



2014 Employee Compensation Report

Volume 1

**An analysis of 2013
compensation practices**

**Confidentially Prepared by
Profit Planning Group**



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Introduction

This report presents the results of Profit Planning Group's 2014 Employee Compensation Study of the Distribution Industry. This study analyzes 2013 compensation data submitted by 978 U.S. firms for over 6,000 locations. DHI co-sponsored this study along with 26 other distribution organizations. 32 firms were members of DHI.

The complete results are presented in two documents. Combined, they provide the most complete source of information available 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 categorized into over 20 sales volumes 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 values reported for an item. Compared to the average or mean, the median is not influenced by extreme values and therefore best represents a typical firm.

Sections presenting ranges for wages and compensation describe the middle range of results. The middle range spans the half of all responses that lie between the 25th to the 75th percentiles.

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 - \$20 Million	Sales Over \$20 Million
Typical Participant Profile					
Number of Firms Reporting	978	32	12	11	9
Sales					
Typical Firm Sales	22,691,539	13,200,456	4,915,000	13,414,569	27,357,832
Typical Branch Sales	6,393,513	5,250,000	4,915,000	7,020,494	4,955,340
Employees					
Number of Employees (FTE)	54.0	45.0	19.8	45.0	73.5
Employee Turnover Rate (%)	13	11	10	15	12
Operations (% of firms)					
Local	25	19	42	9	0
Regional	56	50	42	82	22
National	12	31	17	9	78
International	7	0	0	0	0
Ownership (% of firms)					
Private Company	97	100	100	100	100
Public Company	3	0	0	0	0
Organization (% of firms)					
Sole Proprietorship	1	0	0	0	0
Partnership	1	0	0	0	0
S Corporation	57	66	67	64	67
C Corporation	32	28	33	27	22
Limited Liability Corp. (LLC)	9	6	0	9	11
Limited Liability Partnership (LLP)	0	0	0	0	0

Summary of Executive Compensation

The Typical DHI Firm

Typical Firm Sales	13,200,456
Number of Employees	45.0

DHI CEO Profile

Base Salary	148,190
Total Compensation	174,178
Bonus (% of salary)	60
Age	56
Years with Company	23
% of Equity Owned	51
Company Founder (% of CEOs)	31

DHI Executive Bonus

Firms With Executive Bonus Plan (% of firms)	61
Executive Bonus Structure (% of firms)	
Discretionary	63
Achievement of Sales Goals	63
Achievement of Profit Goals	58
Percentage of Sales	16
Percentage of Profit	47
Return on Equity/Assets/Sales	11

DHI Executive Benefits & Perks (% of firms)

	<u>CEO</u>	<u>COO</u>	<u>CFO</u>	<u>CMO</u>
Company Car & Expenses	65	52	25	67
Supplemental Life Insurance*	61	57	31	67
Supplemental Medical Insurance*	29	22	13	17
Tax Return Preparation	48	30	0	25
Club Dues & Expenses	32	30	0	17
Personal Tax & Financial Planning	48	35	6	8
Annual Physical Examination	10	9	0	8
Low or No-interest Loans	10	4	0	8
Supplemental Retirement Benefits*	10	4	13	8
Deferred Compensation	3	0	6	0
First Class Air Travel	10	13	0	8
Use of Corporate Aircraft	0	0	0	0

*Beyond customary company-wide benefits

Summary of Executive Compensation

	<u>Base Salary</u>	<u>Total Compensation</u>	<u>Middle Range of Total Comp.</u>		<u>Bonus % of Salary</u>
			<u>25th Percentile</u>	<u>75th Percentile</u>	
Compensation					
Typical U.S. Distributor					
CEO/President	159,583	208,461	135,000	350,000	50
COO/VP/#2 Officer	127,500	165,320	106,022	265,416	36
CMO (Chief Marketing Officer)	117,891	151,245	112,481	203,875	31
CFO (Chief Financial Officer)	117,810	143,999	97,000	217,900	29
Typical DHI Distributor					
CEO/President	148,190	174,178	116,427	269,215	60
COO/VP/#2 Officer	103,007	141,000	102,503	168,650	52
CMO (Chief Marketing Officer)	82,500	135,654	98,339	163,098	43
CFO (Chief Financial Officer)	99,200	113,000	88,926	131,356	17

	<u>Typical U.S. Dist.</u>	<u>Typical DHI Dist.</u>
Pay Relationships		
Comp. as a % of CEO comp. excluding benefits and perks		
CEO/President	100	100
COO/VP/#2 Officer	78	82
CMO (Chief Marketing Officer)	55	65
CFO (Chief Financial Officer)	56	60

	<u>Typical U.S. Dist.</u>	<u>Typical DHI Dist.</u>
Bonus		
Firms With Executive Bonus Plan (% of firms)	68	61
Executive Bonus Structure (% of firms)		
Discretionary	67	63
Achievement of Sales or Operating Goals	40	63
Achievement of Profit Goals	54	58
Percentage of Sales	12	16
Percentage of Profit	38	47
Return on Equity/Assets/Sales	15	11

