

SALES INCENTIVE TRIPS

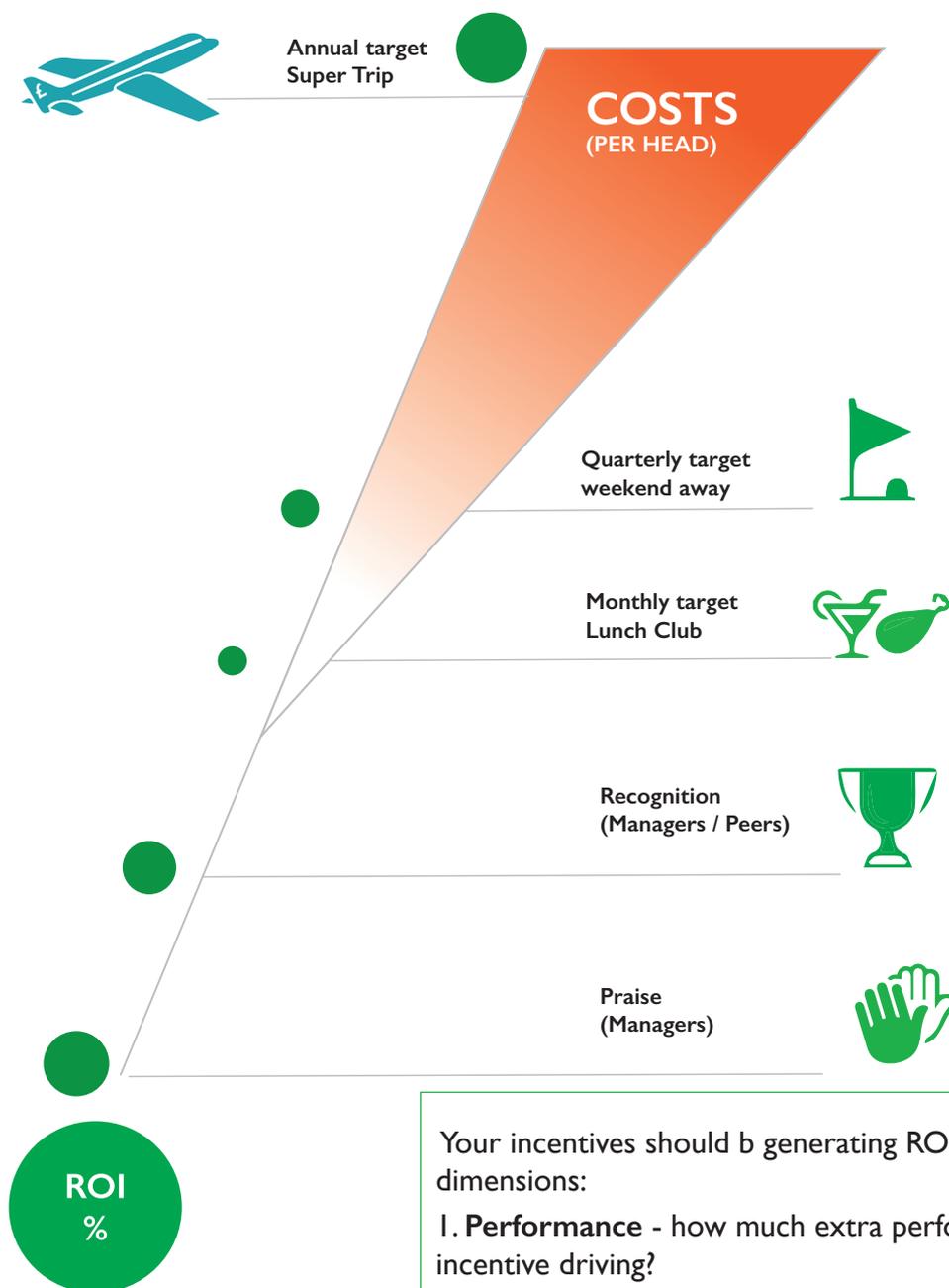
Recruitment companies spend, relatively, large amounts of their profits on incentives. This e-book will help Directors and Managers get the most out of their investment.

