1 Wages & Commissions

Kitomba™ can help you with calculating how much money to pay your staff. Kitomba™ will record your staff members' hourly rates, their commission plan and calculate sales commissions and commission plans for your staff.

Commission Groups and Commission Plans will make your commission agents calculations a breeze for your payroll staff by giving them a report, generated by Kitomba™ which is accurate as to what has been recorded on the computer including all of the figures, along with a breakdown of how the figures were obtained.
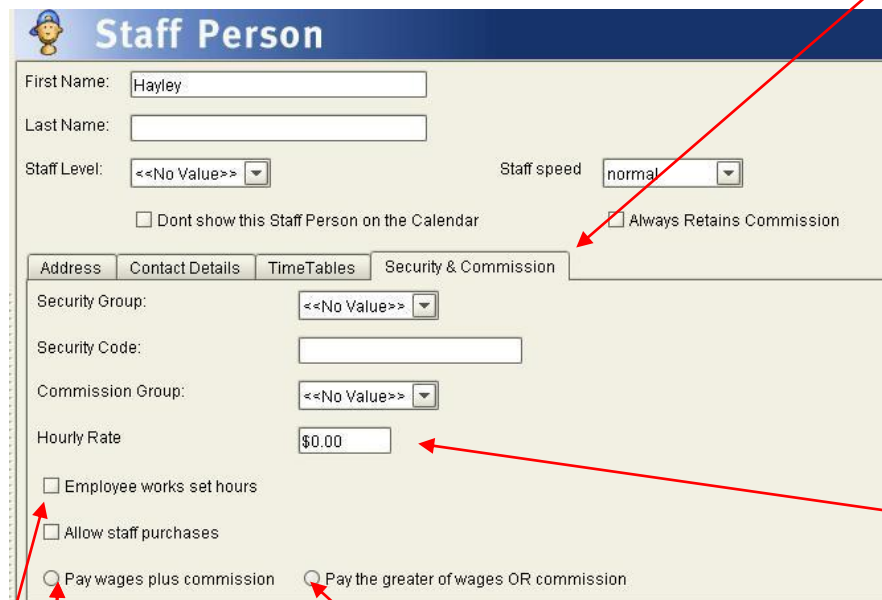
Key steps to setup Kitomba™ Commission and Wages;
1. Set Hourly Rates
2. Set Commission Groups
3. Set Plans Within a Group
4. Assign Staff to a group
5. Run Reports

1.1 Setting up Hourly Wage Rates

You can setup and use the Wages without using the Commission settings. To setup staff wages on Kitomba™ first select the staff member in the Admin Tab, under Business Units.

Once you have selected the Staff Member to edit, select the **Security & Commission** Tab to view the wages section.

Here you can set the **Hourly Rate** for each Staff Member. This is the figure Kitomba™ will use when calculating their Wages.

You can also set whether the Staff Person works **set hours** only - if you select this, it will calculate their wages based on a fixed number of hours.

Setting up wages is very straight forward once you have filled in the hourly rate, remember to click **save** and save your changes.

