

Sales Incentive Plan (SIP) 2023-24

Guiding Principles

01

In line with Industry
practice

02

Simple, clear framework
that focuses on variables
in control of the
incumbents

03

Converge organization
success with employee
success

SIP Objectives

- Driving Revenue achievement as an organizational goal
 - Incentives Sales & Program Management teams on higher revenue – Multiplier on exceeding targets
- Driving Cash collection as an organizational goal
 - DSO as a metric for Sales teams
- Using profit Margin as an enabler for Revenue earning
 - Margin (Revenue – DM Cost) as a metric for Digital Marketing to maximize revenue without overspending
 - Multiplier effect on incentive pay-out for exceeding targets
- Driving High Risk - High Reward behaviour
 - Revised Revenue threshold for incentive earning
 - Decelerated/ lower earning for lower achievement

Sales: KRAs & Weightage Distribution

Grade	Targets	Revenue*	DSO**
IC1 to PM5/SP5	CA	85% (weightage distribution as per Individual KRAs)	15%
	ONMO		
	Gamize		
	Tones & other legacy products		

Targets have to be submitted to the HR and Finance team at the beginning of the year.
No changes to targets or any associated parameters will be allowed during the year.

*For employees managing only one product, the entire revenue weightage of 85% will be tagged to Revenue Achievement of that product. For employees handling multiple products, the revenue weightage will be split across the product portfolio

**DSO is applicable when collectibles kick in for a contract and will carry a weightage of 15%

Revenue Incentive

Revenue Achievement	Variable Pay-out
<85%	0
85% – 89%	50% - 60%
90% - 110%	Linear: 90% - 110%
>110%	2% for every additional % achievement*

*capped at 150% of the variable pay

Key shifts from last year:

- Revenue threshold for Incentive earning has been made at 85% from 90%
- Targets assigned individually, no regional or collective target

True-ups over 100% on quarterly achievements will be paid out at the end of year based on annual achievement to avoid a claw-back situation

DSO Incentive

Target DSO Achievement*#	Variable Pay-out
DSO Achievement < 5% improvement	0 incentive pay-out
DSO Achievement at 5% improvement	90% incentive pay-out
DSO Achievement at 10% improvement	100% incentive pay-out
DSO Achievement => 20% improvement	110% incentive pay-out

Key shifts from last year:

- Flexible:
 - Measures improvement in Cash Collection instead of fixed number of days
 - DSO is applicable when collectibles kick in for a contract
- Focuses on driving customers on timely payments
- Incentivizes over-achievement

*As against the average quarterly DSO achievement as given by Finance for each account

#All improvements will be considered over FY23 average

Applicable on both billed and unbilled

Example		
Target DSO Achievement	Actual Achievement	Variable Pay-out
Average DSO achievement in FY23	75 days	
Achievement < 5% improvement	> 71 days	0 incentive pay-out
DSO Achievement at 5% improvement	67 - 71 days	90% incentive pay-out
DSO Achievement at 10% improvement	60 - 67 days	100% incentive pay-out
DSO Achievement => 20% improvement	< 60 days	110% incentive pay-out

True-ups over 100% on quarterly individual achievements will be paid out at the end of year based on annual achievement to avoid a claw-back situation

Digital Marketing Incentive

KRA Metric	Weightage	Achievement	Incentive Pay-out
Revenue	50%	<85%	0
		85% – 89%	50% - 60%
		90% - 110%	90% - 110%
		>110%	2% for every additional % achievement*
DM Margin	50%	< 90% of Quarterly Margin as per AOP	0
		Bw 90% & 100% of Target	-2% for every 1% value spent over allocated budget on total incentive (i.e. both Revenue & Margin)*
		At Target	100%
		> 100% of Margin Target	2% for every 1% value saved over allocated budget on total incentive (i.e. both Revenue & Margin)*

*capped at 150% of the variable pay

**AOP will be split operator-wise to arrive at the target margin % - as directed by the CBO

***No Revenue pay-out if Margin threshold is breached even if Revenue target is beyond Threshold

True-ups over 100% on quarterly achievements will be paid out at the end of year based on annual achievement to avoid a claw-back situation

Program Management Incentive

Revenue Achievement	Incentive Pay-out
<85%	0
85% – 89%	50% - 60%
90% - 110%	Linear: 90% - 110%
>110%	2% for every % increase in achievement in excess of 110%*

*capped at 150% of the variable pay

Key shifts from last year:

- Revenue threshold for Incentive earning has been made at 85%
- Quarterly pay-out of incentive

True-ups over 100% on quarterly achievements will be paid out at the end of year based on annual achievement to avoid a claw-back situation

Incentive Pay-out – Exception Management

- Exceptions/ Redressals to be referred to the SIP committee (CFO, CBO, Global BHR head) that can put up a recommendation to the MD
- Some examples of exceptions are stated below
 - Delay/ change in launch strategy due to market conditions
 - Delay/ change in launch in strategy due to internal challenges
 - A force-majeure business situation that impacts a sales person's incentive

General Guidelines

1. Targets have to be in line with the AOP for the financial year
2. Targets to be set at the beginning of each quarter & files to be submitted to HR & Finance. **Variable will not be paid** in the absence of target setting by the mentioned due date
3. Changes to any of the parameters or weightages will be not permitted during the course of the year (except for role changes)
4. Employee should be active on the payroll of the company on the last working day for the period under consideration to be eligible for the payment of incentive
5. In case of role change or transfer, incentive will be paid on pro-rated basis in line with the policy applicable to the role
6. Incentive for an employee on long leave (e.g. sabbatical) or LOP will be pro-rated and paid on resuming work for the period under consideration
9. Incentive will be paid based on the Company performance with a default 100% achievement to employees who have spent 3 months or less in the company as on 31st March 2024
10. All quarterly pay-outs will be capped at 100% irrespective of achievement and true-ups will be paid at the end of the year
11. Payments are processed along with the salary and the amounts paid out are subject to tax

Thank You
