compensation payment.
- Chapter 5 explains how to set up a salesperson rollup structure, which Oracle Sales Compensation uses to determine how to compensate multiple people for the same transaction.
- Chapter 6 explains how to process payments to an application of your choice, such as Oracle Payroll or Oracle Payables. Sample scripts are provided as examples. When you adjust sales credit, you need to provide information that lets Oracle Sales Compensation classify the transaction it sends through for the adjusted amount of credit. This chapter also explains how to add entry fields to the Transactions form, and how to define reason codes for adjustment processing.

- Chapter 7 explains the steps you need to perform to set up compensation for a salesperson. This chapter also explains how to set up sales credit assignments, define salespeople, and define a compensation plan and assign it to a salesperson.
- Chapter 8 explains how to adjust sales credits. Before you calculate compensation payments, you might need to make adjustments for sales credits assigned in error by order or billing systems.
- Chapter 9 explains the steps you need to perform to calculate compensation.
- Chapter 10 explains the steps you need to perform to pay compensation.
- Chapter 11 explains how to view transactions assigned to the salesperson. At various times during a compensation cycle, you might need to view a salesperson's performance against their quota or performance within a revenue class.
- Chapter 12 describes how to run a variety of reports for individuals or groups of salespeople.
- Appendix A shows you how to navigate to each Oracle Sales Compensation window.
- Appendix B provides examples that explain how to calculate commissions using various element type compensation plans.
- Appendix C describes the process of transferring Dimension Hierarchy data from an external system into a particular implementation of Oracle Sales Compensation. This appendix also explains how to download data.

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## Audience for This Guide

This guide assumes you have a working knowledge of your business area's processes and tools. It also assumes you are familiar with Sales Compensation. If you have never used Sales Compensation, we suggest you attend one or more of the Sales Compensation training classes available through World Wide Education. For more information about Sales Compensation and Oracle training, see: Other Information Sources.

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## Do Not Use Database Tools to Modify Oracle Applications Data

Because Oracle Applications tables are interrelated, any change you make using Oracle Applications can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL\*Plus and other database tools do not keep a record of changes.

***Consequently, we **STRONGLY RECOMMEND** that you never use SQL\*Plus or any other tool to modify Oracle Applications data unless otherwise instructed.***

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## Other Information Sources

Here are some other ways you can increase your knowledge and understanding of Sales Compensation.

## Online Documentation

All Oracle Applications documentation is available online on CD-ROM, except for technical reference manuals. There are two online

formats, HyperText Markup Language (HTML) and Adobe Acrobat (PDF).

All user's guides are available in HTML, Acrobat, and paper. Technical reference manuals are available in paper only. Other documentation is available in Acrobat and paper.

The *content* of the documentation does not differ from format to format. There may be slight differences due to publication standards, but such differences do not affect content. For example, page numbers and screen shots are not included in HTML.

The HTML documentation is available from all Oracle Applications windows. Each window is programmed to start your web browser and open a specific, context-sensitive section. Once any section of the HTML documentation is open, you can navigate freely throughout all Oracle Applications documentation. The HTML documentation also ships with Oracle Information Navigator (if your national language supports this tool), which enables you to search for words and phrases throughout the documentation set.

## **Related User's Guides**

Sales Compensation shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user's guides when you set up and use Sales Compensation.

If you do not have the hardcopy versions of these manuals, you can read them online using the Applications Library icon or Help menu command.

### **Oracle Applications User's Guide**

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This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release of Sales Compensation (and any other Oracle Applications products). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

You can access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

### **Oracle Applications Demonstration User's Guide**

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This guide documents the functional storyline and product flows for Global Computers, a fictional manufacturer of personal computers products and services. As well as including product overviews, the

book contains detailed discussions and examples across each of the major product flows. Tables, illustrations, and charts summarize key flows and data elements.

### **Oracle Order Entry/Shipping User's Guide**

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This guide describes how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, plan departures and deliveries, confirm shipments, create price lists and discounts for orders, and create reports.

### **Oracle General Ledger User's Guide**

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This guide explains how to plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types, and enter daily rates. This manual also includes complete information on implementing Budgetary Control.

### **Oracle Receivables User's Guide**

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Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, banks, invoices, and payments windows.

## **Reference Manuals**

### **Oracle Automotive Implementation Manual**

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This manual describes the setup and implementation of the Oracle Applications used for the Oracle Automotive solution.

### **Oracle Manufacturing, Distribution, Sales and Service Open Interfaces Manual**

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This manual contains up-to-date information about integrating with other Oracle Manufacturing applications and with your other systems. This documentation includes open interfaces found in Oracle Manufacturing.



### **Oracle Applications Message Reference Manual**

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This manual describes all Oracle Applications messages. This manual is available in HTML format on the documentation CD-ROM for Release 11.

### **Oracle Project Manufacturing Implementation Manual**

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This manual describes the setup steps and implementation for Oracle Project Manufacturing.

### **Oracle Self-Service Web Applications Implementation Manual**

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This manual describes the setup steps for Oracle Self-Service Web Applications and the Web Applications dictionary.

## **Installation and System Administration**

### **Oracle Alert User's Guide**

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This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

### **Multiple Reporting Currencies in Oracle Applications**

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If you use the Multiple Reporting Currencies feature to record transactions in more than one currency, use this manual before implementing Sales Compensation. This manual details additional steps and setup considerations for implementing Sales Compensation with this feature.

### **Multiple Organizations in Oracle Applications**

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If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Sales Compensation installation, this guide describes all you need to know about setting up and using Sales Compensation with this feature.

### **Oracle Applications Implementation Wizard User's Guide**

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If you are implementing more than one Oracle product, you can use the Oracle Applications Implementation Wizard to coordinate your setup activities. This guide describes how to use the wizard.

## **Oracle Applications Developer's Guide**

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This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards*. It also provides information to help you build your custom Developer/2000 forms so that they integrate with Oracle Applications.

## **Oracle Applications Flexfields Guide**

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This guide provides flexfields planning, setup and reference information for the Sales Compensation implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This manual also provides information on creating custom reports on flexfields data.

## **Oracle Applications Installation Manual for Windows Clients**

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This guide provides information you need to successfully install Oracle Financials, Oracle Public Sector Financials, Oracle Manufacturing, or Oracle Human Resources in your specific hardware and operating system software environment.

## **Oracle Applications Product Update Notes**

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If you are upgrading your Oracle Applications, refer to the product update notes appropriate to your update and product(s) to see summaries of new features as well as changes to database objects, profile options and seed data added for each new release.

## **Oracle Applications Upgrade Preparation Manual**

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This guide explains how to prepare your Oracle Applications products for an upgrade. It also contains information on completing the upgrade procedure for each product. Refer to this manual and the *Oracle Applications Installation Manual* when you plan to upgrade your products.

## **Oracle Applications System Administrator's Guide**

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This manual provides planning and reference information for the Sales Compensation System Administrator.

## Other Sources

### **Training**

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We offer a complete set of formal training courses to help you and your staff master Sales Compensation and reach full productivity quickly. We organize these courses into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle Education Services at any one of our many Education Centers, or you can arrange for our trainers to teach at your facility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

### **Support**

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From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Sales Compensation working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle8 server, and your hardware and software environment.

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## About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 45 software modules for financial management, supply chain management, manufacturing, project systems, human resources and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 140 countries around the world.

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## Thank You

Thank you for using Sales Compensation and this user's guide.

We value your comments and feedback. At the end of this guide is a Reader's Comment Form you can use to explain what you like or dislike about Sales Compensation or this user's guide. Mail your comments to the following address or call us directly at (650) 506-7000.

Oracle Applications Documentation Manager  
Oracle Corporation  
500 Oracle Parkway  
Redwood Shores, CA 94065  
U.S.A.

Or, send electronic mail to [appsdoc@us.oracle.com](mailto:appsdoc@us.oracle.com).

# Setting Up

**T**his chapter helps you get started with Oracle Sales Compensation by providing an overview of product features as well as documentation provided to help you learn and use the product. This chapter also describes:

- The main features Oracle Sales Compensation provides
- The processes Oracle Sales Compensation uses to calculate and pay incentive compensation
- Steps you need to perform to install, set up, and use Oracle Sales Compensation
- How to set up other applications that integrate with Oracle Sales Compensation

The following topics are included:

- Key Product Features: page 1 – 3
- Flexible Compensation Solution: page 1 – 4
- Compensate Many Different Ways: page 1 – 5
- Compensate in Multiple Currencies: page 1 – 6
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## Key Product Features

Welcome to Oracle Sales Compensation, an Oracle Front Office application that helps you easily implement and maintain a wide variety of compensation practices.

Oracle Sales Compensation automates the complex task of calculating compensation with an easy-to-use graphical user interface (GUI), and many compensation functions you can customize to suit the unique operations of your organization's sales force.

In many markets today, outstanding business performance depends heavily on the productivity of an organization's sales force.

For many companies, motivating and compensating sales representatives is central to surpassing profit targets and achieving competitive distinction. However, while producing an effective sales compensation system is arguably one of the most important tasks in achieving business objectives, it can also be one of the most challenging.

Oracle Sales Compensation, part of the Oracle Cooperative Applications family of products, helps you effectively manage all aspects of your sales force, regulating compensation and incentives, and using compensation as a key motivator to increase revenues.

This section previews key features Oracle Sales Compensation offers, while the rest of this guide explains how to make the most of each feature.

---

### Oracle Applications Implementation Wizard

If you are implementing more than one Oracle Applications product, you may want to use the Oracle Applications Implementation Wizard to coordinate your setup activities. The Implementation Wizard guides you through the setup steps for the applications you have installed, suggesting a logical sequence that satisfies cross-product implementation dependencies and reduces redundant setup steps. The Wizard also identifies steps that can be completed independently—by several teams working in parallel—to help you manage your implementation process most efficiently.

You can use the Implementation Wizard as a resource center to see a graphical overview of setup steps, read online help for a setup activity, and open the appropriate setup window. You can also document your implementation, for further reference and review, by using the Wizard to record comments for each step.

## Set Up Oracle Applications Technology

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The setup steps in this chapter tell you how to implement the parts of Oracle Applications specific to Oracle Sales Compensation.

The Implementation Wizard guides you through the entire Oracle Applications setup, including system administration. However, if you do not use the Wizard, you need to complete several other setup steps, including:

- Performing system-wide setup tasks such as configuring concurrent managers and printers
- Managing data security, which includes setting up responsibilities to allow access to a specific set of business data and complete a specific set of transactions, and assigning individual users to one or more of these responsibilities

Also, if your product uses Oracle Workflow to, for example, manage the approval of business documents or to derive Accounting Flexfield values via the Account Generator, you need to set up Oracle Workflow.

### See Also

*Oracle Applications Implementation Wizard User's Guide*

*Oracle Applications System Administrator's Guide*

*Oracle Workflow Guide*

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## Flexible Compensation Solution

Because sales tasks vary highly from one company to another, a compensation system that produces windfall sales for one company might not suit another. Oracle Sales Compensation calculates and pays compensation based on functions that let you precisely mirror the operations of your sales organization. For example, you can:

- Define the structure of a compensation transaction, or the set of information your sales organization needs to calculate sales compensation.

You specify which data you need, and Oracle Sales Compensation collects this data for you from the data sources you specify.



- Categorize your business revenue into revenue classes, which help you specify which types of revenue warrant compensation in your organization.

Oracle Sales Compensation assigns a revenue class to a compensation transaction using a set of classification conditions you define for each class. You can pay a salesperson for certain revenue classes but not for others because Oracle Sales Compensation awards credit based on which revenue classes you assign to a salesperson's compensation plan.

- Define an unlimited number of compensation plans and assign them to individuals or groups of salespeople.

You can compensate many different kinds of salespeople because you can mix and match compensation terms when you build each plan.

- Define how your organization tracks and pays incentive compensation.
- Specify how your organization typically makes adjustments.

After you define precisely how your sales force operates, you generate your own customized version of the system from which to pay sales compensation. You can respond to changing sales strategies by making changes in your setup and regenerating the system.

---

## Compensate Many Different Ways

In Oracle Sales Compensation, your salespeople do not have to be direct company employees. Because Oracle Sales Compensation provides compensation plans that let you mix and match revenue classes, quotas, rates, and other aspects of compensation as you build each plan, you can compensate many different types of salespeople—from field sales to value-added resellers, OEMs (other equipment manufacturers), distributors, and others.

Each compensation plan has one or more plan elements. Each plan element has:

- Compensation based on revenue, units, discount, and margin
- One or more revenue classes for which the salesperson earns compensation

For each revenue class you can assign transaction factors that let you stage a compensation payment over the life of a sale at

different sales-related events such as invoice, customer payment, and others.

You can also define incentives—called quota uplifts and payment uplifts—that affect the amount of credit applied toward the quota or toward the actual compensation payment.

Targets, or revenue goals assigned to individual revenue classes, help you report a salesperson's performance by revenue class.

- A quota, or a revenue goal that affects compensation earnings  
Quota achievement, or level of performance against the quota, determines the compensation rate.

- A rate table with an unlimited number of rates  
The rate table pairs rate brackets, or ranges of quota achievement, with rates.

Oracle Sales Compensation lets you save each plan element, minimizing rework as you create new plans.

You can override quotas or compensation rates when you assign the plan, eliminating overhead associated with creating a separate plan for every salesperson.

---

## Compensate in Multiple Currencies

Oracle Sales Compensation gives you the flexibility to pay sales compensation in different currencies, with credit paid and rolled up in the currency of choice. With the choice of multiple currencies, you can:

- Make incentive payments in multiple currencies
- Allow for rollups across currencies

For example, you may have a transaction for a sale in England that rolls up to a sales manager in France. The manager can be paid in francs and the salesperson can be paid in British pounds.

- Associate a currency for each salesperson

The currency you associate with each salesperson is the *salesrep* currency, and all transactions credited to that salesperson will be in that currency for payment and reporting.

- Utilize a functional currency

The *functional* currency is the currency that is used by the parent company, and is defined the General Ledger set of books.

- Incorporate the reporting currencies for subsidiaries

For example, the French subsidiary of a corporation can choose to have all the revenue coming into their division in francs for reporting and bonus calculations. You can run reports in any currency.

- Handle currency conversions at the transaction level

Each transaction can have up to two currencies—transaction currency, which is the original currency in which the transaction occurred, and the functional currency.

- Run reports in any currency

Commission statements and reports can include the transaction currency, the salesrep currency, and the parent company's functional currency.

- Enter transaction and payment information in multiple currencies

You can enter manual transactions in any currency defined in Oracle General Ledger.

- View salespeople's account balances in functional or salesrep currency

---

## Model New Plans

Oracle Sales Compensation compensation plans are period-effective, allowing you to respond to changes in compensation strategy by assigning plans for a finite period of time.

This feature lets you test new plans or model plan designs for a new fiscal year based on last year's data.

---

## Roll Credit Up

Oracle Sales Compensation can compensate multiple salespeople for the same transaction based on a sales credit rollup structure you define. For example, sales managers might receive credit for their subordinates' transactions, while a consultant or technical representative might also receive credit for helping to close business.

The structure can mirror your true sales management structure or any another organizational structure.

---

## Accurate and Timely Payments

Oracle Sales Compensation ensures accurate and timely payments by giving you complete control over how and when compensation is paid. You can:

- Schedule payments based on your Oracle General Ledger (GL) periods or make on-demand payments as necessary
- View compensation account balances through a subledger, which summarizes information by several different time frames
- Recalculate earnings or calculate earnings retroactively if necessary

---

## View Individual Financial Summaries

Similar to Oracle General Ledger, the Oracle Sales Compensation *salesperson subledger* provides you with a detailed financial snapshot of each salesperson, letting you view compensation—bonuses, commissions, and draws.

---

## Make Adjustments

Oracle Sales Compensation lets you make sales credit adjustments. For example, you can adjust the credit originally assigned to a salesperson by an order or billing system. Oracle Sales Compensation uses the sales credit as the basis for compensation calculation.

---

## Manage Information Easily

Oracle Sales Compensation lets you track and maintain employment information for each salesperson. This information is shared with Oracle Receivables, and can be updated in Oracle Receivables from Oracle Sales Compensation.

---

## Monitor Salesperson Performance

View salesperson performance information quickly and easily, including period-effective information about:

- Achievement versus plan, showing a salesperson's performance against their quota
- Individual transactions, showing summary information for compensation transactions

---

## Report on a Variety of Information

Oracle Sales Compensation provides a wide variety of standard compensation reports and also lets you create your own reports using Oracle Reports 2.5.

---

## Integrate Easily with Other Applications

Oracle Sales Compensation provides an open sales compensation accounting solution with the following open interfaces:

- Transactions—for collecting transactions from external billing systems, reseller reports, etc.
- Payment submission—for interfacing with the Payroll application, check-writing applications, etc.
- Salespeople information
- Dimension Hierarchy Information

The next section provides an overview of how Oracle Sales Compensation uses some of the functions explained in this section to calculate and pay sales compensation.

---

# Compensation Processing Overview

Now that you've seen an overview of the main Oracle Sales Compensation functions, this section summarizes how Oracle Sales Compensation uses many of these functions to process sales compensation.

To pay sales compensation, your compensation department probably needs to:

- Be notified when a sales-related event occurs, such as when an order is booked or an invoice is processed
- Obtain information about the sale — such as the salesperson's name and the amount of sales credit
- Determine whether the salesperson who received initial credit is eligible to be compensated for the sale
- Calculate the compensation based on a formula
- Send payment information to your Payroll or Accounts Payable department so a check for the compensation can be issued

As you might imagine, Oracle Sales Compensation uses similar steps to calculate and pay sales compensation:

## Step 1 Collect the compensation transaction

During setup you define the structure of a compensation transaction, which tells Oracle Sales Compensation what information you need to collect to calculate compensation and where in the database this information is stored.

Oracle Sales Compensation supports two sources of transactions:

- Oracle Receivables through a direct interface
- Any foreign source through the transaction interface

Oracle Sales Compensation collects the data in a compensation transaction from data in *source transactions*—such as invoices, cash receipts, or credit memos—processed by Oracle Receivables.

When you run a process to collect compensation transactions, among other information, Oracle Sales Compensation collects the following from the source transaction:

- The name of the *credit receiver*, or the salesperson assigned *sales credit* for the transaction
- The amount of sales credit

**Step 2    Classify the transaction**

During setup, you categorize your sales revenue into revenue classes, which specify which types of revenue warrant compensation in your organization. When you run a process to classify transactions, Oracle Sales Compensation uses a set of conditions you define to determine the class to which the transaction belongs.

**Step 3    Determine compensation recipients**

After you define revenue classes, you assign them to a compensation plan and assign the plan to a salesperson. Oracle Sales Compensation awards compensation if the revenue class of the transaction matches a revenue class assigned to the credit receiver's compensation plan.

**Step 4    Calculate compensation**

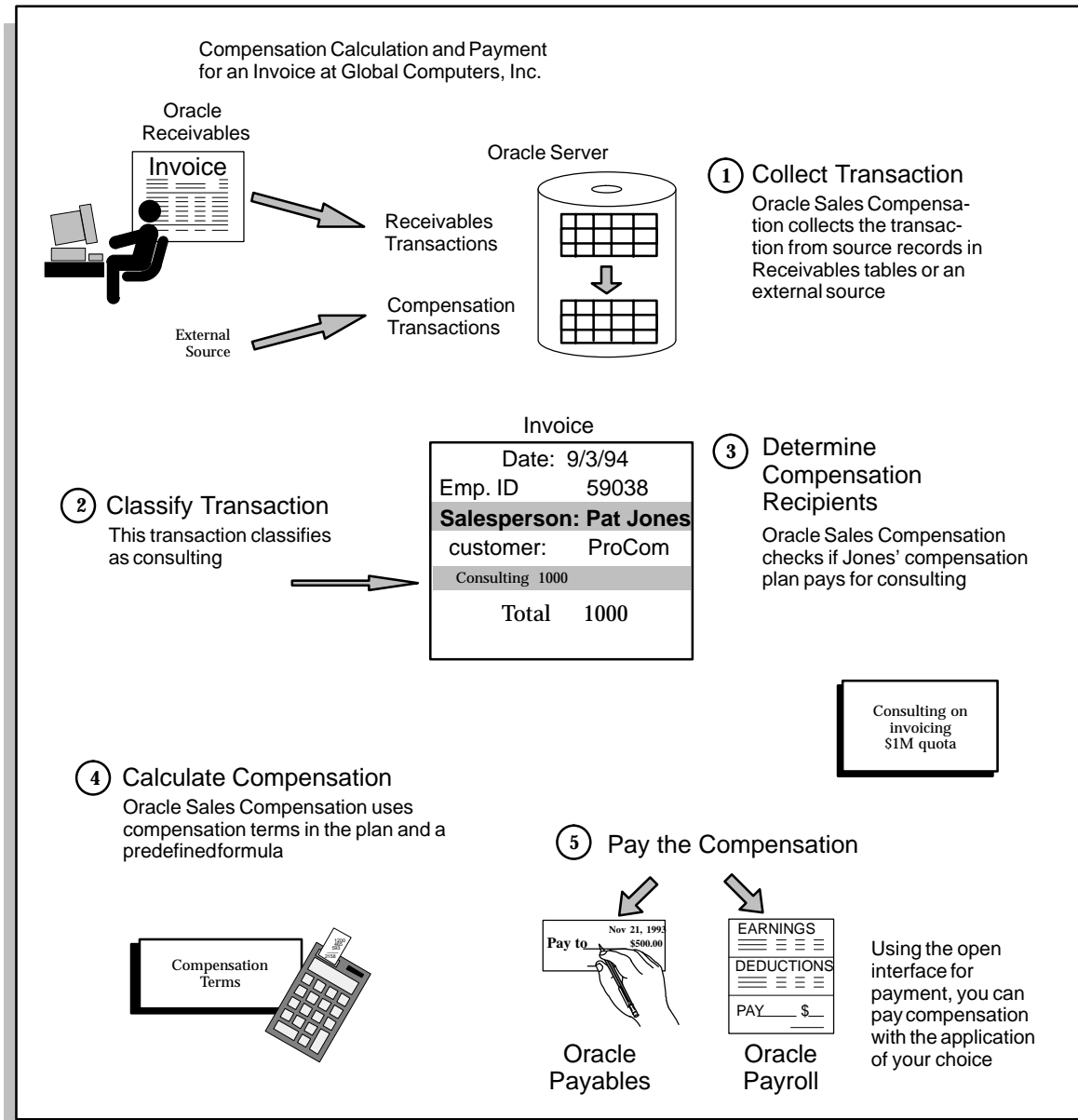
Oracle Sales Compensation uses a predefined formula and compensation terms defined in the credit receiver's compensation plan to calculate the compensation amount.

**Step 5    Pay the compensation**

When the compensation earnings have been calculated, you run a process to submit payment to the payment processing application of your choice.

The following figure shows an example of this process for a software invoice at Global Computers, Inc., a fictitious personal computer company:

**Figure 1 – 1 The Process Oracle Sales Compensation Uses to Calculate and Pay Compensation**



When you pay compensation, you run each of the processes shown in Figure 1 –1. Each process is driven by information specific to your sales operations, and thus has some corresponding setup steps. How these steps are organized is explained next.



# Setup Checklist

Use the following checklist as you work through the Oracle Sales Compensation setup process. Because each sales organization pays compensation differently, each of the steps in the process is driven by information you provide about how your sales organization functions.

This checklist explains the types of organization-specific information you need to provide, giving steps you need to perform to define this information. You can use this checklist as a mini-guide to setting up Oracle Sales Compensation. Each of the steps is explained more fully beginning on the page indicated at the right of the step.

Step		See
<input type="checkbox"/>	1. Install Oracle Sales Compensation Server and Client.	<i>Oracle Applications Installation Manual</i>
<input type="checkbox"/>	2. Define application responsibilities that suit the needs of your sales organization and assign responsibilities to users.	Setting Up User Responsibilities: page 1 – 16
<input type="checkbox"/>	3. Define your compensation processing periods using the Set of Books and Periods system parameters.	Defining Your Calendar and Set of Books: page 2 – 4
	Within Oracle Applications, Oracle General Ledger is the central repository for accounting information. Your compensation accounting periods are drawn from the set of books you define in Oracle General Ledger, and are bounded by a time frame you set for the application instance.	
	<input type="checkbox"/> Set the Oracle Sales Compensation Set of Books system parameter using a set of books you have defined in GL.	
	<input type="checkbox"/> If you do not have GL installed, define your set of books using the GL forms provided.	
	<input type="checkbox"/> Activate your set of books within Oracle Sales Compensation.	
	<input type="checkbox"/> Activate periods in Oracle Sales Compensation. Periods must be in an Open or Future Enterable state to be used for setting up plans, salespeople, etc.	
<input type="checkbox"/>	4. Define collection of compensation transactions depending on your source:	Defining Your Data Sources: page 4 – 6
	If collecting from Oracle Receivables:	Choosing the Oracle Receivables Source: page 4 – 7
	<input type="checkbox"/> Specify what data – or transaction attributes – you need to collect in your compensation transaction to calculate compensation in your organization.	
	<input type="checkbox"/> Specify the Receivables system and types of source transactions from which you want to collect these transaction attributes.	
	<input type="checkbox"/> Provide a map that tells Oracle Sales Compensation where in the database to look for the information you need.	
	<input type="checkbox"/> Define system parameters that affect collection processing and transfer of transactions to the Calculator subsystem.	

Step		See
	If collecting from an external source:	Collecting Transactions Using the Open Interface: page 4 – 39
	<input type="checkbox"/> Import compensation transactions using the open interface for transaction processing.	
	<input type="checkbox"/> Define system parameters that affect collection processing and transfer of transactions to the Calculator subsystem.	
<input type="checkbox"/>	5. Set up revenue classification:	Categorizing Your Sales Revenue: page 3 – 3
	<input type="checkbox"/> Define revenue classes that specify what types of revenue your organization pays compensation for.	
	<input type="checkbox"/> Define a set of rules Oracle Sales Compensation can use to determine when a transaction belongs to a given revenue class.	
	<input type="checkbox"/> Optionally, define other hierarchies you may need for specifying rules.	
	<input type="checkbox"/> Specify your revenue class hierarchy name in the System Parameters window.	
	<input type="checkbox"/> Synchronize your rules (generate and instantiate).	
<input type="checkbox"/>	6. Define your sales organization:	Defining Salespeople: page 5 – 3
	<input type="checkbox"/> Set up salespeople.	
	<input type="checkbox"/> Optionally, set up an organizational hierarchy if you need to roll credit up a management reporting chain.	
	<input type="checkbox"/> Specify your salesperson hierarchy name in the System Parameters window.	
	<input type="checkbox"/> Specify your managerial rollout in the System Parameters window.	
	<input type="checkbox"/> Optionally, define the salesperson descriptive flexfields to define additional attributes about salespeople.	
<input type="checkbox"/>	7. Set up payment:	Payment Setup: page 6 – 3
	<input type="checkbox"/> Turn On or Off the ALLOW_PAYRUN_CREATION profile.	
<input type="checkbox"/>	8. Set up the sales credit adjustments form to accommodate the types of sales credit adjustments your organization typically makes:	Manual Transactions Setup: page 6 – 4
	<input type="checkbox"/> Define reason codes that accommodate the reasons your organization typically makes sales credit adjustments.	
	<input type="checkbox"/> Optionally, set up a descriptive flexfield.	
<input type="checkbox"/>	9. Apply your setup information:	Setting System Parameters: page 1 – 18
	<input type="checkbox"/> Synchronize Oracle Sales Compensation's default transaction collection and classification functions with the rules you have defined for these functions.	
	<input type="checkbox"/> Ensure you have set all system parameters appropriately.	
	<input type="checkbox"/> Activate the system.	

Step		See
<input type="checkbox"/>	10. Create a compensation plan:	Defining a Compensation Plan: page 7 – 6
	<input type="checkbox"/> Define your plan elements.	
	<input type="checkbox"/> Define rate tables and assign them to the plan elements.	
	<input type="checkbox"/> Assign revenue classes to the plan elements.	
	<input type="checkbox"/> Optionally, define a target for each revenue class.	
	<input type="checkbox"/> Optionally, define a quota and/or payment uplift for each revenue class.	
	<input type="checkbox"/> Define compensation plans and assign plan elements to them.	
	<input type="checkbox"/> Name the plan and define the period during which it is effective.	
	<input type="checkbox"/> Verify that the plan is complete.	
<input type="checkbox"/>	11. Assign the plan to a salesperson, optionally tailoring the quota or individual compensation rates, period targets, draws, and revenue class targets.	Assigning a Plan to a Salesperson: page 7 – 113 and Customizing Compensation for a Salesperson: page 7 – 116
<input type="checkbox"/>	12. Calculate and pay compensation:	Calculating Compensation: page 9 – 3 and About the Payment Process: page 10 – 2
	<input type="checkbox"/> If necessary, adjust sales credits assigned in error before you calculate payment.	
	<input type="checkbox"/> Run compensation calculation process.	
	<input type="checkbox"/> View compensation earnings through the salesperson subledger.	
	<input type="checkbox"/> View quota achievement, revenue–class achievement, or individual transactions.	
	<input type="checkbox"/> Create a payrun document for each payrun.	
	<input type="checkbox"/> For each payrun document, create a payment worksheet for the salespeople you want to pay.	
	<input type="checkbox"/> Pay the compensation.	
	<input type="checkbox"/> Open the compensation periods you wish to calculate or pay.	
	<input type="checkbox"/> Optionally, close or permanently close the compensation periods.	
<input type="checkbox"/>	13. Run individual compensation statements and any other summary reports you need.	Using the Salesperson Subledger: page 11 – 4 and Running Predefined Reports: page 12 – 2

---

## Setting Up User Responsibilities

You must define and assign responsibilities, define users, and set profile options in Oracle Sales Compensation.

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### Defining and Assigning Responsibilities

Responsibilities define what functions a user has permission to access. Restricted functions are eliminated from the menu options.

You can define your own responsibilities or use the three responsibilities that are provided by default:

- Sales Compensation Super User—for setup and use
- Sales Compensation Analyst—for application users
- Sales Compensation Manager—for Sales Managers

Using the System Administrator responsibility, navigate to Security ->Define

**Note:** For more information on defining responsibility profile options, see the *Oracle Applications System Administrator's Manual*.

---

## Defining Users

After you have defined Oracle Sales Compensation responsibilities, you need to define your users and assign responsibilities to the users. Oracle recommends that you define the user acting as your Sales Compensation Super User with the following responsibilities:

- Sales Compensation Super User
- GL Super User GUI
- System Administrator GUI
- Application Developer GUI

All other users should be assigned the Sales Compensation Analyst or Manager responsibility.

Using the System Administrator responsibility, navigate to Security > User > Define.

For more information on setting up users, see the *Oracle Applications System Administrator's Manual*.

## Setting System Parameters

This section summarizes the functions of the system parameters you set as you worked through the setup process summarized in Setup Checklist: page 1 – 13 and refers you to the page that explains each parameter in more detail.

When you installed Oracle Sales Compensation, you installed the Collector and Calculator modules into different database schema. Because these modules reside in different schema, you need to define system parameters separately for each module.

Parameter Name	Description
<b>General System Parameters</b>	
System Status	<p>Either ACTIVE or INACTIVE, indicating this Oracle Sales Compensation instance is either actively processing transactions or is inactive.</p> <p>For more information, see Administering Sales Compensation Periods: page 2 – 7.</p>
Name	<p>Name of this Oracle Sales Compensation instance.</p> <p>For more information, see Distributing Collection and Calculation Functions: page 1 – 26.</p>
Function	<p>The function this Oracle Sales Compensation instance is to perform:</p> <p><b>Collector:</b> Data is collected from the A/R application.</p> <p><b>Calculator:</b> Data is calculated only.</p> <p><b>All</b> (Collector and Calculator): Data is collected from an external source and calculated, or the A/R source is in the same database as this Oracle Sales Compensation instance.</p> <p>For more information, see Collecting Data for Oracle Sales Compensation: page 4 – 3.</p>
Salesperson Hierarchy	<p>Since the user may have defined multiple hierarchies on the Salesperson dimension, this field tells Oracle Sales Compensation which salesperson hierarchy to use. The default is Salesperson Hierarchy.</p> <p>For more information, see Defining a Salesperson Hierarchy: page 5 – 8.</p>
Revenue Class Hierarchy	<p>Since the user may have defined multiple hierarchies on the Revenue Class dimension, this field tells Oracle Sales Compensation which revenue class hierarchy to use. The default is Revenue Class Hierarchy.</p> <p>For more information, see Arranging Revenue Classes into a Hierarchy: page 3 – 13.</p>
Set of Books	<p>The set of books associated with your sales compensation instance.</p> <p>For more information, see Selecting the Set of Books: page 2 – 5.</p>
Calendar	<p>View-only. The calendar associated with the set of GL books you specified in the Set of Books field.</p> <p>For more information, see Defining Your Calendar and Set of Books: page 2 – 4.</p>
Period Type	<p>View-only. The period type associated with the GL calendar.</p> <p>For more information, see Defining Your Calendar and Set of Books: page 2 – 4.</p>

**Table 1 – 1 (Page 1 of 2)**

Parameter Name	Description
<b>General System Parameters</b>	
Currency	View-only. Currency of the GL set of books you specified in the Name field. Because Oracle Sales Compensation is a currency-neutral application, this field is for your reference only. For more information, see Defining Your Calendar and Set of Books: page 2 – 4.
Collection Batch Size	The number of compensation transactions per batch you want Oracle Sales Compensation to collect each time you run the collection process through the Concurrent Manager. For more information, see Specifying the Collection and Transfer Batch Size: page 2 – 11.
Transfer Batch Size	The number of transactions per batch you want Oracle Sales Compensation to copy from the Collector module to the Calculator module each time you run the concurrent process to transfer transactions. Transactions are copied (transferred) from the compensation transaction tables in the Collector module to the transaction tables in the Calculator module. For more information, see Specifying the Collection and Transfer Batch Size: page 2 – 11.
Clawback Grace Days	The number of days after the payment due date that you want Oracle Sales Compensation to take back sales credit given thus far in the sales process. For more information, see Collecting Past-Due Invoices: page 4 – 12.
Transaction Rollup Method	For credit memos, deposits, guarantees, write-offs, clawbacks, and givebacks, determine which period-effective rollup hierarchy to use for the order date or the invoice date. For more information, see Making the Salesperson Hierarchy Effective: page 5 – 15
Calculator Database	One of the collection parameters. Tells the collector the TWO_TASK of the calculator so that the collection transfer modules can transfer transactions from the collector to the calculator. For more information, see Specifying the Calculator Instance: page 2 – 11.
Salesrep Batch Size	The number of salesperson periods in a sales compensation calculation batch. For more information, see Calculating Compensation for a Salesperson: page 9 – 6.
Managerial Rollup	When checked, enables Oracle Sales Compensation to rollup credits along the salesperson hierarchy. For more information, see Making the Salesperson Hierarchy Effective: page 5 – 15

**Table 1 – 1 (Page 2 of 2)**

**Note:** To make your collection system parameters effective, you must regenerate and reinstantiate the collection module. See Generating Your Revenue Classification Setup: page 3 – 45 for more information.

When you change the value of a parameter, an informational message displays explaining the impact of your change. Carefully weigh the impact before you implement changes to any system parameter.



**Warning:** Some changes have a greater impact than others. For example, if 20 days of a 30-day clawback grace period have passed, and you change the Clawback Grace Days parameter from 30 days to 15, Oracle Sales Compensation will not issue a clawback transaction at all. However, if you change the grace period from 30 days to 40, all necessary transactions will be issued.



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## Sales Compensation Profile Options

► **To query the appropriate profile option:**

1. Login to Oracle Applications and choose the Sales Compensation Superuser responsibility.
2. Navigate to the System Profile Values window, Standard Path: Setup/Profiles/System.
3. Enter the following values or choose from the List of Values.
  - *Application:* Oracle Sales Compensation
  - *Responsibility:* Enter a responsibility only if the profile option that you are defining is specific to a responsibility. In the case of Multi-Org, it will be necessary to set all profile options at the responsibility level because the responsibility is defined for each Multi-Org organization
  - *User:* Name of the User only if the profile option that you are defining is specific to a user. For instance, Report Security Levels may be different by user, where SQL Spool Path will be the same for all users
  - *Profile:* OSC%
4. Choose the FIND button.

### Profile Option Settings

You can set or view the following profile options in Sales Compensation.

Key	
✓	You can update the profile option.
–	You can view the profile option value but you cannot change it.

Profile Option	User	System Administrator				Requirements	
	User	User	Resp	App	Site	Required?	Default Value
OSC: Report Security Level	–	✓	✓		✓		Sales Rep @ Site
OSC: SQL Spool Path	✓	✓	✓	✓	✓		
OSC: Commission Rate Precision	✓	✓	✓	✓	✓		
OSC: Debug Mode	✓	✓	✓	✓	✓		
OSC: User's Employee Number	–	✓					

### OSC: Report Security Level

Assigns security levels to view and print reports within the company.

*Analyst* View and print reports for anyone that is assigned to them.

*Manager* View and print reports only for the sales representatives that are below them in the hierarchy.

*Sales Rep @ Site* View and print only their reports.

### OSC: SQL Spool Path

Informs the concurrent manager where to spool dynamically generated SQL text files when the following concurrent programs are run:

- Generate Classification Rules Package Text
- Install Classification Rules Package Text
- Install Collection Package
- Generate Collection Package Text

#### ► To enter the directory path which will contain the SQL spooled files:

1. Navigate to System Profiles, Setup -> Profile -> System.
2. Query OSC: SQL\_SPOOL\_PATH.
3. In the Site column, enter the directory path where the Concurrent Manager would spool out the SQL text files.

**Note:** Make sure the user has write privileges in this directory. Also the total length of the path should be less than 35 characters.

It is normally recommended that the user should spool to the directory \$APPLCSF/\$APPOUT or \$APPL\_TOP/\$CN\_TOP/out/ where the concurrent manager will write all the log and out files.

For example, on a Unix server:

- \$APPLCSF = /endev/en/1.0
- \$APPOUT = rtout

So the CN\_SQL\_SPOOL\_PATH value should be /endev/cn/1.0/rtout/.

**Note:** Make sure to include the last / in a Unix environment.

The OSC: SQL\_SPOOL\_PATH gets predefined with the file which is to be generated when running any of the above mentioned programs. For example, when running Install Classification Rules program, you will see in the parameters window: /cndev/cn/10.0/out/cnclrul.sql.

The path will be unique for each installation site and will depend on the operating system.

### **OSC: Commission Rate Precision**

Determines the number of values that will automatically follow the decimal point in all fields where dollar values are used throughout Oracle Sales Compensation.

### **OSC: Debug Mode**

Locates errors generated by Oracle Sales Compensation concurrent processes, such as, calculation, collection, transaction interface loader, and upload and download hierarchy.

#### **► To locate errors:**

1. Log into the application using the Application Developer GUI responsibility.
2. Navigate to Profile.
3. Run a query with "Oracle Sales Compensation" entered in the Application field.
4. For the Profile OSC: Debug Mode, make sure that the Active Dates End is set to NULL.
5. Switch to the Sales Compensation Superuser Responsibility.
6. Navigate to Setup -> Profile -> System.

7. OSC% into the Profile field and choose the FIND button.
8. Set the Site to Yes for the Profile "OSC: Debug Mode."
9. Go into the appropriate Sales Compensation responsibility.
10. Run the concurrent manager procedure that you want to run.
11. Navigate to Administration->Process Log.
12. Find the Process log id for the concurrent manager procedure that you ran.
13. Choose the Process log button.
14. Choose the Debug button.
15. You will then see the information on the statements that the concurrent manager procedure tried to execute.

It is recommended that you set this profile option for debug purposes only, assign the profile to only one individual, such as a DBA, and change the status back to No after you troubleshoot the problem. When you run the debug mode, rows are added to the CN\_PROCESS\_AUDIT\_LINES table. It is possible that this table could run out of extents, in which case, the DBA will have to alter the storage parameters. Also, if the table grows too big, you will have to truncate the table.

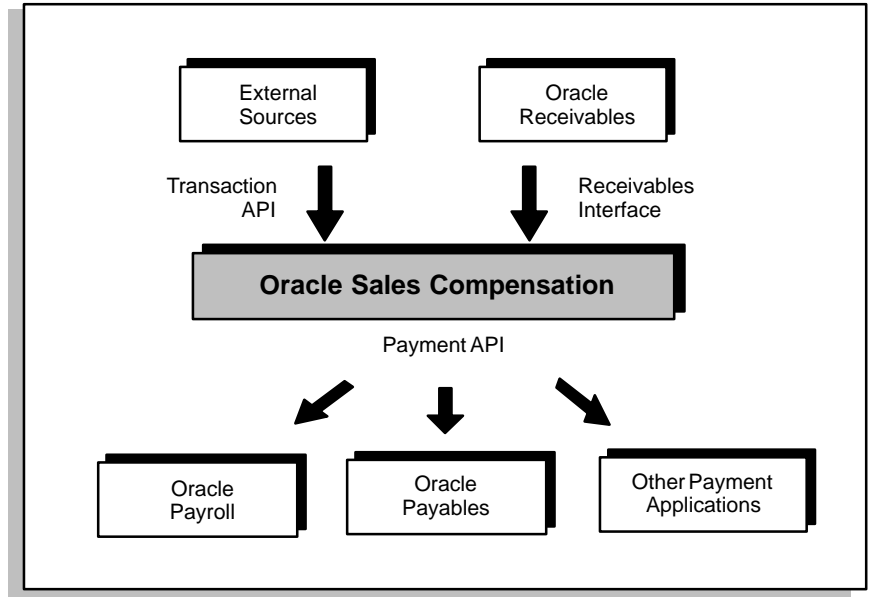
### **OSC: User's Employee Number**

Assigns a unique employee identification number to each user within Oracle Sales Compensation who are managers and sale representatives. The system administrator generally assigns this number to all employees. The *OSC: Report Security Level* profile option uses this number to determine each user's report viewing and printing access options.

## Setup in Other Applications

Oracle Sales Compensation integrates with other Oracle Applications to obtain compensation transactions and to pay compensation (Figure 1–2). This section explains prerequisite functions you need to implement in other Oracle Applications before you set up and use Oracle Sales Compensation.

Figure 1 – 2 Integration with Oracle Applications



### Prerequisites

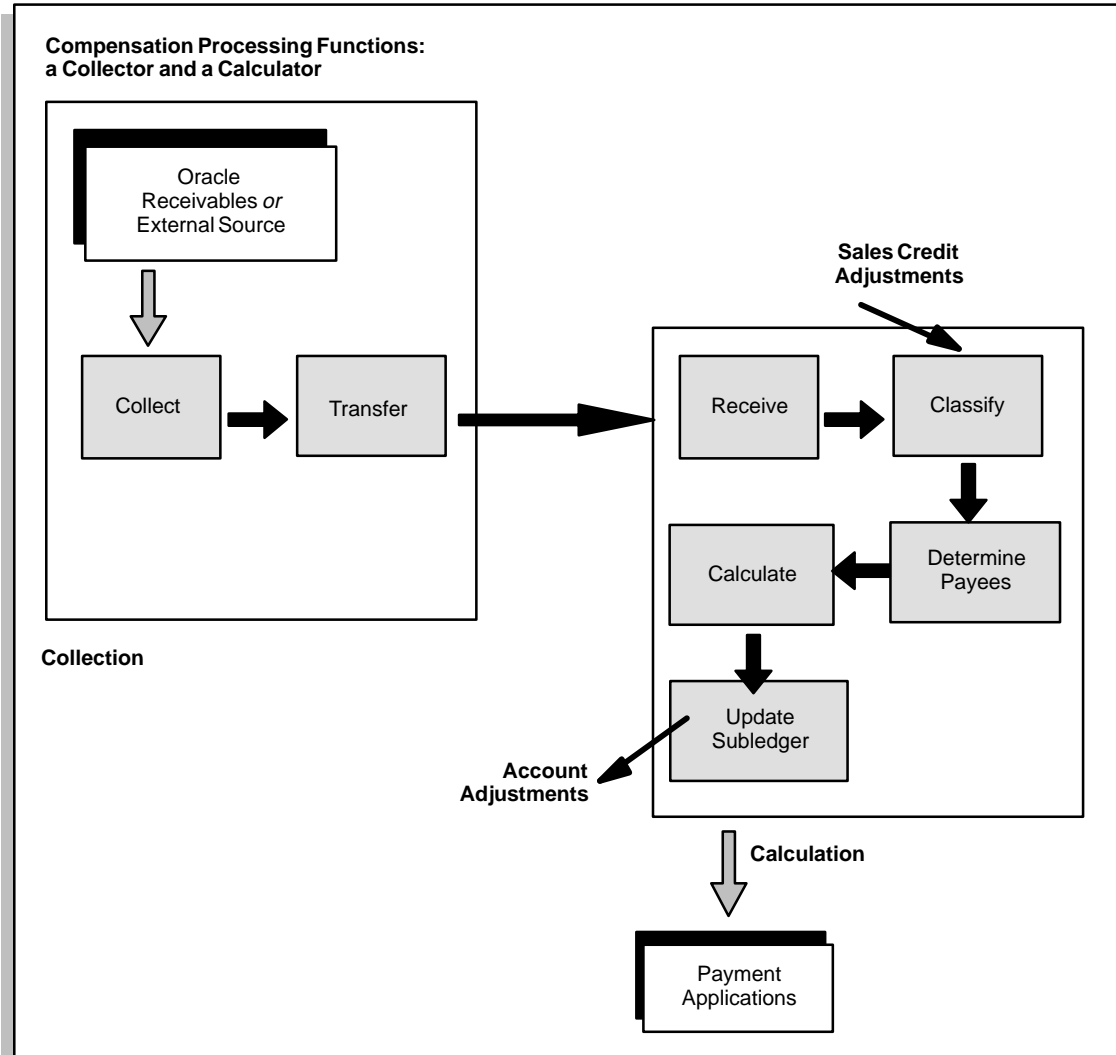
To use Oracle Sales Compensation (if you are using Oracle Receivables as your data source), you need:

- ☐ Install Oracle Receivables Release 10.5 (and later)
- ☐ Set up the Credit Receivers feature in Oracle Receivables

## Distributing Collection and Calculation Functions

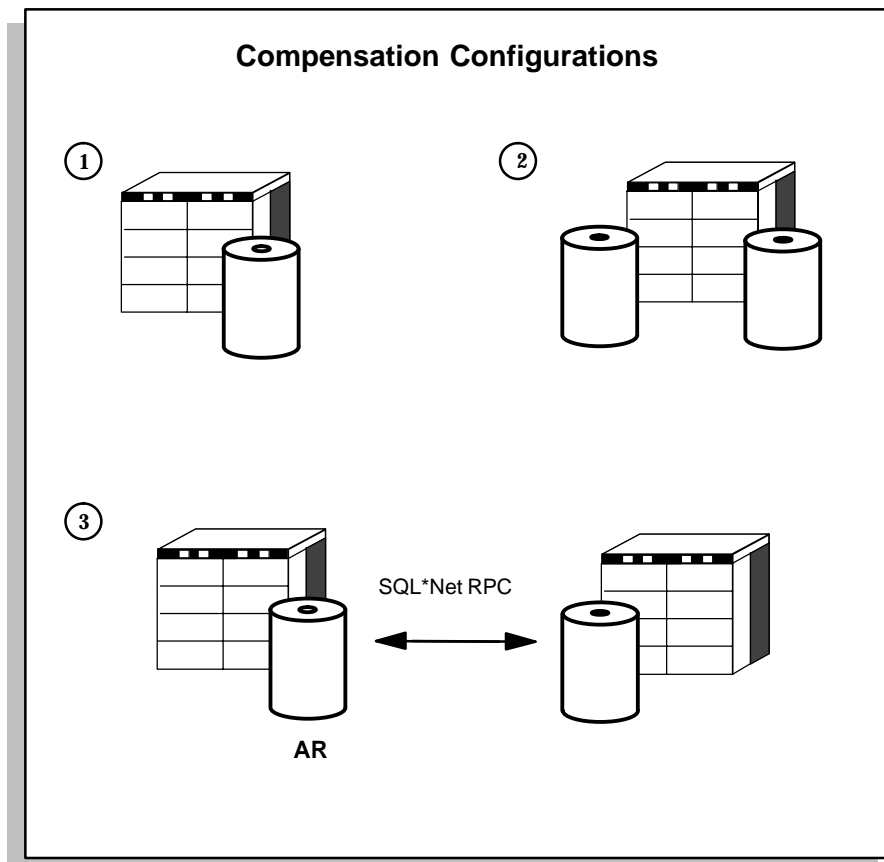
Figure 1 – 3 shows the Oracle Sales Compensation Collector module, which collects compensation transactions from Oracle Receivables or an external source, and transfers them to the Calculator for further processing.

Figure 1 – 3 Distribution of Compensation Processing Functions



The Oracle Receivables application instance from which you collect compensation transactions must reside in the same database as the Oracle Sales Compensation Collector instance (Figure 1 – 4). The Calculator instance can reside in the same database, or in a different database (on the local machine or a remote machine).

**Figure 1 – 4 Compensation Configurations**



To associate the source data columns with their transaction attributes in Oracle Sales Compensation, you map data transferred from the data source to Oracle Sales Compensation as described in Mapping Transaction Attributes to Receivables Attributes: page 4 – 18.

Data transfer between the collector and calculator happens through SQL\*Net remote procedure call. You control the size of the data transfer batches using a system parameter in Oracle Sales Compensation (see Specifying the Transfer Batch Size: page 2 – 11).

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# The Global Computers, Inc. Compensation Scenario

Shipped with Oracle Applications is a database containing sample data you can use while learning the product. The *Oracle Applications Demonstration User's Guide* explains how to set up and use this database for various Oracle Applications. The sample data is structured around a fictitious computer corporation, Global Computers, Inc.

Throughout this guide we use examples that are based on Global's compensation strategy and compensation processing. This section summarizes this scenario.

## What Is Global Computers, Inc.?

Global Computers, Inc. is a price-performance leader at the high end of the personal computer market. Global's flagship models, the desktop Sentinel and the laptop Envoy, appeal to GUI application developers, analysts, executives, and sales consultants who demand flexible configurations, ultra-high speed, superior graphics, high-fidelity and seamless communication. The company also supplies implementation consulting, customer training, support maintenance, and a line of computer peripherals such as modems, monitors, and keyboards.

## Sales Organization

Global has four sales offices: one located at the company's headquarters in Sacramento, one in London, one in Stuttgart, and one in Singapore. The company sells its products through several distribution channels, including:

- A direct field sales force
- External agents on contract with the company
- Other equipment manufacturers (OEMs)
- Value-added resellers (VARs)
- Independent Software Vendors (ISVs)
- Distributors
- Telesales

## Compensation

The company's direct sales force sells the full line of Global's products and services, and is paid compensation based on specific terms in compensation plans that pay higher compensation rates for better sales performance. Compensation is paid to the direct sales force at the time of invoicing. In contrast, an external agent receives a compensation payment for the class at the time the customer pays.

Other channels, such as VARs or ISVs, sell only the company's computer models and peripherals, and are paid a flat rate per unit of



## **Compensation Payment Cycles**

product sold. Compensation is paid to non-direct channels when the end customer pays.

Global pays compensation to its sales force monthly.

While the company's worldwide sales revenues have grown to \$1 billion in five years, gross profit margins slipping as competition forces manufacturers into commodity pricing. More than ever before, Global's compensation strategy for all types of sales channels—including direct field sales—must be flexible and easy to change, reflecting changing business strategies.



# Defining Your Sales Compensation Calendar and Set of Books

**T**his chapter describes how to:

- Define the calendar and set of books on which you want to base your compensation periods. You define the set of books in Oracle General Ledger (GL).
- Select the set of books in Oracle Sales Compensation
- Open and close periods in Oracle Sales Compensation

The following topics are included:

- About Compensation Periods: page 2 – 3
- Defining Your Calendar and Set of Books: page 2 – 4
- Defining the Collector Set of Books: page 2 – 6
- Specifying Collection Parameters for Collecting Transaction Data: page 2 – 11
- Specifying the Collection and Transfer Batch Size: page 2 – 11
- Specifying the Calculator Instance: page 2 – 11

The following tasks are included:

- Selecting the Set of Books: page 2 – 5
- Administering Sales Compensation Periods: page 2 – 7

---

## About Compensation Periods

A *compensation period* is the interval on which your organization pays its salespeople for all sales activity during a given time frame. For example, while standard pay periods at Global Computers are biweekly, the company pays sales compensation to its representatives once a month.

Oracle General Ledger (GL) serves as the central repository for accounting information for Oracle Applications. For this reason, Oracle Sales Compensation obtains its sales compensation periods from those you define in GL.

If you have already defined your calendar and set of books in Oracle General Ledger, you need to identify this information in Oracle Sales Compensation (see *Selecting the Set of Books*: page 2 – 5).

If you have not yet defined your calendar and set of books in Oracle General Ledger, you must do so in Oracle Sales Compensation. Follow the instructions in *Defining Your Calendar and Set of Books*: page 2 – 4.

---

## Defining Your Calendar and Set of Books

If you have not already set up your calendar and set of books in Oracle General Ledger, you can define compensation periods in Oracle Sales Compensation using the following General Ledger forms:

- Set of Books
- Calendar
- Period Types
- Open and Close Periods
- Key Flexfields

**Note:** For additional information, see *Oracle General Ledger Reference*.

After you have defined your calendar and set of books, you must specify this information in Oracle Sales Compensation (see Selecting the Set of Books: page 2 – 5 and Administering Sales Compensation Periods: page 2 – 7).

## Selecting the Set of Books

A *set of books* identifies a company or fund within Oracle Applications that shares a common chart of accounts structure, calendar, and functional currency. Oracle Sales Compensation processes sales compensation payments according to periods defined in a calendar associated with a set of books you define in Oracle General Ledger. You reference this set of books using a system parameter in Oracle Sales Compensation. For example, if the periods in the set of books you identify are biweekly, your compensation periods will also be biweekly.

**Note:** Defining a set of books is explained in *Oracle General Ledger Reference*. After you define your set of books, you're ready to specify this information to Oracle Sales Compensation.

► **To specify the set of books on which you want to base your compensation periods:**

1. Navigate to the System Parameters window.

By default, choose System Parameters from the Setup menu.

The screenshot shows the 'System Parameters' window with the following values:

Field	Value
System Status	ACTIVE
Name	Vision Operations (USA)
Function	All
Revenue Class Hierarchy	Revenue Class Hierarchy
Salesperson Hierarchy	Salespeople Hierarchy
Set of Books	Vision Operations (USA)
Calendar	Accounting
Period Type	Month
Currency	USD
Collection Batch Size	2000
Clawback Grace Days	30
Transfer Batch Size	2000
Trx Rollup Method	Invoice Processing Date
Salesperson Batch Size	200
Rule Batch Size	
Managerial Rollup	<input checked="" type="checkbox"/>

2. Enter a name for your Oracle Sales Compensation instance
3. In the Set of Books field, choose a GL set of books from the list of values.

Oracle Sales Compensation obtains this list of values from all sets of books you have defined for the installed GL application.

When you enter a set of books, Oracle Sales Compensation displays the following information associated with that set of books:

*Calendar:* The name of the calendar associated with this set of GL books. This information can only be viewed.

*Period Type:* The period type associated with this set of GL books. This information can only be viewed.

*Currency:* The functional currency associated with this set of GL books. Oracle Sales Compensation allows you to pay salespeople in the currency of their choice, known as the *salesrep currency*; it makes calculations in the selected functional currency, and then displays the amounts in the salesperson's subledger in the salesrep currency.

The currency in which transactions are done is called the *transaction currency*; Oracle Sales Compensation converts the transaction or *source* currency to the functional currency after it collects the transaction from Oracle Receivables or another source. For more information on multicurrency rules, see the *Oracle General Ledger Reference Manual*.

---

## Defining the Collector Set of Books

When you define the set of books for the collector, you must be in the collector instance or the instance which is both the collector and the calculator. From the System Parameters window, pick the same set of books as you are using in your Oracle Receivables source.

**Note:** If you are using a separate calculator, then the calculator set of books must match the collector set of books definitions.

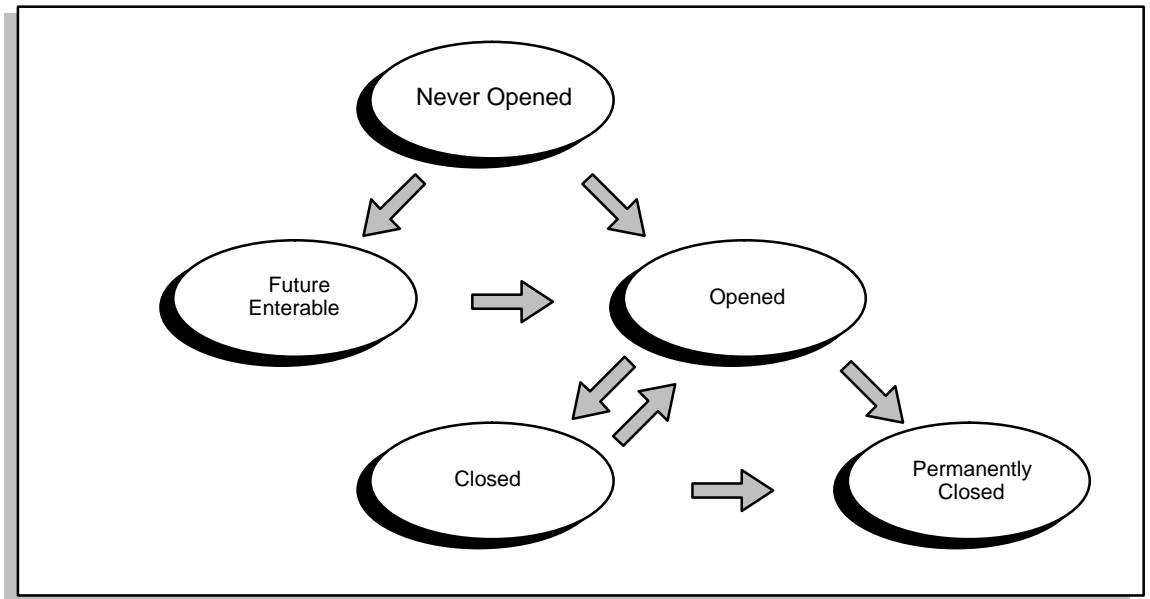
See Selecting the Set of Books: page 2 – 5 for more information.



## Administering Sales Compensation Periods

When you first set up your system, you set your periods to the Future Enterable state (Figure 2 -1). Then, when you are ready to calculate the sales compensation payments, you open the appropriate sales compensation accounting period. You may close an accounting period after you have calculated and paid the compensation, or you may leave multiple periods open if you expect to make adjustments for prior periods.

Figure 2 - 1 Opening and Closing Accounting Periods



Oracle Sales Compensation uses period information for these functions:

- Compensation plans and plan elements
- Compensation plan assignments
- Period targets and period draws
- Hierarchies (See Defining a Hierarchy: page 3 - 23)
- Salesperson rollup structure (See Defining a Salesperson Hierarchy: page 5 - 8)
- Adjustments to sales credits (See Entering a Manual Transaction: page 8 - 9)

- Account adjustments to subledger account balances (See Viewing Account Adjustments: page 11 – 6)
- Employment start and end dates (See Entering Salespeople: page 5 – 6)

Typically, you open the periods for an entire year. However, you can open and close one period at a time as you go through the year.

► **To change period status:**

1. Navigate to the Periods window.

By default, choose Periods from the Administration menu.

Name	Year	Quarter	Start Date	End Date	Period Status	Status
Dec-95	1995	4	01-DEC-1995	31-DEC-1995	Closed	Unclassified
Jan-96	1996	1	01-JAN-1996	31-JAN-1996	Closed	Populated
Feb-96	1996	1	01-FEB-1996	29-FEB-1996	Closed	Populated
Mar-96	1996	1	01-MAR-1996	31-MAR-1996	Closed	Populated
Apr-96	1996	2	01-APR-1996	30-APR-1996	Open	Populated
May-96	1996	2	01-MAY-1996	31-MAY-1996	Open	Populated
Jun-96	1996	2	01-JUN-1996	30-JUN-1996	Open	Populated
Jul-96	1996	3	01-JUL-1996	31-JUL-1996	Open	Populated
Aug-96	1996	3	01-AUG-1996	31-AUG-1996	Open	Unclassified
Sep-96	1996	3	01-SEP-1996	30-SEP-1996	Open	Unclassified
Oct-96	1996	4	01-OCT-1996	31-OCT-1996	Open	Unclassified
Nov-96	1996	4	01-NOV-1996	30-NOV-1996	Open	Unclassified

Buttons: Close Permanently, Future Enterable, Close, Open

Oracle Sales Compensation displays the following period information:

- For System Status, Oracle Sales Compensation displays INACTIVE or ACTIVE. An INACTIVE status means that a period has never been opened. When a period is opened, the status permanently changes to ACTIVE.
- The Name, Year, Quarter, Start Date, and End Date are provided by your GL definitions. See your GL documentation for a complete description.
- By default, the Period Status field displays *Never Opened*. Period Status can be one of these values:

*Open:* The period is open and can process transactions.

*Closed:* The period is closed. No transactions are processed for a closed period. You can reopen a closed period by selecting the period and choosing Open.

*Permanently Closed:* The period is permanently closed. No transactions of any kind are processed for the period. You cannot re-open a permanently closed period.

*Future – Entry:* You can enter data for the period, including create plans, create salespeople, assign salespeople to plans, and enter manual transactions. Future Enterable periods cannot be posted, paid, or calculated, and manual transactions cannot be made during the period.

- Status Code displays the overall status of all salespeople for the period. Status can be one of the following values:

*UNCLASSIFIED:* There has been no activity during this period (i.e. no plans assigned, no calculations made, etc.) or there have been changes made to a salespeople, revenue class, or classification rules hierarchy or a compensation plan has been changed and the period has not yet been recalculated.

*CLASSIFIED:* One or more salespeople failed the rollup process.

*ROLLED UP:* One or more salespeople failed the population process.

*POPULATED:* One or more salespeople failed the calculation process.

*CALCULATED:* The period was successfully calculated.



**Warning:** Changing a revenue class, salespeople, or classification rules hierarchy or a compensation plan automatically changes the period Status Code to UNCLASSIFIED and you must recalculate the period.

2. Select the period; then choose one of the period status buttons:

*Future Enterable:* Enable data setup for the period.

*Open:* Open the period and process all transactions for the period.

*Close Permanently:* Permanently close the period.

*Close:* Close the period.

When changing the period status, the following rules apply:

- You can change a Never Opened period to Future Enterable and then to Open.
- You can close an Open period and open a Closed period.

- You cannot change a Permanently Closed period.



**Warning:** Once you permanently close a period, you cannot reopen it, and no transactions of any kind can be processed. Be sure that there are no new transactions, adjustments, clawbacks, payments, or any other outstanding transactions before you permanently close a period.

---

## Specifying Collection Parameters for Collecting Transaction Data

There are two things you need to specify to set up Oracle Sales Compensation to collect transaction data:

- The transfer batch size.
- The calculator instance.

Both of these parameters are specified in the System Parameters window.

---

### Specifying the Collection and Transfer Batch Size

You need to indicate the number of transactions per batch you want Oracle Sales Compensation to copy from the Collector instance to the Calculator instance each time you run the concurrent process to transfer transactions. Transactions are copied (transferred) from the compensation transaction tables in the Collector instance to the transaction tables in the Calculator instance.

Use the Collection Batch parameter in the System Parameters window to specify the collection batch size. Use the Transfer Batch parameter in the System Parameters window to specify the transfer batch size. A typical batch size is 2000 transactions, but this depends on your system. The larger the number, the more ROLLBACK\_SEGMENT space and less control processing overhead you require.

---

### Specifying the Calculator Instance

If you are using separate collector and calculator instances, the collector needs to know where the calculator is in order to do the transfer. You specify the location of the calculator in the System Parameters window.

Use the Calculator Database parameter in the System Parameters window to specify the location of the calculator instance. For example, you would enter *t:ap209sun:cncalc* to specify *ap209sun* as the machine and *cncalc* as the calculator database instance.



# Defining Revenue Classification

**T**his chapter explains how to:

- Set up the revenue classification process for your organization (Chapter 9 covers how to assign revenue classes to a compensation plan)
- Determine your organization's revenue classes and define them
- Arrange revenue classes into a hierarchy that identifies the subclasses of each revenue class
- Define a set of attributes and values that uniquely identify each class. Oracle Sales Compensation classifies each compensation transaction into a revenue class if the transaction's attributes match those defined for the class

The following topics are included:

- Categorizing Your Sales Revenue: page 3 – 3
- What Is a Revenue Class?: page 3 – 3
- How Revenue Classes Work: page 3 – 5
- Filtering Sales Credit: page 3 – 5
- Varying Compensation by Revenue Class: page 3 – 8
- Identifying Your Organization's Revenue Classes: page 3 – 9
- Arranging Revenue Classes into a Hierarchy: page 3 – 13

- Hierarchy Terminology: page 3 – 13
- What is a Revenue Class Hierarchy?: page 3 – 15
- How a Revenue Class Hierarchy Works: page 3 – 16
- About Dimensions: page 3 – 19
- Changing a Hierarchy: page 3 – 30
- About Revenue Classification Rules: page 3 – 33
- What Are Revenue Classification Rules?: page 3 – 33
- What is a Classification Rules Hierarchy: page 3 – 35
- How the Rule Hierarchy Works: page 3 – 35
- Defining a Condition Using a Hierarchy: page 3 – 42
- Defining Multiple-Condition Rules: page 3 – 44

The following tasks are included:

- Defining Your Revenue Classes: page 3 – 11
- Defining a Dimension: page 3 – 21
- Defining a Hierarchy: page 3 – 23
- Adding Nodes to a Hierarchy: page 3 – 25
- Deleting Nodes from a Hierarchy: page 3 – 27
- Creating a New Root: page 3 – 29
- Defining Revenue Classification Rules: page 3 – 37
- Defining Rule Attributes: page 3 – 39
- Generating Your Revenue Classification Setup: page 3 – 45
- Changing Your Revenue Classification Setup: page 3 – 46



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## Categorizing Your Sales Revenue

You begin defining revenue classification by identifying your organization's revenue classes and then defining these classes in Oracle Sales Compensation.

---

### What Is a Revenue Class?

A *revenue class* is a user-defined category of sales for which your organization awards compensation. Each revenue class represents a different type of sale for which your organization pays compensation. Thus, different companies have different revenue classes because each sales organization awards compensation differently.

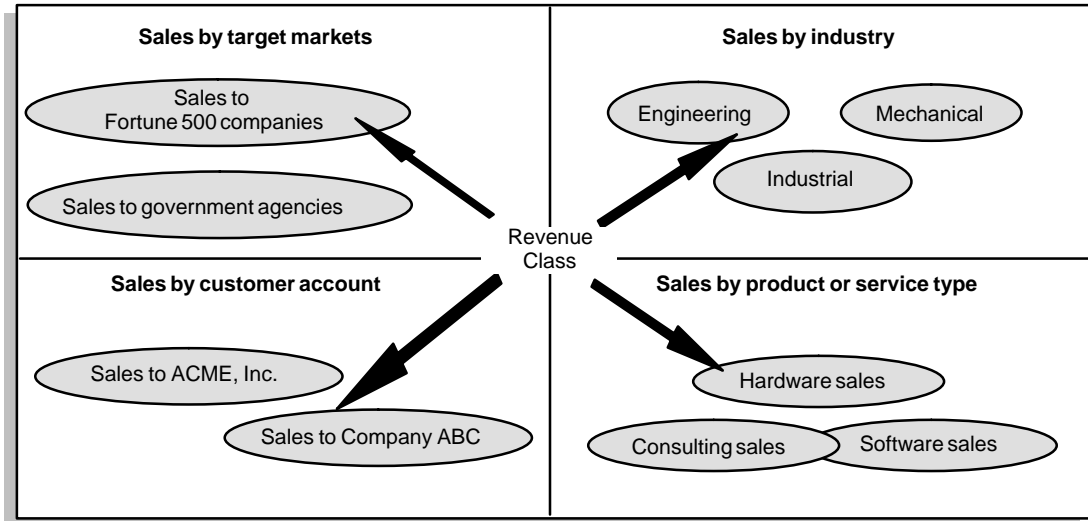
After defining your organization's revenue classes, you assign one or more revenue classes to a compensation plan and assign the plan to a salesperson. By assigning revenue classes, you specify the types of revenue for which each salesperson can earn compensation.

Many companies award compensation based on the types of products or services its salespeople sell. Depending on the business practices of your sales organization, you might award compensation based on factors other than products or services sold. For example:

- Your sales organization might have customer account teams, where salespeople only receive compensation for sales to their assigned set of accounts. In this case, each customer account is probably a separate Oracle Sales Compensation revenue class.
- Your company might organize its sales strategy around expansion into new markets, where each new market is defined as a separate revenue class.
- Your company might use industry-based sales compensation, paying compensation only for sales made in a salesperson's assigned set of industries.

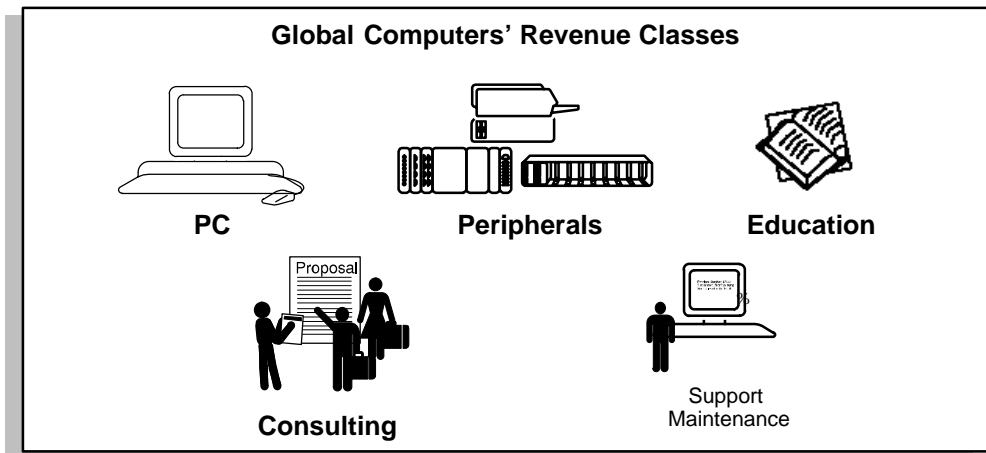
These types of revenue classes are summarized in Figure 3 – 1:

**Figure 3 – 1 Types of Revenue Classes**



For example, Global Computers, Inc. awards compensation based on the types of products or services its salespeople sell. At the broadest level, the company sells PCs, peripherals, education services, consulting services, and support maintenance services. While some types of salespeople, such as resellers, are only authorized to sell a subset of this offering, the company awards compensation to some of its salespeople for all types of products and services. Thus, for Global, each product or service category is an Oracle Sales Compensation revenue class (Figure 3 –2).

**Figure 3 – 2 Example of Revenue Classes**



---

## How Revenue Classes Work

Revenue classes serve two purposes in Oracle Sales Compensation:

- Revenue classes let you vary compensation by type of revenue.
- Revenue classes help Oracle Sales Compensation determine whether a salesperson can be paid compensation for the type of revenue represented on the compensation transaction.

Thus, revenue classes act as a "filter," determining whether sales credit initially assigned in order or billing systems can be applied toward a compensation payment.

---

## Filtering Sales Credit

Revenue classes help Oracle Sales Compensation determine whether to award compensation for the type of revenue represented in each compensation transaction. Here's how the process works:

1. You assign sales credit.

In billing systems, you assign sales credits to credit receivers—the salespeople responsible for generating that revenue. Depending upon the billing system, you may assign credit receivers for the entire order or for each line-item in the order.

2. Oracle Sales Compensation collects the compensation transaction.

When you run the process to collect compensation transactions, Oracle Sales Compensation collects one compensation transaction for each sales credit assignment.

The transaction contains the name of the credit receiver, the amount of sales credit, and other information.

3. Oracle Sales Compensation classifies the transaction.

Oracle Sales Compensation assigns a revenue class to the transaction by comparing attributes of the transaction to revenue classification rules you define for each revenue class. See *Defining Revenue Classification Rules*: page 3 – 37.

4. Oracle Sales Compensation matches the revenue class of the transaction to a class on the credit receiver's compensation plan.

Oracle Sales Compensation "filters" the assigned sales credit by determining whether the salesperson can receive compensation for that type of revenue. If the revenue class of the transaction matches a class on the salesperson's compensation plan, the

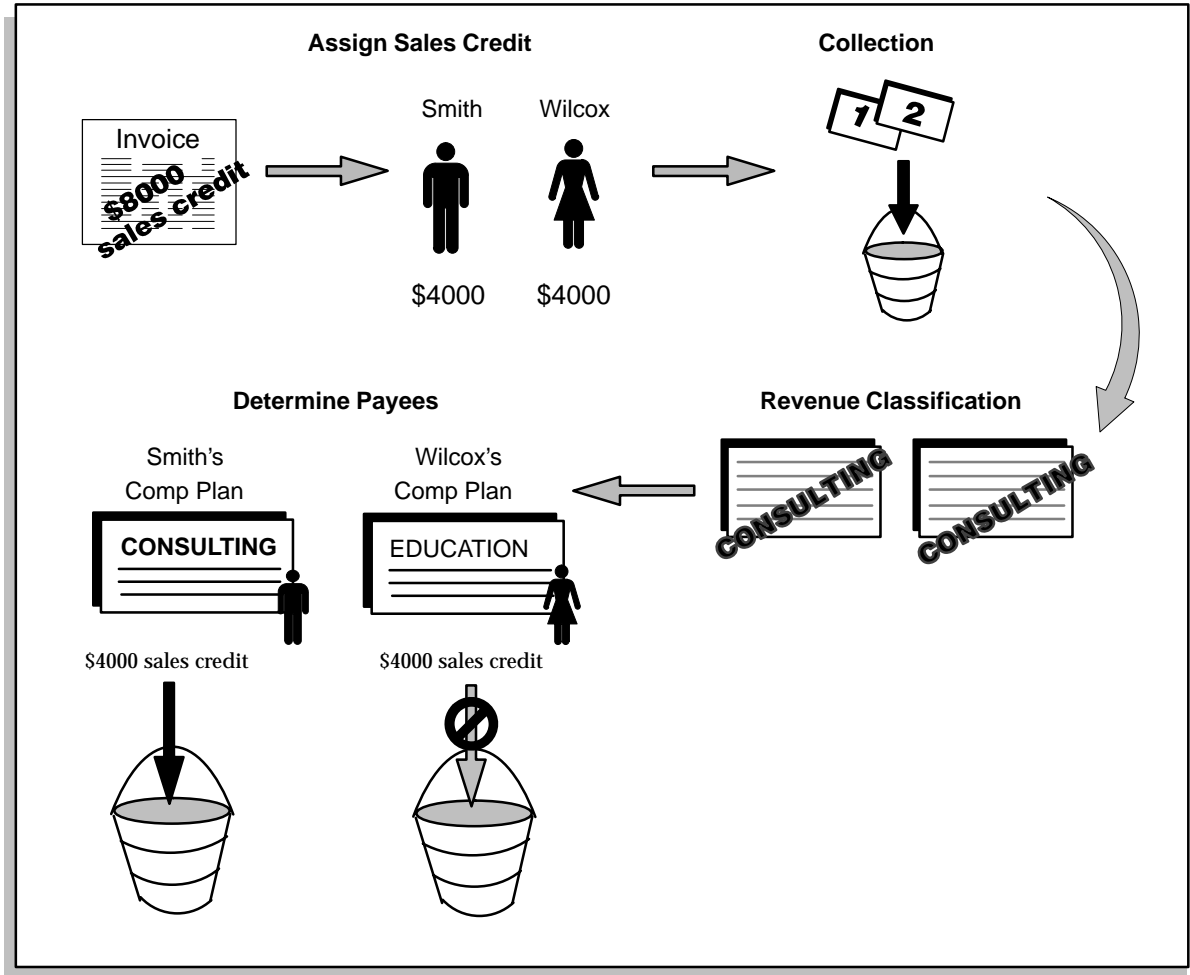
salesperson receives compensation; if no match is found, the salesperson does not receive compensation.

