

THE MOTIVATING FACTOR

When it comes to getting more from employees, it pays to think creatively. Here's how distributors are firing up their staffs with unique strategies.


By C.J. Mittica

dennis Borst was asking his salespeople for more, but all he got back was more complaining. This was in the early days of Patriot Marketing Group (*asi/291551*) over a decade ago, when the Hollywood, CA.-based distributor was growing faster than its taxed research staff could handle. To alleviate the burden, Borst asked the salespeople if they could start doing their own product research. It was as if he'd asked them to scrub the company facilities with a toothbrush. Privately, among themselves, the miffed employees might even have longed to tell their boss to stick that idea ... well, you know.

Actually, Borst did know. He was reminded of his younger days working in a steel company where a co-worker was none too pleased about his added responsibilities. "Why don't you just stick a push broom up my ass and I'll sweep the floor while I walk, too!" he shouted when apprised of his new roles.

From that memory, Borst hatched the Golden Push Broom

Award. It was nothing more than a push broom, purchased from Home Depot and spray-painted gold. Borst presented it to the salesperson who demonstrated the most extra effort each month. Instantly, complaints turned into competition. “When you had that leaning in the corner of your office, you were the big man on campus,” says the president and COO of Patriot. “It just took off, and for some reason it’s worked as well as or better than anything I’ve done before or since.”

Borst found a solution to a timeless business question: How do you get your employees to produce more? Or, more specifically, how do you convince them to want to give more? It’s hard to find happy workers where the only incentive is avoiding the lash of a whip. And, as studies time and time again show, employee satisfaction directly correlates to customer satisfaction and retention as well as improved financial performance. One survey from

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— ROSS SILVERSTEIN, IPROMOTEU
(asi/232119)

Best Buy reveals that a mere 2% increase in employee engagement led to an annual increase in sales of \$100,000.

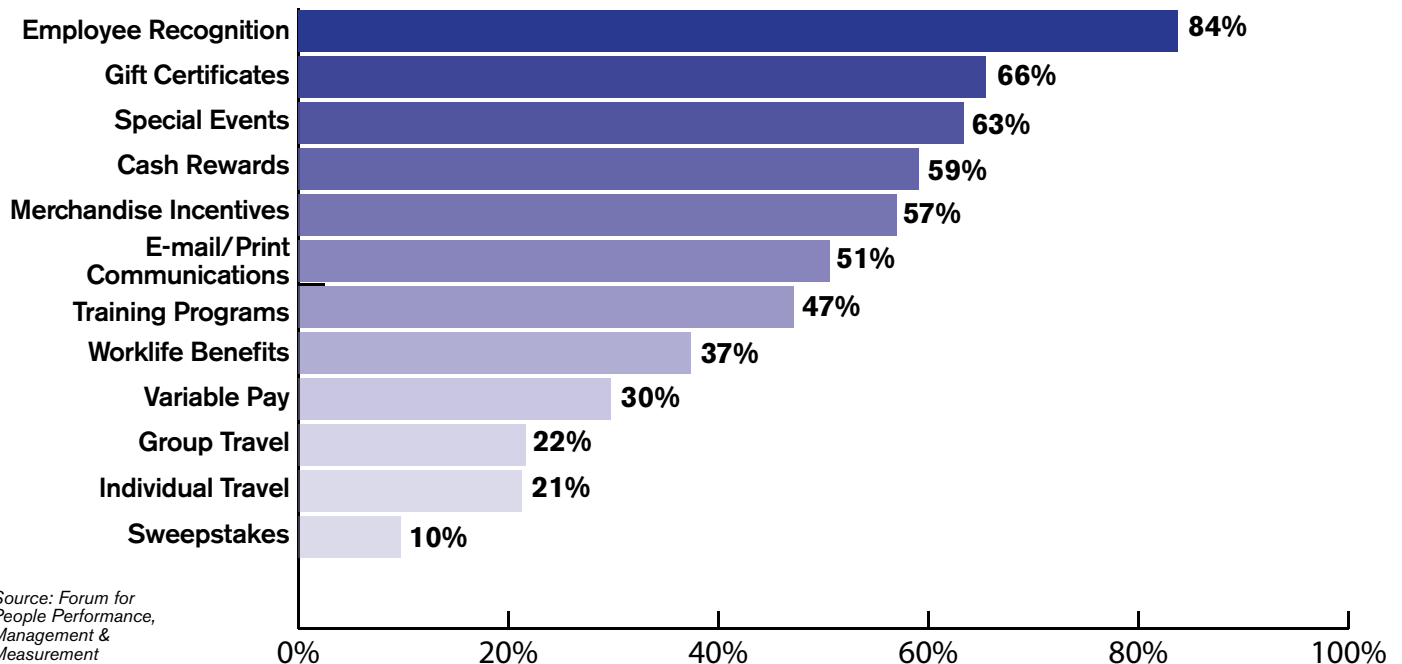
Imagine most things that make for a happier workplace, and you’ve probably stumbled upon a source of motivation. Employee recognition, rewards programs, benefits, fun company events and – of course – cold-hard cash bonuses and commissions all apply. A major incentives study found that properly structured motivation programs will increase performance by at least 25% and can boost it as high as 44%.

