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Driving Optimum Sales Performance Through Motivation

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What Drives Sales Performance?

THE LINK BETWEEN MOTIVATION & SALES PERFORMANCE

The sales team is the life blood of any organization – the primary source of revenue and clients upon which you build your business. The quality of an organization's sales people, effort and results has a direct correlation to the business' bottom line. As a result, sales managers and executives devote extensive time and resources to designing tactics and techniques to drive optimal performance from the sales team. Everyone entrusted with a sales leadership role will agree that to excel in today's hyper-competitive business environment you need a highly motivated and engaged sales team.

Even small decreases in productivity can have a devastating impact on sales revenue, new customer acquisition and customer retention.

- 76% of employees who feel intrinsically motivated exceed performance expectations, compared to 60% of those who feel extrinsically motivated (Korn Ferry Institute)
- When employees feel demotivated, their productivity drops by 25-50% (Bain & Company)
- Only 1/3 of full-time employees in the U.S. are engaged in their work (Gallup)



While Business executives intuitively understand the financial ROI of motivating their sales team, the failure that many sales leaders make, is in equating "motivation" with "compensation". Studies have shown that compensation plans on their own are not enough to drive exceptional sales performance and build engagement within your team.

WHY FINANCIAL INCENTIVES ALONE DON'T WORK

Motivational drivers fall into two primary categories:

- **Extrinsic Motivators** – refer to behavior that is driven by external rewards such as money, awards and praise. This type of motivation comes from outside the individual.
- **Intrinsic Motivators** – refer to behavior that is driven by internal rewards. This type of motivation arises from within the individual.

Intrinsic Motivation occurs when you perform an activity because you view it as an opportunity to explore, learn and actualize your potential without the enticement of extrinsic rewards. (Daniel H Pink)
Incentive compensation plans, bonuses, sales contests and awards are all examples of extrinsic motivational tactics. While it is absolutely essential to provide fair compensation for sales people, financial incentives

alone are not enough to motivate heightened levels of performance for long periods of time. (Frederic Winslow Taylor, 1900's management consultant) Monetary incentives can have an impact but should not be assumed to provide the primary source of motivation as they will not consistently drive behavior.

"How confident are you that your current compensation plan is driving behavior that generates optimal sales results from your team?"

- Not all sales people are "coin-operated"; assumptions that all sales people are motivated only by money are not scientifically founded.
- The more successful sales people become, the more other factors take precedence over money.
- David Sandler, founder of Sandler Sales Institute: "You must have a reason and a cause beyond the money for why you are in sales."
- A survey conducted by Carol Holahan and Robert Sears asked 1,528 highly successful business people what gave them the most satisfaction as they reflected on their careers. Money was at the bottom of the list. (The Gifted Group in Later Maturity, Palo Alto, CA: Stanford University Press)

An optimized sales incentive program must tap into both extrinsic and intrinsic motivators to ensure long-term success and capitalize on the full performance potential of your sales talent.

Relying on extrinsic motivators alone can have serious negative consequences:

DECREASED MOTIVATION OVER TIME

•Scientific studies have shown that when people realize that an activity is being done primarily for money, the appeal of the task is reduced. (Jon marshall Reeve, Understanding Motivation and Emotion, 4th edition. John Wiley & Sons, 2005. P. 143)
•Rewards are addictive; once a reward is achieved it fails to motivate.
•Leads to assumptions that the activity is only worth doing if it generates the reward.
•Reps are able to "game the system" to achieve rewards, which negates positive impact of the incentive.

REDUCED SALES PERFORMANCE

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* *(Theresa Amabile, Harvard Business School; Sam Glucksberg, Princeton University Psychologist) Over-reliance on commission incentives and quotas runs counter to a client-centric business strategy and encourages reps to make decisions based on financial gain, not client/business benefit. The London School of Economics analyzed compensation plans of 51 large companies and concluded that "financial incentives…can result in a negative impact on overall performance."*

INTRINSIC MOTIVATION DRIVES EXCEPTIONAL SALES PERFORMANCE

Sales people who are intrinsically driven to strive for excellence are self-motivated; for them selling is personal. It defines who they are. David Mayer and Herbert Greenberg documented this effect in their Harvard Business Review article titled "What Makes a Good Salesman?" which concluded that personal motivation is unlike selling merely for "the money to be gained."

"How many times have you invested in a new incentive plan for your sales team only to get the same lackluster results over time?"

THE SOLUTION

Understand your team's unique – individual - intrinsic motivators and create an environment where these needs are met will enhance your current incentive strategy and accelerate the results of your current and future compensation initiatives.

The MotiveX Assessment identifies the gap between what management thinks motivates their employees and what actually motivates them to create an environment where sales people will motivate themselves to achieve greater results.

Stop trying to motivate your sales people & create an environment where they will motivate themselves.



What Drives Retention & Sales Engagement?

"What is the short- and long-term financial impact to your business when you lose a top-performing sales rep?"

In a sales-driven organization, turnover is costly. Every day that a territory sits vacant can have a dramatic impact on the financial performance of the business. In addition, once you factor in the costs to recruit, hire, onboard and train a new employee the costs quickly escalate.

