



# **SDC OPERATIONS**

## **COURIER MONTHLY INCENTIVE POLICY**

Based on Daily Route Target

**Effective Date: January 2022**

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## OVERVIEW

A Monthly Incentive Program to support all Couriers involved in pickup and delivery. This incentive policy has been designed to compensate the couriers for extra hours they are working on route to cover the business requirements and reward those who are going extra mile to deliver and pickup more shipments beyond their target. This Incentive program will be based on the SDM system to get the results as accurate and as fast as possible. It will be a critical link between employees and their engagement while providing SMSA a positive return on investment.

The main objectives of this incentive program are:

- To provide a better and attractive incentive system-based on route target.
- Proper utilization of couriers according to their route capacity.
- To maintain an atmosphere of teamwork, and equality.
- To make the SMSA's route system available for process improvements.
- Easily monitor daily performance of each route (high & low volume routes/ high & low performance days).
- Easily monitor the low performer and bring them up to the standards.
- Increase productivity and overall delivery performance.
- Reduce employee turnover.
- Increase employee loyalty.
- Boost employee attendance rates.
- Meet Company goals.
- Create a recognition culture.
- Increase customer satisfaction.
- Reduce SDC Operation's overtime.

Points considered in the making of this incentive program:

- Based on SMSA required scans.
- Based on best practices.
- Reward and recognize employees fairly and equally.
- Create sustainable employee engagement.
- Align with Company's objectives.
- Showcase performer employees and highlight SDC Operation's success stories.

**SCORING SYSTEM**
**A. Routes standard Target Stop:**

Each courier route kingdom wide has a defined target, which comprises the total number of expected deliveries stops per day, SSC PUP/Delivery; based on route configuration and standardized road timings like duty start time, duty end time and stops per day, etc.

As each route has different on road hours (working hours) due to business requirements, therefore each route has been given a Daily Target to cover the extended hours due to business requirement of that route. Daily Target is the average daily capacity of a route. To have a standardized incentive payout process to compensate the couriers for extra hours they are working on route due to business requirements and to reward those who are going extra mile to deliver more shipments beyond their target; which has been designed for each route for couriers on Grade 3 & above.

*Sample routes:*

City	RT CODE	Route Area	Target (Stops/Day)	Duty Start Time	To Area time (mins)	From Area time (mins)	Duty End Time	Number of Retail
RUH	RUH21	Yarmook, Qadisiyah, Ishbiliyah	34	8:00 AM	30	30	4:00 PM	1
RUH	RUH50	Worood, Olaya, Olaya 30 St	38	7:30 AM	15	15	3:30 PM	1
RUH	RUH61	Wazarat, Ministries, Murabba, Maather, Sulamaniyah	38	7:30 AM	15	15	3:30 PM	1
RUH	RUH10	Wadi laban, DQ,Dhahrat Laban,Ahmadiya,Hijrat laban	34	7:30 AM	30	30	3:30 PM	3
RUH	RUH74	Tuwaiq, Dakhal Mahdood, Ghorub, Musa, Awali	32	8:30 AM	40	40	4:30 PM	2
RUH	RUH70	Suwaidi, Badiyah, Shubra, Sultanah, Duraimiyah,Dhahrat Badiyah	34	8:30 AM	25	25	4:30 PM	2
RUH	RUH71	Shefa, Bader, Marwah, Fawaz, Hazm, Namar, Uhud, Uqadah,Derab,	32	8:30 AM	35	35	4:30 PM	3
RUH	RUH30	Salam, Rayan, Rawabi, Manar	36	8:30 AM	20	20	4:30 PM	1
RUH	RUH40	Sahafa, Yasmeen	34	7:30 AM	35	35	3:30 PM	1
RUH	RUH33	Saadah, Fayha, Jazeera, Sulay	34	8:00 AM	25	25	4:00 PM	3

**B. Incentive computation:**

The incentive is calculated on the daily performance of each courier. As each courier covers a standard route with defined target. The incentive is calculated by considering the stops above the daily target in the entire month and multiplying it with set incentive amount (SAR 5.00).