Oracle Sales Compensation uses a revenue class hierarchy, a hierarchical arrangement of revenue classes and their subclasses, to find matches between revenue classes. See *Arranging Revenue Classes into a Hierarchy*: page 3 – 13.

**Note:** A salesperson can receive sales credit from order or billing systems, yet *not* receive compensation if the revenue class does not exist on the salespersons compensation plan.

Figure 3 –3 shows an example of how Oracle Sales Compensation classifies revenue and uses the classification to award compensation. Global Computers, Inc. processes an \$8000 invoice for Consulting services. In Oracle Receivables, Global splits sales credit for the transaction between two salespeople—Pat Smith and Kelly Wilcox. Credit receiver Pat Smith receives compensation because the compensation plan to which Pat is assigned pays for sales from the Consulting revenue class. Oracle Sales Compensation does not award compensation to credit receiver Kelly Wilcox, because Wilcox’s compensation plan does not pay compensation for sales from this revenue class.

Figure 3 – 3 Revenue Classes Filter Sales Credit



---

## Varying Compensation by Revenue Class

When you create a compensation plan, you assign one or more revenue classes to the plan. For each revenue class, you define:

- Transaction factors, which help you stage sales credit for the transaction across the life of a sale—for example, invoicing or customer payment.
- Incentives that increase a salesperson's compensation earnings, performance against quota, or both.

Because these functions are associated with individual revenue classes, you can compensate different types of revenue in different ways.

---

## Identifying Your Organization's Revenue Classes

You need to create a revenue class in Oracle Sales Compensation for every discrete type of revenue your company receives. You define a new revenue class when:

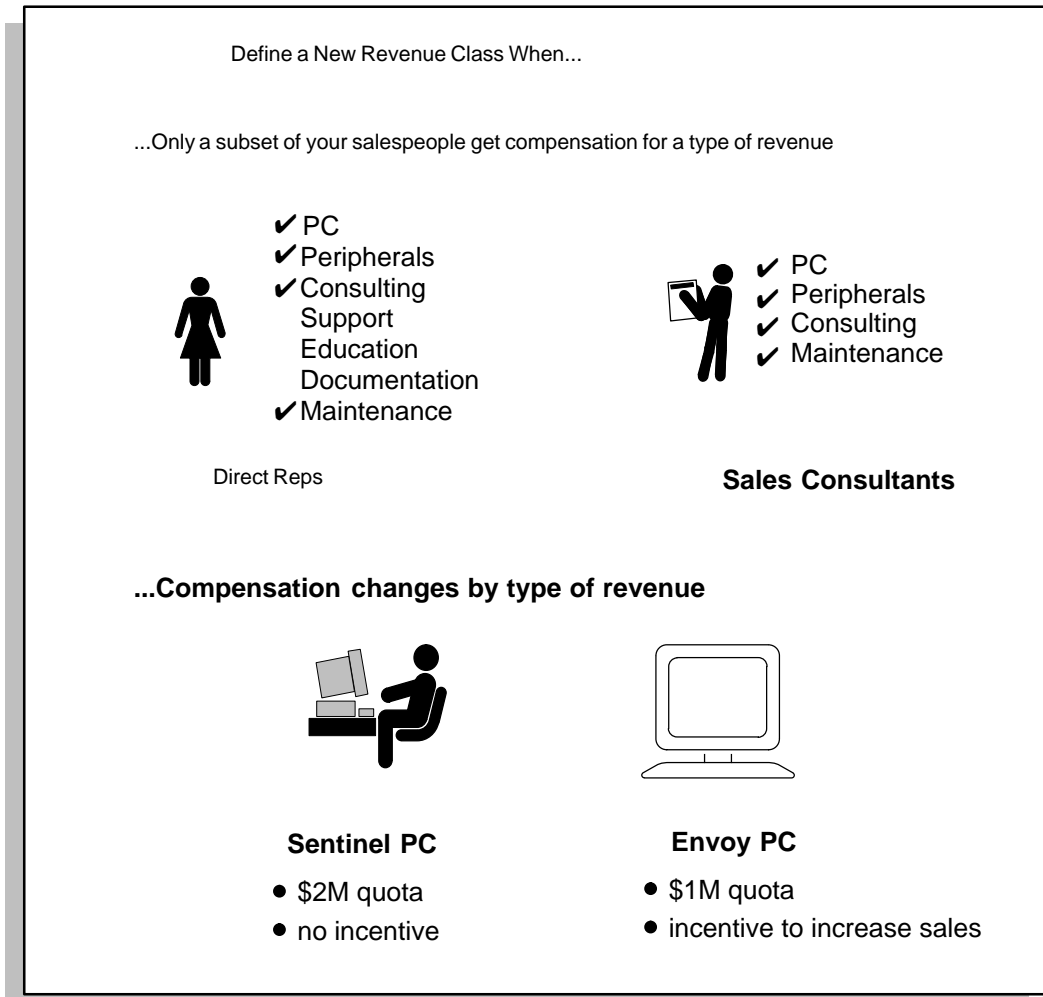
- Only a subset of your salespeople get compensation for a given type of revenue.

For example, Figure 3 – 4 shows how Global Computers compensates both direct salespeople and sales consultants for the PC, Peripherals, Consulting and Maintenance revenue classes. However, Global compensates only direct salespeople for the Support, Education, and Documentation revenue classes. Thus, the company must define discrete revenue classes for these types of revenue.

- Compensation varies by type of revenue.

For example, Figure 3 – 4 shows how Global uses different compensation practices for its two main PC models, the Sentinel and the Envoy. The Sentinel has a higher quota, or revenue goal, but has no incentives associated with that type of revenue; the Envoy has a lower quota but, because the company is currently trying to increase sales of the new Envoy model, this type of revenue has an incentive associated with it.

**Figure 3 – 4 When to Define a New Revenue Class**



As you determine which revenue classes you need, keep in mind the hierarchy of broader revenue classes and their subclasses. For example, as shown in Figure 3 – 4, Global Computers compensates its two types of PC revenue differently. Thus, Global must define two separate subclasses for the broader PC revenue class.

After identifying your revenue classes, you need to group them into a hierarchical structure which lets you create compensation plans that use both very granular revenue classes or broad revenue classes. See *Arranging Revenue Classes into a Hierarchy*: page 3 – 13.



---

## Defining Your Revenue Classes

After you determine your organization's revenue classes, you need to define them in Oracle Sales Compensation. When you define revenue classes, follow these guidelines:

- Give each revenue class a unique name.

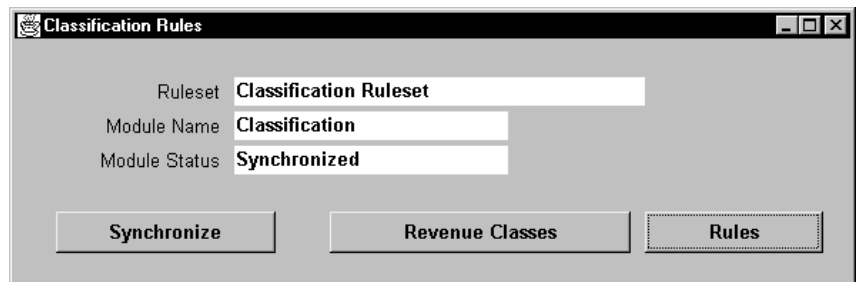
For example, Global sells a multimedia PC and a line of professional PCs, which includes the Sentinel and Envoy models. For both the multimedia and professional lines, Global has two types of configurations: assemble-to-order (ATO) and standard. Global must define subclasses for the multimedia line as *MM ATO* and *MM Standard*, while defining distinct subclasses for the professional line as *Prof. ATO* and *Prof. Standard*.

- Define a very broad revenue class to allow yourself the flexibility to assign to compensation plans a revenue class that pays salespeople for *all* types of revenue.

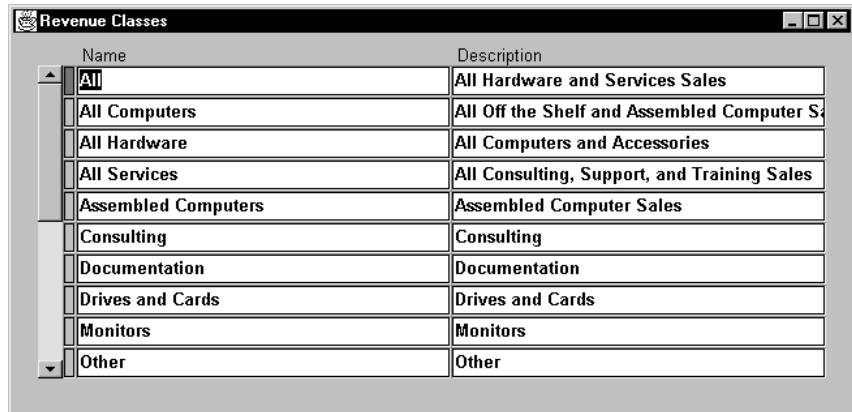
► **To define your organization's revenue classes:**

1. Navigate to the Revenue Classification window.

By default, choose Classification Rules from the Setup menu. The Classification Rules window opens.



Choose Revenue Classes to open the Revenue Classes window. Use this window to add new revenue classes and to view existing revenue classes.



Name	Description
All	All Hardware and Services Sales
All Computers	All Off the Shelf and Assembled Computer Sales
All Hardware	All Computers and Accessories
All Services	All Consulting, Support, and Training Sales
Assembled Computers	Assembled Computer Sales
Consulting	Consulting
Documentation	Documentation
Drives and Cards	Drives and Cards
Monitors	Monitors
Other	Other

2. Type the names and descriptions for all revenue classes you've identified.
3. Save your work and exit the window.

After you create new revenue classes, the next step is to arrange the revenue classes into a hierarchy. See *Arranging Revenue Classes into a Hierarchy*: page 3 – 13.

---

## Arranging Revenue Classes into a Hierarchy

After defining your organization's revenue classes, you need to arrange your revenue classes into a hierarchy. A revenue class hierarchy lets you create compensation plans that use both very granular revenue classes or broad revenue classes to determine whether to award compensation.

---

### Hierarchy Terminology

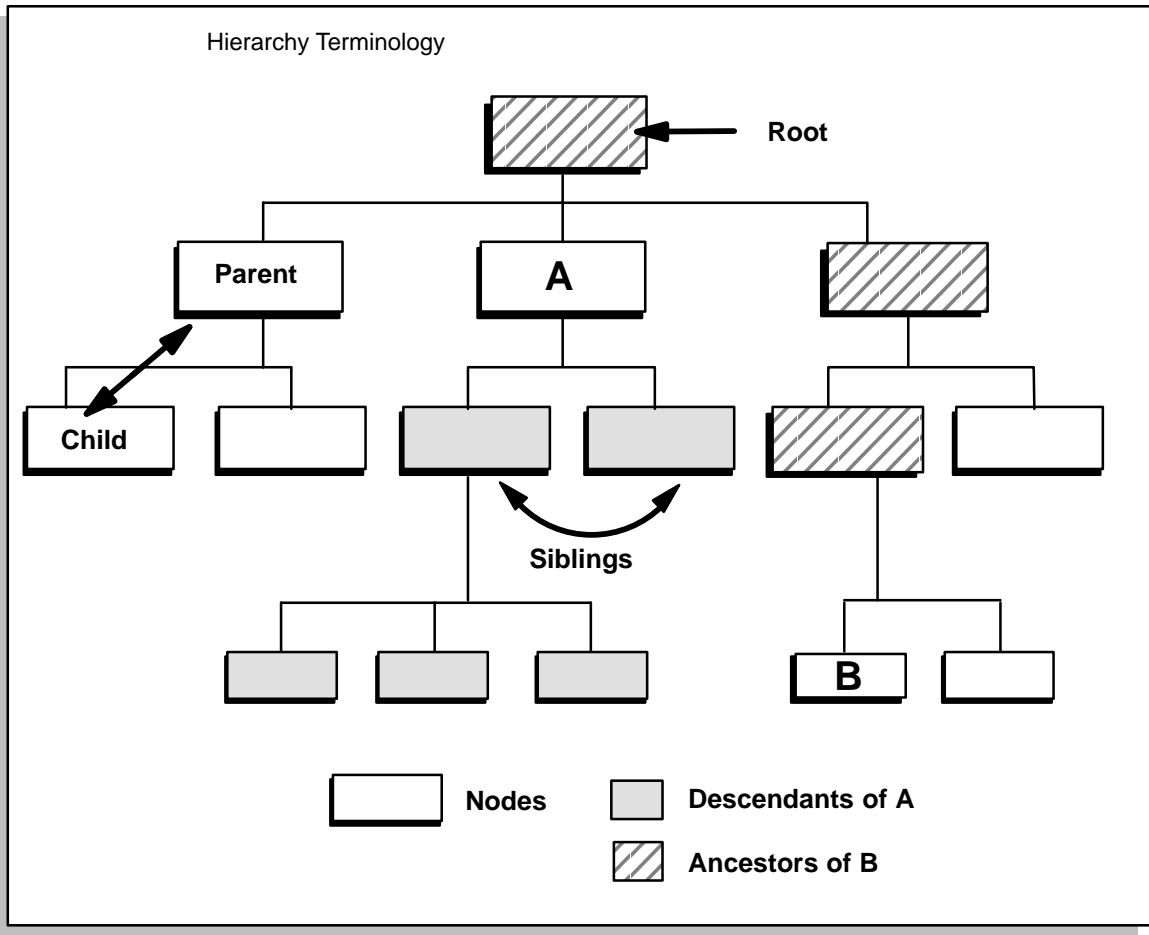
While the function of hierarchies in Oracle Sales Compensation differ, the concepts and terminology we use are the same for all hierarchies.

Oracle Sales Compensation uses the term "dimension" to refer to a type of hierarchy. You can create as many hierarchies as you need for each dimension. However, only one dimension/hierarchy can be effective at any given time.

In explaining processing involving hierarchies, we use the following terms, whose meanings are depicted in Figure 3 – 5:

- Root
- Parent
- Child
- Sibling
- Node
- Descendant
- Ancestor

Figure 3 – 5 Hierarchy Terminology Used in Oracle Sales Compensation

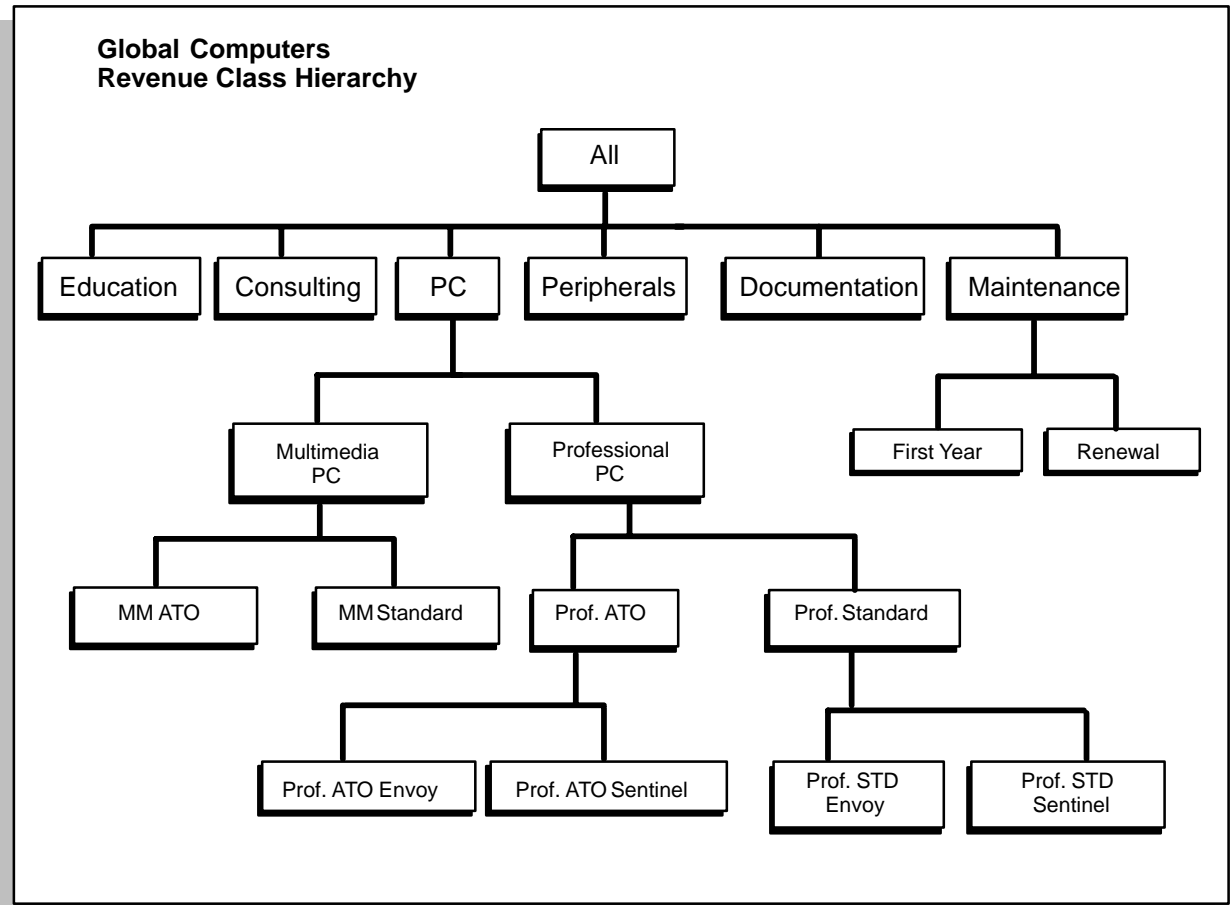


## What Is a Revenue Class Hierarchy?

A revenue class hierarchy is a hierarchical arrangement of revenue classes and their subclasses. You create your revenue class hierarchy with broader revenue classes at the top of the structure, and create subclasses as descendants of each revenue class.

Figure 3 – 6 shows an example of a revenue class hierarchy for Global Computers, Inc. Global's PC and Maintenance revenue classes both have subclasses.

Figure 3 – 6 Example Revenue Class Hierarchy



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## How a Revenue Class Hierarchy Works

When classifying a sales compensation transaction, Oracle Sales Compensation assigns the most granular revenue class possible, as explained in *How the Rule Hierarchy Works*: page 3 – 35. To determine whether the credit receiver can receive compensation, Oracle Sales Compensation compares the assigned revenue class to those on the credit receiver's compensation plan. There are two ways in which a match succeeds:

- The revenue class is listed on the compensation plan, called a direct match.
- The revenue class rolls up the revenue class hierarchy to one listed on the compensation plan, called an indirect match.

If no match is found, the credit receiver does not receive compensation.

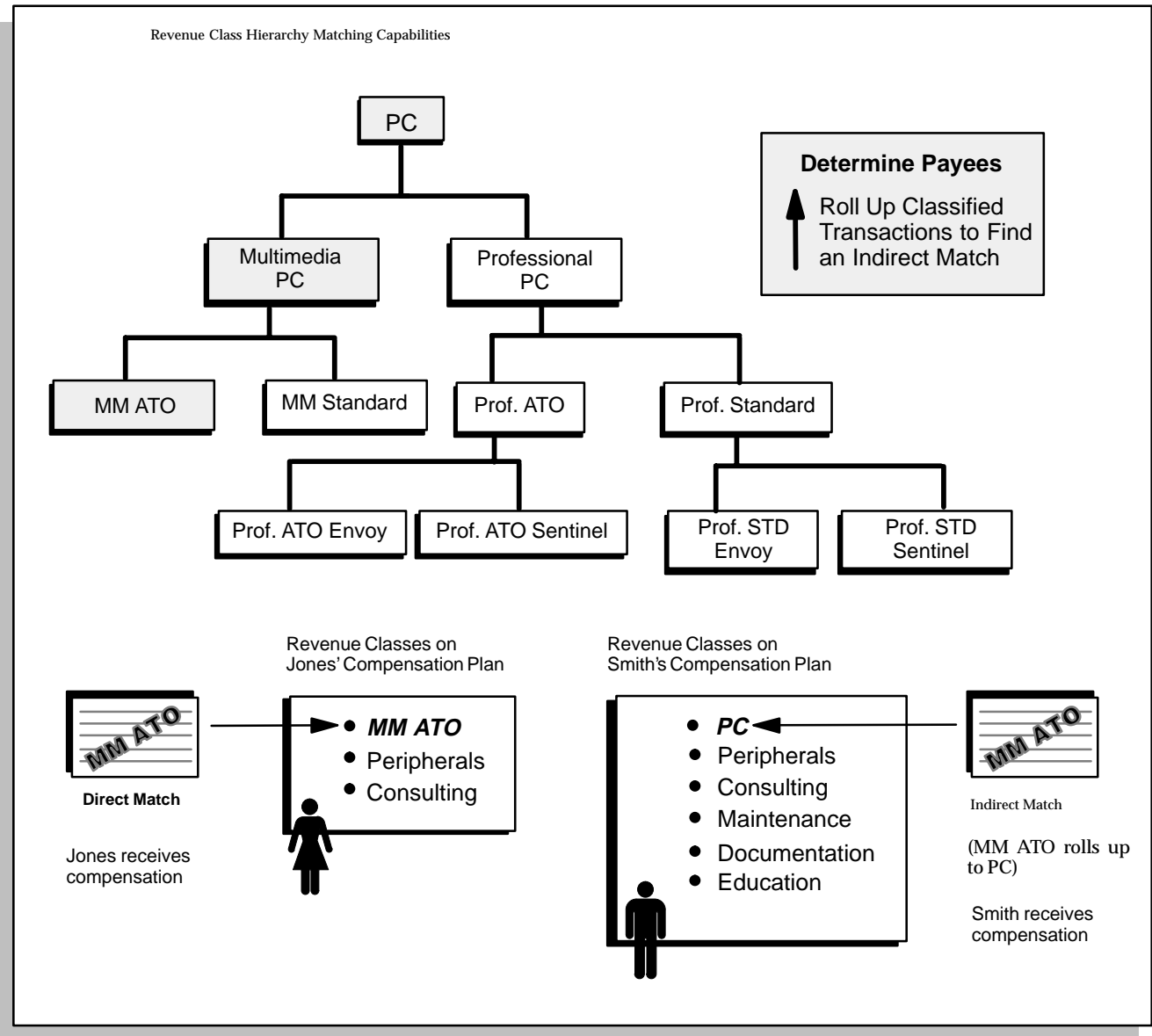
A revenue class hierarchy makes it possible to pay compensation for a broad revenue class without exhaustively specifying all of its subclasses on the compensation plan.

For example, suppose that Global Computers salesperson Pat Smith receives compensation for all PC revenue, while representative Chris Jones is paid only for selling Multimedia ATO PCs. To implement this compensation structure in Oracle Sales Compensation, Global assigns the *PC* revenue class to Smith's plan and assigns *MM ATO* to Jones' plan.

When both salespeople sell an ATO Multimedia PC, Oracle Sales Compensation classifies the compensation transaction as *MM ATO* revenue. This revenue class matches the class on Jones' plan exactly, so Jones receives compensation.

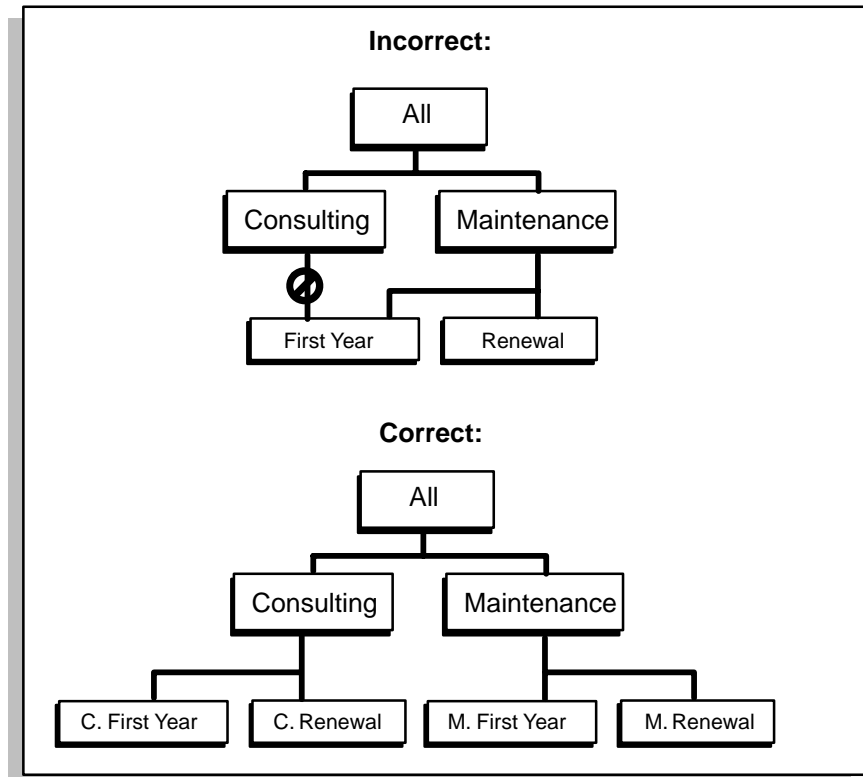
To determine whether Smith receives compensation, Oracle Sales Compensation uses the revenue class hierarchy to try to find a match with a revenue class on Smith's plan. As shown in Figure 3 – 7, *MM ATO* rolls up to *PC*, so Smith receives compensation.

Figure 3 – 7 Example of Direct and Indirect Matching in a Revenue Class Hierarchy



Oracle Sales Compensation does not classify the compensation transaction if it finds more than one revenue class match (Figure 3 – 8). Thus, ensure you design your hierarchy so that a given revenue class has no more than one parent class.

**Figure 3 – 8 Correct Design of a Revenue Class Hierarchy**





---

## About Dimensions

A dimension is a high-level hierarchy type that is based on a table which must be defined in Oracle Sales Compensation. A dimension may be defined for one of two reasons:

- A dimension may be used to define a hierarchy that you use to define rules

Defining a dimension hierarchy can save you the trouble of having to create a complicated rule. For example, in Figure 3 – 9, the Industries Dimension holds the hierarchy information for the table Industries (which had to be defined in SQL\*Plus first). The customer number is used to identify each customer uniquely. The advantage of defining a dimension hierarchy for Industries is that you do not have to define the hierarchy as part of your revenue class rollup, where you would have to define rules for *each* revenue class at the lowest level of the rollup, which, in this case, would be the customer number. See Arranging Revenue Classes into a Hierarchy: page 3 – 13 for information about revenue classes.

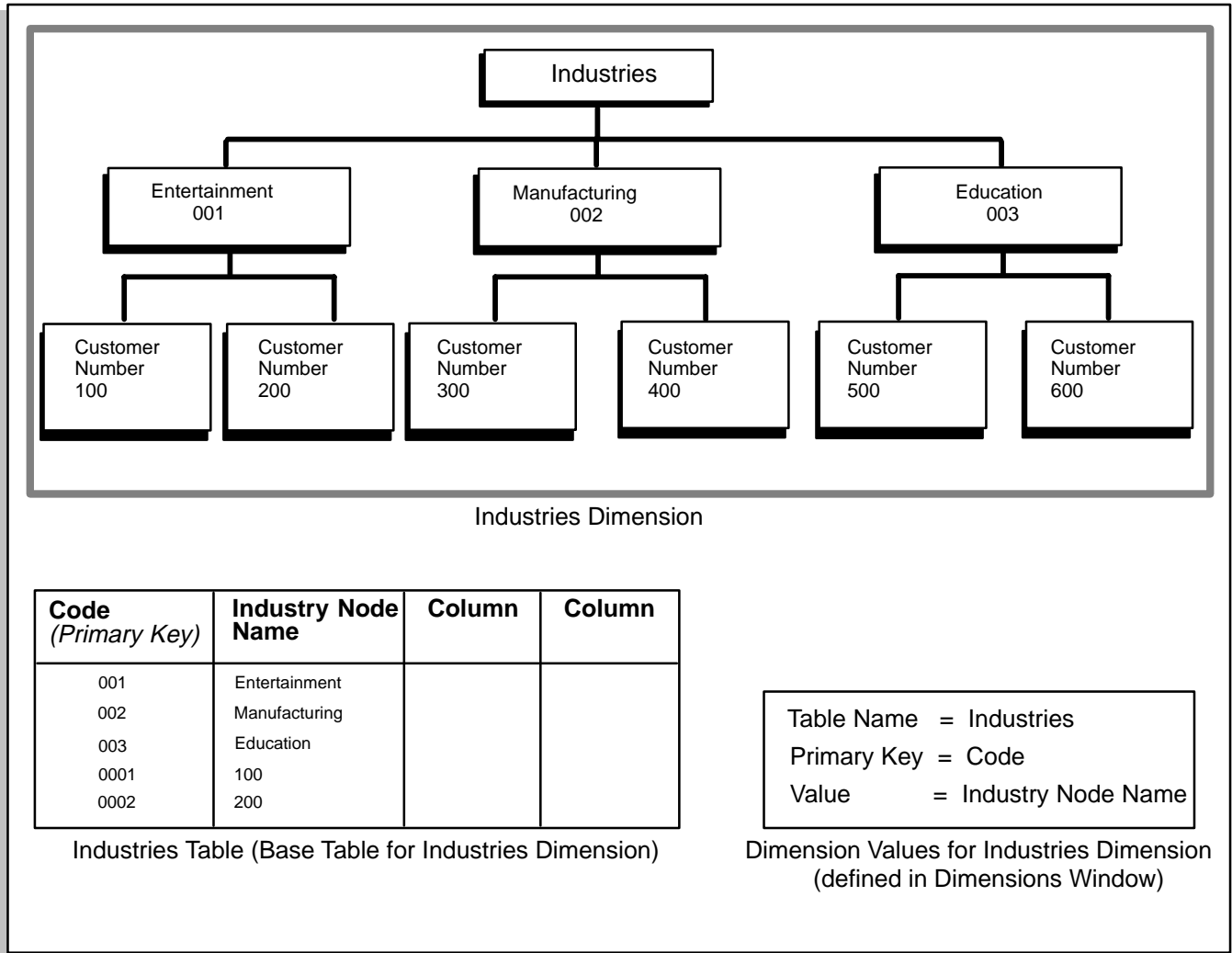
Following the example illustrated in Figure 3 – 9, suppose that the salespeople's compensation is based on the industry to which they sell; in this case, you need to define separate revenue classes for the different types of industries. If you want to define a rule, for example, for the Entertainment industry revenue class, you can do so with the following values:

Hierarchy Name: Industries

Hierarchy Value: Entertainment

When a customer number is part of the transaction information collected from a source such as Oracle Receivables, Oracle Sales Compensation refers to the Industries hierarchy you defined to determine which revenue class the transaction should be classified under, thereby affecting how the salesperson who made the sale is compensated.

Figure 3 – 9 Defining a Dimension for a Hierarchy



- A dimension may be defined to hold the primary and foreign key links between Oracle Sales Compensation and other tables.  
Primary and foreign key links let you collect relevant information about transactions coming into Oracle Sales Compensation from tables in other products such as Oracle Receivables or another source.

By default, Oracle Sales Compensation provides two dimensions: Salespeople and Revenue Classes. You can define other dimensions for your organization such as customer or product code dimensions and

use them for rules classification. You can create as many dimensions as you need.

In order to define a dimension in Oracle Sales Compensation, these criteria must be met:

- The dimension must be based on an existing table in the database.
- The table must be defined in the Tables and Columns form in Oracle Sales Compensation.
- The database table must have either:
  - A numeric primary key assigned *or*
  - No primary key and numeric columns in the table
- The table information defined in the Tables and Columns form must accurately describe the table.
- There can be only one dimension per base table

---

## Defining a Dimension

Defining a dimension consists of the following steps:

► **To define a dimension:**

1. Ensure that the table that you will base the dimension on exists in the database. You can do this by navigating to the Dimensions window and selecting the list of values in the Base Table field.

By default, choose Dimensions from the Setup menu to open the Dimensions window.

The screenshot shows the 'Dimensions' window. On the left, a list of dimensions is displayed with 'Item Number' selected. To the right, the 'Base Table' is set to 'CN\_ITEMS', the 'Primary Key' is 'INVENTORY\_ITEM\_ID', and the 'Dimension Values' are 'SEGMENT1'. A 'Hierarchies' button is located at the bottom right.

If the table does not appear in the list of values for the Base Table field, then that means that either a dimension is already defined for it, or the table does not exist in the database. If the table does not exist, you must create the table using SQL\*Plus.



**Warning:** You can define user tables, but Oracle Corporation warns you against using SQL\*Plus to modify Oracle Sales Compensation system tables.

2. Define the dimension table in Oracle Sales Compensation using the Tables and Columns form.

Schema	Table Name	Alias	Description
CN			

Columns

To define a dimension base table, navigate to the Tables and Columns window (Setup→Tables and Columns) and enter the table in the Table Name field. Select Columns to go to the Columns window and enter the names of the columns. The dimension table must have a Primary Key and a column that stores the actual dimension values.

**Note:** You create a *table definition* for a dimension in the Tables and Columns window, not an actual table that resides physically in the database. You must create database tables in SQL\*Plus.

The use of the Tables and Columns form is described in several tasks that describe how to map transaction information from Oracle Receivables.

3. Open the Dimensions window again.
4. In the Name field, enter the name of the new dimension.

The Salespeople and Revenue Class dimensions have been defined for you, as Oracle Sales Compensation requires these dimensions.

5. In the Base Table field, enter the name of the table for the new dimension.

You can also select the table name from a list of values. All tables defined in the Oracle Sales Compensation database schema appear in the list of values. If a table has a dimension based on it already, it will not appear in the list of values for this field.

6. In the Primary Key field, enter the name of the column defined as the Primary Key in this table.

The Primary Key for a table is defined in the Tables and Columns form.

7. In the Dimension Values field, enter the name of the column that stores the values that will appear in the hierarchies.

For example, for the Salespeople dimension, which stores the names of the salespeople, the Dimension Value is Name.

8. Define one or more hierarchies for this dimension.

See Defining a Hierarchy: page 3 – 23.

9. Save your work.

---

## Defining a Hierarchy

You define all types of hierarchies (such as revenue class and salespeople) in the same way in Oracle Sales Compensation.

You can create as many hierarchies for a dimension as you need. However, only one hierarchy per dimension can be effective at any given time.

When you define your revenue class hierarchy, enter the broadest revenue class as the root. With the revenue class All in the hierarchy, Global has the flexibility to assign this class to the compensation plans that compensate for any type of revenue.

### ► To define a hierarchy:

1. Open the Dimensions window.  
By default, choose Dimensions from the Setup menu.
2. In the Name field, select the dimension for which you are defining a hierarchy.
3. Choose Hierarchies.

The Hierarchies window opens.

**Hierarchies - Item Number**

Hierarchy Name

Item Hierarchy

**Intervals**

	From	To
	Jan-96	Dec-97

**Roots** **Nodes**

You use this window to add and view hierarchies.

4. In the first blank row in the Hierarchy Name region, enter the name of the new hierarchy.
5. In the Intervals region, enter the period you want the hierarchy to be effective.

**From:** The hierarchy becomes effective on the first date of this period.

**To:** The hierarchy becomes ineffective the day after the last date in the period.

You can choose your From and To periods from a list of values. Two hierarchies in the same dimension cannot have overlapping periods.

6. Add nodes to the hierarchy. See Adding Nodes to a Hierarchy: page 3 – 25.
7. Save your work.

---

## Adding Nodes to a Hierarchy

► **To add nodes to a hierarchy:**

1. Navigate to the Hierarchies window.  
By default, choose Dimensions from the Setup menu, select the dimension for type of hierarchy you are defining, then choose Hierarchies.
2. Select a hierarchy, then choose Nodes.  
The Nodes window opens.

**Hierarchy Elements**

Current Root: **BASE NODE**

Current Node: **BASE NODE**

- Standard Computers
- Assembled Computers
- Documentation
- Drives and Cards
- Monitors
- Other
- 
- 

Parent      Children

Import

You use this window to define the parent–child relationship between all nodes in a hierarchy.

3. Start at the top of the hierarchy; define the nodes in your hierarchy.

By default, Oracle Sales Compensation names the highest level root of every hierarchy **BASE NODE**. You can change this name to something more descriptive. For example, Global Computers used All as their broadest revenue class.

Use the Current Root menu to change the root you are defining. See *Creating a New Root*: page 3 – 29.

4. Enter the names of all children of this node.



Use the list of values to select the children.

5. To define the next level in the hierarchy, select one of the children, then choose Children.

The "child" moves to the Current Node position and Oracle Sales Compensation displays the children of the new parent, if any exist.

6. Enter the names of all children of this parent.
7. Choose Parent to go one level up in the hierarchy.
8. Repeats steps 4 through 7 to define all nodes in the hierarchy.

As you define nodes in the hierarchy, you can use the Parent and Children buttons to navigate the hierarchy:

- To see lower levels in the hierarchy, select a child then choose Children. The child you selected becomes the parent in the Current Node field and the children of this parent are displayed.
- To see higher levels in the hierarchy, choose Parent. The parent you select is displayed with its siblings, and their parent is displayed as the Current Node.
- If you have defined multiple hierarchies and want to view a different hierarchy, choose Roots.



**Warning:** Be careful while defining hierarchies—if you define a rollup twice, Oracle Sales Compensation displays the message "Diamonds and loops are not allowed."

9. Save your work and exit the window.

---

## Deleting Nodes from a Hierarchy

When you delete a node from a hierarchy, the node and all its children are deleted.

► **To delete nodes from a hierarchy:**

1. Navigate to the Hierarchies window.  
By default, choose Dimensions from the Setup menu, select the dimension for type of hierarchy you are defining, then choose Hierarchies.
2. Choose Nodes.
3. Select the node you want to delete; then choose Delete Record from the Edit menu.

4. Save your work and exit the window.

---

## Creating a New Root

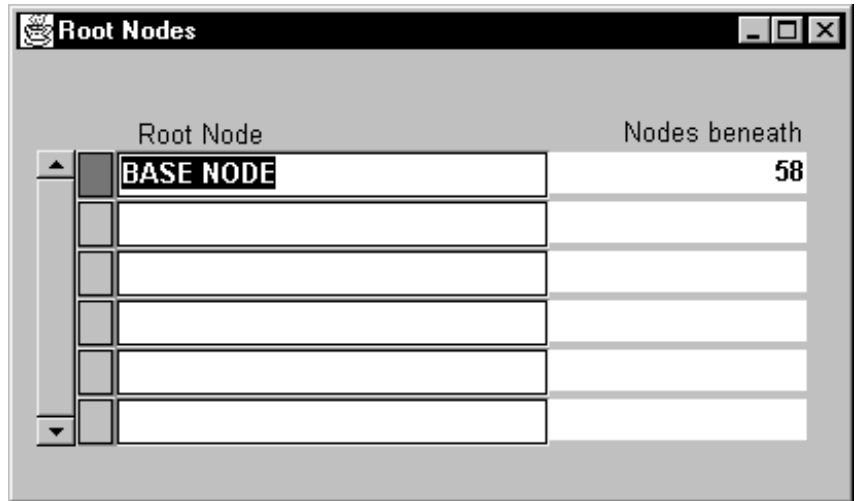
► **To create a new root:**

1. Navigate to the Hierarchies window.

By default, choose Dimensions from the Setup menu, then choose the Hierarchies button.

2. Choose Roots.

The Root Nodes window appears.



The screenshot shows a window titled "Root Nodes" with a table. The table has two columns: "Root Node" and "Nodes beneath". The first row is highlighted and contains the text "BASE NODE" in the first column and "58" in the second column. There are five empty rows below the first one. On the left side of the table, there is a vertical scrollbar and a small triangle icon at the top.

Root Node	Nodes beneath
BASE NODE	58

3. Enter the name of the new root, then save your work.

4. Return to the Hierarchies window and choose Nodes.

The Nodes window opens. The new root appears in the Current Root alternative menu.

5. Enter the children for the new root.

To roll credit across from a salesperson in a different branch, repeat the salesperson as a child of the salesperson to whom you want to assign credit.

See Defining a Hierarchy: page 3 – 23 for a description of how to add parents and children to a hierarchy.

---

## Changing a Hierarchy

You can change a hierarchy using the same steps to define a new hierarchy (see Defining a Hierarchy: page 3 – 23). To make retroactive changes, make your changes and save them. Oracle Sales Compensation sets the periods in the hierarchy interval to UNCLASSIFIED. To make non-retroactive changes, create a new interval for the hierarchy, then define the hierarchy for that interval. Oracle Sales Compensation sets the periods in the new interval to UNCLASSIFIED.

---

## Importing Hierarchies

Oracle Sales Compensation allows you to import nodes from one hierarchy to another within the same instance of Oracle Sales Compensation. This functionality is beneficial when copying hierarchies from interval to interval.

1. Navigate to the Dimension window.
2. Select your hierarchy.
3. Select the interval.
4. Choose the Nodes.

**Hierarchy Elements**

Current Root **BASE NODE**

Current Node **BASE NODE**

☒ **Standard Computers**

☐ **Assembled Computers**

☐ **Documentation**

☐ **Drives and Cards**

☐ **Monitors**

☐ **Other**

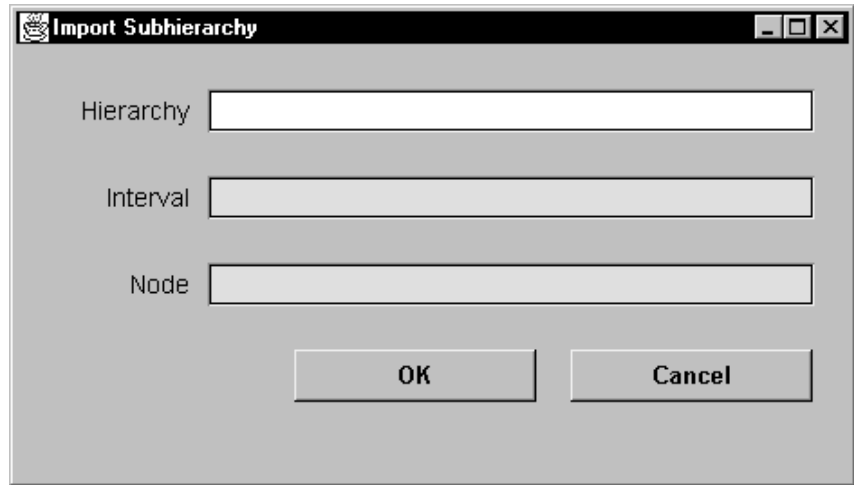
☐

☐

**Parent** **Children**

**Import**

5. Move to the field where you would like to import your hierarchy to.
6. Choose the Import button.



7. On the Import window, select the hierarchy to import from the List of Values.
8. Select the interval from the List of Values.
9. Select the node from the List of Values.
10. Choose OK.

---

## About Revenue Classification Rules

Oracle Sales Compensation uses a set of *revenue classification rules* to determine the revenue class of each sales compensation transaction. You define the rules that must be met for transaction to be classified into each of your organization's revenue classes.

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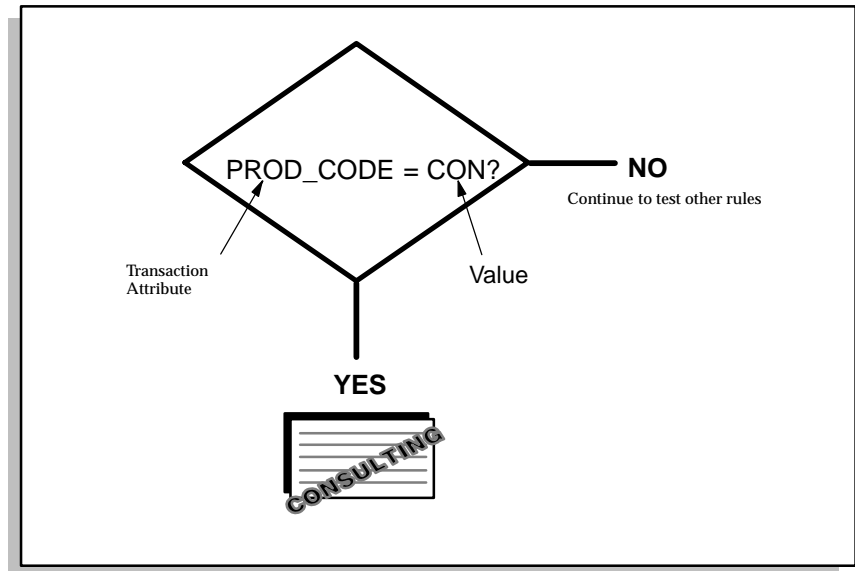
### What Are Revenue Classification Rules?

Oracle Sales Compensation must first assign a revenue class to a transaction to determine whether the credit receiver can receive compensation for that type of revenue. Therefore, you define a set of rules that Oracle Sales Compensation uses to classify the transaction.

Each rule comprises one or more *conditions*. These conditions specify the characteristics a transaction must have to classify into a given revenue class. You associate a rule with each of your revenue classes, and Oracle Sales Compensation assigns that revenue class when the compensation transaction passes all conditions in the rule. You express each condition in terms of a transaction attribute value.

For example, Global awards compensation based on the type of products or services sold, and thus defines a transaction attribute for product code (Figure 3 – 10). This transaction attribute is represented in the compensation transaction tables as the column `PROD_CODE`. To determine whether to award consulting revenue, Global checks whether the product code is `CON`. In Oracle Sales Compensation, Global enters a rule to check for this type of revenue. The rule has one condition: *PROD\_CODE = CON*:

**Figure 3 – 10 Example Transaction Attribute for a Classification Rule**



Because Oracle Sales Compensation classifies a transaction by checking values of specific transaction attributes, be sure to specify all attributes you need for classification when you set up transaction collection.

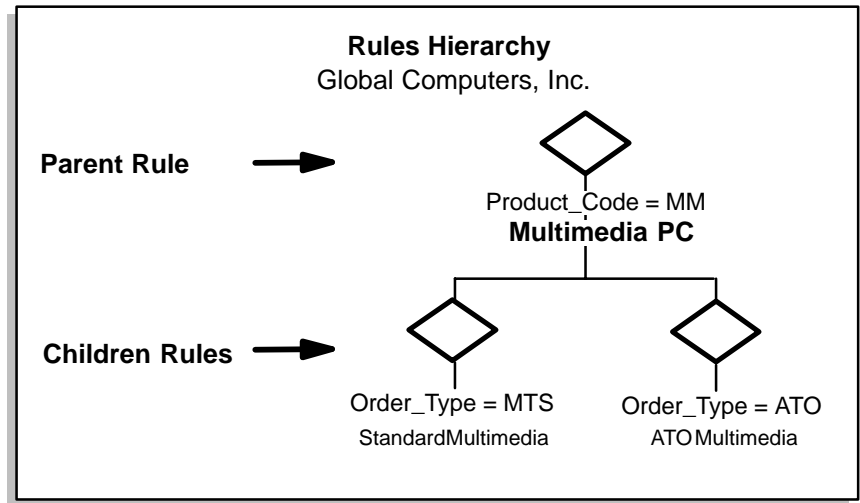


---

## What is a Classification Rules Hierarchy?

As you define rules, you will notice common conditions among them. For economy of expression and ease of maintenance, you can assign the common conditions once to the parent of rules that share the same conditions. For example, the Standard Multimedia PC and the ATO Multimedia PC are in the same hierarchy and share the condition `Product_Code=MM` (Figure 3 -11). This condition is specified once in Oracle Sales Compensation for the parent rule of the two rules that differentiate Standard Multimedia PC and the ATO Multimedia PC.

Figure 3 - 11 Setting Up a Rules Hierarchy

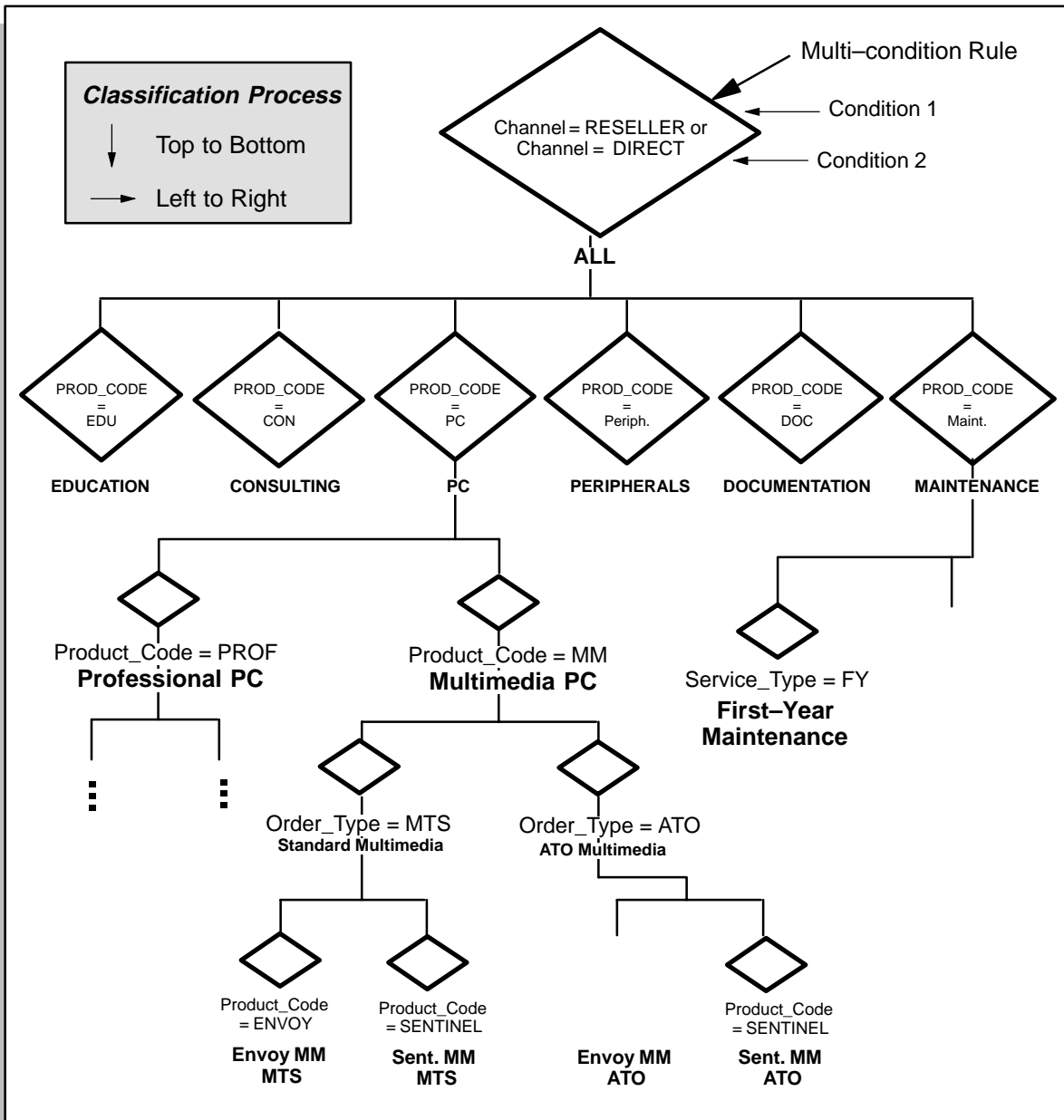


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## How the Rule Hierarchy Works

Oracle Sales Compensation tests rules in the hierarchy starting with the rule at the top, and moving down from left to right. When a compensation transaction passes a rule (all conditions are true), Oracle Sales Compensation tests the children of that rule, working left to right, until it finds a match. Then it looks at the children of that rule—and so on—until it reaches the bottom of the hierarchy, returning the revenue class of the last matching rule. Figure 3 - 12 shows an example of Global's revenue classification rules.

**Figure 3 – 12 Example Revenue Classification Rules**



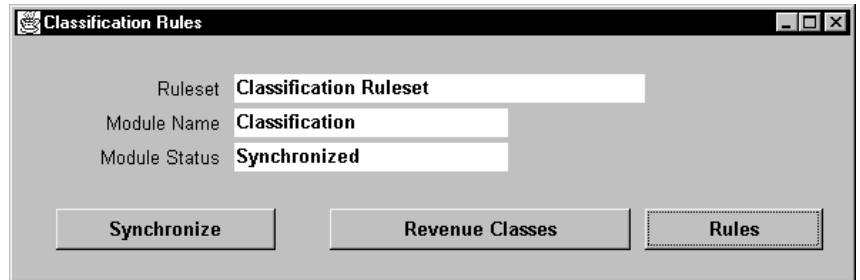
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## Defining Revenue Classification Rules

► **To define revenue classification rules:**

1. Open the Classification Rules window.

By default, choose Classification Rules from the Setup menu.

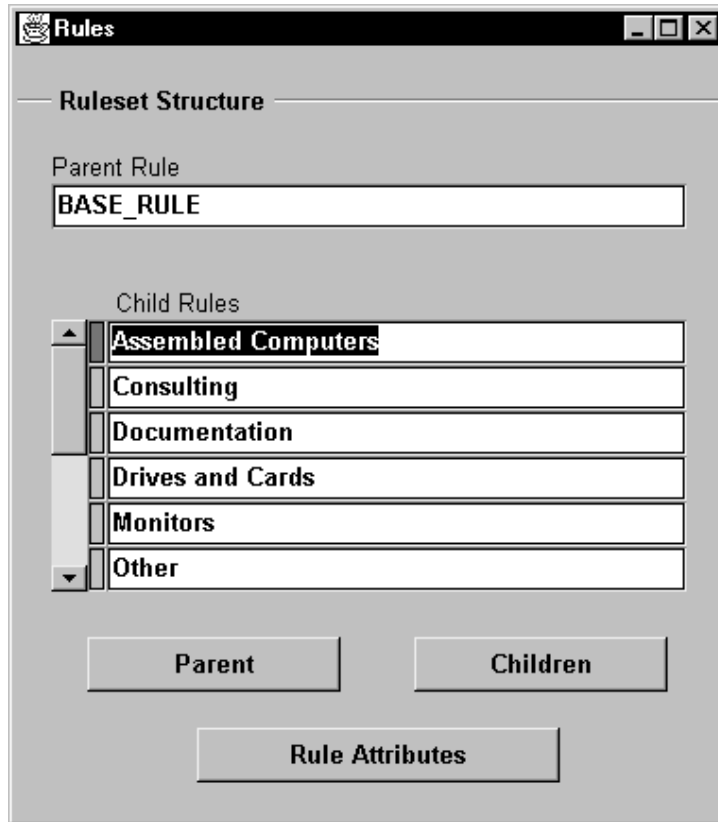


2. For Ruleset, specify a name for your set of classification rules.

**Note:** Oracle Sales Compensation currently has only one ruleset named by default Classification Ruleset.

3. Choose Rules to define your revenue classification rules.

The Rules window opens.



4. In the Ruleset Structure region of the window, navigate to the level in the hierarchy for which you want to define rules.

Start with the topmost rule in the hierarchy, which typically has no conditions, and define the rules for each of its children. Choose the Parent and Children buttons to navigate the hierarchy:

- To see lower levels in the hierarchy, select a child; then choose Children. The child rule you selected becomes the parent rule and the children of this parent rule are displayed.
- To see higher levels in the hierarchy, select the current parent rule and choose Parent. The parent rule you selected becomes a child rule and is displayed with its siblings, and their parent rule is displayed at the top of the region.



**Suggestion:** Name your rules after the revenue classes they describe. For example, in Global's case, the top-most rule in the hierarchy represents a revenue class named *All*, so Global names that rule *All*.

5. Define attributes for your rules.

See Defining Rule Attributes: page 3 – 39.

6. Save your work.

---

## Defining Rule Attributes

► **To define classification rule attributes:**

1. Navigate to the Rule Attributes window.

By default, choose Classification Rules from the Setup menu, choose Rules, select a rule in the list of children and choose Rule Attributes.

The Rule Attributes window for this rule opens. The child rule you selected appears in the Current Rule field.

Not	User Column Name	Hierarchy	Hierarchy Value
<input type="checkbox"/>	ITEM ID	Item Hierarchy	Assembled Computers
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

2. For Revenue Class, enter the name of the revenue class associated with this rule.

Choose a revenue class from the list of values. A rule may or may not have a revenue class. If the rule does not have a revenue class, then its children rules must define the revenue class. If a rule has a revenue class, then the revenue class will be assigned to the transaction only if none of its child rules match the transaction.

When classifying a transaction, if the compensation transaction passes this rule, Oracle Sales Compensation evaluates children rules, attempting to obtain the most granular revenue classification possible. If no children rules are satisfied, Oracle Sales Compensation assigns the revenue class you specify in this field.



**Suggestion:** If possible, assign a revenue class to every rule in the hierarchy so that Oracle Sales Compensation is always able to assign a revenue class to each compensation transaction. In

some cases, however, you might need to associate a revenue class with only the last in a series of rules the compensation transaction must satisfy. See Defining Multiple-Condition Rules: page 3 – 44 for more information.

3. Enter one or more conditions that characterize the revenue class.

Enter one condition per line, providing the following information:

**User Column Name:** Enter the name of the column in the compensation transaction tables that stores the attribute.

**Hierarchy:** Enter the name of the hierarchy that the condition is based on. Oracle Sales Compensation lets you define the conditional value of an attribute in terms of its ancestor values in a hierarchy you define.

See Defining a Condition Using a Hierarchy: page 3 – 42 for more information on how Oracle Sales Compensation processes this type of condition.

For example, for its Consulting revenue class, Global enters PROD\_CODE in the Attribute field and CON in the Value field.

The screenshot shows the 'Rule Attributes' dialog box. At the top, 'Current Rule' is 'Assembled Computers' and 'Revenue Class' is 'Assembled Computers'. A dropdown menu on the right is set to 'One Value'. Below this is a table with columns 'Not', 'User Column Name', and 'Value'. The first row has a checkbox, 'ITEM ID', and '1293'. There are three more empty rows.

Not	User Column Name	Value
<input type="checkbox"/>	ITEM ID	1293
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

The screenshot shows the 'Rule Attributes' dialog box. At the top, 'Current Rule' is 'Assembled Computers' and 'Revenue Class' is 'Assembled Computers'. A dropdown menu on the right is set to 'Low and High Values'. Below this is a table with columns 'Not', 'User Column Name', 'Low Value', and 'High Value'. The first row has a checkbox, 'ITEM ID', and empty 'Low Value' and 'High Value' fields. There are three more empty rows.

Not	User Column Name	Low Value	High Value
<input type="checkbox"/>	ITEM ID		
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			

- Specify one of the following choices from the alternative region:

**Low and High Values:** This choice allows you to enter a range of values for the attribute by entering values in the Low Value and High Value fields.

For example, suppose Global's identifies products in its PC line by numbers instead of alphabetic codes. If all products in the Multimedia PC line have numbers from 1201 to 1600, Global enters PROD\_CODE in the Attribute field, 1201 in the Low Value field, and 1600 in the High Value field. Any product code within the range—including the low and high value—satisfies the condition.

**Hierarchy Values:** Selecting this option allows you to enter the value in the hierarchy you want to match. The fields that appear are Hierarchy and Hierarchy Values. If the value of the transaction attribute rolls up the hierarchy to the value you specify, the compensation transaction satisfies the condition.

**One Value:** Specify the exact value the attribute must have to satisfy the condition in the Value field.

**Not:** Specify the inverse of a value you defined in one of the previous three ways by checking Not. The compensation transaction satisfies the condition if the attribute is not equal to the specified value, is not between the range of values specified, or does not roll up to the specified ancestor value.

If you need to define more than one condition for the rule, see *Defining Multiple-Condition Rules*; page 3 – 44 for information on how Oracle Sales Compensation processes multiple conditions.

4. After you define all conditions for a rule, define the sibling and child rules.

5. Navigate to the Classification Rules window

By default, choose Classification Rules from the Setup menu.

6. Choose Synchronize.

When you add rules and revenue classes, you must synchronize the new rule and revenue class definitions before they can be used in compensation plans. You do not need to synchronize if you only rearranged the rules.

Module Status displays either SYNCHRONIZED if the currently defined revenue classes and rules have been synchronized, or UNSYNCHRONIZED if you have made changes in your definitions since they were last synchronized.

7. Save your work and exit the window.

**Note:** To make sure that your classification rules are applied to transactions, you must check the Classification Rules check box in the Transactions window. See *Adding Fields to the Transactions Form to Apply Classification Rules*; page 6 – 4.

---

## Defining a Condition Using a Hierarchy

Oracle Sales Compensation lets you express a condition in terms of whether the value of a transaction attribute rolls up to an ancestor value in a hierarchy.

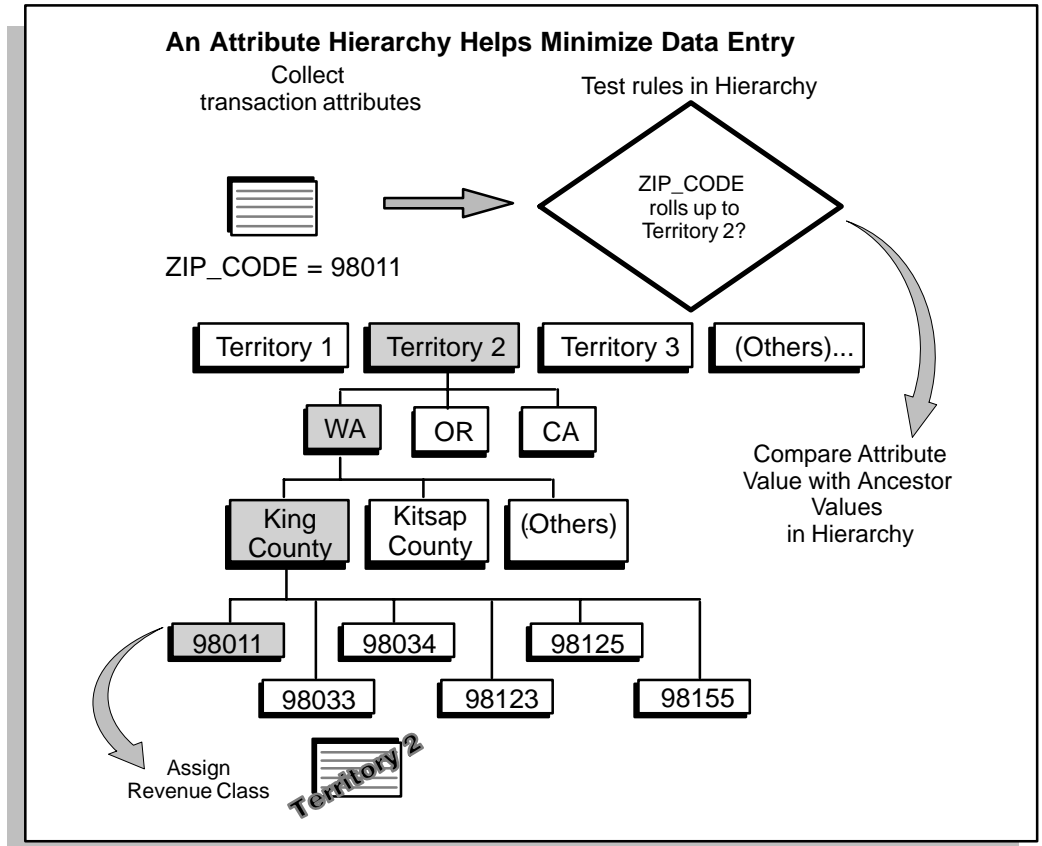
For example, suppose Global decides to start awarding credit by determining whether the address of the ship-to customer on invoices is in the salesperson's assigned territory. To define a condition to determine whether the compensation transaction should be classified as Territory 2, Global specifies an attribute called ZIP\_CODE in the condition and associates with this attribute a hierarchy called Territory. In the same condition, Global names Territory 2 as the ancestor value.

Thus, as shown in Figure 3 – 13, the complete condition specifies that, if the value of the ZIP\_CODE column in the compensation transaction rolls up to a value called Territory 2, the compensation transaction should be classified as Territory 2 revenue.

For instructions on defining a hierarchy, see Defining a Hierarchy: page 3 – 23.



Figure 3 – 13 An Attribute Hierarchy



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## Defining Multiple-Condition Rules

When you define two or more conditions for a rule, Oracle Sales Compensation processes the conditions as if they were joined by an AND operator. Thus, *all* conditions you specify for a rule must be true for the compensation transaction to pass the rule.

If *any* conditions associated with a revenue class can be true for a compensation transaction to be assigned to the class, you can define multiple sibling rules in the hierarchy, one for each condition. Because Oracle Sales Compensation evaluates other sibling rules if a transaction does not satisfy the first rule on a level in the hierarchy, Oracle Sales Compensation processes these rules as if they were joined by an OR operator. When a transaction fails a rule, Oracle Sales Compensation tests other sibling rules from left to right.

For example, suppose that Global classifies products by ID number and introduces new PCs long after its first models have been assigned their ID numbers. Global can enter two rules, and associate the PC revenue class with each of them:

- PROD\_CODE BETWEEN 1201 and 1600
- PROD\_CODE BETWEEN 2501 and 2600

If several revenue classes share multiple conditions, you can minimize data entry by creating a parent rule that includes the shared conditions, and defining only the unique conditions as child rules.

## Generating Your Revenue Classification Setup

Oracle Sales Compensation uses PL/SQL routines to process your compensation transactions. After you define the revenue classes and revenue classification rules to suit your business needs, you need to synchronize the current versions of the PL/SQL routines with your custom definitions. You then need to generate the code to run your customized Oracle Sales Compensation application.



**Warning:** Always customize the revenue classification rules using the setup forms available. Do not modify the generated SQL code.

► **To generate your revenue classification setup:**

1. Navigate to the Classification Rules window.

By default, choose Classification Rules from the Setup menu.

Classification Rules

Ruleset: Classification Ruleset

Module Name: Classification

Module Status: Synchronized

Synchronize Revenue Classes Rules

2. Choose Synchronize.

Oracle Sales Compensation generates a SQL script based on your revenue classes and revenue class rules and saves it in an internal table.

3. From the Concurrent Manager, run *one* of the following programs:

**Generate Classification Rules Package Text:** This program creates a SQL script from the internal table and writes a file named `cnclrul.sql` to the `$FND_TOP/$APPLOUT` directory. Run this program if you want to see the SQL script, but do not want to recompile the changes into the database.

**Install Classification Rules Package Text:** This program generates a SQL script and then installs the modified rule definitions in the database.



**Attention:** You need to run this program whenever you modify or synchronize the rules.

---

## Changing Your Revenue Classification Setup

You can make changes to your revenue classification setup. You can add, change, or delete:

- Revenue classes
- Revenue classes in a hierarchy
- Rules in the classification rules hierarchy
- Conditions for a rule

However, when you make any of these changes, you need to:

1. Apply your changes by navigating to the Classification Rules window and choosing Synchronize.

This regenerates the Classification module so that the new rule and revenue class definitions can be used in compensation plans. You do not need to synchronize if you only rearranged the rules.

2. From the Concurrent Manager, run one of the following programs:

**Generate Classification Rules Package Text:** This program creates a SQL script from the internal table and writes a file named `cncrul.sql` to the `$FND_TOP/$APPLOUT` directory. Run this program if you want to see the SQL script, but do not want to recompile the changes into the database.

**Install Classification Rules Package Text:** This program generates a SQL script and then installs the modified rule definitions in the database.



**Attention:** You need to run this program whenever you modify or synchronize the rules.

3. Recalculate compensation if you want to make the changes retroactive for any period of time. Changing a Hierarchy: page 3 – 30 explains how to calculate compensation retroactively.

# Defining Collection of Sales Compensation Transactions

**T**his chapter describes how to:

- Define what data your organization needs to calculate compensation payments
- Define which sources you want to collect the data from—Oracle Receivables, a foreign source, or both
- Define the rules for mapping source transactions to sales compensation transactions
- Make choices about collection processing.

The following topics are included:

- Defining a Sales Compensation Transaction: page 4 – 5
- Defining Your Data Sources: page 4 – 6
- Choosing the Oracle Receivables Source: page 4 – 7
- About Oracle Receivables Source Data: page 4 – 8
- Mapping Transaction Attributes to Receivables Attributes: page 4 – 18

The following tasks are included:

- About Data Collection for Oracle Sales Compensation: page 4 – 3
- Choosing Which Source Documents Feed Oracle Sales Compensation: page 4 – 10
- Collecting Past-Due Invoices: page 4 – 12
- Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15
- Using the Default Mapping to Collect Compensation Transactions: page 4 – 20
- Adding Attributes to the Default Mapping to Collect Additional Information: page 4 – 21
- Direct Mapping at the Header Level: page 4 – 26
- Direct Mapping at the Line Level: page 4 – 30
- Direct Mapping at the Line Level Using an Expression: page 4 – 33
- Indirect Mapping at the Header Level Using a Foreign Key: page 4 – 35
- Collecting Transactions Using the Open Interface Directly: page 4 – 39

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## About Data Collection for Oracle Sales Compensation

To calculate a compensation payment, you need to obtain different kinds of data—for example, the salesperson's name, the amount of the sale, the sale date, and other information. Just as you might gather this data from billing or receivables departments today, Oracle Sales Compensation obtains the information from applications that perform these functions, letting you define what data you need and where the data is stored (Figure 4 – 1).

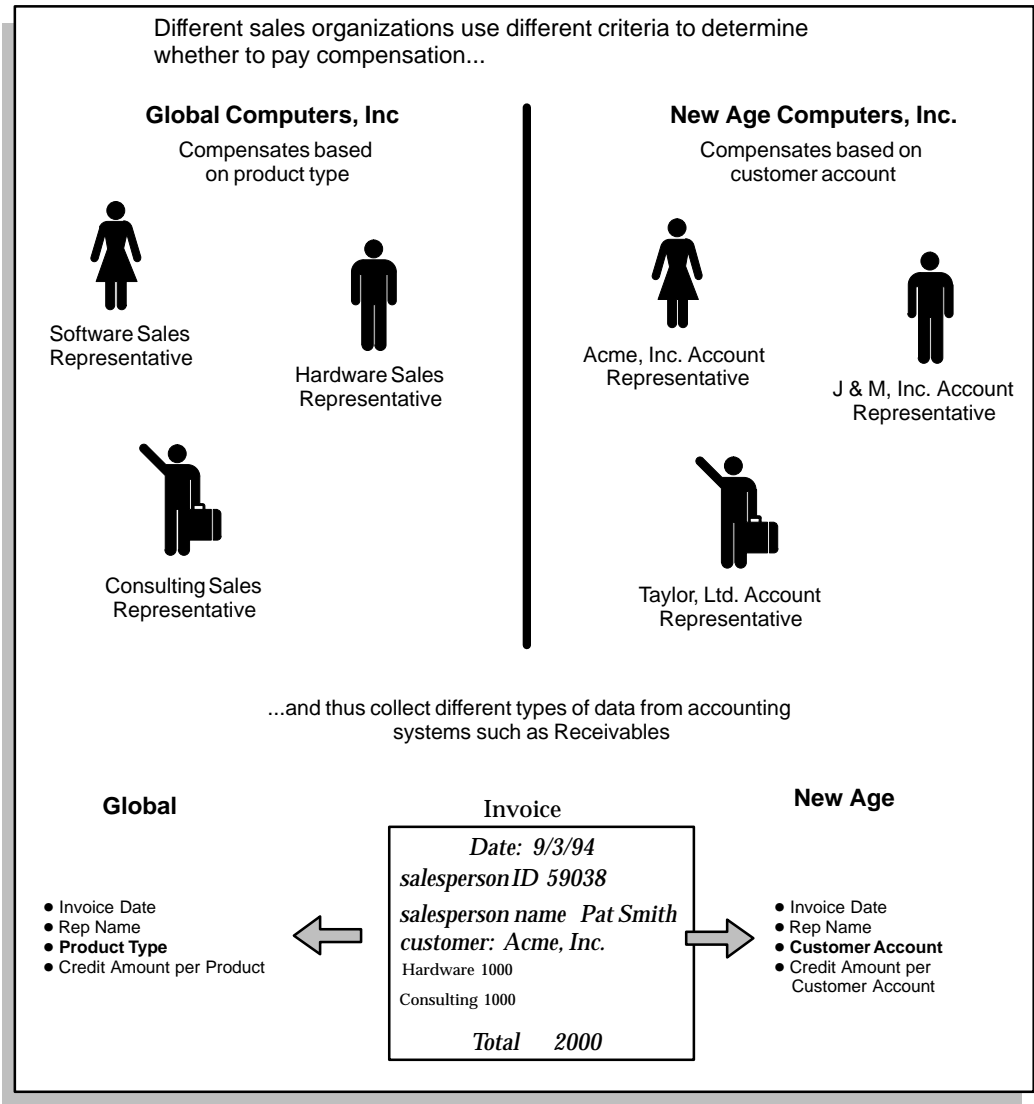
The nature of the sales task varies highly from sales organization to sales organization, causing companies to compensate salespeople in different ways. For example, one company might award compensation credit to salespeople based on the type of product sold, while other companies compensate based on customer account or the territory where the sale was made, or some other combination of information.

Because companies use different criteria to compensate salespeople, the data each company requires to determine whether to award a compensation payment also varies. For example, organizations that pay salespeople based on product type need to collect data on product types when a sale is made. Companies that pay compensation based on the customer to which the product was sold need to collect data about the customer account for each sale. A company that pays salespeople by both criteria needs to collect both types of data.

