

## INCENTIVES

### Team Approach

- Establish present surgery/treatment needs to meet monthly expenses.
- Determine natural monthly increase based on past activity.
- Set surgery/treatment number – base.
- Define what surgeries/treatments are applicable to the incentive plan.
- Determine who is eligible for participation in the incentive plan. Part time staff should participate at the percentage of time per pay period worked.
- Manager and contract workers should not be included.
- Set dollar amount per increase (you can have several different amts, based on the complexity of the service, e.g. larger amt for surgeries than medspa treatments)
- Track results over a monthly period.
- Recommend results should be tabulated quarterly. Staff should not be penalized if the goal is not reached in specific month.
- Disperse the funds at the end of the quarter.

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### Revenue Center

Do not start any employee off on an incentive or bonus plan until after probation period is completed

Employees should not participate in both the Team and Revenue Center Incentives

Establish the breakeven point per each revenue center. Remember percentages of overhead (phones, space, other staff involved) key staff person ---is this a full time involvement or are they holding other responsibilities?)

Set any incentives to “kick in” after breakeven is met.

It is best not to tie bonus/incentives to incremental sales but a percentage of profit increase (e.g., If the percentage of profit above breakeven e.g. 5%- there is a \$200. For a 10% increase in profit there is a \$400 bonus.)

Remember that the breakeven point increases with the higher sales. Therefore the employees need to know that the breakeven will continually be adjusted.