

ABSTRACT

This research aims to design effective sales performance indicators and incentive systems at PT. XYZ, a food and beverage company in Jakarta. The current condition shows a high level of unmet monthly revenue targets by the sales team, with an average achievement of only 79% of the target in 2024. This results in a potential profit loss of more than Rp 1.4 billion per month or Rp 17 billion per year. The root problems identified include the absence of clear sanctions or incentive systems for sales, lack of motivation, and a performance appraisal system that is solely based on monthly turnover (one-dimensional appraisal) without considering work process aspects or other non-financial criteria.

To address this issue, it is proposed to design sales performance indicators using the Management by Objective (MBO) method, which emphasizes the establishment of specific and measurable goals through collaboration between supervisors and employees. The designed performance indicators include four aspects: Sales Revenue, Number of New Customers, Customer Retention, and Client Visits, with respective weights of 41.6%, 20.8%, 22.0%, and 15.6%. The target setting for each indicator is adjusted according to the experience and capabilities of individual salespeople as well as historical data.

Additionally, this research designs an incentive system based on the Traffic Light System (TLS) to enhance sales motivation. The assessment categories are divided into Green (achievement > 95%), Yellow (80% < achievement ≤ 95%), and Red (achievement < 80%). Sales personnel in the Green category will receive a 30% incentive from their base salary, the Yellow category 20%, while the Red category will incur a 15% penalty from their base salary. Simulations show that this system is capable of providing fair rewards and encouraging sales to achieve targets, while also ensuring performance accountability. The implementation of this system is expected to enhance the effectiveness of sales performance management, the company's profitability, and strengthen PT. XYZ's position in the JABODETABEK market.

Keywords: Performance Indicators, Sales, Management by Objective (MBO), Traffic Light System, Incentive System