► **To set up Oracle Sales Compensation for collection of compensation data:**

1. Define the set of books for the Oracle Sales Compensation collector instance.
2. Define what data your organization needs to calculate a compensation payment. You specify this data by defining a compensation transaction, or the smallest logical unit of data on which your organization can calculate compensation.
3. Define which sources you want to collect the data from—Oracle Receivables or a foreign source. You specify the source documents (such as invoices) you want to base compensation payments on. You also indicate the mapping between source transaction columns and sales compensation columns.
4. Make choices about collection processing. For example, you define how many compensation transactions you want to collect at one time, whether you want to be notified of new transactions, and other processing options.

Figure 4 – 1 Types of Data Required to Calculate a Compensation Payment Vary



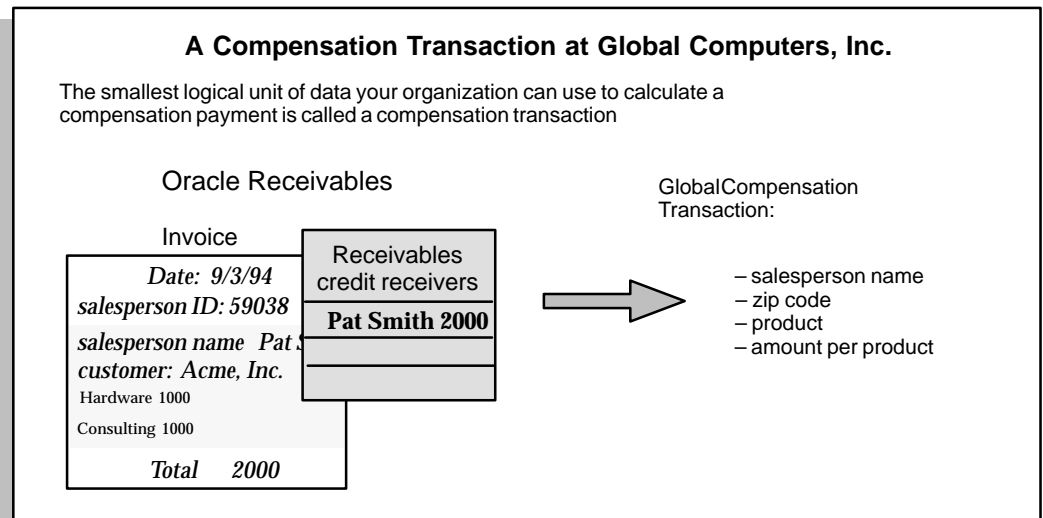


## Defining a Sales Compensation Transaction

In Oracle Sales Compensation you define the structure of a compensation transaction, or the set of information your organization needs to calculate a compensation payment (Figure 4 –2). For example, Global Computers, Inc. pays different compensation rates for different types of products, and runs sales promotions in various geographical territories. Thus, to calculate a compensation payment transaction, Global needs the following minimum set of data:

- Name of the salesperson
- Type of product sold
- Sale amount for each type of product
- Zip code of the ship-to customer (to determine the territory in which the product was sold)

Figure 4 – 2 An Example of a Compensation Transaction



The source data for compensation transactions comes from *source documents*—such as invoices and cash receipts—processed by other applications, such as Oracle Receivables. Oracle Sales Compensation stores compensation transaction information in one or more database tables. You use the Tables and Columns form, and, for Oracle Receivables, the AR Mapping form to create a format that defines how to collect your transactions. See About Oracle Receivables Source Data: page 4 – 8 for information about collecting Oracle Receivables transactions and Entering a Manual Transaction: page 8 – 9 for information on creating manual transactions.

---

## Defining Your Data Sources


You must define the sources you want to collect the data from either Oracle Receivables or an external source, or both. The process you follow to define the collection of data for Oracle Sales Compensation depends on the source you use:

- Oracle Receivables—See Choosing the Oracle Receivables Source: page 4 – 7
- External source—See Collecting Transactions Using the Open Interface: page 4 – 39
- Both Oracle Receivables and an external source—See Choosing the Oracle Receivables Source: page 4 – 7

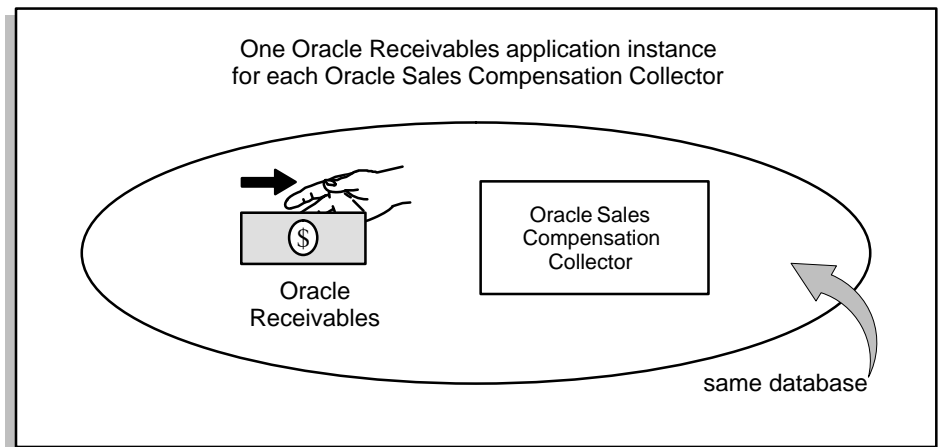
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## Choosing the Oracle Receivables Source

When you installed Oracle Sales Compensation, you may have installed two instances that perform two main compensation functions: one instance, called the *Collector* collects the data required to pay compensation; the second instance, called the *Calculator*, uses this data to calculate a compensation payment. Or, you may have installed one instance that does both (Figure 4 – 3).

 **Attention:** Oracle Sales Compensation collects data to calculate compensation from a *single* Oracle Receivables source application instance. The Oracle Receivables instance must be Version 10.5 (Oracle Receivables) or later.

**Figure 4 – 3 One Receivables Application Instance for Each Collector**



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## About Oracle Receivables Source Data

The source data for the default compensation transaction comes from source documents —such as invoices and cash receipts—processed by Oracle Receivables. Each source document corresponds to an event point at which collection can occur, such as invoice posting or payment posting. You can see these events displayed in the Collection Event field in the Collections window. See *Choosing Which Source Documents Feed Oracle Sales Compensation*: page 4 – 10 for details about source documents.

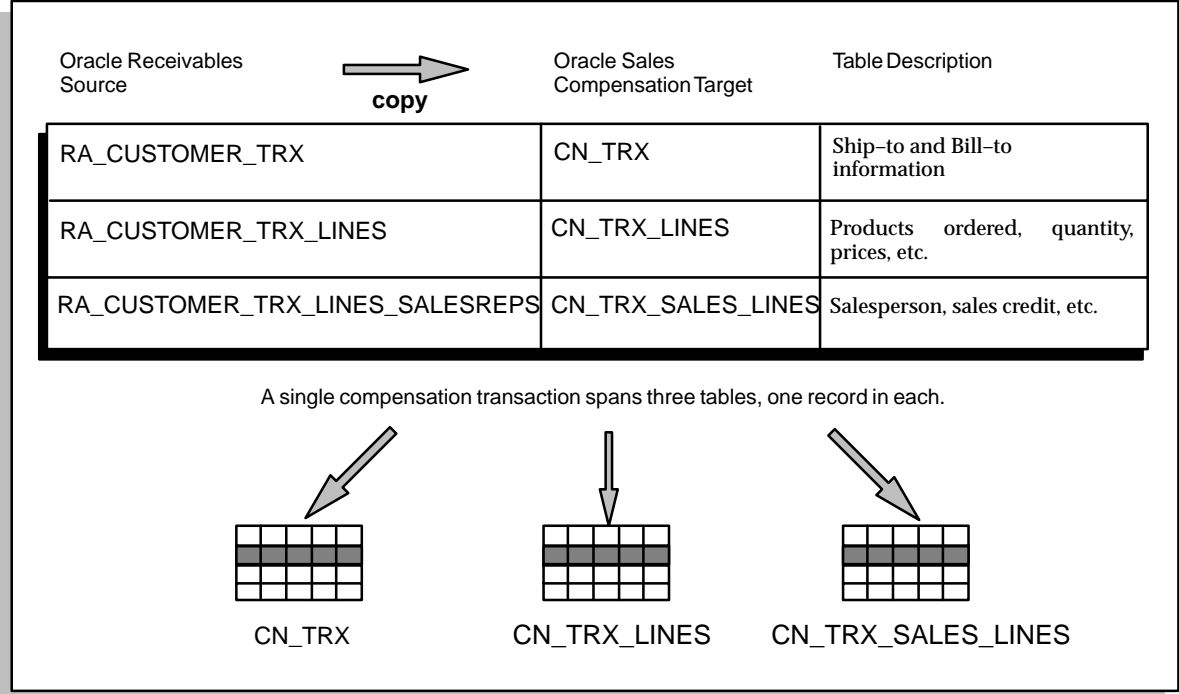
Oracle Sales Compensation stores each compensation transaction across three database tables, each corresponding to a source Oracle Receivables table that contains similar types of data. Each compensation transaction spans all three Oracle Sales Compensation tables, with one record in each table corresponding to a different level of detail in the compensation transaction:

- CN\_TRX contains information typically found in the header of an Oracle Receivables source document—such as the ship-to and bill-to customer names.
- CN\_TRX\_LINES contains information typically found at the line level of detail in a Receivables document—such as product ordered, quantity, and price.
- CN\_TRX\_SALES\_LINES contains information about the sales lines in a Receivables source document—such as the salesperson's name and the amount of *sales credit* assigned to the representative by Oracle Receivables.

Oracle Sales Compensation creates a new compensation transaction for each *sales line* in an Oracle Receivables source document.

**Note:** For more information about sales lines and a detailed description of the structure of each of the Oracle Receivables source tables shown in Figure 4 – 4, see *Oracle Receivables Technical Reference Manual*.

**Figure 4 – 4 Data Copied from Oracle Receivables to Oracle Sales Compensation**



If the default compensation transaction does not contain all the data your organization needs to pay compensation, you need to define additional data that you want Oracle Sales Compensation to collect from Oracle Receivables. You define this data by customizing columns in the appropriate Oracle Sales Compensation transaction table.

For example, Global Computers, Inc. uses the zip code of the ship-to customer to provide incentive compensation by territory during sales promotions. Because zip code is not among the data Oracle Sales Compensation collects in a default compensation transaction, Global must customize a transaction attribute in the appropriate compensation transaction table. See Mapping Transaction Attributes to Receivables Attributes: page 4 – 18 for more information on how to map transaction information from Oracle Receivables.

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## Choosing Which Source Documents Feed Oracle Sales Compensation

After you specify which Oracle Receivables application instance you want to collect source information from, you need to specify which Receivables *source documents* are associated with compensation payments in your organization. See About Oracle Receivables Source Data: page 4 – 8 for more information about source documents.

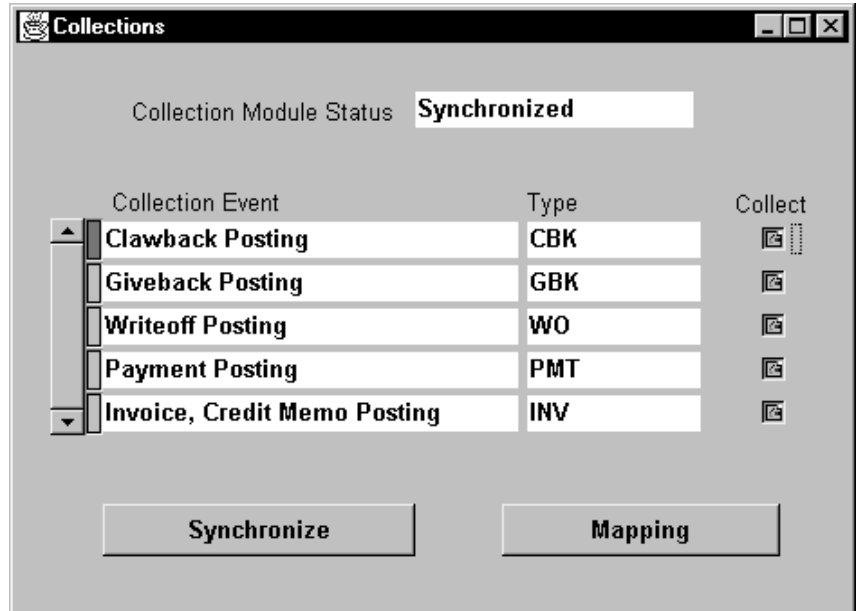
Oracle Sales Compensation lets you collect data for your compensation transactions from the following types of Receivables source documents:

- Invoices
- Cash Receipts (Payments)
- Credit Memos
- Write-offs (Adjustments)

You can also collect information from clawbacks and givebacks, which are types of transactions created within Oracle Sales Compensation.

**Note:** For more information on the data these source documents contain or how Oracle Receivables processes them, see the *Oracle Receivables Reference Manual*.

- To base compensation calculations on data from these source documents:
1. Navigate to the Collections window.  
Choose Collection from the Setup menu.



The names of the event points at which collection can occur are displayed in the Collection Event field. The names in the Collection Event field represent corresponding source documents in an application such as Oracle Receivables.

2. Check Collect for all source documents your organization uses to calculate compensation.

For example, Global Computers pays compensation for software sales based on the invoice posting date, and hardware sales based on the date the invoice is paid (the payment posting event). Global checks Collect for *both* the invoice and payment transactions.

**Note:** The clawback and giveback event types let you collect information about past-due invoices so that you can debit a salesperson's compensation balance when an invoice goes past-due, and credit the balance once again when the customer pays the past-due invoice. The process Oracle Sales Compensation uses to collect data about past-due invoices is explained in Collecting Past-Due Invoices: page 4 – 12.

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## Collecting Past-Due Invoices

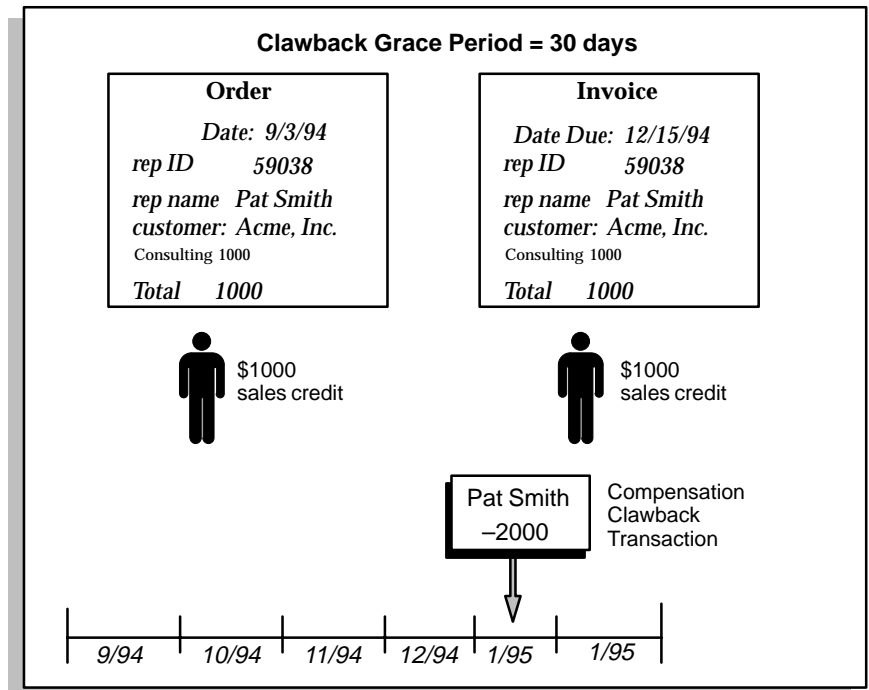
The clawback event type lets you take back compensation credit for overdue customer payments (Figure 4 – 5).

When you specify that you want to "collect" clawback transactions, you specify a period of time, or a *grace period*, that the invoice is allowed to go past-due before Oracle Sales Compensation takes back compensation credit the salesperson received for the invoice transaction. Each time you run the process to collect transactions, Oracle Sales Compensation checks whether the grace period has passed.

The clawback grace period is a system parameter with a default of 30 days: if a cash receipt is not posted by Oracle Receivables within 30 days of the invoice due date, Oracle Sales Compensation creates a compensation transaction to take back sales credit already given. The amount of negative sales credit is equal to the amount of credit the salesperson has received thus far for this particular sale. For example, if Global Computers representative Pat Smith received \$1000 sales credit when he booked an order for consulting services, and another \$1000 when Receivables posted the invoice to GL, Oracle Sales Compensation claws back a total of \$2000 when the clawback grace period expires.



Figure 4 – 5 Sample Clawback Transaction



For more information on setting the amount of sales credit a given representative receives, see *Distributing Compensation Across Transactions*; page 7 – 105.

► **To set the clawback grace period:**

1. If necessary, log onto the Calculator instance, or the instance that is both the Collector and Calculator.
2. Navigate to the System Parameters window.

System Status: <b>ACTIVE</b>	
Name: <b>Vision Operations (USA)</b>	Set of Books: <b>Vision Operations (USA)</b>
Function: <b>All</b>	Calendar: <b>Accounting</b>
Revenue Class Hierarchy: <b>Revenue Class Hierarchy</b>	Period Type: <b>Month</b>
Salesperson Hierarchy: <b>Salespeople Hierarchy</b>	Currency: <b>USD</b>
<b>Collection</b>	
Collection Batch Size: <b>2000</b>	Transfer Batch Size: <b>2000</b>
Clawback Grace Days: <b>30</b>	Trx Rollup Method: <b>Invoice Processing Date</b>
<b>Calculation</b>	
Salesperson Batch Size: <b>200</b>	Rule Batch Size: <b></b>
<input checked="" type="checkbox"/> Managerial Rollup	

3. In the Collection region, enter the grace period in the Clawback Grace Days field.

The grace period specifies the number of days after the invoice is due that can elapse before Oracle Sales Compensation issues a compensation transaction with a negative amount of sales credit.

Before you run your compensation system with production data, you need to activate this and other system parameters. Setting System Parameters: page 1 – 18 explains how to do this, and summarizes other collector parameters available from this menu.

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## Overview of the Oracle Receivables Transaction Data Collection Process

In Oracle Sales Compensation, collecting transaction information from Oracle Receivables consists of three major tasks.

- **To define table and column mappings between Oracle Receivables and Oracle Sales Compensation and regenerate the code according to the mappings:**

This task consists of two steps.

1. Define your table and column mappings between Oracle Receivables and Oracle Sales Compensation. This step identifies your source and destination tables and columns. See Mapping Transaction Attributes to Receivables Attributes: page 4 – 18 for information on how to do this.

The following sections give you examples of some of the different types of mapping choices:

- Adding Attributes to the Default Mapping: page 4 – 21
- Direct Mapping at the Header Level: page 4 – 26
- Direct Mapping at the Line Level: page 4 – 30
- Direct Mapping at the Line Level Using an Expression: page 4 – 33
- Indirect Mapping at the Header Level Using a Foreign Key: page 4 – 35

2. Select Synchronize to regenerate the collection code according to your mappings.

Regenerating the collection code adds several lines of code to the standard collection code in Oracle Sales Compensation to accommodate any added column mappings. The added code consists of SQL statements that specify how to extract and insert information from Oracle Receivables tables and columns to Oracle Sales Compensation tables and columns.

- **To use the Concurrent Manager to submit a set of requests that install the collection programs and collect the transaction data according to the defined table and column mappings:**

After Oracle Sales Compensation gives you the message "Synchronization Complete," you must run several concurrent manager programs. This task consists of two steps:

1. Submit a Concurrent Manager request to run the Install Collection Package program.

The Install Collection Package program recompiles the code and puts it back in the database.

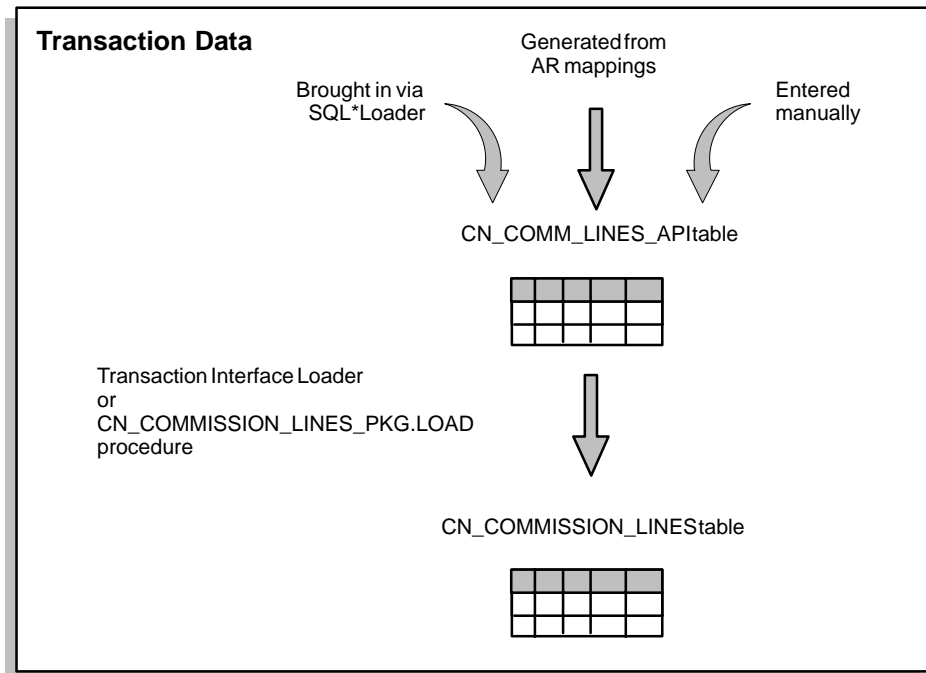
2. Submit a Concurrent Manager request for each of these four collection packages, depending on what type of transaction information you are collecting:

- Collect Invoices
- Collect Payments and Givebacks
- Collect Clawbacks
- Collect Writeoffs

These collection programs appear in the list of values for the Name field in the Submit Requests Window. The collection programs bring information from your mapped tables and insert them in the intermediate table CN\_COMMISSION\_LINES\_API. Figure 4-6 illustrates this process.

By default, select Run from the Concurrent Requests menu to navigate to the Submit Requests window. Enter the name of the program in the Name field and select Submit.

**Figure 4 – 6 The Transaction Data Collection Process**



► **To use the Concurrent Manager to submit a request to run the Transaction Interface Loader program:**

After the collection programs have inserted your collected data into the intermediate table CN\_COMM\_LINES\_API, you must then run another program using the concurrent manager to insert the collected data into the CN\_COMMISSION\_LINES table. This program is called the Transaction Interface Loader, and is also available in the list of values for the Name field in the Submit Requests window.

The Transaction Interface Loader program creates a batch program that loads your data into the Oracle Sales Compensation interface (intermediate) table CN\_COMMISSION\_LINES; you can run a query in the Maintain Transactions window to see this batch, called Transfer <date>. The date field shows the date when the data is transferred.

To see details of the collected transactions, click the Transactions button in the Maintain Transactions window. Oracle Sales Compensation takes you to the Transactions window and displays all your collected transactions. See Viewing Transaction Details: page 11 – 10 for more information on working with the Transactions window.

Running the Transaction Interface Loader program is the the same task that you perform when you collect transaction information directly through an open interface. Collecting Transactions Using the Open Interface Directly: page 4 – 39, describes how to perform this task. Alternatively, you can execute the CN\_COMMISSION\_LINES\_PKG.LOAD procedure in SQL\*Plus to perform the same function.

**Note:** See the *Oracle Applications User's Guide, Release 10SC*, for details on how to work with the concurrent manager.

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## Mapping Transaction Attributes to Receivables Attributes

After you specify the data you want Oracle Sales Compensation to collect and the documents that serve as the sources for this data, you need to associate each attribute in your compensation transaction with its data source—the Oracle Receivables database columns where the information is stored.

By associating each column in your compensation transaction with its source column in an Oracle Receivables transaction table, you provide a “map” that tells Oracle Sales Compensation where to look for the information you need.

You can map transaction data at three levels—the Header table level, which gives you customer information, at the Line table level, which gives you product or item information, and at the Sales Lines table level, which gives you salesperson information.

To define how you want to bring transaction information into Oracle Sales Compensation from Oracle Receivables, you can use either the defaults that Oracle Sales Compensation gives you, or add attributes to the default mappings by defining mappings directly or indirectly. Your choices are as follows:

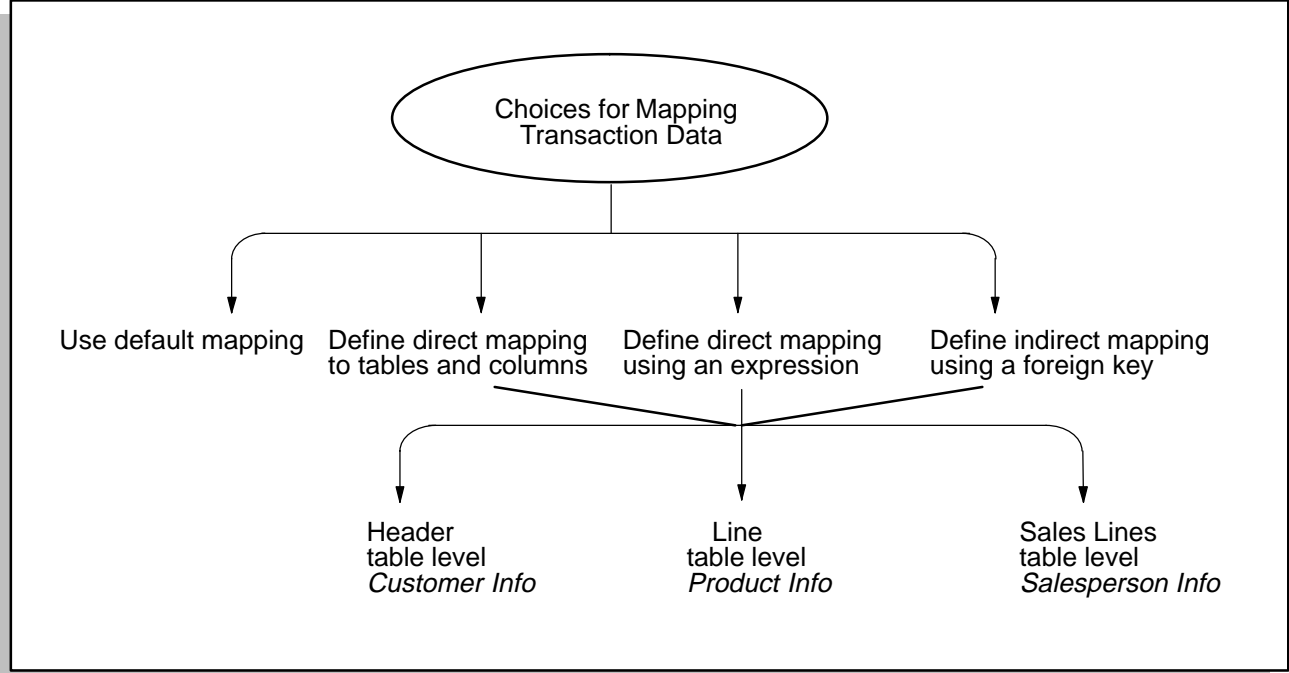
- Use the default mapping defined by Oracle Sales Compensation
- Add new attribute columns to the default mapping
- Define direct mapping between Oracle Receivables and Oracle Sales Compensation tables and columns at any of the three table levels: Header, Line, or Sales Lines
- Define direct mapping using an expression between Oracle Receivables and Oracle Sales Compensation tables and columns at any of the three table levels: Header, Line, or Sales Lines

**Note:** Using an expression requires understanding of the underlying database and should be done by a system administrator. Contact your system administrator to help you define an expression.

- Define indirect mapping using a foreign key between Oracle Receivables and Oracle Sales Compensation tables and columns at any of the three table levels: Header, Line, or Sales Lines

Figure 4–7 illustrates the mapping choices.

Figure 4 – 7 Methods of Mapping Transaction Information from Oracle Receivables



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## Using the Default Mapping to Collect Compensation Transactions

Oracle Sales Compensation provides a default mapping of transaction attributes to Receivables Attributes for collecting compensation information from transactions.

In the default map, each default compensation transaction attribute is paired with its default source column in one of the Oracle Receivables transaction tables. When you run the concurrent process to collect compensation transactions, Oracle Sales Compensation uses the map to determine which Receivables columns to copy data from and which Oracle Sales Compensation columns to copy this data to.

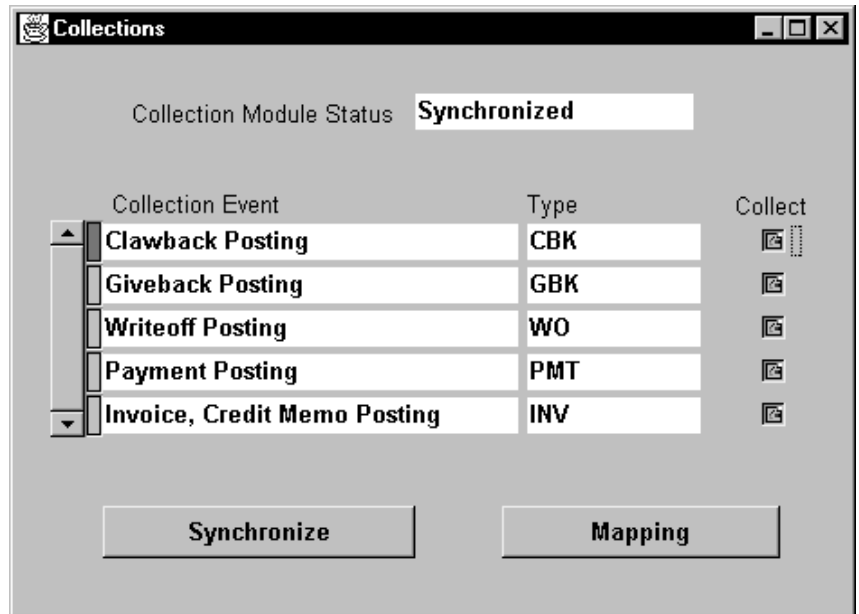
The default mapping brings in the following information from Oracle Receivables:

- Invoices
- Cash Receipts (Payments)
- Credit Memos
- Write-offs (Adjustments)
- Details about customers, such as name and customer id
- Details about salespeople, such as name and id

► **To use the default mapping to collect transaction information from Oracle Receivables:**

1. Navigate to the Collections window.  
Choose Collections from the Setup menu.





2. Select Synchronize.
3. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information about flexfields and folders, see the *Oracle Applications User's Guide*.

## Adding Attributes to the Default Mapping to Collect Additional Information

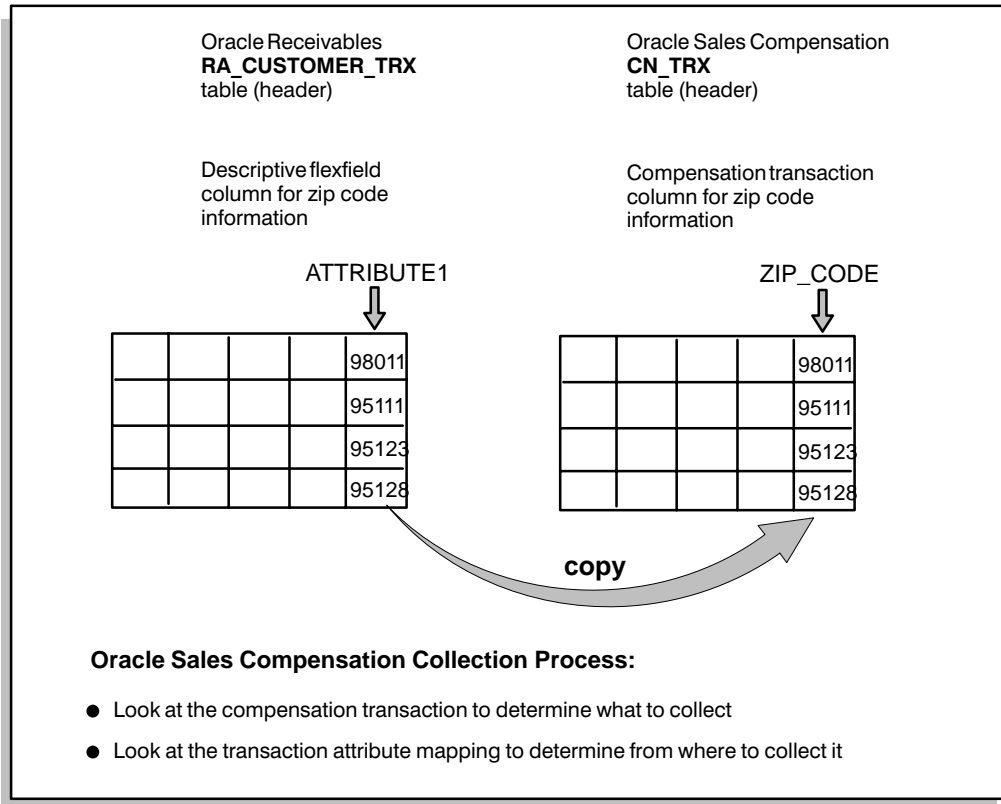
In most cases, you may choose to use the default mapping to bring in transaction information about Oracle Sales Compensation and opt not to add any additional attributes (Figure 4–8).

For example, the zip code information is not among the data Oracle Sales Compensation collects in a default compensation transaction; therefore Global must customize a transaction attribute in the appropriate compensation transaction table.

Suppose that Global stores zip codes of the ship-to customer in the first descriptive flexfield columns in the Oracle Receivables header table, with the column name ATTRIBUTE1. Because descriptive flexfields are user-defined, Global must point to the location of the source data for the ZIP\_CODE transaction attribute. To do this, Global uses the

Receivables Mapping window in Oracle Sales Compensation to associate the ZIP\_CODE column and the ATTRIBUTE1 column. Thus, when Global collects compensation transactions, Oracle Sales Compensation copies data from the ATTRIBUTE1 column in Oracle Receivables to the ZIP\_CODE column in Oracle Sales Compensation.

**Figure 4 – 8 Data mapping between Oracle Receivables and Oracle Sales Compensation at the Header Level**



► **To add attributes to an Oracle Sales Compensation transaction table:**

1. Navigate to the Tables and Columns form.

By default, choose Tables and Columns from the Setup menu.

Schema	Table Name	Alias	Description
CN	%		

Columns

2. Run a query to display all CN tables.

By default, choose Enter from the Query menu, type CN% in the Schema column, then choose Run from the Query menu.

3. Select the compensation transaction table to which you want to add the new attribute—CN\_TRX, CN\_TRX\_LINES, or CN\_TRX\_SALES\_LINES. For example, you may choose CN\_TRX for storing the zip code.
4. Choose Columns to open the Columns window.

Column Name	User Column Name	Data Type	Data Length	Primary Key	Foreign Key
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

5. Decide which descriptive flex column (ATTRIBUTE 1–15) you will use for storing ZIP\_CODE and in the User Column Name column, change that ATTRIBUTE<sub>xx</sub> column name to your attribute name.

For this example, change ATTRIBUTE1 in the User Column Name field to ZIP\_CODE for the CN\_TRX table.

6. Enter the information in these fields if they apply to your attribute:

**Dimension Name:** Enter the name of the dimension (or choose the dimension from a list of values) this column is associated with.

**Dimension Value:** Check if this column stores the values of a previously created dimension.

**Classification Column:** Check if you will use this column for either specifying classification rules and/or you wish this column to be one of the folder columns in the Transactions form.



**Attention:** The following fields display information only and cannot be changed:

- Data Type
- Data Length
- Primary Key

7. Save your work and close the Tables and Columns window.

After you define the tables and columns, you need to take additional steps to complete defining how the data is to be collected.

► **To complete defining the collection mappings:**

1. Use the AR Mapping window to tell Oracle Sales Compensation how to move information from the Oracle Receivables table RA\_CUSTOMER\_TRX to the Oracle Sales Compensation table CN\_TRX. See steps 7 through 11 in Direct Mapping at the Header Level: page 4 – 26 for instructions on how to do this.

AR Mapping for Invoices

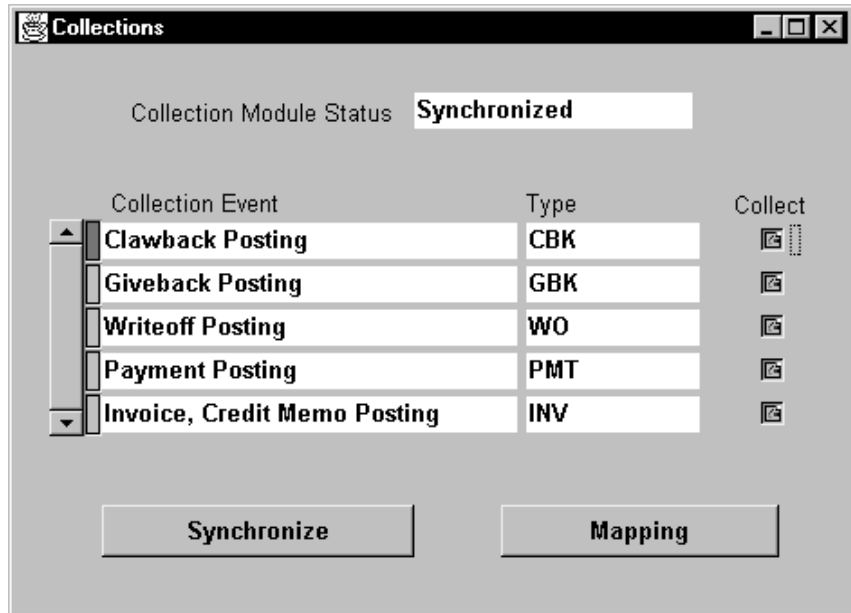
Header: CN\_TRX Accounts Receivable Source

Destination Column	AR Source Table	AR Source Column
ATTRIBUTE1	RA_CUSTOMER_TRX	ATTRIBUTE1
ATTRIBUTE3	RA_CUSTOMER_TRX	TRX_NUMBER
BATCH_SOURCE_ID	RA_CUSTOMER_TRX	BATCH_SOURCE_ID
BILL_TO_CUSTOMER_ID	RA_CUSTOMER_TRX	BILL_TO_CUSTOMER_ID
BILL_TO_CUSTOMER_NAME	RA_CUSTOMERS	CUSTOMER_NAME
EXCHANGE_RATE	RA_CUSTOMER_TRX	EXCHANGE_RATE
GL_DATE	RA_CUSTOMER_TRX	TRX_DATE
INVOICE_SOURCE	RA_CUSTOMER_TRX	INTERFACE_HEADER_CONTEXT
ORIGINAL_SYSTEM_REFERENCE	RA_CUSTOMER_TRX	CREATED_FROM
PURCHASE_ORDER	RA_CUSTOMER_TRX	PURCHASE_ORDER

2. Use the Tables and Columns form to define the User Column Name of the attribute field in the Oracle Sales Compensation Table CN\_COMMISSION\_LINES as ZIP\_CODE, so that the information is moved correctly from CN\_TRX into CN\_COMM\_LINES\_API. See steps 1 through 6 in Direct Mapping at the Header Level: page 4 – 26 for instructions on how to do this.

► **To collect the transaction data according to the mappings you just defined:**

1. Navigate to the Collections window.  
By default, choose Collections from the Setup menu.



2. Select Synchronize.
3. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information about flexfields and folders, see the *Oracle Applications User's Guide*.

## Direct Mapping at the Header Level

Direct mapping at the Header level allows you to map how you want to transfer transaction data from a column in the Oracle Receivables table RA\_CUSTOMER\_TRX into the Oracle Sales Compensation table CN\_COMMISSION\_LINES. Oracle Sales Compensation does this by first inserting the data in the intermediate table CN\_TRX. CN\_TRX contains information typically found in the header of an Oracle Receivables source document—such as the ship-to and bill-to customer names.

For example, suppose that you want to move the information in column CUSTOMER\_REFERENCE in the RA\_CUSTOMER\_TRX table in Oracle Receivables into Oracle Sales Compensation. To accomplish this, the data is first moved into one of the 15 attribute columns in the Oracle Sales Compensation intermediate table CN\_TRX; from there it is

moved into CN\_COMM\_LINES\_API, and then to the appropriate table, CN\_COMMISSION\_LINES.

Let's suppose that the transaction information will be moved into column ATTRIBUTE1 in the table CN\_TRX, and, from there, it will be moved again into the column ATTRIBUTE1 in CN\_COMMISSION\_LINES. Oracle Sales Compensation moves information from the CN\_TRX attribute columns to the attribute columns in the CN\_COMMISSION\_LINES table by matching the value in a column called the User Column Name. The first part of the mapping procedure, therefore, consists of defining the User Column Name for the Oracle Sales Compensation tables CN\_TRX and CN\_COMMISSION\_LINES on the Tables and Columns form. Table 1 shows the source, interface, and destination tables and columns for the mapping.

**Table 1:** Source and Destination Tables and Columns for Direct Mapping from Oracle Receivables to Oracle Sales Compensation at the Header Level.

Receivables Source Table	Receivables Source Column Name	Not Applicable
RA_CUSTOMER_TRX	CUSTOMER_REFERENCE	
Intermediate Sales Compensation Table	Intermediate Sales Compensation Table Column Name	Intermediate Sales Compensation Table User Name Column
CN_TRX	ATTRIBUTE1	CUST_REF
Destination Sales Compensation Table	Destination Sales Compensation Table Column Name	Destination Sales Compensation Table User Name Column
CN_COMMISSION_LINES	ATTRIBUTE1	CUST_REF

► **To define direct mapping at the header level:**

1. Navigate to the Tables and Columns form.  
By default, choose Tables and Columns from the Setup menu.
2. Select Query→Enter from the menu and type CN\_TRX in the Table Name field to execute a query.
3. Select Columns to see the columns in the CN\_TRX table.
4. Decide which attribute field you want to hold the data, and move to the row for that column.  
In this example, move to the row named ATTRIBUTE1.
5. In the User Column Name field on that row, type a unique name that will identify the information that the column will hold.  
For this example, type CUST\_REF in the User Column Name field, which stands for CUSTOMER\_REFERENCE.



**Attention:** The name you type in the User Column Name field is your name for the column, and this name must NOT be the same as the system name for the column. If you are bringing in transaction information into the ATTRIBUTE1 field, then the name in the User Column Name field must NOT be ATTRIBUTE1.

6. Repeat step 5 to create a User Column Name for ATTRIBUTE1 in CN\_COMMISSION\_LINES called CUST\_REF.

Now, you must set up the mapping between the CUSTOMER\_REFERENCE column in the Oracle Receivables table RA\_CUSTOMER\_TRX, and the CUST\_REF column in the Oracle Sales Compensation table CN\_TRX.

7. Navigate to the Receivables Mapping form.

By default, choose Collections from the Setup menu, and then choose Mapping.

8. Select Header from the alternate region.

You use the Header column mappings because the data is at the header level and it is being moved into destination table CN\_TRX in Oracle Sales Compensation.

9. With the Header mappings displayed, select Edit→New Record to enter a new mapping.
10. Enter the following values:

Destination Column:	ATTRIBUTE1
AR Source Table:	RA_CUSTOMER_TRX
AR Source Column:	CUSTOMER_REFERENCE

11. Save your work and close the AR Mapping window.



- **To collect the transaction data according to the mappings you just defined:**
1. In the Collections window, select Synchronize.
  2. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information on running the Concurrent Manager, see the *Oracle Applications User's Guide*.

## Direct Mapping at the Line Level

This example shows how to set up a direct mapping of transferring transaction data from a column in the Oracle Receivables table RA\_CUSTOMER\_TRX\_LINES into the Oracle Sales Compensation table CN\_TRX\_LINES, and finally move it into the table CN\_COMMISSION\_LINES where it is available for use in the Sales Compensation system. CN\_TRX\_LINES contains information typically found at the line level of detail in an Oracle Receivables document—such as product ordered, quantity, and price.

For example, suppose that you want to move the information in column LINE\_TYPE in the RA\_CUSTOMER\_TRX\_LINES table in Oracle Receivables into Oracle Sales Compensation. To accomplish this, the data is first moved into one of the 15 attribute columns in the Oracle Sales Compensation intermediate table CN\_TRX\_LINES; from there it is moved into the appropriate table, CN\_COMMISSION\_LINES.

Oracle Sales Compensation moves information from the CN\_TRX\_LINES attribute columns to the attribute columns in the CN\_COMMISSION\_LINES table by matching the value in a column called the User Column Name. The first part of the mapping procedure, therefore, consists of defining the User Column Name for the Oracle Sales Compensation tables CN\_TRX\_LINES and CN\_COMMISSION\_LINES on the Tables and Columns form. Table 2 illustrates the source and destination tables and columns for the mapping.

**Table 2:** Source and Destination Tables and Columns for Direct Mapping from Oracle Receivables to Oracle Sales Compensation at the Line Level.

Receivables Source Table	Receivables Source Column Name	Not Applicable
RA_CUSTOMER_TRX_LINES	LINE_TYPE	
Intermediate Sales Compensation Table	Destination Intermediate Sales Compensation Table Column	Destination Intermediate Sales Compensation Table User Name Column
CN_TRX_LINES	ATTRIBUTE1	AR_LINE_TYPE
Destination Sales Compensation Table	Destination Sales Compensation Table Column Name	Destination Sales Compensation Table User Name Column
CN_COMMISSION_LINES	ATTRIBUTE2	AR_LINE_TYPE

► **To define direct mapping at the line level:**

1. Navigate to the Tables and Columns form.  
By default, choose Tables and Columns from the Setup menu.
2. Select Query→Enter from the menu and type CN\_TRX\_LINES in the Table Name field to execute a query.
3. Select Columns to see the columns in the CN\_TRX\_LINES table.
4. Move to the row for the column named ATTRIBUTE1.
5. In the User Column Name field on that row, type a unique name that will identify the information that the column will hold.

For this example, type AR\_LINE\_TYPE in the User Column Name field, which represents the Receivables line item type.



**Attention:** The name you type in the User Column Name field is your name for the column, and this name must NOT be the same as the system name for the column. If you are bringing in transaction information into the ATTRIBUTE1 field, then the name in the User Column Name field must NOT be ATTRIBUTE1.

6. Repeat step 5 to create a User Column Name for ATTRIBUTE2 in CN\_COMMISSION\_LINES called AR\_LINE\_TYPE.

Now, you must set up the mapping between the LINE\_TYPE column in the Oracle Receivables table RA\_CUSTOMER\_TRX\_LINES, and the ATTRIBUTE1 column in the Oracle Sales Compensation table CN\_TRX\_LINES.

7. Navigate to the Receivables Mapping form.  
By default, choose Collections from the Setup menu, and then choose Mapping.
8. Select Line from the alternate region.  
You use the Line column mappings because the data is at the line item level and it is being moved into destination table CN\_TRX\_LINES in Oracle Sales Compensation.
9. With the Line mappings displayed, select Edit→New Record to enter a new mapping.
10. Enter the following values:  
Destination Column:   ATTRIBUTE1  
AR Source Table:       RA\_CUSTOMER\_TRX\_LINES  
AR Source Column:     LINE\_TYPE
11. Save your work and close the AR Mapping window.

► **To collect the transaction data according to the mappings you just defined:**

1. In the Collections window, select Synchronize.
2. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information on running the Concurrent Manager, see the *Oracle Applications User's Guide*.

## Direct Mapping at the Line Level Using an Expression

This form of direct mapping allows you to change the transaction data you bring in from Oracle Receivables.

An example of using an expression may be the following scenario—you want to bring the information in the QUANTITY\_ORDERED column in the Oracle Receivables table RA\_CUSTOMER\_TRX\_LINES into Oracle Sales Compensation table CN\_TRX\_LINES; if the value in the QUANTITY\_ORDERED column is NULL, you want it changed into zero (0) in the corresponding Oracle Sales Compensation table. You would accomplish this by using an expression.

Oracle Sales Compensation moves information from the CN\_TRX\_LINES attribute columns to the attribute columns in the CN\_COMMISSION\_LINES table by matching the value in a column called the User Column Name. The first part of the mapping procedure, therefore, consists of defining the User Column Name for the Oracle Sales Compensation tables CN\_TRX\_LINES (at the Line level) and CN\_COMMISSION\_LINES on the Tables and Columns form. Table 3 illustrates the source and destination tables and columns for the mapping.

**Table 3:** Source and Destination Tables and Columns for Direct Mapping from Oracle Receivables to Oracle Sales Compensation at the Line Level using an Expression

Receivables Source Table	Receivables Source Table Alias	Receivables Source Column Name	Receivables Source Column Expression
RA_CUSTOMER_TRX_LINES	RCTL	QUANTITY_ORDERED	NVL(RCTL.QUANTITY_ORDERED,0)

Intermediate Sales Compensation Table	Intermediate Sales Compensation Table Column	Intermediate Sales Compensation Table User Name Column
CN_TRX_LINES (Line level)	ATTRIBUTE2	AR_QUANTITY_ORDERED
Destination Sales Compensation Table	Destination Sales Compensation Table Column Name	Destination Sales Compensation Table User Name Column
CN_COMMISSION_LINES	ATTRIBUTE3	AR_QUANTITY_ORDERED

► **To define direct mapping at the line level using an expression:**

1. Navigate to the Tables and Columns form.  
By default, choose Tables and Columns from the Setup menu.
2. Select Query→Enter from the menu and type CN\_TRX\_LINES in the Table Name field to execute a query.
3. Select Columns to see the columns in the CN\_TRX\_LINES table.

4. Move to the row for the column named ATTRIBUTE2.
5. In the User Column Name field on that row, type a unique name that will identify the information that the column will hold.

For this example, type AR\_QUANTITY\_ORDERED in the User Column Name field, which represents the Receivables line item type.



**Attention:** The name you type in the User Column Name field is your name for the column, and this name must NOT be the same as the system name for the column. If you are bringing in transaction information into the ATTRIBUTE1 field, then the name in the User Column Name field must NOT be ATTRIBUTE1.

6. Repeat step 5 to create a User Column Name for ATTRIBUTE3 in CN\_COMMISSION\_LINES called AR\_QUANTITY\_ORDERED.

Now, you must set up the mapping between the QUANTITY\_ORDERED column in the Oracle Receivables table RA\_CUSTOMER\_TRX\_LINES, and the ATTRIBUTE2 column in the Oracle Sales Compensation table CN\_TRX\_LINES.

7. Navigate to the Receivables Mapping form.

By default, choose Collections from the Setup menu, and then choose Mapping.

8. Select Line from the alternate region.

You use the Line column mappings because the data is at the line item level and it is being moved into destination table CN\_TRX\_LINES in Oracle Sales Compensation.

9. With the Line mappings displayed, select Edit→New Record to enter a new mapping.

10. Enter the following values:

Destination Column:	ATTRIBUTE2
AR Source Table:	RA_CUSTOMER_TRX_LINES
Expression:	NVL(RCTL.QUANTITY_ORDERED,0)

11. Save your work and close the AR Mapping window.

- **To collect the transaction data according to the mappings you just defined:**
1. In the Collections window, select Synchronize.
  2. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information on running the Concurrent Manager, see the *Oracle Applications User's Guide*.

---

## Indirect Mapping at the Header Level Using a Foreign Key

This example shows how you can define an indirect mapping at the Header level from a column in an Oracle Receivables table to the Oracle Sales Compensation table CN\_TRX by using an existing column in the CN\_TRX table as a *foreign key* for the selected Oracle Receivables table. Like the other methods of mapping, information is first moved into the intermediate table CN\_TRX. The information is finally moved into the CN\_COMMISSION\_LINES table.

Suppose that you want to keep track of several pieces of information about a customer. Your customer is identified by a customer number in the Oracle Receivables table RA\_CUSTOMERS. You use the indirect mapping method to move the data in CUSTOMER\_NUMBER in table RA\_CUSTOMERS into the ATTRIBUTE2 column in table CN\_TRX. In the table CN\_TRX, the column SOLD\_TO\_CUSTOMER\_ID can be used as a foreign key for the table RA\_CUSTOMERS to select information about the customer identified by the column SOLD\_TO\_CUSTOMER\_ID. The final destination column for the data is ATTRIBUTE4 in table CN\_COMMISSION\_LINES. Table 4 shows you the source and destination tables for the transaction data.

**Table 4:** Source and Destination Tables and Columns for Indirect Mapping from Oracle Receivables to Oracle Sales Compensation at the Header Level using a Foreign Key

Receivables Source Table	Receivables Source Column Name	Receivables Source Table Primary Key	Receivables Source Table Dimension
RA_CUSTOMERS	CUSTOMER_NUMBER	CUSTOMER_ID	CUSTOMERS
Intermediate Sales Compensation Table	Intermediate Sales Compensation Table Column	Intermediate Sales Compensation Table Foreign Key	Intermediate Sales Compensation Table User Name Column
CN_TRX (Header level)	ATTRIBUTE2	SOLD_TO_CUSTOMER_ID	CUST_NUMBER

Destination Sales Compensation Table	Destination Sales Compensation Table Column Name	Destination Sales Compensation Table User Name Column
CN_COMMISSION_LINES	ATTRIBUTE4	CUST_NUMBER

Defining an indirect mapping using a foreign key consists of two main tasks:

► **To define a dimension to link the foreign key:**

To be able to define the indirect mapping, you need to define a dimension. The dimension is a link between the primary key column in the Oracle Receivables source table and its foreign key column in the Oracle Sales Compensation table. Before setting up the foreign key column mapping in the AR Mapping window, you must first define the dimension in the Dimensions window if it has not been defined yet; you must then enter the dimension name as the linking dimension in the Tables and Columns form.

In the AR Mapping window, select an Oracle Receivables table, and select Foreign Key and Expression from the alternate region to see the list of valid foreign keys for that table. These keys are linked to the primary keys by the Dimension name. By default, Oracle Sales Compensation gives you two dimensions: Salespeople and Revenue Class. If you are not using a predefined dimension, you must define the dimension first before you define the Receivables mapping.

Let us suppose we want to define the dimension called CUSTOMERS for the table RA\_CUSTOMERS. This dimension will define the link between SOLD\_TO\_CUSTOMER\_ID brought into the CN\_TRX table and the record that it corresponds to in the table RA\_CUSTOMERS. Follow the steps in Defining a Dimension: page 3 – 21 to define a dimension. The dimension value is CUSTOMER\_NUMBER.

► **To define the indirect mapping using the defined foreign key:**

Defining the mapping consists of several steps that you take to ensure that your dimension is defined and the primary and foreign key flags on different tables are selected.



► **To define indirect mapping at the header level using a foreign key:**

1. Navigate to the Tables and Columns form.  
By default, choose Tables and Columns from the Setup menu.
2. Select Query→Enter from the menu and type RA\_CUSTOMERS in the Table Name field to execute a query.
3. Select Columns to see the columns in the RA\_CUSTOMERS table.
4. Move to the column CUSTOMER\_ID and check for the following:
  - the primary key flag is on (selected)
  - the dimension has been defined

To do this, select Dimensions from the alternate region. Enter the dimension name CUSTOMERS in the Dimension Name field if one does not appear there.

5. Return to the Tables window in the Tables and Columns form.
6. Select Query→Enter from the menu again, type CN\_TRX in the Table Name field, and execute a query.
7. Select Columns to see the columns in the CN\_TRX table.
8. Move to the column SOLD\_TO\_CUSTOMER\_ID and:
  - make sure that the foreign key flag is on (selected)
  - set the dimension name to CUSTOMERS
9. Return to the Tables window in the Tables and Columns form.
10. Select Query→Enter from the menu again, and define the following User Column Names:
  - For the CN Destination Table, CN\_TRX:  
For the column ATTRIBUTE2, define the User Column Name = CUST\_NUMBER
  - For the CN Table, CN\_COMMISSION\_LINES:  
For the column ATTRIBUTE4, set the User Column Name = CUST\_NUMBER



**Attention:** The name you type in the User Column Name field is your name for the column, and this name must NOT be the same as the system name for the column. If you are bringing in transaction information into the ATTRIBUTE1 field, then the name in the User Column Name field must NOT be ATTRIBUTE1.

Now, you must set up the foreign key mapping between Oracle Receivables table RA\_CUSTOMERS the Oracle Sales Compensation table CN\_TRX.

11. Navigate to the Receivables Mapping form.

By default, choose Collections from the Setup menu, and then choose Mapping.

12. Select Header from the alternate region.

You use the header column mappings because the data is at the header level and it is being moved into destination table CN\_TRX in Oracle Sales Compensation.

13. With the Header mappings displayed, select Edit→New Record to enter a new mapping.

14. Enter the following values:

Destination Column:	ATTRIBUTE2
AR Source Table:	RA_CUSTOMERS
AR Source Column:	CUSTOMER_NUMBER
Foreign key:	SOLD_TO_CUSTOMER_ID

15. Save your work and close the AR Mapping window.

► **To collect the transaction data according to the mappings you just defined:**

1. In the Collections window, select Synchronize.

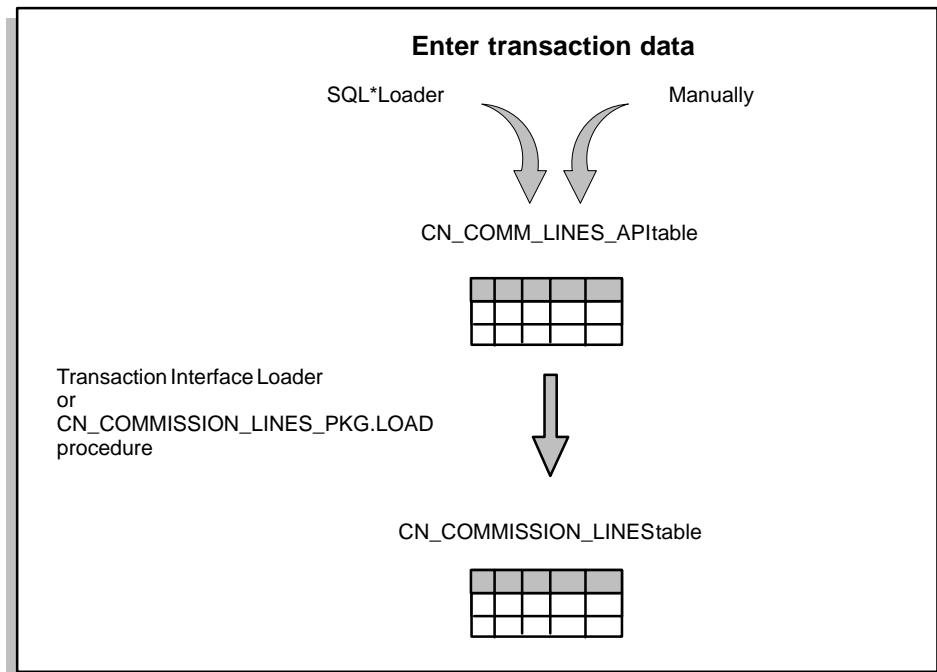
2. Follow the steps described in Tasks 2 and 3 of the section Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for the steps required to complete the data collection.

**Note:** For more information on running the Concurrent Manager, see the *Oracle Applications User's Guide*.

## Collecting Transactions Using the Open Interface Directly

Oracle Sales Compensation provides a facility for collecting transactions from an external source such as your own Billing system or non-Oracle Receivables system by populating an interim CN\_COMM\_LINES\_API table within Oracle Sales Compensation. Once the transactions have been populated into the CN\_COMM\_LINES\_API table, then the “Transaction Interface Loader” concurrent program is run to bring the transactions into the main transaction table called CN\_COMMISSION\_LINES. Oracle Sales Compensation will calculate the transactions in the CN\_COMMISSION\_LINES table and update these transactions with the calculated amounts.

Figure 4 – 9 Collecting Transactions Using the Open Interface



The CN\_COMM\_LINES\_API table contains many of the same columns as the CN\_COMMISSION\_LINES table in which Oracle Sales Compensation stores all information relevant to a transaction as it is processed. In general, the CN\_COMM\_LINES\_API table excludes those columns of the CN\_COMMISSION\_LINES table which are filled in with information during transaction processing.

The structure of the CN\_COMM\_LINES\_API table is as follows:

SALESREP_ID	NOT NULL NUMBER (15)	Enter the id of the sales-person who is the direct credit receiver. Required.
PROCESSED_DATE	NOT NULL DATE	Enter the date of the transaction.
PROCESSED_PERIOD_ID	NUMBER (15)	Optionally, enter the period the process date falls in.
TRANSACTION_AMOUNT	NOT NULL NUMBER	Enter the amount of sales credit
TRX_TYPE	NOT NULL VARCHAR2 (30)	Enter a value such as INVOICE.
REVENUE_CLASS_ID	NUMBER (15)	Optionally, enter the ID of the revenue class for this transaction.
LOAD_STATUS	VARCHAR2 (30)	Enter NULL when the record is first entered; this field is updated to LOADED when Load.API is run.
ATTRIBUTE1 through ATTRIBUTE45	VARCHAR2 (80)	Descriptive flexfield columns. These columns map to the attribute columns in CN_COMMISSION_LINES table.
EMPLOYEE_NUMBER	NUMBER(15)	Should be the sales-rep number in the Sale workbench.
SALESREP_NUMBER	NUMBER(15)	Not used.
ROLLUP_DATE	DATE	Not used.
ROLLUP_PERIOD_ID	NUMBER(15)	The period-id for creating rollup transactions.
SOURCE_DOC_ID	NUMBER(15)	Not used.
SOURCE_DOC_TYPE	VARCHAR2(30)	To say what source sales compensation is being fed from an AR or OE etc.
TRANSACTION_CURRENCY_CODE	VARCHAR2(15)	Transaction currency code.

EXCHANGE_RATE	NUMBER	If transaction currency code is not the same as the functional currency, then the exchange rate has to be entered which is multiplied by the transaction amount to get the functional currency.
ACCTD_TRANSACTION_AMOUNT	NUMBER	The system updates this column with functional currency amount.
TRX_ID	NUMBER(15)	Used by AR collection.
TRX_LINE_ID	NUMBER(15)	Used by AR collection.
TRX_SALES_LINE_ID	NUMBER(15)	Used by AR collection.
QUANTITY	NUMBER(10)	To enter the quantity on a transaction.

Attributes 1 through 45 are the descriptive flexfield columns you use to specify information not included in the base table. See *Oracle Sales Compensation Technical Reference Manual Update* for detailed information on Oracle Sales Compensation tables and columns.

Before populating the CN\_COMM\_LINES\_API table and running the Transaction Interface Loader program, you should:

1. Create the Salesreps in the Salesperson Workbench.
2. Make sure that each Salesperson's Active\_From and Active\_To period is entered.
3. The columns in CN\_COMM\_LINES\_API table map to different columns in the Oracle Sales Compensation system as follows:
  - Employee\_number in the API should be the same as the Salesrep\_Number in the Salesperson Workbench. It is the same value found in the Employee\_Number column in the CN\_Salesreps view and the Salesrep\_number column in the RA\_Salesreps table.

- The `Processed_date` needs to be a date in between the `Active_To` and `Active_From` periods for the Salesrep as defined in the Salesperson workbench.
- `Trx_Type` should one of these types : 'INV', 'PMT', 'WO', 'CBK', 'GBK', 'CM' which correspond to invoice, payment, writeoff (or adjustments), clawback, giveback or credit memo
- `Transaction_Amount` needs to be entered. This is equivalent to Net Revenue.
- Leave `Load_status` as NULL. This will be updated by OSC once the transactions are loaded into the `CN_COMMISSION_LINES` table.
- There is no need to enter the `Revenue_Class_id` since OSC will classify the transaction into the appropriate revenue class based on the Attribute information defined on the transaction and the revenue class rules defined in OSC.
- `Rollup_period_id` is the period which determines which Salesperson hierarchy should be used to roll up the transactions from the direct credit receiver (i.e. the salesrep defined on the transaction) to indirect credit receivers in the sales credit rollup chain. If the `rollup_period_id` is not entered, OSC uses the `processed_date` as the default.
- `Source_Doc_Type` should define the source of transactions. For example it could be from AR, PA or other.

► **To collect transactions using the open interface:**

1. Load the CN\_COMM\_LINES\_API table with your transaction data.

You can load the data using SQL\*Loader, manually, or by copying from your existing tables.

2. Do one of the following:

- Using the Concurrent Manager, run the Transaction Interface Loader program.

By default, select Run from the Concurrent Requests menu to navigate to the Submit Requests window. Enter the name of the program in the Name field and select Submit.

- In SQL\*Plus, run the CN\_COMMISSION\_LINES\_PKG.Load procedure to load the transaction data from the CN\_COMM\_LINES\_API table to the CN\_COMMISSION\_LINES table.

Once you run the Transaction Interface Loader or the CN\_COMMISSION\_LINES\_PKG.Load procedure, you cannot update or delete the loaded transactions. To make changes to a transaction entered using the CN\_COMM\_LINES\_API table, you must enter a manual transaction to cancel the transaction and enter a new transaction using the CN\_COMM\_LINES\_API table or the Maintain Transactions window. See Entering a Manual Transaction: page 8 – 9 for more information.

At this point there is no easy way to figure out why some transactions fail to be collected. The only way to check is from SQLPLUS. The currently reported Errors in the LOAD\_STATUS column, are:

Error	Description
ERROR – TRX_TYPE	Incorrect transaction type. Not in the list of ('INV', 'PMT', 'WO', 'CBK', 'GBK', 'CM').
ERROR – REVENUE_CLASS	Incorrect revenue_class_id was entered but it does not exist in the CN_Revenue_Classes.
ERROR – NO EXCH RATE GIVEN	For entering the multi-currency transactions the exchange rate for the foreign currency needs to be also entered.
ERROR – INCORRECT CONV GIVEN	Incorrect conversion rate given.
ERROR – CANNOT CONV/DEFAULT	Cannot convert the given acct_transaction_amount.
SALESREPERERROR	The Salesrep Number is not valid.
PERIOD ERROR	The Processed_Date/Processed_Period_ID does not exist in the CN_SRP_PERIODS table. That is, the Processed_date does not fall in between the salesrep's Active_From and Active_To periods.

**Table 4 – 1 (Page 1 of 1)**



# Defining Salespeople and Sales Credit Distribution

**B**efore you can calculate and pay commissions, you need to define your sales organization to Oracle Sales Compensation. This chapter explains how to define salespeople and how to define an organizational structure, called a salesperson hierarchy, that specifies how you want to rollup credit within your sales force.

This chapter also explains how to:

- Understand the Oracle Sales Compensation definition of a salesperson
- Enter salespeople and view employment-related information about a salesperson
- Understand how Oracle Sales Compensation uses the salesperson hierarchy
- Define the salesperson hierarchy

The following topics are included:

- Defining Salespeople: page 5 – 3
- What is an Oracle Sales Compensation Salesperson?: page 5 – 3
- Defining Descriptive Flexfields for Salespeople: page 5 – 7
- Implementing Sales Credit Assignments: page 5 – 7

- Defining a Salesperson Hierarchy: page 5 – 8
- What is a Salesperson Hierarchy?: page 5 – 8
- How Does a Salesperson Hierarchy Work?: page 5 – 9
- Entering the Salesperson Hierarchy: page 5 – 14

The following tasks are included:

- Accessing Salesperson Information: page 5 – 5
- Entering Salespeople: page 5 – 6
- Making the Salesperson Hierarchy Effective: page 5 – 15

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## Defining Salespeople

Oracle Sales Compensation shares salespeople information with Oracle Receivables.

This section explains:

- The Oracle Sales Compensation definition of a salesperson
- How to define salespeople
- How to view employment information about a salesperson in Oracle Sales Compensation

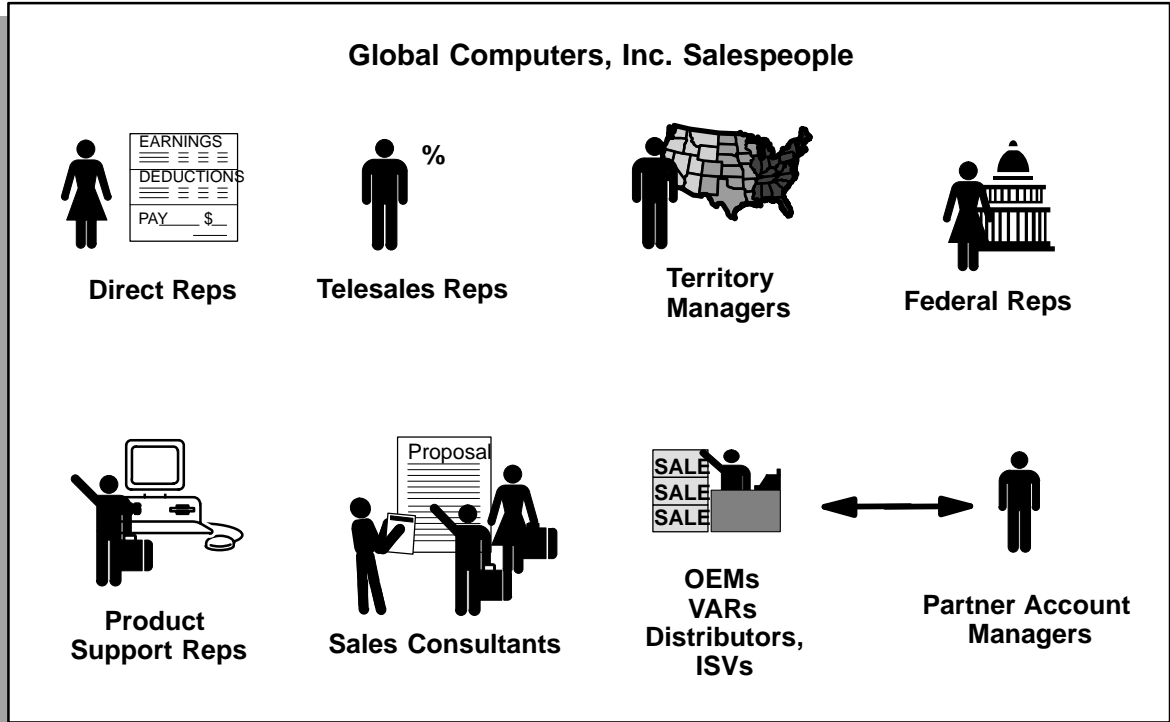
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### What is an Oracle Sales Compensation Salesperson?

In Oracle Sales Compensation, a *salesperson* is any entity receiving sales-related incentive compensation including direct salespeople, managers, external agents, distributors, VARs, and customers.

For example, many companies have different types of sales channels. As shown in Figure 5 – 1, Global Computers pays incentive compensation to a direct sales force of employees, yet also pays external agents, value-added resellers (VARs), distributors, and many other types of salespeople for sales of Global products.

Figure 5 – 1 Oracle Sales Compensation Lets You Pay Many Kinds of Salespeople



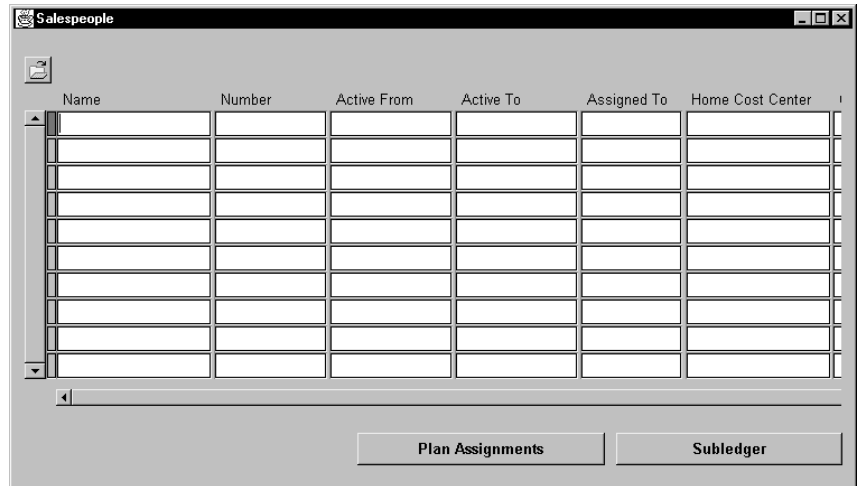
## Accessing Salesperson Information

If you already defined salespeople in Oracle Receivables, and Oracle Receivables and Oracle Sales Compensation are in the same database schema, these salespeople are visible to Oracle Sales Compensation.

► **To access salesperson information in Oracle Sales Compensation:**

1. Open the Salespeople window.

By default, choose Salespeople Workbench from the Salespeople menu.



The screenshot shows a window titled "Salespeople". Inside, there is a table with the following columns: Name, Number, Active From, Active To, Assigned To, and Home Cost Center. The table is currently empty. Below the table, there are two buttons: "Plan Assignments" and "Subledger".

The Salespeople window is a folder form that you can customize to display the fields that are appropriate for your organization. Choose Show Field or Hide Field from the Folder menu to see or hide fields. See the *Oracle Applications User's Guide* for more information about folders.

To enter new salespeople, see Entering Salespeople: page 5 – 6.

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## Entering Salespeople

► **To define a salesperson in Oracle Sales Compensation:**

1. Open the Salespeople window.

By default, choose Salespeople Workbench from the Salespeople menu.

You use the Salespeople window to define salespeople. You can also access the salesperson's plan assignments and subledger through this window.

2. Enter the name of the salesperson in the Name field.

The name need not be the name of an employee if, for example, reseller companies are part of your sales force. Name can be any name you want.

Select the name from the list of values, which shows all current employees as defined in HR that have not already been entered into OSC or Accounts Receivable.

3. Enter a unique number for the salesperson in the Employee Num field.

As with name, the number you enter here need not be an employee number.

4. Enter the dates this salesperson is active:

**Active From:** The first period for which the salesperson is assigned a compensation plan. Typically you should specify the period when the salesperson starts employment with the company. This parameter must be set before you can assign compensation plans to the salesperson. The From period is required.

**Active To:** The last period when the salesperson has a compensation plan assigned. Typically you leave this field blank until the salesperson is terminated. The To period is optional.

You can specify the dates or choose from a list of values.

5. (Optional) In the Assigned To field, enter the name of the compensation analyst to which the salesperson is assigned.

Oracle Sales Compensation lets you calculate and pay batches of salespeople according to the analyst to which they are assigned.

6. (Optional) Enter the cost centers for this salesperson:

**Home Cost Center:** The salesperson's home cost center.

**Charge-to Cost Center:** The cost center charged for this salesperson's incentive compensation. This cost center can be different from the home cost center.

7. In the Currency Code field, select from a list of values to assign a currency code for the salesperson; this is known as the *salesrep currency*. The salesrep currency code describes the currency in which the salesperson's compensation is to be paid. Currency codes are defined when setting up the General Ledger set of books.  
  
