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How to build a successful sales incentive program that you can bank on

by Alan Buhler, CoreTrac, Inc.

American companies (financial institutions included) spend about \$27 billion a year to motivate and reward the superior performance of their employees. The bulk of those incentive dollars are used to reward outstanding sales performance. Without sales incentives, many selling activities would come to a screeching halt and your employees may begin to reevaluate the value of sending referrals and leads, or working harder to win new accounts! How can you make sure your team is happy and inspired, while keeping cost down and ensuring a return on your investment?

Below are 10 steps to create an incentive program that will motivate your entire team to sell:

STEP 1: Achieve awareness.

Before you start creating an incentive program to motivate the individuals of your team, ask, "Why is it they need to be motivated? What behaviors need to be influenced? How can an incentive program help address your business needs?" In addition, it is critically important that the incentive program is supported by top management, and that support is communicated throughout the institution.

STEP 2: Define audience.

After determining what behaviors need to be addressed, it's time to identify your audience. Every bank differs when it comes to the organizational structure of their sales teams, but the principle for selecting a target remains the same — pick program participants based on the goals you want to accomplish.

STEP 3: Identify structure.

Now that you have an idea of your participant base, the next step in the sales incentive process is selecting the program type. Three alternatives are available, all of which feature their own strengths and challenges.

- **Open-ended programs** award all participants who achieve a predetermined level of performance. The benefit of this type of strategy is it produces better results as it targets 60 percent of the people who generally function at the average level. However, budgeting may be more difficult since there is no way to pinpoint the final outcome.

- **Close-ended programs** limit the rewards to only top qualifiers. While easier to budget, this strategy can alienate employees who meet quota but are not among the top producers. Also repeat winners may dominate the program, leaving the lower performers unmotivated to participate.

- **Multi-level programs** give participants the opportunity to win increasing levels of rewards based on their performance. Higher tiers tie into higher performance.

STEP 4: Build a budget.

When designed right, incentive programs are self-funding strategies, paid for with the cost savings or incremental profits generated by the program. Typically an incentive budget adheres to this breakdown of the following expenses:

- 65 to 70 percent reward;
- 15 to 20 percent promotion; and
- 5 to 15 percent administration.

STEP 5: Select awards.

No matter what position an employee holds, most individuals want recognition for a job well done. Inspiring optimal performance requires an award platform that offers practical items that fit any lifestyle. The awards you choose to include in a program have a profound impact on participants' perceptions. The potential success of any incentive lies in the appeal of the awards. Choose wisely!

STEP 6: Develop rules.

Set criterion for participants, program duration, qualification requirements, award delivery and other applicable areas. Once you establish those parameters, write the rules in a clear fashion, avoiding jargon at all costs. It is important that the rules are fair and understandable. Confusion can be the culprit of a poorly executed program.

STEP 7: Communicate the program.

Generating excitement in your incentive program begins with a solid communications plan that will be integrated from beginning to end. The more creative your campaign, the more likely you will generate excitement from the target audience.

STEP 8: Track performance.

Monitoring participant progress offers you the benefits of value and vision. Quantitative data lets the management team know where individuals stand, while qualitative feedback can gauge each employee's participation in the program. CBA endorsed CRM/Sales Force Automation vendor

CoreTrac Inc.'s integrated lead/referral tracking and incentive/compensation management solution can give you the tools to track progress toward goals and reward employees that achieve superior performance.

STEP 9: Deliver awards.

Publicly congratulate and present awards to your over-achievers, and be sure to show appreciation to the whole team for their efforts. Send a letter of recognition highlighting their success. Lasting impressions can impact participants' interest in future sales incentives.

STEP 10: Maintain momentum.

A sales incentive campaign doesn't end at the close of the program. Generate excitement for your bank's next program by highlighting the results of this campaign in an institution-wide announcement. Use tracking data to determine the goals for the upcoming year. If you did a superb job the first time, chances are it won't be difficult to attract even greater program participation the next time around.

When it comes to rewarding your employees for excellent selling performance, don't minimize the value of the incentive program. Financial Institutions must take greater care when designing motivational incentive programs — find out what your employees want, then, give them the opportunity to get it! Keep it simple, keep it clear, promote it properly, reward immediately and recognize, recognize ... RECOGNIZE! **CB**

About the author: Alan Buhler is vice president of sales and marketing with CBA Endorsed Partner CoreTrac, Inc. He can be reached at abuhler@coretrac.com or 512/236-9120, ext. 272.

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About CoreTrac, Inc.

CoreTrac, Inc. (www.coretrac.com) is a rapidly growing, privately held, corporation headquartered in Austin, Texas. The company is dedicated to helping community financial institutions elevate their team performance and enhance growth within the community they serve through the use of ResourceOne, its simple & affordable CRM/Sales Force Automation solution, architected exclusively for community financial institutions.

ResourceOne offers:

- Lead & Referral Tracking
- Pipeline Management
- Household/CIF Display
- Predict Next Best Product Cross-Sell
- Customized Marketing Campaigns
- Compensation & Incentive Management
- Integration with Core, MCIF and Other External Account Systems