

A WORKBOOK FROM ACQUISITION.COM

THE SALES TEAM SCALING KIT

How to pay, recruit, interview, and promote salespeople. Four tools built from Alex Hormozi's sales training, with the worksheets to run them on your own team.

COMP IS THE LAST THING YOU DECIDE, NOT THE FIRST

FOUR TOOLS, IN THE ORDER ALEX TEACHES THEM

Most owners ask one question about their sales team: how much should I pay them? Alex's answer is that comp comes last. What you pay depends on the caliber of rep you need. The caliber depends on how much process you have. And what you can spend to find that rep depends on what a rep is worth to you. So the kit runs in this order.

01 PAY

Sales Comp Builder. Set the OTE, split it, and reverse-engineer a commission rate that pays on cash collected.

02 RECRUIT

Recruiting Budget. Work out what one rep is worth, decide what you'd pay to get one, and spend it across six channels.

03 INTERVIEW

Group Interview Funnel. Screen applicants in groups with a script, a video, and a live role play. Never turn it off.

04 PROMOTE

Career Ladder. Give a repetitive role enough rungs that good people stay.

HOW EACH TOOL IS BUILT

Every tool has three parts. **What Alex said** is the rule, taken from the training. **The worksheet** is where you put your own numbers in. **Before you move on** is a short checklist so you know the tool is actually done.

ONE RULE THAT RUNS THROUGH ALL FOUR

Market for salespeople the same way you market for customers. Your job ad is an ad. Your interview is a sales process. Your comp plan is an offer. If you are not getting the people you want, one of those three is weak.

The figures in this kit are the examples Alex used in the training and the examples in Acquisition.com's internal Sales Compensation Playbook. They are anchors, not a promise of what your team will earn or produce.

01

PAY

You are guessing at a percentage and hoping it attracts someone good. Build the plan backward from what the role should earn, and pay on cash collected.

THE TOOL: SALES COMP BUILDER

WHAT ALEX SAID ABOUT COMP

Five rules. The first two decide the shape of the plan. The third and fourth decide the number. The fifth is the one change Alex says reliably improved his teams.

RULE 1. KNOW WHICH KIND OF TEAM YOU HAVE

If your reps generate their own leads (door knocking, self-sourced outreach), that is a **self-gen** team. Pay is pure commission. Whatever you pay that rep is your full cost to get a customer, which is why self-gen reps are paid the most. It is one of the hardest jobs.

If you hand your reps leads from anywhere else (ads, content, an outreach team, affiliates), that is a **lead-fed** team. Pay is a 50/50 split between base salary and commission. Alex took this from Vista Equity's analysis of its portfolio and says it has held up for him.

WHY 50/50

Pure commission on a lead-fed team is, in Alex's words, too commission-breathy. One bad month and the rep cannot pay rent, so they leave. The base covers their basic needs. The commission pays for their lifestyle.

RULE 2. EVERY SALES ROLE HAS AN OTE

OTE is on-target earnings: what the rep makes in a year if they convert the leads they should convert. You set the OTE first and build the plan backward from it.

RULE 3. PROCESS SETS THE SKILL LEVEL. SKILL LEVEL SETS THE PAY

The more process you have (a strong brand, an education sequence, a great offer, a script), the less skill the rep needs, and the less you have to pay. If you have no process, you need a rainmaker who can drag a stranger from unaware to closed, and rainmakers cost several hundred thousand dollars a year. Every dollar you save on rep skill is a dollar you can reinvest in growth.

RULE 4. THE ONLY TEST OF A COMP PLAN

Can I attract the level of talent I need at this price? That is the whole question.

ALEX HORMOZI

Percentage of revenue, flat fee per deal, total deal volume: Alex says he does not care which method you use. What matters is whether the number attracts the right person.

RULE 5. TIE COMMISSION TO CASH COLLECTED UP FRONT

This is the one comp change Alex says has reliably increased close quality and pulled cash forward. Pay on cash collected, not on contract value.