You can see the salesrep currency as well as the functional currency in the Subledger window. See *Using the Salesperson Subledger*: page 11 – 4, and *Utilizing Multiple Currencies*: page 11 – 10
8. (Optional) For EMail Address, enter the email address of this salesperson.
9. If you have defined a descriptive flexfield, click between the brackets and enter the appropriate information.  
  
See *Defining Descriptive Flexfields for Salespeople*: page 5 – 7.
10. Save your work.

---

## Defining Descriptive Flexfields for Salespeople

Optionally, you can define descriptive flexfields for the Salespeople window to enter and store additional attributes about your salespeople such as Title, Address, etc. You define descriptive flexfields using the Descriptive Flexfield form. See the *Oracle Applications Flexfield Guide* for more information.

---

## Implementing Sales Credit Assignments

If Oracle Receivables is the source for your transactions, you need to set up the sales credit assignments feature in Oracle Receivables. Set both the Require Salesreps and Allow Sales Credit system options to YES.

**Note:** For more information on setting up sales credit assignments in Receivables, see the *Oracle Receivables Reference*.

---

## Defining a Salesperson Hierarchy

In many sales organizations, multiple salespeople can receive sales credit for the same commission transaction.

To compensate multiple salespeople in Oracle Sales Compensation, you define an organizational structure, called a salesperson hierarchy that specifies how you want to distribute sales credit among the members of your sales force.

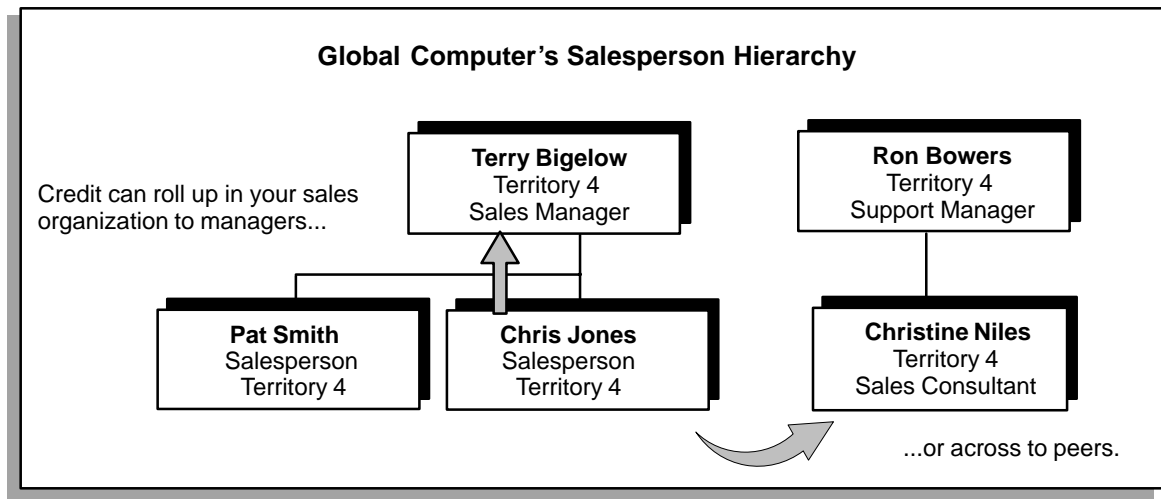
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### What is a Salesperson Hierarchy?

If you choose to compensate multiple salespeople for the same commission transaction, you use a salesperson hierarchy to specify the relationships among the credit receivers in your sales force.

For example, as shown in Figure 5 – 2, Global Computers territory sales managers receive sales credit for their subordinates' transactions, while territory sales consultants also receive credit for performing consulting work that might be necessary to close business.

Figure 5 – 2 Credit Distribution to More Than One Salesperson for the Same Commission Transaction





As shown in Figure 5 – 2, you can allocate sales credit for a commission transaction:

- To one or more of a salesperson's supervisors, who are *above* him in an organizational hierarchy.

We call this type of credit allocation a *rollup*, because it rolls credit up within the sales organization.

- To one or more of a salesperson's peers, who are at the same level in the organizational hierarchy.

We call this type of credit allocation a *roll across*, because it rolls credit across within the organization.

How Does a Salesperson Hierarchy Work?: page 5 – 9 explains how to implement both types of sales credit distribution. You include in the hierarchy only those salespeople whose sales credit rolls up or across to other salespeople; thus, the hierarchy might not necessarily reflect the true organizational structure of your sales force.

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## How Does a Salesperson Hierarchy Work?

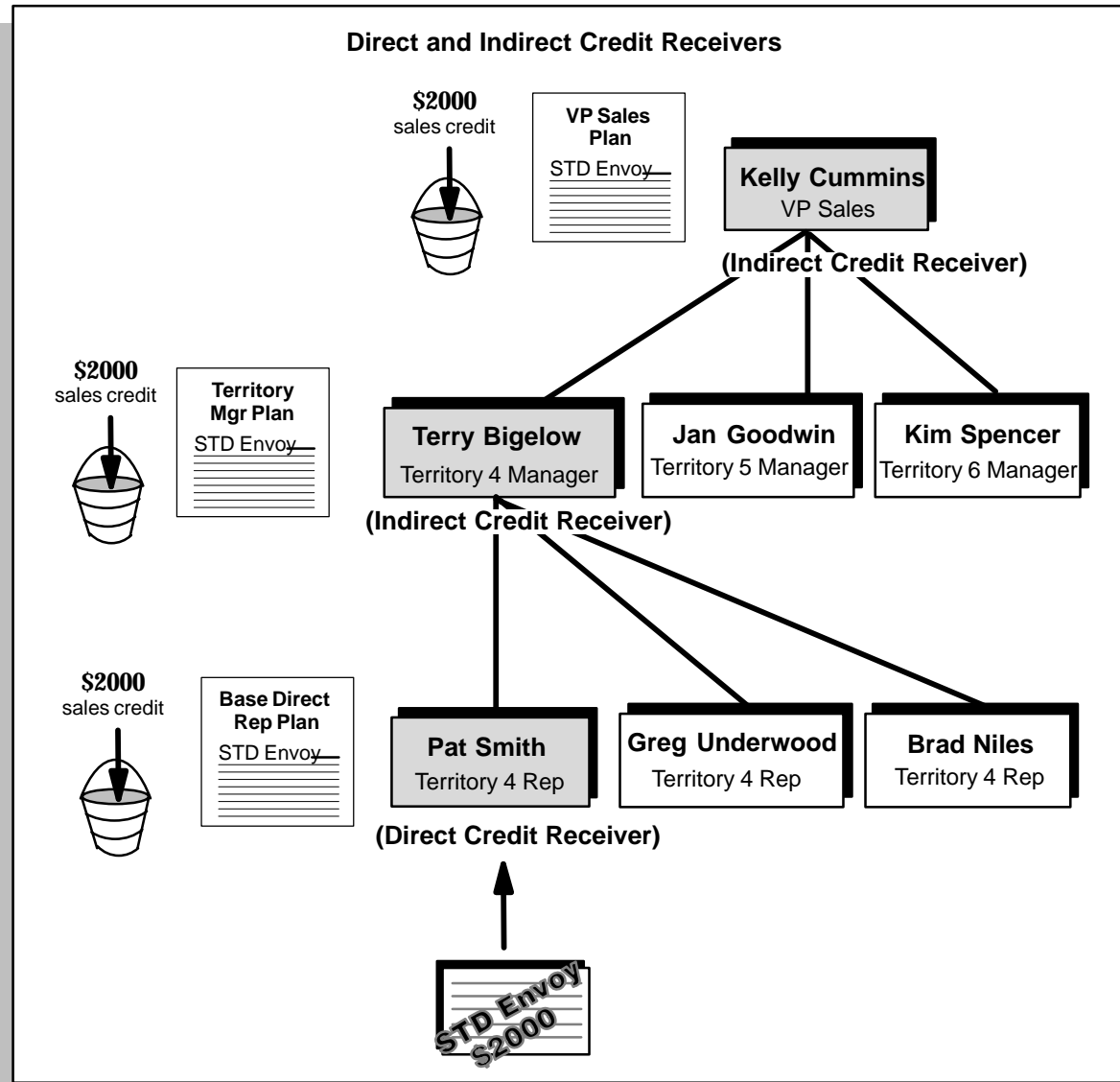
You distribute sales credit from one salesperson to another by positioning one above the other in the hierarchy. The salesperson at the higher level occupies the *parent* position in the hierarchy, while the salesperson at the lower level occupies the *child* position in the hierarchy. When Oracle Sales Compensation processes transactions with a hierarchy in effect, salespeople in parent positions automatically receive all sales credit applied toward salespeople in child positions.



**Suggestion:** Before reading further, review the hierarchy terminology described in Hierarchy Terminology: page 3 – 13.

For example, suppose that the hierarchy in Figure 5 – 3 is in effect. When Oracle Sales Compensation receives a transaction where Smith is the credit receiver, Oracle Sales Compensation automatically applies the amount of sales credit from that transaction to Bigelow's and Cummins' compensation plans. If the revenue class of the commission transaction matches a revenue class on the plans of those salespeople, Oracle Sales Compensation applies the sales credit toward a commission payment.

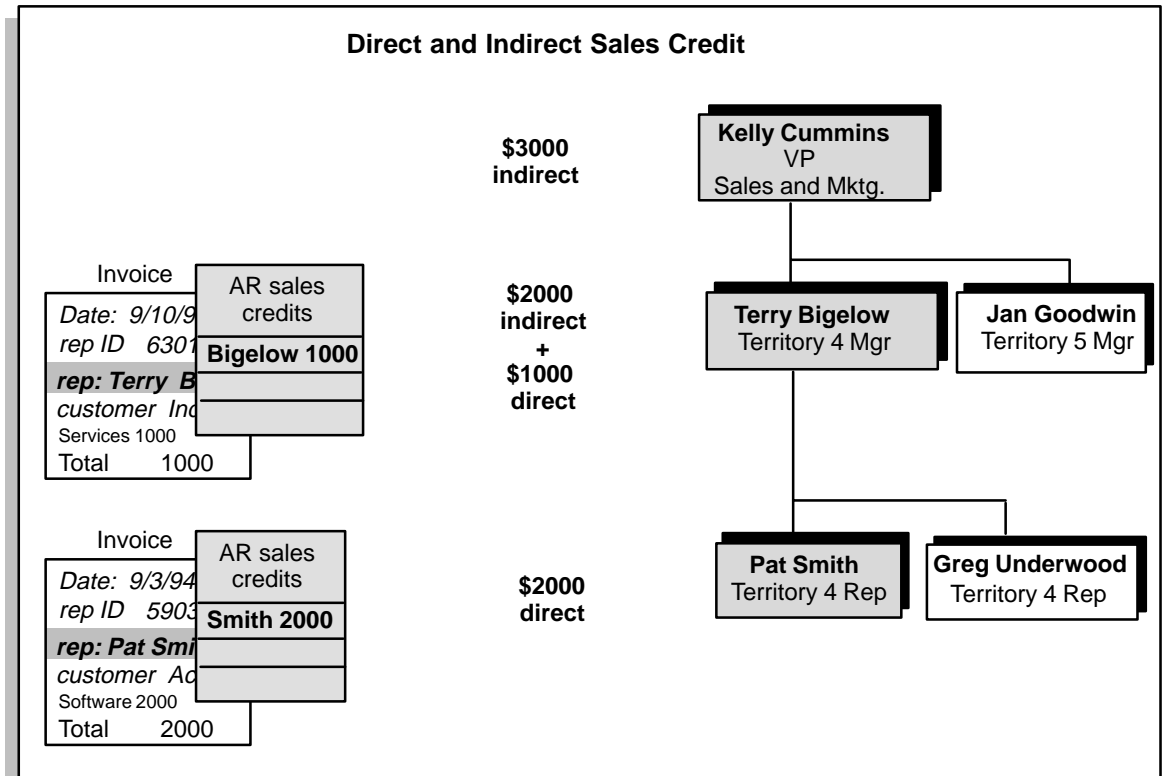
Figure 5 – 3 Rollup Sales Credit Applied to Individual Compensation Plans



In this scenario, Smith is a *direct credit receiver*, having been assigned sales credit for a transaction directly in order or billing systems. Bigelow and Cummins are *indirect credit receivers*, receiving sales credit because they are positioned above Smith in the hierarchy. A given salesperson in the hierarchy can be both a direct and indirect credit receiver if that salesperson generates sales revenue and also receives sales credit from other salespeople.

Each salesperson in the hierarchy receives indirect sales credit from salespeople in child positions, and rolls both indirect and direct credit received up to salespeople in parent positions. For example, Figure 5 – 4 shows two transactions: one where Smith receives \$2000 of direct sales credit and Bigelow receives \$1000 direct sales credit. Because Smith is at the lowest level in the hierarchy, Smith receives only \$2000 of direct sales credit, while Bigelow receives \$1000 direct sales credit plus \$2000 of indirect credit from Smith. Cummins receives all of Bigelow's credit, both direct and indirect—a total of \$3000.

**Figure 5 – 4 Oracle Sales Compensation Rolls Up All Sales Credit, Both Direct and Indirect**



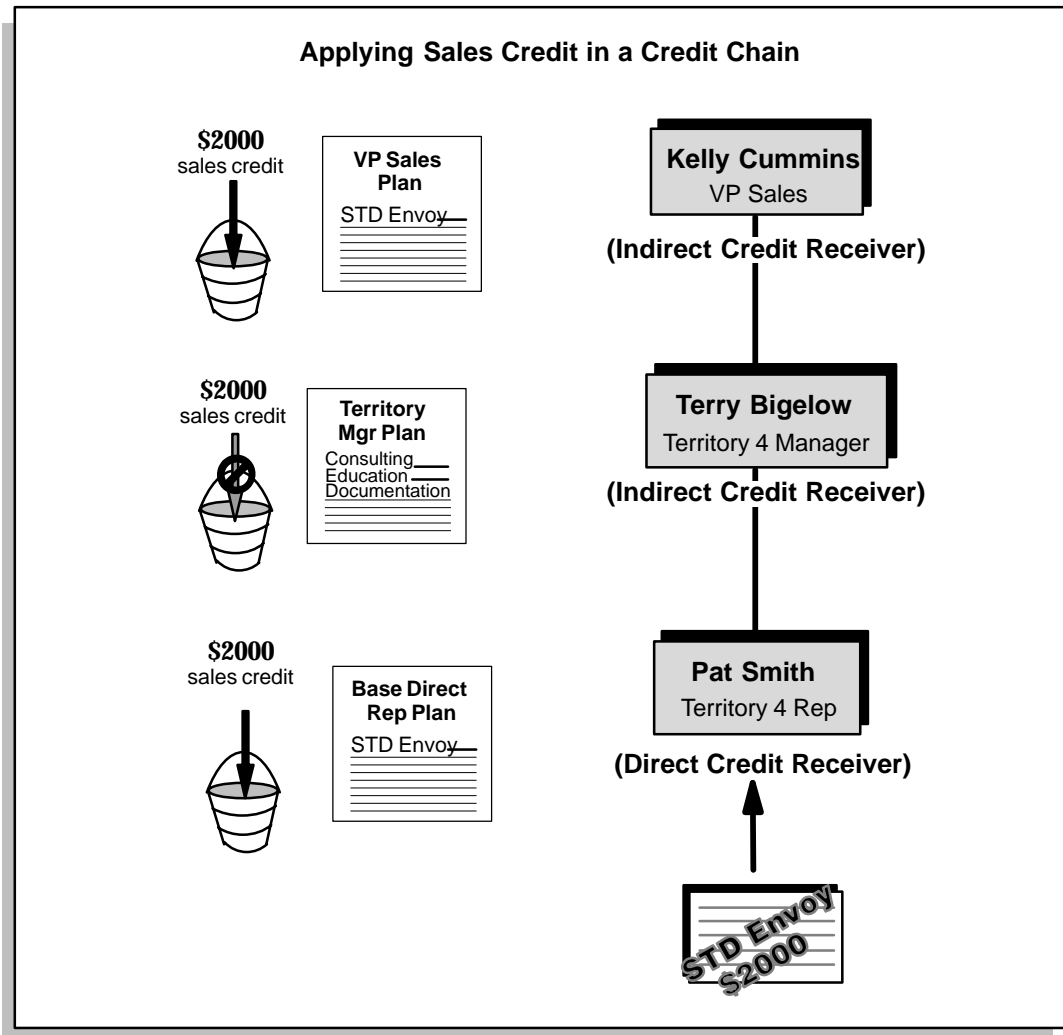
A salesperson together with his/her ancestors in the hierarchy is known as a *credit chain*. An example of a credit chain is highlighted in Figure 5 – 5.

Oracle Sales Compensation rolls sales credit up to all salespeople within a given credit chain, whether or not a given salesperson within the chain is eligible to receive a commission from the credit.

For example, if Bigelow's compensation plan does not specify the STD Envoy revenue class (or any of its ancestors in the revenue class

hierarchy), Bigelow is not compensated for the rollup credit, yet Cummins does receive a commission because the revenue class of the transaction matches a class on Cummins' plan.

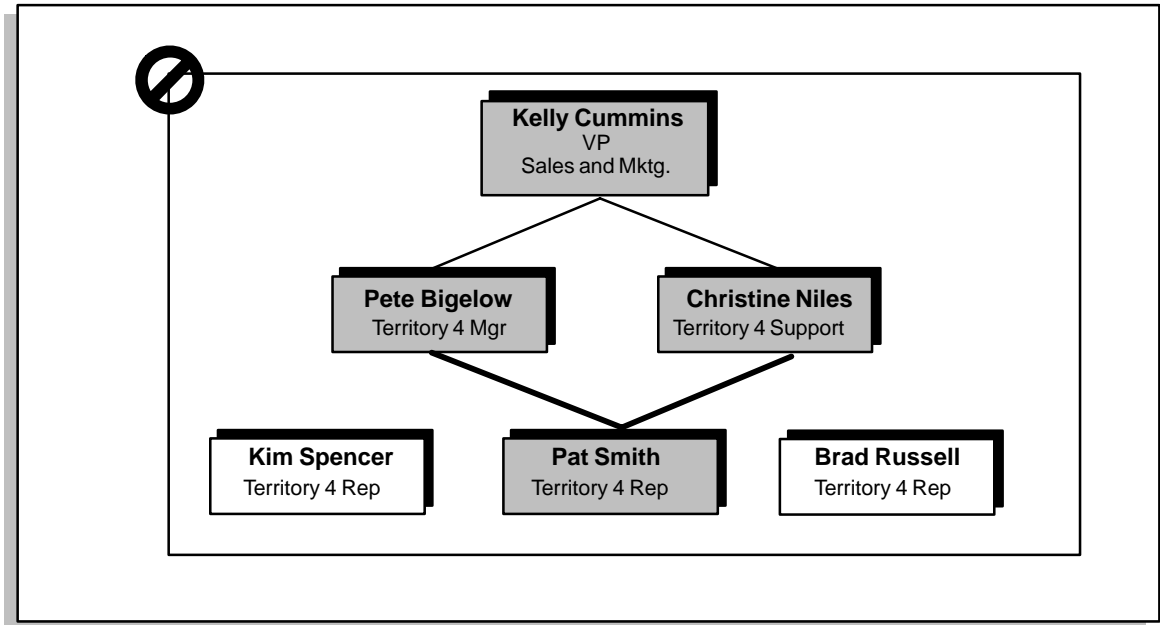
Figure 5 – 5 Rollup Sales Credit Is Applied to the Plans of All Salespeople in a Credit Chain



Any salesperson in the hierarchy can roll credit up to more than one representative, *as long as the rollup credit chains do not intersect*, resulting in one salesperson being compensated twice for the same commission transaction. If you define two intersecting rollup credit chains, known as a *diamond*, Oracle Sales Compensation gives you an error message to let you know that this is illegal.

For example, suppose that, for each transaction he receives, Jones rolls credit up to his manager, Pete Bigelow, but must also roll credit up to a support representative for his territory. In the example in Figure 5 – 6, Jones rolls credit up to both Bigelow and Christine Niles, a Territory 4 Support Representative. However, these credit chains intersect at the root, resulting in credit receiver Cummins receiving compensation for Jones' transactions twice.

Figure 5 – 6 Two Credit Chains Cannot Intersect



To roll credit up to more than one salesperson while avoiding double compensation, you need to create another root in the hierarchy. A root is a position in the hierarchy occupied by a salesperson at the top of a credit chain. For example, in Figure 5 – 6, Kelly Cummins is a root. If you define a rollup twice, Oracle Sales Compensation gives you the message "Diamonds and loops are not allowed."

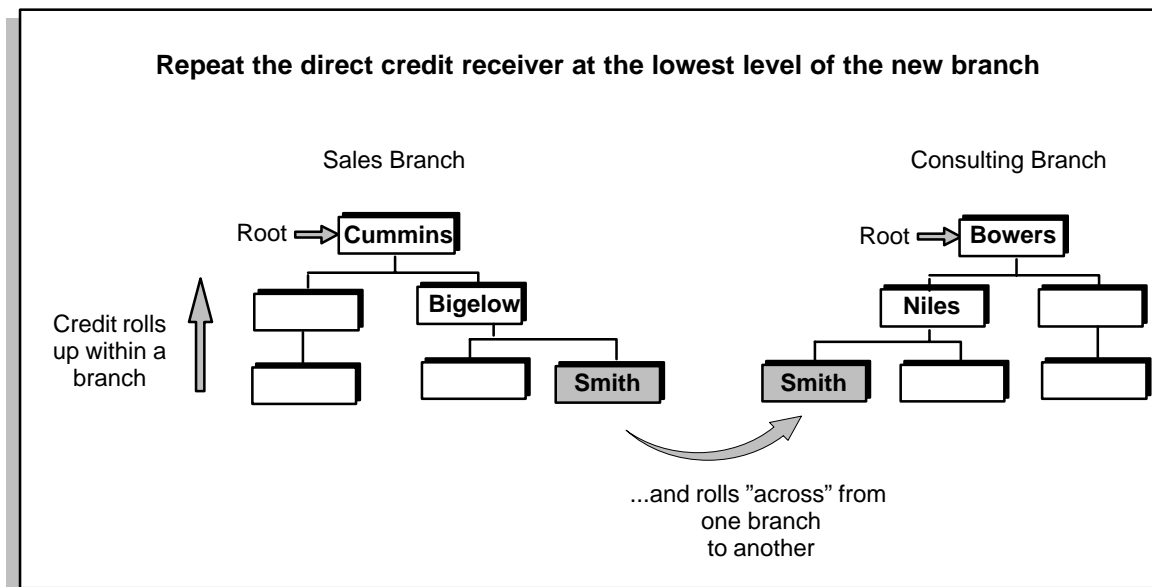
One or more credit chains that have the same root form a *branch* of the hierarchy. While only one salesperson hierarchy can be effective at any given point in time, a single hierarchy can have multiple branches.

For example, Global Computers sales representatives such as Smith roll sales credit up their sales management chain, yet also roll sales credit across to Global consulting representatives in their territories. As shown in Figure 5 – 7, Global implements both rollup and roll-across

credit from Smith by creating an additional branch in the hierarchy, and repeating Smith in the new branch at the lowest level.

Because sales consultant Niles is in a different tree of the hierarchy, no salesperson is compensated twice for the same transaction because the credit chains do not intersect:

**Figure 5 – 7 Creating Multiple Roots in the Hierarchy**



---

## Entering the Salesperson Hierarchy

To create a salesperson hierarchy that rolls credit up a single credit chain, follow the instructions in *Defining a Hierarchy*: page 3 – 23 for entering a hierarchy.

When you want to credit one or more of a salesperson's peers who are at the same level in the organizational hierarchy, you roll credit across multiple credit chains. To do this you need to repeat the salesperson at the lowest level of every branch containing the peers you want to compensate. You can either repeat the salesperson as a child of the peers in an existing branch, or create a new root and repeat the salesperson as a child of the peers you want to compensate.

---

## Making the Salesperson Hierarchy Effective

To make your salesperson hierarchy effective you need to set system parameters that control sales credit rollups.

► **To make the salesperson hierarchy effective:**

1. Log on to the database where the Calculator module or Calculator and Collector modules reside.
2. Navigate to the System Parameters window.

By default, choose System Parameters from the Setup menu.

3. In the Calculation region, check the Managerial Rollup box.

Managerial Rollup is either on or off for all transactions. When you turn this parameter on, Oracle Sales Compensation awards indirect credit for *each transaction* whose direct credit receiver is in the salesperson hierarchy. Thus, you cannot selectively allocate indirect credit on a transaction-by-transaction basis.

4. In the Collection region, specify a Transaction Rollup Method.

If you checked Managerial Rollup, use this parameter to specify the rollup hierarchy and compensation plans to use as of the order date or invoice processing date to calculate commission payments on the following types of transactions:

- Credit Memos
- Write-offs
- Clawbacks
- Givebacks

Oracle Sales Compensation uses this date to determine which of a salesperson's compensation plans to use to calculate commission payments for all indirect sales credits.

For example, suppose Global Computers chooses the invoice processing date (the default) for the Transaction Rollup Method parameter. Pat Smith, a Global salesperson, brings in Software Invoice #25068, processed on 1/5/95, for \$1000 of sales credit. This credit rolls up the salesperson hierarchy to Jones' manager, Bigelow, and the Vice President of sales operations. The customer chooses to return the software four months later, and Global issues a credit memo to take back the \$1000 of sales credit from Jones. To calculate a commission payment for the -\$1000 of sales credit, Oracle Sales Compensation uses the rollup hierarchy and the compensation plans effective for Bigelow and Cummins on the date the *invoice* was processed rather than the date the credit memo is processed.





# Setting Up for Payment and Manual Transactions

**T**his chapter explains how to:

- Define who in your organization can make payments
- Customize the manual transactions form to suit your needs
- Define a set of codes that characterize typical reasons your organization creates manual transactions

You need to enter one of these codes for each manual transaction you create.

The following topics are included:

- Payment Setup: page 6 – 3
- Enabling Users to Process Payments: page 6 – 3
- Manual Transactions Setup: page 6 – 4
- Adding Fields to the Transactions Form to Apply Classification Rules: page 6 – 4

The following topics are included:

- Customizing the Appearance of the Transactions Form: page 6 – 4
- Defining Reason Codes for Manual Transactions: page 6 – 5

---

## Payment Setup

Before you can pay your salespeople, you must define the users who are allowed to make payments in Oracle Sales Compensation.

---

### Enabling Users to Process Payments

Most companies only allow certain people in their organization to pay compensation. In Oracle Sales Compensation, you control who can create and post pay runs using the ALLOW\_PAYRUN\_CREATION profile option.

By default, the ALLOW\_PAYRUN\_CREATION profile option is set to True for the Sales Compensation Super User responsibility and False for the Sales Compensation Analyst responsibility. You can change these default settings to enable other users to create and post pay runs.

**Note:** For more information on defining responsibility profile options, see the *Oracle Application Object Library Reference Manual*.

---

## Manual Transactions Setup

As explained in About Manual Transaction Processing: page 8 – 3, Oracle Sales Compensation offers a manual transactions function that lets you retroactively adjust sales credit assignments or enter new credit assignments. Before you can create manual transactions, you need to perform steps to ensure the manual transactions function operates according to the specific business rules and practices of your sales organization.

---

### Customizing the Appearance of the Transactions Form

You can customize the appearance of the Transactions folder form to suit your needs. If you defined a descriptive flexfield, you can show the descriptive flexfield columns in the Transactions folder form. Use the folder columns for query and the descriptive flexfields for entry.

► **To customize the Transactions folder.**

**Note:** For more information on defining descriptive flexfields, see the *Oracle Applications Flexfield Guide*.

---

### Adding Fields to the Transactions Form to Apply Classification Rules

Because manual adjustment transactions go through the classification process, you need to customize the Transactions form, adding entry fields for classification data. The process you follow to customize the Transactions form for your use is listed here:

1. Identify your transaction attributes.  
You need to define the additional attributes needed to classify your compensation transactions.
2. Identify which additional attributes you need for manual transactions. Typically, these include the order number, order date, invoice number, invoice date, customer name, and address—information you may need for reporting.
3. Define the attributes identified in steps 1 and 2 in the Tables and Columns window. In the CN\_COMMISSION\_LINES table, you change the values for ATTRIBUTE1 – 45 in the User Column Name column. For example, if you decide to store the customer name in ATTRIBUTE3, you change the User Column Name "ATTRIBUTE3" to "Customer Name".

4. Create a descriptive flexfield for entering manual transactions. Descriptive flexfields give you many advantages:
  - You can validate values when the fields are entered.
  - You can specify default values for the fields.
  - You can define a field as optional or required.

**Note:** If you have classification rules, you must define attributes to apply these rules. Calculation fails unless you provide information in these columns.

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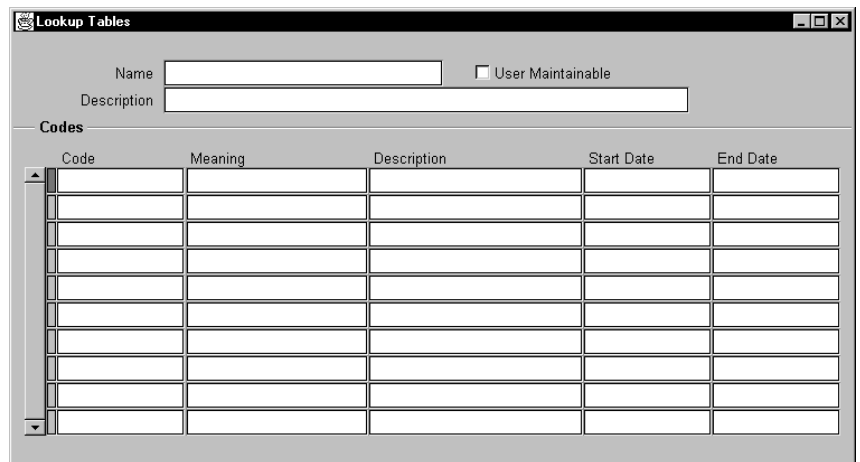
## Defining Reason Codes for Manual Transactions

When you enter a manual transaction, you may want to enter a *reason code* that explains the reason you are entering the adjustment. Because each organization might have different reasons for making credit adjustments, you need to create reason codes tailored to the business processes of your organization. You can define as many reason codes as you need for your company.

► **To create new manual transaction reason codes:**

1. Navigate to the Lookup Tables window.

By default, choose Lookups from the Setup menu.



2. Run a query to find the ADJUSTMENT\_REASON lookup table.  
By default, Oracle Sales Compensation provides the ADJUSTMENT\_REASON lookup table for you to add reason codes.

3. Enter the following information for a new reason code:

*Code:* Enter the lookup code for this reason. This is the code that will appear in the lookups table in the database.

*Meaning:* Describe the meaning of this reason code. The value you enter here will appear in a list of values for the Reason field of the Transactions window.

*Description:* Enter a more detailed explanation of the purpose of the code.

*Start Date End Date:* Enter the period for which you want this lookup code to be effective. You can change these values at any time. Lookup codes whose periods fall outside of the current period do not appear in the list of values in the Transactions form.

**Note:** Lookup codes are a standard feature of Oracle Application Object Library. For more information on defining lookup codes, see the *Oracle Application Object Library Reference Manual*.

## Sample Reason Codes

Listed below are sample reason codes you might want to define for your company.

Code	Use
<i>Closeout</i>	The salesperson's employment with the company has ended and you need to reallocate credit to a new representative.
<i>Fee</i>	Pricing was adjusted after the compensation transaction was calculated.
<i>OE Error</i>	A compensation allocation error was made while entering the order.
<i>Rollup</i>	Compensation did not roll up properly.
<i>Other</i>	No other default reason code applies. You can also create your own reason codes if necessary, using the procedure explained in Defining Reason Codes for Manual Transactions: page 6 – 5.

# Defining Compensation Plans

**T**his chapter explains how to

- Understand what a compensation plan is in Oracle Sales Compensation
- Define the compensation plans that control how your salespeople are compensated
- Build a sales compensation plan
- Define the elements that make up a compensation plan
- Assign salespeople to a compensation plan

The following topics are included:

- Overview of Compensation Plans: page 7 – 4
- What is a Compensation Plan?: page 7 – 4
- Creating a Compensation Plan Element: page 7 – 16
- Selecting a Specific Element Type: page 7 – 17
- Guidelines for Creating a Compensation Plan Element: page 7 – 18
- Element Type Quick Reference: page 7 – 25
- Defining Split and Non-Split Commission: page 7 – 52
- Defining Accumulative Commission: page 7 – 55

- Defining the Discount Option Field: page 7 – 56
- Defining Interval to Date Quota Target Calculation: page 7 – 62
- Defining Compensation Rates: page 7 – 90
- Using Revenue Classes in Your Compensation Plans: page 7 – 94
- Varying Compensation Goals or Rates by Revenue Class: page 7 – 96
- Defining Sales Incentives: page 7 – 99
- Quota Uplifts: page 7 – 99
- Payment Uplifts: page 7 – 102
- Distributing Compensation Across Transactions: page 7 – 105
- How Many Plans Should I Create?: page 7 – 111
- Assigning a Plan to a Salesperson: page 7 – 113
- Customizing Compensation for a Salesperson: page 7 – 116
- Changing a Compensation Plan: page 7 – 123
- Changing a Plan Element: page 7 – 124
- Changing a Rate Table: page 7 – 124

The following tasks are included:

- Defining a Compensation Plan: page 7 – 6
- Defining a Plan Element: page 7 – 11
- Defining Revenue Quota Compensation: page 7 – 33
- Defining Revenue Non Quota Compensation: page 7 – 36
- Defining Draw Compensation: page 7 – 39
- Defining Manual Compensation: page 7 – 41
- Defining Unit Quota Compensation: page 7 – 42
- Defining Unit Non Quota Compensation: page 7 – 45
- Defining Discount Compensation: page 7 – 48
- Defining Margin Compensation: page 7 – 50
- Split Commission Examples: page 7 – 53
- Non-Split Commission Examples: page 7 – 54
- Discount Option Compensation Examples: page 7 – 57
- Defining Interval to Date Revenue Quota Target Calculation: page 7 – 63



- Interval to Date Revenue Quota Compensation Examples: page 7 – 67
- Defining Interval to Date Unit Quota Compensation: page 7 – 77
- Interval to Date Unit Quota Compensation Examples: page 7 – 81
- Defining a Compensation Rate Table: page 7 – 92
- Assigning Revenue Classes: page 7 – 97
- Defining a Quota Uplift: page 7 – 101
- Defining a Payment Uplift: page 7 – 104
- Assigning Transaction Factors: page 7 – 108
- Assigning a Compensation Plan: page 7 – 113
- Customizing the Target Quota or Payment Amounts: page 7 – 117
- Defining Period Targets for Each Salesperson: page 7 – 118
- Customizing Revenue Class Targets: page 7 – 119
- Customizing Draws: page 7 – 120
- Viewing All Salespeople Assigned to a Plan: page 7 – 121





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## Overview of Compensation Plans

In Oracle Sales Compensation, you define the conditions that control sales compensation in a *compensation plan*. Comparable to an online version of a sales representative agreement, a compensation plan captures your organization's unique practices for paying compensation, with individual rules that control the recipient, amount, and timing of a compensation payment.

Oracle Sales Compensation gives you complete flexibility to create sales compensation plans that you can customize for your company's unique sales situations. You can:

- Create as many compensation plans as you need.
- Customize existing plans for individual sales reps or situations.
- Build compensation plans using rate tables and other building blocks from existing compensation plans.

---

### What is a Compensation Plan?

A compensation plan is a set of elements governing the compensation payments to a salesperson (Figure 7 – 1) . Compensation plans let you:

- Provide incentives to salespeople to achieve specific and measurable sales goals, including yearly and periodic sales targets, as well as sales targets for individual revenue classes.
- Vary compensation rates based on level of quota, achievement towards quota, revenue, unit, or qualitative achievement.
- Vary quotas or compensation rates based on revenue classes.
- Stage compensation payment over the life of a sale.
- Give quota and compensation incentives uplifts by revenue class.
- Specify draws.
- Specify bonus payments.
- Customize plans for individual salespeople.
- Assign multiple quotas to a plan, and multiple plans to a salesperson for different sales periods.

Each compensation plan includes one or more *plan elements*. For a typical plan element, you define a quota, compensation rates, and revenue classes. For each revenue class, you control:

- When during the life of the sales cycle the compensation is awarded.
- Quota and compensation-based incentives.

Figure 7 – 1 A Basic Compensation Plan

### Basic Field Sales Compensation Plan

Plan name: Field Sales Plan  
Plan period: JAN-95 to DEC-95

#### Plan Elements

PC Sales	Peripheral Sales	Support																
Quota: \$100,000 Rates:	Quota: \$50,000 Rates:	Quota: \$25,000 Rates:																
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Revenue Classes: <ul style="list-style-type: none"> <li>● Sentinel PC (MTO)</li> <li>● Envoy PC (MTO)</li> </ul>	Revenue Classes: <ul style="list-style-type: none"> <li>● 14.4 Modem</li> <li>● SVGA Monitor</li> <li>● Graphics Keyboard</li> </ul>	Revenue Classes: <ul style="list-style-type: none"> <li>● PC support</li> <li>● Peripheral support</li> </ul>																





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## Defining a Compensation Plan

You design compensation plans with target compensation in mind. Most companies typically have a few basic plans and customize individual elements—such as quotas or compensation rates—for each salesperson on the plan.

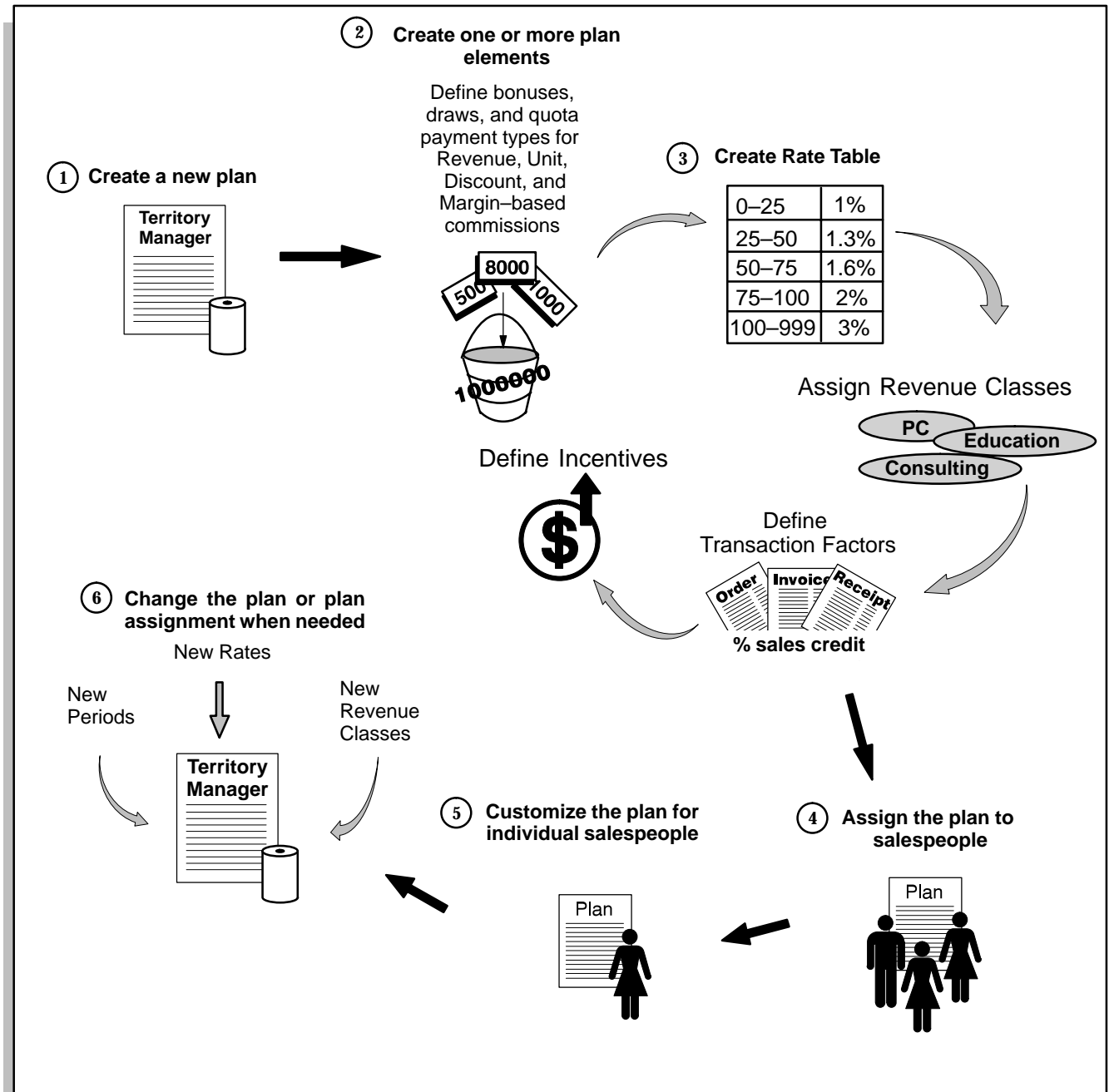
You build a compensation plan using the process illustrated in Figure 7 – 2:

1. Create a compensation plan.
2. Create one or more plan elements for the plan.
3. Create rate tables.
4. Assign the plan to your salespeople.
5. Customize plans for individual salespeople.
6. Change the plan or plan element when needed.

You then mix and match plan elements as you build multiple plans for your sales force. Because you save plan elements and rate tables as independent objects in the database, you can assign the same plan element to multiple compensation plans or assign the same rate table to multiple plan elements.



Figure 7 – 2 Defining a Compensation Plan: Overview



Oracle Sales Compensation calculates compensation based on a number of elements defined in the compensation plan assigned to a salesperson.

Each compensation plan has a name, an active period, and one or more plan elements.

► **To build a compensation plan:**

1. Open the Compensation Plans window.

By default, choose Compensation Plans Workbench from the Compensation Plans menu.

The screenshot shows a window titled "Compensation Plans". It contains the following fields and controls:

- Name:** A single-line text input field.
- Active Periods:** Two single-line text input fields separated by a hyphen (-).
- Description:** A single-line text input field.
- Status:** A dropdown menu currently showing "Incomplete".
- Allow Revenue Class Overlap:** An unchecked checkbox.
- Buttons:** "Validate" and "View Salespeople".
- Plan Elements:** A section header followed by a list of four empty text input fields for element names.
- Element Details:** A button at the bottom right.

2. Provide a name and description for the plan.

In the **Name** field, provide a name for the compensation plan.



**Suggestion:** Consider defining plan names by job titles or area of sales you are compensating. For example, Global Computers enters the name DIRECT for the plan that defines compensation for field salespeople that sell the company's line of PCs.

In the Description field, enter comments about the purpose of the compensation plan.

3. For Active Periods, assign the period during which the plan will be effective.

The Oracle Sales Compensation payment process is driven by periods, so you need to assign the effective period by choosing a start *period* and an end *period* from a list of values.

- Start period: The plan becomes effective on the start date shown for the start period. For example, if the start period for the rollup structure is JAN-94, and this period is defined to start 01-JAN-94 and end 30-JUN-94, the plan becomes effective on January 1, 1994.
- End period: The plan is ineffective the day *after* the end date shown for the end period. For example, if the end period for the plan is DEC-94, and this period is defined to start on 01-DEC-94 and end on 31-DEC-94, the plan becomes ineffective on Jan. 1, 1995.



**Attention:** You must define your set of books in the System Parameters form before you can select periods. You must also have the period(s) in an open or enterable state. See *Defining Your Calendar and Set of Books*: page 2 – 4 for more information about the Set of Books system parameter and see *Opening and Closing Accounting Periods*: page 2 – 7 for information about the status of accounting periods.

When you assign a plan to a salesperson, you define an assignment period during which the salesperson is on that plan. Because you can assign the same plan to many salespeople, ensure the plan period is broad enough to encompass all necessary assignment periods. See *Assigning a Plan to a Salesperson*: page 7 – 113 for more information.

4. Assign one or more plan elements to the plan.

Choose one or more plan elements from a list of values in the plan elements region. The list displays all plan elements you have defined.

After you enter a plan element, you can choose Element Details to verify that you have the right plan element.

To create a new plan element, see Defining a Plan Element: page 7 – 11.

5. Check the Allow Revenue Class Overlap check box if the plan elements assigned to the plan have overlapping revenue classes.

Use this option when you need to compensate a salesperson more than once for a transaction. For example, you may have a quota type plan element as well as a bonus based on achieving revenue targets, both of which have the same revenue classes.

6. Choose Validate.

Validate ensures that you have entered the plan information correctly and that Oracle Sales Compensation can use the plan to calculate compensation.

When you validate a compensation plan, Oracle Sales Compensation verifies that:

- The plan has a name and a period
- The plan has one or more plan elements assigned
- Each plan element has:
  - A rate table with contiguous tiers
  - At least one revenue class assigned
  - A rate table structure that makes sense for the plan element type
- Each revenue class has at least one key transaction factor and at least one other transaction factor
- No two revenue classes are in the same rollup chain in the revenue class hierarchy if the Allow Revenue Class Overlap check box is unchecked (see step 5).

If each of the above conditions are true, Oracle Sales Compensation displays Complete in the Status field. When the Status field displays Incomplete, Oracle Sales Compensation cannot use that plan to calculate compensation.

7. Save your work.

When you save a plan, the values of that plan become the default values when you assign it.

## Defining a Plan Element

A *plan element* is a set of conditions a salesperson must meet to be eligible for compensation and determines how much compensation will be paid. You can assign multiple plan elements to a compensation plan, and you can assign the same plan element to multiple compensation plans. Note that when you change the structure of a plan element, it applies to every compensation plan that uses it and for every salesperson assigned to that plan.

► **To define a plan element:**

1. Navigate to the Plan Elements window.

You can open the Plan Elements window by choosing Plan Elements from the Compensation Plans menu or by choosing Element Details from the Compensation Plans Workbench window.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name: [Text Field]
- Description: [Text Field]
- Active Periods: [Text Field] - [Text Field]
- Interval Type: [Dropdown Menu] (Currently set to 'Period')
- Split: ☐
- Interval To Date: ☐
- Element Information:
  - Element Type: [Dropdown Menu] (Currently set to 'Revenue Quota')
  - Apply Txn: [Text Field]
  - Payment Type: [Text Field]
  - Rate Table: [Text Field]
  - Discount Option: [Dropdown Menu] (Currently set to 'None')
  - Quota: [Text Field] (Currently set to '0.00')
  - Payment: [Text Field]
  - Discount Rate Table: [Text Field]
- Buttons at the bottom:
  - Rate Table
  - Revenue Classes
  - Discount Rate Table
  - Distribute Target

2. Name the plan element and provide a description.

In the Name field, provide a name for the plan element. When you build a compensation plan (as explained in Defining a Compensation Plan: page 7 – 6), you assign one or more plan elements to the plan by name. Thus, consider defining a name by job title or area of sales you are compensating. For example, Global Computers enters the name "DIRECT PRO PC" for the plan element for field salespeople that sell the company's line of PCs.

In the Description field, enter the purpose of the plan elements you are defining.

3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Interval Type, choose the type of time interval for which this plan element is defined:

*Period:* The quota and payment targets are defined on a period basis.

*Quarter:* The quota and payment targets are defined on a quarterly basis.

*Year:* The quota and payment targets are defined on a yearly basis.

5. In the Element Information region, choose the Element Type from the alternate list.

The Element Type specifies how the compensation is calculated for the plan element:

*Revenue Quota:* Compensation is calculated based on the percentage of revenue quota the salesperson has achieved. (See Defining Revenue Quota Compensation: page 7 – 33.)

*Revenue Non Quota:* Compensation is calculated based on the amount of revenue the salesperson has earned. (See Defining Revenue Non Quota Compensation: page 7 – 36.)

*Draw:* A minimum compensation is guaranteed during the effective plan element period. (See Defining Draw Compensation: page 7 – 39.)

*Manual:* Compensation is a fixed bonus amount you specify in the Payment Worksheet window. (See Defining Manual Compensation: page 7 – 41.)

*Unit Quota:* Compensation is calculated on the percentage of unit quota the salesperson achieved. (See Defining Unit Quota Compensation: page 7 – 42.)

*Unit Non Quota:* Compensation is calculated based on the number of units the salesperson has sold. (See Defining Unit Non Quota Compensation: page 7 – 45.)

*Discount:* Compensation is calculated solely based on the discount percentage given on a sale. (See Defining Discount Compensation: page 7 – 48.)

*Margin:* Compensation is calculated based on the margin percentage earned on a sale. (See Defining Margin Compensation: page 7 – 50.)

6. For Revenue Quota, Revenue Non Quota, Unit Quota, Unit Non Quota, Discount, and Margin plan elements, select a *rate table*. (See Defining Compensation Rates: page 7 – 90).

Oracle Sales Compensation measures a salesperson's performance, or *achievement*, against the quota, revenue, units, discount percentage, margin percentage, or qualitative goals. The rate table pairs ranges of achievement, or *brackets*, with compensation *rates* to be applied during compensation calculation.

7. For Revenue Quota, Revenue Non Quota, Unit Quota, Unit Non Quota, Discount, and Margin plan elements, assign one or more *revenue classes*. (See Assigning Revenue Classes: page 7 – 97.)

As explained in Categorizing Your Sales Revenue: page 3 – 3, Oracle Sales Compensation uses revenue classes to determine whether the credit receiver on a compensation transaction is eligible for a compensation payment. If the revenue class on the compensation transaction matches a revenue class on the plan assigned to the salesperson or the revenue class is in the hierarchy of revenue classes assigned, the salesperson can receive compensation.

8. For Revenue Quota, Revenue Non Quota, Unit Quota, Unit Non Quota, Discount, and Margin plan elements, optionally define sales incentives—or *uplifts*—for each revenue class. (See Defining Sales Incentives: page 7 – 99.)

For each revenue class you can define incentives, called *uplifts*, that affect the salesperson's quota, payment, or both.

9. For Revenue Quota, Revenue Non Quota, Unit Quota, Unit Non Quota, Discount, and Margin plan elements, define *transaction factors*. (See Assigning Transaction Factors: page 7 – 108.)

You can control sales credit by assigning *transaction factors*, or multipliers on sales credit, to each type of source transaction you chose to collect. Oracle Sales Compensation uses these transaction factors to stage a compensation payment over the life of a sale—for example, paying part of the compensation when the invoice is posted, and another part when the cash payment is received.

10. In the Apply Txn (Transaction) field, select how you want to calculate the transaction from the list of values.

*Individually:* Each transaction is calculated individually. The commission can be viewed for each period in the subledger, or seen in the commission amount column of the transaction itself.

*Grouped by Interval:* Transactions are grouped and calculated once at the end of the interval. Only one rate table lookup is required for the interval, which uses the total accumulated amount. The commission can be viewed in the salesperson's subledger in the last period only, of each interval.

The commission amount cannot be seen on the transaction itself, because the commission is not calculated for each individual transaction.

Payment uplifts for the revenue classes are not used in the Grouped by Interval plan elements.

11. In the Quota field, enter a revenue amount or unit number for Revenue Quota or Unit Quota plan elements.
12. In the Payment Type field, select how the payment is calculated from the list of values.

*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of revenue or unit achievement specified in the rate table.

*Fixed Amount:* A fixed dollar amount is paid.

*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid.

13. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:

*Applied Transaction Amount Percentage:* The commission rate is percentage.

*Fixed Amount:* The commission rate is amount.

*Payment Amount Percentage:* The commission rate is percentage.

14. Verify whether to check or uncheck the Accumulate check box.

The Accumulative check box lets you have the option of accumulating or not accumulating transaction amounts or units to determine the rate in the rate table. The Accumulate check box only applies to Revenue Non Quota and Unit Non Quota plan elements. When the Accumulate check box is checked, the rate table bracket is selected based on the total revenue achieved to date. When the Accumulate check box is unchecked, the rate table bracket is selected based on the revenue for each transaction. (See Defining Accumulative Commission: page 7 – 55.) All quota-based plan elements accumulate transaction amounts or units by definition.



15. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a percentage of the commission on a given sale. (See Defining Split and Non-Split Commission: page 7 – 52.)

**Note:** The Split check box and ITD check box cannot be checked at the same time.

16. In the Discount Option field, select an option from the list of values.

*None:* The discount percentage on the sale has no effect on the commission.

*Payment:* The discount percentage on the sale affects compensation payments only.

*Quota:* The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment.

See Defining the Discount Option Field: page 7 – 56.

17. Verify whether to check or uncheck the ITD (Interval to Date) check box.

The ITD check box lets you define interval to date target and payment amounts, which are used to calculate the commission.

See Defining Interval to Date Quota Target Calculation: page 7 – 62.

When you check the ITD check box, the Distribute Target button becomes active.

**Note:** The ITD check box and Split check box cannot be checked at the same time.

18. Choose the Distribute Target button.

The Interval to Date Targets window appears, which lets you define the target for each period and view the sum of the targets interval to date.

19. Save your work.





---

## Creating a Compensation Plan Element

This section explains how to select an element type, and provides guidelines that will enable you to create the proper plan element in accordance with your commission requirements. It also lists the element type quick reference tables, which indicate the various combinations of plan elements that Oracle Sales Compensation supports.

There are four basic element types, which are used to calculate the appropriate commission for different types of sales. These element types appear in the plan element and are:

- Revenue Quota
- Revenue Non Quota
- Unit Quota
- Unit Non Quota

With these element types, you can also calculate commissions differently using the following options:

- Discount Option field
- Accumulate check box
- Split check box
- ITD (Interval to Date) check box

You can also create compensation plan elements using the following element types:

- Draw
- Manual
- Discount
- Margin

---

## Selecting a Specific Element Type

The basic philosophy for selecting an element type for a specific compensation plan is as follows:

To compensate sales representatives...	Select Element Type...
On the percentage of revenue quota achieved	<b>Revenue Quota</b> (see page 7 – 18)
On the amount of revenue achieved with no quota defined	<b>Revenue Non Quota</b> (see page 7 – 20)
On the percentage of unit quota achieved	<b>Unit Quota</b> (see page 7 – 22)
On the number of of units sold with no quota defined	<b>Unit Non Quota</b> (see page 7 – 23)
By providing periodical draws or advances	<b>Draw</b>
By providing manual bonuses	<b>Manual</b>
On percentage discount given on a sale only	<b>Discount</b> (see page 7 – 24)
On margin percentage achieved	<b>Margin</b> (see page 7 – 24)

## Guidelines for Creating a Compensation Plan Element

The following element type tables provide guidelines that will enable you to create a plan element that is applicable to your environment.

<b>Element Type: Revenue Quota</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
Grouped transactions calculated once at the end of the interval	<b>Grouped by Interval</b>
<b>Select Payment Type...</b>	
The commission rate depends on the level of achievement towards revenue quota, which is multiplied by the revenue on the transaction	<b>Applied Transaction Amount Percentage</b>
The commission amount depends on the level of achievement towards revenue quota	<b>Fixed Amount</b>
The commission rate depends on the level of achievement towards revenue quota, which is multiplied by the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>
<b>Select Discount Option...</b>	
The discount percentage on the sale has no effect on the commission	<b>None</b>
The discount percentage on the sale affects compensation payments only	<b>Payment</b>
The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment	<b>Quota</b>
<b>Check/Uncheck Split Check Box...</b>	
If the transaction crosses more than one rate tier, split the units across the appropriate tier when the ITD check box is Off and the Payment Type is Applied Transaction Amount Percentage	<b>On</b>
If the transaction crosses more than one rate tier, use the higher rate tier only	<b>Off</b>

Element Type: Revenue Quota, continued	
For compensation based on...	You can specify how to calculate the compensation...
Check/Uncheck ITD Check Box...	
Quotas defined as interval to date quotas (QTD or YTD) when the Split check box is Off and the Payment Type is Applied Transaction Amount Percentage or Payment Amount Percentage	On
Quotas defined for the period, quarter, or year	Off

<b>Element Type: Revenue Non Quota</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Check/Uncheck Accumulate Check Box...</b>	
Revenue on transaction accumulated throughout the interval	<b>On</b>
Revenue on transaction not accumulated throughout the interval, each transaction is treated separately	<b>Off</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
Grouped transactions calculated once at the end of the interval	<b>Grouped by Interval</b>
<b>Select Payment Type...</b>	
Revenue accumulated throughout the interval or transaction revenue determines the commission rate, which is multiplied by the revenue on the transaction	<b>Applied Transaction Amount Percentage</b>
Revenue accumulated throughout the interval or transaction revenue determines the commission amount	<b>Fixed Amount</b>
Revenue accumulated throughout the interval or transaction revenue determines the commission rate, which is multiplied by the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>
<b>Check/Uncheck Split Check Box...</b>	
If the transaction crosses more than one rate tier, split the revenue across the appropriate tier when the Accumulate check box is On and the Payment Type is Applied Transaction Amount Percentage	<b>On</b>
If the transaction crosses more than one rate tier, use the higher rate tier only	<b>Off</b>



Select Discount Option...	
The discount percentage on the sale has no effect on the commission	<b>None</b>
The discount percentage on the sale affects compensation payments only	<b>Payment</b>
The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment	<b>Quota</b>

<b>Element Type: Unit Quota</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
Grouped transactions calculated once at the end of the interval	<b>Grouped by Interval</b>
<b>Select Payment Type...</b>	
The commission rate depends on the level of achievement towards unit quota, which is multiplied by the revenue per unit times the number of units	<b>Applied Transaction Amount Percentage</b>
The commission rate depends on the level of achievement towards unit quota, which is multiplied by the number of units	<b>Fixed Amount</b>
The commission rate depends on the level of achievement towards unit quota, which is multiplied by the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>
<b>Check/Uncheck Split Check Box...</b>	
If the transaction crosses more than one rate tier, split the units across the appropriate tier when the ITD check box is Off and the Payment Type is Applied Transaction Amount Percentage	<b>On</b>
If the transaction crosses more than one rate tier, use the higher rate tier only	<b>Off</b>
<b>Check/Uncheck ITD Check Box...</b>	
Quotas defined as interval to date quotas (QTD or YTD) when the Split check box is Off and the Payment Type is Applied Transaction Amount Percentage	<b>On</b>
Quotas defined for the period, quarter, or year	<b>Off</b>

<b>Element Type: Unit Non Quota</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Check/Uncheck Accumulate Check Box...</b>	
Units accumulated throughout the interval	<b>On</b>
Units not accumulated throughout the interval	<b>Off</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
Grouped transactions calculated once at the end of the interval	<b>Grouped by Interval</b>
<b>Select Payment Type...</b>	
Units accumulated throughout the interval or units on the transaction determines the commission rate, which is multiplied by the revenue per unit times the number of units	<b>Applied Transaction Amount Percentage</b>
Units accumulated throughout the interval or units on the transaction determines the commission rate, which is multiplied by the number of units	<b>Fixed Amount</b>
Units accumulated throughout the interval or units on the transaction determines the commission rate, which is multiplied by the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>
<b>Check/Uncheck Split Check Box...</b>	
If the transaction crosses more than one rate tier, split the revenue across the appropriate tier when the Accumulate check box is On and the Payment Type is Applied transaction Amount Percentage	<b>On</b>
If the transaction crosses more than one rate tier, use the higher rate tier only	<b>Off</b>

<b>Element Type: Discount</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
<b>Select Payment Type...</b>	
Percentage of the amount of transaction paid for each level of revenue or amount achievement	<b>Applied Transaction Amount Percentage</b>
Fixed dollar amount	<b>Fixed Amount</b>
Percentage of the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>

<b>Element Type: Margin</b>	
<b>For compensation based on...</b>	<b>You can specify how to calculate the compensation...</b>
<b>Select Apply Txn...</b>	
Each transaction calculated individually	<b>Individually</b>
<b>Select Payment Type...</b>	
Percentage of the amount of transaction paid for each level of revenue or amount achievement	<b>Applied Transaction Amount Percentage</b>
Fixed dollar amount	<b>Fixed Amount</b>
Percentage of the payment amount specified in the Payment field	<b>Payment Amount Percentage</b>

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## Element Type Quick Reference

The following tables provide a quick reference for element types:

- Revenue Quota: page 7 – 26
- Revenue Non Quota: page 7 – 28
- Draw: page 7 – 29
- Manual: page 7 – 29
- Unit Quota: page 7 – 30
- Unit Non Quota: page 7 – 30
- Discount: page 7 – 31
- Margin: page 7 – 31

Element Type Quick Reference: Revenue Quota								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	None	N/A	N/A	N/A	N/A	On	Off
Individually	Applied Transaction Amount Percentage	Payment	N/A	N/A	N/A	N/A	On	Off
Individually	Applied Transaction Amount Percentage	Quota	N/A	N/A	N/A	N/A	On	Off
Individually	Applied Transaction Amount Percentage	None	Dollar	N/A	N/A	On	Off	Off
Individually	Applied Transaction Amount Percentage	Payment	Dollar	N/A	N/A	On	Off	Off
Individually	Applied Transaction Amount Percentage	Quota	Dollar	N/A	N/A	On	Off	Off
Individually	Applied Transaction Amount Percentage	None	Dollar	N/A	N/A	Off	Off	Off
Individually	Applied Transaction Amount Percentage	Payment	Dollar	N/A	N/A	Off	Off	Off
Individually	Applied Transaction Amount Percentage	Quota	Dollar	N/A	N/A	Off	Off	Off
Individually	Fixed Amount	None	Dollar	N/A	N/A	N/A	N/A	N/A
Individually	Fixed Amount	Payment	Dollar	N/A	N/A	N/A	N/A	N/A
Individually	Fixed Amount	Quota	Dollar	N/A	N/A	N/A	N/A	N/A
Individually	Payment Amount Percentage	None	N/A	N/A	N/A	N/A	On	On
Individually	Payment Amount Percentage	Payment	N/A	N/A	N/A	N/A	On	On
Individually	Payment Amount Percentage	Quota	N/A	N/A	N/A	N/A	On	On
Individually	Payment Amount Percentage	None	Dollar	Dollar	N/A	N/A	Off	Off
Individually	Payment Amount Percentage	Payment	Dollar	Dollar	N/A	N/A	Off	Off
Individually	Payment Amount Percentage	Quota	Dollar	Dollar	N/A	N/A	Off	Off

Element Type Quick Reference: Revenue Quota, continued								
Field					Check Box			
Apply Txn	Payment Type	Discount Option	Quota	Payment	Accumulate	Split	ITD	
							Quota	Payment
Group by Interval	Applied Transaction Amount Percentage	None	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Applied Transaction Amount Percentage	Payment	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Applied Transaction Amount Percentage	Quota	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	None	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	Payment	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	Quota	Dollar	N/A	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	None	Dollar	Dollar	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	Payment	Dollar	Dollar	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	Quota	Dollar	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Revenue Non Quota								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	None	N/A	N/A	On	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	Payment	N/A	N/A	On	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	Quota	N/A	N/A	On	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	None	N/A	N/A	On	On	N/A	N/A
Individually	Applied Transaction Amount Percentage	Payment	N/A	N/A	On	On	N/A	N/A
Individually	Applied Transaction Amount Percentage	Quota	N/A	N/A	On	On	N/A	N/A
Individually	Applied Transaction Amount Percentage	None	N/A	N/A	Off	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	Payment	N/A	N/A	Off	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	Quota	N/A	N/A	Off	Off	N/A	N/A
Individually	Fixed Amount	None	N/A	N/A	On	N/A	N/A	N/A
Individually	Fixed Amount	Payment	N/A	N/A	On	N/A	N/A	N/A
Individually	Fixed Amount	Quota	N/A	N/A	On	N/A	N/A	N/A
Individually	Fixed Amount	None	N/A	N/A	Off	N/A	N/A	N/A
Individually	Fixed Amount	Payment	N/A	N/A	Off	N/A	N/A	N/A
Individually	Fixed Amount	Quota	N/A	N/A	Off	N/A	N/A	N/A
Individually	Payment Amount Percentage	None	N/A	Dollar	On	N/A	N/A	N/A
Individually	Payment Amount Percentage	Payment	N/A	Dollar	On	N/A	N/A	N/A
Individually	Payment Amount Percentage	Quota	N/A	Dollar	On	N/A	N/A	N/A
Individually	Payment Amount Percentage	None	N/A	Dollar	Off	N/A	N/A	N/A
Individually	Payment Amount Percentage	Payment	N/A	Dollar	Off	N/A	N/A	N/A
Individually	Payment Amount Percentage	Quota	N/A	Dollar	Off	N/A	N/A	N/A



Element Type Quick Reference: Revenue Non Quota, continued								
Field					Check Box			
Apply Txn	Payment Type	Discount Option	Quota	Payment	Accumulate	Split	ITD	
							Quota	Payment
Group by Interval	Applied Transaction Amount Percentage	None	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Applied Transaction Amount Percentage	Payment	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Applied Transaction Amount Percentage	Quota	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	None	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	Payment	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	Quota	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	None	N/A	Dollar	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	Payment	N/A	Dollar	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	Quota	N/A	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Draw								
Field					Check Box			
Apply Txn	Payment Type	Discount Option	Quota	Draw	Accumulate	Split	ITD	
							Quota	Payment
N/A	N/A	N/A	N/A	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Manual								
Field					Check Box			
Apply Txn	Payment Type	Discount Option	Quota	Payment	Accumulate	Split	ITD	
							Quota	Payment
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Element Type Quick Reference: Unit Quota								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	N/A	Unit	N/A	N/A	Off	On	Off
Individually	Applied Transaction Amount Percentage	N/A	Unit	N/A	N/A	On	Off	Off
Individually	Fixed Amount	N/A	Unit	N/A	N/A	N/A	N/A	N/A
Individually	Payment Amount Percentage	N/A	Unit	Dollar	N/A	N/A	On	On
Individually	Payment Amount Percentage	N/A	Unit	Dollar	N/A	N/A	Off	Off
Group by Interval	Applied Transaction Amount Percentage	N/A	Unit	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	N/A	Unit	N/A	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	N/A	Unit	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Unit Non Quota								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	N/A	N/A	N/A	On	On	N/A	N/A
Individually	Applied Transaction Amount Percentage	N/A	N/A	N/A	On	Off	N/A	N/A
Individually	Applied Transaction Amount Percentage	N/A	N/A	N/A	Off	Off	N/A	N/A
Individually	Fixed Amount	N/A	N/A	N/A	On	N/A	N/A	N/A
Individually	Fixed Amount	N/A	N/A	N/A	Off	N/A	N/A	N/A
Individually	Payment Amount Percentage	N/A	N/A	Dollar	Off	N/A	N/A	N/A
Individually	Payment Amount Percentage	N/A	N/A	N/A	On	N/A	N/A	N/A
Group by Interval	Applied Transaction Amount Percentage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Fixed Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Group by Interval	Payment Amount Percentage	N/A	N/A	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Discount								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Individually	Fixed Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Individually	Payment Amount Percentage	N/A	N/A	Dollar	N/A	N/A	N/A	N/A

Element Type Quick Reference: Margin								
Field					Check Box			
Apply Txn	Payment Type	Discount	Quota	Payment	Accumulate	Split	ITD	
		Option					Quota	Payment
Individually	Applied Transaction Amount Percentage	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Individually	Fixed Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Individually	Payment Amount Percentage	N/A	N/A	Dollar	N/A	N/A	N/A	N/A

The following sections define plan elements for element types:

- Revenue Quota: page 7 – 33
- Revenue Non Quota: page 7 – 36
- Draw: page 7 – 39
- Manual: page 7 – 41
- Unit Quota: page 7 – 42
- Unit Non Quota: page 7 – 45
- Discount: page 7 – 48
- Margin: page 7 – 50

The following sections also define these options:

- Accumulate check box: page 7 – 55
- Split check box: page 7 – 52
- Discount Option field: page 7 – 56
- Interval to Date check box: page 7 – 62

## Defining Revenue Quota Compensation

One way to motivate your sales force is to base compensation on performance against revenue goals called *quotas*. Using the quota, Oracle Sales Compensation calculates the percentage of quota a salesperson has achieved, then uses that level of achievement to determine the compensation rate for each transaction.

► **To define Revenue Quota compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Interval Type, choose the type of time interval for which this plan element is defined:

*Period:* The quota and payment targets are defined on a period basis.

*Quarter:* The quota and payment targets are defined on a quarterly basis.

*Year:* The quota and payment targets are defined on a yearly basis.

5. For Element Type, select Revenue Quota.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name:** Text input field.
- Description:** Text input field.
- Active Periods:** Two text input fields separated by a hyphen.
- Interval Type:** A dropdown menu currently set to 'Period'.
- Split:** A checkbox.
- Interval To Date:** A checkbox.
- Element Information:** A section containing:
  - Element Type:** A dropdown menu currently set to 'Revenue Quota'.
  - Discount Option:** A dropdown menu currently set to 'None'.
  - Apply Txn:** Text input field.
  - Quota:** Text input field with '0.00' entered.
  - Payment Type:** Text input field.
  - Payment:** Text input field.
  - Rate Table:** Text input field.
  - Discount Rate Table:** Text input field.
- Buttons:** At the bottom, there are four buttons: 'Rate Table', 'Revenue Classes', 'Discount Rate Table', and 'Distribute Target'.

6. In the Apply Txn (Transaction) field, select how you want to calculate the transaction from the list of values.

*Individually:* Each transaction is calculated individually. The commission can be viewed for each period in the subledger, or seen in the commission amount column of the transaction itself.

*Grouped by Interval:* Transactions are grouped and calculated once at the end of the interval. Only one rate table lookup is required for the interval, which uses the total accumulated amount. The accumulated transaction amount is not split across the rate tier for commission calculation. The commission can be viewed in the salesperson's subledger in the last period only, of each interval.

The commission amount cannot be seen on the transaction itself, because the commission is not calculated for each individual transaction.

Payment uplifts for the revenue classes are not used in the Grouped by Interval plan elements.

7. In the Quota field, specify the target quota.

Enter the revenue goal for the set of revenue classes in the current plan element.

8. In the Payment Type field, select how the payment is calculated from the list of values.

*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of quota achievement specified in the rate table.

*Fixed Amount:* A fixed amount is paid for each level of quota achievement specified in the rate table.

*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of quota achievement specified in the rate table.

9. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:

*Applied Transaction Amount Percentage:* The commission rate is percentage.

*Fixed Amount:* The commission rate is amount.

*Payment Amount Percentage:* The commission rate is percentage.

10. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97.)

11. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. (See Defining Split and Non-Split Commission: page 7 – 52.)

**Note:** The Split check box and the ITD check box cannot be checked at the same time.

12. In the Discount Option field, select an option from the list of values.

*None:* The discount percentage on the sale has no effect on the commission.

*Payment:* The discount percentage on the sale affects compensation payments only.

*Quota:* The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment.

See Defining the Discount Option Field: page 7 – 56.

13. Verify whether to check or uncheck the ITD (Interval to Date) check box.

The ITD check box lets you define interval to date quota and payment targets for use in the calculation of commissions. See Defining Interval to Date Quota Target Calculation: page 7 – 62.

When you check the ITD check box, the Distribute Target button becomes active.

**Note:** The ITD check box and the Split check box cannot be checked at the same time.

14. Choose the Distribute Target button.

The Distribute Target form appears, which lets you customize the target for each interval and distribute the interval target over all the periods within an interval.

15. Save your work.

See Revenue Quota Compensation Examples: page B – 2.







## Defining Revenue Non Quota Compensation

Revenue non quota plan elements compensate for the actual amount of revenue the salesperson has earned. Oracle Sales Compensation calculates the revenue level a salesperson has achieved. It then uses that level of achievement to determine the compensation rate for each payment calculation.

The compensation rate can be based on a cumulative revenue level or on the revenue for each individual transaction. For example, if a salesperson who has achieved \$10,000 in revenue achieves another \$5,000 in a new transaction, Oracle Sales Compensation calculates the compensation rate differently depending on whether the revenue level is cumulative (in this case, \$15,000) or per transaction (in this case, \$5,000). See Defining Compensation Rates: page 7 – 90 for more information about rate tables and see Defining Accumulative Commission: page 7 – 55.

This type of plan element is typically used to compensate external sales representatives where it is not appropriate to define a quota.

### ► To define Revenue Non Quota compensation:

1. Open the Plan Elements window.
2. For Element Type, select Revenue Non Quota.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name:** Text input field.
- Description:** Text input field.
- Active Periods:** Text input field with a date range separator.
- Interval Type:** Dropdown menu set to 'Period'.
- Split:** Check box (unchecked).
- Interval To Date:** Check box (unchecked).
- Element Information:**
  - Element Type:** Dropdown menu set to 'Revenue Non Quota'.
  - Discount Option:** Dropdown menu set to 'None'.
  - Apply Txn:** Text input field.
  - Payment Type:** Text input field.
  - Rate Table:** Text input field.
  - Accumulate:** Check box (unchecked).
  - Payment:** Text input field.
  - Discount Rate Table:** Text input field.
- Buttons:**
  - Rate Table:** Button.
  - Revenue Classes:** Button.
  - Discount Rate Table:** Button.
  - Distribute Target:** Button.

3. In the Apply Txn field, select when you want to calculate compensation from the list of values:

*Individually:* Each transaction is calculated individually. The commission can be viewed for each period in the subledger, or seen in the commission amount column of the transaction itself.

*Grouped by Interval:* Transactions are grouped and calculated once at the end of the interval. Only one rate table lookup is required for the interval, which uses the total accumulated amount. The commission can be viewed in the salesperson's subledger in the last period only, of each interval.

The commission amount cannot be seen on the transaction itself, because the commission is not calculated for each individual transaction.

Payment uplifts for the revenue classes are not used in the Grouped by Interval plan elements.

4. For Interval Type, choose the type of time interval for which this plan element is defined:

*Period:* The quota and payment targets are defined on a period basis.

*Quarter:* The quota and payment targets are defined on a quarterly basis.

*Year:* The quota and payment targets are defined on a yearly basis.

5. Verify whether to check or uncheck the Accumulate check box.

The Accumulate check box lets you have the option of accumulating or not accumulating transaction amounts to determine the rate in the rate table. When the Accumulate check box is checked, the rate table bracket is selected based on the total revenue achieved to date. When the Accumulate check box is unchecked, the rate table bracket is selected based on the revenue for each transaction. (See Defining Accumulative Commission: page 7 – 55.)

6. In the Payment Type field, select how the payment is calculated from the list of values.

*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of revenue achievement specified in the rate table.

*Fixed Amount:* A fixed amount is paid for each level of revenue achievement specified in the rate table.

*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of revenue achievement specified in the rate table.

7. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. (See Defining Split and Non-Split Commission: page 7 – 52.)

