Championing **Gamification within** Your Enterprise?

Gamification — the application of game mechanics into non-game activities and processes — is a proven, powerful strategy for engaging, influencing and motivating diverse groups of people. Today's business community has quickly begun to realize the true power of gamification to enhance customer interaction, build loyalty, and incentivize employees and partners, and its effects are already having a significant impact on the way we do business.

At its core, gamification applies game mechanics to non-game activities which prompt specific behaviors in "players." In a business context, it is the process of integrating game mechanics and dynamics into a website, business service, online community, content portal, marketing campaign or internal business process, in order to inspire and drive action, participation, collaboration and engagement by target audiences. A particularly compelling, dynamic, and sustained gamification experience can accomplish a variety of mission-critical business goals.

Gamification isn't a new concept

Competition and game playing are deeply ingrained in the human psyche, evidenced in today's hugely popular and tremendously profitable gaming industry. The widespread acceptance of gaming and the simultaneous emergence of the Internet have resulted in the appearance of game mechanics in many aspects of our lives. As a result, gamification has become a powerful tool through which organizations teach, persuade, engage and motivate target audiences. Consider the following examples:

Frequent Flyer Programs

Millions of people around the world accrue points, level up, and earn rewards in the Frequent Flyer Programs (actually complex games) offered by every major

airline. Through them, customers earn miles (points) for every segment flown, level up from Bronze to Silver and Gold status and even complete challenges like "Fly in the next 90 days for 2500 bonus miles." And they'll go out of their way to stick with the vendor where they have the most points and status.

Your company's sales team

The most successful salespeople are those that remain laser-focused on reaching their quota. And they understand that to reach it, they need to attain certain milestones along the way. As they reach those milestones, they also earn status within the organization, typically represented on leaderboards and call-outs at sales events. And they receive rewards in the form of commissions and other prizes. That's gamification, and sales teams have been employing its core concepts for years.

But these concepts are largely missing from most of the other constituents of the average enterprise. Customers, non-sales employees and partners are rarely given truly effective incentives to interact, participate and deeply engage with our businesses, and as a result, they often succumb to outside influences and eventually disengage entirely.

Using gamification to engage customers, partners and employees

Our customers encounter more competing messages, more websites, more social platforms, more media vehicles, more mobile applications and more options than ever before, all aggressively competing for their attention. A billion people spend time each day sharing, posting, tweeting and commenting on social networks and over 30 billion apps have been installed on mobile devices. The noise level has literally exploded.

It is therefore imperative that businesses command the attention of their customers by providing engaging, compelling experiences, content, and rewards. Customers buy from the vendors that most effectively engage them, while disengaged customers will grow uninterested, delay purchases, abandon carts, and wander off to competitors.

Employees are dealing with the same issues as customers, but they also have the additional challenges of email overload, internal instant messaging and social platforms, and open work environments to handle.

When employees don't remain focused on the job, they find themselves forced to work longer hours later into the night and on weekends to compensate, which can quickly lead to burn-out and disengagement. According to Gallup, 50% of employees are disengaged at work, costing US businesses $300B per year in lost productivity.

The same distractions tugging at our customers and employees also impact our partners. Beyond the obstacles mentioned above, partners are struggling to keep up with the training and products of the OEMs they represent. Many distributors have dissipated the selling effort by expanding their product ranges to unmanageable levels. Today, most companies are struggling to connect with their resellers, and face a constant challenge of keeping them product educated.

Disengaged customers are less likely to buy your product; disengaged employees are less productive; and disengaged partners don't sell your products as effectively. Without continuous engagement, these audiences begin to drift away from your business.

In response, organizations are quickly acknowledging the need to transform themselves into Engaged Enterprises, characterized by deeply focused, active, loyal and engaged audiences: customers who are focused on your brand and your offerings, highly productive employees who are focused on their work and partners who are focused on representing your brand and selling your products. These companies realize that through the adoption of gamification technology they can gain a competitive advantage across every spectrum of their businesses.

A competitive advantage today; status quo tomorrow

Businesses worldwide are investing in gamification technologies to bring game mechanics — goals, progress, status, and rewards — into their digital experiences. In many cases, they're weaving these mechanics directly into the fabric of their websites, social media pages and mobile applications in a highly-customized fashion. They're also leveraging off-the-shelf apps that plug into popular software applications like Salesforce.com, IBM Connections and Jive to introduce these game mechanics into the workflow.

Introducing gamification into your enterprise today still means activating a significant competitive advantage. But rapid adoption means the window of opportunity is closing. Gartner projects that by 2014, 70% of all Global 2000

organizations will have at least one type of gamified application. Those that embraced gamification early will enjoy a long-term competitive advantage, having already engaged their employees, partners and customers and solidified those relationships early on. For late adopters, however, winning these audiences over could be far more difficult.

