

Oracle[®] Sales Compensation

Concepts and Procedures

Release 11*i*

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Oracle Sales Compensation Concepts and Procedures, Release 11i

Part No. A86673-03

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Preface

Welcome to *Oracle Sales Compensation Concepts and Procedures, Release 11i*.

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

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

Intended Audience

This guide is aimed at the following users:

- System Administrators (SA), Database Administrators (DBA), and others with similar responsibility.
- Sales Compensation managers, analysts, and salespeople using Oracle Sales Compensation.

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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, step-by-step instructions for using the application to perform essential business tasks.

Related Documents

For more information, see the following manuals:

- *Oracle Applications, Product Update Notes, Release 11i*
- *Installing Oracle Applications, Release 11i*
- *Oracle Applications Concepts*
- *Implementing CRM Applications*
- *Oracle CRM Foundation Components Concepts and Procedures*
- *Oracle CRM Foundation Technical Reference Manual*
- *Oracle CRM Foundation Implementation Guide*
- *Implementing Oracle CRM:ERP Functional Checklist* (available on Oracle MetaLink)
- *Implementing Oracle CRM Functional Checklist* (available on Oracle MetaLink)
- *Oracle Sales Online Technical Reference Manual*
- *Oracle Sales Compensation Implementation Guide*
- *Oracle Applications Flexfields Guide*
- *Oracle Workflow Guide*
- *Oracle Applications System Administrator’s Guide*
- *Oracle Applications Developer’s Guide*
- *Oracle Application Object Library/Workflow Technical Reference Manual*

Understanding Oracle Sales Compensation

This topic group provides an overview 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

Whether your organization is a start-up or a global enterprise, Oracle Sales Compensation provides a unique online application for the design, distribution, and administration of variable compensation plans. Based on logic that can be configured or modified by an end user, the application determines:

- What events are eligible for incentive payments
- Who should receive credit
- How the credits are calculated and paid

Oracle's end-to-end Internet strategy ensures that everyone who needs to work with incentive information can do so online as part of a single, coherent system of compensation management. For example, the Sales Planner can configure new plans and allocate quota to the sales organization in collaboration with finance, marketing, and sales management. The resulting plans can be seamlessly rolled out to the sales force for online approval. When the sales force accepts, the new plan can be activated for commission processing in the application.

The application controls the ongoing task of determining incentive payments from incoming transactions. The first step in this process is collecting transactions from a source system. The Open Collections feature supports transaction information from any source, including legacy systems, provided that the other system's data can be accessed in the same database instance. This is in addition to the collection abilities

from the out-of-the-box integration with Oracle ERP systems, Order Management, and Receivables.

A typical compensation plan consists of one or more modular components, or *plan elements*. Plan elements may reflect variations of commission or perhaps a bonus based on the accumulated achievement of the sales agent. Plan elements can also be configured for tracking nonmonetary credits such as managerial points or production credits.

All modular components used in the system can be configured and reused in different combinations. Taking full advantage of this capability simplifies system configuration as well as administration. For example, from a relatively small library of plan elements, you can configure many compensation plans.

Plan elements consist of modular components that can be freely assigned in different combinations. These underlying components have several distinct functions:

- *Revenue Class* is used to classify a bundle of classification rules that establishes the event eligible for compensation and the basis of calculation.
- A *Formula* determines how the compensation will be calculated.
- A *Rate Table* is part of a formula that determines the rate at which achievements are commissioned.

The Sales Compensation Payment process enables the application to process all the calculated transactions and complete payment. A Payment Plan can be in affect for some members of the sales force who need to receive a minimum payment regardless of their earnings.

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 edit scheduled compensation, hold payment on a transaction, and submit for payment.

There are three types of payment:

- **Regular Payment:** The application collects data, prepares it, and formats it to be used by a non-Oracle Payable system.
- **Accounts Payable Integration:** Used for vendors, this method prepares payment for Oracle Accounts Payable by classifying the resources as suppliers.
- **Payroll Download File:** The application collects data and creates a file that can be used by by Oracle Payroll

Pay Group assignment determines the frequency with which a salesperson receives payment. You exercise control over the total amounts paid to salespeople through

Payment Plans. You can specify a minimum and/or a maximum payment as well as whether any minimum payments are recoverable or not against future amounts payable. In addition, there is control over commission payment for each transaction by a salesperson. Payments to nonemployees such as agents, brokers, and suppliers are automatically posted to Oracle Payable Invoice Interface Table.

In addition to timely and accurate transaction processing, Oracle Sales Compensation serves as a feedback mechanism for the sales organization and management through compensation and performance reports.

Granting online access to all professionals involved in compensation management, such as sales planners, sales analysts, and internal and external salespeople, creates a large, collaborative community of stakeholders who can both use and contribute real-time information about incentive systems. Oracle Sales Compensation supports a wide variety of sales relationships and alternative sales channels, letting sales representatives and managers access and view compensation information over the Web. You can use the Year to Date Commission Summary Report to look at achievements for each period until the current period in a given fiscal year. The report also has a summary of payments made and outstanding balance for a given salesperson. Salespeople can analyze their own performance and sales managers can measure their teams' performance using the Quota Performance report.

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

This version of Oracle Sales Compensation is released on two different technology stacks, forms and Java Server Pages (JSP). Users must navigate between forms and JSP to complete certain tasks, for example, processing pay data. The functions are divided between Forms and JSP like this:

- Forms
 - Plan setup
 - System setup
 - Organization setup (roles, groups, salespeople)
 - Payment setup
 - Process (calculation, adjustments, etc.)
- JSP
 - Salesforce Planning
 - Payruns
 - Reports

How Oracle Sales Compensation Relates to the E-Business Suite

Oracle Sales Compensation shares modules and exchanges information with other applications in the Oracle E-Business suite. Modules that share code are known as the foundation modules.

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

Oracle Resource Manager provides information about salespeople, whether they are employees or non-employees, compensation group hierarchies, and roles.

Oracle Sales Online provides a mechanism to the sales force to estimate their commission based on their current compensations plans. This capability is in the Income Planner under the Compensation tab in Oracle Sales Online.

Compensation information is made available to Oracle Sales Intelligence.

Salesforce Planning

The objective of Salesforce Planning is to steer sales force effort towards achieving the organization's sales target through compensation plans. Sales Force Planning helps to automate the sales budgeting process by giving salespeople a tool to communicate their quota estimate to their sales managers. Sales managers can then allocate a quota based on their direct salespersons' estimates. Sales Force Planning generates compensation plans with quotas based on sales managers' quota allocation and track the approval process. Sales managers can apportion quotas between departing directs and new hires. Planning analysts can then pass the approved compensation plans to the Oracle Sales Compensation production system for commission processing.

In addition, Planning analysts are able to assign new sales roles to salespeople and move salespeople to other compensation groups. There are reports to locate those salespeople with quotas outside a value range for senior management control purposes and also there are reports to calculate the quota over assignment percentages between each level of sales management hierarchy. Quota over assignments are quotas that are allocated to subordinate salespeople from a manager that add up to more than 100 percent of the manager's quota.

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](#)

[Using Compensation Plans](#)

What Is a Compensation Plan?

The conditions that control sales compensation are defined in a **compensation plan**. A compensation plan captures your organization's unique practices for paying sales compensation, with individual rules that determine commission and track achievement.

You have complete flexibility to create incentive 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 calculation expressions, rate tables, formulas, and other building blocks from existing compensation plans
- Control the validity 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:

- Determine commissions, bonuses, and nonmonetary 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. Sales categories are defined in Sales Compensation as a hierarchy of revenue classes, which are often based on product or service types, but can also be based on factors like target markets, industry, or customer account.
- Vary compensation rates based on user-defined measures, such as quota achievement, gross sales, and unit sales
- Vary quotas or compensation rates based on the revenue class hierarchy
- Stage compensation payment over the life of a sale
- Specify compensation accelerators for sales promotions
- Specify goals to track achievement for recognition programs
- Customize plans for individual salespeople
- Specify plan changes to occur on specific dates

Using Compensation Plans

A compensation plan 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 sales

force, then adjust individual quotas, goals, accelerators, and compensation rates when you assign the plan to a sales role.

As you build a variety of plans for your sales force, remember that you can assign a formula to more than one plan element, and you can assign a plan element to more than one compensation plan.

Quota Assignment

In this section, you will read about:

- Overlay salespeople
- Quota distribution techniques
- Over assignment percentages

Overlay Salespeople

Checking the overlay check box is a method of segregating your salespeople into either overlay salespeople or nonoverlay salespeople.

Some organizations define overlay as nonrevenue sales credits. The term "nonrevenue sales" indicates that the value is not posted to General Ledger. In the Global Computers example, the Account Manager and the Hardware Salesperson are the direct participants and they are responsible for closing the sale. The Business Development Manager is considered an overlay salesperson because he or she made contact with the customer on more general sales activities but was not responsible for price negotiations for example, that is specific to this sale. If the sale value is 10,000, an extract of the transaction lines would look like this:

	<u>Revenue Type</u>	<u>Sales Value</u>
Account Manager	revenue	6,000
Hardware Salesperson	revenue	4,000
Business Development Manager	nonrevenue	2,000

The Business Development Manager in the above example received 20% nonrevenue credit for the sale ($2000 / (6000 + 4000)$ is 20%). His/her commission on this sale will depend on the compensation plan rules and rate table that can be applied to the transaction upon calculation.

Overlay salespersons' quotas are excluded from the over assignment percentage calculations. See Over Assignment Percentages section for explanation on over assignment percentages. This is so that sales management can view total sales revenue that the sales force plan to deliver.

Quota Distribution Techniques

You can perform an initial distribution of quota by using the Quota Modeling Summary window. There are several methods for allocating quotas:

- Even distribution of manager's quota over immediate direct salespeople, with or without an overassignment
- Minimum Quota allocation as preset in the Sales Role Details window
- Allocation to each direct salesperson a quota amount as much as the manager's, with or without an overassignment

Overassignment Percentages

	<u>Hardware</u>	<u>Software</u>	<u>Main</u> <u>Revenue</u>	<u>Support</u> <u>Service</u>	<u>Total</u> <u>Quota</u>	<u>Overlay</u>
Manager	3000	1000	4000	160	4160	No
Direct 1	1200	330	1530	75	1605	No
Direct 2	1200	330	1530	75	1605	No
Direct 3	1200	400	1600	80	1680	No
Direct 4	3000	1000	4000	160	4160	Yes

The Direct over assignment is 117.55%

Explanation of calculation:

Total quota excluding overlay is 1605+1605+1680= 4890

Manager's quota = 4160

Therefore, direct over assignment is 4890/4160 = 1.1755

This means that this manager has divided his or her quota to the subordinate salespeople plus 17.55% extra.

If any of these directs have subordinate salespeople and they in turn have quota as well, then a street level over assignment calculation will be performed. If the street level total quota is 5000, then the street level over assignment is 120.19%.

Over assignment percentages exclude quota allocated to overlay salespeople as they are regarded as nonprimary salespeople. See section on overlay salespeople for explanation of the term *overlay*.

Quota Approval Process

In this section, you will read about:

- Approval sequence
- Workflow

Approval Sequence

After a quota is locked by the sales manager, the sales manager needs to generate the compensation plan. The compensation plan incorporates the quota allocated by the sales manager to the direct salesperson, calculates the commission rates based on the input of On-Target-earnings and quota, and incorporates the Terms and Conditions text. The electronic document as a whole is referred to as a contract.

Next, the Contract Approver reviews the contract and either accepts or rejects the contract.

If the Contract Approver accepts the contract, then the sales manager distributes the contract to the direct salesperson. The salesperson can then view, accept, and print the contract.

If the Contract Approver rejects the contract, then the sales manager needs to adjust the quota if that is the solution to the rejection. The approval process repeats after the sales manager locks the quota again.

