

14.09.2023

Functional Requirement Document



[Connect-us Sales Incentive New Structure]

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1. TICKET DETAILS

Ticket ID	TT00000
Ticket description	Sales Incentive New Structure
Created by	Priyanka Gole
Created on	// created date
Priority	Very High

2. VERSION CONTROL

Sr. No	Version no	Version Date	User name	User department
1	1	14-09-2023	Dinesh Sonawane	Audit Department

3. APPROVALS

Field	Name of the User	Approved date by the user
Actual User Name	Dinesh Sonawane	
Actual User Department	Audit Department	
Organization Name	CSPL	
Assigned BA	Priyanka Gole	
Assigned Developer	Nikhil Bhosale, Prathmesh Shinde	
Assigned Tester	Preeti Bokade, Prathmesh kulkarni	

4. ESTIMATION

Department name	Estimated Time (In	Scheduled Date (Starting date)	Estimated date	Actual delivery date
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	hr)			
BA	10	14-09-2023		
Development				
Testing				

5. INTRODUCTION

We are developing a new structure for sales incentive. Sales Incentive is the reward offered to individuals or teams in a organization as a motivational tool to encourage them to achieve specific sales goals, targets, or performance objectives. These incentives can come in monetary bonuses and they are designed to boost sales performance, increase motivation, and drive revenue growth within a company. Sales incentives help align the interests of salespeople with the organization's goals, fostering a competitive and driven sales culture.

In this module, we will explore the new structure of sales incentive calculations that we are implementing. This exciting change is aimed at enhancing the motivation and performance of our sales team while aligning with our strategic goals.

Sales incentives are a crucial component of our sales strategy, motivating our sales force to achieve their targets and drive revenue growth. In this section of the BRD, we will outline the key changes and improvements in how we calculate and administer sales incentives.

This section will serve as a comprehensive guide to the updated methodology, criteria, and processes involved in determining sales incentives. This document will provide you with a clear understanding of the new incentive structure and its implications.

Let's explore the exciting changes and enhancements in our sales incentive calculation methodology together, ensuring that our sales force is motivated and well-rewarded for their outstanding efforts in driving our business forward.

6. BUSINESS REQUIREMENT

Requirement ID	Requirement Name	Priority
BR001	Bhishi Linked Diamond	High
BR002	Bhishi 2 X conversion	High
BR003	Business Mix for Sales Emp	High
BR004	Business Mix for CM, BM, OM, FM	High
BR005	Regular Bhishi Incentive	High
BR006	Product wise, grade wise incentive generation for Sales Emp	High
BR007	Negative impact on Incentive of non purchase Customer	High
BR008	Negative Impact on Incentive of ticket size	High
BR009	Reports	High

7. SCOPE

Scope of this project is to generate sale incentive for sales Employee. Through multiple ways sales employee will get incentive. Upon generation of total incentive, there are some conditions which will affect on incentive payout. Prepare new reports to show employee sales incentive, bhishi Incentive and Bhishi Linked Diamond Incentive, Bhishi 2X conversion. In this new system we will generate monthly incentive.

8. BUSINESS & SYSTEM RULES

● Prerequisite

- Set Branch wise Monthly Target
- Set Counter wise Target group mapping
- Set Branch wise counter wise targets
- Set counter Employee mapping
- Set Grade to sales Employee
- Grade wise employee Target generation
- Daily Synch Sales, Sales return data

● Business Rules

- Branch should achieve min 50% revised target for incentive payout.
- Sales Employee should achieve min 50% revised target for incentive payout.
- In addition to sales Incentive Employee will get other incentive also like bhishi linked diamond, Bhishi 2X conversion, Bhishi Incentive if he/she is achieving respected targets.
- After final generation of incentive, there are 2 negative impacts like non purchase customers and ticket size. If any of these not achieved then 5% incentive will be deducted from overall incentive except bhishi incentive.