THE NUMBERS AND THE TRAP

Alex called these the ugliest estimate he could give. They depend on your market, ticket size, how much process you have, and how replaceable the rep is. Use them as anchors, then adjust with Rule 3.

\$75K

SDR / SETTER OTE

50/50 base and variable. High-volume role, expect turnover.

\$120–150K

CLOSER OTE

The standard closer on a lead-fed team.

\$200K+

SPECIALIZED CLOSER OTE

\$200K to \$250K, sometimes \$400K. Depends on ticket size and how replaceable they are.

WHY THE RANGE IS SO WIDE

A real estate agent earning 6% on a \$20 million building and a car wash attendant upselling a dollar to 200 cars a day are both salespeople. Skill required, ticket size, number of at-bats, and how much process sits behind the rep all move the number. If the rep says the same six lines all day, that is not a lot of skill. If they have to get six decision makers to sign a three-year enterprise contract, it is.

THE TRAP

Picking a percentage first. The playbook example of how this goes wrong: someone says "let's just make it 10%," a rep has a huge week, and the owner realizes the plan pays out far more than the business can carry. Cutting comp after the fact is the most expensive mistake on this list. The worksheet on the next pages exists so you never pick the number first.

REMEMBER

Comp is not a formula. It is an offer to a specific caliber of person. Decide the caliber, then the number, then the mechanics.

BUILD THE PLAN, PART ONE: THE NUMBER

Steps 1 to 4 come from the training. Grey cells are yours to fill in.

STEP 1. WHICH TEAM IS THIS?

TEAM TYPE	HOW THEY GET LEADS	PAY MODEL	CHECK ONE
Self-gen	They find their own	Pure commission	
Lead-fed	You give them leads	50/50 base and variable	

STEP 2. ROLE AND SKILL LEVEL

Role I am hiring for: _____

How much process does this rep walk into? Circle one column.

LITTLE PROCESS	SOME PROCESS	HEAVY PROCESS
No script, weak brand, cold leads. Needs a rainmaker.	Script and warm leads, but the rep still has to sell.	Strong brand, educated leads, great offer. Rep asks "do you want it?"
Higher OTE	Middle OTE	Lower OTE

STEP 3. SET THE OTE

OTE for this role (start from the anchors, adjust for Step 2): \$ _____

STEP 4. SPLIT IT

	FORMULA	YOUR NUMBER
Base salary	$OTE \div 2$	
Variable (commission at target)	$OTE \div 2$	
Monthly variable target	$Variable \div 12$	

Self-gen team: base is zero and the whole OTE is variable.

BUILD THE PLAN, PART TWO: THE MECHANICS

Steps 5 to 7 are how Acquisition.com's own Sales Compensation Playbook turns the OTE into a rate the business can carry.

STEP 5. REVERSE-ENGINEER THE COMMISSION RATE

	FORMULA	YOUR NUMBER
Deals per month a rep at target should close	From your data	
Average cash collected per deal	From your data	
Cash collected per month at target	Deals × cash per deal	
Commission rate	Monthly variable target ÷ monthly cash collected	

WORKED EXAMPLE

OTE \$120,000. The rep should close 10 deals a month at \$20,000 each, so \$200,000 in cash a month. The variable half of OTE is \$60,000 a year, or \$5,000 a month. $\$5,000 \div \$200,000 = 2.5\%$. (The playbook's version pays 5% because it treats the full OTE as variable. With the 50/50 split from the training, the rate lands at half that.)

STEP 6. ADD VOLUME TIERS

Pay a higher rate at higher deal counts. Make the last jump the biggest so the top of the plan pulls hard. Playbook example rates shown.

TIER	DEALS PER MONTH	EXAMPLE RATE	YOUR DEALS	YOUR RATE
1	0 to 7	3%		
2	7 to 14	5%		
3	14 to 20	6%		
4	20+	12%		

Start conservative. It is easy to raise comp later and painful to cut it.

