

EMPLOYEE INCENTIVE PROGRAM (EIP)













INTRODUCTION:

Benefits of Our Employee Incentive Program (EIP)

Employee retention is vital for business success. High turnover can slow growth, increase recruiting costs, and lower morale. Our Employee Incentive Program (EIP) helps retailers retain employees by offering incentives, commissions, and bonuses. This **motivates employees to upsell, learn more about store products, and engage better with customers.**

How EIP Works



Customizable Incentives:

Set your team structure, incentive amounts, and reward frequency.



Earn Rewards:

Employees earn tokens redeemable in-store or online in the Swag Shop.

Competitive Advantage

The EIP module boosts employee satisfaction and morale, leading to higher customer confidence, repeat business, and referrals.





TEAM SETTINGS

Loyalty settings are customizable and adjusted by your account administrator. Here you will enter in the value of tokens customers will receive for referrals, the team breakdown, and your organizational structure. In this area, you will enter your **Basic and Advanced Team and EIP settings**.

Location: Point of Sales > Maintenance > Settings & Panels > Loyalty > Team Tab

1 Basic Team Settings

Under the Basic Team Settings, you determine the value of tokens customers will receive for customer and employee referrals. You also have the option to set a time frame that will trigger the account to go inactive if there is no customer activity for a set period of time. In the example below, if a team member has not been to your store in two months and you want to stop them from accruing team rewards. You can set an inactivity period, this does not delete their tokens or their account and once they make a purchase at your store again their account will be reactivated.





Basic Team Settings			Advanced ¹	Team and EIP Settings	
Customer Referral Bonus (tokens): *	2500		Organization (Employee Level	n Structure Is to earn incentives)	+ Add New Le
Employee Referral Bonus (tokens) *	1500		Level	Title	Actions
Inactivity Months:	2 Months	•	1	Store Employee	
T D L I			2	Store Manager	×
Team Breakdown Here you can manage customer token trickle, where each level is awarded a certain percentage after the		3	District Manager	×	
purchaser accumulates reward to	Kens		4	General Manager	×
Team Level 1:	50%		5	CEO	×
Level 2:	25%		Sliding Incer (Rules to increas	ntive Rule se % of earning incentives based on employment duration Flat Increment Tiered Multiplier	1)
Level 5: 5%			Increase the inc	entive percentage by 5.00 % Per Month V	of employment, up to 15.00 %
Choose how tokens reverse when a team member is involved in a return: No Team Return Reward Tokens Removed Return Only Level 1 Reward Tokens Return All Level Reward Tokens		Probation Period (In Days) (Days before employee can start redeeming points from new or existing accounts transferred to them) Probation Days 90			





Under the Basic Team Setting section, you will see an area for the Team Breakdown. Here you can manage the token trickle where each level is awarded a certain percentage after the customer accumulates reward tokens. Each level is customized and can range from 0% to 100%.

In the example above, the Level 1 employee will earn a percentage of the customer's sales in the form of tokens. Level 2 receives 25%, Level 3 receives 10% and Level 5 earns 5%.

Underneath the Team Breakdown section, you will set how tokens are handled when a team member is involved in a return. If someone on the team makes a return, there are three options how to handle the tokens:

- No Team Return Reward Tokens no action taken on tokens
- Return Only Level 1 Reward Tokens tokens are returned only to the first-level employee
- Return All Level Reward Tokens tokens are returned to all employee levels





2 Advanced Team and EIP Settings

Employees set in your Organization Structure levels are your store staff members. You will be able to set these under the Advanced Team and EIP Settings section. You determine how many levels of employees receive incentives and enter the employee's title in the field.

You can add or remove levels.

- To create a new Level, click on the +Add New Level button
- To delete a level, click on the X under actions.
 - **NOTE:** If a level is attached to an employee the following error message will appear: "Level cannot be deleted as employees are still attached to this level."





Enter the level and the employee's title:

- Level 1 = Store Employee (typically it is the cashier)
- Level 2 = Store Manager
- Level 3 = District Manager
- Level 4 = General Manager
- Level 5 = CEO

Sliding Incentive Rules (Rules to increase % of earning incentives based on employment duration)

Retailers can increase an employee's incentive and set the frequency of the increase. There are two ways to do this – by utilizing the **Flat Increment** or **Tiered Multiplier** sliding mode. Each can be used with minimal configuration. By setting up the sliding incentive, you will further enhance the flow in which tokens can be earned based on the criteria of days/weeks/months/years of employment.





Flat Increment

When setting the incentive rule to Flat Increment, you enter the percentage increase amount, how often the increase is applied, and how long an employee is entitled to receive increases.

For example, a customer made a purchase and earned 100 tokens. By default (before modification) the Level 1 employee (store cashier) would earn 50% of the 100 tokens which is 50 tokens. The retailer wants their employees to receive a one percent increase every year until they reach the maximum level of 55%. The breakdown below shows that the employees will get a 1% increase after each year of employment until they reach 55%.

Year 0: 50%

Year 1: 51%

Year 2: 52%

Year 3: 53%

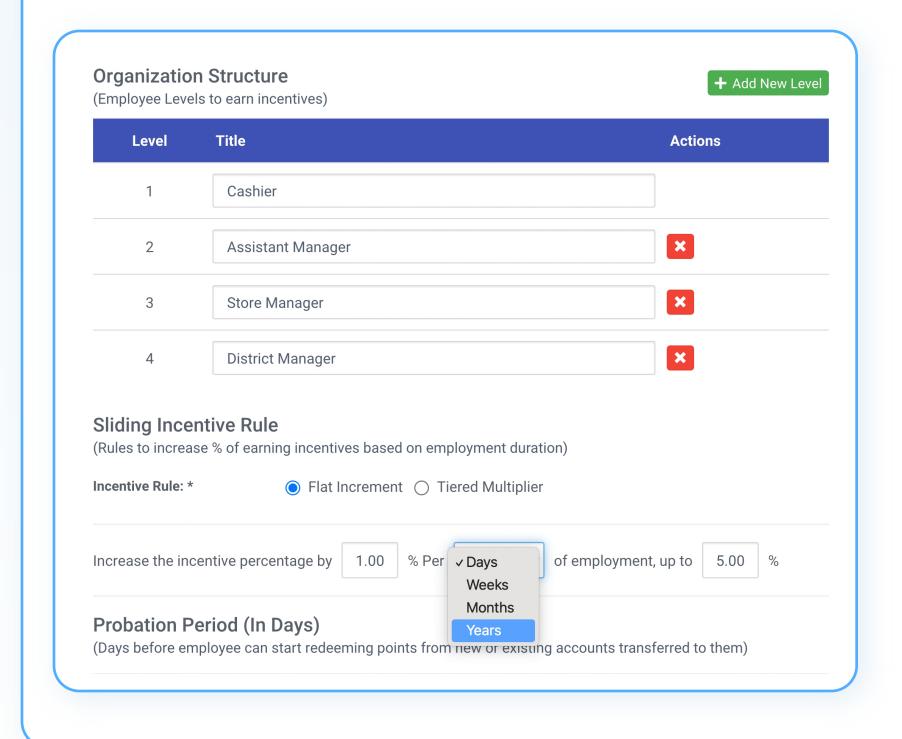
Year 4: 54%

Year 5: 55%





To accomplish this, you will see in the screenshot below the Incentive Rule is set to Flat Increment, with a 1% increase after each year until they reach the maximum of a 5% increase. Note, that the percentage amounts are customizable, and the frequency can be set to increase in days, weeks, months, or years.







Tiered Multiplier

With the Tiered Multiplier option, you set how much the employee is to receive and enter the frequency of increases under the Tiered Period section. In the example below you will see that the employee is to receive 1.05% of tokens from month zero to the end of month one. In months two through the end of month six, the employees will receive an increase of .05 for a total multiplier of 1.10%. When the employee reaches month seven, they will receive a 1.25% multiplier increase. Note that this is the maximum the employee will receive since the retailer entered 'Max' in the To field. You can add in more tiers by clicking on Add New Tier.

The incentive breakdown is as follows:

Month Tiered Multiplier

Probation 90 Days	0 Multiplier
Month 4 - 6	1.05 x Multiplier

Month 7 - 9	1.10 x Multiplier
Month 10+	1.25 x Multiplier

Month 1 - 3	1.05 x Multiplier
Month 4 - 6	1.10 x Multiplier
Month 7+	1.25 x Multiplier





Probation Period

A Probation Period is the length of time an employee must be employed before they can start redeeming tokens earned. This is a customizable field and the retailer sets the amount of time for probation if they choose to have one. The number of days for probation is entered into the Probation Days field. Although new hires begin earning tokens right away for signing up customers and for sales, they will not be able to redeem them until they have completed the Probation Period.