Workflow

Installing Oracle Workflow will enable Sales Force Planning users to be notified by email to prompt the email receiver that an action is required to progress the approval process for the compensation plans. Sales Force Planning approval process has been captured in a Oracle Workflow definition file. This flat file is accessible

after Oracle Workflow is installed. Refer to the Implementation Guide for instructions on how to customize workflow notification messages for Sales Force Planning.

How Transactions are Compensated

You choose the source transactions, the orders, invoices, or customer payments on which to base your compensation payments. Transactions are classified based on business rules, into revenue classes. A revenue class is assigned to a **plan element**, a set of conditions a salesperson must meet to be eligible for compensation. 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 supported by Sales Compensation are listed below. They are automatically identified when collecting against an Oracle ERP system (Accounts Receivable, Order Management). For external sources, distinguish the transactions by populating this column before collecting into Sales Compensation:

- **Order Booked:** The order is processed when it is booked and its status changes to booked.
- **Invoice:** The invoice is processed when posted to Oracle General Ledger. After 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 to Oracle General Ledger.
- **Give Back:** A payment is received for a take back.

- **Manual Adjustment:** An adjustment is made.
- **Write Off:** A sale is written off the books for a variety of reasons and posted to Oracle General Ledger.

For all revenue reducing transactions, such as take backs and credit memos, the application creates a new transaction for a negative amount of the sales credit.

Note: The application does not check to see whether the salesperson(s) credited on the original invoice is the same salesperson(s) on the revenue reducing transaction. Therefore, it is possible to reduce a salesperson's commission on transactions for which he or she did not receive sales credit previously.

When you choose a particular transaction factor, you are 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. Each revenue class represents a different type of sale for which your organization pays compensation. Thus, different companies have different revenue classes because each sales organization awards compensation differently. By assigning revenue classes, you specify different ways in which each salesperson can earn compensation.

After defining your organization's revenue classes, you assign one or more revenue classes to a plan element and assign the plan element(s) to a compensation plan.

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

- Your sales organization can have customer account teams, where salespeople only receive compensation for sales to their assigned set of accounts. In this case, each customer account can be a separate Oracle Sales Compensation revenue class.
- Your company can organize its sales strategy around expansion into new markets, where each new market can be a separate revenue class.

- Your company can use product-based sales compensation, paying compensation only for sales made in a salesperson's assigned set of products.

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

Hierarchy Terminology

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

The term *dimension* refers to a named and defined type of hierarchy. As many hierarchies as needed can be created for each dimension. However, only one hierarchy per dimension can be effective at any given time.

A dimension is a high-level hierarchy type that is based on a table, which must be defined in Oracle Sales Compensation. A dimension can be used

- To create a hierarchy that you use to define rules, or
- To hold the primary and foreign key links between Oracle Sales Compensation and other tables

Oracle Sales Compensation provides one default dimension: Revenue Classes. Create as many dimensions as you need, for example, for product code or customer, to use for referencing in defining the rules classification. To define a dimension, these criteria must be met:

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

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 revenue classes classification rules and how transactions roll through the hierarchy to determine compensation:

[The Rules Hierarchy](#)

[Comparing Transaction Attributes with Revenue Classes Classification Rules](#)

[Multiple-Condition Rules](#)

[Changes](#)

The Rules Hierarchy

When you define classification rules, notice the common conditions among the classification rules. For economy of expression and ease of maintenance, 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.

Comparing Transaction Attributes with Revenue Classes Classification Rules

The application uses 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 then compares 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. After the classification process, the matching revenue class' name is marked on each transaction as an additional attribute.

Multiple-Condition Rules

If *any* one of several conditions associated with a revenue class qualifies a compensation transaction to be assigned to a class when the condition is true, 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 AND operator. When a transaction fails a rule, the application compares the transaction attributes with other sibling rules from left to right.

For example, suppose that Global Computers classifies products by ID number and decides to sell its products via telesales in addition to its existing direct channel. Global can add a new rule:

- PROD_TYPE BETWEEN 1201 and 1600 (existing condition or rule)
- CHANNEL_TYPE is 03 (new rule)

Therefore, if a transaction's attributes satisfy *all* rules, then the transaction will classify against the revenue class. If the OR condition is used, then the transaction will classify against that revenue class if the transaction attributes meet *any* of the revenue class' rules.

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:

Purpose of Compensation Groups

Credit Sharing

Purpose of Compensation Groups

A **compensation group** is a group of salespeople who share sales credit, directly or indirectly, when a sale is made. They are placed together in a hierarchy to accurately account for the payment of commission and sales credit. For example, at Global Computers, when salespeople close a sale, they receive commission, their managers receive sales credit toward their quotas, territory sales managers receive sales credit from the manager's transactions, and territory sales consultants also receive indirect credit for performing consulting work that helped to close the business.

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

A salesperson can have more than one sales role and belong to more than one compensation group. For example, at Global Computers, sales representatives A, B, and C are in the same compensation group because their sales roll up to manager X. Manager X also belongs to a different compensation group that includes a separate group of salespeople who are working on another project.

Credit Sharing

You can allocate sales credit for a commission transaction:

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

When transactions are processed, the manager(s) automatically receive all sales credit applied toward subordinate salespeople, provided that they have the same revenue classes as their subordinates. Therefore, the manager need not be named on the transaction.

- To peers of a salesperson. To enable Oracle Sales Compensation to process a single transaction that credits more than one salesperson for a single transaction, each transaction that is fed from feeder system(s) must identify all the salespeople to be credited. Therefore, the system(s) must allow the user to create orders and/or invoices with many transaction lines, each line crediting a salesperson.

Salespeople need not be members of the same Compensation Group to share credit for the same transaction.

How Data Collection Works

You can also read about:

- [Listing Notification](#)
- [Creating compensation transactions](#)
- [Updating compensation transactions](#)

The Collections function of Oracle Sales Compensation is responsible for collecting compensation transactions from different feeder systems, including AR, OM, and external sources, and storing them in an API table (CN_COMM_LINES_API). The compensation transactions subsequently can be imported from this API table into Oracle Sales Compensation. A compensation transaction is a record which identifies a compensation event (such as the sale of an item). The main attributes of a transaction are the:

- Type of compensation event
 - Order
 - Invoice
 - Payment
 - Takeback
 - Giveback
 - Credit Memo
 - Manual

- Identity of the person who is directly credited for the event
- Value of the transaction

A transaction may optionally contain other attributes, such as transaction currency, product identification, and customer identification.

When compensation transactions are loaded into Oracle Sales Compensation, they are stored in the CN_COMMISSION_HEADERS table. The columns in this table are direct equivalents of columns with the same names in CN_COMM_LINES_API.

Collections allow you to collect compensation transactions from the Oracle Receivables and Oracle Order Capture applications. These are known as Standard Transaction Sources. You can also create your own Transaction Sources from the database tables of any legacy applications that you wish. The process of setting up Collections to collect from a legacy system consists of the following components:

- **Source Tables.** Identify the tables from which the transactions are to be built.
- **Queries.** Specify how these tables are to be joined together and how appropriate rows are identified.
- **Mappings.** Specify how data from the Source tables are used to populate the destination fields in the compensation transaction.
- **Actions.** Specify filters to remove unwanted transactions, and extra logic to be incorporated into the collection procedure.
- **Collection Package.** Generate a collection package which will build compensation transactions based upon the setup from the previous steps, and will store those transactions in CN_COMM_LINES_API.
- **Concurrent Program.** Collect transactions from the required transaction source whenever you want, by running a predefined Concurrent Program.

For example, assume that a Transaction Source is an Order database and that each order consists of an Order Header containing general information about the order, plus a set of Order Lines where each Line represents an ordered item. This information is stored in an Order Header table (L_ORDER_HEADERS) and an Order Line table (L_ORDER_LINES). In the Order system it is possible for a number of salespeople to receive credit for each Order Line. There is therefore also a Sales Credits table (L_SALES_CREDITS) to hold this information.

The end result of setting up Collections for a particular Transaction Source is a PL/SQL package that is stored in the applications database. The Collect procedure within this package builds compensation transactions from the Transaction Source

and stores them in CN_COMM_LINES_API. The Collect procedure executes the listing notification and the creation and updating of compensation transactions.

Listing Notification

This feature makes a list of all individual transaction lines from the Transaction Source for which compensation is payable. The feature stores the unique identifier of each line in a Notification Table. In the example, the list of individual transactions is obtained by examining the Order Lines table, L_ORDER_LINES, and the unique identifiers of rows in this table are stored in the Notification Table.

Creating Compensation Transactions

For each unprocessed individual transaction line identifier in the Notification Table, you can build as many compensation transactions as are required. In the example Transaction Source, it is necessary to join together the Order Lines and Sales Credits tables. Suppose there is a particular Order Line for which three salespeople earned credit. The Order Line identifier was stored in the Notification Table, but you need a join to the Sales Credits table to find out that three transactions need to be created and three salespeople must be identified.

The compensation transactions are created using a single SQL query. As a minimum, this query must join together all the tables necessary to decide the number of individual compensation transactions which are created from each line item (L_ORDER_LINES and L_SALES_CREDITS in the example). The tables used in this query are referred to as the **Direct Mapping** tables.

Updating Compensation Transactions

Suppose that you need to include the salesperson's territory identifier into each compensation transaction but this information is stored in a separate L_TERRITORIES table. The key of this table is Salesrep_ID. There are two ways that this information can be pulled into the compensation transaction.

- The first way would be to add a join to this table in the query that creates compensation transactions, thus making it a **Direct Mapping** table. This is a valid approach, but not always practical. For example, if not every salesperson has territory information, then you have to know how to make the join to this table an Outer Join, without which no compensation transactions will build for salespeople without territories. If you need your compensation transaction to contain 10 informational fields, all of which are sourced from different tables, the Collection Create query would have to join all these tables together,

resulting in a query that is difficult to maintain and does not improve performance.

- You can set up Collections to delay populating territory identifier fields until after the initial creation of the compensation transaction. After the compensation transaction has been created and inserted into CN_COMM_LINES_API, the territory identifier field is populated by a series of update statements. Example:

```
UPDATE cn_comm_lines_api api SET attribute1 =
```

```
(SELECT territory_name FROM l_territories lte WHERE lte.salesrep_id =
api.salesrep_id);
```

When a destination field in the compensation transaction is populated in this manner, it is known as an **Indirect Mapping**.

Calculation

Calculation is a process used by the system to calculate commission and bonus plans for salespeople. This calculation section explains:

[Types of Calculation](#)

[Phases of Calculation](#)

[Calculation Process](#)

Types of Calculation

- **Commission Incentive:** Transaction based compensation, based on formulas in a compensation plan.
- **Bonus Incentive:** Additional compensation based on aggregated transactions.

Phases of Calculation

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

- **Revert:** This feature restores the transactions within your specified parameters back to their original unprocessed state. When a full calculation is performed, the application deletes any system-generated (rollup) transactions and reverts the status of transactions to unprocessed.
- **Unprocessed:** The transaction has not been processed. The application displays a status for unprocessed transactions in transaction status.

- **Classification phase:** The application checks the revenue classification rules that have been defined for the affected transactions, and determines if the transactions were successfully classified. Using the classification rules you defined, the application is able to determine a unique revenue class for each transaction.
- **Failed Classification:** Indicates that the transaction did not have a matching revenue class. Be sure that you have defined and synchronized revenue classification rules before further investigation.
- **Rollup phase:** Oracle Sales Compensation runs a process to determine all salespeople who should receive credit for this transaction based on the rollup date, and the salespeople hierarchy effective for that date. For every credit receiver, the application creates a new system-generated transaction for each manager entitled to a rollup credit.
- **Population phase:** Oracle Sales Compensation identifies the appropriate plan elements that are associated with the revenue classes that have been matched with each transaction. The application updates each transaction with the plan element information.
- **Failed Population:** The transaction did not match the quota rules for the credited salesperson. Although the transaction had a matching revenue class, the credit salesperson did not have the revenue class assigned to his or her plan element.
- **Calculation Phase:** Based on the information gathered, Oracle Sales Compensation performs calculation on all transactions for salespeople during the specified period.
- **Failed Calculation:** The transaction failed to be calculated. Oracle Sales Compensation indicates a failed status for transactions that have failed the calculation phase in the transaction status. Check your calculation rules, ensure that your calculation expressions, rate tables (if applicable), plan elements, and compensation plans are valid.