Think companies don’t have to reward employees? The figures say you’re wrong.

But, it comes with a caveat. “‘Properly structured’ is the big underlying word,” notes Bruce Bolger, managing director of the Incentive Performance Center. He estimates that four out of five incentive programs are not constructed effectively, due to poor decisions and lack of training (see sidebar page 114). “The ones that cause harm are the ones that just piss everybody off,” he says.

Yet, with the economy in a downward spiral, Corporate America has to do everything it can to ensure workers are properly motivated to overcome any challenges that come their way. “What we’re going to see with the recession is a burst in the use of incentive programs, because they’re a very low-cost, targeted way to improve performance,” he says. “And because if you structure it properly, your budget is based on results. It’s very accountable. If you don’t

MOTIVATION TACTICS USED BY COMPANIES



Source: Forum for People Performance, Management & Measurement

Watch Out For Motivation Mistakes

Distributors should know all about motivation programs. They are the ones crafting the items and rewards programs that their customers use. So turning that knowledge inward should be a breeze, right?

Not so fast. "Most people don't have training in it," says Bruce Bolger, managing director of the Incentive Performance Center. "Not just distributors. End-users, even many incentive companies – not all, but many – have people designing programs that have never received any training. There are no books on the subject. The fact is, a lot of people mess it up."

How can you cause harm in your office? By offering prizes that only the same few can win every time. By making workers reach for stratospheric quotas that are impossible to meet. By promising one prize but either pulling a switcheroo or never delivering fully on what it's supposed to be. Companies that use incentives excessively can create a "rewards addiction" culture that causes performance to sag without the dangling carrot. One study shows that workers may (consciously or unconsciously) dial down performance until an incentive is offered up, and then kick into high gear.

In short, proper motivation is a learning experience. Scott Berry, the chief sales and marketing officer at WorkflowOne (*asi/333647*), always runs new ideas through his most accomplished sales reps and leaders. And he's always monitoring the sales numbers to see if there's a resulting spike. That means it's working. "We're not perfect. We do continue to learn from our mistakes," he says.

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– SCOTT BERRY, WORKFLOWONE (*asi/333647*)

hit your numbers, you don't spend as much on rewards, so it's a very good marketing approach in a recession."

Recession or not, when it comes to motivation, innovation and creativity go a long way toward firing up employees. Why did Borst's broom work so well? "Because it's so different," Borst says. "How many companies do you go to, and they've got a big plaque in the lobby – 'Salesman of the Month' – and they put a metal strip each month ... to add a name? This was unique, it was different."

It's an idea echoed throughout some of the most successful programs in the industry. "The idea is to not necessarily do the norm or what people expect," says Ross Silverstein, president of *Counselor* Top 40 distributor iPROMOTEu (*asi/232119*), "but think about who it is you're trying to motivate, and try to put yourselves in their shoes and do for them what they would like to do."

You Better Recognize

To reward their employees properly, businesses can constantly weigh the merits of doling out cash versus trips, gifts and other items. But here's the surprising truth: It may matter less what they get and more *why* they get it. Results from a study titled *Awards Selection: Insights From Managers* found that 57% of managers offer merchandise incentives, 59% use cash bonuses and 84% utilize employee recognition programs. "Salespeople aren't always money-driven. They're recognition-driven," Borst

points out. "They want to be recognized for what they do more than being paid, because they know if they sell a lot they'll earn their commissions."

