

# Incentive Programs that Sizzle

by Andi Sherwood

It's no secret that Direct Selling companies struggle during the summer months. It's that time of year when kids get out of school, families go on vacation, routines get skiwampus, and sales in our industry drop off. Many companies run incentive programs during this time to get the attention, and (more importantly) time, of their Reps. This can be very effective when done the right way. Here are a few tips to consider:

## **Incentives should support your Compensation Plan.**

Incentive Programs should drive behaviors that are used in your plan. If not, you will confuse your field. That doesn't mean that you have to motivate all the behaviors, but rather choose a few that could use some extra emphasis. To really do it right, find behaviors that tend to decline during the summer by analyzing past data and use that as the basis for your promotion.

## **Avoid "Top 10" programs.**

Whether it's the Top 10, Top 20, or Top 100, when you use this approach, it means that there are winners *and* there are losers. Instead, structure your promotion so that anyone that completes the criteria can be a winner. By doing this, you are putting the control in their hands and they don't have anyone else to blame if they don't earn that reward.

## **Give it enough time.**

Some companies fall into the trap of running a new Incentive each month. Rather than having different programs each month, use one incentive program that goes all summer long. This allows habits to form and real behaviors to develop and/or change. Companies that have different promotions or goals each month will find that they create confusion in their field and the incentive won't yield the results they hoped for. Short-term emphasis often results in short-term results.

## **Point-based Incentives allow people to work in different ways.**

One of the dangers in using an incentive that focuses on only one behavior (i.e. selling) is that everyone drops everything else to focus on that one thing. This can have negative repercussions because not everyone is supposed to be doing all the same things all the time. Leaders should be selling, but they should also be working with their teams. By using a point-based approach with a few different ways to earn points, people can work in a way that makes sense for where they are in their business, not just where the new shiny object is.

## **Multiple levels of achievement motivate more people.**

Having children, I've learned that the way to get a room clean is to focus on the little parts at a time. For example, I will instruct my son to pick up all the books first.

When he completes that, I congratulate him and then ask him to pick up all the Legos. This approach is also appropriate for Compensation Plans and Incentives. Most people look at an incentive and think that they could never accomplish that criteria – and then they don't even try. The way to get as many people to the top as possible is to break it up into smaller portions. Instead of having an incentive that only rewards people if they reach the ultimate goal, create an incentive that has smaller milestone goals. By creating a multi-tiered program that allows people to qualify at different levels, you will get more people engaged and more sponsors engaging their downline because now it becomes feasible for a much larger group.

**When possible, provide rewards immediately.**

If I told you that you could work for 3 months and maybe earn a \$150 gift certificate to a department store, would that be very exciting? Probably not. But if I told you that you could earn a \$50 gift certificate at the end of the month, for the next three months, you would likely be more willing to engage. Our technologically advanced society has done many great things for us but one of our greatest challenges it has created is this desire for immediate gratification. When possible (and I recognize it is not always possible), consider providing the rewards attached to your promotion immediately upon achievement. Not only does this fulfill their desire for immediate gratification, but it will also likely start a buzz because they will talk about it with their teams. They will become your champion and encourage others to participate as well. In cases where it is not feasible to provide an immediate reward, such as an Incentive Trip, allow recognition and regular updates to fill in the gap. If your consultants can see that they need 100 more points to get to the next level and receive immediate recognition for attaining that level, then they are much more likely to keep working towards that goal because they know exactly where they stand and what they need to do achieve the reward.

In addition to creating a sizzling incentive, provide training that teaches your field how to conduct their business during the summer time. Regardless of your type of business model, recognize that summer is different and therefore business has to adapt. Motivation (such as in the form of an incentive) does not solve a Competency problem.

Summertime doesn't have to be that time of year that you throw your hands up in the air and just try to survive. Create a sizzling incentive and training program that teaches your field how to be successful and keeps them excited and engaged.

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