In our example, the employee will earn tokens and sales starting on their first day of employment. After their 90th day of employment (on day 91), they can redeem their tokens which can then be redeemed in the store as tender or in the Swag Shop on qualifying items.

Duahatian Dava	
Probation Days 90	





Level	Title	Ac	etions
1	Store Employee		
2	Store Manager	×	
3	District Manager	×	
4	General Manager	×	
		×	•
ncentive Rule: * Fiered Perio	e % of earning incentives based on employ Flat Increment Tiere	yment duration)	+ Add New Tier
Sliding Incer Rules to increas ncentive Rule: * Fiered Perio Customize Earn	Tiere Ti	yment duration)	
Sliding Incer Rules to increas ncentive Rule: * Fiered Perio Customize Earn Define Incentive	e % of earning incentives based on employ ○ Flat Increment ○ Tiere ds ings Per Date Periods) Percentage by ✓ Days Weeks	yment duration) d Multiplier	+ Add New Tier
Sliding Incer Rules to increas ncentive Rule: * Fiered Perio Customize Earn Define Incentive From	e % of earning incentives based on employ ○ Flat Increment ○ Tiere ds ings Per Date Periods) Percentage by ✓ Days Weeks Months Years	yment duration) d Multiplier Multiplier	+ Add New Tier Actions

Calculation: Any purchase over 6 months will earn a constant additional 1.25% of tokens since MAX is used.





INCENTIVE CALCULATIONS

In this section, we will demonstrate and simulate a few scenarios of the Employee Incentive Program so you can see how tokens are earned and distributed to the team. Employers can set this up in a few steps in Control Center:

- 1. Team Breakdown
- 2. Choose how tokens are reversed
- 3. Set Organization Structure
- 4. Set Sliding Incentive Rule
- 5. Set Probation Period

Team Breakdown

Here you manage customer token trickle. You set the percentage breakdown each level will receive. In our examples, we will be using four levels: Cashier, Assistant Manager, Store Manager, and District Manager. Some employers will have more and some will have less. We set the probation period to 90 days, therefore the employee will be able to redeem their earned tokens on the 91st day of employment.





A customer made a purchase and earned 150 tokens. Using the Organization Structure chart below, you will see how tokens will be distributed based on the following information for each level:

Level 1 (Cashier) – 50% Level 2 (Assistant Manager) – 25% Level 3 (Store Manager) – 15% Level 4 (District Manager) – 10%

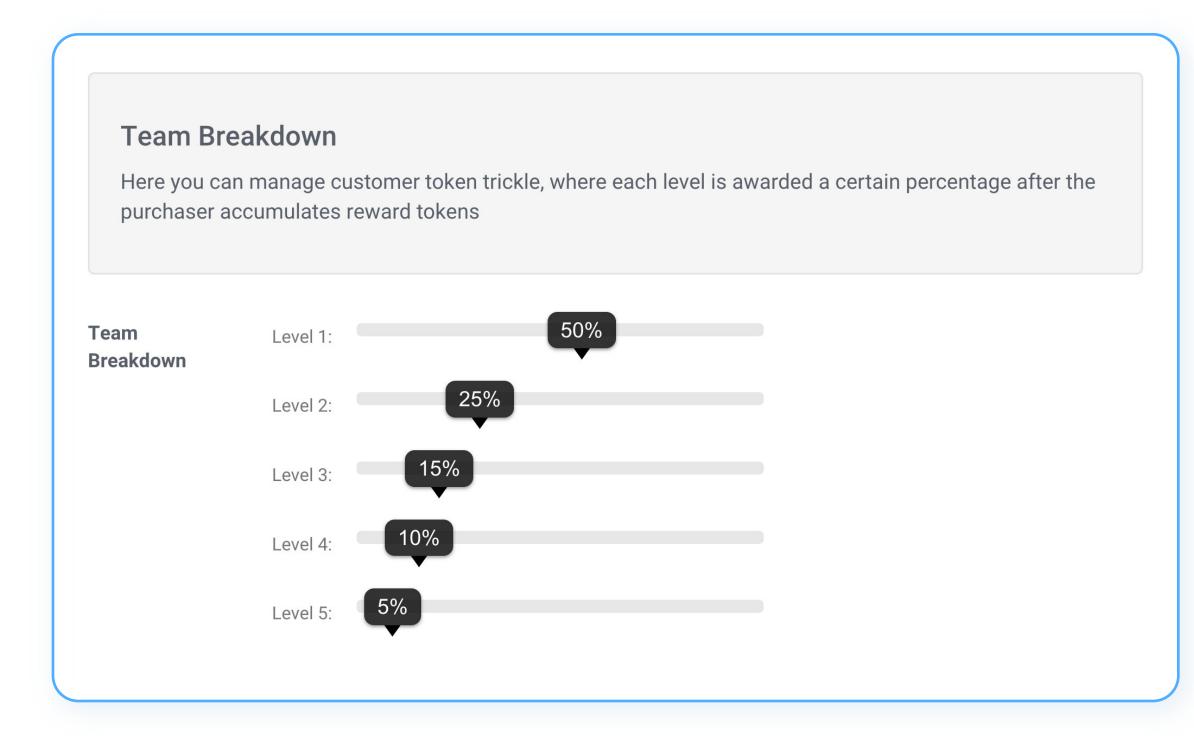
Using the Team Break down as follows:

Level 1 - 50%

Level 2 - 25%

Level 3 - 15%

Level 4 - 10%







Organization Structure

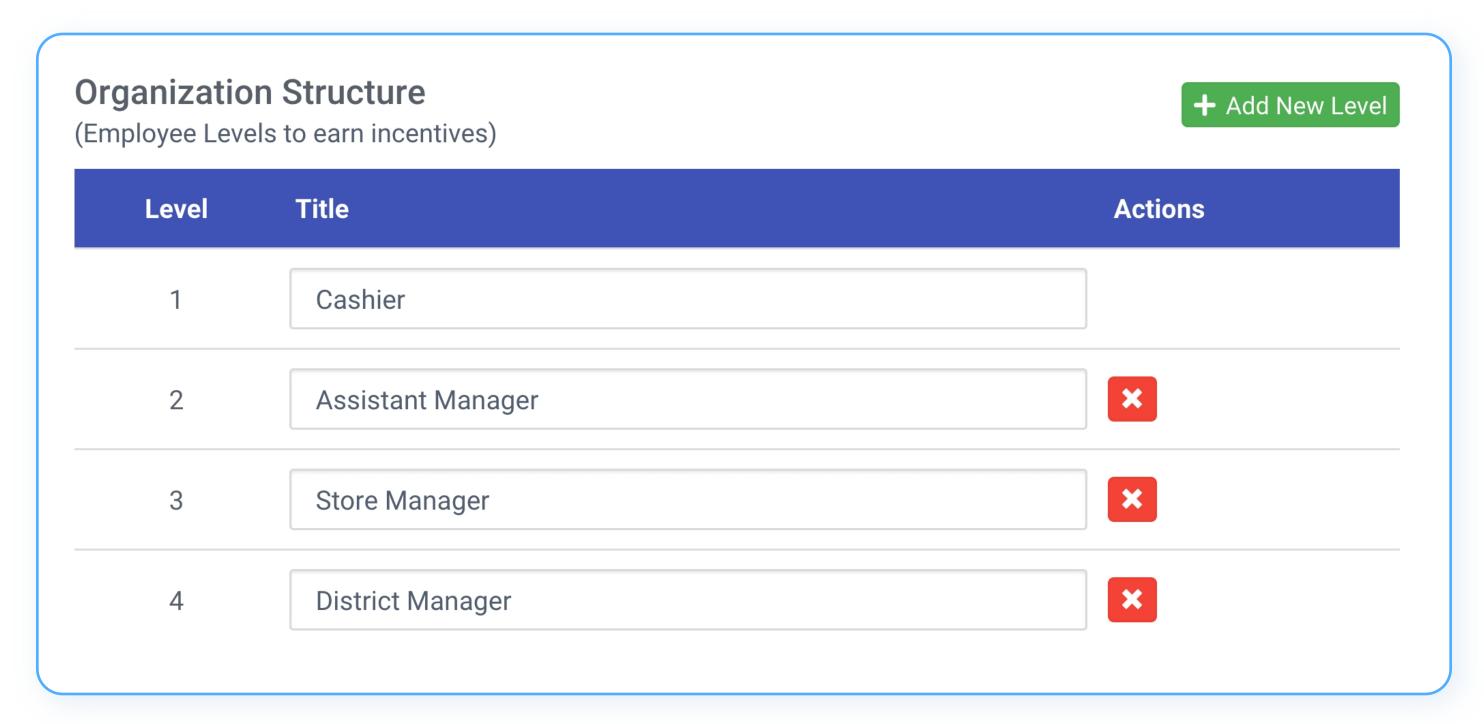
In this section, you set the levels and enter the employee's job title. Essentially, levels under the Organization Structure are the job titles of your employees. Different retailers may use different job titles. In our example, level 2 in the organization structure is an Assistant Manager. In another retailer (employer) a level 2 employee may be a Keyholder or Manager. In our example, the Organization Structure is broken down as follows:

