

Product Requirements Document

Profitability & Commission Module

Product: CaterPro

Document Owner: Zuper

Overview

CaterPro is a SaaS platform for event and catering companies. Our customers manage corporate events, weddings, private parties, and large-scale catering operations. The platform currently handles event booking, client management, staff scheduling, and invoicing.

We need to add a **Profitability & Commission Management** module to help business owners understand their true margins and manage team compensation.

Problem Statement

The Profitability Problem

Catering business owners don't know which events actually make money. An event might bring in \$15,000 in revenue, but after accounting for food costs, labor (including overtime), equipment rentals, last-minute vendor fees, and travel expenses—the actual profit might only be \$800. Or worse, a loss.

Currently, owners discover this weeks later when reconciling spreadsheets. By then, it's too late to course-correct.

The Commission Problem

Sales reps and event coordinators are compensated through various commission structures. These are tracked manually in spreadsheets, leading to:

- Calculation errors and disputes
- Delayed payments
- No visibility for team members into their expected earnings
- Hours of admin time each pay period

Goals

1. Give owners real-time visibility into event, client, and company-level profitability
 2. Automate commission calculations with flexible rule configuration
 3. Help teams identify profitable patterns and problem areas
 4. Reduce manual work and eliminate commission disputes
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Target Users

User	Role	Primary Needs
Business Owner	Owns the catering company	Big picture profitability, commission expense tracking, identifying trends
Operations Manager	Runs day-to-day operations	Event-level cost monitoring, margin analysis, staffing efficiency
Sales Rep	Brings in new clients and events	Personal commission tracking, pipeline earnings forecast
Event Coordinator	Executes events on-site	Commission visibility, performance bonus tracking

Existing System Context

CaterPro already has these modules (you can assume they exist):

- **Events Module** — Create and manage events with details like date, venue, guest count, client info
- **Client Management** — Client profiles, contact history, past events
- **Invoicing** — Generate invoices, track payments, revenue per event
- **Staff Scheduling** — Assign staff to events, track hours worked
- **Vendor Management** — Track vendor invoices and costs per event
- **Expense Tracking** — Log miscellaneous costs (rentals, travel, supplies)

The new Profitability & Commission module will pull data from these existing modules.

Detailed Requirements

Scenario 1: Event Profitability View

Context

Sarah owns a catering company. She just completed a corporate holiday party for TechCorp last weekend. The invoice was \$18,500. She wants to know: did we actually make money on this event?

User Story

As a business owner, I want to see the complete financial breakdown of a completed event so I can understand if it was profitable and where costs came from.

What the User Needs to See

Revenue Section - Total invoiced amount - Payment status (paid/pending/partial) - Any discounts applied

Cost Breakdown | Category | Examples | -----|-----| Labor |
Staff wages, overtime, coordinator fees | | Food & Beverage |
Ingredients, prepared items, beverages | | Rentals | Tables, chairs,
linens, equipment | | Vendors | Florist, DJ, photographer, valet | |
Travel | Mileage, parking, tolls | | Miscellaneous | Last-minute
purchases, permits, tips |

Profitability Summary - Total Revenue - Total Costs - Gross Profit (\$)
- Profit Margin (%)

Comparison Data - Estimated vs. Actual costs (what did we quote
vs. what we spent) - Flag line items that went over budget -
Comparison to similar past events (same client, same event type,
same size)

Design Considerations

- How do you present 15+ line items without overwhelming the user?
- How do you highlight problem areas (over-budget items)?
- Should there be a summary view vs. detailed view?
- How do you show the “story” of an event’s profitability at a glance?

Sample Data

Event: TechCorp Holiday Party

Date: December 14, 2024

Guest Count: 150

Revenue: \$18,500

Costs:

- Labor: \$4,200 (estimated \$3,800) △ OVER
- Food & Beverage: \$6,100 (estimated \$6,000)
- Rentals: \$1,800 (estimated \$1,800)
- Vendors: \$2,400 (estimated \$2,000) △ OVER
- Travel: \$180 (estimated \$150)
- Misc: \$320 (estimated \$200) △ OVER

Total Costs: \$15,000 (estimated \$13,950)

Gross Profit: \$3,500

Profit Margin: 18.9%

Scenario 2: Commission Configuration & Tracking

Context

CaterPro customers have different ways of compensating their teams. Some pay sales reps a flat percentage. Others have tiered structures. Some give coordinators bonuses based on client feedback.

The admin needs to set up these rules once, and the system should automatically calculate commissions when events are completed.

Team members want to see what they’ve earned and what’s coming.

User Stories

As an admin, I want to configure commission rules for different roles and individuals so the system can calculate earnings automatically.

As a sales rep, I want to see my commission earnings and upcoming payouts so I know what to expect.