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>25th Percentile</u>	<u>75th Percentile</u>	
Typical U.S. Distributor					
Branch Manager	66,270	79,031	58,095	110,743	19
Outside Sales					
Senior Sales Consultant	47,101	83,401	63,381	116,013	56
Typical Outside Salesperson	44,242	71,184	57,000	90,000	52
Beginning Outside Salesperson	41,557	53,831	44,559	66,239	29
Inside Sales					
Typical Inside Salesperson	41,766	49,058	41,200	57,825	15
Beginning Inside Salesperson	36,153	39,510	33,045	46,001	11
Sales & Service					
Sales Manager	80,000	102,867	80,000	130,000	25
Sales Assistant	40,000	44,000	35,748	55,000	11
Customer Service Rep	37,761	44,050	35,013	55,000	11
Counter Salesperson	36,000	40,000	35,000	45,000	11
Warehouse & Delivery					
Operations Manager	68,972	76,000	62,000	99,526	13
Warehouse Supervisor	44,000	46,819	40,000	55,000	8
Warehouse Employee	29,315	31,706	27,000	35,210	8
Driver/Delivery Personnel	32,284	35,000	29,726	42,092	9
Information Systems					
Chief Information Officer (CIO)	96,332	105,700	80,000	160,000	15
MIS/Data Processing Manager	76,891	84,178	65,000	104,405	10
Systems Administrator	57,000	60,000	48,000	72,500	6
IT Clerk	40,000	43,000	34,804	50,276	7
General & Administrative					
Purchasing Manager	66,000	72,000	60,000	93,000	10
Purchasing Agent/Buyer	44,898	48,000	40,333	56,790	7
Controller	79,100	85,730	67,550	113,384	12
Accountant/Bookkeeper	44,238	46,139	37,127	55,568	6
Credit Manager	55,000	60,750	47,701	80,000	9
Credit/Collections Clerk	35,000	37,000	32,000	43,000	6
Human Resources Manager	63,000	67,000	54,933	86,344	9
Office Manager	45,430	49,890	42,938	63,525	8
Office/Clerical Personnel	31,000	32,420	27,788	38,357	6

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>25th Percentile</u>	<u>75th Percentile</u>	
Typical DHI Distributor					
Branch Manager	71,986	100,000	73,504	135,515	35
Outside Sales					
Senior Sales Consultant	58,500	74,888	61,142	88,069	34
Typical Outside Salesperson	50,000	61,500	52,000	75,000	36
Beginning Outside Salesperson	40,000	48,000	39,500	54,000	25
Inside Sales					
Typical Inside Salesperson	45,000	59,000	48,500	72,321	31
Beginning Inside Salesperson	40,000	44,000	35,000	45,288	10
Sales & Service					
Sales Manager	66,463	88,000	72,250	106,148	27
Sales Assistant	40,000	45,000	37,523	60,752	12
Customer Service Rep	39,241	50,661	36,020	59,958	33
Counter Salesperson	42,000	44,500	39,875	55,121	16
Warehouse & Delivery					
Operations Manager	65,309	72,000	65,975	85,920	9
Warehouse Supervisor	41,356	45,760	39,749	55,000	10
Warehouse Employee	30,500	32,370	29,271	35,125	6
Driver/Delivery Personnel	32,500	33,841	28,921	37,339	8
Information Systems					
Chief Information Officer	87,267	93,914	69,220	101,388	n/a
MIS/Data Processing Manager	n/a	n/a	n/a	n/a	n/a
Systems Administrator	55,000	56,100	48,925	76,656	n/a
IT Clerk	n/a	n/a	n/a	n/a	n/a
General & Administrative					
Purchasing Manager	58,750	60,000	50,000	70,000	8
Purchasing Agent/Buyer	38,400	43,000	37,635	59,780	11
Controller	74,837	77,537	55,338	91,750	5
Accountant/Bookkeeper	43,438	46,000	36,500	54,500	4
Credit Manager	43,000	44,100	35,372	52,000	4
Credit/Collections Clerk	38,446	38,500	33,710	45,768	15
Human Resources Manager	51,000	53,815	42,775	61,125	8
Office Manager	42,804	44,229	42,662	50,000	20
Office/Clerical Personnel	35,000	35,431	27,651	40,212	7
DHI Positions					
Inside Technical Personnel	59,420	64,000	44,046	82,554	10
Architectural Draftsman/Estimator	45,500	55,000	48,000	65,784	19
Shop Personnel	37,151	37,500	33,976	45,212	6
Locksmith	39,963	40,500	34,385	44,755	7

Executives

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
CEO/President					
Salary	159,583	148,190	104,000	152,095	157,906
Total Compensation	208,461	174,178	150,000	213,820	198,512
Change from Previous Year (%)	0	0	1	0	2
Bonus (% of salary)	50	60	136	59	110
Bonus Paid (% of firms)	76	67	78	70	50
Age	57	56	57	55	62
Years with Company	28	23	18	30	23
% of Equity Owned	50	51	90	50	51
Company Founder (% of firms)	26	31	40	27	25