Level 1 - Cashier

Level 2 – Assistant Manager

Level 3 – Store Manager

Level 4 - District Manager



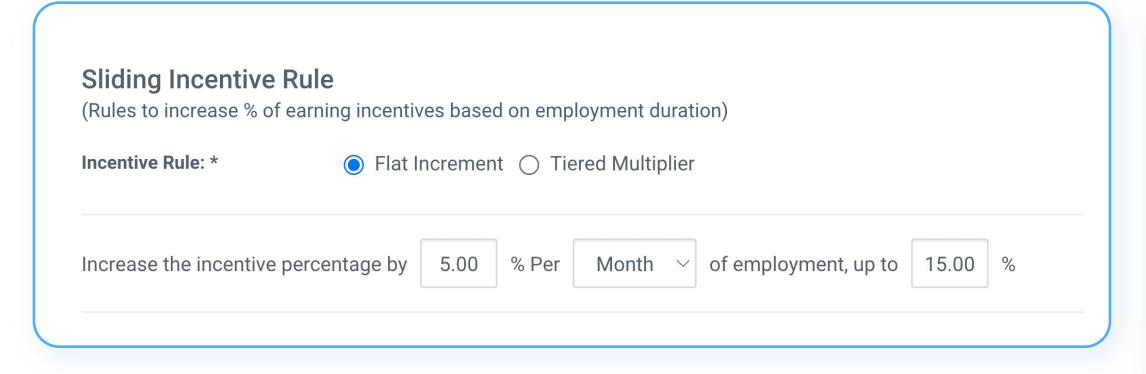




Sliding Incentive Rule

Here the employer sets rules to increase the incentive and also sets the frequency of the increases. There are two options when setting incentive rules – Flat Increment or Tiered Multiplier. You also determine how much, how often, and what the maximum incentive will be.

Flat Increment:



Tiered Multiplier:

ncentive Rule: *	○ Flat Increment ○ Tiere	d Multiplier	
Fiered Periods Customize Earnings Per Define Incentive Percent			+ Add New Ti
From	То	Multiplier	Actions
0	2	0	×
	5	1.05	×
3			
6	8	1.10	×





All of the above-listed steps can be seen below:

Basic Team Settings		Advanced ¹	Team and EIP Settings	
Customer Referral Bonus (tokens): *	2500	Organization (Employee Level	s to earn incentives)	+ Add New Lev
Employee Referral Bonus (tokens) *	1500	Level	Title	Actions
nactivity Months:	2 Months	1	Store Employee	
		2	Store Manager	×
Team Breakdown Here you can manage customer token trickle, where each level is awarded a certain percentage after the		3	District Manager	×
purchaser accumulates reward tok	ens	4	General Manager	×
Team Level 1:	50%	5	CEO	×
	25% %	Sliding Incer (Rules to increas	ntive Rule se % of earning incentives based on employment duration)	
Level 4: 10%		Incentive Rule: *	 Flat Increment Tiered Multiplier 	
Level 5: 5%		Increase the inc	entive percentage by 5.00 % Per Month v of employ	yment, up to 15.00 %
Choose how tokens reverse when a team member is involved in a return: No Team Return Reward Tokens Removed			eriod (In Days) ployee can start redeeming points from new or existing accounts	transferred to them)
Return Only Level 1 Reward Tokens		Probation Days		





Based on the information above:

The cashier will receive 75 tokens for this sale.

Calculation: 150 (the number of tokens the customer received) x 50% (the team breakdown percentage)

= 75 tokens earned

The assistant manager will receive 37.5 tokens for this sale.

Calculation: 150 (the number of tokens the customer received) x 25% (the team breakdown percentage)

= 37.5 tokens earned

The store manager will receive 22.5 tokens for this sale.

Calculation: 150 (the number of tokens the customer received) x 15% (the team breakdown percentage)

= 22.5 tokens earned

Tokens Earned	150	
Today 's Date	5/29/2024	
Levels	Team Breakdown Percnt	Team Rewards
Level 1 (Cashier)	50	75
		27.5
Level 2 (Assistant Manager)	25	37.5
Level 2 (Assistant Manager) Level 3 (Store Manager)	25 15	22.5





The district manager will receive 15 tokens for this sale.

Calculation: 150 (the number of tokens the customer received)

x 10% (the team breakdown percentage)

= 15 tokens earned

With the Employee Incentive Program module, business owners can increase the incentives for employees based on their length of employment by setting Incentive rules. By utilizing the Tiered multiplier in the Employee Incentive Program, employers can reward their employees for their continued loyalty and their efforts to upsell customers and earn a higher percentage in rewards (tokens). The longer an employee stays, the higher the percentage of rewards they will receive until they reach the maximum amount set by the company. Once these settings are in place, the system will automatically calculate and track token balances, redeemed and earned. With the sliding incentive, employers set the amount and frequency of incentive increases during the probation period and their subsequent length of employment.





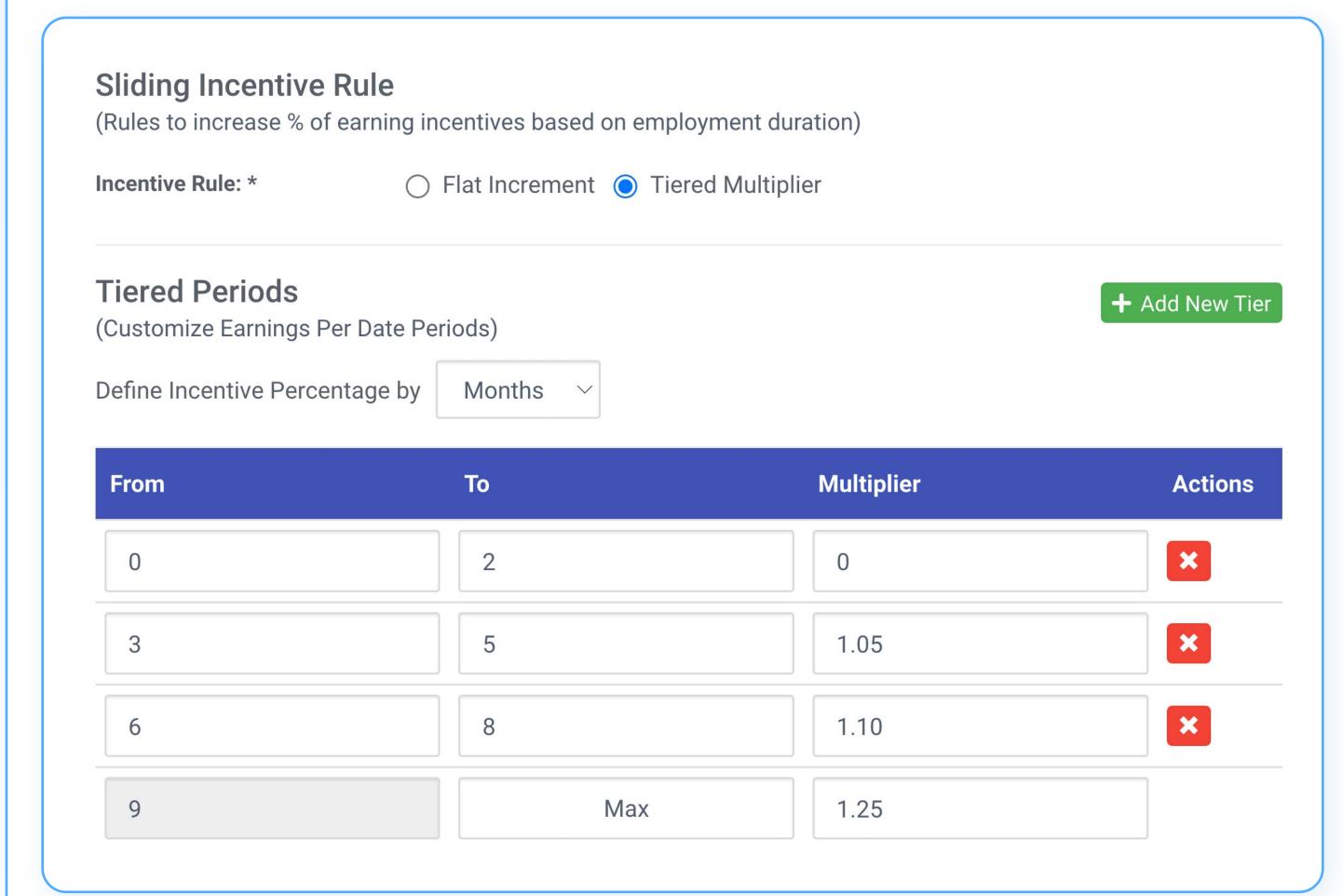
To demonstrate the multiplier, we will use the same scenario as above but add the enhancement module of EIP that will show how the incentive increase is calculated after the employee hits the milestones set forth by the employer. In our example, the retailer set a probation period of 90 days. During probation, the employee earns tokens at the team breakdown percent rate (they can redeem them after their probation is completed). Once the employee hits their milestone (the first milestone in this example is the start of month four) the incentive rate multipliers are calculated. Note, that the tiered multiplier can be done in increments of days, weeks, months, or years). Our example is shown in months.

