



ORACLE  
NETSUITE

# Sales Force Automation



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# Sales Force Automation

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- [Setting Up SFA](#)
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- [Opportunities and Estimates](#)
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- [Dun & Bradstreet for NetSuite Integration](#)

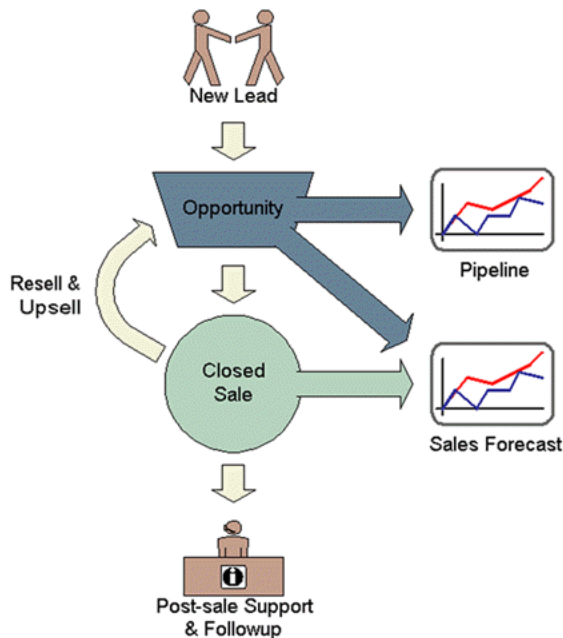


# Sales Force Automation Overview

As a sales manager, the NetSuite integrated sales features give you power, flexibility, and convenience in managing your sales team.

You no longer need to juggle separate applications for commission, forecast reporting, and contact management. The NetSuite integrated SFA and accounting features saves you the time you would spend when you export data between applications.

NetSuite manages each stage of your selling process from lead generation to lead assignment, from opportunity to order.



NetSuite's forecast and pipeline tools are unmatched by other software applications because closed sales are included. With Search, customizable reports, and KPIs on your dashboard, you have the knowledge you need to fine tune your selling strategies month after month.

This chapter provides detailed instructions to set up your sales team in NetSuite, including automated lead assignment, forecast, and pipeline management. It also includes paying commission to your sales reps.

## Managing Your Sales Team

NetSuite's SFA includes all the tools you need to efficiently manage your sales teams.

First, create sales teams to represent the groups of employees that work to make sales. Then, set up automatic lead routing so that NetSuite assigns new leads and customers to your reps.

Before your reps start to make sales, you can use NetSuite to establish quotas for individual sales reps and managers. NetSuite records closed sales so that you can accurately report on whether your sales reps meet quota from month to month.

## Setting Up Sales Teams

The first step to manage sales with NetSuite is to set up your sales teams.

With the Team Selling feature, you can attribute sales transactions to sales teams made up of groups of employees. Each member of a sales team has a sales role that describes their work in making sales. For example, in addition to sales reps, a sales team might have sales engineers that answer technical questions about products and services.

Set a contribution percentage for each team member. Then, you can determine the percentage of each deal applied toward the quotas and forecasts of reps on the team. Contribution percentages also determine the amount of the deal used to calculate commission.

For more information, see [Team Selling](#).

## Setting Up Lead Management

NetSuite provides two workflows for the conversion of leads to prospects and then to customers. One workflow enables you to convert leads when you change their status or when you enter transactions for them. The second workflow requires the Lead Conversion feature. It is best suited for sales organizations that work deals through individuals that are associated with companies.

For more information, see the help topic [Lead Management](#).

NetSuite's automated lead routing lets you distribute leads evenly among your sales reps based on your rules and territories. When you define sales territories you can channel new leads to the sales reps that are best able to convert them. When leads come in, whether from lists or from your website, NetSuite automatically assigns them to your sales reps.

For more information, see [Sales Territories](#).

## Setting Quotas

Before your team starts to sell, you should also set quotas for your reps.

As opportunities convert to orders, sales managers can monitor how closely sales reps are to their quota. The NetSuite quota management feature lets you set quotas categorized by item, class, or department.

For more information, see [Establishing a Quota](#).

## Measuring Your Success

For a sales manager, the bottom line is whether your team meets its quota. NetSuite SFA provides sales managers the tools necessary to monitor sales numbers for a specific time period. When you monitor a period you can make timely and effective adjustments.

In NetSuite, you can use opportunities to track your sales. Anyone who views an opportunity can see the items involved in a deal, and view a record of all communication about the deal.

Opportunities also add another level to your sales process. Opportunities permit your sales reps to associate multiple estimates with a single deal and still maintain accurate forecast and pipeline totals.

NetSuite forecast and pipeline analytics provide up-to-the-minute sales figures so you can make informed decisions about your sales initiatives in time to make quota.

For more information, see [Sales Forecasting](#).

## Managing Deals

It is essential for a sales manager to know early in the sales period what needs to be done to meet quota. One of the most useful metrics when you manage future sales is the pipeline. In NetSuite, your pipeline amount is equal to the total value of open estimates and opportunities.

Sales reps track deals they negotiate with prospects when they attach tasks, meetings, phone calls, and contacts directly on the opportunity record. You can get a detailed look at the steps your reps take to close specific deals from the opportunity record.

For more information, see [Opportunities and Estimates](#).

## Pipeline Analysis

NetSuite provides all the tools you need to track and manage deals in the pipeline, which helps you maximize the deals you close.

With reports, KPIs, snapshots, and search, you can view information on open estimates and opportunities. This information helps you and your sales reps make the informed decisions that close deals.

For more information, see [Pipeline Reports and KPIs](#).

## Forecasting Your Success

During the sales period, it is crucial that you are able to predict your final numbers to maintain or adjust your sales strategy.

With NetSuite, you can produce aggregated forecast reports across sales territories and teams that also include actuals and provide accurate, real-time visibility.

For more information, see [Sales Forecasting](#).

## Rewarding Your Team

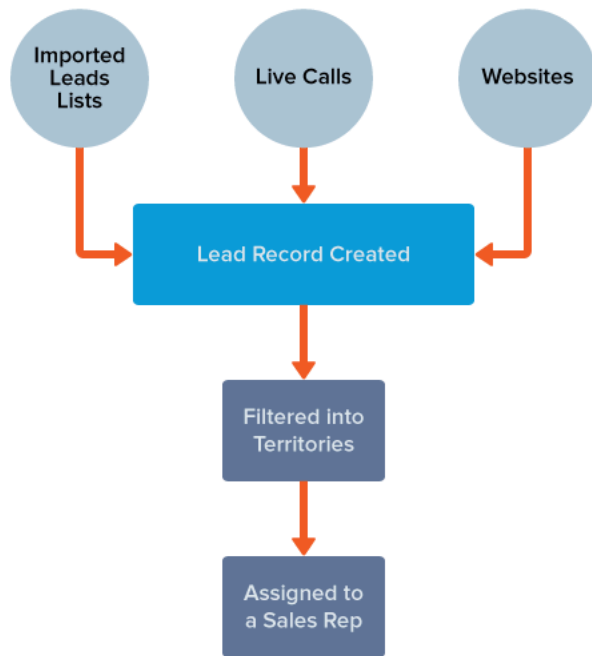
Sales reps are motivated by the commission they can earn on sales. NetSuite sales compensation feature gives you the power and flexibility to award commission based on total sales, quota, profitability, and more. Each sales rep can view the commission earned in real time on their personal dashboards.

The NetSuite payroll feature enables you to pay commission on sales reps' paychecks, which lets you manage each step of your sales compensation program.

For more information, see [Commissions](#).

# Setting Up SFA

As a sales manager, the less time you spend keying data, the more time you have to analyze and evaluate your selling process. The automated lead routing feature does that. NetSuite automatically assigns all new leads and customers to the appropriate sales rep's leads or customers list.



The first step in the process is to create sales teams. Sales teams include reps and other employees that have a role in closing deals.

Before your team begins selling, you should set up the rules and territories that determine how NetSuite distributes leads among your sales reps. You should also establish the sales quotas that your reps must meet.

To manage your sales force with NetSuite, complete the following tasks:

1. Set up the [Team Selling](#) feature.
2. Define [Sales Rules](#) and [Sales Territories](#).
3. Set quotas for your sales reps.

For more information, see [Establishing a Quota](#).

## Team Selling

The Team Selling feature lets you associate sales transactions and customers with sales teams comprised of various employees. In addition to sales reps and managers, sales teams can include engineers, account managers and other employees that aid in the sales process.

You can use sales territories to route new leads, prospects, and customers to sales teams for assignment. For more information, see [Sales Territories](#).

To enable the Team Selling feature, go to Setup > Company > Enable Features > CRM. Check the Team Selling box, and then click Save.

When you enable Team Selling, NetSuite:

- Replaces the Sales Rep field on sales transactions and on customer records with a Sales Team subtab
- Replaces the Sales Rep box on employee records with a Sales Role field
- Assigns existing employees marked as sales reps the Sales Rep sales role
- Adds a Select Sales Team Members option to the Create Group page
- Provides the Sales by Sales Team Summary and Detail and the Sales Orders by Sales Team Summary and Detail reports
- Groups sales reports that organize data by sales rep by sales team, by default

In addition, the Team Selling feature affects existing transactions and customers in the following ways:

- Existing customers or sales transactions associated with a single sales rep display the rep on the Sales Team subtab for the customer or transaction. NetSuite marks this rep as the primary sales rep.
- Existing customers or sales transactions associated with a sales group (created prior to Team Selling) display those group members on the Sales Team subtab. NetSuite defaults no primary sales rep.

If you stop using the Team Selling feature, NetSuite maintains the sales team data for transactions entered when you used the feature. This ensures that commission payments and quota calculation remain accurate.



**Important:** If you change the sales rep on one of these transactions, NetSuite omits the team selling information and updates commission data with changed rep.

## Setting Up Team Selling

You create sales teams to include all of the employees that work together to close deals. You assign each member of a sales team a sales role that describes what they do to aid the sales process.

### Creating a Sales Role

Before you create a sales team, you must create sales roles and assign them to your employees.



**Note:** Team Selling includes the Sales Rep sales role, by default. If you allow sales team contributions in excess of 100%, you must also create an adjustment rep sales role. For more information on overassignment, see [Overassignment and Adjustment Reps](#).

#### To create a sales role:

1. Go to Customers > Other > CRM Lists.
2. Click **Sales Role**.
3. Enter a name and description for the role.
4. If this is a role assigned to sales reps, check the **Sales Rep** box.  
Employees with sales rep sales roles appear on sales reports and KPIs.
5. Click **Save**.

Next, select the role in the Sales Role field on the **Human Resources** subtab of each employee's record.

## Creating a Sales Team

After you assign sales roles to your employees, you can create a sales team record.

Sales teams in NetSuite are groups of employees. Each employee in a sales team has a designated contribution percentage. A member's contribution percentage determines how much of a transaction's total is used to calculate:

- commission earned for that transaction
- how much of the transaction counts towards a quota
- how the transaction affects the sales forecast

For example, a sales rep has a 10% contribution percentage in their sales team. When a sale closes, the sales rep earns 10% of the commission they would receive if they been the only rep on the deal.

When you create a sales team, you choose the primary sales member when you check the Primary box next to the member's name. Only the primary sales rep can edit the sales forecast for transactions associated with the team. Additionally, the primary sales rep appears on sales reports in the Primary Sales Rep column.

### To create a sales team:

1. Go to Setup > Sales > Sales Management > Sales Teams > New.
2. Enter the name of the sales team.
3. Select the owner of the group.
4. If this group has an email alias in your email application, enter that address in the **Email** field.
5. On the **Members** subtab, do one of the following to add members to this group:
  - To add individual members, enter part of a member's name in the **Name** column, and then press **Tab**. Select a member, and then click **Add**. Repeat these steps for each member.
  - Click **Add Multiple**, and then press and hold CTRL to select more than one member from the list.
  - Click **Add With Search** to enter search criteria for the members you want to add.
6. In the **Access Level** column, select the level of access this person should have to the group's calendar and events.
7. The sales role on the employee's record appears in the **Sales Role** column.  
You can change the employees sales role for this sales team.
8. Check the box in the **Primary** column if this employee is the lead for this sales team.
9. In the **Contribution %** column, enter the default contribution percentage for each team member.



**Note:** You can use the Allow Overassignment in Sales Team preference. Go to Setup > Sales & Marketing Automation > Sales Preferences.

You can later adjust a team member's contribution percentage in the **Contribution %** column on individual sales transactions or customer records.

10. Click **Add**.
11. Repeat these steps for each member of the group.

12. If you allow contribution overassignment, select an adjustment rep for each manager in the sales team. For more information, read [Overassignment and Adjustment Reps](#).
13. Click **Add**.
14. Click **Save**.

Now, you can assign this sales team to customers and sales transactions.

## Overassignment and Adjustment Reps

If you allow contribution percentages to exceed 100%, you must create adjustment sales reps for each sales team. Adjustment sales reps ensure that sales reports show proper totals.

Overassignment lets you permit sales reps to count the full transaction amount when you calculate quota, commission, or sales forecast. This is true even if other sales reps were involved.

Before you create an adjustment rep record, you must create an adjustment rep sales role. For more info, see [Creating a Sales Role](#).

### To create an adjustment sales rep record:

1. Go to Setup > Sales & Marketing Automation > Sales Preferences.
2. Check the **Allow Overassignment in Sales Team** box.
3. At the bottom of the page, enter a name for the adjustment rep.  
You should name your adjustment reps to identify the sales manager or supervisor for whom they are created. For example, **AdjustmentRep\_Linda Smith**.
4. In the **Sales Role** field, select **Adjustment Rep**.
5. Select the sales manager or supervisor whose sales totals you want this adjustment rep to correct.
6. Click **Add**.

Now, you can add this adjustment rep to a sales team.

### To add an adjustment rep to a sales team:

1. Open the sales team group record at Customers > Relationships > Groups > New.
2. On the **Members** subtab, select the adjustment rep for the team's supervisor or manager in the **Name** column.
3. In the **Sales Role** column, select the adjustment rep for this team's manager or supervisor.
4. In the **Contribution %** column next to the adjustment rep, enter the amount in excess of 100% the other sales rep team members contribute.
5. Click **Add**.
6. Click **Save**.

Adjustment reps appear in the sales team on sales reports and KPIs.

## Associating Sales Teams with Customers and Transactions

With the Team Selling feature enabled, you can associate sales teams with sales transactions and with lead, prospect, and customer records.

## To associate a sales team with a lead, prospect or customer:

1. Edit the record you want to associate with a sales team.
2. Click the **Sales** subtab.
3. In the **Choose Team** field, select the sales team.  
The sales team members are listed on the **Sales Team** subtab.
4. Click the **Sales Team** subtab.
5. You can do the following:
  - Select the primary rep for this record in the **Primary** column.
  - Adjust the contribution percentages for this record.
  - Add additional sales team members for this record.
6. Click **Save**.

Now, when you enter a transaction for this lead, prospect, or customer, the sale is linked to the sales team. This link is for the purpose of generating commission, calculating quota, reporting sales, and forecasting. If you view a record, the primary rep appears in the Sales Rep field with the primary rep's contribution percentage.

When you enter a transaction for a customer, the sales team associated with the customer appears by default on the Sales subtab. You can adjust the settings for a sales team on individual transactions. For example, alter the contribution percentages, change the designated primary rep, or add members to the sales team.

## To associate a sales team with a sales transaction:

1. On the transaction, click the **Sales Team** subtab.  
If the customer on the transaction is assigned to a sales team, it appears by default on the **Sales Team** subtab.
2. If no sales team is chosen by default, select a sales team in the **Sales Team** field.
3. Adjust the sales team as necessary for this transaction.
4. Click **Save**.

Now, the transaction appropriately impacts the sales team's commission, quota, sales, and sales forecast.

For sales reports that are not sorted by sales reps, transactions show only for the primary sales rep listed on a transaction.

Any changes made to a sales team on a transaction do not affect the sales team on the group record or customer record. For information on changing sales teams, see [Mass Updating Sales Teams](#) and [Updating Individual Sales Teams](#).

If you want to reassign a sales team using your existing sales territories, edit the customer record. On the Sales Team subtab, remove each member of the sales team. Then, select Reassign Using Territories in the Employee column, and then set the Contribution % to 100.

## Mass Updating Sales Teams

Mass updates are a convenient way to update an individual employee's (sales rep's) membership of a sales team, across multiple customer accounts. NetSuite bases mass updates on saved search criteria and applies updates to the employees list on the Sales Team submenu on Company records. There are three



types of Sales Team Member updates, with the setup process common to all types. For an explanation of what each type of update does, see [Sales Team Member Mass Update Types](#).

**Note:** Administrators should enable the Team Selling feature to utilize Sales Teams.

### To perform a mass update of sales team members:

1. Administrators, go to Lists > Mass Update > Lists > Mass Update > Mass Updates.
2. Click **Sales Force Automation** to expand the menu.
3. Select the required type of **Team Member** mass update.
4. Add a name for the update in the **Title of Action** field.
5. Select an **Employee** you want the update criteria to apply to.
6. Select a **Sales Role** from the list.
7. From the **Criteria** subtab, add the required fields to filter the results.
8. Complete fields from additional subtabs as required.
9. Click **Save**.
10. Go to Lists > Mass Update > Saved Mass Updates
11. Click **Preview** alongside the required saved mass update.
12. Click **Perform Update** to amend the selected records.

## Sales Team Member Mass Update Types

There are three types of sales-team related mass updates:

- **Add Sales Team Member** – Adds an employee to the sales team assigned to customers  
NetSuite adds employees with sales rep roles as non-primary sales team members with 0% contribution percentage.
- **Remove Sales Team Member** – Removes an employee from sales teams  
NetSuite removed employees with a sales rep role if their contribution percentage is 0%.
- **Replace Sales Team Member** – Replaces an existing sales team member with another employee  
NetSuite awards the employee the same contribution percentage, sales role, and primary or non-primary status as the member being replaced.  
When you perform this update, first select the sales team member to replace in the Replace Team Member field. This selection filters the search results to show only those customers whose sales team includes the employee being replaced.  
NetSuite does not update if the employee replacing another team member is already a member of the sales team.

## Updating Individual Sales Teams

You can apply changes made to sales teams to associated transactions or customer records. These changes can include removing sales team members, adding members, or changing roles and contribution percentages.

If you update the sales team on a transaction, check the Update Customer box. This option applies these changes to the sales team on the customer record.

If you update the sales team on a customer record, check the Update Transactions box. This option applies these changes to transactions entered for this customer.

## The following rules apply to these updates:

- NetSuite adds employees with sales rep roles with 0% contribution percentages.
- NetSuite adds employees with non-sales rep roles with the contribution percentage you enter.
- Employees added to a sales team keep the sales role they were assigned.
- Sales reps are always added as non-primary reps.
- NetSuite only removes the sales team members you specifically delete from the updated record or transaction.
- You can delete non-sales rep employees only if their contribution percentage is 0%.
- NetSuite does not apply these updates to parent or child records of the updated record.

## Sales Rules

A sales rule is a set of parameters for how NetSuite assigns potential customers to sales reps. Sales rules are based on standard and custom fields found on lead, prospect, and customer records. For example, name, address, and phone number.

NetSuite does not assign a potential customer that does not match your sales rules. You can manually assign these potential customers, or you can distribute them with the default Round Robin sales territory.

For example, you have three sales reps in one city. You can make a sales rule of a city and a sales rule for each customer status. When you create the three sales territories, you select the city rule for each sales rep in that area. However, you choose a different customer status for each sales rep. Now, one sales rep will be assigned leads for that city, one will be assigned prospects, and the other will be assigned customers.

### To create a sales rule:

1. Go to Setup > Sales & Marketing Automation > Set Up Sales Rules > New.
2. On the Select a Customer Rule Field page, click the name of the field on which you want to base this rule.  
The type of field you select determines what kind of criteria you can set.
3. On the Customer Field Rule page, enter a name and description for this rule.  
The field you base this rule on is shown below the description.
4. Set the criteria you want for this rule. Set multiple subcriteria, if needed. For example, you want to create a zip, postal code rule that includes multiple zip codes.

The criteria you can set are based on the type of field on which you base this rule:

- **Numerical fields** – criteria and subcriteria based on numerical ranges
- **Text fields** – criteria and subcriteria based on alphanumeric content
- **Box fields** – criteria based on whether the box is checked (is Equal To) or not checked (is Not Equal)
- **List fields** – criteria based on the inclusion or exclusion of choices in preexisting lists, for example, Lead Source or State

- **Custom fields** – criteria based on the information entered in custom fields
5. Set the rules if you want customers to match all or any of the criteria and subcriteria. Availability of these options depends on the type of field on which you base this rule:
    - Choose **Match All Conditions** if you want customers to be assigned by this rule only if they match all criteria and subcriteria.
    - Choose **Match Any Condition** if you want customers to be assigned by this rule if they meet any of the criteria or subcriteria.
  6. If you have the option to select subcriteria, set them at the bottom of the page, and then click **Add/Edit**.
  7. Click **Save**.

After you create the sales territory assignment rules, group those rules into territories, and then assign the territories to sales representatives. Go to Setup > Sales > Sales Management > Sales Territories > New.

## Sales Territories

Sales territories use sales rules to determine how NetSuite distributes new potential customers to your sales reps, sales groups, and sales teams.

