

Delta Faucet Salesforce Quoting Policy

Purpose

The guide provides current quoting policies for working with Delta Faucet on Salesforce. It may be updated at any time based on ongoing iterations of the platform.

Delta Faucet Quoting Policy

Background

Customers from multiple channels (trade, retail, e-commerce, etc.) are increasingly involved in quoting projects. Similarly, Delta Faucet Company (DFC) has focused on growing its commercial project business. To further support this growth and our specifiers, owners, developers, and other customers, we will quote all channels selected by the specification customer. This policy will support all channels. The minimum size project we require to assign specification credit is either 144 pieces or \$10,000 on the total job.

DFC's current shipping policies will apply to all quoted project work, including Policy 250 (see next section). We will continue to provide the best level of support possible for the rep agency, the specification customer, the distributor purchasing from DFC, and the local project. We recognize that some agencies will have to service projects that were quoted and/or purchased outside the trade channel.

Policy 250

Distributor customers purchasing from Delta Faucet Company must have a branch located within 250 miles of the job site or within their local rep agency's territory for Delta Faucet Company to drop ship directly to that location.

Product ordered by a distributor for a job site that is located outside of their local rep agency's territory and more than 250 miles from the distributor's branch will no longer qualify to be drop shipped and the distributor is responsible for shipping the material from its branch to the job site.

Exceptions to this policy must be approved by DFC's Senior Director of Trade Business Development.

Builder quotes

A single-family residential/builder job quote (J4) is appropriate in certain circumstances and is owned and managed by the Regional Sales Director. These quotes will be submitted by the rep agency and approved by the Regional Sales Director. Any exception to this policy must be submitted to the Director of Builder Sales for approval.

International quotes

An international job quote (J2) is appropriate in certain circumstances and is owned and managed by the International Regional Sales Manager (IRSM). These quotes will be submitted by the rep agency and approved by the IRSM. Any exception to this Policy must be submitted to the Senior Director of Trade Business Development for approval.

For Delta USA, we can quote internationally (such as Canada) but are only able to ship domestically. Customers can order to their US branch and ship to international destination, or work with Masco Canada on the project.

Omni-Channel quotes

For job quote releases for retail and e-commerce customers, Delta Faucet Company will pay a 2% commission to the agency where the project is located. Traditional retail is excluded, and traditional retail rep agencies will continue to be paid commission based on their standard agreement.

Omni-channel commission adjustments are processed quarterly by the Sales Operations team and Finance.

Quote Cancellations

In the event there is a systematic change to the pricing or cost of Delta Faucet Company products, we reserve the right to evaluate all existing quotes. The Sales Operations team can take the following actions:

1. Analyze all quotes based on the updated price or cost of quoted model numbers to ensure job quote pricing will remain acceptable.
2. Contact all agencies with a list of impacted customers and quotes.
3. Contact all customers with a letter stating the status of any impacted quote.
 - a. List of impacted quote numbers.
 - b. Potential next steps.
4. The Sales Operations team will make any necessary changes to quotes, in collaboration with the agency.
5. Quotes will expire in accordance with this Policy and 60 days' advanced written notice.

DFC reserves the right to adjust job quotes with 60 days' prior written notification. There remains a 5% cap on increasing quantities released against any approved job quote.

Quote Terms as stated on Quote Document

"This quote is subject to terms of sale as specified on the manufacturers' current price sheet. Delta Faucet Company reserves the right to change or terminate any quote upon 60 days' written notice; provided, however, DFC shall have the right to immediately change or cancel any quote that it determines was issued in error, is being misused by a customer or is otherwise being used in violation of Delta Faucet Company's policies or procedures. In addition, an open and active account with Delta Faucet Company is required for quotes to remain active. If an account goes inactive, for whatever reason, any quotes associated with that account will be terminated."

Commission Splits for Cross-Territory Projects

With some projects, the shipping/project location or location of the purchasing wholesaler may span across sales territories.

For commissions, the agency with the project/shipping location in their territory will always get at least 50%. If the product is bought from a wholesaler in a different territory, than it would be a 50/50 split. So, if the project is in Texas and product was shipped there, but the wholesaler that is ordered it is in Georgia, there will be a 50/50 split between the Texas sales agency and the Georgia sales agency.

Sales credit still gets allocated 100% to the Goods Recipient/Ship To agency.

Commission Adjustments from Specification Credit

DFC will use Salesforce to track jobs and monitor releases through the quote system to split commissions properly. The specification splits will be as stated below:

	Project Location Agency	Spec Credit Claim Agency
Locked Spec	2%	3%
As Equal Spec	3%	2%

*Commissions paid under this Policy will only apply to quoted project work that meets DFC's minimum requirements.

Spec Status Definitions

- **Locked Spec:** This is when DFC branded products are listed on the specification.
- **As Equal Spec:** This is when DFC branded products and other competitors such as Moen or Kohler are listed on the specification.

Spec Credit Process Steps

1. Specification customer specifies DFC products on a specific project.
2. Agency will log the specification/opportunity and their work on the specification in Salesforce.

3. Distributor customer requests quote from DFC to support project.
4. Project is awarded to DFC distributor.
5. Order is placed with DFC for products (shipped to distributor or job site, based on shipping policy).
6. Agency commission is split based on above criteria.
7. Local market rep agency services project, regardless of channel where the product was purchased.
8. RSMs serve as arbitrators in the event of a conflict.

Spec Credit Examples

1. A project in Seattle was specified by the agency in Atlanta. The wholesaler purchasing the product for the project is Ferguson out of the California national quote desk. Who gets paid commission?
 - a. The agency in Atlanta will be paid 3% commission because it specified the product with the specifying customer in its territory and logged the specification in salesforce.com. The agency in Seattle will be paid 2% commission because the project is in its territory and it will be responsible for servicing the project. The agency in California does not get any commission.
2. E-commerce customer, Build.com, wins a project in Maryland. Who gets paid commission?
 - a. Because Build.com is part of Ferguson, we can assume that Ferguson has a location within 250 miles of the project location, therefore we can drop ship the product. The agency in Maryland gets paid 2% commission because it will service the project. If an agency logged the specification in salesforce.com, they can claim 3% commission based on spec credit. If no agency logged the specification for the project in salesforce.com, then no agency gets paid for spec credit, but the local project agency will still receive 2% commission.
3. A wholesaler in Oklahoma City purchases and ships products to a project in Dallas. Who gets paid commission?
 - a. The agency in Oklahoma City will be paid 2.5% commission and the agency in Dallas where the Goods Recipient/ship-to location is gets 2.5% commission.

4. E-commerce customer, Wayfair.com, wins a project in Arizona. Who gets paid commission?
 - a. If Wayfair does not have distribution within 250 miles of the location in Arizona, then DFC will not drop ship the product for the project. However, the agency in Arizona would get paid 2% commission for servicing the project.

For more information

- For questions about the Quoted Orders process, reach out to your project sales manager
- For questions on Salesforce training, contact TradeDigitalRoadmap@deltafaucet.com
- For issues and escalations related to quoted orders, email the DFC Quote Desk at quotedesk@deltafaucet.com