Oracle Sales Compensation Concepts and Procedures, Release 11i

Part No. A83639-01

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Oracle Sales Compensation Concepts and Procedures, Release 11/i
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If you have problems with the software, please contact your local Oracle Support Services.
Welcome to the Oracle Customer Relationship Management, Release 11i, suite of applications.

This Concepts and Procedures provides information and instructions to help you work effectively with Oracle Sales Compensation.

This preface explains how Concepts and Procedures is organized and introduces other sources of information that can help you.

**Intended Audience**

This guide is aimed at the following users:

- Sales Administrators
- Sales Managers
- System Administrators (SA), Database Administrators (DBA), and others with similar responsibility.

**Structure**

This manual contains the following chapters:

“Understanding Oracle Sales Compensation provides overviews of the application and its components, explanations of key concepts, features, and functions, as well as the application’s relationships to other Oracle or third-party applications.

“Using Oracle Sales Compensation” provides process-oriented, task-based procedures for using the application to perform essential business tasks.
“Implementing Oracle Sales Compensation” provides general descriptions of the setup and configuration tasks required to implement the application successfully.

**Conventions**

The following conventions are also used in this manual:

<table>
<thead>
<tr>
<th>Convention</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>. . . . . .</td>
<td>Vertical ellipsis points in an example mean that information not directly related to the example has been omitted.</td>
</tr>
<tr>
<td>. . . . . .</td>
<td>Horizontal ellipsis points in statements or commands mean that parts of the statement or command not directly related to the example have been omitted.</td>
</tr>
<tr>
<td><strong>boldface text</strong></td>
<td>Boldface type in text indicates a term defined in the text, the glossary, or in both locations.</td>
</tr>
<tr>
<td><code>&lt; &gt;</code></td>
<td>Angle brackets enclose user-supplied names.</td>
</tr>
<tr>
<td><code>[ ]</code></td>
<td>Brackets enclose optional clauses from which you can choose one or none.</td>
</tr>
</tbody>
</table>
Understanding Oracle Sales Compensation

This topic group provides overviews of the application and its components, explanations of key concepts, features, and functions, as well as the application’s relationships to other Oracle or third-party applications.

Overview of Oracle Sales Compensation

You can automate the complex task of calculating compensation and customize compensation to suit the unique operations of your organization’s sales force.

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

- Categorize your business revenue into revenue classes that specify the 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 only awards credit based on the 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 by mixing and matching 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.

**Navigation**

The navigator displays:

- Icon that represents each functional area
- Drop-down list of views relating to each functional area
- Hierarchical list of functions that relates to the selected view
- Nodes in each hierarchy representing each related record in the database

Choose the functional area and choose a view. Double-click a node to expand the hierarchy. Double-click a data node to open the functional window and display the selected record.

Right-click a node to perform any of the following actions:

- Add a new item below the selected node
- Open the selected functional window
- Conduct a search
- Copy the selected node
- Refresh the list
Oracle Sales Compensation Flow Diagram

The following diagram shows the relationship between components within Oracle Sales Compensation.

Oracle Sales Compensation Flow Diagram
Oracle Sales Compensation exchanges information with other products within Customer Relationship Management.

Oracle Receivables and Oracle Order Capture provide sales transaction information that forms the basis for calculating sales compensation.

Resource Management provides employee information for salespeople.

Oracle Sales Online and Oracle Field Sales for Mobile Devices provide sales pipeline and forecast information to Oracle Sales Compensation. Oracle Sales Compensation then calculates current compensation and forecasted compensation and sends that information back to the sales products so that a salesperson can track prospective compensation based on current sales activities.

Compensation information is made available to Oracle Sales Intelligence.

Compensate in Multiple Currencies

You can 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.
- Use a functional currency
  - The functional currency is the currency that is used by the parent company, and is defined for the General Ledger set of books. The functional currency is used for calculation.
- 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 sales representative’s 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

Understanding Compensation Plans
The following information explains how you can use compensation plans to correctly compensate and provide incentives for your salespeople:

What Is a Compensation Plan?
Purpose of Compensation Plans
Number of Compensation Plans

What Is a Compensation Plan?
You define the conditions that control sales compensation in a compensation plan. Comparable to an on-line version of a sales representative agreement, a compensation plan captures your organization’s unique practices for paying compensation, with individual rules that determine the recipient, amount, and timing of a compensation payment.

You have 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 representatives or situations
Build compensation plans using rate tables, formulas, and other building blocks from existing compensation plans

Control the effectivity of all aspects of the compensation plan using precise start and end dates

Purpose of Compensation Plans

A compensation plan is a set of elements governing the compensation payments to a salesperson. Using compensation plans, you can:

- Pay commissions, bonuses, and non-monetary compensation
- Provide incentives to salespeople to achieve specific and measurable sales goals, including yearly and periodic sales targets, as well as sales targets for individual sales categories
- Vary compensation rates based on user defined measures, such as quota achievement, gross sales, and unit sales
- Vary quotas or compensation rates based on sales categories
- Stage compensation payment over the life of a sale
- Specify compensation accelerators for sales promotions
- Specify payment minimums and maximums that are recoverable or non-recoverable
- Specify goals to track achievement for recognition programs
- Customize plans for individual salespeople
- Specify plan changes to occur on specific dates
- Manage complex compensation relationships through sales roles and hierarchies

Number of Compensation Plans

A compensation plan generally relates to a sales role within your organization. Different roles require different pay components, and therefore different compensation plans.

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, you can create a set of compensation plans that target general compensation needs for most of your salespeople.
force, then adjust individual quotas, goals, accelerators, and compensation rates when you assign the plan to a salesperson.

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.

How Transactions are Compensated

You choose the source transactions, the orders, invoices, or customer payments on which to base your compensation payments. For each revenue class assigned to a plan element, you need to specify how much compensation you want to award for each type of transaction you collect. Each sale corresponds to one or more transactions, depending on when during the life of the sale your organization pays compensation.

For each revenue class, you define transaction factors or multipliers for each type of transaction relevant to that class. Transaction factors help you stage sales credit (sales amount accredited to a salesperson) over the life of a sale, assigning percentages of the transaction amount to the events that are important to your sales organization.

When calculating the compensation payment, the sales credit is multiplied by the transaction factor you defined for that transaction type, resulting in net sales credit for the compensation transaction.

Transaction types include:

- Order Booked: The order is processed when it is booked and its status changes to booked.
- Invoice: The invoice is processed when posted in Oracle General Ledger. Once it is posted, no changes can be made to the invoice.
- Payment: Payment is received in Oracle Receivables.
- Take Back: When the invoice due date grace period is exceeded, the amount of compensation credited for this sale is taken back.
- Credit and Debit Memo: An invoice is fully or partially reversed and posted in Oracle General Ledger.
- Give Back: A payment is received for a take back.
Revenue Classes

- Manual Adjustment: An adjustment is made.
- 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 take backs, the application creates a new transaction for a negative amount of the sales credit.

When you choose a particular transaction factor, you’re specifying that you want to pay compensation based on the state of the compensation system at the time that transaction occurred. For example, if Global Computers 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.

Revenue Classes

A revenue class is a user-defined category of sales for which your organization awards compensation. Many organizations award compensation based on the types of products and services they sell. In that case, the products and services are grouped into revenue classes and arranged into hierarchies with broader categories at the top, or root, of the hierarchy.

When matching the revenue class on a compensation transaction, such as a sales order, to a revenue class on a salesperson’s compensation plan, the class of the transaction is rolled up in the revenue class hierarchy to determine matches to any revenue class on the plan.

All revenue classes on the same plan element share the same quota and compensation rate table. If revenue classes in a compensation plan have different quotas or are paid according to different rate tables, you must create a plan element for each revenue class that has a different quota or compensation rate.

Example of a Sales Compensation Calculation for Revenue Class

<table>
<thead>
<tr>
<th>Step</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sale for class A is invoiced = sales credit of</td>
<td>1,000</td>
</tr>
<tr>
<td>2</td>
<td>x transaction factor of 50% = net sales credit of</td>
<td>500</td>
</tr>
<tr>
<td>3</td>
<td>x quota uplift of 300% = quota credit of</td>
<td>1,500</td>
</tr>
<tr>
<td>4</td>
<td>Quota credit of 1,500 earns a compensation rate of</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>(Quota credit of 500 would earn a rate of 2%)</td>
<td></td>
</tr>
</tbody>
</table>
**Hierarchy Terminology**

While the functions of hierarchies differ, the concepts and terminology we use are the same for all hierarchies.

The term *dimension* refers to a named and defined 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.

The following terms are illustrated in Diagram of a Simple Hierarchy:

- **Root**: Box 1 is the root of the whole hierarchy.
- **Node**: Every box is a node.
- **Parent**: The higher level of a connected node. Box 1 is the parent of box 2, box 2 is the parent of boxes 4 and 5, and so on.
- **Child**: The lower level of a connected node. Box 2 is the child of box 1, boxes 4 and 5 are children of box 2, and so on.
- **Sibling**: Two children of the same parent. Boxes 4 and 5 are siblings.
- **Descendant**: All nodes connected to the current node that are on any level below that node are its descendants. Boxes 6, 7, 8, 9, and 10 are descendants of box 3.
- **Ancestor**: All nodes connected to the current node that are on any level above that node are its ancestors. Boxes 1, 3, and 6 are ancestors of box 9.

---

**Example of a Sales Compensation Calculation for Revenue Class**

<table>
<thead>
<tr>
<th>Net sales credit (500) (\times) 50% payment uplift = compensation credit of</th>
<th>250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation credit (250) (\times) compensation rate (5%) = compensation payment of</td>
<td>12.50</td>
</tr>
</tbody>
</table>

---

Understanding Oracle Sales Compensation 9
What Are Classification Rules?

