HOW TO WRECK YOUR SALES INCENTIVE PROGRAM

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Incremental revenue **$265 million** in 1 year

73.7% of referrals **sold**

29:1 Program ROI

After watching a presentation about a sales incentive program with very clear goals, excellent tracking and huge results, I was talking to our company's account director who shared the story. The list of accomplishments was impressive:

> In one year, incremental revenue produced by the program was over **$265 million**.
>
> **73.7**% of the referrals tracked during the program went on to be sold.
>
> The return-on-investment for this program was **29:1**.

Knowing that many of my team members and customers would be eager to hear how this success was achieved, I started firing off questions:

How did you get those results?
How do you promote the program?
What is your "secret" to success?

He laughed and said there are no big secrets to success. There are right ways and wrong ways to run incentive programs and the company who previously ran this program had run it the wrong way. He gave me this list of what not to do… so if you want to wreck your next incentive program, follow this list:

1. Make the process difficult.

The previous incentive program was cumbersome and hard to understand. There were many manual steps that required work and re-work before you could participate. The new program offered a detailed, user-friendly online platform so that team members could clearly see prospective clients, their status and final steps to complete their reports.

2. Take a long time to reward success.

Gaining a new customer is the point of the incentive program but if the actions take too long to be rewarded, the message gets lost. Goals get ignored. And the finish line gets farther away with every minute that passes. The new program challenged team members to reach specific goals in specific time frames, then rewarded the winners soon after their goals were achieved.

3. Decrease payouts so much that it doesn't seem worth it.

Small payouts are often a good thing but not if they are the only thing. They won't get attention. And they take forever to add up. The new program's incentives included a combination of small payouts and bigger, more promotable awards — things that employees would actually want, like movie tickets, sporting gear, jewelry and adventurous trips. Desirable rewards get team members' attention and spike participation.

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4. Send results into outer space.

Sure, maybe you got a sale, but what happens afterwards? The previous program was lacking clear reporting and follow-up, sending information into a black hole never to be seen again. The new program reported regular progress for all participants, set realistic goals for improvement and celebrated achievements weekly.

5. Don't involve managers and leaders.

Supervisors, managers and even VPs can be huge sources of inspiration for their team members. Being in the dark about the previous program's details led leaders to disengage, which led to decreased motivation from their employees. As part of the new platform, enthusiastic promotion from leaders made it easier to recognize high achievers, share success stories and create an atmosphere of overall support.

When these "wrongs" were "righted," the results were immediate: revenues jumped nearly 15 percent in the first year and have continued to climb since then. Take a moment to review your current incentive programs and see if any of these examples are relevant. Then, don't be afraid to change things up, do things the right way and get the results you're looking for.

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