Sales Commission
Quick Guide
LS Retail NAV 6.3
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1 Introduction

The purpose of this document is to give a quick overview of the Sales Commission functionality in LS Retail NAV 6.3. It focuses on setup and gives information on how to use the sales commission functions.

This quick guide describes all fields in relevant forms, excluding those fields that are used frequently in standard NAV or LS Retail NAV and should be familiar to the user. If the same field is used in several forms it is described only in the first form in each chapter.

1.1 Functional Overview

When determining whether a Sales Commission should be calculated, the system looks at the Item, the Date of Sale, the Store and the Customer, if a customer is assigned in the transaction.

The Sales Commission can be based on either the item sold, the amount of the transaction that can also be dependent on Items or by the discount offer triggered.

It is possible to exclude items, periodic discounts and sales persons from the commission calculations. Items can be excluded by Division, Item Category, Product Group, Special Group or by specifying a particular Item.
In order to calculate Sales Commission for POS staff, the staff needs to be defined beforehand as Sales Person or Both in the Employment type field on the Staff Card, and a Sales Person code needs to be assigned.

More than one Commission Rule can apply to a sale, in which case the Commission Rule with the lowest Priority is selected.

### 1.1.1 Items valid for commission calculation are selected by:
- All Items
- Periodic Discount
- Division
- Item Category
- Product Group
- Item
- Special Group

Each of these can also be excluded in the Rule.

### 1.1.2 Salespersons are selected by
- Salesperson – the Salesperson assigned to the sale benefits
- Account Manager – the Account Manager benefits
- Store Manager – the Store Manager benefits
- Commission Salesperson Group - all Salespersons in the selected Commission Salesperson Group benefit
- Store Commission Group – all Salespersons in the Default Commission Group as selected on the Store Card benefit

If the Commission Salesperson Group or the Store Commission Group is selected, the Multi-Person Option can be set to either Each, where each salesperson in the group will get the Value, or Total, where the Value is divided between the salespersons in the group.

### 1.1.3 Type of commission
- Transaction: The Sales Commission is based on a percentage or a fixed amount of the sales amount in each transaction. This type can also be defined to be Line Specific, where the calculation type is defined for each Commission Rule Item.
- Sales Target: The Sales Commission is based on a percentage or a fixed amount based on the total sales amount over the selected Commission Sales period.

### 1.1.4 Validation Period
In order to enable a Commission Rule, a Validation Period has to be selected.
## 1.2 Definitions, Acronyms and Abbreviations

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Rule</td>
<td>The rule that determines if and how sales commission is to be calculated</td>
</tr>
<tr>
<td>Commission Salesperson Group</td>
<td>A pre-defined group of salespersons that benefit from the sale of Items defined by the Commission Rule</td>
</tr>
<tr>
<td>Commission Sales Target</td>
<td>The defined sales amount needed in order to get the defined Commission amount or percentage.</td>
</tr>
<tr>
<td>Commission Sales Period</td>
<td>The defined period within which the sale shall take place to be considered to count into given Commission Sales Target. Also used to calculate total commission per Sales Person for payroll, customer or Vendor posting.</td>
</tr>
</tbody>
</table>
2 Preparation

2.1 Retail Setup

Before starting to set up Sales Commission the Retail Setup information are set. In the LS Retail – BackOffice, Setup, Retail Setup, Posting tab the settings for Commissions are available and there one can decide to make the commission active and define the main details of the commissions.

![Retail Setup](image)

The options that need to be defined on top of activating the commission feature are:

- **Calculate in Statem. Posting.** Sales Commission is calculated for each transaction in the Statement while posting it. If this is not selected the commission needs to be calculated manually for each posted statement.
- **Calculate in Sales Posting.** Same as the Calculate in Statem. Posting.
- **Exclude Credit Sales.** Credit memos and Credit POS Sales are excluded from the commission calculation.
- **Bal. Acc. Type** with the options:
  - G/L Account
  - Bank Account
- **Bal Acc. No.** that can be left empty or options selected from the G/L Account List form or the Bank Account list depending on the type, in any case the corresponding list.
2.2 Staff Settings

Before sales commission rule is set, make sure that the staff that gets the commission has the role required and/or belongs to a group that is approved for a sales commission.

