



# 2018 Employee Compensation Report

Volume 1

**An analysis of 2017  
compensation practices**

**Confidentially Prepared by  
Profit Planning Group**





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# Introduction

This report presents the results of Profit Planning Group's 2018 Employee Compensation Study of the Distribution Industry. This study analyzes 2017 compensation data submitted by 175 firms with over 500 locations. DHI co-sponsored this study.

The complete results are presented in two documents. Combined, they provide a valuable source of information about compensation and benefit practices for distribution industries.

## Volume 1: DHI Detailed Report

The detailed report presents the analysis of participating DHI firms. Where appropriate, DHI results are compared with the results of all participants.

This report provides information about both executive and employee compensation including salaries, bonuses, commissions and perks. It also includes details about fringe benefits such as health insurance, retirement programs, and employee time off.

## Volume 2: Industry Report

The industry report presents the analysis of all participating firms. Firms were analyzed in over 20 sales groups and over 100 geographic areas.

## Understanding the Numbers

Both of these reports present median results. The median is the middle value in the sorted list of all reported values. Compared to averages, medians are not skewed by unusual values and therefore best represent a typical firm.

Sections of the report which present ranges for wages and compensation use the 25<sup>th</sup> and 75<sup>th</sup> percentiles to describe the middle half of responses.

Note that bonus figures include overtime, commissions, bonuses, and incentives.

Throughout the report, n/a designates results that are not available due to insufficient data.

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Typical Participant Profile</b>					
<b>Number of Firms Reporting</b>	174	32	12	13	7
<b>Sales</b>					
Typical Firm Sales	22,413,580	14,129,917	6,473,274	18,830,305	46,429,853
Typical Branch Sales	9,541,590	6,706,653	5,823,343	6,489,251	8,475,220
<b>Employees</b>					
Number of Employees (FTE)	51.5	46.0	22.0	56.0	126.5
Employee Turnover Rate (%)	15	13	11	13	18
<b>Operations</b> (% of firms)					
Local	22	26	27	38	0
Regional	43	52	64	46	43
National	19	19	0	15	57
International	16	3	9	0	0
<b>Ownership</b> (% of firms)					
Private Company	98	100	100	100	100
Public Company	2	0	0	0	0
<b>Organization</b> (% of firms)					
Sole Proprietorship	1	0	0	0	0
Partnership	0	0	0	0	0
S Corporation	60	55	64	62	29
C Corporation	19	26	18	15	57
Limited Liability Corp. (LLC)	19	16	18	15	14
Limited Liability Partnership (LLP)	1	3	0	8	0

# Summary of Executive Compensation

## The Typical DHI Firm

Typical Firm Sales.....	14,129,917
Number of Employees .....	46.0

## DHI CEO Profile

Base Salary .....	149,323
Total Compensation.....	182,000
Bonus (% of salary) .....	41
Age.....	56
Years with Company .....	26
% of Equity Owned .....	51
Company Founder (% of CEOs) .....	30

## DHI Executive Bonus

<b>Firms With Executive Bonus Plan</b> (% of firms) .....	55
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### Executive Bonus Structure (% of firms)

Discretionary .....	71
Achievement of Sales Goals .....	41
Achievement of Profit Goals .....	53
Percentage of Sales.....	18
Percentage of Profit .....	29
Return on Equity/Assets/Sales.....	12

## DHI Executive Benefits & Perks (% of firms)

	<u>CEO</u>	<u>COO</u>	<u>CFO</u>	<u>CMO</u>
Company Car & Expenses	76	59	46	67
Supplemental Life Insurance*	59	38	31	44
Supplemental Medical Insurance*	14	14	8	0
Tax Return Preparation	66	38	8	33
Club Dues & Expenses	28	21	8	22
Personal Tax & Financial Planning	34	28	0	11
Annual Physical Examination	10	7	8	0
Low or No-interest Loans	21	14	8	22
Supplemental Retirement Benefits*	14	10	0	0
Deferred Compensation	24	17	15	22
First Class Air Travel	10	7	0	0
Use of Corporate Aircraft	0	0	0	0

\*Beyond customary company-wide benefits

# Summary of Executive Compensation

Compensation	Base Salary	Total Compensation	Middle Range of Total Comp.		Bonus
			25 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile	% of Salary
Typical U.S. Distributor					
CEO/President	169,000	222,680	144,601	358,711	48
COO/VP/#2 Officer	126,450	173,229	122,393	238,131	38
CMO (Chief Marketing Officer)	167,405	234,250	125,700	355,354	41
CFO (Chief Financial Officer)	155,000	195,312	130,000	315,904	32
Typical DHI Distributor					
CEO/President	149,323	182,000	112,000	283,000	41
COO/VP/#2 Officer	128,950	152,250	121,171	213,881	29
CMO (Chief Marketing Officer)	115,960	127,900	103,218	179,335	54
CFO (Chief Financial Officer)	100,000	115,500	104,500	138,913	31

	Typical U.S. Dist.	Typical DHI Dist.
<b>Pay Relationships</b>		
Comp. as a % of CEO comp. excluding benefits and perks		
CEO/President	100	100
COO/VP/#2 Officer	77	90
CMO (Chief Marketing Officer)	62	63
CFO (Chief Financial Officer)	57	62

	Typical U.S. Dist.	Typical DHI Dist.
<b>Bonus</b>		
<b>Firms With Executive Bonus Plan</b> (% of firms)	65	55
<b>Executive Bonus Structure</b> (% of firms)		
Discretionary	69	71
Achievement of Sales or Operating Goals	44	41
Achievement of Profit Goals	51	53
Percentage of Sales	15	18
Percentage of Profit	36	29
Return on Equity/Assets/Sales	7	12

