

when to incentivize



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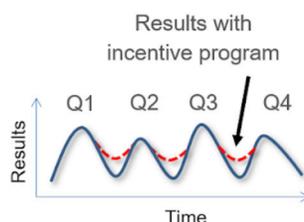
when to incentivize

Whether your company has already rolled out an incentive program or you're just now doing your research on how to implement a new program, it is important to address the question, "When is a good time to run incentive programs?". This question is important because timing plays a big part in the success of any project.

Generally, you can delineate timing factors into two camps: calendar-based and event-based.

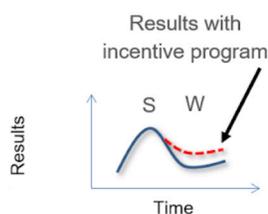
calendar based factors

Calendar-based factors are pre-determinable points or periods of time that represent opportunistic moments for your business.



Fiscal Quarter

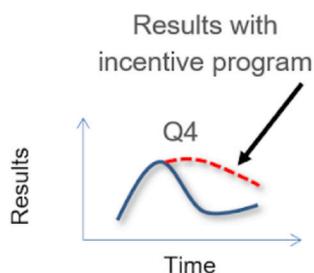
Generally, a business or sector will discover time periods in a financial quarter that have lower sales. Incentive programs during these periods of time can bridge the gap and help boost quarterly financial results.



Seasons

Businesses that are heavily based on seasonal sales will see major slow periods during the off-season. An incentive program at the end, or beginning, of your peak season will shorten your off-season.

Summer - Winter



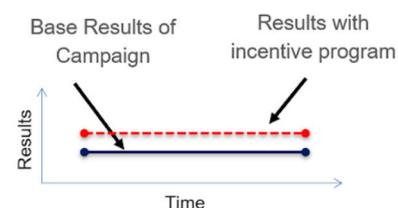
Last Fiscal Quarter

Focusing on the last fiscal quarter of the year could be one of the most important times of the year. A well positioned incentive program during this time can help meet and exceed forecasts, and potentially carry over profitable behaviors into the next fiscal year.

Last Quarter

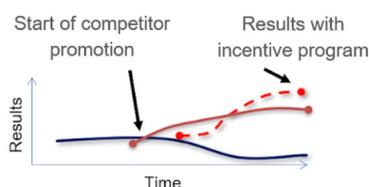
event based factors

Event-based factors are external events that represent a potential negative or positive effect on your sales or channel energy.



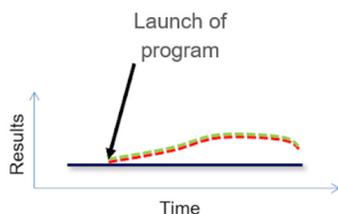
Your Own Campaign

Incentivizing your own campaign/promotion is a great way to boost the overall results.



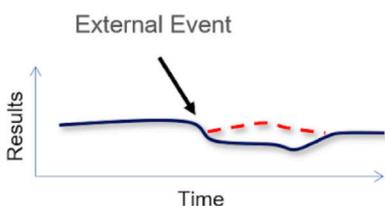
A Competitor's Promotion

A competitor's promotion may actually be the perfect time to launch your own incentive program. If successful, it can help minimize the impact of a competitor's promotion and even produce better long-term results.



Piggybacking on Partners' Campaigns

Leveraging your channel partners' programs effectively doubles the impact of the campaign, increases your reach to your channel partner's audience, and decreases overall costs.



Global or Social Events

Global, social, economic, or environmental dynamics can be fast to surface and mostly out of your control.

