



MPS Compensation Plans

How are your fellow dealers structuring them?

Compiled by: Brent Hoskins, Office Technology Magazine

Following is a question submitted by a dealer member as part of BTA's Dealers Helping Dealers resource, and many of the answers received. These answers and many others can be found in the members-only section of the BTA website. Visit www.bta.org/DealersHelpingDealers. You will need your username and password to access this member resource.



How are you structuring your MPS compensation plans?

"Sales reps receive first-year revenue credit toward their quotas for the sale. Commissions are paid one month if it is a one-year contract, two months if it is a two-year contract and three months if it is a three-year-plus contract."

*Rick Salcedo, president & CEO
KDI Office Technology, Aston, Pennsylvania*

"We pay the sales rep who finds the opportunity a flat rate based on the monthly billing amount. The MPS specialist gets paid off the monthly billing and the manager gets a volume based on the revenue for the year."

*Nick Lioce, president
The Lioce Group, Huntsville, Alabama*

"For the SME [subject-matter expert], we pay based on the length of the term of the agreement, as well as the number of users and the amount of the monthly recurring revenue. We also pay a percentage of the onboarding fees, as well as 30% of the hardware GP."

*Tim Renegar, president
Kelly Office Solutions, Winston-Salem, North Carolina*

"Base salary, plus we pay a portion of the monthly service recurring revenue as a one-time commission. Projects and equipment/software commissions are based on GP."

*Thomas Fimian, CEO
Docugraphics LLC, Charleston, South Carolina*

"We pay 8% of the annual contract (e.g., \$100 contract x 12 months pays out \$96). For a three-year contract, they get 4% in year two. If bundled with a copier/MFP deal (print pools on

lease) they get an additional 2.5% comp on the revenue payout of the deal plus the \$96."

*Christy Gallegos, director of sales
Imagine Technology Group
Chandler, Arizona*

"We are paying a month's worth of service up front. Based on added margin, we have a multiplier of up to three times the monthly payment."

*Les Harris, vice president of sales
UTEC, Ann Arbor, Michigan*

"When we added subscriptions to our MPS program, we also added a flat-rate comp per each dollar level achieved."

*Tom Minuti, president
Copy Products, Upper Darby, Pennsylvania*

"We pay our reps the first month's payment of the agreement."

*Sam Stone, president
Stone's Office Equipment, Richmond, Virginia*

"We offer a three-year compensation plan that pays for long-term agreements of 36 months or more. We have a percentage-based commission for years one, two and three, and that amount can go up if the plan increases or as more devices are added. A renewal commission is also paid for each MPS renewal."

*Brian Bence, executive director of sales
Shenandoah Valley Office Equipment (SVOE), Verona, Virginia*

"The size and term of the deal determines the compensation. We pay one time one-month billing for a 36-month contract, two times for four years and three times for a five-year deal."

*Stephen Valenta, president/owner
Offix LC, Gainesville, Virginia*

Do you have a question for your fellow dealers? If so, email it to brent@bta.org with the subject line: "Dealers Helping Dealers." BTA will then share your question with the full dealer membership with a request for guidance from your fellow dealers. ■

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