

7 Employee Incentive Ideas that won't shoot your profits in the foot!

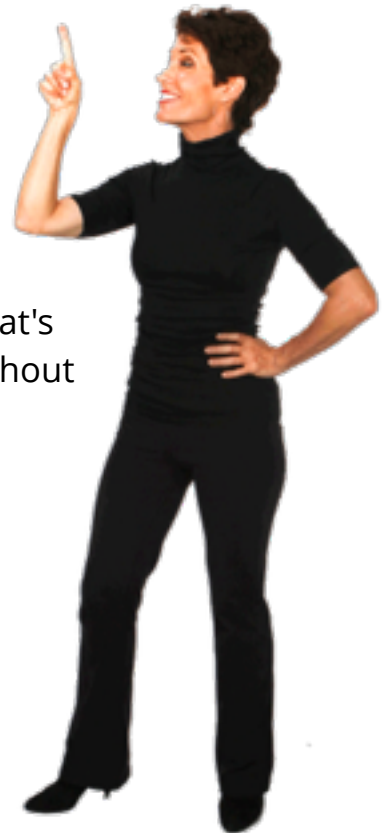
First, some basics...

You want to do the right thing. You want to let your team know you love them. Here are some tips for creating a solid compensation plan. And, 7 ideas for bonuses, games and spiffs for incentivizing your team for doing the right thing, too!

Start with the BIG picture.

Consider how to reward the behaviors that help you and your team move in the direction of your goals. Think about how to let your team in on the score...and how to hold them accountable for hitting the numbers and performance standards. And if they exceed goal, consider how they could earn a bonus. That's the way to reward those who go above and beyond without shooting yourself in the foot financially.

If needed, let your team know that you are going to revamp the way you pay in the months to come. Those who produce will be rewarded. Those who need help...will get it. And the willing and able will WIN.



Take your time...be cautious. Nothing causes more job-related stress than to change (threaten?) one's pay. Six to nine months is a good time frame for exploring, planning, testing and implementing a new way to pay and play at your company.

THE MAIN COURSE

Here are the elements of a sound compensation program. Aim to clearly communicate these points your team.

What's expected of you and what you get in return...



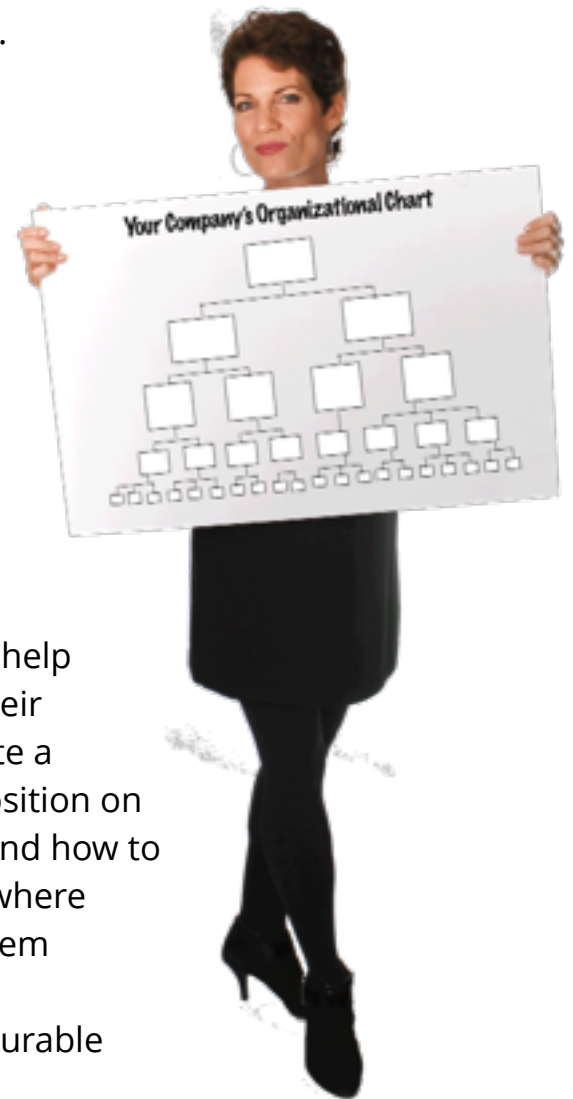
Update your Organizational Chart.

