

Ridgeline: our 2027 sales plan

Prepared December 2026 · For approval by the CEO · An example for a made-up company

This document explains a sales compensation plan. It is not an employment contract, and it doesn't change anyone's pay by itself. Have your HR lead or employment attorney review the plan before it is announced.

1. The plan in one paragraph

Next year Ridgeline's team quota is \$7,731,806, 8% above the company sales goal of \$7,159,080: \$7,425,181 for its twelve reps and \$306,625 held for a planned hire. Quotas blend each territory's last two years with how many good-fit accounts it has, so a thin territory no longer carries the same number as a rich one. Every rep earns the same \$56,000 in commission at 100% of their own quota. Above quota, every dollar pays 1.5 times the rate, with no cap. Renewals no longer count toward quota; half of today's renewal commission moves into base pay. Eight of twelve reps would earn less at last year's sales, so losses are phased in: no one loses more than 5% in 2027 or 10% in 2028.

2. The number

	Amount	What it means
Company sales goal (new customers + growth from current ones)	\$7,159,080	What the company needs from sales next year.
Cushion	8%	Quotas add up to a bit more than the sales goal, so a few misses don't sink the year.
Team quota	\$7,731,806	The sum of every rep's quota, plus quota held for planned hires.

3. How quotas were set

Ridgeline used a blend of history and potential: half of each quota comes from the territory's last two years of sales, half from its share of good-fit accounts. Territories differ by 2.5 times in good-fit accounts and most reps have two years in their seat, so neither history nor territory size alone is fair.

Territory	Rep	2027 quota	vs. last 12 months	Commission rate	Why it moved
Northwest	R01	\$736,435	+115%	7.6%	Last 12 months were a down year
Southwest	R02	\$500,004	+42%	11.2%	More good-fit accounts than sales show
Texas	R03	\$1,008,386	-16%	5.6%	Last 12 months included one-time deals

Great Lakes	R04	\$657,678	+8%	8.5%	
Southeast	R05	\$764,584	+22%	7.3%	Share held steady
Florida	R06	\$540,170	+24%	10.4%	Marketing feeds most of Florida's leads
Mid-Atlantic	R07	\$850,558	+8%	6.6%	
Northeast	R08	\$865,844	-11%	6.5%	Two strong years in a row
New England	R09	\$359,083	+28%	15.6%	More good-fit accounts than sales show
Ohio Valley	R10	\$376,779	-14%	14.9%	Fewer handed-in leads
Plains	R11	\$291,723	+20%	19.2%	Share of accounts above share of sales
Mountain	R12	\$473,937	+84%	11.8%	Rep started in March, so last year was a part year
To be decided	Planned hire	\$306,625			Held for a hire starting in January, counted by ramp
Total		\$7,731,806			

4. How pay works

- **Target pay:** \$56,000 in commission at 100% of quota, for every rep in the role. Average base pay is \$97,450.
- **The rate:** Each rep's rate is \$56,000 ÷ their quota, so a bigger quota means a lower rate and the same paycheck at 100%. Rates are in the table above.
- **Above quota:** Above 100% of quota, every dollar pays 1.5 times the rate. There is no cap. Any single deal over \$150,000 or 25% of quota gets a review, under a rule written before the year starts.
- **Renewals:** Renewals no longer count toward quota. Half of last year's renewal commission moves into base pay, split evenly; reps are no longer paid on renewals.
- **Pay mix:** Pay mix at target is 64% base, 36% commission (today 51% : 49%).

5. What it costs

If the company...	Total sales pay, all in
misses: 85% of the number	\$1,797,865
hits its number	\$1,904,813
every rep beats quota by 15%	\$2,089,692

As worked out on Ridgeline's Leadership Summary (3.5), which lists what "all in" covers.

6. Who is affected, and how we handle it

At last year's sales, 8 of 12 reps would earn less under the new plan; the biggest single loss is \$17,938 a year. Mostly, quotas grew. So losses are phased in over two years: no rep loses more than 5% of total pay in 2027 or 10% in 2028. During the phase-in, those reps get a temporary

higher rate on what they sell; from 2029 everyone is on the standard rate, and the same paycheck at 100%.

7. Plan rules

- **Big deals:** Any single deal over \$150,000 or 25% of quota is reviewed under the rule above, written before the year.
- **Leaving the company:** Commission is paid on deals booked before the last day worked.
- **Territory changes during the year:** Quota moves with any account that moves, on the first day of the next month.
- **Changes to the plan:** Only at the start of a quarter, in writing, with 30 days' notice.
- **Disputes:** Raised in writing to the VP Sales within 30 days of the statement; the CFO decides.
- **When commission is paid:** Monthly, the month after the customer pays.
- **Credit:** The rep who owns the account gets the credit; splits only with the VP Sales' written OK.
- **Early cancellations:** If a new customer cancels in the first 90 days, the deal comes off the rep's quota credit. Commission already paid is not taken back from pay unless counsel approves a written rule.
- **New hires and leaves:** A new rep's quota is spread over the months they work; quota is reduced for approved leave.

Example wording. In Ridgeline's workbook these rules are still listed as decisions to make (3.7 Rules); yours will say what your team decided. Rules on when commission is earned can create obligations under state wage law, and some states require a signed commission agreement; have counsel review them.

8. Rollout

Step	Owner	Date
HR or employment counsel reviews the written plan	HR lead	Dec 2
Approval, using the Leadership Summary	CEO	Dec 4
One-on-ones with every rep who earns less, top rep first	VP Sales	Dec 11
Team announcement; every rep gets their Rep Page	VP Sales	Dec 15
Quarterly check: are quotas holding up?	VP Sales and CFO	Each quarter

9. How we track it

Every month, the Sales Pacing Tracker shows where each rep stands against pace, what they need from here, whether this month's pipeline covers it, and how many new opportunities to add so deals are ready in time. Each quarter, the same checks that set the quotas are run again on real results.

Rep acknowledgment

One copy for each rep. Keep the signed copies with HR.

I received a copy of this plan and my Rep Page, and I had the chance to ask questions.

Rep (ID or name)	Signature	Date

Some states require a written commission plan and a signed receipt from each rep (California, for one). Ask your counsel which apply.

Approval

Role	Name	Signature	Date
Approved by			
Sales leader			
HR or employment counsel			

This document explains a sales compensation plan; it is not an employment contract and does not change anyone's pay by itself. Have your HR lead or employment attorney review the plan before it is announced.