Borst's broom on its own meant nothing, but as a status symbol its value was immeasurable. Supplier Halls & Company (*asi/59080*) constructed a "Thanks Area" in its office where co-workers can recognize each other for going above and beyond the call of duty. The honored employees receive small gift cards, but that's not the point. "There's literally hundreds of these things on the wall," Halls co-owner Eric Johnson says.

Kansas-based distributor Absorbent Ink (*asi/295819*) offers a monthly award called The Big DEAL (an acronym for Delivering Exceptional Absorbent Love). Employees aren't angling just for the huge calculator, coffee mug and pen that sit on their desk for the month. It's the appreciation by their peers, who nominate others for their extra efforts. "Just being acknowledged is almost way more important than what that specific piece of product is," says Absorbent Ink President Lee Eldridge. "It's something that gets worn as a badge of honor, that they've been recognized and honored by their peers, not just by a boss or a manager somewhere."

We Want You To Be Happy

Clearly, motivation isn't always tied in to specific performance-based goals. Like non-cash rewards, items like benefits and company activities play a huge part in fos-

Online Incentive Programs Are Rewarding

Rewards programs aren't the same anymore. The Internet has fundamentally transformed them. The tallying of points, the personalizing of gifts, the direct outreach of company Web sites ... technology has automated these processes to make them incredibly efficient and effective.

Companies can customize their selection down to the last detail, or simply partner up with online megasellers to offer employees every item in the known universe. Shumsky Enterprises (*asi/326300*), partnering with Amazon, has created an online incentive program called Boost Rewards that basically does all the hard work. "I, as an employer," says Shumsky Chief Marketing Officer Evan Scott, "want you to be productive, be healthy, do the things that are important to us as an organization. ... You get to be in charge of how you reward yourself for doing those things."

The effect is to not only keep workers happy, but also consistently engaged in the company dynamic. "The ability now to have a very powerful one-to-one relationship-building tool with your sales force, employees, customers or channel partners, is fostering a whole new demand for incentives," says Bruce Bolger, managing director of the Incentive Performance Center.

If a company has salespeople constantly out on the road or working separate from a centralized office, driving them to a Web site keeps them in the fold. Ken Sternfeld of Atrium Enterprises devised the technical platform of such a program for a hospice company called Crossroads.

"By having an ongoing rewards and loyalty recognition program," he says, "we're bringing those participants back to a branded Web site that tells them, in part, about the fact that Crossroads Hospice is different. Their standard Web site really wasn't visited or trafficked by their employees, because there would be no reason, once they were hired really, to go to the Web site and learn about the company."



tering company culture, increasing overall happiness and motivating employees to consistently excel.

Brandvia Alliance Inc. (*asi/145037*) takes benefits seriously. "I'm a real proponent of benefits, and we overlook that so often," says President Jim Childers. "When we're looking at a company to go work for ... everybody looks at pay – if you're a salesperson, you look at commission split. You know what? It's easy for someone to say, 'Oh, it's a 45/55 split,' whatever the split is. But it's more than that. That's just a piece of it. It's all the other benefits that come along with it."

Brandvia, for example, helps pay for the normal things like medical, dental, 401(k) and life insurance. But it also takes care of long-term disability (60% of normal pay) and even offers a \$1,000 credit toward the purchase of a hybrid vehicle. "It's not a lot, but it's better than zero," Childers says about the green auto benefit. Brandvia even draws

a benefit statement for employees so they can see what their overall package contains.

Since it was started by Heather Sanderson in 2001, Overture Premiums & Promotions (*asi/288473*) hasn't lost one major client. It's easy to see why: engaged employees and a management team that looks out for everyone's well-being. "Literally, there isn't a pecking order in hierarchy," remarks Overture Marketing Manager Kathryn Jordan. "Heather talks with everybody at least once a week throughout the whole company. And that is the big motivation. It truly is one big team."

Overture also pays for 100% of medical insurance coverage (with a choice between a PPO and HMO) and offers extreme flexibility with its work-at-home and stay-at-home-moms programs (dads can qualify too). "Motivation and benefits really go from the top down," she states.

That's all serious, peace-of-mind stuff.

Fun applies too. Atlanta-based Pinnacle Promotions (*asi/295986*) gathers the whole office and has employees spin a super-mega-prize wheel; the company's running joke is that the wheel's name gets bigger every time.