In NetSuite, you define sales territories by sales rules. The information in a lead, prospect, or customer's record must match one or all of the criteria of the sales rules to be assigned to that territory.

**Note:** Territory assignment works on a first come first served basis. When NetSuite encounters a successful Sales Territory rule and assigns the Lead, the processing of Sales Territory rules stops. Subsequent rules are not considered and cannot overwrite the initial assignment.

For example, Wolfe Electronics assigns most of their leads to traveling sales reps based on geographic location. The company also purchases lists of leads to cold call and assigns them to telesales reps.

Wolfe sales administrators want leads from purchased lists assigned to the telesales team, regardless of their geographic location. They set up a specific sales territory that filters all leads that have the lead source: Imported List.

On the Manage Sales Territories page, the sales administrator gives this territory priority over the geographic territories. This priority ensures that NetSuite separates these leads before it assigns them based on their location.

When a new lead record is created, if it has the Imported List lead source, NetSuite assigns it to the internal sales team. This is true even if the lead's address matched the criteria of the Mountain West territory. If it has a different lead source, NetSuite assigns it to the geographic sales territory that matches its telephone area code.



To automate lead prospect and customer assignment, all new leads and prospects should fall within the sales rules. Go to Setup > Set Up Sales Rules. After you group the rules into territories, NetSuite assigns sales reps and sales groups to the territories. Then, NetSuite automatically distributes new customers to the correct sales person or team.

By default, NetSuite assigns customers to sales reps by a round robin process, if they are not assigned by sales territories.

**Note:** NetSuite assigns only newly created lead, prospect, and customer records by sales territories. NetSuite does not reassign entities that were previously assigned to a sales rep or sales team. To reassign an entity, you can use the Reassign Customers by Sales Territory Rules mass update. For more information, see the help topic [Reassigning Customers to Sales Territories](#).

## Setting Up a Sales Territory

### To set up a sales territory:

1. Go to Setup > Sales > Sales Management > Sales Territories > New.
2. On the Sales Territory page, enter a name for this territory.
3. Enter a description for this territory.
4. Choose **Match all rules** if customers must meet all of the criteria for the rules you select for with this territory.  
Choose **Match any rule** if customers can meet any of the criteria for the rules you select for this territory.
5. Check the **Inactive** box to inactivate this sales territory.
6. On the **Configure Rule Definitions** subtab, in the **Apply Rule** column, select a sales rule to apply to this territory, and then click **Add**.
7. Repeat the preceding step for all rules for this territory.
8. Click the **Lead Assignment** subtab.
9. In the **sales rep** field, select a sales rep, sales group, or sales team to assign this territory, and then click **Add**.

**Note:** If you do not use the Team Selling features, you can make a sales group appear in this list. Check the **Sales Group** box on an employee group record.

10. For each sales person or group you want assign to this territory, repeat the preceding step.  
NetSuite evenly distributes leads, prospects, and customers that meet these rules to all of the sales reps and groups you select.
11. Click **Save**.

After you set up the sales territories, you can prioritize them. For more information, see [Prioritizing Sales Territories](#).

## Making Changes to Territories

You can make changes to a territory. Go to Setup > Sales > Sales Management > Sales Territories > List. Click the Edit link for the territory you want to change. On the Configure Rule Definitions subtab, add or change the rules included in a territory. On the Lead Assignment subtab, change the sales reps assigned to the territory. Click Save.

**Note:** You can also go to Setup > Sales > Sales Management > Sales Territories to change a territory. From this page, click the territory name's link. Click Edit to make changes, and then click Save.

## Updating Territory Assignments

If your company periodically updates lead, prospect, and customer assignments through your sales territories, there are two other options you can use:

- **Keep Current Sales Rep** – This option lets you choose to maintain the sales rep or team selected on lead, prospects, or customer records.  
For example, if you use scripts to apply sales rules and territories, you can choose to not reassign records that meet some sales rules.
- **Clear Sales Rep Assignment** – This option lets you remove the assigned rep or team from leads, prospects, and customers who meet the territory's criteria.  
For example, leads with no recent activity can be promptly addressed. If you clear the Sales Rep field, your sales team can manually reassign them.

You can choose either of these options in the Sales Rep column on the Lead Assignment subtab of a sales territory.

## Prioritizing Sales Territories

The order in which territories appear determines on the Manage Sales Territories page NetSuite customer assignment. If a customer meets the rules for more than one territory, NetSuite assigns the customer to the territory with the highest priority. You can change the priorities at Setup > Sales > Sales Management > Sales Territories. Single click the icon next to the territory name. The cursor changes to a four-headed cursor and the row appears gray. Drag to reorder the list.

## Establishing a Quota

Quotas are goals you set for sales representatives. You can create and track quotas for sales reps by item, class, location, or department.

You can set quotas for sales reps based on company sales goals. Then, edit forecasts by sales rep to determine how close a sales rep is to their quota. You can also adjust the forecasted amount to reflect deals that do not yet have transactions. Go to Transactions > Quota/Forecast > Edit Sales Rep Forecast (Administrator).

To track quarterly quotas, an administrator can go to Setup > Sales > Preferences > Sales Preferences (Administrator). Click the Forecasts subtab, and then check the Forecast Quarterly (vs. Monthly) box.

If you use NetSuite OneWorld, you choose a subsidiary on which to base each quota. NetSuite measures sales associated with the subsidiary you select and sales tied to any child subsidiaries by this quota.

If you use the Commissions feature, you can create commission plans based on quotas. For more on setting up commissions, see [Commissions](#).

### To establish quotas:

1. Go to Forecast > Setup > Establish Quotas.

2. In the **Rep** field, select the sales rep for whom you want to set up quotas.

For an employee to show in this list, go to the employee record at Lists > Employees > Employees. Click **Edit**, and then on the **Human Resources** subtab, check the **Sales Rep** box.

When you select a sales rep, the periods or months for the year selected fill in the following columns.



**Note:** If you select a sales manager or sales administrator, the quota you set is for that individual and not for the sales team. To make this a quota for the entire sales team, check the **Team Quota** box.

3. To set a quota for a specific item, department, class, or location, make your selection in the corresponding field.

You can set a quota based on only one of these options. For example, if you set a quota for an item, you cannot also base that quota on a location.

4. In the **Saved Search** field, select the **Commissionable Item** search on which to base this quota.



**Note:** To be able to base a quota on a saved search, you must have the **Employee Commission** feature enabled. See [Commissions](#).

5. If you use NetSuite OneWorld, select the subsidiary associated with transactions measured by this quota.

If you select a parent subsidiary, this quota measures sales associated with the parent and all of the child subsidiaries. For more information, see the help topic [Set up NetSuite OneWorld](#).

6. In the **Year** field, select the year for which to establish quotas. Quotas can be set five years retrospectively, as well as preemptively.
7. In the **Total** field, do one of the following:
  - Enter a total sales dollar amount for the year, and click **Distribute** to divide this total evenly to each period.
  - In the **Amount** column for the first period, enter the amount that you want as the quota for each period. Click **Fill Down** for this amount to fill in the **Amount** column for each period. The sum of all period quotas appears in the **Total** field.
  - Enter individual sales quotas for each period below, and the total field fills with the sum of the period amounts.
8. To create a quota for a sales team, select the team manager in the **Rep** field, and check the **Team Quota** box.

For more information on team quotas, read the help topic [Team Quotas](#).

9. In the **Target On** field, select from the following options:

- **Sales** – This quota measures the sales amounts.
- **Alt.Sales Amount** – This quota measures the alternate sales amounts.

For more information, read the help topic [Alternate Sales Amounts](#).

- **Custom Field** – This option displays the **Custom Field** field through which you choose the amount field on which this quota should be measured.

10. In the **Custom Field**, select the custom transaction column amount field on which this quota should be measured. Custom transaction column fields must be defined by **Type: Currency**. They can be based on any standard or custom currency amount field. For more information, read the help topics [Creating a Custom Field](#), [Field Type Descriptions for Custom Fields](#), and [Transaction Line Custom Field](#).

11. Click **Save**.

When you set quotas for individual sales reps, you can set up and view each sales rep's personal forecast in comparison to the quota. Edit and adjust forecasts for sales reps at Forecast > Setup > Edit Sales Rep Forecast.

Use the Sales Forecast vs. Quota report to view your sales reps' success with their quotas throughout each sales period. NetSuite updates this report with each sales transaction so that you and your sales reps know exactly how close they are to their quotas.

If you use the Alternate Sales Amount feature, NetSuite provides the following quota reports:

- **Alt. Sales Forecast vs. Quota** – This report replaces the Sales Forecast vs. Quota report.
- **Alt. Sales and Billings Forecast vs. Quota** – This report shows both the ASA forecast and quota and the billings forecast and quota.
- **Billings Forecast vs. Quota** – This report shows the billings forecast and quota.

For more information on the Alternate Sales Amount feature, read the help topic [Alternate Sales Amounts](#).

To view or edit existing quotas, go to Forecast > Setup > Establish Quotas. Select the year and sales rep whose quota you want to view. Select the item, department, location, or class if you have set up quotas based on any of these. The Total field fills when you select your choices in these fields.

## The Enhanced Sales Center SuiteApp

The Enhanced Sales Center SuiteApp provides user interface enhancements to the standard NetSuite Sales Center. The new Sales Center makes information that is relevant to sales users available to them through better organized tabs, forms, links, and dashboards. For more information on the enhancements introduced in the Enhanced Sales Center, see [Sales Center Enhancements](#).

If you are new to NetSuite and you want to find more information about the NetSuite user interface and Standard Centers, see the help topic [Centers Overview](#).

## Setting up the Enhanced Sales Center

### Prerequisites

Before you download and install the SuiteApp, you must enable the following features:

- Customer Relationship Management
- Sales Force Automation

See the help topic [Enabling Features](#).



**Important:** If you do not use the Opportunities and Customer Support and Service features, you must delete the Opportunities and Support tabs. To delete custom center tabs, go to Customization > Centers and Tabs > Center Tabs. Click Edit next to the Opportunities tab. On the Actions list, click Delete. Click Save. Delete the Support tab in the same manner.

## Installing the Enhanced Sales Center



**Note:** You can install this SuiteApp on NetSuite 2012.1 or later.

Bundle Name: Enhanced Sales Center

Bundle ID: 58416

Location: Production (Account ID: 3966833)

Availability: Public

For more information on installing SuiteApps, see the help topic [Installing a Bundle](#).

For updates to the Enhanced Sales Center, an account administrator or a user with SuiteApp Marketplace permission can update the installed bundle. For more information, see the help topic [Installed Bundle Updates](#).

## Sales Center Enhancements

The Enhanced Sales Center includes comprehensive changes to the standard Sales Center user interface. These changes provide a more intuitive and convenient interface specifically designed for sales users.

Click these topics for more details on the Sales Center enhancements:

- [Enhanced Sales Center Roles and Permissions](#)
- [Enhanced Tabs, Categories, and Links](#)
- [Enhanced Sales Forms](#)
- [Enhanced Field Labels and Custom Fields](#)
- [Enhanced Saved Search Forms and Search Results List Views](#)
- [Enhanced Dashboards and Portlets](#)

## Enhanced Sales Center Roles and Permissions

You can assign the following custom roles in the Enhanced Sales Center:

- Sales Admin - Enhanced Sales Ctr
- Sales Mgr - Enhanced Sales Ctr
- Sales Rep - Enhanced Sales Ctr
- Publisher - Enhanced Sales Ctr

Each custom role includes a set of associated permissions that determine the data sales users can see and the tasks they can perform. If you are a NetSuite Administrator, you can assign these roles to users, as needed. For more information, see the help topic [Assigning Roles to an Employee](#).

The roles in the Enhanced Sales Center are locked, but you can customize them when you create copies that you can edit. For more information, see the help topic [Customizing or Creating NetSuite Roles](#).

You can also compare permissions of the standard NetSuite Sales Center and the Enhanced Sales Center roles before you assign them to users. For information on comparing roles and permissions, see the help topic [Showing Role Permission Differences](#).

## Enhanced Tabs, Categories, and Links

When you access the Enhanced Sales Center roles for the first time, NetSuite provides a default set of tabs. The Enhanced Sales Center includes tabs found in the standard Sales Center, as well as tabs for Calendar, Leads & Prospects, Contacts, and Items. The More tab is where NetSuite places the least used links. The default Enhanced Sales Center tabs may vary depending on the role used.



The Leads & Prospects, Opportunities, Customers, Contacts, Forecasts, and Items tabs include only three basic categories: Overview, Reports, and Tools. The links under each category include only information that is most useful to a particular sales role.

You should disable the tab list. You can click a tab to access the categories and links. For more information on list menus on tabs and categories, see [Setting Up Appearance Preferences](#).

## Enhanced Sales Forms

**Note:** If you are a NetSuite Administrator, ensure you upgrade your account with the latest form layout enhancements. The enhanced forms of the Enhanced Sales Center includes updates to field groups, subtabs, and sublists. For information about deploying the form layout enhancements, see the help topic [Deploying Upgraded Forms](#).

The default leads, prospects, opportunities, customers, and partners forms display all information in two columns.

The subtabs on sales forms expand to show sections instead of tabs. Sections limit the number of clicks required to get to a specific field or information.

**Important:** You must change the Expand Tabs on Entry Forms preference to Yes to activate this enhancement. For more information, see [Setting Up Appearance Preferences](#).

The forms in the Enhanced Sales Center are locked, but you can customize them when you create copies that you can edit. You can place your custom fields anywhere in the custom form. You can also customize the roles provided by the SuiteApp to control access to your customized form. For more information, see the help topic [Custom Forms](#).

## Enhanced Field Labels and Custom Fields


The SuiteApp renames fields on records to more closely follow typical industry terminology. It also includes the following custom fields that are commonly used in other popular CRM applications:

- Annual Revenue
- Campaign Category
- Created Date
- Industry
- Last Modified Date
- No. of Employees

The following tables list the fields on the Enhanced Sales Center and their counterpart fields on the standard Sales Center. It also provides the equivalent fields used in other popular CRM applications.

Field Labels on Customer and Prospect Records			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
Sales Rep		Account Owner	
Customer ID / Prospect ID	Name/ID		Name/ID

Field Labels on Customer and Prospect Records			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
Customer Name		Account Name	
Parent Customer		Parent Account	
Phone		Phone	
Email		Email	
Fax		Fax	
Website	Web Address	Website	Web Address
	Category	Type	Category
Industry		Industry	
No. of Employees		Employees	
Annual Revenue		Annual Revenue	
Campaign	Marketing > Lead Source		Lead Source
Description	Comments	Description	Comments
Created Date	Date Created	Created By	Date Created
Last Modified Date		Last Modified By	

Field Labels on Lead Records			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
Sales Rep	Sales Rep	Lead Owner	
Lead ID	Name/ID		
Name		Name	
 <b>Note:</b> The Lead Conversion feature must be enabled in your account for the Name field to appear on a new Lead form.			
Company		Company	
Title		Title	
Lead Status	Status	Lead Status	Status
Phone	Phone	Phone	Phone
Mobile Phone	Mobile Phone		
Email	Email	Email	Email

Field Labels on Lead Records			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
Rating	Qualification > Sales Readiness	Rating	Sales Readiness
Address	Address	Address	Address
Website (not available for individuals)	Web Address	Website	Web Address
Industry		Industry	
No. of Employees		No. of Employees	
Annual Revenue		Annual Revenue	
Description	Comments	Description	
Campaign	Marketing>Lead Source	Lead Source	Lead Source
Created Date	Date Created		Date Created
Last Modified Date			

Field Labels on Contacts			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
		Contact Owner	
Contact ID	Contact		
Customer Name	Company	Account Name	Company
Title	Job Title	Title	Job Title
Phone	Main Phone	Phone	Phone
Mobile Phone	Mobile Phone	Mobile	
Email	Email	Email	Email
Reports To	Relationships > Supervisor	Reports To	
Mailing Address	Address	Mailing Address	Address
Fax	Fax		Fax
Other Phone			
Assistant			
Asst. Phone			
Description	Comments	Description	Comments
Created Date	Date Created	Created Date	Date Created
Last Modified Date			

Field Labels on Opportunity Records			
Enhanced Sales Center	Standard Sales Center	Fields used in other popular CRM applications	Search Fields to Use
Sales Rep		Opportunity Owner	
Opportunity Number	Opportunity #		Number/ID
Opportunity Name	Title	Opportunity Name	Title
Customer Name	Company	Account Name	Prospect/Customer
Forecast Type	Forecast Type	Type	Forecast Type
Campaign		Primary Campaign Source	
Expected Close Date	Expected Close	Close Date	Expected Close Date
Actual Close			
Stage	Status	Stage	Opportunity Status
Probability (%)	Probability	Probability (%)	Probability
Amount	Projected Total	Amount	Projected Amount
Range	Range		Range - High, Range - Low
Next Step	Action Item	Next Step	Action Item
Rating	Sales > Sales Readiness		Sales Readiness
Campaign Category			
Campaign	Lead Source	Primary Campaign Source	Lead Source
Description	Details	Description	
Created Date		Created By	
Days Open			
Last Modified Date		Last Modified By	

## Enhanced Saved Search Forms and Search Results List Views

The Enhanced Sales Center includes saved searches. You can use these searches as default search forms and results list view when you search for these record types:

- Activity
- Contact
- Customer
- Document
- Event
- Group
- Item

- Opportunity
- Phone Call
- Task
- Transaction

The standard Sales Center, by default, uses a search form with a system-defined set of fields that you can use as search filters.

**Opportunity Search** List Search

[Submit](#) [Reset](#) [Export](#) [Personalize Search](#) [Create Saved Search](#)

☒ Use Advanced Search

**Prospect/Customer**  
 any of  
 - None -  
 1 ACME Industries  
 11 ACME Industries : Whiz Inc.  
 2 ACME Corporation

**Title**  
 any

**Projected Amount**  
 any

**Value**

**Range - High**  
 any

**Value**

**Range - Low**  
 any

**Value**

**Range - High (Foreign Currency)**  
 any

**Value**

**Range - Low (Foreign Currency)**  
 any

**Value**

**Period**

**Tax Period**

**Date**  
 within All

**From** **To**

**Item**  
 any of  
 - None -  
 Airborne  
 Billable Expense Markup  
 Billable Group

**Number**  
 any

**Value**

**Document Status**  
 any of  
 In Progress  
 Issued Estimate  
 Closed - Won  
 Closed - Lost

**Line Item**  
 any of  
 - None -  
 Airborne  
 Billable Expense Markup  
 Billable Group

**Line Amount**  
 any

**Value**

**Expected Close Date**  
 within All

**From** **To**

**Probability**  
 any

**Value**

[Submit](#) [Reset](#) [Export](#) [Personalize Search](#) [Create Saved Search](#)

The Enhanced Sales Center saved search forms include only search filters that are commonly used by sales persons when the search for sales records.

Global and quick search results for the above records use the saved search list view included in the SuiteApp.

For more information on setting the default search forms and results list view, see the help topic [Setting Search Defaults for a Role](#).

For general information about views, see the help topic [Working with List Views, Sublist Views, and Dashboard Views](#).

## Enhanced Dashboards and Portlets

The links portlets are streamlined to include only links that sales users are most likely to access.

The following new saved searches are the default dashboard views on their corresponding center tabs:

- My Tasks
- My Phone Calls
- My Leads
- My Prospects
- My Opportunities
- My Customers
- My Contacts,

For general information about views, see the help topic [Working with List Views, Sublist Views, and Dashboard Views](#).

The Setup tab contains a links portlet. It has for Sales & Marketing Automation, Customization, User/Roles, Import/Export in place of the standard NetSuite Setup Manager.

The More tab contains a links portlet with links to least used sales information.

## Customizing the Enhanced Sales Center

If you are new to NetSuite, you should familiarize yourself with the following concepts before you perform any customization to the Enhanced Sales Center:

- [Assigning Roles to an Employee](#)
- [Dashboard Personalization](#)
- [Publishing Dashboards](#)



**Note:** Ensure that you assign Enhanced Sales Center roles to Admin users before you perform the following configuration tasks.

## Setting Up Appearance Preferences

You should set up the following appearance preferences for each Enhanced Sales Center role to take advantage of the user interface enhancements.

### To set up appearance preferences:

1. Go to Home > Set Preferences.
2. Click the **Appearance** subtab, and then select the following values for the following fields:

Preference	Setting
Color Theme	Custom: New Sales Color Theme
Screen Font	Arial
Limit Entry Forms to Two Columns	Yes
Expand Tabs on Entry Forms	Yes

3. Click **Save**.

## Duplicating Custom Center Tabs

If you added custom center tabs to your sales center, you can make copies of these tabs to add to the Enhanced Sales Center. For more information, see the help topic [Creating Center Tabs](#).

### To duplicate a center tab:

1. Go to Customization > Centers and Tabs > Center Tabs.
2. Click **Edit** next to the name of the custom tab that you want to duplicate. The Custom Center tab form appears.
3. In the **Center** field, change the selection from **Classic Center** to **Enhanced Sales Center**.
4. Under the **Save** button list, select **Save a Copy**.

## Recreating Custom Categories

If you created custom categories in the standard Sales Center, you must create them again in the Enhanced Sales Center. You cannot edit the custom categories on the standard Sales Center and duplicate them for use in the Enhanced Sales Center.