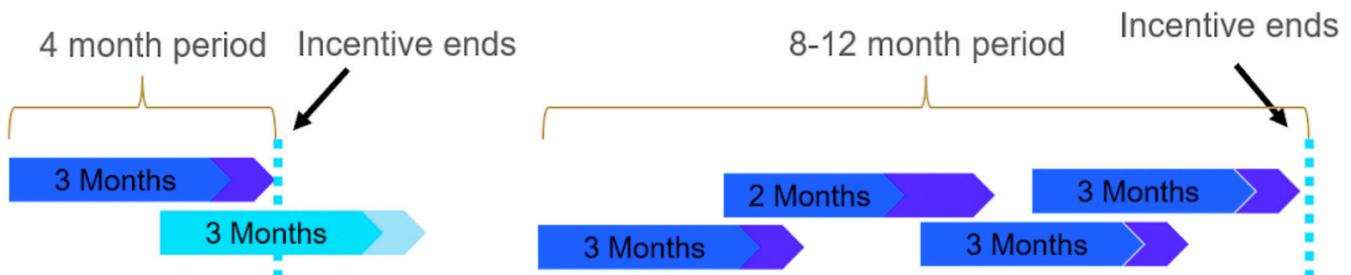
For example, there could be large social movements against using non-recyclable plastics for packaging. Think about creating an incentive program to promote positive action (e.g., a recycling program). This could become a pivotal pillar for brand equity, sales, and a new way to differentiate yourself from your competition.

how long should you run incentive program for?

- Targeted outcome programs should run for 3-6 months
- Overarching goals could run longer and overlap with the 3-6 month programs
- Time-goaled programs should run 2-3x the goal time period

To expand on the points above, a good incentive program should run in a 3-6 month window. Having a program run for 3-6 months has two major benefits. Firstly, the data set collected will be large enough that you can confidently draw conclusions from it. Secondly, people are born hard-wired to adjust to their environments; running programs beyond 6 months could have diminishing returns (i.e., the impact of the program starts to diminish after a certain amount of time).

Time-goaled programs are made up of activities that need to be completed over a period of time in order to be rewarded. In this scenario, it makes sense to extend the time to be 2-3x the time it takes to complete one activity. Imagine that your sales team closes an opportunity on the average of every 4 months but you would like to bring that down to a 3-month close window. If you defined the time period for the incentive as just 4 months, pretty much any account that gets opened in month 2 or 3 won't make the cut for the incentive end date.



But, if you stretch the time period to 2 to 3 times the goal, it allows for multiple opportunities to happen and still be incentivized to close within 3 months.

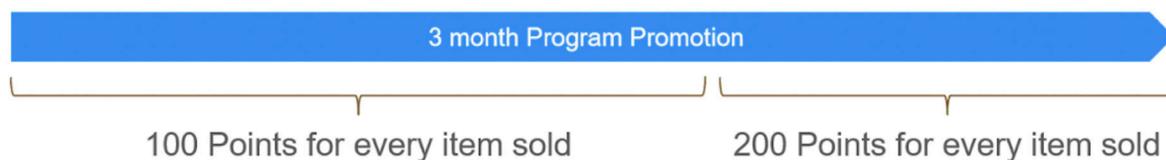
layering your incentive program

A good incentivization strategy would be to combine different incentive programs to cover a wide spectrum of scenarios and behaviors. For example, it can be good practice to run long-term goals as a year-round incentive promotion (e.g., incentive for signing up to the program itself), and have overlapping 3-6 month programs layered on top that to focus on specific goals.



use time as an accelerator

Apply the goal-gradient effect to your advantage and let it help accelerate motivation for the partners and individuals in your program. Think of an accelerator as an additional motivation tool to use for specific periods of time. For example, you have incentivized a performance improvement from your channel partners by giving them 100 points for every item they sell for your company. It is almost the last month of your 3-month incentive program and you are wanting to ramp up their energy and participation. You introduce a new rule into your program that now gives 200 points for each lead generated instead of the 100 points.



Adding new layers based on time can change the dynamics and keep them motivated until the very end. But keep in mind, in order for this accelerator to be effective, it needs to be a “secret” bonus - letting them know in advance will cause them to delay deals until the 3rd month

If you are looking for information on how Incentive Automation can enable you to design an incentive program employing these principles, provide your contact information here or go to www.fielo.com. Fielo is the first end-to-end Incentive Automation platform built to reward partners and customers, not just for purchases and sales, but for the behaviors that feed those outcomes.

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