

Using Incentive Programs to Boost Sales

Overview of the importance of individual award choices.

By Kimberly L. McCall, 2001, President, McCall Media & Marketing.

Not All Incentive Awards Are Created Equally

Before becoming an entrepreneur, I supervised a sales team that was responsible for supporting clients with clout, mostly Fortune 500 types. After months on end of murderous 70-hour workweeks while managing a staff that just about “Caine Mutinied” me during a reorg, I was publicly rewarded with a faux gold medal that was inscribed with my name. Instead of being a rose-colored career highlight, the occasion was actually quite the opposite. The whole experience played out like a Fox special: “*When Well-Meaning Incentive Programs Go Bad.*” I quit soon after.

Think Motivational Power

Incentive programs can be tricky beasts. What motivates one salesperson may completely discourage another. Consider the allure of cash. I appreciate a cash bonus and suffer no hang-ups about the lack of thought on the part of the giver. Beats a cheese wheel, and the fit is always just right. But monetary awards, which you’d think would be a powerful catalyst and inspiration for a sales team, have both supporters and detractors. Proponent Rashid Khan, founder and CEO of Ultimus, a technology business in Cary, North Carolina, says, “If your salesperson isn’t motivated by money, you have the wrong salesperson.”

Others take a dissenting view on the use of currency to spur sales. “Cash has no bragging value,” says Andrew Perlmutter, vice president of online incentive program provider InMarketing Group Inc. in Mahwah, New Jersey. “It’s absorbed into the family budget and not used to enjoy luxuries.”

So what does get salespeople all fired up? Perlmutter says travel awards and merchandise seem to be the most popular motivators.

Individuality Is Key

With such diverse personalities making up the typical sales force, it's important to create a program that takes individuality into consideration. Gift certificates or online currency may resolve the issue. For example, gift certificates through www.800certificate.com can be redeemed with merchants like Bloomingdale's and Sam Goody, ensuring shopping bliss for just about any taste.

Incentives run the gamut, from the simple to the sublime. If you're offering a sophisticated program that allows recipients to choose their own rewards, you'll probably want to outsource it to a company like SalesDriver, a provider of online sales force incentive programs.

According to Joel Silver, vice president of Maynard, Massachusetts, SalesDriver, managing the details of an incentive program can take a significant amount of time—more than most entrepreneurs can spare. And he points out that while you may save money on rewards if you do the work yourself, you can lose that savings in time spent on administration.

Creative Solutions

Another option is to lump special perks, like flexible schedules, together with tangible incentives, such as travel rewards. Though flexibility in the workplace is a real plus for some, don't confuse soft benefits with tangible perks. "Flextime, overtime and four-day weekends don't work as incentives in small companies," says Khan, 48. "You can't develop energy when employees aren't there when you need them."