

# An analysis of macy's



R. H. Macy & Co. was founded in 1858 by Rowland H. Macy in New York City. Macy's was opened as a fashionable dry goods store, and made \$11.06 in sales in their first day of operation, but at the end of their first year in operation the company grossed close to \$90,000. This was the beginning of a revolutionary industry that would become one of the most popular department stores worldwide. By being the leader that it was, Macy's was able to change the retail industry forever, making history when it promoted a woman to an executive position within the company. They also introduced several new products to the world; such as tea bags, the Idaho baked potato, and colored bath towels that would get the attention of people forever. Macy's also was the first retailer that would be the first to hold a New York City liquor license which would eventually increase their sales. By 1902 the store had become so large it relocated to Herald Square with over a million square feet, becoming the largest store in the world. On December 19, 1994, Federated Department Stores Inc. (now known as Macy's Inc.) acquired R. H. Macy & Co., creating the world's largest premier department store company (Macy's Inc.). Before renaming as Macy's Inc., Federated Department Stores had 400 stores and over 157 specialty stores throughout 37 states.

Macy's is known for their Thanksgiving Day Parade that began back in 1924 as the Christmas Parade. Celebrating its 75th birthday in 2001, the tradition has long lived for 84 years and has millions of viewers. R. H. Macy and Co., took out newspaper ads that would promise "a surprise New York will never forget" and to this day the parade is a piece of America (New York City Vacations). Macy's is now currently known worldwide as one of the largest retailers selling men's, women's, and children's clothing, accessories, shoes,

and beauty. It also operates [www. macy. com](http://www.macy.com), an online website you can also purchase merchandise from. The company operates over 800 department stores and furniture stores across 45 states including the District of Columbia, Guam, and Puerto Rico under the names of Macy's and Bloomingdale's (Macy's Inc.). Its corporate offices are located in Cincinnati and New York. The red star that's with the company name was adopted as Mr. Hussey's representing a symbol of success. Macy's Shares are traded under the symbol " M" on the New York Stock Exchange. According to Wikinvest, the stock price as of March 23, 2010 was 21. 83 a share.

Macy's corporate vision reflects the " Spirit of America" in a sense that the past aspects that made our nation the way it is today are the same aspects that has shaped Macy's in becoming such a valued industry.

A belief in the promise of the future with the energy and determination to get us there.

A belief that our heritage mirrors the optimism, inclusion and integrity that provide for both stability and growth.

A belief that taking advantage of the right opportunities will continue to lead us to success in all that we do.

Macy's is a company that is in the business to provide consumers with the best possible service and quality merchandise it can offer. The corporate philosophy simply states that " the customer is paramount and that all actions and strategies must be directed toward providing a localized merchandise offering and shopping experience to targeted consumers

through dynamic department stores and online sites” (Macy’s Inc). This statement is well valued by Macy’s Inc. According to Fred Lazarus Jr., Macy’s Inc. succeeds by striving to be “ a living mirror of our civilization in which we see the constant changing needs and wishes of our people” (Macy’s Inc.). Because of its Annual Thanksgiving Day Parade, Macy’s has been a major part of America. Below is a quick timeline of the great events and memories Macy’s has been a part of.

1928 - Macy’s experiments with an air and helium mixture that is used to this day. That same year sees another first: at the end of the parade, the balloons are released into the air as a fitting climax.

1929 - Balloons, including the Dachshund, are equipped with a return address and an offer of a prize. In following years, the Dachshund Balloon lands in the East River, and two tugs race madly for the prize, tearing it to pieces in the process.

1931 - Clarence Chamberlain, an aviator flying above New York City, catches the Pig Balloon in midair in an effort to collect the reward money. The following year, an aviator almost crashes into Broadway in an attempt to catch the Cat Balloon.

1933 - After a few close calls, the practice of releasing the balloons is stopped in the interest of public safety.

1930s - Celebrities, such as Benny Goodman and Harpo Marx, join in the Thanksgiving Day festivities.

1934 Tony Sarg and Walt Disney create balloons including Mickey Mouse, the Big Bad Wolf, the Little Pig, and Pluto.

1939 - Children's comic book favorites, including Superman, are introduced, paving the way for pop culture icons to be incorporated into the parade.

1950s - Stars including Jackie Gleason, Shirley Temple, and Jimmy Durante, join the parade.

