Cheese Louise 2024 Pay Structure

Last Edited: 04/3/2024 by Bryce Harrison

Our goals for exceptional compensation

Let's talk about money - the reason we all go to work! It may not be the only reason, but we know that very few people would work at Cheese Louise for free. Similarly, as owners of this company, we would not have invested the time, money, and energy into building this company if we did not intend for it to generate a healthy profit. To be as transparent as possible we define "healthy" as 15%-20% of revenue.

If we are a team composed of exceptional people doing exceptional work, those team members should have the ability to earn exceptional pay. Since the beginning, we've taken pride in paying all Cheese Louise team members at a rate above industry standards. As these rates rise, along with the cost of living, we intend to once again set a high bar for compensation.

In 2024 we are excited to introduce a revised compensation structure that we hope will align the monetary incentives of all members of the team with our 15%-20% profit target.

The pitch is simple: we will continue to ensure that all team members make a living wage of at least $20 an hour in base pay, + tips. As an *addition* to this pay, we would like to give all team members the opportunity to earn up to **$5 per hour** in performance bonuses for helping the company achieve its financial goals. If we are consistently achieving our goals, the *lowest-paid* team member at Cheese Louise will be making **$25/hour**.

How we'll get there

To unlock these tiers of additional pay, the team will work collectively over the payroll period to meet high-performance thresholds in goals in three key aspects of our operation.

1. **Guest satisfaction:** Providing our guests with remarkable service that provides them with the highest return on their money/time investment.

2. **Food costs:** Reducing food waste, portion control for all menu items, and managing inventory effectively.

3. **Labor costs:** Generating maximum revenue with minimum labor hours.

How to achieve these goals
- <u>Reducing COGS</u>
- Reducing labor costs
- Providing remarkable hospitality

Performance Bonus Metrics:

These metrics will be subject to review and change once a year. As the cost of living changes and as inflation occurs the bonus amounts and/or the SPLH goal will need to be adjusted.

During 2024 the goals and bonuses will be subject to change as often as once every month as we dial in what feels fair and meets our common goals.

Metric	Goal	Bonus
Guest satisfaction Rating (GSR)	Average of 4.5 stars or higher on Google and Yelp	$1 an Hour
Cost of goods sold (COGS)	Less than 28%	$1 per hour
Sales per Labor Hour (SPLH)	Tier 1 $68 or higher Tier 2 $75 or higher Tier 3 $83 or higher	Tier 1:$1 per hour Tier 2:$2 per hour Tier 3:$3 per hour

Adjusted Compensation:

Job Title	Base Pay (per hour)	Tips	Performance Bonuses
Team Member	$10	At least $10	Up to $5 per hour
Shift lead	$12	At least $10	Up to $5 per hour
Food truck Lead	$15	At least $10	Up to $5 per hour
Assistant	$15	At least $10	Up to $5 per hour

Manager			
General Manager	$28-$35	NA	Up to $5 per hour

How each metric will be calculated

- **Guest satisfaction:**

  Before running payroll, the GM will calculate the average of the google and yelp reviews from the previous week.

  > **Example 1:** If there were five 5-star reviews, one 4-star review, and one 2-star review, the calculation would look like this:
  >
  > $((5x5)+(1x4)+(1x2)) \div 7 =$ **4.42 GSR**

  No bonus would be given in this example.

- **Costs of Goods Sold (COGS):**

  Before running payroll, the GM will calculate the COGS by adding up the total cost of all of the food, beer, liquor and packaging and merchandise purchased in the last week, and divide that number by the total revenue for the last week - including all food truck and catering sales.

  > **Example 2:** Food costs: $3000, Liquor costs: $300 Beer costs: $300 Packaging costs: $400. Total Revenue: $17,000
  >
  > ($3000 + $300 + $300 + $400) = $4,300
  >
  > 4,300/17,000= **25.29% COGS**

  An additional **$1/hr** would be added to your pay for any hours worked during this week.

- **Sales Per Labor hour:**

  Before running payroll, the GM will calculate the sales per labor hour by dividing the total revenue by the number of hours worked for the week (this includes all meetings, admin or other hours spent to operate the restaurant during a given week, the only hours not included would be trainer or trainee hours.)

  > **Example 3:** Hours worked 369. Total Revenue: $28,000
  >
  > $28,000/369 = **$75.88 SPLH.**

  An additional **$2/hr** would be added to your pay for any hours worked during this week.