

[Your Name]
[Your Title]
[Date]

[Recipient Name]
[Recipient Title]
[Company Name]

Subject: Proposal for New Tiered Commission Structure

Dear [Recipient Name],

I am writing to propose a formal update to our current sales compensation model. To better align individual performance with company growth objectives, I suggest implementing a tiered commission structure.

The proposed structure is designed to incentivize high performance by increasing the commission percentage as specific sales milestones are achieved within a [Monthly/Quarterly] period:

- **Tier 1:** [0] to \$[Amount] in Sales - [Percentage]% Commission
- **Tier 2:** \$[Amount] to \$[Amount] in Sales - [Percentage]% Commission
- **Tier 3:** \$[Amount]+ in Sales - [Percentage]% Commission

Key benefits of this structure include:

- Increased motivation for sales representatives to exceed base quotas.
- Better alignment of rewards with high-value revenue generation.
- Improved retention of top-performing talent.

I have attached a detailed breakdown of the projected impact on revenue and sales costs for your review. I look forward to discussing how this model can contribute to our targets for the upcoming period.

Sincerely,

[Your Signature]
[Your Printed Name]