Line up the chain of command and put together a simple, half page position description for each box on the chart. The position description is a bulleted list of responsibilities: WHAT the person who holds this position is responsible for doing. Assign a starting pay for every position.

For the revenue producing positions – Service Techs and Salespeople – assign Sales goals to the positions. These goals are derived from the company budget and a fair portion of the total Sales goal should be assigned to each revenue producer.

For the production team members, communicate that they are responsible for bringing jobs in on time and done right. For each position, your responsibility is to provide the training and support necessary to help every willing team member be successful in their position. This gets even easier when you create a corresponding Operations Manual for each position on the Org Chart. How nice to know what to do and how to do it. How wonderful to work for a company where they teach people how to succeed and hold them accountable for their behavior.

In exchange for performing to expected, measurable standards...you get \$_____ in pay and _____ benefits package. Fill in the blanks. Communicate that unwillingness to do what is expected will ultimately result in the loss of your position.



“Here’s how you move up the ladder.”

Craft the steps required to move up the ladder to the next position in the organization. This could include manufacturers’ training classes, trade tech classes, licenses earned, time on the job, formal in-house training, practical tests on technical, sales and communication skills, etc. You might also indicate that you can only move up the ladder when there is an opening available. Wouldn’t it be cool if the way you paid your team was reasonable and consistent? Wouldn’t it be great if you offered the best pay and opportunities in your market area? Why you could even publicize the way you pay...and what it takes to move up the ladder at your company. Very cool!

Performance above and beyond the expected is how you can earn bonus dollars.

Should someone deliver sales above goal, those sales are gravy. You can give a bonus on the dollars created in excess of goal. Nice! Note that you want to reward profitable sales above goal, so it is a good idea to put in a qualifier. For instance, for the Salespeople, you might require that the jobs sold come in at or below bid. For the Service Techs, you might add a Labor percentage check or a minimum Billable Hours requirement. For the Installation team, you might offer a built-into-the-bid dollar amount that is released to the Installers when the job comes in on time and done right. For the office team, consider a goal for reducing Accounts Receivables, or reducing budgeted line item expenses. Have your team help you create ways to reward performance that exceeds sales and profit goals or delivers less than expected expenses.

So, clarify the Main Course. Clearly define what's expected. Craft a career ladder of opportunity. Help your team develop the skills needed to be successful. Hold them accountable and deliver bonuses for performance beyond goal. Play a grand, honorable game of business.

Dessert!

Employee Incentives, Games, and Bonuses are the Dessert of a sound compensation program.

They can help you acknowledge team members who are performing at or above goal.

Those who are going the extra mile. Those who are nice and ambitious and help your serve customers and make more money. So often we focus our attention on what's going wrong. Let's focus instead on helping people do the right thing...and honoring them when they do.

You can play a simple game or more sophisticated contests. If you want, you can even craft games that promote winning behaviors. Games can increase sales or the number of days your company goes without an injury. Have a surprise Highest Average Invoice Day...the winner gets a kite. Have a Meet and Greet day. The person who brings back the most business cards gets a \$25 phone card. You could even have a "Random Acts of Kindness" week where you all go out of your way to do nice things for each other...and try not to get caught in the act.

Here are some general rules regarding Employee Incentives, Games and Bonus Programs...

- Put someone in charge.
- Set a time frame. The someone in charge is responsible for keeping the energy up and the game going...right through to the finish line.
- Consider what you want the game to accomplish. More sales? Better manners? New customers? Publicity for your shop? Better safety record? Better understanding of each others' jobs? What behaviors would drive you in that direction?
- Create rules and write them down. Keep it simple.
- Keep score. Get creative with colorful scorecards, props and game pieces.
- Adopt game lingo. Name your teams. Create special names for unusual accomplishments. (In bowling, three gutter balls in a row is a poodle. Three strikes in a row is a turkey.)
- Create and wear some identifying team uniform. Gang colors.
- Hoot and holler when people win or go on to the next level of the game.
- Honor individual performance, team performance...mix it up.
- End the game with a flourish...prizes, crowns, preferred parking.

Keep it light. A good game can go south if someone gets hurt or cheats or breaks the rules. Help each other play the game straight and keep things in perspective. Aim for fair...and live with the imperfections. It is just a game and sometimes a call is wrong. Play anyway and enjoy what happens. Smile as your team descends into childhood. Laugh at yourself and each other and relish that warm, delicious feeling.



Now on to the FUN!

