



By Brooke Sommers

Incentives: Why Do Them Wrong When You Can Do Them Right?

According to Wikipedia, an incentive is something that motivates an individual to perform an action. In the case of our industry, that is fairly true. Typically we want to incent a group of people to perform at the very top of their performance structure. We want them to be the over-achievers, sales drivers, leaders of the pack.

I believe that an incentive should be a trip of a lifetime, something that you wouldn't do on your own, going somewhere that you may not go on your own. It should also be with a group of your peers. Direct peers. Never a cash award — that is what a bonus is for.

Most sales organizations have quota-bearing individuals who have some sort of incentive built into their sales goals. If they achieve a certain percentage of their quota, whether it is over a certain threshold or the top designated percentage of the sales organization, then they are invited to an annual trip.

OR the organization may put together spiff programs that are created to accelerate sales over a given time period or quarter(s). These programs can be geared at internal salespeople or their external channel sales partners.

I am a strong believer of a few keys points, which are presented strictly from my own personal perspective:

- Sales incentives should be small groups, no more than 500 winners plus their guest, ideally even smaller. My opinion is that global organizations should regionalize their incentives.
- Sales incentives should have regional opportunities for networking among peers.
- You should never qualify for a sales incentive if you did not achieve at least 110 percent of your quota; I would recommend at least 120 percent. Not that I'm the expert, but if you are at 100 percent, then you are doing your job. Collect your paycheck.
- It isn't required that C level executives attend the incentive. It is nice, but truly, the C suite does not impact the drive of the salesperson. Direct management drives the salesperson because they are the key

personnel who can impact that salesperson financially or in job growth.

- Pick a destination that will intrigue the potential winners, somewhere that they may not go on their own or could not afford on their own. That will set the drive to achieve that much higher.
- Always add some sort of CSR (corporate social responsibility) to the event. Make the attendee feel that they are not only being rewarded but also giving back to the local community.
- And lastly, don't pigeonhole yourself into picking a hotel

based on room rate alone; that is a very small piece of the entire program cost.

In the 20+ years that I have been managing incentives, I have been lucky enough to host programs for groups ranging from 30 winners to 1,100 winners. I can absolutely, without a doubt, tell you that the smaller incentives get the

most ROI. ABSOLUTELY! And here are the reasons why:

- The C suite does not judge salespeople. Salespeople are judged by their direct managers, and smaller incentives give them face-to-face time with management.
- Salespeople learn from their peers. If the program is too large, and there are not plentiful opportunities to network with their direct peers, then they will not be able to learn from the wins of their peers.
- Salespeople love to talk about their accomplishments to their friends and family. If the destination is ho-hum, then why would they want to push for it or "brag" about it?
- There are very few large hotels in resort destinations; smaller groups allow for much better "draw" or "carrot" destinations.
- There will be less sandbagging going on if the salesperson really wants to make the trip because of the right destination/hotel venue.
- A sales incentive can pay for itself by one or two large deals. If the carrot is not enough to drive the sale in the incentive closing quarter, then the revenue will be lost until the next quarter when it may not be as valuable to the corporation.



When it comes to great incentive destinations, don't forget to think out of the box. Surf and sand are amazing, but so are mountains and adventures, unexplored territories and unique artsy small towns. Here are the next destinations/venues on my list:

- Four Seasons Resort Costa Rica (again)
- Charleston Place, Charleston, South Carolina
- The Lodge & Spa at Brush Creek Ranch, Saratoga, Wyoming (shown)
- Montage, Laguna Beach, California
- Bacara Resort & Spa, Santa Barbara, California
- Cheeca Lodge & Spa, Islamorada, Florida
- Snake River Lodge & Spa, Jackson Hole, Wyoming

- Regional incentives can save you a ton on airfare, money that can go into the many other elements of the program.

I spoke with a sales friend of mine who attended more than 10 incentives that we hosted during my years with StorageTek. Of these incentives, there were two that were top 150 percent and above qualifiers and the other eight+ that were 110 percent–120 percent+ qualifiers. He without hesitation told me that No. 1 incentive he ever went to was the small 150 percent+ qualifier program hosted at Miraval Resort and Spa in Tucson. And that was true not because the resort was phenomenal (which it is) but because the relationships he built with those other 40 winners were career-lasting relationships. Relationships that helped him grow additional sales and learn new selling techniques. Relationships that he looked forward to rekindling year after year at exactly that type of program. He also told me that one of the most important things for a salesperson is to be recognized in front of his peers — it drives him to sell harder.

Every other year at StorageTek we implemented family programs. Salespeople are away from their families so often

every year that why wouldn't we want to give them an opportunity to share their success with them. How proud is a person when they can stand up and win an award in front of their spouse and even their families. How proud are they when their direct manager comes up to tell them by the pool how well they did throughout the year in front of the people that sacrifice the most.

And, just a quick note on budget: There are many destinations/venues that are overlooked because you may be afraid you can't afford the hotel. Think of the money you could save by cutting back on décor and production because the venue already has a beautiful natural backdrop. You do not have to offer daily activities; one activity selection is enough. People are on these trips to relax, let them. Think about the overall financial picture before you say no to the "wow" destination.

Sales incentives need to be first and foremost for the winner, the achiever, the president's club member. Not for the C suite — they should be humbled and thankful that they have such a stellar salesforce that they get to be there to congratulate their top salespeople.

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