

Monte Carlo vs. Meal Tickets: Are your sales and service incentives equitable?

By Jon Picoult

Plenty of companies tout their commitment to service excellence and customer satisfaction. It's a much smaller subset, however, that have truly oriented their business around their customers and those employees who serve them. Indeed, if you peel back the rhetoric, you can often find clues that either substantiate a firm's customer experience focus, or call it into question.

One such clue can be found in how companies reward and recognize their service professionals as compared to their sales professionals. In industries such as insurance and financial services, where products are often distributed through intermediaries, it is common for companies to incorporate recognition conferences into their sales representatives' incentive programs. Whether those salespeople are company employees or independent distributors, these conferences are widely used to motivate individuals by providing recognition for top sales performance as well as offering unique networking and personal development opportunities.

In industries that can't rely exclusively on a direct-to-consumer sales model, these sales incentive conferences have grown into more than just table stakes for competitors. They've evolved into full-blown arms races, with companies seeking to woo and retain distributors by offering increasingly lavish retreats in exotic locales at premier resort properties.

While these conferences can cost millions of dollars to organize, they are effective in motivating salespeople and highlighting the value of sales excellence to the entire company and its distribution partners. At some companies, an invite to one of these elite events (plus all of the associated trimmings, like commemorative photos with the CEO) is viewed as a pinnacle of achievement—and one that the salesperson (and even his/her family) aspires to attain year in, year out. For the typical sales professional, these incentive conferences are, if nothing else, highly inspirational.

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What's interesting, though, is to observe how these companies—some of them the same firms who supposedly revere the practice of service excellence—choose to reward and recognize their service staff. While top performing salespeople are whisked off on all expense paid adventures to places like Hawaii, Paris and Monte Carlo, companies' most outstanding service professionals are too often recognized with a trip to the company lunchroom (and a complimentary meal ticket, of course).

Whether it be a free cafeteria meal or some other trivial offering, the dichotomy that often exists between companies' sales and service performance incentives speaks volumes about what they—and their leadership—really value.

As a former head of customer service for large financial services companies, I know that this lesson is not lost on the front-line service staff. It can be downright de-motivating, leading them to make inferences about the true value of "service" to the firm, not to mention their place within it. Especially when coupled with other confirming clues, perceived inequity between sales and service recognition programs can have a poisonous influence on the attitudes of service professionals—potentially leading them (and the customers they serve) to become disengaged.

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So the stakes are pretty high here, but the good news is that these perceived imbalances can be largely mitigated with relatively inexpensive recognition programs that provide meaningful rewards to the highest performing service staff. Or, put another way—these service professionals aren't greedy, they're pragmatic.

I've never encountered a service employee who thought top-performing members of his or her trade had to be rewarded with all expense paid trips to exotic locales, like their sales counterparts. While there was a desire for fair and equitable incentive treatment, there was also a seeming understanding that the sales and service disciplines do have their differences, and incentives across those groups need not be mirror images in order to be perceived as balanced.

But what these service professionals did hunger for were thoughtfully designed incentive and recognition programs that clearly demonstrated management's interest in fostering and rewarding service excellence. Here are some ways companies can satisfy that need:

Ditch the paperback and roll up your sleeves. Half the battle here is in showing service staff that the company spends as much time thinking about how to best recognize and promote service excellence as it does for sales excellence. So while \$10 paperbacks promoting 1,000 economical ideas for rewarding employees have their time and place, this is not it. Just using meal tickets and similar instruments as currency for service staff recognition suggests an absence of real planning and forethought that is in stark contrast to the very detailed, laborious work associated with the design and delivery of sales incentive programs. Invest some quality time and energy in developing a good service incentive plan—your service staff will take notice and appreciate the effort.

Give service recognition programs their fair share of airtime. Sales incentive programs and their beneficiaries usually get heavy publicity from a company's communications team. Whether it be conspicuous coverage in newsletters and on websites, external publicity with press releases and tombstone advertisements, or physical "hall of fame" photo walls of top salespeople—an employee would have to be living under a rock not to hear about this stuff. On the service side of the equation, there's much more radio silence—either because comparable programs don't exist, or no one takes the time to highlight the ones that do. By making service incentive programs (and their beneficiaries) as visible as those for sales counterparts, you can positively influence the perceived balance between the two.

Get 'em out of the building. While sales and service recognition programs need not be identical in order to be perceived as equitable, there's no denying that all expense paid travel has some cachet to it—particularly among service professionals who might not get out as much as salespeople. Incorporating a reward trip into a service organization's incentive strategy can be beneficial on many levels. To the general service staff population, the approach looks and feels a lot like the traditional sales conferences from which they usually feel excluded. Plus, if chosen carefully, the destination can prove not just rewarding, but rather educational. Excursions to legendary providers of great customer experiences—such as DisneyWorld and Ritz-Carlton resorts—can inspire service staff and inject them with great new ideas that can be carried back to the office. Some firms—like Disney and Ritz—even offer formal corporate education programs at their resort sites, where your service stars can learn from their service experts. Can't afford air travel and associated expenses to a world-renowned service provider? Consider road trips and behind-the-scenes tours to "regional centers of service excellence"—highly-rated resorts or inns, and local branches of well regarded service-oriented retailers.

Control costs by managing participation. Even a few days' all expense paid trip to the site of a worldwide service giant, combining free time with some formal education, can be pulled off economically. The key is in carefully managing participation—and perception. If the service incentive program's rewards are viewed as very exclusive but still reasonably attainable, you can probably achieve your objectives without having to match costlier sales incentive programs dollar for dollar. Send 25 percent of your service staff to a Ritz-Carlton for a few days and, yes, the costs will really start to add up. Send 5 percent and the endeavor will cost much less—yet could still drive great advances in employee engagement if company leadership really trumpets the program and the service professionals honored through it.

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A business has little hope of creating satisfied, loyal customers without first fielding engaged, motivated sales and service professionals to interact with them. Incentive programs and recognition conferences are long-established components of the sales discipline. However, less focus has been given to them within the service arena. As a result, dangerous undercurrents can develop in the service staff's psyche, leading to very real, very negative consequences for those individuals' interest in, and excitement about, their service mission.

However, the historical absence of such service recognition programs in many companies also presents a huge opportunity for executives trying to steer their firms toward service excellence: Introduce a thoughtful, carefully orchestrated service incentive program that gives people a real opportunity for company-wide recognition. Then, add in some classy fanfare and senior executive public endorsements. Before you know it, and for less than money than you think, you'll energize your service culture more powerfully than you could have ever imagined.

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