Classification rules are sets of user-defined rules to determine the revenue class of each transaction. A revenue class is a user-defined category of sales for which the organization awards compensation.

Each rule contains one or more conditions. These conditions specify the characteristics a transaction must have to classify into a given revenue class. Each rule is associated with a revenue class. During commission calculation the revenue class is assigned to a transaction when it passes all conditions in the rule. The transaction attribute value expresses each condition.

For example, Global Computers awards compensation based on the type of products or services sold, thus defining a transaction attribute for product code. This transaction attribute is represented in the compensation transaction tables as the column PROD_TYPE. To determine whether to award consulting revenue, Global checks whether the product code is CON. Global creates a rule to check for this type of revenue. The rule has one condition: PROD_TYPE = CON.
Because the application 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.

How the Classification Rules Hierarchy Works

The following information explains the hierarchy of classification rules and how transactions roll through the hierarchy to determine compensation:

The Rules Hierarchy
The Rules Test
A Rollup Condition
Multiple-Condition Rules
Changes

The Rules Hierarchy

As you define classification rules, you will notice common conditions among the classification rules. 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. This condition is specified once in the application for the parent rule of the two rules that differentiate Standard Multimedia PC and the ATO Multimedia PC.

The Rules Test

The application 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), the application 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.
A Rollup Condition

You can express a condition in terms of whether or not the value of a transaction attribute rolls up to an ancestor value in a hierarchy.

For example, suppose Global Computers 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, 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.

Multiple-Condition Rules

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 the application evaluates other sibling rules if a transaction does not satisfy the first rule on a level in the hierarchy, the application processes these rules as if they were joined by an OR operator. When a transaction fails a rule, the application tests other sibling rules from left to right.

For example, suppose that Global Computers 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_TYPE BETWEEN 1201 and 1600
- PROD_TYPE BETWEEN 2501 and 2600

Alternatively, you can create one rule containing several conditions joined by OR.

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

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

How Compensation Groups Work

The following information explains how hierarchies of compensation groups are used to compensate multiple salespeople for one sales transaction:

Why Use Compensation Groups
Sales Credit Rollup and Roll Across
Credit Chain Definition

Why Use Compensation Groups

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

If you choose to compensate multiple salespeople for the same commission transaction, you use a compensation group hierarchy to specify the relationships among the credit receivers in your sales force. A salesperson can have more than one sales role and can belong to more than one compensation group.

A compensation group is a group of salespeople who have the same rollup relationship within a hierarchy. For example, sales representatives A, B, and C are in the same compensation group because their sales roll up to manager X. Manager X belongs to a different compensation group.
Sales Credit Rollup and Roll Across

You can allocate sales credit for a commission transaction:

- To one or more of a salesperson’s supervisors in an organizational hierarchy. This type of credit allocation is called a rollup, because it rolls credit up within the sales organization.

  When transactions are processed with a hierarchy in effect, salespeople in parent positions automatically receive all sales credit applied toward salespeople in child positions, provided that they have the same revenue classes as their subordinates.

- To one or more of a salesperson’s peers, who are at the same level in the organizational hierarchy. This type of credit allocation is a roll across, because it rolls credit across within the organization.

  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 compensation group hierarchy containing the peers you want to compensate.

Credit Chain Definition

A salesperson together with ancestors in the hierarchy is known as a credit chain. A salesperson can be a member of multiple credit chains and can be associated with more than one sales role, for example, both manager and sales representative.

Sales credit is rolled up to all salespeople within a given credit chain, whether or not a given salesperson within the group is eligible to receive a commission from the credit.

How Data Collection Works

You collect data from other sources into Oracle Sales Compensation. For example, you can collect from Oracle Receivables the salesperson’s name, the amount of the sale, and the sale date. You do this by defining a link, called a map, between source documents from Oracle Receivables, Oracle Order Capture, or an external source and Oracle Sales Compensation. After the map is established, you can process collections between these source documents and Oracle Sales Compensation.
The following information explains data collection in more detail:

**Types of Data You Can Collect**

**Available Mapping Methods**

**How to Collect the Data**

### Types of Data You Can Collect

You can collect the following types of transaction data from Oracle Receivables:

- Invoices
- Credit and debit memos
- Payment postings
- Writeoff postings
- Take back postings

Once an invoice due date goes beyond the set grace period, the credit for the sale is deducted from the salesperson’s sales credit.

- Give back postings

A past due invoice that has been deducted from the salesperson’s sales credit is now paid. The salesperson receives the credit.

From Oracle Order Capture, you can collect booked orders and adjustments to booked orders using the CN_COMM_LINES_API interface table. If you have data stored in an external source, such as an Excel spreadsheet, then you can use an interface table (CN_COMM_LINES_API) to write scripts to load this data to Oracle Sales Compensation. This method is discussed in How to Collect Transactions from an External Source. Information in the CN_COMM_LINES_API table is ready to load into Oracle Sales Compensation CN_COMMISSION_LINES.

You can map Oracle Receivables transaction data at three levels:

- Header table level, which provides customer information, or the header level information (CN_TRX)
- Line table level, which provides information about the product or item, or the line level information (CN_TRX_LINES)
- Sales Lines table level, which provides information about the salesperson’s credits (CN_TRX_SALES.Lines)
How Data Collection Works

The data in these levels is stored in source table columns. You map the data for a source by mapping a column in the source document such as an invoice header to another column in the destination table such as CN_TRX in Oracle Sales Compensation. Data is collected into the three CN_TRX tables and sent to the CN_COMM_LINES_API interface table, ready to load into Oracle Sales Compensation CN_COMMISSION_LINES.

Available Mapping Methods

Once you understand the source and destination tables that contain the transaction data you want to link, you can use one of the following methods to complete the mapping:

- Default mapping: You can use a default mapping definition provided by Oracle Sales Compensation. For most of the time, this is the type of mapping you will use.

  The default mapping for Oracle Receivables collects data from three related tables:
  - RA_CUSTOMER_TRX
  - RA_CUSTOMER_TRX_LINES
  - RA_CUST_TRX_LINE_SALESREPS

  If the default compensation transaction does not contain all the data your organization needs to pay compensation, then you need to define additional data to collect from Oracle Receivables. You define this data by customizing columns in the appropriate Oracle Sales Compensation transaction table using either direct or indirect mapping.

- Direct mapping: You can map a column from any of the three tables included in the default mapping to an equivalent column in the destination table. If you need to fine-tune the mapping criteria, such as changing the source transaction data, then you can create a direct mapping using an expression. To create the mapping link, you assign an attribute column in Oracle Sales Compensation to link the source and destination columns.

- Indirect mapping: If you need information from a table that is not included in the default mapping, then you need to use foreign key in the destination table to link to the primary key of the source table. Then map a column in the source table to an attribute column in your destination table.
How to Collect Transactions from an External Source

How to Collect the Data

Use the Concurrent Manager to run a concurrent request to collect each type of transaction. The concurrent request loads the data into the CN_COMM_LINES_API table. The names of the concurrent requests follow:

- Collect Orders Booked
- Collect Take Backs
- Collect Invoices
- Collect Payments and Givebacks
- Collect Writeoffs
- Collect Credit and Debit Memos

Once you have collected the data, you can load it into the Oracle Sales Compensation CN_COMMISSION_LINES table using the Transaction Interface Loader program.

How to Collect Transactions from an External Source

You can collect transactions from an external source, such as your own billing system or non-Oracle receivables or order entry system. You do this by populating the CN_COMM_LINES_API intermediate table within Oracle Sales Compensation. Once the transactions have been populated into the CN_COMM_LINES_API table, you can run the Transaction Interface Loader concurrent program to bring the transactions into the CN_COMMISSION_LINES table. Oracle Sales Compensation then calculates the transactions in the CN_COMMISSION_LINES table and updates these transactions with the calculated amounts.

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 following table describes the structure of the CN_COMM_LINES_API table.
### Structure of CN_COMM_LINES_API Table

<table>
<thead>
<tr>
<th>Column</th>
<th>Data Type</th>
<th>Data to Enter</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALESREP_ID</td>
<td>NULL NUMBER (15)</td>
<td>If this value is not in the system, Oracle Sales Compensation generates a SALESREP_ID value.</td>
</tr>
<tr>
<td>PROCESSED_DATE</td>
<td>NOT NULL DATE</td>
<td>Enter the date of the transaction.</td>
</tr>
<tr>
<td>PROCESSED_PERIOD_ID</td>
<td>NUMBER (15)</td>
<td>Optionally, enter the period the process date falls in.</td>
</tr>
<tr>
<td>TRANSACTION_AMOUNT</td>
<td>NOT NULL NUMBER</td>
<td>Enter the amount of sales credit</td>
</tr>
<tr>
<td>TRX_TYPE</td>
<td>NOT NULL VARCHAR2 (30)</td>
<td>Enter a value such as INVOICE.</td>
</tr>
<tr>
<td>LOAD_STATUS</td>
<td>VARCHAR2 (30)</td>
<td>Enter NULL when the record is first entered; this field is updated to LOADED when Load is run.</td>
</tr>
<tr>
<td>ATTRIBUTE1 through ATTRIBUTE100</td>
<td>VARCHAR2 (80)</td>
<td>Descriptive flexfield columns. These columns map to the attribute columns in the CN_COMMISSION_LINES table.</td>
</tr>
<tr>
<td>EMPLOYEE_NUMBER</td>
<td>NUMBER(15)</td>
<td>Enter the salesrep number used in the Sales Workbench.</td>
</tr>
<tr>
<td>SALESREP_NUMBER</td>
<td>NUMBER(15)</td>
<td>Not used.</td>
</tr>
<tr>
<td>ROLLUP_DATE</td>
<td>DATE</td>
<td>Not used.</td>
</tr>
<tr>
<td>ROLLUP_PERIOD_ID</td>
<td>NUMBER(15)</td>
<td>The period-id for creating rollup transactions.</td>
</tr>
<tr>
<td>SOURCE_DOC_ID</td>
<td>NUMBER(15)</td>
<td>Not used.</td>
</tr>
<tr>
<td>SOURCE_DOC_TYPE</td>
<td>VARCHAR2(30)</td>
<td>To say what source sales compensation is being fed from an AR or OE etc.</td>
</tr>
<tr>
<td>TRANSACTION_CURRENCY_CODE</td>
<td>VARCHAR2(15)</td>
<td>Transaction currency code.</td>
</tr>
<tr>
<td>EXCHANGE_RATE</td>
<td>NUMBER</td>
<td>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 amount.</td>
</tr>
<tr>
<td>ACCTD_TRANSACTION_AMOUNT</td>
<td>NUMBER</td>
<td>The system updates this column with functional currency amount.</td>
</tr>
<tr>
<td>TRX_ID</td>
<td>NUMBER(15)</td>
<td>Used by AR or OE collection.</td>
</tr>
</tbody>
</table>
Attributes 1 through 100 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 salesperson records in the Salesperson Workbench.
2. Make sure that each salesperson’s active dates are entered.
3. Make sure 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, ORD, PMT, WO, TBK, GBK, CM which correspond to invoice, orders, payment, writeoff (or adjustments), take back, giveback, or credit memo.
   - TRANSACTION_AMOUNT needs to 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.