Nine Steps to Introducing Gamification into your Enterprise

So, you understand the definition and value of gamification. You understand gamification has already been proven across multiple industries for years. You see the competitive advantage that gamification delivers companies just like yours. You know that time is short — adoption levels are rapidly increasing, and you don't want to be late to the game. *So, now what?*

While gamification software is well into its early adoption phase, many people remain unaware of what it is, what it does and how it provides value. Education is frequently required, and that's where you — the Champion — come in.

The Champion is the employee, the manager, the director or the vice president that keeps one ear to the ground and understands the potential value of cutting-edge technologies. The Champion is the person that will introduce gamification to the company via a thoughtful and methodical approach that will influence people and win over enthusiastic supporters. The goals and responsibilities of the Champion are wide-ranging, and so many find a step-by-step process to be essential. The following approach is designed to provide you with an easy, clear-cut course of action to successfully introduce gamification into your company:

1. Start with research

Gamification-focused websites provide a significant amount of information for you to build a deep understanding of the basic concepts, costs and benefits of the solution and at the same time, offer a great starting point for a vendor comparison. Evaluate each gamification provider with the following criteria:

- **How long have they been in business?** New gamification vendors are popping up every day, but longevity reflects successful and robust technologies.

- **How many customers do they have, and what is the caliber of those customers?** A wide range of clients across multiple industries signifies true expertise. Remember that customers with large recognizable brands also have

significant resources to perform due diligence and will already have performed a vendor analysis. Take their selections into consideration.

- **Can the technology scale to your needs?** If you are a multi-national corporation with millions of customers, and you're launching a customer retention program, you need to ensure your provider can scale to handle thousands of individual daily users and potentially millions of transactions. Proven scalability is essential.

- **How does the gamification technology work?** Is it available as a platform for building your own customized gamification applications, or as a platform-specific solution for leading enterprise systems like Jive and Salesforce.com?

- **Can you depend on the vendor to ensure the technology is implemented and supported successfully?** Make sure your vendor is ready to be your partner in that they will provide first-rate assistance throughout the implementation process as well as the program fine- tuning phase.

- **How do they measure their customer's success?** Vendors should "be well aware of their customer's successes, and they should be well-versed in helping companies to measure that success. Look for vendors that focus on the success of their customers over their own.

- **Are there ample case studies?** Ask to see case studies of companies — in your industry, if possible — that have deployed the vendor's gamification solution Take note of the following:

    - What business issues were solved/procedures were improved upon?

    - What were the specific results?

    - How was success measured?

An in-depth analysis will allow you to evaluate each vendor with regard to your specific business needs and create a case for how your company could solve issues similar to those of their existing clients.

2. Align gamification goals with your business strategy.

What specific problem do you want to solve? Gamification can be effective in positively impacting any number of business issues — often several simultaneously. What are the pressing issues your team, division or workforce is facing today?

Perhaps you need to improve your company's customer retention levels? Or, maybe you've identified increased collaboration as a key contributor to future growth? Gamification has been proven to address customer loyalty and retention issues and also drive significant increases in collaboration.

Identify your key audience. Now that you have acknowledged the core problem you'd like to address, consider who exactly is involved. You may find that the issues you have identified are widely relevant and extend to the entire company, or they may revolve around a certain specific department.

Identify behaviors that you'd like to alter/improve. What are the specific behavioral changes within your key audience that would address your problem?

Identify your desired results. As discussed in the following section, results will be key in measuring the effectiveness of your program.

With the information above, create a mission statement that clearly articulates the role gamification will play in reaching your specific goal.

As an example, say the issue you want to address is an under-performing partner program. The audience is your company's partners. The behavior you'd like to influence is that of partner focus and sales activities. The desired result is an 18% increase in partner channel sales. Therefore, your mission statement would read, "A gamified partner program will keep resellers more focused on our brand, extend sales efforts on our behalf, and increase our partner channel sales by 18%."

Here are some additional examples:

"A gamified process will drive the individual members of our sales team to fully utilize our CRM solution an average of twice per week."

"A gamified website will engage our customers, promote loyalty and increase our customer retention rate by 36%."

"A gamified marketing team will instill a sense of competition, drive productivity, promote company loyalty, and reduce our rate of attrition by 20%."

You must be able to articulate a precise mission statement before you define your gamification program, and now is the time to confirm that it fits into your overall business strategy. You must ensure that your mission statement fully supports your company's strategic business initiatives.

