

Step 1: Strategic Planning Guidelines

Strategic planning for incentive program designers.

By Rodger Stotz, CPIM, Maritz Inc., and Bruce Bolger, CPIM, Selling Communications, Inc.

The 10-Step Process

The basic elements of incentive program design, no matter the audience, essentially entail ten primary tasks that should be completed (not necessarily sequentially). Think of an incentive program as a form of target marketing. The most fundamental flaw of a traditional incentive program is to look at the program as a “do this and get that” proposition.

Step 1 is the strategic plan. The strategic plan reads like a business plan, outlining all of the elements covered below, along with a return on investment. Sections should include every step outlined in this 10-step design plan and cannot be finalized until every provision for every step has been created. The business plan underlying an incentive program should include details on all remaining steps, covered next.

The strategic plan should lay out precisely what you are trying to accomplish. Goals should be expressed in the most specific terms possible, preferably in unit terms. They should cover a clearly identified time frame and be feasible. You cannot measure results without clear objectives, and you probably won't maximize participation if you set “big, hairy goals” that no one believes in but you.

2. Audience Analysis

Who, specifically are you targeting? What are their demographics and circumstances? What is their current level of motivation, capability, buy-in, emotion, etc.? You cannot develop a strategy to change performance in people without understanding your audience.

3. Fact-Finding And Involvement

What currently stands in the way of achieving goals: market conditions, training levels, emotional state, and management problems? What actions, if repeated more often or more effectively, will yield the desired results? Your program will have to address these obstacles or it likely will fail, no matter how desirable the rewards.

4. Program Structure

What are the specific goals; what do people have to do; how will they be measured; how will the improved performance be measured?

5. Communication and Training

What has to be communicated in order to achieve the goals; how will the message be communicated; what will be the message?

6. Rewards And Recognition

What types of rewards will be used, cash and/or non-cash? How will they be delivered?

7. Budget

How much will you spend and for what? How will expenses change based on various outcomes, positive or negative?

8. Program Measures

How will you measure the program in terms of results and process measures (financial and non-financial)?

9. Tracking and Administration

How will you track ongoing performance and report it to participants?

10. Analysis and Feedback

How will you assess the value and impact of the program to the organization?