8. In the Discount Option field, select an option from the list of values.

*None:* The discount percentage on the sale has no effect on the commission.

*Payment:* The discount percentage on the sale affects compensation payments only.

*Quota:* The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment.

See Defining the Discount Option Field: page 7 – 56.

9. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:

*Applied Transaction Amount Percentage:* The commission rate is percentage.

*Fixed Amount:* The commission rate is amount.

*Payment Amount Percentage:* The commission rate is percentage.

10. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97.)
11. Save your work.

See Revenue Non Quota Compensation Examples: page B – 20.

---

## Defining Draw Compensation

Draw compensation lets you guarantee a minimum payment for salespeople assigned to this compensation plan. Draws are typically used to guarantee minimum payments to new salespeople, and to ensure uniformity in compensation payment. For example, a company that pays compensation every quarter may pay draws for the first two months of the quarter and then recover the draw amount in the third month.

For example, if your company guarantees salespeople on this compensation plan a minimum of \$2,000 per pay period, you define the draw amount as \$2,000. When you assign the compensation plan to each salesperson, you can customize the draw amount for each pay period.

**Note:** Draw compensation must be entered manually in Oracle Sales Compensation.

► **To define Draw compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Element Type, select Draw.

The screenshot shows the 'Plan Elements' window with the following fields and values:

- Name: [Empty text box]
- Description: [Empty text box]
- Active Periods: [Start date] - [End date]
- Interval Type: [Period]
- Split: ☐
- Interval To Date: ☐
- Element Information: [Expanded section]
- Element Type: [Draw]
- Discount Option: [None]
- Draw: [Empty text box]
- Rate Table: [Button]
- Discount Rate Table: [Button]
- Revenue Classes: [Button]
- Distribute Target: [Button]

5. In the Draw field, specify the amount of compensation you want to guarantee for this compensation plan.

This amount specifies the draw amount on the guaranteed minimum payment for this compensation plan.

6. Save your work.

See Draw Compensation Example: page B – 43.

## Defining Manual Compensation

Manual plan elements base compensation on a fixed amount you specify in the Payment Worksheet window at the time of Payment Submission. Revenue classes are not needed because revenue classes are used for calculating compensation for sales transactions.

► **To define Manual compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Element Type, select Manual.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name:** A text input field.
- Description:** A text input field.
- Active Periods:** Two text input fields separated by a hyphen.
- Interval Type:** A dropdown menu with 'Period' selected.
- Split:** An unchecked checkbox.
- Interval To Date:** An unchecked checkbox.
- Element Information:** A section header.
- Element Type:** A dropdown menu with 'Manual' selected.
- Discount Option:** A dropdown menu with 'None' selected.
- Buttons:** Four buttons at the bottom: 'Rate Table', 'Discount Rate Table', 'Revenue Classes', and 'Distribute Target'.

5. Save your work.

See Manual Compensation Example: page B – 44.







## Defining Unit Quota Compensation

One way to motivate your sales force is to base compensation on performance against unit quota goals called *quotas*. Using the unit quota, Oracle Sales Compensation calculates the percentage of quota a salesperson has achieved, then uses that level of achievement to determine the compensation rate for each transaction.

When you use unit quota achievement in Oracle Sales Compensation, you define quota in terms of the number of units for each plan element.

► **To define Unit Quota compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Interval Type, choose the type of time interval for which this plan element is defined:

*Period:* The quota and payment targets are defined on a period basis.

*Quarter:* The quota and payment targets are defined on a quarterly basis.

*Year:* The quota and payment targets are defined on a yearly basis.

5. For Element Type, select Unit Quota.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name:** Text input field.
- Description:** Text input field.
- Active Periods:** Two text input fields separated by a hyphen.
- Interval Type:** A dropdown menu currently set to 'Period'.
- Split:** A checkbox.
- Interval To Date:** A checkbox.
- Element Information:** A section containing:
  - Element Type:** A dropdown menu currently set to 'Unit Quota'.
  - Apply Txn:** Text input field.
  - Payment Type:** Text input field.
  - Rate Table:** Text input field.
  - Discount Option:** A dropdown menu currently set to 'None'.
  - Quota:** A text input field with the value '0.00'.
  - Payment:** Text input field.
  - Discount Rate Table:** Text input field.
- Buttons:** At the bottom, there are four buttons: 'Rate Table', 'Revenue Classes', 'Discount Rate Table', and 'Distribute Target'.

6. In the Apply Txn (Transaction) field, select how you want to calculate the transaction from the list of values.

*Individually:* Each transaction is calculated individually. The commission can be viewed for each period in the subledger, or seen in the commission amount column of the transaction itself.

*Grouped by Interval:* Transactions are grouped and calculated once at the end of the interval. Only one rate table lookup is required for the interval, which uses the total accumulated amount. The commission can be viewed in the salesperson's subledger in the last period only, of each interval.

The commission amount cannot be seen on the transaction itself, because the commission is not calculated for each individual transaction.

Payment uplifts for the revenue classes are not used in the Grouped by Interval plan elements.

7. In the Quota field, specify the target quota.

Enter the unit goal for the set of revenue classes in the current plan element.

8. In the Payment Type field, select how you want to calculate the transaction from the list of values.

*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of unit quota achievement specified in the rate table.

*Fixed Amount:* A fixed amount is paid for each level of unit quota achievement specified in the rate table.

*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of unit quota achievement specified in the rate table.

9. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:

*Applied Transaction Amount Percentage:* The commission rate is percentage.

*Fixed Amount:* The commission rate is amount.

*Payment Amount Percentage:* The commission rate is percentage.

10. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. See Assigning Revenue Classes: page 7 – 97.

11. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. See *Defining Split and Non-Split Commission*: page 7 – 52.

**Note:** The Split check box and the ITD check box cannot be checked at the same time.

12. Verify whether to check or uncheck the ITD (Interval to Date) check box.

The ITD check box lets you define interval to date quota and payment targets for use in the calculation of commissions . See *Defining Interval to Date Quota Target Calculation*: page 7 – 62.

When you check the ITD check box, the Distribute Target button becomes active.

**Note:** The ITD check box and the Split check box cannot be checked at the same time.

13. Choose the Distribute Target button.

The Distribute Target form appears, which lets you customize the target for each interval and distribute the interval target over all the periods within an interval.

14. Save your work.

See *Unit Quota Compensation Examples*: page B – 45.

## Defining Unit Non Quota Compensation

One way to motivate your sales force is to base compensation on the quantity of products or services sold. Oracle Sales Compensation uses that level of achievement to determine the compensation rate for each transaction.

The achievement or quantity of products or services sold determines the compensation rate to be applied. Use this type of plan element when you want to create incentives for salespeople (or external agents) to sell a large quantity of products or services when there is no specific quota defined.

► **To define Unit Non Quota compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. For Interval Type, choose the type of time interval for which this plan element is defined:

*Period:* The quota and payment targets are defined on a period basis.

*Quarter:* The quota and payment targets are defined on a quarterly basis.

*Year:* The quota and payment targets are defined on a yearly basis.

5. For Element Type, select Unit Non Quota.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name: [Text Field]
- Description: [Text Field]
- Active Periods: [Start Date] - [End Date]
- Interval Type: [Period] (Dropdown)
- Element Information:
  - Element Type: [Unit Non Quota] (Dropdown)
  - Apply Txn: [Text Field]
  - Payment Type: [Text Field]
  - Rate Table: [Text Field]
- Discount Option: [None] (Dropdown)
- Payment: [Text Field]
- Discount Rate Table: [Text Field]
- Buttons: [Rate Table], [Revenue Classes], [Discount Rate Table], [Distribute Target]

6. In the Apply Txn (Transaction) field, select how you want to calculate the transaction from the list of values.

*Individually:* Each transaction is calculated individually. The commission can be viewed for each period in the subledger, or seen in the commission amount column of the transaction itself.

*Grouped by Interval:* Transactions are grouped and calculated once at the end of the interval. Only one rate table lookup is required for the interval, which uses the total accumulated amount. The commission can be viewed in the salesperson's subledger in the last period only, of each interval.

The commission amount cannot be seen on the transaction itself, because the commission is not calculated for each individual transaction.

Payment uplifts for the revenue classes are not used in the Grouped by Interval plan elements.

7. In the Payment Type field, select how the payment is calculated from the list of values.

*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of achievement specified in the rate table.

*Fixed Amount:* A fixed amount is paid for each level of achievement specified in the rate table.

*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of achievement specified in the rate table.

8. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:

*Applied Transaction Amount Percentage:* The commission rate is percentage.

*Fixed Amount:* The commission rate is amount.

*Payment Amount Percentage:* The commission rate is percentage.

9. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97.)

10. Verify whether to check or uncheck the Accumulate check box.

The Accumulate check box lets you have the option of accumulating or not accumulating units to determine the rate in the rate table. When the Accumulate check box is checked, the rate table bracket is selected based on the total number of units achieved to date. When the Accumulate check box is unchecked, the rate table bracket is selected based on the number of units for each transaction. (See Defining Accumulative Commission: page 7 – 55.)

11. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. (See Defining Split and Non-Split Commission: page 7 – 52.)

12. In the Discount Option field, select an option from the list of values.

*None:* The discount percentage on the sale has no effect on the commission.

*Payment:* The discount percentage on the sale affects compensation payments only.

*Quota:* The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment.

See Defining the Discount Option Field: page 7 – 56.

13. Save your work.

See Unit Non Quota Compensation Examples: page B – 60.







## Defining Discount Compensation

The compensation based on discount is used by companies who want to provide an incentive for sales representatives to not heavily discount the price of products in order to make a sale. The company can set up a rate table, which provides a lower rate for transactions with a large discount percentage; thus, the company may be able to discourage their sales representatives from heavily discounting the price of products.

For this type of element, where the Element Type = Discount, only discount is used as a basis for calculating commission. If you are interested in using discount in combination with revenue, see Defining the Discount Option Field: page .

► **To define Discount compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.

These dates must be within the dates of the compensation plan(s) the plan element is assigned to.

4. The Interval Type field is not applicable for discount compensation.
5. For Element Type, select Discount.

The screenshot shows the 'Plan Elements' window with the following fields and values:

- Name: [Text Field]
- Description: [Text Field]
- Active Periods: [Start Date] - [End Date]
- Interval Type: Period (Dropdown)
- Split: ☐
- Interval To Date: ☐
- Element Information:
  - Element Type: Discount (Dropdown)
  - Discount Option: None (Dropdown)
  - Accumulate: ☐
  - Apply Txn: [Text Field]
  - Payment Type: [Text Field]
  - Payment: [Text Field]
  - Rate Table: [Text Field]
  - Discount Rate Table: [Text Field]
- Buttons: Rate Table, Revenue Classes, Discount Rate Table, Distribute Target

6. The Apply Txn (Transaction) field is not applicable for discount compensation.

Although you can select an interval, there will be no accumulation of quota.

7. In the Quota field, specify the target quota.  
Enter the revenue goal for the set of revenue classes in the current plan element.
8. In the Payment Type field, select how the payment is calculated from the list of values.
  - *Applied Transaction Amount Percentage*: A percentage of the amount of the transaction(s) is paid for each level of discount percentage achievement specified in the rate table.
  - *Fixed Amount*: A fixed amount is paid for each level of discount percentage achievement specified in the rate table.
  - *Payment Amount Percentage*: A percentage of the payment amount you specify in the Payment field is paid for each level of discount percentage achievement specified in the rate table.
9. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, and the commission is either percentage or amount based on the Payment Type field:
  - *Applied Transaction Amount Percentage*: The commission rate is percentage.
  - *Fixed Amount*: The commission rate is amount.
  - *Payment Amount Percentage*: The commission rate is percentage.
10. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97.)
11. Save your work.

See Discount Compensation Examples: page B – 83.





## Defining Margin Compensation

Some companies use profit margin as a basis to calculate sales compensation. In some industries (for example, commodities), it is important for a company to maintain a high profit margin in order to remain competitive. These companies must provide incentives to their salespeople to maintain a high profit margin in order for them to stay in line with this strategy.

► **To define Margin compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.  
  
These dates must be within the dates of the compensation plan(s) the plan element is assigned to.
4. The Interval Type field is not applicable for margin compensation.
5. For Element Type, select Margin.

The screenshot shows the 'Plan Elements' window with the following fields and options:

- Name: [Text Field]
- Description: [Text Field]
- Active Periods: [Start Date] - [End Date]
- Interval Type: [Period] (dropdown)
- Split: ☐
- Interval To Date: ☐
- Element Information**
  - Element Type: [Margin] (dropdown)
  - Discount Option: [None] (dropdown)
  - Accumulate: ☐
  - Apply Txn: [Text Field]
  - Payment Type: [Text Field]
  - Payment: [Text Field]
  - Rate Table: [Text Field]
  - Discount Rate Table: [Text Field]
- Buttons: [Rate Table], [Revenue Classes], [Discount Rate Table], [Distribute Target]

6. The Apply Txn (Transaction) field is not applicable for margin compensation.

7. In the Payment Type field, select how the payment is calculated from the list of values.
  - *Applied Transaction Amount Percentage*: A percentage of the amount of the transaction(s) is paid for each level of margin percentage achievement specified in the rate table.
  - *Fixed Amount*: A fixed amount is paid for each level of margin percentage achievement specified in the rate table.
  - *Payment Amount Percentage*: A percentage of the payment amount you specify in the Payment field is paid for each level of margin percentage achievement specified in the rate table.
8. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage or amount, which is based on the Payment Type field:
  - *Applied Transaction Amount Percentage*: The commission rate is percentage.
  - *Fixed Amount*: The commission rate is amount.
  - *Payment Amount Percentage*: The commission rate is percentage.
9. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97.)
10. Save your work.

See Margin Compensation Examples: page B – 91.







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## Defining Split and Non-Split Commissions

The Split check box lets you have the option of splitting or not splitting the commission on a sale across the rate tier that the transaction spans. The Split check box only applies for the following conditions:

The Element Type field is set to:

- Revenue Quota or Unit Quota
- Revenue Non Quota or Unit Non Quota, with Accumulate On

With the Payment Type field set to Applied Transaction Amount Percentage, and The Apply Txn field set to Individually.

**Note:** For all other plan element definitions, the Split check box is not applicable.

Assume the following transaction.

Transaction Example	
Transaction ID	Transaction Amount
1000	\$1,500

The Commission Percentage Rate Table lists the rates.

Commission Percentage Rate Table		
Amount		Percent
From \$	To \$	%
0	1000	4
1000	2000	10

**Note:** The Commission Percentage Rate Table does not appear in the Oracle sales Compensation application. It is used to describe how the split and non-split commission rates are obtained.

## Split Commission Example

When the Split check box is checked, the commission will be paid at the lower rate tier when the transaction falls on the border of two tiers.

► **To calculate the commission for transaction ID 1000:**

1. Look up the commission rate for the first \$1,000 in the Commission Percentage Rate Table: page 7 – 52.

The commission rate = 4% for the first \$1,000, which appears in the first tier in the Commission Percentage Rate Table.

2. Calculate the commission.

The commission for the first \$1,000 is:  $4\% \times \$1,000 = \$40$ .

3. Look up the commission rate for the second \$500 in the Commission Percentage rate table.

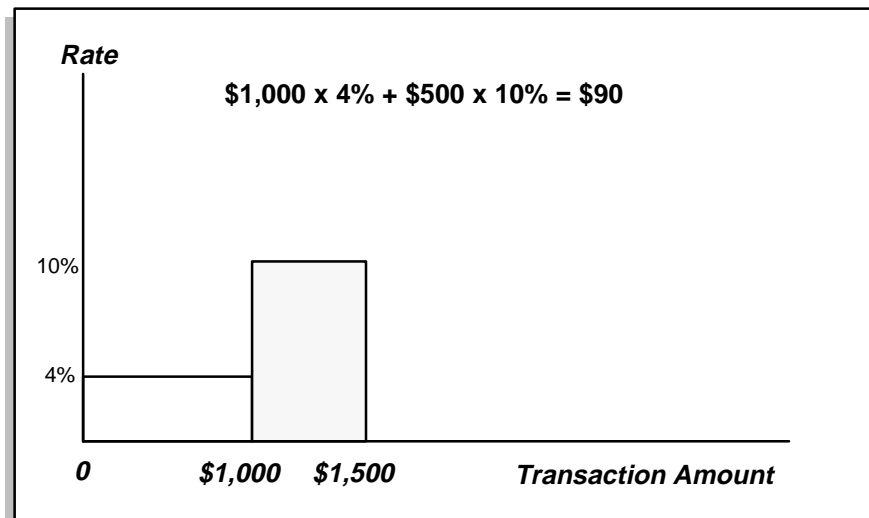
The commission rate = 10% for the second \$500, which appears in the second tier in the Commission Percentage Rate Table.

4. Calculate the commission.

The commission for the second \$500 is:  $10\% \times \$500 = \$50$ .

5. Calculate the total commission.

The total commission is  $\$40 + \$50$  is: \$90.



If you do not want to split the commission, uncheck the Split check box.

## Non-Split Commission Example

When the Split check box is unchecked or not applicable, the commission will be paid at the higher rate tier when the transaction falls on the border of two tiers.

► **To calculate the commission for transaction ID 1000:**

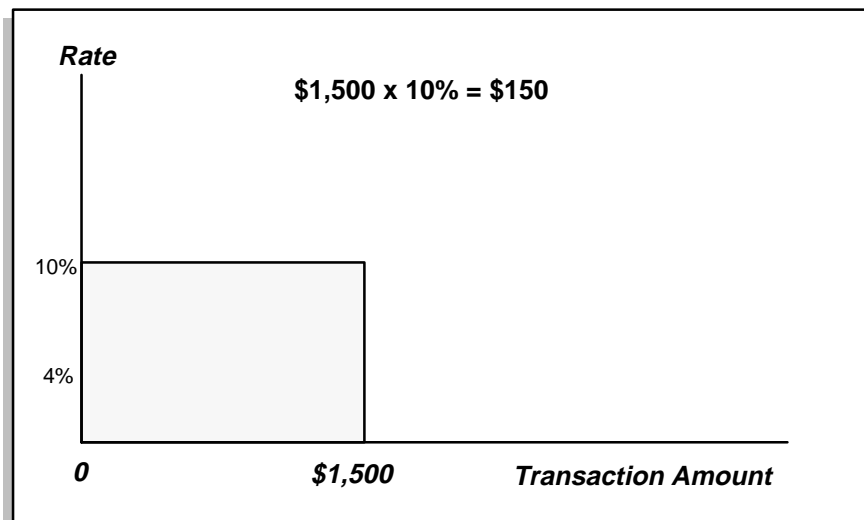
1. Look up the commission rate for the \$1,500 in the Commission Percentage Rate Table: page 7 – 52.

The commission rate = 10% for the \$1,500, which appears in the second tier in the Commission Percentage Rate Table.

2. Calculate the commission.

The commission for the \$1,500 is:  $10\% \times \$1,500 = \$150$ .

**Note:** The non-split commission option is \$60 more than the split commission option.



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## Defining Accumulative Commission

The Accumulate check box lets you have the option of accumulating or not accumulating revenue non quota or unit non quota transactions. The Accumulate option can be used to initially provide an incentive bonus for sales representatives to penetrate into specific companies.

The Accumulate check box is only active when the Element Type field is set to:

- Revenue Non Quota
- Unit Non Quota

And when the Apply Txn field is set to Individually.

The Accumulative Rate Table is used to calculate the accumulative 0r non-accumulative commission amount.

Accumulative Rate Table			
Tier		Commission	
Amount		Amount	
From \$	To \$	\$	
0	100	5	
100	1000	10	
1000	9999	100	

The Transactions Table is used to calculate the accumulative and non-accumulative commissions.

Transaction Table				
Transactions		Non-Accumulative Commission	Accumulative Transactions	Accumulative Commission
Invoice 1	\$50	\$5	\$50	\$5
Invoice 2	\$45	\$5	\$95	\$5
Invoice 3	\$300	\$10	\$395	\$10
Invoice 4	\$300	\$10	\$695	\$10
Invoice 5	\$500	\$10	\$1195	\$100
Total		\$40		\$130

**Note:** The accumulative commission option is \$90 more than the non-accumulative commission option.





## Defining the Discount Option Field

This type of plan element is typically used to compensate sales representatives on revenue achievement while discouraging them from selling products to customers at a higher discounted rate. The discount based calculation can be applied to any type of Revenue Quota or Revenue Non Quota plan element. It compensates for revenue but takes discount into account in creating incentives. If you want compensation to be based on a combination of revenue and discount, you have two types of calculation options.

- Payment
- Quota

**Note:** When the Discount Option = None, it does not take discount into account.

Assume the following transactions.

Transaction Examples			
Transaction ID	Period	Transaction Amount	Discount %
1000	JAN-97	\$1,000	5%
1001	FEB-97	\$3,000	12%

The Standard Percentage Rate Table lists the standard rates.

Standard Percentage Rate Table			
Tier		Commission	
Percent		Percent	
From %	To %		%
0	2000		5
2000	9999		10

The Discount Percentage Rate Table lists the discount rates.

Discount Percentage Rate Table			
Tier		Commission	
Percent		Percent	
From %	To %		%
1	10		100
10	100		80



---

## Discount Option Compensation Examples

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>:<Accumulate On/Off>:  
<Discount Option *None/Payment/Quota*>**

The methods to use Discount Option compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually :  
Accumulate : Discount = Payment: page 7 – 58
- Applied Transaction Amount Percentage : Individually :  
Accumulate : Discount = Quota: page 7 – 60

**Applied Transaction Amount Percentage : Individually :  
Accumulate Off : Discount Option = Payment**

---

In this case, the discount works like Payment Uplift, in which only compensation payment is affected. The discount does not affect achievement towards quota.

Discount Option with Payment Example	
Interval Type	Year
Element Type	Revenue Non Quota
Apply Txn	Individually
Accumulate	No
Payment Type	Applied Transaction Amount Percentage
Discount Option	Payment

There are two rate tables involved in calculating the compensation rate. The values used in these table are independent of each other. First, the standard compensation rate is obtained in the Standard Percentage Rate Table which uses revenue or quota achievement without taking discount into account. A discount rate is determined independently in the Discount Percentage Rate Table, which is based on the discount percentage. The final compensation rate is obtained by multiplying the discount rate with the standard compensation rate.

Calculation Formula	
Commission rate	The standard rate x discount rate. The standard rate is determined by the tier in which the transaction amount is located in the standard percentage rate table. The discount rate is determined by the tier in which the discount percentage is located in the discount percentage rate table.
Commission	Commission rate x transaction amount.

► **To calculate commission for transaction 1000:**

1. Lookup the standard rate for the transaction amount of \$1,000 in the Standard Percentage Rate Table: page 7 – 56.

The standard rate = 5% as determined by the transaction amount of \$1,000, which appears in the first tier in the Standard Percentage Rate Table.

2. Look up the discount rate for the discount percentage of 5% in the Discount Percentage Rate Table: page 7 – 56.

The discount rate = 100% as determined by the discount percentage rate of 5%, which appears in the first tier of the Discount Percentage Rate Table.

3. Multiply the standard rate by the discount rate to obtain the final compensation rate.

The final compensation rate is:  $5\% \times 100\% = 5\%$ .

4. Calculate the commission by multiplying the transaction amount of \$1,000 by the final compensation rate.

The commission for transaction ID 1000 is:  $\$1,000 \times 5\% = \$50$ .

► **To calculate commission for transaction 1001:**

1. Lookup the standard rate for for the transaction amount of \$3,000 in the Standard Percentage Rate Table: page 7 – 56.

The standard rate = 10% as determined by the transaction amount of \$3,000, which appears in the second tier in the Standard Percentage Rate Table.

2. Look up the discount rate of 12% in the Discount Percentage Rate Table: page 7 – 56.

The discount rate = 80% as determined by the discount percentage of 12%, which appears in the second tier of the Discount Percentage Rate Table.

3. Multiply the standard rate by the discount rate to obtain the final compensation rate.

The final compensation rate is:  $10\% \times 80\% = 8\%$ .

4. Calculate the commission by multiplying the transaction amount of \$3,000 by the final compensation rate.

The commission for transaction ID 1000 is:  $\$3,000 \times 8\% = \$240$ .

**Applied Transaction Amount Percentage : Individually :  
Accumulate Off : Discount Option = Quota**

---

In this case, the discount works like Quota Uplift, in which revenue achievement is effected, and compensation payment may also be affected.

Discount Option with Quota Example	
Interval Type	Year
Element Type	Revenue Non Quota
Apply Txn	Individually
Accumulate	No
Payment Type	Applied Transaction Amount Percentage
Discount Option	Quota

There are two rate tables involved in calculating the compensation rate. The values used in these table are NOT independent of each other. First, the discount rate is obtained in the Discount Percentage Rate Table. Then the discount rate is multiplied by the revenue amount to affect the total revenue accumulation.

Calculation Formula	
Commission rate	Determined by the tier in which the modified transaction amount (discount rate x transaction amount) appears in the standard percentage rate table. The discount rate is determined by the tier in which the discount percentage is located in the discount percentage rate table. The final commission rate is determined by the tier in which the modified transaction amount is located in the standard percentage rate table.
Commission	Commission rate x transaction amount.

► **To calculate commission for transaction 1000:**

1. Lookup the discount rate for the discount percentage of 5% in the Discount Rate Table: page 7 – 56.  
The discount rate = 100% as determined by the discount percentage of 5%, which appears in the first tier in the Discount Rate Table.
2. Multiply the transaction amount of \$1,000 by the discount rate of 100%.  
$$\$1,000 \times 100\% = \$1,000.$$
3. Look up the final rate of the modified transaction amount of \$1,000 in the Standard Rate Table: page 7 – 56.  
The final rate = 5% as determined by the modified transaction amount, which appears in the first tier of the Standard Rate Table.
4. Calculate the commission by multiplying the original transaction amount of \$1,000 by the final compensation rate of 5%.  
The commission for transaction ID 1000 is:  $\$1,000 \times 5\% = \$50.$

► **To calculate commission for transaction 1001:**

1. Lookup the discount rate for for the discount percentage of 12% in the Discount Rate Table: page 7 – 56.  
The discount rate = 80% as determined by the discount percentage of 12%, which appears in the second tier in the Discount Rate Table.
2. Multiply the transaction amount of \$3,000 by the discount rate of 80%.  
$$\$3,000 \times 80\% = \$2,400.$$
3. Look up the final rate for the modified transaction amount of \$2,400 in the Standard Rate Table: page 7 – 56.  
The final rate = 10% as determined by the modified transaction amount, which appears in the second tier of the Standard Rate Table.
4. Calculate the commission by multiplying the original transaction amount of \$3,000 by the final compensation rate of 10%.  
The commission for transaction ID 1001 is:  $\$3,000 \times 10\% = \$300.$





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## Defining Interval to Date Quota Target Calculation

The Interval to Date (ITD) quota target calculation is based on achievement towards cumulative quota targets, such as Quarter to date (QTD) and Year to Date (YTD) targets. You have the option of determining the commission rate by comparing achievement to date against a period, QTD, or YTD quota. This type of commission calculation allows a company to account for seasonal sales and respond fairly to upturns and downturns in the sales representative's performance throughout the year.

The following element types define these types of plan elements:

- Revenue Quota
- Unit Quota

With these element types, you can use the following Payment Types:

- Applied Transaction Amount Percentage
- Payment Amount Percentage

To define an interval to date plan element you check the ITD check box.

The ITD check box lets you assign:

- Target amounts to each period within the quarter or year. The resulting QTD or YTD targets will be defaulted within the system interval-to-date.
- Payment amounts to each period. ITD payment amounts will be defaulted, which is used as the basis to calculate the commission.



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## Defining Interval to Date Revenue Quota Compensation

► **To define revenue quota compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.  
  
These dates must be within the dates of the compensation plan(s) the plan element is assigned to.
4. For Interval Type, choose the type of time interval for which this plan element is defined:  
  
*Period:* The quota and payment targets are defined on a period basis.  
  
*Quarter:* The quota and payment targets are defined on a quarterly basis.  
  
*Year:* The quota and payment targets are defined on a yearly basis.
5. For Element Type, select Revenue Quota.
6. In the Apply Txn (Transaction) field, select Individually.
7. In the Payment Type field, select how the payment is calculated from the list of values.  
  
*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of quota achievement specified in the rate table.  
  
*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of quota achievement specified in the rate table.
8. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage, which is based on the Payment Type field:  
  
*Applied Transaction Amount Percentage:* The commission rate is percentage.  
  
*Payment Amount Percentage:* The commission rate is percentage.
9. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97)

10. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. See *Defining Split and Non-Split Commission*: page 7 – 52.

**Note:** The Split check box and ITD check box cannot be checked at the same time.

11. In the Discount Option field, select an option from the list of values.

*None:* The discount percentage on the sale has no effect on the commission.

*Payment:* The discount percentage on the sale affects compensation payments only.

*Quota:* The discount percentage on the sale affects the achievement towards quota, and may affect compensation payment.

See *Defining the Discount Option Field*: page 7 – 56.

12. Verify whether to check or uncheck the ITD (Interval to Date) check box.

The ITD check box lets you define interval to date target and payment amounts, which are used to calculate the commission.

When you check the ITD check box, the Distribute Target button becomes active.

**Note:** The ITD check box and Split check box cannot be checked at the same time.

13. Choose the Distribute Target button.

The Interval to Date Targets window appears, which lets you define the target for each period and view the sum of the targets interval to date.

**Note:** There are three different types of Interval to Date Targets windows that you can access: Period (default), Quarter, and Year.

Interval to Date Targets					
Plan Element		Revenue Quota QTD		Save/Refresh	
Period		Target Amount		Payment Amount	
Period	Quarter	Period	Interval To Date	Period	Interval To Date
JAN-97	1	600.00	600.00	60.00	60.00
FEB-97	1	900.00	1500.00	90.00	150.00
MAR-97	1	1500.00	3000.00	150.00	300.00
APR-97	2	1000.00	1000.00	60.00	60.00
MAY-97	2	1500.00	2500.00	90.00	150.00
JUN-97	2	2000.00	4500.00	150.00	300.00
JUL-97	3	1000.00	1000.00	60.00	60.00
AUG-97	3	1000.00	2000.00	90.00	150.00
SEP-97	3	1000.00	3000.00	150.00	300.00
OCT-97	4	1500.00	1500.00	60.00	60.00
NOV-97	4	1500.00	3000.00	90.00	150.00
DEC-97	4	1500.00	4500.00	150.00	300.00

The Interval to Date Targets window shows the period targets for the start and end dates with the:

- Interval Type field set to Quarter.

**Note:** At the end of each quarter, the ITD amounts are reset.

- Payment Type field set to Payment Amount Percentage

- After you enter the period targets for the start and end dates, choose the Save/Refresh button to populate the Interval to Date columns.

The Interval to Date columns will show the accumulated sum of the Periods for each quarter.

15. You can display the target sum for the quarter or year by first choosing the Period button; a popup menu appears, then select Quarter or Year, respectively.

If you select Quarter, the following window appears:

Interval to Date Targets			
Plan Element	Revenue Quota QTD	Save/Refresh	
Quarter			
Quarter	Year	Target	Payment
1	1997	3000.00	300.00
2	1997	4500.00	300.00
3	1997	3000.00	300.00
4	1997	4500.00	300.00

If you select Year, the following window appears:

Interval to Date Targets		
Plan Element	Revenue Quota QTD	Save/Refresh
Year		
Year	Target	Payment
1997	15000.00	1200.00

16. Save your work.

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## Interval to Date Revenue Quota Compensation Examples

The Interval to date Revenue Quota compensation examples comprise the following syntax:

**<Payment Type>:<Interval Type>:<ITD On/Off>**

The Revenue Quota compensation examples use the following payment types to calculate transactions:

- Applied Transaction Amount Percentage :  
Interval Type = Quarter : ITD On
- Payment Amount Percentage : Interval Type = Quarter : ITD On

The Transaction and Achievement Table lists the revenue and units sold for each transaction and the Interval to Date achievement. This table is used to calculate commissions in the Revenue Quota and Unit Quota compensation examples.

Transaction and Achievement Table					
		Achievement (Revenue)		Achievement (Units)	
		Interval		Interval	
Period	Quarter	Period	To Date	Period	To Date
JAN-97	1	500 500	500 1000	25 25	25 50
FEB-97	1	1000	2000	50	100
MAR-97	1	1000	3000	50	150
APR-97	2	1000	4000	50	200
MAY-97	2	1000	5000	50	250
JUN-97	2	1000	6000	50	300
JUL-97	3	1000	7000	50	350
AUG-97	3	1000	8000	50	400
SEP-97	3	1000	9000	50	450
OCT-97	4	1000	10000	50	500
NOV-97	4	1000	11000	50	550
DEC-97	4	1000	12000	50	600

The Quota Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

Quota Percentage Rate Table			
Tier		Commission	
Percent		Percent	
From %	To %		%
0	50		0
50	75		50
75	125		100
125	999		125

### **Applied Transaction Amount Percentage : Interval Type = Quarter : ITD On**

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This type of plan element is typically used to compensate sales representatives by comparing their achievements to date against their quarter to date (QTD) quota. By using QTD quotas, if the sales representative performs badly the first quarter, but makes up for it in the subsequent two periods, the sales representative will receive just as much compensation as the sales representative who reaches the same revenue whose sales were more evenly distributed.

Revenue Quota Plan Element Example 1	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	Quota Percentage
ITD	On

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Oracle Sales Compensation divides the revenue achievement ITD by the target ITD to determine the percentage of achievement, finds this rate in the Quota Percentage Rate Table, and multiplies this rate by the current Interval to Date (ITD) transaction amount. The commission calculated is the current ITD commission. The previous ITD commission is subtracted from the current ITD commission to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage (achievement ITD/target ITD) is located in the rate table.
Commission	The current ITD commission (commission rate x total transaction amount) minus the previous ITD commission.

The Interval to Date Targets (Quarter) table lists the period targets for the start and end dates with the Interval Type set to Quarter. Note that at the end of each quarter, the ITD amounts are reset. This table is used to calculate the commission for the Applied Transaction Amount Percentage payment type.

Interval to Date Targets					
Plan Element		Revenue Quota QTD		Save/Refresh	
Period		Target Amount		Payment Amount	
		Interval		Interval	
Period	Quarter	Period	To Date	Period	To Date
JAN-97	1	600.00	600.00	0.00	0.00
FEB-97	1	900.00	1500.00	0.00	0.00
MAR-97	1	1500.00	3000.00	0.00	0.00
APR-97	2	1000.00	1000.00	0.00	0.00
MAY-97	2	1500.00	2500.00	0.00	0.00
JUN-97	2	2000.00	4500.00	0.00	0.00
JUL-97	3	1000.00	1000.00	0.00	0.00
AUG-97	3	1000.00	2000.00	0.00	0.00
SEP-97	3	1000.00	3000.00	0.00	0.00
OCT-97	4	1500.00	1500.00	0.00	0.00
NOV-97	4	1500.00	3000.00	0.00	0.00
DEC-97	4	1500.00	4500.00	0.00	0.00

**Note:** The Period and Interval to Date columns under the Payment Amount heading are set to 0.00 and the Period column is grayed out.



► **To calculate the commission for JAN period:**

1. Look up the commission rate associated with the ITD achievement of the first \$500 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 83.33% (\$500/\$600), which appears in the third tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $100\% \times \$500.00 = \$500.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$500.00 - \$0.00 = \$500.00$ .

3. Look up the commission rate associated with the ITD achievement of \$1,000 (the first \$500 plus the second \$500)/\$600 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 125% as determined by the achievement percentage of 166.67% (\$1,000/\$600), which appears in the fourth tier in the Quota Percentage Rate Table.

4. Calculate the commission.

The ITD commission is:  $125\% \times \$1,000.00 = \$1,250.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$1,250.00 - \$500.00 = \$750.00$ .

5. Calculate the total commission.

The ITD commission is: \$1,250.00.

The Period commission is:  $\$500.00 + \$750.00 = \$1,250.00$ .

► **To calculate the commission for FEB period:**

1. Look up the commission rate associated with the ITD achievement of \$2,000 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 125% as determined by the achievement percentage of 133.33% (\$2,000/\$1,500), which appears in the fourth tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $125\% \times \$2,000.00 = \$2,500.00$ .

The Period commission is:  $\$2,500.00 - \$1,250.00 = \$1,250.00$ .

► **To calculate the commission for MAR period:**

1. Look up the commission rate associated with the ITD achievement of \$3,000 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 100% (\$3,000/\$3,000), which appears in the third tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $100\% \times \$3,000.00 = \$3,000.00$ .

The Period commission is:  $\$3,000.00 - \$2,500.00 = \$500.00$ .

### **Payment Amount Percentage : Interval Type = Quarter : ITD On**

This type of plan element is typically used to compensate sales representatives by comparing their achievements to date against their quarter to date (QTD) quota. By using QTD quotas, if the sales representative performs badly the first quarter, but makes up for it in the subsequent two periods, the sales representative will receive just as much compensation as the sales representative who reaches the same revenue whose sales were more evenly distributed.

Revenue Quota Plan Element Example 2	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Payment Type	Payment Amount Percentage
Rate Table	Quota Percentage
ITD	On

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Oracle Sales Compensation divides the revenue achievement ITD by the ITD target to determine the percentage of achievement, finds this rate in the Quota Percentage Rate Table, and multiplies this rate by the current Interval to Date (ITD) payment amount. The commission calculated is the ITD commission. The commission calculated is the current ITD commission. The previous ITD commission is subtracted from the current ITD commission to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the achievement percentage (achievement ITD/target ITD) is located in the rate table.
Commission	The current ITD commission (commission rate x current ITD payment amount) minus the previous ITD commission.

The Interval to Date Targets (Quarter) table lists the period targets for the start and end dates with the Interval Type set to Quarter. Note that at the end of each quarter, the ITD amounts are reset. This table is used to calculate the commission for the Payment Amount Percentage payment type.

Interval to Date Targets					
Plan Element		Revenue Quota QTD		Save/Refresh	
Period		Target Amount		Payment Amount	
		Interval		Interval	
Period	Quarter	Period	To Date	Period	To Date
JAN-97	1	600.00	600.00	60.00	60.00
FEB-97	1	900.00	1500.00	90.00	150.00
MAR-97	1	1500.00	3000.00	150.00	300.00
APR-97	2	1000.00	1000.00	60.00	60.00
MAY-97	2	1500.00	2500.00	90.00	150.00
JUN-97	2	2000.00	4500.00	150.00	300.00
JUL-97	3	1000.00	1000.00	60.00	60.00
AUG-97	3	1000.00	2000.00	90.00	150.00
SEP-97	3	1000.00	3000.00	150.00	300.00
OCT-97	4	1500.00	1500.00	60.00	60.00
NOV-97	4	1500.00	3000.00	90.00	150.00
DEC-97	4	1500.00	4500.00	150.00	300.00

► **To calculate the commission for JAN period:**

1. Look up the commission rate associated with the ITD achievement of the first \$500 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 83.33% (\$500/\$600), which appears in the third tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $100\% \times \$60.00 = \$60.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$60.00 - \$0.00 = \$60.00$ .

3. Look up the commission rate associated with the ITD achievement of \$1,000 (the first \$500 plus the second \$500)/\$600 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 125% as determined by the achievement percentage of 166.67% (\$1,000/\$600), which appears in the fourth tier in the Quota Percentage Rate Table.

4. Calculate the commission.

The ITD commission is:  $125\% \times \$60.00 = \$75.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$75.00 - \$60.00 = \$15.00$ .

5. Calculate the total commission.

The ITD commission is: \$15.00.

The Period commission is:  $\$60.00 + \$15.00 = \$75.00$ .

► **To calculate the commission for FEB period:**

1. Look up the commission rate associated with the ITD achievement of \$2,000 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 125% as determined by the achievement percentage of 133.33% (\$2,000/\$1,500), which appears in the fourth tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $125\% \times \$150.00 = \$187.50$ .

The Period commission is:  $\$187.50 - \$75.00 = \$112.50$ .

► **To calculate the commission for MAR period:**

1. Look up the commission rate associated with the ITD achievement of \$3,000 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 100% (\$3000/\$3000), which appears in the third tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $100\% \times \$300.00 = \$300.00$ .

The Period commission is:  $\$300.00 - \$187.50 = \$112.50$ .

---

## Defining Interval to Date Unit Quota Compensation

► **To define unit quota compensation:**

1. Open the Plan Elements window.
2. Name the plan element and provide a description.
3. For Active Periods, enter the start and end dates when this plan element can be assigned.  
  
These dates must be within the dates of the compensation plan(s) the plan element is assigned to.
4. For Interval Type, choose the type of time interval for which this plan element is defined:  
  
*Period:* The quota and payment targets are defined on a period basis.  
  
*Quarter:* The quota and payment targets are defined on a quarterly basis.  
  
*Year:* The quota and payment targets are defined on a yearly basis.
5. For Element Type, select Unit Quota.
6. In the Apply Txn (Transaction) field, select Individually.
7. In the Payment Type field, select how the payment is calculated from the list of values.  
  
*Applied Transaction Amount Percentage:* A percentage of the amount of the transaction(s) is paid for each level of quota achievement specified in the rate table.  
  
*Payment Amount Percentage:* A percentage of the payment amount you specify in the Payment field is paid for each level of quota achievement specified in the rate table.
8. In the Rate Table field, select a rate table from the list of values where the From/To rate tier is percentage, which is based on the Payment Type field:  
  
*Applied Transaction Amount Percentage:* The commission rate is percentage.  
  
*Payment Amount Percentage:* The commission rate is percentage.
9. Choose the Revenue Classes button to assign one or more revenue classes to this compensation plan element. (See Assigning Revenue Classes: page 7 – 97)

10. Verify whether to check or uncheck the Split check box.

The Split check box lets you have the option of splitting or not splitting a single transaction across multiple tiers. See *Defining Split and Non-Split Commission*: page 7 – 52.

**Note:** The Split check box and ITD check box cannot be checked at the same time.

11. Verify whether to check or uncheck the ITD (Interval to Date) check box.

The ITD check box lets you define interval to date target and payment amounts, which are used to calculate the commission.

When you check the ITD check box, the Distribute Target button becomes active.

**Note:** The ITD check box and Split check box cannot be checked at the same time.

12. Choose the Distribute Target button.

The Interval to Date Targets window appears, which lets you define the target for each period and view the sum of the targets interval to date.

**Note:** There are three different types of Interval to Date Targets windows that you can access: Period (default), Quarter, and Year.



Interval to Date Targets					
Plan Element	Unit Quota QTD		Save/Refresh		
Period	Target Amount		Payment Amount		
Period	Quarter	Period	Interval To Date	Period	Interval To Date
JAN-97	1	60.00	60.00	60.00	60.00
FEB-97	1	90.00	150.00	90.00	150.00
MAR-97	1	150.00	300.00	150.00	300.00
APR-97	2	100.00	100.00	60.00	60.00
MAY-97	2	150.00	250.00	90.00	150.00
JUN-97	2	200.00	450.00	150.00	300.00
JUL-97	3	100.00	100.00	60.00	60.00
AUG-97	3	100.00	200.00	90.00	150.00
SEP-97	3	100.00	300.00	150.00	300.00
OCT-97	4	150.00	150.00	60.00	60.00
NOV-97	4	150.00	300.00	90.00	150.00
DEC-97	4	150.00	450.00	150.00	300.00

The Interval to Date Targets window shows the period targets for the start and end dates with the:

- Interval Type field set to Quarter.

**Note:** At the end of each quarter, the ITD amounts are reset.

- Payment Type field set to Payment Amount Percentage

- After you enter the period targets for the start and end dates, choose the Save/Refresh button to populate the Interval to Date columns.

The The Interval to Date columns will show the accumulated sum of the Periods for each quarter.

14. You can display the target sum for the quarter or year by first choosing the Period button; a popup menu appears, then select Quarter or Year, respectively.

If you select Quarter, the following window appears:

Interval to Date Targets			
Plan Element	Revenue Quota QTD	Save/Refresh	
Quarter			
Quarter	Year	Target	Payment
1	1997	300.00	300.00
2	1997	450.00	300.00
3	1997	300.00	300.00
4	1997	450.00	300.00

If you select Year, the following window appears:

Interval to Date Targets		
Plan Element	Revenue Quota QTD	Save/Refresh
Year		
Year	Target	Payment
1997	1500.00	1200.00

15. Save your work.

---

## Interval to Date Unit Quota Compensation Examples

The Interval to date Unit Quota compensation examples comprise the following syntax:

**<Payment Type>:<Interval Type>:<ITD On/Off>**

The following payment types use Unit Quota compensation to calculate transactions:

- Applied Transaction Amount Percentage :  
Interval Type = Quarter : ITD On
- Payment Amount Percentage : Interval Type = Quarter : ITD On

## Applied Transaction Amount Percentage : Interval Type = Quarter : ITD On

This type of plan element is typically used to compensate sales representatives by comparing their achievements to date against their quarter to date (QTD) quota. By using QTD quotas, if the sales representative performs badly the first quarter, but makes up for it in the subsequent two periods, the sales representative will receive just as much compensation as the sales representative who reaches the same revenue whose sales were more evenly distributed.

Unit Quota Plan Element Example 1	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	Quota Percentage
ITD	On

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Oracle Sales Compensation divides the unit achievement by the unit target to determine the percentage of achievement, finds this rate in the Quota Percentage Rate Table, and multiplies this rate by the current Interval to Date (ITD) transaction amount. The commission calculated is the ITD commission. The commission for the transaction is the current ITD commission (commission rate x total transaction amount) minus the previous ITD commission. To calculate the current period commission, the previous period's ITD commission is subtracted from the current period's ITD commission to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the unit performance percentage (achievement ITD/target ITD) is located in the rate table.
Commission	The current ITD commission (commission rate x total transaction amount) minus the previous ITD commission.

The Interval to Date Targets (Quarter) table lists the period targets for the start and end dates with the Interval Type set to Quarter. Note that at the end of each quarter, the ITD amounts are reset. This table is used to calculate the commission for the Applied Transaction Amount Percentage type.

Interval to Date Targets					
Plan Element		Unit Quota QTD		Save/Refresh	
Period		Target Amount		Payment Amount	
		Interval		Interval	
Period	Quarter	Period	To Date	Period	To Date
JAN-97	1	60.00	60.00	0.00	0.00
FEB-97	1	90.00	150.00	0.00	0.00
MAR-97	1	150.00	300.00	0.00	0.00
APR-97	2	100.00	100.00	0.00	0.00
MAY-97	2	150.00	250.00	0.00	0.00
JUN-97	2	200.00	450.00	0.00	0.00
JUL-97	3	100.00	100.00	0.00	0.00
AUG-97	3	100.00	200.00	0.00	0.00
SEP-97	3	100.00	300.00	0.00	0.00
OCT-97	4	150.00	150.00	0.00	0.00
NOV-97	4	150.00	300.00	0.00	0.00
DEC-97	4	150.00	450.00	0.00	0.00

**Note:** The Period and Interval to Date columns under the Payment Amount heading are set to 0.00 and the Period column is grayed out.

► **To calculate the commission for JAN period:**

1. Look up the commission rate associated with the ITD achievement of the first 25 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 0% as determined by the achievement percentage of 41.66% (25/60), which appears in the first tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $0\% \times \$500.00 = \$0.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$0.00 - \$0.00 = \$0.00$ .

3. Look up the commission rate associated with the ITD achievement of 50 units (the first 25 units plus the second 25 units) in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 83.33% (50/60), which appears in the third tier in the Quota Percentage Rate Table.

4. Calculate the commission.

The ITD commission is:  $100\% \times \$1,000.00 = \$1,000.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$1,000.00 - \$0.00 = \$1,000.00$ .

5. Calculate the total commission.

The ITD commission is:  $\$1,000.00$ .

The Period commission is:  $\$0.00 + \$1,000.00 = \$1,000.00$ .

► **To calculate the commission for FEB period:**

1. Look up the commission rate associated with the ITD achievement of 100 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 50% as determined by the achievement percentage of 66.66% (100/150), which appears in the second tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $50\% \times \$2,000.00 = \$1,000.00$ .

The Period commission is:  $\$1,000.00 - \$1,000.00 = \$0.00$ .

► **To calculate the commission for MAR period:**

1. Look up the commission rate associated with the ITD achievement of 150 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 50% as determined by the achievement percentage of 50% (150/300), which appears in the second tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $50\% \times \$3,000.00 = \$1,500.00$ .

The PTD commission is:  $\$1,500.00 - \$1,000.00 = \$500.00$ .

### **Payment Amount Percentage : Interval Type = Quarter : ITD On**

This type of plan element is typically used to compensate sales representatives by comparing their achievements to date against their quarter to date (QTD) quota. By using QTD quotas, if the sales representative performs badly the first quarter, but makes up for it in the subsequent two periods, the sales representative will receive just as much compensation as the sales representative who reaches the same revenue whose sales were more evenly distributed.

Unit Quota Plan Element Example 2	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Payment Type	Payment Amount Percentage
Rate Table	Quota Percentage
ITD	On

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Oracle Sales Compensation divides the unit achievement by the unit target to determine the percentage of achievement, finds this rate in the Quota Percentage Rate Table, and multiplies this rate by the current Interval to Date (ITD) payment amount. The commission calculated is the ITD commission. The commission for the transaction is the current ITD commission (commission rate x current ITD payment amount) minus the previous ITD commission. To calculate the current period commission, the previous period's ITD commission is subtracted from the current period's ITD commission to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the achievement percentage (achievement ITD/target ITD) is located in the rate table.
Commission	The current ITD commission (commission rate x current ITD payment amount) minus the previous ITD commission.



The Interval to Date Targets (Quarter) table lists the period targets for the start and end dates with the Interval Type set to Quarter. Note that at the end of each quarter, the ITD amounts are reset. This table is used to calculate the commission for the Payment Amount Percentage payment type.

Interval to Date Targets (Quarter)					
		Target Amount		Payment Amount	
		Interval		Interval	
Period	Quarter	Period	To Date	Period	To Date
JAN-97	1	60	60	60	60
FEB-97	1	90	150	90	150
MAR-97	1	150	300	150	300
APR-97	2	100	100	60	60
MAY-97	2	150	250	90	150
JUN-97	2	200	450	150	300
JUL-97	3	100	100	60	60
AUG-97	3	100	200	90	150
SEP-97	3	100	300	150	300
OCT-97	4	150	150	60	60
NOV-97	4	150	300	90	150
DEC-97	4	150	450	150	300

► **To calculate the commission for JAN period:**

1. Look up the commission rate associated with the ITD achievement of the first 25 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 0% as determined by the achievement percentage of 41.64% (25/60), which appears in the first tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $0\% \times \$60.00 = \$0.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$0.00 - \$0.00 = \$0.00$ .

3. Look up the commission rate associated with the ITD achievement of 50 units (the first 25 plus the second 25)/60 in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 100% as determined by the achievement percentage of 83.33% (50/60), which appears in the third tier in the Quota Percentage Rate Table.

4. Calculate the commission.

The ITD commission is:  $100\% \times \$60.00 = \$60.00$ .

The commission for this transaction is the current ITD minus the previous ITD:  $\$60.00 - \$0.00 = \$60.00$ .

5. Calculate the total commission.

The ITD commission is:  $\$60.00$ .

The Period commission is:  $\$0.00 + \$60.00 = \$60.00$ .

► **To calculate the commission for FEB period:**

1. Look up the commission rate associated with the ITD achievement of 100 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 50% as determined by the achievement percentage of 66.66% (100/150), which appears in the second tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $50\% \times \$90.00 = \$45.00$ .

The Period commission is:  $\$45.00 - \$60.00 = -\$15.00$ .

► **To calculate the commission for MAR period:**

1. Look up the commission rate associated with the ITD achievement of 150 units in the Quota Percentage Rate Table: page 7 – 68.

The commission rate = 50% as determined by the achievement percentage of 50% (150/300), which appears in the second tier in the Quota Percentage Rate Table.

2. Calculate the commission.

The ITD commission is:  $50\% \times \$150.00 = \$75.00$ .

The Period commission is:  $\$75.00 - \$45.00 = \$30.00$ .





# Defining Compensation Rates

In many companies, higher levels of achievement are rewarded with higher compensation payments. Similarly, for each transaction, Oracle Sales Compensation determines compensation rates by calculating the achievement, or level of performance against a quota or revenue goal.

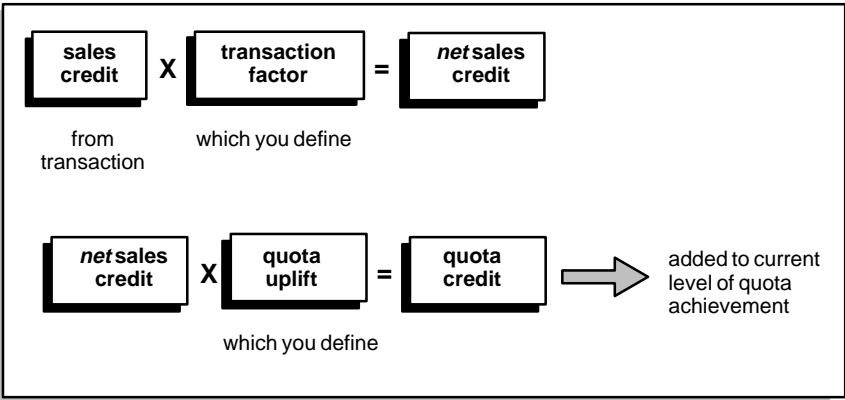
For each plan element, you define a compensation rate table, which pairs ranges of achievement in tiers, or *rate brackets*, with compensation rates, expressed as percentages or dollar amounts. In a traditional rate table, higher compensation rates are paid for higher levels of quota or revenue achievement as shown in this table:

Bracket	Achievement Level (% or \$ Amount)		Compensation Rate (% or \$ Amount)
	From %	To %	%
1	0	25	1
2	25	50	2
3	50	75	3
4	75	100	4
5	100	999	7

For each bracket in the table, Oracle Sales Compensation pays every dollar at the specified rate up to the minimum of the next bracket. The point at which achievement crosses into a new bracket is called the breakpoint. In this example for a revenue quota plan element, a rate of 1% is paid on every dollar until quota achievement reaches the 25% breakpoint.

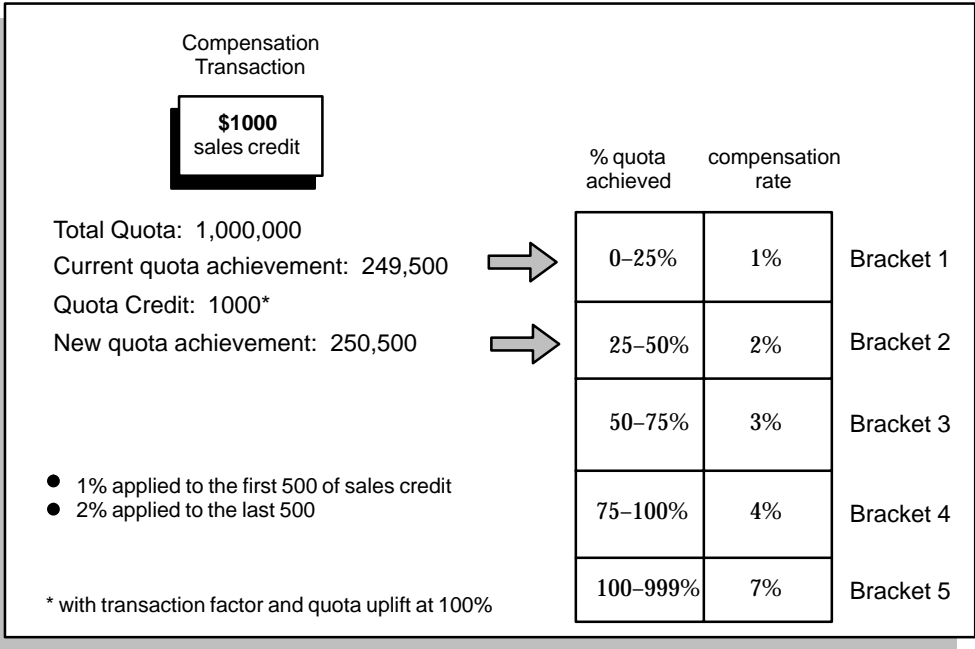
For each transaction, Oracle Sales Compensation figures the achievement by adding the quota credit from the transaction to the salesperson’s current level of achievement. Oracle Sales Compensation uses the formula shown in Figure 7 – 3 to determine the sales credit.

Figure 7 – 3 Sales Credit Formula



For each bracket in the rate table, Oracle Sales Compensation applies the rate specified until the quota achievement reaches a *breakpoint*, or the minimum of the next bracket. If the quota credit from a single compensation transaction forces the quota achievement to straddle brackets, part of the compensation for that transaction is paid at the lower rate and part at the higher, as shown in Figure 7 – 4.

Figure 7 – 4 Sample Compensation Rate Calculation



If the quota credit from a single compensation transaction forces the quota achievement to fall exactly on a boundary, compensation for that

transaction is paid at the lower rate. For example, if the quota credit of \$500 is applied in Figure 9 – 5, payment is calculated using the 1% compensation rate.

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## Defining a Compensation Rate Table

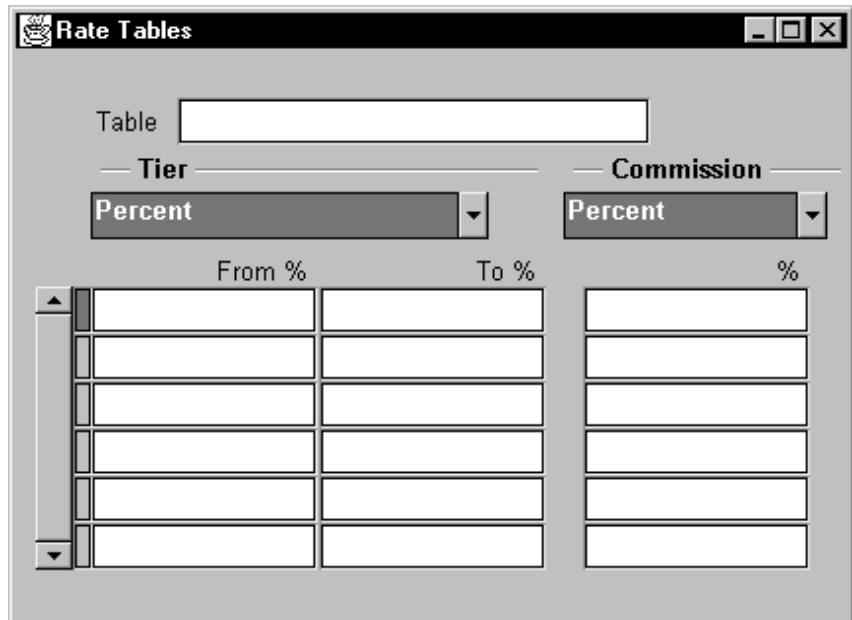
When you define a compensation rate table, you specify the amount of compensation that will be given for a transaction based on the current level of quota or revenue achievement.

Each rate table you define is stored by name as an object in the database. You can assign the same rate table to more than one plan element.

► **To define a compensation rate table:**

1. Navigate to the Rate Table window.

You can choose Rate Tables directly from the Compensation Plans menu, or choose Rate Table from the Plan Elements window.



The screenshot shows the 'Rate Tables' window. At the top, there is a 'Table' text field. Below it, there are two dropdown menus: 'Tier' and 'Commission', both currently set to 'Percent'. Below these are three columns: 'From %', 'To %', and '%'. The 'From %' and 'To %' columns are part of a table with six rows, each with a small selection icon on the left. The '%' column is a single column with six rows. All input fields are currently empty.

2. Specify the name of a new rate table.



**Suggestion:** Choose a name for your rate table that you can easily associate with the plan element the table is assigned to



and also with the plan to which it is assigned. For example, Global Computers' field software salespeople are on the DIRECT plan, which has a plan element named DIRECT PRO PC. The rate table assigned to this plan element is also called DIRECT PRO PC.

3. In the Tier region, select Percent or Amount, depending on how you want to define the range for the tier.

Select percent for Revenue quota, Unit Quota, Discount, and Margin.

Select amount for Revenue Non Quota and Unit Non Quota.

4. In the From field, enter the lower boundary of quota or revenue achievement for that bracket.

For the second bracket on, Oracle Sales Compensation automatically enters the previous To value.

For example, to enter the first rate bracket shown in Figure 7 – 5, enter 0 in this field. The From value must be greater than or equal to 0.

5. In the To field, enter the upper boundary of quota achievement for that bracket.

For example, to enter the first rate bracket shown in Figure 7 – 5, enter 25 in this field. The To value must be greater than 0.

6. In the Commission region, select Percent or Amount, depending on how you want to define the commission rate.

7. In the Commission region, enter a compensation rate as a % or \$ value for the range of quota or revenue achievement you defined in Steps 3 and 4.

Your rate can be a decimal value or a whole number, but must be greater than or equal to zero.

8. Continue to enter From, To, and Commission values for each bracket in the rate table.

You can define as many brackets as you need. Ensure all brackets in the rate table are contiguous—ensure each From value is equal to the To value of the next higher bracket.

9. Save your work.

If you started this procedure from the Plan Elements window, the table name appears in the Rate Table field of the Plan Elements window.





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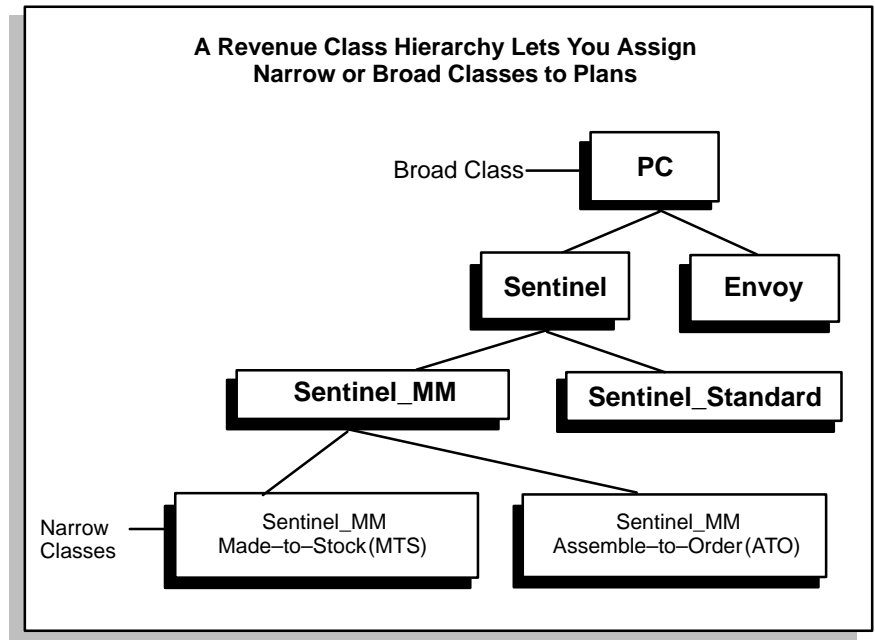
## Using Revenue Classes in Your Compensation Plans

Oracle Sales Compensation uses *revenue classes* to help determine whether each credit receiver is eligible to receive compensation on a transaction. If necessary, review Identifying Your Organizations Revenue Classes: page 3 – 9 for an explanation of how to define revenue classes that suit the sales operations of your organization, and define classification rules that help Oracle Sales Compensation determine which class each compensation transaction belongs to.

Remember from Arranging Revenue Classes into a Hierarchy: page 3 – 13 that you arrange revenue classes into a hierarchy. When matching the revenue class on a compensation transaction to a class on a salesperson's compensation plan, Oracle Sales Compensation uses this hierarchy to determine whether the class of the transaction rolls up in the hierarchy to any on the plan.

For example, in the PC revenue class, Global Computers compensates a field representative in Territory 4 only for sales of the Sentinel Multimedia PC, while compensating the Territory 4 manager for any type of PC sale (Figure 7 –5). When the Territory 4 salesperson sells a Sentinel Multimedia PC made-to-stock, Oracle Sales Compensation classifies it into the Sentinel\_MM\_Made-to-Stock class. Because this class rolls up in the revenue class hierarchy to the broader PC revenue class, Oracle Sales Compensation compensates both the Territory 4 salesperson and manager, if Global decides to roll up the sales credit (see How Does a Salesperson Hierarchy Work?: page 5 – 9 for more information on rolling sales credit up the salesperson hierarchy).

Figure 7 – 5 Narrow and Broad Classes in a Revenue Class Hierarchy



In the Plan Elements window, Global assigns the Sentinel\_MM\_MTS class (and other classes) to the field salesperson's plan and the PC (and other classes) to the territory manager's plan.



**Attention:** Because Oracle Sales Compensation uses the revenue class hierarchy to determine if the class of the transaction matches a parent class on the salesperson's plan, ensure you do not assign two classes from the same rollup chain in the hierarchy. For example, if Global assigns both the Sentinel\_MM\_MTS and the PC revenue classes to the field PC salesperson's plan elements, Oracle Sales Compensation cannot find a unique match between the revenue class on the transaction and one on the plan.

# Varying Compensation Goals or Rates by Revenue Class

All revenue classes on the same plan element share the same quota or revenue goals and compensation rate table. If revenue classes in a compensation plan have different quotas or revenue goals or are paid according to different rate tables, you must create a plan element for each revenue class that has a different quota or revenue goal or compensation rate.

For example, made-to-stock models of Global Computers' Sentinel and Envoy PCs cost less to manufacture, and thus bring the company higher profit margins (Figure 7 – 6). To promote sales in revenue classes associated with higher profit margins, Global pays both the Sentinel and the Envoy made-to-stock (MTS) revenue classes at higher compensation rates than their assemble-to-order (ATO) counterparts.

Figure 7 – 6 Using Multiple Rate Tables

Rates for Made-to-Stock (MTS) Models		Rates for Assemble-to-Order (ATO) Models	
Sentinel MTS Envoy MTS		Sentinel ATO Envoy ATO	
% quota achieved	compensation rate	% quota achieved	compensation rate
0–25%	2%	0–40%	1%
25–50%	2.4%	40–70%	1.7%
50–75%	3.2%	70–100%	3%
75–100%	4.5%		
100%+	6%		

In this scenario, Global defines two plan elements: one for the MTS revenue classes, and another for the ATO revenue classes. Global associates a different compensation rate table with each plan element.

## Assigning Revenue Classes

You assign one or more revenue classes to each element type except Draw and Margin plan element on a compensation plan.

► **To assign revenue classes to a compensation plan:**

1. Navigate to the Plan Elements window.

You choose Compensation Plan Elements directly from the Compensation Plans menu or from the Compensation Plans window.

2. Run a query to locate the plan element you want to work with.
3. Choose Revenue Classes.

The Revenue Classes window opens.

Revenue Class	Target	Payment	Quota
	0.00	100	100

4. Select revenue classes for this plan element from the list of values.

You can also type the name of the revenue class. You can enter as many revenue classes as you need. Defining Your Revenue Classes: page 3 – 11 explains how to define revenue classes to appear in this list of values.

5. Optionally, define an achievement target for the revenue class in the Target field.

An achievement target is a revenue or unit goal. Unlike the quota target for the plan element, the target amounts you define for each

revenue class do not affect compensation payment. However, you can use them for reporting salesperson performance in individual revenue classes. See *Viewing Performance*: page 11 – 7 for more information on how to use targets in reporting a salesperson's performance.

6. Optionally, define payment or quota uplifts for the revenue class in the Payment or Target field, respectively.

A payment uplift directly increases a salesperson's compensation without affecting the quota achievement, and a quota uplift (target uplift) increases a salesperson's quota credit. See *Defining Sales Incentives*: page 7 – 99 for more information on how to use the payment and quota uplift sales incentives.

7. For each revenue class you assign, specify transaction factors to control allocation of sales credit across various types of transactions. See *Distributing Compensation Across Transactions*: page 7 – 105 for more information on how to use transaction factors.
8. Save your work.



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## Defining Sales Incentives

Some companies promote growth in certain product lines by providing incentives to salespeople. For each revenue class, you can define sales incentive factors—called *uplifts*—for individual revenue classes. You can define two types of uplifts:

- A *quota uplift*, which increases a salesperson's quota credit
- A *payment uplift*, which directly increases a salesperson's compensation without affecting the quota achievement

---

### Quota Uplifts

In Oracle Sales Compensation, you can define a quota uplift to apply more or less credit toward the quota achievement than the salesperson has earned from a compensation transaction. Oracle Sales Compensation multiplies the quota uplift—a percentage factor—by the net sales credit, resulting in additional quota credit applied to a salesperson's current quota achievement.

Remember that Oracle Sales Compensation uses quota achievement to determine which compensation rate to use; thus, a quota uplift enables a salesperson to reach higher levels of quota achievement more quickly, resulting in higher compensation payments.

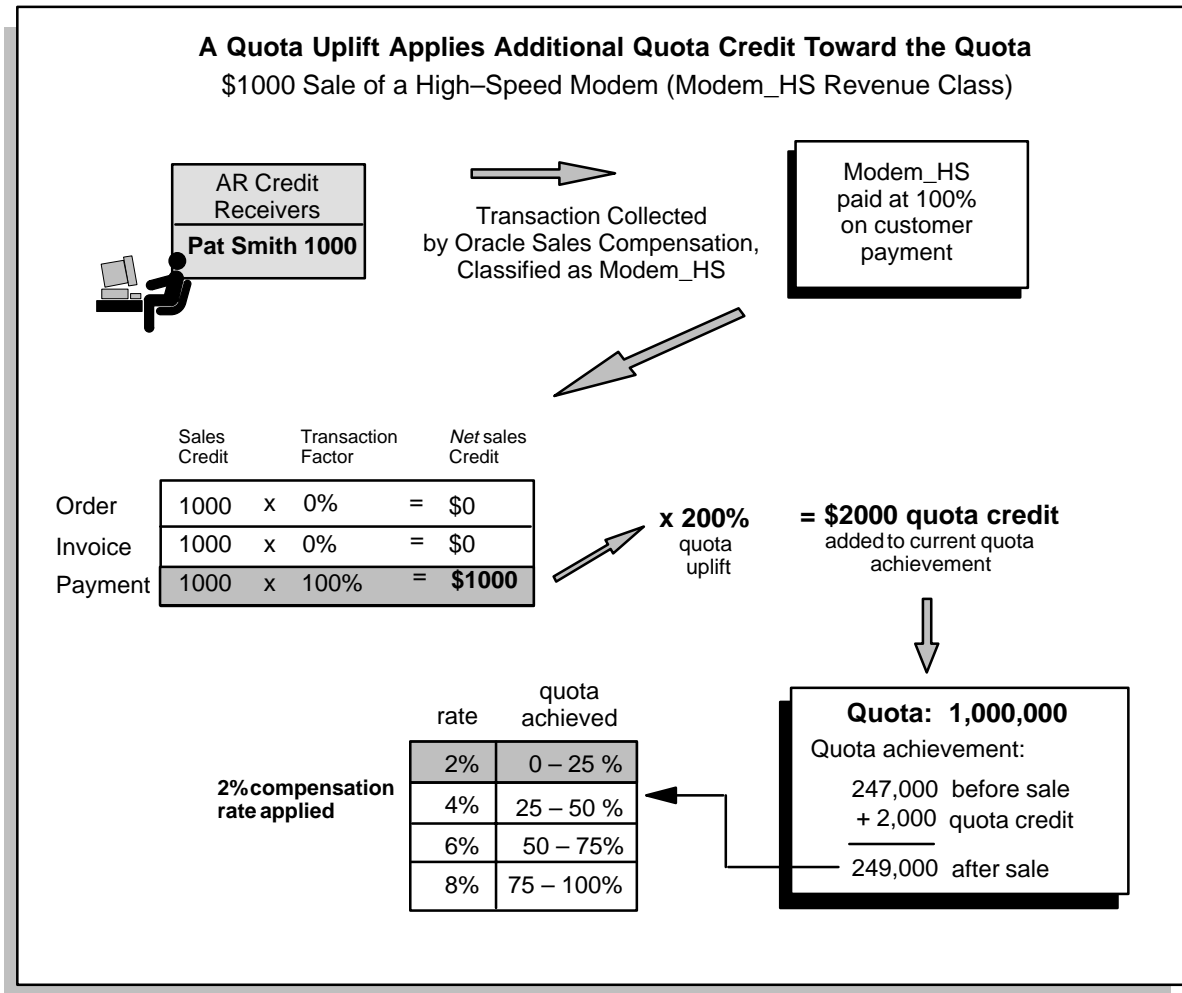
For example, to promote growth in a new line of high-speed modems, Global Computers defines a revenue class called `Modem_HS`, and assigns a quota uplift of 200% to that class on the compensation plans of field salespeople. When a Global field salesperson sells any modem that classifies into the `Modem_HS` revenue class, Oracle Sales Compensation applies double the amount of quota credit toward quota achievement.

Figure 7 – 7 shows the 200% quota uplift in the context of other elements defined for the plan element Global assigns to the plans of field salespeople. This plan element:

- Is a quota based plan element
- Has one revenue class, `Modem_HS`, which awards 100% of the sales credit upon customer payment
- Has a \$1 million quota for high-speed modem sales
- Has a quota uplift of 200%
- Has a rate table with four brackets that pay a minimum of 2% to a maximum of 8%

The scenario shown in Figure 7 – 7 shows how the 200% quota uplift affects compensation from a \$1000 sale of a high-speed modem, made by Pat Smith.

Figure 7 – 7 A Quota Uplift



If you choose not to define a quota uplift, the uplift defaults to 100%, applying 100% of the net sales credit toward quota achievement.

---

## Defining a Quota Uplift

Define a quota uplift to increase the quota credit applied toward current quota achievement.

► **To define a quota uplift:**

1. Open the Plan Elements window, select a plan element and choose Revenue Classes.

The Revenue Classes window opens.

2. In the Target field under Uplift %, enter the quota uplift next to the revenue class for which you want to define the uplift.

(For more information on assigning revenue classes to a plan element, see Assigning Revenue Classes: page 7 – 97.)

When you enter the uplift ensure that:

- The value you enter is greater than or equal to zero
- You enter a value greater than 100 to provide a quota-credit incentive for the revenue class. If you define a quota uplift of less than 100%, Oracle Sales Compensation applies *less quota credit* to current quota achievement than the salesperson earned from the transaction.

For example, for its Modem\_HS revenue class, Global enters 200 for the quota uplift, resulting in 200% quota credit.