1955 - The Parade telecast moves to NBC after a two-year stint with CBS. Macy's and NBC have enjoyed a broadcast relationship ever since.

1957 - Popeye the Sailor man sails into the parade.

1958 Air-filled balloons are brought down the parade route on cranes due to a helium shortage.

1962 - The first year the Parade featured sports champions, including Willie Mays, Otto Graham, Jack Dempsey, and Ralph Terry.

1963 - The Elsie the Cow Balloon heralds the arrival of the World's Fair in Queens, New York. Also this year: The parade marches on as floats are draped in black the week following the assassination of Kennedy

1969 - Macy's Parade Studio moves to its current home in Hoboken, NJ, in the former Tootsie Roll factory.

1960s - Lorne Greene and Betty White host the telecast from 1962 to 71. In 1962, Tony Bennett first appears and will return in 2001.

1975 - The Dino the Dinosaur Balloon is inducted into the American Museum of Natural History as an honorary member.

1977 - "Parade Lady" Jean McFaddin, who will become a 24-year Macy's veteran, takes the helm of the parade.

1970s - Carson sidekick Ed McMahon co-hosts from 1971 to 1981.

1986 - Sesame Street's Big Bird flies for the first time in the parade. In 2001, a brand-new Big Bird Balloon was introduced.

1989 - The parade takes to the street despite its first snow storm.

1980s - Diana Ross and Sammy Davis, Jr. are just two of the celebrities from the film, television, and music worlds to join the fun.

1993 - Sonic the Hedgehog Balloon introduces the first video game character to the line up.

1996 - Rugrats becomes the parade's first three-character balloon.

1999 - Ask Jeeves becomes the first Internet-inspired character.

1990s - Pop and country stars such as Shania Twain and NSYNC take center stage.

2000 - The Parade welcomes "Bandleader Mickey" - the third time the beloved Mickey Mouse has made an appearance.

2001 - Macy's Thanksgiving Day Parade celebrates 75 years of making magic for the holidays!

Always working to better serve their customers and become a stronger company, Macy's four strategic priorities are: distinctive merchandise assortments, improving the shopping experience, simplified pricing, and compelling marketing. Well known brands such as Tommy Hilfiger have become a distinctive merchandise assortment through major agreements with Macy's. The company continues to succeed by improving the shopping experience with fashion, adding private brands, and building a defined image to fulfill what their customers are looking for. Macy's has a list of private brands and private labels that set them apart from other competitive retail industries. Each brand is created to attract different lifestyles and hold a very unique status that no other retailer can offer. Some of their private brands are Alfani, Charter Club, American Rag, First Impression and various more exclusive products that continue to grow and all which are to serve the customer the best way possible. Some of Macy's private labels include: Giani Bernini, Holiday Lane, John Ashford, and several others that provide quality and value to the customers. In 2008, Macy's private labels and brands made up about 19 percent of Macy's branded sales. They also provide cut down pricing by delivering affordable high quality items and putting the customer first. All of these aspects that Macy's provides are what brings customers in daily for a wonderful experience.

Macy's faces tough competition in the retail industry having to compete against a wide range of other retailers, all striving for a goal that no other retailer will make. The competition includes long-established, moderate, luxury, discount, and off-price stores. Retailers that are in competition with Macy's include:

Long-established department stores such as Belk and Dillard's.

Moderately priced department stores such J. C. Penny, Kohl's, and Sears all which have a lower gross margin than Macy's.

Discount stores such as Wal-Mart and Target.

Off-price stores such as T. J. Maxx and Ross.

\*J. C. Penny and Sears are 2 of the top department stores that are Macy's biggest competitor all selling the same kind of merchandise.

## **Macy's Comparison to other Department Stores**

**Dillard's**

**Bon-Ton Stores**

**Macy's**

**JC Penney**

**Kohl's**

**Nordstrom**

**Saks**

**Sears**

Net Sales (mn)

6, 831[17]

3, 130[18]

24, 892[19]



18, 486[20]

16, 389[21]

8, 272[22]

3, 030[23]

46, 770[24]

Net Income (mn)

(. 241)[17]

(. 170)[18]

(4, 803)[19]

572[25]

885[21]

401[22]

(155)[23]

53[24]

## **Macy's Comparison to Specialty Stores**

**Aeropostale**

**AnnTaylor Stores (ANN)**

**Macy's**

**Gap**

**Limited Brands**

Net Sales (mn)