If staff member 101 is supposed to get sales commission according to a sales commission rule (see the Commission Rule chapter) the employment type has to be defined the same in the rule and on the staff card. Rule that gives a Sales Person commission, but not a Cashier would therefore be marked in the Employment Type field either as Sales Person or Both [Cashier and Sales Person]. The path to the Staff Card is **LS Retail – POS, Setup, Staff, Staff Card**.
2.3 Retail Salesperson Setup

Each salesperson receives commission either as customer or vendor. See: LS Retail – BackOffice, Sales Commission, Commission Sales Periods, Posting tab. This is further described later in this document.

2.4 POS Commands

Two commands can be assigned to the POS Sales menu: ADDSALESP and ADDSALESP_L to be able to assign more than one salesperson to a Transaction or Trans. Sales Entry. Both of these commands are menu commands. They should be added as SALES menu buttons.
3 Forms and fields

3.1 Commission Rule

The Commission Rule form, at LS Retail – BackOffice, Sales Commission, Commission Rule, is used to define the Commission Rules. It contains sub-forms for Validation, Salespersons and Sales Targets settings.

The Commission Rule is defined by filling out the relevant fields on all of the tabs (sub-forms). There is a Code for each rule that identifies it. The Description field is used to describe it. Commission Rule has two Calculation Types: Transaction and Sales Target. If the Transaction is selected then the commission is paid on each transaction but only when the target has been reach if Sales Target is selected.

The first column of the lines, Excluded, is marked if a rule is defined for a group of items, except one or more items.

The Line Specific checkbox is marked if the sales commission is calculated on each line of the transaction instead of the transactions as a whole.

If the Line Specific checkbox is not marked a value has to be defined in the Value column.

The rule’s priority decides the priority of the rule compared with other existing rules.

To enable the commission rule the Enable button is selected.

To check if commission is valid for certain sale the Test Commission is useful. On the Commission Rule card it is under the Commission button, Test Commission opens the Commission Test card and tests the rule that you are using.

Testing commissions can be used to check if there is a commission rule valid for certain sales. Then you go to: LS Retail – BackOffice, Sales Commission, Test Commission card opens.
Fill in the mandatory fields for the sales person and sales you want to check, then press the **Test Commission** button and the commissions for the sale you are checking will be displayed if it is valid for this criteria. It also reveals the priorities of the sales commission rules if there is more than one present.

### 3.2 Commission Salesperson Group

The Commission Salesperson Group form lists the Salesperson Groups, and allows the user to edit the Salesperson Groups.

Under the **Commission** button the members of each group can be found by selecting **Members**, which opens a card listing the members of the relevant group.
3.3 Commission Sales Periods

The Commission Sales Periods is used to define Sales Periods, either by single entry insertion or by running the Create Sales Period Report. It shows accumulated unposted commission for each period in the commission fields: Calculated Commission and Commission Sales.

![Commission Sales Periods](image)

3.4 Retail Salesperson

The Retail Salesperson card is the form where the Commission grouping is defined for each Salesperson. Commission Blocking is set and gives an overview of earned commission and Sales Target sale from unposted commission entries.

![Retail Salesperson Card](image)
When commission is tested you can see which sales person is behind the Staff ID, Sales Staff and Customer No since their initials are shown in the fields behind each.
4 Use Cases

Cashier has to be set up as a salesperson to get commission on sales. No changes are needed on the POS.

4.1 Transactions, specific percentage and amount

This Commission Rule is for the Audio Item Category, excluding the DVD Product Group and the VCR Product Group. For each transaction, the Account Manager receives 0.05 Amount, the Commission Salesp. Group receives a total of 5%, and the Salesperson receives 1% each. This Rule is valid in July 2011, excluding weekends.

4.1.1 Setup

Open the Commission Rule form. On the General tab, set the Code, Description and the Priority, and set the Calculation Type as Transaction.

<table>
<thead>
<tr>
<th>General</th>
<th>Validation</th>
<th>Salespersons</th>
<th>Sales Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Transaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line specific</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On the Validation tab, set the Validation Period, Store Type and Store Type Value.

<table>
<thead>
<tr>
<th>General</th>
<th>Validation</th>
<th>Salespersons</th>
<th>Sales Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validation Period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Validation Period Descr.</td>
<td>July - excl. weekends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Starting Date</td>
<td>01.07.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Ending Date</td>
<td>31.07.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Type</td>
<td>Store Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Type Value</td>
<td>ELECTRONIC</td>
<td>Electronics</td>
<td></td>
</tr>
</tbody>
</table>

On the Salespersons tab, set the Account Manager to receive 0.05 Amount, the Commission Salesp. Group Store07 to receive a total of 5%, and Salespersons to receive 1%.