To create custom categories, go to Setup > Customization > Center Categories > New. Enter the values to the Custom Center Category fields. For information on how to create Custom Categories, see the help topic [Creating Center Categories](#).

## Adding Custom Center Links

Center links takes users to other NetSuite pages, custom records, Suitelets, or external websites. You can add links that you used in the standard Sales Center categories to the Enhanced Sales Center categories.

### To add center links:


1. Log in to NetSuite using the Enhanced Sales Center - Publisher role.
2. Click the tab you want to add the link to.
3. On the upper-right corner, below the tabs, click **Edit Custom Tab**.
4. Click **Save**.
5. If you receive a prompt to submit an unchanged record, click **OK**.
6. Click **Edit** next to the center category you want to add the link to.
7. Add the links that you previously used in the standard Sales Center.
8. Click **Save**.

For more information, see the help topic [Creating Center Links](#).



# Sales Forecasting

One of the most important requirements for the success of your business is to be able to predict sales. How you compile and calculate sales forecasts can impact all aspects of your business, from production to inventory to cost to revenue. All of the up-to-the-minute information you need to make sound business decisions is a few clicks away.

 **Note:** If you are a sales rep, read [A Sales Person's Guide to Forecasting](#). This topic explains how to use the NetSuite forecasting tool.

NetSuite provides a flexible forecasting tool that you can configure to your business' forecasting needs:

- NetSuite provides comprehensive forecast calculation methods and a three-tiered probability system that gives a high degree of accuracy.
- NetSuite includes key performance indicators (KPIs) like Forecast, New Opportunities, and Total Pipeline. Use these KPIs to view and manage all aspects of your forecast right from your dashboard.
- The Sales Rep Forecast Editor lets sales reps leverage their experience and knowledge to adjust their forecasts. Entering forecast overrides and updates ensures that the forecast is accurate and reflects the best notions of your sales force.
- NetSuite reporting tools help you compile and slice forecasting data to give you exactly the information you need.

## Using NetSuite Sales Forecasting

The following roles use sales forecasting:

- **Sales Reps** – For a sales rep, an accurate representation of your sales forecast is key to ensure you are on track to meet your quota. As you enter orders and opportunities, NetSuite updates your forecast numbers in real time on your dashboard. You can adjust your sales strategy with the certainty that you have accurate numbers at hand.

Also as a sales rep, you know better than anyone which deals are likely to close and when. With NetSuite, you can update and override the forecast calculated by the system with a more accurate number.

If you are a sales rep, read [A Sales Person's Guide to Forecasting](#). This topic explains how to use the NetSuite forecasting tool.

- **Sales Managers** – Sales managers need the most accurate forecast figures to ensure their teams meet quota.

With forecast reports and KPIs, sales managers can drill down to see how each rep is performing on a customer or transaction level.

The forecast accuracy reports provide historical data on how well you and your reps predicted sales. Historical data helps you make adjustments necessary to report accurate forecast amounts to company executives.

- **Executives** – Company executives are constantly in touch with the company sales forecast. Forecast KPIs and reports give an up-to-the-minute picture of the sales forecast essential to monitor your company's performance with respect to revenue goals.

## Working With Forecasting

To get started using forecasting:

- Review the forecasting options available in [Setting Up Sales Forecasting](#).
- Instruct your sales reps to read [A Sales Person's Guide to Forecasting](#).
- Review the recommendations in [Forecasting Best Practices](#).

## Setting Up Sales Forecasting

The NetSuite forecasting feature is simple to use and available with little set up required. See [Forecasting Preferences](#). As sales reps create opportunities and close deals, NetSuite automatically includes these amounts in your sales forecast.

### The Calculated Forecast

NetSuite calculates your sales forecast as the sum of the following:

- Opportunities with no estimates attached or with estimates that are not set to be included in the forecast
- Estimates set to be included in the forecast that have not been converted to closed sales
- Unbilled sales orders that have not been converted to cash sales or invoices
- Cash sales and invoices within the time period you are forecasting

If you use weighted forecasting, the calculated amount for each opportunity or estimate is multiplied by the probability of close. For example, an opportunity with a total of \$1000 and a 40% probability of close would have a weighted forecast amount of \$400.

### Forecasting Updates and Overrides

No one has a better feel for their sales forecast than the sales rep. If the calculated forecast does not match what a sales rep anticipates for their sales numbers, they can override the forecast with the Forecast Editor.

When a rep saves their forecast, NetSuite creates a snapshot of the rep's best prediction of their sales at that point in time. To ensure that the company-wide forecast is accurate, reps should review and update their forecasts on a regular basis.

Sales managers can use the Manager Forecast Editor to enter override forecasts that roll up into reports viewed by successive levels of your organization. The Manager Forecast Editor uses the judgement and experience of sales managers to know how accurately individual reps report their sales and pipeline.

Sales reps cannot see manager overrides to their forecasts. Sales reps continue to work for the best deal they can close regardless of what the manager thinks is a more likely outcome.

### Three-tiered Probability System

When sales reps create opportunities and estimates, they place each record into one of three categories: worst case, most likely, and upside. These categories, which you can rename as required, indicate how likely it is that a deal will close. Use worst case for deals that are likely to close. Use upside for deals that are not likely to close. Use most likely for deals that are somewhere in between the other two categories.

This three-tiered probability system gives the sales rep initial control over how an opportunity is reflected in the forecast. This initial control provides a level of accuracy the moment the sales rep enters the opportunity.

## Forecast KPIs and Snapshots

With NetSuite you can view real-time forecast Key Performance Indicators (KPIs) and Snapshots on your dashboard. This includes closed sales and recurring revenue as well as the opportunities and quotes in your pipeline.

You can show a variety of forecast key indicators and snapshots that provide an accurate view of your forecast numbers.

You can view any of the following forecast snapshots on your dashboard:

Snapshot	Description
Total Open Estimates	Shows the estimates (quotes) that are open as of the date you select.
Total Open Opportunities	Shows the opportunities that are open as of the date you select.
Forecast by Status	Shows a forecast divided by customer status, which provides a sense of where potential sales are in the sales cycle.
Sales Reps by Forecast	Shows the top sales reps by forecast for the date range you choose.

When you are logged in as sales manager, forecast and quota key indicators show the forecast and quota amounts for your team. Sales reps see their personal forecast and quota amounts.

You can also include [Historical Metrics](#) in your forecast snapshots and reports.

## Sales Management Snapshots

You can add sales management report snapshots as dashboard portlets. These snapshots provide real time sales, forecast, and order totals, visible by sales team.

The following portlets are available:

Portlet	Description
Sales Managers by Forecast	Shows the sales forecast for each sales team.
Sales Managers by Sales Orders	Shows the approved sales order totals for each sales team.
Sales Managers by Sales	Shows the sales totals for each sales team.

### To show sales management snapshots:

1. On your Home tab, click **Personalize Dashboard**.
2. In the Add Content frame, click on **Report Snapshots**.
3. Click **Sales Management**.
4. Drag the portlets you want to show onto your dashboard.

Click the icon next to a manager to expand or collapse the sales team. Click a currency amount or the **View Report** link to open a report relevant to the snapshot. For example, when you click a forecast amount for a sales rep, the Sales by Sales Rep Detail report opens.

## Forecast Reporting

NetSuite provides extensive [Forecast Reports](#) to enable you to manage and report your forecasting data. NetSuite provides the following types of forecasting reports:

- **Accuracy Reports** – Forecast Accuracy reports provide another layer of checks and balances that you can use to sharpen your forecast based on past performance. See the help topics [Forecast Accuracy Report](#) and [Calculated Forecast Accuracy Report](#).
- **Summary Reports** – Summary reports such as the [Sales Forecast vs. Quota Report](#) bring together all of your forecast data. See the help topic [Forecast Reports](#).
- **Detail Reports** – Detail reports provide a granular look at your report data. For example, the [Forecast by Sales Rep Summary Report](#) lists each sales rep's forecast for the period you define.

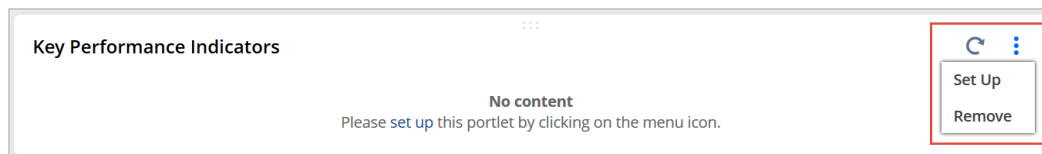
## A Sales Person's Guide to Forecasting

Sales forecasting is the process of estimating future sales. Accurate forecasts are essential if your business is to make informed decisions and plan accordingly for the short and long-terms. Sales forecasting provides insight into how a company should allocate its production resources, organize its workforce, and manage its cashflow.

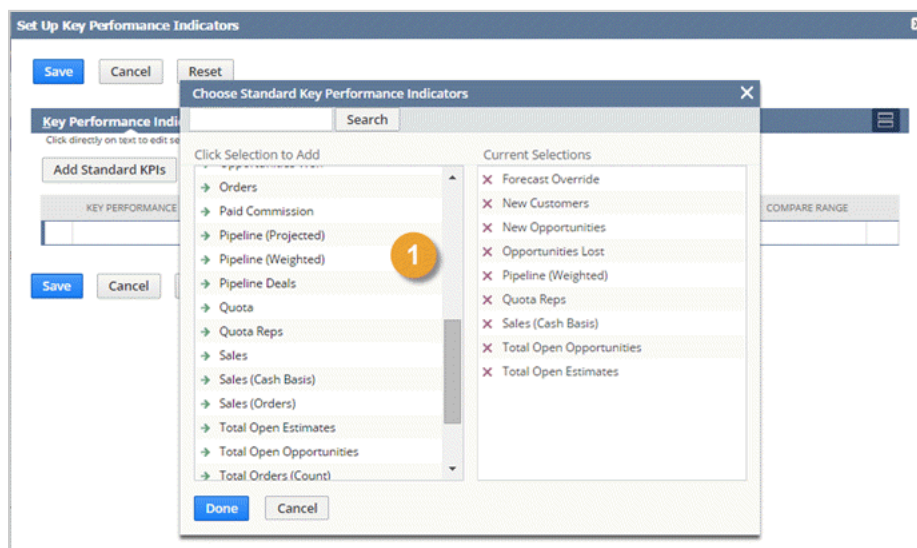
NetSuite enables sales personnel to provide your company with accurate and timely sales forecasts.

If you use the Advanced Forecasting and Opportunities feature, use this topic to create accurate forecasts.

1. Log in to NetSuite as a Sales Person to view your dashboard.  
From here you can configure your Key Performance Indicator (KPI) portlet. This portlet provides a quick and effective way of monitoring your forecast directly from your home screen.
2. Point your cursor in the upper right corner of the portlet, and then click **Set Up** from the menu.



3. Click the **Add Standard KPIs** button.



- 1 Click items in the left column to add to your KPI portlet. Click **Done**, and then **Save**.

Key Performance Indicators					
INDICATOR	PERIOD	CURRENT	PREVIOUS	CHANGE	
Forecast Override	This Month vs. Last Month	\$0	\$0		0.0%
New Customers	This Month vs. Same Month Last FQtr to Date	0	7	↓	100.0%
New Opportunities	This Month vs. Same Month Last FQtr to Date	2	0	↑	N/A
Opportunities Lost	This Month vs. Same Month Last FQtr to Date	1	0	↑	N/A
Pipeline (Weighted)	This Month	\$13,500			
Quota Reps	End of This Month vs. End of Last Month	0	0		0.0%
Sales (Cash Basis)	This Month vs. Same Month Last FQtr to Date	1	\$0		0.0%
Total Open Opportunities	Today vs. Same Day Last Month	35	34	↑	2.9%
Total Open Estimates	End of This Week vs. End of Last Week	9	9		0.0%

1 The items you selected appear in your KPI portlet.

4. As you create new opportunities, assign them a status to reflect how far they are in the negotiation process.

- NetSuite assigns each status a corresponding % probability score to indicate the likelihood of a deal closing. For example, the status **In Negotiation** is awarded 75%. These values are used to determine the weighted forecast.
- Select the category in the **Forecast Type** field to ensure your opportunities are shown in the correct forecast scenario.
- Enter a range of possible projected amounts for the opportunity. To maintain forecast accuracy, update the field as negotiations progress.

To provide your manager and executives accurate forecasts, you should regularly review and verify the amounts. The Sales Rep Forecast Editor is a single-screen summary of all your opportunities and sales in your forecast. From here you can make adjustments.

5. Go to Forecast > Setup > Edit Sales Rep Forecast > List to open the Forecast page. Click **Edit** on the required forecast.

- 1 If you think your forecast differs from that calculated by NetSuite, you can manually override the values. These values are the forecast seen by your manager.
  - 2 Select the forecast category for each opportunity: Omitted, Worst Case, Most Likely or Upside.
  - 3 Update the expected close date and status from the lists.
  - 4 Update the range of forecast values for each opportunity.
6. NetSuite comes pre-configured with a wide variety of forecast reports. If, however, you need to present specific types of information, you can customize the reports.

For example, a Wolfe Electronics sales person wants to see weighted pipeline amounts on the Forecast by Status Summary report. This report provides a view of how much of the forecast remains to be closed.

Status	Probability	Worst Case Calculated	Most Likely Calculated	Upside Calculated
<input checked="" type="checkbox"/> Customer				
Closed Won	100.00%	\$994.00	\$994.00	\$994.00
<b>Total - Customer</b>		<b>\$994.00</b>	<b>\$994.00</b>	<b>\$994.00</b>
<input checked="" type="checkbox"/> Prospect				
In Negotiation	75.00%	\$13,500.00	\$13,500.00	\$15,000.00
Identified Decision Makers	30.00%	\$0.00	\$1,800.00	\$1,800.00
In Discussion	20.00%	\$0.00	\$0.00	\$1,240.00
Qualified	10.00%	\$1,200.00	\$1,800.00	\$1,800.00
<b>Total - Prospect</b>		<b>\$13,200.00</b>	<b>\$17,100.00</b>	<b>\$19,840.00</b>
<b>Total</b>		<b>\$14,194.00</b>	<b>\$18,094.00</b>	<b>\$20,834.00</b>

- 1 Click the **Customize** button to open the **Report Builder**.

**Report Builder** Custom Forecast by Status Summary 2

**CUSTOM FORECAST BY STATUS SUMMARY 2**

NAME: Forecast by Status Summary + Pipeline (Weighted)

SEARCH FIELDS: pipe

Report Preview:

Status	Probability	Worst Case Calculated	Most Likely Calculated	Upside Calculated
Status 1	Probability 0	\$40000.00	\$40000.00	\$40000.00
Status 2	Probability 1	\$30000.00	\$30000.00	\$30000.00
Status 3	Probability 2	\$20000.00	\$20000.00	\$20000.00
Status 4	Probability 3	\$10000.00	\$10000.00	\$10000.00
<b>Total</b>		<b>\$100000.00</b>	<b>\$100000.00</b>	<b>\$100000.00</b>

Forecast: Upside Forecast

Column Label: Upside Calculated

Drop Decimals: ☐

Divided by 1000: ☐

Display Negative Numbers: ☐

Negatives in Red: ☐

Summary:

Add Grand Total: ☒

Add % of Total Column: ☐

Alternate Date Range Type:

Forecast by Status Summary + Pipeline (Weighted)

Status	Probability	Worst Case Calculated	Most Likely Calculated	Upside Calculated	Pipeline (Weighted)
<input checked="" type="checkbox"/> Customer					
Closed Won	100.00%	\$994.00	\$994.00	\$994.00	\$994.00
<b>Total - Customer</b>		<b>\$994.00</b>	<b>\$994.00</b>	<b>\$994.00</b>	<b>\$994.00</b>
<input checked="" type="checkbox"/> Prospect					
In Negotiation	75.00%	\$13,500.00	\$13,500.00	\$15,000.00	\$14,225.00
Identified Decision Makers	30.00%	\$0.00	\$1,800.00	\$1,800.00	\$1,800.00
In Discussion	20.00%	\$0.00	\$0.00	\$1,240.00	\$1,240.00
Qualified	10.00%	\$1,200.00	\$1,800.00	\$1,800.00	\$1,800.00
<b>Total - Prospect</b>		<b>\$13,200.00</b>	<b>\$17,100.00</b>	<b>\$19,840.00</b>	<b>\$19,840.00</b>
<b>Total</b>		<b>\$14,194.00</b>	<b>\$18,094.00</b>	<b>\$20,834.00</b>	<b>\$20,834.00</b>

- 1 Use **Search Fields** to access the required field. Click the **Pipeline (Weighted)** icon to add the column at the end. You can reorder the columns using the **Move Left** and **Move Right** buttons. Click **Preview** to verify that the required information was added to the report.

- 2 Your customized report will be generated in a new page. Click **Return To Customization**, and then **Save** to complete the set-up process.

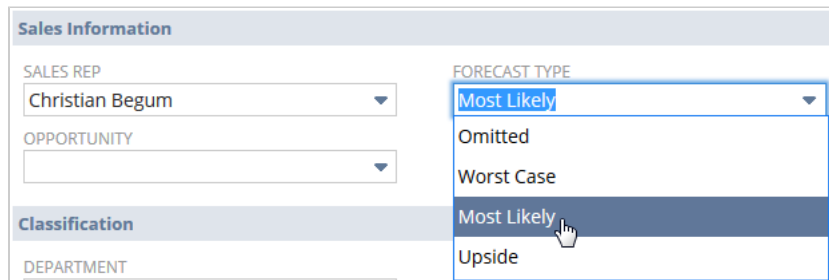
You are ready to begin managing your forecast with NetSuite.

## Forecasting Best Practices

When you require sales reps to place each opportunity and estimate into a forecast category, you get realistic forecast numbers. You also get a sense of other open opportunities, even if they are considered not likely to close.

To get the most out of your sales forecasting, you should do the following:

- Keep opportunities current. Instruct your reps to make sure their opportunities always reflect the most current developments in the negotiations.
- Make sure sales reps understand how to categorize their opportunities and how to adjust and save their forecasts.



The screenshot shows the 'Sales Information' form in NetSuite. The 'SALES REP' field is set to 'Christian Begum'. The 'OPPORTUNITY' field is empty. The 'FORECAST TYPE' dropdown menu is open, showing options: 'Most Likely' (selected), 'Omitted', 'Worst Case', 'Most Likely' (highlighted by a mouse cursor), and 'Upside'. The 'Classification' section is partially visible below.

- Require all of your sales reps to manage and update their forecasts on a regular basis.  
NetSuite automatically calculates sales forecasts, but without full participation, your team and company-level forecasts will lack the accuracy required to anticipate sales. For more information, see [Saving Sales Rep Forecasts](#).
- Impose a regular deadline every week by which each rep must save their forecast. This deadline should match the Forecast Accuracy preferences set at Setup > Sales > Preferences > Sales Preferences. For more information, see [Forecasting Preferences](#).
- Establish quotas for your sales reps that are in line with your company's revenue goals. Categorize quotas by class, department, or location, as appropriate. For more information, see [Establishing a Quota](#).
- Manage your sales team goals with team quotas. When a sales manager saves a manager forecast, they see how well the team performs in the context of their quota. For more information, see the help topic [Team Quotas](#).
- You can rename the forecast categories to fit the terminology of your business at Setup > Sales > Preferences.

## Forecasting Preferences

You can set your company forecast preferences at Setup > Sales & Marketing Automation > Sales Preferences. Click the Forecasts subtab.

Following are the available preferences:

- **Calculate Forecasts as Weighted** – Check this box if you want forecast totals weighted. NetSuite calculates weighted amounts by multiplying the probability by the projected amount of each transaction.
- **Forecast Quarterly (vs. Monthly)** – Check this box to edit forecasts and establish quotas by quarter rather than by month.
- **Minimum Forecast Probability** (Available only when the Advanced Forecasting feature is not enabled.) – Enter the minimum probability that an opportunity or estimate must have to be included in sales forecasts.
- **Low Forecast Name** (requires the Advanced Forecasting feature) – Enter the name your company uses for the lowest forecast or worst case forecast category. Use this category for the forecast amounts that are very likely to be converted to a sale.
- **Medium Forecast Name** (requires the Advanced Forecasting feature) – Enter the name your company uses for the medium or most likely forecast category. Use this category for deals that are likely but not certain to be converted to a sale.
- **High Forecast Name** (requires the Advanced Forecasting feature) – Enter the name your company uses for the highest or upside forecast category. Use this category for deals that are early in the sales process or are not likely to be converted to a sale.
- **Default Forecast Type** – Select the forecast type you want set on estimates and opportunities, by default. You can change the forecast type for each individual transaction.
- **Use Estimates in Forecast** – Check this box if you want to include estimates in forecast reports, snapshots, and key performance indicators.
- **Multiple Projected Amounts** (requires the Advanced Forecasting feature) – Check this box to enter multiple projected amounts on opportunities. When you use this preference, you enter a range of projected amounts on opportunities.
- **Forecast Accuracy (Weekly View)** – Determine at which point in the week you want to compare the sales forecast to the actual sales for the period. Select the day and time of the forecast you want to show in the report.  
You can set this preference to coincide with a weekly deadline that you set for your sales reps to save their forecasts.
- **Allow Setting Status in Forecast Editor** – Check this box if you want to permit sales reps to adjust the statuses of opportunities and estimates when they save their forecasts.
- **Allow Setting Probability in Forecast Editor** – Check this box if you want to permit sales reps to adjust the probability of opportunities and estimates when they save their forecasts.