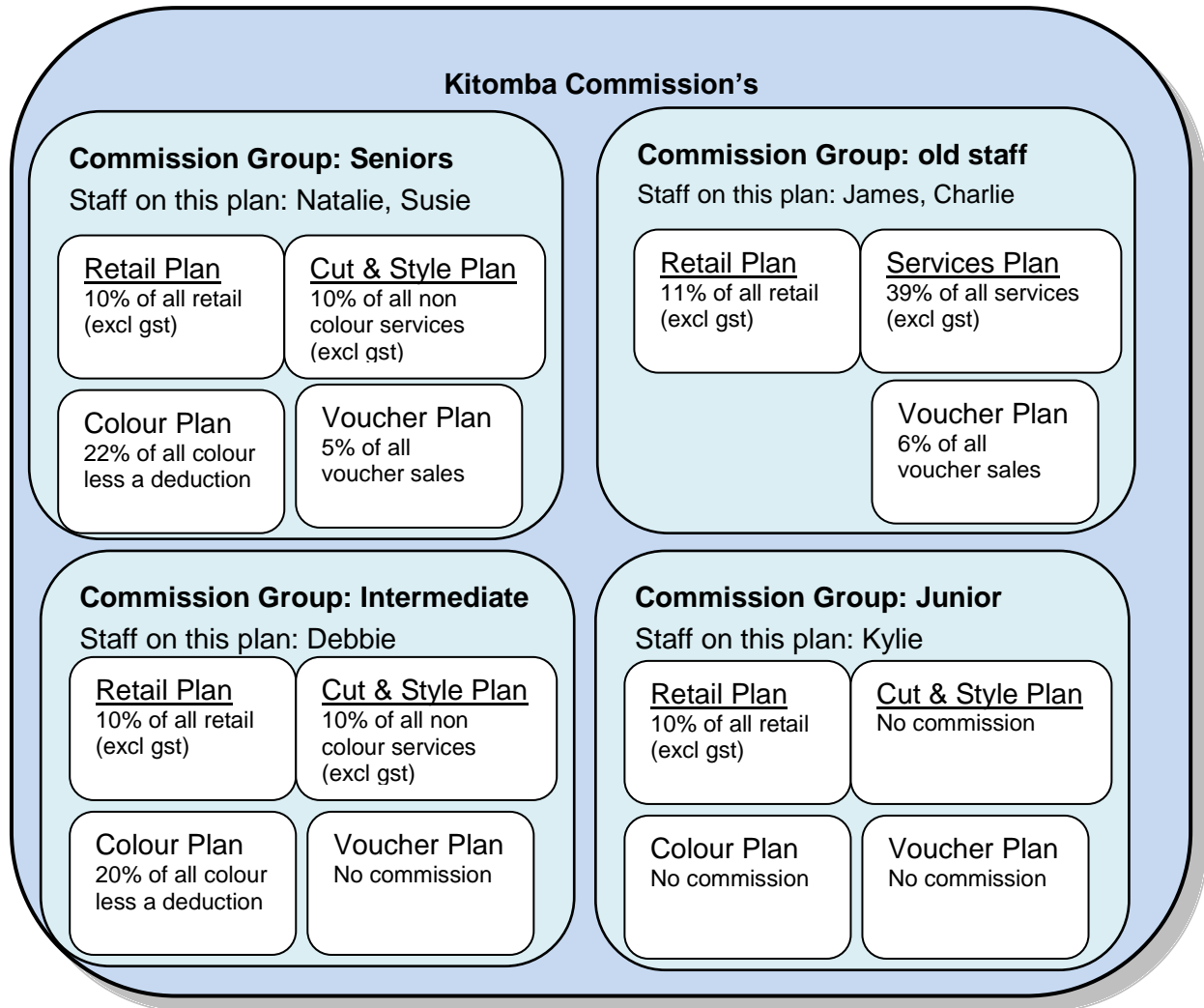Select the radio button that indicates how you wish to pay your staff:
a. A wage and no commission (i.e., wage only), OR
b. A wage plus commission (i.e., staff earn a base plus commission), OR
c. The greater of the wage OR commission (e.g., staff earn the greater of the minimum wage or a commission plus commission

1.2 Groups, Plans & Staff – how they fit together

This picture shows an example of a commission structure that illustrates how Commission Groups, Plans & staff relate to each other.

Key points:
- Each staff person is allocated to one Commission Group.
- You can have as many Commission Groups as you wish
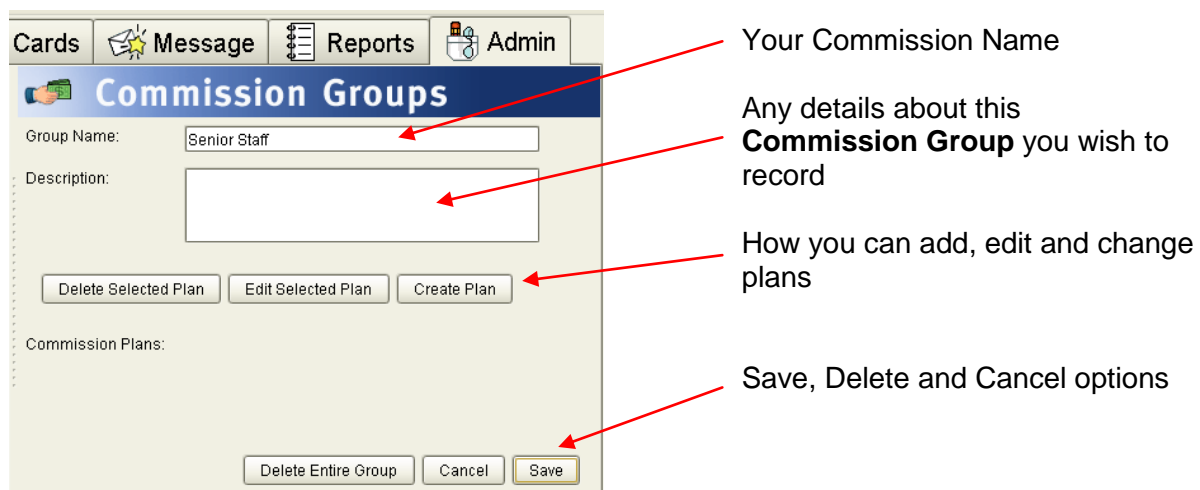- In each Commission Group you can have as many Commission Plans as you wish

Kitomba Commission's

Commission Group: Seniors

Staff on this plan: Natalie, Susie

Retail Plan
10% of all retail (excl gst)

Cut & Style Plan
10% of all non colour services (excl gst)

