



**SMSA Service Centers Agents Monthly Incentive Policy**

Owner: Country CS & SC Manager

Department: Service Center

**SMSA Service Centers (SSC) Agents  
Monthly Incentive Policy  
SMSA Express, UAE**



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### INCENTIVE UNDERSTANDING & ELIGIBILITY

SSC agent monthly incentive program has been introduced to appreciate SSC agents on monthly basis for achieving their assigned Revenue targets defined by management and to ensure their contribution in achieving overall Revenue Target for the Country. SSC agents shall be paid an incentive based on their revenue achieved against their revenue target.

**Revenue means** SMSA freight charges excluding duty & Taxes, levy, surcharge or other charges collected from the Customer.

The Incentive shall be paid up on 100% collection and submission of collected amount to cashier/ Accountant. In case of a shortfall, the SSC agent shall not be eligible for incentive for that particular month. Two consecutive shortfall incidents or a total of three shortfall incidents within a period 6 months shall make the SSC agent ineligible for incentive for the next 3 months. Further, such shortfall shall be replenished or deducted from respective agent's payroll.

Below is an understanding on the revenue threshold and its effect on the incentive amount;

Sl. #	Revenue Threshold	Incentive in AED	Sl. #	Revenue Threshold	Incentive in AED
1	Up to 10,000	NIL	7	35,001 – 40,000	1,000
2	10,001 – 15,000	250	8	40,001 – 50,000	1,100
3	15,001 – 20,000	500	9	50,001 – 75,000	1,200
4	20,001 – 25,000	600	10	75,001 – 100,000	1,300
5	25,001 – 30,000	800	11	Above 100,000	1,500
6	30,001 – 35,000	900			

Currently, manual incentive calculation sheet shall be submitted based by CS & SC Manager to Chief Accountant/ Accountant based on defined criteria by 5<sup>th</sup> day of subsequent month.

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### INCENTIVE PAY OUT MECHANISM

The incentive pay-out scheme is based on the below mechanism:

- 70 % on achieving revenue thresholds.
- 30% on meeting/ exceeding monthly revenue target
- 5% of mileage incentive shall be paid if 15% or more of the total monthly revenue is from destination other than KSA
- Mileage incentive will be paid based on revenue threshold achieved

### CALCULATION EXAMPLE

Khalid is a SSC agent handling RAK Service Center in UAE. He has achieved the below figures and is asking his line manager on his incentive pay –

Khalid's Monthly Revenue Target: AED 46,445

Revenue Achieved from shipping to KSA: AED 12,711

Revenue achieved from shipping to other countries: AED 4,268

Revenue achieved from shipping domestically: AED NIL

Revenue achieved from freight shipping: AED NIL

**Total Monthly Revenue achieved:  $12,711 + 4,268 = \text{AED } 16,979$**

Based on the revenue threshold criteria, **AED 16,979** falls under **(Up to AED 20,000)** 3<sup>rd</sup> revenue threshold allowing him to be eligible for an incentive of **AED 500 for the month**.

**Total Revenue achieved other than KSA (Shall be  $\geq 15\%$  of Total Revenue Achieved)**

⇒  **$\text{AED } 4,268 / 16,979 = 25.14\%$**

Now, we will look into the 3 criteria for the final calculation:

**1<sup>st</sup> Criteria: 70% on achieving revenue thresholds;**

⇒  **$70\% \times 500 = \text{AED } 350$**

**2<sup>nd</sup> Criteria: 30% on meeting/ exceeding monthly revenue target;**

⇒ Achieved is less than monthly target ( $\text{AED } 16,979 < \text{AED } 46,445$ ). Hence, **2<sup>nd</sup> criteria not met**.

**3<sup>rd</sup> Criteria: 5% of mileage incentive will be paid if 15% of total monthly revenue achieved is from destinations other than KSA;**

⇒ Monthly revenue outside KSA is: **25.14%** - **3<sup>rd</sup> Criteria was met**.

⇒  **$5\% \times 500$  (incentive for revenue threshold achieved) = AED 25**

Hence, the total incentive achieved by Khalid is  **$\text{AED } 350 + \text{AED } 25 = \text{AED } 375$**



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### **INCENTIVE OBJECTIVES**

The main objectives of this incentive program are:

- Reduce employee turnover
- Increase employee loyalty
- Increase employee efficiency
- Reduce employee absenteeism
- Meet Company goals
- Create a recognition culture
- Increase customer satisfaction

### **GENERAL TERMS & CONDITIONS**

#### **INCENTIVE SUSPENSION**

- a. During initial probation period
- b. A warning letter has been issued by HR - no Incentive for 3 consecutive months
- c. Short collection/ remittance to Finance as defined above
- d. An employee is on leave (means reported for work at assigned Service Centre) for more than 15 calendar days (cumulative or non-cumulative) during a particular calendar month

#### **INCENTIVE PROGRAMME RULES**

- a. Employees covered under SSC Incentive Programme are SSC Floater and SSC Executives.
- b. Incentives will be calculated on monthly basis based on Individual Productivity
- c. Source of the information for Incentive shall be monthly Revenue Report per finance records.
- d. Leaves and vacations are excluded
- e. Internal employee promoted or transferred as SSC Agent– no incentive for first 3 completed months

A handwritten signature in blue ink, located in the bottom right corner of the page. It appears to be a stylized 'Q' followed by a flourish.





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*Taqi*  
*14/6/2022*

**Mir Taqi**

Manager- CS & SC

*[Signature]*  
*15/2/2022*

**Lalit Singhi**

Manager- Finance

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