

CASE STUDY: INCREASE SALES PERFORMANCE

STRATEGIC OBJECTIVES: INTRODUCING A NEW COMPENSATION STRUCTURE TO A SALES TEAM

A national building construction material company with 50 branch offices was about to launch a new commission structure for their outside sales representatives. In doing so, they anticipated that the morale would be negatively impacted. Through research, the organization found they were paying their sales representatives 10% more than the competition, so salaries were going to decrease. The objectives established were:

- *Adjust the compensation schedule to be in alignment with competitors*
- *Position the compensation change as a positive motivator to increase sales*
- *Instill a sense of competition within the sales team*
- *Increase morale and avoid creating feelings of doubt in the sales team*

TACTICS: IMPLEMENT A SALES AWARD PROGRAM

The company implemented a quarterly sales award program to match the sales representatives quarterly sales quotas.

Weekly Sales Meetings: The leaders of the organization designed a complete program. Constant communication with the sales team was key to the success of the program. Each meeting included recognition of individuals who met their four specific metrics:

1. *Increase in new customer accounts*
2. *Increase in average sales dollars per order*
3. *Increase in orders from existing customers*
4. *Increase in margins*

Quarterly Event: A quarterly sales event was conducted by each branch manager. The organization wanted to reward their sales representatives with an award that would visually represent the individual's achievements and boost inner-office competition. The purpose of these events was to honor the quarterly winner from each branch office. The event included catered food and music. It was designed to create a positive and special environment.

Manager Training: Each branch manager received training on how to deliver a sincere and meaningful presentation to the winners.



TOOLS: WALL PLAQUE & CRYSTAL AWARDS

Weekly Awards: The Rosewood Piano Finish Perpetual Plaque was selected to symbolize weekly awards and included interchangeable metal plates. The plaques were personalized with the salesperson's name. The metal plates were pre-printed with an appropriate message related to the achievement metric.

Quarterly Awards: Organizers selected the Renton Goal-Setter Award because it is designed to hold additional blocks as an individual achieves each new milestone. This award visually reminded the sales representatives of the financial rewards associated with the new program.

RESULTS: THE PROGRAM ACHIEVED THE FOLLOWING RESULTS

- *The 50 branches increased sales 8% over their first quarter goals*
- *The sales representatives responded to the competitive structure of the program*
- *The Renton Goal-Setter Award became the symbol that the sales representatives wanted displayed on their desk*