<table>
<thead>
<tr>
<th>General</th>
<th>Validation</th>
<th>Salespersons</th>
<th>Sales Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Manager</td>
<td>Amount</td>
<td>0.05 Each</td>
<td></td>
</tr>
<tr>
<td>Commission Salesp. Group</td>
<td>STORE07</td>
<td>%</td>
<td>5.00 Total</td>
</tr>
<tr>
<td>Salesperson</td>
<td>%</td>
<td>1.00 Each</td>
<td></td>
</tr>
</tbody>
</table>

Account manager is the sales person assigned to the customer (see customer card):
Lastly, specify that the rule applies to the Audio Item Category, excluding the DVD Product Group and the VCR Product Group.

<table>
<thead>
<tr>
<th>Excluding Item Group Type</th>
<th>No.</th>
<th>Description</th>
<th>Vendor</th>
<th>Vendor Name</th>
<th>Calculation Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Category</td>
<td>AUDIO</td>
<td>Audio/HIFI</td>
<td>%</td>
<td>0,30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Group</td>
<td>DVD</td>
<td>DVDs</td>
<td>%</td>
<td>0,30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Group</td>
<td>VCR</td>
<td>Video Cassette Reco...</td>
<td>%</td>
<td>0,30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4.1.2 Viewing Commission Entries

After items are sold and commission calculated select Commission Group, Entries, Unposted.

### 4.2 Transactions, Line Specific

In this example, salespersons get different commission for specific items. Line specific commission only applies to transactions, and not sales targets.

#### 4.2.1 Setup

Open the Commission Rule form.

On the General tab, set the Code, Description and the Priority, and set the Calculation Type as Sales Target.
On the Validation tab, set the Validation Period as number 1 which is No Time Limit and Store Type as All.

On the Salespersons tab, select Salesperson as the Salesperson Type.

Lastly, specify the items and the commission value for each line, and exclude items that fall under a specific periodic discount.

### 4.3 Sales Target

In this example, all salespersons get 5% commission until 1000 is reached, then 10% until 2000 is reached and 15% until 5000 is reached, and 5 amount when 5000 is reached on all items at all stores, excluding food items.

#### 4.3.1 Setup

Open the Commission Rule form.
On the General tab, set the Code, Description and the Priority, and set the Calculation Type as Sales Target.
On the Validation tab, set the Validation Period and Store Type.

On the Salespersons tab, set Salesperson and Account Manager as Salesperson Type.

On the Sales Targets tab, set up the Minimum amounts, Calculation Types and Values.

Lastly, specify that the rule applies to All items, excluding Food Items.
4.3.2 Viewing individual targets

To view how individual salespersons are achieving the sales targets, open the Commission Sales Periods form and select Sales Period and Target Sale.

![Commission Target by Period](image)

4.4 View earned commission by period

To view commission for a specific period open the Commission Sales Periods form. Here all periods are listed, and whether or not they have been closed.

![Commission Sales Periods](image)

To view commission entries for a specific period, select Sales Period and Entries.

![Commission Entries](image)

To correct an entry, select the line and select Functions and Insert Correction Entry. A new line is created marked as a Correction. To delete the correction, select Functions and Delete Correction Entry.
4.5 End of Period

Open the Commission Sales Periods form. Enter the Posting Date for the Sales Period being closed, and select Sales Period and End Of Period.

It is possible to enter corrections to the transactions to make the commission higher or lower. This is done in the Commission entries that have not been booked. It is also possible to recalculate the commission for selected entries and for certain Sales Accounts and as long as the period that the commission is valid on has not been marked as closed.

4.6 Post Commission to Account

Open form Retail Setup.

Calculate in Statem. Posting (for sales on the POS) and Calculate in Sales Posting (for other sales) need to be checked if the commission is to be created automatically when the statements are calculated for the POS and the sales orders are posted. If they are not checked, then the creations of the commission entries have to be created manually.

Every salesperson must receive commission either as customers or vendors. See: LS Retail – BackOffice, Sales Commission, Commission Sales Periods, Posting tab.

Every salesperson must be assigned an Account No. for the commission to be paid into. Sales people can have different statuses, some are employees of the enterprises they work for and they receive commission as such, others are self employed and therefore their status should be as vendors.
In order to post commission to account then select correct lines for posting in LS Retail – BackOffice, Sales Commission, Commission Sales Period. Then choose Select Period – Post Commission to Account.

Next select relevant template and batch. Validate correct posting date and then select Post to Account – Post.

To find resulting posted commissions select the General Journal form.
Here the user can change the ledger data if necessary before posting.

The posted entries are marked by the posting to account date and thus cannot be posted again.