



Point of View:

*Creating Sales Incentives for the Contact Center-
The Essential Ingredients for Financial Institutions*



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Introduction

As financial institutions focus more on extending a sales culture throughout the organization, the contact center sits squarely in management's sights as a major catalyst for boosting product sales to current and potential members.

To lift sales, incentive pay comes to the forefront as a vehicle to move contact center agents toward sales- focused behavior by rewarding them for successfully selling products. However, in doing so, financial institutions need to keep in mind two basic fundamentals integral to motivating sales:

- Selling is not innate. Most people are not born salespeople. They learn through extensive training and trial and error, and gain confidence as they succeed and are rewarded. Selling is all about confidence in the product, the organization and the agent's abilities. Each sales effort puts the agent in an uncomfortable situation, extending him or her to ask for additional business when rejection is possible.
- By nature, selling is a very individualistic process. The very best sales people are competitive, goal-oriented and independent. They will rise to a challenge, and want to be "top dog." More importantly, they don't want to rely on others to attain their goal.

With these concepts understood, incentive plans need to be constructed to take advantage of the sales mentality to reward the behaviors that increase results.

Keep It Clear and Specific

There needs to be a distinct relationship between effort and payment. An agent needs to know exactly what the reward is, so keep it simple: **"I sell this, I get \$."**

The incentive has to be clear and definite, otherwise the Effort = Reward calculation gets distorted and the value proposition is lost. Many financial institutions use a point-based incentive system whereby selling certain products earns points toward an incentive payment. While we are not opposed to this method, it's critical that the "I sell this, I get \$" clarity be maintained. If the point system is convoluted, it will diminish the incentive plan's effectiveness.

In conjunction with this, each effort and incentive needs to be singular in nature. Incent on a completed action by one individual. Do not base one agent's referral incentive on another agent's ability to complete the sale. Pay for the referral and then pay separately for the close. Each has value.

No Group Qualifiers

A common qualifier we see requires the contact center to hit a service-related goal (SLA) before any incentives are paid. While laudable, there are two major problems with this approach.

First, agents quickly catch on that when service levels aren't met, there are no incentives. And more critically, they may know it very soon in the sales cycle and stop selling once the SLAs are past the point of being attainable.

For example, if you're on a monthly incentive schedule and the contact center has a very bad first week, sales efforts could slow to a crawl as agents realize the chance of meeting or exceeding the monthly SLA is out of reach. One high-sales contact center we visited saw sales drop by over 50% after incorporating a SLA qualifier. Talking with their top selling agent, she readily admitted she stopped selling once it was clear the SLA would not be met!

Second, individual agents have little control over department SLAs. Penalizing individual effort because of circumstances outside of the agent's direct control is the surest way to dampen enthusiasm regardless of the incentive offered.

A preferred approach is to use a group qualifier as a carrot, not a stick. Individual agents get their product sales incentives regardless of group performance, and can earn an additional incentive if group-related SLAs are achieved.

Keep Minimums to a Minimum

Another type of qualifier is to have a minimum sales level before incentives are paid. We view minimums as having value, however, not until your sales culture is fully rooted and functioning at a high level.

When first transitioning to a sales culture, the goal is to get agents comfortable with selling and reward their efforts to help foster even greater effort. Setting high minimums before an agent reaps incentive money, especially in the early stages of building a sales unit, will have a lasting negative effect and may drive out potentially good salespeople.

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We've seen a financial institution set a minimum of 80 products sold before any incentive was paid. Just think how the agent who sold 79 products in a month feels about not getting any reward for the effort extended. Chances are the agent will find an employer who realizes selling approximately 1,000 products annually is worth extra compensation.

To keep this in perspective, view incentives as a training expense. So often, they are lumped into marketing or handled as direct compensation. But in reality, they are a training expense, especially in the early service-to-sales life cycle. You are aiming to promote or train a specific behavior and to get there, an expense is going to be necessary.

Senior Management Support and Focus

The best-constructed incentive plan will have little chance of success unless senior management is front and center promoting and emphasizing sales. It is absolutely critical that at every opportunity the senior team is talking about sales, how important they are to the financial institution, and how everyone is vital to the sales effort. If it is not constantly reinforced, employees will view sales as more of a "flavor of the day" event and wait it out until the next big thing comes along.

Within this focus, incentives need to be clearly tied to the overall organization's strategy so a sense of mission can be constructed to drive the sales. If at every meeting agents hear the CEO talking about the importance of checking account acquisition to the organization's operation, and they get incentives to add checking accounts, the agents can relate and better buy into why selling checking accounts are important.

Feed the Competitive Nature

At the end of the day, moving to a sales culture is about identifying employees who have the skill set to sell your products. In doing so, it's important to stoke the natural competitiveness that the best salespeople have. To do this, sales results need to be widely distributed in the most public way possible and updated frequently. Everyone needs to know where they stand in the pack and what they need to do to get to the front.

To enhance the competitive fires, keep the incentive earning period as brief as possible, with a monthly earning period ideal. Again, you want to keep the rewards flowing to the agents so they can touch the benefit. Additionally, you want to reset the competitive clock to bring more opportunity into the group.

We visited a financial institution with a super-high-performing, specialty sales unit. It was a very competitive group, with all the agents working and driving to be quarterly sales champ. Our only thought: Why not shorten the incentive window to monthly allowing for 12 “king of mountain” opportunities instead of only four each year?

Keep It Flexible

In designing your incentive plan, make sure it’s flexible enough to meet changing marketing and sales demands. Don’t box the plan into strict timeframes or guidelines. The best plans are changed at least yearly and evaluated on a more frequent basis. If market or business opportunities arise, you want to make sure you’re able to insert or change an incentive to take advantage of the opening.

Along with the standard incentive plan, your contact center should also have an allocated pool of dollars set aside for ad hoc, on-the-spot rewards. These would typically be \$5 gift cards or other small rewards for handling a call well, receiving a member compliment, going the extra mile, etc. The recognition is more important than the actual dollar amount involved.

In summary, incentives can play a crucial role in increasing sales in a financial institution’s contact center. If designed and implemented correctly, incentives can help foster an environment that understands the value of cross-selling and does it naturally as part of the call process. However, if too many restrictions or caveats are placed on the plan, moving to a true sales-focused department could be a longer and bumpier journey.

As stated earlier, keep the plan simple, clear and easy: ***I sell this, I get \$.***



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