

NORTH STAR ANALYTICS

Sales Compensation & Commissions Playbook

Fiscal Year 2026

Prepared by Revenue Operations

Version 1.0 | Effective January 1, 2026

CONFIDENTIAL — Internal Use Only

Table of Contents

Table of Contents.....	2
Executive Summary	3
Plan Overview.....	4
Covered Roles.....	4
Plan Components.....	4
Quota & Territory Design	5
Quota Setting Methodology.....	5
Territory Model	5
Commission Mechanics	6
Tiered Rate Schedule.....	6
Calculation Example.....	6
MEDDPICC Compliance Kicker.....	7
Qualification Criteria	7
Impact on Earnings	7
SPIFs & Bonus Programs	8
Crediting & Split Rules	9
Standard Crediting	9
Split Deals	9
Multi-Product Deals.....	9
Payment Terms & Timing	10
Payment Schedule	10
Clawback Policy	10
New Hire Ramp.....	10
Dispute Resolution & Governance.....	11
Dispute Process	11
Compensation Committee.....	11
Plan Change Policy.....	11
Glossary of Terms.....	12

Executive Summary

Purpose, philosophy, and alignment to company revenue goals.

This playbook governs all variable compensation plans for revenue-generating roles at North Star Analytics for Fiscal Year 2026. It serves as the single source of truth for commission structures, quota expectations, payment mechanics, and dispute resolution.

Our compensation philosophy rests on three principles:

- **Pay for performance:** Top performers earn meaningfully more through accelerators, rewarding outsized contributions to revenue growth.
- **Simplicity and transparency:** Every plan participant can calculate their own earnings. No black-box formulas, no ambiguity.
- **Strategic alignment:** Commission structures incentivize the behaviors that drive North Star forward — new logo acquisition, multi-year commitments, platform expansion, and CRM data integrity.

North Star Analytics sells a compliance and analytics platform across three tiers (Express, Professional, Enterprise) to mid-market and enterprise organizations. Deal sizes range from \$50K to \$500K+ ARR. The sales organization spans 35 Account Executives, 20 Customer Success Managers, and 15 Business Development Representatives across Americas, EMEA, and APAC.

This plan was developed collaboratively by Revenue Operations, Sales Leadership, and Finance. It is reviewed quarterly and formally updated annually. All plan participants must acknowledge receipt by signing the Compensation Plan Acknowledgment form (Appendix A, distributed separately).

Plan Overview

Roles covered, OTE structure, and base/variable splits.

Covered Roles

The following roles participate in the FY26 variable compensation plan:

Role	OTE	Base	Variable	Split	Headcount
AE — Enterprise	\$240K	\$120K	\$120K	50/50	10
AE — Mid-Market	\$180K	\$90K	\$90K	50/50	15
AE — SMB	\$130K	\$71.5K	\$58.5K	55/45	10
AM / CSM	\$140K	\$91K	\$49K	65/35	20
BDR	\$90K	\$58.5K	\$31.5K	65/35	15

OTE (On-Target Earnings) represents total expected compensation when a plan participant achieves 100% of quota. Base salary is guaranteed; variable compensation is earned through commissions, kickers, and SPIFs.

Plan Components

Each plan participant's variable compensation consists of three components:

1. **Commission on Bookings:** The primary variable component, calculated as a percentage of closed-won ARR against tiered rate schedules.
2. **MEDDPICC Compliance Kicker:** A 2% bonus rate applied to deals where CRM data quality standards are met, reinforcing forecast integrity.
3. **SPIF Bonuses:** Quarterly incentive programs targeting specific strategic behaviors (new logos, multi-year contracts, platform adoption).

Quota & Territory Design

How quotas are set and territories structured.

Quota Setting Methodology

Quotas are set through a blended top-down/bottom-up approach:

- Top-down: Finance establishes the company ARR target based on board-approved plan. This is allocated across segments (Enterprise, Mid-Market, SMB) by historical contribution and strategic priority.
- Bottom-up: Sales leadership reviews individual territory potential, account penetration, and pipeline maturity to validate allocations and adjust for market conditions.
- Reconciliation: RevOps facilitates a calibration session between Sales, Finance, and Strategy to resolve gaps and finalize quotas at least 30 days before plan effective date.

Role	Annual Quota	Quarterly Target	Monthly Target
AE — Enterprise	\$1,200,000	\$300,000	\$100,000
AE — Mid-Market	\$800,000	\$200,000	\$66,667
AE — SMB	\$500,000	\$125,000	\$41,667
AM / CSM	\$1,000,000	\$250,000	\$83,333
BDR (Qualified Pipeline)	\$300,000	\$75,000	\$25,000

Territory Model

North Star Analytics uses a geographic territory model, restructured from a prior pod-based assignment system. The migration involved remapping 12,000+ accounts across three regions (Americas, EMEA, APAC) to eliminate pipeline concentration risk — previously, some reps held 51%+ of segment pipeline under the pod model.