What's inside the guide

- The costs of your incentives
- The case for the annual sales trips
- Designing around your business
- Rules and reporting
- Communications that motivate
- Aligning with culture

INCENTIVES ECOSPHERE

Your annual sales trip will sit at the top of your incentives programme, both emotionally and financially. How does the trip's ROI compare to your other incentives? explaining



Your incentives should be generating ROI across three dimensions:

1. **Performance** - how much extra performance is your incentive driving?
2. **Engagement** - what increases in engagement is the incentive generating. Signs include: collaboration, sharing and suggestions
3. **Loyalty** - Is your incentive scheme improving loyalty, and reducing churn?

THE TRIP'S TRUE COST

Are you honest about the true cost of your annual sales trip?

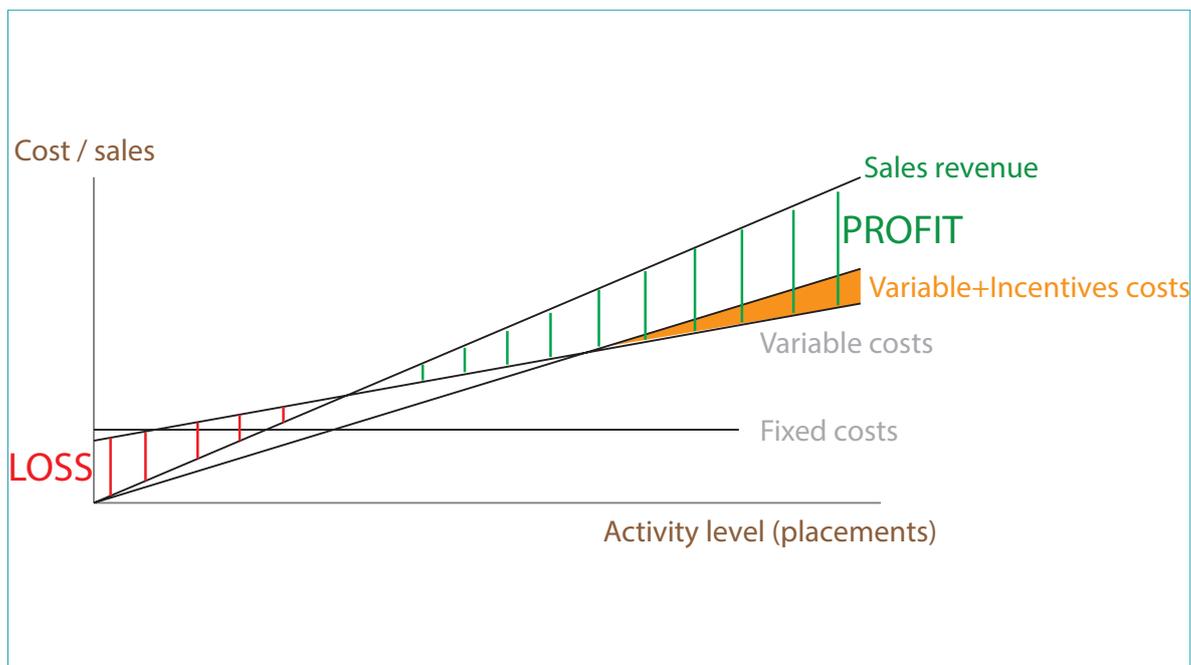
The calculation of your incentives cost should include your operational gearing. The higher your gearing the more profit you eat into with your incentive.

Table detailing incentive costs with operational gearing applied

Op Gearing as % ratio	Unit Cost of incentive	True Cost
10%	£1k	£10k
20%	£1k	£8k
30%	£1k	£6k
40%	£1k	£4k
50%	£1k	£2k

So, if your incentive costs £1k per head and your Operational gearing is 10%, then the unit cost per person is £10k, which means you need to generate over £10k's worth of revenue to justify the incentive place.

Graph of an agency's costs



WHY RUN INCENTIVE TRIPS

Of course hard cash of commission is the ultimate motivator for your sales consultants, but increasingly, in our experience-culture, the incentive trip is a close second in the motivation game.

