

# 6 ways to maximize sales incentive ROI: Are you investing wisely in your sales team?

Mark Hirschfeld,  
Vice President,  
Consulting Services,  
BI WORLDWIDE

Companies invest millions in sales incentives but are they investing wisely? Are there approaches to sales incentives that bring out the best in a sales force? And what role, if any, do other elements such as communications or analytics play in bringing out the best return in a sales incentive program?

To better understand these questions, BI WORLDWIDE conducted a [study](#) of 575 sales compensation and sales operations professionals in the United States. We asked them about how they design incentive rules structures, where they were budgeting their money and what challenges they were experiencing. Panelists also reported performance results for the last three years so we could look at the relationship between what they were doing in the past compared to the results they have achieved since then. The best practices that emerge from this research are:

**#1: When it comes to total rewards for sales, companies report a balance of recognition, cash and non-cash rewards.** Our panel of experts reported that total rewards for salespeople include base salary, commission and benefits but also include a healthy balance of recognition, cash and non-cash incentives. The next five points share how companies are best using these investments to achieve higher sales, happier customers and a more loyal sales organization.

**#2: If you're only rewarding top performers, you're not optimizing sales lift.** According to our research, the companies who find meaningful ways to reward over 50% of their sales organization in a year experience better sales and higher employee retention than those who don't. This suggests that along with more traditional stack ranking incentives, such as a year-long President's Club, companies should provide other incentives that create opportunities for all producers to achieve, regardless of their ranking. Some of these incentive programs could be thirty to ninety day long spurts to focus the sales organization on a key product or time-based opportunity for customers. These incentives can be offered in a way where more than just the top producers earn for making meaningful contributions to the success of the company.

**#3: The most successful companies use several tools to reward their sales producers.** Companies who used various types of rewards, such as travel and non-cash rewards, experienced increased sales and customer satisfaction results. Based on these findings, we encourage companies to mix it up and use a variety of rewards that will be truly memorable.



# 6 ways to maximize sales incentive ROI: Are you investing wisely in your sales team?

## **#4: Sales incentive budgets are not just about funding rewards.**

Years ago, clients were inclined to drive the majority of their budget toward rewards. Although rewards still need to be meaningful and motivating to those who earn them, more of an incentive budget now goes to developing a robust communications campaign, having the right technology platform and analyzing timely, accurate results.

## **#5: Incentives are highly effective at reinforcing learning.**

Panelists told us that using incentives to reinforce learning was yet another way to wisely invest in their sales organization. Using a “learn and earn” incentive might make particular sense when you want your sales force to have confidence in a new product or set of features.

## **#6: Ignore communications and manager alignment at your own risk.**

Panelists told us they experienced many challenges when executing incentive programs but poor communications and manager misalignment are the two strongest factors that negatively impacted business results. This finding highlights that a successful incentive is not just about the right rules structure and rewards – communications and manager alignment and support make a big difference.

It's critical that companies do everything possible to maximize their incentive spend. Implementing these best practices from successful companies will keep you a step ahead of the competition.

To learn more about how BI WORLDWIDE can help inspire your sales force with a total rewards incentive strategy, visit [biworldwide.com](http://biworldwide.com) or email [info@biworldwide.com](mailto:info@biworldwide.com).