Colour Plan
22% of all colour less a deduction

Voucher Plan
5% of all voucher sales

Commission Group: old staff

Staff on this plan: James, Charlie

Retail Plan
11% of all retail (excl gst)

Services Plan
39% of all services (excl gst)

Voucher Plan
6% of all voucher sales

Commission Group: Intermediate

Staff on this plan: Debbie

Retail Plan
10% of all retail (excl gst)

Cut & Style Plan
10% of all non colour services (excl gst)

Colour Plan
20% of all colour less a deduction

Voucher Plan
No commission

Commission Group: Junior

Staff on this plan: Kylie

Retail Plan
10% of all retail (excl gst)

Cut & Style Plan
No commission

Colour Plan
No commission

Voucher Plan
No commission

1.3 Setting Up Commission Groups

A Commission Group is the summary of all commission calculations for a group of staff (a group of staff can be one staff person). Each staff member can only be assigned to one **Commission Group**.

To setup your Commission Groups go into the **Admin Tab** and select **Commission Groups**.
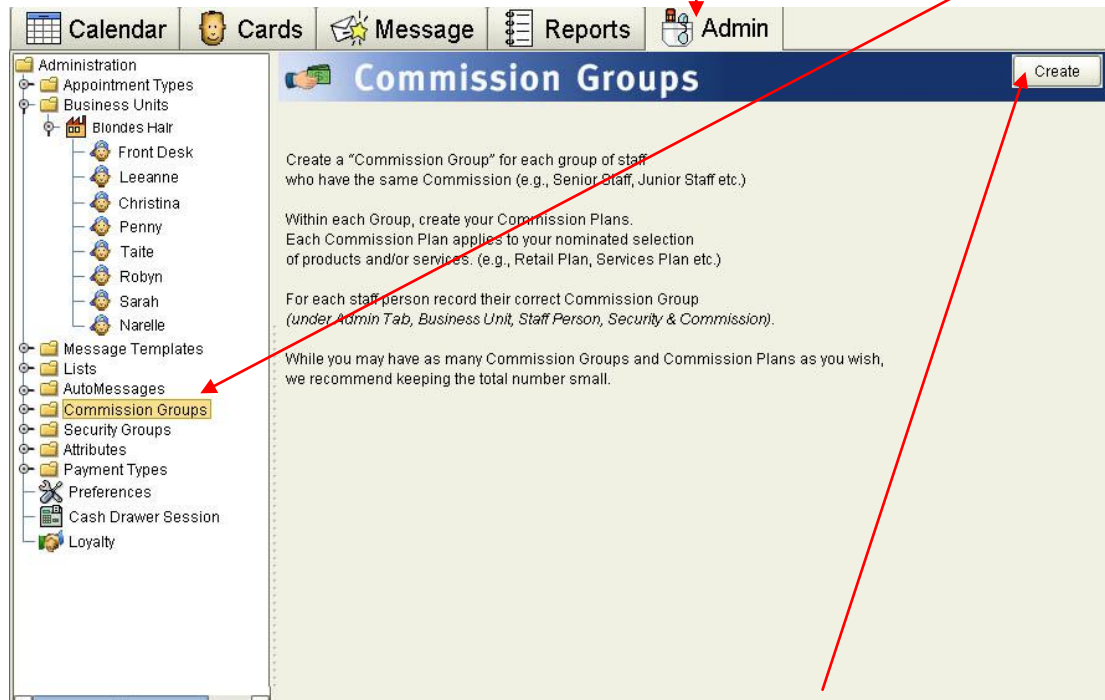
Click on the **Create** button to start creating a new **Commission Group**.
Once you click **create**, you will get a screen to name your **Commission Group**.

