



Example Commission Structures

Commission based on Gross Profit:

- Sales initiated by Sales Rep will be paid as follows:

25% of gross profit (Total revenue minus cost multiplied by the life expectancy of the client)

- Sales initiated by marketing team via web lead, referral, current client list, etc. will be paid as follows:

20% of gross profit (As defined above)

Example:

1. Customer signs a contract

Monthly charge to customer is:	\$600.00
Expenses to service the customer is:	<u>\$200.00</u>
Monthly Gross Profit:	\$400.00

Expected term is 1 year
Expected gross profit is calculated as: \$400.00 x 12 = \$4,800.00

Commission paid is: \$4,800.00 x 25% = **\$1,200.00**

2. Customer signs a contract initiated by marketing team for social media management.

Monthly charge to customer is:	\$600.00
Expenses to service the customer is:	<u>\$200.00</u>
Monthly Gross Profit:	\$400.00

Expected term is 1 year
Expected gross profit is calculated as: \$400.00 x 12 = \$4,800.00

Commission paid is: \$4,800.00 x 20% = **\$960.00**



Commission based on Revenue:

- Sales initiated by Sales Rep will be paid as follows:

15% of revenue (Total billable revenue multiplied by the life expectancy of the client)

- Sales initiated by marketing team via web lead, referral, current client list, etc. will be paid as follows:

12% of revenue (As defined above)

Example:

1. Customer signs a contract initiated by sales rep for social media management.

Monthly charge to customer is: \$600.00

Expected term is 1 year

Expected revenue is calculated as: $\$600.00 \times 12 =$ \$7,200.00

Commission paid is: $\$7,200.00 \times 15\% =$ **\$1,080.00**

2. Customer signs a contract initiated by marketing team for social media management.

Monthly charge to customer is: \$600.00

Expected term is 1 year

Expected revenue is calculated as: $\$600.00 \times 12 =$ \$7,200.00

Commission paid is: $\$7,200.00 \times 12\% =$ **\$864.00**