<table>
<thead>
<tr>
<th>Column</th>
<th>Data Type</th>
<th>Data to Enter</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRX_LINE_ID</td>
<td>NUMBER(15)</td>
<td>Used by AR or OE collection.</td>
</tr>
<tr>
<td>TRX_SALES_LINE_ID</td>
<td>NUMBER(15)</td>
<td>Used by AR or OE collection.</td>
</tr>
<tr>
<td>QUANTITY</td>
<td>NUMBER(10)</td>
<td>To enter the quantity on a transaction.</td>
</tr>
</tbody>
</table>

Structure of CN_COMM_LINES_API Table (Cont.)
ROLLUP_PERIOD_ID is the period which determines which Salesperson hierarchy should be used to roll up the transactions from the direct credit receiver (that is, 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.

After an order is collected in Oracle Sales Compensation, adjusted in Order Capture, and then re-collected in Oracle Sales Compensation, either of the following occurrences takes place:

- If the order has been loaded into the CN_COMMISSION_LINES table, and if there have been any changes to that order, three transactions will result: 1) the original transaction with a status of “Frozen,” 2) a new transaction with a status of reversal that is the negative of the original, and 3) a new transaction with the changed data.
If the order has not been loaded into `CN_COMMISSION_LINES`, only two transactions result: 1) Obsolete and 2) New. There is no “reversal” transaction in this case.

To find the transactions that failed, use the Mass Adjustments window. You can also check for failed transactions in SQL*Plus. The currently reported Errors in the `LOAD_STATUS` column are:

### Error Messages for a Failed Transaction Collections

<table>
<thead>
<tr>
<th>Error</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERROR - REVENUE_CLASS</td>
<td>Incorrect revenue_class_id was entered but it does not exist in the <code>CN_Revenue_Classes</code>.</td>
</tr>
<tr>
<td>ERROR - NO EXCH RATE GIVEN</td>
<td>For entering the multi-currency transactions the exchange rate for the foreign currency needs to be also entered.</td>
</tr>
<tr>
<td>ERROR - INCORRECT CONV GIVEN</td>
<td>Incorrect conversion rate given.</td>
</tr>
<tr>
<td>ERROR - CANNOT CONV/DEFAULT</td>
<td>Cannot convert the given acct_transaction_amount.</td>
</tr>
<tr>
<td>SALESREP ERROR</td>
<td>The Salesrep Number is not valid.</td>
</tr>
<tr>
<td>PERIOD ERROR</td>
<td>The Processed_Date/Processed_Period_ID does not exist in the <code>CN_SRPERIODS</code> table. That is, the Processed_date does not fall in between the salesrep’s Active_From and Active_To periods.</td>
</tr>
</tbody>
</table>

**Calculation**

Calculation is done as efficiently as possible to save your system resources and time. The following information explains the calculation process:

**Phases of Calculation**

**Calculation Process**
Phases of Calculation

When you calculate a set of transactions, the application performs these actions:

- **Revert:** The application deletes any system-generated transactions and reverts the status of transactions to their statuses prior to the last calculation. This way the new calculation starts with no data left over from a prior calculation.

- **Unprocessed:** The transaction has not yet been processed. Oracle Sales Compensation displays a status for unprocessed transactions in the transaction status.

- **Classification phase:** Oracle Sales Compensation checks the revenue classification rules that have been defined for the affected transactions, and determines that 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:** Make sure that a) you have defined classification rules, and b) you have synchronized the revenue classification rules. Oracle Sales Compensation displays a status for failed transactions in the transaction status.

- **Rollup phase:** 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.

- **Population phase:** Oracle Sales Compensation identifies the appropriate plan elements that are associated with the revenue classes that have been identified for the affected transactions. The transaction has matched the compensation plans or plan elements for the credited salespeople.

- **Failed Population:** The transaction did not match the quota rules for the credited salesperson. Oracle Sales Compensation displays a status for a failed population in the transaction status.

- **Calculation Phase:** Based on the information gathered, Oracle Sales Compensation performs the calculation on all transactions for sales people specified for the period. It totals the credit for the transaction compared with the rate tiers, calculates the final amount, and updates the commission due amount. Oracle Sales Compensation displays a status for calculated transactions in the transaction status.
Failed Calculation: The transaction failed to be calculated. Oracle Sales Compensation displays a status for transactions that have failed the calculation phase in the transaction status.

Calculation Process

Efficient calculation is accomplished by automatically recording in the Notify Log every event that occurs that affects the calculation along with what requires calculation as a result of the event.

For example, a new transaction is collected and all salespeople affected by that transaction are recorded in the log. Other examples of events include a change made to a rate table, changes in compensation plans, and changes to classification rules. The log also records the highest phase of calculation the event has reached successfully. The calculation for that event will start at the next higher phase.

When you perform an incremental calculation, then the application calculates everything in the notify log. Use the incremental calculation for your normal calculation needs.

You can choose to perform a full calculation to recalculate everything within a given period. The full calculation takes longer than the incremental calculation.

What is Posting?

Posting transfers expense information to the interface table CN_POSTINGDETAILS in preparation for posting to the general ledger. Run the concurrent program CNPOST to perform the posting. You can set CNPOST up as a recurring concurrent program, for example, to run at the end of each day.

The posting concurrent program does the following:

- Creates a posting batch
- Recognizes calculated transactions
- Recognizes payment plan transactions at the salesperson level
- Creates posting details of recognized transactions
- Generates a posting batch summary report
Posting translates compensation transactions and payruns into accounting transactions, including the following:

- Transaction-oriented compensation expenses
- Non-recoverable payment plan expenses
- Advances and recoveries for payment plans at the sales role level
- Advances and recoveries without payment plans at the sales role level

When you calculate sales compensation, posting records are created. If a recalculation is performed, then reversal records are created for any existing posting records that were created during the prior calculation.
Implementing Oracle Sales Compensation

This topic group provides general descriptions of the setup and configuration tasks required to implement the application successfully.

Implementing Oracle Sales Compensation

The following tables list the actions you need to take to implement Oracle Sales Compensation.

