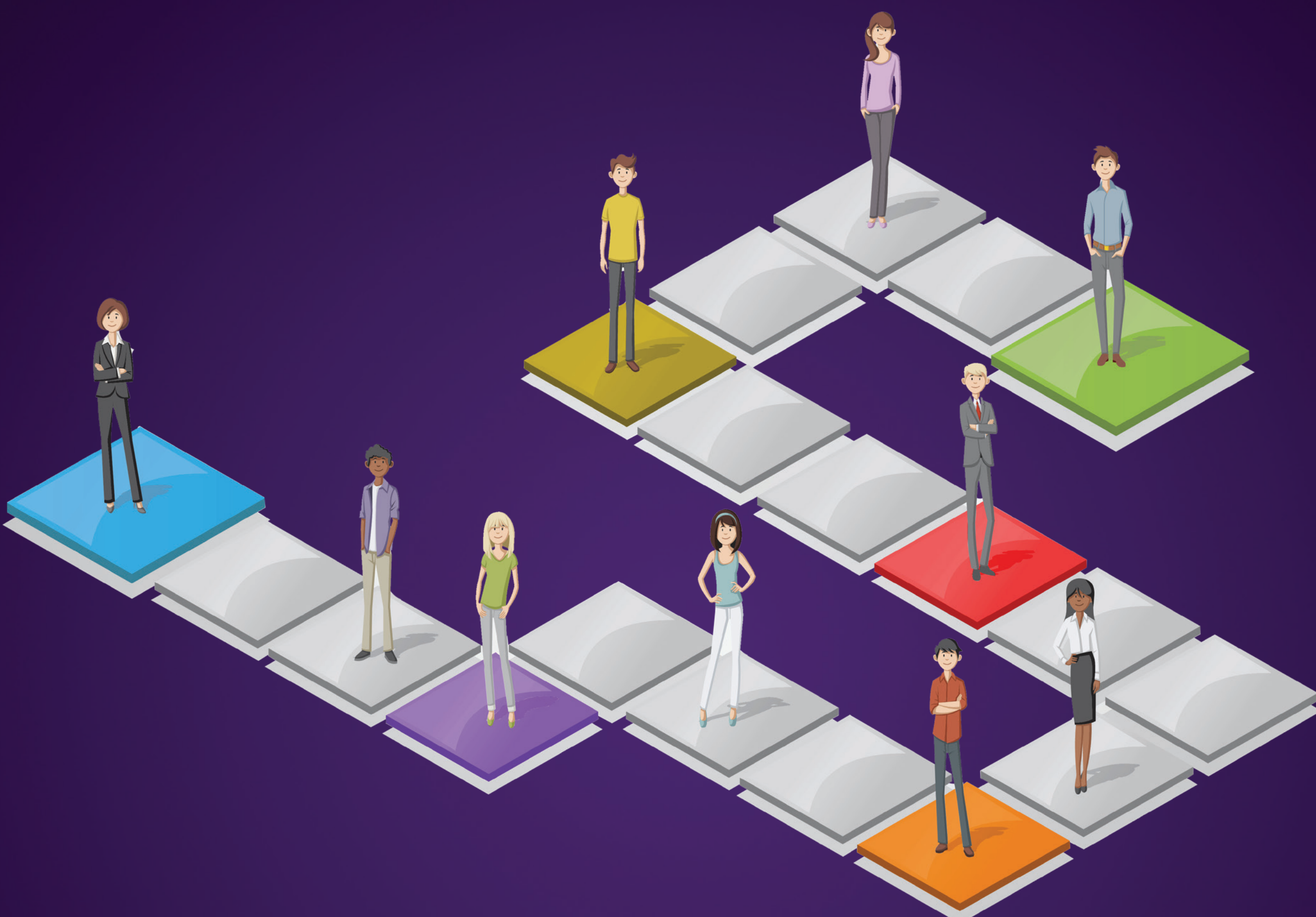
The *Sales* Incentive Journey



A roadmap for engaging participants and driving maximum results

hinda incentives®
the future of engaging rewards


If you don’t know where you’re going, any road will get you there.
cat sale
NEEDS WORK
rabbit hole
CROQUET
amazing garden
TEA-PARTY
evidence

Business leaders look for predictability. They seek insight from mounds of data to get just a glimpse of the future. They demand their sales and marketing executives put the business on the right path to meeting or exceeding sales and margin goals.

Sales executives create detailed business plans to identify new opportunities and retain existing customers. They train sales reps and channel partners on product benefits and teach them to overcome objections. They develop compensation plans aligned with corporate goals to encourage growth.