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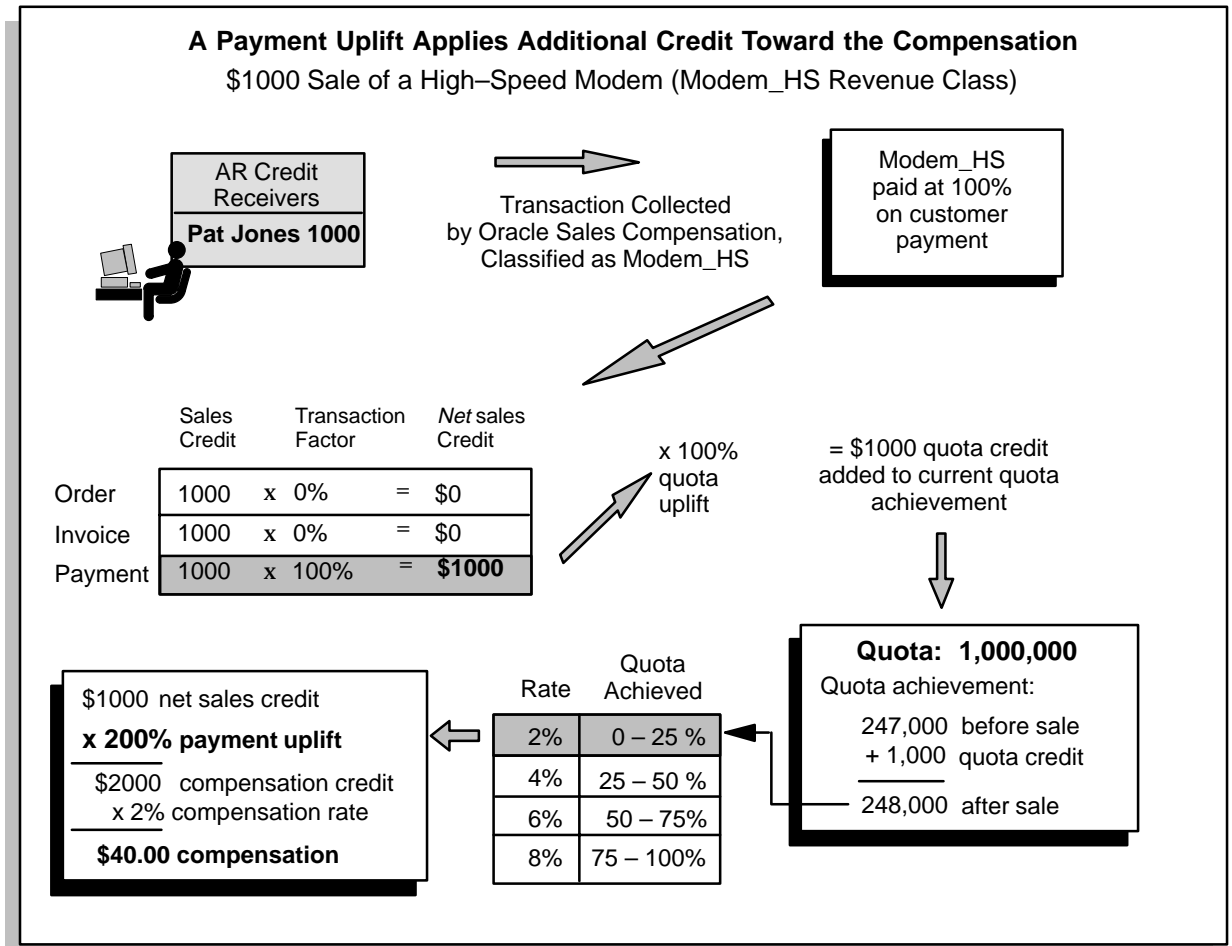
## Payment Uplifts

When you need to provide an incentive without affecting a salesperson's quota achievement, you can define a payment uplift. The payment uplift is a percentage factor multiplied against the net sales credit, resulting in compensation credit. Oracle Sales Compensation then applies the compensation rate to this compensation credit to figure the compensation. Thus, a payment uplift results in a higher compensation but no higher quota achievement.

For example, suppose that Global wants to promote growth of high speed modems (the Modem\_HS) revenue class without affecting quota achievement. Figure 7 – 8 shows the same scenario as Figure 7 – 7—a \$1000 sale of a high-speed modem—but with a 200% payment uplift rather than a quota uplift:

Payment uplifts are only used when the Apply Txn type set to Individually. Since they apply to each individual revenue class, they have no meaning if the Apply Txn type set to Group by Interval because the transaction are grouped across all revenue classes.

Figure 7 – 8 A Payment Uplift



If you choose not to define a payment uplift, the uplift defaults to 100%, resulting in 100% of the net sales credit applied toward the compensation credit.

---

## Defining a Payment Uplift

Define a payment uplift to increase the compensation payment but not quota achievement.

► **To define a payment uplift:**

1. Open the Plan Elements window, select a plan element and choose Revenue Classes.

The Revenue Classes window opens.

2. In the Payment field under Uplift %, enter the payment uplift next to the revenue class for which you want to define the uplift.

(For more information on assigning revenue classes to a plan element, see *Assigning Revenue Classes*: page 7 – 97.)

When you enter the uplift ensure that:

- The value you enter is greater than or equal to zero
- You enter a value greater than 100 to provide a compensation-credit incentive for the revenue class. If you define a compensation uplift of less than 100%, Oracle Sales Compensation applies the compensation rate to *less compensation credit* than the salesperson earned from the transaction.

For example, for its Modem\_HS revenue class, Global enters 200 for the payment uplift, resulting in double the compensation credit.

---

## Distributing Compensation Across Transactions

Defining Your Data Sources: page 4 – 6 explains how to choose the source transactions—the orders, invoices, or customer payments—on which you want to base your compensation payments. For each revenue class assigned to a plan element, you need to specify how much of the compensation you want Oracle Sales Compensation to award for each type of transaction you collect.

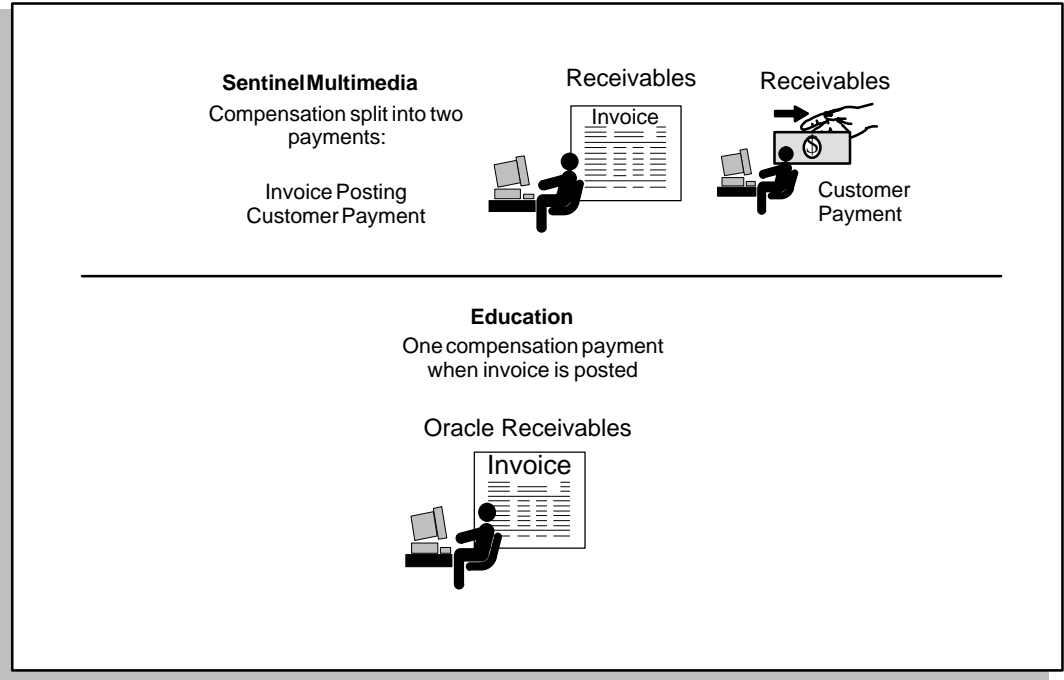
Each sale corresponds to one or more Oracle Sales Compensation transactions, depending on when during the life of the sale your organization pays compensation. Oracle Sales Compensation provides the order, invoice, payment, and other transaction types to choose from.

For example, for some revenue classes, Global Computers stages the compensation payment across the life of the sale, while compensation for other classes is paid all at one time (Figure 7 – 9):

- Global Computers has just developed a new model of the Sentinel PC, the Sentinel Multimedia. To promote sales of the new model, Global pays 60% of the total compensation payment when the order is booked, 20% when the invoice is sent to the customer, and the remaining 20% when the customer pays the invoice.
- For standard PC models, Global pays all compensation when the invoice is posted.
- For education and training, Global pays all compensation upon receipt of payment for the training, before the customer takes a class.

Thus, each sale corresponds to one or more compensation transactions, depending on the revenue class of the transaction.

Figure 7 – 9 Compensation Split by Transaction Type



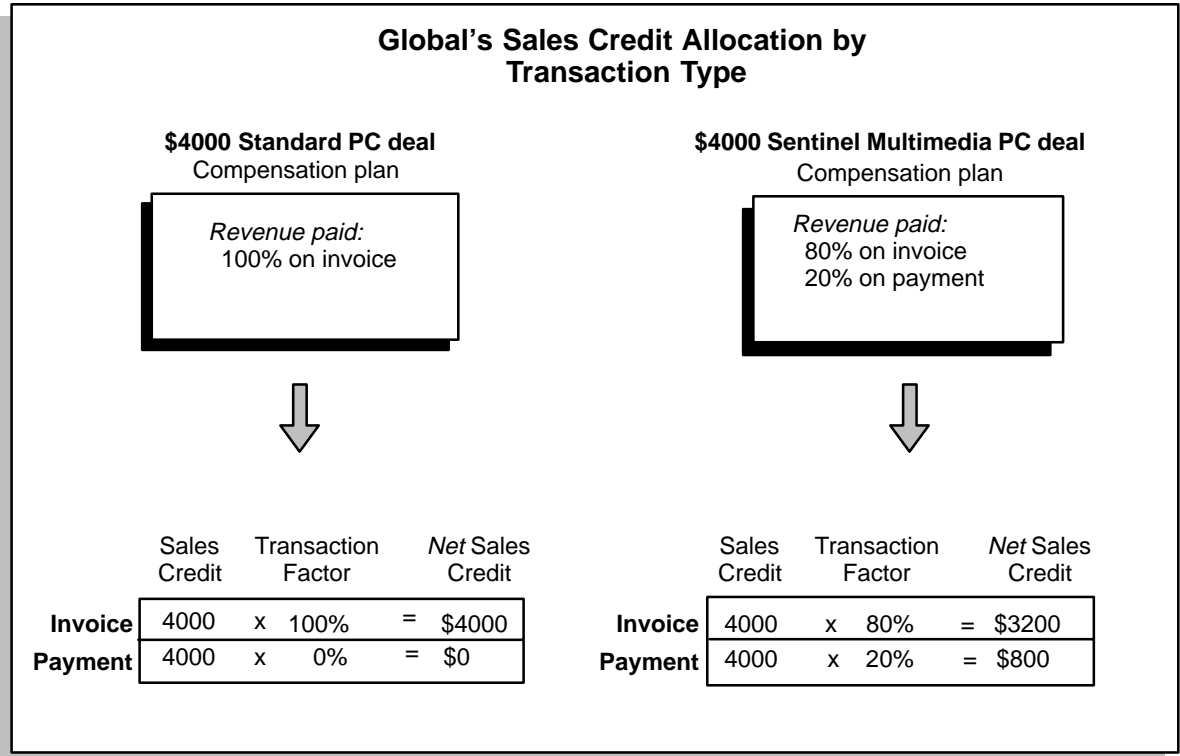
For each revenue class, you define transaction factors or multipliers on sales credit, for each type of transaction relevant to that class. Transaction factors help you stage net sales credit over the life of a sale, assigning percentages of the transaction amount to the events that are important to your sales organization. In addition to the two key transaction factors *invoice* and *customer payment*, Oracle Sales Compensation provides other transaction factors such as credit memos to control the amount of sales credit depending on transaction type.

When calculating the compensation payment, Oracle Sales Compensation multiplies the sales credit by the transaction factor you defined for that transaction type, resulting in *net sales credit* for the compensation transaction. Oracle Sales Compensation then multiplies the net sales credit by a quota uplift (if you defined one), as explained in Quota Uplifts: page 7 – 99.

For example, for the Sentinel Multimedia PC revenue class, Global defines a 60% transaction factor for orders, 20% for invoice, and 20% for payment (Figure 7 – 10). For the Standard PC revenue class, Global defines a 100% transaction factor for the invoice transaction type:



Figure 7 – 10 Allocating Sales Credit by Transaction Factors



## Assigning Transaction Factors

► **To define transaction factors, follow these steps:**

1. Open the Plan Elements window, select a plan element and choose Revenue Classes.
2. Select the revenue class for which you want to distribute sales credit, and choose Transaction Factors.

The Transaction Factors window is displayed.

Transaction Factors

Element

Revenue Class

**Key Factors**

Transaction Type	Factor %
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

**Other Factors**

Transaction Type	Factor %
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

3. In the Key Transaction Factors region, select the transaction type for which you want to define a transaction factor.

Only transaction types you chose to collect appear in the list of other transaction type values. If no list of values is available or if the list does not include the transaction type you need, see *Defining Your Data Sources*: page 4 – 6 for information on how to identify the types of transactions you want Oracle Sales Compensation to collect.

Key transaction types (in the Key Factors region of the window) include:

*Invoice:* The invoice is processed when posted in Oracle General Ledger

*Payment:* Payment is received in Oracle Receivables

Other transaction types (in the Other Factors region of the window) include:

*Clawback:* When the invoice due date grace period is exceeded, Oracle Sales Compensation automatically takes back the amount of compensation credited for this sale.

*Credit Memo:* An invoice is fully or partially reversed and posted in Oracle General Ledger.

*Giveback:* A payment is received for a clawback.

*Manual Adjustment:* An adjustment is made in Oracle Sales Compensation.

*Write-off:* A sale is written off the books for a variety of reasons when posted in Oracle General Ledger.

For all crediting transactions such as clawbacks and givebacks, Oracle Sales Compensation creates a new transaction for a negative amount of the sales credit.



- Attention:** When you choose a particular transaction factor, you're specifying to Oracle Sales Compensation that you want to pay compensation based on the state of the compensation system at the time that transaction occurred. For example, if Global chooses to pay hardware 50% on order and 50% on invoice, one compensation payment is made based on the plan elements on the date of the order and the remaining payment is made based on plan elements on the date the invoice is posted.
4. In the Factor % field, enter the percentage of sales credit you want to allocate for each transaction type.
- Each factor you enter must be greater than or equal to zero. Key Factors should total 100%. Invoice defaults to 100%; Payment defaults to 0%. All Other Factors default to 100%.

For those transactions you are collecting, you can assign a 0% payment if it does not apply to this specific compensation plan.

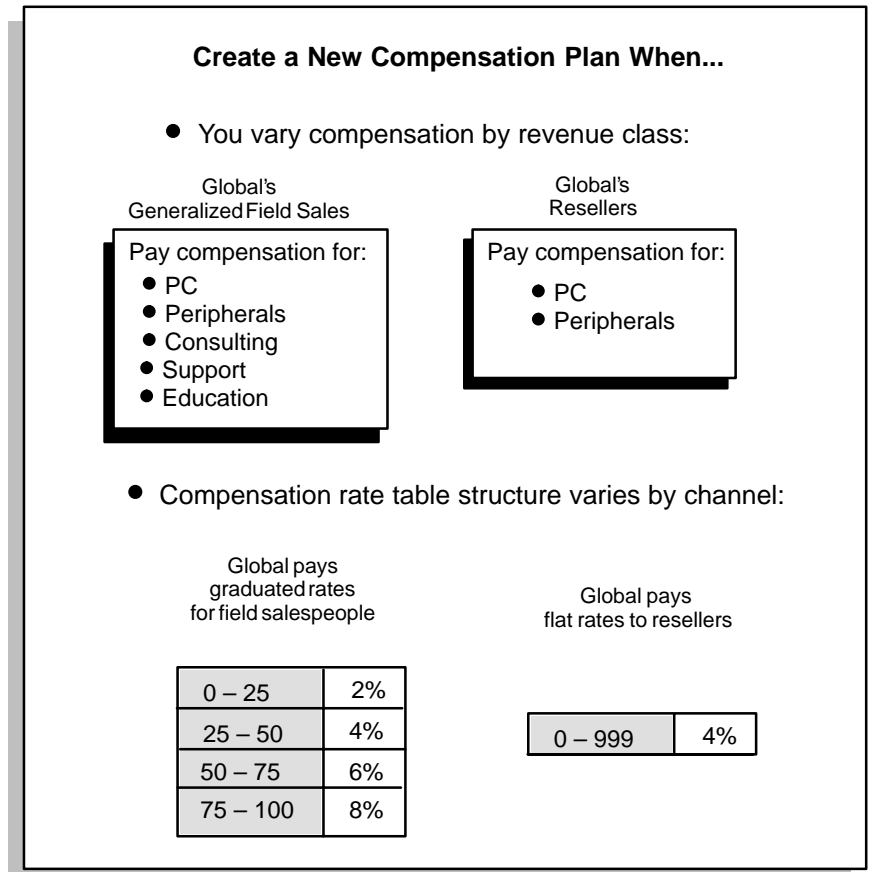
**Note:** Transactions are collected after you define mappings for them. See Overview of the Oracle Receivables Transaction Data Collection Process: page 4 – 15 for more information on transaction data collection.

## How Many Plans Should I Create?

If your compensation plans do not already exist in some form, create a new compensation plan when you vary compensation to salespeople by revenue class, or when the quota achievement levels defined in the brackets of the rate table vary.

For example, Global Computers' resellers and ISVs are compensated only for selling the company's PC models and associated peripherals, while Global's generalized field salespeople sell PCs, peripherals, consulting, and a variety of other services (Figure 7 – 11). Global creates one plan for resellers, which includes the PC and Peripherals revenue classes. The company creates a second plan for its generalized field sales force:

Figure 7 – 11 Reasons to Create a New Compensation Plan



Oracle Sales Compensation lets you change the quota or the compensation rates when you assign a plan to a salesperson. Thus, salespeople whose compensation elements are the same except for the quota or compensation rates can be assigned to the same plan. For more information on assigning a plan to a salesperson, see *Assigning a Plan to a Salesperson*: page 7 – 113.



**Suggestion:** As you build a variety of plans for your sales force, remember that you can assign a rate table to more than one plan element, and you can assign a plan element to more than one compensation plan. Assigning the same object twice can save you work.

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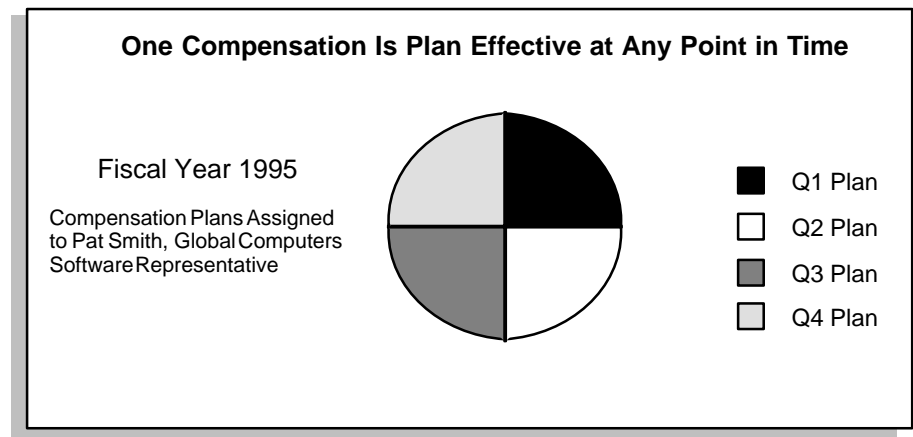
## Assigning a Plan to a Salesperson

In a sales organization that has highly varied tasks, much overhead is required to create a different compensation plan for every salesperson. To avoid overhead costs associated with maintaining a large number of plans, Oracle Sales Compensation lets you create a set of compensation plans that target general compensation needs for most of your sales force, then adjust individual quotas and compensation rates when you assign the plan to a salesperson.

Oracle Sales Compensation uses the plan assignment to determine whether a salesperson is eligible to be paid and if so, uses the plan to calculate the compensation. Because the assigned compensation plan is the basis for the compensation calculation, you can only assign one plan to a salesperson for a given period of time.

For example, a Global Computers, Inc. field PC salesperson has four different compensation plans during the 1994 fiscal year (Figure 7–12). However, each plan is effective for only one quarter and one plan does not overlap with the next.

**Figure 7 – 12 One Compensation Plan at a Time**



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## Assigning a Compensation Plan

For Oracle Sales Compensation to calculate compensation for a salesperson, you need to assign a compensation plan to the representative.

- **To assign a compensation plan:**
  1. Open the Salespeople window.

By default, choose Salespeople Workbench from the Salespeople menu.

The screenshot shows a window titled "Salespeople". Inside, there is a table with the following columns: Name, Number, Active From, Active To, Assigned To, and Home Cost Center. The table has several empty rows. Below the table, there are two buttons: "Plan Assignments" and "Subledger".

2. Select the salesperson to whom you want to assign a compensation plan.

You can run a query to locate the salesperson.

3. Choose Plan Assignments.

The Plan Assignments window opens.

The screenshot shows a window titled "Plan Assignments - [New]". It is divided into several sections:

- Compensation Plan:** Fields for Name, Status, From, and To.
- Assignment Periods:** Fields for From and To.
- Plan Elements:** A table with columns: Element Name, Custom, Quota, and Draw/Payment. There are three rows in this table.
- Options:** Fields for Type, Interval, Discount Option, and checkboxes for Split and Interval To Date.
- Buttons:** "Discount Rate Table", "Rate Table", "Revenue Classes", and "PARAMETER.PERIOD\_TARGETS".



4. In the Compensation Plan region, select the compensation plan you want to assign from a list of values, or enter the name directly if you know it.

All compensation plans you have created appear in this list of values, whether or not their status is *Complete*.

5. In the Assignment Periods region, choose the periods during which the plan will be effective for this salesperson.

Choose the From and To assignment periods from a list of values. This list of values displays only those periods for which the plan is effective. For example, if the plan is effective from JAN-95 to DEC-95, the From and To period values must fall within this range.

The plan assignment becomes effective on the start date of the From period and becomes ineffective at the end of the day on the date of the To period.

6. Check the Custom check box to indicate if this plan can be customized for a salesperson. (It is checked by default when a plan is assigned.)

If you do not check the Custom check box, then the salesperson's plan is not customizable to allow for changes in the rate table, targets, and payment and draw amounts. Since salespeople are often at different levels of quotas and rates, it is a good idea to check this check box to allow flexibility in compensation plans.

Quotas, draws, payment targets, and rates for individual sales will not be affected if the Custom check box is checked.

7. Save your work.

The Plan Assignments form displays the plan elements assigned to this salesperson.





---

## Customizing Compensation for a Salesperson

You can customize the Quota and Payment fields and draw amounts for an individual salesperson for each plan element in the compensation plan in the Plan Assignment window. In the Revenue Class window, you can customize the target for each revenue class. In the Period Target window, you can customize the period targets and the payment amount for each period.

When customizing compensation rates in the Rate Table window, you can change the rates but not the tiers.

---

## Customizing the Target Quota or Payment Amounts

► **To customize the target quota and payment rates for a salesperson:**

1. Open the Salespeople window, select the salesperson you want to customize, then choose Plan Assignments.

The Plan Assignments window opens.

In the Compensation Plan region, the Name field displays the compensation plan assigned to the salesperson. The Plan Elements region displays the plan elements assigned to the compensation plan you select, along with the target quota and payment amounts for each plan element.

2. Check the Custom check box next to the name of the plan element for which you want to customize the quota or compensation rates.

If you leave the Custom check box unchecked for a plan element, any changes you make to the quota or rates for that plan element are inherited by the salesperson.

3. In the Target field under the Plan Element region, type over the amount to specify the new target quota for this salesperson.
4. Choose the Rate Table button to view and modify the individual compensation rates associated with the brackets in the rate table for the selected plan element.

The Rate Table window for this plan element for this salesperson opens.

You cannot change the brackets—the ranges of quota or revenue achievement—associated with the compensation rates on the Rate Table window. *Changing a Compensation Plan: page 7 – 123* explains how to change the brackets in a rate table.



**Attention:** Although you can customize the rates for individual salespeople, those representatives automatically inherit all changes made to other aspects of the compensation plan itself. For example, if you customize compensation rates for a salesperson and then delete a bracket in the rate table assigned to that compensation plan, Oracle Sales Compensation defaults the rates to those in the new rate table.

5. Save your work.

Oracle Sales Compensation lets you change plan assignments at any time as your sales force grows and changes. If you need to recalculate past compensation payments based on the new plan, you can choose to make the plan changes retroactive.

## Defining Period Targets for Each Salesperson

► To define the period targets for a salesperson:

1. Open the Salespeople window, select the salesperson you want to define; then choose Plan Assignments.

The Plan Assignments window opens.

2. Check the Custom check box next to the name of the plan element for which you want to customize the period targets.
3. Choose Period Targets to define period targets for each period in the plan assignment period.

The Period Targets window for this plan element for this salesperson opens.

Period Targets - Barry Lewis

Plan: FY97 SalesRep Plan II

Element: All Hardware

Period: [Dropdown]

	Period	Quarter	Target Amount	Interval To Date	Payment Amount	Interval To Date
▲	Jan-97	1	0.00			
	Feb-97	1	0.00			
	Mar-97	1	0.00			
	Apr-97	2	0.00			
	May-97	2	0.00			
	Jun-97	2	0.00			
	Jul-97	3	0.00			
	Aug-97	3	0.00			
	Sep-97	3	0.00			
▼	Oct-97	4	0.00			

Distribute Target      Save / Refresh

4. Specify the target/quota for each period.

This lets you weigh the targets for periods when you expect higher or lower sales.

**Note:** The period targets affect compensation calculation only when a plan element has the ITD check box checked.

5. Choose Distribute Target to distribute your targets for the pay period. For example, if a quarterly plan assignment is \$9,000.00, then selecting this button causes an even distribution of \$3,000.00 for each month in the quarter.
6. Save your work.

Oracle Sales Compensation lets you change plan assignments at any time as your sales force grows and changes. If you need to recalculate past compensation payments based on the new plan, you can choose to make the plan changes retroactive.

**Note:** In the case of plan elements with the ITD check box checked, the period quota is used to calculate the commission. However, in plan elements with the ITD check box unchecked, the quota in the Plan Assignment window is used to calculate the commission.

---

## Customizing Revenue Class Targets

► **To customize the revenue class quota targets for a salesperson:**

1. Open the Salespeople window, select the salesperson you want to customize, then choose Plan Assignments.

The Plan Assignments window opens.

2. In the Plan Elements region, select the plan element you want to modify, then choose the Revenue Classes button to view and modify the targets for the individual revenue classes.

The revenue class targets are used for reporting and tracking purposes only and do not affect compensation payment.

3. Save your work.

Oracle Sales Compensation lets you change plan assignments at any time as your sales force grows and changes. If you need to recalculate past compensation payments based on the new plan, you can choose to make the plan changes retroactive.

---

## Customizing Draws

You can customize the total draw amount and the draw amount per period.

► **To customize the draw for a salesperson:**

1. Open the Salespeople window, select the salesperson you want to customize, then choose Plan Assignments.

The Plan Assignments window opens.

2. In the Plan Elements region, select the draw plan element you want to customize and check the Custom check box.
3. Optionally, modify the draw amount.

The draw amount sets the draw payment for each interval that the plan element is defined.

4. Optionally, choose the Period Targets button to modify the draws you want to pay each period.

You modify the period targets to define the draw schedule (that is, the draws by period).

5. Save your work.

Oracle Sales Compensation lets you change plan assignments at any time as your sales force grows and changes. If you need to recalculate past compensation payments based on the new plan, you can choose to make the plan changes retroactive.



---

## Viewing All Salespeople Assigned to a Plan

You can view all salespeople assigned to a plan. You may want to do this prior to changing a plan, since a change to a compensation plan could impact several salespeople depending upon whether or not they have synchronized plans.

► **To view all salespeople assigned to a plan:**

1. Open the Compensation Plans window, then run a query to display the compensation plan you want to work with.

The screenshot shows a window titled "Compensation Plans". It contains the following fields and controls:

- Name:** A text input field.
- Active Periods:** Two text input fields separated by a hyphen.
- Description:** A text input field.
- Status:** A dropdown menu currently showing "Incomplete".
- Allow Revenue Class Overlap:** A checkbox.
- Buttons:** "Validate" and "View Salespeople".
- Plan Elements:** A section header above a list box containing four empty text input fields.
- Element Details:** A button at the bottom right.

2. Choose View Salespeople.

The View Salespeople Assignments window opens, displaying all salespeople currently assigned to this plan.

The screenshot shows a window titled "View Salespeople Assignments". Inside the window, there is a section labeled "Active Periods" which contains a table. The table has four columns: "Name", "Salesrep Num", "From", and "To". The table is currently empty, with eight rows visible. To the left of the table, there is a vertical scrollbar and a list of small, unlabeled icons or buttons.

Name	Salesrep Num	From	To

The From and To fields together show the active assignment period for each salesperson.

---

## Changing a Compensation Plan

The mix of salary, compensation, and uplifts to accomplish business objectives might change frequently in a rapidly changing sales environment. For this reason, Oracle Sales Compensation lets you change or restructure any aspect of a compensation plan.

Because you can assign the same plan to many salespeople, however, ensure you are aware of how the changes you are making will impact individual salespeople. See *Viewing All Salespeople Assigned to a Plan*: page 7 – 121 for information on viewing all salespeople assigned to a plan before you change it.

When you change a compensation plan, Oracle Sales Compensation propagates all changes to salespeople assigned to the plans. For customized plans, Oracle Sales Compensation propagates all changes except changes to the quota or payment rates (unless the change in rates is accompanied by changes to brackets).



**Warning:** Before you change a rate table, check which plan elements the table is assigned to. Any changes you make are propagated to all plan elements to which that rate table is assigned, and thus to any salespeople on any of the compensation plans that use those plan elements.

Similarly, before you change a plan element, check which compensation plans that plan element is assigned to. Any changes you make are propagated to all plans to which those plan elements are assigned, and thus to any salespeople that use those plans.

When you change compensation plans and plan assignments, keep these rules regarding time intervals in mind:

- Compensation plans and plan elements can have overlapping or non-overlapping intervals.
- A compensation plan assigned to a salesperson must be within the salesperson's interval.
- A compensation plan assigned to a salesperson must be within the compensation plan interval.



**Attention:** Oracle Sales Compensation does not allow you to make a period change that excludes a salesperson currently assigned to the plan. For example, suppose that Global's *Field\_PC\_Rep* plan has a period of FY '95, with some salespeople assigned to the plan for the full year. Global cannot narrow the period without first narrowing the assignment periods of the salespeople on that plan.

---

## Changing a Plan Element

You can change any part of a plan element before it is assigned to a salesperson. Any changes you make are propagated to all plans to which those plan elements are assigned, and thus to any salespeople that use those plans.



**Attention:** Once a compensation plan has been assigned to a salesperson, you cannot change the plan's plan element time interval. If you have assigned the plan and you want to change the interval for a plan element, you must remove the plan assignment, change the plan element's interval, then reassign the compensation plan.

When you change the quota or compensation rates on a plan element, these changes are propagated to all salespeople who do not have custom plans. For more information on customizing quota and rates when you assign the plan, see Customizing Compensation for a Salesperson: page 7 – 116.

---

## Changing a Rate Table

You can change both the brackets and rates for a rate table. Any changes you make are propagated to all plan elements to which those rate tables are assigned, and thus to any salespeople that use plans containing those plan elements.



**Attention:** If you change the levels of quota achievement in a bracket, or add or delete a bracket in a rate table, Oracle Sales Compensation propagates those changes to all salespeople, regardless of whether their plans have custom quotas or rates. For more information on custom quotas and rates, see Customizing Compensation for a Salesperson: page 7 – 116.

# Entering Manual Transactions

**T**his chapter explains how to:

- Understand how Oracle Sales Compensation processes manual transactions
- Enter a manual transaction
- Preview how the manual transaction impacts the salesperson's compensation payments
- Calculate a manual transaction batch
- Reverse the effects of a manual transaction
- Query manual transaction information

The following topics are included:

- About Manual Transaction Processing: page 8 – 3
- Rolling Up Manual Transactions: page 8 – 12
- Calculating a Manual Transaction Batch: page 8 – 14
- Querying a Manual Transaction: page 8 – 17

The following topics are included:

- Creating a Transaction Batch: page 8 – 7
- Entering a Manual Transaction: page 8 – 9
- Deleting a Manual Transaction: page 8 – 16

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## About Manual Transaction Processing

If you find errors in sales credit assignments before you have collected the compensation transaction based on the order or invoice in which the error was made, it is best to change the order or invoice itself. When you adjust sales credits this way, Oracle Sales Compensation automatically receives the correct information through standard transaction collection from Oracle Receivables.

**Note:** For more information about how to make changes to a posted invoice, see the *Oracle Receivables Reference*.

If you have already collected the compensation transactions associated with the order or invoice in which sales credit errors were made, you can use Oracle Sales Compensation's manual transactions to properly reallocate sales credit. You can adjust sales credits for orders or invoices at any time, regardless of whether compensation has already been calculated based on incorrect sales credits.

With manual transactions you can create new transactions to:

- Correct sales credit assignment
- Make new credit assignments

Using the Transactions window, you can enter as many manual transactions as necessary. Each transaction line assigns a positive or negative amount of sales credit to a given salesperson. Oracle Sales Compensation uses the information in the transaction line to calculate a compensation payment for the manual transaction.

You enter manual transactions in a batch of one or more transactions. You select the batch, then open the Transactions window which lists all transactions in the batch. You use this window to add, modify, and delete manual transactions. See *Entering a Manual Transaction*: page 8 – 9 for information on how to perform this task.

Because financial organizations from company to company might handle manual transactions differently, you can customize the Transactions window to include the information your organization requires to make a manual transaction. For more information on customizing this window, see *Customizing the Transactions Form*: page 6 – 4.

You also have the option to delete a manual transaction at any time.

As a result of processing a transaction, Oracle Sales Compensation assigns it a status (Figure 8 – 1). The current status of each manual transaction, displayed in the Status field of the Transaction Batches window, can be one of the following:

- Unprocessed

The transaction has not yet been processed by Oracle Sales Compensation.

- Classified

The transaction was successfully classified. Using the classification rules you defined, Oracle Sales Compensation was able to determine a unique revenue class for this transaction.

- Failed Classification

Classification of this transaction failed. Make sure that a) you have defined classification rules, and b) you have synchronized the revenue classification rules (see Defining Revenue Classification Rules: page 3 – 37).

- Rolled Up

After classification, Oracle Sales Compensation runs a process to determine all salespeople who should receive credit for this transaction based on a) the rollup period, and b) the salesperson hierarchy effective for that period. For every credit receiver, Oracle Sales Compensation creates a new manual transaction in the Rolled Up mode.

- Failed Rollup

The transaction rollup failed.

- Populated

The transaction has matched the compensation plans or plan elements for the credited salespeople.

- Failed Populated

The transaction did not match the quota rules for the credited salesperson.

- Calculated

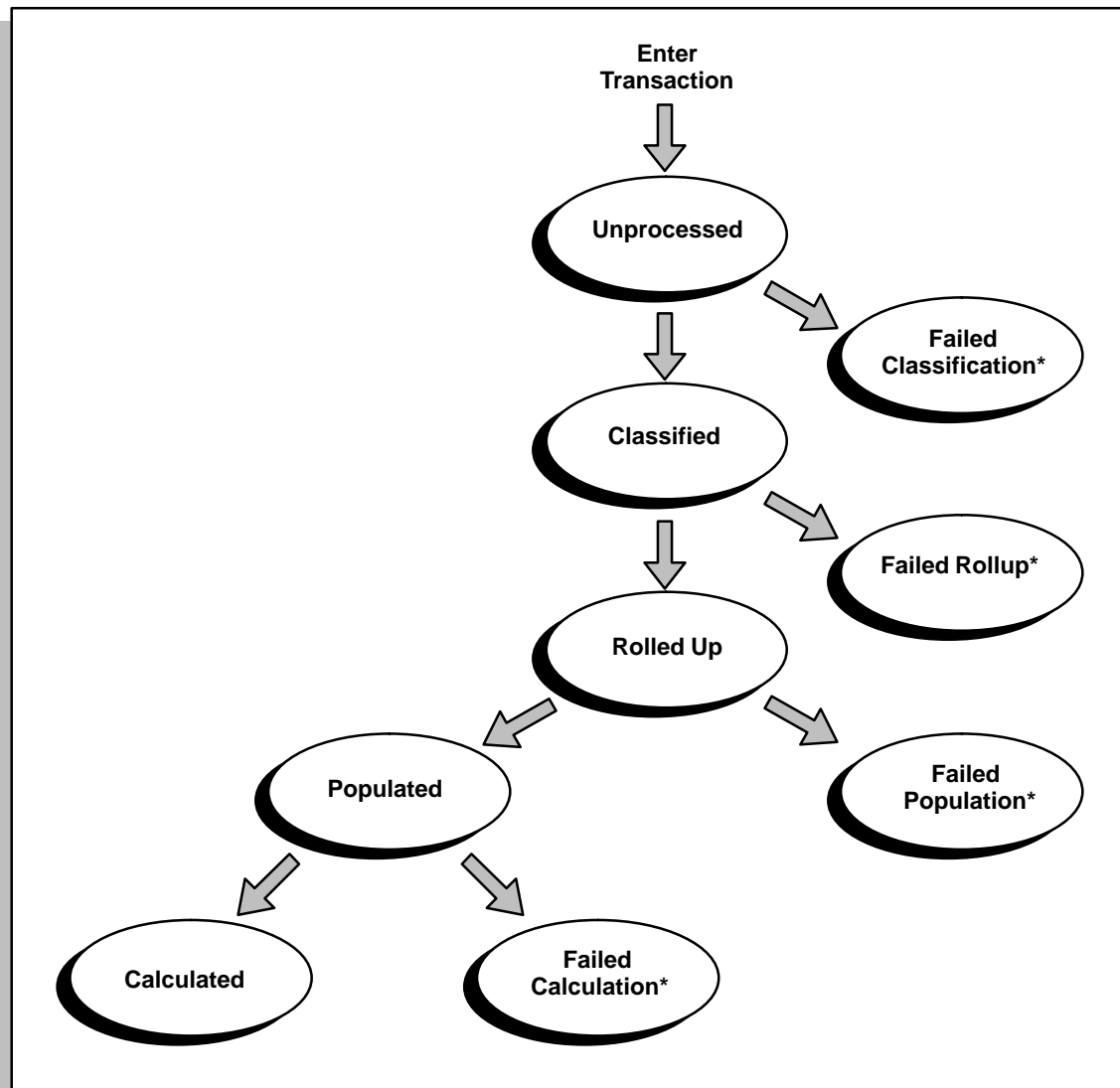
Credit for the transaction has been totalled, compared against the rate tiers, the final amount has been calculated, and the commission due amount is updated on the subledger.

- Failed Calculation

The transaction failed to be calculated.



**Figure 8 – 1 Entering a Manual Transaction**



After you choose Calculate, Oracle Sales Compensation gives you the number of the calculation process. You can obtain more information about a transaction using the Process Log feature. See Viewing Compensation Process Statistics: page 9 – 10.

**Caution:** You cannot calculate only one transaction at a time. When you calculate, Oracle Sales Compensation may process all transactions for all open periods for the salesperson, and all salespeople in the credit chain in the salesperson hierarchy.

## Creating a Transaction Batch

You use the Transaction Batches window to enter, view, modify, or validate manual transactions. All batches of transactions, both those collected by Oracle Sales Compensation and those entered manually are displayed.

► **To manually enter a transaction batch:**

1. Navigate to the Transaction Batches window.

By default, choose Maintain Transactions from the Salespeople menu.

The screenshot shows a window titled "Transaction Batches". Inside, there is a table with the following structure:

Batch		Created	
Name	Type	Date	By User
	User Defined	27-JAN-1998	

At the bottom right of the window is a button labeled "Transactions".

2. Enter the information about this transaction.

**Name:** The name of the transaction batch. Enter a name that is descriptive of the transactions in this batch. For collected batches, this name is entered by Oracle Sales Compensation.

**Type:** The source of the transaction batch—either user-defined or collected via the API.

**Date:** The date this transaction batch was created, either automatically by Oracle Sales Compensation, or manually.

**By User:** Defaults to the userid of the person creating the batch.

3. Select a transaction batch, then choose the Transaction button to view, add, modify, or delete transactions in this batch. See *Entering a Manual Transaction*: page 8 – 9.
4. Save your work.

## Entering a Manual Transaction

Entering a manual transaction involves selecting a transaction batch, then opening the Transactions window. The Transactions window displays the individual transactions processed by Oracle Sales Compensation. You use the Transactions window to enter, view, modify, or reverse transactions. All transactions, both those collected by Oracle Sales Compensation and those entered manually are displayed.

Oracle Sales Compensation uses the information in each manual transaction line to calculate a compensation payment based on the amount of sales credit you assign. When you save the transaction, Oracle Sales Compensation automatically assigns a transaction number to each manual transaction.

► **To manually enter a transaction:**

1. Navigate to the Transactions window.

By default, choose Maintain Transactions from the Salespeople menu, select a transaction batch, then choose Transactions.

The transactions in the batch you selected are displayed in the Transactions window.

The screenshot shows a window titled "Transactions - [New]". Inside the window is a table with the following columns: Transaction, Type, Status, Salesperson Name, Salesrep Num, Processed Date, and Functions. The first row of the table is pre-filled with the values "Manual Adjust" in the Type column and "Unprocessed" in the Status column. The other columns in the first row are empty. There are several empty rows below the first one. The window has a standard Windows-style title bar and a scroll bar at the bottom.

Transaction	Type	Status	Salesperson Name	Salesrep Num	Processed Date	Functions
	Manual Adjust	Unprocessed				

2. Enter the appropriate information for this transaction.

**Transaction:** The unique number automatically assigned to this transaction by the system. You cannot enter or change this number.

**Type:** Identifies the type of manual transaction (e.g. manual adjustment, invoice, or order).

**Status:** When you first enter a manual transaction, the default mode is Unprocessed. In this mode, you enter one or more manual transaction lines, which are assigned Unprocessed status. Manual transactions can have a status of: Unprocessed, Classified, Failed Classification, Rolled Up, Failed Rollup, Populated, Failed Populated, Calculated, or Failed Calculation (see About Manual Transaction Processing: page 8 – 3 for a description of each mode). Manual transactions that calculate without error are set to Calculate. You cannot change a calculated transaction. You cannot enter or change the status value.

**Salesperson Name:** The name of the salesperson to whom this transaction is assigned.

**Salesperson Number:** The number of the salesperson to whom this transaction is assigned.

**Process Period:** You can enter a valid period in this field. Oracle Sales Compensation calculates the compensation payment based on the compensation plan effective for this period for the salesperson named in the transaction line. You can assign different processing periods to different transaction lines in a batch, if necessary; however, a period must be defined in your set of books to be valid. See Selecting the Set of Books: page 2 – 5 for more information about defining periods in your set of books.

**Rollup Period:** The date the transaction is rolled up. See Rolling Up Manual Transactions: page 8 – 12 for more information.

**Note:** If you need to adjust orders or invoices in prior periods, you can backdate the manual transaction. Oracle Sales Compensation recalculates all compensation payments forward of a period, using the period you specify in the Rollup Period field. Calculations could also be affected if a different compensation plan or rollup chain is effective during the prior period.

**Functional Amount:** Enter the amount of sales credit you want to assign to the salesperson. This amount should be in the functional currency.

**Curr:** This field shows the foreign currency code that applies for the transaction. Use the list of values to select an enabled currency

for this field. You can see all available currencies, whether they are enabled or disabled.

**Note:** Even if a currency code is disabled, Oracle Sales Compensation will accept transactions in that currency from Oracle Receivables and perform calculations. If you select a disabled currency for a transaction from a source other than Oracle Receivables, Oracle Sales Compensation gives you an error message.

**Reval Rate:** The revaluation rate is the rate that is used to calculate the conversion from the foreign amount (see Foreign Amount below) to the functional currency.

Oracle Sales Compensation obtains revaluation rates from Oracle General Ledger. If you want to add a revaluation rate for a particular currency, then you must do so in Oracle General Ledger.

**Note:** For more information about revaluation rates, see the *Oracle General Ledger Reference* and the *Oracle General Ledger User's Guide*.

**Comments:** Optionally, enter a descriptive purpose for the batch of manual transaction lines you are entering. These comments are printed on all default manual transaction reports and compensation statements.

Several additional fields from the CN\_COMMISSION\_LINES table are available that describe how Oracle Sales Compensation calculated the transaction. These fields may be helpful for auditing purposes.

3. Tab to the brackets to view or enter the descriptive flexfield if one is defined for this form.

Because you may have customized this window to suit the specific manual transaction needs of your sales organization, you may need to enter more information in this window than is explained in this section.



**Note:** For more information about descriptive flexfields, see the *Oracle Application Object Library Reference Manual*.

4. Save your work.

## Rolling Up Manual Transactions

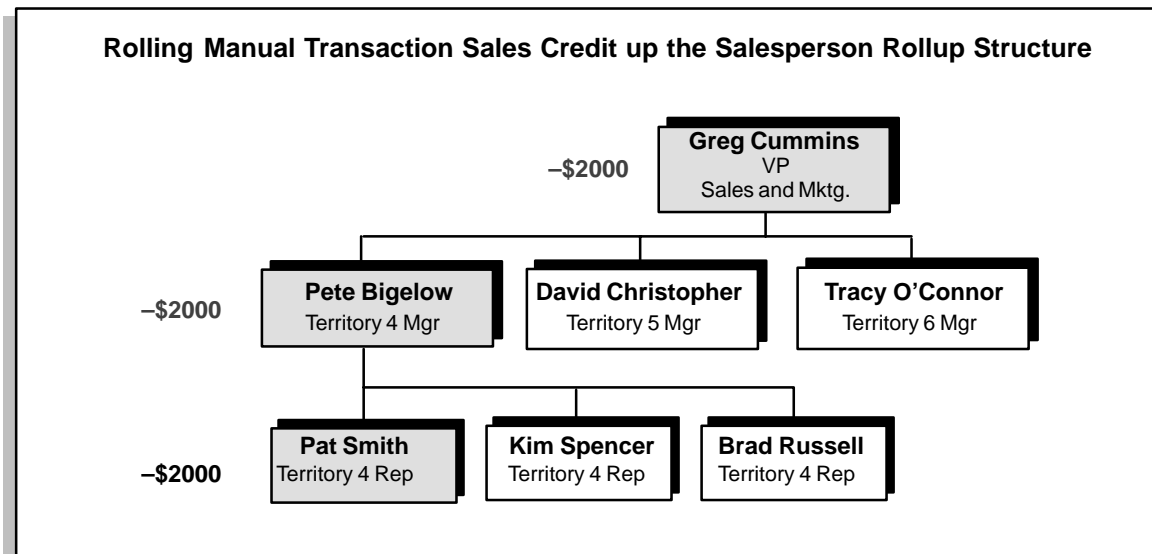
For each manual transaction line you enter, you can choose whether or not to roll up the sales credit assigned on that line—whether this credit is positive or negative—if you have turned on the Managerial Rollup parameter in the System Parameters window.

For more information about using the Managerial Rollup parameter to compensate multiple people for the same transaction, *Making the Salesperson Hierarchy Effective*: page 5 – 15.

To roll up sales credit using the salesperson rollup structure you defined in *Entering the Salesperson Hierarchy*: page 5 – 14, enter the Rollup Period for the manual transaction. Oracle Sales Compensation calculates compensation for rolled up manual transactions using the compensation plan effective for the rollup credit receiver on the date specified in the Rollup Period field. This date defaults to the transaction processing date.

For example, suppose that Global checks rollup for the manual transaction (Figure 8 – 2). For this manual transaction, the Rollup Period defaults to June 18, 1994. Oracle Sales Compensation uses the salesperson rollup structure effective on June 18, 1994, to determine who receives the rollup credit. In this rollup structure, Smith, a salesperson in Global's Territory 4, rolls credit up to the Territory 4 manager, Pete Bigelow who, in turn, rolls credit up to the Vice President of Sales and Marketing. Thus, Oracle Sales Compensation debits all three people in the rollup structure \$2000 of sales credit.

Figure 8 – 2 Rolling Manual Transaction Sales Credit Up





After assigning sales credit to the salespeople associated with a manual transaction, Oracle Sales Compensation applies transaction factors to the credit.

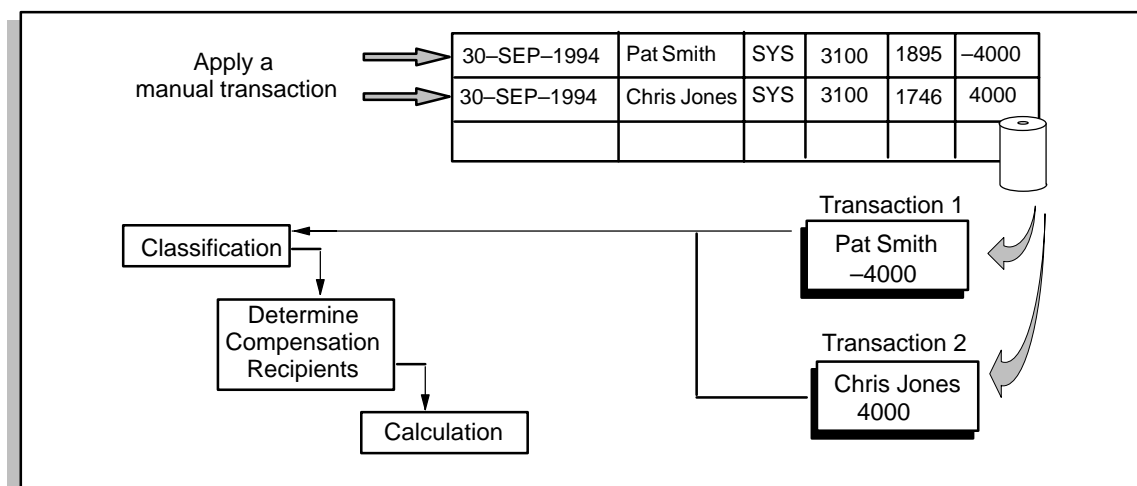
## Calculating a Manual Transaction Batch

For each manual transaction in the batch, Oracle Sales Compensation creates a new compensation transaction.

Each manual transaction transaction goes through the same calculation and payment processes all compensation transactions go through.

To calculate the compensation for a manual transaction, navigate to the Calculation Submission form and choose Calculate now.

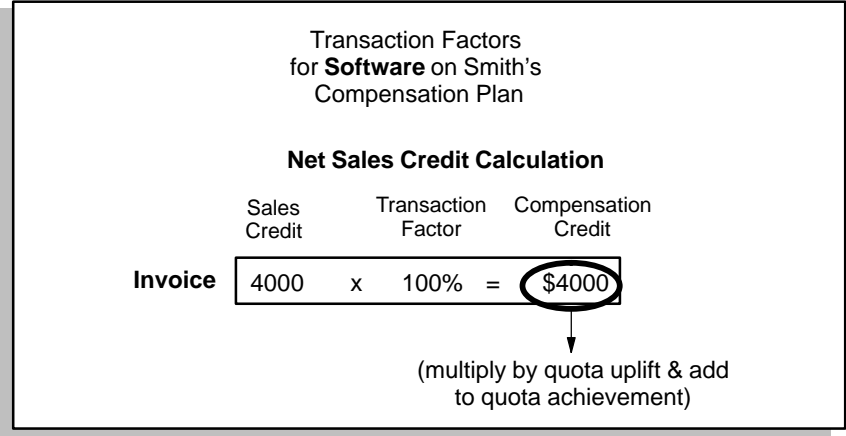
**Figure 8 – 3 Making a Manual Transaction Effective**



When calculating the compensation credit (or debit) for the manual transaction, Oracle Sales Compensation uses the transaction factors associated with the manual transactions based on the transaction type you define for the manual transaction. For example, if Global enters a manual transaction crediting Chris Jones \$4,000 sales credit for a software invoice and sets the transaction type to INVOICE, Oracle Sales Compensation checks Smith's compensation plan to see what transaction factor is assigned to the invoice transaction type for the Software revenue class (Figure 8 – 3). In this case, for the Software revenue class Smith's plan calculates the compensation based on 100% of the invoice.

Thus, when calculating the compensation payment for the transaction in this example, Oracle Sales Compensation multiplies the \$4000 sales credit on the manual transaction by the 100% invoice transaction factor, resulting in \$4000 net sales credit (Figure 8 – 4).

Figure 8 – 4 Compensation Calculations on Manual Transactions



---

## Deleting a Manual Transaction

You can delete a manual transaction unless the transaction status is Calculate. See *Entering a Manual Transaction*: page 8 – 9 for an explanation of manual transaction status types.

► **To delete a transaction:**

1. Navigate to the Transactions window.

By default, choose Maintain Transactions from the Salespeople menu, select a transaction batch, then choose Transactions.

The transactions in the batch you selected are displayed in the Transactions window.

2. Select the transaction you want to delete and choose Delete Record from the Edit menu.

When you cancel a manual transaction, Oracle Sales Compensation deletes the record from the database.

---

## Querying a Manual Transaction

After you save a manual transaction in the database, you can query that manual transaction using any field in the Transactions window.

For example, Global has five financial analysts who all make manual transactions for compensation. One order might have several manual transactions in a single transaction batch, each entered by a different analyst. In this case, querying by the order number shows all manual transactions against the order, regardless of which analyst entered them.



# Calculating Sales Compensation

**T**his chapter explains how to:

- Open sales compensation periods
- Calculate sales compensation
- View statistics for all Oracle Sales Compensation processes
- View the calculation process notification log
- Calculate sales compensation
- View statistics for all Oracle Sales Compensation processes
- View the calculation process notification log

The following topic is included:

- Calculating Compensation: page 9 – 3

The following tasks are included:

- Opening a Period: page 9 – 2
- Calculating Compensation for a Salesperson: page 9 – 6
- Viewing Compensation Process Statistics: page 9 – 10
- Viewing the Notification Log: page 9 – 12

---

## Opening a Period

Oracle Sales Compensation obtains its compensation period information from the compensation calendar you defined according to the instructions in *Administering Sales Compensation Periods*: page 2 – 7. To calculate compensation, you must first open the period for which you want to run calculation.

► **To open a period:**

1. Navigate to the Periods window.

By default, choose Periods from the Administration menu.

2. Select the period you want to open and choose Open.

You can only open a period if its status is:

- Never Opened
- Future Enterable
- Closed



## Calculating Compensation

Oracle Sales Compensation calculates compensation using the compensation formulas shown in Figure 9 – 1 and Figure 9 – 2 for quota and revenue based plan elements. After determining that the credit receiver can be paid the compensation, Oracle Sales Compensation calculates the compensation using this formula and the following calculation parameters defined in the credit receiver's compensation plan:

- Transaction factor for each revenue class
- Quota uplift and payment uplift defined for each revenue class
- Levels of quota achievement defined for each bracket in the rate table.

Figure 9 – 1 Compensation Calculation Formula for Quota and Revenue Based Plan Elements

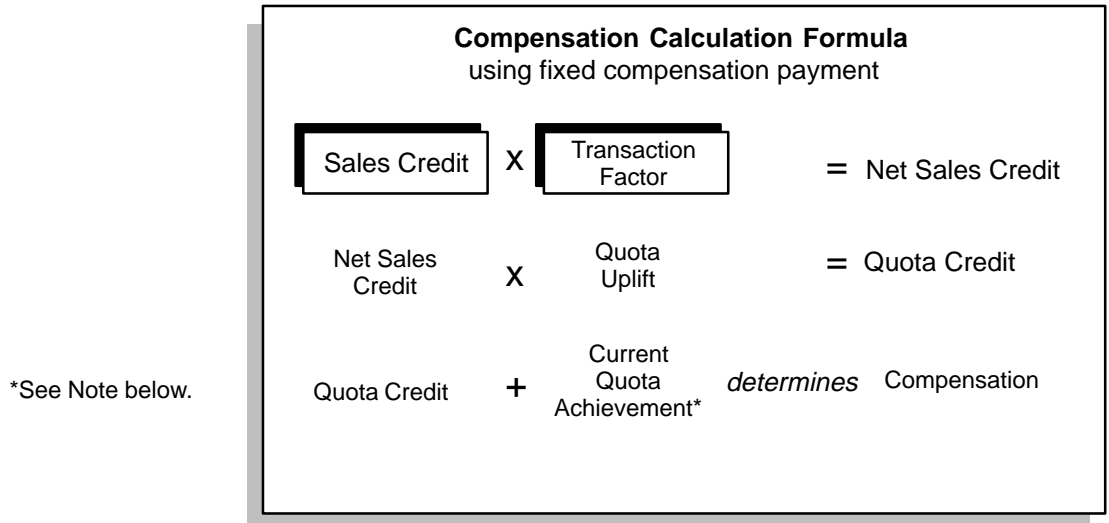
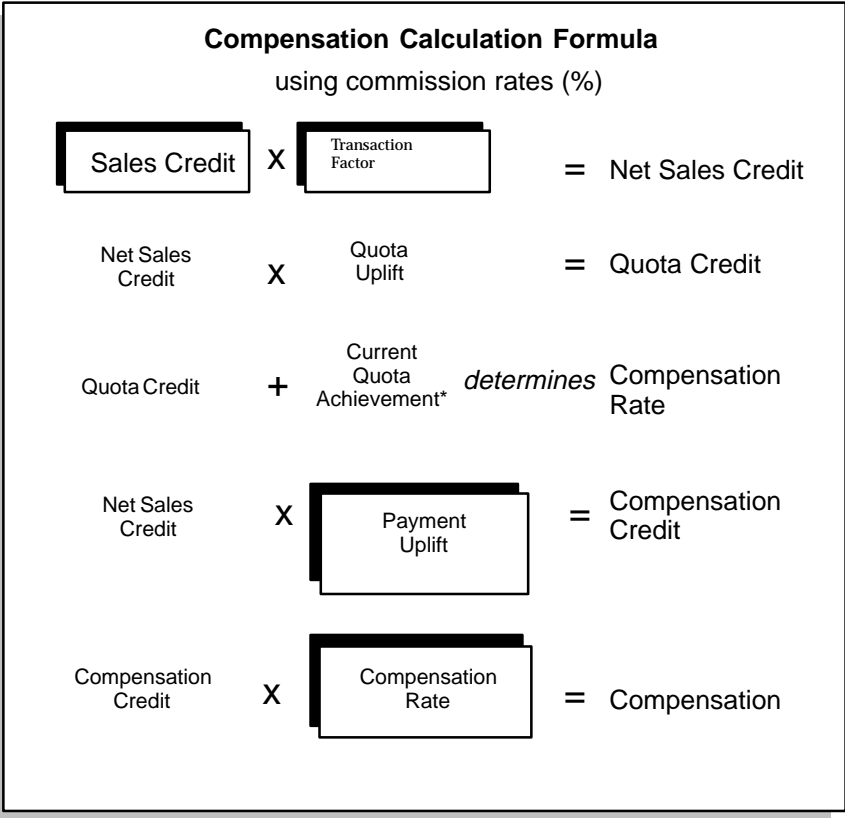


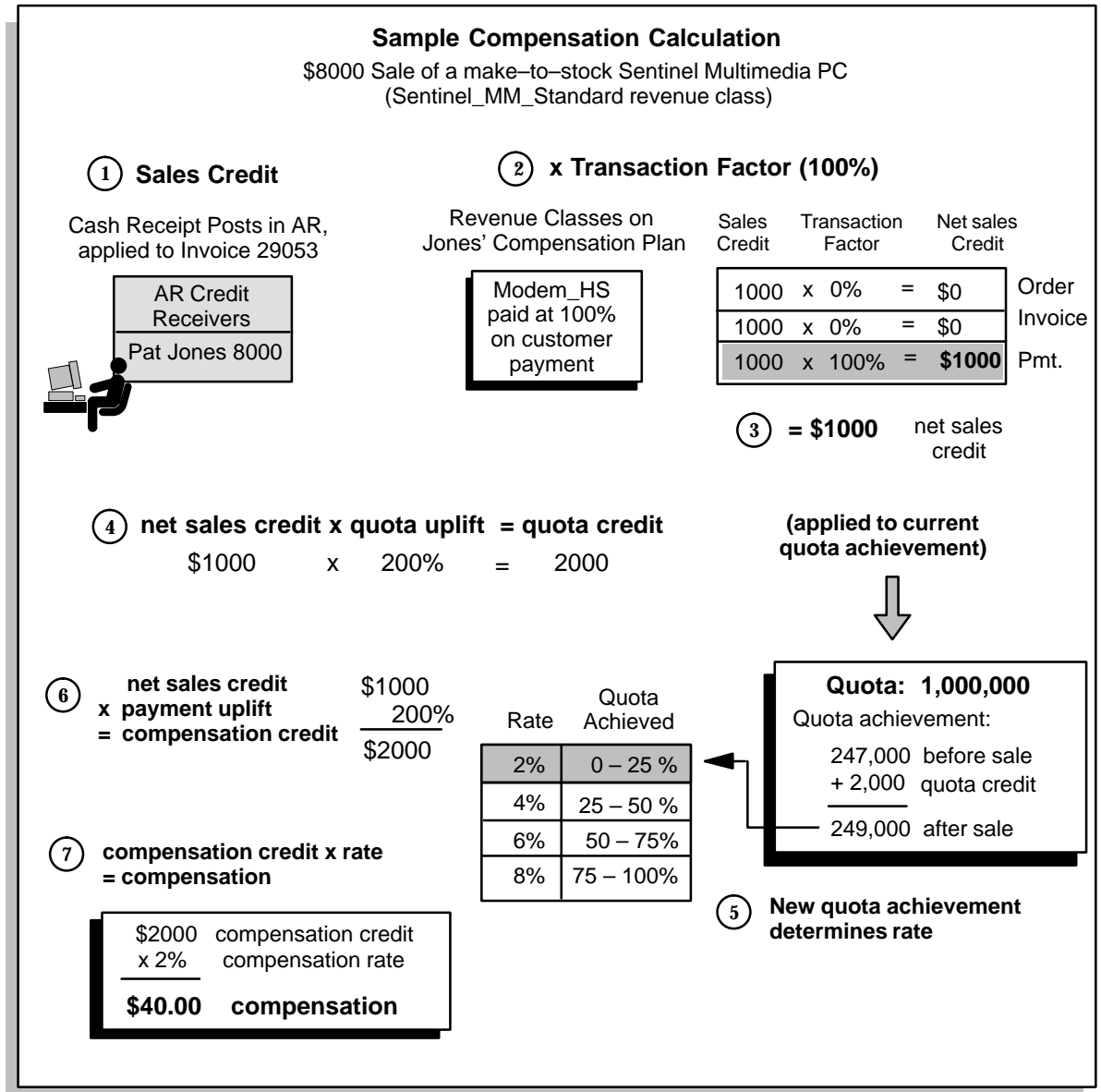
Figure 9 – 2 Compensation Calculation Formula Used to Calculate a Compensation Payment for Quota and Revenue Type Plan Elements



**Note:** In both Figure 9 – 1 and Figure 9 – 2, Current Quota Achievement is not added if the plan element is revenue based, calculated individually, and the Accumulate box is not checked.

Figure 9 – 3 shows an example of a compensation payment calculation for a sale of a make-to-stock model of the Sentinel Multimedia PC. Global currently has an incentive program in place for sales of this computer: to incent salespeople to close business, the revenue class is earnings paid on customer payment; the corporation is trying to increase revenue from this model, so both a quota and payment uplift of 200% are in effect.

**Figure 9 – 3 Sample Compensation Calculation for an \$8000 Customer Payment Transaction**



---

## Calculating Compensation for a Salesperson

You can calculate compensation for one or more salespeople using the Calculation Submission form. By default, the Find dialog helps you locate the salespeople to be calculated. Alternatively, you can choose individual salespeople to calculate by selecting them from the list of values.

**Note:** You can only submit calculations for salespeople who have been assigned to a compensation plan. The names of salespeople who have been assigned compensation plans appear in the Salespeople list of values. You can see the Salespeople list of values by selecting the list icon from the Name field in the Find Salespeople window.

► **To calculate compensation for a salesperson:**

1. Ensure the salesperson has:
  - A valid compensation plan assigned
  - You have defined, synchronized, generated, and installed your revenue classification rules
  - You have defined a revenue class hierarchy and set it in the System Parameters window.
2. Ensure you have:
  - Defined a revenue classification hierarchy.
  - Defined, synchronized, generated, and installed revenue classification rules.
3. Choose Calculation Submission from the Salespeople menu.

Oracle Sales Compensation displays the Find Salespeople query dialog for you to locate the salesperson you want to work with.

4. Enter your query criteria in the Find Salespeople window:

*Salesperson Name:* The name of the salesperson

*Employee Number:* The salesperson's employee number

*Analyst:* Your user ID or that of another compensation analyst

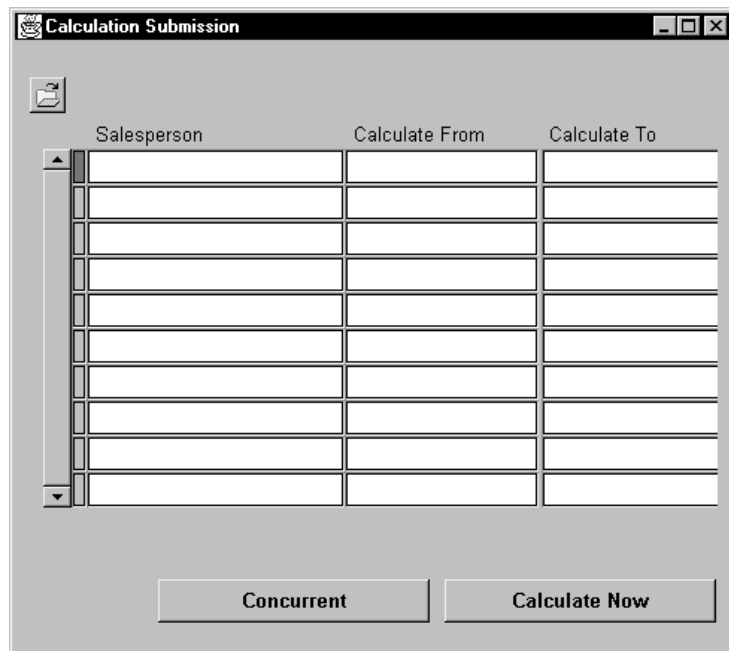
You can use standard the SQL comparison operators (% for many characters, \_ for one character) in any of these query fields to return all salespeople who meet the criteria. For example, to display all salespeople on Field Representative compensation plans, Global enters 95% in the Compensation Plan field.

You can also combine query criteria to narrow your search. For example, to return all salespeople on Field Representative compensation plans whose names begin with the letter F, Global enters 95% in the Compensation Plan field and F% in the Salesperson field.

**Note:** Instead of using the Find dialog to locate the salespeople you want to calculate, you can close the Find dialog and then use the list of values to choose individual salespeople to calculate.

##### 5. Choose Find.

Oracle Sales Compensation returns the set of salespeople meeting the query criteria in the Calculation Submission window, with the names of the compensation plan each is currently assigned to.



Salesperson	Calculate From	Calculate To

Concurrent Calculate Now

By default, the Calculation Submission form displays these fields:

**Salesperson:** The name of the salesperson to be calculated.

**Calculate From:** The period you want Oracle Sales Compensation to calculate from. If this field is blank, all open periods are calculated.

**Salesperson Num:** The number for this salesperson.

To view the amount calculated for the salesperson, choose Show Fields from the Folder menu and select Calculated Amount from the list of fields. The Calculation Submission form also has these optional fields which you can display using the Show Fields command: Analyst, Attributes 1–15, Charge To, and Cost Center.

If Oracle Sales Compensation does not return the salespeople you need to calculate, you might need to import them into Oracle Sales Compensation. See Entering Salespeople: page 5 – 6 for more information on importing salespeople.

6. If you are recalculating compensation for a salesperson, enter the period you want Oracle Sales Compensation to recalculate from in the Calculate From field.

If you leave this field blank, Oracle Sales Compensation calculates all open periods for the salesperson. If you enter a period, Oracle Sales Compensation calculates all open periods starting with the one you entered. For example, if you enter JUN–95 and JUN–95 to DEC–95 are open, the Oracle Sales Compensation calculates JUN through DEC.

For example, imagine that Global's FY95 compensation plans are not yet complete, so the company decides to put all salespeople on a default plan until the new plans are approved. The company's fiscal year begins in June, and the new plans are approved at the end of August. To recalculate compensation, Global opens all compensation periods from June until the end of August, queries all salespeople on the Calculation Submission form, and enters JUN–95 in the Recalc From field for each salesperson.

When Global chooses Calculate, each salesperson's earnings are recalculated from June 1 through the end of the last open period.

7. Choose one of these buttons:

**Calculate Now:** Submit the calculation process to be run now. Note that control does not return to you until the calculation is complete. Use this option if you are submitting a small calculation run.

**Concurrent:** Submit a concurrent process through the Concurrent Manager. After submitting a concurrent process, you can proceed to do other things. Use this option for long calculation runs.



**Suggestion:** Make a note of the concurrent process number in case you later want to check the status of the process. See Viewing Compensation Process Statistics: page 9 – 10 for more information.

When you calculate compensation, Oracle Sales Compensation calculates compensation for all salespeople in the list and gives you the process number for tracking purposes. Oracle Sales Compensation tracks that information in an account called Commission Earned in the salesperson subledger.

After calculation, the Balance field displays the new compensation amount for the salesperson.

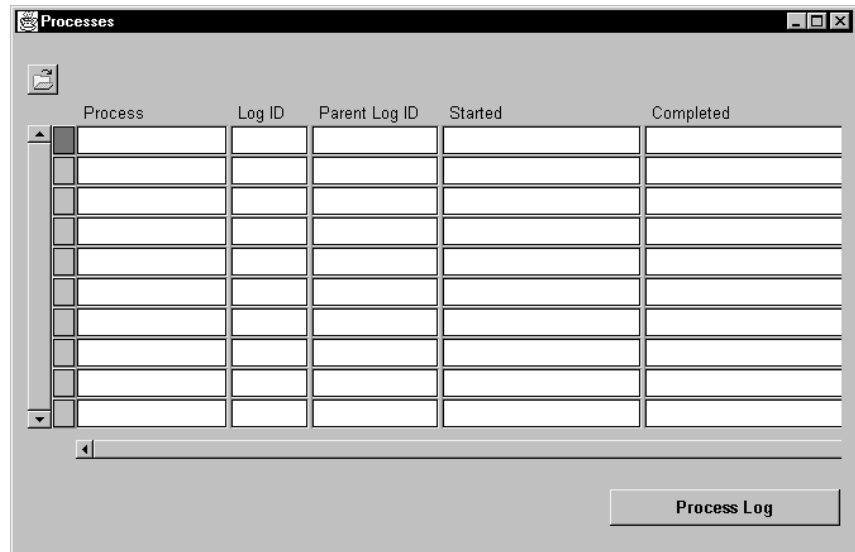
## Viewing Compensation Process Statistics

Oracle Sales Compensation maintains an audit history of all processes. Process types include Collection and Calculation.

► **To view process statistics:**

1. Navigate to the Processes form.

By default, choose Process Log from the Administration menu.



Process	Log ID	Parent Log ID	Started	Completed

Process Log

The Process Logs form is a folder form which you can customize for your needs. See the *Oracle Applications User's Guide* for more information about folder forms.

By default, the Process Logs form displays this information:

**Process:** Either Collection, Classification, or Calculation.

**Log ID:** The log id of the process.

**Parent Log ID:** The id of the parent process, if any.

**Started:** The date and time this process started.

**Completed:** The date and time this process stopped.

**Request ID:** The id of the concurrent process assigned by the Concurrent Manager.

You can use the Find window to display a range of Request IDs or Log IDs.



2. Enter the Log ID of the process you want to audit and run a query or use the Find window to locate the process.

Use the process log id number Oracle Sales Compensation gives you when you calculate compensation. See Calculating Compensation: page 9 – 3 for more information.

3. Choose Process Log to display the messages generated for the process.

*Translated:* Oracle error messages and any other informational messages.

*Debug:* Messages generated for Technical Support.

*Both:* Both Translated and Debug messages are displayed.

## Viewing the Notification Log

Oracle Sales Compensation provides a notification log that lets you know when you need to recalculate a salesperson's compensation plans.

► **To view the notification log:**

1. Navigate to the Notify Log form.

By default, choose User Notifications from the Administration menu.

The screenshot shows the 'Notify Log' window. It contains a table of actions and a section for event details.

Name	Date	Type	Name	Owner	Status	Priority
Recalc Salesrep	10-JUL-1997	Salesrep	Barry Lewis		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Howard Sprag		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Lisa Douglas		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Suzanne Gree		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Barry Lewis		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Howard Sprag		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Lisa Douglas		Incomplete	1
Recalc Salesrep	10-JUL-1997	Salesrep	Suzanne Gree		Incomplete	1
Recalc Salesrep	28-MAY-1997	Salesrep	Bob Wiley - Ex		Incomplete	1
Recalc Salesrep	28-MAY-1997	Salesrep	Bob Wiley - Ex		Incomplete	1

Event

Name:  Where:  Object Type:   
Date:  User Name:  Object Name:

☒ Order by Date ☐ Order by Owner

The Notify Log form displays this information:

**Name:** The name of the action you need to take.

**Date:** The date the event occurred.

**Object Type:** The type of object that requires action to be taken.

**Object Name:** The name of the object.

**Object Owner:** The userid who created the object.

**Status:** The status of the object—either Complete or Incomplete.

**Priority:** The priority of the action that needs to be taken. The lower the number, the higher the priority.

2. Select the action you want to resolve.

Oracle Sales Compensation displays the event that caused the need for you to take action. This information is displayed:

*Name:* The name of the event that caused the notification.

*Date:* The date the event occurred.

*User Name:* The name of the user logged in when this event occurred.

*Where:* The name of the form the user was in when this event occurred.

*Object Type:* The object in the system that is affected by the event.

*Object Name:* The name of the object.

3. You can choose any of these buttons:

*Order By Date:* Order the list of actions by date of occurrence.

*Order By Owner:* Order the list of actions by Object Owner.

*Complete:* Change the status of the notification to Complete. Oracle Sales Compensation does not validate that the event was correctly resolved.

*Incomplete:* Change the status of the notification to Incomplete.