STEP 7. BREAK IT, THEN SELL IT

- 1. Try to break it.** If I were a rep on this plan, how would I game it? Anything paid on a number the rep can manipulate (like close rate) is a hole.
- 2. Get feedback.** Sit down one on one with your two top closers, walk them through it, and listen.
- 3. Sell the team.** Present it like an offer: why the change, how it works, how to maximize your income under it, next steps. If it is a negative change for some, build in a way for top performers to win big.

BEFORE YOU MOVE ON

Check every box. Not most of them. All of them.

☐ I KNOW WHETHER THIS IS A SELF-GEN OR LEAD-FED TEAM, AND THE SPLIT MATCHES

☐ EVERY SALES ROLE HAS A WRITTEN OTE

☐ THE OTE MATCHES THE SKILL LEVEL THE PROCESS ACTUALLY REQUIRES

☐ COMMISSION IS PAID ON CASH COLLECTED, NOT CONTRACT VALUE

☐ A REP AT TARGET EARNS EXACTLY THE OTE WHEN I RUN THE MATH

☐ TWO TOP CLOSERS HAVE SEEN THE PLAN AND TRIED TO BREAK IT

REMEMBER

The only test that matters is Rule 4. Could you post this OTE tomorrow and attract the caliber of rep the role needs? If the answer is no, the plan is wrong, no matter how clean the math is.

COMING NEXT · TOOL 02 · RECRUIT

You now know what a rep costs. The next problem is that you have been treating that number as an expense, and it is why you never spend enough to find good ones.

02

RECRUIT

You would pay \$50,000 for an asset that returns \$250,000 a year without blinking. A good salesperson is that asset. Spend like it.

THE TOOL: RECRUITING BUDGET

WHAT ALEX SAID ABOUT FINDING REPS

Whatever got you your first closer, do more of it. If you can't, it is one of three reasons: you don't know your numbers, you think you can't afford it, or you don't have the bandwidth. This tool handles all three.

THE NUMBER YOU ARE MISSING: LTGP TO CAT

You know LTV to CAC for customers. Alex applies the same ratio to hires: **lifetime gross profit** per employee against the **cost of acquiring talent**.

\$250K

GROSS PROFIT PER REP, PER YEAR

Alex's example: a rep costs \$150K all-in and brings in \$400K.

\$50K

WHAT MOST OWNERS SAY THEY'D PAY FOR THAT

When Alex frames it as a proven investment, nobody hesitates.

Same \$50K

YOUR RECRUITING BUDGET PER HIRE

The number they would not spend when it was called recruiting.

Don't be cheap with your growth. You're stealing from tomorrow for today.

ALEX HORMOZI

"I CAN'T AFFORD IT"

Run the exercise above with your own numbers. If a rep produces gross profit every year and you would pay a fraction of that for any other asset with the same return, the recruiting budget is not a cost. It is the cheapest asset you will buy this year.

"I DON'T HAVE THE BANDWIDTH"

Ask what it is costing you. Three reps at \$250,000 a year each is \$750,000. Is whatever you are doing instead worth more than that? Sometimes the honest answer is that recruiting is not your constraint right now. Alex's rule is to let fires burn until they become the constraint, then solve them. But if sales capacity is the constraint, this is the project, and everything else waits.

YOUR JOB AD IS AN AD

If you are not getting interest, the ad is weak. Alex's advice: take the structure of a job ad that is already working and rewrite it for your culture. Do not copy it word for word, because your company is not his company.

SET THE BUDGET

STEP 1. WHAT IS ONE REP WORTH?

	WHERE IT COMES FROM	YOUR NUMBER
Revenue one rep at target produces per year	Deals per month × cash per deal × 12 (Tool 01)	
Fully loaded cost of that rep per year	OTE from Tool 01, plus benefits, tools, and leads	
Gross profit per rep per year	Revenue minus cost	

STEP 2. WHAT WOULD YOU PAY FOR THAT?