9. EXISTING SYSTEM

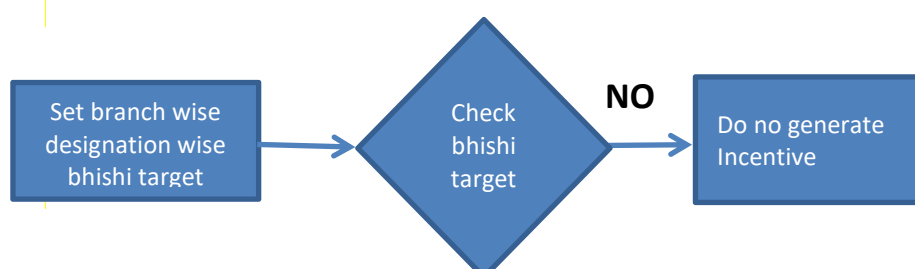
In the existing system, Incentive was calculated and paid Quarterly but in the new incentive structure, incentive calculated and paid monthly.

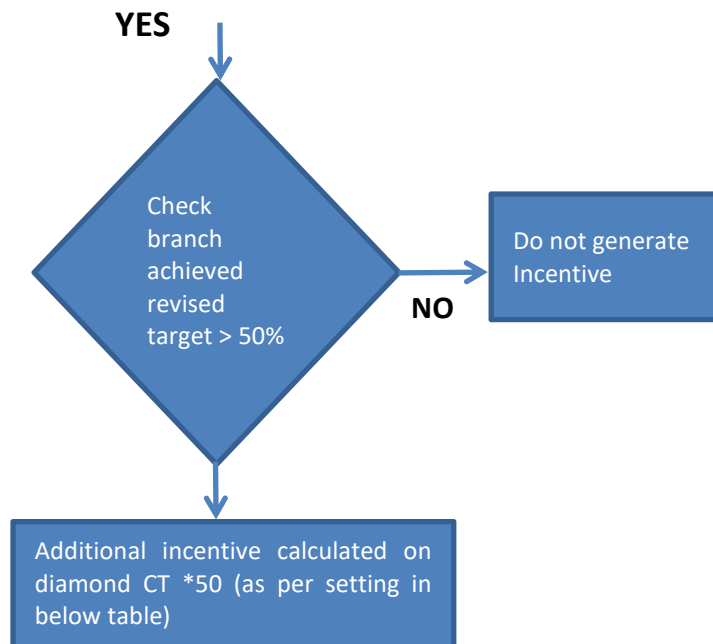
Employee wise incentive calculation was based on grades and target achievement slabs, but now it is based on sold netwt or amount of the product group.

There was no any negative impact except min branch branch target. But now we have introduced 2 negative impacts as Non purchase customers and ticket size.

10. PROPOSED SYSTEM

BR001 : Bhishi Linked Diamond





- Bhishi linked Diamond means to give additional incentive on diamond incentive per CT provided 100 % bhishi target is achieved.
- **Bhishi achievement is depend on the bhishi enrollment amount in a month.** If the bhishi closed before 150 days from starting date then it is prematurely closed. Prematurely closed bhishi amount will not be considered in bhishi target achievement.
- Example1 : If Bhishi target is 50K and Diamond target is 10CT
- achieved Bhishi target is 50K. i.e 100% achieved. And achieved diamond target is 7CT then additional 50 RS per CT will added as the Bhishi linked Diamond incentive. $50 \times 7 = 350$ Bhishi linked Diamond incentive added.
- **condition**
 - Branch should achieve min 50% revised target for incentive payout.
 - Sales Employee should achieve min 50% revised target for incentive payout.

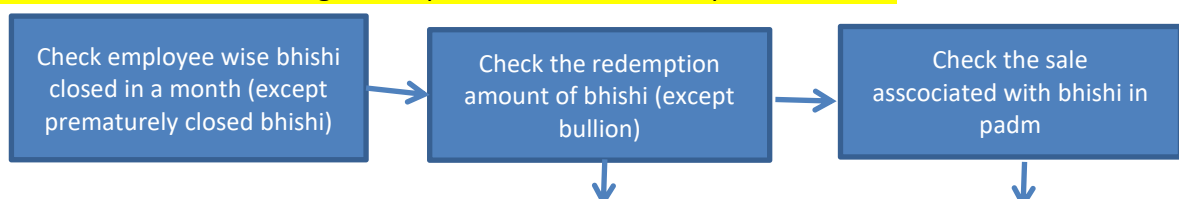
● Create a Master to set Designation wise Bhishi Target