When you are finished, click Save.

## Advanced Forecasting

The Advanced Forecasting feature lets you manage and track three categories of sales forecast amounts. These amounts represent your sales team's worst case, most likely, and upside forecasted sales amounts.

Advanced forecasting gives your sales reps more control over their sales forecast and increases the accuracy of your forecast reports and KPIs.

Managing different forecast categories also lets sales managers evaluate how well sales reps are able to predict their sales.

With Advanced Forecasting, you can also enter multiple projected amounts on opportunities. For more information on forecasting preferences, see [Forecasting Preferences](#).


To enable the Advanced Forecasting feature, an administrator can go to Setup > Enable Features > CRM > CRM > Sales. Check the Advanced Forecasting box, and then click Save.



## Estimates in the Forecast and Pipeline

With Standard Forecasting, NetSuite includes an estimate in the sales forecast and pipeline if:

- The estimate's expected close date falls within the period of the report.  
This is true even if the estimate is associated with an opportunity, and the opportunity's expected close date falls within the report's period.
- The estimate's probability of close exceeds the minimum forecast probability set at Setup > Sales > Preferences > Sales Preferences > Forecasts.

 **Note:** This preference is not available if you use the Advanced Forecasting feature.

- The Include in Forecast box is checked on the estimate.

If you use the Advanced Forecasting feature, NetSuite includes estimates based on the following rules:

- If the estimate is not associated with an opportunity, NetSuite includes it in the forecast category selected in the Forecast Type field. This field is on the estimate.
- If the estimate is the only estimate associated with an opportunity, NetSuite includes it in the forecast category selected on the estimate. NetSuite also includes it in each higher forecast category.
- If two estimates are associated with an opportunity, NetSuite includes the estimate in the lower category in the forecast categories of the other estimate.

### Single Estimates with Advanced Forecasting

If the estimate is the only estimate associated with an opportunity, NetSuite includes the estimate in the forecast category selected on the estimate. NetSuite also includes the estimate in each higher forecast category.

#### Example

An estimate is created from an opportunity. The estimate total is \$100.

Forecast Type	Worst Case Forecast	Most Likely Forecast	Upside Forecast
Worst Case	\$100	\$100	\$100
Most Likely		\$100	\$100
Upside			\$100

If an estimate is in the worst case category, it appears in each forecast. If it is in the most likely category, it appears in the Most Likely forecast and Upside forecast. NetSuite includes Upside estimates in the Upside forecast.

### Multiple Estimates with Advanced Forecasting

If two estimates included in the forecast are associated with an opportunity, NetSuite includes the estimate in the lower category up to the other estimate.

#### Example

The first estimate:

- Forecast Type = Worst Case
- Estimate Total = \$100

The second estimate:

- Forecast Type = Upside
- Estimate Total = \$300

This table shows how NetSuite includes the estimates in the forecast:

	Worst Case Forecast	Most Likely Forecast	Upside Forecast
Estimate 1	\$100	\$100	
Estimate 2			\$300

## Estimates and Team Selling

If you use the Team Selling feature, an estimate's forecast amount is determined by the sales rep's contribution percentage on the estimate. For example, a sales rep has a 10% contribution percentage in their sales team. When one of the team's customers is issued an estimate, 10% of the estimate's total is reflected in the rep's sales forecast.

For more information, see [Creating a Sales Team](#).

## Opportunities in the Forecast and Pipeline

NetSuite includes an opportunity in the sales forecast and pipeline if it meets the following requirements:

- The opportunity has not been converted to a sales order, cash sale, or invoice.
- The opportunity does not have an associated estimate marked to be included in the forecast.
- The opportunity's expected close date is within the reporting period.
- The estimate's probability of close exceeds the minimum forecast probability set at Setup > Sales > Preferences > Sales Preferences > Forecasts.

**Note:** This preference is not available if you use the Advanced Forecasting feature.

If the expected close date of an opportunity differs from its estimate, the estimate's close date determines whether it appears on a pipeline or forecast report.

If you use Advanced Forecasting, sales reps choose to assign opportunities to one of three forecast types: low, middle, and high.

The opportunity totals in the forecast depend on if you have set the Multiple Projected Amounts preference. Go to Setup > Sales > Preferences > Sales Preferences > Forecasts.

## Advanced Forecasting With Multiple Projected Amounts

If your company uses the Multiple Projected Amounts preference, you can designate a range of projected values for each opportunity. Set this preference at Setup > Sales > Preferences > Sales Preferences.

The lower amount in the projected amount range represents the low, or worst case, forecast amount. The higher amount represents the high, or upside, forecast amount. The amount in the Projected Total field represents the middle, or most likely, forecast amount.

The forecast type you choose for an opportunity determines the amount NetSuite includes in the forecast according to the following:

- NetSuite includes Worst Case opportunities and estimates in each forecast category.
- NetSuite includes opportunities in the Most Likely category in the Most Likely and the Upside forecasts.
- NetSuite includes opportunities in the Upside category in the Upside forecast.

With the Multiple Projected Amount preference enabled, NetSuite includes the projected amount in each category in the corresponding forecast category.

The following example explains how an opportunity's total is calculated based on the forecast type you select.

## Example

A Wolfe Electronics sales rep enters an opportunity record for a customer. After selecting the items the customer is interested in, the projected total for the opportunity is calculated to \$2000.

The rep believes the deal could be worth half that amount or potentially worth more. In the Range fields the rep enters a lower amount of \$1000 and a higher amount of \$3000.

The forecast amounts for this opportunity are:

- Worst case – \$1000
- Most likely – \$2000
- Upside – \$3000

The amount that NetSuite uses to calculate the forecast amount of this opportunity depends on the forecast type the rep assigns to this opportunity.

Forecast type	Worst Case Forecast	Most Likely Forecast	Upside Forecast
Worst Case	\$1000	\$2000	\$3000
Most Likely		\$2000	\$3000
Upside			\$3000

If you track weighted forecasts, NetSuite includes the weighted amount of opportunities and estimates in each category in the forecast.

## Advanced Forecasting Without Multiple Projected Amounts

If your company does not use the Multiple Projected Amounts preference, each opportunity has a single projected amount. NetSuite applies the projected amount of the opportunity to each forecast category based on the following rules.

The forecast type on the opportunity determines the forecast categories an opportunity is included in the forecast according to the following:

- NetSuite includes Worst Case opportunities and estimates in each forecast category.
- NetSuite includes opportunities in the Most Likely category in the Most Likely and the Upside forecasts.
- NetSuite includes opportunities in the Upside category in the Upside forecast.

The following example explains how NetSuite calculates an opportunity's total based on the forecast type.

## Example

A Wolfe Electronics sales rep enters an opportunity record for a customer. After selecting the items the customer is interested in, the projected total for the opportunity is calculated to \$2000.

The forecast category this opportunity appears in is determined by the forecast type selected on the record.

Forecast type	Worst Case Forecast	Most Likely Forecast	Upside Forecast
Worst Case	\$2000	\$2000	\$2000
Most Likely		\$2000	\$2000
Upside			\$2000

If you track weighted forecasts, NetSuite includes the weighted amount of opportunities and estimates in the forecast.

## Opportunities and Team Selling

If you use the Team Selling feature, an opportunity's forecast amount is determined by the sales rep's contribution percentage on the opportunity. For example, a sales rep has a 10% contribution percentage in their sales team. When a rep creates an opportunity for one of the team's customers, 10% of the opportunity's total is reflected in the rep's sales forecast.

For more information, see [Creating a Sales Team](#).

## Saving Sales Manager Forecasts

Managers can use the Manager Forecast Editor to:

- view the calculated forecast for your team
- enter and save an override forecast amount for the team
- view the saved forecast amounts for each rep in your team
- enter new override amounts for individual sales reps in your team
- view a sales rep's sales forecast in detail

Managers enter override forecast amounts to account for deals that have not yet been entered as transactions. Managers can use the forecast override to adjust the forecast amounts of sales reps based on each rep's previous success at predicting their sales.

When managers override a forecast amount entered by a sales rep, this override amount shows when the sales rep views forecast reports and KPIs.

Override amounts entered for the entire sales team do not show on the reports and KPIs viewed by sales reps.

If you use NetSuite OneWorld, you can save one forecast for a sales manager per subsidiary. For example, if your company has three subsidiaries, a sales manager could save a different forecast for each of these subsidiaries.

### To edit the forecast for a sales team:

1. Go to Forecast > Setup > Edit Sales Rep Forecast.
2. If you use NetSuite OneWorld, select the subsidiary for this forecast.  
If you select a parent subsidiary, this forecast represents the forecast for this subsidiary and all of its child subsidiaries. You can save only one forecast for a sales team per subsidiary.
3. Select the manager of the team whose forecast you want to edit and save.
4. Select the start date of the period you want to view the forecast for.
5. Check the **Alt.Sales** box if this is an alternate sales amount (ASA) forecast.  
The team's quota shows in the Quota field. You can establish team quotas at Forecast > Setup > Establish Quotas.  
The **Calculated** and **Override** forecast amounts for the team are shown. The calculated forecast for the team is the sum of the override forecasts of each sales rep.  
If you use the Advanced Forecasting feature, you can see forecast amounts in each forecast category.
6. You can enter override amounts on this forecast.  
Override amounts appear on forecast reports in addition to the forecast calculated by NetSuite. The calculated forecast appears by default as the Override forecast until you enter an override forecast.
7. At any time, you can click **Restore Calculated** to change the Override forecast to match the calculated forecast amount.  
On the **Forecasts** subtab, the sales reps in this team appear with their override forecast amounts. You can enter an override forecast amount for any rep in the team.  
The override amounts you enter update the override amounts for the team.
8. Click **Save**.

After you save a manager forecast, your forecast reports show the updated forecast amounts.

You can edit a saved manager forecast. Go to Forecast > Setup > Edit Manager Forecast. Click Edit next to the forecast.

## Saving Sales Rep Forecasts

Sales reps can use the Forecast Editor to:


- view the transactions that make up their sales forecast
- enter an override forecast, if necessary
- adjust the probability and status of opportunities in the forecast

If you use NetSuite OneWorld, you can save one forecast for a sales rep per subsidiary. For example, if your company has three subsidiaries, a sales rep could save a different forecast for each of these subsidiaries.


If you use the Team Selling feature, sales reps can edit only those transactions where they are the primary sales rep. For more information, see [Team Selling](#).

### To edit a sales rep forecast:


1. Go to Forecast > Setup > Edit Sales Rep Forecast.
2. If you use NetSuite OneWorld, select the subsidiary for this forecast.  
If you select a parent subsidiary, this forecast represents the forecast for this subsidiary and all of its child subsidiaries. You can save only one forecast for a sales team per subsidiary.
3. In the **Sales Rep** field, select the sales rep whose forecast you want to edit and save.  
The sales reps that appear in this field depend on the permissions granted to the role you used to log in.
4. Select the start date of the period you want to view the forecast for.
5. Check the **Alt.Sales** box if this is an alternate sales amount (ASA) forecast.  
The sales rep's quota shows in the **Quota** field. You can establish quotas at Forecast > Setup > Establish Quotas.  
The **Calculated** and **Override** forecast amounts are shown. If you use the Advanced Forecasting feature, you can see forecast amounts in each forecast category.
6. You can change the **Override** amounts on this forecast.  
**Override** amounts appear on forecast reports in addition to the forecast calculated by NetSuite.
7. At any time, you can click **Restore Calculated** to change the **Override** forecast to match the calculated forecast amount.
8. On the **Opportunities** and **Estimates** subtabs, you can do the following:
  - change the forecast type for a transaction

 **Note:** This change affects which forecast types it is included in. For more information, see [Opportunities in the Forecast and Pipeline](#).

  - click the date to view the transaction
  - change a transactions expected close date
  - change a transactions probability of close
  - change the projected amounts for any transaction
  - adjust the status or probability of a transaction

 **Note:** An administrator can set probability in Forecast Editor preferences. Go to Setup > Sales & Marketing Automation > Sales Preferences. Click the Forecasts subtab.
9. On the **Unbilled Orders** and **Actuals** subtabs, you can click the date to view a transaction.
10. Click **Save**.

After you save a forecast, your forecast reports show the updated forecast amounts.

 **Important:** NetSuite updates created opportunities automatically in the Sales Rep Forecast. However, it does **not** update them in the Sales Manager Forecast to ensure the forecast is not riddled with tentative opportunities. To include a created opportunity in the Sales Manager forecast, the rep should first update their forecast in edit mode and save the forecast. The figures are then updated on the manager forecast.

## Historical Metrics

The Historical Metrics feature lets you save forecast, pipeline, and other valuable sales data for future comparison.

When you enable the Historical Metrics feature, NetSuite automatically begins storing the monthly and quarterly amounts for the following KPIs. You can enable the feature at Setup > Company > Setup Tasks > Enable Features. Click the CRM subtab.

- Forecast
- Forecast (Alt. Sales)
- Forecast Override
- Forecast Override (Alt. Sales)
- Pipeline (Alt. Sales Projected)
- Pipeline (Alt. Sales Weighted)
- Pipeline (Projected)
- Pipeline (Weighted)
- Pipeline Deals
- Total Pipeline (Alt. Sales Projected)
- Total Pipeline (Alt. Sales Weighted)
- Total Pipeline (Projected)
- Total Pipeline (Weighted)
- Total Pipeline Deals



**Note:** NetSuite saves only the amounts for each of these KPIs. NetSuite does not save the calculation for each of these KPIs. For example, if transaction amounts changed after NetSuite saved the metric, the historical KPI is not updated with the new information.

When you set up your KPIs for comparison, you can compare them to any prior month or quarter for which you saved historical data.

# Opportunities and Estimates

Routing leads and setting up quotas are the first steps toward successfully managing your team with NetSuite. As soon as your reps have leads, you want to make sure they are entering opportunities, following up with customers and making sales.

In NetSuite, your reps create opportunity records that give sales managers and executives visibility into the pipeline and sales forecast. These records provide reps with a central record for tracking and organizing sales activity.

Opportunities and estimates also help reps manage potential deals for the purpose of calculating the sales forecast and managing your sales team.

Opportunities and Estimates are separate features in NetSuite. Your NetSuite administrator can enable them at Setup > Company > Enable Features. Estimates is under Basic Features on the Transactions subtab. Opportunities is on the CRM subtab under Sales.

## Opportunity Records

Use an opportunity record to record all the details of a particular deal you are working on with either a prospect or customer. You can record what items your prospect or customer is interested in purchasing from you. You can also record the expected order value and the date when the deal will likely close. You do not have to attach specific items and forecasted amounts to create an opportunity record.

Sales reps can use opportunities to record the build-up to a deal. For example, reps can attach related tasks, events, files, notes, and messages from the customer. These attachments provide a complete view of the deal as it evolves. Reps can also track competing companies as well as provide reasons why they won or lost the deal.

Opportunities appear in sales forecast reports and open opportunities reports. When an estimate is created from an opportunity record, NetSuite includes the estimate in the forecast instead of the opportunity. If multiple estimates are created from the same opportunity, you can specify on the estimate record which one you want included in the forecast.

## Creating an Opportunity Record

When a sales rep creates an opportunity record they indicate which sales items the customer is interested in. The sales rep also enters a probability that the deal will close. NetSuite uses that probability to calculate a projected total. As the negotiations continue, the sales rep can create multiple estimates relating to the deal.


The most critical piece of pipeline information on an opportunity record is the probability that the deal will close. Probability determines the weighted amount of the deal, which shows on pipeline and forecast reports.

NetSuite determines the weighted total by multiplying the probability by the total amount of the items on the opportunity.

NetSuite adds the total weighted amount for all open estimates and opportunities to provide the revenue you will realize at period end. This amount is the pipeline total.

To delete a saved opportunity, from the Actions menu, click Delete. NetSuite adjusts the forecast data accordingly.



 **Note:** This is a non-posting transaction.

### To create an opportunity:


1. Go to Opportunities > Transactions > Opportunities > New.
2. If you use custom opportunity forms, select the form to use in the **Custom Form** field.
3. Under Primary Information:
  - a. In the **Title** field, enter a name for this opportunity.  
NetSuite assigns a number to the opportunity. You can change this number.
  - b. Select the customer or prospect in the **Company** field.
  - c. Select a status for the opportunity.  
If a transaction other than an estimate is included in the opportunity, NetSuite sets the status to **Closed – Won**.
  - d. Enter a probability that the deal will close. NetSuite uses this probability to determine the weighted total of the opportunity.
    - If you selected the status **Closed Lost**, the probability sets to **0%**.
    - If you selected the status **Closed Won**, the probability sets to **100%**.
  - e. Enter the date you expect this opportunity to close.
  - f. Select a win or loss reason. You can use this list to close an opportunity.
  - g. When enabled, select a **Sales Channel**.  
To learn more, see the help topic [Enabling Sales Channels](#).
4. Under Forecasting:
  - a. NetSuite calculates the projected opportunity total in one of the following ways:
    - If there are no items selected on the **Items** subtab and no included estimates or transactions, you enter a projected total.  
If you enter a projected total, it appears until you click **Update Projected** on the **Estimates** subtab.
    - If there are items selected on the **Items** subtab, but no included estimates or transactions, the total of the selected items is the projected total.
    - If there is one estimate associated with the opportunity and it is marked to include in forecasts, the estimate total is the projected total.
    - If there are multiple estimates associated with the opportunity, the projected total is the sum of all the estimates marked to include in forecasts.
  - b. If you use the Advanced Forecasting feature, you can enter a range of amounts this deal might be worth.  
First, you must enable the **Multiple Projected Amounts** preference at Setup > Sales & Marketing Automation > Sales Preferences on the **Forecast** subtab.
    - The low amount entered must be lower than or equal to the projected amount in the **Projected Total** field. This amount is the Worst Case projected total.
    - The high amount must be greater than or equal to the **Projected Total** amount. This amount is the Upside projected total.
  - c. If you use the Advanced Forecasting feature, in the **Forecast Type** field, select the forecast category you want this opportunity included in. For more information on forecast types, read [Opportunities in the Forecast and Pipeline](#).

The weighted total of the opportunity shows in the **Weighted Total** field.

NetSuite calculates the weighted total by multiplying the projected total by the probability of close.

5. Under Classification:

If you track departments, classes, or locations, make the appropriate selections for this opportunity.

 **Note:** If you use NetSuite OneWorld and the selected customer is shared with multiple subsidiaries, you can choose any subsidiary assigned to the selected customer. For information about sharing customer records with multiple subsidiaries, see the help topic [Assigning Subsidiaries to a Customer](#).

6. On the **Items** subtab, this customer or prospect's currency appears in the **Currency** field.
7. The exchange rate for this currency appears in the **Exchange Rate** field. You can enter a new exchange rate for this transaction, or you can update the currency's record with the exchange rate you enter here.
8. In the Item column, select the item the customer is interested in, and then enter the quantity and other information for this item.
9. Click **Add**.
10. Repeat these steps for each item.
11. Click the **Relationships** subtab:
  - a. Select a contact in the **Contact** field.
  - b. In the **Decision Maker** field, select the contact associated with this customer who is responsible for approving this purchase.
  - c. Click **Add**.
  - d. Repeat these steps for each contact you want to associate with this opportunity.
12. Click the **Partners** subtab.
 

The partner associated with this customer or prospect appears in the **Partner** field. However, you can choose a different partner for this opportunity.

If you use the Multi-Partner Management feature, you can associate multiple partners with this transaction. For more information, see [Associating Sales Teams with Customers and Transactions](#).
13. Click the **Competitors** subtab.
  - a. In the **Name** column, select a company that is competing with yours for the deal.
 

You can create new competitor records at Lists > Competitors.
  - b. Click **Add**
  - c. Repeat these steps for each competitor.
14. Click the **Communication** subtab.
  - a. Create any events, tasks, or phone calls you want to associate with this opportunity.
  - b. On the **Files** subtab, attach any files you want to associate with this opportunity.
  - c. On the **User Notes** subtab, enter any internal notes related to this opportunity.
15. Click the **Sales** subtab.
  - a. The lead source associated with this customer or prospect appears in the **Lead Source** field. However, you can select a different lead source.
  - b. Associate sales reps with this transaction in one of the following ways:

- If you do not use the Team Selling feature, select the sales rep or sales group in the **Sales Rep** field.  
The sales rep or sales group associated with the customer on this transaction appears, by default.
- If you use the Team Selling feature, click the **Sales Team** subtab.  
Select the sales team for this transaction. For more information, see [Associating Sales Teams with Customers and Transactions](#).
- c. On the **Qualification** subtab, enter information regarding the ability and interest level of the customer to make the purchase. For more information, see the help topic [Lead Qualification](#).

16. Click **Save**.

After you save an opportunity record you can attach tasks, events, and other information related to the opportunity. You can also create estimates, sales orders, cash sales, and invoices to associate with the opportunity.

If you use the inline Edit feature, you can also edit opportunity records from the Opportunities list page. Click the information you want to change and make your changes. NetSuite automatically saves your changes on the opportunity record. For more information about editing inline, see the help topic [Using Inline Editing](#).