If someone offered you an asset that produced the gross profit above every year, already proven, what would you pay for it? Write the honest number. That is your budget per hire.

What I would pay for that asset: \$ _____

Reps I need in the next 90 days: _____

Total recruiting budget (per hire × reps needed): \$ _____

STEP 3. SPEND IT ACROSS CHANNELS

Alex's six channels, in the order he gave them. Tick what you already run, then add at least two more. Run at least three at once.

CHANNEL	HOW ALEX USES IT	RUNNING?	BUDGET
Organic posts	Post to your own following that you are hiring people to sell your stuff. More posts, not one.		
Job boards	Indeed and similar. Run more ads. The ad is sales copy.		
LinkedIn	The big one. Most salespeople are on it and respond. Run outreach. If a salesperson ignores your outreach, they either don't care or aren't good. Either way, move on.		
Sales groups and forums	Find communities full of salespeople. Ask the owner to let you post, or pay them to. Most of these groups make no money and the owner will say yes.		
Recruiting agencies	Headhunters and firms that specialize in sales. Alex paid ten firms \$5,000 to \$10,000 a head when he needed a team fast.		
Team referrals	The most underused channel. Step 4.		

THE REFERRAL BONUS, THEN MOVE ON

If you would pay a recruiter \$50,000 for a rep, pay your own team the same. They know salespeople too. The structure Alex uses puts a small piece up front and the rest at month six.

	ALEX'S EXAMPLE	YOUR NUMBER
Total referral bonus (your budget per hire)	\$50,000	
Paid when the hire starts	\$5,000	
Paid at month 6 if they are still there	\$45,000	

WHY THE SPLIT WORKS

When most of the bonus pays out at month six, the person who referred the hire has every reason to train them hard and make sure they stick. You get a recruiter and a mentor for the same money.

YOUR JOB AD, IN FOUR LINES

Headline: _____

Who this is for: _____

What you will earn (OTE from Tool 01): _____

First step to apply: _____

BEFORE YOU MOVE ON

☐ I KNOW THE GROSS PROFIT ONE REP PRODUCES PER YEAR

☐ MY BUDGET PER HIRE IS WHAT I'D PAY FOR AN ASSET WITH THAT RETURN, NOT WHAT FEELS CHEAP

☐ AT LEAST THREE CHANNELS ARE RUNNING AT ONCE

☐ THE TEAM KNOWS EXACTLY WHAT A REFERRAL PAYS, AND WHEN

COMING NEXT · TOOL 03 · INTERVIEW

Once the ads work, you will have more applicants than you can talk to one at a time. Good. Tool 03 is how you screen them without losing your week.

03

INTERVIEW

One-on-one calls for an entry-level sales role are a waste of your time. Screen in groups, watch them sell live, and never turn the process off.

THE TOOL: GROUP INTERVIEW FUNNEL

WHAT ALEX SAID ABOUT SCREENING

FOR HIGH-VOLUME ROLES, ALWAYS BE INTERVIEWING

SDRs and setters turn over. That is the nature of the role. The mistake is running recruiting on and off: hire three, stop, lose two, panic, start again. If the role is high-volume, interviewing is a standing process, not a project.

SCREEN IN GROUPS, NOT ONE ON ONE

One-on-one calls for entry-level roles are not efficient. Alex means entry-level in skill, not in worth as a person. Group screening lets you see ten people in the time a single call takes, and you see how they perform in front of others.

THE PROCESS ALEX RUNS

STEP	WHAT HAPPENS	WHAT IT FILTERS FOR
1. Apply	Candidate applies through your ad.	Interest.
2. Send the script	If you like the application, send them a piece of your sales script.	Follow-through.
3. Video back	They record themselves delivering it. About 60 seconds. The intro, the opener, whatever you choose.	Can they deliver? Do they take direction?
4. Group interview	Invite the good videos to one group session.	Presence in a room.
5. Role play	One to two minutes each, in front of the group.	Live skill under pressure.
6. Feedback	Give feedback on the spot.	How they take coaching.
7. Follow-up call	The ones who did well get a one-on-one.	Fit.
8. Offer	Make the offer with the comp plan from Tool 01.	