Calculation Process

Efficient calculation is accomplished by automatically recording in the Notify Log every change in the system that affects the calculation. The log also lists what part of the calculation is affected and therefore must be rerun 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 changes made

to rate tables, compensation plans, and classification rules. The log also records the point where calculation needs to restart.

When you perform an incremental calculation, the application calculates everything in the notify log. For better performance, use the incremental calculation for your normal calculation needs.

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

Payment

First, run the Posting Details Concurrent program using Forms. In the menu bar, go to Tasks > Run Concurrent Request > Request block > Name and select Posting Details from the List of Values. Run the Concurrent Request.

Next, go to the HTML version of the application and select Sales Compensation Online Super User through Profiles in the top right hand corner of the window. Create a Payrun through the Payrun window (go to Payment tab > Create subtab > create Payrun window). You may view and adjust the payment amount for each transaction, for each salesperson through the Payment Transactions window (Payment tab > Summary subtab > select a Payrun > Payrun Details window > select a salesperson > Payment Transactions window).

When ready to pay, return to Concurrent Manager in Forms: Tasks > Run Concurrent Request > Request block > Name and select the Pay Payrun from the list. Run the Concurrent Request.

The CN_POSTING_DETAILS table is updated with pay information. Pay data for nonemployees go further when posted to the Oracle Payable Invoice Interface Table (user activation required).

In the previous version of Sales Compensation, the application allowed holds and control payment to be applied to each transaction (Pay By Transaction). In this new version, the holds and control payment can be applied only to an aggregate transaction. The aggregation is done by plan element if the resource is an Employee or of type "other" and by liability and expense accounts if the resource is of type "Vendor".

Using Multiple Currencies

Sales compensation can be viewed in different currencies and rolled up in functional currency. With the choice of multiple currencies, you can:

- Use a functional currency
The functional currency is the currency that is used by the parent company, and is defined in the General Ledger set of books. The functional currency is used for calculation.
- Associate a currency for each salesperson
The currency you associate with each salesperson is the **salesperson** currency, and all transactions credited to that salesperson can be reported in that currency.
- Handle a different currencies 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.
- View salespeople's account balances in functional or salesperson currency
For example, a salesperson who works for a company in the Netherlands but lives in nearby Belgium can see reports in Dutch Guilders or Belgian Francs.
- Run reports in any currency, one at a time.
Commission statements and reports can be displayed in the transaction currency, the salesperson's currency, and the parent company's functional currency.

If your functional currency is Austrian Schillings (ATS), Belgian Francs (BEF), Dutch Guilders (NLG), Finnish Markka (FIM), French Francs (FRF), German Marks (DEM), Greek Drachmas (GRD), Irish Punt (IEP), Italian Lira (ITL), Luxembourg Francs (LUF), Portuguese Escudo (PTE), or Spanish Pesetas (ESP), ensure that your feeder systems perform conversions to functional currency satisfying the triangulation rules. The conversion applies only to transactions expressed in nonfunctional currency.

Using Oracle Sales Compensation

This topic group provides process-oriented, step-by-step instructions for using the application to perform essential business tasks.

User Summary

Use this window to find a User. After that, the User Access Detail window will allow alterations to the selected User's access privileges.

Prerequisites

Super User responsibility is required.

Steps

Select a User by clicking his or her name.

User Access Detail

Use this window to set the access privilege of users with finance manager responsibility. All of the user's compensation groups and organizations are displayed.

Prerequisites

Super User responsibility is required.

Steps

1. In the Organization column, use the drop-down menu to change the organization for any listed compensation group.
2. Use the drop-down menu to select Update or View-only access for any row.
3. To remove a listing, check the Remove check box and click Update.
4. To add a new compensation group, enter the name in the blank field in the Compensation Group column at the bottom of the table .
5. Click Update to save new information, or if desired, or click Restore to retrieve the last saved information.

Quota Components

Use this window to create Components and specify their type.

Components are parts of a compensation plan. Examples of Fixed Pay Components are Fixed Salary and Car Allowance. Examples of Variable Pay Components for a Personal Computer Salesperson at Global Computers are Multimedia PC Sales, Professional PC Sales, Total PC Sales, Total Quota, and Maintenance Services.

Prerequisites

None

Steps

1. In the Application, choose **Setup > Components**.
2. Enter the name of the Component.
3. Enter a short description for each component.
4. Select a Component type.
5. Check the Compute Flag if the value of the component is to be derived from a formula.

Guidelines

In the Global Computers example, the Component names are Fixed Salary, Car Allowance, Multimedia PC Sales, Professional PC Sales, Total PC Sales, Maintenance Services, Total Quota.

Component types are either Fixed or Variable. If Variable, select either Quota Based or Non Quota Based. In the Vision example, Fixed Salary Component and Car Allowance Component are both Fixed type. Multimedia PC Sales Component, Professional PC Sales Component and Maintenance Services Component are Variable Quota Based type.

If the quota for a Component is to be derived from using a formula, then check the Compute Flag box. Total PC Sales Component and Total Quota Component are Variable Quota Based type as well but with the Compute Flag checked. Example, Total PC Sales Component has the Compute Flag checked because its value is the sum of the values of Multimedia PC Sales Component and Professional PC Sales Component added together. Total Quota Component value is the sum of values of Total PC Sales Component and Maintenance Services Component.

Attainment Schedule

Attainment schedules are used in the Compensation Contract where earnings for each level of achievement are displayed. This window enables you to add, delete, or edit existing attainment schedules.

Steps

1. Click a schedule name in the right column to open the Define Attainment Schedule window.
2. To add a new attainment schedule, type the new name into the blank field and click Update.
3. If necessary, click the Restore button or the Clear icon to erase what you have typed in the blank field before you update it.
4. If necessary, select the Remove check box and click Update to remove an attainment schedule.

Define Attainment Tiers

This window enables you to define the specific levels of compensation based on percentage of earnings. The name of the attainment schedule appears at the top, and tiers can be added or removed easily. To add a new tier, perform the following procedure:

Steps

1. Type the percent information into a blank field
2. Click update.

To delete a tier, perform the following procedure:

1. Select the Remove check box beside that tier.
2. Click Update.
3. Optionally, click Restore to return all tiers to the settings they had at the last update.

Sales Role Summary

Use this window to find a Sales Role.

A Sales Role describes a set of salespeople who share a common compensation structure. Examples are PC Salesperson, Education Salesperson, Consultant, and PC Regional Sales Manager.

Prerequisites

Sales Roles must be created through Oracle Resource Manager.

Steps

Select a Sales Role name to go to the Sales Role Detail window.

Sales Role Detail

Use this window to view and/or edit a Sales Role's details.

Prerequisites

Sales Roles, Rate Tables, and Single Dimension Rate Tables must be created first in the Production Module. Components and Attainment Schedules must be created in Salesforce Planning.

Steps

1. On Target Earnings: enter Total Earnings if Salesperson achieves 100% of quota.
2. Club Eligible: select check box if this Role is entitled to Club participation on achieving Club rules.
3. Rounding factor: Used for rounding of assigned quota. For example, input 1000 if assigned quota is to be rounded up to the nearest 1000.
4. Minimum and maximum Quota: enter the range of quota figures that this Role should have.
5. Input the Compensation Plan Level. For example, a street level salesperson will have Level 1.
6. Select an Attainment Schedule applicable to this Role's Compensation Plan.
7. Fixed Pay Components: select Fixed Components and enter ascending numbers against each Component to indicate the sequence that each Component is to appear in the Assign Quota and My Quota Estimate windows. Enter the Fixed Pay Amount for each Fixed Component. (Vision example: if the Fixed Salary of a PC Salesperson is 50,000, then enter 50,000 against the Fixed Salary Component.

8. Variable Pay Non Computed Components: as above, select Components and enter sequential order of display.
9. Variable Pay Computed Components: select Components and enter sequential order of display.
10. Variable Pay Non Quota Components: select Components and enter sequential order of display. Also enter the earnings figure if the target is achieved.
11. Map to Compensation Plan: entering the name of the Compensation Plan here will enable it to appear in Production when the activation process has been run.

Guidelines

Entering the Quota range enables the Quota Range Report to be run. The minimum quota on the Sales Role Details window will be picked up on the Minimum Quota field on the Quota Modeling window when the minimum function is invoked by the user.

Compensation Plan Levels are used in the Quota Model Summary and Average Quota Summary Reports where the quota for each Component are totaled for each level of Salespeople in the Salespeople Hierarchy for the selected parameters (example, Organization, Effective Date) of each Report.

The Attainment Schedule will be used in the Compensation Contract where earnings for each level of achievement are displayed.

Edit Computed Component Formula

Use this window to define a formula for a Computed Formula.

Prerequisites

Components must be created.

Steps

1. Select a Component from the list of values.
2. Enter the percentage against this selected Component. Repeat steps 1 and 2 until all variables of the formula have been defined.
3. Click Restore to retrieve the last saved set of information.
4. Click Save to save new information.

Guidelines

The percentages entered against each Component selected will be multiplied with the value of each Component. The results of all multiplication will be added together.

Define Quota Anchors for Sales Role

Use this window to complete the definition of the rate table and quota anchor details for a sales role.

Prerequisites

Rate tables must be created. Rate tables must also be assigned to the component to which you want to apply anchor values.

Steps

1. In the Rate Schedule Detail section, enter the commission rate range for each tier of the Rate Table.
2. In the Quota Anchors Detail section, select Amount if entering the commission earnings amount for each attainment/achievement level. For Percentages, select percentage and enter the percentage for each attainment level (percentage of quota). See Guidelines for more explanation.
3. Click Restore to retrieve the last saved set of information.
4. Click Save to save new information.

Guidelines

In the example below, at 0% achievement of quota, the variable pay is zero. At 25% of quota, the additional variable pay is 5,000. At 50% of quota achievement, the additional variable pay is increased to a maximum of 12,000. This means that the earnings in the 25-50% tier of the rate table are compensated at a higher percentage than the 0-25% tier. At the 100% level of quota achievement, the additional variable pay is 20,000. Any achievements over 200% of quota are capped by entering the same value as the previous tier (no additional variable pay) against the highest rate tier.

0	Amount	0.00
25	Amount	5,000

50	Amount	12,000
100	Amount	20,000
200	Amount	50,000
9999	Amount	50,000

Default Contract Text

Use this window to define the text that accompanies the Compensation Plan. The component name, rate table, and quota name can be customized in this window.

Prerequisites

Super User responsibility is required.

Steps

1. Enter the title of the Contract at the Contract Title field.
2. Enter the Eligibility Rules in the Club Qualification text box.
3. Enter the Terms and Conditions of the Compensation Plan.
4. Enter the Approver's details in the Approver section.
5. Click Save to save new information. If desired, click Restore to retrieve the last saved set of information.

Guidelines

The text in the Terms and Conditions text box can be made to refer to the location of the Terms and Conditions. For example, "I accept the Terms and Conditions as set out in the Company Handbook that is posted on the Notice Board or the Company Handbook that was issued with the Employment Contract." This text will appear at the bottom of the Compensation Plan that will be generated later.

The Approver's details will appear at the bottom of the Compensation Plan as well.

Job Title Summary

Use this window to find a Job Title. Click a Job Title to access the Job Title Details window, where you can assign Sales Role(s) to the selected Job Title.

Prerequisites

Super User responsibility is required. Resources have been set up in Oracle Resource Manager.

Steps

Select a Job Title by clicking its name.

Guidelines

If using Oracle Human Resources Management System (HRMS), the Job Title information is read from HRMS via Oracle Resource Manager. If not using HRMS, please refer to Oracle Resource Manager for information on how to define resources.