Below are the entries in the Control Center that show how and when the multiplier will activate. Although the chart below shows the period of time in Months, you can do this by days, weeks, or years as well.





Tiered Multiplier







Continuing with our Tiered Multiplier incentive example, let's look at how the tokens will now be distributed to employees after they complete their probation. The below chart uses the same example as we described above but shows the added incentive breakdown:

By using the settings above, the calculations would look like this:

			MONTHS				
Levels	Team Breakdown Percnt		Hired Date	Length of Employment	Multiplier	Increase	EIP Reward
Level 1 (Cashier)	50	75	4/1/2024	1	0.00	0.00	0.00
Level 2 (Assistant Manager)	25	37.5	12/1/2023	5	1.05	39.38	1.88
Level 3 (Store Manager)	15	22.5	6/1/2023	11	1.25	28.13	5.63
Level 4 (District Manager)	10	15	11/1/2023	6	1.10	16.50	1.50





In the table above, for the first three months, the employee will earn the Team Breakdown percent with no multiplier. After 90 days, the employee continues to receive tokens but at a higher percentage and they can start redeeming their rewards through the store or online Swag Shop. Once an employee begins their fourth month of employment, they receive an added multiplier which increases the number of tokens they receive and in this case, it goes from no Multiplier to 1.05. Months 7 – 9 have an incentive multiplier of 1.10 and from month 10 the multiplier is 1.25. After 10 months, the employee is capped and will continue to receive a multiplier of 1.25. Below are two examples showing the incentive multiplier with and without a probation period. Note, the probation period and multipliers are all set by the employer and are optional.

Month Tiered Multiplier

Probation 90 Days	0 Multiplier
Month 4 - 6	1.05 x Multiplier
Month 7 - 9	1.10 x Multiplier
Month 10+	1.25 x Multiplier

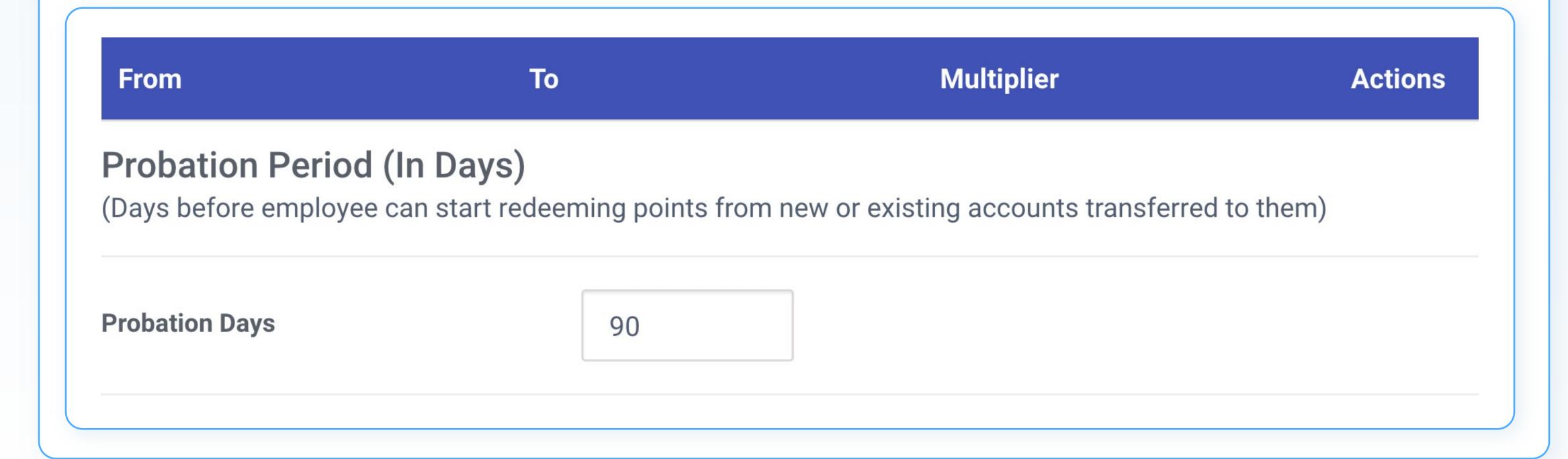
Month 1 - 3	1.05 x Multiplier
Month 4 - 6	1.10 x Multiplier
Month 7+	1.25 x Multiplier





Probation Period

Probation Period is the length of time a new employee can earn tokens but not redeem them. Once the employee has completed their probation period, they can redeem their tokens. Note, that this is optional and can only be set in days.







PROBATION PERIOD

Display Employee Balance

During the probation period any new members (customers) that the employee signs up, the employee will earn tokens, but the tokens cannot be redeemed. Once the probation period has been lifted, the employee can then start spending their tokens in-store as tenders or in the Swag Shop.

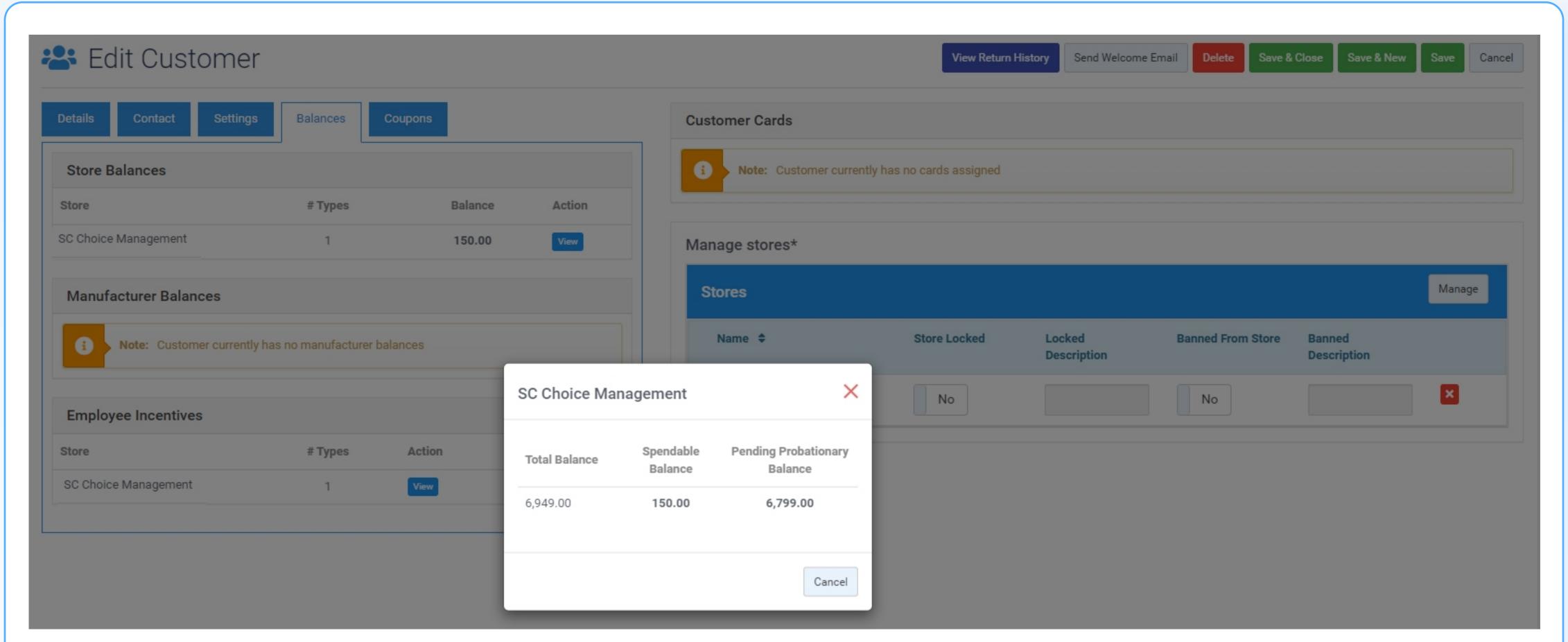
Location: Loyalty > Customer > Customer

Employees will have two balances on their profile, a Spendable Balance, and Pending Probationary Balance. Once the probationary period has been lifted the Pending Probationary Employee Balance will be merged to the employee's Spendable Balance.

