

BEST PRACTICES:

1. "It is best to adopt a quota-based incentive program or reward-for-performance model that gives each person the opportunity to earn awards by surpassing attainable performance benchmarks."
2. "Incentive programs can boost performance by as much as 27% for individuals and as much as 45% for teams but only if conducted in ways that address all issues related to performance and human motivation."

– Incentive Research Foundation and SITE Foundation Best Practices Study

THE CHALLENGE

The Sales Performance Model

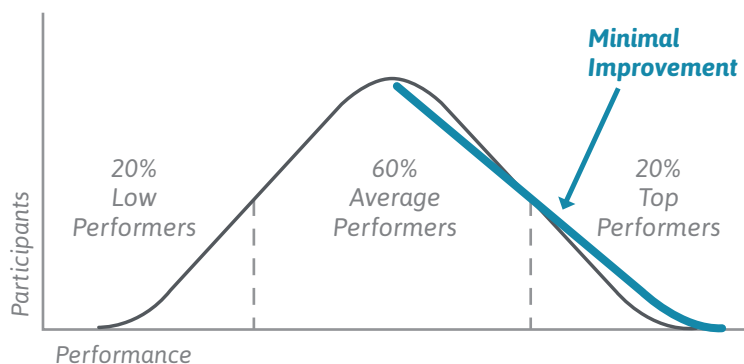
An organization's sales typically can be represented by a bell curve where most of the company's sales revenue comes from the middle 60 percent of performers. Of the remaining 40 percent, it is most often the top 20 percent of performers who generate the highest volume of sales per person. As a result, many organizations reward only these top performers – and for obvious reasons: there are fewer of them and their individual volume is high. But what if you could improve the sales performance of your middle 60 percent by even a small amount per individual – what would that do for your company's total sales picture?

THE SOLUTION

Reward Middle Performers

The greatest potential increase in sales volume comes from motivating the middle 60 percent to individually improve their performance. As illustrated on the same bell curve, the sales volume of an organization increases as a direct result of this practice. Why? Because as middle performers are working toward their own individual goals, they also are working toward the bottom line goals of the company. Individual performers are motivated to achieve their goals knowing that they can be rewarded for their accomplishments. This win-win approach benefits all levels of the organization by improving the bottom line as well as individual performance.

TRADITIONAL INCENTIVES



PERFORMANCE-BASED INCENTIVES