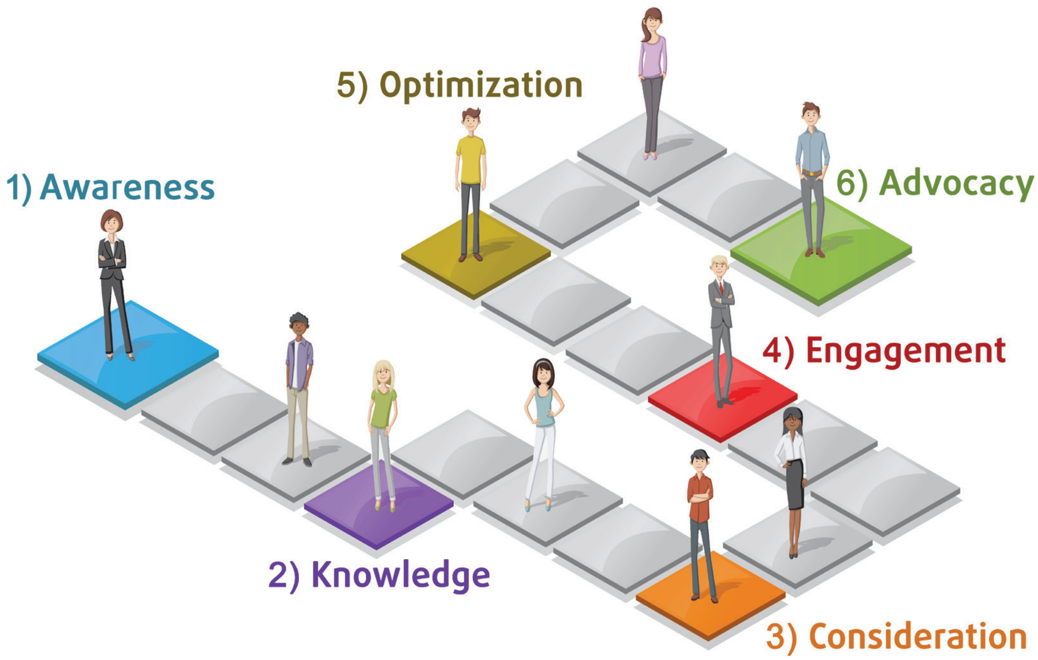
Marketing leaders identify competitors' strengths and weaknesses. They define buyer personas and construct profiles to ensure the right messages reach the right prospects. They carefully map out every step of the buyer's journey to know when and how to influence behaviors.

All this to increase the likelihood of success, to gain more certainty and predictability. Shouldn't your sales incentive program work this hard to engage your participants? Knowing how and when to nudge your participants could mean the difference between blowing past your goals and scrambling to explain a disastrous failure.

This eBook maps the sales incentive journey which participants embark upon when engaging with a program. We've developed it from insights gained from more than 50 years of observing and influencing participants, and it can help put your program on the road to predictable success.

THE *Sales* INCENTIVE JOURNEY

You've done all your homework. Studied the research. Decided to implement a sales incentive program to gain the discretionary time and attention of your sales force. Your program structure is designed to maximize motivation with fair rules and ample reward opportunities. Leadership supports the strategy and is banking on your positive ROI forecast. It's time to announce it to your team. Now is when you must understand the sales incentive journey.



The sales incentive journey is the process your eligible participants take while choosing whether to engage with your program and deciding how much time and discretionary effort they will commit.

It looks a lot like a buyer's journey, doesn't it? Indeed, the two journeys are quite similar. Think about it this way: Your job is to sell the program to your participants — and each type of participant may involve a different goal. Maybe you're trying to improve the performance of sales reps, or gain more of your distributors' purchases, or garner more of your independent agents' attention, or even drive cross-sells through your own customer service team. But regardless of who you are trying to influence, each sales incentive participant will embark on a journey to decide if they will engage with your program and how much time to put into it. Understanding that journey can result in greater enrollment for your program and drive ongoing program engagement. Ultimately, it puts you on the right path to exceeding your goals.

There are six steps in the sales incentive journey. The first three — *awareness, knowledge and consideration* — normally take place before a participant enrolls in or engages with the program. Your goal during these steps is to gain commitment.

The next three steps in the journey — *engagement, optimization and advocacy* — relate to participant involvement and support over the course of the program. Your focus during this part of the journey will be to ensure the program stays top of mind and to provide tips and tools for maximizing performance.