Job Title Details

Use this window to assign Sales Role(s) to the selected Job Title.

Prerequisites

Salesforce Planning Super User responsibility is required. Resources have been set up in Oracle Resource Manager.

Steps

1. Under the Role column, click the list of values box to the right of the Role field.
2. Click a Role name in the pop-up box, or enter search criteria in the Name field and select a Role from the search results.
3. Select a Start Date and an End Date for the term of the assignment by using the calendar pop-up box or alternatively, input the dates manually.
4. Click Save to save new information, or if desired, click Restore to retrieve the last saved set of information.

Salespeople Search

This window is used to define a report for a specific resource. The fields vary in number and order, depending on where the window is used, but include some or all of the following:

- Name

- Employee number
- Job Title
- Compensation Group
- Organization
- Effective Date

Steps

1. Enter at least one search criterion.
Type in information or use the list of values or drop down list, if one is provided. The Effective Date field uses a calendar graphic icon.
2. Search by exact word or number or use a search key with the % sign.
3. Click Go.
4. Use Clear to remove information you have entered before entering new information.
5. If no information is available, change your search criteria and try again. Or, search on a different effective date.

Salesperson Search Result

This window displays search results, starting with the key you entered in the Salespeople Search window.

Steps

1. Select either First, Previous, Next, or Last at the bottom to move forward or backward in the listing.
2. Click your selection to move to the next window.
- 3.

Classification Rules Search

Use this procedure to perform searches of Classification rulesets.

Steps

1. Select the ruleset name from the list of values, and enter a search key in the Rule Name field, for example, FY01.
2. Click the rule you want on the Rules Found list. The Effective Date field populates with the current date, but any other date can be selected by clicking the calendar icon to the right of the field.
3. Use Clear to start over, or click Go after you have entered all of the necessary search information.

The report generated displays the Rule Name, Revenue Class, and Expression. Click Download to generate an Excel report.

Salesperson Details

The Salesperson Details window displays basic information about a salesperson, including their name, employee number, start date, end date (if any), cost center (if any), compensation group, and job titles. The Compensation Group field includes a pop-up menu. If a salesperson belongs to more than one group it will be displayed, and you can choose the one you need.

At the bottom of the window, under Job Titles, are 13 columns that display a range of information about the salesperson. Click the appropriate pop-up box button, drop-down menu, or hyperlink to find or be directed to more detailed information about the salesperson.

On Target Earnings

This window enables you to view fixed and variable compensation plan elements for a resource, based on their compensation plan.

Steps

1. To customize the anchor values for this person, click the Define link in the Anchors column.

The Define Quota Anchors window opens.

2. Click Update to save your changes, or Restore to return to the previous settings.

Define Quota Anchors for Resource

Use this window to complete the definition of the rate table and quota anchor details for an individual resource.

Prerequisites

Rate tables must be created. Rate tables must also be assigned to the component to which you want to apply anchor values.

Steps

1. In the Rate Schedule Detail section, enter the commission rate range for each tier of the Rate Table.
2. In the Quota Anchors Detail section, select Amount if entering the commission earnings amount for each attainment/achievement level. For Percentages, select percentage and enter the percentage for each attainment level (percentage of quota). See Guidelines for more explanation.
3. Click Restore to retrieve the last saved set of information.
4. Click Save to save new information.

Guidelines

In the example below, at 0% achievement of quota, the variable pay is zero. At 25% of quota, the additional variable pay is 5,000. At 50% of quota achievement, the additional variable pay is increased to a maximum of 12,000. This means that the earnings in the 25-50% tier of the rate table are compensated at a higher percentage than the 0-25% tier. At the 100% level of quota achievement, the additional variable pay is 20,000. Any achievements over 200% of quota are capped by entering the same value as the previous tier (no additional variable pay) against the highest rate tier.

0	Amount	0.00
25	Amount	5,000
50	Amount	12,000
100	Amount	20,000
200	Amount	50,000
9999	Amount	50,000

My Compensation Groups

A Compensation Group is a number of salespeople who share the same rollup relationship. This application displays your details and your directs' on the next window.

Steps

1. Enter your search criteria by selecting an Organization and an effective Start Date. The window will be populated with the results of your search criteria.
2. Select the Compensation Group for which you wish to view details.

Quota Modeling Summary

This window allows you to view the quota allocated to you and your Directs.

If you are the Manager of this Compensation Group and you have the appropriate Manager access privilege, you may allocate quota to your Directs. There is reference information to help you perform the quota allocation exercise, such as:

- Your directs' role(s) in your compensation group as well as effective start and end dates
- Your directs' participation period in your Compensation Group (hierarchy start and end dates)
- Your directs' estimate of their own quota (Quota from Field column)
- The status of Compensation Plans. See Guidelines below on the approval process.

Navigate down the hierarchy of Compensation Groups to view your directs' allocation of quota to their own directs (hierarchy column), if applicable.

Steps

1. You can do an initial distribution of quota by using the fields at the bottom right of the window. There are several options for allocating quotas. You may distribute your quota evenly to each of your directs by selecting Even (Distribute Quota field) and clicking Distribute. Alternatively, you can allocate the minimum quota by Sales Role by selecting Minimum. You can also allocate to each of your directs a quota amount equal to your own quota by selecting Equal.

2. To enter quota figures individually for each of your directs, click the hyperlink figure under the Planning Quota column.
3. Direct Level Overassignment is the total quota of your directs expressed as a percentage of your own quota. Street Level Overassignment is the total quota of the salespeople at the lowest level of the hierarchy (subordinate to your Compensation Group) expressed as a percentage of your own quota.
4. To produce a compensation plan that you can view after you have updated the quota that you have allocated to your directs, click Generate.
5. To add a new line under the Direct Salespeople block of your compensation group, click Add To-be-Hired. This new line represents a vacancy or position to be filled by a new salesperson.

Guidelines

The quota must be locked before it is allocated. The draft Contract is the Compensation Plan with Terms & Conditions added at the end.

The Contract Approver can then view and approve the draft Contract with the locked quota. Once the draft Contract is approved, you can distribute the Contract to your directs. Your directs will then have the opportunity to view their new Contracts and either accept or print it. The approval status of the Contract can always be seen under the column called Plan Status.

Add To-Be-Hired

If your to-be-hired salesperson is assigned a manager role, ensure that you assign a subordinate compensation group for this vacancy. You can assign a compensation group, start date, and end date. Click the list of values to select the compensation group. The end date field is optional.

Approve, Distribute, and Activate a Contract

You can approve, distribute, or activate a compensation plan using three subtabs in the Quota tab of Salesforce Planning. Use the Approve subtab to approve the contract, and see [Contract Approval](#).

Use the Distribute subtab to distribute the contract and see [Distribute Contract](#).

To activate the compensation plan, use the Activate subtab, and see [Compensation Plan Activate](#).

Contract Approval

This window enables the Contract Approver to view details of a resource's contract, see its current approval status, and approve a plan using the action column. The report identifies the resource by Name, Job Title, Employee #, Organization, and Sales Role. The Start Date and End Date columns show effective dates of the contract. On target earnings columns are shown as a total and broken down into fixed and variable pay. The quota and club eligibility are displayed for reference, and if the employee is an overlay it is noted. The Name, Sales Role, and Plan Status columns can be clicked to open other windows.

Prerequisite

There must be a plan to be approved. Plan must be locked.

Steps

1. Click Name to view the Quota Modeling Summary, or
2. Click Sales Role to view the complete contract, or
3. Click Plan Status to open the Compensation Plan History.
4. Select No Action, Approve, or Reject from the drop-down menu in the Action column.
5. Click Update to make changes permanent.
6. Click Approve All to approve listed contracts.
7. If necessary, click Restore to return to the previously saved version.

Distribute Contract

This window lists the Name, Job Title, Employee #, Sales Role, Start Date, End Date, Plan Status, and Distribute. The Name, Sales Role, and Plan Status columns can be clicked to open other windows.

Prerequisite

There must be an approved plan to distribute.

Steps

1. Click Name to view the Quota Modeling Summary or
2. Click Sales Role to view the complete contract, or

3. Click Plan Status to open the Compensation Plan History.
4. Select the check box in the Distribute column next to the plans that you want to distribute.
5. Click Distribute.
After a plan is distributed, the listing disappears from the Distribute Contract window.
6. Optionally, click Distribute All to distribute all contracts
7. Optionally, click Restore to return to the previously saved version.

Compensation Plan History

This window records changes in the status of a salesperson's compensation plan. The changes are date-stamped.

My Quota Estimate

This window allows you, through Oracle Sales Online, to communicate to sales management what you think your new quota should be for the next compensation plan cycle. Your manager and your manager's manager will have access to view your quota estimate and they will take your estimate into consideration when allocating your final quota to you.

Prerequisites

Salesperson access to Oracle Sales Online.

Steps

1. Against each quota component and under the Quota from Field column, enter your quota estimate.
2. If you wish to erase your estimate(s), press on the Restore button and the application will retrieve the last saved estimate(s).
3. Press on the Update button to save your estimates.

Salesforce Planning Reports

To access Salesforce Planning reports, click the Reports tab and click the appropriate subtab: Analysis, Validation, or Generation. Individual report help is available in each section:

[Summary Analysis Reports](#)

[Summary Validation Reports](#)

[Summary Generation Reports](#)

Summary Analysis Reports

This window lists the four reports available by clicking the Analysis subtab under the Reports tab. The right column briefly describes the information the full report contains. Click the report name in the left column to open the report or a search window that enables you to select specific information to be displayed in the chosen report.

These are the Summary Analysis Reports:

- [Quota Modeling Summary](#)
- [Average Quota Summary](#)
- [Overassign Quota Summary](#)
- [Quota Range Summary](#)
- [Compensation Contract Approval Status](#)

Average Quota Summary

With this report, you can view the average quota value by role for the selected compensation group. It is useful to know the average quota value for comparable roles in various compensation groups and organizations. In some companies, compensation groups are organized by sales territory. Therefore, it is possible with this report to compare the quota between comparable roles over various territories.

Additionally for reference, the planned sales figure to be delivered by the selected compensation group is shown by means of a summary table that displays the total quota, excluding overlay and a breakdown of total quota by role. Against each role, there is a headcount. In the next and subsequent tables for each role there is a list of salespeople and a simple average of the quota assigned by role.

Overassign Quota Summary

You can see in one report what the overassignment value and percentage effect is on the immediate level of salespeople and the street level salespeople. This report only displays salespeople with manager roles.

Quota Range Summary

This report allows you to scan the list of salespeople for those who fall outside the range of minimum and maximum quota values predefined for each role. Contract Approvers can use this report as a means of rejecting compensation plans or contracts that have been submitted for their scrutiny.

For each selected compensation group, the maximum and minimum quota range is displayed for each role. In addition, there is a column that shows how each salesperson's assigned quota in the selected compensation group fared against the minimum quota set for the role.

Compensation Contract Approval Status Report

This report enables you to determine the status of contract approvals for a specific manager as part of the Salesforce Planning process. You can see how many contracts are pending approval, distribution, or acceptance and the number that are approved for each category you set up. You can know at a glance the totals by category or status. A total of all contracts is displayed in the lower right corner of the table.

Click a manager's name link to display individual tables for the resources who report directly to that manager.

Summary Validation Reports

This window lists the three reports available by clicking the Validation subtab under the Reports tab. The right column briefly describes the information the full report contains. Click the report name in the left column to open the report or a search window that enables you to select specific information to be displayed in the chosen report.

These are the Summary Validation Reports:

- [Overlay Summary](#)
- [To Be Hired](#)

- [Transitional Salespeople](#)

Overlay Summary

This report lists all overlay salespeople, if any, who are members of the compensation group selected. This report is a concise display of overlay salespeople as distinct from previous reports where both overlay and nonoverlay salespeople are displayed together.

To-Be-Hired Report

This report lists all salespeople who have not been hired as yet, in the selected compensation group. It is a concise means of listing vacancies and additional headcount requirements on one report.