CEO Benefits & Perks (% of firms)

Company Car & Expenses	82	65	73	73	44
Supplemental Life Insurance*	56	61	55	64	67
Supplemental Medical Insurance*	24	29	55	9	22
Tax Return Preparation	53	48	64	27	56
Club Dues & Expenses	34	32	45	36	11
Personal Tax & Financial Planning	40	48	55	36	56
Annual Physical Examination	20	10	18	0	11
Low or No-interest Loans	10	10	27	0	0
Supplemental Retirement Benefits*	14	10	9	9	11
Deferred Compensation	16	3	9	0	0
First Class Air Travel	10	10	0	18	11
Use of Corporate Aircraft	3	0	0	0	0

*Beyond customary company-wide benefits

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
COO/VP/#2 Officer					
Salary	127,500	103,007	87,600	95,000	113,000
Total Compensation	165,320	141,000	139,307	132,500	154,000
Change from Previous Year (%)	2	7	9	2	7
Bonus (% of salary)	36	52	48	52	51
Bonus Paid (% of firms)	84	83	86	78	86
Age	53	53	52	53	55
Years with Company	22	23	19	30	23
% of Equity Owned	5	13	22	28	2
Company Founder (% of firms)	11	17	29	10	17

COO/VP Benefits & Perks (% of firms)

Company Car & Expenses	73	52	67	50	43
Supplemental Life Insurance*	46	57	50	60	57
Supplemental Medical Insurance*	22	22	33	10	29
Tax Return Preparation	35	30	50	20	29
Club Dues & Expenses	23	30	33	30	29
Personal Tax & Financial Planning	28	35	50	30	29
Annual Physical Examination	18	9	17	0	14
Low or No-interest Loans	8	4	17	0	0
Supplemental Retirement Benefits*	13	4	0	10	0
Deferred Compensation	14	0	0	0	0
First Class Air Travel	6	13	0	20	14
Use of Corporate Aircraft	2	0	0	0	0

*Beyond customary company-wide benefits

Executives

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
CFO (Chief Financial Officer)					
Salary	117,810	99,200	90,600	100,400	n/a
Total Compensation	143,999	113,000	99,260	126,417	n/a
Change from Previous Year (%)	3	0	0	2	n/a
Bonus (% of salary)	29	17	n/a	n/a	n/a
Bonus Paid (% of firms)	84	67	75	60	n/a
Age	53	50	51	55	46
Years with Company	13	14	16	26	7
% of Equity Owned	0	0	0	0	0
Company Founder (% of firms)	5	8	0	20	0

CFO Benefits & Perks (% of firms)

Company Car & Expenses	46	25	20	60	0
Supplemental Life Insurance*	33	31	0	40	50
Supplemental Medical Insurance*	16	13	20	0	17
Tax Return Preparation	18	0	0	0	0
Club Dues & Expenses	11	0	0	0	0
Personal Tax & Financial Planning	14	6	20	0	0
Annual Physical Examination	16	0	0	0	0
Low or No-interest Loans	3	0	0	0	0
Supplemental Retirement Benefits*	9	13	0	20	17
Deferred Compensation	12	6	20	0	0
First Class Air Travel	3	0	0	0	0
Use of Corporate Aircraft	2	0	0	0	0

*Beyond customary company-wide benefits

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
CMO (Chief Marketing Officer)					
Salary	117,891	82,500	n/a	73,918	83,500
Total Compensation	151,245	135,654	n/a	118,141	153,937
Change from Previous Year (%)	3	7	n/a	2	9
Bonus (% of salary)	31	43	n/a	64	43
Bonus Paid (% of firms)	91	82	n/a	80	80
Age	49	52	n/a	50	52
Years with Company	16	24	n/a	26	19
% of Equity Owned	0	0	n/a	0	0
Company Founder (% of firms)	3	20	n/a	0	20

CMO Benefits & Perks (% of firms)

Company Car & Expenses	69	67	n/a	80	60
Supplemental Life Insurance*	35	67	n/a	60	60
Supplemental Medical Insurance*	15	17	n/a	0	20
Tax Return Preparation	22	25	n/a	0	20
Club Dues & Expenses	15	17	n/a	0	20
Personal Tax & Financial Planning	14	8	n/a	0	0
Annual Physical Examination	18	8	n/a	0	0
Low or No-interest Loans	6	8	n/a	0	0
Supplemental Retirement Benefits*	12	8	n/a	0	20
Deferred Compensation	15	0	n/a	0	0
First Class Air Travel	5	8	n/a	0	20
Use of Corporate Aircraft	1	0	n/a	0	0