# Summary of Employee Compensation

	<u>Base Salary</u>	<u>Total Compensation</u>	<u>Middle Range of Total Comp.</u>		<u>Bonus % of Salary</u>
			<u>25<sup>th</sup> Percentile</u>	<u>75<sup>th</sup> Percentile</u>	
<b>Typical U.S. Distributor</b>					
<b>Branch Manager</b>	75,000	96,629	70,000	135,000	25
<b>Outside Sales</b>					
Senior Sales Consultant	60,000	95,000	75,973	133,652	51
Typical Outside Salesperson	45,000	70,000	55,000	86,463	42
Beginning Outside Salesperson	42,000	53,600	45,000	63,850	29
<b>Inside Sales</b>					
Typical Inside Salesperson	48,000	57,640	48,416	70,816	22
Beginning Inside Salesperson	40,000	44,262	35,716	50,472	9
<b>Sales &amp; Service</b>					
Sales Manager	85,000	118,545	85,283	161,694	29
Sales Assistant	47,000	52,707	45,000	62,383	10
Customer Service Rep	45,000	49,000	40,000	58,500	7
Counter Salesperson	41,600	45,551	37,006	55,000	8
<b>Warehouse &amp; Delivery</b>					
Operations Manager	78,900	85,000	69,450	105,367	13
Warehouse Supervisor	50,500	56,451	47,615	67,634	8
Warehouse Employee	33,280	35,989	31,000	41,401	7
Driver/Delivery Personnel	37,180	40,467	35,000	52,250	8
<b>Information Systems</b>					
Chief Information Officer (CIO)	134,520	150,000	92,511	265,000	13
MIS/Data Processing Manager	114,281	115,812	74,382	143,814	10
Systems Administrator	55,300	57,958	51,400	71,000	6
IT Clerk	42,000	43,500	38,990	52,818	4
<b>General &amp; Administrative</b>					
Purchasing Manager	70,168	75,638	60,125	91,591	10
Purchasing Agent/Buyer	48,842	50,000	43,000	57,195	7
Controller	99,284	110,150	82,971	146,852	13
Accountant/Bookkeeper	47,500	50,000	40,000	60,000	5
Credit Manager	75,046	79,435	60,000	102,640	10
Credit/Collections Clerk	40,500	43,000	36,000	46,800	5
Human Resources Manager	86,100	86,100	64,875	126,339	11
Office Manager	57,575	59,500	49,846	75,114	8
Office/Clerical Personnel	35,500	37,496	31,474	44,760	4



# Summary of Employee Compensation

	<u>Base Salary</u>	<u>Total Compensation</u>	<u>Middle Range of Total Comp.</u>		<u>Bonus % of Salary</u>
			<u>25<sup>th</sup> Percentile</u>	<u>75<sup>th</sup> Percentile</u>	
<b>Typical DHI Distributor</b>					
<b>Branch Manager</b>	80,000	110,503	96,368	147,569	38
<b>Outside Sales</b>					
Senior Sales Consultant	65,000	93,450	74,716	121,913	48
Typical Outside Salesperson	54,600	69,500	56,839	76,754	39
Beginning Outside Salesperson	45,000	55,000	49,228	64,250	18
<b>Inside Sales</b>					
Typical Inside Salesperson	54,759	58,000	52,073	75,000	13
Beginning Inside Salesperson	44,778	47,250	39,250	55,626	8
<b>Sales &amp; Service</b>					
Sales Manager	68,670	97,556	78,750	120,534	30
Sales Assistant	46,000	50,873	45,500	57,173	7
Customer Service Rep	38,400	40,512	36,125	51,729	8
Counter Salesperson	49,822	55,000	46,619	61,871	7
<b>Warehouse &amp; Delivery</b>					
Operations Manager	79,168	89,328	67,600	109,800	10
Warehouse Supervisor	53,425	58,853	44,685	63,625	6
Warehouse Employee	33,881	35,000	31,350	38,977	4
Driver/Delivery Personnel	37,250	37,595	36,000	44,787	5
<b>Information Systems</b>					
Chief Information Officer	124,000	125,000	n/a	n/a	n/a
MIS/Data Processing Manager	92,000	115,000	n/a	n/a	12
Systems Administrator	65,000	67,000	54,000	79,533	15
IT Clerk	42,250	42,250	35,500	47,125	n/a
<b>General &amp; Administrative</b>					
Purchasing Manager	64,240	66,000	56,504	74,400	8
Purchasing Agent/Buyer	47,575	52,500	43,500	60,603	7
Controller	86,000	87,300	78,000	116,309	10
Accountant/Bookkeeper	46,750	50,000	42,100	62,997	4
Credit Manager	62,000	64,680	49,659	81,225	4
Credit/Collections Clerk	42,262	45,350	38,850	48,635	4
Human Resources Manager	74,600	75,360	69,371	80,450	4
Office Manager	49,000	49,046	48,850	55,000	2
Office/Clerical Personnel	37,000	41,600	31,776	45,036	3
<b>DHI Positions</b>					
Inside Technical Personnel	54,903	58,488	52,000	71,700	4
Architectural Draftsman/Estimator	54,000	59,694	50,250	71,602	7
Shop Personnel	40,000	41,850	37,698	48,867	5
Locksmith	46,000	52,000	44,000	57,400	6

# Executives

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>CEO/President</b>					
Salary	169,000	149,323	129,600	148,645	169,565
Total Compensation	222,680	182,000	136,125	188,500	222,255
Change from Previous Year (%)	0	0	0	3	1
Bonus (% of salary)	48	41	88	26	48
Bonus Paid (% of firms)	77	68	63	69	71
Age	57	56	56	58	56
Years with Company	25	26	23	26	23
% of Equity Owned	65	51	51	68	49
Company Founder (% of firms)	35	30	44	27	14

