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The ‘C’ View Of Incentive Program ROI

How To Execute An Incentive Travel Program With Measurable Results

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You know the six basic steps of program construction: Define objective(s) quantitatively; convert to rules that drive measurable behaviors to the objective(s); communicate and promote with frequency and flair; adjust qualifications to changing competitive landscape; do final impact and ROI/ROO analyses; and deliver the dream as promised to ensure success of future programs.



They’re common sense and should be committed to memory. Beyond that, what skills and abilities are necessary to the process, and how do

you know if you’ve done it right? The answers lie in a series of words that all begin with the letter C, which is appropriate because it is the C-suite occupants who hold the power of life and death over incentive programs.

CLARITY

Identifying objectives with the amount of precision that can ultimately allow for meaningful post-program analysis calls for both clarity and complete-

ness of thought. If the objective is the achievement of a sales increase, has the magnitude been quantified, and in what terms...dollars, units or percentage? Over what period of time? To include all products or only select items, lines or services? Additionally, it’s always a good idea to ask, “Are these program objectives aligned with our larger business objectives?”

COURAGE

Do you have the courage and the confidence to convert the objectives into a rules structure that, if successful, might “blow up the budget?”

The two primary approaches to incentive travel rules are open-ended and closed-ended. In the latter, the rules fix a specific number of slots that people compete for. The only advantage to this technique is that the program costs are capped at the beginning. Among the negatives, there can be people who achieve 150 percent of normal production and still don’t earn the incentive. Picture the level of disappointment and demotivation. The open-ended approach takes guts because there is no guarantee that you won’t have twice the number of winners qualify and spend twice as much as approved. But if you have done your modeling correctly, you will also have twice the sales volume to show for it.

COMPETITIVENESS

Do you have it? Do you understand how good it is for the human spirit? Does the program structure fuel the fire or throw water on it? We strongly recommend that you examine your rules in light of this question. Do at least 50 percent of the participants read the rules and believe they have a fair shot at achieving the award? If not, then you have diminished your chances of achieving maximum ROI. Closed-ended programs and unreasonably high qualification levels restrict the earning opportunities to the people who least need the external motivation...the top achievers. It’s the people between the 50th and 80th percentiles who provide the great untapped source for incremental increases.

Pitting teams against each other, based on size, geography, product line or other natural segmentation creates a bond of common purpose and an “us-against-them” mentality. Also, you can blend the individual and the team into the same rules structure with teams winning as teams and top performers (on non-winning teams) earning based on individual excellence.

CREATIVITY

The application of clarity to the precise process of objectives identification and rules creation is all left-brain stuff. To

(continued...)

gain maximum return on the investment of your assets, think of applying liberal amounts of creativity at all stops along the way. Ask the right half of your brain to take a different look at rules. Make sure your imagination brings to life in the communications the unique nature of the events that guests will be experiencing on the trip. And make sure there are unique events to experience.

We live at a time when all too much emphasis is placed on reducing costs. Just as you “can’t cut your way to prosperity,” you can’t maximize your incentive program ROI by just cutting costs, at least not without eroding your own success in the future. We must stop being apologists for what we do. When people legitimately earn an incentive travel award through months and months of hard work and smart work, they have the right to receive the product of our best imagination, and we have an obligation to deliver it. Yes, some of those bright ideas will cost money. But if those costs are in the original equation on which the cost/benefit analysis was conducted, they have been more than paid for by way of incremental profit generated. And we can’t be concerned that someone

who doesn’t understand the whole equation might be watching.

But there is also no reason that every good idea has to be expensive. It was almost 30 years ago in the recession of 1981, when we started to create very imaginative, hand-crafted foot rallies around the great walking cities of the world. And clearly, many of the Corporate Social Responsibility initiatives not only resonate with the audience, but also in many cases, actually save money.

COMMUNICATION

Communicate to motivate, never to manipulate. Use communications to inspire. Let your people know that all things are possible. In print or video, speak to them with a personal voice... in a tone that reflects your understanding of the importance of their contribution. Appeal to pride. And weave the magic thread of recognition throughout the communications and the trip itself.

COMMITMENT

Involve your executives to engage your people. Make the incentive program an event of major import in the eyes of one and all. People work harder if

they think management is watching. They work harder still if they think that management is appreciating their contribution. And an incentive travel program is perhaps the most personal and intimate way that senior management can use to say thank you for a job well done.

CHALLENGE

Challenge your people with qualifying targets that force them to reach. Challenge management to stand by the winners no matter what external pressures may be brought by uninformed outsiders. And challenge yourself to apply inspired levels of creativity to all the communication materials and the trip itself. Do all of these things and you will have a program that will pass all the financial acid tests.

C&IT

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