3. Select a method to measure results

It will be important to quantify the value of solving the core issue upon which your mission statement is based. Consider a scenario in which your company is having a problem retaining good employees, and so your goal is to decrease employee

attrition levels by 20% over the next year. You decide to explore gamification as a way to increase employee engagement and thereby reduce turnover. According to the Society for Human Resource Management, it costs about 38 percent of an employee's annual earnings to replace him, which includes training and recruitment as well as costs associated with the separation process and losses in productivity due to workflow disruption. Additional studies by Chartcourse estimate it costs $40,000 on average to replace a nurse, while technology companies can run up replacement costs of more than $125,000 per vacancy.

Let's say your HR department conservatively estimates the cost of replacing employees at your technology company to be approximately $40,000. Assuming your company experiences a 5 percent yearly attrition rate, 50 people will voluntarily depart your 1,000 person company in the next twelve months at a cost of two million dollars to the business. Reducing the rate of turn-over by 20% will therefore save the company $400,000, in the next year alone.

That's a great start to illustrating an ROI, but it doesn't stop there.You must also to take into consideration the "side effects" of raising your company's employee engagement level. Engaged employees are more profitable employees, more productive employees, and they add faster value. Take improved profitability, improved productivity and a decreased time to value into consideration when calculating the potential value of greater employee engagement.

4. Engage sponsors and promoters

Now that you've got a solid understanding of what issues gamification can solve, how it could work in your organization, which issues you would like to tackle and how you could measure the results of the program, it's time to look for sponsors and promoters.

First and foremost, an executive sponsor will prove invaluable. Take the time to approach an executive that has acquired a good understanding of the company's strengths and weaknesses. Explain that you have identified some significant opportunities for the company that you'd like to discuss. At that time, present a high-level but methodical overview that includes the following:

1. The problem the company is experiencing today.
2. How that problem could be addressed through a gamification program. (Gamification may need to be defined.)
3. Examples of how similar companies have addressed similar issues with gamification.

4. A specific business case for how your company will solve the issue, and benefit from it.

5. A cost analysis and a plan to measure the success and ROI of the program (as described in section 3 above).

Prepare literature to help the executive understand exactly what your selected vendor provides and how this technology has helped other companies. In today's difficult economic environment, you must be ready to provide cost estimates and a well-defined ROI plan. Listen carefully to your would-be sponsor. Any concerns are likely to arise again when you approach the executive management team with your proposal. Prepare based on this feedback, so that you're ready with answers to questions later.

Simultaneous to approaching your executive sponsor, there are other "personalities" within the organization you should start recruiting to help you sell the gamification concept. While executive management will be the ones to give the green light on the program, it's essential that the entire organization is on board with the concept. You can create interest and excitement by recruiting 2-3 key people in each of the following categories:

Technocrats are your internal experts. They're the people that you turn to when you need technical assistance of any kind. They will already be familiar with the concept of gamification and can help advise you with the implementation of a platform and assist you with many of the details. They often prove to be invaluable, go-to people, so try to get a couple involved early on.

Influencers are the people inside every organization that connect everyone else. They're highly knowledgeable and have access to an abundant number of contacts and resources. They can assist you in identifying additional advocates, promoting adoption and building excitement for your gamification program. They may also be able to help you find the funding for your project. They will be essential before, during and after implementation.

Facilitators are the people that you normally approach when you need something to get done. They can help you to navigate your way around any number of roadblocks on your way to success. Identify a few Facilitators and you'll have a solid team of advocates, ready to gamify your company.

5. Find the money

Once they've bought into the concept, your executive sponsor should have access to company-wide budget information and act as a valuable asset in helping you to locate the required funds.

Most gamification programs can be extended across many parts of the organization, and when the company wins, so do ALL of its employees, so don't limit yourself to seeking all the funding from a single departmental budget. Look for funding assistance from every department the program will touch, directly or indirectly.

Consider our example of reduced attrition above. An employee retention program can save the entire company hundreds of thousands of dollars, but it will also save individual departments time, replacement costs and the increased workload that remaining employees and managers inherit after the departure of an employee. Reduced attrition will impact everyone positively.

Be prepared to provide budget managers with the same solid proposal you presented to your executive sponsor so that they understand the value of gamification to them and their departments.

6. Build a plan with a strong business case and present your vision to executive management

You have already approached and won over your executive sponsor. They have provided you with some questions and possibly some concerns. Use that conversation as well as all of the other information you've gathered to fine-tune your business case. You're going to present the idea to senior management, and if you're prepared, you can come off looking like a hero and a person with valuable ideas that can effectively move the needle on revenue, productivity, customer retention and any number of other issues that virtually every company faces. Now is your time to shine.

Corporate culture is an important factor in how you present, but you can almost never go wrong with a PowerPoint presentation to make your case. An effective 30-minute presentation will go a long way towards your cause and help to keep you on track while providing all the stats and other info you need at your fingertips. It should go something like this:

- Introduce the program
- Identify the most pressing issues the team/division/company is facing today

- Explain what those issues are costing the company in terms of lost revenue, lost productivity, underperforming partnerships, etc.