## CEO Benefits & Perks (% of firms)

Company Car & Expenses	87	76	78	92	43
Supplemental Life Insurance*	58	59	44	77	43
Supplemental Medical Insurance*	26	14	22	15	0
Tax Return Preparation	61	66	89	62	43
Club Dues & Expenses	29	28	33	31	14
Personal Tax & Financial Planning	44	34	56	23	29
Annual Physical Examination	19	10	22	0	14
Low or No-interest Loans	13	21	33	15	14
Supplemental Retirement Benefits*	20	14	33	8	0
Deferred Compensation	9	24	22	15	43
First Class Air Travel	14	10	0	15	14
Use of Corporate Aircraft	6	0	0	0	0

\*Beyond customary company-wide benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>COO/VP/#2 Officer</b>					
Salary	126,450	128,950	104,783	122,500	152,250
Total Compensation	173,229	152,250	121,171	144,326	232,533
Change from Previous Year (%)	1	3	1	4	1
Bonus (% of salary)	38	29	9	29	37
Bonus Paid (% of firms)	86	82	78	83	86
Age	53	53	53	53	52
Years with Company	20	23	21	25	18
% of Equity Owned	1	0	0	1	3
Company Founder (% of firms)	15	14	10	18	14

## COO/VP Benefits & Perks (% of firms)

Company Car & Expenses	75	59	70	58	43
Supplemental Life Insurance*	42	38	30	50	29
Supplemental Medical Insurance*	23	14	20	17	0
Tax Return Preparation	39	38	50	33	29
Club Dues & Expenses	24	21	30	17	14
Personal Tax & Financial Planning	27	28	50	17	14
Annual Physical Examination	13	7	10	0	14
Low or No-interest Loans	11	14	20	8	14
Supplemental Retirement Benefits*	19	10	20	8	0
Deferred Compensation	10	17	10	17	29
First Class Air Travel	7	7	0	17	0
Use of Corporate Aircraft	3	0	0	0	0

\*Beyond customary company-wide benefits

# Executives

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>CFO</b> (Chief Financial Officer)					
Salary	155,000	100,000	115,500	85,800	131,874
Total Compensation	195,312	115,500	130,000	105,879	137,826
Change from Previous Year (%)	2	0	0	3	3
Bonus (% of salary)	32	31	n/a	30	47
Bonus Paid (% of firms)	87	77	33	100	67
Age	52	52	71	52	48
Years with Company	13	9	20	9	9
% of Equity Owned	0	0	0	0	0
Company Founder (% of firms)	5	0	0	0	0

## **CFO Benefits & Perks** (% of firms)

Company Car & Expenses	50	46	0	57	67
Supplemental Life Insurance*	24	31	0	43	33
Supplemental Medical Insurance*	10	8	0	14	0
Tax Return Preparation	17	8	0	14	0
Club Dues & Expenses	14	8	0	0	33
Personal Tax & Financial Planning	14	0	0	0	0
Annual Physical Examination	14	8	33	0	0
Low or No-interest Loans	5	8	0	0	33
Supplemental Retirement Benefits*	5	0	0	0	0
Deferred Compensation	9	15	33	0	33
First Class Air Travel	5	0	0	0	0
Use of Corporate Aircraft	3	0	0	0	0

\*Beyond customary company-wide benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>CMO</b> (Chief Marketing Officer)					
Salary	167,405	115,960	n/a	99,000	132,827
Total Compensation	234,250	127,900	n/a	120,000	152,250
Change from Previous Year (%)	4	10	n/a	12	3
Bonus (% of salary)	41	54	n/a	54	46
Bonus Paid (% of firms)	88	67	n/a	80	67
Age	50	47	n/a	47	46
Years with Company	15	15	n/a	14	20
% of Equity Owned	0	0	n/a	0	0
Company Founder (% of firms)	4	14	n/a	0	0

## **CMO Benefits & Perks** (% of firms)

Company Car & Expenses	67	67	n/a	60	100
Supplemental Life Insurance*	37	44	n/a	40	33
Supplemental Medical Insurance*	7	0	n/a	0	0
Tax Return Preparation	20	33	n/a	40	0
Club Dues & Expenses	13	22	n/a	20	33
Personal Tax & Financial Planning	20	11	n/a	0	0
Annual Physical Examination	10	0	n/a	0	0
Low or No-interest Loans	10	22	n/a	0	33
Supplemental Retirement Benefits*	7	0	n/a	0	0
Deferred Compensation	13	22	n/a	0	33
First Class Air Travel	0	0	n/a	0	0
Use of Corporate Aircraft	7	0	n/a	0	0