*Beyond customary company-wide benefits

Employees

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
Employees					
Sales Manager					
Salary	80,000	66,463	56,000	65,000	79,000
Total Compensation	102,867	88,000	72,500	89,000	101,653
Bonus (% of salary)	25	27	n/a	21	31
Bonus Paid (% of firms)	87	89	50	100	100
Sales Assistant					
Salary	40,000	40,000	43,421	39,900	37,999
Total Compensation	44,000	45,000	60,525	39,900	45,000
Bonus (% of salary)	11	12	n/a	n/a	13
Bonus Paid (% of firms)	71	63	50	60	71
Customer Service Rep					
Salary	37,761	39,241	27,957	47,783	35,360
Total Compensation	44,050	50,661	50,000	58,000	36,680
Bonus (% of salary)	11	33	n/a	n/a	n/a
Bonus Paid (% of firms)	75	64	75	60	60
Counter Salesperson					
Salary	36,000	42,000	43,750	43,500	39,500
Total Compensation	40,000	44,500	45,606	47,000	42,500
Bonus (% of salary)	11	16	n/a	14	n/a
Bonus Paid (% of firms)	76	57	50	70	43
Operations Manager					
Salary	68,972	65,309	n/a	65,309	n/a
Total Compensation	76,000	72,000	65,975	69,459	98,950
Bonus (% of salary)	13	9	n/a	6	n/a
Bonus Paid (% of firms)	79	92	n/a	100	n/a
Warehouse Supervisor					
Salary	44,000	41,356	39,500	40,956	43,280
Total Compensation	46,819	45,760	42,750	44,500	45,800
Bonus (% of salary)	8	10	3	10	12
Bonus Paid (% of firms)	71	71	83	70	63
Warehouse Employee					
Salary	29,315	30,500	31,000	32,240	29,560
Total Compensation	31,706	32,370	34,400	34,000	30,000
Bonus (% of salary)	8	6	2	5	7
Bonus Paid (% of firms)	68	62	71	64	50
Driver/Delivery Personnel					
Salary	32,284	32,500	26,912	33,281	32,890
Total Compensation	35,000	33,841	29,120	33,281	36,500
Bonus (% of salary)	9	8	9	11	4
Bonus Paid (% of firms)	69	65	67	56	75
Chief Information Officer (CIO)					
Salary	96,332	87,267	n/a	n/a	n/a
Total Compensation	105,700	93,914	n/a	n/a	n/a
Bonus (% of salary)	15	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	79	75	n/a	n/a	n/a
MIS/Data Processing Manager					
Salary	76,891	n/a	n/a	n/a	n/a
Total Compensation	84,178	n/a	n/a	n/a	n/a
Bonus (% of salary)	10	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	74	n/a	n/a	n/a	n/a
Systems Administrator					
Salary	57,000	55,000	n/a	n/a	55,000
Total Compensation	60,000	56,100	n/a	n/a	59,506
Bonus (% of salary)	6	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	63	33	n/a	n/a	40

Employees

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
Employees					
IT Clerk					
Salary	40,000	n/a	n/a	n/a	n/a
Total Compensation	43,000	n/a	n/a	n/a	n/a
Bonus (% of salary)	7	n/a	n/a	n/a	n/a
Bonus Paid (% of firms)	66	n/a	n/a	n/a	n/a
Purchasing Manager					
Salary	66,000	58,750	n/a	48,145	68,000
Total Compensation	72,000	60,000	47,555	54,255	70,000
Bonus (% of salary)	10	8	n/a	7	n/a
Bonus Paid (% of firms)	75	50	n/a	100	17
Purchasing Agent/Buyer					
Salary	44,898	38,400	n/a	38,000	40,000
Total Compensation	48,000	43,000	62,780	44,288	41,600
Bonus (% of salary)	7	11	n/a	6	n/a
Bonus Paid (% of firms)	70	65	n/a	78	43
Controller					
Salary	79,100	74,837	n/a	70,086	83,000
Total Compensation	85,730	77,537	n/a	72,962	90,000
Bonus (% of salary)	12	5	n/a	4	12
Bonus Paid (% of firms)	79	92	n/a	100	80
Accountant/Bookkeeper					
Salary	44,238	43,438	n/a	39,200	50,000
Total Compensation	46,139	46,000	37,550	47,000	50,500
Bonus (% of salary)	6	4	n/a	2	n/a
Bonus Paid (% of firms)	66	63	n/a	71	50
Credit Manager					
Salary	55,000	43,000	n/a	35,167	50,000
Total Compensation	60,750	44,100	n/a	35,366	50,000
Bonus (% of salary)	9	4	n/a	n/a	n/a
Bonus Paid (% of firms)	100	100	n/a	100	50
Credit/Collections Clerk					
Salary	35,000	38,446	n/a	n/a	38,723
Total Compensation	37,000	38,500	n/a	n/a	39,000
Bonus (% of salary)	6	15	n/a	n/a	n/a
Bonus Paid (% of firms)	100	100	n/a	n/a	50
Human Resources Manager					
Salary	63,000	51,000	n/a	n/a	56,000
Total Compensation	67,000	53,815	n/a	n/a	59,000
Bonus (% of salary)	9	8	n/a	n/a	n/a
Bonus Paid (% of firms)	100	100	n/a	n/a	100
Office Manager					
Salary	45,430	42,804	n/a	41,912	50,000
Total Compensation	49,890	44,229	n/a	44,195	50,000
Bonus (% of salary)	8	20	n/a	12	n/a
Bonus Paid (% of firms)	66	60	n/a	80	25
Office/Clerical Personnel					
Salary	31,000	35,000	33,750	33,387	34,390
Total Compensation	32,420	35,431	35,000	36,181	34,890
Bonus (% of salary)	6	7	4	11	3
Bonus Paid (% of firms)	63	52	57	50	50