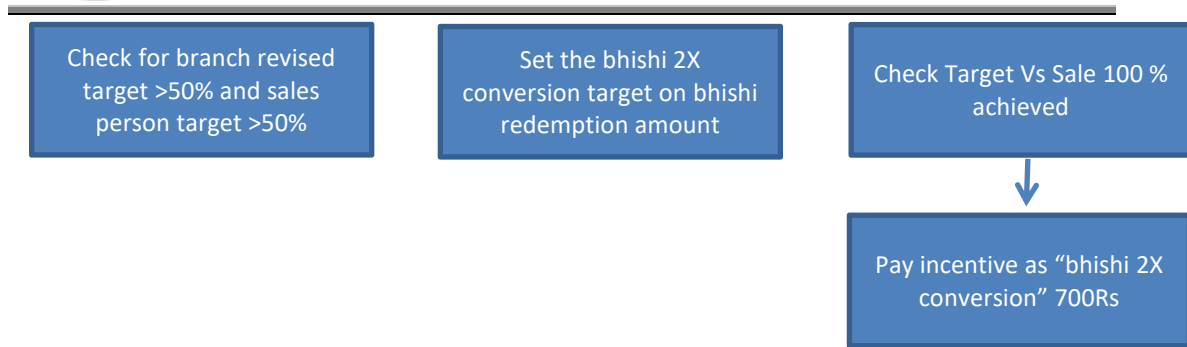
Master Name: Bhishi Target Setting

Branch	Designation	Bhishi Target	Bhishi 2X conversion incentive amt
B1	Sales Employee	50K	700

BR002 : Bhishi 2 X conversion

Bhishi 2X conversion Target is depend on bhishi redemption amount.





- Setting for 2X conversion target done in previous master table.
Bhishi Redemption amount is the **total installments amount paid of closed bhishi** in a month

Do not consider Gold Bullion/Silver Bullion redemption sale in target and achievement. Explained in below example

Example1:

Suppose 3 customers closed bhishi of 1lakh each then
 Gold O = redemption 1 lakh (sale 3 lakh)
 Gold Bullion = redemption 1 Lakh (sale 2 lakh)
 Diamond = redemption 1 Lakh then (Sales 2lakh)
 2 lakh redemption except bullion so 2x conversion is **4 lakh will be target** amount and **5 lakh will be achieved target amount.** I.e 100 % achievement so
 Additional incentive will be **700 (fixed amount)** if target achieved.
 If less than 100% achievement is there then, incentive will not get to sales employee.

Example 2

Suppose a employee, redeemed bhishi of 10 lakh amount and 2 lakh bullion
 Then 8 lakh *2(2X conversion) = 16 lakh will be target amount
 If 16 lakh target amount is achieved(100% target achieved then only) in 700 will be additional incentive amount.

Periodwise Targets and Achievement

Period	Achieved Contribution Margin Amount (Branch Level)	Achieved Contribution Margin %	Bhishi 2x Conversion Target In Amount	Bhishi 2x Conversion Achieved In Amount	Bhishi 2x Conversion Achievement %	Revised Sales Target Amount	Sales Achieved Target Amount	Sales Achieved %	Remaining Sales Target Amount
108322195.1	0		108322195.1	65843898.41	60.79	26405131.92	22613151.38	85.64	3791980.54
108322195.1	0		108322195.1	65843898.41	60.79	21128492.34	21150950.43	100.11	0
108322195.1	0		108322195.1	65843898.41	60.79	31688978.72	31449630.35	99.24	239348.37
26459957.72	0		26459957.72	13785374.42	52.1	16736626.73	15989319.61	95.53	747307.12
108322195.1	0		108322195.1	65843898.41	60.79	21128492.34	18612752.23	88.09	2515740.11
36468346.18	0		36468346.18	18637837.77	51.11	3877704.50	12514594.66	322.73	0
42597418.54	0		42597418.54	27097710.13	63.61	5160530.27	5578333.26	108.1	0
67446685.44	0		67446685.44	36182000.32	53.65	28137608.18	26483807.34	94.12	1653800.84

remove bullion from target setting

In the existing System:

Slab wise and grade wise incentive setting was done in **Designation wise grade wise Incentive setting menu** but now we are doing incentive on 100 % achievement of bhishi target.