Your Commission Name

Any details about this **Commission Group** you wish to record

How you can add, edit and change plans

Save, Delete and Cancel options

1.4   Setting Up Commission Plans

Commission Plans are:
- The detail of what your staff commissions are calculated on.
- Sales targets
- Where commission percentage/dollar details are set
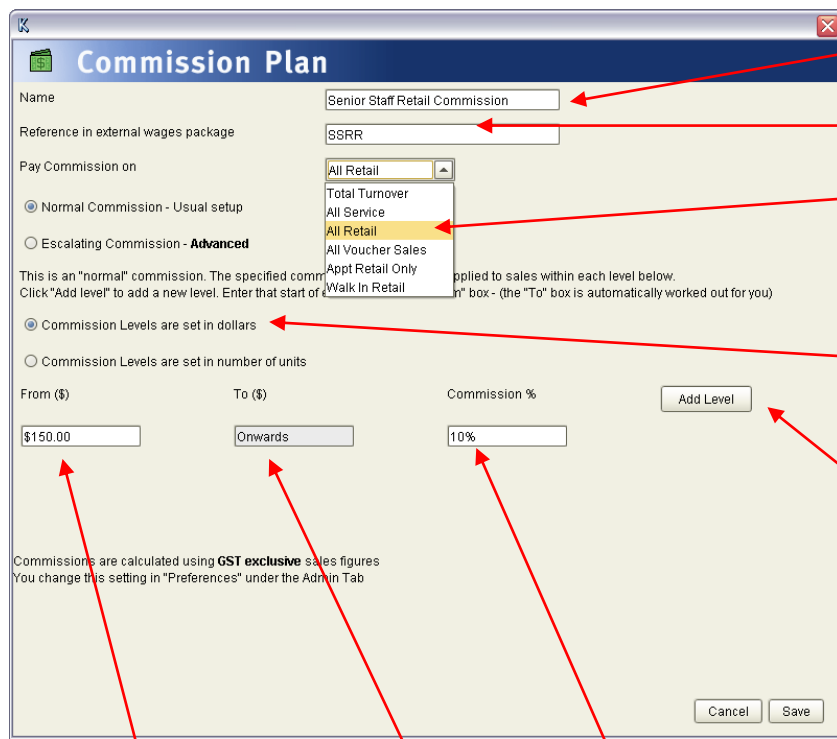
Once you have setup your **Commission Group**, you can now create some **Commission Plans** for your Staff. Each Commission Group can have multiple Commission Plans. A Group can for example have a Commission Plan for Services, and a Commission Plan for Retail.

To create a plan, click [Create Plan]

This will open a pop up window, where you will be able to set up a **Commission Plan**. You can always set up multiple plans for the same group of staff.
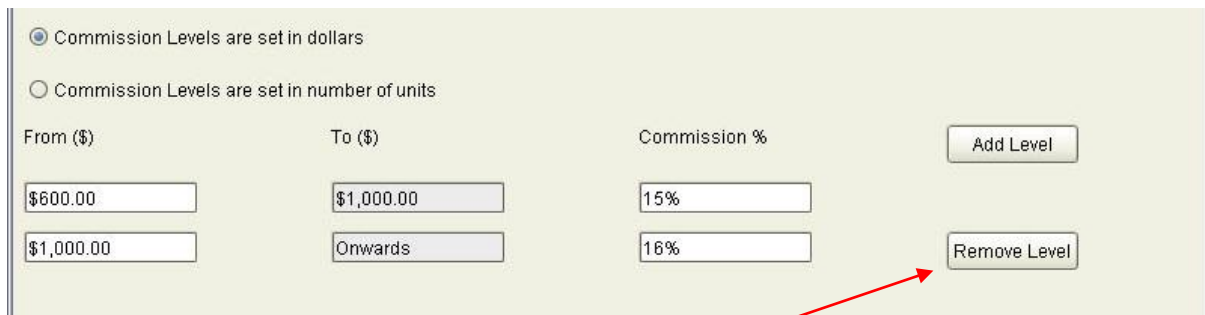
The name of the Plan

A reference for an external Wage Package - if used.

You can set what you will pay commission on, in this instance, only Retail will generate commission

How you measure commissions, in this case dollars

Adding another level if you use tiered commission structures which are explained more below.

Sales Target $ Sales Limit $ Commission %

You can add teirs to the commission such as these, where the more revenue a Staff member generates, the higher their commission percentage becomes.
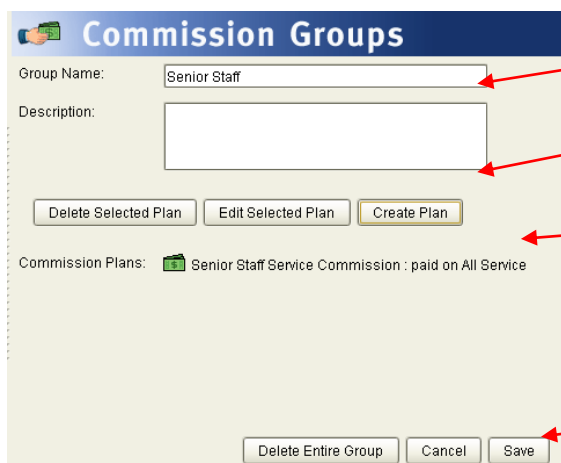
You can remove a level at any time by clicking **remove level**.

Once you are happy with the commission plans you have set up, click [Save] to save your changes.
You can add as many different plans in as needed, in this instance the plan indicates:
When your Staff Person generates $600 of Revenue from Services only, your Staff Person will receive a 15% bonus. Then when they generate $1000 of revenue, from the $1000 upwards, they will receive a 16% bonus. So if the Staff Person sells $1500 of Retail, they will receive 15% on $400 and 16% on $500.