Employees & Practices

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
DHI Positions					
Inside Technical Personnel					
Salary	n/a	59,420	n/a	54,000	n/a
Total Compensation	n/a	64,000	n/a	64,000	n/a
Bonus (% of salary)	n/a	10	n/a	6	n/a
Bonus Paid (% of firms)	n/a	75	n/a	71	n/a
Architectural Draftsman/Estimator					
Salary	n/a	45,500	62,600	44,500	45,000
Total Compensation	n/a	55,000	62,600	55,000	50,782
Bonus (% of salary)	n/a	19	n/a	23	14
Bonus Paid (% of firms)	n/a	68	40	80	71
Shop Personnel					
Salary	n/a	37,151	39,000	40,000	34,580
Total Compensation	n/a	37,500	40,424	40,000	34,680
Bonus (% of salary)	n/a	6	n/a	9	n/a
Bonus Paid (% of firms)	n/a	55	60	55	50
Locksmith					
Salary	n/a	39,963	40,000	38,880	39,925
Total Compensation	n/a	40,500	40,750	42,879	40,000
Bonus (% of salary)	n/a	7	7	7	n/a
Bonus Paid (% of firms)	n/a	55	80	63	29
Practices					
Employee Raises (% of firms)					
Cost of Living Adjustment (COLA)	32	25	0	36	44
Annual Merit Raise	54	28	8	45	33
Lump Sum	11	9	8	9	11
Variable Pay Plan	46	34	25	36	44
No Raises	7	22	33	0	33
No Set Policy for Raises	66	84	92	82	78
Employee Bonus Plan (% of firms)					
Special Recognition Bonus	44	45	18	64	56
Achievement of Individual Goals	54	35	18	36	56
Achievement of Firm/Dept. Goals	58	42	18	45	67
Cash Profit Sharing	27	29	9	27	56
CEO/Owner Discretion	76	90	91	91	89
Retention Bonuses (% of firms)					
	6	3	0	0	13
Severance Program (% of firms)					
	13	3	0	0	11
Service Requirement (years)	1	n/a	n/a	n/a	n/a
Maximum Pay Offered (weeks)	9	n/a	n/a	n/a	n/a
Union Representation (% of firms)					
	10	3	0	9	0

Branch Manager & Inside Sales Staff

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
Branch Manager					
Salary	66,270	71,986	114,120	57,000	73,841
Total Compensation	79,031	100,000	129,681	100,000	100,000
Bonus (% of salary)	19	35	30	40	35
Bonus Paid (% of firms)	90	88	100	100	84
Branch Mgr. Bonus Plan (% of firms)	93	92	83	88	94
Discretionary	53	53	80	57	48
Achievement of Sales Goals	40	42	40	29	45
Achievement of Gross Margin Goals	36	42	0	14	55
Achievement of Profit Goals	41	47	40	29	52
Percentage of Sales	12	44	0	29	55
Percentage of Gross Margin	18	19	0	29	19
Percentage of Profits	34	49	40	0	61
Return on Equity/Assets/Sales	19	0	0	0	0

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
Inside Sales					
Firms With Inside Sales Staff (% of firms)	66	52	45	50	54
Number of Inside Salespeople (per branch)	2	2	3	3	2
Average Length of Employment (years)	7	8	7	9	9
Typical Inside Salesperson					
Salary	41,766	45,000	43,850	44,691	47,000
Total Compensation	49,058	59,000	61,000	55,716	60,203
Bonus (% of salary)	15	31	18	27	33
Bonus Paid (% of firms)	86	86	100	100	75
Beginning Inside Salesperson					
Salary	36,153	40,000	n/a	40,000	37,440
Total Compensation	39,510	44,000	42,000	45,000	38,500
Bonus (% of salary)	11	10	n/a	5	15
Bonus Paid (% of firms)	74	55	n/a	71	36
Inside Sales Comp. Plans (% of firms)					
Straight Salary	10	24	40	25	20
Hourly	37	15	20	0	20
Salary & Commission	25	18	0	38	15
Salary & Bonus	19	39	40	25	45
Salary & Commission & Bonus	7	3	0	13	0
Other	2	0	0	0	0