1, 886[26]

2, 195[27]

24, 892[19]

14, 526[28]

9, 043[29]

Net Income (mn)

149[26]

(334)[27]

(4, 803)[19]

967[28]

220[29]

## **Macy's Comparison to Mass Merchandisers**

### **Macy's**

### **Walmart**

### **Target**

Net Sales (mn)

24, 892[19]

401, 244[30]

64, 948[31]

Net Income (mn)

(4, 803)[19]

13, 400[30]

2, 214[31]

[http://www.wikinvest.com/stock/Macy's\\_Inc.\\_\(M\)](http://www.wikinvest.com/stock/Macy's_Inc._(M))

During the economic downturn Macy's did not just sit back and take the beating. It has been forced to put off plans to cut back on its sales and promotions. Customers cut back on spending and purchasing worried about losing their jobs due to the economic slowdown therefore, the company faced major decreases in sales. The company will not be able to put their strategy of sales and promotions back into play until consumers start spending again. As a result of the recession in the American economy Macy's

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suffered an “ overall loss of \$4 billion for fiscal 2008 (ended January 31, 2009)” (Stock: Macy’s Inc).

In 2008 Macy’s started a new program called, “ My Macy’s” which is based upon customers research and the input provided from management and employees within the company. The innovative goal was to increase the sales growth at the different department store locations by guaranteeing that customers in that particular area find merchandise assortments and shopping experience made to fit their every need. With this strategy it will help bring a better sense of marketing to each store and it is also to initiate the executives in those locations to expand their creativity and start making better decisions.

#### Internal Analysis:

Macy’s, Inc’s top management consists of their CEO, VP, 4 Vice Chairs, and 11 Board of Directors. The CEO of Macy’s, Inc. is Terry J. Lundgren. Lundgren has been the CEO and President of Macy’s, Inc. since January 2004. Prior to being named CEO and President, he had a long resume in retail dating back to 1975. His resume included, but was not limited to: store management of Bullocks (division of Federated), director of stores at Bullocks, Senior VP of Bullocks, President and CEO of Bullocks, Executive VP and CEO of Neiman Marcus, and chairman and CEO of the Federated Merchandising Group. The Executive Vice President and CFO, Karen M. Hoguet, has been with Macy’s, Inc. since 1982 and is responsible for all of the company’s financial functions, as well as Area Research. Hoguet also has a strong resume within the company including job titles such as: Senior VP and CFO and Senior VP for

planning and treasurer of the corporation. The 4 Vice Chairs within the company consist of: Thomas G. Cody, Thomas L. Cole, Janet E. Grove, and Susan D. Kronick. Cody has also been with Federated since 1982 and is primarily responsible for legal and human resources and the company's philanthropic activities. He was named Vice Chair in 2003 and prior to this he was the Executive VP for legal and human resources. Cole began his career with Federated in 1972 and was elected to vice chair in 2003. He is responsible for numerous aspects within the company including: store design and construction and corporate real estate, Macy's Logistics and Operations, Macy's Systems and Technology, and Macy's Credit and Customer Services. Grove began her career with Macy's, Inc. in 1972 and was elected Vice Chair in 2003. Her primary responsibility is chairman of the Macy's Merchandising Group. Groves history includes a long history with the company in the form of Executive VP for center core, cosmetics and home merchandise, Executive VP for ready to wear and home merchandise, and Senior VP of Broadway Stores, Inc. (division of Federated). Kronick has been with Macy's, Inc. since 1973 and was elected Vice Chair in 2003. She is responsible for all of the company's department store divisions and was previously responsible for overseeing the regional department store divisions. Her prior job titles have been chairman and CEO of Burdines (Macy's Florida) and President and COO of Rich's/Lazarus/Goldsmith's (Macy's Central). There are 11 Board of Directors including the CEO Terry J. Lundgren. The other 10 Directors are Stephen F. Bollenbach (KB Home), Deirdre P. Connelly (GlaxoSmithKline), Meyer Feldberg (Columbia Business School), Sara Levinson (Clubmom, Inc.), Joseph Neubauer (ARAMARK), Joseph A. Pichler (Kroger), Joyce M. Roche (Girls Incorporate), Karl M. von der Heyden (PepsiCo, Inc.), Craig E.