The geographic model ensures:

- Balanced account distribution by revenue potential and industry vertical
- Clear ownership rules that reduce deal-crediting disputes
- Alignment between sales territories and customer success coverage areas
- Named account lists for Enterprise; geographic/firmographic for Mid-Market and SMB

Territory changes follow a formal quarterly review process managed by RevOps. Mid-cycle changes require VP Sales approval and include a 60-day transition period with split crediting.

Commission Mechanics

Rate tables, accelerators, and multi-component calculation logic.

Tiered Rate Schedule

Commissions are calculated on a tiered basis. As attainment increases, higher rates apply only to the incremental bookings within each tier — not retroactively to all bookings.

Tier	Attainment Range	Rate	Multiplier	Design Intent
Below Threshold	0–50%	0%	0.0x	Minimum performance floor
Ramp	50–80%	6%	0.6x	Reduced rate below target
Base Rate	80–100%	10%	1.0x	Standard earning rate
Accelerator 1	100–120%	15%	1.5x	Reward overperformance
Accelerator 2	120–150%	20%	2.0x	Strong upside incentive
Super Accelerator	150%+	25%	2.5x	Uncapped top performer reward

Calculation Example

Enterprise AE with \$1,200,000 annual quota closes \$1,500,000 (125% attainment):

- \$0–\$600K (0–50%): \$0 commission (below threshold)
- \$600K–\$960K (50–80%): $\$360K \times 6\% = \$21,600$
- \$960K–\$1,200K (80–100%): $\$240K \times 10\% = \$24,000$
- \$1,200K–\$1,440K (100–120%): $\$240K \times 15\% = \$36,000$
- \$1,440K–\$1,500K (120–125%): $\$60K \times 20\% = \$12,000$

Total Commission: \$93,600 (against \$120K variable target = 78% of variable at 125% attainment before kickers and SPIFs).

The accompanying Excel Commission Calculator (NorthStar_Commission_Calculator.xlsx) provides a fully dynamic model for running these calculations across the team. See the Scenario Modeling tab to test rate changes.

MEDDPICC Compliance Kicker

Incentivizing CRM data quality to improve forecast accuracy.

A 2% commission kicker is applied on top of the standard rate for any deal where the rep maintains MEDDPICC field completion at or above 80% throughout the deal lifecycle. This kicker was designed to improve forecast accuracy and pipeline visibility — in prior implementations, it drove an 18–20% improvement in forecasting precision.

Qualification Criteria

- All eight MEDDPICC fields (Metrics, Economic Buyer, Decision Criteria, Decision Process, Paper Process, Identify Pain, Champion, Competition) must be populated in Salesforce.
- Fields must be updated at each stage gate transition, not back-filled at close.
- RevOps audits completion quarterly; deals failing audit lose kicker eligibility for that quarter.
- Measurement is at the deal level: some deals qualify, others may not, within the same rep's portfolio.

Impact on Earnings

Using the example above (\$1,500,000 in bookings): if all deals meet MEDDPICC compliance, the kicker adds an additional $2\% \times \$1,500,000 = \$30,000$ in variable compensation. This is material — roughly 25% of variable target — and is the single most effective lever for driving CRM hygiene.

SPIFs & Bonus Programs

Quarterly incentive programs targeting strategic behaviors.

SPIF (Sales Performance Incentive Fund) programs run quarterly and are designed to drive specific strategic outcomes beyond standard quota attainment.

Program	Bonus	Criteria	Max/Rep/Qtr	Eligible Roles
New Logo SPIF	\$2,500	Close new logo \geq \$100K ARR	4	All AEs
Multi-Year SPIF	\$1,500	Close 3+ year contract	3	All AEs
Product Adoption	\$1,000	Sell Enterprise Analytics tier	5	MM & Ent AEs
Pipeline Gen (BDR)	\$500	Source 5+ qualified opps/mo	3	BDRs

SPIFs are paid in the month following quarter-end, subject to standard clawback provisions. The Compensation Committee reserves the right to introduce mid-quarter SPIFs for urgent strategic priorities (e.g., end-of-year pipeline acceleration) with 30 days notice.

Crediting & Split Rules

Overlay credits, deal splits, and channel/partner rules.

Standard Crediting

- Primary AE: 100% credit for deals within their assigned territory/named accounts.
- Customer Success (Renewals): 100% credit on renewal ARR. Expansion revenue credited to CSM at CSM rate and to AE at AE rate (double-credit by design to incentivize collaboration).
- BDRs: Credit for qualified pipeline generated, measured by accepted opportunities that progress to Stage 2+.

