



Ideal Team Member Bonus Program

The purpose of this bonus program is to increase the practice production, collections and profitability. It does this by rewarding for increased production and collections and more efficient use of team members.

- ☺ The increased production is attained through increased exams, increased conversion rates and proper control of fees.
- ☺ Increased collections are attained through higher production, realistic initial payments and a low past due amount.
- ☺ The increased profitability is attained through increased collections and minimal team members. (Profitability is also attained through budgeting control on expenses, but that is not included in this bonus system.)

The bonus system is flexible and you can set the two main parameters:

1. The **% staffing overhead maximum goal** (set at 25% in the example below, but should be 1-2% above your average % staffing overhead).
2. The **\$ bonus** per percentage attained below the maximum goal (set at \$50 in the example).

Calculations	JAN	FEB	MAR	APR
Monthly INCOME	\$107,461	\$110,845	\$103,632	\$94,841
Monthly <i>Adjusted</i> CHARGES	\$82,825	\$105,652	\$118,381	\$119,549
Average of INCOME + CHARGES	\$95,143	\$108,249	\$111,007	\$107,195
Monthly Salaries, Taxes & Benefits	\$18,602	\$29,456	\$22,917	\$25,650
% Salary = Salaries/(AVG of INCOME/CHARGES)	19.55%	27.21%	20.64%	23.93%
% Salary BELOW Goal (= 20% - % Salary)	5.45%	-2.21%	4.36%	1.07%
<i>Individual</i> Team Member Potential Bonus @ \$50 per 1.00% below 25% Goal	\$272	(\$110)	\$218	\$53.58
Amount Given (1/2) Each Team Member this Month =	\$136	\$0.00	\$109	\$27
Additions (Subtractions) to This Month's Kitty =	\$136	(\$110)	\$109	\$27
Each Team Members Quarterly "Kitty" Balance =	\$136	\$26	\$135	\$27
Total Paid Third MONTH of Quarter (Kitty Balance + Amount Given)			\$244	Start New Quarter

The monthly bonuses are calculated in the following manner:

1. Add the **Monthly INCOME** and **Monthly Adjusted CHARGES** and divide by 2 to get the **Average of INCOME + CHARGES**.
2. Enter the **Monthly Salaries, Taxes & Benefits**
3. Divide the **Monthly Salaries, Taxes & Benefits** by the **Average of INCOME + CHARGES** to get the **% Salary**.
4. Subtract the **% Salary** from 25% to get the **% Salary BELOW Goal**.
5. For every 1.0% below the goal, give \$50 to each team member (part timers get 1/2 the bonus)
6. Give half of the bonus in cash and put half in a quarterly "Kitty" (see January).
7. If the monthly 25% goal is *met*, the Kitty *increases*; if the goal is *not* met the Kitty *decreases*.
8. At the end of each quarter, pay whatever is left in the kitty and *reset the kitty to zero* for the start of the next quarter.