Step One: Awareness

Your targeted participants start off knowing nothing about the program, so you must first make them aware. This means providing the information they need to begin weighing the benefits of the program and thinking about the process of participating. This goes beyond merely telling them that they can win some great reward like a television. It means helping them understand the goals of the program. They need to see how it benefits both them and their customers. Most salespeople seek long-term relationships with customers. If they don't see the benefits of the product you're promoting, they have no impetus to try selling it to their customers.

During the awareness phase, you'll want your prospective participants to understand:

- What you want them to do
- Why it's important
- What's in it for them when they do it

These fundamentals should offer enough information to spark their interest. The rule here is to keep it simple. Build your program so that you can answer these awareness questions in just two or three sentences. If you can't get their attention with the basics, your program stands little chance of keeping them excited as you get into more details.

Step Two: Knowledge

Now that your prospective participants understand the essentials, they're going to want more details. This next step increases their knowledge of the program and its benefits for both their customers and themselves.

The Importance of Training

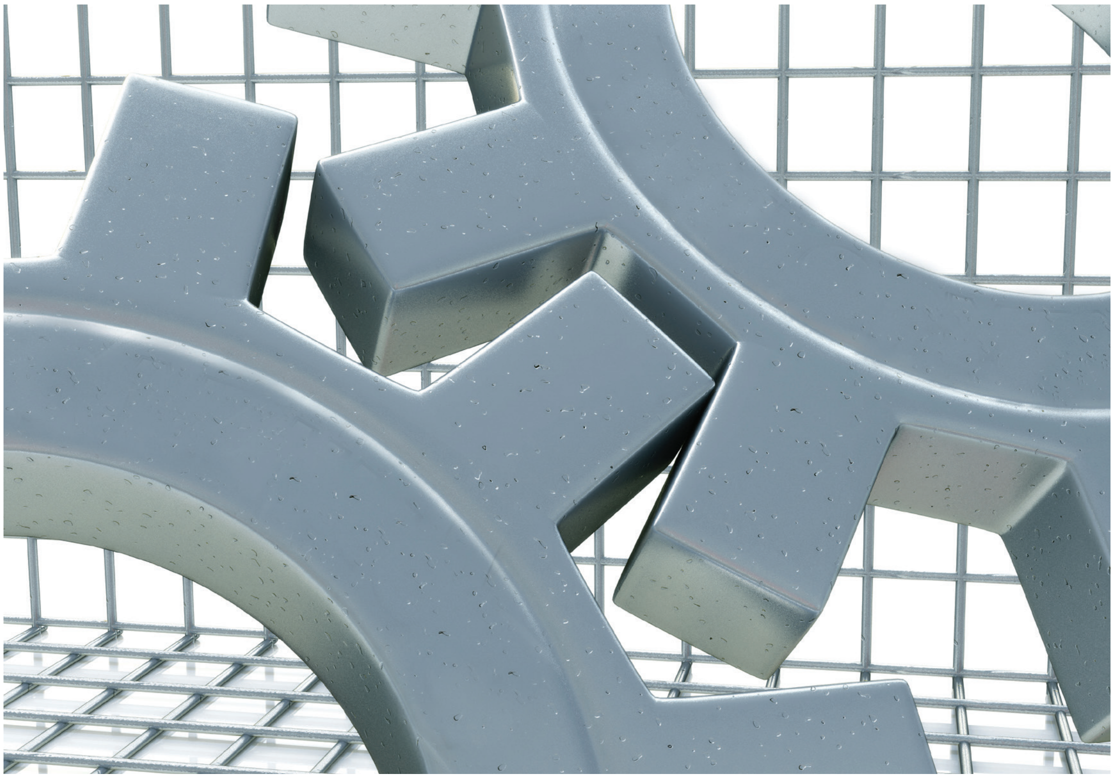
A salesperson's success depends upon their relationships and reputation. This is especially true for B2B salespeople. Imagine a program designed to drive new product sales. A rep who effectively shows a customer how this new product meets their specific needs at a good value can build trust and pave the path to future sales. On the other hand, a rep who promotes the product with few or poorly defined benefits can quickly ruin a reputation — and even cause a customer to question existing sales. It's critical to train your reps on customer benefits. And highlight how showing your new offering will demonstrate the rep's expertise and enhance their standing with customers and prospects.

The Devil Is in the (Administrative) Details

Explain any administrative tasks required, such as claiming sales, during the knowledge phase. Salespeople are willing to perform administrative tasks to earn rewards, but they need to know those tasks are simple and not very time consuming. Burdensome administration processes can be a tremendous barrier to participation, and sales personnel will weigh the administrative requirements of a program against their rewards received. If the rewards earned are not worth the time required, they will simply choose not to engage with the program.

