




Smarter Annual Bonuses

“If you’re not excited to hand out your annual bonuses, you’re doing them wrong.”



 Melissa Sanchez
Vesting Cash Bonus
\$17,000

Vesting: 2 years | 1st Milestone: 1 year | Vest Thereafter: Quarterly

Setting the stage:



Your annual bonuses aren't impacting the performance of your team members - and they should be.



Employees often think of their annual bonus as table stakes, something that goes along with base salary - guaranteed without any additional action. They don't see a correlation between their performance and the bonus. We believe if the performance bonus relationship was formalized, employees would work harder to earn it.



You should be getting performance AND retention from your bonuses.



Annual bonuses today are not driving performance to meet and exceed your business plan for the year - at best, they're serving as a mediocre retention tool. It's increasingly common for employees to stay just until the next bonus cycle and then leave. Bonus hopping at its finest.

Success story:

Here's how a global financial services company is now delivering more effective annual bonuses through Keep:



Their 175 employees were performing but not exceeding OKRs



Employee turnover after an annual bonus payout was at 25%



Not on a variable pay plan, so early access to cash was not an option

With Keep:




Employer sets quarterly goals in the platform



Ties short-term goals to automated quarterly payments, if goals are met



Employees receive early access to cash based on positive performance that quarter - with clear milestone communication to keep morale high



Employees see that their day to day performance has an impact on their bonus payout - and that motivates them to hit goals sooner than later AND incents them to stay with the company longer term

Success metrics:

After implementing Keep, employer saw:



Performance improvement annual plan achievement increased by 27%



Retention efforts led to decreased turnover by 32%



Engagement scores and a more productive workforce drove NPS score up

The mechanics of Keep:

- ▶ Allows for shorter intermittent goal setting tied to bonus payments e.g. quarterly goals with quarterly payments if goals are met
 - ▶ Assures and focuses employees on shorter term goals that can be scaffolded to longer team annual goals, so the goals feel relevant and attainable for employees
- ▶ Gives employees access to cash during the year versus waiting for the end of the year payout
- ▶ Ongoing, incentivized commitment to stay at the company - at least until their normal annual bonus payout date. Gets your team into a quarterly cycle of bonus receipt vs annual cycle - with intermittent releases
- ▶ Pay now, earn later - long term retention beyond when money is received



- ▶ We turn your begrudging bonus into an 'I love giving this away' bonus so that you're:
 - ▶ Setting short and long-term goals
 - ▶ Watching employees hit these goals early
 - ▶ Paying out bonuses in real-time to reward performance, happily.

Deliver smarter, more **effective** annual bonuses with Keep. Learn more at keepfinancial.com/annual-bonus