- Introduce gamification as the solution

- Illustrate the attributes, benefits and value of a gamification program

- Relate specifically how the program will help your company to address the issues above

- Share case studies of similar companies solving similar issues with a gamification program

- Show the expected benefits and plan to measure and achieve an ROI

- Relate that you have spoken to various departments and share how much each has offered to contribute financially. If you're still short on funding, these are the people that control the purse strings at the highest level — ask them for the difference.

- Be ready to answer all questions, some of which may require some additional research.

If all goes well, executive management has agreed to the cost of the program, and they have committed the additional funds necessary to get the project off the ground. Everyone leaves the meeting in agreement that the next step is to bring in your preferred vendor for due diligence.

7. Bring in technical team for due diligence

Now it's time to introduce your vendor to the executive sponsor you recruited earlier as well as the core team of Technocrats, Influencers and Facilitators that have expressed interest in and approval of the program.

Start with brief introductions and spend the first half of the meeting relating what specific issues you are trying to solve with your gamification program. The vendor must have a crystal-clear understanding of your goals in order to design a comprehensive, effective program that fits your specific needs and ensures your ultimate success.

The second half of the meeting should involve the gamification vendor explaining to your Sponsors, Technocrats, Influencers and Facilitators, the key attributes of gamification and how its adoption will directly benefit your company. They should be able to provide specifics in terms of how they will design, implement and fine-tune your program, as well as the project timeframe. They should also relate who will need to be involved from an IT perspective and what kind of cycles will be required.

Everyone in the room should leave this meeting with a deep understanding of exactly what will be required of the vendor, employees, management, senior management, the IT department and your team of core sponsors.

8. Bring in digital strategy consultants and design advisors

This is a follow-up to the previous meeting that requires the involvement of additional vendor representatives and your IT department. There is often some back-end work that will need to be specified and tasks will need to be identified, understood and accepted by both teams.

At this meeting, the vendor should unveil a digital strategy, customized for your company, and be able to provide the IT department with a technical flowchart of how data will be captured and delivered into the gamification platform and back again. While you may have saved yourself and your peers an extraordinary amount of time and effort by selecting a gamification platform that integrates directly into Salesforce.com or Jive, some tweaking may still be required. If your platform is going to be custom built, additional resources will need to be identified and committed to the program.

> *Beware of vendors that use game designers to spearhead your digital strategy. While game designers are adept at creating games, they rarely possess the expertise required to craft a comprehensive motivation-and engagement-focused digital strategy.*

9. Extend consensus across the company

You've already come a long way in getting the entire company on board. Your Influencers have been effective in relating the concept and value proposition of gamification. Now it's time to get the entire company interested in and excited about the program. The more buy-in you have, the more successful you'll be.

While there are many options to introduce a gamification plan to employees across the enterprise, a webinar is often the most effective. All those that are expected to participate in the program can learn everything they need to know at the same time and place. Questions can be addressed, and excitement about the program can be cultivated.

Get ready, get set...

Once you have achieved Step 9, your gamification program is well on its way to fruition, and has probably taken on a life of its own. You have connected the key internal people to the vendor implementation team, and activity is occurring on multiple fronts. The company from the mailroom to the boardroom is abuzz with gamification fever, and the anticipation level is high. While your job is not finished, you are able to step back and this point and let things fall into place, only stepping in occasionally to facilitate as needed.

While the process outlined above may seem challenging, you will likely be surprised at the ease at which you gain buy-in from every audience.The issues addressed by gamification are issues that trouble almost every business in every industry in the world. Who wouldn't like to engage their customers on a deeper level and increased customer retention? Who wouldn't like to further engage employees, build loyalty and minimize attrition while increasing productivity? Who wouldn't like to more effectively engage their partners and incentivize them to more diligently focus on their products? The list of potential uses for gamification is nearly endless, and the results will speak for themselves.

About Bunchball

BI WORLDWIDE's Bunchball Nitro is the industry's leading engagement technology powered by gamification. Purpose-built for the enterprise, BI WORLDWIDE's proven engagement solutions motivate employee, partner and customer behaviors while delivering the performance intelligence needed to drive business results. An early visionary, Bunchball wrote the book on gamification with the 2013 best seller Loyalty 3.0, and is widely credited for numerous market innovations, including a patent for Gamification as a Service. More than 400 enterprise customers rely upon Bunchball for the company's expertise, innovations and proprietary analytics that deliver proven business results, and Bunchball is the partner of choice to industry leaders. In April 2018, Bunchball was purchased by BI WORLDWIDE to increase its impact on employee motivation and sales effectiveness. Learn more at www.biworldwide.com/gamification, read the blog at www.biworldwide.com/blog, or follow @biworldwide on Twitter.