## Processing Your Payment

**T**his chapter explains how to:

- Pay sales compensation and bonuses
- Schedule and pay recoverable and non-recoverable draws
- Recover draws from earnings

The following topics are included:

- About the Payment Process: page 10 – 2
- About the Payrun Document: page 10 – 3
- Overview of the Payment Process: page 10 – 4
- About Draws in Oracle Sales Compensation: page 10 – 6
- About the Payment Interface Table: page 10 – 15

The following tasks are included:

- Creating a Payrun Document: page 10 – 7
- Entering Salesperson Payment Information: page 10 – 10
- Entering Manual Bonuses: page 10 – 14
- Submitting Payment: page 10 – 15

---

## About the Payment Process

Oracle Sales Compensation's payment processing models the pay run business process used in most companies. Typically, you specify who is getting paid, how much, and for what for each pay run. In Oracle Sales Compensation, this information is collected in a payrun document which streamlines the payment process and provides audit information on previous payruns.

You can set up multiple pay runs per period, originate draws from Oracle Sales Compensation, set up payment rules for minimum payment, schedule draws in advance, recover draws through commissions, bonuses, or both.

## About the Payrun Document


You use a *payrun document* to manage all of the details of a pay run for a particular pay period. The payrun document shows the amount of payment for one or more salespeople you are paying in the payrun. From the payrun document, you can access a *payment worksheet* for each salesperson in the payrun which calculates the commissions, bonuses, and draws to which each salesperson is entitled (Figure 10 – 1).

Figure 10 – 1 Sample Payment Calculation for a Monthly Payrun

**Sample Payment**  
June Payrun for Pat Jones

**① Current Compensation**

Commission	= \$400
Bonus	= \$200
	\$600
Pat Jones 8000	



**② – Draw to Recover**

Commission	+	Bonus	–	Draw to Recover	=	Amount to Pay
\$400	+	\$200	–	\$500	=	\$100

**③ Amount to pay < Guarantee ?**

Guarantee = \$500

**④ Guarantee – Amount to Pay = Draw to Pay**

\$500	–	\$100	=	\$400
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**⑤ Amount to Pay + Draw to Pay = Total Payment**

\$100	Amount to Pay
\$400	Draw to Pay
\$500.00	Total Payment

The amount of a payment is calculated by adding the commissions and bonuses due the salesperson and subtracting any outstanding draws paid to date. Payment adjustments are automatically made if the payment is less than the guaranteed minimum payment. You can also

make final adjustments to the commission, bonus, and draw to pay values on the worksheet.

You can create multiple payrun documents per pay period. For example, if you want to have two pay runs in a month, you set up two payrun documents. The commissions manager usually sets up the payrun document which the sales analysts review and verify. The commissions manager then submits the payrun document.

---

## Overview of the Payment Process

Here's how the payment process works:

1. You create a payrun document.

Each payrun document has a name and is for a specific pay period. You can create multiple payrun documents for a pay period.

2. You create payment worksheets for each salesperson in the pay run.

Use the Default Entries button to create payment worksheets for all salespeople assigned to valid compensation plans during the pay period.

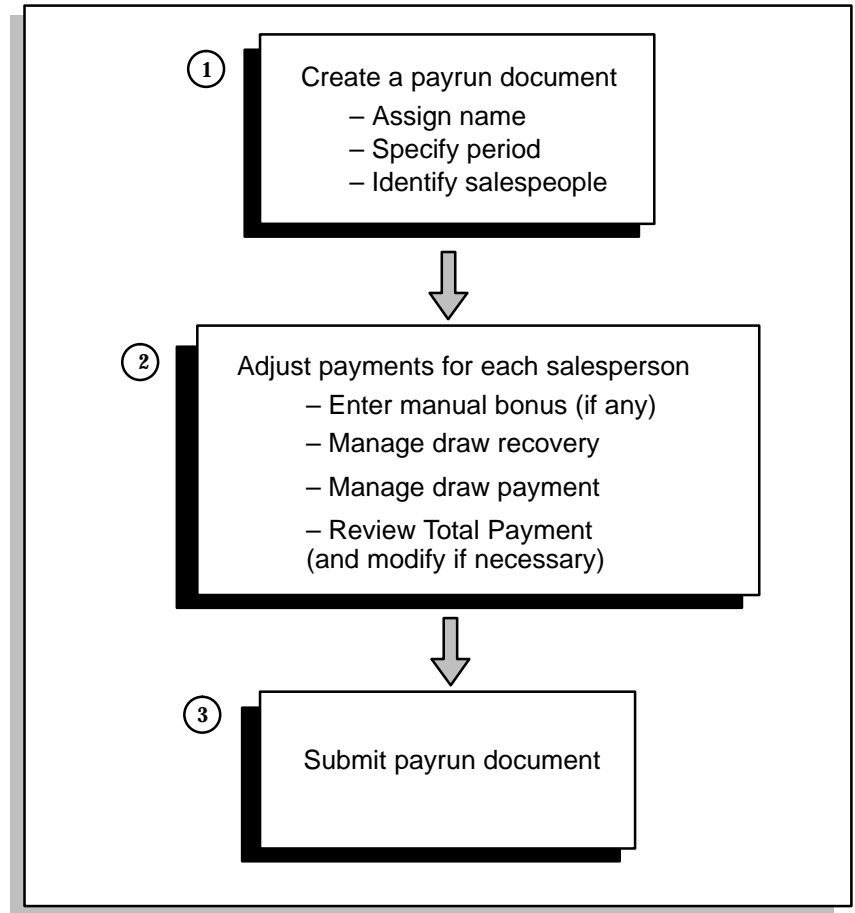
3. You submit the Payrun document for payment when all payment details are finalized.

Oracle Sales Compensation freezes all balances, submits all payment information to the Payment Table, and creates journal entries by batch name. Typically payment submission should be done by only one person, such as the compensation manager. No further changes can be made once the payrun document is posted on the worksheet. Account balances are rolled forward to the next payrun.

Figure 10 – 2 illustrates the payrun process.



**Figure 10 – 2 The Payment Process**



For example, Pat Jones is a recently hired salesperson at Globe Computers and his second sales compensation payment needs to be calculated for June. Because he earned very little in the previous pay period, Globe Computers gave him a recoverable draw of \$500 for that period.

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## About Draws in Oracle Sales Compensation

In many companies, draws are scheduled by the payroll department. With Oracle Sales Compensation, draws are originated and managed by Oracle Sales Compensation.

Recoverable draws are always recovered from the total commission and bonus earnings. By default, 100% of the draws is recovered, but you can override this default by changing the draw to a bonus or changing the draw amount. Non-recoverable draws are entered as a bonus on the payrun document.

You schedule draws by specifying a minimum guaranteed payment for a pay period. If the commissions and bonuses are less than the minimum payment, Oracle Sales Compensation calculates the draw amount and adds it to the payment.

# Creating a Payrun Document

Using the payrun document you create a payrun for a particular pay period, assign the payment transactions to a journal entry batch, specify the salespeople to be paid in this payrun, and submit payment for this payrun.

► **To create a payrun document:**

1. Navigate to the Submit Payment window.

By default, choose Payment Submission from the Salespeople menu.

Salesperson	Number	Cost Center	Rep Net Pay	RepCurrCode	Rep Comm to

Values for these fields are automatically entered for you:

**Status:** By default, UNPAID. When you pay this payrun document, the value changes to PAID.

**Created by:** The userid of the person who originally created this payrun document.

**Creation date:** The date this payrun document was originally created.

2. In the Name field, type the name of the new payrun.

This name must be unique and should clearly identify this payrun.



**Suggestion:** Use a name that is descriptive of your typical payment periods and use consistent spelling and capitalization.

For example, if your company has monthly payruns, use names like Jan Payrun, Feb Payrun, etc. If you have multiple payruns for a pay period, you might use names like Jan Payrun I, Jan Payrun II, etc.

3. For the following fields, select a date from the corresponding list of values:

*Pay Period:* Select the pay period in which you are paying.

*Pay Date:* Select the date payment will be made.

*Accounting Period:* Select the accounting period for which you are paying.

4. Optionally, in the Entry Batch field, type the batch name you want to give all journal entries made as a result of this payrun.

If you do not enter a batch name, Oracle Sales Compensation automatically assigns a batch name. Typically you use the same batch name as the name of this payrun document. A journal entry batch by this name is made to appropriately credit and debit the salespeople's accounts when this payrun is submitted.

5. To specify the salespeople you want to pay in this pay run, choose Create Entries to display all salespeople active during this pay run or run a query to locate a subset of the active salespeople.

By default, the Payments region displays the following salesperson payment information:

*Salesperson:* The name of the salesperson.

*Employee Number:* The salesperson's employee number.

*Cost Center:* The cost center the salesperson's compensation is charged to.

*Net Pay:* The Amount to Pay from the Payment Worksheet.

*Curr Code:* The currency in which the payment is being made for this salesperson.

*Reason:* The reason for payment.

These additional fields are also available (choose Show Field from the Payment Worksheet):

*Bonus to pay:* The amount of bonus to be paid for this period. You can modify this amount.

*Bonus to recover:* The amount of bonus(es) paid in previous periods that need to be recovered. You can modify this amount.

*Comm. to pay:* The amount of compensation earned by this salesrep during this period. You can modify this amount.

*Comm. to recover:* The amount of compensation to be recovered. You can modify this amount.

*Adjust to pay:* The amount of adjustment to pay the salesperson. You can modify this amount.

*Draw to pay:* The amount of draw to pay the salesperson this period. You can modify this amount.

*Begin Balance:* The compensation balance for the salesperson at the beginning of the period.

*Comp. Plan:* The compensation plan this salesperson is assigned to.

*End Balance:* The balance at the end of the period, after compensation has been credited and recovered.

6. To review and adjust the payment amounts for the salespeople in this payrun, you can modify values in the Submit Payment window or choose Worksheet to see the payment values for an individual salesperson (see Entering Salesperson Payment Information: page 10 – 10).

After you make any changes in the Submit Payment window, the Create Entries button changes to Default All.

Choose Default All to modify all payments; then you can make changes. Using Default All saves you the trouble of looking up each salesperson's balance in the subledger.

7. Use the Save command on the Action menu to save this Payrun Document.

## Entering Salesperson Payment Information

Through the payrun document you can access a payment worksheet for each salesperson. You use this worksheet to enter and modify compensation information for a salesperson.

► **To enter compensation information for a salesperson:**

1. Navigate to the Submit Payment form and run a query to locate the payrun document you want to work with.

See *Creating a Payrun Document*: page 10 – 7 for information on how to do this.

2. Select the salesperson you want to work with, then choose the Worksheet button.

The Payment Worksheet window opens.

	Begin +	PTD =	Current -	To recover -	To pay =	New
Comm. Due						
Bonus Due						
Draw Payable		0				

Values for these fields are automatically entered for you:

**Salesperson:** The salesperson you selected in the payrun document.

**Accounting Period:** The number for this accounting period.

**Payrun Date:** The date payment will be made. This date comes from the payrun document.

3. For Charge to Cost center, enter the number of the cost center that will be charged for payment to this salesperson.

This value defaults to the charge-to cost center you specified in the Salespeople window.

4. In the Cap field, enter the maximum amount this salesperson can be paid in this payrun.

Cap protects against windfall payments. If the Total Payment exceeds the cap amount, the difference is subtracted first from Comm. Due and then from Bonus Due in the Amount to Pay column. The amount subtracted is added to Comm. Due and Bonus Due in the New column and is applied to the next payrun.

When entering a value in the Cap field, consider the following:

- If the Cap field is empty, Oracle Sales Compensation does not validate anything.
- Do not set a payment cap that causes the payment to exceed that amount.
- Do not set the payment cap to a number less than the specified payment.

The payment columns and values are described in the following table:

#### **Payment Columns**

---

<i>Begin</i>	These values reflect any outstanding commissions, bonuses, or draws. Usually these values are zero, but there are two cases when non-zero amounts could appear here: when the commissions in the previous pay run exceeded the commission cap, they are rolled over to this pay run; when manual adjustments are made that result in owed commissions, bonuses, or draws. The source of these values is the subledger. For more information about the subledger, see Using the Salesperson Subledger: page 11 – 4.
<i>PTD</i>	The commissions, bonuses, and draws earned during this period. The source of the commissions values is the total calculated transactions assigned to this salesperson. The source of the bonus amount is the total amount entered in the Manual Bonuses window (see Entering Manual Bonuses: page 10 – 14). The source of the draw amount is the sum of the draws paid this period to date.
<i>Current</i>	The total commissions, bonuses, and draws for this period. Oracle Sales Compensation calculates

these amounts by adding the Begin and PTD values.

*To recover* The amount of the Draw Payable that should be deducted from the current commissions and bonuses. If the current Draw Payable is zero, these fields are empty. If the current Draw Payable is greater than zero, Oracle Sales Compensation subtracts this amount first from the Comm. Due and then (if necessary) from the Bonus Due.

*To pay* The commissions and bonus amounts to pay for this pay run. Oracle Sales Compensation calculates these amounts by subtracting the To recover values from the Current values.

*New* Outstanding commissions, bonus, and draw amounts that will be rolled over to the next pay run. Oracle Sales Compensation calculates the Comm. Due and Bonus Due amounts by subtracting the Draw to recover and Amount to pay values from the current values. Oracle Sales Compensation calculates the Draw Payable value by subtracting both Draw to recover values and then adding the Draw to Pay amount.

5. Review the payment balances, Draw to Pay, Net Adjustment to Pay, and Amount to Pay amounts.

You can modify the values in these fields:

*Comm. Due/To recover:* The amount of draw to be deducted from the commissions due.

*Comm. Due/To pay:* The amount of commissions you want to pay in this pay run.

*Bonus Due/To recover:* The amount of draw to be deducted from the bonus due.

*Bonus Due/To pay:* The amount of bonus you want to pay in this pay run.

*Draw to Pay:* The amount of draw you want to pay in this payrun. Oracle Sales Compensation calculates the Draw to Pay amount by subtracting the Amount to pay balance from the Draw Amount specified in the draw plan element for the compensation plan assigned to this salesperson.

*Adjust Pay:* Any net adjustment amount.

*Amount to Pay:* The net amount to pay, after all compensation has been credited and any amounts due have been recovered.



6. When the values are correct, click Freeze Fields to freeze the source values from the subledger.

The Freeze Fields button changes to Unfreeze. You can unfreeze the values if desired.

The Freeze function allows you to prevent any further changes from being applied to your current payrun. All further changes should go to the next payrun.

You can also choose Default to undo any manual changes you have made and synchronize the current values in the subledger in the payment worksheet.

7. Save your work.

## Entering Manual Bonuses

You can specify a manual bonus for a salesperson if you have a manual plan element defined for the salesperson.

► **To enter a manual bonus for a salesperson:**

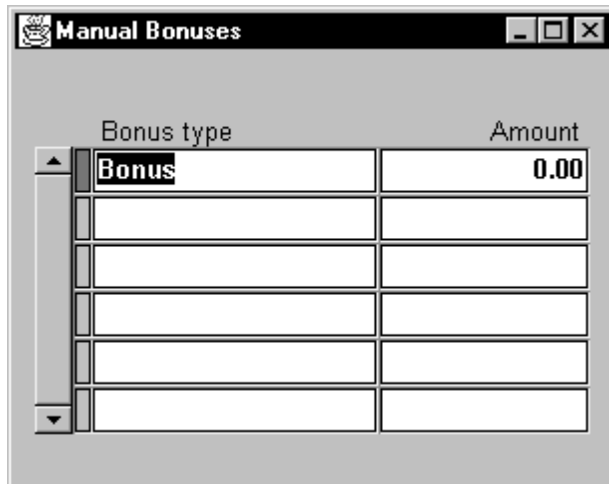
1. Navigate to the Payment Worksheet form.

By default, choose Payment Submission from the Salespeople menu, select the payrun document for the salesperson, then click the Worksheet button.

2. To give the salesperson a bonus in this payrun, choose Bonuses.

**Note:** The Bonuses button is disabled if no manual plan element is defined for this salesperson's compensation plan.

The Manual Bonuses window opens.



The screenshot shows a window titled "Manual Bonuses" with a table. The table has two columns: "Bonus type" and "Amount". The first row contains the text "Bonus" in the "Bonus type" column and "0.00" in the "Amount" column. There are five empty rows below the first row. The window has a standard Windows-style title bar with minimize, maximize, and close buttons.

Bonus type	Amount
Bonus	0.00

The Manual Bonuses window provides this information:

*Bonus Type:* The name of the manual plan element.

*Amount:* The amount of the bonus.

3. Enter the bonus amount in the Amount field for each manual type plan element on the salesperson's plan, then close the window.

The total bonus amount is added and displayed in the Payrun Bonus amount and the Bonus Due amounts in the Period to Date and Current columns.

4. Save your work.

---

## Submitting Payment

After you have set up payment processing in the payrun document and payment worksheets, you can submit calculated earnings to be paid.

► **To submit commission earnings for payment, follow these steps:**

1. Open the Submit Payment window.  
By default, choose Payment Submission from the Salespeople menu.
2. Locate the payrun document you want to pay by running a query or using list of fields.
3. Choose Pay.

Oracle Sales Compensation then performs these tasks:

- freezes the subledger information on the payrun document
- calculates the payment for all salespeople in the payrun document
- submits the payment information to the payroll department (see About the Payment Interface Table: page 10 – 15 for more information)
- updates the subledger for each salesperson
- updates the payment interface table
- updates the Status for this payrun document to PAID

Recoverable draw amounts are rolled over to the next period.

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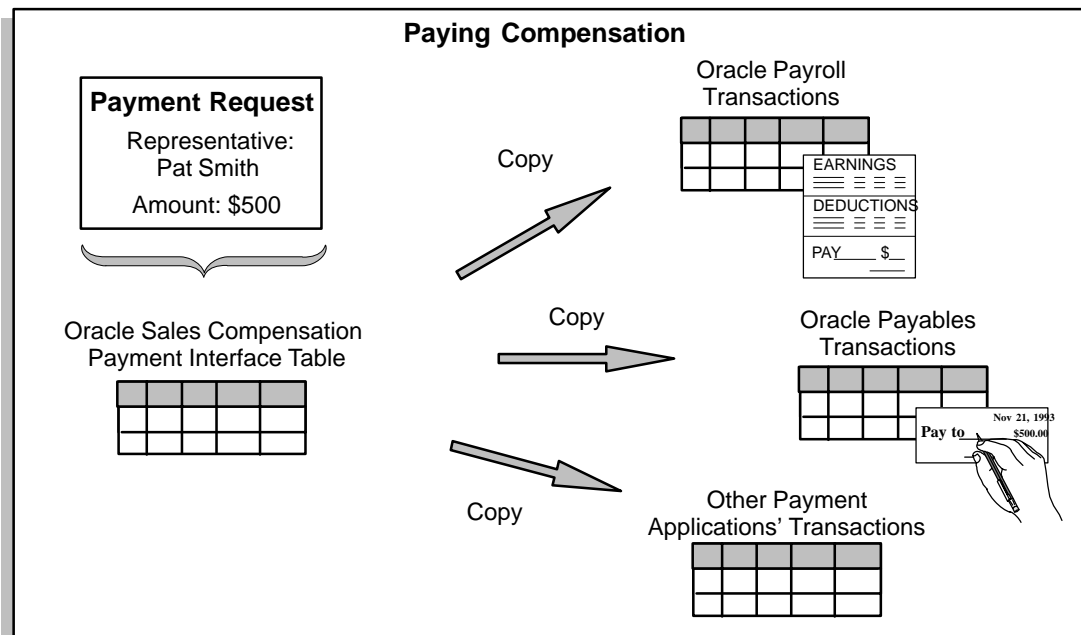
## About the Payment Interface Table

Oracle Sales Compensation provides a payment interface table, CN\_PAYMENTS\_API, that allows you to export payment information to your payroll application.

After you choose Pay to from the Submit payment window, Oracle Sales Compensation writes one record for each payment to each salesperson in the payrun to the payment interface table. The information written includes: SalesrepID, PeriodID, PaymentDate, Payment Type, Payment Amount, and CostCenter. For example, if the salesperson was paid \$2500 in commission and \$500 in bonus, two records are written to the payment API table—one for the commission and one for the bonus.

Using Oracle Sales Compensation's API for payment processing, you can copy the payment request from the payment interface table into the payment processing application of your choice, such as Oracle Payroll or Oracle Payables (Figure 10 – 3).

**Figure 10 – 3 Oracle Sales Compensation Payment Interface**



## Monitoring a Salesperson's Performance

**T**his chapter explains how to:

- View a salesperson's performance against a quota
- View a salesperson's performance against revenue goals for each revenue class
- View details on individual transactions, reflecting performance on certain customer accounts and other criteria

The following topics are included:

- About Salesperson Performance: page 11 – 3
- Using the Salesperson Subledger: page 11 – 4
- Viewing Account Adjustments: page 11 – 6
- Viewing Transaction Details: page 11 – 10
- Utilizing Multiple Currencies: page 11 – 10

The following tasks are included:

- Viewing Performance: page 11 – 7
- Viewing Transaction Details for an Individual Salesperson: page 11 – 11
- Viewing All Transaction Details: page 11 – 12

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## About Salesperson Performance

When sales are key to maximizing business opportunities, your sales compensation system should allow you to see at a glance how salespeople are performing. Immediate feedback on salesperson performance can help compensation managers ensure that plans are promoting business objectives as designed, and can also help salespeople easily see when focused efforts produce tangible results.

With Oracle Sales Compensation, you have salesperson performance information at your fingertips, always at the level of detail you need. Oracle Sales Compensation lets you:

- Query a salesperson's performance against a quota.
- Query a salesperson's performance against revenue goals for each revenue class.
- View details on individual transactions, reflecting performance on certain customer accounts and other criteria.

These query functions are available from the salesperson subledger (explained in Using the Salesperson Subledger: page 11 – 4), allowing you to see a complete picture of earnings versus performance for any salesperson at any time.

---

## Using the Salesperson Subledger

Conceptually similar to a general ledger, the Oracle Sales Compensation *salesperson subledger* lets you track a chart of accounts for each salesperson, providing you with a complete financial picture of a salesperson at any time. Using the subledger, you can:

- View compensation, payments, and other account balances in the *salesrep currency*, which is the currency in which the salesperson has opted to be paid
- Maintain a subledger of accounts by period

The subledger provides the accounting backbone for Oracle Sales Compensation. With double-entry accounting, the subledger guarantees balance integrity.

**Note:** The subledger is currently self-contained within Oracle Sales Compensation. It does not post journal entries to the general ledger.

Like a general ledger, the subledger has different default *account types*, each from a salesperson's perspective, not a company perspective. Thus, Due is due to the salesperson and Payable is payable by the salesperson. The default subledger account types, names and purposes are explained in the following table.



<b>Account Type: Revenue</b>	
<b>Account Name</b>	<b>Use this account to...</b>
Commission Earned	View compensation after running calculation (explained Calculating Compensation for a Salesperson: page 9 – 6). Because Oracle Sales Compensation updates this account for you, the only way to change its balance is to run compensation calculation. If you need to change a salesperson's net balance, you can make an adjustment to one of the other revenue accounts or a liability account.
Bonus Earned*	Record bonuses awarded to the salesperson.
Draw Nonrec	Record advances paid to the salesperson that are not recovered against future earnings.
Misc. Earned	Record net cash transfers between salespeople.
<b>Account Type: Asset</b>	
<b>Account Name</b>	<b>Use this account to...</b>
Due	Oracle Sales Compensation updates this account with the amount you choose to pay using the Payment Submission form.
Payroll Due	Oracle Sales Compensation transfers the Due amount into this account when you submit payment.
Pay Transfer	Oracle Sales Compensation transfers the Payroll Due amount into this account when you submit payment.
Cash	Oracle Sales Compensation transfers the Payroll Due amount directly into this account.
<b>Account Type: Liability</b>	
<b>Account Name</b>	<b>Use this account to...</b>
Draw Payable*	Record advances paid to the salesperson that will be recovered against future compensation.

The above accounts are default accounts provided with Oracle Sales Compensation.

Viewing Compensation Process Statistics: page 9 – 10

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## Viewing Account Adjustments

Oracle Sales Compensation uses account adjustments to make adjustments to subledger accounts. For example, when you calculate compensation, Oracle Sales Compensation posts to the Comm. Due accounts. When you pay compensation, Oracle Sales Compensation moves money from Comm. Due to the Cash accounts.

You can also make account adjustments yourself.

**Note:** Oracle recommends that you use account adjustment only in special cases. In most cases, manual transaction calculation and payment functions will allow you to make whatever changes you need.

How an account balance increases or decreases depends on the type of account:

*Credits* are used to:

- Increase the balance of a revenue account

Thus, when you credit the Bonus Earned, Non-Recoverable Draw Earned, or Miscellaneous Earned accounts, you increase the balance of those accounts. (Remember that Oracle Sales Compensation credits or debits the Commission Earned account for you when you run calculation.)

- Increase the balance of a liability account

Thus, when you credit the Recoverable Draw Payable account, you increase the balance of that account.

- Decrease the balance of an asset account

Oracle Sales Compensation credits and debits all subledger asset accounts for you when you submit payment.

*Debits* are used to:

- Decrease the balance of a revenue account
- Decrease the balance of a liability account
- Increase the balance of an asset account

Oracle Sales Compensation uses *double-entry accounting*, in which the credits and debits from account adjustments must balance. For example, when Global Computers, Inc. gives salesperson Pat Smith a bonus, Pat's Bonus Earned account is credited and the Due account is debited.

---

## Viewing Performance

In Oracle Sales Compensation you can easily see a salesperson's quota achievement, or performance against quota. Accessing this information is key because a salesperson's commission payment varies with the level of performance.

The Performance window, which lets you view a salesperson's performance against quota at any time, including compensation plan name and achievement by amount and percentage. Period-to-date information helps you stay on top of salesperson performance, while year-to-date information provides a bigger picture of performance against business objectives.

Details about performance include:

- the name of the plan the salesperson was assigned
- performance against quota in amounts and percentages, shown both for the period and for the year
- earnings for the current period in the salesrep currency, which is the currency in which the salesperson has opted to be paid, and is the currency shown in the Subledger window for the salesperson
- achievement by revenue class for the period and year

► **To view a salesperson's performance against quota:**

1. Open the Salespeople window and run a query to locate the salesperson you want to work with.

By default, to open the Salespeople window, choose Salespeople Workbench from the Salespeople menu.

2. Choose Subledger.

The Subledger Balances window opens.

Subledger Balances - [New]

Amounts displayed in currency type: **Functional**

Period	Status	Begin Balance	Commission Earned	Bonus Earned	Draw Payable

Transactions Performance

3. Select Functional Currency or Rep Currency from the alternate region. The functional currency is the default.
4. Select the period you want to view and choose Performance. The Performance window opens.

View Performance - -

**Earnings**

Plan Element	Period-to-Date	Year-to-Date

**Achievement**

	Period	Annual
Achievement		
Quota		
Percent		

**Revenue Class Achievement**

**Achievement**

Revenue Class	Period-to-Date	Year-to-Date

Oracle Sales Compensation displays this information:

*Plan Element:* The plan elements in the compensation plan assigned to this salesperson during this period.

*PTD Earnings:* The total amount of compensation earned for the plan elements during this period.

*YTD Earnings:* The total amount of compensation earned for the plan elements during this year.

*Achievement:* The revenue earned during this period and this year to date.

*Quota:* The quota earned during this period and this year to date.

*Percent:* The percentage of quota against achievement during this period and this year to date.

For Revenue Class Achievement, Oracle Sales Compensation shows the achievement during this period and this year to date for each revenue class in the selected plan element.

You can also view all transactions during this time interval made against this compensation plan by this salesperson. See Viewing Transaction Details for an Individual Salesperson: page 11 – 11.

---

## Viewing Transaction Details

Oracle Sales Compensation lets you view transaction details in two ways:

- Via the Subledger, you can view information about a salesperson's transactions in a specific period.
- In the Transactions form, you can view all transaction details for all periods and salespeople.

**Note:** If you have a plan that is grouped by interval, the transactions are not calculated on a single-transaction basis. Therefore the values in the Commissions columns will not be meaningful, because commissions are calculated at the end of the interval you defined.

---

## Utilizing Multiple Currencies

Oracle Sales Compensation gives you the flexibility to pay salespeople in a currency of their choice, while it makes all calculations in a different currency. The currency in which a salesperson gets paid is the salesrep currency, while the currency in which Oracle Sales Compensation performs all its calculations is known as the functional currency.

You can define the salesrep currency by assigning the salesperson a currency code. See *Entering Salespeople*: page 5 – 6.

The functional currency may or may not be the same as the *source currency*, which is the currency in which Oracle Sales Compensation receives a transaction from another application, such as Oracle Receivables. If the source currency is different from the functional currency, then Oracle Sales Compensation converts it to the functional currency. By default, the functional currency is set to the US dollar.

You can see the source currency as well as the functional currency for a transaction on the Transactions window.

See *Viewing All Transaction Details*: page 11 – 12.

For information on defining currencies, see *Selecting the Set of Books*: page 2 – 5.

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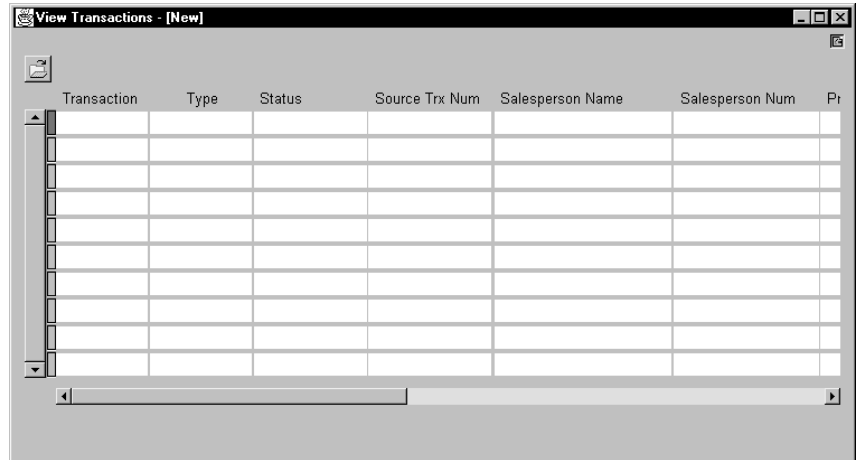
## Viewing Transaction Details for an Individual Salesperson

Via the Subledger, you can view the transaction details for a salesperson's transactions in a specific period.

► **To view transaction details for an individual salesperson:**

1. Navigate to the Subledger window.

By default, choose Salespeople Workbench from the Salespeople menu, select the salesperson you want to work with, and choose Subledger.



The screenshot shows a window titled "View Transactions - [New]". Inside the window is a table with the following columns: Transaction, Type, Status, Source Trx Num, Salesperson Name, Salesperson Num, and Pr. The table is currently empty, showing only the header row. There is a vertical scrollbar on the left side of the table and a horizontal scrollbar at the bottom.

2. In the Subledger window, select a period, then choose Transactions.

The Transactions form opens and displays the status of all transactions for the selected salesperson for this period.

**Note:** The transaction information is view-only—you cannot modify or delete the transactions. To modify transactions you must use the Maintain Transactions command

---

## Viewing All Transaction Details

Oracle Sales Compensation lets you view the details about all transactions for all salespeople and all periods. You can use queries to locate the transactions you want to view.

► **To view all transaction details:**

1. Navigate to the Transactions window.

By default, choose View Transactions from the Salespeople menu.

The Transactions form displays the status of all transactions for all salespeople. You can then run a query to locate the transactions you want to view.

**Note:** When you display the Transactions form via the View Transactions command, the transaction details are view-only—you cannot modify or delete the transactions. To modify transactions you must use the Maintain Transactions command



## Reporting with Oracle Sales Compensation

**T**his chapter explains how to:

- Run the predefined default reports provided with Oracle Sales Compensation.
- Analyze the information provided in the default reports.

The following topics are included:

- Classification Rules: page 12 – 6
- Commission Statement: page 12 – 7
- Compensation Plans: page 12 – 10
- Hierarchy: page 12 – 11
- Commission Summary: page 12 – 14
- Payrun Listing Report: page 12 – 16
- Quota Performance: page 12 – 18
- Salesperson Plan Assignments: page 12 – 20

The following task is included:

- Running Predefined Reports: page 12 – 2

---

## Running Predefined Reports

Oracle Sales Compensation provides several predefined reports you can run using the Oracle Applications Concurrent Manager. The Concurrent Manager also allows you to view reports, set report parameters, monitor the progress of a report being created, and print a report.

You can submit the following default reports using the Concurrent Manager. Several of these reports can be run in multiple currencies.

- **Classification Rules**

This report shows the classification rules and their corresponding revenue classes currently defined in Oracle Sales Compensation. See *Classification Rules*: page 12 – 6 for more information.

- **Commission Statement**

This report reflects the information in the Transaction window in the subledger in the salesperson Workbench. This report shows the compensation amounts for the selected period for individual salespeople by compensation plan and grouped by plan element. This report shows the commission from each individual transaction, with the transaction details. This report can be run in either functional currency or in the salesrep currency. The amounts reflect the selected currency. See *Commission Statement*: page 12 – 7 for more information. This report can be run using report level security. For instance, a manager can run Commission Statements for only the individuals below him in the Salesperson hierarchy.. See *System Profiles Option OSC: Report Security Level*: page 1 – 22.

- **Compensation Plan**

This report shows compensation plans and their corresponding rate tables, plan elements, and revenue classes currently defined in Oracle Sales Compensation. See *Compensation Plans*: page 12 – 10 for more information.

- **Hierarchy**

This report shows hierarchy structures with parent/child relationships for the different hierarchies. See *Hierarchy*: page 12 – 11 for more information.

- **Commission Summary**

This report shows period-to-date and year-to-date compensation summaries for all salespeople you specify. This

report can be run in either the functional currency or in the salesrep currency. The amounts reflect the selected currency. See Commission Summary: page 12 – 18 for more information. This report can be run using report level security. For instance, an analyst can run Commission Summary reports for only the individuals assigned to him. See System Profiles Option OSC: Report Security Level: page 1 – 22.

- Payrun Listing

This report shows the payrun listing for all salespeople in a payrun. See Payrun Listing: page 12 – 16 for more information. Payrun listing reports can be run in either the functional currency or in the salesrep currency. The amounts reflect the selected currency. This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

- Quota Performance

This report shows the performance for each specified salesperson by plan element and by revenue class. If a plan element has the Apply Txn field set to Grouped by Interval, then this report needs to be run to see the commission earned for the plan element. The Commission Statement report will not show the commission earned for a Grouped by Interval case, as the commission amount field will show 0 for each individual transaction. This report reflects the information in the performance window in the Subledger in the Salesperson Workbench. This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

- Salesperson Plan Assignments

This report shows the plan assignments for all salespeople assigned to each compensation plan currently defined in Oracle Sales Compensation. See Salesrep Plan Assignments: page 12 – 20 for more information.

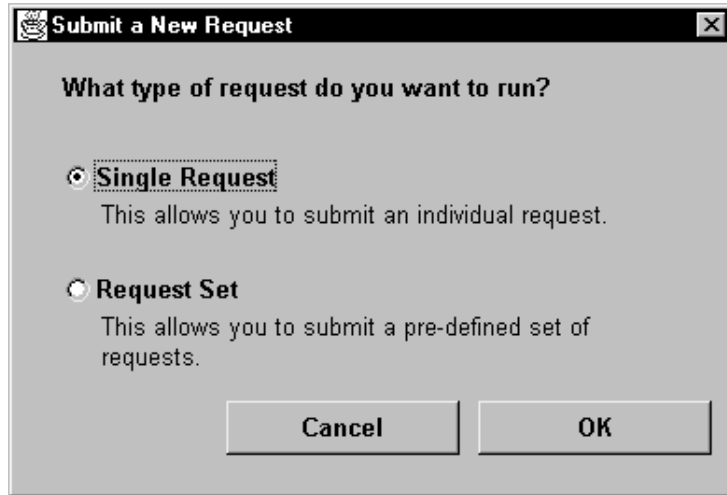
On each report, Oracle Sales Compensation prints:

- The date
- The name of the report
- The current page and number of pages in the report

► **To submit a report request in Oracle Sales Compensation:**

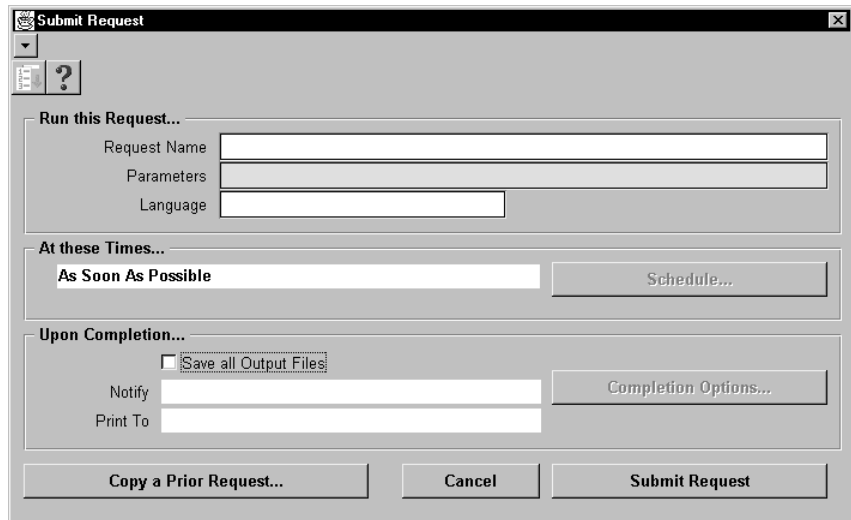
1. Choose Run from the Concurrent Requests menu.

Oracle Sales Compensation displays a window asking you whether you want to submit a single request or a request set. A request set is a user defined set of reports that you typically run together.



The dialog box titled "Submit a New Request" has a close button in the top right corner. The main text asks "What type of request do you want to run?". There are two radio button options: "Single Request" (which is selected) and "Request Set". Below "Single Request" is the text "This allows you to submit an individual request." Below "Request Set" is the text "This allows you to submit a pre-defined set of requests." At the bottom are "Cancel" and "OK" buttons.

2. Choose Single



The dialog box titled "Submit Request" has a close button in the top right corner. It contains several sections: "Run this Request..." with fields for "Request Name", "Parameters", and "Language"; "At these Times..." with a dropdown menu set to "As Soon As Possible" and a "Schedule..." button; "Upon Completion..." with a checkbox for "Save all Output Files", fields for "Notify" and "Print To", and a "Completion Options..." button. At the bottom are "Copy a Prior Request...", "Cancel", and "Submit Request" buttons.

3. From the Name field, select the report you want to run using the list of values.

4. Select the currency code from the alternate region. Default is functional currency.
5. Enter other parameters as required for each report.

You can use Oracle Reports 2.5 to customize these default reports or create additional reports.

**Note:** See *Oracle Reports 2.5 User's Guide* for more information on how to use Reports 2.5.

# Classification Rules

The Classification Rules report lists the classification rules and their corresponding revenue classes currently defined in Oracle Sales Compensation.

Figure 10 – 4

Classification Rules Report							Date: Mon Nov 17, 97	3:55:4 PM
							Page: 1 of 1	
Rule Name	Revenue Class	Column Name	Cond	Column Value	Low Value	High Value	Hierarchy Name	Rollup Value
Consulting	Consulting	ACCOUNT_CODE	=	CONSULTING				
Support	Support	ACCOUNT_CODE	=	SUPPORT				
Training	Training	ACCOUNT_CODE	=	TRAINING				
Assembled Computers	Assembled Computers	ITEM ID	=				Item Hierarchy	Assembled Computers
Documentation	Documentation	ITEM ID	=				Item Hierarchy	Documentation
Standard Computers	Standard Computers	ITEM ID	=				Item Hierarchy	Standard Computers
Drives and Cards	Drives and Cards	ITEM ID	=				Item Hierarchy	Drives and Cards
Monitors	Monitors	ITEM ID	=				Item Hierarchy	Monitors
Other	Other	ITEM ID	=				Item Hierarchy	Other

## Column Headings

<b>Rule Name</b>	The level and name of the classification rule. The level appears on the first row with the name indented below it.
<b>Column Value</b>	The value of the column.
<b>Condition</b>	The operator used by the system.
<b>Column Name</b>	The name of the user-defined column in Oracle Sales Compensation.
<b>Low Value</b>	The low end of the range of values in the Column Name field.
<b>High Value</b>	The high end of the range of values in the Column Name field.
<b>Rollup Value</b>	The classification rule this rule rolls up to.
<b>Hierarchy Name</b>	The name of the hierarchy for the classification rule.

**Revenue Class Name**     The name of the revenue class assigned to this classification rule.

---

## **Commission Statement**

This report reflects the information in the Transaction window in the subledger in the salesperson Workbench. This report shows the compensation amounts for the selected period for individual salespeople by compensation plan and grouped by plan element. This report shows the commission from each individual transaction, with the transaction details. This report can be run in either functional currency or in the salesrep currency. The amounts reflect the selected currency. See Commission Statement: page 12 – 7 for more information. This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

Figure 10 – 5

Commission Statement							Date: 17-NOV-1997 15:57	
Current Period : Jan-97			Currency Type : Functional				Page: 1/5	
Functional Currency: USD								
Compensation Plan: FY97 VP Plan			Employee Number: 46		Cost Center:	410 Rep	Currency Code: USD	
Salesrep Name: Elaine Manley								
Plan Element: All								
Trx Num	Process Date	Revenue Class	Trx Type	Source Curr Code	Source Trx Amount	Trx. Amount	Commissionable Amount	Commission Amount
34193	01-JAN-97	Drives and Cards	Manual Adjustment			<34,522.00>	<34,522.00>	<69.04>
34192	01-JAN-97	Drives and Cards	Manual Adjustment			39,493.00	39,493.00	78.99
34194	05-JAN-97	Standard Computers	Payment			969,529.09	969,529.09	0.00
34195	06-JAN-97	Standard Computers	Invoice			1,750,000.00	1,750,000.00	3,500.00
34196	06-JAN-97	Standard Computers	Invoice			2,500,000.00	2,500,000.00	5,000.00
34197	30-JAN-97	Standard Computers	Payment			2,500,000.00	2,500,000.00	0.00
34213	01-JAN-97	Other	Manual Adjustment			<8,754.00>	<8,754.00>	<17.51>
34212	01-JAN-97	Other	Manual Adjustment			93,399.00	93,399.00	186.80
34215	06-JAN-97	Standard Computers	Invoice			208,333.33	208,333.33	416.67
34219	30-JAN-97	Standard Computers	Payment			208,333.33	208,333.33	0.00
34218	30-JAN-97	Standard Computers	Giveback			235,607.23	235,607.23	2,356.07
34214	04-JAN-97	Standard Computers	Payment			1,250,000.00	1,250,000.00	0.00
34217	06-JAN-97	Standard Computers	Invoice			1,600,000.00	1,600,000.00	4,800.00
34216	06-JAN-97	Standard Computers	Invoice			3,900,000.00	3,900,000.00	10,606.69
34208	01-JAN-97	Other	Manual Adjustment			<89,456.00>	<89,456.00>	<178.91>
34207	01-JAN-97	Other	Manual Adjustment			94,393.00	94,393.00	188.79
34211	06-JAN-97	Standard Computers	Invoice			2,600,000.00	2,600,000.00	5,200.00
34209	04-JAN-97	Standard Computers	Payment			3,200,000.00	3,200,000.00	0.00
34210	06-JAN-97	Standard Computers	Invoice			5,000,000.00	5,000,000.00	10,000.00
34285	01-JAN-97	Support	Manual Adjustment			<8,921.00>	<8,921.00>	<17.84>
</								



### **Column Headings**

---

<b>Trx Number</b>	The number of the transaction as seen in the View transaction window..
<b>Process Date</b>	The date the transaction was processed.
<b>Revenue Class</b>	The name of the revenue class assigned to the transaction.
<b>Trx Type</b>	The type of the transaction; whether this transaction has been entered manually or collected from Oracle Receivables or another source.
<b>Source Curr Code</b>	The original currency code for the transaction.
<b>Source Trx Amount</b>	The original amount of the transaction.
<b>Trans Amt</b>	The amount of the transaction; this is displayed in either functional currency or salesrep currency.
<b>Amt Commissionable</b>	The amount for which the salesrep can be paid; this is either all of a portion of the transaction amount; this is displayed in either functional currency or salesrep currency.
<b>Commission Amount</b>	Actual commission amount for each transaction.

### **Parameters**

---

<b>Salesrep Name</b>	Specify the name of the salesperson.
<b>Currency Type</b>	Select the currency in which to run the report.
<b>Period Name</b>	Enter the period for this report.
<b>Plan Name</b>	Specify the name of the compensation plan.

# Compensation Plans

The Compensation Plans report lists all compensation plans and their corresponding rate tables, plan elements, and revenue classes currently defined in Oracle Sales Compensation.

Figure 10 – 6

			Date: Mon Nov 17, 97		3:55:52 PM	
			Compensation Plans			
Plan Name	Rate Table	Plan Element	Page: 1 of 3 Revenue Class	Start Period	End Period	
FY96 Consulting Sales Rep	Consulting	Consulting	Consulting	Jan-96	Dec-96	
FY96 External Rep Plan	Units	Bonus		Jan-96	Dec-96	
FY96 Sales Manager	All	Computer Units	All Computers	Jan-96	Dec-96	
		All	All	Jan-96	Dec-96	
		Bonus		Jan-96	Dec-96	
		Draw (Non-Recoverable)		Jan-96	Dec-96	
FY96 SalesRep Plan I	All Hardware	All Hardware	All Hardware	Jan-96	Dec-96	
	Support	Support	Support	Jan-96	Dec-96	
		Bonus		Jan-96	Dec-96	
		Draw		Jan-96	Dec-96	
FY96 SalesRep Plan II	All Hardware	All Hardware	All Hardware	Jan-96	Dec-96	
	All Services	All Services	Consulting	Jan-96	Dec-96	
			Support	Jan-96	Dec-96	
			Training	Jan-96	Dec-96	
		Bonus		Jan-96	Dec-96	
		Draw		Jan-96	Dec-96	
FY96 Support Renewal Rep	Support	Support	Support	Jan-96	Dec-96	
				Jan-96	Dec-96	
FY96 Training Sales Rep	Training	Bonus	Training	Jan-96	Dec-96	
		Training		Jan-96	Dec-96	
		Bonus		Jan-96	Dec-96	
FY96 VP Plan	All	All	All	Jan-96	Dec-96	
		Bonus		Jan-96	Dec-96	
		Draw (Non-Recoverable)		Jan-96	Dec-96	
FY97 Consulting Sales Rep	Consulting	Consulting	Consulting	Jan-97	Dec-97	
				Jan-97	Dec-97	
FY97 External Rep Plan	Units	Bonus		Jan-97	Dec-97	
FY97 Sales Manager	All	Computer Units	All Computers	Jan-97	Dec-97	
		All	All	Jan-97	Dec-97	
		Bonus		Jan-97	Dec-97	
		Draw (Non-Recoverable)		Jan-97	Dec-97	

## Column Headings

Plan Name	The name of the compensation plan.
Rate Table	The rate table used by the plan element in the compensation plan.
Plan Element	The plan elements assigned to the compensation plan.
Revenue Class	The revenue class assigned to the plan element in this compensation plan.
Start Period	The first period of the plan element for this compensation plan.
End Period	The last period of the plan element for this compensation plan.

# Hierarchy

This report shows hierarchy structures with parent/child relationships for the different hierarchies. See Hierarchy: page 12 – 11 for more information.

Figure 10 – 7

Hierarchy Report			Date: 19-NOV-1997 12:52
Dimension Name:	Item Number		Page: 1/2
Hierarchy Name:	Item Hierarchy		
Effective From:	Jan-96	To: Dec-97	
Hierarchy Node Name (External ID) (# of Nodes Below)			
-----			
BASE NODE () (57)			
Documentation (-1004) (3)			
	CM13375 (205) (0)		
	CM25175 (203) (0)		
	CM85773 (207) (0)		
Drives and Cards (-1006) (17)			
	CM22473 (183) (0)		
	CM08830 (251) (0)		
	CM13139 (249) (0)		
	CM25287 (241) (0)		
	CM35682 (243) (0)		
	CM41684 (185) (0)		
	CM44131 (259) (0)		
	CM45098 (179) (0)		
	CM45470 (169) (0)		
	CM47234 (189) (0)		
	CM60257 (193) (0)		
	CM67433 (187) (0)		
	CM73946 (261) (0)		
	CM76962 (191) (0)		
	CM85062 (177) (0)		
	CM94043 (197) (0)		
	CM99105 (245) (0)		
Monitors (-1005) (4)			
	CM15138 (247) (0)		
	CM15140 (225) (0)		
	CM31556 (199) (0)		
	CM68377 (227) (0)		
Other (-1007) (20)			
	CM18759 (201) (0)		
	CM18761 (253) (0)		
	CM28287 (213) (0)		

```

Hierarchy Report
Date: 19-NOV-1997 12:54
Page: 1/1

Dimension Name: Revenue Classes
Hierarchy Name: Revenue Class Hierarchy
Effective From: Jan-96 To: Dec-97
Hierarchy Node Name (External ID) (# of Nodes Below)
-----
BASE NODE () (12)
  All (1002) (11)
    All Hardware (1003) (7)
      All Computers (1044) (2)
        Standard Computers (1063) (0)
        Assembled Computers (1062) (0)
      Monitors (1049) (0)
      Drives and Cards (1050) (0)
      Other (1051) (0)
      Documentation (1048) (0)
    Consulting (1005) (0)
    Support (1006) (0)
    Training (1004) (0)

```

Date: 19-NOV-1997 12:54  
Page: 1/1

Hierarchy Report

Dimension Name: Salespeople  
 Hierarchy Name: Salespeople Hierarchy  
 Effective From: Jan-96 To: Dec-99  
 Hierarchy Node Name (External ID) (# of Nodes Below)

---

```

BASE NODE ( ) (11)
  Elaine Manley (1009) (10)
    Thomas Selleck (1000) (3)
      Lisa Douglas (1002) (0)
      Howard Sprague (1001) (0)
      Delores Smith-Jones (1003) (0)
    Jerrold Feinberg (1004) (4)
      Barry Lewis (1005) (0)
      Suzanne Green (1006) (0)
      Pat Murphy (1008) (0)
      Timothy Cleary (1007) (0)
    Bob Wiley - External Agent (1020) (0)
  
```

### **Column Headings**

---

<b>Hierarchy Node</b>	The hierarchy node.
<b>Name</b>	The name of the item which is in the hierarchy, for example, salesperson, revenue class.
<b>External ID</b>	The value of the primary key for the dimension defined, for example, Salesrep_id in the Salesrep hierarchy, revenue_com_id in the revenue class hierarchy.
<b># of Nodes Below</b>	The number of nodes below.

### **Parameters**

---

<b>Dimension Name</b>	Enter the name of the dimension.
<b>Hierarchy Name</b>	Enter the name of the hierarchy.
<b>Start Period Name</b>	Enter the start period.
<b>End Period Name</b>	Enter the end period.

# Commission Summary

The Commission Summary report summarizes the compensation for all salespeople for the period you specify and year-to-date. If you run this report in functional currency, then all amounts displayed appear in the functional currency. If you run this report in salesrep currency, then the amounts reflect the currency associated with the value in the Rep Name field (the salesperson’s name). This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

Figure 10 – 10

Commission Summary Report				Date: Mon Nov 17, 97	3:58:55
		Current Period	: Jan-96	Page: 1 of 6	
		Currency Type	: Functional		
		Functional Currency:	USD		
Salesrep Name:	Bob Wiley - External Agent	Employee Number:	11	Rep Currency Code:	USD
Compensation Plan:	FY96 External Rep Plan				
Begin Balance:	0.00				
End Balance:	0.00				
--- Compensation Summary -----					
	Period-to-Date	Year-to-Date			
Commission Earned:	58,065.00	58,065.00			
Bonus Earned:		0.00			
Misc. Earned:	0.00	0.00			
Cash:	58,065.00	58,065.00			
Draw Payable:		0.00			
Salesrep Name:	Barry Lewis	Employee Number:	44	Rep Currency Code:	USD
Compensation Plan:	FY96 SalesRep Plan II				
Begin Balance:	0.00				
End Balance:	0.00				
--- Compensation Summary -----					
	Period-to-Date	Year-to-Date			
Commission Earned:	4,999.64	4,999.64			
Bonus Earned:		0.00			
Misc. Earned:	0.00	0.00			
Cash:	4,999.64	4,999.64			
Draw Payable:		0.00			

## Column Headings

Emp Number	The salesperson’s employee number.
Rep Name	The salesperson’s name.
Plan Name	The name of the compensation plan assigned to the salesperson.
Currency	The selected currency code, which may be functional currency or salesrep currency.
Beg Balance	The balance carried over from the previous period.
Comm Earned Ptd   Ytd	The amount of commission earned by the salesperson during this period   year-to-date.

<b>Bonus Earned Ptd   Ytd</b>	The amount of bonus earned by the salesperson during this period   year-to-date.
<b>Cash Ptd   Ytd</b>	The actual amount of compensation paid to the salesperson during this period   year-to-date.
<b>Misc Earned Ptd   Ytd</b>	The adjustments made in this salesperson's payment worksheet   year-to-date.
<b>Draw Payable Ptd   Ytd</b>	The amount of draw paid to this salesperson during this period   year-to-date.
<b>End Balance</b>	The balance due or owed by the salesperson to be carried over to the next period.

#### **Parameters**

---

<b>Period Name</b>	Enter the period for the compensation shown in this report for this salesperson.
<b>Currency Type</b>	Select the currency in which to run the report.
<b>Salesrep Name</b>	Specify the name of the salesperson.

# Payrun Listing

The Payrun Listing report summarizes the compensation information for all salespeople who are compensated in a specific payrun. Payrun listing reports can be run in either the functional currency or in the salesrep currency. The amounts reflect the selected currency, and the currency code is displayed in the Curr column. This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

Figure 10 – 11

Payrun Listing										Date: Mon Nov 17, 97 4:0:58 PM
Currency Type : Functional										Page: 1 of 1
Functional Currency: USD										
Payrun Name: Jan-96										
Pay Period: Jan-96										
Accounting Period: Jan-96										
Payrun Name: Employee Number	Salesrep Name	Curr Code	Commission Earn	Commission Paid	Bonus Earn	Bonus Paid	Draw Paid	Adjust Paid	Total Paid	
11	Bob Wiley - External Agent	USD	58,065.00	58,065.00	0.00	0.00	0.00	0.00	58,065.00	
44	Barry Lewis	USD	4,999.64	4,999.64	0.00	0.00	0.00	0.00	4,999.64	
45	Delores Smith-Jones	USD	42,419.35	42,419.35	0.00	0.00	0.00	0.00	42,419.35	
46	Elaine Manley	USD	152,887.22	152,887.22	0.00	0.00	0.00	0.00	152,887.22	
47	Howard Sprague	USD	0.00	54,077.25	0.00	0.00	0.00	0.00	54,077.25	
48	Jerrold Feinberg	USD	30,058.27	30,058.27	0.00	0.00	0.00	0.00	30,058.27	
49	Lisa Douglas	USD	5,793.10	5,793.10	0.00	0.00	0.00	0.00	5,793.10	
50	Pat Murphy	USD	28,451.48	28,451.48	0.00	0.00	0.00	0.00	28,451.48	
51	Suzanne Green	USD	4,685.66	4,685.66	0.00	0.00	0.00	0.00	4,685.66	
52	Thomas Selleck	USD	0.00	155,203.28	0.00	0.00	0.00	0.00	155,203.28	
53	Timothy Cleary	USD	17,335.59	17,335.59	0.00	0.00	0.00	0.00	17,335.59	

## Report Headings

Payrun Name	The name of the payrun.
Payrun ID	The ID of this pay run.
Pay Period	The period this pay run should be paid.
Accounting Period	The period for which you are paying.



### **Column Headings**

---

<b>Emp Num</b>	The salesperson's employee number.
<b>Salesrep Name</b>	The salesperson's name.
<b>Currency</b>	The selected currency code, which may be functional currency or salesrep currency.
<b>Comm Earned</b>	The amount of commission earned during this pay run.
<b>Comm Paid</b>	The amount of commission paid in this pay run.
<b>Bonus Earn</b>	The amount of bonus earned during this pay run.
<b>Bonus Paid</b>	The amount of bonus paid in this pay run.
<b>Draw Paid</b>	The amount of draw paid in this pay run.
<b>Adjust Paid</b>	The adjustment amount in this pay run.
<b>Total Paid</b>	The actual amount paid to the salesperson in this pay run.

### **Parameters**

---

<b>Payrun Name</b>	Specify the name of the payrun.
<b>Currency Type</b>	Select the currency in which to run the report.

# Quota Performance

This report shows the performance for each specified salesperson by plan element and by revenue class. If a plan element has the Apply Txn field set to Grouped by Interval, then this report needs to be run to see the commission earned for the plan element. The Commission Statement report will not show the commission earned for a Grouped by Interval case, as the commission amount field will show 0 for each individual transaction. This report reflects the information in the performance window in the Subledger in the Salesperson Workbench. This report can be run using report level security. See System Profiles Option OSC: Report Security Level: page 1 – 22.

Figure 10 – 12

Quota Performance Report					
			Report date: 17-NOV-1997 15:11		
Current Period: Jan-96			Page: 1 / 11		
Currency Type: Functional					
Functional Currency: USD					
Salesrep Name: Bob Wiley - External		Employee Number 11	Plan Name: FY96 External Rep Plan		Currency Code: USD
Agent					
Plan Element: Computer Units					
-----Earning/Quota Achievement-----					
		Period-to-Date	Year-to-Date	Revenue Class	Achievement
				Revenue Class	Period-to-Date
					Year-to-Date
Commission Earned:		58,065.00	58,065.00	All Computers	3,871.00
Quota Achieved:		3,871.00	3,871.00		3,871.00
Quota:		0.00	0.00		
Percentage:		.00	.00		
Salesrep Name: Barry Lewis		Employee Number 44	Plan Name: FY96 SalesRep Plan II		Currency Code: USD
Plan Element: Bonus					
-----Earning/Quota Achievement-----					
		Period-to-Date	Year-to-Date	Revenue Class	Achievement
				Revenue Class	Period-to-Date
					Year-to-Date
Commission Earned:		0.00	0.00		
Quota Achieved:		0.00	0.00		
Quota:		0.00	0.00		
Percentage:		.00	.00		
Plan Element: Draw					
-----Earning/Quota Achievement-----					
		Period-to-Date	Year-to-Date	Revenue Class	Achievement
				Revenue Class	Period-to-Date
					Year-to-Date
Commission Earned:		0.00	0.00		
Quota Achieved:		0.00	0.00		
Quota:		1,500.00	1,500.00		
Percentage:		.00	.00		

## Report Headings

### Current Period

The period for which the quota performance is calculated.

### Currency

The currency in which the report is generated.

### **Column Headings**

---

<b>Emp Num</b>	The salesperson's employee number.
<b>Salesrep Name</b>	The salesperson's name.
<b>Compensation Plan</b>	The compensation plan assigned for each salesperson.
<b>Plan Element</b>	The plan elements assigned to the compensation plan for each salesperson.
<b>Cost Ctr</b>	The cost center this salesperson's compensation is charged to.
<b>Curr Code</b>	The selected currency code, which may be functional currency or salesrep currency.
<b>Comm Earned Ptd/Ytd</b>	The commission earned for this period and year-to-date for the salesperson.
<b>Quota Achieved Ptd/Ytd</b>	The achievement amount for this period and year-to-date toward quota credited for the salesperson.
<b>Quota Ptd/Ytd</b>	Target quota amount for the salesperson for the selected period.
<b>Percentage Ptd/Ytd</b>	Percentage of achievement toward quota for the period and year-to-date.

### **Parameters**

---

<b>Period Name</b>	Enter the period for this report.
<b>Currency Type</b>	Select the currency in which to run the report.

# Salesperson Plan Assignments

The Salesperson Plan Assignments report lists all salespeople assigned to each compensation plan currently defined in Oracle Sales Compensation.

Figure 10 – 13

Salespeople Plan Assignment					Date: Mon Nov 17, 97	3:56:54 PM
Compensation Plan Name		Employee No.	Salespeople Name	Start Period	End Period	
FY96 Consulting Sales Rep		53	Timothy Cleary	Jan-96	Dec-96	
FY96 External Rep Plan		11	Bob Wiley - External Agent	Jan-96	Dec-96	
FY96 Sales Manager		48	Jerrold Feinberg	Jan-96	Dec-96	
FY96 SalesRep Plan I		52	Thomas Sellect	Jan-96	Dec-96	
		47	Howard Sprague	Jan-96	Dec-96	
		49	Lisa Douglas	Jan-96	Dec-96	
		51	Suzanne Green	Jan-96	Dec-96	
FY96 SalesRep Plan II		44	Barry Lewis	Jan-96	Dec-96	
FY96 Support Renewal Rep		45	Delores Smith-Jones	Jan-96	Dec-96	
FY96 Training Sales Rep		50	Pat Murphy	Jan-96	Dec-96	
FY96 VP Plan		46	Elaine Manley	Jan-96	Dec-96	
FY97 Consulting Sales Rep		53	Timothy Cleary	Jan-97	Dec-97	
FY97 External Rep Plan		11	Bob Wiley - External Agent	Jan-97	Dec-97	
FY97 Sales Manager		48	Jerrold Feinberg	Jan-97	Dec-97	
FY97 SalesRep Plan I		52	Thomas Sellect	Jan-97	Dec-97	
		47	Howard Sprague	Jan-97	Dec-97	
		49	Lisa Douglas	Jan-97	Dec-97	
		51	Suzanne Green	Jan-97	Dec-97	
FY97 SalesRep Plan II		44	Barry Lewis	Jan-97	Dec-97	
FY97 Support Renewal Rep		45	Delores Smith-Jones	Jan-97	Dec-97	
FY97 Training Sales Rep		50	Pat Murphy	Jan-97	Dec-97	
FY97 VP Plan		46	Elaine Manley	Jan-97	Dec-97	

## Column Headings

Plan Name	The name of the compensation plan.
Employee Number	The salesperson's employee number.
Salesrep Name	The salesperson's name.
Start Period	The first period the salesperson was assigned to this compensation plan.
End Period	The last period the salesperson is currently assigned to this compensation plan.

# A

## Windows and Navigator Paths

**T**hroughout this guide we instruct you to open various product windows to complete a task. This appendix lists each window in the product alphabetically and shows you the *standard* navigation path for opening each window.

The path includes both menu selections as well as buttons, where applicable. For example, in the following menu path, Transaction Factors is a button in the Compensation Terms window:

Navigator > Compensation Plans > Compensation Plan Elements

Because you can customize menu navigation, the paths shown in this appendix might be different from those your system administrator has set up.

**Note:** For more information on how to customize these menus, see the *Oracle Applications User's Guide*.

# Sales Compensation Windows and Navigator Paths

Although your system administrator may have customized your navigator, typical navigational paths include the following:

**Note:** Text in brackets ([ ]) indicates a button.

Window Name	Navigation Path
AR Mapping for Invoices: page 4 – 18	Navigator > Setup > Collection > [Mapping]
Calculation Submission: page 9 – 6	Navigator > Salespeople > Calculation Submission
Collections: page 4 – 10	Navigator > Setup > Collections
Compensation Plans: page 7 – 6	Navigator > Compensation Plans Workbench
Dimensions: page 3 – 21	Navigator > Setup > Dimensions
Hierarchies: page 3 – 23	Navigator > Setup > Dimensions > [Hierarchies]
Hierarchy Elements: page 3 – 25	Navigator > Setup > Dimensions > [Hierarchies] > [Nodes]
Lookup Tables: page 6 – 5	Navigator > Setup > Lookups
Manual Bonuses: page 10 – 14	Navigator > Salespeople > Payment Submission > [Worksheet] > [Bonuses]
Notify Log: page 9 – 12	Navigator > Administration > User Notifications
Payment Worksheet: page 10 – 10	Navigator > Salespeople > Payment Submission > [Worksheet]
Periods: page 2 – 7	Navigator > Administration > Periods
Period Targets: page 7 – 118	Navigator > Salespeople > Salespeople Workbench > [Plan Assignments] > [Period Targets]
Plan Assignments: page 7 – 113	Navigator > Salespeople > Salespeople Workbench > [Plan Assignments]
Plan Elements: page 7 – 11	Navigator > Compensation Plans > Plan Elements
Process Log: page 9 – 10	Navigator > Administration > Process Logs > [Process Log]
Processes: page 9 – 10	Navigator > Administration > Process Logs
Rate Tables: page 7 – 92	Navigator > Compensation Plans > Rate Tables
Revenue Classes: page 3 – 11	Navigator > Setup > Classification Rules > [Revenue Classes]
Revenue Classes: page 7 – 97	Navigator > Compensation Plans > Plan Elements > [Revenue Classes]
Rules: page 3 – 37	Navigator > Setup > Classification Rules > [Rules]
Rule Attributes: page 3 – 39	Navigator > Setup > Classification Rules > [Rules] > [Rule Attributes]

Window Name	Navigation Path
Salespeople: page 5 – 5	Navigator > Salespeople > Salespeople Workbench
Subledger Balances: page 11 – 7	Navigator > Salespeople > Salespeople Workbench > [Subledger]
Submit Payment: page 10 – 7	Navigator > Salespeople > Payment Submission
System Parameters: page 2 – 5	Navigator > Setup > System Parameters
System Profiles: page 1 – 21	Navigator > Setup > Profiles > System
Transactions: page 8 – 9	Navigator > Salespeople > Maintain Transactions > [Transactions]
Transactions: page 11 – 12	Navigator > Salespeople > View Transactions
Transaction Factors: page 7 – 108	Navigator > Compensation Plans > Plan Elements > [Revenue Classes] > [Transaction Factors]
Transaction Batches: page 8 – 7	Navigator > Salespeople > Maintain Transactions
View Performance: page 11 – 7	Navigator > Salespeople > Salespeople Workbench > [Subledger] > [Performance]
View Salespeople Assignments: page 7 – 121	Navigator > Compensation Plans Workbench > [View Salespeople]
View Transactions: page 11 – 10	Navigator > Salespeople > Salespeople Workbench > [Subledger] > [Transactions]





# *B*

## Element Type Compensation Examples

**T**his appendix provides examples that explain how to calculate commissions using various element type compensation plans.

The following tasks are included:

- Revenue Quota Compensation Examples: page B – 2
- Revenue Non Quota Compensation Examples: page B – 20
- Draw Compensation Example: page B – 43
- Manual Compensation Example: page B – 44
- Unit Quota Compensation Examples: page B – 45
- Unit Non Quota Compensation Examples: page B – 60
- Discount Compensation Examples: page B – 83
- Margin Compensation Examples: page B – 91





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## Revenue Quota Compensation Examples

The Revenue Quota compensation examples comprise the following syntax:

**<Payment Type>:<Apply Txn>:<Split On/Off>:<ITD On/Off>**

The following examples use Revenue Quota compensation to calculate transactions:

- Applied Transaction Amount Percentage : Individually : Split On : ITD Off: page B – 4
- Applied Transaction Amount Percentage : Individually : Split Off : ITD Off: page B – 7
- Fixed Amount : Individually: page B – 10
- Payment Amount Percentage : Individually : ITD Off: page B – 12
- Applied Transaction Amount Percentage : Grouped by Interval: page B – 14
- Fixed Amount : Grouped By Interval: page B – 16
- Payment Amount Percentage : Grouped By Interval: page B – 18

The Sales Activity table lists the transaction amount, the product sold, and the performance that is being used to calculate the commission for each of these methods. Quota is defined to be \$1,000 in the two examples. Revenue classes A and B are tied to these plan elements.

Sales Activity		
Transaction Amount	Product	Performance % (Achievement/Quota)
\$500	A	$\$500/\$1,000 = 50\%$
\$500	B	$\$1,000/\$1,000 = 100\%$

The RQ Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

RQ Percentage Rate Table			
Tier			Commission
Percent			Percent
	From %	To %	%
	0	75	5
	75	100	10
	100	999	15

The RQ Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

RQ Amount Rate Table			
Tier			Commission
Percent			Amount
	From %	To %	
	0	75	5.00
	75	100	10.00
	100	999	15.00

## Applied Transaction Amount Percentage : Individually : Split On : ITD Off

This type of plan element is typically used to compensate internal sales representatives on revenue. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage or rate amount is determined by their overall revenue achievement towards the quota set by sales management.

When this type of plan element is used with the Split check box checked, the sales representatives who earn the same total revenue will receive the same total commission irrespective of the number of sales that they make.

Revenue Quota Plan Element Example 1	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	On
Apply Txn	Individually
Quota	\$1,000.00
Payment Type	Applied Transaction Amount Percentage
Rate Table	RQ Percentage
Discount Option	None
ITD	Off

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Revenue accumulating is reset at the beginning of each interval. Oracle Sales Compensation adds the transaction amount to the revenue already associated for the interval, finds the appropriate tier in the RQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the transaction amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Percentage Rate Table.
Commission	Commission rate x transaction amount.

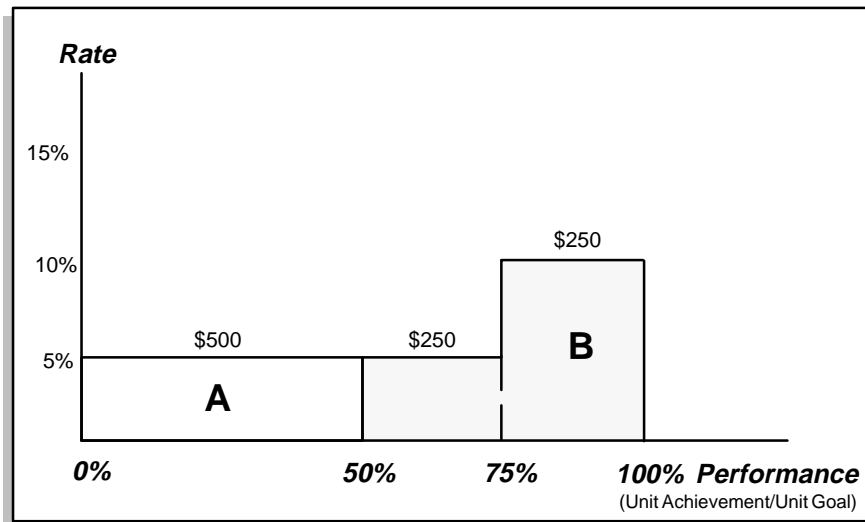
► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue performance percentage of 50% in the RQ Percentage Rate Table: page B – 3.  
The commission rate = 5% as determined by the revenue performance percentage of 50%, which appears in the first tier in the RQ Percentage Rate Table.
2. Calculate the commission.  
The commission for product A is:  $5\% \times \$500 = \$25$ .

► **To calculate the commission for product B:**

In this case, the second \$500 transaction crosses over both the first and second tiers in the RQ Percentage Rate Table: page B – 3.; therefore, the revenue will be split across both tiers, and two different rates will be used to calculate the commission.

1. First you must determine the amount in the first tier.  
The first \$250 of the \$500 for product B transaction falls in the first tier with the rate of 5%.
2. Calculate the commission for the first \$250 of product B.  
The commission for the first \$250 of product B is:  
 $5\% \times \$250 = \$12.50$ .
3. Determine the amount in the second tier.  
The second \$250 of the \$500 for product B falls in the second tier with the rate of 10%.
4. Calculate the commission for the second \$250 of product B.  
The commission for the second \$250 of product B is:  
 $10\% \times \$250 = \$25$ .
5. Calculate the total commission for both tiers.  
The total commission for both tiers is:  
 $\$12.50 + \$25.00 = \$37.50$ .



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:

$$\$25.00 + \$37.50 = \$62.50.$$



### **Applied Transaction Amount Percentage : Individually : Split Off : ITD Off**

---

This type of plan element is typically used to compensate internal sales representatives on revenue. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage or rate amount is determined by their overall revenue achievement towards the quota set by sales management.

When this type of plan element is used with the Split check box unchecked, the sales representatives who earn the same total revenue may not receive the same total commission. If a transaction spans more than one tier, the transaction will not be split proportionately across the different tiers, instead only the higher rate will be used to calculate the entire transaction. Companies may use this feature to provide an added incentive to make larger sales to each customer.

Revenue Quota Plan Element Example 2	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Apply Txn	Individually
Quota	\$1,000.00
Payment Type	Applied Transaction Amount Percentage
Rate Table	RQ Percentage
Discount Option	None
ITD	Off

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Revenue accumulating is reset at the beginning of each interval. Oracle Sales Compensation adds the transaction amount to the revenue already associated for the interval, finds the appropriate tier in the RQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the transaction amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Percentage Rate Table.
Commission	Commission rate x transaction amount.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue performance percentage of 50% in the RQ Percentage Rate Table: page B – 3.

The commission rate = 5% as determined by the revenue performance percentage of 50%, which appears in the first tier in the RQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$500 = \$25$ .

► **To calculate the commission for product B:**

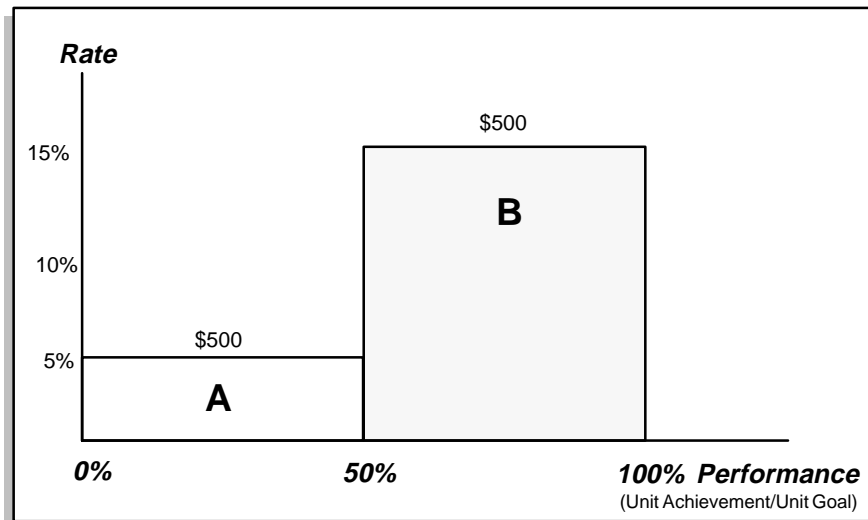
1. Look up the commission rate for the revenue performance percentage of 100% in the RQ Percentage Rate Table: page B – 3.

The commission rate = 15% as determined by the revenue performance percentage of 100%, which appears in the third tier in the RQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is:  $15\% \times \$500 = \$75$ .



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$25.00 + \$75.00 = \$100.00$ .