Here are 7 great ideas for employee incentives. Embrace them! And be inspired to create and discover lots more.

1

Monopoly Mayhem Incentive: Teamwork!

Art Mercurio is a long-time friend of mine and first class businessman and manager. He works with the Cassaro family at A. A. Cassaro Plumbing, Inc. in Las Vegas, NV. He and his team have developed a game based loosely on Monopoly. Here are the basic rules. Have fun!

The Object of the Game: Be the first team to move all the way around the board two times. You start on GO and finish on GO.

The Rules of the Game:

Teams are selected by Team Captains. Each department in the company must be represented on every team (Call takers, Bean Counters, Plumbers, etc.)

Team members must live with the goofy team names created by the Game Commissioners: Angelo Cassero, Joe Cassero and Art Mercurio.

Other Game Management Positions include: The Bell Ringer, The Marker Mover, the Truck Inspector and The Cheater Police.

To move forward on the board one space...

- Submit a signed invoice or change order for \$500 or more.
- Pass truck inspection the FIRST time. All vehicles on the team must pass. All team members can pitch in with the trucks.
- Turn over a lead which results in a sale of \$500 or more. All team members can deliver leads.
- Have a customer redeem a Door Hanger coupon with your name on it along with his or her paid invoice. All team members can put up door hangers.

When you move one space, you get to ring the bell one time.

To move forward on the board two spaces...

- Submit a signed invoice or change order for \$900 or more.

Watch out! You move BACK one space if...

- You fail an inspection on any aspect of any job.
- You fail a truck inspection.
- You fail to turn in your time sheet by Monday morning 8 am.

You move BACK two spaces if...

- You fail a safety inspection by a General Contractor, OSHA or the in-house team.
- Receive a driving complaint from a member of the community.

Bell Ringing Basics...

- You must call in on the radio to have the Bell Rung. You can move your team piece on the board once the official Bell Ringer has rung the bell...over the radio.

And the PRIZES...

FIRST PRIZE...for EACH winning team member...

- Two round trip tickets to anywhere in the continental USA.
- A weekend for two at a resort in lovely Mesquite, NV.
- A \$300 gift certificate to the Meadows Mall.

SECOND PRIZE...

- Dinner for two for each team member at the Town Center Lounge.

LAST PLACE TEAM...

- Wash the vehicles of the First and Second Place teams.
- Buy a dozen donuts and serve them to employees while wearing the Krispy Kreme hat.

Note that you can tweak this game in a hundred ways. This is a great go-to incentive program.

2

Brag on your Buddy – Incentive: Peer Recognition

It's a lovely idea to recognize right action and results. It's especially powerful when it comes from your peers. Encourage team members to text, or take a picture or a video of an employee caught in the act...of doing

something terrific! Like...

- Turning an upset customer into a raving fan.
- Helping a teammate out.
- Picking up a piece of garbage.
- Changing into a clean uniform. No inappropriate pics! 😊
- Making a great sale.
- Using good manners.
- Making someone smile.

Then, put together a slide show and award a prize to the employee who captured the best, and the most, wonderful moments.

3 Book Club Incentive: Lots...from a Second Language, to Financial Skills, to Management Skills.

Any kind of training can be perceived as incentivizing, if the team member is interested in the topic. Book Club provides a simple way to reward – pay – employees who are interested in expanding personal skills.

Offer a Book Club where you read Rich Dad, Poor Dad by Robert Kiyosaki and play The Cash Flow Game. Dave Ramsey has a terrific Debt Free program, and I know a savvy plumber who offers it to his team and their family members.

Research a Second Language home-study course and offer it. And if the students in the class speak Spanish, for instance, as their first language, you can speak only Spanish and they can speak only English for the whole class.

Get copies of a good business book like, Who Moved My Cheese? by Spencer Johnson. My friend Tab Hunter, read the book, then passed it privately to another team member. He told him that when he was done with the book, let Tab know...and they would discuss it. After a

lively, though private, conversation, Tab awarded the reader a tiny pin shaped like a wedge of cheese. The reader was to wear the pin but not comment on the pin, and then pass the book secretly to someone else, and that person would be rewarded with the expanding discussion group and a pin. But, not to speak of the book to anyone without the pin. It was a really fun and compelling way to get everyone on the team to read and reflect on the concepts in the book.