Currently system showing branch wise Bhishi 2X conversion Target Amount and Bhishi 2X conversion Achieved Amount. Instead of that show sales employee wise targets and achievement

Designationwise Gradwise Incentive Setting Add Data

Home > Designationwise Gradwise Incentive Setting

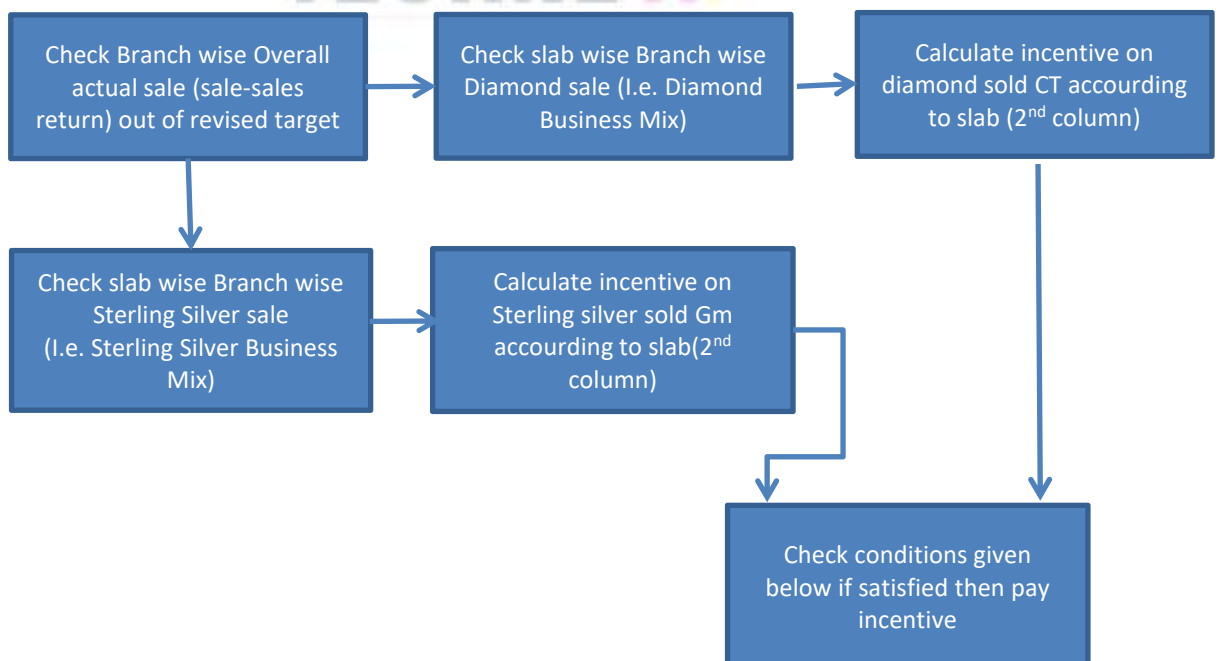
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	Designation	Grade	Sales Incentive Amt	CM Incentive Amt	Dia Incentive Amt	SS Incentive Amt	Bhishi Conversion Incentive amt	Diamond Per CT R
✓	WJD Sales Executive	3	600.00	300.00	600.00	0.00	0.00	325.00
✓	WJD Sales Executive	2	1100.00	525.00	1100.00	0.00	0.00	450.00
✓	WJD Sales Executive	1	1700.00	800.00	1700.00	0.00	0.00	600.00
✓	Silver Sales Executive	3	600.00	600.00	0.00	600.00	0.00	0.00
✓	Silver Sales Executive	2	1100.00	1050.00	0.00	1100.00	0.00	0.00
✓	Silver Sales Executive	1	1700.00	1600.00	0.00	1700.00	0.00	0.00
✓	Sales Executive	3	600.00	600.00	600.00	0.00	0.00	325.00
✓	Sales Executive	2	1100.00	1050.00	1100.00	0.00	0.00	450.00
✓	Sales Executive	1	1700.00	1600.00	1700.00	0.00	0.00	600.00

Set incentive amount for bhishi conversion for sales person

Bhishi Conversion Incentive amt

BR003 : Business Mix



Business mix is the term used to check how much diamond OR sterling silver actual sale (sales - sales Return) done out of overall branch wise revised target amount. Slab wise diamond business mix or sterling silver mix additional incentive rates are defined in below table.