Total Balance	Spendable Balance	Pending Probationary Balance
6,949.00	150.00	6,799.00







- Slowing down success and growth
- Increasing costs for recruiting and training
- Decreasing employee morale





HOW TO CREATE, EDIT, AND CONVERT LOYAL-N-SAVE EMPLOYEES

Loyal-N-Save (LNS) employees essentially are the store staff members themselves - they function as a regular employee who earns commission-based rewards. The employee can also use the mobile app or website just like a customer does and manage their own team and profiles.

Creating an LNS employee

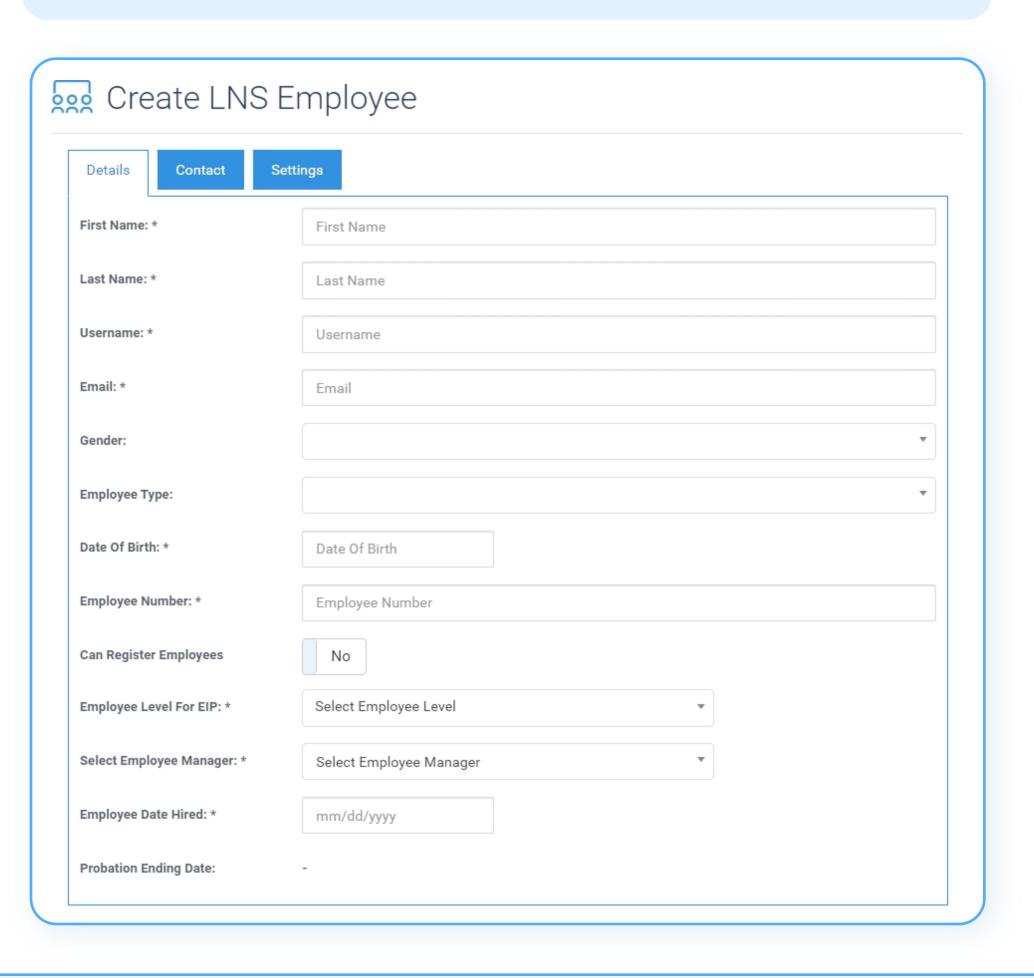
Employee Details for Loyal-N-Save employees are displayed differently than for a normal customer. For instance, in addition to the default fields, you will also see the fields below for a Loyal-N-Save employee:

- Employee Type
- Can Register Employees (select from the drop-down menu (Yes/No). Note: This field is reserved for District
 Managers, General Managers, and Store Managers. This allows them to register employees underneath them.
- Employee Level For EIP
- Select Employee Manager
- Employee Date Hired
- Probation Ending Date





Location: Loyalty > Customer > LNS Employees





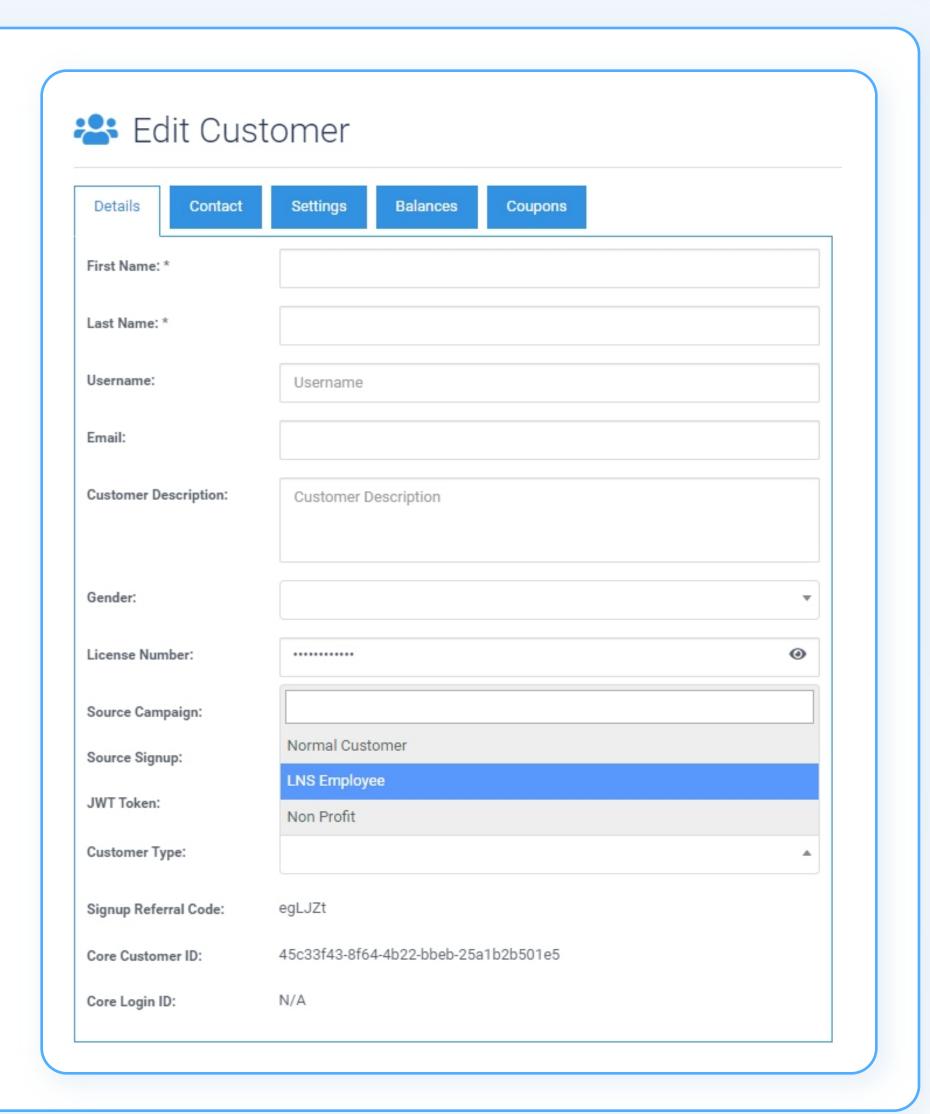


Editing an LNS employee

Edit Customer Details

- Employee Type Dropdown Menu
 - Normal
 - Loyal-N-Save Employee
 - Non-Profit

*If an LNS Employee is selected, the Employee must have a profile under the LNS Employee Tab as well.



