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How to Run an Effective Sales Incentive Program for Your Small Business

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How are your sales figures? If they less than what you want them to be, you should consider implementing a sales incentive program. Sales **incentive programs** are designed to encourage your individual agent's productivity by offering them rewards, such as cash or products, when they reach predetermined sales goals. Such systems have been proven continuously over time to be exceptionally successful in increasing not only personal revenue for your agents but also your company's overall sales figures. They are an essential tool to keeping your business competitive, and in today's economic climate you can't afford not to know how to run an effective sales incentive program for you small business.

When you consider how best to implement and run your company's sales incentive program, there are three major things to consider: structure, tracking, and recognition. The first point of consideration, can really be broken up into the two subsections of organization and rewards. Before you announce your incentive program, you need to decide what the landmark sales figures are, what is the program's time cycle, and if there will be tiers of rewards. Do you offer a reward when an agent increases their sales by twenty five percent over a six month period, or when they earn over a million in revenue over the course of a year? Will you also offer lesser rewards to employees who almost make the goal but miss it by a small margin? The answers to these questions are unique for each business, as the program needs to organically fit into your current organizational structure.

After you've outlined your reward incentive program, you need to select what rewards you will offer. The first inclination of all business owners is that money is the best incentive, however this is not necessarily the case. Sure, everyone likes money, but is there some other item that will make them feel just as rewarded and cost you less, such as a really exclusive product or weekend vacation? Also, money isn't a very personal reward, and in small businesses it's all about personal connection. Creative incentives, such as an extra week of vacation, or dinner with the boss at your town's hot spot, can actually be even more effective than money.

Once you've laid the ground work for your incentive program, the key to running it effectively is to accurately track your agent's accomplishments and provide adequate recognition for their efforts. First, make tracking as simple as possible. For example, don't make it so that only sales done on Friday between three and five with clients worth two million and up count toward the reward. Such complicated tracking requirements will actually demotivate people from participating in the incentive program, removing its ultimate goal. However, the distinction that all sales with clients worth over two million count toward the reward is a simple, easy to remember example of a good tracking term.

A final key to making your incentive program a success is to be liberal with your recognition. When an agent reaches an incentive goal, don't just give them their reward quietly in your office and move on, make them feel proud of their achievement. Send out a company-wide email announcing the accomplishment, include it in your monthly bulletin, mention it at the Monday morning meeting, or invite the company out for drinks in their honor. Being generous with your praise not only encourages them to keep reaching for the incentive goals, but also will inspire the rest of your staff to do the same.

At the end of the day, the key to how to run an effective sales program for your small business lies in your excitement and involvement. An incentive program is a way to not only motivate your employees to hit higher quotas, but also to thank them for the additional revenue they are bringing to you. Because while they will earn the reward of a few extra bucks, a nice weekend away, or a delicious and elegant meal, you will earn the reward of a business that is flourishing. Sounds like great incentive, doesn't it?