

# 10 Steps To An Effective ROI Incentive Program

Overview of the 10 Principles of Incentive Program Design.

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## ***Common Planning Steps***

While each ROI incentive program is unique, there are planning and implementation steps common to all. The following were gleaned from interviews with industry experts, as well as from ROI Incentive Marketing, published by The Business Group, Inc.

### ***1. Determine Your Objectives***

Where is the performance gap in your company? Where are the opportunities for improvement? Be sure to consider both short- and long-term quantitative and qualitative measures.

### ***2. Perform An Impact Analysis***

How will the program affect the key departments in your company? Look at what your competition is doing and whether any pending legislation could affect your business and incentive program.

### ***3. Develop Your Budget***

Consider direct and indirect program requirements. Create your budget before selecting your awards. To determine your ROI incentive costs the calculation is as follows:

**Total Net Program – Program Costs**

**Program Costs**

### ***4. Create A Rules Structure***

Before you create rules, be sure you have a firm grasp of your participants and their environment. Remember that rules must be flexible in order to address any changes in the company or marketplace.

***5. Select Awards***

Be sure to get employee input and then consider your options. Merchandise offers trophy value and high-perceived value; travel appeals to the imagination and creates bonding opportunities; gift certificates and card awards offer flexibility and freedom of choice. Recognition awards such as plaques and trophies offer a sense of self-satisfaction and peer recognition. Consider any taxation issues.

***6. Communicate The Program***

Promote your program and regularly communicate any changes or achievements. When possible, communicate with the employee's family as well.

***7. Operate And Measure Your ROI Program***

Be sure to measure and track regularly. Adjust the program if it's not performing as expected.

***8. Fulfill The Awards***

Be sure awards are delivered in a timely manner in order to reinforce the motivational message. Have mechanisms in place to handle any problems or questions.

***9. Conclude And Evaluate Your Program***

Complete your impact analysis and employee surveys. Examine what needs to be done to be sure that those participants who did not earn awards have the tools, training and motivation they need to earn next time.

***10. Celebrate Your Success***

Applaud those who succeeded and ensure that all participants in the program recognize what was achieved. This sets off their achievements as something others should strive for.