

INTERESTS

SKILLS

CAREER

EDUCATION



KARNAN
ASSOCIATES

GOALS

COMPENSATION PLANNING FOR SPECIALTY RETAIL

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Karnan Associates

INTRODUCTION – WHO IS KARNAN ASSOCIATES?



Our mission is to guide specialty retailers to grow and profit in a rapidly changing retail landscape, so they can develop the business they want, take the lead, do amazing things, and Run Great.



Run Great.

That is our goal for every client.

Since 2006, we have helped specialty retailers across the U.S. run great businesses by customizing innovative strategies and ensuring optimal execution - from front of the house to back, from physical to digital.

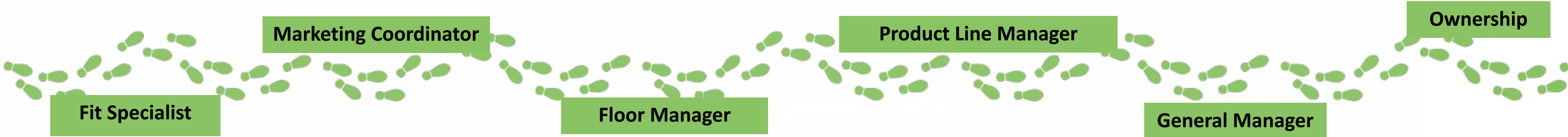


Employee Plan

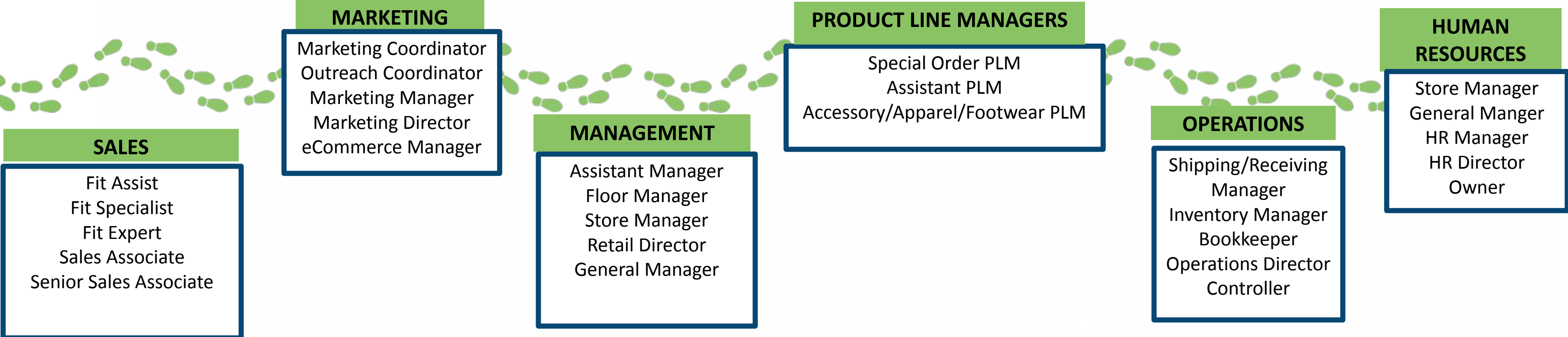
- Career Development as an Objective
- Customizing a Sustainable Structure
- Presenting Total Compensation
 - Budgeting
 - Bonuses and Incentives



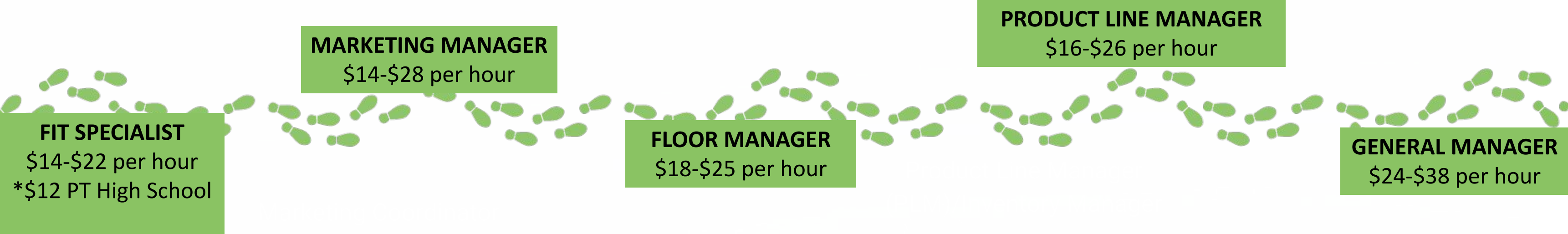
CAREER OPPORTUNITIES



SUSTAINABLE STRUCTURE



PAY RANGES WITHIN EACH ROLE



*These figures are based on a sampling of Karnan Associates clients from around the United States.

*Figures are based on levels of experience.



Revenue/Hour

\$125-\$150 Range for Entire Team

Example: Schedule 40 total hours for a \$5000 day (\$125)

% of Sales

15%-20% of Total Sales

Example: 16.7% payroll budget for \$1,500,000 store is \$250,000

GMROE

Gross Margin Return on Employee

\$2.50-\$3.00

Example: 44% margin on \$1.5M = \$660,000 / \$250,000 = \$2.64 GMROE



Payroll Case Study \$5000 Day

\$125 Revenue/Hour

$\$5000 / \$125 = 40$ Hours to Schedule

15.8% of Sales

40 Hours x $\$18$ (+11% taxes) = $\$792$

\$2.72 GMROE

$\$5000$ @ 43% margin = $\$2150 / \792



Salary/Hourly Rate

Health Insurance

Life Insurance Package

STD/LTD Packages

Total
Compensation

PTO (Paid Time Off)

Employee Perks





Pros

- Motivating factor
- Reduce turnover
- Attract new employees
- Clearer targets

Cons

- Additional cost
- Disappointed if there isn't a bonus
- Not always effective
- Disharmony among team

Types of Bonuses

	Performance Related	Profit Related
Individual		
Team		

		Bonus Tiers		
Metric	Type	Target	Level 1	Level 2
Revenue	Tiers	\$ 250	\$ 500	\$ 1,000
UPT	Tiers	250	500	1,000



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