

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Sales and Marketing

Title	Formulate sales team incentive plans
Code	105066L5
Range	This unit of competency (UoC) is applicable to staff of the management level in the retail industry. It requires critical evaluation, thinking and review. It covers the abilities to formulate encouraging and motivating sales team incentive plans in accordance with factors such as the organization's sales strategies, marketing objectives and resources in order to enhance sales performance to cope with the overall retail business development.
Level	5
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of sales team incentive plans <ul style="list-style-type: none"> • Understand the organization's sales strategies and marketing objectives • Master the organization's human resources management policies • Master the performance, competitiveness and development potential of goods of the organization • Understand the current condition and development trend of the overall retail market • Understand the basic factors that affect the sales performance of the organization, e.g. seasonal factor, competitors • Master the performance of the organization's sales team and the quality of individual salespersons • Understand details of the sales team incentive plans of the retail industry, e.g.: <ul style="list-style-type: none"> • Commission arrangement and percentage • Criteria for special recognition and monetary/tangible rewards • Rules of penalty for not meeting targets, etc. 2. Formulate encouraging and motivating sales team incentive plans <ul style="list-style-type: none"> • Assess the possibility of increasing sales volume and the cost required in accordance with the existing sales performance of the goods of the organization and the market condition • Assess the potential and magnitude of raising sales volume by the incentive plan in accordance with the sales team's past performance and the quality of individual salespersons • Formulate sales team incentive plans, e.g.: <ul style="list-style-type: none"> • Commission percentage that increases progressively with sales volume • Promotion arrangement that accords with long-term sales performance • Profit sharing schemes for outstanding salespersons • Employee stock purchase plans • Special recognition programmes for staff, e.g. bonus or a certificate of appreciation • Other forms of incentives, etc. • Let related salespersons and executives clearly understand details of the incentive plan by means of effective communication channels • Regularly review and assess the results of the related incentive plan and modify the scheme as needed 3. Exhibit professionalism <ul style="list-style-type: none"> • The sales team incentive plan formulated can enhance team spirit and staff morale
Assessment Criteria	<p>The integrated outcome requirement of this UoC is the ability to:</p> <ul style="list-style-type: none"> • Formulate an encouraging sales team incentive plan that fulfills the organization's needs in accordance with factors such as the organization's sales strategies and marketing objectives in order to enhance sales performance and cope with the overall retail business development; and • Regularly review and assess the results of the related incentive plan.
Remark	