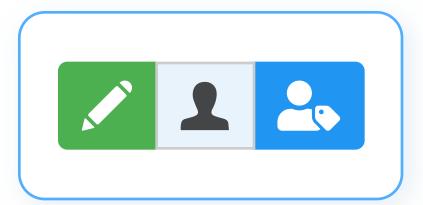




Converting an existing employee to an LNS Employee

Location: Loyalty > Customer > Customers

- Locate the customer
- Click on the Convert to Employee icon



Enter the Employee Details:

Employee Type

- Part Time
- Full Time

Employee Number

Enter the employee's number





Can Register Employee

- Yes
- No

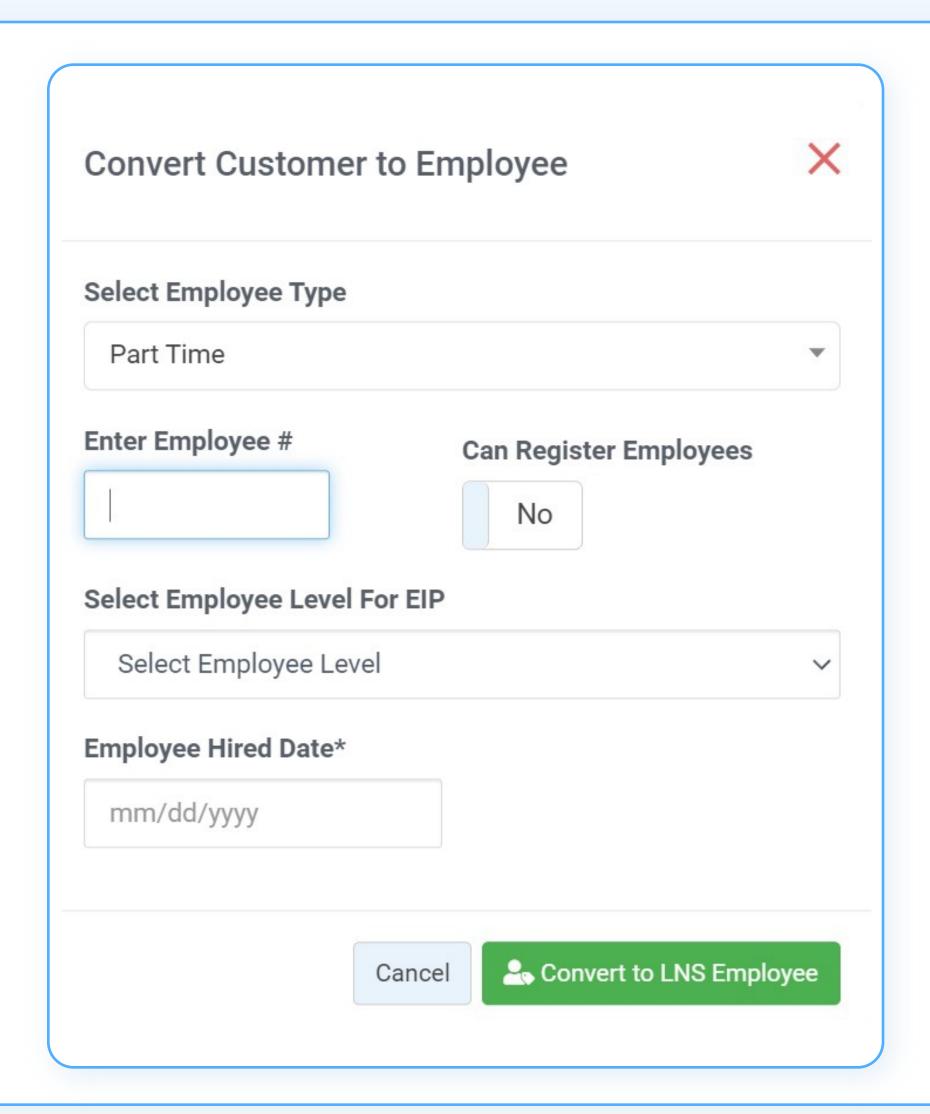
Employee Level For EIP

- Level 1 Store Employee
- Level 2 Store Manager
- Level 3 District Manager
- Level 4 General Manager
- Level 5 CEO

Employee Hire Date

Enter the employee's hire date

Click Convert to LNS Employee to save.







REASSIGNING AN EMPLOYEE ACCOUNT

There are up to 5 levels in the hierarchy.

Hierarchy Examples

- Regional Manager -> DM -> Manager -> Employee(s)
- Regional Manager -> DM -> Manager -> Assistant Manager -> Employee(s)
- DM -> Manager -> Assistant Manager -> Employee(s)
- DM -> Manager -> Employee(s)

Replacing a member on the hierarchy

- Each level of the hierarchy can be swapped with a newly hired employee.
 - For example: If a store has a manager who is no longer with the Retailer, then we can replace the new manager in place of the old manager.
- Adjustments can occur at any level of the hierarchy.
 - Note: This is only available to employees and will not be allowed for standard customers.





Since employees are linked with individual Employee IDs, the newly placed employee will begin at zero earned tokens. This means that the previous balance of the former employee does NOT transfer to the new employee.

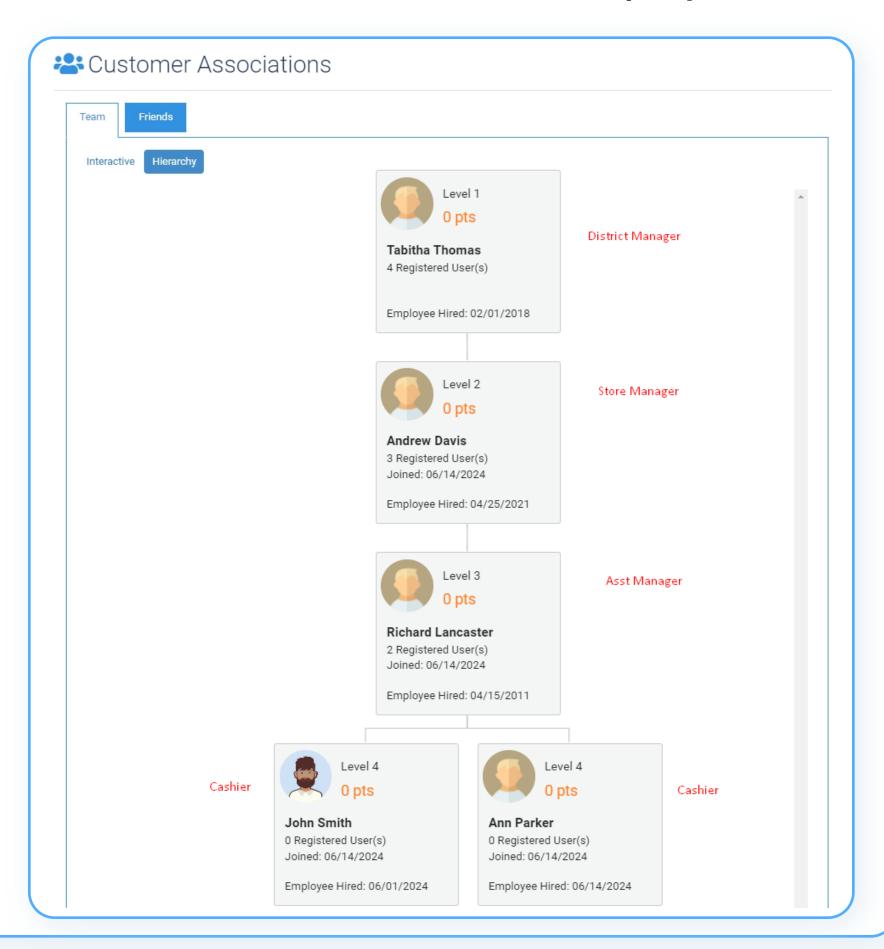
How to check an employee's position on the hierarchy tree

Navigate to Customer module

Location: Loyalty > Customer > Customers

- Search for the employee using the filters
- Click on the Associations icon









How to swap an employee on the hierarchy

Navigate to the LNS Employee module

Location: Loyalty > Customer > LNS Employees

Alternate Location: Users > LNS Employees

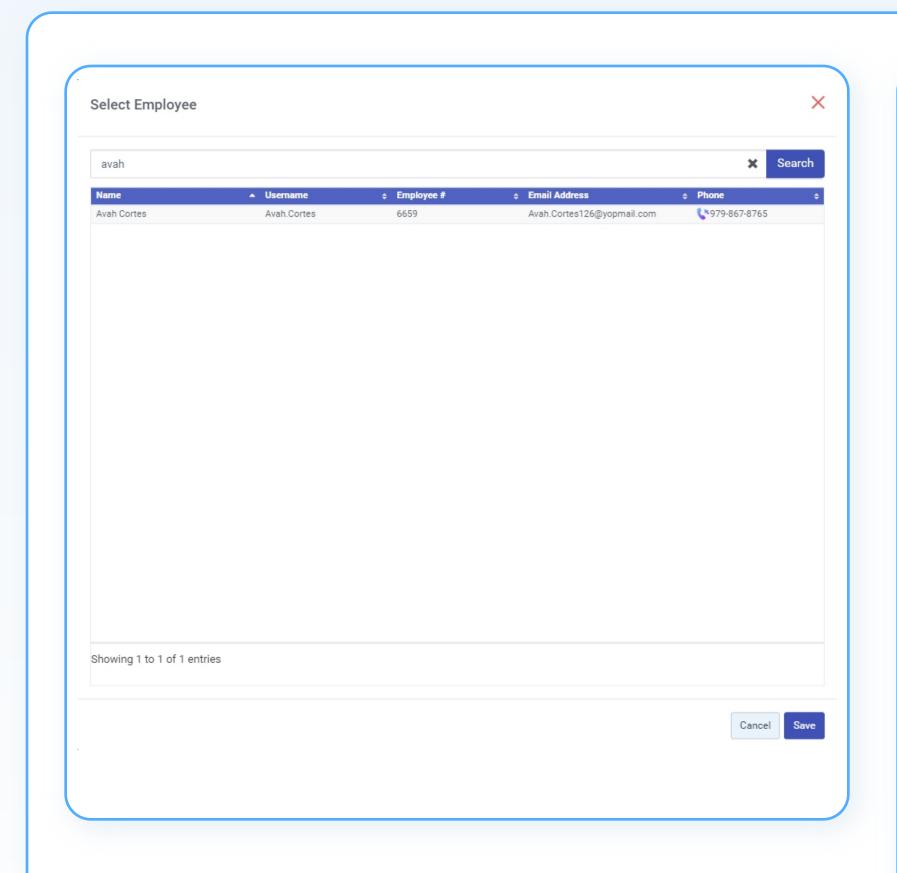
- Search for the employee using the filters
- Click on the Employee transfer icon to re-assign the employee