Tie It All Together

Finally, show how the program works in context with all your marketing efforts. Tell your participants about any dealer spiffs, customer incentives or special promotions to support their efforts. This one-two punch of marketing efforts designed to “pull” sales from customers through distribution partners, combined with “push” marketing efforts to focus the energy of your sales and distribution personnel, creates a powerful and holistic approach to garnering more time and attention from the salesforce and driving incremental sales.



It’s easy to forget how to claim a sale if you only do it once or twice each month, so make sure people always have easy access to your program once they enroll. Create a repository for all your program information that includes tools to make your participants more successful. Most incentive partners have program platforms to help. Make sure you discuss your needs with your partner and review their platform capabilities. Choosing the right platform can simplify the program for both you and your participants.

A Word of Caution

If you go to market through an independent distribution channel, make sure to tell your distributor management first before trying to engage their sales. You’ll need to show them how the program will benefit their organization and them personally. You may want to include some distributor goals and awards to keep them engaged as well. Once you have their support of the program, it makes engaging their people much simpler and gives you a valuable ally in driving the performance you want.

Step Three: Consideration

The next step in the sales incentive journey is consideration. This is when your participant decides to actively participate or not, reflecting upon the information and resources you supplied in the awareness and knowledge steps. They weigh the risks and rewards of the program, and judge just how much work it will take to sell the promoted products and services. They ask themselves questions about their customers:

- What are my customers buying today?
- How does your offering stack up?
- How likely are my customers to make a change?

They also look at it pragmatically from their own business viewpoint:

- How does this program help me?
- Does the product you're promoting provide a new revenue stream?
- Does it increase my profitability or commissions?
- Does it make me more competitive in the marketplace?
- How much time will this take me?
- Are the ultimate rewards worth the effort?

If your participants can say, "This is good for my customers and good for me, too," they will gladly continue taking the sales incentive journey with you.

Step Four: Engagement

Your efforts on the awareness and knowledge steps have paid off. After careful consideration, your participant has decided to join your program. Now it's time to think about some metrics needed to ensure engagement.

Enrollment

The simplest way to ensure initial commitment is to require program enrollment. It is a must in most channel programs, as your database of salespeople working for a partner constantly needs to be refreshed. An enrollment phase can also create a sense of urgency for your participants by setting a registration deadline.

Many employee sales programs will automatically enroll their people, but requiring them to activate their enrollment will generate greater participation. If your enrollment process requires some action like committing to an assigned sales goal or targeting five growth accounts, your participant is even more likely to actively engage in the program.

Steps-to-Success Targets

Enrollment is an early success metric, but you'll want others which will indicate ongoing program engagement. So-called "steps-to-success" targets can also signify that participants are on the right path to achieving the program's sales goals. These targets might include:

- Training completion
- Sales calls
- Presentations
- Quotes and proposals
- Sales

If you can map out a sales process, you can reinforce it with your program. Not only will it keep your sales reps engaged, it will sharpen their skills as they work through your sales process.

Steps-to-success targets can monitor the effectiveness of your program and warn you of upcoming problems. Let's say your average close rate on quotes and proposals is 20 percent on new accounts and 35 percent on existing accounts. If you track the proposals your reps offer to both new and existing customers on eligible products, it just takes a little math to forecast your program sales. If your program is falling short, you can take corrective actions.

Your CRM system can be very helpful in building steps-to-success targets. Use existing tracking whenever possible to avoid creating unnecessary program administration for your salespeople and program staff. Also consider providing some small rewards for achieving specific goals. Rewarding participants who complete new product training within two weeks of the program launch can teach the skills to overcome objections, drive a sense of urgency, and build confidence in selling.

Fast Starts

Fast start promotions encourage immediate action while the program is still fresh in a participant's mind. Offering triple points for sales in the first 30 days of a year-long program will capture attention and immediate focus. Firing up the team to support the program early with fast successes will build program momentum and pay off down the road.

Step Five: Optimization

Incentive programs operate in dynamic markets. New products are introduced. Prices change. Competitors react to your program. An ever-evolving marketplace requires always reviewing your program to identify opportunities for improvement and to make corrections where necessary. This is “optimization,” and it’s the next step on the sales incentive journey.

The first rule of optimization is to remember that all programs have natural peaks and valleys. People are excited by a new opportunity and enthusiastic right after enrolling. Some of your reps will be successful quickly. They’ll find a new prospect looking for your solution or shift an existing client to your new product. There’s nothing like the sheer euphoria of sales success.

But sales professionals continually face a white-knuckled rollercoaster ride. There are frustrating meetings, disappointing conference calls, and the stomach-churning downhill plunges when nothing seems to go right. Even those who experience early success will probably have to contend with slow periods.