\*Beyond customary company-wide benefits

# Employees

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Employees</b>					
<b>Sales Manager</b>					
Salary	85,000	68,670	66,500	68,335	80,000
Total Compensation	118,545	97,556	80,000	93,999	107,800
Bonus (% of salary)	29	30	86	29	35
Bonus Paid (% of firms)	93	89	67	88	100
<b>Sales Assistant</b>					
Salary	47,000	46,000	44,500	43,539	48,214
Total Compensation	52,707	50,873	53,044	51,847	48,214
Bonus (% of salary)	10	7	5	8	20
Bonus Paid (% of firms)	74	75	100	86	40
<b>Customer Service Rep</b>					
Salary	45,000	38,400	n/a	41,700	n/a
Total Compensation	49,000	40,512	n/a	44,756	n/a
Bonus (% of salary)	7	8	n/a	7	n/a
Bonus Paid (% of firms)	77	60	n/a	50	n/a
<b>Counter Salesperson</b>					
Salary	41,600	49,822	51,560	46,792	49,501
Total Compensation	45,551	55,000	53,500	54,414	58,951
Bonus (% of salary)	8	7	6	6	15
Bonus Paid (% of firms)	78	86	100	83	83
<b>Operations Manager</b>					
Salary	78,900	79,168	61,801	80,860	94,000
Total Compensation	85,000	89,328	75,201	88,655	103,523
Bonus (% of salary)	13	10	21	7	11
Bonus Paid (% of firms)	83	79	100	71	80
<b>Warehouse Supervisor</b>					
Salary	50,500	53,425	52,100	45,793	57,677
Total Compensation	56,451	58,853	63,500	48,389	59,425
Bonus (% of salary)	8	6	6	6	7
Bonus Paid (% of firms)	76	67	100	70	43
<b>Warehouse Employee</b>					
Salary	33,280	33,881	34,336	32,980	34,008
Total Compensation	35,989	35,000	36,477	33,276	35,000
Bonus (% of salary)	7	4	5	3	4
Bonus Paid (% of firms)	76	75	80	75	71
<b>Driver/Delivery Personnel</b>					
Salary	37,180	37,250	38,547	36,940	36,000
Total Compensation	40,467	37,595	40,467	37,416	43,478
Bonus (% of salary)	8	5	6	6	n/a
Bonus Paid (% of firms)	74	74	83	73	50
<b>Chief Information Officer (CIO)</b>					
Salary	134,520	124,000	n/a	n/a	124,000
Total Compensation	150,000	125,000	n/a	n/a	125,000
Bonus (% of salary)	13	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	88	50	n/a	n/a	50
<b>MIS/Data Processing Manager</b>					
Salary	114,281	92,000	n/a	n/a	111,000
Total Compensation	115,812	115,000	n/a	n/a	130,000
Bonus (% of salary)	10	12	n/a	n/a	18
Bonus Paid (% of firms)	79	100	n/a	n/a	100
<b>Systems Administrator</b>					
Salary	55,300	65,000	n/a	57,116	65,000
Total Compensation	57,958	67,000	n/a	57,116	75,000
Bonus (% of salary)	6	15	n/a	n/a	15
Bonus Paid (% of firms)	54	43	n/a	0	60

# Employees

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Employees</b>					
<b>IT Clerk</b>					
Salary	42,000	42,250	n/a	n/a	42,250
Total Compensation	43,500	42,250	n/a	n/a	42,250
Bonus (% of salary)	4	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	38	25	n/a	n/a	25
<b>Purchasing Manager</b>					
Salary	70,168	64,240	41,495	60,754	68,000
Total Compensation	75,638	66,000	51,837	64,691	70,500
Bonus (% of salary)	10	8	n/a	13	8
Bonus Paid (% of firms)	69	75	50	75	83
<b>Purchasing Agent/Buyer</b>					
Salary	48,842	47,575	45,000	51,250	50,000
Total Compensation	50,000	52,500	50,625	53,750	54,000
Bonus (% of salary)	7	7	6	7	8
Bonus Paid (% of firms)	66	71	100	63	67
<b>Controller</b>					
Salary	99,284	86,000	59,956	82,500	101,608
Total Compensation	110,150	87,300	110,000	83,250	102,619
Bonus (% of salary)	13	10	n/a	6	9
Bonus Paid (% of firms)	84	62	50	67	60
<b>Accountant/Bookkeeper</b>					
Salary	47,500	46,750	41,000	46,750	60,000
Total Compensation	50,000	50,000	42,100	52,336	62,400
Bonus (% of salary)	5	4	3	3	5
Bonus Paid (% of firms)	65	65	50	83	57
<b>Credit Manager</b>					
Salary	75,046	62,000	62,511	55,000	71,905
Total Compensation	79,435	64,680	65,414	55,750	75,301
Bonus (% of salary)	10	4	n/a	2	5
Bonus Paid (% of firms)	86	75	50	67	100
<b>Credit/Collections Clerk</b>					
Salary	40,500	42,262	n/a	37,900	45,000
Total Compensation	43,000	45,350	n/a	45,700	45,000
Bonus (% of salary)	5	4	n/a	3	5
Bonus Paid (% of firms)	66	60	n/a	80	40
<b>Human Resources Manager</b>					
Salary	86,100	74,600	n/a	74,860	79,800
Total Compensation	86,100	75,360	65,941	75,360	83,300
Bonus (% of salary)	11	4	n/a	n/a	4
Bonus Paid (% of firms)	81	60	n/a	50	100
<b>Office Manager</b>					
Salary	57,575	49,000	n/a	48,500	49,046
Total Compensation	59,500	49,046	n/a	48,925	55,000
Bonus (% of salary)	8	2	n/a	2	15
Bonus Paid (% of firms)	75	71	n/a	75	67
<b>Office/Clerical Personnel</b>					
Salary	35,500	37,000	39,800	33,866	40,801
Total Compensation	37,496	41,600	43,061	35,800	41,900
Bonus (% of salary)	4	3	9	2	3
Bonus Paid (% of firms)	62	60	67	80	29

# Employees & Practices

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$25 <u>Million</u>	Sales Over \$25 <u>Million</u>
<b>DHI Positions</b>					
<b>Inside Technical Personnel</b>					
Salary	n/a	54,903	64,737	54,903	52,049
Total Compensation	n/a	58,488	66,075	58,153	58,488
Bonus (% of salary)	n/a	4	3	4	7
Bonus Paid (% of firms)	n/a	86	100	89	67
<b>Architectural Draftsman/Estimator</b>					
Salary	n/a	54,000	46,626	53,500	58,504
Total Compensation	n/a	59,694	57,500	58,875	65,000
Bonus (% of salary)	n/a	7	8	5	20
Bonus Paid (% of firms)	n/a	91	100	100	71
<b>Shop Personnel</b>					
Salary	n/a	40,000	45,750	38,000	41,919
Total Compensation	n/a	41,850	50,000	40,000	43,245
Bonus (% of salary)	n/a	5	6	3	6
Bonus Paid (% of firms)	n/a	71	75	82	50
<b>Locksmith</b>					
Salary	n/a	46,000	52,000	44,484	46,000
Total Compensation	n/a	52,000	54,700	49,206	46,000
Bonus (% of salary)	n/a	6	n/a	5	6
Bonus Paid (% of firms)	n/a	53	50	63	40