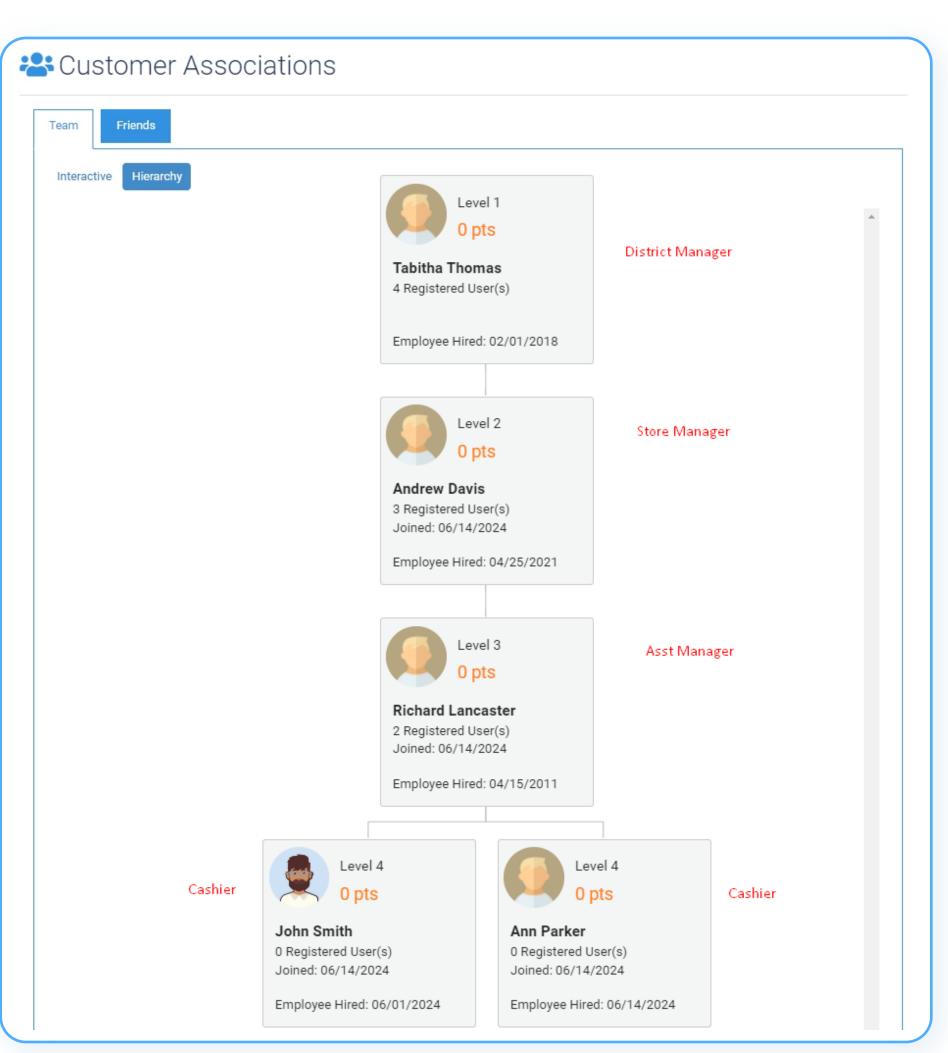
- Search for the employee
- Employees must be on the same Employee Level For EIP (ex. Cashier to Cashier or Manager to Manager.)
- Select employees from the list.







- Then Click Save.
- The new employee has replaced the old employee on the hierarchy.







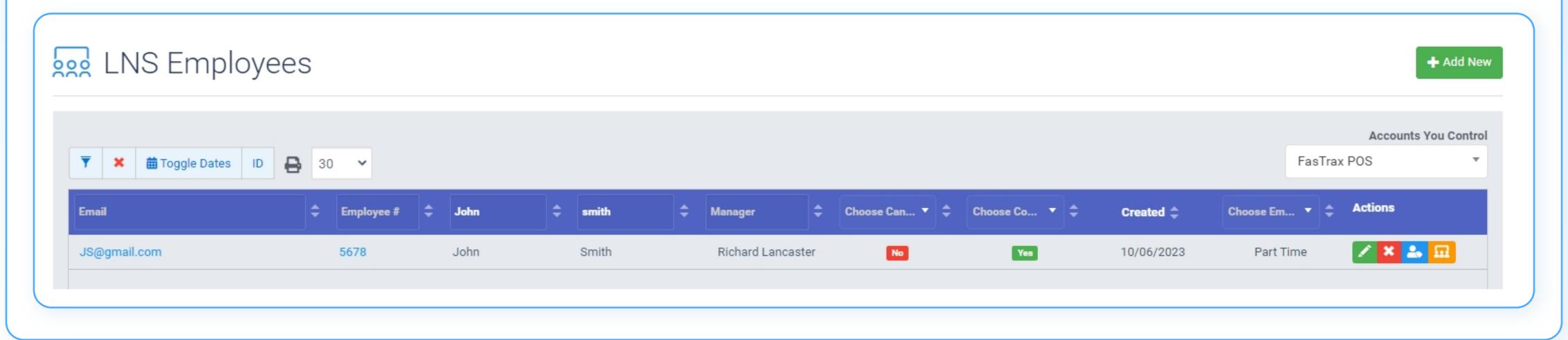
AVERAGE INCENTIVES IN EMPLOYEE'S PROFILE

This section will review how to display earned employee incentives throughout the probation period.

Location: Loyalty > Customer > LNS Employees

Alternate Location: Users > LNS Employees

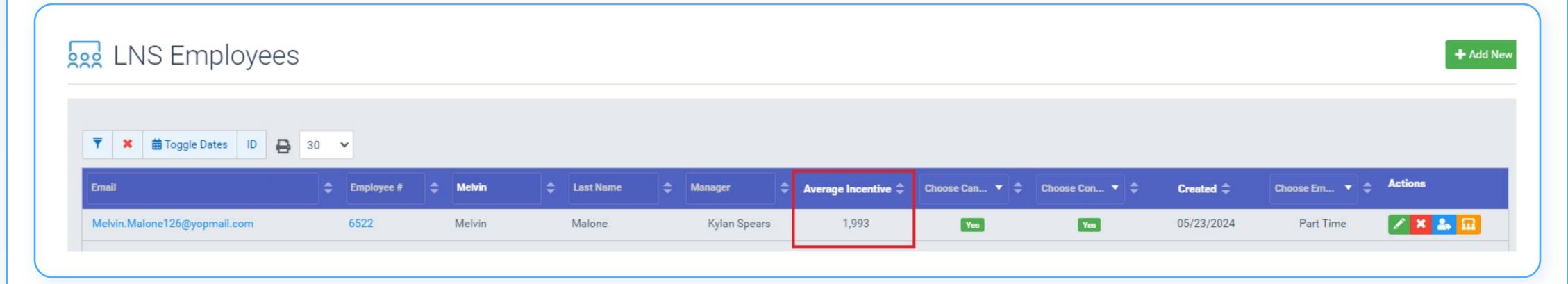
• Locate the employee using the search filters.



