

OREGON WINE



PORTLAND

SYMPOSIUM

CREATING AND MANAGING A SUCCESSFUL DTC COMMISSION PROGRAM

Carrie Kalscheuer, Director of Sales & Education, REX HILL
Hallie Whyte, Managing Director, Soter Vineyards

PROGRAM
PRODUCER



TRADE SHOW
PRODUCER



Cost of Living in Oregon



INCOME

\$25,750/year is considered living in poverty

The low-end starting wage in Oregon tasting rooms is \$26,000/year



MEDIAN HOME PRICE

United States = \$226,800

Oregon = \$385,000

Portland = \$449,000

***43% of workers would be willing
to leave their companies for
a 10% salary increase.***

– Tiny Pulse Magazine, 2020

2019: Incentives to Attract & Retain Staff



Incentives – Why?

IMPROVE PERFORMANCE

If selected, implemented, and monitored correctly, incentive programs can increase team performance by as much as 44%.

ENGAGE PARTICIPANTS

When programs are first offered for completing a task, a 15% increase in performance occurs. Asked to persist toward a goal, people increase their performance by 27% when motivated by incentive programs.

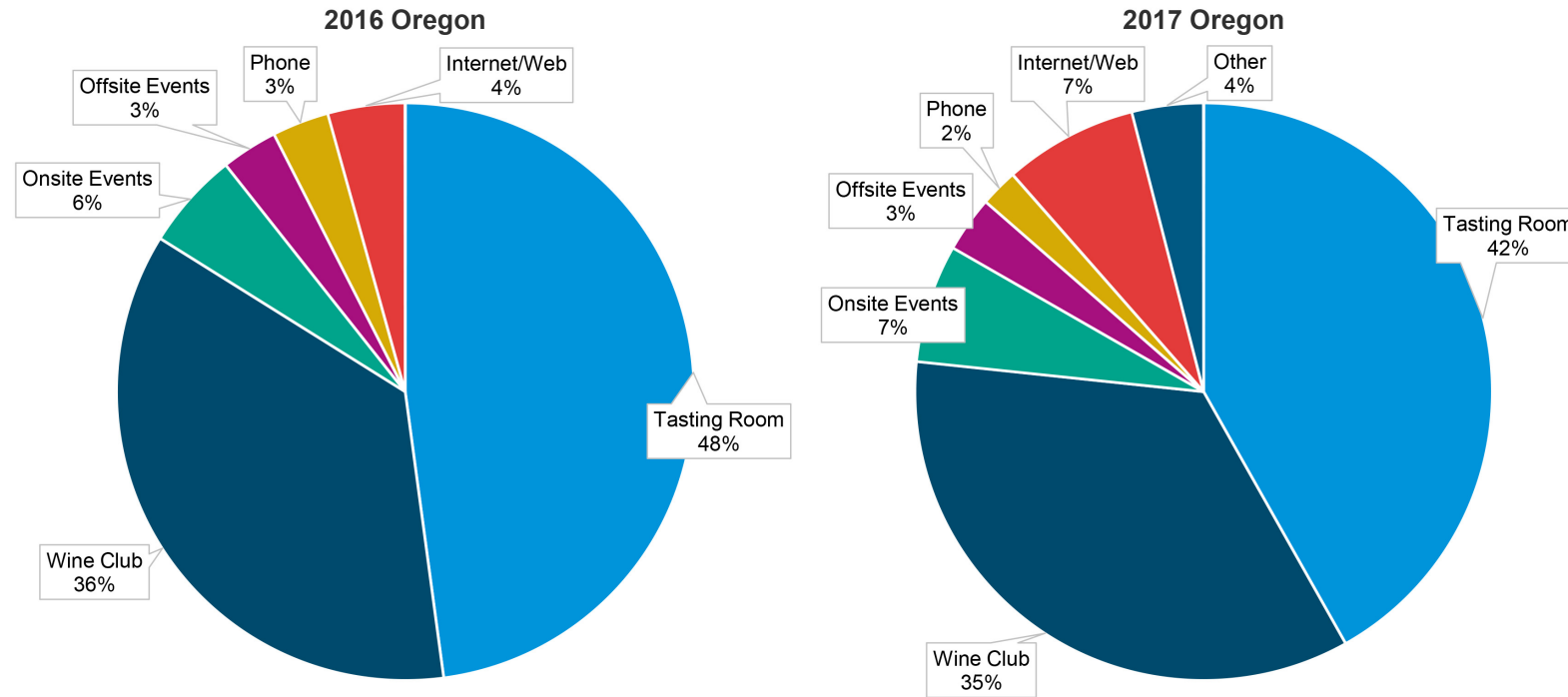
ATTRACT QUALITY EMPLOYEES

Organizations that offer properly structured incentive programs can attract and retain higher quality workers than other organizations.

