

HOW DO YOU REWARD SUCCESS?



Success means many different things so rewards must fit the role

How do you properly measure and reward new business people so they remain motivated and deliver against financial targets? This is something many handle clumsily, damaging their growth and contributing to the increasing levels of employee churn in the industry. The HR consultancy *Blossom* advises clients how to reward their employees, and has examples.

A marketing implementation company with 100+ staff allocates a team bonus on total new client revenues. But where an individual has been influential in a win, they receive a greater reward tailored specifically for the part they play.

A small, integrated agency apportions a bonus for the new business manager of up to £10K (paid quarterly) on top of her basic salary. However the reward system is split 50% based on her energy, enthusiasm and motivation (intangibles), and then 50% on the value of proposals, briefs or pitches she's personally created (metrics). There's also a team bonus based on revenue. Small and with limited brand awareness, they recognise how challenging the role is. The split bonus scheme maintains motivation without losing sight of the importance of generating new clients.

The best advice is against using revenue as a sole marker of success. New business directors of smaller integrated agencies and medium-sized agencies of most disciplines, have a harder time bringing in revenue than those of larger/famous networks. Here, the pull of the brand and high-profile creative attracts pitch opportunities. The NBD functions more as a maitre-d' and political lynchpin. Their social and organisational skills are prized and rewarded as much as their sales ability. This is also true for those in niche fields (where effective providers are rare and are known to their markets – e.g. luxury travel or health specialists). The 'pull' makes life easier.

Additionally, the markers for success are varied for each specific agency and must be calibrated accordingly. They also need to be clear at the start of any campaign to avoid frustrations internally and/or with external support.

A creative agency pays a percentage of profits to their NBM, though this can, due to any small print, sometimes cause suspicion, even friction.

A mid-sized user-experience agency looks for an ROI target of 10:1 on a basic of £45K, and a staggered, quarterly bonus system is in play, based on the value of costed opportunities she creates for them to pitch for – so both actual and *potential* revenue.

Agencies must strike a balance between a reward system that enables motivation (e.g. one that maintains earnings potential during difficult times) and which has an appropriate level of reward for delivering measured results. But whatever the system, clarity and explanation at the outset are essential for fostering understanding and buy-in. Systems that are too regimented or unstructured (with unclear rewards) must be avoided. Both may damage motivation, affect perception of the agency, and overall effectiveness of the new business team.

Though it's nice if the whole team gets a bonus for new wins, this is suitable for large sales forces in a similar peer group, it's more relevant and motivating, that new business employees in the marketing services industry are rewarded independently, and on the specifics of their role. Where a team bonus for new business wins is desired, it's better for the company's overall objectives that this is company-wide, to reflect the varied contributions that everyone in the organisation makes towards the success of the business, and directly and indirectly, towards new business.

Ultimately, the resource that generates properly costed new business proposals / briefs or pitch opportunities, needs to be measured and rewarded on that basis – i.e. the value of qualified *opportunities*. An entirely different reward system is required for those responsible for *converting* them. It's not an easy one this, but getting the balance right unlocks full value throughout the team.