

BEST RATE REFERRALS

# Motivational Pay Structures



 **Best Rate**  
Referrals

After reading the Telemarketer Hiring and Training techniques it's easy to see that we are targeting money-motivated people. We are looking for people that need to make money. Taking that into consideration, we have derived three different pay structures that will motivate your crew. We will examine all of them in depth so that you can make your decision on what will work best for you and your company.

The first thing to consider is that most of the telemarketing world does require a base rate of pay. Most telemarketing jobs are hourly plus commissions and sometimes spiffs and bonuses are included. On average you will want to budget approximately \$300-\$500 a week for your telemarketer (depending on how productive they are.) Each pay structure is production-based. Therefore, the more leads your telemarketer generates, the more they get paid.

The second thing you need to investigate are the state laws in your area to see what type of worker you can hire (1099 or W-2). From an accounting standpoint, it is easier and ultimately cheaper to 1099; however, some states do not allow this. If you do hire 1099 independent contractors, you can usually pay about a dollar or two less per hour or even a small \$300-\$400 per week sliding scale base since they are taking home more than a W-2 employee.

*(Please consult your local laws regarding employment. Each state is different and we do not offer legal/accounting advice on this subject.)*

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## PAY STRUCTURE #1

### ADVANCEMENT OPPORTUNITY

[See Telemarketer Intro Packet A](#)

This is one of our favorite pay structures and business models for hiring telemarketers (TMs). We have clients using this model right now and it works wonders on overhead and production. You are already looking for money- motivated people, and like everyone else, they want to advance in life. People generally want to advance their careers and definitely their paychecks, so we can use this human instinct to our advantage. Finding yourself a TM that is highly motivated to learn a new industry and advance within your company is going to be your best employee.

After hiring the individual, give them a goal to reach within the company. For example, start them at a flat hourly and commission per funded deal (\$100-\$300 is a standard loan bonus). IF or WHEN they generate 10 funded deals for the company (within the first three months), you will promote them to a Jr. Loan Originator. This is really just a glorified telemarketer position, except now they would be required to get the full application as well as gather docs. At this point, you can put them on a small \$250-\$350 per week base plus 15-20% of each deal they generate. Keep in mind that they are taking the full application as well as gathering docs, so a Senior Loan Officer or Processor only has to price and place the file.

By setting this target, it gives them a goal within their career to reach. You can make it 15 or 20 deals if you want. It's all about making them see that goal and wanting to get there as fast as they can. The faster they get to that goal, the more beneficial to you they are. It's no different than an athlete making it to the big leagues or a stock broker becoming senior broker. It's the same concept played out in a different profession. You can even take it further once they reach this point. Give them another goal. Once they hit another 10-15 loans at this tier, you can move them up again. Take away their salary and put them on 30-40% commission-only. This will mean more money than most telemarketers have ever had the opportunity of making. With just one or two of Jr. Loan Originators per office, you will have a profitable mortgage shop.

You will find a lot of people that love this pay structure and work very hard for you, as long as you keep the dream in their sights. It is essential that you keep the dream of them one day becoming a Loan Officer. Only a small handful of people will ever stay long enough to advance this far, but again, if you can get that one or two you will be golden. Not to mention, you will still make a good living off of the TMs that start the path with you and never finish. You simply cannot lose if you have motivated people dialing for you, and you know how to keep them motivated. One of the best ways to do that is to show this advancement opportunity model.

## PAY STRUCTURE #2

### LOCALLY COMPETITIVE STANDARD

*See Telemarketer Intro Packet A*

The next pay structure is one of the most widely used in the telemarketing industry. Look in your local paper for companies hiring telemarketers to see exactly what you need to pay in your area. Most ads will even read x hourly, plus commissions, and give the weekly schedule and hours. This is the easiest way to start, but with a higher base and a lower commission, your TMs can get too comfortable and lose their drive to produce and succeed. Most lead generators and appointment setters are used to making an hourly wage plus a small commission. It is the easiest pay structure to hire telemarketers with because of the guaranteed hourly.