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$25 <u>Million</u>	Sales Over \$25 <u>Million</u>
<b>Practices</b>					
<b>Employee Raises</b> (% of firms)					
Cost of Living Adjustment (COLA)	25	19	17	23	14
Annual Merit Raise	64	53	50	46	71
Lump Sum	23	31	25	38	29
Variable Pay Plan	53	63	58	69	57
No Raises	8	16	0	15	43
No Set Policy for Raises	66	84	67	100	86
<b>Employee Bonus Plan</b> (% of firms)					
Special Recognition Bonus	95	100	100	100	100
Achievement of Individual Goals	45	41	25	69	14
Achievement of Firm/Dept. Goals	58	50	42	69	29
Cash Profit Sharing	63	56	33	77	57
CEO/Owner Discretion	26	38	17	38	71
	74	94	92	100	86
<b>Retention Bonuses</b> (% of firms)	7	3	0	0	17
<b>Christmas &amp; Year-End</b> (% of firms)					
Cash	25	19	17	15	29
Gift	50	56	58	69	29
Party	74	91	75	100	100
Year-End Bonus	39	50	58	62	14
<b>Severance Program</b> (% of firms)					
Service Requirement (years)	18	0	0	0	0
Maximum Pay Offered (weeks)	1	n/a	n/a	n/a	n/a
	12	n/a	n/a	n/a	n/a

# Branch Manager & Inside Sales Staff

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$25 <u>Million</u>	Sales Over \$25 <u>Million</u>
<b>Branch Manager</b>					
Salary	75,000	80,000	99,500	69,087	85,009
Total Compensation	96,629	110,503	109,500	78,000	121,718
Bonus (% of salary)	25	38	61	24	48
Bonus Paid (% of firms)	80	87	50	79	96
<b>Branch Mgr. Bonus Plan</b> (% of firms)	94	98	100	93	100
Discretionary	65	37	100	100	0
Achievement of Sales Goals	36	23	33	62	4
Achievement of Gross Margin Goals	22	14	0	38	4
Achievement of Profit Goals	26	28	0	38	26
Percentage of Sales	5	28	0	0	44
Percentage of Gross Margin	10	7	0	15	4
Percentage of Profits	33	51	0	15	74
Return on Equity/Assets/Sales	0	0	0	0	0

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$25 <u>Million</u>	Sales Over \$25 <u>Million</u>
<b>Inside Sales</b>					
Firms With Inside Sales Staff (% of firms)	67	77	71	83	74
Number of Inside Salespeople (per branch)	2	3	4	3	2
Average Length of Employment (years)	7	8	10	8	5

<b>Typical Inside Salesperson</b>					
Salary	48,000	54,759	52,500	55,000	46,000
Total Compensation	57,640	58,000	53,500	58,650	56,417
Bonus (% of salary)	22	13	6	8	20
Bonus Paid (% of firms)	74	94	83	94	100

<b>Beginning Inside Salesperson</b>					
Salary	40,000	44,778	41,100	45,000	53,004
Total Compensation	44,262	47,250	41,600	47,500	53,004
Bonus (% of salary)	9	8	5	460	16
Bonus Paid (% of firms)	55	61	67	57	60

<b>Inside Sales Comp. Plans</b> (% of firms)					
Straight Salary	35	17	40	31	0
Hourly	11	0	0	0	0
Salary & Commission	16	54	20	0	100
Salary & Bonus	20	26	30	69	0
Salary & Commission & Bonus	8	2	10	0	0
Other	11	0	0	0	0

# Outside Sales Staff

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Outside Sales</b>					
<b>Outside Sales Staff</b>					
Firms With Outside Sales Staff (% of firms)	91	83	57	83	94
Number of Outside Salespeople (per branch)	2	2	1	3	2
Average Length of Employment (years)	7	9	8	9	10
<b>Senior Sales Consultant</b>					
Salary	60,000	65,000	85,032	60,228	65,000
Total Compensation	95,000	93,450	105,500	91,900	94,128
Bonus (% of salary)	51	48	45	46	52
Bonus Paid (% of firms)	93	94	100	100	91
<b>Typical Outside Salesperson</b>					
Salary	45,000	54,600	20,039	48,505	60,160
Total Compensation	70,000	69,500	66,093	66,052	71,800
Bonus (% of salary)	42	39	204	41	34
Bonus Paid (% of firms)	94	83	75	100	75
<b>Beginning Outside Salesperson</b>					
Salary	42,000	45,000	40,000	42,500	55,000
Total Compensation	53,600	55,000	50,000	52,500	64,000
Bonus (% of salary)	29	18	25	22	13
Bonus Paid (% of firms)	73	89	100	100	71
<b>Outside Sales Comp. Plans (% of firms)</b>					
Straight Salary	1	2	13	0	0
Salary & Bonus	10	4	13	5	0
Salary & Commission	55	89	63	85	100
Salary & Commission & Bonus	19	5	13	10	0
Straight Commission	2	0	0	0	0
Commission & Bonus (no salary)	2	0	0	0	0
Commission & Draw (against commission)	10	0	0	0	0
Other	0	0	0	0	0
<b>Commission Payment Plans (% of firms)</b>					
Flat % of Sales	19	4	33	0	0
Escalating % of Sales	9	35	0	0	66
Flat Percentage of Gross Margin	38	41	33	95	7
Escalating % of Gross Margin	21	17	0	5	28
Other Payment Plan	13	4	33	0	0
<b>Eligible for Comm. Payments (% of firms)</b>					
Prompt Payment/Billing Discounts	26	6	33	5	0
Service	29	19	17	47	0
Repair Parts	37	15	0	42	0
Accessories/Tooling	43	15	0	42	0
Finance Plans	13	0	0	0	0
Cancellation Charges Collected	11	0	0	0	0
<b>Commission Credited (% of firms)</b>					
Order Booked	1	17	0	0	31
Order Shipped	8	13	0	26	7
Upon Billing	47	63	67	63	62
Payment Received	45	7	33	11	0



