

# The FEINSTEIN Group

## Commission Model: Compensation Comparison

6 Hour Shift; \$1500 in gross sales

Traditional Model	
Hourly: \$8	\$48
Gross Tips (19%* x \$1500)	\$285
<b>GROSS EARNINGS</b>	<b>\$333</b>
LESS Tip Outs:	
Busser 5%	(\$75)
Bar (5% of Drink Sales**)	(\$30)
<b>TOTAL TIP OUTS:</b>	<b>(\$105)</b>
<b>NET EARNINGS:</b>	<b>\$228</b>

New Commission Model	
Hourly: \$1	\$6
Gross Service Charge (20% x \$1500)	\$300
<b>GROSS EARNINGS</b>	<b>\$306</b>
LESS 5% FOH SUPPORT**** (\$75)	
<b>NET EARNINGS:</b>	<b>\$231</b>
<b>PLUS: ADD'L GRATUITY***</b>	<b>\$45-\$150</b>

\* Industry data shows an average customer tip range of 18.7% and 19.2%.

\*\* Drink sales account for about of 40% of total sales; in this example, that would be \$600; 5% tip out comes to \$30

\*\*\*Current employees see additional gratuity each night ranging from 3% - 10% for exceptional service

\*\*\*\* FOH Support = Bussers, Barbacks, Food runners, Sommeliers, Hosts

### Points to Ponder with Commission Model

- Clients cannot short your pay in the new model; the service charge towards your commission is AT LEAST 20%, with opportunity for additional gratuity (which you retain 100% of)
- Any discounts, comps, etc. will be taken off the bill, but the service charge will apply to FULL value of the check (Ex: If a \$40 steak is removed from the bill, most customers in traditional model will tip on the reduced total, and you'll lose out on about \$8)
- Lower hourly allows us to pay better-than-competitive wages to all kitchen and support employees, without lowering your compensation

Once understood, our employees see the value of the commission model, and would decline the opportunity to return to a traditional model. The new model still allows for additional gratuity while ensuring you're paid in full, on every check, for the exceptional service we count on your to deliver.

We hope you'll join our team in the very near future.

**Welcome to the Feinstein Group!**