Transitional Salespeople

This report lists all salespeople who have not been allocated a role, or have a role but not a job title, in the selected compensation group. It is a means of identifying those salespeople who do not have a role for the next contract cycle.

Summary Generation Reports

This window lists the two reports available by clicking the Generation subtab under the Reports tab. The right column briefly describes the information the full report contains. Click the report name in the left column to open the report or a search window that enables you to select specific information to be displayed in the chosen report.

These are the Summary Generation Reports:

- [Compensation Plan Generation Status](#)
- [Role To Compensation Plan Mapping](#)

Compensation Plan Generation Status

This report lists the compensation plan activation status for all salespeople in the selected compensation group. The activation process is related to passing approved compensation plans from Sales Force Planning to commission processing. This report aims to help analysts to identify those compensation plans that have not been

activated for commission processing and to take action to investigate their nonactive status.

Prior to this release of Sales Compensation, the components in Salesforce Planning had to be identical to the plan elements in Sales Compensation used for commission processing, or the activation failed. In this release, activation will succeed as long as each component in the Salesforce Planning compensation plan has a matching plan element in the compensation plan in Sales Compensation, even if additional plan elements exist in the compensation plan.

For example, a Salesforce Planning compensation plan has three components which match three plan elements in a compensation plan in Sales Compensation, but the latter plan has a fourth element allowing manual transactions to be processed. In this case, the plan should be activated successfully.

Sales Role and Compensation Plan Mapping

This report lists all sales roles and how each was mapped to job title(s) as read from Oracle Resource Manager, for each compensation group selected.

This report is configurable. For instructions on how to hide or show selected columns, go to the Configuring Reports section below.

Quota Modeling Summary Report

With this report, you can get a snapshot of:

- A compensation group's total quota and its constituents
- A compensation group's quota approval status by salesperson
- The over assignment effect reverberating through lower levels of the organization hierarchy

You can see in one report the quota allocations to every resource or salesperson, including the manager of a selected compensation group. The quota is broken down by individual components that make up the total quota. Additionally, the user can see the over assignment expressed in values as well as percentages between each level of the organization hierarchy. These are represented by subtotals at the bottom of the report for each level of salespeople; for example, the total quota for salespeople at the bottom of the hierarchy (street level), the total quota for the immediate manager (first line manager) and the total quota for the manager of the first line manager.

Compensation Plan Activate

This window lists the Name, Job Title, Employee #, Sales Role, Start Date, End Date, Plan Status, Plan Activate Status and Activate. The Name, Sales Role, and Plan Status columns can be clicked to open other windows.

Prerequisite

There must be an approved plan to distribute.

Steps

1. Click Name to view the Quota Modeling Summary, or
2. Click Sales Role to view the complete contract, or
3. Click Plan Status to open the Compensation Plan History.
4. Select the check box in the Activate column next to plans you want to activate.
5. Click Activate.

After a plan is activated, the listing disappears from the Compensation Plan Activate window.

6. Optionally, click Activate All to activate all contracts.
7. Optionally, click Restore to return to the previously saved version.

System Parameters

This window is used to define the basic parameters of Sales Compensation. The four General Ledger fields are for display only. They are defined in the Financial tab. Some other display-only fields, such as System Status and Transfer Batch Size, are also defined separately.

In the Collection area, Collection Batch Size affects the amount of time the application requires to process the total transactions. Clawback Grace Days indicates the number of days to allow after the payment due date before sales credit is taken back.

In the Calculation area, configure batch sizes that are appropriate to your calculation requirements. Select the Managerial Rollup check box if you want sales credits to roll up through the compensation group hierarchies.

In the Payment section you can indicate whether Oracle Payable and Payroll are implemented. Use the Account Generation field to instruct the application from

what level you want account codes to be generated. Select Revenue Class, Plan Element, Custom, or Classification from the drop-down menu. Assigning account codes allows you to select a finer grain of classification of transactions if needed before they are sent to Accounts Payable.

Accumulation Periods

Use the Accumulation Periods window to verify the status of your accumulation periods, select them for forecast in Oracle Sales Online using Income Planner, or freeze them to enable them to be opened for a year-to-date summary for a sales rep using Oracle Sales Online.

Most of the Accumulation Periods window is read-only information. The System Status, Calendar, and Period fields at the top display information that was set previously in other windows of the Financial drop-down menu on the toolbar.

The period status can be closed, open, permanently closed, or Future Enterable. Highlight the period status field and click one of the four buttons at the bottom of the window to alter the period status. If a period is permanently closed, it cannot be opened, and the four buttons are disabled.

Steps

1. Change period status by clicking in the Period Status field and using one of the buttons at the bottom of the window.
1. Select the Forecast check box to enable OSO forecasts if desired.
2. Select the Freeze check box to enable a YTD summary.
3. Save.

Pay Periods

This window displays essential information about pay periods that have been set up for a particular calendar. Click the period status column to display a drop-down menu that shows active or inactive. However, active periods cannot be deactivated from this window. Use the Activate All Periods button to activate all periods at once.

Interval Types

This window is divided into two parts. The top area, called Definition, enables searches by Period, Quarter, Year, or other preset interval. In the lower half of the window, the Assignment area has one field, Interval Number, that can be changed.

Steps

1. In the View drop-down menu on the Toolbar, click Query by Example > Enter.
The fields turn blue.
2. Enter an interval, such as Period, Quarter, or Year.
3. Repeat step 1, but instead of Enter, select Run.

If, for example, the Period Type is defined as Month at the top of the Assignment area, the Interval Number field displays as follows:

- If Period is selected: 2001007 is displayed (July of 2001)
- If Quarter is selected: 2001003 is displayed (3rd quarter of 2001)
- If Year is selected: 2001 is displayed (year only)

Credit Types

Use this window to define non-monetary credit types, such as numerical credits for managers, that can be used in any plan element. This definition is optional, and non-monetary credits must be converted to functional currency to be paid.

Steps

1. Enter a name and description for the new credit type.
2. Select the Precision and Extended Precision fields.
3. Check the Functional Currency check box next to the currency that you want to be the functional currency.
4. Save.

Credit Type Conversion

Use this window to set conversion factors for converting one credit type to another, such as setting the conversion rate between the nonmonetary credit type and the functional currency. The credit types are defined in the Credit Types window.

Steps

1. Select a credit type from the list of values in the From Credit Type column.
2. In the To Credit Column, indicate what credit type to which to convert it.
3. Enter a conversion factor.
4. Enter effective dates in the Start Date and End Date fields.
5. Save.

Tables

Use the Tables window to register tables before they are used by Sales Compensation. You can also use it to define specific features of columns within the table.

Steps

1. Enter a schema or select one from the list of values.
CN schema must be entered before you can select a table name.
2. Enter a table Name or select one from the list of values.
The Alias column displays the previously user-defined table alias.
3. Enter information in the Username and Description columns.
4. Define how the table is used. The Usage column list of values includes three choices: Collection, Calculation, and None.
5. Define user names for column, data type, and length in the column tab below, and check the check box if the column is a calculation value or a foreign key to link to another table.
6. Save.

Defining Calculation Expressions

To begin forming your calculation expressions, go to [Forming Calculation Expressions](#).

You can use approximately 165 columns when defining a Calculation expression. There are 100 user definable attribute columns and approximately 65 hard coded columns. You can use these Calculation Expressions as Performance Measures,

Input Expressions or Output Expressions. You can also nest a Calculation Expression within another Calculation Expression.

As part of the definition process you can select the corresponding columns from the expression builder and create expressions. Once they have been saved they can be assigned and reassigned to any number of formulas you need.

Do this by selecting a valid Expression from a List of Values at each of the windows for performance measure, input and output.

A Performance Measure can be an accumulation of transaction values that are captured by the Plan Element to which it is assigned. Performance Measures serve as a mechanism to gather cumulative information by Plan Element and group them for use in reports that compare achievements to Quota and Goal.

An example of a Performance Measure is Revenue. You select and define the columns where revenue information for transactions is held. As transactions are entered and collected for the assigned Plan Element, the transaction values are accumulated. The Expression looks like this:

TRANSACTION_AMOUNT

Input expressions instruct Sales Compensation what to use from the transactions and how to match the results to the corresponding rate table. Think of the input expression as a sorter for all incoming transactions for Sales Compensation.

For example, a company can establish that its sales force will be compensated based on transaction amount. The input expression will merely state that transactions will be sorted by TRANSACTION_AMOUNT from the CN_COMMISSION_HEADERS column.

As transactions are 'sorted' by the input expression they are matched to the established rate table tiers. If a transaction is collected in Oracle Sales Compensation with the following attributes:

1. Customer X
2. Transaction Amount \$100
3. Product Z

Oracle Sales Compensation, using the input expression created, matches the above transaction of \$100 with the rate table and determine that 5% will be paid on this order.

The display rate table shows rate tiers for the Transaction Amount dimension.

\$0 - \$100	4%
-------------	----

\$100 - \$500	5%
\$500 - \$99,999	6%

Output expressions instruct Sales Compensation how much to pay salespeople. The payment amount can either be tied to a rate table or not, as determined by the user.

To expand the example above, the business users could determine that the salespeople will be paid based on the rate table result, transaction amount, and a payment accelerator factor of 1.035. The users must indicate to Sales Compensation the columns where all of this information resides and apply the calculations.

Here is the output expression for this situation:

Rate Table Result * (TRANSACTION_AMOUNT * EVENT_FACTOR * PAYMENT_FACTOR)

Using the above expression, Oracle Sales Compensation will match what the input expression returns as the corresponding rate table result (that is, match the \$100 transaction amount and come up with a payout of 5%), multiply it by the transaction amount (\$100), multiply by the event factor of 100% and multiply by 1.035 for the payment accelerator.

Total payment due to the salesperson for this transaction will be \$5.175.

If business users want to group transactions in the formula used to pay salespeople, they can use the following calculation expression:

Rate Table Result * SUM(TRANSACTION_AMOUNT)

Grouping transactions can affect compensation if the total transaction amount moves the amount calculated to a tier with a higher percent.

In the above example, a single \$100 transaction is paid at 5%. However, if the transactions are grouped in the output expression, a second transaction of \$400 moves the calculation into the 6% rate table tier. In that case, \$500 is applied to the 6% tier, for a total of \$30 payment to the salesperson.

To group transactions, perform the following while building your formula:

Steps

1. From the Navigator, choose Compensation Plans, View by Formulas.
2. Right click Formulas in the hierarchy and select New.

The Formulas window appears.

3. Select the General tab and choose Group By Interval from the drop-down list in Rules area.
4. Continue creating your formula.
5. Save your work.

Forming Calculation Expressions

Use this window to define calculation expressions or parts of your formula that can be reused in other formulas.

Prerequisites

Table and column mapping is complete.

Steps

1. From the Navigator choose Compensation Plans, View By Calculation Expressions.
2. In the hierarchy, right-click Calculation Expression and choose New.
The Calculation Expression window appears.
3. Enter a unique name for the expression.
4. Optionally, provide a description for the expression.
5. From the Calculation Values box, select the column to be used in the expression.
6. Once a selection has been made, press the arrow key to move the column into the Expression box. The column should appear in the Expression as soon as the arrow has been pressed. To remove an item press the lower arrow button to remove an entry from the Expression box.
7. Select an operand from the Operation box. Once an operand has been pressed it will appear in the Expression box. Again, to remove an item from the Expression box, press the lower arrow button.
8. Optionally, numeric constants can be added to an expression. Enter the numeric value desired in the number field and press the upper arrow button to move it to the Expression box. To remove an item press the lower arrow button to remove an entry from the Expression box.
9. Repeat step 5 through 8 until the desired expression has been created.