Create master to Set Diamond Mix and sterling silver Mix rates

Master: Business Mix Incentive rate Setting

Diamond/ Sterling Mix	Diamond Incentive Additional Rates	Sterling Silver Incentive Additional Rates	Designation
0.00 to 9.99%	0	0	Sales Executive
10.00 to 11.99%	50	0.50	Sales Executive
12.00 to 14.99%	100	1	Sales Executive
15.00 to 16.99%	200	2	Sales Executive
17.00 to 19.99%	300	3	Sales Executive
20.00 to 24.99%	400	4	Sales Executive
Above 25 %	500	5	Sales Executive

- For the calculation of diamond Business Mix consider overall branch revised target vs Diamond and Diamond Jewellery actual sale.
- For the calculation of sterling silver business mix consider only silver Ornament, Silver Bullion and sterling silver. Vs sterling silver sale
- Example: For a particular Branch Revised Target amount is 1 Cr. Out of that 80 lakh is Gold sale considering gold jewellery and Gold Bullion. 10 lakh is the Diamond sale considering diamond jewellery and diamond. And 10 lakh is other, then 10 lakh is the diamond business mix. In terms of percentage 10% is diamond business mix.

Suppose 5 lakh sterling is included in it then 5% is the sterling Silver business mix

In the above example 10% is the Diamond business mix and 5% is the sterling Business Mix. According to below slab setting 50Rs per CT will be additional incentive.

Note: SS Mix = Sterling Silver Mix

● Conditions:

- Branch wise revised target achievement should be above 50%.
- Individual wise revised target achievement should be above 50 %.
- Branch wise Diamond Mix achievement out of revised target of branch should be above 10% for diamond mix additional incentive.
- Individual wise Diamond Mix achievement out of revised target of individual target should be above 10% for diamond mix additional incentive.

- Branch wise Sterling Silver Mix target should be above 10% for Sterling Silver mix additional incentive.
- Individual wise Sterling Silver Mix target should be above 10% for Sterling Silver mix additional incentive.

Below are the scenario to generate Diamond Business Mix Incentive

1.

Branch Target Above 10 % Business Mix				
	A	Revised Target	Achievement	%
Total Target	1000			
Diamond	200	20	15	15%
Gold	800	80	80	80%
		100	95	95%

Employee achieved above 10% slab & branch also achieved 10% slab So, Emp will get Incentive

2.

Branch Above 10 % Business Mix				
	B	Revised Target	Achievement	%
Total Target	1000			
Diamond	90	9	9	9.0%
Gold	910	91	91	91.0%
		100	100	100%

Employee not achieved 10% slab & branch achieved 10% slab So, Emp will not get Incentive

3.

Branch Above 10 % Business Mix				
	C	Revised Target	Achievement	%
Total Target	1000			
Diamond	90	9	15	15.0%
Gold	910	91	85	85.0%
		100	100	100%

Employee achieved above 10% slab & branch achieved 10% slab So, Emp will get Incentive

4.

Branch below 10 % Business Mix				
	C1	Revised Target	Achievement	%
Total Target	1000			
Diamond	90	9	15	15.0%

Gold	910	91	95	95.0%
		100	110	110%

Employee achieved above 10% slab & branch not achieved 10% slab So, Emp will not get Incentive

BR004: Incentive Rate for CM, BM, OM, FM Employee On Diamond Mix

Create a master to set Diamond Business Mix Incentive rates for operational emp
We can merge both masters for sales executive and other operational staff.

In this case **Branch revised target** will be applicable for above roles.

Diamond/ Sterling Mix	Diamond Incentive Additional Rates			
Diamond Mix	CM	BM	OM	FM
0.00 to 9.99%	0	0	0	0
10.01 to 11.99%	10	20	15	10
12.00 to 14.99%	15	30	20	15
15.00 to 16.99%	30	60	40	30
17.00 to 19.99%	45	90	65	45
20.00 to 24.99%	60	120	85	60
Above 25 %	75	150	105	75

For sterling Silver Business Mix not applicable for **CM, BM, OM, FM**

Conditions:

1. Branch wise revised target achievement should be above **50%**.
2. Branch wise Diamond Mix achievement out of revised target of branch should be above 10% for diamond mix additional incentive.