With the changes saved, your screen will now look like this;

The name of the **Commission Group**

Any description of the **Commission Group** you have
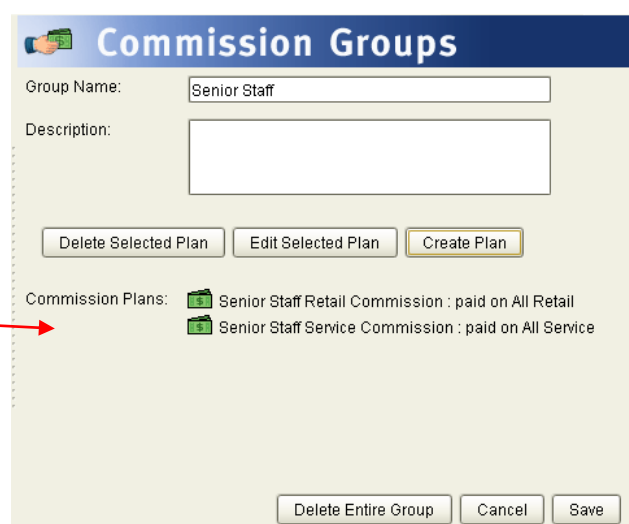
How you can add, edit and change plans

The new **Commission Plan** you have added to your **Commission Group**

You can delete a **Commission Group**

When you add more than one Commission Plan, your screen will look like this;

The new **Commission Plan** you have added to your
Commission Group
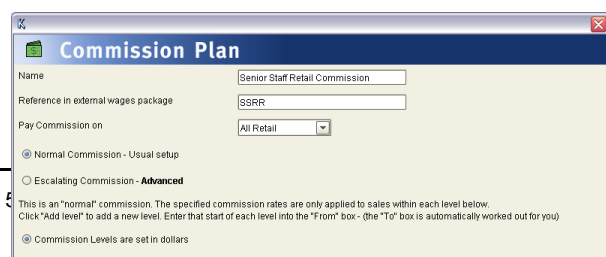
Retail Commission Plan Example:
When your Staff Person sells Retail, there is a different plan setup to cover this.

The Staff Person must sell $150 worth of Retail before they will start earning commission.

Kitomba™ Wages & Commissions mini-guide

Once they have reached this $150 goal they

Okitomba
■ SALON AND SPA SOFTWARE
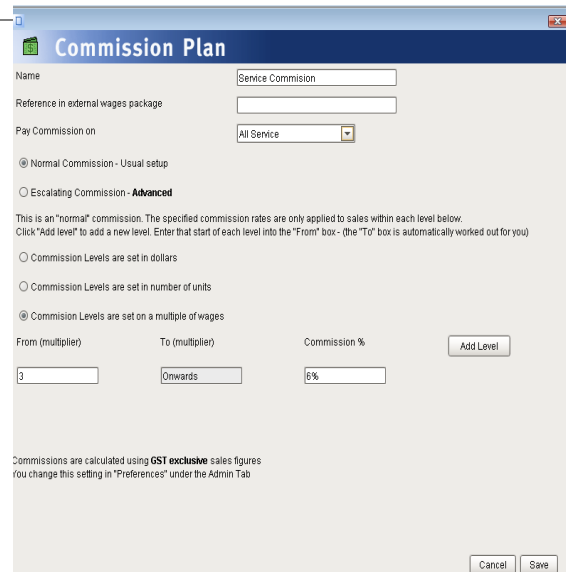
Multiple of Wage Commission Plan
Example:
When you want to pay your staff a multiple
of their wage Kitomba has a plan to help set
this up for you.

If the staff person must sell 3X their wage:
Tell Kitomba what to pay commission on
then enable the option Commision Levels
are set on a multiple of wages

Insert the multiplier level (e.g., 3x) and what
the commission level is.

Commission Plan

Name	Service Commision
Reference in external wages package	
Pay Commission on	All Service

◉ Normal Commission - Usual setup

○ Escalating Commission - **Advanced**

This is an "normal" commission. The specified commission rates are only applied to sales within each level below.
Click "Add level" to add a new level. Enter that start of each level into the "From" box - (the "To" box is automatically worked out for you)