# Outside Sales Staff

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Outside Sales</b>					
<b>Lowest Volume Salesperson</b>					
Total Sales	698,330	365,000	383,837	551,417	358,607
Gross Profit Contribution	170,253	116,435	124,593	175,075	114,396
Gross Margin	24.4	31.9	32.5	31.7	31.9
<b>Highest Volume Salesperson</b>					
Total Sales	5,000,000	2,913,620	2,672,972	910,000	4,197,877
Gross Profit Contribution	1,124,000	729,279	926,452	264,082	1,049,469
Gross Margin	22.5	25.0	34.7	29.0	25.0
<b>Employment &amp; Comm. Policies</b> (% of firms)					
Written Employment Contract	44	58	38	25	86
Ceiling to Prevent Commission Windfalls	16	31	0	11	52
Surpass Quota Before Commission Earned	54	31	67	32	24
New Salespeople Paid On Backlog	28	15	0	11	21
Charge Back for Bad Debt	41	15	33	21	7
Backlog Paid Upon Termination	24	17	0	11	24
<b>Sales Contests Used</b> (% of firms)					
Never	59	65	88	85	45
Rarely	30	33	13	10	55
Regularly	11	2	0	5	0
<b>Sales Contest Prizes</b> (% of firms)					
Cash	73	80	n/a	33	88
Travel	33	10	n/a	67	0
Merchandise	33	15	n/a	33	13
Other	27	0	n/a	0	0
<b>Expense Reimbursement</b> (% of firms)					
All Expenses Reimbursed	84	92	69	95	100
Per Diem Payment	2	0	0	0	0
Compensation Covers Expenses	2	2	0	5	0
Travel Expenses Only Reimbursed	8	6	31	0	0
Fixed Monthly Expense Allowance	3	0	0	0	0
<b>Automobile Provisions</b> (% of firms)					
None	11	3	8	5	0
Company Leased	7	5	0	5	7
Company Owned	32	45	62	64	23
Employee Owned (reimbursed)	50	48	31	27	70
<b>Automobile Reimbursement</b> (% of firms)					
Monthly Allowance	71	32	0	50	33
Gas & Oil	2	3	25	0	0
Mileage	28	65	75	50	67
Mileage Reimbursement Rate (¢ per mile)	53	50	n/a	n/a	n/a
<b>Cell Phone Arrangements</b> (% of firms)					
None	8	12	23	23	0
Company Provided	61	77	69	68	87
Employee Owned (reimbursed)	1	2	8	0	0
Monthly Allowance	26	9	0	9	13
Other	4	0	0	0	0

# Medical Benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Medical Benefits</b> (% of firms)					
Firms Offering Medical Benefits	98	97	92	100	100
Firms Offering a Cafeteria Plan	33	26	9	38	29
Firms Self-Insured (at least partially)	14	16	9	15	29
<b>Affordable Care Act</b>					
Premium Change Due To ACA (%)	5	4	9	8	0
<b>ACA Actions Taken</b> (% of firms)					
Eliminate health insurance entirely	1	0	0	0	0
Convert to fixed pmts. to emps. to buy ins.	2	0	0	0	0
Restructure plans to avoid Cadillac tax	5	4	10	0	0
Limit hiring	5	0	0	0	0
Convert full-timers to part-time	2	0	0	0	0
<b>ACA Actions Planned</b> (next 12 months, % of firms)					
Eliminate health insurance entirely	1	0	0	0	0
Convert to fixed pmts. to emps. to buy ins.	1	0	0	0	0
Restructure plans to avoid Cadillac tax	2	0	0	0	0
Limit hiring	1	0	0	0	0
Convert full-timers to part-time	1	0	0	0	0
<b>Wellness Program Offered</b> (% of firms)					
Have Participation Incentives	36	31	25	38	29
Incentives Include Premium Reductions	81	80	100	80	50
Incentives Provide HRA/HSA Funding	72	50	0	75	n/a
	2	0	0	0	n/a
<b>Health Plans Offered</b> (% of firms)					
Traditional (indemnity)	16	26	18	15	57
HMO/EPO	22	16	18	23	0
POS (Point of Service)	12	6	9	8	0
PPO (Preferred Provider Organization)	59	52	55	62	29
HDHP (High Deductible Health Plan)	44	35	27	46	29
HMO & PPO	11	3	0	8	0
Traditional & PPO	2	0	0	0	0
POS & PPO	4	3	0	8	0
HMO & POS	4	0	0	0	0
Coverage Opt-Out Offered	46	35	18	69	0
<b>Traditional Indemnity Details</b>					
Firms Offering (%)	16	26	18	15	57
Employees Covered (%)	75	90	78	90	99
Premium; Single, Emp. Only (monthly \$)	519	300	447	327	98
Premium; Emp. + Family (monthly \$)	1,533	353	n/a	753	214
Employer Paid %; Single, Emp. Only	75	85	83	70	100
Employer Paid %; Emp. + Family	69	77	n/a	65	100
Deductible; Single, Emp. Only (annual \$)	1,500	1,750	n/a	n/a	n/a
Deductible; Emp. + Family (annual \$)	2,000	2,750	n/a	n/a	n/a
Needed To Meet Family Deductible (members)	2	2	n/a	n/a	n/a
Office Visit Co-pay (\$ per visit)	30	30	40	n/a	n/a
Generic Drug Co-pay (\$)	10	19	n/a	n/a	n/a
Preferred Drug Co-pay (\$)	35	48	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	30	40	n/a	n/a	n/a
Office Visit Co-Ins (%)	20	n/a	n/a	n/a	n/a
Generic Drug Co-Ins (%)	20	n/a	n/a	n/a	n/a
Preferred Drug Co-Ins (%)	20	n/a	n/a	n/a	n/a
Non-Perf. Drug Co-Ins (%)	50	n/a	n/a	n/a	n/a