10. Optionally, to view the SQL statement generated for the expression check the 'Show SQL' box in the lower right hand corner of the window.
11. Optionally, press the Clear button to restart the create expression process without saving the work.
12. Once all elements and operands have been assembled for the expression, save the expression.
13. Press the 'Compile' button to ensure there are no logic errors or rule violations in the expression.
14. The status of the expression should read Valid after it has been compiled.
15. The usage of the expression will also be displayed once it is saved. The usage rules will determine where the expression may be applied.

Guidelines

A Commission Expression must include at least one column from the following tables:

- `cn_commission_lines`
- `cn_commission_headers`

A Bonus Expression cannot include a column from the following tables or any external table that is mapped to these tables:

- `cn_commission_lines`
- `cn_commission_headers`

User table names are listed under External Elements in the Calculation Values tree. You join an external table to an internal table by mapping them using System > External Tables.

A Bonus Expression cannot be used in an embedded formula and cannot be mixed with a commission type formula.

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.

The following Oracle Sales Compensation tables are predefined in the system and can be used as calculation values in defining performance measures and formulas:

`CN_COMMISSION_HEADERS`

CN_COMMISSION_LINES
CN_SRP_QUOTA_ASSIGNS
CN_SRP_PERIOD_QUOTAS
CN_QUOTAS

A Rate Dimension expression can only use columns from the following list of tables:

1. CN_SRP_PERIOD_QUOTAS
2. CN_SRP_PAN_ASSIGNS
3. CN_SRP_QUOTA_ASSIGN
4. CN_QUOTAS

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 and how the resulting rate is used in the calculation. Use this procedure to define your rate tables.

Prerequisites

Rate Dimensions must exist.

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. Select a Rate Table type, either Amount or Percentage.

4. In the next block, select rate Dimensions that you created previously.

5. In the remaining blocks, select each possible tier combination and enter either your commission Amounts or your commission Percentages.

6. Save the Rate 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

Expressions must be defined before you assign them to your formulas.

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](#).)

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

If you wish to incorporate calculation expressions into your formula, then these expressions must be created before you reach this stage. Calculation expressions can be repeated in your formula and can also be reused in other formulas as well.

Steps

1. In the Navigator, choose Compensation Plans > View by Formula.
2. In the hierarchy, right-click on Formulas and choose New.
3. In the general tab, enter a unique name and a description for your formula.
4. Decide whether your formula is for calculating a Commission or a Bonus. Make your selection at Type.
5. In the next block, determine your calculation rules.
6. In the last block, select a calculation expression that will become your performance measure. Performance measure as well as quota will be used in Reports for comparison with achievement.
7. In the Input tab, select a calculation expression to represent your formula input. The number of input calculation expressions must equal the number of dimensions in the rate table that you will select in the next step.
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 rate table details and rates by clicking Rate Table Details.

9. In the Output tab, select your output calculation expression.
10. Return to the General tab and click Generate. On completion, the validation process will return a Complete status.

Guidelines

A Bonus Formula is a type of Formula where there are no links or references to transactions. See the Guidelines section of [Forming Calculation Expressions](#) for more information.

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.

Select the Accumulative check box if transactions are required to be aggregated in total. The rate applied will be determined by the transactions-total achieved to date within the interval.

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

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 you select the No Split check box, 2% will be applied to the whole transaction amount of 1500. If you tick the Non Proportional checkbox, 1% will be applied to 1000 and 2% will be applied to 500.

The Proportional checkbox is intended for use with Amount Rate Tables. Example, if the Rate Table shows 0-1000 at 100, 1000-2000 at 200. The first transaction amount is 200. The commission for this transaction is 20 because 200 is one fifth of the first rate tier and one fifth of the 100 rate is 20. If the second transaction amount is 1300, the remaining four fifths of the first rate tier will pay 80 and half of the second tier $[(1300-800)/(2000-1000)]$ will pay 100 (half of the rate 200). Total commission for the second transaction is 180.

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. Right-click **Plan Elements** and select **New**.
3. In the **General** tab, in the first block:
 - Enter a unique name for your plan element.
 - Enter its Start Date and End Date.
 - Enter a description of its objective.
 - You may copy from an existing plan element by clicking Copy Plan Element to make a duplicate of the displayed plan element. The name is changed with a “_2” attached to the end of the Plan Element name. If you wish, you can overwrite with a new name before saving the new plan element.
 - To start a new plan element, click New Plan Element.
 - In the Quota Group field, select a value. For example, by selecting Quota, the plan element will appear under the Quota category on the Year To Date Summary Report. If Bonus is selected, the plan element will appear under the Bonus category on the Year To Date Summary Report. The categories in the report appear in alphabetical order. New categories can be created: Toolbar > System > Lookups > OSC Lookups form.
4. In the second block of the General tab:

- Select the Interval Type. Interval type is the time interval for quota and payment targets. Choose Period, Quarter, or Year from the drop-down menu.
 - Select an Incentive Type. Choose Commission, Bonus, or Manual from the drop-down menu.
 - Select a Credit Type. Credit Type is normally Functional Currency.
 - Select a Formula type and a Formula. If you choose External Formula type, you must enter the name of the PL/SQL package. If you choose Formula type, select a Formula that has a Complete status.
 - If you want the plan element and the eventual payment to be assigned to someone other than the salesperson credited with the sale, select the Eligible for Payee Assignment check box.
 - Select the Calculate Last check box if you want this plan element to be calculated after all the other plan elements assigned to the same compensation plan are calculated.
 - If needed, select Liability and Expense Account codes information that you want sent to Oracle Accounts Payable Invoice Interface Table for all future commission payments relating to this plan element.
5. In the last block of the General tab, enter the Quota, Fixed Amount and Goal figures. These are measures that will be used to compare against actual achievements. If you have Quota, Fixed Amount and Goal figures against individual Revenue Classes assigned to this plan element, you can select the Sum amounts from the Revenue Classes check box and the totals will appear in these 3 fields. The Distribute Variables button will be available once a formula with Interval to Date checked is assigned to your plan element. The Distribute function allows you to seasonalize your Quota, Fixed Amount and Goals.
 6. In the Revenue Classes tab, assign your revenue classes to this plan element. You may have quota and payment accelerators at revenue class level for an effective period that you can specify through the Start and End Dates. Ensure that your transaction or event factors add up to 100% in total. For example, you can have 50% of the order value calculated for commission, 20% of the invoice value and 30% of the payment amount for commission calculation.

Items listed under Other Factors do not need to total 100%, and each can be over 100%. These items include Balance Upgrade, Takeback, Credit Memo, Deposit, Debit Memo, Giveback, Manual Transaction, Payment Plan, Payment Plan Recovery, Order Return, Upgrade, and Writeoff.

7. The Formula tab will display the formula that you have assigned under the General tab earlier.
8. Similarly, the Rate Table tab will display the rate tables associated with the formula.
9. Save your new plan element so that it will be available for assigning 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 be validated again.

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

You can change any part of a plan element after 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.

How the accelerators and transaction factors are used will depend on how your calculation expression is defined. For example, a common formula has an input expression:

```
TRANSACTION_AMOUNT* EVENT_FACTOR* QUOTA_FACTOR;
```

and an output expression:

```
Rate_Result* TRANSACTION_AMOUNT* EVENT_FACTOR* PAYMENT_FACTOR.
```

You will find both accelerators and the transaction factors/event factors under Oracle Sales Compensation Elements.

Defining Compensation Plans

A compensation plan is built from plan elements and is assigned an effective start date and an effective 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 Compensation Plans**.
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 the Allow Revenue Class overlap check box if you want your plan elements to share some revenue classes.
7. Select plan elements to be included in the plan and assign each plan element effective start and end dates.
8. Optionally, select a plan element and click Element Details to review plan element details.

The Plan Element window displays the selected plan element information.

9. 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 met, then the Status field shows **Complete**. When the Status field displays **Incomplete**, the plan cannot be used to calculate compensation.

10. Save the plan.

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

11. 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

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

You can change or restructure any aspect of a compensation plan. Because you can assign the same plan to many salespeople, however, be aware of how the changes you are making impact 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.

Creating Revenue Classes and Hierarchies

Revenue classes are user-defined categories of business revenue used to determine whether sales credit is applied toward a compensation payment. A Revenue Class Hierarchy is composed of broader revenue classes at the top, or root, with subclasses as children of the root. This hierarchy makes 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.

About Categorizing Your Sales Revenue

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

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 you want revenue classes in a compensation plan to have different quotas or be paid according to different rate tables, you must create a plan element for each revenue class that has a different quota or compensation rate.

Defining Revenue Class

Use this procedure to create a revenue class. A **revenue class** is a user-defined category of sales for which your organization awards compensation.

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. Select a Liability Account and Expense Account if needed to integrate with AP.
5. Save your work by clicking the Save icon in the toolbar or by clicking File in the toolbar and Save in the drop down menu.

Using the Hierarchy Window

You can use this window to:

- Define a hierarchy
- Add nodes
- Delete nodes

Defining a Hierarchy

Use this window to assemble revenue classes into hierarchies.

Prerequisites

Revenue Classes have been created.

Steps

1. In the hierarchy, double-click **Revenue Classes**.
The Hierarchies window displays the revenue class hierarchy type.
2. In the Name field, select the dimension for which you are defining a hierarchy.
3. Choose Hierarchies. Use the Hierarchies window that opens to add and view hierarchies.
4. Enter the name of the new hierarchy.
5. Enter the dates you want the hierarchy to be effective. Two hierarchies in the same dimension cannot have overlapping dates.
6. Add nodes to a hierarchy.
7. Save your work.

Adding Nodes to a Hierarchy

Use this procedure to add a node to a hierarchy.

Steps

1. In the hierarchy, double-click **Revenue Classes**.
The Hierarchies window displays the revenue class hierarchy type.
2. Select a hierarchy, then choose Nodes.
Use the window that opens to define the parent-child relationship between all nodes in a hierarchy.
3. Start at the top of the hierarchy; define the nodes in your hierarchy.
By default, Oracle Sales Compensation names the highest level root of every hierarchy **BASE NODE**. You can change this name. Use the Current Root menu to change the root you are defining.

4. Enter the names of all children of this node. Use the list of values to select the children.
5. To define the next level in the hierarchy, select a child node, then choose Children.
The child moves to the Current Node position and Oracle Sales Compensation displays the children of the new parent, if they exist.
6. Enter the names of all children of this parent.
7. Choose Parent to go one level up in the hierarchy.
8. Repeat steps 4 through 7 to define all nodes in the hierarchy.
9. Save your work and exit the window.

Deleting Nodes from a Hierarchy

Use this procedure to delete a node from a hierarchy.

Steps

1. In the Hierarchies window, choose the parent node of the node you want to delete.
A list of the Child nodes appears.
2. Delete the desired Child node.
3. Save your work and 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.

Creating Classification Rules

To determine the appropriate revenue class for a transaction, a classification ruleset is used to classify sales transactions. Depending on its revenue class, a transaction is matched with a compensation plan and a compensation amount is calculated to be paid for the transaction. Use these procedures to define a set of attributes and values that uniquely identify each revenue classification.

Create a classification ruleset and classification rules.

Guidelines

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

Ruleset

Use this procedure to create a classification Ruleset and Account Generation ruleset for integration with Accounts Payable.

Prerequisites

Revenue Classes have been created and the user-defined flexfields of the CN_COMMISSION_HEADERS table have been defined.

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. Select Revenue Classification type.
5. Save the ruleset.
The new ruleset appears in the Navigator.
6. Close the Form and return to the Navigator.
7. Right-click the ruleset that you have just created and select **Add new child Rule**.
The Rules Form will appear.
8. Define your classification rules on the Rules Form and return to this Form when completed.
9. For every Ruleset that has new or changed rules, click **Synchronize**.
Ruleset Status displays either **Complete** if the currently defined revenue classes and rules have been synchronized, or **Incomplete** 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

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.

If you specify high and low values in a rule condition, the values must be numeric, not alphanumeric.

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

[What are Classification Rules](#)

Rules

Use this window to define the classification rules.

Prerequisites

Classification Ruleset has been created.