○ Commission Levels are set in dollars

○ Commission Levels are set in number of units

◉ Commision Levels are set on a multiple of wages
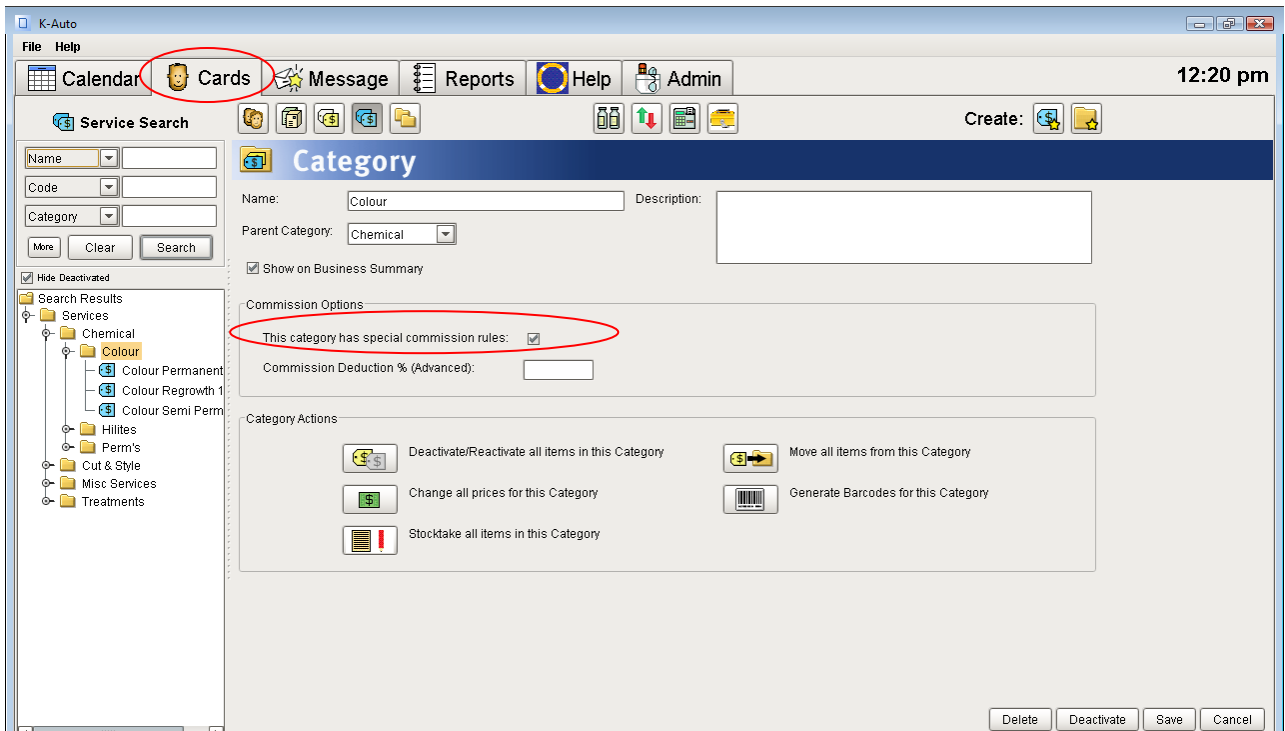
From (multiplier)	To (multiplier)	Commission %	
3	Onwards	6%	Add Level

Commissions are calculated using **GST exclusive** sales figures
you change this setting in "Preferences" under the Admin Tab

Cancel   Save
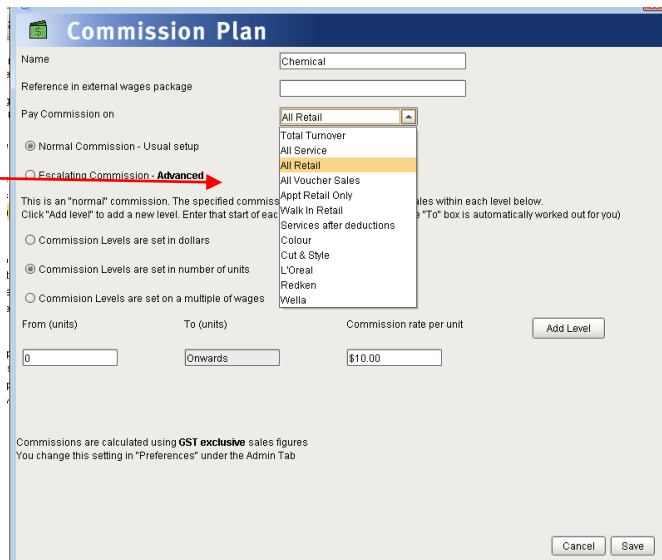
Special Commission Rules:
Working with your services/products and paying commissions on them, sometimes it may be
desirable to make special rules Eg: if you wanted to pay double commission on a range of
retail for a limited time you can hit the tick box "This category has special commission rules".
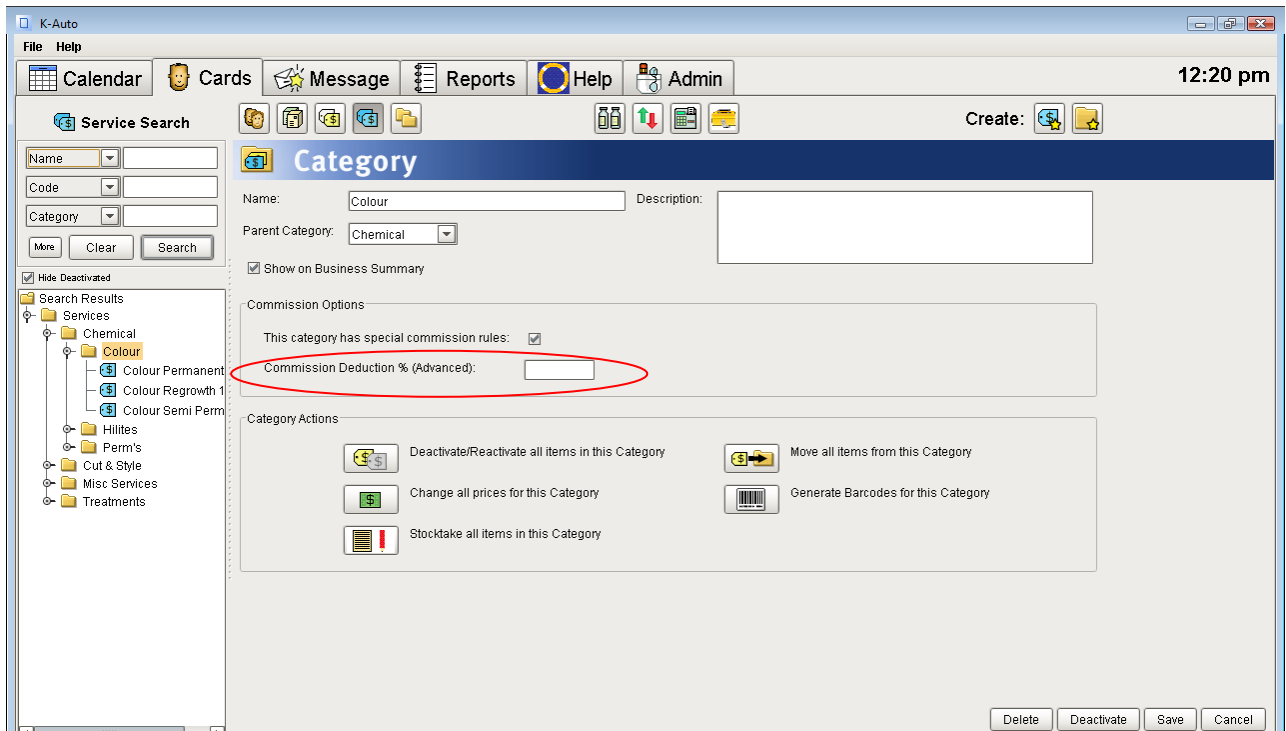
When this is done the category will appear in the "pay commission on" dropdown box in the commission plans edit screen.