Profile Options

You can set these options in any sequence.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.  OSC: Collect on Account Credits</td>
<td>Enables or disables collection on account credits. If set to Yes, then the application will collect invoices, regular credit memos, and account credit memos when collecting invoices. If set to No, then the application will collect only invoices and regular credit memos.</td>
</tr>
<tr>
<td>2.  OSC: Commission Rate Precision</td>
<td>Determines the number of values that will automatically follow the decimal point in all fields where dollar values are used.</td>
</tr>
<tr>
<td>3.  OSC: Debug Mode</td>
<td>Locates errors generated by concurrent processes, such as calculation, collection, transaction interface loader, and upload and download hierarchy. Setting Debug Mode to Yes writes these errors to an internal audit table.</td>
</tr>
<tr>
<td>4.  OSC: Default Custom Flag</td>
<td>If set to Yes, allows users to customize plan elements; if set to No, does not allow plan elements to be customized.</td>
</tr>
<tr>
<td>5.  OSC: Log File</td>
<td>If set to Yes, locates errors and writes them to a log file; if set to No, disables it. Only enable this profile option for debugging purposes, if you suspect there are problems with the application. If enabled, this profile option generates lock files, which can degrade performance.</td>
</tr>
<tr>
<td>6.  OSC: Log File Directory</td>
<td>Sets the directory where the log file is stored. When you enter the directory path, you do not need to enter a slash after the name.</td>
</tr>
<tr>
<td>Option</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7. OSC: Mark Classification Rules</td>
<td>Default is Yes. Records in the Notify Log any changes to classification rules so that the changes will be included in the next calculation. If set to No, then a full calculation must be done after a classification rules change.</td>
</tr>
<tr>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>8. OSC: Mark Events</td>
<td>Answer No while setting up your system. Change to Yes when you are ready to start collecting transactions. Every event such as a transaction is put into the Notify Log so that it will be included in the next calculation.</td>
</tr>
<tr>
<td>9. OSC: Prior Adjustment</td>
<td>Allows a period’s transactions to be calculated incrementally. If set to No, allows all plan elements in a period to be calculated incrementally. Before enabling this profile option, make sure that any transactions that have a processed date earlier than the latest processed date shown in the System Parameter window have been calculated.</td>
</tr>
<tr>
<td>10. OSC: Report Security Level</td>
<td>Assigns security levels to view and print reports within the company. Super User: View and print reports for all members of an organization. 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.</td>
</tr>
<tr>
<td>11. OSC: Sleep Time in Seconds</td>
<td>Sets the amount of wait time in between each phase of calculation. The wait time gives each phase time to complete the current process without being queried by the system for a status. The default setting is 180 seconds (3 minutes). For large volume transactions, use the default setting.</td>
</tr>
<tr>
<td>12. OSC: SQL Spool Path</td>
<td>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</td>
</tr>
</tbody>
</table>
Steps
Perform these steps in sequence.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Select a set of books</td>
<td>Use <strong>System &gt; System Parameters</strong> to select a set of books set up in General Ledger</td>
</tr>
<tr>
<td>2.</td>
<td>Copy periods from Oracle General Ledger to Oracle Sales Compensation</td>
<td>Use <strong>Financial &gt; Pay Periods</strong> and select <strong>Active</strong> for each period in the general ledger you want to copy and use in Oracle Sales Compensation.</td>
</tr>
<tr>
<td>3.</td>
<td>Activate periods</td>
<td>Use <strong>Financial &gt; Accumulation Periods</strong> to assign <strong>Future Enterable</strong> for setting up plans and salespeople, or <strong>Active</strong> to process transactions.</td>
</tr>
<tr>
<td>4.</td>
<td>Financial &gt; Define Interval Types</td>
<td>Define quota intervals by assigning a name, selecting a calendar, and assigning an interval number to each period. For example, if you assign the same period number to three consecutive months, the resulting interval is quarterly.</td>
</tr>
<tr>
<td>5.</td>
<td>Define responsibilities</td>
<td>Optional. You can use the default responsibilities. Use <strong>Security &gt; Responsibility Define</strong> to create custom responsibilities.</td>
</tr>
<tr>
<td>6.</td>
<td>Assign user responsibilities</td>
<td>Use <strong>Security &gt; Responsibility &gt; Define</strong> to set up user responsibilities.</td>
</tr>
<tr>
<td>7.</td>
<td>Define credit types</td>
<td>Optional. Use <strong>Financial &gt; Credit Types</strong> to define additional non-monetary credit types.</td>
</tr>
<tr>
<td>8.</td>
<td>Set credit type conversion factors</td>
<td>Optional. Use <strong>Financial &gt; Credit Type Conversions</strong> to set conversion factors for converting one credit type to another, such as to convert non-monetary credit types to your functional currency.</td>
</tr>
</tbody>
</table>

13. OSC: User’s Employee Number
Assigns a unique employee identification number to each user within the application who are managers and sales 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.

14. OSC: User’s Type
Select either Employee or Other for each user.
## Implementing Oracle Sales Compensation

### Map tables for data collection
- **See** [Mapping Transactions](#).

### Set up sales credit assignment in Oracle Receivables
- If you are collecting from Oracle Receivables, then set both the `Require Salesreps` and `Allow Sales Credit` system options to YES.

### Set collection parameters
- Use [System > System Parameters](#) to set the number of transactions to collect per batch, the number of transactions to transfer from the Collector to the Calculator, and the number of days to allow after payment due date before sales credit is taken back.

### Set rule batch size parameter in [System > System Parameters](#)
- The Rule Batch Size parameter is used by the code generation program to determine how many PL/SQL packages should be created for a revenue classification. This parameter needs to be set because the PL/SQL compiler limits the size of the PL/SQL blocks and gives a "program too large" compilation error when this limit is exceeded.

### Create manual transaction reason codes
- Optional. If you want reason codes identified for manual transactions, then set them up in the ADJUSTMENT_REASON lookup table. Use [System > Lookups](#). See the [Oracle Application Object Library Reference Manual](#).

### Set the salesperson batch size.
- Use [System > System Parameters](#) to set the number of salesperson periods in a sales compensation calculation batch.

### Select Managerial Rollup
- Optional. Use [System > System Parameters](#) to select Managerial Rollup to enable the rollup of credits through the compensation group hierarchies.

### System > Service Groups
- Optional. An Oracle Application user who is assigned to a service group can access sales compensation information for salespeople who are assigned to the service group.

### System > Security Profile
- Optional. If you want to grant to a manager security access to compensation information for salespeople not included in normal security for the manager, then set up the relationship using this window.

### Join external tables to use in formulas
- Optional. Use [System > External Tables](#) to join external tables to a internal tables.
Mapping Transactions

Specific columns from source tables must be mapped to the correct columns in Oracle Sales Compensation in order to collect information needed to calculate compensation. Use this procedure to map columns.

**Prerequisites**
If you want to map a column that is not included in the default mapping, then you must choose one of the attribute columns in your destination table to receive the data. Assign a user name to the chosen attribute column in the destination table using the Tables and Columns window. In addition, assign a user name to the chosen attribute column in the CN_COMMISSION_LINES table. The user name cannot be the same as the system name for the column (ATTRIBUTE).

If you are collecting data from a table other than the tables included in the default mapping, then you must use the Tables and Columns window to set a primary key in the source table, and set a foreign key in the destination table to link the tables. The key fields must be of the same data type.

**Steps**
1. From the System menu, choose **Collections**.
   The Collection and Mapping window appears.
2. In the Mapping tab, select the source and destination table.
   The already mapped columns appear. The default mappings are gray.
3. Click **New** to enter a new mapping.
   A new blank line appears.
4. Select **Column Mapping**.
5. Enter the source table, the source column and the destination column.
6. If you want to use either a foreign key or an expression, then select **Foreign Key or Expression** and enter the information.
7. Save your mapping.
   Your mapped columns are now available for collection.
Guidelines
If you want the data from a source column changed in some way when it is collected, then select **Foreign Key or Expression** and enter the expression.

If you are collecting data from a table other than the tables included in the default mapping, then select **Foreign Key or Expression** and choose the foreign key from the list of values.

If you checked the **Classification Values** check box in Tables and Columns for the columns you are mapping, then the details of the collected transactions will appear in the Maintain Transactions window. Also, these columns will be available for use in defining classification rules.

Using Tables
Use the Tables window to set up your tables. You can perform the following tasks:

**Creating Classification Rules**
In order to use a flexfield for a classification rule, you must set it up properly in the Tables window.

**Defining Calculation Values**
You can set up columns to be used in calculation values.

**Mapping Transactions**
You can assign user names to tables and keys to link tables for mapping.
Creating Revenue Classes and Hierarchies

Using Oracle Sales Compensation

This topic group provides process-oriented, task-based procedures for using the application to perform essential business tasks.

Creating Revenue Classes and Hierarchies

Revenue classes are user-defined categories of business revenue used to determine whether a sales credit is applied toward a compensation payment. A hierarchy composed of broader revenue classes at the top, or root, with subclasses as children of the root, make it possible to pay compensation for broader revenue classes without specifying all possible subclasses in a compensation plan. Use this procedure to define your revenue classes and build hierarchies of revenue classes.

Prerequisites

None

Steps

1. In the Navigator, choose Classification Rules > View By Revenue Classes.
2. In the hierarchy, right-click Revenue Classes and choose New.
   The Revenue Class window appears.
3. Enter the names and descriptions for all revenue classes you have identified.
4. Save your work.

   Note: After you create new revenue classes, you need to arrange the revenue classes into a hierarchy.

5. From the Navigator, choose Hierarchies.
6. In the hierarchy, double-click Revenue Classes.
   The Hierarchies window displays the revenue class hierarchy type.
7. Enter a name for your hierarchy.
8. Enter the start and end dates for the hierarchy.
9. Save your hierarchy.

10. Click View Details.
    The Hierarchies window displays the existing available root classes. The application provides a default root class called Base Node, which you can rename.

11. Enter one or more root class names.
    When you select the root name, it appears in the large box. A plus sign next to the name in the box indicates you can click it to expand and view the hierarchy that is part of the selected root. You can expand and view any level of the hierarchy.

12. In the large box, select the parent revenue class for which you want to add a child.

13. Click Add.
    The Hierarchy Elements window displays the existing children for the selected revenue class.

14. Use the list of values to add a revenue class.

15. Click OK.
    The added revenue class appears in the hierarchy.

16. Repeat from step 11 to build your hierarchy.

17. Save your work periodically and again before you exit the window.

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

You can import any portion of another hierarchy to become a child of your selected node in the hierarchy you are building.

References
Revenue Classes
Hierarchy Terminology
Creating Classification Rules

A classification ruleset is used to classify sales transactions to determine the appropriate revenue class for the transaction. Using the revenue class, a transaction is matched with a compensation plan and a compensation amount to be paid for the transaction is calculated. Use this procedure to define a set of attributes and values that uniquely identify each revenue classification.

Prerequisites

Revenue classes must be defined.

You can use descriptive flexfields ATTRIBUTE1 through ATTRIBUTE100 in the CN_Commission_Headers table to classify a transaction into a revenue class. In order to use the flexfield, Classification Value must be selected for the column using the Tables and Columns function. The Column Datatype must also be set to either numeric or alphanumeric (the default is alphanumeric). You can also specify a Valueset Name. The valueset should be table validated. The values in the specified valueset are used in the Value field instead of unvalidated data entry when you are defining a rule attribute.

The Rule Batch Size parameter must be set.

You can forecast compensation in the Oracle Sales products with greater accuracy by calculating compensation by opportunity. In order to do so, assign attributes in the CN_COMMISSION_LINES table to Interest Type, Primary Interest, and Secondary Interest in Tables and Columns, select Classification Value, and create classification rules that use one or more of these attributes.