Weatherup (The Pepsi Bottling Group, and Marna C. Whittington (Allianz Global Investors).

The corporate resources and functional areas analyzed were corporate culture, corporate structure, marketing, operations, and R&D. Macy's corporate culture has a lot of emphasis on philanthropy. Each year Macy's has several programs to give back to the community, either through the company, employees, or customers. Macy's, Inc. supports women's issues, arts and culture, education, and HIV/AIDS through their corporate gifts and events and sponsorships. In 2008 Macy's, Inc. gave a total of \$31.5 million for charitable giving to over 5,000 nonprofit organizations. Some examples of charitable donations can include: scholarships and mentoring for disadvantaged youth, supporting women's shelters, funding for testing for the HIV/AIDS cause, and food banks. During the 2008 holiday season Macy's, Inc. created the Believe campaign that created a \$1 million donation from Macy's to the Make-A-Wish Foundation. Having customer's write a letter to Santa and put it in the Macy's letterboxes at the stores raised this donation each letter represented \$1. Macy's, Inc. encourages their employees to give back as well. Employee contribution is generated through several different programs such as: Macy's Foundation Matching Gifts, Earning for Learning, United Way, and Partners in Time Volunteer Program. Macy's Foundation Matching Gifts matches employee's personal donations each year, in 2008 Macy's matched more than \$4 million of employee contribution to nonprofit organizations. Earning for Learning allows employees and their families to volunteer their time for mentoring and tutoring to earn a \$250 grant for their local school, with this program in 2008 the grants totaled \$68,000. Through

United Way, associates can also donate money to programs within the organization. In 2008, associates donated \$12.4 million and Macy's donated \$3.9 million, these donations put Macy's on the United Way's "National Corporate Leader" roster. Partners in Time Volunteer Program is Macy's landmark for volunteering, in 2008 Macy's employees helped their communities through 3,512 projects nationwide. The two largest volunteer projects are Bag Hunger and 1 million Thanksgiving Meals. In 2009, Macy's employees donated food, community service, and monetary amounts to equal 9.7 million pounds of food and representing 22 percent of their Partner in Time efforts. During Thanksgiving of 2008 donated 1 million meals to those at risk of hunger, these meals were prepared and served by the volunteer efforts of Macy's Culinary Council chefs and employees. Macy's, Inc. assists customers to give back through programs such as Go Red for Women and Shop for a Cure. Go Red for Women campaigns for awareness and prevention of heart disease in women and has generated more than \$19 million from Macy's and its customers. Shop for a Cause creates awareness and support for nonprofit organizations. Macy's donates shopping tickets to a one-day event to charities; the charities then sell the tickets and keep all profits. This event has raised more than \$27 million since creation 3 years ago.

Throughout the next year, Macy's, Inc. will go through restructuring of its entire company. This restructuring that will eliminate 7,000 positions has been created to help Macy's grow as the economy recovers. For a sense of how this actually affects the job force, 7,000 positions equates to 4% of Macy's active job force. The eliminated jobs will affect all levels of the

company, but primarily affecting the higher level, eliminating 40% of executive positions. Until now, each region had their own departments for buying, merchandise planning, store, marketing, and corporate function, but now there will be one organization for each department that supports the entire company. Another key change will be Macy's grouping the stores into 69 geographic districts, called My Macy's. By creating these new districts, come new jobs at the local level. Macy's tested their new program in areas throughout the country and with this new program they have seen enhanced performance throughout the area.

With the combining of all departments, Macy's intends to a unified national operation. This unified operation will lead to eliminating any double work or any gaps within the company's communication.

Macy's, Inc. from day one has had a very innovative and customer based marketing strategy. Their most well known marketing stunt is the annual Macy's Thanksgiving Day Parade, nearly 40 million people a year tune into watch on TV and thousands attend this event. This event is one of the largest and most elite marketing strategies that is exclusive to any company of this magnitude. During the early 1900's the owners of Macy's decided to make the unthinkable move to Fifth Ave and Madison from its previous location. This move proved to be genius by creating the " shopping hub of New York City" and many other retailers followed. Now if you go shopping in New York City's famous shopping district the largest anchor you will see is Macy's. Recently Macy's adjusted their marketing efforts to focus primarily on the local consumer. By doing this, Macy's went from sending out one seasonal



catalog nationwide to 700 different catalogs tailored to each specific consumer region each season.

