

# Want to make MORE money from engaging your staff?



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## The way to generate more sales and profits!

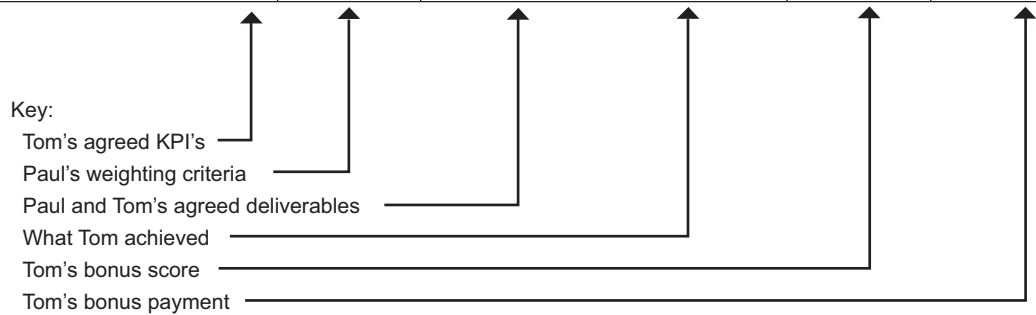
"I wasn't appreciated, developed or challenged" are the 3 major reasons why staff leave a business or contribute to lack of engagement within the workforce. To implement an effective performance based rewards program, your staff need to have input and agree to what is expected of them ("deliverables").

Deliverables can be established for individual or team positions and include a range of quantitative (objective) and qualitative (subjective) assessment criteria. Once the deliverables are agreed, apply a weighting to each criteria depending on the strategic and operational objectives of your business (grow sales, margin control etc). A staff member's result determines the amount of their performance bonus; the more they deliver the higher their rewards. It's a "win win" for both Pharmacists and their staff.

## Case Study

Paul needs to grow sales and improve profitability. Paul's concern is his staff costs are increasing and profits are declining. He has now implemented a Staff Value Program and agreed to pay Tom, a key staff member and Pharmacist, a maximum bonus of \$20,000. The payment of the bonus is conditional upon Tom meeting specific performance targets. Below is his bonus score card.

Key Performance Indicators	Weighting	Agreed Deliverables	Tom's Result	Tom's Bonus Score	Tom's Bonus Payment
<b>Quantitative Criteria:</b>					
Sales	30%	> \$500,000	<b>\$650,000</b>	35%	As Tom achieved an overall score of 73% it falls within the 60% - 75% score band providing him with a bonus entitlement of 75% of his maximum bonus or <b>\$15,000</b>
Dispensary Gross Profit	25%	> 30%	<b>32%</b>	25%	
Generic Brands	20%	> 50%	<b>40%</b>	0%	
<b>Qualitative Criteria:</b>					
Customer service	15%	<b>Paul provided Tom with a 13% rating out of a maximum 25%. Paul discussed the need for Tom to improve his staff management skills and paper work.</b>		13%	
Staff management	5%				
Training	5%				
<b>Total</b>	<b>100%</b>			<b>73%</b>	



The qualitative assessment process allows Pharmacists to assess the achievements of their staff and the criteria are measurable by observation. It provides a proactive approach for addressing subjective performance matters that are otherwise usually left unresolved.

Once the Staff Value Program is implemented you then need to ensure you have the systems and procedures in place to measure your staff's performance on a timely basis. As performance bonuses are paid as a result of exceeding budgeted profits, Pharmacists are beginning to realise they can protect and grow their bottom line by paying bonuses for above budget performance.

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