

# New Commission ENVNVA, quota

## Written

I wanted to ensure that everyone has a written version of the new commission policy that we discussed at the last team meeting.

## Quota

For weekly billing, we use 50 weeks in a year to account for holidays or other breaks in service. Monthly and quarterly holiday breaks do not occur, so 12 and 4 per year, respectively. So, in reading this table, a person in their 3rd month who closed a \$60 weekly and \$190 monthly deal would have sold  $\$60 \times 50 + \$190 \times 12 = \$5,280$ , which would make quota.

It takes time for new salespeople to come up to speed, so in the first few months, you have a reduced quota. The date starts with your hire date, which often involves a few ride-alongs, followed by a week of training. The quota is computed weekly.

Month	Quota annual revenue	Quota weekly alternative
1	\$0	\$0
2	\$2500	\$50
3	\$5000	\$100
4	\$7500	\$150
5+	\$10,000	\$200

- Any 3 new rooftop sales in months 4+, any 2 sales in months 1-3, are automatically making quota regardless of amounts as long as they hit minimums for recurring at least monthly or \$1k or more for one-time service.

## Commission

The maximum commission is 12% of annual sales. The base commission on sales is 6%. There are two positive adjustments for W2 employees and one automatic for 1099s

- +3% having made quota the week before
  - Note that even if quota is missed any sales above 250% of quota will count as if quota was made on the remainder. Take for example a salesperson 8 months in and sells nothing one week while focusing on a \$60k annual revenue deal. The next week they close the deal. They get 9% on the \$35k above quota and 6% on the \$25k (250% of \$10k annual) for a total commission of \$2400..
- +3% high profitability. An account with a price 30% or more above the price sheet. Note that excess pricing generally means much higher service levels which is why this is not prorated.
- +3% for 3 year agreement rather than 1 year agreement.
- 1099 employees get 110% of commission (so a 9% commission becomes 9.9%)

Taking our previous example, assume the pricing on the \$190 was 34 % above the pricing sheet while the \$60 weekly was 4% above and the sales person had made quota the previous week. Their quota would then be: 9% of \$3000 + 12% of \$2280 = \$543.60.

## Reductions

Reductions have no impact on quota. As long as the pricing is approved (either Alex or Jeff) any sales even with a negative margin counts towards quota.

1. Any sales 20% or more below the price sheet. This includes corporate pricing.
2. Sales from a lead generated by inbound
3. A split commission with a tech (i.e. where the tech is getting 3%). If another sales person just 1/2.

The schedule for reductions is to apply the reductions to what you would otherwise get on the following chain: 15 → 12 → 9 → 6 → 4 → 2. Note there are up to 3 reductions beyond that no penalty. So again, using our previous example, assume that rather than the \$60 weekly being 4% above the price sheet, it came from a corporate account which is 27% below. The commission would be: 6% of \$3000 + 12% of \$2280 = \$453.60. However, this sale would still be for over \$5000 in revenue and thus still qualify for quota.

## Missing quota

The biggest change has to do with quota enforcement. If a salesperson misses quota 3 weeks in a row, they are put into a tentative state. Note that any vacation requested 10 or more days in advance stops the clock. There are two main effects:

1. From that week forward, they get only 70% of their salary.
2. If they miss 4 more weeks, even non-consecutively in this tentative state, they are terminated.

Making quota 2 weeks in a row ends the tentative state, and the salesperson resumes normal salary. A sale above 250% of quota also ends the tentative state. Normal salary resumes the next week, and the 4-week clock for termination is reset to 0.

## All commission option

A sales employee can forgo salary entirely and go all commission. They then have no quota but get substantially enhanced commissions.

- 12% base commission at time of sale
- 3% commission at end of the first quarter (i.e. 15% total)
  - first audit, go to install, early follow-ups
  - must do other sales tasks (example meetings) to be eligible
- +1% for every 10% above greenline pricing, maximum of +5%
- 1099 adjustment applies (i.e. 12% becomes 13.2%)
- -4% for 20% or below, including corporate pricing
- -3% if a split commission with a tech or a CSM. 1/2 commission if split with another salesperson

- -4% for inbound sales lead
- This commission structure doesn't apply to strategic accounts which are commissioned based on OM not revenue

Switching to all commission can be done if an employee is in good standing. It cannot be done once 3 missed weeks have occurred until that is rectified. At owner discretion, it can take effect 1 month or less after it is applied for. Switching from all commission to salary is not by default offered, but can be offered based on the owner's discretion. The goal is for this to be a one-way door for higher performing salespeople or salespeople who need to irregular in their performance but want to be retained.

## Strategic sales

Strategic sales are commissioned based on operating margin, not revenue. While general salespeople are not working on strategic sales, generally, if one is closed with a commission above \$2,500, this will act like a high revenue sale and move the employee to normal status. (fix)

## CSM and tech commission

The above has no impact on tech or CSM commission

- Techs and CSMs both get 6% on any upsell. 3% if a split commission.
  - CSMs but not techs are subject to the 2% reduction for pricing 20% or more below price sheet, including corporate pricing.
- CSMs get 1/2% on annual revenue, quarterly on accounts they are managing (2% annually)
- CSMs get an additional 2% on 3-year renewals (4% total that year on the account)
  - General sales and techs are eligible for the 2% bonus if the CSM can't close the renewal contract.
- Collections — policy needs to go here

[ENVNVA SalesMoc, Sales commissions discussions — 202410, ENV sales commission policy](#)

Last adjustment:

- 1099 increase in commission
- All commission option added
- Collections

## Heading 2

- Last revision: 20250819 3x rule for quota
- 20260102 +3% for 3 year agreement
- List