#### Analyses of Firm Financials:

Over the past 5 years, Macy's and their competitors have seen a downturn in profit. Macy's prime competitors are JC Penney, Dillard's, and Saks Fifth Avenue. Each brand has their own acceptable level of net income; therefore the actual income numbers differ greatly. JC Penney's was the only store to stay positive for the fiscal year of 2008; every other company ended the year with losses. Macy's took the largest hit out of all 3 with losing \$4.8 Billion and an estimated 679% loss compared to the year over year ratio. With this said though, Macy's did have the highest come back in 2009 with a growth of \$350 million; the only company that even came close to that number was Dillards at \$68.5 million. With all of this said, Macy's had the largest downfall and comeback out of their competitors in this industry.

The past few years have tested Macy's ability to stay alive and they have thrived. Even with a year like 2008, Macy's continued to see their company grow financially. Macy's has annual net sales of about \$24 Billion and is currently worth \$21.3 Billion. Although they had one of their hardest years in 2008, they were able to still end the year on a positive note by reducing operating costs. Comparatively to the industry, Macy's is still standing strong among their competitors and still has opportunity for growth each year.

The financial performance over the past periods is compared over the years: 2005, 2008, and 2009. These years are important because 2005 shows a time before the economy took a downfall, 2008 shows the lowest point of our

economic depression, and 2009 was a time of coming back from the economic depression. The categories to be discussed are net income, net sales, cost of sales, and company worth. In 2005, they were as follows: \$1,406 Billion, \$22 Billion, \$13 Billion, and \$33 Billion. In 2008, they were as follows: -\$4,803 Billion, \$25 Billion, \$15 Billion, and \$22 Billion. In 2009, they were as follows: \$350 Million, \$23 Billion, \$14 Billion, and \$21 Billion. These numbers may look bleak, but they do show that Macy's is bouncing back slowly but surely.

Industry averages can be described by the net income of each location in 2005 and 2009. Between 2005 and 2009 retailers saw a decrease in net income, with Dillard's having the least decrease of 43%. Macy's and JC Penney's both had a decrease of 75% and Saks had a decrease of 367%. Comparatively, Macy's saw an average decrease and continued to keep competition between primary competitors.

The industry right now is in a rebuilding stage; they have to continue to keep the customer happy while also growing financially. Although from 2005 to 2009 the industry saw decreases in net incomes, there all saw increases during the 2008 to 2009 fiscal years except JC Penney's. Macy's increased by 107%, Dillard's by 128%, Saks by 62%, and JC Penney's decreased by 55%. The future trends for this industry can be described as a slow rebuilding stage and slow financial growth as America strengthens their buying power.

Strategy Formulation:

Although the past few years our economy has taking a turn for the worst, especially when it comes to retail establishments Macy's was able to

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minimize its losses compared to other retail stores. As of 2009 Macy's has been able to recover from the economic downturn posting profit increases in almost every quarter. On the business level Macy's needs to keep its strategy fresh and able to adapt to changes offering products based on a regional setting and not across the board to all stores. Compared to Dillard's, Macy's is able to offer same and even higher quality products at a reduced price, this is due primarily to their large purchasing power. Macy's also needs to reduce overhead and trim their support personnel to make it run more efficiently, it also needs to rethink its merchandise distribution system by strategically locating these centers in locations geographically close to its store groupings in specific territories along the country, this will minimize transportation and labor costs allowing them to maximize profits.

At the corporate level Macy's needs to rethink its store distribution, use of technology and the number of support positions such as warehouse, administrative, etc. This can be accomplished by employing better technology that allows them to become more efficient and leaner. Macy's can become a more effective retailer by using new ways to track, and ship products to their store, it also needs to decentralize its operations so not to become too top heavy.

Internationally Macy's needs to expand its brand to other countries by selling merchandise relative to their geographical location, but before it can do this it needs to become more efficient on the distribution of its products to its stores. One of Macy's advantages in the U. S. A and abroad is its name, and Macy's should capitalize this to enter in to new markets.

Macy's needs to cut its overhead, better use of technology to make its distribution of products more effective, it also needs to reduce office and support personal to compete in this fragile economy, it also needs to take advantage of current products and promotions to take a better hold of the market. Macy's also needs to reduce its credit card rates to increase its customer base and to take advantage of interest charged on products sold. Macys also needs to use its well renowned name to move in to new markets not only in the U. S. A but also abroad.