So, why do they work? Well, they are a tangible, real, inspiring reward for effort. Yes, cash pays the rent and bills, but at the team and company-wide level that's not much of a story.

“Let's hear it for Liz, who paid off her credit card bill with this month's commission, yay!”

The big trip is great for public recognition of performance; the leader-board, the pics and the messages from the top brass.

You can use the trip to reward other sales behavior and activity. You already pay commission for pure sales, so you can throw in other dimension and prizes. See rules section.

The big incentive trip is also great for team building. Your top performers usually operate as lone wolves, rarely sharing info or ideas. The sales trip brings them together, builds a corp d'esprit and builds relationships across the business. And these are the billers who are most likely to be your future leaders.

Also, because the top brass attends, your winners get to hang out with them. Late night chats in the bar, laced with exorbitantly priced cocktails, will loosen the tongues of most colleagues. The good, the bad and the ugly opinions will spout forth.

The trips can be stuff of legend and myth; great for building your employer brand. Use your event and team pics on your careers page and social sites. Warning some images should never be linked to your brand, see social media guidelines.

STATO: A recent Society of Incentive & Travel Executives (SITE) Foundation study confirms the impact of incentive programs. According to this study, incentive programs increase work performance an average of 22 percent.



SOPHISTICATED LEVER

Without doubt, hard sales and yearly top performance is what counts. But that same 10 - 20% tends to always win the annual prize. Is the money you've plowed into the trip really giving you bang for your buck?

What are you trying to achieve as a business, what's your new strategy, is it repeat business, serving major accounts, breaking into new territory, or sharing client leads and info?

Design a scheme that helps you shape your business for the medium term. Remember, as leaders measuring, recognising and rewarding the right actions and outcomes is your greatest lever on the business.

If you have a decent influx of rookies design prizes for them, this will motivate the whole team. But be sure you have enough rookies though, a competition between four rookies isn't good value for money.

Do you have enough support staff for them to join you, if so what's their criteria, how can they feel part of it?

Storytime

At Hydrogen, the rookie slot had to be canceled due to a new strategy of only hiring experienced recruiters.



STATO: 2003 study called "Shifting The Performance Curve" by the Corporate Executive Board, a 5 percent performance gain from the middle 60 percent would yield over 70 percent more revenue than a 5 percent shift in the top 10 percent.



RULES, DATA, AND REPORTING

For every exciting, exotic sales incentive event there must be its boring, complex mirror twin: the rules, data, reporting, and compliance. Ownership of this piece is crucial, so choose wisely.

First, be crystal clear what you as a business are trying to achieve. More sales, doh! Yes, but what else? Get your business goals factored into the rules and agreed them with all you managers. For example, if you are aiming for higher margin contracts, then place a threshold of Contracts eligible for entry.

Make sure you can access the data, be clear about how much of it will be a manual process, who's responsible for collating the data and checking the league table. Hint, these should be two different people.

How regularly will you report updates, real-time or monthly, can you commit to the first week of each month. If so, you can build a predictable schedule of announcements?

You need to make sure your rules are crystal clear, and that you've planned for every scenario. You will be challenged by every weird and wonderful argument – remember you've built pushy, competitive sales people, and they want to go on your trip.

Alert. You need to make sure you have compliance rules in place; everyone needs to know that each deal will be scrutinised and examined more closely than Kelly Brooke's lingerie. And any fraud will be treated as high treason.



Storytime

SThree had issues on the timings of back outs, when is a deal finally a deal.

At Hydrogen, the rules kept changing to accommodate different flavours of billers, e.g. account managers and resourcers.



COMMUNICATION²

Will your sales incentive be costly booze-up that barely registers any interest, or an inspirational, and motivating success? The answer lies in your communication.

Relying on one badly written email launching your trip, followed up with random A4 pics of Vegas blue-tacked to the wall isn't going to engage your busy sales teams. And it will make you, the leaders, as credible as David Brent.

So what does work?

Create a communication plan that has a great launch, a robust and coherent middle, a great winner announcement, and an entertaining post-event follow up.