Optimization plans should be in place to keep reps continuously involved, to support them when they face the inevitable disappointments and to provide tips and encouragement. An optimization plan should include three elements:

1. Communications
2. Progress reports
3. Promotions

Communications

Create a communication plan to keep your program top of mind. Brand the program with a clever theme so that people recognize the reason for the communication immediately. You may be tempted to use email only, but programs including a combination of print and electronic media tend to generate stronger results. Your campaign should include program reminders highlighting the eligible products, success stories recognizing peers, and aspirational pieces featuring awards.

Share Success Stories. Take advantage of the early success of some reps. All salespeople want to learn how to be successful. Tell their peers' victory stories loudly and clearly to paint a picture of success, and use those stories to reinforce key program messages. This offers ideas for personal improvement and can push reps to stick with the program, even during challenging times.

Show Their Progress. Progress reports are the most well-read of any communications you will send. These are the report cards for your individual reps showing each how they're doing and where they stand. People must know if they're doing well and how far they need to go to reach their own personal goals to remain involved. Progress reports help them visualize success and map their position on their incentive journey. Don't forget to send roll-up progress reports to managers showing the performance of their team members individually and how their team stacks up against others. Managers won't want to see people in their group performing poorly and certainly don't want to see their team underperforming. They will use these reports to create their own individual and team improvement plans.

Recharge with Promotions

Finally, plan promotions that will serve as energy boosts for your program. Make sure they are short-term to create excitement and stimulate rapid engagement. Competitions work well, allowing you to harness the natural competitive drive of salespeople. They also help manage your budget effectively since they have a set number of winners. Your promotion can focus on results like monthly sales, contracted prospects, or specific product sales. Promotions can also drive specific activities like taking training or generating new leads and demos.

Step Six: Advocacy

A precious few of your sales incentive program participants will become advocates. Advocates talk to their colleagues about the program and encourage them to participate. They know the rules of the program and can quickly explain them to their peers.

Advocates are typically high-performers. These are the people that managers should ask to share their success stories at team meetings. They can offer specific and useful advice on getting the most from the program and selling the eligible products. They are your most enthusiastic program supporters. And they're usually fiercely loyal to your products and solutions. Their enthusiasm is contagious, and anyone who talks with them catches some of their spirit.

Feature Your Advocates

Leverage your advocates to optimize your program by sharing their success stories. You might create a quarterly "best of the best" newsletter featuring interviews with one or two advocates. Have them offer tips for success, and make sure to talk with them about what they have earned in the program. Ask questions about their family. Talk with them about the awards their family wants and how they're going to go about selling enough to get those awards.

Enlist Your Managers

Gain manager support to identify and recognize advocates. Send out reports to your sales managers ranking each team member's performance. Provide instructions for recognizing their top performers at sales meetings. Ask managers to nominate "best of the best" candidates and have them submit their success stories as backup.

Establish a Badge of Honor

Create a special designation for your advocates based upon measurable criteria. Naturally, most of the criteria will involve sales results, but balance it with steps-to-success targets to reinforce the right activities. Offer bonus earnings for achieving this designation and an invitation to join a special sales incentive advisory board. This badge of honor inspires other reps to ask for advice on getting the most from the program or for tips on selling. Plus, it helps you identify future organization leaders.

Invite Advisory Board Membership

An advocate advisory board can be a huge asset. By gaining the input from your "best of the best" who are closest to the customers, you can improve future programs and add credibility to your program development process. Ask advocates on your advisory board for suggestions on your next program, and use their input. Offer program concepts to the advisory board for feedback, and incorporate their ideas into your final program. Promote the fact that you have solicited input from the advisory board, demonstrating to the sales organization that you value their input.

Advocates are your best spokespeople. Recognizing their success can teach others. Cultivating their support can help create ad hoc mentoring programs. And using their experience and expertise can be a listening strategy for improving your next sales incentive program.

THE *Sales* INCENTIVE JOURNEY

Now that you've walked the sales incentive journey with your participants, you've seen the process through their eyes and have a better understanding of how you can strengthen their commitment each step along the way. You can now map out the complete process to …

- Increase awareness of your program
- Provide knowledge to facilitate future success
- Influence participants to consider supporting the program
- Nurture active engagement
- Optimize ongoing participant success
- Foster advocates who can help move your business forward

Mastering this sales incentive journey will create a robust program with enthusiastic participants who exceed your goals and reach for the stars.

Hinda Incentives has been helping organizations map successful incentive strategies for over 50 years. Visit www.hinda.com to learn more about nurturing engagement, inspiring innovation, and the future of engaging rewards.