

 SAF MAUI 2016 

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THE RITZ-CARLTON, KAPALUA, HAWAII



# Incentive Plans that Work

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**Kaitlin Radebaugh, Radebaugh Florist and Greenhouses, Towson, Maryland**

**Rachel Martin, Ballard Blossoms, Seattle**

# Plaza's Blended Incentive Daily Numbers

|               | <b>Dollars</b> | <b>Incentive</b> | <b>Total</b> |
|---------------|----------------|------------------|--------------|
| <b>Sales</b>  | \$1,000.00     | 5.00%            | \$50.00      |
| <b>Design</b> | \$1,000.00     | 7.00%            | \$70.00      |
|               | Equivalent     | \$15/hr          | \$120.00     |
|               |                |                  |              |
|               | <b>Dollars</b> | <b>Incentive</b> | <b>Total</b> |
| <b>Sales</b>  | \$1,400.00     | 5.00%            | \$70.00      |
| <b>Design</b> | \$1,400.00     | 7.00%            | \$98.00      |
|               | Equivalent     | \$21/hr          | \$168.00     |
|               |                |                  |              |

# Radebaugh's Designer Breakeven

| EMPLOYEE / BENEFITS                  |           |               |                |                 |       |
|--------------------------------------|-----------|---------------|----------------|-----------------|-------|
| <b>Designer Name</b>                 |           |               |                |                 |       |
| Hourly Rate                          |           |               |                |                 | 15.00 |
| Vacation hours                       | 80        |               |                |                 |       |
| Personal Leave hours                 | 40        |               |                |                 |       |
| Paid holiday hours                   | <u>40</u> |               |                |                 |       |
| Total Benefit Hours                  | 160       |               |                |                 |       |
|                                      | times X   | Hourly Rate   |                |                 |       |
| Total Yearly benefit compensation \$ | 2400.00   | Divided by    | 1920           | Benefit/ hour = | 1.25  |
|                                      |           |               | F/T hours/year |                 |       |
| Social Security Match & Workers comp | 0.097     | Multiplied by | hourly Wage    | Benefit/hour =  | 1.46  |
| Total Compensation/Hour              |           |               |                |                 | 19.58 |
| Break Even Production/Hour           | \$195.80  |               |                |                 |       |
| [Total Compensation/Hour X 10]       |           |               |                |                 |       |

# Radebaugh's Designer Productivity

| Name  | ORDER #                   | Date:                               | Product \$ Amount |
|---|---------------------------|-------------------------------------|-------------------|
| Production Total:                               |                           |                                     |                   |
| (from back of page)                             | Sales Total divided by 2: |                                     |                   |
| Total Sales & Production \$:                    |                           |                                     |                   |
| <b>Total time Worked from Time Clock</b>        |                           |                                     |                   |
| Minus Downtime (Lunch plus breaks)              | .75                       |                                     |                   |
| Minus Other Non-Design Time (list below)        |                           |                                     |                   |
| <b>Total Design Time</b>                        |                           |                                     |                   |
| <b>Total \$ / Total Design Time for the day</b> |                           |                                     |                   |
| <b>Sales Incentives</b>                         | <b>\$ Incentive</b>       |                                     |                   |
| Order #   |                           | Balloon - \$1, Chocs & Plush - \$2  |                   |
|   |                           | Arrgts/Plants/Fr&Gft. Bskts         |                   |
|   |                           | \$79 - \$2, \$99 - \$3, \$119 - \$4 |                   |
|   |                           | \$149 - \$8                         |                   |
|   |                           | Sympathy - \$175 - \$4, \$225 - \$6 |                   |
|   |                           | Roses - (2doz) - \$5, (3doz) - \$8  |                   |
| <b>Total Incentive \$</b>                       |                           | Rose Upgrade -\$2                   |                   |
| STAR TOP OF SHEET IF YOU MET YOUR SALES GOAL    |                           |                                     |                   |



# Elements of a Successful Incentive Plan

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- 1. Relatively simple to implement**
- 2. Allows fraud and abuse to be recognized quickly**



# Elements of a Successful Incentive Plan

## **3. Aligns with your company's mission**

- Focus on the customer, regardless of role
- Fits your corporate culture

## **4. Meets employee's lifestyle & financial goals**

- One-size-fits-plans are rare
- Ask team members individually
- Discuss the plan and fine-tune it based on feedback



# Elements of a Successful Incentive Plan

## 5. Adds profit to your bottom line

- Increased employee productivity
- Improved quality
- Increased efficiencies
- Increased margins
- Decreased needed oversight

***Most people enjoy autonomy that makes team members more like entrepreneurs and less like employees.***