Steps

1. In the Navigator, choose Classification Rules > View By Classification Rules.
2. In the hierarchy, right-click Classification Rules and choose New.
   The Ruleset window appears.
3. Specify a name for your set of classification rules and assign active start and end dates.
4. Save the ruleset.
   The new ruleset appears in the Navigator.
5. Click Rules.
   The Rules window appears.
6. Assign a name to the rule.

7. Choose a revenue class from the list of values.

8. In the Rule Attributes tab, choose a user column name from the list of values, choose the type of values from the drop-down list, and enter the value or values that apply.

9. Optionally, enter additional attributes for the rule.
   
   Every attribute is assumed to be linked to the other attributes with AND.

10. If you want any of the attributes to be related with OR, use the Build Expression tab to relate the first two attributes with AND or OR.
    
    An additional value of Result1 appears in the first column and is added to the attribute list of values.

11. Continue to relate the remaining attributes. Use Result1 to relate a third attribute to the first two.
    
    Each additional relationship adds a Result value that can be used in building further relationships.

12. Save the rule.
    
    The expression appears.

13. To add rules in the hierarchy of rules, position your cursor over the parent rule, right click, and choose New Rule. Repeat from step 6.

14. Return to the Ruleset window for every ruleset that has new or changed rules and click Synchronize.
    
    Ruleset 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.
    
    When you click Synchronize, the classification rules package is automatically installed in the database using the concurrent program named Install Classification Rules Package.

Guidelines

Name your rules after the revenue classes they describe. Rules do not require unique names.

You can define multiple date-effective classification rulesets. Ruleset active dates may not overlap.
A hierarchy of rules can be defined for each ruleset.
Every rule must have at least one attribute.

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 is assigned to the transaction only if none of its child rules match the transaction.

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, then the compensation transaction satisfies the condition.

Not: Specify the inverse of a value you defined 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.

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.

Always customize the classification rules using the setup forms available. Do not modify the generated PL/SQL code.

Troubleshooting
When a transaction fails classification for a rule that uses hierarchy values, the most common problem is that the primary key value in the transaction attribute column is not the same as the primary key value defined in the hierarchy (the value for the EXTERNAL_ID field).

References
See What Are Classification Rules? for definitions of a classification rule and its components.

See How the Classification Rules Hierarchy Works for explanations of when to use a hierarchy and how transactions roll through the hierarchy.
Building Compensation Plans

Most companies typically build a few basic compensation plans and then customize individual elements, such as quotas or compensation rates, for each salesperson on the plan. Use this procedure to build a compensation plan. (See Understanding Compensation Plans.)

Prerequisites
None

Steps
1. Create formulas. (See Creating Formulas.)
   a. Define calculation values. A calculation value can be any column in an existing table and can be used as part of the performance measure definition. (See Defining Calculation Values.)
   b. Define performance measures. (See Defining Performance Measures.)
   c. Define rules governing the formula.
   d. Define formula input. The input is compared against the rate table.
   e. Define a rate table. (See Defining Rate Tables.)
   f. Define the output of the calculation.
2. Create one or more plan elements for the plan.
   a. Define a plan element. (See Defining Plan Elements.)
   b. Assign revenue classes. (See Creating Revenue Classes and Hierarchies.)
   c. Assign accelerators for revenue classes.
   d. Assign formulas or external procedures.
   e. Assign rate tables.
3. Create the compensation plan. (See Defining Compensation Plans.)
   a. Define the compensation plan.
   b. Assign plan elements.
4. Create sales roles. (See Defining Sales Roles.)
   a. Define a sales role.
   b. Assign a job code.
c. Assign compensation plans.

d. Assign a tax status.

5. Define compensation groups if more than one person receives compensation for a single sale. (See How Compensation Groups Work and Defining Compensation Groups.)

6. Customize the compensation plan for individual salespeople as needed. (See Customizing Compensation Plans.)

Defining Calculation Values

You use Calculation values to build performance measures. Performance measures are any criteria that salespeople must achieve for their compensation to be determined. Use this procedure to define calculation values.

**Prerequisites**

None

**Steps**

1. In the Navigator, choose Interface Tables > View By Tables and Columns.

2. Double-click a schema and table.

   The Tables and Columns window displays the selected schema and table.

3. Next to the table, select Use in Formula.

   The columns in the table are listed.

4. Optionally, give each column a business-related user column name for ease of identification by the user.

5. Select Calculation Value for each column to be made available for inclusion in a calculation.

6. Save your work.

Selected columns are accessible in the calculation values tree for use in building formulas and performance measures. The user column name is listed in the tree rather than the actual column name.

**Guidelines**

Any column from any table can be part of your performance measure calculation.
Defining Performance Measures

Performance measures are any criteria that salespeople must achieve for their compensation to be determined. Strategic goals must be converted into performance measures in order to quantify and properly reward a salesperson. Use this procedure to define performance measures.

Prerequisites
If you plan to include values from database tables in your performance measure, then these must be defined. (See Defining Calculation Values.)

Steps
1. In the Navigator, choose Compensation Plans > View By Performance Measures.
2. In the hierarchy, right-click Performance Measures and choose New.
   The Performance Measures window appears.
3. Enter a name and description for the performance measure.
4. Build your performance measure calculation using any combination of calculation values from any table, operators (such as plus or minus), SQL functions, and numbers. Previously defined performance measures can also be used as a component while defining a performance measure.
5. Click Compile to compile the SQL statement.
   The SQL statement appears. Status displays either Valid or Invalid after the compile is attempted.
6. If the status displays Invalid, then correct your performance measure and compile again.
7. Save your performance measure.
   The performance measure can be used while defining formulas.
Defining Rate Tables

Rate tables are used to establish compensation percentage rates or fixed amounts for different performance levels. The compensation formula and plan element determine the type of information to be compared to the rate table as well as how the resulting rate is used in the calculation. Use this procedure to define your rate tables.

Prerequisites
None

Steps
1. In the Navigator, choose Compensation Plans > View By Rate Tables.
2. In the hierarchy, right-click Rate Tables and choose New.
   The Rate Tables window appears.
3. Enter a unique name for the rate table. Choose the rate type for the commission rates.
4. Click Assign Dimensions.
   The Assignment window appears.
5. Click Create Dimension.
   The Dimension window appears.
6. Create each dimension. Assign it a unique name, indicate the type as amount or percent, and set up the rate tiers. Click OK to save your dimension.
   You are asked if you want to define a new dimension. If you answer no, then you return to the Assignment window.
7. Place your dimensions in the desired sequence.
   The input for a formula is entered in a sequence to match your sequenced rate dimensions, thus matching the correct input with the correct rate dimension.
8. Click OK to save the dimension assignments and return to the Rate Table window.
9. Enter the rates for all combinations of tiers.
   If the rate type is percentage, then you can enter a percent value and the application adds the percent symbol. A rate must be set for every combination
of dimension parameters. You can view all dimensions and enter rates for the
dimension you choose as the base dimension. The term base dimension has no
other significance. Choose one tier for each of the other dimensions, and then
enter the rates.

10. Save your rates.

   The rate table is available to be used in formulas and plan elements.

Guidelines
If a commission rate is based on multiple criteria, then a multidimension rate table
must be created to reflect all criteria. One dimension per one criterion.

For example, you are giving an added sales incentive for selling products A and B
in addition to variable commission rates based on revenue. Your formula first
compares revenue against a rate table of commission percentages. This rate table
must be dimension 1. Next your formula compares sold volume of product A with a
fixed fee rate table based on volume. This rate table must be dimension 2. Product B
needs a separate rate table to compare with sales volume, which is dimension 3.

A dimension contains rate tiers to establish different levels of achievement to be
compensated at different rates. See the following table for an example of a
dimension with rate tiers.

<table>
<thead>
<tr>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>0 - 10,000</td>
</tr>
<tr>
<td>10,000 - 25,000</td>
</tr>
<tr>
<td>25,000 - 50,000</td>
</tr>
<tr>
<td>50,000 -</td>
</tr>
</tbody>
</table>

Your minimum and maximum values in the Rate Tiers section must be stated in
terms consistent with your input information.

You can change both the tiers 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. If you change the
levels of quota achievement in a tier, or add or delete a tier in a rate table, those
changes propagate to all salespeople, regardless of whether their plans have custom
quotas or rates.
References


In the following example there are three dimensions containing three tiers each. A total of 27 rates needs to be defined. In the following table the steps required to define the 27 rates are shown. Dimension 3 is chosen as the primary dimension. At step 2 a different tier is chosen for dimension 2 and related rates in dimension 3 are entered.

**Dimension and Rates Example**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimension 1</th>
<th>Dimension 2</th>
<th>Dimension 3</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>10-20</td>
<td>100-200</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>300-400</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>2-3</td>
<td>20-30</td>
<td>200-300</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>300-400</td>
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</tr>
<tr>
<td>3-4</td>
<td>30-40</td>
<td>300-400</td>
<td></td>
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</tr>
<tr>
<td>Step 1</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1-2</td>
<td>10-20</td>
<td>100-200</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>200-300</td>
<td></td>
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<td></td>
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<tr>
<td>Step 2</td>
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</tr>
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<td>1-2</td>
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<td>100-200</td>
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</table>
### Dimension and Rates Example

<table>
<thead>
<tr>
<th>Dimension 1</th>
<th>Dimension 2</th>
<th>Dimension 3</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 5</strong></td>
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<td>15</td>
</tr>
<tr>
<td><strong>Step 6</strong></td>
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<tr>
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<td>100-200</td>
<td>16</td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
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<td>300-400</td>
<td>18</td>
</tr>
<tr>
<td><strong>Step 7</strong></td>
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<tr>
<td>3-4</td>
<td>10-20</td>
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<td>24</td>
</tr>
<tr>
<td><strong>Step 9</strong></td>
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</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td>300-400</td>
<td>27</td>
</tr>
</tbody>
</table>
Creating Formulas

You have complete flexibility to create formulas for calculating compensation. Your formulas can be used in another formula definition or in a plan element definition. Use this procedure to create formulas.