As you work with opportunities, you can refine the projected total of the deal. You can add or remove items, change the probability and status, and competitors for the deal. For more information about opportunity records, see [Using Opportunities](#).

Open opportunities appear on sales forecast reports, open opportunities reports, and sales forecast by quota reports.

## Using Opportunities

Sales reps can attach information related to an opportunity on the save opportunity record. Reps can also create estimates and other transactions for the deal.

## Attaching Information to Opportunities

To add information to an opportunity record, go to Opportunities > Transactions > Opportunities. On the Opportunities list, click the date for the opportunity you want to add information to.

You can add information to an opportunity record on the following subtabs on the **Communication** subtab:

- **Messages** – Click **Send Email** to send an email to contacts associated with this company. To send email to a contact, the contact's record must include a valid email address. Click **Save Message** to record a message that you receive from a contact associated with this opportunity. You can copy and paste an email message or record information received from a phone call or fax.
- **Activities** – Enter the title and other information for each activity, and then click **Add**. For information about adding contacts, see the help topic [Sending Event Invitations](#).
- **Files** – Select a file in the **Attach File** column and then click **Add** to attach a file from your file cabinet to the opportunity. Select **New** to upload a new file to your file cabinet.
- **User Notes** – Enter a title, memo, date, and other information to create a note about this opportunity.

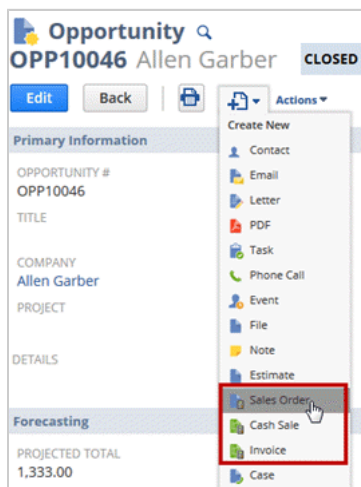
You can attach contacts, partners, and competitors to your opportunity record on the following subtabs on the **Relationships** subtab:

- **Contacts** – Select a contact in the **Contact** field. Select that contact's role, and then click **Attach** to attach an existing contact record to the opportunity. To create a new contact for this opportunity, click **New Contact**.
- **Partners** – Select a partner you want to associate with this opportunity. Select the partner's role and contribution percentage, and then click **Attach**.
- **Competitors** – Select a competing company in the **Name** column, and then click **Add**. When you edit the opportunity, you can check the box in the **Winner** column if that another company closes the deal.

## Creating Estimates and Other Transactions for an Opportunity

When agreement is reached over a proposal, the sales rep creates an order from the opportunity record. NetSuite closes the opportunity and marks it won.

To convert an opportunity to an order, click **Create New**, and then select **Sales Order**, **Cash Sale**, or **Invoice**.



NetSuite automatically populates the new transaction with the items and company information from the opportunity record. Transactions created outside of the opportunity record do not appear on the opportunity.

You can also associate an estimate or sales transaction with an opportunity by selecting the opportunity in the **Opportunity** field on the transaction.

 A screenshot of the NetSuite Sales Information form. The 'SALES REP' field is set to 'Jessie Barto'. The 'OPPORTUNITY' field is set to 'Opportunity #OPP10046'. The 'SALES EFFECTIVE DATE' field is empty. There is a checkbox for 'EXCLUDE COMMISSIONS' which is unchecked. The 'CREATED FROM' field shows 'Opportunity #OPP10046'.

Estimates appear on the **Estimates** subtab. Invoices, cash sales, and sales orders appear on the **Closed** subtab. When reps create a sales order, invoice, or cash sale from this opportunity, the opportunity's status changes to **Closed Won**.

When you create an estimate for an opportunity, the opportunity record no longer shows on forecast or pipeline reports. For more information, see [Opportunities in the Forecast and Pipeline](#) and [Estimates in the Forecast and Pipeline](#).

## Analyzing Opportunities in Your Pipeline

When you have access to accurate pipeline and forecast numbers you can quickly adapt your team's selling strategies to meet new demands. NetSuite includes a variety of tools to help you manage your company's pipeline so that you can maximize the sales closed by your team.

Your NetSuite dashboard includes key performance indicators that give you a quick look at pipeline amounts and opportunities. Report snapshots, such as the Customers by Pipeline snapshot, appear as graphs or lists and link to corresponding reports. You can also publish saved search results to your dashboard, which gives you a customized list of opportunities, customers, or sales transactions.

### Opportunities on Your Dashboard

Opportunity reports and KPIs give you easy access to deals that your reps are pursuing. From your Dashboard, you can view custom search results, key performance indicators, and report snapshots that give you information on opportunities.

For example, Wolfe Electronics sales managers use the steps below to show the Opportunities Won key indicator. This indicator provides information on the deals that were won the previous day.

#### To show the Opportunities Won key indicator:

1. On the **Home** tab, click **Personalize Dashboard**.
2. In the Add Content pane, click **Key Performance Indicators**.
3. In the Set Up Key Performance Indicators popup, click **Add Standard KPIs**.
4. Select **Opportunities Won**, and then click **Done**.
5. In the **Range** column, select **yesterday**.
6. In the **Employees** column, select **My Team**.
7. Check the box in the **Compare** column.
8. In the **Compare Range** column select **this month**.
9. Click **Save**.

When Wolfe sales reps log in each morning, they see the number of opportunities closed yesterday compared to the total for the month.

Click any KPI or report snapshot for a detailed report that shows the information you are looking for. For example, when you click a date range on the Opportunities Won KPI, you see the Opportunities Won report. NetSuite filters the report to show the same date range as the KPI.

Saved searches provide another powerful tool that you can use to display information on your dashboard.

Wolfe Electronics sales managers use a saved search of opportunities to track open deals that are approaching their expected close dates. This search lets them know which opportunities sales reps should be close to winning. The search results appear on their dashboards, so it is one of the first things they see when they log in to NetSuite.

To do this, first create the saved search.

#### To save an opportunities search:

1. Go to Opportunities > Transactions > Opportunities > Search.
2. Check the **Use Advanced Search** box.

3. Click **Create Saved Search**.
4. In the **Search Title** field, enter **Opportunities to Close This Week**.
5. Check the **Available as Dashboard View** box.
6. On the **Criteria** subtab, in the Filter column select **Sales: Expected Close Date**.
7. In the popup, select **within next one week**, and click Set.
8. In the **Filter** column, select **Document Status**.
9. In the popup, hold **CTRL**, and select **In Progress** and **Issued Estimate**.
10. Click **Set**.
11. Click the **Results** subtab.
12. Click **Remove All**.
13. Click **Add Multiple**.
14. Hold CTRL, and select **Customer, Probability, Sales Rep, Projected Total** and **Days to Close**.
15. Click **Add**.
16. Click **Save**.

Next, display the search results on the dashboard.

### To show a list of opportunities on your dashboard:

1. Go to Home, and click **Personalize Dashboard**.
2. In the Add Content pane, under Standard Content, click **Custom Search**.
3. In the **Custom Search Portlet**, click **Set Up**.
4. In the **Search** field, select **Opportunities to Close This Week**.
5. Click **Save**.

When the managers log in, they see a current list of opportunities that their sales reps expect to close during the next seven days. The managers review this information each morning with each of their sales reps.

## Pipeline Reports and KPIs

NetSuite Reporting and Search tools help sales managers examine the reasons your sales team wins or loses deals. This information is essential for improving your team's strategy and product positioning. With NetSuite, you can report on the sales you lose and understand why you lost them.

To do this, you can use NetSuite search, built-in reports, dashboard KPIs, and report snapshots.

NetSuite includes reports that break down the pipeline by sales rep and customer. These reports also show opportunities that have been won, lost, or that remain open:

- **Pipeline by Sales Rep Summary / Detail** – These reports let you view the total open opportunities and estimates for each sales rep.
- **Pipeline by Customer Summary / Detail** – These reports present the total open opportunities and estimates for each customer.
- **Opportunities to Close Summary / Detail** – These reports show the projected and weighted totals of the opportunities that sales reps are still working to close.

You can view pipeline reports on the Reports page, under the Pipeline Analysis heading.

## Opportunities and Search

You can also use NetSuite search tools to get the pipeline information you need to make sales decisions.

For example, Wolfe Electronics sales managers use the competitor information on opportunities to analyze lost deals. With an opportunity search, the managers can see which competitors the company is losing business to. This search helps managers and their reps adjust their selling strategy.

### To create a list of lost opportunities:

1. Go to Opportunities > Opportunities > Search.
2. Click **Create Saved Search**.
3. Enter **Opportunities Lost to Competitors** in the **Title** field.
4. In the **Filter** column, select **Sales: Win/Loss Reason**.
5. In the popup, select **is lost to a competitor**.
6. Click **Set**.
7. In the **Filter** column, select **Sales: Actual Close**.
8. In the popup, select **within** and **this fiscal year to date**.
9. Click **Set**.
10. Click the **Results** subtab.
11. Click **Remove All**.
12. Click **Add Multiple**.
13. Press and hold the **CTRL** key, and then select **Won By, Number, Sales Rep,** and **Projected Total**.
14. Click **Add**.
15. Click **Submit**.

These search results show all of the opportunities Wolfe Electronics lost this year to competitors. You can save these search criteria and view them later, or you can export the results in spreadsheet format. You can also publish the search results to your Dashboard or to the Opportunities tab.

# Commissions

The most effective incentive for motivating your sales team is commission. With NetSuite, you can design complex, multi-tiered commission plans that complement your company's sales strategy.

The NetSuite sales compensation feature seamlessly integrates with accounting and payroll features. When you enter deals, NetSuite automatically calculates commission. You do not have to work with complicated spreadsheets or import data between applications.

Your team benefits from this integration because they will know how much commission they have earned before they receive their commission checks. With their NetSuite dashboard, sales reps can view estimated and actual commission in real time. Commission KPIs are powerful and visible motivators for your team.

To use the Employee Commissions feature, have an administrator enable the feature at Setup > Company > Setup Tasks > Enable Features. The feature is on the Employees subtab.

If your company offers incentives to partners for sales, you can also use the [Partner Commissions & Royalties](#) feature.

## To begin using the Employee Commissions feature:

1. Set your commissions preferences at Setup > Sales > Sales Management > Commissions (Administrator).

These preferences determine how and when you pay employee commissions and affect all commissions set up in your NetSuite account.

For more information, see [Commission Preferences](#).

2. Create employee commission schedules at Lists > Commissions > Employee Schedules > New (Administrator).

Commission schedules define the rules that determine how NetSuite calculates commissions. You can base schedules on total sales, percentage of quota met, quantity sold, total profit, or on profitability.

For more information, see [Employee Commission Schedules](#).

3. Create and assign employee commission plans at Lists > Commissions > Employee Plans > New (Administrator).

Employee commission schedules are part of commission plans that you assign to your sales reps. You can include multiple commission schedules in a single plan, and you can assign more than one sales rep to a plan. You cannot, however, assign a sales rep to more than one commission plan for the same date range.

For more information, see [Employee Commission Plans](#).


## Commission Preferences


An administrator can set the following company commissions preferences at Setup > Sales > Sales Management > Commissions (Administrator):

- **Commissions Paid By Default On** – Select when commissions are eligible to be paid:
  - **Billings/Bookings** – When the sales transaction is invoiced. In the case of commission based on alternate sales amounts (ASA), when sales orders are booked and approved.



- ▣ **Collections** – When payment is received partially at billing/booking and partially upon receipt of payment.

 **Note:** If you change this preference it does not affect existing schedules. For more information, see [Commission Eligibility](#).

 **Note:** Customer payments and deposits do count as collections at the time they are applied to the invoice, regardless of the application date. The date of the invoice determines whether it is in plan, regardless of the payment date. The payment date (for collections eligibility) affects when the commission is eligible to be paid, regardless if it is backdated.

- **Allow Overwrite in Schedules** – Check this box if you want to overwrite commission schedules when commissions become eligible.

If you do not check this box, the **Eligible Amount** field on commission schedules is read-only. It shows the eligibility selected in the **Commissions Paid By Default On** field.

- **Default ASA Collections Eligibility Type** – Select how to define the default commission eligibility option on alternate sales amount (ASA)-based schedules:
  - ▣ **First In** – Select this option to consider the amount paid on an order as fulfilling the ASA of a transaction. This option ensures commission eligibility.
  - ▣ **Percent of Order** – Select this option if you want the alternate sales amount, collections-based commission schedules to determine eligibility of calculated commissions. Commissions are based on the proportion of cash collected against the sales order amount, rather than the ASA total.
  - ▣ **Whichever Is Greater** – Select this option to use the greater of the two preceding amounts when NetSuite determines commission eligibility.
  - ▣ **Whichever Is Less** – Select this option to use the lesser of the two preceding amounts when NetSuite determines commission eligibility.

For example, a sales order is entered in the amount of \$1,000. The alternate sales amount for the order is \$500. The sales rep on the order receives commission of 10% of ASA, which makes the calculated commission on the order \$50. A payment of \$400 is received on the order.

**First In** – The \$400 payment counts towards the ASA, which makes 80% (\$400/\$500), or \$40, eligible for commission payment.


**Percent of Order** – The \$400 payment is 40% of the order total, so 40% or \$20, of the calculated commission is eligible.

**Whichever Is Greater** – Forty dollars is eligible because counting the payment towards the ASA gives a greater eligible amount.


**Whichever Is Less** – Twenty dollars is eligible because counting the payment as a percentage of the order total gives a smaller eligible amount.

For more information, see the help topic [Basing Commission on ASA](#).


- **Commission Eligibility Period** – Enter the number of days to wait after the sale is made or billed before NetSuite pays commission to sales reps.
- **Calculate Commissions on Shipping Items** – Check this box to include shipping costs when NetSuite calculates a transaction's commission amount. Note that this setting works differently depending upon the basis for the commission:
  - ▣ If the basis for the commission is Inventory Total Profit, NetSuite bases the commission on the gross profit. It does not base the commission on the profit less the shipping costs.
  - ▣ If the basis for the commission is Sales, NetSuite bases the commission on the transaction amount.

 **Note:** When you check this box, NetSuite applies this preference to new transactions. NetSuite does not change commission amounts on previously entered transactions.

- **Require Accounting Approval of Employee Commissions** – Check this box to require your accounting department to approve employee commissions and payments.

 **Note:** NetSuite requires supervisor authorization of commissions, regardless if you use this preference.

- **Require Accounting Approval of Partner Commissions** – Check this box to require your accounting department to approve partner commissions and payments.
- **Maximum Commission Brackets** – Enter the maximum number of brackets to include in commissions schedules.


 **Warning:** If you decrease this number after you create commission schedules, you may lose columns of data in the existing schedules.

- **Default Employee Commissions Expense Account** – Select the default expense account to which you want employee commission payments to post.  
You can select a different account on the commission transaction.  
Do not check this box if you do not want a default account.
- **Default Partner Commissions Expense Account** – Select the default expense account to which you want partner commission payments to post.  
You can select a different account on the commission transaction.  
Do not check this box if you do not want a default account.

An administrator can choose how the sales effective date is set on refunds and credit memos. Go to Setup > Sales > Preferences > Sales Preferences (Administrator). Check the Default Sales Effective Date to Linked Sales Effective Date box, and then click Save.

You can choose to pay commissions on your employees regular paychecks if you use SuitePeople U.S. Payroll. To set this preference, go to Setup > Payroll > Setup Tasks > Set Up Payroll (Administrator). Check the Pay Commissions on Paychecks by Default box, and then click Save.

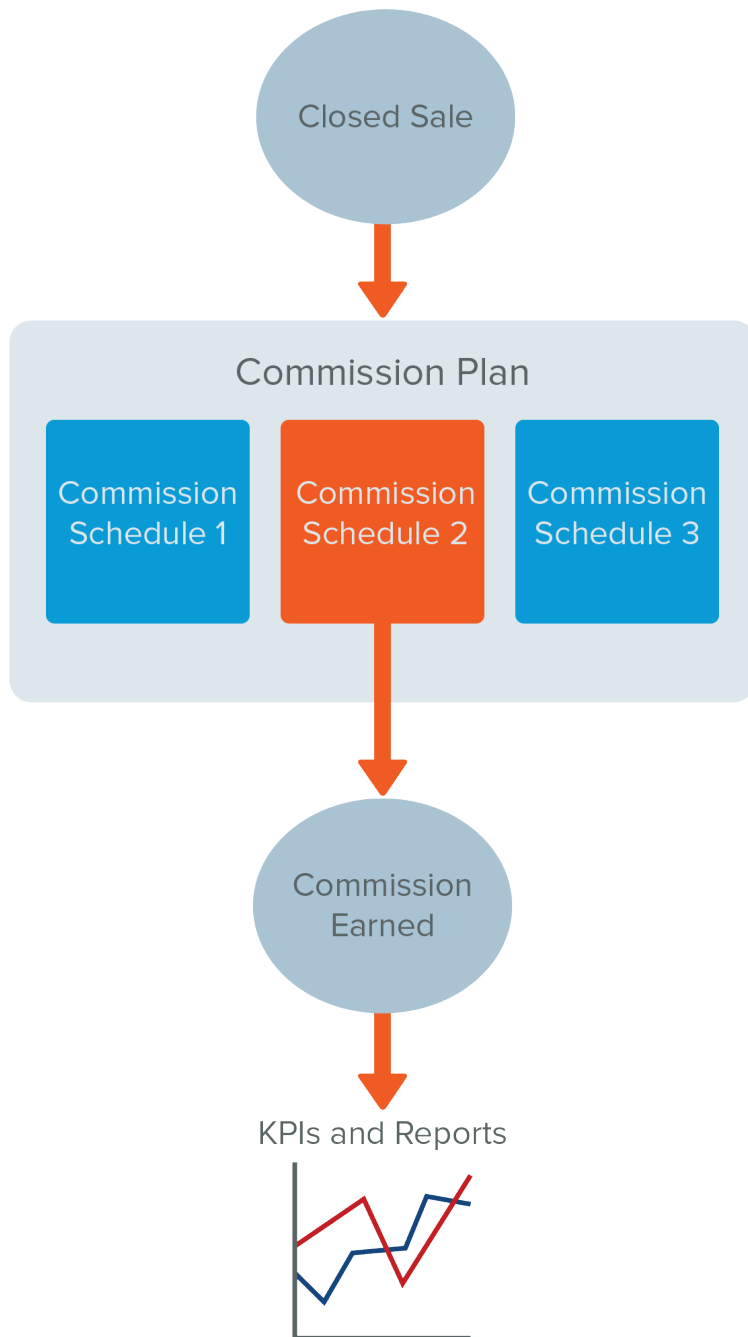
Company commission preferences apply to everyone with access to your NetSuite account.

 **Important:** Sales transaction pages such as Sales Order, Invoice, Credit Memo, Cash Sales, Cash Refunds, and Return Authorizations have an Exclude Commissions box. If a user checks this box, NetSuite excludes the transaction and its subordinate transactions from inclusion in all commission calculations. For example, a user checks this box on a sales order. NetSuite excludes the sales order and subsequent invoice from all commission calculations for all sales people.

## Employee Commission Schedules

To award commission to your reps, you first create commission schedules that determine how NetSuite calculates commission. Then, you combine these schedules in commission plans, and then assign the plans to your sales reps. You can include one or more commission schedules in a commission plan.

When a sales rep is assigned to a commission plan, NetSuite compares any transaction they enter to the criteria in the commission schedules. If the sale qualifies, NetSuite awards a commission amount. After the sales rep earns commission, it appears on commission reports and KPIs in real time.



You can create commission schedules at Lists > Commissions > Employee Schedules > New (Administrator).

## Creating an Employee Commission Schedule

Commission schedules define rules that NetSuite uses to calculate commission earned by your sales reps. When you create a commission schedule, first you choose the basis for the commission. Then, you determine how NetSuite should calculate the commission.

You can base commissions on total sales, quantity sold, or percentage of quota. You can create commission brackets that award commissions with flat rates or with rates based on a sliding scale. You can also express commission amounts as set currency amounts, or as percentages.

You can categorize commission by item, class, location, and department. For example, you might award commission on sales associated with a particular class. Whenever a sale is entered that is associated with that class, such as first-time customer, the sales rep earns commission.

**Note:** If you have long lists of items, to avoid possible performance issues, you should categorize commission schedules by parent items instead of individual items.

You can create commission schedules that award commission to sales managers, based on the sales of their subordinates. If you check the Manager Commission box, you can assign the commission schedule to a commission plan for managers.

### To create a commission schedule:

1. Go to Lists > Commissions > Employee Schedules > New (Administrator).
2. On the Commission Schedule page, enter a **Schedule Name** for the schedule.
3. If you use NetSuite OneWorld, select a **Subsidiary**.
4. Complete the following:
  1. [Choose the Basis of the Commission](#)
  2. [Determine Commission Categorization and Eligibility](#)
  3. [Set Commission Calculation Options](#)
  4. [Set Commission Schedule Preferences](#)
  5. [Create a Commission Matrix](#)
  6. [Save the Schedule](#)

## Choose the Basis of the Commission

The first step in creating an employee commission schedule is to determine the basis for the commission.

### To set commission basis:

1. In the **Commission on** field, choose the basis on which NetSuite awards commission. Your selection determines your choices in the **per** and **Categorized by** fields.