# Medical Plans

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>HMO/EPO Details</b>					
Firms Offering (%)	22	16	18	23	0
Employees Covered (%)	60	70	60	75	n/a
Premium; Single, Emp. Only (monthly \$)	450	418	n/a	437	n/a
Premium; Emp. + Family (monthly \$)	1,287	1,272	n/a	1,280	n/a
Employer Paid %; Single, Emp. Only	71	62	n/a	65	n/a
Employer Paid %; Emp. + Family	62	63	n/a	60	n/a
Deductible; Single, Emp. Only (annual \$)	2,250	2,750	n/a	3,000	n/a
Deductible; Emp. + Family (annual \$)	4,750	5,000	n/a	5,500	n/a
Needed To Meet Family Deductible (members)	2	2	n/a	2	n/a
Office Visit Co-pay (\$ per visit)	25	33	n/a	25	n/a
Generic Drug Co-pay (\$)	10	18	n/a	15	n/a
Preferred Drug Co-pay (\$)	35	45	n/a	50	n/a
Non-Perf. Drug Co-pay (\$)	60	80	n/a	80	n/a
Office Visit Co-Ins (%)	30	n/a	n/a	n/a	n/a
Generic Drug Co-Ins (%)	60	n/a	n/a	n/a	n/a
Preferred Drug Co-Ins (%)	60	n/a	n/a	n/a	n/a
Non-Perf. Drug Co-Ins (%)	20	n/a	n/a	n/a	n/a
<b>POS Details</b>					
Firms Offering (%)	12	6	9	8	0
Employees Covered (%)	37	28	n/a	n/a	n/a
Premium; Single, Emp. Only (monthly \$)	432	443	n/a	n/a	n/a
Premium; Emp. + Family (monthly \$)	1,474	n/a	n/a	n/a	n/a
Employer Paid %; Single, Emp. Only	75	45	n/a	n/a	n/a
Employer Paid %; Emp. + Family	58	43	n/a	n/a	n/a
Deductible; Single, Emp. Only (annual \$)	1,500	4,750	n/a	n/a	n/a
Deductible; Emp. + Family (annual \$)	2,000	1,750	n/a	n/a	n/a
Needed To Meet Family Deductible (members)	2	n/a	n/a	n/a	n/a
Office Visit Co-pay (\$ per visit)	25	n/a	n/a	n/a	n/a
Generic Drug Co-pay (\$)	10	n/a	n/a	n/a	n/a
Preferred Drug Co-pay (\$)	35	38	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	60	58	n/a	n/a	n/a
Office Visit Co-Ins (%)	45	n/a	n/a	n/a	n/a
Generic Drug Co-Ins (%)	50	n/a	n/a	n/a	n/a
Preferred Drug Co-Ins (%)	50	n/a	n/a	n/a	n/a
Non-Perf. Drug Co-Ins (%)	60	n/a	n/a	n/a	n/a
<b>PPO Details</b>					
Firms Offering (%)	59	52	55	62	29
Employees Covered (%)	70	75	100	58	83
Premium; Single, Emp. Only (monthly \$)	536	514	548	485	n/a
Premium; Emp. + Family (monthly \$)	1,586	1,636	1,647	1,741	n/a
Employer Paid %; Single, Emp. Only	75	75	85	73	n/a
Employer Paid %; Emp. + Family	62	53	53	50	n/a
Deductible; Single, Emp. Only (annual \$)	1,500	1,750	2,275	1,750	3,125
Deductible; Emp. + Family (annual \$)	2,500	3,550	3,275	4,000	5,500
Needed To Meet Family Deductible (members)	2	2	2	2	n/a
Office Visit Co-pay (\$ per visit)	30	30	30	30	28
Generic Drug Co-pay (\$)	10	10	13	10	13
Preferred Drug Co-pay (\$)	35	40	45	35	n/a
Non-Perf. Drug Co-pay (\$)	65	70	80	60	n/a
Office Visit Co-Ins (%)	28	75	80	30	n/a
Generic Drug Co-Ins (%)	60	100	100	n/a	n/a
Preferred Drug Co-Ins (%)	35	90	90	n/a	n/a
Non-Perf. Drug Co-Ins (%)	50	80	80	n/a	n/a