You can save an incomplete formula and return to complete it later.

Prerequisites

Any column from any table can be part of your formula providing the Calculation Value check box for the column is selected in Columns and Tables. (See Defining Calculation Values.)

Performance measures must be created first if you want to include them in your formula. (See Defining Performance Measures.)

Rate tables must be created first if you want to include them in your formula. (See Defining Rate Tables.)

Steps

1. In the Navigator, choose Compensation Plans > View By Formulas.

2. In the hierarchy, right-click Formulas and choose New.

   The Formulas window appears.

3. In the General tab, assign a unique name to the formula and select your rules.

4. Optionally, select a performance measurement to be accumulated to track the salesperson’s achievement. It is not part of the commission calculation.

5. If your formula includes elements that are compared to a rate table to determine rates to be applied, then in the Input tab, define your input.

   Use any combination of calculation values from any tables (such as plan elements and transactions), operators (such as plus or minus), SQL functions, numbers entered in the formula, and previously defined performance measures and formulas.

   The sequence of your input elements must match the rate table’s dimension sequence in order to apply the correct rate dimension to the correct element.

6. Optionally, add user-defined information under Input Name to reference the information for each input and rate dimension sequence.

7. Click Compile to compile the SQL statement for the input formula.
The SQL statement appears. Status displays either Valid or Invalid after the compile is attempted. Correct your formula and compile again if your formula is invalid.

8. If applied rates are part of your formula, then in the rate table tab, select the rate tables to apply to the formula and enter their effective start and end dates. You can view the rates for selected dimensions for each of the rate tables.

9. In the Output tab, construct the expression that defines the output, or calculated commission amount.
   Define your output using any combination of calculation values from any tables (such as plan elements and transactions), operators (such as plus or minus), SQL functions, numbers entered in the formula, and previously defined performance measures and formulas. If you want to use the results of a defined rate table, then specify the Rate Table Result calculation value as the first part of your output expression.

10. If you want the SQL statement for the output to display, then select Show Sql.

11. Click Compile to compile the SQL statement.
   Status displays either Valid or Invalid after the compile is attempted. Correct your calculation and compile again if your calculation is invalid.

12. Save your formula.
   The formula is now available to use as part of other formulas or as a plan element.

Guidelines
Apply transactions individually if you want each transaction calculated separately to determine a rate. Group transactions if you want transactions aggregated to determine the rate.

Do not split tiers if you want a rate from the rate table applied to the full amount. Split tiers if you want portions of the full amount paid at each rate up to the top qualifying rate. For example, the rate table shows 0-1000 at 1%, 1000-2000 at 2%. The transaction amount is 1500. If the tiers are split, the 1500 transaction is paid at 1% for the first 1000 and 2% for the 500. If the tiers are not split, then the transaction amount of 1500 is paid at 2%.
Use interval to date quotas and fixed amounts if:

- Calculation is to occur before the end of the plan element interval (for example, if the interval is quarter and calculation occurs monthly)
- Quotas are set cumulatively within the interval
- Performance to date is to be compared to the quota to date

Choose to have your transactions cumulative if you want the rate determined for each transaction based on the total transactions achieved to date within the interval. Later transactions move up the rate table as amounts accumulate.

Choose Thresholds if you want all prior transactions within the interval paid retroactively at the higher rate once that higher rate is achieved through accumulative transactions.

The number of inputs must equal the number of dimensions in the chosen rate table.

If Rate Table Result is to be included in the output, then it must be the first element in building the output and can be used only once.

A formula type of Commission must include at least one column from the following tables. A formula type of bonus cannot include a column from the following tables or any external table that is mapped to these tables. Neither formula type can include an element from the table cn_srp_period_quotas or any table that is mapped to this table.

- cn_commission_lines
- cn_commission_headers

The user table names are listed under OSC Elements in the Calculation Values tree. These tables must be mapped using System > External Tables, which joins the external table to an internal table. Other tables listed under OSC Elements can be used.

A bonus type formula cannot be used as an embedded formula and cannot be mixed with a commission type formula.

A commission formula that includes individually applied transactions can include only a single input element if any of the following is also true:

- Accumulative is no, interval to date is no, and split is yes
- Accumulative is yes
If a commission formula includes transactions that are grouped by interval, accumulative is set to yes, and interval to date is set to no, then the formula must include an element from SQL > Group Functions in the Calculation Values tree for input. This is also true for output if any column from cn_commission_lines or cn_commission_headers is included in the output.

A commission formula that includes transactions grouped by interval cannot be used as an embedded formula. An embedded formula can only include individually applied transactions, Accumulative set to no, and Interval to Date set to no.

Defining Plan Elements

A plan element is a set of conditions a salesperson must meet to be eligible for compensation. It determines how the compensation is calculated. Use this procedure to define plan elements.

Prerequisites
If the plan element includes a formula, then the formula must be created first. (See Creating Formulas.)
If the plan element includes a rate table, then the rate table must be created first. (See Defining Rate Tables.)
If the plan element includes a revenue class, then the revenue class must be defined first. (See Creating Revenue Classes and Hierarchies.)

Steps
1. In the Navigator, choose Compensation Plans > View By Plan Elements.
2. Expand the Plan Element hierarchy and select an existing plan element. The Plan Element window displays the selected plan element information.
3. In the General tab, you can do any of the following:
   - Click Copy Plan Element to make a duplicate of the displayed plan element. The name is changed with _2 added to the name. Enter a new name before saving the new plan element.
   - Click New Plan Element to clear the screen and create a new plan element.
4. Enter your plan element information.
5. If you want the plan element and the eventual payment to be assigned to someone other than the salesperson credited with the sale, select **Eligible for Payee assignment**.

6. Select the **Formula Type**.
   - If you choose **External**, then you must enter the name of the external PL/SQL procedure to be used in the calculation.
   - If you choose **Formula**, then enter the formula name. The formula must have a status of **Complete**. (See Creating Formulas.)

7. You can review the formula on the Formula tab. You can view the formula rate table on the Rate Tables tab. (See Defining Rate Tables.)

8. Optionally, enter quota, fixed amount, and goal.

9. Optionally, select **Sum amounts from Revenue Classes** to sum the amounts from the quotas, fixed amounts, and goals entered on the revenue classes tab.

10. Optionally, click **Distribute Variables** and enter either amounts or percentages for each period.

    If your plan element contains a formula that includes quota, fixed amount, or goal and that has **Interval to Date** selected, then you can distribute the quota, fixed amount, and goal among time intervals. For example, a yearly quota of 12,000 can be distributed to 1,000 for each period within the plan element effective dates. If you entered percentages, then the amounts are calculated. If you entered amounts, then the percentages are calculated.

11. Optionally, in the Revenue Classes tab, choose the revenue classes for this plan element and assign quotas, goals, or fixed amounts. (See Creating Revenue Classes and Hierarchies.)

12. Optionally, add payment and quota accelerators along with their effective dates.

13. Enter the transaction factor percentages and enter other factors, if any.

14. Optionally, in the Rate Tables tab, add rate tables to the plan element.

15. Save the plan element.

    When the plan element is saved it is available to be added to a compensation plan.

**Guidelines**

You can assign multiple plan elements to a compensation plan, and you can assign the same plan element to multiple compensation plans.
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. The affected compensation plans must again be validated.

You can create a duplicate of an existing plan element to use as a template for future plan elements.

You assign one or more plan elements to a plan by name. Thus, consider defining a name by job title or area of sales you are compensating.

Credit types are user defined and can be monetary or nonmonetary.

The plan element’s effective dates must be within the dates of the compensation plans to which the plan element is assigned.

Transaction Factors for revenue classes must total 100%. Other Factors do not need to total 100% and can be assigned any percentage, including over 100%.

You can change both the tiers 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.

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.

If you change the levels of quota achievement in a tier, or add or delete a tier in a rate table, then those changes propagate to all salespeople, regardless of whether their plans have custom quotas or rates.

Once a compensation plan has been assigned to a sales role, you cannot change the plan’s interval type. 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.

References
See Building Compensation Plans for the sequence of procedures required to build a compensation plan.

See Understanding Compensation Plans for more information about plan elements.

See How Transactions are Compensated for information about types of transactions.
Defining Compensation Plans

A compensation plan is built from plan elements and is assigned an effective start and end date. The plan can then be assigned to multiple sales roles.

Use this procedure to define a compensation plan.

Prerequisites
Plan elements and formulas must be created if they are to become part of the compensation plan.

Steps
1. In the Navigator, choose Compensation Plans > View By Plan Elements.
2. In the hierarchy, right-click Compensation Plans and choose New.
   The Compensation Plans window appears.
3. Assign a unique name to the new compensation plan.
4. Assign start and end dates to the plan.
5. Enter the objective description for this plan based on the associated sales role. The description is used as part of a contract for the salesperson.
6. Select plan elements to be included in the plan and assign each plan element effective start and end dates.
7. Optionally, select a plan element and click Element Details to review plan element details.
   The Plan Element window displays the selected plan element information.
8. Click Validate to ensure that you have entered the plan information correctly.
   When you validate a compensation plan, the following are verified:
   - The plan has a name and start and end dates
   - The plan has one or more plan elements assigned with start and end dates within the plan start and end dates
   - Each plan element has a rate table with contiguous tiers and with start and end dates within the plan start and end dates
   - Each plan element has at least one revenue class assigned that has start and end dates within the plan start and end dates
Each plan element has 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.