Deductions before Commissions:
Working with your services/products and paying commissions on them, sometimes it may be desirable to take a deduction for the service/product before the commission is calculated. To do this go to the "Cards" Tab and under the Service/Product, select the category you wish to be amended and the percentage you wish to deduct from the service/product before commission is calculated
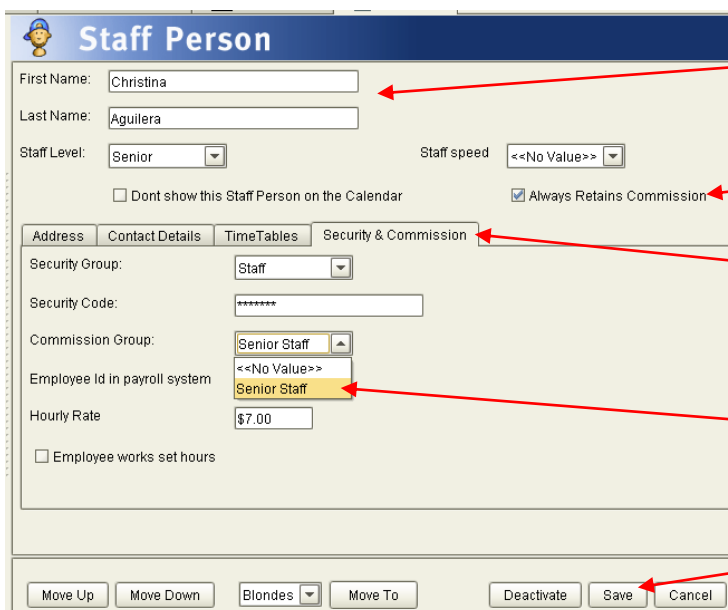
1.5   Assigning Commission Groups

Now that you have setup your Commission Groups, in order to use them, you will need to put your Staff into their correct **Commission Group**.

To do this, you will need to select the staff member in the Admin Tab, under Business Units. Then select the **Security & Commission** Tab.

