



Software Works (SWI)

CDC/Ross Systems Authorized Services Partner



CUSTOMER DETAILS

www.lighthousefoods.com

INDUSTRY: FOOD/BEVERAGE

CHALLENGES

- Managing the exploding complexity of commission plans that sales managers created was problematic both with time and accuracy
- The growing number of hours a week that were being spent computing salespersons, brokers, and even customer commissions was problematic.
- Sales wanted to be able to handle multi-rate and multi-payee payments with a significant amount of selection criteria.
- With the complexity and volume of Sales commission payment accuracy was a problem causing even more administrative hours and causing a hostile work environment.

SOLUTION

- After analysis of many food/pharmaceutical customers SWI developed an Advanced Sales Commission (ASC) module that handles 95% of the scenarios requested.
- The solution was delivered to Litehouse Foods and after 6 years the software is still going strong.

RESULTS

- ASC has saved thousands of hours in administration and has reduced errors in commission payments to nothing.

LITEHOUSE FOODS SAVES THOUSANDS OF HOURS WITH SWI ADVANCED SALES COMMISSIONS MODULE

BACKGROUND

Litehouse Foods, Inc. has enjoyed phenomenal growth for many years. This growth rate had an impact on everyone and as the company grew so did the volume and complexity of the Sales Commission plans.

As competition in the food industry becoming more intense the commission plans became more complex and voluminous. Food brokers along with salespersons received commission and even customers were even rebated for buying products.

With both the company growth and growing industry sales venues the commission plans became too complex to be handled manually. Commission qualification criteria grew with combinations of includes or excludes by item/groups, sales person, region, warehouse, customer, and ship-to location to name just a few. Commission splits at multiple levels, each with different payment terms such as a flat rate, percent of sale, or even \$/% on quantity sold.

OBSERVATIONS

The complexity of sales commission plans and the concern of how much a commission plan would impact sales revenue required the ability to test a new plan prior to finalizing the plan setup, so the ability to simulate a new plan was designed.

The ability to have multiple plans that even superseded or paid in addition to other plans was required for cases when a sales person could be paid on multiple plans or limited to a defined set.

Salespersons also wanted the ability to validate the accuracy of the commissions so they wanted the ability to review unpaid commissions to-date and if wrong notify the administrator to correct the setup and recomputed the commission.

SOLUTION

The list of customer requirements continues as does the module features to meet those requirements. Some of the features include:

- User defined documents – define what documents to pay commission on such as orders, invoices, credit notes, and payments
- User defined sales entities – salesperson, manager, broker, master broker, label owner, organization, etc
- Unlimited Payment Levels – (each with different pay rate types)
- User Selected Rate Types – flat dollar, per unit amount, or dollar percentage
- User defined relationships – group parts for qualifying for a higher commission rate, or master brokers to brokers



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- Cumulative transactions – setup a base commission schedule and add additional schedules for special considerations such as year-of-service or special promoted products.
- Manual Adjustments – enter your own sales commission transaction when the complexity gets way-out-of-hand.
- Include/Exclude – name what data items you want to put a criteria on and exclude/include it naming the specific value, range of values, etc.
- Compute commission on your choice to include off-invoice allowances, additional charges, freight, etc.

As Litehouse will tell you “we’re only using a small part of the overall capabilities but we’re managing quite nicely with it and have been since 1996.”

Litehouse Commission Requirements example:

- Commissions potentially pay at the Broker, Master Broker, Distributor and Label House Level.
- Commission Rates are set based upon a Part Code or Product Category, Customer or Broker, or Master Broker, or Distributor.
- Commission based on:

Part Code:	4/1gal Mayonnaise, 30# Mayonnaise, 12/13 oz Litehouse Bleu Cheese, 6/8 oz Horseradish Sauce
Product Category:	F/S Mayo, Retail Dressings, Retail Horseradish
Customer:	Sysco, FSA, Albertson’s, Safeway
Broker	Contracted Sales Company managed by a Salesman.
Master Broker	Contracted Sales Company paid to Manage Brokers

For Example:

- All F/S Mayonnaise (Sysco or Litehouse Brand) being sold through Sysco the Broker will get 3%
- 4/1 gal Mayonnaise (Litehouse Brand) = 2%, 30# mayo = 1% Sold through FSA the Broker will get the individual rates of 1% and 2%.
- 4/1 gal Mayonnaise (Nugget Brand) = 2% paid to the Broker + The Organization that owns the Nugget Label gets paid an additional 1%.
- All sales generated by the broker (F/S and Retail) = 4%
- All sales generated through the Broker = 4% plus a Master Broker gets 1%
- F/S Mayo = 3%, F/S Dressings = 4%, Horseradish = 5% paid to a distributor and the Broker get an additional 2% on all categories.
- All Retail Dressings sold through Safeway by The Broker get 4%
- All Retail Dressings sold through Albertson’s by the Same broker get 3%
- All Retail Horseradish Products, no matter where it is sold, the Broker gets 5%

SUMMARY

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