**Note:** The fields on the commission schedule change as you make selections in other fields. For example, if you select **Quota (Sales Amount)** in the **Commission on** field, the **per** field appears and defaults to **Period**.

Select one of the following:

- **Sales** – Awards commission based on sales amounts
- **Alt. Sales Amount** – Awards commission on alternate sales amounts  
To base commission on alternate sales amounts, you must first enable the Alternate Sales Amount (ASA) feature. For more information, see the help topic [Alternate Sales Amounts](#).
- **YTD Quota** – NetSuite bases commission on the percentage of the quota fulfilled for the year to date
- **Quota (Sales Amount)** – Awards commission based on percentage of quota fulfilled in a period
- **YTD Quota (Alt. Sales Amount)** – NetSuite bases commission on the percentage of the quotas fulfilled by ASA for the year to date

- **Quota (Alt. Sales Amount)** – Awards commission based on percentage of alternate sales amount ASA quota fulfilled in a period  
For more information, see the help topic [Alternate Sales Amounts](#).
- **Quantity** – NetSuite bases commission on quantity of an item sold
- **Inventory Profitability** – Awards a percentage based on the profitability of sales transactions



**Important:** NetSuite bases commission calculations for inventory item profit on the last purchase price on the item record, not on the purchase order price.

- **Inventory Total Profit** – Awards commission based on the total profit of sales
- **Custom Field** – Displays the **Custom Field** and **Quota Type** fields

To see custom fields, an administrator must go to Setup > Company > Enable Features (Administrator) > Employee subtab. Check the **Commission on Custom Fields** box, and then click Save.

In the **Custom Field** list, select the custom transaction column field on which to base the commission. Custom transaction column fields must be defined by **Type: Currency** and can be based on any standard or custom currency amount field. NetSuite calculates commission on each transaction line. For more information, see the help topics [Creating a Custom Field](#), [Field Type Descriptions for Custom Fields](#), and [Transaction Line Custom Field](#).

In the **Quota Type** field, choose from the following options:

- ☐ **No Quota** – Awards commission that is not based on quota
  - ☐ **Quota** – Awards commission based on the percentage of quota fulfilled in a period
  - ☐ **YTD Quota** – Awards commission based on the percentage of the quota fulfilled for the year to date
2. In the **per** field, select one of the following:
- **Period** – Awards commission based on sales over a sales period
  - **Transaction Total** – Calculates commission based on the total transaction amount
  - **Transaction Line Item** – Awards commission based on transaction line items



**Note:** The choices available in this field depend on the type of commission you are create. For example, commission schedules based on quota require you to select **Period** in the **per** field.

3. If NetSuite calculates commission per period, select the length of your commission periods in the **per** list.
4. Check the **Manager Schedule** box to calculate commission based on the sales of subordinates as well as sales made directly by the manager.

Manager schedules award commission only to sales people who supervise other sales reps.



**Note:** After a commission schedule has authorizations associated with it, you cannot change the selections for the **per** or **Categorized by** fields.

## Determine Commission Categorization and Eligibility

You can categorize commission schedules by class, item, department, and location. When you categorize your commission schedules, NetSuite creates rows in your schedule matrix. For example, if you categorize your commission by class, NetSuite creates a row in your matrix for each class you track.

Eligible commission is defined as commission that is ready to be paid to a rep. You can choose to make commission eligible when orders are billed or paid. You can choose to have a percentage of the commission become eligible on billing, and the remainder eligible upon collection.

You can choose to have categorization apply to either payment, or both attainment and payout. For more information on how the Categorization applies to field, see [Commission Attainment and Payout Categorization](#). You cannot categorize commission that is calculated on transaction total.

Additionally, if you base commission on alternate sales amount (ASA) or ASA quotas, you can have commission become eligible when orders are entered (bookings).

### To set up schedule categorization and eligibility:

1. In the **Categorized by** field, select class, item, department, or location.  
When you select a category, NetSuite creates additional categories in the schedule matrix.
2. If you base this schedule on profitability or profit, you can categorize by class, location, department, or inventory item.

To track departments, locations, or classes, an administrator can go to Setup > Company > Setup Tasks > Enable Features > Company.

3. In the **Categorization applies to** field, select how NetSuite applies categorization:
  - **Payout Only** – NetSuite applies the percentage rate to the sales in each category to calculate commission. The commission bracket used to calculate this commission is determined by the extent to which reps attain their overall, uncategorized quota.
  - **Both Attainment AND Payout** – (You must have established class, location, department, or item to select this option.) The percentage of each category's quota met by the sales rep determines the amount of commission earned.



**Note:** This field is available only on schedules based on quota, ASA quota, sales, and Alt. sales and categorized by class, location, department, or item. Sales- or ASA-based schedules must use a marginal scale for this field to appear. For more information, see [Commission Attainment and Payout Categorization](#).

4. The **Eligible Amount** field determines when commission becomes eligible for authorization and payment:
  - **Billings** – Commission is eligible when orders are billed
  - **Collections** – Commission is eligible when orders are paid  
For more information, see [Collections-Eligible Commission and Credit Transactions](#).
  - **Billings, Collections** – Commission is eligible based partially on billings and partially on collections
  - **Bookings, Collections** – Commission is eligible based partially on bookings and partially on collections
  - **Bookings** – Commission is earned when orders are entered. This option is available on commission schedules based on ASA or ASA quotas  
For more information, see the help topic [Alternate Sales Amounts](#).
5. If commission is on ASA and the eligible amount is based on Billings, Collections, choose how commission becomes eligible in the **Collections Eligibility** field.  
This field also appears for commissions based on a custom field when the **Eligible Amount** includes collections.
  - **First In** – Select this option to consider the amount paid on an order to first satisfy the ASA of a transaction to satisfy commission eligibility. Do not select this option for commissions based on a custom field.

- **Percent of Order** – Select this option if alternate sales amount, collections-based commission schedules determine eligibility of calculated commissions. This option bases calculated commission on the proportion of cash collected against the sales order amount, rather than the ASA total.
- **Whichever Is Greater** – Select this option to use the greater of the **First In** or **Percent of Order** amounts to determine commission eligibility.
- **Whichever Is Less** – Select this option to use the lesser of the **First In** or **Percent of Order** amounts to determine commission eligibility.

For example, a sales order is entered for \$1,000. The alternate sales amount for the order is \$500.

- **First In** – The \$400 payment counts towards the ASA, which makes 80% (\$400/\$500), or \$40, eligible for commission payment.
- **Percent of Order** – The \$400 payment is 40% of the order total, so 40%, or \$20 of the calculated commission is eligible.
- **Whichever Is Greater** – Forty dollars is eligible because counting the payment toward the ASA gives a greater eligible amount.
- **Whichever Is Less** – Twenty dollars is eligible because counting the payment as a percentage of the order total gives a smaller eligible amount.

The Default ASA Collections Eligibility Type preference at Setup > Sales > Sales Management > Commissions (Administrator) determines the field default.

## Set Commission Calculation Options

The following commission schedule settings determine how NetSuite calculates commission by this schedule.

For more information and examples on commission calculation options, see [Commission Calculation Options](#).

### To set up commission calculation:

1. For **Calculation Scale**, choose one of the following:
  - **Flat Rate** – This schedule calculates commission with a constant rate.
  - **Marginal** – This schedule is divided into brackets with different rates. It awards commission for each bracket at the rate you enter for that bracket.
  - **Linear** – This schedule is divided into brackets with different rates. It awards commission at the rate in the highest bracket fulfilled by the sales total.
2. For **Rate**, choose one of the following:
  - **Percentage** – This schedule calculates commission using percentages.
  - **Amount** – This schedule awards commission at a specific currency amount.
  - **Target Factor** – This option is available for only those schedules based on quota that use a linear scale.  
 When you designate a target factor, you can award a percentage of the target factor, which is determined by the percentage of quota met.
3. If you chose **Target Factor**, enter the target amount.
4. If this schedule is based on total profit or profitability and awards a percentage rate, choose one of the following:
  - **Sales Amount** – NetSuite applies the commission rate to the net amount of the transactions.

- **Profit** – NetSuite applies the commission rate to a sales transaction's profit.

## Set Commission Schedule Preferences

You can set the following preferences on a commission schedule:

- **Use Sales Order - Invoice Line Item Mapping for Commission Eligibility** – Check this box to map invoice line items to corresponding sales order line items to determine commission eligibility for individual lines. Commission eligibility is then determined by whether payment was received. **Commission is eligible only when the line is paid in full.** For example, a sales order may have commissionable and non-commissionable items. The sales order may be invoiced in multiple invoices. After an invoice is paid, only items that are commissionable result in eligibility under a commission schedule that uses collection-based commission eligibility.

**Note:** The commission is eligible for only items that are billed and or collected. This option is applicable to ASA type schedules. You must make selections for the following schedule fields.

1. **Commission On** – Select **Alt. Sales Amount, Quota - (Alt. Sales Amount)**, or **YTD Quota - (Alt. Sales Amount)**.
  2. **Eligible Amount** – Do not select **Bookings** or **Billings**.
  3. **ASA Collections Eligibility** – Select **Percentage of Order, Whichever is Greater**, or **Whichever is Less**. (You cannot select **First In**.)
- **Commission Eligible On Invoices Paid In Full Only** – Check this box to indicate commission eligibility only when 100% payment is received for an invoice. **Commission is eligible only when the entire invoice is paid in full.** For example, a sales compensation plan might require an invoice to be fully paid before the sales rep is eligible to receive commission.

## Create a Commission Matrix

The header row of the schedule's matrix changes based on how you set up the commission basis and calculation options. For example, commission calculated as a flat rate uses a single bracket for each category you pay commission on. A linear or marginal schedule can have more than one bracket to permit different rates for successive sales amounts or levels of quota fulfillment.

For more information on setting up a matrix, see [Commission Calculation Options](#).

The Maximum Commission Brackets preference at Setup > Sales > Sales Management > Commissions determines the number of columns in your commission matrix.

### To set up the commission matrix:

1. In the fields in the header of the schedule matrix, enter quantities to define the commission brackets.
2. In each column, enter the commission amount awarded for each category in each bracket.

## Save the Schedule

### To save the schedule:

1. Check the **Managers Schedule** box to use this schedule to calculate commission based on the sales of subordinates and sales made by the manager. Manager schedules award commission only to sales people who supervise other sales reps.



2. Click **Save**.

A saved commission schedule shows two subtabs: **Setup** and **History**.


- **Setup** – The information on the Setup subtab includes rates and commission totals.
- **History** – When you edit a commission schedule, any changes appear on the History subtab for future reference. The old and new values for fields display and the list can be filtered by field type.

Now you can include this commission schedule in a commission plan that you assign to your sales reps. For information, see [Creating an Employee Commission Plan](#).

## Search-Based Commission Schedules

When you use the Commissions feature, you can create a commission schedule that has custom criteria to measure sales transactions for calculating commissions.

Some commission calculation requires multiple classes as categorization criteria or additional criteria based on other standard or custom transaction fields. In these cases, you can use search-based commission schedules.

 **Note:** Your role must have permission to create a commission schedule and saved search to complete this task.

To create a search-based schedule, you must do the following:

1. Create a Commissionable Item search. For information, see [Commissionable Item Search](#).  
Verify the search results to ensure that the search criteria are correct.
2. Create a new commission schedule. On the Commission Schedule page, in the **Categorized by** field, select **Commissionable Item Search**. For information, see [Creating an Employee Commission Schedule](#).  
In the Saved Search matrix, specify the rate for commissions against the commissionable item search.

When you save the new schedule, NetSuite calculates commission for the items in the search results.

Please note the following:

- Check the commission calculations and verify that commissions were calculated based on the commission plan.
- This search provides customizable control over transactions subject to commission calculation. It does not provide a custom commission formula to calculate commissions.

## Commission Calculation Options

When you create a commission schedule, you can choose one of three methods for to calculate commission:

- **Flat Rate Calculation Scale** – The schedule calculates commission with a constant rate.
- **Marginal Calculation Scale** – The schedule is divided into brackets with different rates. NetSuite awards commission for each bracket at the rate you enter for that bracket

- **Linear Calculation Scale** – The schedule is divided into brackets with different rates. NetSuite awards commission at the rate in the highest bracket fulfilled by the sales total.

You use the Calculation Scale setting on the Commission Schedule page to choose how NetSuite calculates commission.

## Flat Rate Calculation Scale

If you choose to calculate commission with a flat rate, enter a single currency amount or percentage for each row in your commission matrix.

Following are some examples of flat rate commission schedules:

- Offering 4% of total sales in commission
- Rewarding a \$100 “kicker” for each computer system sold

## Marginal Calculation Scale

Commission calculated on a marginal scale looks separately at the commission in each bracket.

NetSuite applies each percentage or amount you enter in the matrix only to the amount included in that bracket. NetSuite awards commission for each bracket at the rate you enter for that bracket.

In some cases, a transaction may cause a sales rep to qualify for a higher commission bracket. The portion of the transaction in the lower bracket receives the commission rate for the lower bracket. The portion of the transaction in the higher bracket generates commission at the rate of the higher bracket.

**Note:** The exceptions to this are sales-based and quota-based commission schedules that consider categories for the purpose of commission payout. For example, when you selected Payout Only in the Categorization Applies To field. When a transaction makes the sales total for the period qualify for the next bracket, NetSuite applies this bracket rate to the entire transaction.

For example, if a schedule awards commission based on sales by period using a marginal scale, the commission matrix would look like this:

RATE AT OR ABOVE	AMOUNT 0	AMOUNT 10,000	AMOUNT 15,000	AMOUNT 20,000	AMOUNT 25,000
Commission	0.0%	4.0%	4.25%	4.35%	4.4%

A rep with this schedule in their plan would earn commission on the following transactions:

Tran. #	Transaction Amount	Period Total	Commission	Notes
1	\$8,000	\$8,000	\$0	No commission is earned until the transaction total for the period reaches \$10,000.
2	\$3,000	\$11,000	\$40	The first \$2,000 of this transaction earns no commission.  \$1,000 of this transaction generates 4% commission, or \$40.
3	\$5,000	\$16,000	\$202.50	The first \$4,000 of this transaction earns \$160, or 4%.  The other \$1,000 of this transaction generates 4.25% commission, or \$42.50.

Tran. #	Transaction Amount	Period Total	Commission	Notes
4	\$2,000	\$18,000	\$85	This entire transaction is within the 4.25% bracket.

The total commission for the period (the sum of the Commission column in this example) is \$327.50.

A rep assigned a quota-based schedule on a marginal scale that categorizes by class to determine payout only, would have the following commission matrix:

CLASS - RATE AT OR ABOVE	% OF QUOTA 0	% OF QUOTA 100	% OF QUOTA 110	% OF QUOTA 120	% OF QUOTA 130
New Business : Large	0.0%	6.0%	7.0%	8.0%	9.0%
New Business : Medium	0.0%	6.0%	7.0%	8.0%	9.0%
New Business : Small	0.0%	6.0%	7.0%	8.0%	9.0%
Recurring Business	0.0%	3.0%	3.5%	4.0%	4.5%
Reseller	0.0%	0.0%	0.0%	0.0%	0.0%

In this example, the rep's overall quota for the period is \$10,000. Their sales and commission amounts for the period are the following. The fourth column shows how much of each transaction is classified as recurring business.

Tran. #	Transaction Amount	Period Total	Recurring Business Amount	Commission	Notes
1	\$8,000	\$8,000	\$4,000	\$0	No commission is earned until the transaction total for the period reaches \$10,000.
2	\$2,500	\$10,500	\$1,000	\$30	Because this transaction brings the total into the second bracket, the commission rate of 3% is applied to the recurring business amount of the whole transaction.
3	\$1,000	\$11,500	\$1,000	\$35	This transaction qualifies for the 3.5% rate in the third bracket.
4	\$2,000	\$13,500	\$5,000	\$225	This transaction qualifies for the 4.5% rate in the highest bracket.

The total commission earned for the period (the sum of the Commission column) is \$290.

## Linear Calculation Scale

For commission schedules that use a linear calculation scale, NetSuite applies the highest qualified bracket rate to the total sales for that period or transaction.

When the lowest commission bracket is reached, NetSuite does not calculate the eligible total or calculated amount for the sales order. For example, using the schedule shown, if a commission transaction base amount is below the first bracket, calculated and eligible amounts are zero.

This differs from the marginal calculation scale, which awards the sales amounts in each bracket at that bracket's rate. For example, a schedule awards commission based on sales that use a linear scale have a commission matrix like this:

RATE AT OR ABOVE	AMOUNT 0	AMOUNT 10,000	AMOUNT 15,000	AMOUNT 20,000	AMOUNT 25,000
Commission	0.0%	4.0%	4.25%	4.35%	4.4%

A rep with this schedule in their plan made \$22,000 in sales during the period, the commission amount is 4.35% of \$22,000, or \$957.

## Target Factor Commission

If you create a schedule based on quota that uses a linear scale, choose **Target Factor** for the **Rate** setting. These schedules award a percentage of the target factor as commission. NetSuite determines the percentage by the percentage of quota met. For example, a schedule awards commission based on quota and calculates commission amounts from a target amount of \$10,000. If a rep with this schedule in their plan made 125% of their quota, they would earn \$7,500, computed as follows:

factor of quota attained \* attainment bucket factor \* target amount

1.25 \* .60 \* 10,000



**Important:** Sales transaction pages such as Sales Order, Invoice, Credit Memo, Cash Sales, Cash Refunds, and Return Authorizations have an Exclude Commissions box. If a user checks this box on a sales transaction page, NetSuite excludes the transaction and its subordinate transactions from inclusion in commission calculations. For example, a user checks this box on a sales order. NetSuite excludes the sales order and the subsequent invoice from all commission calculations for all sales people.

## Commission Eligibility

Eligible commission is commission that can be authorized, and then paid. Commission becomes eligible when it meets the following conditions:

- The commission passed the commission eligibility period set in the Commission Eligibility Period field. You can set the commission eligibility period at Setup > Sales > Sales Management > Commissions.
- The commission has met the eligibility conditions set in the Eligible Amount field on the commission schedule.

## Collections-Eligible Commission and Credit Transactions

If you use a commission schedule that calculates commission on collections, NetSuite determines the calculated or maximum commission to be paid on an order. (You can see this calculated or maximum amount on the Commission Overview or Estimated Commission reports.)

For collections-eligible commission schedules, this calculated amount is payable in an amount proportional to the payment collected on the invoice. This is the eligible amount that you can see when you authorize a commission payment, or on the Commissions Pending Authorization reports.

The calculated amount does not change based on the payments made to an invoice. The eligible amount changes when payment is made to the invoice.

When a credit memo is applied to an invoice, the payment collected reduces by the amount of the credit. This reduction reduces the eligible commission amount, but not the calculated amount. For example, you use a commission schedule that pays 10% on sales and is eligible on collections. An invoice is entered in the amount of \$1,000. The calculated commission is \$100 payable proportional to payment collected.

Due to a problem with the order, you apply a \$200 credit memo to the invoice, in addition to the \$800 payment. The invoice is now paid, and the eligible commission is \$80. NetSuite did not create a negative commission amount. You applied the credit memo to the invoice, which removed \$200 of commission eligibility.

Alternatively, the customer sends full payment on the invoice for \$1,000, and then later you issue a \$200 credit. You refund the customer \$200. In this case, you received full payment and approved the full \$100 commission. NetSuite then issued a negative eligible commission amount of -\$20. The net commission is \$80.

## Commission Attainment and Payout Categorization

In a quota-based schedule or schedule based on sales on a marginal scale, you can decide how to use categories. You can decide to use categories to determine payout alone, or both payout and attainment of commission.

For schedules that categorize both attainment and payout, the percentages in the header row of the matrix refer to the categorized quota or sales. The categorized quota or sales are based on class, location, items, or departments. After you determine which bracket the categorized amount fulfills, NetSuite applies the percentage to the category amount.

**Note:** The exceptions to this are sales-based and quota-based commission schedules that consider categories like class or location for the purpose of commission payout. (Schedule where **Payout Only** is the default in the **Categorization Applies To** list). Therefore, when a transaction makes the period sales total qualify for the next bracket, NetSuite applies this bracket rate to the entire transaction.

For more information about how NetSuite calculates commissions, see [Commission Calculation Options](#)

CLASS - RATE AT OR ABOVE	% OF QUOTA 0	% OF QUOTA 100	% OF QUOTA 110	% OF QUOTA 120	% OF QUOTA 130
New Business : Large	0.0%	5.0%	6.0%	7.0%	8.0%
New Business : Medium	0.0%	5.0%	6.0%	7.0%	8.0%
New Business : Small	0.0%	5.0%	6.0%	7.0%	8.0%
Recurring Business	0.0%	3.0%	3.5%	4.0%	4.5%
Reseller					

You must establish an uncategorized quota and a quota for categories (class, location, department, or item) on which you base your quota. For example, Wolfe Electronics uses a schedule where **Calculation Scale** is **Marginal**, **Rate** is **Percentage**, and **Categorization applies to** is **Both Attainment AND Payout**.

Reps have a monthly Recurring Business quota of \$10,000. The following transactions occurred during this period:

Tran. #	Recurring Business Amount	Period Total	Commission	Notes
1	\$8,000	\$8,000	\$0	No commission is earned until the recurring business amount for the period reaches \$10,000.