Commission Structures to Support

Type	Example	Calculation
Percentage of Revenue	Sales rep gets 5%	$\text{Event revenue} \times 5\%$
Flat Fee per Event	Coordinator gets \$150/event	\$150 per completed event
Tiered by Role	Senior coordinator: \$200, Junior: \$150	Based on role assignment
Performance Bonus	+2% if client rates 4+ stars	Additional % if condition met
Tiered by Revenue	5% up to \$10K, 7% above \$10K	Progressive calculation
Team Override	Team lead gets 1% of team's events	% of team members' attributed events

Admin Experience — Rule Configuration

The admin needs to: 1. Create commission rules (name, type, calculation logic) 2. Assign rules to roles or specific individuals 3. Set conditions (e.g., "only for events over \$5,000") 4. Set effective dates (rules can change over time) 5. Preview how a rule would calculate on sample events

Employee Experience — Earnings View

Team members need to see:

- **Current Period Earnings** — What they've earned this pay period
- **Pending Commissions** — Events completed but not yet paid out
- **Earnings History** — Past payouts by period
- **Upcoming (Forecast)** — Expected earnings from booked events
- **Breakdown by Event** — Which events contributed to earnings

Edge Cases to Consider

- Event is cancelled after completion — how to handle clawback?
- Multiple people split commission on one event
- Commission disputes — how does admin adjust?
- Role changes mid-period (promoted from junior to senior)

Design Considerations

- Admin rule builder: How complex can rules get? How do you make it flexible but not overwhelming?
- Employee view: How do you show earnings clearly without exposing sensitive company data?
- How do you handle the difference between "earned" and "paid"?

Sample Data — Sales Rep View

Alex Martinez – Sales Representative
Pay Period: Dec 1–15, 2024

Current Period Earnings: \$1,847

Completed Events:

- TechCorp Holiday Party (\$18,500) → \$925 (5%)
- Johnson Wedding (\$12,400) → \$620 (5%)
- Startup Launch (\$6,040) → \$302 (5%)

Pending Payout: \$1,847 (pays Dec 20)

Upcoming (Booked Events):

- Morgan Anniversary (Dec 22) – Est. \$8,000 → ~\$400
 - NYE Corporate (Dec 31) – Est. \$24,000 → ~\$1,200
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Scenario 3: Profitability Dashboard

Context

It's the end of Q4. The business owner wants to understand overall business health. Which event types make the most money? Which clients are worth pursuing? Are margins improving or declining? How much are we spending on commissions?

User Story

As a business owner, I want a dashboard showing profitability trends and insights so I can make better business decisions.

Key Questions the Dashboard Should Answer

1. **What's our overall profitability?**
 - Total revenue, total costs, total profit this period
 - Profit margin trend over time (monthly/quarterly)
2. **Which event types are most profitable?**
 - Compare: Corporate vs. Weddings vs. Private Parties
 - By profit margin %, not just revenue
3. **Which clients are most valuable?**
 - Client ranking by total profit (not just revenue)
 - Repeat client profitability vs. new clients
4. **Where are we losing money?**
 - Events with negative or low margins
 - Cost categories that consistently run over budget
5. **What are our commission expenses?**
 - Total commission paid this period
 - Commission as % of revenue
 - Breakdown by team member or role
6. **How does this period compare?**
 - This month vs. last month
 - This quarter vs. same quarter last year
 - Trend direction (improving/declining)

Dashboard Components to Consider

Component	Purpose
Summary Cards	Top-line metrics at a glance (revenue, profit, margin, commission expense)
Trend Chart	Profitability over time (line or bar chart)
Event Type Breakdown	Compare margins across event categories
Client Leaderboard	Top clients by profitability
Problem Events	List of low/negative margin events needing attention
Cost Analysis	Which cost categories are eating margins
Commission Summary	Payout totals and trends

Filters & Drill-downs

Users should be able to:

- Filter by date range (this month, quarter, year, custom)
- Filter by event type
- Filter by client
- Filter by team member
- Click on any metric to drill into detail

Design Considerations

- What's the right level of information for a dashboard vs. detail view?
- How do you make insights actionable (not just data display)?
- How do you handle empty states for new customers with little data?
- What should surface as alerts or notifications?

Sample Data

Q4 2024 Overview

Revenue: \$287,400
 Costs: \$198,300
 Gross Profit: \$89,100
 Profit Margin: 31%
 Commission Paid: \$14,370 (5% of revenue)

Margin Trend: ↑ 3% vs Q3

Most Profitable Event Type:

1. Corporate Events – 34% margin
2. Weddings – 28% margin
3. Private Parties – 22% margin

Top Clients by Profit:

1. TechCorp – \$12,400 profit (6 events)
2. Johnson Family – \$8,200 profit (2 events)
3. StartupXYZ – \$6,800 profit (4 events)

⚠ Attention Needed:

- 3 events with <10% margin this quarter
- Labor costs trending 8% over estimates

Assumptions

- Cost data is already being entered in the system (labor hours, vendor invoices, expenses)
 - Events have a “completed” status that triggers commission calculation
 - Client feedback/ratings exist in the system (for performance bonuses)
 - This is a web application, desktop-first (responsive is a plus)
 - You can assume reasonable data structures exist
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Out of Scope

- Payroll integration (we calculate commissions, not run payroll)
 - Tax calculations
 - Accounts receivable / collections
 - Mobile-native app
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Success Metrics

Metric	Target
Time to view event profitability	< 30 seconds
Commission calculation accuracy	100% (vs. manual)
Admin time on commission tracking	Reduce by 75%
Commission disputes	Reduce by 90%

Deliverables Expected

Based on this PRD, design the following:

1. **Event Profitability View** — The screen(s) showing financial breakdown for a single completed event
2. **Commission Configuration** — The admin experience for setting up commission rules
3. **Commission Earnings View** — The employee experience for viewing personal earnings
4. **Profitability Dashboard** — The overview screen with trends and insights

Focus on clarity, usability, and handling complexity gracefully. You have flexibility on exact layout and additional features—show us how you think.