Steps

1. In the Navigator, right-click the **Ruleset** that you have just created and select **Add new Child Rule**.
The Rules window appears.
2. Assign a name to the rule that you are about to define.
3. Choose a revenue class from the list of values.
4. 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.
5. Optionally, enter additional attributes for the rule.
Every attribute is assumed to be linked to other attributes with *AND*.
6. 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.
7. Continue to relate the remaining attributes. Use **Result1** to relate a third attribute to the first two.
8. Save the rule.
The expression appears.
9. To add rules in the hierarchy of rules, position your cursor over the parent rule, right click, and choose **New Rule**. Repeat from step 2.
10. Return to the Ruleset Form for every ruleset that has new or changed rules and click **Synchronize**.

Guidelines

Name your rules after the revenue classes they describe. Rule names are not required to be unique.

Setting Up Compensation Plans

Before you can set up a compensation plan you must define calculation expressions, define rate tables, create formulas, and define plan elements. See [Understanding Compensation Plans](#).

Assigning Rate Dimensions

Rate dimensions define the tiers that a rate table uses to apply rates.

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

Note: This version of Sales Compensation does not support accumulated revenue with multidimensional rate tables.

In the following example, three dimensions are used to calculate various commission rates: License Revenue (percent of quota), State, and Product. The formula first compares transaction revenue with the first dimension, License Revenue. Next, the formula compares transaction location with the second dimension, State. Finally, the formula compares product identification with the third dimension, Product.

A dimension contains rate tiers to establish different levels of achievement to be compensated at different rates. In this example, two dimensions have two tiers and one has three, but any number can be defined.

The License Revenue dimension:

0-100

100-9,999

The State dimension:

Arizona

California

Oregon

The Product dimension:

PCs

Peripherals

Together, there are 12 possible combinations, and each one can be assigned a different commission rate.

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.

In the following table, Product is chosen as the base dimension. There are 6 possibilities for each of the two tiers in the License Revenue dimension, including all combinations with the other two dimensions.

Dimension and Rates Example

License Revenue	State	Product	Rate
0-100	Arizona	PCs	1%
0-100	Arizona	Peripherals	5%
0-100	California	PCs	1.5%
0-100	California	Peripherals	4.5%
0-100	Oregon	PCs	1.25%
0-100	Oregon	Peripherals	6.25%
100-9,999	Arizona	PCs	4%
100-9,999	Arizona	Peripherals	8%
100-9,999	California	PCs	4.5%
100-9,999	California	Peripherals	7.5%
100-9,999	Oregon	PCs	4.25%
100-9,999	Oregon	Peripherals	9.25%

Prerequisites

For an expression type dimension, the expressions must already be defined.

Steps

1. In the Toolbar, select Tasks > Rate Dimensions.
2. Enter the name of the rate dimension.
3. Select the dimension type:
 - Amount
 - Percentage
 - String
 - Expression
4. Enter the tier values. The tier sequence will be numbered automatically as you progress through each level of achievement.
5. Save the dimension.

Guidelines

If the application is unable to **find** a match in a string dimension rate table, the application will pick the last **rate** value by default. For example, suppose that in the example above, a transaction has dimension values of 10,000, Iowa, and Service. No matches will occur, and the rate table result will be 9.25%, the last value in the Rate column.

If you do want non-matching transactions to receive commission, add "OTHER" as the last string value to each string dimension with a corresponding commission rate of 0, for example.

Another method of dealing with non-matching transactions is to use classification rules. Transactions with attributes that do not match your classification rules will have a failed classification status. If required, you can correct these failed transactions' attributes by changing their values and maintain a record of the adjustment through the manual adjustments window.

Defining Pay Groups

A pay group defines the frequency of payments, such as monthly or semi-monthly, for the salespeople who are assigned to 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 Oracle Sales Compensation Implementation Guide.)

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 commissions are summarized for payment.

Each pay group can be associated with one unpaid pay run at any time. See [Submitting for Payment](#) for information about creating a pay run.

References

See [Administering Salespeople](#) to assign the pay group to salespeople.

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 or deferred payments. Use this procedure to define minimum and maximum payments.

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 indicate whether it is recoverable from later salesperson earnings.
5. Optionally, establish a maximum amount that can be paid for any pay interval. If you select the Pay Later option, any amounts over the maximum to be paid can be rolled over and paid in future periods.
6. Save the payment plan.

The payment plan is available to be assigned to a salesperson in the Salespeople Workbench.

Guidelines

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

Defining Salespeople

Create or import salespeople using Resource in Oracle Resource Manager. Then assign roles to a salesperson in the Roles tab and assign a sales credit type in the AR tab. Refer to Resource Manager documentation.

Defining Sales Roles

A sales role describes a set of salespeople who share a common compensation structure. Examples are marketer, broker, and sales manager. Create sales roles using Roles in Oracle Resource Manager. A role should be defined with a role type code of Sales Compensation to be seen and used in the application. A compensation plan must be assigned to a sales role to associate it with the compensation structure. Use the following procedure to achieve this.

Prerequisites

Sales roles are defined using Oracle Resource Manager and have the Sales Compensation role type.

Super User responsibility is required.

Steps

1. In the Navigator, choose Sales People > View By Sales Roles.
2. In the hierarchy, select a sales role to view.
3. Browse and choose compensation plans to be assigned.
Only compensation plans with Complete status may be used.
4. Select start and end dates to define the effective period for the compensation plans to be assigned to this sales role.
5. Optionally, click View Compensation Plan Details to see the compensation plan window for the selected plan.

The Compensation Plans window displays plan information.

6. Save your work.

Guidelines

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

Defining Compensation Groups

A single sale is credited through a hierarchy of salespeople and managers by using a structure of compensation groups. Define compensation groups and build hierarchies of compensation groups using Groups in Oracle Resource Manager. Refer to Resource Manager documentation for more details. Specify Sales Compensation in the Usages tab when you define the group. Compensation groups can only be viewed in Oracle Sales Compensation. Follow these steps to view compensation groups:

Prerequisites

Compensation groups must be defined using Oracle Resource Manager.

Steps

1. In the Navigator, choose Sales People > View By Compensation Groups.
2. In the expanded hierarchy, right-click a group and choose Open.

The Compensation Groups window displays the selected 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.

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.

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. See [How Compensation Groups Work](#). Refer to Resource Manager documentation.

Administering Salespeople

From the Salespeople 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 in Resource Manager.

Steps

1. In the Navigator, click the Compensation Group icon and select View By Compensation Group.
2. Select the salesperson from the compensation group.
The Salespeople Workbench appears.
3. 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.
4. In the Sales Role tab, review the salesperson's assigned sales roles and compensation groups.
5. In the Compensation Plans tab, review the salesperson's assigned compensation plans and plan elements.
6. Optionally, click Compensation Summary or click Compensation Details to view the salesperson's compensation information.
7. In the Payment Plans tab, review the salesperson's payment plan information.
8. 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.
9. If you want to pay the salesperson either a minimum or maximum amount regardless of commissions earned, then enter the amount.
10. If you want the minimum payment deducted from later commissions, then select Recoverable and, optionally, enter a maximum recoverable amount.
11. If you want any commission earned above the maximum payment to be included in a later pay run, then select Pay Later.
12. 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](#).

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. In the Navigator, click the Compensation Group icon and select View By Compensation Group.
2. Select the salesperson from the compensation group.
The Salespeople Workbench appears.
3. In the Compensation Plans tab, select a sales role.
The compensation plans and plan elements for the salesperson and sales role appear.
4. 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.
5. Select the plan element name and click Details.
The Plan Element window displays the details for the plan element.
6. 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.
7. 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

Tab Location	Field
General	Quota
	Fixed Amount
	Goal
General > Distribute Variables	All fields (quota, fixed amount, and goals allocated by amount and percentage)
Revenue Class	Quota
	Fixed Amount
	Goal
	Payment Accelerator
	Quota Accelerator
Rate Tables	Commission rate
Payees	Alternate payees can be selected along with effective dates for this plan element.

Collecting Transactions

Data must be collected from the mapped tables into Oracle Sales Compensation before calculation for payment can occur. Use this procedure to collect 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 Collection and Mapping 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.
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.

References

For more information about collection events, see [How Data Collections Work](#).

For more information about mapping, see Oracle Sales Compensation *Implementation Guide*, Mapping Transactions.

Loading Transactions

After transactions are collected, they must be loaded into Sales Compensation tables for calculation and payment. To load transactions, perform the following steps:

Steps

1. In the toolbar, select Run Concurrent Request from the Tasks menu.
2. Select Single Request or Request Set in the Submit a New Request window. Click OK.
3. In the Submit Request window, select Transaction Interface loader from the list of values in the Name field. Click OK.
4. In the Parameters window, enter a Salesperson, Start Date, End Date, and Yes or No in the Perform Classification/Rollup field. Click OK.

The Requests window appears.

5. Review the Phase and Status columns in the Requests window to verify that the transactions loaded properly.

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.

Transaction Search

Prerequisites

The application has already collected the transaction.

Steps

1. Enter the transaction processed date.
2. Enter any additional search criteria.
3. Click Clear to clear all search parameters.
4. Click Find to execute the search.

If no transactions are returned or the transaction desired is not returned, rerun the search, changing the parameters.

5. Click the correct button for the type of adjustment you want to perform:
6. Enter the appropriate information.
7. Click **OK**.

Guidelines

You can adjust more than one record at a time.

Manual Transactions

If any salesperson needs manual sales credit line adjustments, you can create a manual transaction for the effective date. Use the following procedure.

Prerequisites

None

Steps

1. In the Tasks menu, choose Adjustments. The Maintain Transactions window appears.
2. From the search window or the search result window, click New Transaction
3. Enter all applicable information.
4. Save the transaction.

Guidelines

After you have created all of the manual transactions, click the Load Transaction button. This enables the transactions to be loaded.

All adjustments made with the above process must be loaded before they are available for calculation.

Move Credits

Use Move Credit to transfer sales credit from one salesperson to another.

Prerequisites

None

Steps

1. In the Tasks menu, choose Adjustments. The transaction search window appears.
2. Enter the search parameters.
3. Click Find.
4. From the Search Results window, click either the Move Credits, to move the entire block of transactions on the window, or move the cursor to a specific transaction and click Deal Move.
5. Enter the receiving salesperson information.
6. Click OK.

Guidelines

Move Credits gives you the ability to mass adjust a group of transactions based on criteria selected in the parameters. Use the Move Credits and Deal Move functions when the sales credit for a number of transactions has been erroneously assigned to the wrong salesperson.

The feature maintains the history of the original transaction or transactions while displaying the corrected transactions.

All adjustments made with the above process must be loaded before they are available for calculation.

Share Credits

Share Credits allows sales credit to be retained by one salesperson but also be shared in total with another salesperson. Use the following procedure.

Prerequisites

None

Steps

1. In the Tasks menu, choose Adjustments. The transaction search window appears.
2. Enter the search parameters.
3. Click Find.
4. From the Search Results window click either the Share Credits, for the entire block of transactions on the on the window, or move the cursor to a specific transaction and click Deal Share.
5. Enter the receiving salesperson information.
6. Click OK.

Guidelines

After you click OK, the sales credit is moved. Perform a transaction query to verify that the sales credit has been additionally assigned to the new salesperson.

All adjustments made with the above process must be loaded before they are available for calculation.

Deal Split

Deal Split allows sales credit lines to be distributed in whole or in part between one salesperson to another or a group of salespeople. Use the following procedure.

Prerequisites

None

Steps

1. In the Tasks menu, choose Adjustments. The transaction search window appears.
2. Enter the search parameters.
3. Click Find.
4. From the Search Results window, move the cursor to a specific transaction and click Split.
5. Select the revenue type for each line.
6. Enter the percentage or amount of sales credit each person is to receive.
7. Click OK.

Guidelines

The revenue sales credit for the must equal 100%. If the original salesperson is still eligible for sales credit he or she must be specified as a credit receiver. Non-revenue sales credit does not have the 100% constraint of revenue credit.