Split Deals

- Overlay Splits: When a Solutions Engineer or overlay specialist is engaged, the primary AE receives 85% credit and the overlay rep receives 15% credit.
- Territory Transfers: Deals in-flight during a territory change are credited pro-rata based on deal stage at the time of transfer. Stage 1–2: 100% to new rep. Stage 3: 50/50. Stage 4+: 100% to original rep.
- Channel/Partner Sourced: Partner-sourced deals are credited at 100% to the AE of record. Partner fees are treated as cost-of-sale, not a commission reduction.

Multi-Product Deals

Deals involving multiple product tiers are credited based on the dominant ARR component. If a deal includes both Professional and Enterprise Analytics, the full deal ARR is credited to the AE at their standard rate — the Strategic Product SPIF provides the incremental incentive for Enterprise tier inclusion.

Payment Terms & Timing

Pay frequency, clawbacks, and new hire ramp.

Payment Schedule

- Commissions are calculated monthly and paid on the 15th of the following month.
- Booking date = the date a fully-executed contract is received by Deal Desk with all required approvals.
- Revenue recognition follows ASC 606 guidelines; commission timing is based on booking date, not revenue recognition date.

Clawback Policy

- 90-day clawback window from booking date.
- Triggered by: customer churn (cancellation), material downgrade (>25% ARR reduction), or contract voiding.
- Clawback amount = 100% of commission paid on the affected ARR.
- Clawbacks are deducted from the next commission payment. If the deduction exceeds the next payment, the balance carries forward (never results in negative paycheck).

New Hire Ramp

New hires receive a draw guarantee on their variable compensation during the ramp period:

- Months 1–3: 100% draw guarantee (paid full variable target regardless of bookings)
- Months 4–6: 75% draw guarantee
- Month 7+: Full plan, no draw. Any excess earned during ramp above the draw is paid in addition to the guarantee (non-recoverable draw).

Dispute Resolution & Governance

Escalation paths, plan change cadence, and the Compensation Committee.

Dispute Process

1. **Self-Service Check:** Rep reviews their commission statement in the Commission Calculator workbook or Salesforce Commissions tab.
2. **Manager Review:** If a discrepancy is identified, the rep raises it with their direct manager within 15 business days of the commission statement.
3. **RevOps Investigation:** Manager escalates to RevOps, who reviews deal records, CRM data, and booking documentation. Target resolution: 5 business days.
4. **Compensation Committee:** Unresolved disputes are escalated to the Compensation Committee (VP Sales, VP Finance, Head of RevOps) for final determination. Committee decisions are binding.

Compensation Committee

- **Membership:** VP Sales, VP Finance, Head of Revenue Operations
- **Cadence:** Meets monthly; ad-hoc sessions for urgent disputes
- **Authority:** Final decision on all commission disputes, plan exceptions, mid-cycle SPIF approvals, and quota adjustments
- **Documentation:** All decisions logged in the Compensation Committee Decision Log (maintained by RevOps)

Plan Change Policy

- **Annual refresh:** Full plan redesign occurs 60 days before fiscal year start.
- **Quarterly updates:** Rate adjustments and SPIF programs may change quarterly with 30 days written notice.
- **Mid-cycle changes:** Material changes (quota adjustments, territory reassignments) require Compensation Committee approval and 30 days notice. No retroactive changes.

Glossary of Terms

Term	Definition
ARR	Annual Recurring Revenue — the annualized value of a subscription contract.
OTE	On-Target Earnings — total expected compensation (base + variable) at 100% quota attainment.
Variable Target	The portion of OTE that is performance-dependent, earned through commissions, kickers, and SPIFs.
Attainment %	Cumulative bookings divided by quota for the measurement period.
Accelerator	A higher commission rate applied to incremental bookings above 100% attainment.
Decelerator	A reduced commission rate for attainment below the base threshold (80%).
Clawback	Recovery of previously paid commission due to customer churn or contract voiding within the clawback window.
Draw	A guaranteed minimum variable payment during a new hire's ramp period.
MEDDPICC	Sales methodology framework: Metrics, Economic Buyer, Decision Criteria, Decision Process, Paper Process, Identify Pain, Champion, Competition.
SPIF	Sales Performance Incentive Fund — a short-term bonus program targeting specific strategic behaviors.
Deal Desk	The cross-functional team (RevOps, Legal, Finance) that approves non-standard deal terms, pricing exceptions, and contract structures.
Booking Date	The date a fully-executed contract with all required approvals is received by Deal Desk.
Overlay	A specialist rep (e.g., Solutions Engineer) who supports the primary AE on complex deals and receives partial credit.

End of Document

For questions, contact Revenue Operations at me@jaimem.com