

Creating an Effective Salesforce Incentive

By Bob Nelson, Ph.D.

Although sales people tend to clearly be motivated by money, money is not the only motivator in having them do a good job. Increasingly, today's sales people expect more from their job in the way of feeling valued, respected and appreciated in the organization if you want them to perform at their best.

"All in all, recognizing successful sales people may be the single most critical way to boost sales results," says Nancy Grden-Ellson, senior vice president of market development for Citizens and Southern National Bank of South Carolina. How this is done can take many forms.

Following are several points to keep in mind when creating an effective sales incentive.

Be Creative

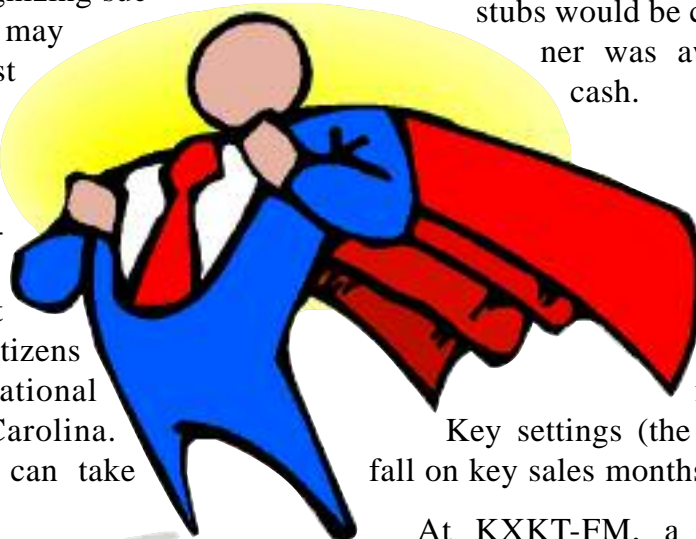
Don't use the same old incentives that

you've used for years. Try new ideas and build on those that work. Hewlett-Packard marketers send pistachio nuts to salespeople who excel or who close an important sale. A similar incentive used at Pacific Bell in San Francisco was to give a lottery ticket for the sale of telephone features such as WATS lines, 800 numbers, call forwarding, etc. At the end of the day the stubs would be collected and a winner was awarded a prize or cash.

Salespeople at Octocom Systems in Chelmsford, MA, receive a place setting of china each month for meeting quota.

Key settings (the fourth and eighth) fall on key sales months.

At KXKT-FM, a top-40 station in Omaha, NE, cash, merchandise, travel are offered sales employees. "Different people are motivated by different things, so we give them a choice," says general sales manager Cathy Roach. "We've also done fun things," Roach explains. "For every piece of new business they brought in, they spun a wheel and won something."



Fred Maurer, sales manager of special markets at Canon USA in Lake Success, NY, believes that with merchandise, people can get more in value than the company actually spends. "If you can offer that salesperson a choice of three or four items that cost \$100 at wholesale, he or she gets something worth more than if he or she had bought it at retail." In addition, merchandise has a residual value over cash, says Bill Hicks, vice president of sales for special markets at Oneida Silversmiths in Oneida, NY, if only in the fact that "every time you look in your home at an item won through an incentive program, there's the knowledge of how it was won. There's a story behind every incentive prize, whether it's merchandise or a trip."

Tailor to Unique Needs

Incentives are motivating if they are specifically personalized to the unique needs of those sales people you are trying to motivate. For example, Chuck Piola, Executive Vice President of Sales at NCO Financial Systems in Blue Bell, PA, tells how he started a new reward at his company for junior salespeople. "This guy was a year out of college, and one month he finally broke through--so I took him out and bought him a new suit." The new suit has become a tradition of sorts with Chuck. He also lets salespeople who have a great sales week borrow his Mercedes for the weekend.

Richard Meyerson, President of Traveltrust Corporation in San Diego, CA offered to remodel a nursery in a sales manager's home to accommodate a newborn child if she made her sales goals. She met her goals, and while the remodeling was done, she had the access to an empty

house owned by the corporation to live in.

Create a Fun Theme

The most motivating incentives are also the most enjoyable. Here are three examples of how companies have developed fun incentive programs centered around a car theme.

Xerox Corporation used a sports car theme for its "Fast Track" sales incentive program, which also involved technical support employees and their managers. Participants accrued points that were redeemable for merchandise or cash awards. Battery-powered Ferraris and spark plugs were distributed to "spark new ideas."

Cars were also an incentive for operators of Chick-fil-A, an Atlanta-based restaurant chain. If sales increased by 40 percent over the previous year's sales, operators earned the right to drive a Mark VII Lincoln Continental for one year. If the increase was repeated the following year, they got to keep the car for good. More than 100 operators have been given this reward.

Valvoline Oil Company organized a unique incentive trip--a racing school--for its top performers from various U.S. distributorships. Individuals were awarded with a two-day trip to a racing school at Road Atlanta, a Grand Prix track in Braselton, GA. The first day, distributors attended school to learn handling techniques like braking, skid padding and heel/toe down-shifting. The second day they raced around the track, practicing their new skills.

Simple is Often the Best

While there are numerous possibilities for recognizing sales efforts, perhaps the most effective is still a sincere thank you for a job well done.

As Irene Elliot, an account executive for United Postal Savings, explains: "Informal day-to-day acknowledgments mean a lot. Especially welcome are the

spontaneous calls from upper management congratulating me when I exceed a sales goal. Without the personal touch, this job would just be about money, and money can only motivate you so much. Recognition gives me personal pride and means something."

To book Dr. Bob Nelson to present to your conference, association or company, contact him at bob@drbobnelson.com or by phone at 1(858)673-0690. Originally published in *Sales & Marketing* magazine. ♦