### **Fixed Amount : Individually**

This type of plan element is typically used to compensate sales representatives on revenue and provide them with a fixed commission amount that depends on their level of achievement towards revenue goals or quota. It is important to note that when this type of plan element is used, sales commission is affected not only by the revenue attained, but also by the number of sales made. The revenue attained determines the rate (or commission amount), which will be paid for each sales transaction. This is useful in creating incentives for sales representatives to sell products to a larger number of customers while still attaining revenue goal quotas.

Revenue Quota Plan Element Example 3	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Quota	\$1,000.00
Payment Type	Fixed Amount
Rate Table	RQ Amount
Discount Option	None

This plan element calculates the commission for each transaction and allows the commission to be paid each interval. Revenue accumulation is reset at the beginning of each interval. Oracle Sales Compensation adds the transaction amount to the revenue accumulated interval to date, finds the appropriate tier in the RQ Amount Rate Table associated with this level of achievement to derive the corresponding commission amount.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for product A:**

1. Look up the commission amount for the revenue performance percentage of 50% in the RQ Amount Rate Table: page B – 3.

The commission amount = \$5 as determined by the revenue performance percentage of 50%, which appears in the first tier in the RQ Amount Rate Table.

2. Calculate the commission.

The commission for product A is: \$5.

► **To calculate the commission for product B:**

1. Look up the commission amount for the revenue performance percentage of 100% in the RQ Amount Rate Table: page B – 3.

The commission amount = \$15 as determined by the revenue performance percentage of 100%, which appears in the third tier in the RQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is: \$15.

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$5 + \$15 = \$20$ .

### **Payment Amount Percentage : Individually : ITD Off**

---

This type of plan element is typically used to compensate sales representatives on revenue and provide them with a commission that is a percentage of payment or incentive quota. The rate is determined by the sales representatives' percentage achievement towards revenue goals.

Companies may use payment quotas to more closely budget the cost of all sales. Although the rate is determined by the revenue achievement towards quota, the actual commission earned will be the percentage of payment quota.

Plan elements with the Apply Txn field set to Individually and the Payment Type field set to Payment Amount percentage, will result in sales representatives receiving higher commissions for larger number of sales than lower number of sales with the same overall revenue attainment.

Revenue Quota Plan Element Example 4	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Quota	\$1,000.00
Payment Type	Payment Amount Percentage
Payment	\$750.00
Rate Table	RQ Percentage
Discount Option	None
ITD	Off

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Revenue accumulating is reset at the beginning of each interval. Oracle Sales Compensation adds the transaction amount to the revenue already associated for the interval, finds the appropriate tier in the RQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the payment amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Percentage Rate Table.
Commission	Commission rate x payment.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue performance percentage of 50% in the RQ Percentage Rate Table: page B – 3.  
The commission rate = 5% as determined by the revenue performance percentage of 50%, which appears in the second tier in the RQ Percentage Rate Table.
2. Calculate the commission.  
The commission for product A is:  $5\% \times \$750 = \$37.50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the revenue performance percentage of 100% in the RQ Percentage Rate Table: page B – 3.  
The commission rate = 15% as determined by the revenue performance percentage of 100%, which appears in the third tier in the RQ Percentage Rate Table.  
**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission for plan elements where the Split check box is unchecked or not applicable.
2. Calculate the commission.  
The commission for product B is:  $15\% \times \$750 = \$112.50$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$37.50 + \$112.50 = \$150.00$ .

### **Applied Transaction Amount Percentage : Grouped by Interval**

This type of plan element is typically used to provide bonuses to sales representatives based on revenue. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage or rate amount is determined by their overall revenue achievement towards the quota set by sales management.

Revenue Quota Plan Element Example 5	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Quota	\$1,000.00
Payment Type	Applied Transaction Amount Percentage
Rate Table	RQ Percentage

This plan element pays once per quarter. Revenue achievement is reset at the beginning of each interval. Oracle Sales Compensation totals the revenue for all sales transactions during each quarter, finds the appropriate tier in the RQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the total transaction amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Amount Rate Table.
Commission	Commission rate x total transaction amount.



► **To calculate the commission for products A and B:**

1. Look up the commission rate for the revenue performance percentage of 100% in the RQ Percentage Rate Table: page B – 3.

The commission rate = 15% as determined by the performance revenue percentage of 100%, which appears in the third tier in the RQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the highest rate to calculate the compensation for plan elements with the Apply Txn field set to Grouped by Interval, or for plan elements where the Split check box is unchecked or is not applicable.

2. Calculate the commission.

The commission for products A and B is:  $15\% \times \$1,000 = \$150$ .

## Fixed Amount : Grouped By Interval

This type of plan element is typically used to compensate sales representatives on revenue and provide them with a fixed commission amount, which depends on their level of achievement towards revenue quota or goal.

Revenue Quota Plan Element Example 6	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Quota	\$1,000.00
Payment Type	Fixed Amount
Rate Table	RQ Amount
Discount Option	None

This plan element pays once per quarter. Revenue achievement is reset at the beginning of each interval. Oracle Sales Compensation totals the revenue for all sales transactions during each quarter, finds the appropriate tier in the RQ Amount Rate Table associated with this level of achievement, and pays the corresponding compensation amount defined for that tier.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for products A and B:**

1. Look up the commission amount for the revenue performance percentage of 100% in the RQ Amount Rate Table: page B – 3.

The commission amount = \$15 as determined by the revenue performance percentage of 100%, which appears in the third tier in the RQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the highest rate to calculate the compensation for plan elements with the Apply Txn field set to Grouped by Interval, or for plan elements where the Split check box is unchecked or is not applicable.

2. Calculate the commission.

The commission for products A and B is: \$15.

## **Payment Amount Percentage : Grouped By Interval**

This type of plan element is typically used to compensate sales representatives on revenue and provides them with a commission that is a percentage of payment or incentive quota. The rate is determined by the sales representatives' percentage achievement towards revenue.

Companies may use payment quotas to more closely budget the cost of sales. Although the rate is determined by the revenue achievement towards quota, the actual commission earned will be a percentage of the payment quota.

<b>Revenue Quota Plan Element Example 7</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Quota	\$1,000.00
Payment Type	Payment Amount Percentage
Payment	\$750.00
Rate Table	RQ Percentage
Discount Option	None

This plan element pays once per quarter. Revenue achievement is reset at the beginning of each interval. Oracle Sales Compensation totals the revenue for all sales transactions during each quarter, finds the appropriate tier in the RQ Percentage Rate Table with the associated level of achievement to determine the corresponding commission rate, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RQ Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the revenue performance percentage of 100% in the RQ Percentage Rate Table: page B – 3.

The commission rate = 15% as determined by the revenue performance percentage of 100%, which appears in the third tier in the RQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the highest rate to calculate the compensation for plan elements with the Apply Txn field set to Grouped by Interval, or for plan elements where the Split check box is unchecked or is not applicable.

2. Calculate the commission.

The commission for products A and B is:  $15\% \times \$750 = \$112.50$ .





---

## Revenue Non Quota Compensation Examples

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>:<Accumulate On/Off>:<Split On/Off>**

The methods to use Revenue Non Quota compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually:  
Accumulate On : Split Off: page B – 22
- Fixed Amount:Individually : Accumulate On : Split Off: page  
B – 24
- Payment Amount Percentage : Individually : Accumulate On :  
Split Off: page B – 26
- Applied Transaction Amount Percentage : Individually :  
Accumulate On : Split On: page B – 28
- Applied Transaction Amount Percentage : Individually :  
Accumulate Off: page B – 31
- Fixed Amount : Individually : Accumulate Off: page B – 33
- Payment Amount Percentage : Individually : Accumulate Off:  
page B – 35
- Applied Transaction Amount Percentage : Grouped By Interval:  
page B – 37
- Fixed Amount : Grouped By Interval: page B – 39
- Payment Amount Percentage : Grouped By Interval: page B – 41



The Sales Activity table lists the transaction amount, the product sold, and the performance that is being used to calculate the commission for each of these methods. Revenue classes A and B are tied to these plan elements.

Sales Activity		
Transaction Amount	Product	Performance \$ (Achievement)
\$500	A	\$500
\$500	B	\$1,000

The RNQ Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

RNQ Percentage Rate Table			
Tier			Commission
Percent			Percent
	From \$	To \$	%
	0	500	5
	500	1000	10
	1000	9999	15

The RNQ Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

RNQ Amount Rate Table			
Tier			Commission
Percent			Amount
	From \$	To \$	
	0	500	5.00
	500	1000	10.00
	1000	9999	15.00

### **Applied Transaction Amount Percentage : Individually : Accumulate On : Split Off**

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission rate depends on revenue achievement and the sales agents receive a percentage of revenue that they earn.

<b>Revenue Non Quota Plan Element Example 1</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	On
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	RNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The revenue achievement continues to accumulate throughout the interval. The revenue achievement starts over at the beginning of each quarter. For each transaction, Oracle Sales Compensation adds up the achievement rate, finds the appropriate tier in the RNQ Percentage Rate Table associated with this level of revenue achievement to determine the commission rate, and multiplies this rate by the transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RNQ Percentage Rate Table.
Commission	Commission rate x transaction amount.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is:  $10\% \times \$500 = \$50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the revenue of \$1,000 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 15% as determined by the revenue of \$1,000, which appears in the third tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is:  $15\% \times \$500 = \$75$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$50 + \$75 = \$125$ .

### **Fixed Amount : Individually : Accumulate On : Split Off**

---

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission rate depends on the fixed amount defined by the level of achievement.

Revenue Non Quota Plan Element Example 2	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	On
Apply Txn	Individually
Payment Type	Fixed Amount
Rate Table	RNQ Amount
Discount Option	None

This plan element calculates compensation for each transaction. Revenue achievement continues to accumulate throughout this interval. Revenue achievement starts over at the beginning of each quarter. For each transaction, Oracle Sales Compensation accumulates the transaction on revenue, finds the appropriate tier in the RNQ Amount Rate Table associated with this level of achievement to derive the corresponding commission amount.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue is located in the RNQ Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for product A:**

1. Look up the commission amount for the revenue of \$500 in the RNQ Amount Rate Table: page B – 21.

The commission amount = \$10 as determined by the revenue of \$500, which appears in the second tier in the RNQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is: \$10

► **To calculate the commission for product B:**

1. Look up the commission amount rate for the revenue of \$1,000 in the RNQ Amount Rate Table: page B – 21.

The commission amount = \$15 as determined by the revenue of \$1,000, which appears in the third tier in the RNQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is: \$15.

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$10 + \$15 = \$25$ .

### **Payment Amount Percentage : Individually : Accumulate On : Split Off**

---

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission rate depends on the percentage of the payment.

<b>Revenue Non Quota Plan Element Example 3</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	On
Apply Txn	Individually
Payment Type	Payment Amount Percentage
Payment	\$750.00
Rate Table	RNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The revenue achievement continues to accumulate throughout the interval. The revenue achievement starts over at the beginning of each interval. For each transaction, Oracle Sales Compensation adds up the achievement rate, finds the appropriate tier in the RNQ Percentage Rate Table associated with this level of revenue achievement to determine the commission rate, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue is located in the RNQ Percentage Rate Table.
Commission	Commission rate x payment.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is:  $10\% \times \$750 = \$75$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the revenue of \$1,000 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 15% as determined by the revenue of \$1,000, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is:  $15\% \times \$750 = \$112.50$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$75 + \$112.50 = \$187.50$ .

### **Applied Transaction Amount Percentage : Individually : Accumulate On : Split On**

---

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission rate depends on revenue achievement and the sales agents receive a percentage of revenue that they earn.

<b>Revenue Non Quota Plan Element Example 4</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	On
Accumulate	On
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	RNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The revenue achievement continues to accumulate throughout the interval. The revenue achievement starts over at the beginning of each quarter. For each transaction, Oracle Sales Compensation adds up the achievement rate, finds the appropriate tier in the RNQ Percentage Rate Table associated with this level of revenue achievement to determine the commission rate, and multiplies this rate by the transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue performance percentage is located in the RNQ Percentage Rate Table.
Commission	Commission rate x transaction amount.



► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 5% as determined by the revenue of \$500, which appears in the first tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the lower rate to calculate the commission rate for plan elements where the Split check box is checked.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$500 = \$25$ .

► **To calculate the commission for product B:**

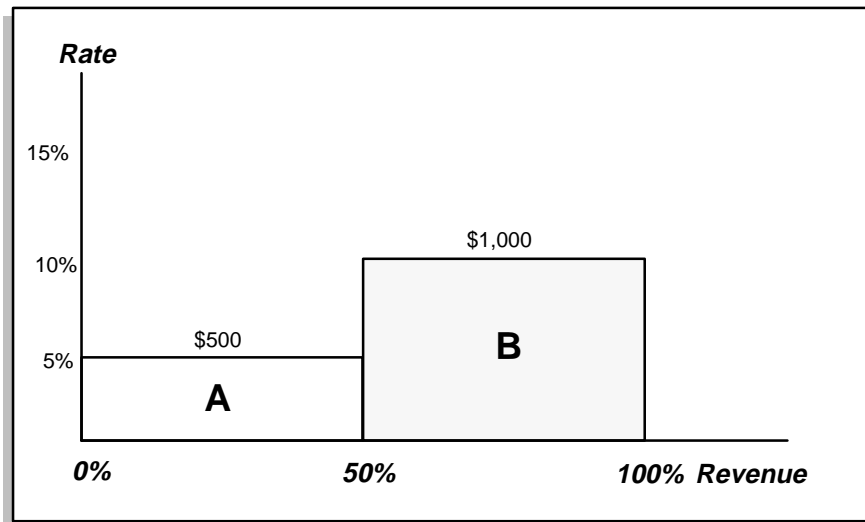
1. Look up the commission rate for the revenue of \$1,000 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$1,000, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the lower rate to calculate the commission rate for plan elements where the Split check box is checked.

2. Calculate the commission.

The commission for product B is:  $10\% \times \$500 = \$50$ .



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:

$$\$25 + \$50 = \$75.$$

### Applied Transaction Amount Percentage : Individually : Accumulate Off

---

This type of plan element is typically used to compensate sales representatives for large sales for each company.

Revenue Non Quota Plan Element Example 5	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	Off
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	RNQ Percentage
Discount Option	None

This plan element calculates the compensation for each transaction. The revenue achievement is not accumulated throughout the interval. The transaction amount on the transaction is treated separately from any other transaction. For each transaction, Oracle Sales Compensation finds the appropriate tier in the RNQ Percentage Rate Table associated with this level of revenue achievement to determine the commission rate, and multiplies this rate by the transaction amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the revenue is located in the RNQ Percentage Rate Table.
Commission	Commission rate x transaction amount.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the rate RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is:  $10\% \times \$500 = \$50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is:  $10\% \times \$500 = \$50$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$50 + \$50 = \$100$ .

### **Fixed Amount : Individually : Accumulate Off**

---

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission amount depends on the fixed amount defined by the achievement.

<b>Revenue Non Quota Plan Element Example 6</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Accumulate	Off
Apply Txn	Individually
Payment Type	Fixed Amount
Rate Table	RNQ Amount
Discount Option	None

This plan element calculates the compensation for each transaction. The revenue achievement is not accumulated throughout the interval. The transaction amount on the transaction is treated separately from any other transaction. For each transaction, Oracle Sales Compensation finds the appropriate tier in the RNQ Amount Rate Table associated with this level of achievement, and pays the corresponding commission amount defined for that tier.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue is located in the RNQ Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for product A:**

1. Look up the commission amount for the revenue of \$500 in the RNQ Amount Rate Table: page B – 21.

The commission amount = \$10 as determined by the revenue of \$500, which appears in the second tier in the RNQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is: \$10

► **To calculate the commission for product B:**

1. Look up the commission amount for the revenue of \$500 in the RNQ Amount Rate Table: page B – 21.

The commission amount = \$10 as determined by the revenue of \$500, which appears in the second tier in the RNQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is: \$10.

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$10 + \$10 = \$20$ .

### **Payment Amount Percentage : Individually : Accumulate Off**

This type of plan element is typically used to compensate external agents on sales revenue. There is no quota defined; however, the commission rate depends on the percentage of the payment.

<b>Revenue Non Quota Plan Element Example 7</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Accumulate	Off
Apply Txn	Individually
Payment Type	Payment Amount Percentage
Payment	\$750.00
Rate Table	RNQ Percentage
Discount Option	None

This plan element calculates the compensation for each transaction. The revenue achievement is not accumulated throughout the interval. The transaction amount on the transaction is treated separately from any other transaction. For each transaction, Oracle Sales Compensation finds the appropriate tier in the RNQ Percentage Rate Table corresponding to that level of revenue achievement, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the revenue is located in the RNQ Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for product A:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product A is:  $10\% \times \$750 = \$75$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the revenue of \$500 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 10% as determined by the revenue of \$500, which appears in the second tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for product B is:  $10\% \times \$750 = \$75$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$75 + \$75 = \$150$ .



### **Applied Transaction Amount Percentage : Grouped By Interval**

This type of plan element is typically used to provide a bonus to the sales representatives based on revenue achievement. There is no quota defined; however, the commission rate depends on the revenue achievement. The sales representatives receive a percentage of the revenue they earn.

<b>Revenue Non Quota Plan Element Example 8</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Applied Transaction Amount Percentage
Rate Table	RNQ Percentage
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the transaction amount for all sales transactions during each quarter, finds the tier in the RNQ Percentage Rate Table for the commission rate, and multiplies this rate by the total transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the total transaction amount is located in the RNQ Percentage Rate Table.
Commission	Commission rate x total transaction amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the \$1,000 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 15% as determined by the \$1,000, which appears in the third tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for products A and B is:  $15\% \times \$1,000 = \$150$ .

### **Fixed Amount : Grouped By Interval**

---

This type of plan element is typically used to provide a bonus to sales representatives based on revenue achievement. There is no quota defined; however, the commission amount depends on the revenue achievement. The sales representatives receive a fixed dollar amount as commission.

<b>Revenue Non Quota Plan Element Example 9</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Fixed Amount
Rate Table	RNQ Amount
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the transaction amount for all sales transactions during each quarter, finds the appropriate tier in the RNQ Amount Rate Table and determines the commission amount.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the total transaction amount is located in the RNQ Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for products A and B:**

1. Look up the commission amount for the \$1,000 in the RNQ Amount Rate Table: page B – 21.

The commission amount = \$15 as determined by the \$1,000, which appears in the third tier in the RNQ Amount Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission amount for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission

The commission for products A and B is: \$15.

### **Payment Amount Percentage : Grouped By Interval**

This type of plan element is typically used to provide a bonus to sales representatives based on revenue achievement. There is no quota defined; however, the commission rate depends on the revenue achievement. The sales representatives receive a percentage of payment or incentive quota as commission.

<b>Revenue Non Quota Plan Element Example 10</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Payment Amount Percentage
Payment	\$1,000.00
Rate Table	RNQ Percentage
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the transaction amount for all sales transactions during each quarter, finds the appropriate tier in the RNQ Percentage Rate Table to determine the commission rate, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the RNQ Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the \$1,000 in the RNQ Percentage Rate Table: page B – 21.

The commission rate = 15% as determined by the \$1,000, which appears in the third tier in the RNQ Percentage Rate Table.

**Note:** When the performance is on the border of two tiers, Oracle Sales Compensation uses the higher rate to calculate the commission rate for plan elements where the Split check box is unchecked or not applicable.

2. Calculate the commission.

The commission for products A and B is:  $15\% \times \$1,000 = \$150$ .

---

## Draw Compensation Example

This type of plan element is typically used to ensure that new salespeople receive a minimum compensation for the first six months.

Draw Plan Element Example	
Active Period	JAN-97 to JUL-97
Interval Type	Period
Draw	\$2,000

This plan element is specified for the first six months, once a month. Oracle Sales Compensation pays at least \$2,000 during each pay period to the salespeople assigned to this plan and each period that this plan element is specified. If a salesperson earns only \$1,500 in sales compensation and bonuses during this period, Oracle Sales Compensation pays a \$500 draw—the difference between the earned compensation and the draw amount for this plan. If a salesperson earns more than \$2,000 in sales compensation and bonuses, no draw is paid.

Draws defined are recoverable by default. Once a draw has been paid to a sales representative, Oracle Sales Compensation will try to recover the draw amount in a subsequent period, when the commission and bonus earned is greater than the minimum guaranteed payment or draw amount as defined for the period.

In the above example, if in JAN-97, the sales representative makes \$1500.00, then \$500.00 is paid on draw. If in FEB-97, the sales representative makes \$800.00, then the system will show the draw to be recovered on \$500.00, but will still give a draw of \$1200.00 so that the minimum amount is paid, which is \$1,200.00. The total draw to be recovered equals \$1,700.00.







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# Manual Compensation Example

This type of plan element is typically used for telesales consultants.

Manual Element Plan Example	
Active Periods	JAN-97 to DEC-97
Interval Type	Period

**Note:** The only applicable interval type for this manual plan element is period.

This plan element allows the manual bonus to be specified in the Payment Worksheet window once per period.

---

## Unit Quota Compensation Examples

Oracle Sales Compensation uses different formulas for calculating commissions based on the number of units sold, assuming the interval type is the same, and the transaction factors, payment and quota uplifts are all set to 100%.

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>:<Split On/Off>:<ITD On/Off>**

The methods to use Unit Quota compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually : Split On : ITD Off: page B – 47
- Fixed Amount : Individually: page B – 50
- Payment Amount Percentage : Individually : ITD Off: page B – 52
- Applied Transaction Amount Percentage : Grouped By Interval: page B – 54
- Fixed Amount : Grouped By Interval: page B – 56
- Payment Amount Percentage : Grouped By Interval: page B – 58

The Sales Activity table lists the transaction amount, the product sold, and the performance that is being used to calculate the commission for each of these methods. Assume a quota of 1,000 units in the two examples. Revenue classes A and B are tied to these plan elements.

Sales Activity				
Transaction Amount \$	Units	Product	Performance % (Achievement/Quota)	Revenue per Unit (\$Amount/Unit)
\$500	40	A	40/1000 = 4%	\$500/40 = \$12.50
\$500	600	B	640/1000 = 64%	\$500/600 = \$0.83

The UQ Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

UQ Percentage Rate Table			
Tier		Commission	
Percent		Percent	
From %	To %		%
0	50		5
50	100		10
100	999		15

The UQ Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

UQ Amount Rate Table			
Tier		Commission	
Percent			
From %	To %		Amount
0	50		5.00
50	100		10.00
100	999		15.00

## Applied Transaction Amount Percentage : Individually : Split On : ITD Off

This type of plan element is typically used to compensate internal sales representatives on units sold. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage or rate amount is determined by their overall unit achievement towards the quota set by sales management. Both unit and revenue have an affect on their compensation amount.

Unit Quota Plan Element Example 1	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	On
Apply Txn	Individually
Quota	1,000
Payment Type	Applied Transaction Amount Percentage
Rate Table	UQ Percentage
Discount Option	None
ITD	Off

This plan element calculates the commission for each transaction and allows the commission to be paid each period. Unit achievement is reset at the beginning of each interval. Oracle Sales Compensation calculates the commission for each transaction during each quarter, finds the appropriate tier in the UQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the revenue per unit times the number of units sold.

Calculation Formula	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Percentage Rate Table.
Commission	Commission rate x revenue per unit x units.

► **To calculate the commission for product A:**

1. Look up the commission rate for the unit performance percentage of 4% in the UQ Percentage Rate Table: page B – 46.

The commission rate = 5% as determined by the unit performance percentage of 4%, which appears in the first tier in the UQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$12.50 \times 40 = \$25$ .

► **To calculate the commission for product B:**

In this case, the unit performance percentage of 64% crosses over both the first and second tiers in the UQ Percentage Rate Table: page B – 46; therefore, the revenue will be split across both tiers, and two different rates will be used to calculate the commission.

1. First you must determine how many units will be in the first tier.

Since the To % of the first tier is 50%, the number of units in the first tier is equal to the quota number times 50%, which is:  
 $1,000 \times 50\% = 500$  units.

2. Calculate the number of units in the first tier.

500 units minus the 40 units of product A = 460 units in the first tier at 5%.

3. Calculate the number of units in the second tier.

600 units minus 460 units = 140 units in the second tier at 10%.

4. Calculate the commission for the first tier.

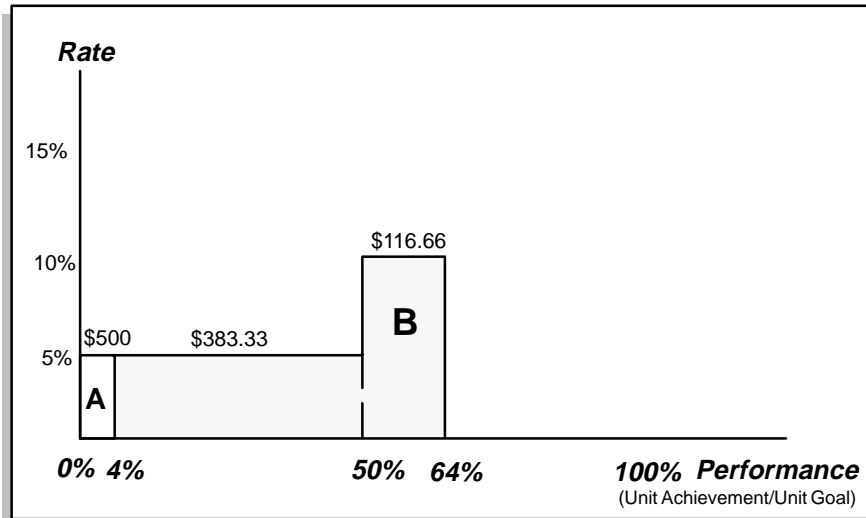
The commission for the first tier is:  
 $5\% \times \$0.83 \times 460 = \$19.09$ .

5. Calculate the commission for the second tier.

The commission for the second tier is:  
 $10\% \times \$0.83 \times 140 = \$11.62$ .

6. Calculate the total commission for both tiers.

The total commission for both tiers is:  
 $\$19.09 + \$11.62 = \$30.71$ .



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$25 + \$30.71 = \$55.71$ .

## **Fixed Amount : Individually**

---

This type of plan element is typically used to compensate sales representatives on units and provide them with a fixed amount per unit sold, which is determined by their level of achievement towards unit goal.

<b>Unit Quota Plan Element Example 2</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Quota	1,000
Payment Type	Fixed Amount
Rate Table	UQ Amount
Discount Option	None

This plan element calculates the compensation for each transaction. The quota is for each quarter in the year. Thus, quota achievement starts over at the beginning of every quarter. This plan allows the salespeople to get compensated on the number of units sold. Oracle Sales Compensation calculates the commission for each transaction during each quarter, finds the appropriate tier in the UQ Amount Rate Table associated with this level of achievement to determine the corresponding commission amount, and multiplies this amount by the number of units sold.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Amount Rate Table.
Commission	Commission amount x number of units.



► **To calculate the commission for product A:**

1. Look up the commission amount rate for the unit performance percentage of 4% in the UQ Amount Rate Table: page B – 46.

The commission amount = \$5 as determined by the unit performance percentage of 4%, which appears in the first tier in the UQ Amount Rate Table.

2. Calculate the commission.

The commission for product A is:  $\$5 \times 40 = \$200$ .

► **To calculate the commission for product B:**

1. Look up the commission amount rate for the unit performance percentage of 64% in the UQ Amount Rate Table: page B – 46.

The commission amount = \$10 as determined by the unit performance percentage of 64%, which appears in the second tier in the UQ Amount Rate Table.

2. Calculate the commission.

The commission for product B is:  $\$10 \times 600 = \$6,000$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$200 + \$6,000 = \$6,200$ .

### **Payment Amount Percentage : Individually : ITD Off**

This type of plan element is typically used to compensate sales representatives on the number of units sold, and provide them with a commission that is a percentage of payment or incentive quota. The rate is determined by the sales representatives' percentage achievement towards unit goals.

Companies may use payment quotas to more closely budget the cost of all sales. Although the rate is determined by the unit achievement towards quota, the actual commission earned will be the percentage of payment.

Unit Quota Plan Element Example 3	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Quota	1,000
Payment Type	Payment Amount Percentage
Payment	\$750.00
Rate Table	UQ Percentage
Discount Option	None
ITD	Off

This plan element calculates the compensation for each transaction. The quota is for each quarter in the year. Thus, quota achievement starts over at the beginning of every quarter. Oracle Sales Compensation calculates the commission for each transaction during each quarter, finds the appropriate tier in the UQ Percentage Rate Table associated with this level of achievement to determine the commission rate, and multiplies this rate by the payment amount.

Calculation Formula	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for product A:**

1. Look up the commission rate for the unit performance percentage of 4% in the UQ Percentage Rate Table: page B – 46.

The commission rate = 5% as determined by the unit performance percentage of 4%, which appears in the first tier in the UQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$750 = \$37.50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the unit performance percentage of 64% in the UQ Percentage Rate Table: page B – 46.

The commission rate = 10% as determined by the unit performance percentage of 64%, which appears in the second tier in the UQ Percentage Rate Table.

2. Calculate the commission.

The commission for product B is:  $10\% \times \$750 = \$75$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$37.50 + \$75 = \$112.50$ .

### **Applied Transaction Amount Percentage : Grouped By Interval**

This type of plan element is typically used to compensate internal sales representatives on units. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage or rate amount is determined by their overall unit achievement towards the quota set by sales management.

This plan allows the salespeople to get compensated on the number of units sold but also be awarded a percentage of the sales revenue. This associates the cost of sales to some percentage of revenue achievement.

<b>Unit Quota Plan Element Example 4</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Quota	1,000
Payment Type	Applied Transaction Amount Percentage
Rate Table	UQ Percentage
Discount Option	None

This plan element pays once per quarter. Unit achievement is reset at the beginning of each interval. Oracle Sales Compensation totals the units for all sales transactions during each quarter, finds the appropriate tier in the UQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the total transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Percentage Rate Table.
Commission	Commission rate x total transaction amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the unit performance percentage of 64% in the UQ Percentage Rate Table: page B – 46.

The commission rate = 10% as determined by the unit performance percentage of 64%, which appears in the second tier in the UQ Percentage Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $10\% \times \$1,000 = \$100$ .

## **Fixed Amount : Grouped By Interval**

---

This type of plan element is typically used to compensate sales representatives on units and provide them with a fixed commission amount per unit sold, which depends on their level of achievement towards unit quota or goal.

This plan allows the salespeople to get compensated on the number of units sold.

<b>Unit Quota Plan Element Example 5</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Fixed Amount
Rate Table	UQ Amount
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the units for all sales transactions during each quarter, finds the appropriate tier in the UQ Amount Rate Table associated with this level of achievement to determine the commission amount, and multiplies this amount by the total number of units sold to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Amount Rate Table.
Commission	Commission amount x total number of units sold.

► **To calculate the commission for products A and B:**

1. Look up the commission amount rate for the unit performance percentage of 64% in the UQ Amount Rate Table: page B – 46.

The commission amount = \$10 as determined by the unit performance percentage of 64%, which appears in the second tier in the UQ Amount Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $\$10 \times 640 = \$6,400$ .

## **Payment Amount Percentage : Grouped By Interval**

This type of plan element is typically used to compensate sales representatives on units sold and provides them with a commission that is a percentage of payment or incentive quota. The rate is determined by the sales representatives' percentage achievement towards unit goals or quota.

Companies may use payment quotas to more closely budget the cost of all sales. Although the rate is determined by the unit achievement towards quota, the actual commission earned will be the percentage of the payment.

<b>Unit Quota Plan Element Example 6</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Quota	1,000
Payment Type	Payment Amount Percentage
Payment	\$750
Rate Table	UQ Percentage
Discount Option	None

This plan element pays once per quarter. Unit achievement is reset at the beginning of each interval. Oracle Sales Compensation totals the units for all sales transactions during each quarter, finds the appropriate tier in the UQ Percentage Rate Table associated with this level of achievement to determine the corresponding commission rate, and multiplies this rate by the payment amount.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit performance percentage is located in the UQ Percentage Rate Table.
Commission	Commission rate x payment amount.



► **To calculate the commission for products A and B:**

1. Look up the commission rate for the unit performance percentage of 64% in the UQ Percentage Rate Table: page B – 46.

The commission rate = 10% as determined by the unit performance percentage of 64%, which appears in the second tier in the UQ Percentage Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $10\% \times \$750 = \$75$ .





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## Unit Non Quota Compensation Examples

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>:<Accumulate On/Off>:<Split On/Off>**

The methods to use Unit Non Quota compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually :  
Accumulate On : Split On: page B – 62
- Applied Transaction Amount Percentage : Individually :  
Accumulate On : Split Off: page B – 65
- Fixed Amount : Individually : Accumulate On: page B – 67
- Payment Amount Percentage : Individually : Accumulate On:  
page B – 69
- Applied Transaction Amount Percentage : Individually :  
Accumulate Off : Split Off: page B – 71
- Fixed Amount : Individually : Accumulate Off: page B – 73
- Payment Amount Percentage : Individually : Accumulate Off:  
page B – 75
- Applied Transaction Amount Percentage : Grouped By Interval:  
page B – 77
- Fixed Amount : Grouped By Interval: page B – 79
- Payment Amount Percentage : Grouped By Interval: page B – 81

The Sales Activity table lists the transaction amount, the product sold, and the performance that is being used to calculate commission for each of these methods. Revenue classes A and B are tied to these plan elements.

Sales Activity				
Transaction Amount	Units	Product	Performance (Achievement)	Revenue per Unit (\$Amount/Unit)
\$500	40	A	40	$\$500/40 = \$12.50$
\$500	600	B	640	$\$500/600 = \$0.83$

The UNQ Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

UNQ Percentage Rate Table			
Tier			Commission
Units	From	To	Percent
			%
	0	500	5
	500	1000	10
	1000	9999	15

The UNQ Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

UNQ Amount Rate Table			
Tier			Commission
Units	From	To	Amount
			Amount
	0	500	5.00
	500	1000	10.00
	1000	9999	15.00

### **Applied Transaction Amount Percentage : Individually : Accumulate On : Split On**

---

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission rate depends on unit achievement and the sales agents receive a percentage of revenue that they earn.

When this type of plan element is used with the Split check box checked, the sales representatives, who sell the same number of units of each product at the same price will receive the same commission amount regardless of the total number of sales they made.

Unit Non Quota Plan Element Example 1	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	On
Accumulate	On
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	UNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement continues to accumulate throughout the interval. The unit achievement starts over at the beginning of each quarter. Oracle Sales Compensation adds up the number of units, finds the commission rate in the UNQ Percentage Rate Table, multiplies this rate by the revenue per unit times the number of units to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x revenue per unit x units.

► **To calculate the commission for product A:**

1. Look up the commission rate for the 40 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 5% as determined by the 40 units, which appears in the first tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$12.50 \times 40 = \$25$ .

► **To calculate the commission for product B:**

In this case, the 640 units cross over both the first and second tiers in the UNQ Percentage Rate Table: page B – 61; therefore, the associated revenue will be split across both tiers, and two different rates will be used to calculate the commission.

1. Calculate the commission for the number of units in the first tier.

There are 460 units ( $500 - 40 = 460$ ) in the first tier at the rate of 5%.

2. Calculate the commission for the number of units in the second tier.

There are 140 units ( $600 - 460 = 140$ ) in the second tier at the rate of 10%.

3. Calculate the commission for the first tier.

The commission for the first tier is:

$$5\% \times \$0.83 \times 460 = \$19.09.$$

4. Calculate the commission for the second tier.

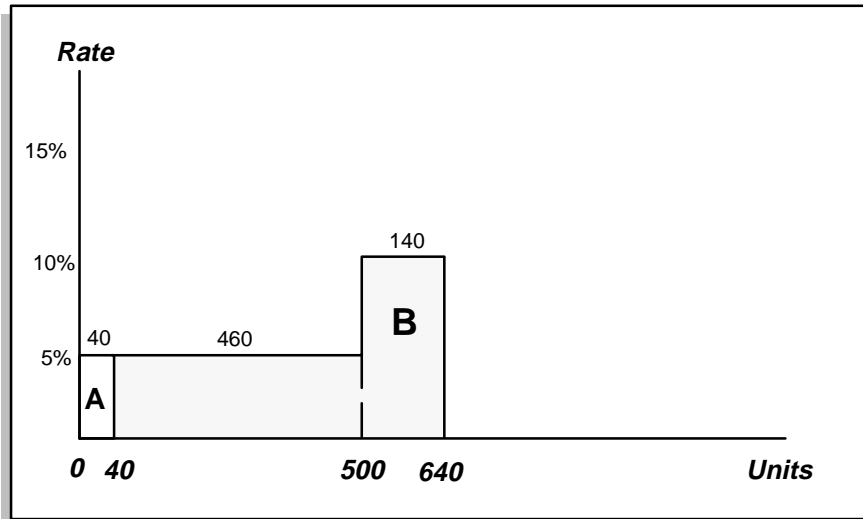
The commission for the second tier is:

$$10\% \times \$0.83 \times 140 = \$11.62.$$

5. Calculate the total commission for both tiers.

The total commission for both tiers is:

$$\$19.09 + \$11.62 = \$30.71$$



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$25 + \$30.71 = \$55.71$ .



### **Applied Transaction Amount Percentage : Individually : Accumulate On : Split Off**

---

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission rate depends on unit achievement and the sales agents receive a percentage of revenue that they earn.

When this type of plan element is used with the Split check box unchecked, the sales representatives, who sell the same number of units of each product at the same price may not receive the same commission amount. If a transaction spans more than one tier, the transaction will not be appropriately split across the different tiers, instead the higher rate will be used to calculate the entire transaction. Companies may use this feature to provide an added incentive for sales representatives to make large sales to each individual customers.

Unit Non Quota Plan Element Example 2	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	On
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	UNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement continues to accumulate throughout the interval. The unit achievement starts over at the beginning of each quarter. Oracle Sales Compensation adds up the number of units, finds the commission rate in the UNQ Percentage Rate Table, multiplies this rate by the revenue per unit times the number of units to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x revenue per unit x units.

► **To calculate the commission for product A:**

1. Look up the commission rate for the 40 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 5% as determined by the 40 units, which appears in the first tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A =  $5\% \times \$12.50 \times 40 = \$25$ .

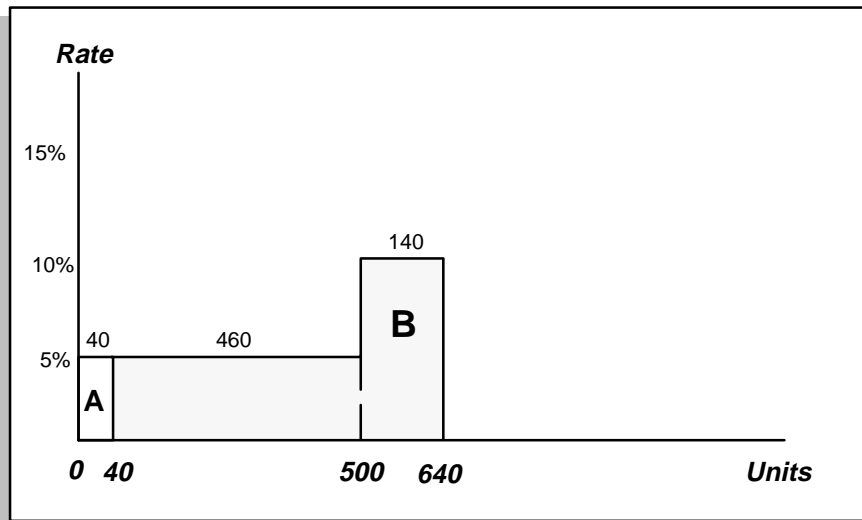
► **To calculate the commission for product B:**

1. Look up the commission for the 640 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 10% as determined by the 640 units, which appear in the second tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for product B =  $10\% \times \$0.83 \times 600 = \$49.80$ .



► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:

$\$25 + \$49.80 = \$74.80$ .

### **Fixed Amount : Individually : Accumulate On**

---

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission rate depends on the fixed amount defined by the level of achievement.

<b>Unit Non Quota Plan Element Example 3</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Accumulate	On
Payment Type	Fixed Amount
Rate Table	UNQ Amount
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement continues to accumulate throughout the interval. The unit achievement starts over at the beginning of each quarter. Oracle Sales Compensation adds up the number of units, finds the commission amount in the UNQ Amount Rate Table, multiplies this rate by the number of units to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the UNQ Amount Rate Table.
Commission	Commission amount x number of units.

► **To calculate the commission for product A:**

1. Look up the commission amount for the 40 units in the UNQ Amount Rate Table: page B – 61.

The commission rate = \$5 as determined by the 40 units, which appears in the first tier in the UNQ Amount Rate Table.

2. Calculate the commission

The commission for product A is:  $\$5 \times 40 = \$200$

► **To calculate the commission for product B:**

1. Look up the commission amount for the unit number in the UNQ Amount Rate Table: page B – 61.

The second tier contains 640 ( $600 + 40 = 640$ ) units at the UNQ Amount rate of \$10.

2. Calculate the commission.

The commission for product B is:  $\$10 \times 600 = \$6,000$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$200 + \$6,000 = \$6,200$ .

### **Payment Amount Percentage : Individually : Accumulate On**

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission rate depends on the percentage of the payment.

<b>Unit Non Quota Plan Element Example 4</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Accumulate	On
Payment Type	Payment Amount Percentage
Payment	\$1,000.00
Rate Table	UNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement continues to accumulate throughout the interval. The unit achievement starts over at the beginning of each quarter. Oracle Sales Compensation adds up the number of units, finds the commission rate in the UNQ Percentage Rate Table, multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit achievement is located in the UNQ Percentage Rate Table.
Commission	Commission rate x payment.

► **To calculate the commission for product A:**

1. Look up the commission rate for the 40 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 5% as determined by the 40 units, which appears in the first tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for the sale of product A is:  $5\% \times \$1,000 = \$50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the 640 (600 + 40) units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 10% as determined by the 640 units, which appears in the second tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for the sale of product B is:  $10\% \times \$1,000 = \$100$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$50 + \$100 = \$150$ .

### **Applied Transaction Amount Percentage : Individually : Accumulate Off : Split Off**

---

This type of plan element is typically used to compensate sales representatives for large sales for each company.

Unit Non Quota Plan Element Example 5	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Split	Off
Accumulate	Off
Apply Txn	Individually
Payment Type	Applied Transaction Amount Percentage
Rate Table	UNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement is not accumulated throughout the interval. The unit on the transaction is treated separately from any other transaction. For each transaction, Oracle Sales Compensation finds the commission rate in the UNQ Percentage Rate Table, multiplies this rate by the revenue per unit on transaction to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x revenue per unit on transaction.

► **To calculate the commission for product A:**

1. Look up the commission rate for the 40 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 5% as determined by the 40 units, which appears in the first tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$500 = \$25$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the 600 units in the UNQ Percentage Rate Table: page B – 61.

The 600 units fall into the second tier at the rate of 10%.

2. Calculate the commission.

The commission for product B is:  $10\% \times \$500 = \$50$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$25 + \$50 = \$75$ .



### **Fixed Amount : Individually : Accumulate Off**

---

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission amount depends on the fixed amount defined by the achievement.

<b>Unit Non Quota Plan Element Example 6</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Accumulate	Off
Payment Type	Fixed Amount
Rate Table	UNQ Amount
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement is not accumulated throughout the interval. The unit on the transaction is treated separately from any other transaction. For each transaction, Oracle Sales Compensation finds the commission amount in the UNQ Amount Rate Table, multiplies this rate by the number of units to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the UNQ Amount Rate Table.
Commission	Commission amount x number of units.

► **To calculate the commission for product A:**

1. Look up the commission amount for the 40 units in the UNQ Amount Rate Table: page B – 61.

The commission amount = \$5 as determined by the 40 units, which appears in the first tier in the UNQ Amount Rate Table.

2. Calculate the commission

The commission for product A is:  $\$5 \times 40 = \$200$

► **To calculate the commission for product B:**

1. Look up the commission amount for the 600 units in the UNQ Amount Rate Table: page B – 61.

The second tier contains 600 at the rate of \$10.

2. Calculate the commission.

The commission for product B is:  $\$10 \times 600 = \$6,000$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$200 + \$6,000 = \$6,200$ .

### **Payment Amount Percentage : Individually : Accumulate Off**

This type of plan element is typically used to compensate external agents on sales of units. There is no quota defined; however, the commission rate depends on the percentage of the payment.

Unit Non Quota Plan Element Example 7	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Individually
Split	Off
Accumulate	Off
Payment Type	Payment Amount Percentage
Payment	\$1,000.00
Rate Table	UNQ Percentage
Discount Option	None

This plan element calculates compensation for each transaction. The unit achievement is not accumulated throughout the interval. For each transaction, Oracle Sales Compensation finds the commission rate in the UNQ Percentage Rate Table, multiplies this rate by the payment amount to derive the commission.

Calculation Formula	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x payment.

► **To calculate the commission for product A:**

1. Look up the commission rate for the 40 units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 5% as determined by the 40 units, which appears in the first tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for product A is:  $5\% \times \$1000 = \$50$ .

► **To calculate the commission for product B:**

1. Look up the commission rate for the 600 units in the UNQ Percentage Rate Table: page B – 61.

The second tier contains 600 units at the rate of 10%

2. Calculate the commission.

The commission for product B is:  $10\% \times \$1,000 = \$100$ .

► **To calculate the commission for products A and B:**

Calculate the commission for products A and B.

The total commission for products A and B for the quarter is:  
 $\$50 + \$100 = \$150$ .

### **Applied Transaction Amount Percentage : Grouped By Interval**

This type of plan element is typically used to provide a bonus to the sales representatives based on unit achievement. There is no quota defined; however, the commission rate depends on the unit achievement. The sales representatives receive a percentage of the revenue they earn; therefore, sales representatives are compensated, both on units and revenue.

<b>Unit Non Quota Plan Element Example 8</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Applied Transaction Amount Percentage
Rate Table	UNQ Percentage
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the number of units for all sales transactions during each quarter, finds the tier in the UNQ Percentage Rate Table for the commission rate, and multiplies this rate by the total transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x the total transaction amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the 640 (600 + 40) units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 10% as determined by the 640 units, which appears in the second tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $10\% \times \$1,000 = \$100$ .

### **Fixed Amount : Grouped By Interval**

---

This type of plan element is typically used to provide a fixed dollar amount per unit sold to the sales representatives. There is no quota defined; however, the commission amount depends on the unit achievement.

<b>Unit Non Quota Plan Element Example 9</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Fixed Amount
Payment	\$500.00
Rate Table	UNQ Amount
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the number units for all sales transactions during each quarter, finds the appropriate tier in the UNQ Amount Rate Table to determine the commission amount, and multiplies this amount rate by the number of units to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the UNQ Amount Rate Table.
Commission	Commission amount x number of units.

► **To calculate the commission for products A and B:**

1. Look up the commission amount for the 640 (600 + 40) units in the UNQ Amount Rate Table: page B – 61.

The commission amount = \$10 per unit as determined by the 640 units, which appears in the second tier in the UNQ Amount Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $\$10 \times 640 = \$6,400$ .



### **Payment Amount Percentage : Grouped By Interval**

This type of plan element is typically used to provide a bonus to sales representatives based on unit achievement. There is no quota defined; however, the commission rate depends on the unit achievement. The sales representatives receive a percentage of payment or incentive quota.

<b>Unit Non Quota Plan Element Example 10</b>	
Active Periods	JAN-97 to DEC-97
Interval Type	Quarter
Apply Txn	Grouped By Interval
Payment Type	Payment Amount Percentage
Payment	\$1,000.00
Rate Table	UNQ Percentage
Discount Option	None

This plan element pays once per quarter. Oracle Sales Compensation totals the number of units for all sales transactions during each quarter, finds the appropriate tier in the UNQ Percentage Rate Table to determine the commission rate, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the unit is located in the UNQ Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for products A and B:**

1. Look up the commission rate for the 640 (600 + 40) units in the UNQ Percentage Rate Table: page B – 61.

The commission rate = 10% as determined by the 640 units, which appears in the second tier in the UNQ Percentage Rate Table.

2. Calculate the commission.

The commission for products A and B is:  $10\% \times \$1,000 = \$100$ .

---

## Discount Compensation Examples

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>**

The methods to use Discount compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually: page B – 85
- Fixed Amount : Individually: page B – 87
- Payment Amount Percentage : Individually: page B – 89

The Sales Activity table is used to calculate transactions for these methods.

Sales Activity		
Transaction ID	Transaction Amount	Discount Percent
1000	\$1,000	5%
1001	\$3,000	12%

The Discount Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

Discount Percentage Rate Table			
Tier			Commission
Percent			Percent
	From %	To %	%
	0	10	5
	10	100	3

The Discount Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

Discount Amount Rate Table			
Tier			Commission
Percent			
	From %	To %	Amount
	0	10	10.00
	10	100	00.00

### **Applied Transaction Amount Percentage : Individually**

This plan element is typically used to discourage sales representatives from giving a large discount percentage to customers while still having their focus to bring in revenue.

<b>Discount Plan Element Example 1</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Applied Transaction Amount Percentage
Rate Table	Discount Percentage

This plan element calculates the compensation for each transaction. The commission rate is determined by the discount percentage. This rate is then applied to the revenue or transaction amount to determine the commission. For each sales transaction, Oracle Sales Compensation determines the discount percentage for each transaction, finds the appropriate tier in the Discount Rate Table, and multiplies this rate by the transaction amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the discount percentage is located in the Discount Percentage Rate Table.
Commission	Commission rate x transaction amount

► **To calculate the commission for transaction 1000:**

1. Look up the commission rate for the 5% discount percentage in the Discount Percentage Rate Table: page B – 84.

The commission rate = 5% as determined by the 5% discount percentage, which appears in the first tier of the Discount Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1000 is:  $5\% \times \$1,000 = \$50$ .

► **To calculate the commission for transaction 1001:**

1. Look up the commission rate for the 12% discount percentage in the Discount Percentage Rate Table: page B – 84.

The commission rate = 3% as determined by the 12% discount percentage, which appears in the second tier of the Discount Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1001 is:  $3\% \times \$3,000 = \$90$ .

### **Fixed Amount : Individually**

---

This type of plan element is typically used to provide a fixed commission amount for each level of discount percentage achieved on a sale.

<b>Discount Plan Element Example 2</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Fixed Amount
Rate Table	Discount Amount

This plan element calculates the compensation for each transaction. Oracle Sales Compensation determines the discount percentage on each transaction, finds the appropriate tier in the Discount Rate Table to derive the commission amount.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the discount percentage is located in the Discount Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for transaction 1000:**

Look up the commission amount for the 5% discount percentage in the Discount Amount Rate Table: page B – 84.

The commission = \$10 as determined by the 5% discount percentage, which appears in the first tier of the Discount Amount Rate Table.

► **To calculate the commission for transaction 1001:**

Look up the commission amount for the 12% discount percentage in the Discount Amount Rate Table: page B – 84.

The commission amount = \$0 as determined by the 12% discount percentage, which appears in the second tier of the Discount Amount Rate Table.



### **Payment Amount Percentage : Individually**

---

This type of plan element is typically used to compensate sales representatives on a discount percentage achieved on a sale. The commission will be a percentage of a payment or incentive quota defined.

<b>Discount Plan Element Example 3</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Payment Amount Percentage
Payment	\$2,000.00
Rate Table	Discount Percentage

This plan element calculates the compensation for each transaction. Oracle Sales Compensation calculates the discount percentage for each transaction, finds the appropriate tier in the Discount Percentage Rate Table and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the discount percentage is located in the Discount Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for transaction 1000:**

1. Look up the commission for the 5% discount percentage in the Discount Percentage Rate Table: page B – 84.

The commission rate = 5% as determined by the 5% discount percentage, which appears in the first tier of the in the Discount Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1000 is:  $5\% \times \$2,000 = \$100$ .

► **To calculate the commission for transaction 1001:**

1. Look up the commission rate for the 12% discount percentage in the Discount Percentage Rate Table: page B – 84.

The commission rate = 3% as determined by the 12% discount percentage, which appears in the second tier of the in the Discount Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1001 is:  $3\% \times \$2,000 = \$60$ .

---

## Margin Compensation Examples

The compensation examples employ the following syntax:

**<Payment Type>:<Apply Txn>**

The methods to use Margin compensation to calculate transactions are:

- Applied Transaction Amount Percentage : Individually: page B – 93
- Fixed Amount : Individually: page B – 95
- Payment Amount Percentage : Individually: page B – 97

The Sales Activity table is used to calculate transactions for these methods.

Sales Activity		
Transaction ID	Transaction Amount	Margin Percent
1000	\$1,000	5%
1001	\$3,000	12%

The Margin Percentage Rate Table is used to calculate the commission rate for the following payment types:

- Applied transaction amount percentage
- Payment amount percentage

Margin Percentage Rate Table			
Tier		Commission	
Percent		Percent	
From %	To %		%
0	10		3
10	100		5

The Margin Amount Rate Table is used to calculate the commission amount for the fixed amount payment type.

Margin Amount Rate Table			
Tier		Commission	
Percent			
From %	To %		Amount
0	10		00.00
10	100		10.00

### **Applied Transaction Amount Percentage : Individually**

This type of plan element is typically used to compensate sales representatives on margin percentage achieved on a sale. The sales representatives receive a percentage of the revenue that they earn for the company. This percentage is determined by the margin percentage achievement on the sale. Both margin and revenue have an affect on their compensation amount.

<b>Margin Plan Element Example 1</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Applied Transaction Amount Percentage
Rate Table	Margin Percentage

This plan element calculates the compensation for each transaction. Oracle Sales Compensation finds the appropriate rate in the Margin Percentage Rate Table based on the margin percentage on the transaction, and multiplies this rate by the transaction amount.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the margin percentage is located in the Margin Percentage Rate Table.
Commission	Commission rate x transaction amount.

► **To calculate the commission for transaction 1000:**

1. Look up the commission rate for the 5% margin percentage in the Margin Percentage Rate Table: page B – 92.

The commission rate = 3% as determined by the 5% margin percentage, which appears in the first tier of the Margin Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1000 is:  $3\% \times \$1,000 = \$30$ .

► **To calculate the commission for transaction 1001:**

1. Look up the commission rate for the 12% margin percentage in the Margin Percentage Rate Table: page B – 92.

The commission rate = 5% as determined by the 12% margin percentage, which appears in the second tier of the in the Margin Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1001 is:  $5\% \times \$3,000 = \$150$ .

### **Fixed Amount : Individually**

---

This type of plan element is typically used to compensate sales representatives on margin percentage achieved on sales. A fixed commission amount is determined by the margin percentage achieved on the sale.

<b>Margin Plan Element Example 2</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Fixed Amount
Rate Table	Margin Amount

This plan element calculates the compensation for each transaction. Oracle Sales Compensation looks up the margin percentage in the Margin Amount Rate Table, and finds the appropriate commission amount to be paid for that transaction.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the margin percentage is located in the Margin Amount Rate Table.
Commission	Commission amount.

► **To calculate the commission for transaction 1000:**

Look up the commission amount for the 5% margin percentage in the Margin Amount Rate Table: page B – 92.

The commission amount = \$0 as determined by the 5% margin percentage, which appears in the first tier in the Margin Amount Rate Table.

► **To calculate the commission for transaction 1001:**

Look up the commission amount for the 12% margin percentage in the Margin Amount Rate Table: page B – 92.

The commission amount = \$10 as determined by the 12% margin percentage, which appears in the second tier in the Margin Amount Rate Table.



### **Payment Amount Percentage : Individually**

---

This type of plan element is typically used to compensate sales representatives on margin percentage achieved on a sale. The margin percentage determines the commission rate percentage to be applied. The commission earned by the sales representative is a percentage of payment or incentive quota defined.

<b>Margin Plan Element Example 3</b>	
Active Periods	JAN-97 to DEC-97
Payment Type	Payment Amount Percentage
Payment	\$2,000.00
Rate Table	Margin Percentage

This plan element calculates the compensation for each transaction. Oracle Sales Compensation looks up the margin percentage in the Margin Percentage Rate Table, finds the appropriate commission rate, and multiplies this rate by the payment amount to derive the commission.

<b>Calculation Formula</b>	
Commission rate	Determined by the tier in which the margin percentage is located in the Margin Percentage Rate Table.
Commission	Commission rate x payment amount.

► **To calculate the commission for transaction 1000:**

1. Look up the commission rate for the 5% margin percentage in the Margin Percentage Rate Table: page B – 92.

The commission rate = 3% as determined by the 5% margin percentage, which appears in the first tier of the Margin Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1000 is:  $3\% \times \$2,000 = \$60$ .

► **To calculate the commission for transaction 1001:**

1. Look up the commission rate for the 12% margin percentage in the Margin Percentage Rate Table: page B – 92.

The commission rate = 5% as determined by the 12% margin percentage, which appears in the second tier in the Margin Percentage Rate Table.

2. Calculate the commission.

The commission for transaction 1001 is:  $5\% \times \$2,000 = \$100$ .

## C

# Hierarchy API

The Hierarchy API allows users to transfer hierarchy data into Oracle Sales Compensation from other source tables without having to manually enter data. This API is intended to facilitate the transfer of data from these legacy systems into Oracle Sales Compensation for the initial implementation of the Oracle Sales Compensation product. It also provides the ability to download data from the Oracle sales Compensation system into an API table which can be used in the migration of data from a test database to a production database.

The major features include:

- Upload Hierarchy – This is the process of transferring Dimension Hierarchy data from external systems into a particular implementation of Oracle Sales Compensation.
- Download Hierarchy – This takes Dimension Hierarchy information defined in the Oracle Sales Compensation application and downloads the data into a Dimension Hierarchy API table where it may be accessed by another implementation of Oracle Sales Compensation

---

## Upload Hierarchy

The process of uploading a hierarchy consists of:

- Populating the Hierarchy API table
- Transferring the data from Hierarchy API table into appropriate dimension hierarchy table within Oracle Sales Compensation

---

### Populate Hierarchy API Table

Populating the Hierarchy API table means taking appropriate hierarchy data from external source tables and inserting it into the Hierarchy API table within Oracle Sales Compensation. There are several methods that the user can choose to populate the Hierarchy API table:

- Use a SQL script to select data from external tables and insert into the Hierarchy API table
- Use customized forms
- Use download hierarchy procedure when transferring data from one Oracle Sales Compensation implementation into another. The steps would include using the download hierarchy procedure in your test implementation of Oracle Sales Compensation for example, exporting the Hierarchy API table from the test database, importing the Hierarchy API table into the production database

In this stage, data is being transferred from the Hierarchy API table into the appropriate dimension hierarchy tables within Oracle Sales Compensation where they can be accessed by users of the Oracle Sales Compensation application.

Only one dimension hierarchy can be transferred at a time. The concurrent procedure for transferring the data `UPLOAD HIERARCHY` will request information on the name of the dimension, the name of the hierarchy to be transferred, the start period and end period that should be defined for this hierarchy. This will allow the dimension hierarchy to be uniquely defined. The `UPLOAD HIERARCHY` concurrent procedure also requests the name of the unique column in the Dimension table which uniquely identifies each entry in the dimension table. If a value for the unique column is not entered as a parameter, it defaults to the name of the dimension value column of the dimension hierarchy.

During this procedure the hierarchy data will be loaded row by row. In case of error, that row will be marked as unable to load and the process of transferring the data will continue. After making changes you may use the Reload Hierarchy procedure to reload the hierarchy.

---

## Reload Hierarchy

The loader will not be able to load a row if one of the following happens:

- Unique column refers to a record which does not exist in the base table
- More than one record found when using unique column value for lookup
- Diamond or loop is detected when inserting a row into the database table

You can load the same hierarchy as many times as you want until all rows have been loaded. Re-load will only load the rows which were not able to be loaded previously.

---

## Download Hierarchy

This procedure takes data defined in the Dimension Hierarchy form within Oracle Sales Compensation and transfers the data into the Hierarchy API table. The Hierarchy API table may then be exported and imported from one implementation of Oracle Sales Compensation into another where it may then be read by the upload program.

You can only download one dimension hierarchy at a time. The concurrent manager procedure, DOWNLOAD HIERARCHY, for downloading hierarchies will ask the user to provide the name of the dimension, the name of the hierarchy and the start and end periods over which this hierarchy is active. You are also asked to provide the name of the unique column. If the unique column name is not provided, it will default to the dimension value field.

---

## How to Use

This section provides the steps for using the upload and download hierarchy features.

Before using this feature, it is important to understand the use of the Unique Column in these procedures, so that when asked to provide the name of the Unique Column in the concurrent manager programs, the user will choose the appropriate one.

The unique column that the user should choose is the column in the Dimension table which uniquely identifies each entry in the dimension table. In the Dimension form in Oracle Sales Compensation you associate each dimension with a dimension table that stores the dimension information. The dimension table will contain at the minimum a Primary Key column and a Dimension Value Column. The Dimension Value column uniquely identifies an entry then there needs to be a unique column defined in this dimension table. For example, for the salesperson dimension, the dimension value column corresponds to the column called Name in the CN\_SALESREPS table. However the Name field does not contain unique information, since it is possible that two salesreps may have the same name. Instead there is another column in the salesperson dimension table, in this case, the employee number which contains information which uniquely identifies each salesperson since no two reps can have the same employee number..

Though you can sometimes choose the primary key column as unique column, in some cases, the value for primary key may vary from database to database. For example, for the salesperson dimension, the primary key column is salesrep\_id which is system generated. In the test implementation of Oracle Sales Compensation for example, salesrep id for Bill Shallet with employee # 888 may be 1001, but in the production implementation, salesrep\_id may be 1089. If you use salesrep id as unique column, 1001 may refer to a different salesrep or no salesrep at all. So if you use the concurrent procedure to upload the hierarchy specifying the Primary Key column as the Unique Column, then your upload procedure may fail when it cannot find the unique column in the dimension table which corresponds to the unique column value defined in the dimension Hierarchy api table.

In general, you need to choose a unique column which is database independent and unique. For some dimensions, it is easy to find a column which meets this requirement. For the revenue class dimension for example, the dimension value which corresponds to the revenue class name may be uniquely identified across databases. So in this case the dimension value column may be the unique column.

► **To upload hierarchy:**

1. Navigate to Setup->Dimensions form within Oracle Sales Compensation. Choose the dimension that you will be uploading. Navigate to the Hierarchies form and Define the Hierarchy Name, and the Interval From and To periods.
2. Populate the CN\_HIERARCHIES\_API table making sure to include data for all the NOT NULL columns:

Name	Null?	Type
HIERARCHY_API_ID	NOT NULL	NUMBER(15)
DIMENSION	NOT NULL	VARCHAR2(30)
HEADER_HIER_NAME	NOT NULL	VARCHAR2(30)
START_PERIOD_NAME	NOT NULL	VARCHAR2(30)
END_PERIOD_NAME	NOT NULL	VARCHAR2(30)
DIMENSION_VALUE	NOT NULL	VARCHAR2(30)
UNIQUE_VALUE	NOT NULL	VARCHAR2(30)
ANCESTOR_DIM_VALUE		VARCHAR2(30)
ANCESTOR_UNIQUE_VALUE		VARCHAR2(30)
LOADING_STATUS		VARCHAR2(100)
ORG_ID		NUMBER(15)

**Table 56 – 1 (Page 1 of 1)**

*Hierarchy\_API\_ID* corresponds to the primary key column of the api table (this ID can be generated by the CN\_HIERARCHIES\_API\_S sequence)

*Dimension* corresponds to the name of the dimension

*Header\_Hier\_Name* corresponds to the name of the hierarchy within the dimension

*Start\_Period\_Name* defines the start period of the hierarchy

*End\_Period\_Name* defines the end period of the hierarchy

*Dimension\_Value* defines the Dimension Value information which will be seen as the Nodes in the hierarchy

*Unique\_Value* includes data which uniquely identifies the entry. The values in this column should correspond to values defined in the Unique Column of the dimension table.

*Ancestor\_Dim\_Value* contains the dimension value information for the parent of this node

*Ancestor\_Unique\_Value* contains the data which will uniquely identify the parent node

*Loading\_Status* will be updated by the Concurrent Manager procedures to identify whether the column has been loaded or not.

*Org\_id* corresponds to the Org\_id that is being loaded

3. Run the Concurrent Manager procedure called UPLOAD HIERARCHY to transfer data from the CN\_HIERARCHIES\_API into the appropriate dimension hierarchy tables within Oracle Sales Compensation.

You need to specify the following parameters:

- Dimension name: e.g. Salespeople, Revenue Class
- Header hierarchy name. e.g. Salespeople Hierarchy, Revenue Class Hierarchy or other hierarchies already defined in your system.
- Start Period
- End Period
- Unique Column Name.

Remember you can upload only ONE dimension hierarchy at a time using the concurrent manager procedure.



► **To download hierarchy**

Run the Concurrent Manager procedure called DOWNLOAD HIERARCHY to transfer data from the appropriate dimension hierarchy tables within Oracle Sales Compensation to the CN\_HIERARCHIES\_API table.

You need to specify the following parameters.

- Dimension name: e.g. salespeople, revenue class
- Hierarchy name. e.g. Salespeople Hierarchy, Revenue Class Hierarchy or other hierarchies already defined in your system.
- Start Period
- End Period
- Unique Column Name.

---

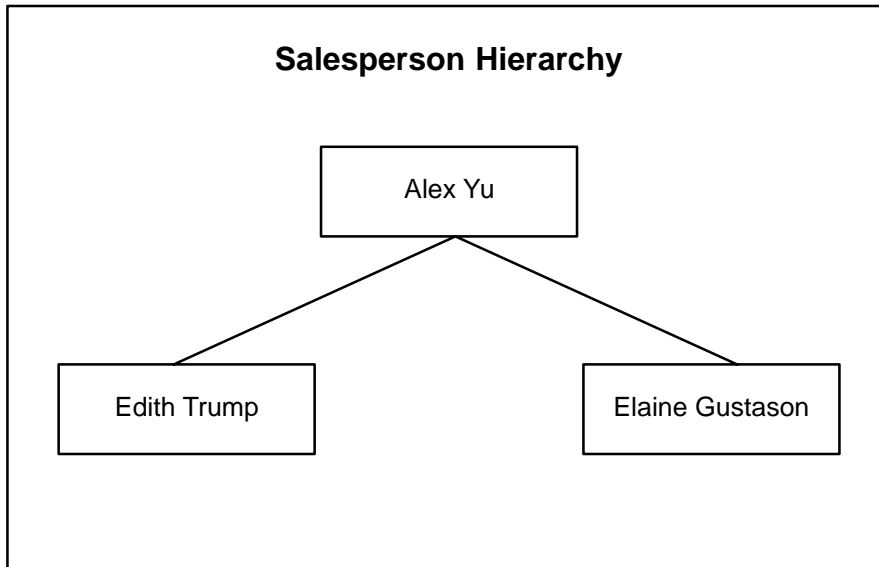
## **Debug Mode**

If either the upload or download procedure does NOT complete successfully. Turn ON debug mode and run the procedure again. You will see error messages in the Administration->Process Logs window.

---

## Example

The following is an example of the steps you would take to load Salesperson Hierarchy information into Oracle Sales Compensation. Assume the Salesperson hierarchy looks like the following:



In general, before using the upload function, you need to ensure that the Dimension has been defined, and that the Hierarchy Name and Intervals have been entered. Oracle Sales Compensation includes the Salesperson and Revenue Class Hierarchies by default. Dimensions other than the Salesperson and Revenue Class dimensions need to be created by the user.

Step 1: Define the Dimension if necessary.

Step 2: Define the Hierarchy Name and Interval From and To periods in the Dimensions > Hierarchies window within Oracle Sales Compensation.

For example:

Hierarchy Name: Salesperson Hierarchy

Intervals From: Jun-97 To: May-98

**Note:** In the case of salesperson hierarchy this would already be created by Oracle Sales Compensation.

Step 3: Populate CN\_HIERARCHIES\_API.

Hierarchy_api_id	Dimension	Header_Hier_Name	Start_Period_Name	End_Period_Name
0001	Salespeople	Salespeople Hierarchy	Jun-97	May-98
0002	Salespeople	Salespeople Hierarchy	Jun-97	May-98
0003	Salespeople		Jun-97	May-98

Dimension_Value	Unique_value	Ancestor_Dim_Value	Ancestor_Unique_Value	Org_id
Alex Yu	61			129
Edith Trump	13	Alex Yu	61	129
Elaine Gustafson	10	Alex Yu	61	129

**Note:** Make sure that the data in the table matches exactly and uses the same case as the data appearing in the application. e.g. For dimension name do not enter “salespeople” in the table if the name of the dimension as can be seen in the application is “Salespeople” .

Step 4: Run concurrent manager procedure “Upload Hierarchy.”

Dimension = Salespeople

Hierarchy Name = Salespeople Hierarchy

Start Period = Jun-97

End Period = May-98

Unique Column = Employee\_Number

Step 5: When the concurrent request is completed, view the Salespeople Hierarchy Jun-97 to May-98 using the Oracle Sales Compensation Dimensions Hierarchies form.



# Glossary

**account adjustment** An adjustment to a Oracle Sales Compensation subledger account, made via journal entries. See also *sales credit adjustment*.

**API** (Application Programmable Interface) A set of procedures to import or export information to and from Oracle Sales Compensation.

**calculator** A database that uses the data collected by the collector to calculate a compensation payment.

**clawback** The amount of compensation credited for a sale that Oracle Sales Compensation takes back when the invoice due date grace period is exceeded.

**collector** A database that collects the data required to pay compensation.

**compensation plan** A collection of plan elements used to calculate a compensation payment. One compensation plan is assigned to a salesperson for a given period of time.

**compensation rate** A multiplier on net sales credit. Rate is determined by level of quota achievement, as defined in a rate table.

**compensation transaction** The smallest logical unit of data on which a compensation payment can be calculated. Each transaction comprises several *attributes*, some of which can be user-defined during implementation.

**credit memo** A document generated when an invoice is fully or partially reversed.

**credit receiver** A salesperson who has been assigned sales credit.

**crediting transaction** A type of transaction that gives or takes away sales credit after sales credit has been allocated for an invoice transaction.

**customized plan** A compensation plan for which you have changed the defaults for quota or compensation rates, according to the needs of an individual salesperson.

**default plan** A compensation plan that has user-defined default values for plan elements. When you assign a base plan to a salesperson, you can customize values in the plan elements such as the quota, rates, periods, draw amounts, etc. See also *customized plan*.

**dimension** A type of hierarchy. By default, Oracle Sales Compensation defines two dimensions: Salespeople and Revenue Classes.

**direct sales credit** Sales credit directly assigned to a salesperson in a transaction in a feeder system, such as Oracle Order Entry or Oracle Receivables or a foreign source.

**draw** An advance paid to a salesperson towards future earnings.

**feeder system** An order or billing receivable system that inputs transactions to the Oracle Sales Compensation database. Example: Oracle Receivables.

**generation** A process which creates SQL programs based on user-defined rules. Collection and revenue classification modules are generated in Oracle Sales Compensation.

**giveback** The payment received for a clawback.

**hierarchy** A group of related entities arranged in an inverted tree structure according to rank or successive grades.

**incentive factors** See quota uplift and payment uplift.

**indirect sales credit** Credit inherited by a salesperson according to his/her place in the salesperson hierarchy. Indirect credit can roll *up* from a subordinate to a manager, or *across* from a salesperson to a peer.

**manual transaction** A user-entered transaction created for reversing or changing sales credit. See also *compensation transaction*.

**mapping** Rules defining collection that map the table columns of a feeder system to the transaction columns in Oracle Sales Compensation.

**net sales credit** The product of the transaction factor and sales credit, given if a salesperson is eligible. Net sales credit is further multiplied by the compensation uplift to determine compensation credit.

**payment uplift** A type of incentive, the payment uplift is a multiplier on the compensation rate. The payment uplift varies the compensation payment without affecting quota achievement.

**period** A unit of time, such as one week, two weeks, or a month, on which your accounting calendar is based.

**period target** The target quota amount for a plan element for each period in the compensation plan.

**plan elements** Terms defining the conditions a salesperson must meet to be paid compensation, and how much compensation will be paid. A plan element includes one or more revenue classes, a quota, transaction factors, incentives, and compensation rates. There are three types of plan elements: draw, revenue, and quota.

**quota** A revenue goal that affects compensation for quota-type plan elements.

**quota achievement** Accumulated performance against a quota that determines the compensation rate.

**quota credit** The product of the net sales credit and quota uplift. Quota credit is added to a salesperson's quota achievement.

**quota uplift** A type of incentive, the quota uplift is a multiplier on net sales credit, resulting in higher or lower quota credit applied toward the quota.

**rate bracket** A range of achievement associated with a compensation rate. Also called a rate tier.

**rate table** A structure that associates compensation rates with brackets.

**revenue class** A user-defined category of business revenue. Revenue classes are assigned to plan elements and help Oracle Sales Compensation determine whether sales credit is applied toward a compensation payment.

**revenue class hierarchy** A hierarchical arrangement of revenue classes and their subclasses in which you define very broad classes at the top of the structure. A revenue class hierarchy makes it possible to pay compensation for a broad revenue class without specifying all of its subclasses.

**revenue classification rules** A set of one or more conditions a revenue class must have to classify into a given revenue class.

**rollup** In a hierarchy, all ancestors of a node. For example, sales credit rolls up the salesperson hierarchy from the direct credit receiver to all salespeople above him in the credit chain.

**roll across** In a hierarchy, nodes at the same level in the hierarchy branches. For example, in a salesperson hierarchy, credit rolls across to one or more of a salesperson's peers who are at the same level in the organization.

**sales credit** An amount of revenue or non-revenue credit awarded to a salesperson. See also *direct sales credit*, *indirect sales credit*.

**sales credit adjustment** A change in the amount of sales credit assigned to a salesperson by an order or billing system. The change may be retroactive. See also *account adjustment*.

**salesperson** Any entity receiving sales-related incentive compensation including direct salespeople, managers, external agents, distributors, VARs, and customers.

**salesperson hierarchy** A hierarchical arrangement of salespeople in an organization that specifies the relationships between managers and their subordinates.

**source document or source transaction** Transactions collected by Oracle Sales Compensation from a feeder system. Examples include orders, invoices, and credit memos. See also *compensation transaction*.

**synchronize** The step you must take to integrate your custom definitions for collection and classification of sales transactions with the Oracle Sales Compensation application code.

**target** A revenue goal associated with a single revenue class. Targets do not affect the compensation payment.

**target quota** A revenue goal for a salesperson associated with a plan element. Target quotas do not affect the compensation payment.

**transaction attribute** A single piece of information required to calculate compensation earnings. For example, a salesperson's name or an employee ID.

**transaction factor** A multiplier on sales credit that determines net sales credit given for each type of transaction.



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