-Incentive Research Foundation Study, 2010

Incentives – Where?

YoY Composition of DtC Sales: Oregon



Silicon Valley Bank and 2018 Tasting Room Survey

12

***If you ask ten CEOs how they
compensate their salespeople,
you'll probably get eleven
different answers.***

– Bruce Eckfeldt, *Inc Magazine*

Incentives – How?

WINERY A

- DTC Manager- base salary plus 3% commission
- TR staff- monthly goals- paid 3% commission as well
- Club sign ups- cash in pocket

WINERY B

- All managers on salary
- TR staff- Higher than average hourly wage, no commission
- Small annual holiday bonuses

Cash Rewards vs “Perks”

CASH REWARDS

If cash wasn't an appealing incentive, it wouldn't be the basis for all compensation – but these must be compelling and goal-oriented.

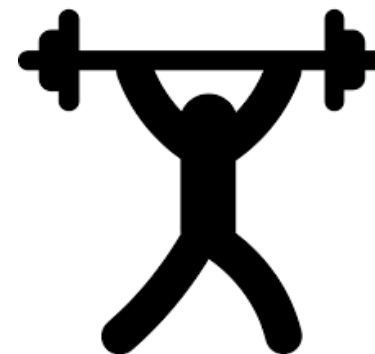
Typical pay breakdown is 70% base, 30% commission.



Cash Rewards vs “Perks”

NON-CASH REWARDS

- 401K Matching
- Health Care
- Paid Maternity/Paternity Leave
- Education- both outside and inside the company
- “Book club”- read a wine book from a specific list and write a book report to get \$
- R&D trips/budget
- Farm grown veggies/eggs
- Exercise/Health Classes
- Winery bucks
- Restaurant gift certificates



We've Reached A Tipping Point



WISE Academy Tipping Survey

RESPONDENTS

State	Percent
CA	55%
OR	15%
WA	8%
MI	3%
BC	4%
All other	16%

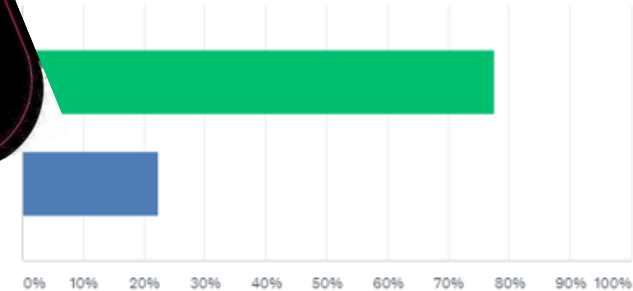


84
resp



Do you 'formally' allow for tips?

allow for your Tasting Room employees to receive tips?



Yes No

Yes 77.6 %

No 22.4 %

WISE

WISE

<https://wall.sli.do/event/tjybkws?section=0e3f00ff-68c8-4140-896b-90f1ad58f7a7>

Tipping Polls

In the app, navigate to the “**Creating and Managing a Successful DTC Commission Program**” in the schedule

Scroll to the bottom of the page and click the “**Live Poll**” link

When prompted, select room option **PB252-253**

Click where it lists “**Polls**”

As the presenter activates and deactivates the polls, they will populate on your screen to answer.

Choose your answer and click “**Send**”

When finished, click “**Done**” in the upper left corner to return to the OWS app.

Tipping – How did we get here?



Tipping – Where are we now?

Creating Unity and Balance:

Individual Tipping vs. Tip Pooling

Incentive Programs vs. Tipping Policies



WISE Guidelines for Tipping Success

1. Ensure that the employee is working for the winery, not for tips.
 - SMART goals tied to business objectives
2. Ensure all affected departments are on board
 - Accounting & Payroll, HR

What Could Possibly Go Wrong?

Pitfalls and roadblocks, what to look out for and where we're starting to see the cracks show already.



Guilt Tipping

Non-traditional venues and popular technologies like Square increasingly give customers the percentage option.

This has invited controversy.

THE WALL STREET JOURNAL.



**You Want 20% for Handing Me a Muffin?
The Awkward Etiquette of iPad Tipping**

Countertop payment tablets turn gratuities into a public ordeal;
'It guilts you into it'

Tipping – Where should we be in the future?