Outside Sales Staff

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$20 Million	Sales Over \$20 Million
Outside Sales					
Outside Sales Staff					
Firms With Outside Sales Staff (% of firms)	97	83	42	94	92
Number of Outside Salespeople (per branch)	2	3	2	2	3
Average Length of Employment (years)	8	10	n/a	12	7
Senior Sales Consultant					
Salary	47,101	58,500	n/a	55,000	60,000
Total Compensation	83,401	74,888	n/a	73,000	74,888
Bonus (% of salary)	56	34	n/a	33	30
Bonus Paid (% of firms)	94	93	n/a	91	93
Typical Outside Salesperson					
Salary	44,242	50,000	n/a	48,500	50,000
Total Compensation	71,184	61,500	n/a	61,250	62,000
Bonus (% of salary)	52	36	n/a	21	50
Bonus Paid (% of firms)	93	87	n/a	100	77
Beginning Outside Salesperson					
Salary	41,557	40,000	n/a	36,500	40,000
Total Compensation	53,831	48,000	n/a	44,000	50,000
Bonus (% of salary)	29	25	n/a	16	38
Bonus Paid (% of firms)	81	65	n/a	67	70
Outside Sales Comp. Plans (% of firms)					
Straight Salary	4	7	20	20	0
Salary & Bonus	10	9	0	13	9
Salary & Commission	46	56	20	40	68
Salary & Commission & Bonus	15	19	40	27	12
Straight Commission	6	2	20	0	0
Commission & Bonus (no salary)	1	0	0	0	0
Commission & Draw (against commission)	18	7	0	0	12
Other	1	0	0	0	0
Commission Payment Plans (% of firms)					
Flat % of Sales	12	36	25	0	48
Escalating % of Sales	3	5	50	0	0
Flat Percentage of Gross Margin	44	48	25	67	45
Escalating % of Gross Margin	30	11	0	33	6
Other Payment Plan	12	0	0	0	0
Eligible for Comm. Payments (% of firms)					
Prompt Payment/Billing Discounts	24	0	0	0	0
Service	33	64	75	42	71
Repair Parts	48	62	50	42	71
Accessories/Tooling	59	55	25	25	71
Finance Plans	5	0	0	0	0
Cancellation Charges Collected	2	0	0	0	0
Commission Credited (% of firms)					
Order Booked	6	13	0	0	19
Order Shipped	18	17	0	67	0
Upon Billing	54	60	75	33	68
Payment Received	23	11	25	0	13

Outside Sales Staff

	Typical U.S. <u>Dist.</u>	Typical DHI <u>Dist.</u>	Sales Under \$10 <u>Million</u>	Sales \$10 - \$20 <u>Million</u>	Sales Over \$20 <u>Million</u>
Outside Sales					
Lowest Volume Salesperson					
Total Sales	754,839	410,000	n/a	450,000	260,000
Gross Profit Contribution	173,908	138,006	144,000	149,985	104,000
Gross Margin	23.0	33.7	n/a	33.3	40.0
Highest Volume Salesperson					
Total Sales	6,451,900	2,504,104	n/a	1,567,903	2,508,208
Gross Profit Contribution	1,332,214	881,695	372,000	622,300	883,140
Gross Margin	20.7	35.2	n/a	39.7	35.2
Employment & Comm. Policies (% of firms)					
Written Employment Contract	28	47	25	53	47
Ceiling to Prevent Commission Windfalls	15	5	0	22	0
Surpass Quota Before Commission Earned	43	41	75	33	39
New Salespeople Paid on Backlog	29	20	0	67	10
Charge Back for Bad Debt	48	25	50	44	16
Backlog Paid Upon Termination	41	7	0	0	10
Sales Contests Used (% of firms)					
Never	26	48	60	87	29
Rarely	45	30	40	13	35
Regularly	29	22	0	0	35
Sales Contest Prizes (% of firms)					
Cash	87	96	n/a	n/a	100
Travel	41	0	n/a	n/a	0
Merchandise	48	8	n/a	n/a	8
Other	27	19	n/a	n/a	17
Expense Reimbursement (% of firms)					
All Expenses Reimbursed	81	91	60	100	91
Per Diem Payment	2	0	0	0	0
Compensation Covers Expenses	7	2	20	0	0
Travel Expenses Only Reimbursed	6	7	20	0	9
Fixed Monthly Expense Allowance	4	0	0	0	0
Automobile Provisions (% of firms)					
None	10	2	20	0	0
Company Leased	21	39	0	33	47
Company Owned	17	4	40	0	0
Employee Owned (reimbursed)	53	56	40	67	53
Automobile Reimbursement (% of firms)					
Monthly Allowance	73	33	n/a	70	17
Gas & Oil	2	0	n/a	0	0
Mileage	26	67	n/a	30	83
Mileage Reimbursement Rate (¢ per mile)	41	48	n/a	n/a	n/a
Cell Phone Arrangements (% of firms)					
None	6	2	20	0	0
Company Provided	74	94	80	100	94
Employee Owned (reimbursed)	3	0	0	0	0
Monthly Allowance	16	4	0	0	6
Other	1	0	0	0	0