# HDHP & Other Benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>HDHP Details</b>					
Firms Offering (%)	44	35	27	46	29
Employees Covered (%)	30	20	22	28	n/a
Premium; Single, Emp. Only (monthly \$)	463	405	431	464	n/a
Premium; Emp. + Family (monthly \$)	1,382	1,332	1,256	1,768	n/a
Employer Paid %; Single, Emp. Only	75	65	73	60	n/a
Employer Paid %; Emp. + Family	65	50	55	50	n/a
Deductible; Single, Emp. Only (annual \$)	3,000	3,500	2,750	3,500	3,550
Deductible; Emp. + Family (annual \$)	5,100	6,750	5,500	6,750	5,800
Needed To Meet Family Deductible (members)	2	2	2	2	n/a
Office Visit Co-pay (\$ per visit)	25	38	n/a	38	n/a
Generic Drug Co-pay (\$)	10	10	n/a	10	n/a
Preferred Drug Co-pay (\$)	35	45	n/a	45	n/a
Non-Perf. Drug Co-pay (\$)	60	68	n/a	68	n/a
Office Visit Co-Ins (%)	20	35	60	20	n/a
Generic Drug Co-Ins (%)	20	40	60	n/a	n/a
Preferred Drug Co-Ins (%)	30	50	60	n/a	50
Non-Perf. Drug Co-Ins (%)	25	50	60	n/a	n/a
<b>HDHP HRA &amp; HSA Plans</b> (% of HDHP firms)					
Offer HRA	18	36	0	33	100
Offer HSA	82	91	100	83	100
Fund HRA/HSA Plans	60	82	67	83	100
Family Funding Differs (% of funding firms)	75	78	50	100	50
Annual Funding If Not Different (annual \$)					
HRA Funding	2,463	n/a	n/a	n/a	n/a
HSA Funding	500	250	n/a	n/a	1,685
Annual Funding If Different (annual \$)					
HRA Funding For Singles	1,000	3,750	n/a	3,750	n/a
HRA Funding For Families	2,000	7,500	n/a	5,999	n/a
HSA Funding For Singles	600	500	n/a	550	n/a
HSA Funding For Families	1,200	1,200	n/a	1,860	n/a
<b>Other Health Benefits</b> (% of firms)					
Dental Plan	84	84	83	77	100
Vision/Optical Plan	68	53	58	46	57
Retiree Medical Insurance	8	0	0	0	0
Prescription Drug Plan	72	78	67	92	71
Mail Order Drug Plan	66	50	50	69	14
Group Term Life Insurance	81	78	58	85	100
Long-term Disability Insurance	68	69	50	77	86
Short-term Disability Insurance	63	59	33	77	71
Long-term Care Insurance	7	3	0	8	0
Employee Assistance Program	47	34	17	38	57
<b>Flexible Spending Accounts</b> (% of firms)					
Health Care	47	53	33	69	57
Dependent Care	43	44	33	62	29
Adoption Assistance	2	3	8	0	0

# Time Off, Retirement & Other Programs

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$25 Million	Sales Over \$25 Million
<b>Paid Time Off Program</b> (% of firms)	50	53	50	54	57
PTO Includes Paid/Float Holidays (% of firms)	10	6	17	0	0
PTO Includes Vacation (% of firms)	91	88	100	86	75
Days Accrued (per yr. by a 5 year full-time emp.)	15	15	15	15	15
Accrual Top-Out Year (years of service)	10	10	9	10	10
Accrued Carryover Allowed (% of firms)	55	65	33	86	75
Maximum Accrual (days)	20	17	19	6	16
New Hire Wait Period (days)	90	60	60	0	90
<b>Sick Leave</b> (firms without PTO program)					
Salaried Paid Sick Days (% of firms)	79	88	83	86	100
Salaried Sick Days (days per year)	5	4	4	5	4
Hourly Paid Sick Days (% of firms)	69	56	60	43	75
Hourly Sick Days (days per year)	4	3	2	0	3
New Hire Wait Period (days)	60	90	45	90	90
<b>Holidays</b> (if not included in a PTO)					
Paid Fixed Holidays Allowed (annually)	7	7	7	7	7
Paid Floating Holidays Allowed (annually)	0	0	0	0	0
<b>Vacation</b> (if not included in a PTO)					
Days Accrued (per yr. by a 5 year full-time emp.)	10	14	10	10	15
Accrual Top-Out Year (years of service)	12	14	10	12	20
Accrued Carryover Allowed (% of firms)	43	41	33	29	75
Maximum Accrual (days)	20	15	15	18	21
New Hire Wait Period (days)	90	90	180	90	45
<b>Other Paid Time Off</b> (% of firms)					
Paid Parental Leave	20	23	36	8	29
Paid Jury Duty	74	61	82	54	43
Paid Military Duty	24	26	36	23	14
<b>Retirement Plans Offered</b> (% of firms)					
401(k)	95	94	92	100	86
Profit Sharing Plan	90	93	91	100	83
Payroll Deduction/SEP/SIMPLE IRA	44	37	36	38	33
Defined Benefit Plan	12	23	18	15	50
Money Purchase Plan	7	7	0	8	17
	2	3	0	0	17
<b>401(k) Plans</b>					
Eligible Employees Enrolled (%)	80	78	74	77	80
Emps. Auto Enrolled (% of firms with 401k)	54	54	60	54	40
Traditional (% of firms with 401k)	73	64	60	69	60
Safe Harbor (% of firms with 401k)	40	43	50	38	40
SIMPLE (% of firms with 401k)	4	7	10	8	0
Provides For Roth Contribution	64	68	60	77	60
Catch-up Contributions Allowed	95	86	100	92	40
Firm Contributes (% of firms with 401k)	91	89	80	92	100
Firm Matching \$ Per Emp. \$	0.50	0.50	0.50	0.65	0.25
Matching Limit (% of pay)	4	4	4	4	4
Matching Limit \$ (annual)	9,825	10,400	9,500	n/a	n/a
<b>Other Benefit Programs</b> (% of firms)					
Child Care (allowance or facilities)	1	0	0	0	0
Flexible Work Scheduling	43	59	67	62	43
Educational Assistance	44	53	42	46	86
Pre-Retirement Counseling	23	31	17	38	43
Annual Computerized Benefits Statement	33	38	25	54	29
Smoking Restrictions In Workplace	87	91	83	100	86
Employee Policy Manual	90	100	100	100	100