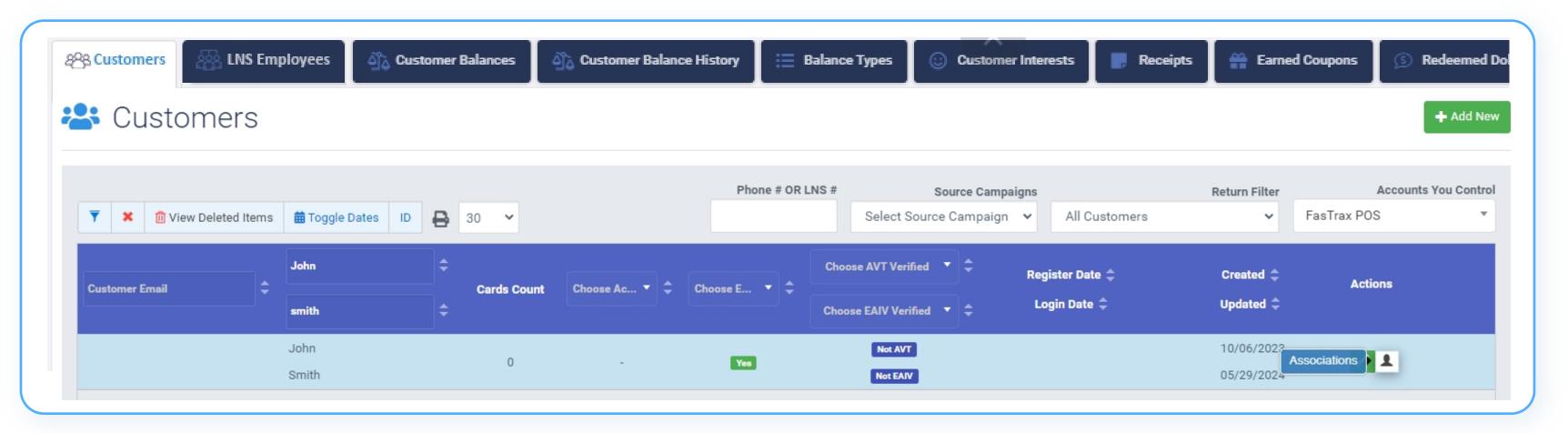




• The Average Incentive column will display the employee's average earnings during the probation period.



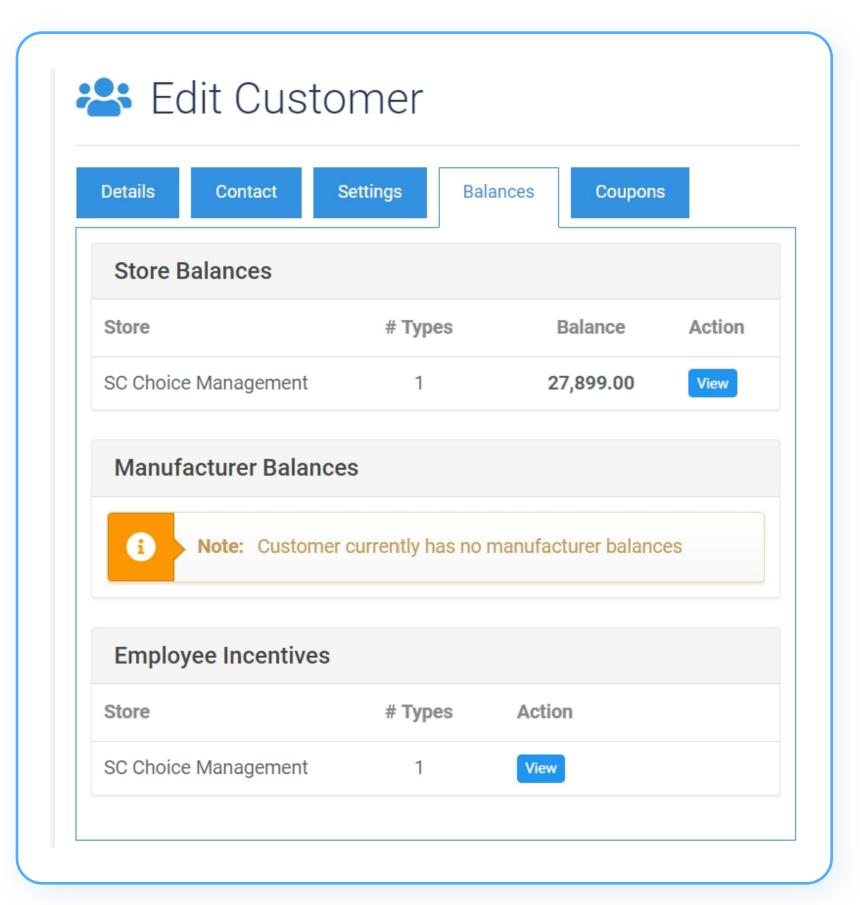
• To see the Employee's balances click on the Customers tab to open their profile.







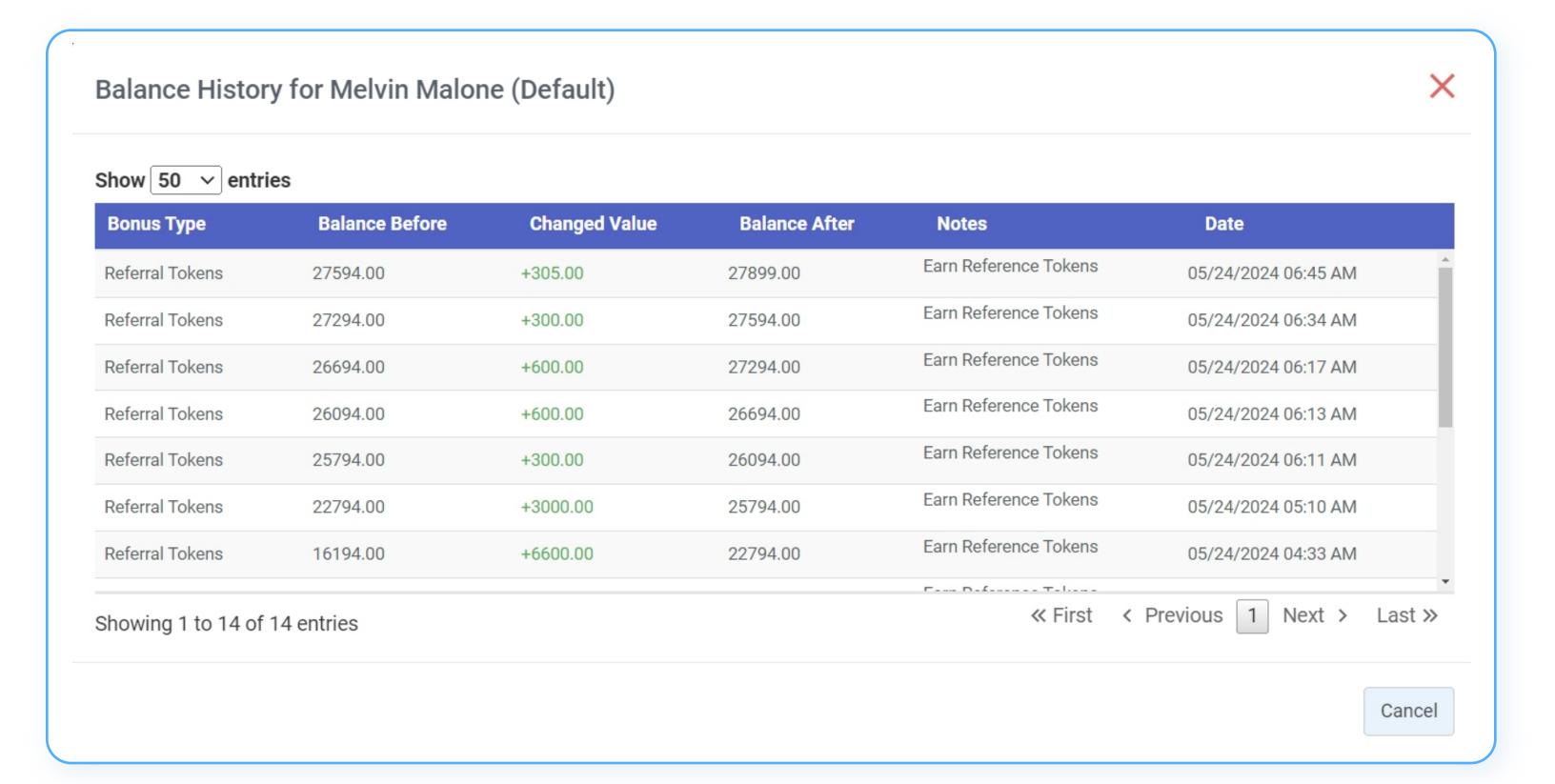
- The Average Incentive column will display the employee's average earnings during the probation period.
- Click on the Balances Tab







- Then click View under Action from the Store Balances section.
- Then click View Balance History
- From here you can see the employee's incentive breakdown.







QUESTIONS OR COMMENTS?

Please contact our loyalty specialists at 256-319-3470 or email support@loyalnsave.com.