Your comms plan needs three key ingredients: excitement around the trip itself, the destination, hotel and the great schedule of activity; recognition, praise for each achiever; and status updates, everyone, needs to know where they are in the running.

When you recognise the winners, be clear of not just their billing but what they did do to achieve this success. Get them to share best practice – your consultants are more likely to listen to advice from top performers than to managers.

And if your top performers are doing what you as leaders have been banging on about, e.g., focus on repeat business or logging updates in the CRM, then go to town.

You should aim to pull off reports that detail the behaviours of the best versus the worst performers (without the names!)

“Look at Jimmy – who’s going to Vegas – he went on five client meetings a month. And now let’s look at the worst performers, what are their average client visits? Oh dear, one a month.”

Ensure your line managers have bought into the incentive programme, ask them to reinforce the message in team meetings, e.g., recognise the players on the leader board.



STATO: 76% of Best-in-Class companies use formal recognition programs to motivate and develop their sales teams. 2012, Aberdeen Group

COMMUNICATION TACTICS

Choose from this menu of options to make your comms campaign effective:

- Have a clear brand name and symbol for your trip, use the branding throughout your comms.
- Invest in slick, inspiring posters that include performance tips.
- Create a microsite of the event and destination and get your events schedule agreed early. Make each event confirmation a news story, e.g., “we have just confirmed the VIP room at the No. One night club in Vegas”.
- Design an event / meeting to announce the winners.
- Give winners a personal invitation and desk item for all to see, e.g., screen sticker “Winner Vegas 2016.”
- Avoid comms noise. If you have too many announcements and other small incentives, it will drown out your main trip. Try and make any other incentives complementary, e.g., a quarterly target with a nod to the annual trip sales trip.
- Keep to a timetable of updates, ensure data, reporting and comms work to this one timeline.
- Use internal social media, e.g. Yammer, to recognise winners and good performance. Get the banter going between consultants and leaders.
- On the trip, make sure you’ve got someone allocated to taking shots and someone ready to write up stories afterwards.
- Follow up the trip with a survey, get feedback on the incentives program, the reporting, the comms and the event itself (inc hotel, flights, and activities).
- Get the stories and pics up on your Facebook, LinkedIn pages and careers page of your company website.
- Warning. Ensure you have social media guidelines in place to curb the most embarrassing images from being shared.

Storytime

One rec agency screwed up by making branded jackets and hats for their Ibiza winners.

The drunken revellers were seen by an HR client.



CULTURE AND TOOLS

The annual sales trip will be the biggest symbol of your culture, make sure you use it to build, rather than destroy your culture and brand. Are you a sensible, corporate accountancy recruiter diving in Mauritius or a hedonistic IT contracts business largin' it in Ibiza?

If you believe the team trip is crucial to your culture, then make damned sure you recruit the type of person who enjoys those trips. If you recruit consultants who'd rather have M&S vouchers than a trip to Ibiza, then your recruitment and selection process needs an upgrade.

Entry stakes. Besides hitting sales targets, you should consider standards of behaviour. Has your winner received customer complaints, bullied colleagues or consistently failed to update their CRM records. Tough call, but should your top biller go if they're a jerk.

Of course you want everyone to have fun, but you'll need to state some boundaries. The looser you are in enforcing standards on your trips, the harder it is to enforce them back in the office.

Tools for success

Your sales push will be far more effective if you get the systems and tools sorted. Raw passion to hit the target is powerful, so make sure you support your teams with the right data, marketing collateral, client info and training support they need.

If your big push this year is to increase contract lengths, then make sure your line managers are also training, coaching and policing their teams in line with the push. Also, you could share the contract length stats from last years' winners (assuming they were good).

STATO: 86% of Best-in-Class sales companies have dedicated repositories for all their training docs, sales collateral and contracts.
2012, Aberdeen Group



THANK YOU

Good luck with your next sales incentive trip. For those savvy MDs who'd rather not rely on luck for success, we'd gladly supply you a killer comms campaign.

About Black Slate

We are a small agency with a big network. We are obsessed with helping recruitment agencies through the power of comms, branding and marketing.

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