Having unmotivated sales reps on your team is just as detrimental to financial performance

- According to research done by the Gallup Organization, the top 25% of a sales force produces over 70% of customer advocates. On the flip side, the bottom 25% actually alienates prospects. With every sales call made by these poor performers, the likelihood that the prospect will ever do business with the company decreases. (Benson Smith, Sales Research Group, Gallup, Discover Your Sales Strengths)
- The costs of employee turnover are increasingly high – estimated to be as much as 1.5-2x employee's salary. (Josh Bersina, principal at Deloitte and founder of Bersin by Deloitte)

How MotiveX Bridges the Motivation Gap

The MotiveX Assessment is the only scientifically validated instrument that identifies the Motivational Friction, which is a significant factor preventing optimal sales engagement and productivity.

The Assessment Insights enhance sales enablement and incentive compensation design by integrating evidence based data into the core motivational needs of your team. Our findings provide sales leaders with an optimized approach for driving sustainable performance metrics while reducing unwanted turnover.



The Assessment can be conducted easily, quickly and securely without a drain on sales resources

•The Assessment is administered on-line and only takes 6-8 minutes to complete.
•We eliminate the administrative burden for our clients by sending the Assessment link to all selected employees via our proprietary platform.
•The MotiveX platform generates a unique security token for each individual participant to ensure complete confidentiality and data integrity.

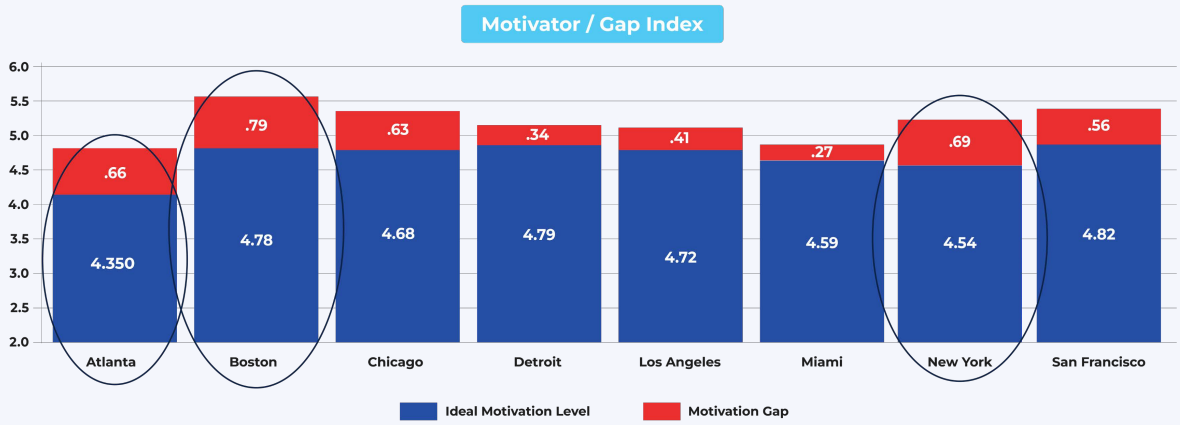
Once the assessment data has been collected, our data science team reviews the findings and applies our proprietary algorithms to identify motivational drivers at both the team and individual level. Managers receive a customized, easy-to-read blueprint with actionable recommendations for how to improve sales performance by aligning motivational needs to their reps.

- Understand how to narrow the gaps between how specific sales people are naturally motivated and how you are incentivizing them currently.
- Identify at-risk sales personnel and create an action plan to engage them before it's too late.
- Create customized incentive & reward programs designed to tap into what most motivates your top performers.
- Tailor manager/sales rep training, collaboration and communication to drive greater sales results.

Example Data Sets

MotivationPulse: District Level Alignment

Company | Region | **District** | Gender | Tenure | President Club | Manager



SalesPulse HeatMap: Rep Risk Indicator

USER ID	Altruism Gap	Autonomy Gap	Collaboration Gap	Influence Gap	Innovation Gap	Learning Gap	Ownership Gap	Rationality Gap	Recognition Gap	Values Gap
87432 >	-0.5	-0.3	-0	-3	-0	-3	-1	1	-2	0.3
87598 >	-0.5	-0	-0	-1	-0.5	-1	-1	-0.5	-2	-1.7
88767 >	-2	-0.7	-0.5	-0.5	-3	-1	-2.5	0.5	-1.5	1
83211 >	-0	0.3	-0	-2	-1.5	-0	-1	-2	-1	-0
81784 >	-0.5	-0.3	-0	-0.5	-0.5	-1	0.5	-0	-0.5	-1
81764 >	-0.5	-0	-0.5	-1	-0.5	-0	0.5	-0.5	-0	-0.7
86684 >	-1	0.3	-0	-0.5	-0.5	-0.5	0.5	-0.5	-0	0.3
82364 >	-0	-0.3	-0	-0	-0.5	-1	-0.5	-0	-0	-0.3
81494 >	-0	-0.3	0.5	-0	0.5	-0	-0	-0	-0	-0.3
81137 >	0.5	-0.3	-0.5	0.5	-0.5	-0	-0	-0	-0	-0

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