## **Strengths**

### **Weaknesses**

Global name recognition.

Well organized stores.

Great purchasing power.

Amplitude of brand name selections.

Sound business strategy.

Great visual signs on sales products.

Great Marketing.

Able to draw in customers and current credit card holders using promotions.

Too much support personal.

Not fully regionalized distribution centers.

Needs to reduce merchandise overhead.

## **Opportunities**

### **Threats**

Use of name to penetrate new markets.

Use of more regionalized products to increase sales.

Reduce credit card rates to attract more customers.

Use of purchasing power to leverage better wholesale prices.

Use of rewards to credit card holders to increase credit card sales and increase revenue.

Compete only with like retail stores.

Be unique by offering outstanding products, prices and service.

Use the current economic situation to be leaner

Strong competition.

State of the economy.

Too centralized.

Management is too top heavy.

Too much support personal.

Overstocked merchandise can drain profits and force the company to sell items below a profit margin. By following these recommendations Macy's can  
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ensure an increase in capital and market share in the near future Macy's

SWOT Analysis:

Macy's is the power house of department stores and by many refer to as, The Great American Department Store. In this section we are going to discuss new annual objectives and we are going to establish standards and targets to measure the success of these implemented objectives. Macy's has been around since 1858, so they do not just use the tricks in the book, they wrote the book. Because of their immense success in the department store industry, the main things they need to focus on is "fine tuning" certain operations and expanding their company internationally and through the internet. As a company, objectives are important and Macy's strives for perfection in everything they do.

As a new annual objective at the business level, Macy's needs to implement new and innovative supply-chain and inventory management techniques to increase their current method's effectiveness. The primary responsibility of this objective is to ensure the efficient and timely flow of goods to the selling floor of the company's stores, and delivering the right merchandise to the right locations at the right time. Because of their 800 department stores, high volume of sales and the large amount of inventory they hold and distribute, improvements in these areas will result in large savings. Since Wal-Mart is not one of their main competitors, we think that Macy's should try and consult with executives from Wal-Mart and adopt the process that Wal-Mart has created to reach a more efficient level.

Another objective on the business level is to expand to South America and Europe. Currently Macy's is obviously achieving a very high level of sales at 23.5 billion in 2009. Obviously selling isn't the problem, but growth and taking ground is very important for this company. Again Macy's has established themselves in the North America with over 800 department stores, but for further business development, they need to take their proven successful business model international. Wal-Mart was in the same situation, when people thought they could not grow anymore, they made the leap and established an international presence. Macy's, carrying exclusive lines like Alfani, Charter Club, American Rag, First Impression, John Ashford and many others, needs to start expanding into South America and Europe opening up a whole new market and customer base. Part of this new objective is develop a market specific design and purchasing team like My Macy's (Macysinc.com), that sets up stores according to demographic and style in that area. Market research and consumer analysis has to be strategically conducted to properly execute this plan. Currently Macy's is teamed up with Dunnhumby consulting that analyzes consumer data and develops new ideas with the market information gather and be able to market directly to individual consumers.

The last business objective the Macy's should implement is to increase online sales by 25%. Being 2010 and with all the advances in the internet and e-commerce, Macy's objective is to lead the industry with a high powered, extremely user-friendly website making all online purchases and shopping experience pleasurable for all consumers. The great thing about e-commerce is, as a standalone portion of the company, the profits are much

higher than in-store sales because online sales do not require the man power and operating expenses that a physical department store do. The current website is great but with growth and changes in web design and programming, staying current and innovative is a main objective.

Our corporate goal for Macy's is maximizing shareholder wealth and should be a goal for every corporation. For 2010, we think Macy's should reduce the salaries of top executives and managers increase the payment of stock options. This will give these employees a more vested interested in the company, making sure everything they do is in favor of the shareholders wealth. As a group, we have all decided a controlled competitive environment is very health for a company. Macy's executives and managers will all be required to participate in the " Macy's 7 year Plan for Success", which is a compensation plan package contingent on performance of the company. At the end of every fiscal year, a meeting is held and the financials are evaluated. The plan states, for every year those profits grow 20%, the participating employee's salaries increase 2%. For example, Macy Mae, a regional manager on a salary of 75, 000 a year, works for a year and the company meets the goal of increasing profits by 20% or more. This will result in salar