

GIVE CAREFUL THOUGHT TO PERFORMANCE-BASED PAY

Summary: Pay based on performance can be a lucrative option, but you'll want to be sure of what you're getting yourself into.



Question: A well-known insurance company offered me a commission-only sales position in which I'd be responsible for obtaining my own clients. I've heard that this type of arrangement can be very lucrative. Should I take the job or look elsewhere?

Answer: Insurance sales can be lucrative if you're persistent, can find a busload of likely clients and have the patience and backup funds to get you through a business-building phase that can be quite lengthy for a recent college graduate. If you meet all of these criteria, arrange to spend some time with insurance salespeople and gather firsthand information about the position. Check to see if your personal profile is compatible with those who are most successful.

If you decide insurance sales is for you, do some comparison shopping. While commission is generally part of the equation, not all companies operate with the same formula. A commission-only arrangement raises a red flag. This type of arrangement goes beyond the "pay-for-performance" trend touted by many companies. With this philosophy, a sale is the only compensated result, even though your efforts on behalf of the company can educate and promote even when they don't produce a sale.

Investigate a variety of insurance companies, pursue the three that top your list and negotiate the best deal. Your ambition and perseverance will make you a coveted candidate — if you decide that's what you want.