

HOW DO I KNOW WHAT TO PAY MY STAFF?

- Payroll will be one of your biggest expenses (behind your COGs)
- All staff are treated fairly but everyone is NOT equal
- Because it doesn't matter what the clinic next door is paying providers

UNDERSTANDING HOW VALUABLE YOUR STAFF IS TO YOUR BUSINESS

1. Expertise & Experience

- How long have they been in the business? Can they provide a variety of services? Do they already have an established, loyal clientele? What is their risk?

2. How profitable are they to you?

- Revenue/hour, # of hours they work per week, consistency & dependability, staff/clinic resource

THREE THINGS TO CONSIDER

1. **Simplicity** - It doesn't have to be so hard!
2. **Wage +Commission** - Is a combination the best option?
3. **Raises** - When, what & how often.

1. Simplicity

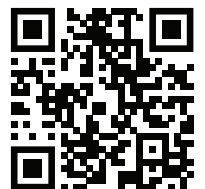
- Both the owner & the staff member need to have a full understanding of HOW they are getting paid
- The more complex (Ex. multiple % of a variety of services) the more time consuming it is to do every month
- Keeping your staff focused on the main objective

2. Wage & Commission

- Create motivation, investment + team atmosphere
- Staff are paid on experience, seniority, commitment & productivity
- Total compensation MUST be Less than 25% of total revenue

3. Raises

- Create goals & targets for staff to reach
- Discuss experience raises vs. yearly raises



FOR EXAMPLE

Year 1-3 \$20/hr & 10% Commission on treatments (5% Commission on retail products)

Year 3-5 \$22/hr & 12% Commission on treatments (5% Commission on retail products)

Year 5+ \$25/hr & 15% Commission on treatments (6% Commission on products)

- Tier system for raises based on monthly productivity
- Rewarding someone who is invested to learning, growing & producing

Revenue generated: \$10,000 & under = 10%

Revenue generated: \$15,000 & under = 12%

Revenue generated: \$20,000 & under = 15%

LET'S TAKE A LOOK AT A STAFF EXAMPLE

Meet: Nurse injector Lisa

- Has been injecting for 3 years
- Works 25hrs/week, consistently
- Pay: \$30/hr & 10% commission on treatments & retail products
- Wage: 100 hours a month = \$3,000/month
- Commission: Revenue generated in May \$35,000 (.10) = \$3,500/month
- *Total revenue/hr: \$35,000/100 = \$350/hr
- *Total cost to the clinic: \$6,500/100hrs = \$65/hr
- *Clinic profit: \$285/hr or 19%
- What if we paid her 15% commission on \$35,000? 24% Margin on Nurse Lisa
- What if we paid her 15% commission on \$50,000? 21% Margin on Nurse Lisa

RETAIL

- Set your staff up for success (Teach, train, tools & resources)

How are they motivated, try different approaches.

- There is no right or wrong way to encourage staff to sell retail products
- Remember your margins on retail sales...

\$100 item, 20% off sale, \$80-\$50=\$30-\$8 (staff)=\$22 profit vs. \$40 profit