Medical Benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$20 Million	Sales Over \$20 Million
Medical Benefits (% of firms)					
Firms Offering a Cafeteria Plan	35	34	33	36	33
Firms Offering Health Benefits	99	100	100	100	100
Firms Self-Insured (at least partially)	30	25	17	36	22
Affordable Care Act (% of firms)					
Actions Taken					
Eliminate health insurance entirely	2	0	0	0	0
Convert to fixed pmts. to emps. to buy ins.	2	0	0	0	0
Restructure plans to avoid Cadillac tax	6	3	8	0	0
Limit hiring	7	3	0	9	0
Convert full-timers to part-time	2	0	0	0	0
Actions Planned (next 12 months)					
Eliminate health insurance entirely	1	0	0	0	0
Convert to fixed pmts. to emps. to buy ins.	2	6	8	0	11
Restructure plans to avoid Cadillac tax	3	3	0	0	11
Limit hiring	1	0	0	0	0
Convert full-timers to part-time	1	0	0	0	0
Health Plans Offered (% of firms)					
Traditional (indemnity)	28	39	20	40	63
HMO/EPO	35	38	40	36	38
POS (Point of Service)	24	26	22	20	38
PPO (Preferred Provider Organization)	72	67	64	60	78
HDHP (High Deductible Health Plan)	48	37	22	30	63
HMO & PPO	26	22	11	20	38
Traditional & PPO	20	22	11	20	38
POS & PPO	19	19	11	10	38
HMO & POS	18	19	11	10	38
Coverage Opt-Out Offered	46	59	56	70	50
Traditional Indemnity Details					
Firms Offering (%)	28	39	20	40	63
Employees Covered (%)	0	0	n/a	45	0
Premium; Single, Emp. Only (Monthly \$)	429	347	n/a	n/a	n/a
Premium; Emp. + Family (Monthly \$)	1,208	n/a	n/a	n/a	n/a
Employer Paid %; Single, Emp. Only	75	73	n/a	n/a	n/a
Employer Paid %; Emp. + Family	51	n/a	n/a	n/a	n/a
Deductible; Single, Emp. Only (Annual \$)	1,300	n/a	n/a	n/a	n/a
Deductible; Emp. + Family (Annual \$)	1,500	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 (\$)	30	n/a	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	50	n/a	n/a	n/a	n/a
HMO/EPO Details					
Firms Offering (%)	35	38	40	36	38
Employees Covered (%)	15	38	77	n/a	n/a
Premium; Single, Emp. Only (Monthly \$)	420	386	n/a	n/a	n/a
Premium; Emp. + Family (Monthly \$)	1,191	1,148	n/a	n/a	n/a
Employer Paid %; Single, Emp. Only	70	60	n/a	n/a	n/a
Employer Paid %; Emp. + Family	52	65	n/a	n/a	n/a
Deductible; Single, Emp. Only (Annual \$)	2,000	2,000	n/a	n/a	n/a
Deductible; Emp. + Family (Annual \$)	2,000	2,000	n/a	n/a	n/a
Office Visit Co-pay (\$ per visit)	25	25	n/a	n/a	n/a
Generic Drug Co-pay (\$)	12	10	n/a	10	n/a
Preferred Drug Co-pay (\$)	30	33	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	50	55	n/a	n/a	n/a