IF YOU NEED A SUPERSTAR CLOSER

This is an SDR process. For a top closer you do the opposite: one-on-one outreach, one-on-one call. But once they are in, everyone starts at the bottom and hits the same KPIs. Closers get earmarked to move up faster. Nobody skips the line, because everyone needs to be able to hunt.

SET UP THE FUNNEL ONCE

STEP 1. THE 60 SECONDS OF SCRIPT YOU WILL SEND

Pick a piece of your real script. The opener works best because it is the same on every call.

STEP 2. VIDEO INSTRUCTIONS TO THE CANDIDATE

Deadline to send it back: _____ What you tell them you are looking for: _____

Where they send it: _____

STEP 3. ROLE-PLAY SCORECARD

One row per candidate. Decide your criteria before the session, not during it. Two come straight from Alex: did they deliver the script, and what did they do with the feedback.

CANDIDATE	DELIVERED THE SCRIPT	TOOK THE FEEDBACK	YOUR CRITERION	YOUR CRITERION	FOLLOW-UP?

STEP 4. THE STANDING CADENCE

YOUR ANSWER	
Day and time of the weekly group session	
Who runs it	
Minimum candidates to hold a session	
Who sends scripts and reviews videos	

BEFORE YOU MOVE ON

Check every box. Not most of them. All of them.

☐ A GROUP SESSION IS ON THE CALENDAR EVERY WEEK, WHETHER OR NOT A SEAT IS OPEN

☐ EVERY CANDIDATE IN THE ROOM ALREADY SENT THE VIDEO

☐ EVERY CANDIDATE ROLE-PLAYS LIVE, IN FRONT OF THE OTHERS

☐ I GIVE FEEDBACK IN THE ROOM AND WATCH WHAT THEY DO WITH IT

☐ THE OFFER USES THE COMP PLAN FROM TOOL 01, NOT A NUMBER I MADE UP ON THE CALL

REMEMBER

If a candidate is a good salesperson, you are a lead to them. Watch how they work you. That is the interview.

COMING NEXT · TOOL 04 · PROMOTE

You can hire them now. The next problem is keeping them in a job that is, by design, the same thing every day.

04

PROMOTE

Sales is repetitive by nature. If the only promotion is two years away, you will lose people in between. Build more rungs.

THE TOOL: CAREER LADDER

WHAT ALEX SAID ABOUT KEEPING THEM

REPEATED ROLES NEED MORE RUNGS

Sales, support, editing: any role you have many people in is repetitive. Alex says it took him a long time to figure this out. The fix is multiple tiers of title with small comp changes at each one, so people get regular reinforcement and something to look forward to. Three tiers of title (junior, the title itself, senior) with a comp bump inside each gives you five increments of reward. Roughly every 12 weeks, someone can earn a step.

ALEX'S LADDER

TRACK	JUNIOR	TITLE	SENIOR	MANAGER
SDR track	Junior SDR	SDR	Senior SDR	SDR Manager
Closer track	Junior Closer	Closer	Senior Closer	Closer Manager

From Closer Manager, people can branch into other paths in the company. And a Senior SDR moving to Junior Closer is a real promotion for most people. Not everyone should aim for manager, because the numbers don't work: you cannot have as many managers as reps.

STEPS ARE EARNED BY CUMULATIVE REPS

The milestones are mostly about volume. Alex's example, with placeholder numbers:

25	50	100	200
DEALS	DEALS	DEALS	DEALS
Comp bump. Same title.	Junior SDR becomes SDR. Comp changes.	Comp bump. Same title.	SDR becomes Senior SDR. Better hours, better leads.

