

Sample Program

Incentive Program for 2020

Revised December 2019

The intent of this incentive program is to provide team members at \_\_\_\_\_\_\_\_\_ a formal process to promote and encourage specific actions and behaviors to achieve key measurable results.

**Incentives for Selected Positions: BMs; PMs; Support Positions**

The source or “pool” of funds for the Branch Manager, Production Manager and Support positions will be drawn from the Net Profit of the entire company at a rate of 12% of total Net Profit.

The 12% of Net Profit Pool will be divided into two segments: 5% of Net Profit will be allocated to the Branch Manager and Senior Office Manager/ Controller level and 7% will be allocated to the Project Managers and Support Level Positions

There will two minimum thresholds that will be required to be met in order for these incentives to be paid.

These three thresholds will be a minimum company growth rate of 10% year over year and a minimum of 5% Net Profit be achieved.

*Note: If these two thresholds are not met there will be* ***no incentive payouts*** *for these positions.*

*All AR that is over 60 days old at the end of the fiscal year will be deducted from the total net profit prior to payout.*

**Branch Manager and Controller Incentive Calculation:**

Total Pool = 5% Net Profit Payout as Percentage of Revenue per Branch

These Incentives will be paid out when the final fiscal year is closed or approximately March 1 of the following year.

**Administrator Manager**

Minimum Growth 10%; If met then payout will as follows:

5-10% Net Profit = Payout 7.5% of Base

>10% ---- <15% Net Profit = Payout 15% of Base

>15% Net Profit = Payout 20% of Base

**Maintenance, Irrigation and Extras Production Managers plus Support Positions: HR, Special Projects, BAs, Mechanics, Administration Incentive Calculation:**

Total Pool = 7% Net Profit

Production Managers 75% of Pool: Paid out as % of Revenue for PMs Measured by hours and retention

Remaining Support Positions 25% of Pool: (5% - 6.99% NET Pays 3% of Base) (7% - 9.9% NET Pays 4.5% of Base) ( >10% NET Pays 6% of Base ) (Option: owner discretion)

These Incentives will be paid out when the final fiscal year is closed or approximately March 1 of the following year.

**Incentives: Business Developers, Account Managers, Crew Leaders**

The Business Developer, Account Manager and Crew Leader positions will be separate from the incentive program for BMs, PMs and Support Positions and will be as follows:

**Business Developers:**

Contract Sales Incentives: 2% for new sales and 4% when sold from Target List.

Enhancement Sales Incentives: Will be paid at 2% of sold amount and will be paid in full once the work has been completed and billed and paid by the customer. These will be Paid Quarterly

**Account Managers:**

A minimum threshold of $100,000 of sales must be met in order to receive the following incentive:

* All self-performed revenue generated above the $100,000 per fiscal year threshold will be eligible for the following payout during the remainder of the fiscal year.
* Self -Performed Work Sold: There will be a **2% incentive** paid on self- performed work sold provided it meets the GM estimated and is paid in full by the customer. These to be paid out monthly once threshold is met.
* Subcontracted Work Sold: There will be a **1% incentive** paid on subcontract work sold provided it meets the GM level estimated and is paid in full by the customer.

Each new fiscal year will start at no payout until $100,000 threshold is passed.

**Crew Leaders:**

Due to the FWW process the incentive program for Crew Leaders will be based on a combination of the amount of responsibility they have and by achieving their GROW Card Metrics. Both of these elements will be used to determine their adjusted pay rate for the following year.