If each of the above conditions is true, then the Status field shows **Complete**. When the Status field displays **Incomplete**, the plan cannot be used to calculate compensation.

9. **Save the plan.**

When you save a plan, the values of that plan become the default values when you assign it.

10. **Optionally, edit the start and end dates for individual salespeople.** When the compensation plan is assigned to a sales role, the sales role and salespeople assigned to the sales role display in the compensation plan window. (See **Defining Sales Roles**.)

**Guidelines**

Consider defining plan names by job titles or area of sales you are compensating.

When you assign a plan to a salesperson, you define assignment start and end effective dates between 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.

You can 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 impacts individual salespeople.

When you change a compensation plan, the changes propagate to the salespeople assigned to the plans. For customized plans, the salesperson receives all changes except the customized changes. If a change is made to a tier in a rate dimension, then the new rates overwrite customized rates.

**References**

- Understanding Compensation Plans
- Building Compensation Plans

**Defining Salespeople**

You create or import salespeople using Oracle Resource Manager.
Defining Sales Roles

A sales role describes a set of salespeople who share a common compensation structure. Examples are marketer, broker, and sales manager. Use this procedure to define a sales role and assign compensation plans to the sales role.

Prerequisites
Salespeople must be defined.
Super User responsibility is required.

Steps
1. In the Navigator, choose Sales People > View By Sales Roles.
2. In the hierarchy, right-click Sales Roles and choose New.
   The Define Sales Roles window appears.
3. Enter a unique name for the sales role.
4. For Job Title, choose from the list of values for job IDs that were created in HR and select one. If you are not using the HR module, then the field defaults to User Defined.
5. Enter a description for the sales role definition.
6. Browse and choose compensation plans to be assigned.
7. Select start and end dates to define the effective period for the compensation plans to be assigned to this sales role.
8. Optionally, click View Compensation Plan Details to see the compensation plan screen for the selected plan.
   The Compensation Plans window displays plan information.
9. Assign a salesperson to the sales role by browsing and selecting the salesperson.
10. Select start and end dates to define the effective period for the salespeople to be assigned to this sales role.
11. Optionally, click View Salesperson Details to view salesperson information.
    (See Administering Salespeople.)
12. Save your work.
Guidelines
It is recommended that the sales roles be consistent with the job definitions and job codes which are maintained in Oracle HR. A salesperson is assigned only one job code in HR. However, you can also select User Defined for job code so that a salesperson can be assigned a second sales role, or more.

The date range used to assign a sales role to a compensation plan must be within the start and end dates of the compensation plan itself.

You must have a start date for the salesperson to be assigned to a sales role. You can also provide an end date to define the last day the salesperson is assigned to the role.

Once a compensation plan has been assigned to a sales role, 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 to the sales role.

References
Building Compensation Plans

Defining Compensation Groups
A single sale is credited through a hierarchy of salespeople and managers by using a structure of compensation groups. Use this procedure to build a hierarchy of compensation groups.

Prerequisites
Salespeople must be defined and assigned sales roles.

Steps
1. In the Navigator, choose Sales People > View By Compensation Groups.
2. In the expanded hierarchy, right-click a parent group and choose New. The Compensation Groups window appears.
3. Enter a name and description for the group. The parent group displays based on the location of the group in the Navigator.
4. Optionally, change the parent group.
5. Select effective start and end dates for the compensation group. The dates must overlap the effective dates of the parent compensation group.

6. Optionally, select managers for this group from a list of values of the existing salespeople.

7. Select salespeople to belong to this compensation group and the correct sales roles for each.

8. Optionally, assign an administrator to this compensation group. This administrator has the same security rights as a manager only for this compensation group and only during the specified effective dates.

9. Save the compensation group.

Guidelines
The effective dates of a compensation group must overlap the effective dates of its parent group.

If the parent group effective dates include an open end date, then the child groups can have either open end dates or specified end dates.

One compensation group cannot exist as a child of more than one parent group unless the start and end dates of the two relationships do not overlap.

One salesperson can have only one role at any given point in one compensation group. However, the salesperson can be assigned the same or a different role assigned in a different compensation group during the same period.

A salesperson or sales manager can be assigned to a compensation group only if that person’s sales role start and end dates show the role is active within the compensation group start and end dates. The salesperson cannot be assigned beyond the sales role start or end date. For example, if the compensation group dates are Jan 1 through Dec 31, and the sales role dates are November 1 through March 31 of the following year, then the sales role can only be assigned to the group from November 1 through December 31.

You cannot change start dates once assigned and saved. You must delete the record and recreate it.

Deleting a compensation group assignment to another compensation group only deletes the link between the two groups. The salespeople remain assigned to each compensation group.

Updates to a compensation group do not affect other compensation groups within the hierarchy.
Defining Pay Groups

A **pay group** defines the frequency of payments, such as monthly or semi-monthly, for the salespeople who are assigned the pay group. Use this procedure to define pay groups.

**Prerequisites**

Calendars and related pay periods must be defined in GL and activated in Sales Compensation. (See [Implementing Oracle Sales Compensation](#).)

**Steps**

1. In the Navigator, choose **Payment Setup** > **View By Pay Groups**.
2. In the hierarchy, right-click **Pay Groups** and choose **New**.
   
   The Pay Groups window appears.
3. Assign a unique name to the pay group and enter a description.
4. Select effective start and end dates for the pay group.
5. Select a calendar from the list of values.
6. Select a period type from the list of period types that were defined for the selected calendar.
   
   The grid displays all pay periods for the selected calendar and period type that fall within the effective date range.
   
   The Sales Representatives tab displays all salespeople who have been assigned the pay group using the Salesperson Workbench.
7. Save the pay group.

**Guidelines**

The period type defines the frequency of payments for the pay group.

Each pay group can have one or many pay periods. A **pay period** is a range of dates over which calculated plan element commissions are collected for payment.

The pay group name can reflect the frequency of the pay periods.
Defining Payment Plans

Use payment plans to set rules governing how much is paid. Payment plans are optional and are used to set up advance payments. Use this procedure to define minimum and maximum payments and controlled recovery.

Prerequisites
None

Steps
1. In the Navigator, choose Payment Setup > View By Payment Plans.
2. In the hierarchy, right-click Payment Plans and choose New.
   The Payment Plan window appears.
3. Assign a unique name to the payment plan.
4. Optionally, establish a minimum amount to be paid at the end of each pay interval, and whether or not it is recoverable from later commissions.
5. Optionally, establish a maximum amount to be paid at the end of each pay interval.
6. Optionally, establish a maximum amount that can be recovered in each pay interval.
7. If you want any commission earned above the maximum payment to be included in a later pay run, then select Pay Later.
8. Save the payment plan.
   The payment plan is available to be assigned to a salesperson in the workbench.

Guidelines
The application checks first for the minimum amount and pays it. Recoverable amounts are calculated after the minimum is met.
Administering Salespeople

From the salesperson workbench you can view the components that affect the compensation for any salesperson. Use this procedure to review information about a salesperson, assign sales roles and payment plans, and administer the salesperson’s compensation.

Prerequisites
The salesperson must be defined.

Steps
1. Select a salesperson from the Navigator.
   The Salespeople Workbench appears.
2. If you want to assign a pay group to the salesperson, then in the Salesperson tab use the list of values to choose the pay group. Then assign start and end dates.
3. If you want to hold payment for this salesperson, then in the Salesperson tab select Hold Payment and select a reason for the payment hold.
   The salesperson’s payment is not generated when the pay group is submitted for payment.
4. In the Sales Role tab, review the salesperson’s assigned sales roles and compensation groups.
5. If you want to assign a sales role, then in the Sales Role tab use the list of values to choose the sales role and then assign start and end dates.
6. In the Compensation Plans tab, review the salesperson’s assigned compensation plans and plan elements.
7. Optionally, click Compensation Summary or click Compensation Details to view the salesperson’s compensation information.
8. In the Payment Plans tab, review the salesperson’s payment plan information.
9. If you want to assign a payment plan, then in the Payment Plans tab select the plan from the list of values and enter start and end dates.
10. If you want to pay the salesperson either a minimum or maximum amount regardless of commissions earned, then enter the amount.
11. If you want the minimum payment deducted from later commissions, then select Recoverable and, optionally, enter a maximum recoverable amount.
12. If you want any commission earned above the maximum payment to be included in a later pay run, then select Pay Later.

13. Save your changes.

**Guidelines**
When you enter start and end dates, the dates must fall within the range of effective dates for both items being assigned, for example, the salesperson and the sales role.

A salesperson can be assigned multiple pay groups, but only one pay group can be active at a time.

**References**
For information about what pay groups are and how they are created, see Defining Pay Groups.

For information about what sales roles are and how they are created, see Defining Sales Roles.

For information about assigning compensation groups, see Defining Compensation Groups.

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**Customizing Compensation Plans**
You can customize each plan element in the compensation plan for an individual salesperson. Use this procedure to customize a compensation plan.

**Prerequisites**
None

**Steps**
1. Select a salesperson from the Navigator.
   The Salespeople Workbench appears.

2. In the Compensation Plans tab, select a sales role.
   The compensation plans and plan elements for the salesperson and sales role appear.

3. Select **Customized** next to the plan element to be customized.
If you leave the **Customized** check box unchecked for a plan element, then any changes you make to the quota or rates for that plan element are inherited by the salesperson.

4. Select the plan element name and click **Details**.

   The Plan Element window displays the details for the plan element.

5. Edit the details to customize the plan. See the table under References for a list of fields that can be changed and where they can be found in the plan element tabs.