*Below table signifies the calculation:*

Date	City	Emp ID	Emp Name	Title	Set Target/Day	Stops Achieved	Stops above target	Amount payable (SAR)
1-Nov-21	RUH	1111	Courier A	Courier SDC	32	33	1	5
2-Nov-21	RUH	1111	Courier A	Courier SDC	35	34	0	0
3-Nov-21	RUH	1111	Courier A	Courier SDC	20	25	5	25
4-Nov-21	RUH	1111	Courier A	Courier SDC	28	30	2	10
<b>Grant Total</b>							<b>8</b>	<b>40</b>

**BUSINESS RULES**

1. Employees included under this incentive program are all couriers involved in SSC PUP/Delivery and delivery during duty hours as per Industrial Engineer's (IEs) route optimization plan.
2. Any staff included in this incentive program will not be entitled to overtime for SSC visits and delivery on route to the customers during duty hours as per IEs route optimization plan but may be assigned to any other tasks based on business requirement and will be paid with overtime for that task only.
3. The source of information will be SDM/IT Reports.
4. The incentives will be calculated on monthly basis, based on positive variance achieved above the daily route target for Grade 3 & above couriers derived from Daily Couriers Route Performance Report from SDM. The extra deliveries incentive above the given target will be calculated as SAR 5.00 per shipment. Route Targets will be officially sent by Industrial Engineers or Service Assurance to the respective Station Managers.
5. The Target on weekend will be considered as Zero and all the stops achieved by the courier while working on weekend will be compensated as Five Riyals per stop.
6. The routes targets will be actively monitored and adjusted according to the change of business i.e., pickup & delivery points and route boundaries and the station managers will be updated on any revision of route targets accordingly.
7. Overtime will be paid during Ramadan and holidays such as Eid ul Fitr, Eid ul Adha and National Day.
8. Couriers should perform accurate scans under his ID number and should use correct route number. Incentive discrepancies due to wrong scanning or wrong route number usage will not be compensated.
9. In case of no SDM reports due to unavoidable reasons, manual information must be provided to Finance. Pickup and Delivery Stops will be calculated from raw data of scans which will be provided by IT. The stops will be calculated from raw data manually for the month or for the days with missing report.

**INCENTIVE PAY-OUT SCHEME****Payout computation process:**

1. From the Couriers SHIP DETAILS Report received from SDM system determine and compute the following information:
  - a) Determine the Courier's EMP ID & Name.
  - b) Determine the total stops achieved by the courier on routes above the target for grade 3 & above accordingly in the whole month.
2. Total Incentive: Total stops achieved above the target multiplied by SAR 5.00.
3. Any deduction in incentive will be as follows:

Cash Mishandling	5%
1 <sup>st</sup> Warning Letter	25%
2 <sup>nd</sup> Warning Letter	50%
Final Warning Letter	100%
2 Days Absent in the whole month	10%
3 Days Absent in the whole month	20%
4 Days Absent in the whole month	50%
5 Days and Above Absent in the whole month	100%

4. Total Incentive after deductions will then be calculated and will be the basis of the payable to Couriers.

*Below table signifies the calculation:*

Month	City	EMP ID	EMP Name	Title	Total Stops above Target	Incentive amount SAR 5 per Stop	Deduction	Net Payable	Remarks
Nov-21	RUH	1111	Courier A	Courier SDC	250	1250	25%	938	1st Warning Letter
Nov-21	RUH	2222	Courier B	Courier SDC	200	1000	50%	500	2nd Warning Letter
Nov-21	RUH	3333	Courier C	Courier SDC	150	750	10%	675	2 Days Absent
Nov-21	RUH	4444	Courier D	Courier SDC	220	1100	20%	880	3 Days Absent
Nov-21	RUH	5555	Courier E	Courier SDC	100	500	5%	475	Cash Mishandling

### OTHER AREAS

1. The policy is 100% based on courier productivity.
2. Submission of final report to finance shall be every 10<sup>th</sup> day of the following month, if the day falls on a Friday or holiday, the working day after that shall be the submission day.  
E.g.: November 2021 Incentive report will be submitted to finance on December 10, 2021.
3. The incentive will be calculated monthly and will be paid on the following month's salary.  
E.g.: November 2021 incentives will be paid in December 2021 Salary.

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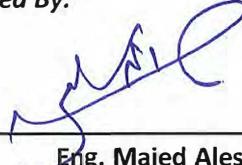
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