BR006 Product wise Grade wise Incentive Rate for Sales Employee

In the existing system, sales employee wise incentive generated based on below table

Grade	GO	Diamond	SO	SS	Bhishi Additional	Gold small/ star product	Silver small/star Product
Rates On	Gm	CT	Gm	Gm	CT	Gm	Gm
A	4	500	1	5	50	10	1.5
B	3	400	0.70	3	50	8	1
C	2	300	0.50	2	50	6	0.6

- For the Sale Employee, Incentive generated based on grade. In case of Gold Ornament, Silver Ornament and sterling silver total of net wt sold is considered to calculate incentive.

Explanation: If the 1 Cr is revised target of sales Employee for a month and 10% to 12 % diamond business mix target (10 to 12 lakh) is achieved then 50 Rs per CT will be additional incentive. If the Sales Employee having "A" grade then 500+50 = 550 will be additional incentive. Considering 1lakh per CT.

Condition

- Min 50% branch wise target and sales employee wise target should be achieved.
- Star Product = Above 180 days from labeling date
At the time of Incentive calculation, check the product labeling date is above 180 days. If it is star product then consider star product incentive rate (last column)

BR005 Negative Impact On Sales Incentive

Upon fully generation of incentive payout, there are few negative impacts on it if any of the following not achieved then it will deduct 5 % from overall incentive except bhishi incentive

- Non purchase Customers
- Ticket Size

■ Non purchase Customer:

In the PRO system, Sales employee tracks visitors data. Min 88% customers should be converted to purchase. Other wise 5% employee wise incentive will be deducted.

Example: 1000 is the branch wise visitors count, visitors count mapped with customer in PRO system, Suppose each employee mapped with 100 visitors then each employee should convert 88 % i.e 88 visitors into customer. Then only sales employee will get full incentive other wise 5% overall sales person wise incentive will be deducted.

Note: Do not consider bhishi installment, URD,----- customer for non purchase customers %

■ Ticket Size:

Ticket size is the negative impact on incentive amount of Sales Person and branch
Gold ticket size in gm = Total net wt of gold O/ no of product group wise unique customers per day

Silver ticket size in gm = Total net wt of Silver O/ no of product group wise unique customers

Diamond Ticket Size in Amount = Total amount of diamond and Diamond Jewellery/ No of Unique Customers per day.

For the calculation of branch wise ticket size consider, overall branch wise product group wise net wt/ amount and unique customer count of branch.

For the calculation of Employee wise ticket size consider, sales man wise product group wise net wt/ amount and unique customer count of sales emp.

510 net wt /85 = 6 gm is the ticket size for gold ornament , silver ornament,
500000 amount /50 = 50000 is the ticket size for diamond +diamond Jewellery.

Do not consider small ornament in the ticket size

Create a master to set branch wise target of ticket size

Branch Name	Product Group	MonthTicket Size	Ticket Size Target
Satara Road	D + Diamond Jewellery	Oct	
Satara Road	Gold O	Oct	
Satara Road	Silver O	Oct	

Branch wise Ticket Size Report

Branch Name	Product Group	Month	Day Wise Unique Customer	Achivement	Target	Ticket Size	%
Satara Road	D + Diamond Jewellery	Oct	11992	455803958		38,009	
Satara Road	Gold O	Oct	150	1000		6.67	
Satara Road	Silver O	Oct	6310	224199		35.53	

Employee wise Ticket size Report

Employee Name	Branch Name	Product Group	Month	Day Wise Unique Customer	Achivement (A)	Target (B)	Ticket Size	%
	Satara Road	D + Diamond Jewellery	Oct	11992	455803958		38,009(A/B)	
	Satara Road	Gold O	Oct	150	1000		6.67	
	Satara Road	Silver O	Oct	6310	224199		35.53	

List of small ornament item is given below

If any of the above not achieved then 5 % incentive will be deducted

Note : Including Bhishi target.

If both not achieved then 10 % will be negative impact on incentive generation.

11. REFERENCES OF THE USERS

User	Name	Mail	Contact number
Actual user	Dinesh Sonawane	hoaccountcc@csjewellers.com	
Assigned business analyst	Priyanka Gole	Priyanka.gole@techneai.com	
Assigned developer	Prathmesh S, Nikhil Bhosale	Prathmesh.shinde@techneai.com Nikhil.bhosale@techneai.com	
Assigned tester	Preeti Bokade	Preeti.bokade@techneai.com	