There is a Drop Down menu, which you should change to read the name of the **Commission Group** you wish this staff Person to belong to.
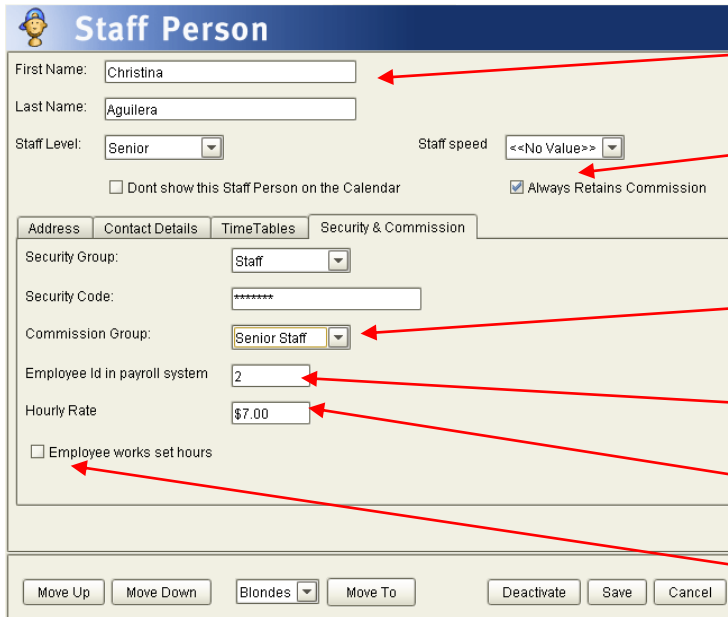
Then you will need to save your changes.

The name and details of the **Staff Member**

To allow them to generate **Commission** you have to ensure this box is ticked

The **Security & Commission** Tab

The drop down menu to select which **Commission Group** you wish to add your Staff Member to.

The **Save** button

So your Staff member will look like this once saved;

The name and details of the Staff Member

This box is ticked so Christina receives all Commission if the reports are run for **"*Designated Sales Person"**

Christina is in the **Senior Staff Commissions** Group

Employees ID code for external Wage Package if used

Christina is paid $7.00 per hour on top of her commissions

Christina doesn't work set hours

Kitomba™ Tip:
While the Wages Summary Report will give you an accurate calculation, it does not deduct any taxes (e.g., PAYE) from the wage amount.

1.6 Running the Wages Summary Report

In the Reports Tab, you will find the **Wages Summary** Report.

When you execute the Wages Summary Report, before Kitomba™ runs it, it will ask you to confirm the hours your staff have worked with a pop up box;

You can edit the hours at this time, to allow for sickness, late finishing or starting etc.
Once you have checked the hours are correct, click **Go** to run the report.

Your executed **Wage Summary** Report (no commissions) will look similar to this;

Your Report Date Range

How your figures were calculated

Staff Member's Name

Commission figures
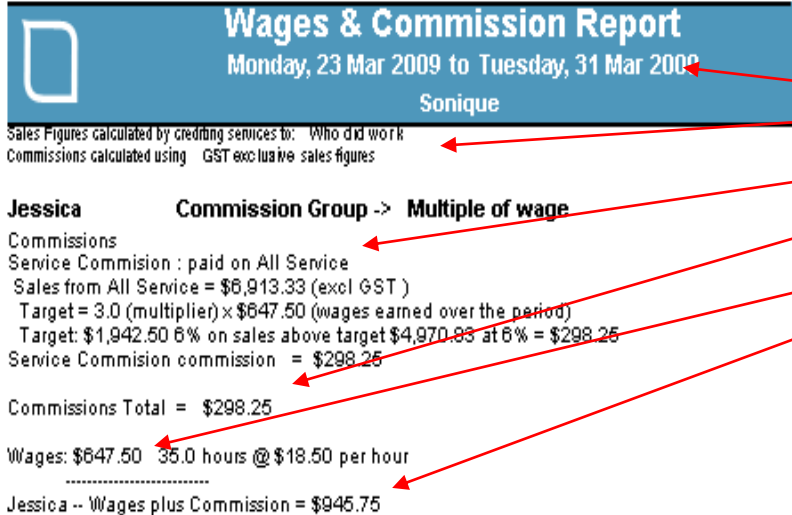- will be $0 when they are not setup

Wages

Total income to be paid

The Kitomba™ **Wages Summary** Report makes working out hours and wages with a calculator, a thing of the past.

1.7 Reporting on Commissions with the Wages Summary Report

Now that you have setup the Commission Groups, the Commission Plans and assigned the Staff, you can print the **Wages Summary** report (in the Reports Tab) to show the amount of income Christina has generated for the salon and herself over a week period.

When you print the report, choose the date range you would like to see, in this instance the report has been run over a single week period, from Monday March 23 to Tuesday March 31

Wages & Commission Report
Monday, 23 Mar 2009 to Tuesday, 31 Mar 2009
Sonique

Sales Figures calculated by crediting services to: Who did work
Commissions calculated using GST exclusive sales figures

Jessica   Commission Group -> Multiple of wage
Commissions
Service Commision : paid on All Service
 Sales from All Service = $6,913.33 (excl GST)
  Target = 3.0 (multiplier) x $647.50 (**wages earned over the period**)
  Target: $1,942.50 6% on sales above target $4,970.83 at 6% = $298.25
Service Commision commission = $298.25

Commissions Total = $298.25

Wages: $647.50 35.0 hours @ $18.50 per hour

Jessica -- Wages plus Commission = $945.75

The report date range

How the figures are calculated

Service Commission calculations

Total Commission calculations

Wage calculations

Total amount earnt (before PAYE or any other tax deductions)