6. Save your changes.

**Guidelines**

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, then the salesperson’s rates default to those in the new rate table.

If you change the levels of quota achievement in a tier, or add or delete a tier in a rate table, then those changes propagate to all salespeople, regardless of whether their plans have custom quotas or rates.

**References**

*Editable fields to customize a plan*

<table>
<thead>
<tr>
<th>Tab Location</th>
<th>Field</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Quota</td>
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<td>Fixed Amount</td>
</tr>
<tr>
<td></td>
<td>Goal</td>
</tr>
<tr>
<td></td>
<td>Sum amounts from Revenue Classes</td>
</tr>
<tr>
<td>General &gt; Distribute</td>
<td>All fields (quota, fixed amount, and goals allocated by amount and percentage)</td>
</tr>
<tr>
<td>Variables</td>
<td></td>
</tr>
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</table>
Collecting Transactions

Data must be collected from the mapped tables and loaded into Oracle Sales Compensation before calculation for payment can occur. Use this procedure to collect and load selected types of transactions for calculation.

**Prerequisites**
If you want to use information other than that provided in the default mapping, then you must first map the required information.

**Steps**
1. In the System menu, choose Collections.
   The Collections window appears.
2. In the Collection tab, select the Collect check box for each collection event you want to include in your data collection.
3. In the Mapping tab, click Map.
   Your selected events and the mappings are synchronized.
4. From the Navigator, choose Concurrent Requests > Run.
5. In the Submit a New Request window, choose the Single Request option, and then click OK.

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*Editable fields to customize a plan*

<table>
<thead>
<tr>
<th>Tab Location</th>
<th>Field</th>
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<tr>
<td>Revenue Class</td>
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</tr>
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<td></td>
<td>Payment Accelerator</td>
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<tr>
<td></td>
<td>Quota Accelerator</td>
</tr>
<tr>
<td>Rate Tables</td>
<td>Commission rate</td>
</tr>
<tr>
<td>Payees</td>
<td>Alternate payees can be selected along with effective dates for this plan element.</td>
</tr>
</tbody>
</table>
6. In the Submit Request window, choose from the list of values or enter the name of a collection package, depending on the type of transaction information you are collecting, in the Request Name field. The collection package names include:

- Collect Orders
- Collect Take Backs
- Collect Invoices
- Collect Payments and Givebacks
- Collect Writeoffs
- Collect Credit and Debit Memos

7. Click **Submit Request**.

The requested data is collected into an interface table.

8. In the Requests window, click **Refresh Data** to ensure that the collection package has completed installing.

9. Repeat steps 6, 7, and 8 for each collection package.

10. In the Submit Request window, enter **Transaction Interface Loader** in the Request Name field, and then click **Submit Request**.

The collected data is loaded into the **CN_COMMISSION_LINES** table and is available for calculation.

11. From the **Action** menu, choose **Close Form**.

**Guidelines**

The Order Posting event collects data from Oracle Order Capture. The other events collect data from Oracle Receivables.

When a change is made to a sales order in Oracle Order Capture, the change is documented in a notification which is then processed during the running of Collect Orders. If the collection is run infrequently, then the number of notifications to be processed can make the run time lengthy. To shorten the run time of Collect Orders you can regularly run the concurrent program called Order Update Notification. This concurrent program processes the notifications and stores the pertinent information in a manner that will process more quickly during Collect Orders.
Adjusting Transactions

If a collected transaction contains errors in information or credit assignment, then it can be corrected with an adjustment. Use this procedure to adjust a transaction or change who is credited with the transaction.

Prerequisites
Super User responsibility
The application has collected the transaction.

Steps
1. In the Tasks menu, choose Adjustments.
   The Maintain Transaction window appears.
2. Conduct a Find.
   A list of transaction records appears.
3. Select the transaction record you want to adjust.
4. Click Adjust Transaction.
   The Adjust Transaction window appears.
5. If you want to make a simple manual adjustment, then enter the adjustment information and save. If not, then go on to step 6.
6. Click the correct button for the type of adjustment you want to perform:
   - Move Credits
     The credit moves from the existing credited salesperson to a salesperson you specify.
   - Share Credits
     The original salesperson’s credit remains the same, but you also give the credit to a salesperson you specify.

References
For more information about collection events, see Types of Data You Can Collect.
For more information about mapping, see Mapping Transactions.
Calculating Compensation

- **Deal Split**
  You specify additional salespeople and the percentage of credit each salesperson receives for the transaction. The percentages must total 100.

- **Deal Move**
  Credit for the whole transaction is removed from the existing credited salesperson to a salesperson you specify.

7. Enter the appropriate information.
8. Click OK.

**Guidelines**
You can create a new manual transaction by selecting New Transaction.
You cannot split a non-revenue, obsolete, frozen, or reversal transaction.
If a transaction has not yet been collected, then you can adjust the order or invoice directly. The correct transaction credit information is then collected by the application.
You can adjust more than one record at a time.

**Calculating Compensation**
You can calculate compensation for all salespeople who have valid compensation plans, for all salespeople in the notify log file, or for salespeople you specify. Use this procedure to submit a batch for calculation.

**Prerequisites**
The period being calculated must have a status of Active.

**Steps**
1. In the Tasks menu, choose Submit Calculation.
   The Calculation Submission window appears.
2. Enter the definition information.
3. Enter the parameters.
4. If your calculation type is Bonus, then select the interval type and the bonus plan elements to be calculated.
5. If you select **Salespeople Specified by You**, then use Find Salesperson if needed and specify the salespeople whose commissions you want to calculate.

6. Click **Calculate**.

The Status field displays the status of the calculation using these values:

- **Incomplete**: The calculation has not been submitted.
- **Complete**: The calculation has completed successfully.
- **Failed**: An error has occurred. You can run the calculation again, if necessary. To find details for the error, select View My Requests from the Help menu, select the error, and then in the Request window, click View Details.
- **In progress**: The calculation is still in the processing of running.

7. If you want to view the process log, then navigate to **System > Process Log**, find the calculation process, and click **Process Log**.

The Process Log window displays the information relating to your calculation process.

**Guidelines**

Transactions whose process dates fall within the dates you specify will be included in the calculation.

If you have made a change that will affect the calculation, such as a rate table change, then the application lists in the Notify Log all salespeople and periods that are affected by the change. Select Salespeople in Notify Log to calculate all the salespeople affected by the changes made.

Following is an explanation of the parameters:

- **Entire Hierarchy**: If you selected Salespeople Specified by You or Salespeople in Notify Log, disable this option if you want to perform the calculation on the specific salespeople themselves rather than their hierarchy.

- **Concurrent Calculation**: If the calculation is large, select this option to run the calculation as a background process in the Concurrent Manager. After you submit a concurrent process, you can proceed to do other things while it completes the calculation. You may want to make a note of the concurrent process number in case you want to check the status of the process later on. If you have entered manual transactions, select this option so that they can be properly calculated.
Submitting for Payment

- Incremental Calculation: Use incremental calculations for most or all of your calculations. Everything that needs to be calculated is calculated.

References
See Calculation for an explanation of calculation.

Submitting for Payment
You prepare your pay run for each pay group when due, adjust the calculated pay as needed, and submit the pay run to be paid. Use this procedure to add a manual pay amount, edit scheduled compensation, and submit for payment.

Prerequisites
At least one pay group must exist.
If there is no payment plan, then the calculation must be done first.
Before you can enter a manual bonus, the salesperson must be assigned a plan element with a type of Manual.

Steps
1. In the Tasks menu, choose Submit Payment.
   The Payment Submission window appears.
2. Enter a name for the pay run and select the payrun definition information.
3. Click Select All Salespeople.
   The salespeople who are in the pay group and are scheduled to be paid for the selected pay period appear.
4. Select one of the salespeople and click Worksheet.
   The payment worksheet for the salesperson appears.
5. Review the information and edit as needed.
6. If you make a change for commission or bonus, then enter the reason in the Justification for Change window that appears when a change is made.
7. Optionally, click the Bonus button to enter a manual bonus. Select the plan element, enter the amount, and click OK.
8. Optionally, click the History button to view a history of changes and the justifications for the changes.
9. Save the worksheet.

10. Click **Pay**.

    The application does the following:
    - Calculates the payment for all salespeople in the payrun document
    - Submits the payment information to the payroll department via an API table
    - Updates the subledger for each salesperson
    - Updates the payment interface table
    - Updates the status for this payrun document to PAID

**Guidelines**

Submit separate pay runs for each pay group and each credit type.

If the salesperson has returned funds, then find the relevant PAID payrun and record the return by selecting Returned Funds, clicking Enter Returned Funds, and entering the information. Returned funds information affects the subledger only. The numbers do not affect payment.

**References**

*Defining Pay Groups*

**Monitoring Performance**

Review a summary of a salesperson’s compensation or look at details by plan element or by transaction to thoroughly review a salesperson’s performance. Use this procedure to view a salesperson’s compensation summary and drill down to detailed information.

**Prerequisites**

You can review your own performance or the performance of a salesperson and sales role combination that is within a compensation group for which you are the manager or administrator.
**Steps**

1. In the Compensation Plans tab of the Salespeople Workbench, select the salesperson and sales role.

2. Click **Compensation Summary**.
   
   A summary of the salesperson’s compensation appears for the selected sales role. The summary includes earned commissions, the status of advances, payrun information, and any pending compensation.

3. Optionally, click **View Details**.

4. Select the compensation plan and plan element to review.
   
   The detail information shows the salesperson’s quota and earnings by plan element.

5. Optionally, click **View Sales Credits**.
   
   Transactions for this salesperson and period appear.

**References**

See *Administering Salespeople* for more information about the salespeople workbench.