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Using Incentives for Results

by Janet Gregory

Looking for tangible results? Incentives are not just for sales people any more! Incentives are great human resource tool. They can drive tangible results like increased product sales, better safety records, improved problem resolution, reduced rework, product line focus, professional service expansion, and the list goes on.

Why aren't incentives used more often? Most companies will say that budget was the biggest factor. Simple math: no budget = no incentive program. A properly designed incentive program has a track-able and well defined Return on Investment (ROI).

Return. Start with the end in mind. What is the measurable outcome to be achieved? What are the consequences if this outcome is not achieved? What are the advantages if the outcome is overachieved? Don't forget the obvious last questions ... Is the outcome worthy of an incentive program?

The return will determine the value of an incentive program. The budget is a direct reflection of the value of the return. Simple math: budget = % of return.

Investment. Who has control in establishing and delivering the outcome? That is, who should be targeted for the incentive program. What will motivate this target group of employees? Incentives range in cost from financial, indirect financial or non-financial incentives. You have a broad selection from financial incentives like cash, gift cards, prizes to indirect financial incentives like paid vacations, time off, or company financed insurance programs (taxes, will preparation, complete physical) or non-financial opportunities to advance, recognition, job enjoyment.

Incentive programs can be a big win for the company, employees and customers. Simple math: effort + results = rewards.

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