Other Health Benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$20 Million	Sales Over \$20 Million
POS Details					
Firms Offering (%)	24	26	22	20	38
Employees Covered (%)	0	0	n/a	n/a	n/a
Premium; Single, Emp. Only (Monthly \$)	438	n/a	n/a	n/a	n/a
Premium; Emp. + Family (Monthly \$)	1,336	n/a	n/a	n/a	n/a
Employer Paid %; Single, Emp. Only	71	n/a	n/a	n/a	n/a
Employer Paid %; Emp. + Family	59	n/a	n/a	n/a	n/a
Deductible; Single, Emp. Only (Annual \$)	1,500	n/a	n/a	n/a	n/a
Deductible; Emp. + Family (Annual \$)	2,500	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	n/a	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	60	n/a	n/a	n/a	n/a
PPO Details					
Firms Offering (%)	72	67	64	60	78
Employees Covered (%)	69	75	97	73	49
Premium; Single, Emp. Only (Monthly \$)	436	424	457	418	336
Premium; Emp. + Family (Monthly \$)	1,281	1,176	1,176	1,212	878
Employer Paid %; Single, Emp. Only	75	78	98	75	75
Employer Paid %; Emp. + Family	60	50	61	49	50
Deductible; Single, Emp. Only (Annual \$)	1,000	1,250	750	1,250	3,000
Deductible; Emp. + Family (Annual \$)	1,500	1,375	n/a	1,250	1,500
Office Visit Co-pay (\$ per visit)	25	30	25	30	30
Generic Drug Co-pay (\$)	10	15	10	15	15
Preferred Drug Co-pay (\$)	35	35	35	35	35
Non-Perf. Drug Co-pay (\$)	55	60	60	60	60
HDHP Details					
Firms Offering (%)	48	37	22	30	63
Employees Covered (%)	32	55	n/a	n/a	60
Premium; Single, Emp. Only (Monthly \$)	369	366	n/a	n/a	n/a
Premium; Emp. + Family (Monthly \$)	1,076	1,051	n/a	n/a	n/a
Employer Paid %; Single, Emp. Only	77	68	n/a	n/a	n/a
Employer Paid %; Emp. + Family	63	63	n/a	n/a	n/a
Deductible; Single, Emp. Only (Annual \$)	2,500	3,000	n/a	n/a	n/a
Deductible; Emp. + Family (Annual \$)	3,500	3,166	n/a	n/a	n/a
Office Visit Co-pay (\$ per visit)	30	n/a	n/a	n/a	n/a
Generic Drug Co-pay (\$)	10	10	n/a	n/a	n/a
Preferred Drug Co-pay (\$)	35	33	n/a	n/a	n/a
Non-Perf. Drug Co-pay (\$)	60	n/a	n/a	n/a	n/a
Other Health Benefits (% of firms)					
Dental Plan	85	88	83	82	100
Vision/Optical Plan	61	56	67	55	44
Retiree Medical Insurance	5	3	0	0	11
Prescription Drug Plan	77	75	67	82	78
Mail Order Drug Plan	69	59	50	73	56
Group Term Life Insurance	82	78	58	82	100
Long-term Disability Insurance	68	66	50	64	89
Short-term Disability Insurance	66	56	42	64	67
Long-term Care Insurance	14	19	0	18	44
Employee Assistance Program	40	41	33	45	44

Retirement, Time Off & Other Benefits

	Typical U.S. Dist.	Typical DHI Dist.	Sales Under \$10 Million	Sales \$10 - \$20 Million	Sales Over \$20 Million
Retirement Benefits					
Firms Offering Retirement Plan (% of firms)	94	94	83	100	100
Retirement Plans (% of firms)					
401(k)	91	87	90	91	78
Profit Sharing Plan	45	60	60	64	56
Payroll Deduction/SEP/SIMPLE IRA	12	20	10	27	22
Defined Benefit Plan	4	3	0	0	11
Money Purchase Plan	1	0	0	0	0
401(k) Plans					
Eligible Employees Enrolled (%)	75	75	79	88	65
Emps. Auto Enrolled (% of firms with 401k)	38	36	13	40	57
Traditional (% of firms with 401k)	77	54	67	50	43
Safe Harbor (% of firms with 401k)	31	54	67	40	57
SIMPLE (% of firms with 401k)	5	4	0	10	0
Provides For Roth Contribution	47	58	56	60	57
Catch-up Contributions Allowed	93	96	100	90	100
Firm Contributes (% of firms with 401k)	82	77	67	80	86
Firm Matching \$ Per Emp. \$	0.50	0.84	n/a	0.75	0.59
Matching Limit % (% of pay)	4	4	5	4	5
Matching Limit \$ (annual)	7,500	n/a	n/a	n/a	n/a
Time Off & Other Benefits					
Holidays Observed (#)	7	7	7	8	7
Paid Time Off Program (% of firms)					
Days Off Accrued (per year)	15	15	14	10	15
Carry Over Accrued PTO (% of firms)	41	75	38	100	100
PTO Includes Paid Holidays (% of firms)	27	25	13	33	33
Paid Holidays Allowed (days, if not incl. in PTO)	7	8	7	9	7
Separate Sick/Vacation Programs					
Salaried Paid Sick Days (% of firms)	100	100	n/a	100	n/a
Salaried Sick Days (days per year)	5	5	n/a	5	n/a
Hourly Paid Sick Days (% of firms)	100	100	n/a	n/a	n/a
Hourly Sick Days (days per year)	5	5	n/a	n/a	n/a
Paid Holidays Allowed (days per year)	8	8	8	8	n/a
Other Time Off Policies (% of firms)					
Paid Parental Leave	21	25	25	36	11
Paid Jury Duty	79	75	58	82	89
Paid Military Duty	23	22	25	18	22
Flexible Spending Accounts (% of firms)					
Health Care	50	50	42	45	67
Dependent Care	43	47	33	45	67
Adoption Assistance	5	9	8	0	22
Christmas & Year-end (% of firms)					
Cash	30	19	17	18	22
Gift	43	34	25	36	44
Party	68	75	58	91	78
Year-end Bonus	31	34	33	45	22
Other Benefit Programs (% of firms)					
Child Care (allowance or facilities)	4	6	0	0	22
Flexible Work Scheduling	33	41	17	55	56
Educational Assistance	41	34	17	45	44
Pre-Retirement Counseling	15	19	25	0	33
Annual Computerized Benefits Statement	27	28	8	27	56
Smoking Restrictions in Workplace	87	91	92	91	89
Employee Policy Manual	88	88	83	82	100