

COMPENSATION PLANNING

FOR SPECIALTY RETAIL

Presented by Parker Karnan, Midge Good and Maggie Butterfield 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.





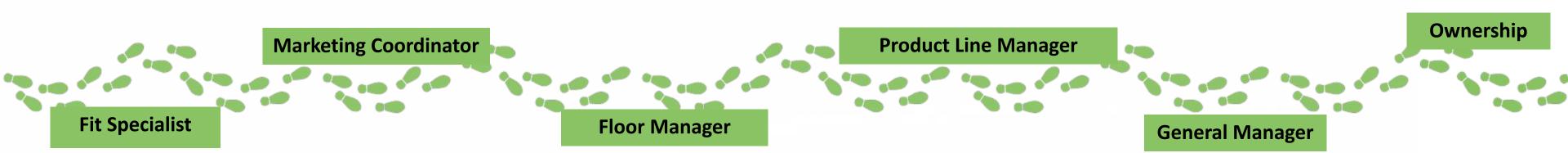
Employee Plan

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



CAREER OPPORTUNITIES







SUSTAINABLE STRUCTURE





SALES

Fit Assist
Fit Specialist
Fit Expert
Sales Associate
Senior Sales Associate

MARKETING

Marketing Coordinator
Outreach Coordinator
Marketing Manager
Marketing Director
eCommerce Manager

MANAGEMENT

Assistant Manager Floor Manager Store Manager Retail Director General Manager

PRODUCT LINE MANAGERS

Special Order PLM
Assistant PLM
Accessory/Apparel/Footwear PLM



Shipping/Receiving
Manager
Inventory Manager
Bookkeeper
Operations Director
Controller

HUMAN RESOURCES

Store Manager
General Manger
HR Manager
HR Director
Owner





PAY RANGES WITHIN EACH ROLE





^{*}Figures are based on levels of experience.





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

BUDGETING



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



TOTAL COMPENSATION



Salary/Hourly Rate

Health Insurance

STD/LTD Packages

Total Compensation Life Insurance Package

PTO (Paid Time Off)

Employee Perks



BONUSES





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		



BONUSES



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



CONTACT INFORMATION





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