Tran. #	Recurring Business Amount	Period Total	Commission	Notes
2	\$3,000	\$11,000	\$30	The first \$2,000 of this transaction does not qualify for commission.  The other \$1,000 generates commission at the 3% rate, or \$30.
3	\$1,500	\$12,500	\$55	\$1,000 of this transaction is in the 3.5% bracket, and \$500 is in the 4% bracket.
4	\$2,000	\$14,500	\$87.50	The first \$500 qualifies at 4%, and the other \$1,500 is in the 4.5% bracket.

The total commission earned on the schedule is \$172.50.

On commission schedules that apply categorization to payout only, the percentages in the header row of the matrix refer to the non-categorized quota. (Quota not based on class, location, items, or departments). In these schedules, you must decide the commission rate. First, determine how much of a transaction fulfills the non-categorized quota. Then, apply the percentage in the column for that category to the sales amount associated with that category on the transaction.

CLASS - RATE AT OR ABOVE	% OF QUOTA 0	% OF QUOTA 100	% OF QUOTA 110	% OF QUOTA 120	% OF QUOTA 130
New Business : Large	0.0%	5.0%	6.0%	7.0%	8.0%
New Business : Medium	0.0%	5.0%	6.0%	7.0%	8.0%
New Business : Small	0.0%	5.0%	6.0%	7.0%	8.0%
Recurring Business	0.0%	3.0%	3.5%	4.0%	4.5%
Reseller		5.0%	4.5%	4.0%	3.5%

For example, Wolfe Electronics uses a schedule where **Calculation Scale** is **Marginal**, **Rate** is **Percentage**, and **Categorization applies to** is **Payout Only**. The bracket used to calculate commission is determined by the extent to which reps attained their overall, uncategorized quota. NetSuite applies the percentage rate to the sales in each class to calculate commission.

One Wolfe Electronics sales rep closed a sale categorized as **New Business : Large**, which enabled them to reach the 110% of quota bracket. They received 6% of that transaction amount. If they were assigned the preceding schedule (**Categorization applies to** is **Both Attainment AND Payout**), they would have quotas established for each class:

Class	Quota
Reseller	\$2,000
Recurring Business	\$3,000

When they reach their quota for sales to resellers, they earn 5% of each sale to resellers up to \$2,200. (110% of their Reseller quota). When their recurring customer sales reaches \$3,600 (120% of quota), they receive 4% of each sale in this class, up to the next commission bracket. (\$3,900, or 130% of recurring customer quota.)

The **Categorization applies to** field appears on commission schedules that meet the following criteria:

- Based on Quota (Sales Amount), YTD Quota, Quota (Alt. Sales Amount), YTD Quota (Alt. Sales Amount), and Sales
- Categorized by class, items, locations, departments, or parents of any of these categories

## Manager Commission Schedules

Manager commission schedules award commission to managers based on the sales of the reps they supervise and their own sales.

To designate a commission schedule as a manager schedule, check the **Manager Schedule** box on the commission schedule record.

You can place this commission schedule in a commission plan, and then assigned it to sales managers. When sales transactions are entered by a rep or the manager, the sales manager earns commission based on the schedule in the commission plan.

If you create a manager commission schedule based on quota, you must also establish a team quota for the manager. For more information on creating a team quota, see [Establishing a Quota](#).

## Commission on Estimated Gross Profit

You can pay commissions based on the estimated gross profit at the transaction line item level.

When you use estimated gross profit you can compensate sales people throughout the sales cycle.

- On the revenue side, the gross profit calculation could use the expected revenue for an opportunity, estimate, sales order, cash sale, or invoice.
- On the cost side, you could use a user-defined amount such as standard cost, average purchase cost, or most recent purchase cost. You could use the price charged by your preferred vendor, or price of the most recent purchase order your company issued to a vendor.



**Important:** NetSuite flexibility lets you select revenue and cost values to calculate estimated gross profit that may not conform to Generally Accepted Accounting Principles (GAAP).

For information on how NetSuite calculates estimated gross profit, see the help topic [Estimating Gross Profit](#).

To pay commission on estimated gross profit, you must use SuiteScript to populate the Alt. Sales (Alternate Sales Amount, ASA) field. This field appears on the Sales Order and Return Authorization forms. Use the following formula:

$$1 \mid \text{Amount} - \text{Est Extended Cost} = \text{Gross Profit}$$

For detailed instructions and an example of how to calculate commissions with Alternate Sales Amount, see the help topic [Basing Commission on ASA](#).

## Employee Commission Plans

Commission plans award commission to your sales reps and sales managers. NetSuite calculates commission payments by commission schedules assigned to a commission plan.

You must create commission schedules before you create a commission plan. You can apply multiple schedules to one commission plan.

For example, Wolfe Electronics assigns sales reps to a commission plan with three schedules:

- a schedule that pays 12% of total sales per period
- a schedule that pays a set commission of \$75 for each computer system sold
- a schedule that awards \$1,000 when a rep sells 100% of quota

You assign sales reps to commission plans. You can assign a rep to only one plan at the same time. If you decide to update a commission plan when it is active, NetSuite recalculates commission for each sales rep in the plan. See [Recalculating Commission](#).

## Creating an Employee Commission Plan

Commission plans are made up of individual commission schedules. When you assign a commission plan to a sales rep, NetSuite applies all commission schedules to determine the commission earned by the sales rep.

For example, Wolfe Electronics creates a commission plan called Standard Quota Commission that includes the following commission schedules:

- a commission schedule based on percentage of quota fulfilled
- a commission schedule based on the number of service plans sold during the period
- a commission schedule based on the number of sales to new customers

### To create a commission plan:

1. Go to Lists > Commissions > Employee Plans > New (Administrator).
2. In the **Name** field, enter a name for this plan.
3. Enter a description of this plan.
4. On the **Add Schedules to Plan** subtab, select a schedule to include in this plan in the **Schedule** column.
5. Click **Add**.
6. Repeat these steps for each commission schedule you want to include in this plan.
7. Click the **Assign Plan to Sales Rep** subtab.
8. In the **Sales Rep** column, select the sales reps to assign to this plan.
9. In the **From** column, enter or pick the date this plan takes effect.
10. In the **To** column, enter or pick the last date you want this plan to generate commission.



**Important:** Best practise is a plan should not have an end date more than 18 months from the start date of the plan.

11. Click **Add**.
12. Repeat these steps for each sales rep you want to assign to this plan.



**Important:** For optimal performance, you should not exceed 50 employees on an employee commission plan.

13. Click **Save**.



You can change the plan and the commission schedules included on the plan at any time. When you make changes to a commission plan, NetSuite recalculates commission based on the updated plan. See [Recalculating Commission](#).

If you pay commissions using SuitePeople U.S. Payroll, you must add a commission earning item to each sales reps' employee record. See [Setting Up an Employee for Commission Payments](#).

## Assigning Sales Reps to a Commission Plan

After you add commission schedules to a plan, you can assign sales reps.

### To assign a commission plan to a sales rep:

1. Go to Lists > Commissions > Employee Plans.
2. Click **Edit** next to the commission plan to which you want to assign a sales rep.
3. Click the **Assign Plan to Sales Reps** subtab.
4. In the **Sales Rep** column, select the sales rep you want to assign to the plan.
5. In the **From** column, enter the date this plan begins to calculate commission for this sales rep.
6. In the **To** column, enter the last date this plan calculates commission for this sales rep.



**Important:** Best practise is a plan should not have an end date more than 18 months from the start date of the plan.

7. Click **Add**.
8. Repeat these steps for each sales rep to whom you want to assign this plan.



**Important:** For optimal performance, you should not exceed 50 employees on an employee commission plan.

9. Click **Save**.

You can assign a sales rep to only one commission plan at a time.

At any point, you can update a commission plan. You can add or remove sales reps or change the commission schedules assigned to the plan. When you update a commission plan when it is assigned, NetSuite recalculates commission for the entire period. See [Recalculating Commission](#).

## Recalculating Commission

Many commission-related changes prompt NetSuite to automatically recalculate commission amounts. For example, when you make changes to a commission plan or schedule that include the following:

- Change the date range a rep is assigned to a plan
- Assign new sales reps to a plan
- Edit a commission schedule assigned to a plan
- Add or remove commission schedules to or from a plan

Also, the following changes to transactions can require commission recalculation:


- Changes to dates, amounts, and other transaction fields
- Change the order in which transactions are entered

For example, you backdate a transaction to a previous month that requires an update to YTD Quota schedules.


The following changes do not automatically prompt commission recalculation, but might cause a change to commission amounts:

- Changes in the sales rep hierarchy (for example, a change in supervisors)
- Changes to quotas
- Adjustments to profit and Cost of Goods Sold (COGS)
- Item fulfillment

If you make a change that does not automatically recalculate commission, you can manually recalculate commission. Open the commission schedule or commission plan for which you want to recalculate commission, and then click the Recalc button.


 **Note:** When a change occurs that triggers an automatic recalculation, it is not in real-time. NetSuite adds the recalculation operation to a queue to be processed. The number, complexity, and size of the items in this queue determine the time it takes to process. Even when you choose to manually recalculate, NetSuite adds the recalculation operation to the queue. You can view the status of the recalculation operation on the commission plan and commission schedule list pages in the Recalculating column.

NetSuite automatically recalculates commission when an order is billed. For commission based on profitability or total profit, you may be required to recalculate commission. For example, if you bill or invoice customers prior to fulfillment, you must manually recalculate prior to commission authorization.

 **Important:** Sales transaction pages such as Sales Order, Invoice, Credit Memo, Cash Sales, Cash Refunds, and Return Authorizations, have an **Exclude Commissions** box. If you check this box on a sales transaction page, NetSuite excludes the transaction and its subordinate transactions from inclusion in all commission calculations.

## Sales Effective Date

The sales effective date determines how NetSuite applies credit transactions with regards to commission. This date appears on transactions and you can edit it.

 **Note:** On commission reports, the sales effective date is the same date as the commission effective date.

You can have the sales effective date on the credit transaction default to the date of the related sales transaction. Go to Setup > Sales Force Automation > Preferences > Sales Preferences > General subtab. Clear the **Default Sales Effective Date to Linked Transaction Date** box to make the sales effective the same as the credit transaction date. Keep this box checked to make the sales effective date default to the date of the sales transaction. NetSuite enables this preference, by default.

For example, an invoice is entered on 11/11/2018 for \$100. The sales rep on the deal received a 10% commission, or \$10. The sales rep's manager received \$2 commission. The sales effective date on the invoice is 11/11/2018. On 06/03/2019, the customer advised that they would not be able to pay, so a credit memo was issued for \$100.

**Note:** If you use this preference and you change the credit transaction date, NetSuite changes the sales effective date to the credit transaction date.

The commission is recalculated in one of the following ways, depending on the sales effective date on the credit transaction:

- If the credit memo date is set to the invoice date (11/11/2018), the sales rep and manager would be issued negative commission amounts. These negative commission amounts would be \$10 for the sales rep and \$2 for the manager.
- If the credit memo date is set to the current date (06/03/2019), NetSuite calculates the commission based on the plan used that current date. In addition, the sales rep's current manager as of 06/03/2019 would be issued the negative commission amount of \$2.

## Split Commission

If you use both the Employee Commissions and the Team Selling features, you can divide the commission earned on a transaction. You can split the commission between all of the employees in the sales team.

A sales team member's contribution percentage determines how much of the calculated commission for a transaction is earned by an employee. For example, according to a sales rep's commission plan they earn 10% of a transaction total. The total for the transaction is \$10,000. The rep splits the commission evenly with another sales rep on the deal. Their contribution percentage is 50%. Each sales rep earns \$500 on the deal ( $\$10,000 * 10\% * 50\%$ ).

The commission generated by a transaction is independently determined by each employee's commission plan's commission schedules. After the commission amount is determined, NetSuite applies the contribution percentage to determine the portion of the commission earned by the employee. In the example above, the commission generated for the sales rep is 10% of \$10,000. Their contribution percentage entitled them to 50% of what they would have earned had they been the only rep on the transaction. The other sales rep's commission plan indicates that they would earn 15% of the transaction total. Because their contribution percentage is 50%, they earn \$750 on the same deal ( $\$10,000 * 15\% * 50\%$ ).

**Note:** With the Team Selling feature, any employee can be paid commission. To make an employee eligible for commission payments, check the **Eligible for Commission** box on the employee record.

For the purposes of commission, only subordinates with the Sales Rep sales role contribute to a manager's commission. For example, two sales reps report to a manager. One of the sales reps has the Sales Rep role and the other has the Sales Engineer role. The manager earns 10% commission on sales through a manager schedule. If the sales team enters a sales order for \$1,000, the manager earns \$100. The manager does not earn commission on the sale through the sales engineer.

## Authorizing Employee Commission

When you authorize a commission you verify that the calculated commission amounts are correct. Authorization creates a commission payable transaction, and may give accounting approval to cut a payment check.

Before the commission can be paid to the employee, it must be authorized by the employee's supervisor. You can authorize only eligible commission. For more information on eligible commission, see [Commission Eligibility](#).

You can also set a preference to require accounting approval for commission payable transactions.

- If you **do not** enable the preference, commission authorization approves a check to be cut to pay the commission.
- If you **do** enable the preference, when you authorize the commission, it goes to the accounting approval queue before a check can be cut.

To set this preference, go to Setup > Sales > Sales Management > Commissions (Administrator). On the General subtab, check the **Require Accounting Approval of Employee Commissions** box, and then click Save.

You can pay commissions to employees either on their paychecks or on a separate payable check.

If you use SuitePeople U.S. Payroll, you can pay commission on paychecks. An administrator can go to Setup > Payroll > Setup Tasks > Set Up Payroll (Administrator) > Preferences subtab. Check the **Pay Employee Commissions on Paychecks by Default** box.

If you do not pay commissions on paychecks, approved commission transactions generate commission payable bills. An administrator can do this at Transactions > Payables > Pay Bills (Administrator).

## Authorizing Employee Commission in Bulk

After you assign a commission plan to an employee, NetSuite generates a commission amount when a sales transaction is created that meets the commission criteria. After NetSuite generates a commission amount, it must be authorized by a supervisor.

Authorization verifies the commission amount, creates a commission payable transaction, and may also give accounting approval to cut a payment check.


Bulk employee commission transactions source department, class, and location from employee records.

### To authorize bulk commission transactions:

1. Go to Transactions > Commissions > Authorize Employee Commissions (Administrator).  
The Authorize Commissions page displays a list of commission transactions pending authorization. Sales managers see only commissions for their subordinate sales reps.
2. In the **Pay Commissions Using** field, select whether you want to pay commission through payroll or through accounts payable.  
NetSuite inserts today's date for this commission, but you can enter or pick another date.  
The date you enter determines the range in which this transaction appears on the Accounts Payable Register.
3. Select the period to which you want these commission transactions to post.
4. Check the **Accounting Approval** box to give accounting approval for these commission transactions.  
Commission transactions with accounting approval can be paid through checks.
5. In the **Account** field, select the account to which you want these commission transactions to post.  
This field appears only if you are paying the commission through accounts payable.  
The balance for this account is shown in the **Balance** field.
6. Select the expense account used by these commission transactions.  
This field appears only if you are paying the commission through accounts payable.

7. In the **Date Eligible** field, enter a date to filter commission transactions by the date they became eligible.  
You can use this date filter to show only the transactions for the month you authorize commission. This date defaults to the most recent date for eligible transactions.  
For example, if you have a commission eligibility period of 15 days and today's date is February 28, the **Date Eligible** field defaults to February 13. Only transactions that are eligible on the date you are authorize commission are shown.
8. In the **Sales Rep** field, enter the name of a sales rep to filter the commission transactions for the particular rep.
9. In the **Select** column, check the box next to one or more commission amounts to authorize, or click **Mark All**.
10. Check the **Accounting Approval** box (if available) to approve and authorize commissions at the same time.
11. Click **Authorize**.

The Process Status page displays the status of the commission authorization process while the process runs. Information that displays includes any transaction number, process type, the status of the commission payment, and percent complete. It also displays any processing error, date created, and the name of the creator. If the status is **Complete**, click the link to open the Processed Commissions page. On this page you can obtain the name of the employee receiving the commission, status, and transaction number. You can also obtain currency, amount in foreign currency, amount in base currency, and any error message. If you click the **Transaction Number** link, you can access the individual commission record.

 **Note:** You cannot authorize commissions for employees whose commissions are currently being authorized.

The next step depends upon your set preference to use accounting approval for commissions and to pay commissions. You can require separate accounting approval. You can choose either to pay commissions to employees on their paychecks, or pay commissions on a separate check.

Sales managers with accounting approval permissions can both authorize and approve a commission transaction at the same time.

After you authorize a commission transaction, one of the following occurs:

- **With Accounting Approval and Use Payroll both off** – The commission appears as a payable transaction at Transactions > Pay Bills.
- **With Accounting Approval and Use Payroll both on** – The commission appears in the accounting approval queue.
- **With Accounting Approval on and Use Payroll off** – The commission appears in the accounting approval queue.
- **With Accounting Approval off and Use Payroll on** – The commission appears as a payment on the employee's paycheck at Transactions > Process Payroll.

To set your preference to require separate accounting approval on commissions, go to Setup > Sales > Sales Management > Commissions (Administrator). On the General subtab, check the Require Accounting Approval box, and then click Save.

- To pay commissions on paychecks, you must use SuitePeople U.S. Payroll. For more information, see NetSuite Payroll.

Next, go to Setup > Payroll > Setup Tasks > Set Up Payroll (Administrator). On the Preferences subtab, check the Pay Commissions on Paychecks by Default box. Click Save.

- If you do not pay commissions on paychecks, approved commission amounts generate a commission payable transaction. Go to Transactions > Payables > Pay Bills (Administrator).

## Authorizing Individual Employee Commissions


After a commission amount is generated from a sale that meets the commission criteria, it must be authorized by a supervisor.

Authorization verifies the commission amount, creates a commission payable transaction, and may also give accounting approval to cut a payment check.

### To authorize individual commission transactions:

1. Go to Transactions > Commissions > Individual Employee Commission (Administrator).
2. In the **Employee** field, select the sales rep who will receive the commission.  
The **Supervisor** field displays the employee's assigned supervisor.
3. If you pay commissions on payroll, select the commission earning item in the **Commission Item** field.  
Set up commission earning items at Lists > Employees > Payroll Items > New.
4. In the **Date Eligible** field, enter a date to filter commission transactions by the date they became eligible.  
You can use this date filter to show only the transactions for the month you authorize commission.  
This date defaults to the most recent date for eligible transactions.  
For example, if you have a commission eligibility period of 15 days and today's date is February 28, the **Date Eligible** field defaults to February 13. Only transactions that are eligible on the date you authorize commission are shown.
5. Accept or enter the date in the **Date** field.
6. If you pay commissions as an expense, select an account for this commission in the **Expense Account** field.
7. In the **Memo** field, enter a memo for this transaction.
8. If you use the Accounting Approval preference, and you can grant accounting approval, check the **Accounting Approval** box to approve payment of this commission.
9. Select a department, class, or location, if you track them.
10. Accept or enter the commission number in the **Commission #** field.  
To permit the transaction number to be modified, go to Setup > Company > Setup Tasks > Auto-Generated Numbers. Check the **Override** box on the **Transactions** subtab next to **Commission**.
11. Choose the amounts to include on the commission transaction:
  - Check the box next to the commission to include a commission on the **By Transaction** subtab.
  - Check the box next to the commission to include a commission on the **By Period** subtab.
 The following columns appear on the **By Transaction** and **By Period** subtabs:
  - **Date Eligible** – The date the commission is eligible, based on the terms of the schedule plus the offset preference  
This column appears only on the **By Transaction** subtab.  
For example, an order closed on 6/1/2019 has an eligibility schedule based on billings, and the order is invoiced on 6/15/2019. The eligible date is 6/15/2019. If the offset is 5 days, then the eligible date is 6/20/2019.


- **Calculated Commission** – The amount calculated by the schedule, which is the total payable amount
- **Previously Authorized** – The amount previously authorized  
In view mode, this is the total amount authorized including this transaction
- **Eligible Amount** – The total eligible amount after the triggering event occurs (billing or collection)

 **Note:** This amount may differ from the calculated commissions column. For example, if a schedule is based on collections and only half of the payment is received, the eligible amount is half of the calculated amount.

- **Amount** – The amount authorized by this transaction
- To enter a commission amount manually, click the **Other Commissions** subtab. Complete the **Memo** and **Amount** fields for the commission.  
The **Exchange Rate** column displays the currency exchange rate on the date this commission is authorized. The **Foreign Currency Amount** column displays the related commission amount.
- Click **Add**.

12. Click **Save**.

The Process Status page displays the status of the commission authorization process while the process runs. Information that displays includes any transaction number, process type, the status of the commission payment, and percent complete. It also displays any processing error, date created, and the name of the creator. If the status is **Complete**, click the link to open the Processed Commissions page. On this page you can obtain the name of the employee receiving the commission, status, and transaction number. You can also obtain currency, amount in foreign currency, amount in base currency, and any error message. If you click the **Transaction Number** link, you can access the individual commission record.

 **Note:** You cannot authorize commissions for employees whose commissions are currently being authorized.

The next step depends upon your set preference to use accounting approval for commissions and to pay commissions. You can require separate accounting approval. You can choose either to pay commissions to employees on their paychecks, or pay commissions on a separate check.