4 Service Tech Scavenger Hunt – Incentive: Part Recognition and Truck Stock!

I love a Scavenger Hunt. This is just one approach to using a time-tested favorite. In this version, use the hunt to test the techs product knowledge and truck stock layout. Each tech plays individually.

- All items must be located from the individual plumber's truck. No sharing. No pulling from restock locker allowed. All items must be new.
- Incorrect items will be counted as a missed item.
- Starting location will be from the technician staging area.
- The service manager will keep time. No whining . All decisions final.
- The winner will be awarded a prize...Gift card, tool, work jacket, etc.

One point will be awarded for each correct item located and returned to the service manager within the 5 minute time period. 5 bonus

points will be awarded for the first finisher. One point will be deducted for each missed item. One point will be deducted for any tech requiring over 5 minutes to complete the hunt.

Scavenger List: This is a sample list of items. Get creative!

1. ½ sweat ball valve
2. hose thread hammer arrestor
3. round tank flapper
4. safety glasses
5. closet flange bolt kit
6. white caulking
7. 1 ¼ threaded tailpiece
8. ¾ copper 90
9. pair of shoe covers
10. single element 120volt t-stat
11. ½ x ¼ ice maker valve
12. no burst washer hose
13. fire extinguisher
14. 1/4 brass compression coupling

5

The Delegator's Choice – Incentive: You Choose!

Companies like www.tangocard.com and www.parago.com make it easy to set up a reward program for just about any game you can think of. They offer gift cards, products, travel and donations to the charity of your choice. Yes, they take a cut of the action. However, they make incentive programs easy to manage and keep track of the action and the winners. Worth looking into!

6

FISH™ Tales – Incentive: Bigger SALES!

This incentive philosophy is inspired by the famous Pike Place Fish Market in Seattle, Washington. Have you seen this? If you buy a fish, they THROW it at you! Lots of energy and excitement, and it's all good. The simple key to improving customer service, teamwork and sales is to have fun at work.

Check out [the Fish Philosophy website](#). You could assign a team member or two to attend the workshop with you. When you come back, have them come up with a plan to implement a kick off program at your company. You don't have to come up with new ideas all the time. Copy great ones and implement them with your unique twist.

7

The Holiday Shopping Spree – Incentive: Appreciating Yourself!

My friend, Bill Raymond, owner of Frank & Lindy, Plumbing, Heating & Cooling, in Peekskill, New York, does a bang-up job with employee holiday gifts. He selects a day during the hectic holiday season and has his team participate in a company-wide adventure. The Techs show up and discover the service truck fleet has been detailed...spic-and-span clean inside and out. Everyone loads into freshly-detailed, spic and span trucks. They follow Bill in a convoy through their market area. Imagine these rolling billboards pouring through your neighborhood. They land at the local mall, and line up the trucks in the parking lot. Next, the crew – clad in Frank & Lindy uniforms – descends on the food court. There, Bill greets the team with a small gift. One year, it was a duffle bag with an embroidered Frank & Lindy logo. Inside the duffle bag: a mall gift card for \$100. Then, Bill announces the Rules of the Game:

- Each team member has 1 hour to spend the whole gift card.
- You must spend the gift card on YOURSELF. Not on friends or family. Just you. 😊
- Return to the food court when the time is up...and show-and-tell how you spent your \$100.

Picture the team, speed shopping in the mall. Picture the other shoppers watching the show-and-tell in the food court. These are New Yorkers, after all, and I can imagine that the competition and supporting commentary gets pretty spirited! What a great way to share the joy and love and laughter of the season. And to remind team members that it is OK to put themselves first now and again.

PS...You are welcome and encouraged to check with your labor lawyer before you kick in a new compensation or bonus program. Payroll taxes will apply. You get the idea. Cover your kiester.



Ellen Rohr The Business Makeover Expert® teaches the few things that make all the difference to your business success: Easy financial clean up, profitable pricing and powerful business planning. As the Plumber's Wife, she nearly sank her own family's contracting business. Then, she learned how to keep track of the money and make more of it. She has helped thousands of business owners start, fix and grow their companies.

Ellen is a columnist for Huffington Post, PHC News, and a contributor to many business journals and trade magazines. She provides "in the trenches" insight that business owners can relate to.

Ellen is the author of four business basics books: [Where Did the Money Go?](#), [How Much Should I Charge?](#), [The Bare Bones Biz Plan](#) and [The Weekend Biz Plan](#).