All adjustments made with the above process must be loaded before they are available for calculation.

Deal Move

Deal Move moves credit for an entire transaction from an existing salesperson to another. Use the following procedure.

Prerequisites

None

Steps

1. In the Tasks menu, choose Adjustments. The transaction search window appears.
2. Enter the search parameters.
3. Click Find.
4. From the Search Results window, move the cursor to a specific transaction and click Move.
5. Select the revenue type for each line.
6. Click OK.

All adjustments made with the above process must be loaded before they are available for calculation.

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. Calculation can be run as often as necessary until the transactions have gone through the payment process.

Prerequisites

None

Steps

1. In the Tasks menu, choose Submit Calculation.
The Calculation Submission window appears.
2. Enter a name for the calculation batch
3. Select the dates of the transactions to be calculated
4. Select the type of calculation to be submitted, either Commission or Bonus.
5. Select the salespeople option:
 - All Salespeople
 - Salespeople specified
 - Salespeople in Notify Log

6. Select the calculation option
 - Entire Hierarchy
 - Use Concurrent Calculation
 - Incremental Calculation
7. For Bonus Calculation *only* select the Plan Element name (optional).
8. Click OK

Guidelines

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.

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.

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.

- **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.\

Notify Log

Before performing incremental calculations, you can query the Notify Log window to determine if transactions have been collected or changes have occurred for a particular employee. Events can be a change to a rate table, compensation plan or classification rule. When you perform an incremental calculation, then the application calculates everything in the notify log.

Steps

1. From the Toolbar, select Tasks and choose User Notifications from the drop down menu.
2. Use any of the six fields in the find region of the window to search for a salesperson.
Click on any field to activate a list of values or graphic calendar.
3. Click Find to search or Clear to start again.

If any events have been recorded, they are displayed in the Actions region. Any events are displayed in the Events region.

Posting Process

Transactions must be posted to the correct account before payment can be made. The posting process copies transaction data into a table column and writes it to a file that can be used for payment.

Posting Details

This provides the credit of all the transactions processed for commission calculation.

Prerequisites

Posting Details concurrent process must be submitted.

Steps

1. From the Toolbar, select Posting Details from the Tasks menu.
2. Enter the desired parameters:
 - Salesrep (Listing of all available salespeople)
 - Pay Period (All pay periods in the system)
 - Processed Date Range (Date the payrun was processed)
3. Click Go

Guidelines

As part of the audit process, you can run Posting Details to see the status of the transactions that have been calculated. This query shows whether or not transactions have been paid after the concurrent manager program, Posting Details, has been run. It provides a line-by-line accounting of the transactions that make up a salesperson's payrun and any exceptions that may occur (for example, payment holds, payment plan adjustments, and so on).

Payrun Search

Use this page to search for payruns.

Steps

1. Enter information into one or more search field:
 - Payrun Name
 - Pay Period
 - Paygroup
 - Payrun Status
2. Click Go.
3. Click Clear to delete all entered data before performing another search.

Note: To display all payruns, click Go with no search criteria entered.

Payrun Summary

This page appears after you perform a payrun search. Payruns are listed in chronological order. To look up information on a specific salesperson, click the figure in the Total column of the relevant payrun. This takes you to the Payrun Details page.

Payrun Details

Use this page to find details on a specific salesperson for a payrun. Enter search criteria in the Salesperson Name, Employee Number, or Analyst fields and click Go. Click the Total Amount column to go to the Payment Transactions page. Click the Payment Plans column to see details of the salesperson's payment plan.

Payment

This process enables Oracle Sales Compensation to process all the calculated transactions and complete payment. The Payment Plan can be in affect for some members of the sales force who need to receive a minimum payment regardless of their earnings (see Payment Plans).

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 edit scheduled compensation, hold payment on a transaction, and submit for payment.

There are three types of payment:

- **Regular Payment:** The application collections data, prepares it, and formats it to be used by a non-Oracle Accounts Payable system.
- **Accounts Payable Integration:** Used for contractors, this method prepares payment for Oracle Payable by classifying the payees as suppliers.
- **Payroll Download File:** The application collects data and submits a file that can be used by by Oracle Payroll

Prerequisites

At least one pay group must exist.

If there is no payment plan, then the calculation must be done first.

The posting process for all the calculation periods has been run successfully.

Steps

1. Log into Sales Compensation.
2. Run Concurrent Manager request for Posting Details.
3. Log in with the responsibility of Sales Compensation Online Super User.
4. Select the Payment Tab > Create subtab.
5. Provide a Payrun Name.
6. Select a Pay Group to pay from the list of values.
7. Select a Pay Period to pay from the list of values.
8. Select a Payment Incentive Type from the list of values.
9. Select a Pay Date to pay from the list of values.
10. Select the Salespeople to pay.

Adjust any salespeople payments.

1. Select the Summary subtab
2. Query the Payrun and drill into the detail.
3. Query the Salesperson and drill into the detail.
4. Make any adjustments to the salesforce as necessary in the payment amount field.

Process Pay

1. Log into Sales Compensation.
2. Run Concurrent Manager request for Pay Payrun.
- 3.

Integrating with Oracle Accounts Payable

Prerequisites

Check Accounts Payable Integration flag. System Parameters must be set to the proper account generation level.

When a Payrun has been processed (Paid status against the Payrun name), payrun details are sent to the Oracle Payable Invoices Interface Table for salespeople of the type Supplier Contacts.

Oracle Sales Compensation looks for expense and liability account information depending on the account generation level you select from the System Parameters. Enter the account information either at the revenue class, plan element, or ruleset if the account generator level has been set to Revenue Class, Plan Element, or Classification, respectively.

The Liability Account is also mapped to the Oracle Payable Interface. The Liability Account information is supported by default at three levels:

- REVENUE CLASS
- PLAN ELEMENT
- CLASSIFICATION

Account Generator

If the transaction level option is chosen, then the following setup must be done in a way similar to the current classification Ruleset procedure:

Steps

1. Define the name of the ruleset.
2. Give a start and end date of this ruleset.
3. Select the type of Account Generator.
4. In the Navigator, right-click the Ruleset that you have just created and select Add new Child Rule.
5. The Rules window appears.
6. Assign a name to the rule that you are about to define.
7. Choose a revenue class from the list of values. Optionally, select Expense and Liability account.
8. Enter the Expense and Liability Accounts from the list of values.
9. 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.
10. Optionally, enter additional attributes for the rule.

11. Every attribute is assumed to be linked to other attributes with *AND*.
12. 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*.
13. An additional value of Result1 appears in the first column and is added to the attribute list of values.
14. Continue to relate the remaining attributes. Use Result1 to relate a third attribute to the first two.
15. Save the rule.
16. The expression appears.
17. To add rules in the hierarchy of rules, position your cursor over the parent rule, right click, and choose New Rule. Repeat from step 2.
18. Return to the Ruleset Form for every ruleset that has new or changed rules and click Synchronize.

Monitoring Salesperson 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.

Compensation Reports

Sales Compensation provides eight Compensation Reports in HTML format. Click the Reports tab to display a table with links to the reports.

Prerequisites

Sales Compensation Online Super User responsibility is required.

[Year To Date Summary](#)

[Transaction Details Report](#)

[Compensation Group Hierarchy Report](#)

[Classification Rules Report](#)

[Commission Summary](#)

[Quota Performance](#)

[Commission Statement](#)

[Unprocessed Transactions](#)

Year To Date Summary

This report is an overview of a salesperson's achievements and commission earnings across the fiscal year. This report is accessible by default by the manager, salesperson, sales compensation online super user, and analyst responsibilities.

The figures are grouped by period and by plan element. Super user can control which plan element appears as a quota or bonus category through the Quota Group

checkbox on the Plan Element form. The pay out section is grouped by earnings type and by period.

Transaction Details Report

This report shows transactional details of the specified salesperson and is used by analysts. The report offers a wide range of parameters from which to select. Enter an invoice number or order number, or select adjustment or processed dates using pop-up calendars. The adjustment status, calculation status, and transaction type can also be used as data filters, and all three provide drop-down menus for making a selection.

The Transaction Details report is configurable. For instructions on how to hide or show selected columns, go to Configuring reports section below.

Compensation Group Hierarchy Report

This report is useful not only for displaying compensation groups and the resources in each, but also for showing the roll up hierarchy of the groups in relation to each other. In the first column, the number indicates the level in the hierarchy of the compensation group. The Level 1 group is at the top of the hierarchy, and is also at the top of the report. Where there is a hyperlink, click the resource name to display a Year to Date Summary for that person.

Steps

1. Use Salespeople Search window to search by Analyst, Name, or Employee Number.
2. If multiple search results appear, click the name that you need.
The Compensation Group Hierarchy Report opens.
3. If the resource belongs to multiple compensation groups, select one from the drop down list.
4. Effective date defaults to today's date. You may change it by using the calendar icon to select a different date.
5. Click Submit.
6. Repeat steps 3 through 5 with other names and compensation groups as required.

7. Optionally, click a resource name in the table body to display a Year to Date Summary for that person.

Commission Summary

This report is a snapshot of salespeople achievement and earnings. Achievements are shown against interval to date quota and annual quota. Earnings total are broken down by period to date and interval to date.

This report is identical to the Quota Performance report except that there are 3 extra columns (on the far right) available through this report. This report is accessible through Sales Compensation Online Super User by default whereas the Quota Performance report is accessible by default to those users with Manager and Salesperson responsibilities.

Quota Performance

This report is a snapshot of salespeople achievement and earnings. Achievements are shown against interval to date quota and annual quota. Earnings total are broken down by period to date and interval to date.

Commission Statement

This report shows transaction details broken down by period for a salesperson. It is configurable and for instructions on how to hide or show selected columns, go to Configuring reports section below. This report can be navigated to from the Year to Date Summary report for given sales credit and for a specific plan element.

Unprocessed Transactions

This report shows records that have not been successfully loaded into Sales Compensation from the API table to the Commission Header Transaction table. It also can show all the transactions in commission headers that have failed to classify (identify revenue class) and also fail to roll up the compensation group hierarchy. It can be used by an analyst to isolate the problems in calculation results.

Payrun Sign-off Report

To get a Payrun Sign-off Report, use the indicate the Period and Payrun in the appropriate fields. The Analyst and Credit Type fields default to All and Functional Currency, but other choices may exist. Click Go.

At the top of the report, the commission is shown, with any additions or subtractions for bonuses, adjustments displayed. Below, the report spans 26 columns, broken down into five sections. The first section identifies the report by payrun id, employee number, and three other fields. The following four-column section looks at annual bonus and commission amounts. The next two sections depict commission and bonus target, credit, and earnings on a year-to-date basis and a period-to-date basis. The final three columns involve any draws.

Income Planner

Income Planner in OSO will work after the forecast input and output formulas are assigned to the Compensation Plan. The forecast formulas must contain a calculation expression object called a forecast amount as part of the formula.

For example, a salesperson's compensation is based on a revenue quota and the rate table tiers relate to achievement as a percentage of the quota. Because the forecast results are hypothetical figures, the forecast formula does not affect the actual achievement result. In this case, suppose the input forecast formula is Forecast amount/TARGET and the output forecast formula is Rate Table Result*Forecast amount. The input formula expresses the proportion of the forecast amount to the quota, and the output formula applies a commission rate to the forecast amount. The commission rate chosen depends on the salesperson's achievements to date as compared to the commission rate tiers.

For further explanation of Formula and Expression functionality, please refer to:

[Creating Formulas](#) and
[Forming Calculation Expressions](#).

Steps

1. Choose **Compensation Plans** from the **Navigator**.
2. Select View by Calculation Expressions.
3. Right click mouse and select New.

-
4. In the Expression Block, select your Expression fields. Forecast Amount **MUST** be one of the elements selected as part of your expression if it is to be used in Oracle Sales Online.
 5. The output expression **MUST** contain Rate Table Result as the first element selected and Forecast Amount should appear in the expression as well.