PERKS COST LESS THAN RAISES

Every step does not need to be money. For salespeople the perks Alex reaches for are better leads and better hours. For editors it would be better content. Small, real, and tied to the title.

QUALIFIED, NOT ENTITLED

Hitting the number means you are qualified for the promotion, not owed it. You still have to be a strong contributor and a cultural fit. Alex is direct about this: nobody on the team should feel entitled to anything. Everything is earned.

Think about what they go home and say. "I got a promotion." "I keep moving up." That is what keeps someone in a repetitive job.

ALEX HORMOZI, PARAPHRASED

BUILD YOUR LADDER

One row per rung. Start with the SDR track. If you cannot name what changes at a rung, you do not have a rung.

RUNG	TITLE	CUMULATIVE DEALS TO QUALIFY	COMP CHANGE	PERK	TARGET TIME IN RUNG
1	Junior SDR	Start			
2	Junior SDR				
3	SDR				
4	SDR				
5	Senior SDR				
6	Junior Closer				
7	Closer				
8	Senior Closer				

WHAT "QUALIFIED" MEANS HERE

Beyond the number, what does someone have to show to actually get the step? Write it down so it is never a surprise.

Contribution standard: _____

Culture standard: _____

Who decides: _____

BEFORE YOU MOVE ON

☐ A NEW REP CAN EARN SOMETHING WITHIN THEIR FIRST 12 WEEKS

☐ EVERY RUNG HAS A VISIBLE CHANGE: TITLE, COMP, OR PERK

☐ THE TEAM KNOWS HITTING THE NUMBER QUALIFIES THEM, AND WHAT ELSE IS REQUIRED

ALL FOUR TOOLS ON ONE PAGE

TOOL	THE RULE	THE NUMBER	DONE WHEN
01 Pay	Lead-fed teams get 50/50 base and variable. Set OTE first. Pay on cash collected.	SDR ~\$75K · Closer \$120–150K · Specialist \$200K+ OTE	A rep at target earns exactly the OTE, and two top closers failed to break the plan.
02 Recruit	What you'd pay for an asset with a rep's return is your recruiting budget per hire.	Alex's example: \$250K gross profit a year, \$50K to acquire. Referral: \$5K up front, \$45K at month six.	Three channels running at once and the team knows the referral deal.
03 Interview	High-volume roles: always be interviewing, in groups. Script → video → group role play → feedback → offer.	60-second video. One to two minute role play. One session every week.	A weekly session is on the calendar whether or not a seat is open.
04 Promote	Repetitive roles need more rungs. Steps are earned by cumulative reps. Qualified, not entitled.	Example: 25 · 50 · 100 · 200 deals. A step roughly every 12 weeks.	A new rep can earn something in the first 12 weeks.

WHAT THIS KIT DOES NOT DO

It does not fix the sales process those reps walk into. Alex's Rule 3 is why that matters: the more process you have, the less you pay for talent and the faster new reps produce. Scripts, show rate, lead qualification, objection handling, follow-up, and sales management are the rest of the training this kit came from. That is what the Sales Workshop covers, in two days, with your numbers.

The more process-oriented your sales process is, the less skill the salesperson needs, which means the less you have to pay.

ALEX HORMOZI



READY TO BUILD THE PROCESS YOUR REPS WALK INTO?

BUILD THE SALES MACHINE WITH THE TEAM THAT WROTE THE PLAYBOOK

This kit tells you how to pay, find, screen, and keep salespeople. The Acquisition.com Sales Workshop is where we build the rest with you: two days, in person, working directly on your scripts, your show rate, your close rate, and your sales management, with the team behind our portfolio.

[CHECK WORKSHOP DATES](#)

lp.acquisition.com/workshop-sales-4b

Results vary. The figures in this workbook are examples from Alex Hormozi's sales training and Acquisition.com's internal Sales Compensation Playbook. They are not a promise of what your team will earn or produce. © Acquisition.com