



UWIN IWIN

Why is My Incentive Programme Not Yielding Results?

You've carefully considered the right rules and rewards mix to reward your employees. But it's just not shooting out the lights? Why not?

THE BUSINESS CHALLENGE

INCENTIVE PROGRAMMES are there to reward employees for contributing to the bottom-line. In other words – if they perform extraordinarily, they get rewarded. Sales go up and employees receive rewards, prizes or vacations.

The company is happy and the employees are happy.

So why is this not always the case? Why do incentive programmes fail?

The biggest reason is because employees' expectations are not met. If the incentive programme is not rewarding, according to expectations, the employees will not be motivated to participate.

There are a few reasons why incentive programmes fail.

1 LACK OF COMMUNICATION

The best plans are derailed by poor communication. It is important for every

participant to know what is expected and how it will be rewarded. Specifically, they must know "how much extra money or what reward will I receive by accomplishing a specific goal?"

Your employees must know their own and the company's objectives, which means that the company's performance must be communicated throughout so that employees' expectations for rewards align with reality. This doesn't necessarily mean

WHY YOU'LL WIN WITH US

Uwin Iwin Incentives have the answers. We consult the client on the specific needs of the company and keep all the points mentioned above in mind. We look at it strategically – not only in line with the company's strategy, but also strategically in the respective sector. We tailor-make an incentive programme just for you and your people.

We have developed a customisable software solution in the form of a programme management platform to handle the day-to-day administration and lift the burden for you. This platform allows the company and the participants in the programme to visit a website where progress can be mapped. Data is secure and processed in order to deliver

the company must show their full financials to all employees, but rather a leader board of targets measured against employee performances.

2 LITTLE VALUE IN THE REWARD

Incentives don't motivate people unless they see value in the reward. It doesn't have to be money, but it does need to be meaningful. Rewards have to be desirable to a range of people with different motivations. This is why offering a variety of rewards is a good idea. Employees can then choose the ones that are relevant to them.

It is also important that rewards are fair and that targets are based on employees' roles, experience, seniority, and any other factors.

3 THERE IS NO MEASUREMENT

Employees must be measured to determine if they comply with the goals set out in the programme. If there is no clear evaluation process, neither you nor the employee will know whether the goal has been met or not. And if you don't know if the goal was met, then you don't know if you should receive a reward.

The criteria should be clear and measurable.

BE STRATEGIC

The best incentive plans promote behaviours that are consistent with the company's strategic plan, marketing efforts, financial goals, productivity processes, and personnel development. Without purposeful linkage to your strategy, incentive plans risk promoting behaviours that are contradictory to the stated strategy.

THE SOLUTION MADE SIMPLE

INCENTIVE PROGRAMMES must be implemented with care, after doing the right research into the company, its values, its goals, its mission and its culture. Your company must know what it wants to get out of the programme. Incentive programmes require a meaningful investment in order to show a substantial ROI. [Successful incentive programmes deliver between 22% to 40% ROI].

SPEAK UP

Communication must be as much a part of the programme as the awards. There should be a communication plan with specific dates linked to email communiques, SMS messages, website updates and physical handouts. The messages must all emphasise the reason for the programme, the duration of the programme, the criteria and goals, and the rewards.

Participants must know what they need to do and must be motivated to accomplish the goal. Once the programme has come to a conclusion, the winners must be celebrated and the rest must look forward to the next opportunity.

For the duration of the programme it has to be top of mind for all participants.

REWARDS TO DIE FOR

The rewards should be relevant to the specific sector. They must consist of prizes people actually want. If it's money, this

needs to be enough to make a difference in the winners' lives. If it's prizes, there must be a variety of items to choose from – remember taste differs. If it is an incentive travel trip, it must be a destination everyone wants to visit, but wouldn't necessarily fork out their own money to go there. Somewhere unique.

CLEAR CRITERIA

Participants need to know from the start exactly what is expected of them to win the prize. The criteria should be set out in clear concise language detailing everything from the products that have to be sold, the sales figures that have to be reached, the money that has to be earned, to the date the programme has to end. It is also a good idea to give them a way to follow their progress and keep them motivated. This is normally in the form of a personalised programme website that allows participants to submit claims, check their progress against targets or other participants and to transact either with monetised points or cash pay-outs.

THE STRATEGIC STRATEGY

Know the business and know the business's strategy before commencing the programme. It should fit in with the strategy but also be strategic in what it wants to accomplish. ●



CUSTOMER ROI

1 CASE

Nissan relaunched the Datsun brand and Uwin Iwin tailor-made an incentive programme to run over four months. The programme included various incentives and the return was better than expected, both on targets and objectives:

- » **March (launch month).** Number 2 in A segment (smaller cars) with 17% market share, and Number 1 in the dealer channel with 20%
- » **April.** Increased to Number 1 in A segment (28%), and Number 1 in dealer channel (26%)
- » **May.** Back to Number 2 in A segment (16%), and maintained Number 1 in dealer channel (19%)
- » **June.** Number 2 in A segment (16%), and increased the Number 1 position in dealer channel (22%)
- » Sales staff retention increased
- » Dealer sales staff turnover reduced by 26,5% during this period.

2 CASE

Futurethis is a South African-based importer of medicosmetics. In early 2012 it introduced the QMS Medicosmetics product range. The company decided to launch a loyalty programme for its beauty therapists in the channel.

Each beauty therapist received a Futurethis branded prepaid MasterCard gift card on which cash was loaded monthly relative to the value of products sold and to thank them for their support of the brand. They had the choice of spending their rewards as they wished at any MasterCard retailer in South Africa.

Three years later the product channel has grown by 60%. For a niche market and niche product such as QMS Medicosmetics, this was tremendous growth.

Visit www.uwininwin.net for more information.