DO NOT EVER GO COMMISSION-ONLY when hiring new reps. The majority of the time it is hard to hire someone on a commission-only basis. There are only a few instances when using this type of pay structure will be to your benefit:

- ▶ **1.** When you have a rep that wants to go from full- to part-time, you can give them the option to go commission-only at \$15-\$25 per lead. This works best with college students and people that have second jobs. It's also nice because you have a fixed cost per production, and no more concern over paid hours wasted without a lead.
- ▶ **2.** If your TM wants to work extra hours above and beyond their normal schedule to make extra money, you can pay them commission-only during the morning hours since most of them will be paid hourly for evening dialing.
- ▶ **3.** If you find a TM that has a lot of experience on the phones and they want to get into the mortgage business, pay them commission-only. The majority of these people come from commission-only sales jobs at which they excel. This type of telemarketer may have sold stocks, HGH, ink and toner, tools to contractors, home based businesses, etc. Pay Structure #1 is another good pay structure for this type of individual.

## PAY STRUCTURE #3

### FRONT END MOTIVATED

[See Telemarketer Intro Packet C](#)

This is the pay scale we use in our own call center. We use this commission structure since we sell our leads and don't get paid on the loans; however, this works well for broker shops as well. This pay structure forces consistency. Take a close look at the fact that every single revenue stream for your TM is based on production and consistency... hourly, bonuses, commissions, and even monthly bonuses. The hourly is based on production with a sliding scale. The hourly wage can change every week depending on the number of leads they generate. Telemarketers have the ability to make over \$10 an hour plus commissions and bonuses. However, they have to produce (x) number of leads each week. The \$10 per hour is not guaranteed unless they stay consistent every week. This bonus structure is set up so that the telemarketer averages .75 - 1.0 lead per hour. Once they are consistently generating you 5-6 leads per day, you should write 6-8 loans off of each TM every month.

#### Ramp Up - Reward

This section is where we give you some of the best secrets to getting your room up and going quickly. Once you have your TM(s) fully trained, you still need to keep them motivated beyond the pay structure. There are a few ways of doing this:

##### Ramp Up

If you ever feel like your TM(s) are in a slump or having a bad day, you can offer them a "Ramp Up" spiff. Some examples of this are:

- ▶ **1.** Double commission for the next few hours or for a day.
- ▶ **2.** Double bonus for that day if you're giving a daily tier bonus.
- ▶ **3.** If they pull [x] applications by a certain time, you will buy them all dinner (i.e. pizza for the room) or pay them a higher commission on the leads.
- ▶ **4.** There are endless bonuses and spiffs that can be used to motivate. Get creative -- your TMs will love you for it!

There are other times you can use this method as well. If you lose a couple of deals in your pipeline and need to quickly replace them, a nice ramp up spiff will get them going. Let's say you hire another LO and you need a few extra leads. You could even give a double back-end bonus on any lead generated in a given day or days if you need them to really push hard for a few extra leads.

The main thing to remember is this is just a "Ramp Up" method of motivation. You do NOT want to over use this or it will lose its effectiveness, plus your lead cost will increase. Only use this when your TM is slacking, struggling, or you simply need more leads to work.

## Reward

The Reward Method is used to help build the morale of your telemarketers by rewarding them for good work. But be careful not to overdo this one either. You need to pick and choose your rewards wisely. When Ramp Ups and Rewards are used correctly, your TMs will LIKE WORKING FOR YOU even more! That is very important. It can be simple stuff like any of the double bonuses, dinner, day off, etc. If your telemarketer has a killer week or you close a big deal, kick them a little extra. The point is to give them something back to show that you appreciate them actually DOING THEIR JOB and generating business.

If you reward your hard working TMs, they will always look forward to coming to work. It doesn't matter if they are older or more experienced on the phone than you. If they do a good job, tell them so and/or reward them here and there. It will go a long way.