Silverstein and iPROMOTEu have made fun a habit, ever since the company's early days when everyone would go en masse to Friday matinees. Employees get birthdays off. They've played basketball on the Boston Celtics' home court (with Silverstein organizing a half-court shot contest for \$10,000). At the holidays, the president rounds up his employees, takes them to the mall and gives them a \$10 bill and a \$100 gift card. The workers have to spend the gift card on themselves and use the \$10 bill for a gift that's used in a Yankee Swap at the end of the day (provided they show everyone what they bought with their gift card).

"I try," Silverstein says, "to give people experiences, so they feel really good about

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– JEFF GOLUMBUG,
CUSTOM LOGOS, (asi/173183)

the company, so that they can talk to their friends and say, “This is awesome, what a great company.”

Money In The Bank

Jeff Golumberg revels in the fact that his company isn’t like the others. Custom Logos (asi/173183) doesn’t hire people from inside the industry, doesn’t monitor its salespeople’s hours, doesn’t like to deal in bureaucracy or call reports, doesn’t pay a fixed commission percentage. Most of all, the company’s 13 reps work on commission only – and earn their bonuses in cash for hitting their quotas.

“They love it, because they have the option to do what they want with it,” says the president and CEO, who helped disperse \$105,000 in bonuses last year. “If you have a 42-inch flat-screen at home, what’s another one?”

Most companies aren’t as nakedly obvious in their worship of the almighty dollar, but it’s printed right there in Custom Logos’ motto: Have Fun, Make Money. “And we are equal parts to each,” Golumberg adds.

Golumberg’s company is one of a decreasing few sticking with the cash bonus. You don’t need to check the stock market to know the news: Money, it seems, is getting a bad rep. Nearly four of five respondents believe that non-cash rewards are remembered longer, according to a survey. Another study says non-cash programs are viewed as more effective for nine of 10 organizational objectives, ranging from customer satisfaction to product quality.

The argument is simple. People regard cash as part of compensation. They’ll spend

it on necessities. And they won’t remember they received it for doing something extra. “When people get \$5,000, quite often they’ll pay bills with it. And it’s not as much fun,” says Scott Berry, the chief sales and marketing officer for WorkflowOne (asi/333647). “They wouldn’t necessarily go to the coast of Italy. People are too practical today. The economy’s too hard. Basically, by doing this for them, we give them permission to have fun.”

It’s not that one is wrong and the other is right, incentive experts point out. It’s that both achieve specific goals, according to the authors of the *Awards Selection* study: “Recognition and other non-cash awards tend to be better for less tangible, morale-improving outcomes, such as creating positive internal ‘buzz’ and improving teamwork. On the other hand, cash tends to work best for short-term, tangible results like increasing sales.”

A Rewarding Experience

Of course, companies can recognize employees *and* give them something really extravagant. Rewards programs can be an integral part of any business, where the gifts can range from simple items to trips anywhere in the world; that latter one just happens to be given out by Custom Logos to its Salesperson of the Year.

Companies like WorkflowOne, a *Counselor* Top 40 distributor with an army of 1,000 salespeople in offices all across the country, take the idea to its logical extreme. Berry devises constant prize opportunities for his sales force and employees. Choices include the MiRe-

wards program (the ‘Mi’ stands for margin improvement) to the coveted black blazer, worn by the recipient of the “Lifetime Achievement Award” for the salesperson who demonstrates leadership, business acumen and overall success. Winners can claim prizes quarterly and angle for year-end grand prizes that include exotic trips and tickets for major events like the Rose Bowl. Berry notes that every award is tied to a critical business measure to maintain growth and success.

“The challenge is, you can’t wait to the end of the year to do big things like that,” he says, admitting that sometimes he even runs too many programs. “You need to have some things in place on a regular, kind of a quarterly basis. And you’ve got to have stuff for people who can’t win the big trips at all.”

And, more importantly, you have to make it fun – and competitive. Berry, for one, goes all out. The exec posts the sales rankings online and then ignites the e-mail flame wars by talking smack. He prints up giant posters and sends them out, so that the lists are displayed prominently in each office. And he dangles enticing pictures of Paris and Rio de Janeiro as carrots for the big trips the company gives out.

“It has to be fun,” Berry says. “It’s our job to make it enjoyable. People already have that winning ability, that hunger inside of them for recognition. If we can make it a race and have a little competitive fun, and reward not just the top person, but people below that for their efforts, you can really enjoy your job.” ○

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