Sales managers with accounting approval permissions can both authorize and approve a commission transaction at the same time.

After you authorize a commission transaction, one of the following occurs:

- **With Accounting Approval and Use Payroll both off** – The commission appears as a payable transaction at Transactions > Pay Bills.
- **With Accounting Approval and Use Payroll both on** – The commission appears in the accounting approval queue.
- **With Accounting Approval on and Use Payroll off** – The commission appears in the accounting approval queue.
- **With Accounting Approval off and Use Payroll on** – The commission appears as a payment on the employee's paycheck at Transactions > Process Payroll.


To set your preference to require separate accounting approval on commissions, go to Setup > Sales > Sales Management > Commissions (Administrator). On the General subtab, check the Require Accounting Approval box, and then click Save.

- To pay commissions on paychecks, you must use SuitePeople U.S. Payroll. For more information, see NetSuite Payroll.  
Next, go to Setup > Payroll > Setup Tasks > Set Up Payroll (Administrator). On the Preferences subtab, check the Pay Commissions on Paychecks by Default box. Click Save.
- If you do not pay commissions on paychecks, approved commission amounts generate a commission payable transaction. Go to Transactions > Payables > Pay Bills (Administrator).

## Viewing the Status of Authorized Employee Commissions

At any time you can view the status of authorized commission payments. Go to Go to Transactions > Commissions > Authorize Employee Commissions > Status.


The Process Status page displays the identification number of the submitted commission and process type, such as commission authorization. It displays the status of the commission authorization process, such as completed, and completion percentage of the authorization process. It also displays any error messages, and the authorization creation date and time stamp.

 **Note:** You cannot authorize commissions for employees whose commissions are currently being authorized.

## Approving and Rejecting Employee Commission

After a sales supervisor authorizes commissions, you can require that an accounting user approve or reject commission payments.


To require accounting approval before the payment of commissions, go to Setup > Sales > Commissions. Check the **Require Accounting Approval of Employee Commissions** box, and then click Save.

 **Note:** With sufficient permission, you can both authorize and approve commissions. See [Authorizing Employee Commission in Bulk](#).

## Approving Commission Transaction for Payment


### To approve a commission transaction for payment:

1. Go to Transactions > Commissions > Approve Employee Commissions (Administrator).  
The Approve Commissions page displays a list of authorized commission transactions awaiting approval.
2. In the **Pay Commissions Using** field, select either **Payroll** or **Accounts Payable**.  
The Approve Commissions page lists commission transactions by sales representative, based on whether the employee is paid through payroll or accounts payable.


 **Note:** To pay commissions on paychecks, you must use SuitePeople U.S. Payroll. See the help topic [Payroll Setup](#).

3. In the **Date** field, you can change the specific posting date within the **Posting Period**.
4. Select a **Posting Period** from the available open periods.



 **Note:** If you select a **Date** before you select a **Posting Period**, the correct posting period automatically appears in this field.

If an accounting period was closed since the authorization of a commission, the first open period defaults as the posting period. To select another open period, you must go to the commission transaction, then select another open posting period.

 **Important:** If there is no defined posting period, users with **Manage Accounting Periods - View** permission see a suggested accounting period. The suggested accounting period appears in the **Posting Period** field on the transaction.

5. In the **Approve** column, check the boxes next to the commission transactions to approve, or click **Mark All**.

The information provided includes the date, commission, sales rep, supervisor, currency, and amount.


6. Click **Approve**.

To view the status of the approved commissions payments, from the Transactions Overview page, go to Commissions > Authorize Employee Commissions > Status. See [Viewing the Status of Authorized Employee Commissions](#).

To view or edit an individual commission transaction from the Approve Commissions page, click the date to open the transaction.


## Rejecting Commissions

You can reject a commission that NetSuite properly calculated but you do not want to pay.

 **Note:** For commission transactions that were entered incorrectly, you should edit or delete them instead of rejecting them.

### To reject a commission transaction:

1. Go to Transactions > Commissions > Approve Employee Commissions (Administrator).  
The Approve Commissions page displays a list of commission transactions pending approval.
2. In the **Pay Commission Using** field, select either **Payroll** or **Accounts Payable**.  
The Approve Commissions page lists commission transactions by sales representative, based on whether the employee is paid through payroll or accounts payable.
3. Select a **Posting Period** from the available open periods.  
If an accounting period was closed since the authorization of a commission, the first open period defaults as the posting period. To select another open period, you must go to the commission transaction, then select another open posting period.

 **Important:** If there is no defined posting period, users with **Manage Accounting Periods - View** permission see a suggested accounting period. The suggested accounting period appears in the **Posting Period** field on the transaction.

4. Click the date next to the commission you want to reject.  
The commission transaction opens.
5. Click **Reject**.

The commission has a status of Rejected by Accounting and no longer appears on the Approve Commissions page. To resubmit commissions for approval, delete the rejected commissions on the Commissions page. Then, reprocess the commissions.

To view a list of rejected commissions transactions, go to Transactions > Commissions > Individual Employee Commission > List. On the commission register, select **Rejected by Accounting** in the **Status** field. Rejected commissions also appear on the Commissions Overview report.

## Paying Employee Commission

This topic details two methods for paying employee commission.

### Commission Payment Methods


You can choose one of two methods to pay commissions to employees:

- On paychecks, commission payments show on the check stub as a payroll earning item.  
To pay commissions on paychecks, you must use SuitePeople U.S. Payroll to pay your employees. See the help topic [Payroll Setup](#).
- On payable checks, NetSuite treats commission payments as an accounts payable transaction.

If you use SuitePeople U.S. Payroll, you set your preferences to pay commissions on paychecks.


#### To pay commissions on paychecks:

1. Go to Setup > Payroll > Setup Tasks > Set Up Payroll (Administrator).
2. In the Paychecks section, check the **Pay Employee Commissions on Paychecks by Default** box.

 **Note:** If you do not check this box, commissions are paid on a separate check as accounts payable transactions. To pay commission through payable checks, first create a journal entry for the payment, and then process the payment. You can process the payment at Transactions > Payables > Pay Bills.

3. Click **Save**.

Now you can pay approved commissions at Transactions > Employees > Create Payroll.

 **Important:** You can change the state of the **Pay Employee Commissions on Paychecks by Default** box. However, the method to pay existing commissions transactions depends on the preference state at the time the commission is authorized, not at payment processing.

For example, you check the Pay Employee Commissions on Paychecks by Default box. Then, commission transaction #1 is created and pending authorization. Before you authorize commission #1, you clear the box. Then, commission #2 is created. After you authorize each commission, you pay both commissions on a check separate from the employee's paycheck.

## Paying Commissions using Accounts Payable

#### To create a bill credit for the commissions payable:

1. Go to Transactions > Financial > Make Journal Entries (Administrator).
2. Choose the posting period and date you want this journal entry to apply to.
3. On the **Lines** subtab, in the **Account** column, select the payables account to pay this commission.
4. In the **Debit** column, enter the commission amount.
5. In the **Name** column, enter the name of the sales rep.
6. Click **Add**.
7. In the **Account** column, select the bank account for this payment.
8. Click **Add**.
9. Click **Save**.

Make a note of the journal entry reference number.


### To offset the bill credit to commission and process the commission payment:

1. Go to Transactions > Financial > Make Journal Entries (Administrator).
2. Choose the posting period.
3. Select the payable account for this commission.
4. Choose the bank account for this payment.
5. Check the box in the **Pay** column next to the commissions payable.
6. Check the box in the **Pay** column next to the Bill Credit that corresponds to the commissions payable.
7. Click **Save**.

NetSuite processes the commission payment and you can print the check for the sales rep.

## Setting Up an Employee for Commission Payments

To make commission payments to an employee, you must create a commission earning item. You must then add the item to the record of each employee to whom you want to pay a commission.

 **Note:** To set up an employee for commission payments, you must use SuitePeople U.S. Payroll to pay your employees. See the help topic [Payroll Setup](#).

### To create a commission earning item:

1. Go to Lists > Employees > Payroll Items > New.
2. Select **Earning: Commission** from the **Item Type** field.
3. Enter a name for the commission earning item, in the **Item Name** field.
4. Select the expense account to pay the commission.
5. If you use NetSuite OneWorld, select the subsidiary this payroll item relates to.
6. In the **Pay Code** field, select the appropriate pay code. Check the **Withholding** box to determine how the earning is taxed and reported, and whether the item appears on the employee's W-2.
7. Select the report section in which this payroll item should appear on payroll reports.
8. Click **Save**.

Next, add the commission earning item to the record of the employees to whom you want to pay a commission.

### To set up an employee record for commissions:

1. Go to Lists > Employees > Employees > New (Administrator).
2. Click **Edit** next to the employee you want to set up for commission payments.
3. On the employee record, click the **Payroll** subtab.
4. Click the **Earnings** subtab, and then in the **Earnings** field, select the commission earning item you created in the preceding procedure.
5. Click **Add**.
6. Click **Save**.
7. Repeat these steps for each employee you will pay a commission.

To pay employee commissions, go to Transactions > Commissions > Authorize Employee Commissions (Administrator).

## Viewing Commission Statuses

A commission amount must be authorized, and may also need accounting approval, before it can be paid to the employee. Then, a commission is paid to an employee on their paycheck, or as a separate payable transaction.

At each stage, the commission transaction has a status that reflects where the transaction is in the payment process.

### To view a commission status:

1. Go to Transactions > Commissions > Individual Employee Commission > List (Administrator).
2. On the Commission register, look in the **Status** column next to the commission.

A commission has one of the following statuses:

- With Require Accounting Approval **on**:
  - A commission transaction that **is not** yet approved has the status, Pending Accounting Approval.
  - A commission transaction that **is** approved has the status, Pending Payment.
- With Require Accounting Approval **off**, a commission that is not yet paid has the status, Pending Payment.
- When a commission is completely paid, it has the status, Paid in Full.

## Commission and Credit Memos

Sometimes you must issue a credit memo for transactions that previously generated a commission amount. In such cases, NetSuite processes commission as follows:

- If the schedule eligibility is based on billings, NetSuite subtracts the negative commission from the sales rep when the credit memo is entered.

- If the schedule eligibility is based on cash collections, NetSuite calculates the negative commission for accrual purposes on quota. It is not taken back (clawed back) from the sales rep unless the credit memo is refunded to the customer.

**Note:** Credit memos create negative commission in NetSuite.

## Commission and Advanced Billing

If you use the Advanced Billing feature, NetSuite calculates commissions based on the amount of a billed sales order, defined by the billing schedule.

On the Estimated Commissions report, sales orders appear if they have bills scheduled to be created within the date range of the report.

On the Commissions Pending Authorization or Authorized Commissions reports, only the invoices or cash sales created from the billing schedule within the date range appear. For example, a sales order is created on 03/01/2019 for \$100.00. It has a Billing Schedule with an initial payment amount of 50% (\$50.00) due immediately. The next bill amount for 25% (\$25.00) has a scheduled bill date one month after the initial bill, or 04/01/2019. The sales rep selected on the order has a commission schedule that pays 10% on total sales.

If you run the Estimated Commissions report for 03/01/2019 - 03/31/2019, the estimated commission for this order is \$5. This is 10% of the initial \$50 bill amount. If you run this report for two months, from 03/01/2019 to 04/30/2019, the sales order appear two times. These two time represent the two scheduled bill amounts of \$50 and \$25, and their respective commission amounts of \$5 and \$2.50.

After the first bill is generated and the commission is authorized, the Authorized Commissions report displays the invoice of \$50 with a commission amount of \$5.

## Importing Employee Commission Data

You can import precalculated commission data as a CSV file.

First, export your commission data from your current program. Then, modify the information to match the NetSuite import requirements. Finally, import the CSV file into NetSuite.

To import commission data as a CSV file, go to Transactions > Commissions > Authorize Employee Commissions. Click **Import** and then click the [here](#) link to download a CSV template. After you import commission amounts, NetSuite adjusts the commission basis and calculated commission amounts on corresponding transactions to show \$0.

You should present commission data presented in the following columns of the CSV template:

Column	Purpose	Requirements
A	Sales Rep	Enter the employee's name here. You must check the Sales Rep box on the employee record to import commission data for the employee.
B	Transaction Type	Choose one of the following transaction types to import: Invoice, Cash Sale, Cash Refund, Credit Memo.
C	Transaction Number	Enter the transaction number to which the commission amount applies.
D	Amount	Enter the amount of the commission. For a negative amount, enter - before the commission amount.

# Commission Reports

The following standard commissions reports are available in NetSuite.

Click a link for more information:

- [Commission Overview Report](#)
- [Commission Overview Detail Report](#)
- [Commissions Pending Authorization Summary Report](#)
- [Commissions Pending Authorization Detail Report](#)
- [Authorized Commission Summary Report](#)
- [Authorized Commission Detail Report](#)
- [Paid Employee Commission Summary Report](#)
- [Paid Employee Commission Detail Report](#)
- [Commissions on A/P Aging Reports](#)
- [Commission Calculation History Report](#)



**Note:** If you must include a sales representative's address on a report, customize the report to add Home Address fields from the employee record. See the help topic [Including an Employee's Address on a Report](#).

## Commission Overview Report

The Commission Overview report is a comprehensive summary of information found on other commission reports. It is available to employees assigned a sales person role or higher.

The report shows commissions for each transaction, by sales people who are on commission plans, at every level of your sales staff hierarchy. This report includes all commissionable transactions including sales orders, cash sales, invoices, return authorizations, cash refunds, and credit memos.

For an estimate of the total potential commissions that employees might earn, review the Estimated Commission Summary report.

For each transaction, the following information appears:

- Name of sales representative
- Transaction date
- Name of the commission schedule used to generate the commission amount
- Transaction type
- Transaction / Document number
- Transaction Base Amount – amount of a transaction used to calculate commission
- Calculated Amount – maximum potential commission, based on commission schedule rules, for a transaction
- Eligible Total – the Calculated Amount that meets commission eligibility requirements including invoices that are not fully paid as of the report date
- Authorized Total – amount reviewed and authorized for payment in the current period, usually by the sales person's supervisor

This amount exists on a commission payable transaction and may be awaiting accounting approval before initiating payment.

- Rejected Total – amount of the Authorized Total rejected by the approver (if applicable)
  - Paid Total – amount of authorized commissions paid with an Accounts Payable or Payroll check
- The sales representative may not yet have received this amount, depending on payroll or other payment processing.

## To see an Commission Overview report:

Go to Reports > Commissions > Commission Overview.

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. You can click **Cancel Report** to stop the report from loading.



**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Commission Overview Detail Report

The Commission Overview Detail report provides additional data not available on the Commission Overview report. In addition to the data provided in the Commission Overview report, the Commission Overview Detail report provides the following:

- Schedule Type
- Description
- Commission amount per transaction line

For each transaction, the following information appears:

- Name of sales representative
  - Transaction date
  - Name of the commission schedule used to generate the commission amount
  - Transaction type
  - Transaction / Document number
  - Transaction Base Amount – amount of a transaction used to calculate commission
  - Calculated Amount – maximum potential commission, based on commission schedule rules, for a transaction
  - Eligible Total – the Calculated Amount that meets commission eligibility requirements including invoices that are not fully paid as of the report date
  - Authorized Total – amount reviewed and authorized for payment in the current period, usually by the sales person's supervisor
- This amount exists on a commission payable transaction and may be awaiting accounting approval before initiating payment.
- Rejected Total – amount of the Authorized Total rejected by the approver (if applicable)
  - Paid Total – amount of authorized commissions paid with an Accounts Payable or Payroll check

The sales representative may not yet have received this amount, depending on payroll or other payment processing.

**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## To see an Commission Overview Detail report:

Go to Reports > Commissions > Commission Overview Detail.

A message appears indicating that your report is loading. The status bar indicates the progress as your report loads. You can click **Cancel Report** to stop the report from loading.

## Commissions Pending Authorization Summary Report

The Commissions Pending Authorization Summary report shows the commission earned by each sales rep eligible for authorization.

Eligible commission is that commission that meets commission eligibility requirements. See [Commission Eligibility](#).

## To see the Commissions Pending Authorization Summary report:

Go to Reports > Commissions > Commissions Pending Authorization.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.

**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Commissions Pending Authorization Detail Report

The Commissions Pending Authorization Detail report shows the commission earned for every transaction by each sales rep that is eligible for authorization.

Eligible commission is that commission that has met commission eligibility requirements. For more information, see [Commission Eligibility](#).

## To see the Commissions Pending Authorization Detail report:

Go to Reports > Commissions > Commissions Pending Authorization > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.



**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Authorized Commission Summary Report

The Authorized Commission Summary report shows the commission each sales rep is due to receive. These commissions have already been authorized.

If partial payment has been made for a commission amount, the amount that has been authorized but not paid appears on this report.

### To see the Authorized Commission Summary report:

Go to Reports > Commissions > Authorized Commission.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.

**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Authorized Commission Detail Report

The Authorized Commission Detail report shows the commission that is due to be paid to each sales rep. The commission amounts on this report have been authorized and approved. This report includes commission from sales orders, cash sales, invoices, and refunds.

If partial payment has been made for a commission amount, the amount that has been authorized but not paid appears on this report.

### To see the Authorized Commission Detail report:

Go to Reports > Commissions > Authorized Commission > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.

**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Paid Employee Commission Summary Report

The Paid Employee Commission Summary report shows the commission payments made to each employee in the period selected. The commission payment amount is shown for each schedule assigned.

## To see the Paid Employee Commission Summary report:

Go to Reports > Commissions > Paid Employee Commission.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.

## Paid Employee Commission Detail Report

The Paid Employee Commission Summary report shows the commission payments made to each employee for the period selected. The commission payment amount is shown for each transaction that generated commission.

## To see the Paid Employee Commission Detail report:

Go to Reports > Commissions > Paid Employee Commission > Detail.

A message appears indicating that your report is loading. The status bar in the footer of the report indicates the progress as your report loads. You can click **Cancel Report** next to the status bar to stop the report from loading.

## Commissions on A/P Aging Reports

The transaction date on commissions is also used as a due date to enable commissions to show on the accounts payable aging reports.

Click a link below for more information on A/P Aging reports:

- [A/P Aging Summary Report](#)
- [A/P Aging Detail Report](#)

## Commission Calculation History Report

You can run the Commission Calculation History report to analyze commission calculation. The Commission Calculation History report details commission transaction calculations chronologically for the entire life cycle of the transaction. This life cycle includes commission calculation, determining eligibility, authorization, and payments.

Each event is saved as a new record with a date and timestamp instead of creating a record per commission. The new record contains the new or changed information for commission transaction. NetSuite records commission transactions at the transaction line-item level to capture the most details.

The report headers give information about employee commissions. They show the commission profit and transactions applied to particular sales rep. The report creates an 'action' column that indicates how NetSuite generates your commissions records. One of two action items will appear in the column:

- **Insert:** defines the first time calculating the commission on this transaction, or the first time the system marks that this commission amount is eligible to pay to a sales rep
- **Update:** indicates the system is re-calculating on this transaction. This might appear if the order changed, the order status is changed after first time calculation, or the user triggered a manual commission recalculation

This report can be useful across your organization. For example:

- A user in Sales Operations can see all commission transaction details to reconcile commission transactions with compensation plans and sales activity.
- A Sales Representative can see their own commissions to ensure they are accurately compensated, based on the team compensation plan and their sales activity.
- An Accountant, Finance Manager can audit commission transactions to ensure accounting and compensation rules are enforced for commission calculation, authorization, and payment.

The Commission Calculation History report is not available in the Reports menu because it runs in the context of a specific commission line. To view a Commission Calculation History report, click a commission amount on a transaction line of the Commission Overview Detail report.

Also note that you cannot customize the Commission Calculation History report.



**Note:** This report does not support reporting by period even when the Report by Period preference is set to All Reports. You can configure the Report by Period preference. Go to Home > Set Preferences > Analytics subtab.

## Commissionable Item Search

You can run a Commissionable Item search to find commissionable items based on item type. You should use this search with commission schedules and quotas.

The available criteria filters for this search include the following:

- Amount
- Amount (Alt.Sales)
- Amount (Transaction Total)
- Class
- Class (Main)
- Customer
- Date
- Department
- Department (Main)
- Item
- Lead Source
- Quantity
- Rev. Rec. End Date
- Rev. Rec. Start Date
- Rev. Rec. Term in Months
- Sales Rep
- Status
- Type

Following are best practices and considerations for setting up a Commissionable Item search:

- Keep the search criteria straightforward for better maintenance.

- Use key-based criteria for high performance.
- Name the search to indicate clearly the category and purpose.
- To make sure you receive only the results you need, pay close attention to the search criteria.

### To create a new Commissionable Item search:

1. Go to Lists > Search > Saved Searches > New.
2. Click **New**.
3. Click **Commissionable Item**.
4. Enter a name for this search.
5. Enter search criteria.
6. Click **Save**.

## Commissionable Item Searches on Commission Schedules

If you select Custom when you create a commission schedule, you can associate one of the Commissionable Item searches with the schedule. This association provides greater flexibility with your schedule. See [Search-Based Commission Schedules](#).

## Commissionable Item Searches and Quotas

When you create a quota, you can base it on one of the Commissionable Item searches for greater flexibility with your quota. See the help topic [Search Based Quotas](#).