TRANSITIONS TO A COMMISSION-BASED COMPENSATION MODEL WITH tiphaus®

CUSTOMER NAME
SuViche Hospitality Group

INTERVIEWED
Andrei Stern
CFO and Co-Owner

PROJECT OBJECTIVE
SuViche Hospitality Group sought a way to transition to a commission-based model that ensured fair compensation, simplified payroll processes, and improved transparency in employee earnings.

INTRODUCTION

SuViche Hospitality Group, a South Florida restaurant group known for exceptional food and hospitality, transitioned from traditional tip pooling to a commission-based system with TipHaus. Co-Owner Andrei Stern shared how this shift improved efficiency, boosted job satisfaction, and created growth opportunities for employees. **TipHaus enabled seamless implementation, helping employees earn livable wages while reducing training costs and enhancing shift management.**

RESULTS

50%
Increase in hourly wages

95%
FOH staff retention during the model transition

30%
Reduction in training costs

CHALLENGE

Rising Labor Costs:

Florida’s minimum wage increases and rising tip credit made the tipped minimum wage unsustainable. SuViche found absorbing these costs strained profitability while maintaining service quality became harder.

Need for Change:

SuViche needed a solution to balance rising costs, maintain employee fair compensation, and ensure profitability. **They transitioned to a service charge and a commission-based pay model.**

Administrative Burdens:

Tracking and distributing tips fairly added significant administrative complexity, making payroll and shift management inefficient.

Scan this QR code to listen to Andrei’s experience with TipHaus

SOLUTION

SuViche Hospitality Group implemented TipHaus

TipHaus helped SuViche implement an **18-20% service charge across dine-in checks**, transitioning to a commission-based model with minimal payroll changes. The platform allocated 100% of the service charge to employees, **boosting wages by 50%** and increasing average ticket size by **13%**. TipHaus **ensured compliance with Florida’s 7(i) labor law** by tracking commissions and tips, enabling employees to earn livable wages at one job. It also **streamlined payroll, reduced admin work, improved shift management efficiency, and lowered operator training costs.**

“By switching to a commission-based compensation model, we increased employee compensation from 17.5% of sales under the tip-only model to 22% with the new commission-plus-tips structure. Over 50% of employee wages now come from commissions, keeping SuViche compliant with Florida's 7(i) overtime exemption under the FLSA, allowing employees to earn livable wages with sufficient hours at one job, reducing the need for multiple jobs.”

ANDREI STERN, CFO AND CO-OWNER

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