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EXECUTIVE STRATEGIES FOR MEETING AND MOTIVATING

## DISCONNECT, RECONNECT

HOW A NEW SURVEY TOOL  
HELPED CINGULAR RADICALLY  
REVAMP ITS SALES INCENTIVE

Karen Bennett, vice president  
of sales strategy and support,  
Cingular Wireless

special  
incentive  
issue

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Highlights

**K**AREN BENNETT, vice president of sales strategy and support, sensed a disconnect between what salespeople wanted in an incentive trip and what her company, Atlanta-based Cingular Wireless, was offering.

But a hunch is not enough to go on.

So she decided to survey the entire sales force—and discovered that her intuition was correct. The Cingular Summit, the annual incentive recognition program to reward the top 5 percent of sales performers, was not the motivating force that she had hoped it was, from the rules to the trip itself.

But the real surprise came not in learning what didn't motivate the salespeople, but what *did*: Overwhelmingly, they preferred a regional alternative to the national trip that was in place. So,

with the help of a cutting-edge incentive scenario simulation tool developed by Maritz Travel and Maritz Research, Cingular answered the call for change and revamped the summit.

### Rules of Engagement

Traditionally, the 6-year-old summit was a four-day trip held each March at a high-end resort, with previous destinations including the Hyatt Regency Lake Las Vegas and Atlantis, Paradise Island. This year, the event took place at the elegant Grand America in Salt Lake City. The trips include a half-day business meeting at which senior executives unveil goals, strategies, and new products for the coming year, as well as an awards banquet. The rest of the time is all about recre-

MARC BERLOW

# Disconnect, Reconnect

BY DAVE KOVALESKI

Cingular used a new tool to survey *all* its potential qualifiers—not just the winners—and then radically revamped its annual incentive trip.



Karen Bennett, vice president  
of sales strategy and support,  
Cingular Wireless

ation, relaxation, and fun. “The activities are really important—our folks tell us that over and over again,” Bennett says. Golf, spa, race-car driving experiences, or activities relative to the destination, such as bobsledding and snowmobiles in Salt Lake City, are popular.

The summit has received many positive reviews over the years, but post-event surveys only tell a small part of the story, says Bennett. “Those surveys tell us about the event, but they don’t tell us if we are hitting home with the program as a whole.” The incentive also has had “amazing” retention benefits, she

says. “We know for a fact that the people who win this program do not leave the company.”

But what about the people who haven’t won?

Based on conversations with sales reps and managers, Bennett says, “I was not convinced that everyone perceived this as the crème de la crème recognition program.” Field representatives viewed it as a national program—one that didn’t apply to them. Managers didn’t think it was for them. Others either didn’t know about it or simply didn’t feel that they could achieve the trip.

## How the Survey Tool Works

With Travel Insight, the new Web-based survey tool developed by Maritz Travel and Maritz Research, St. Louis, a company can compare its current incentive to a variety of hypothetical trips to see how it stacks up.

Say the incentive trip is five days in a European city, no guests, with a big name entertainer, and the CEO in attendance. Travel Insight allows users to compare that reward side-by-side with other scenarios within the same budget range. So, say the user calls up the following scenario using the drop down menus: four days at a beach resort, one guest invited, swimming with dolphins, and no CEO. Based on the feedback from the survey, the tool will immediately tell the company, using predictive modeling, which scenario is preferable by showing what percentage of respondents favor one trip over the other.

Users can also trade off elements—like a four-star beach resort for a five-star mountain resort—and the favorability score will change accordingly. “The question is not, ‘Do you like five nights or seven nights?’ The question is: ‘This trip versus that trip?’” says Chris Gaia, vice president of marketing at Maritz Travel.

Maritz has developed its own standard questions, but clients can input customized queries. The survey takes 15 to 30 minutes to complete. The turnaround time—from the initial discovery session to the surveying to the presen-

tation of findings—is between six and 16 weeks.

Maritz is currently using Travel Insight with three clients: Cingular, a brewery, and an insurance company. For some clients, Maritz simply conducts the survey and presents the findings; others, such as Cingular, choose to hire Maritz to implement some of the findings.

“If you don’t understand the nature of the people you’re trying to motivate, and you’re making assumptions about the incentive based on participant surveys from past years or advisory councils who meet once a year, there’s probably a pretty good chance there’s a big disconnect between what you’re hearing and what the channel you’re trying to motivate is thinking,” says Gaia.

The tool is also a way to show executives how to get a better bang for their buck in a way that best motivates employees. “If you’ve got three or four times the motivational lift on a program that you’re spending the same amount of money on,” he says, “you’ve got better ROI.”



“If you’re going to make this kind of investment,” she says, “you want to make sure that you’ve got the engagement of everyone, and that it is clearly linked to all of your business drivers so that you’re getting the maximum value. So, we started asking: ‘Does it really accomplish what we want it to accomplish? And if not, why?’”

## New Survey Tool

To find out, Cingular decided to dig deeper than anecdotal feedback and survey everyone who competes for the trip—not just the winners.

“What do they really want out of the trip?” asked Bennett. “What would cause them to work harder month after month in order to win it?”

In fall 2005, they hired St. Louis-based Maritz to do a survey using a new tool it had developed known as Travel Insight. (See box at left.) This Web-based research tool runs participant survey answers through hypothetical incentive reward scenarios. It then compares those scenarios to the current program, allowing client companies to see immediately how one incentive compares to another.

“It gives you a much broader perspective, based on quantitative analysis, when you’re making decisions,” says Chris Gaia, vice president of marketing at Maritz. Maritz introduced the tool last autumn at The Motivation Show. Cingular is among the first clients to use it.

After an initial session at which Bennett and her staff worked with researchers to discuss what they wanted, Maritz developed survey questions focused on program variables such as trip length, hotel type, use of free time, and opportunities to interact with senior management on the trip.

The survey went out to all eligible sales representative and managers. Of



Chris Gaia, Maritz Travel



PHOTOS BY TOM MILES/HKO PHOTOGRAPHY

the thousands surveyed, 25 percent responded. Cingular has more than 2,000 retail stores and kiosks.

### Going Regional

The survey revealed several findings, one of which shook the foundation of the program and caught Cingular by surprise. Respondents voted overwhelmingly, nearly three to one, in favor of regional events rather than a national one.

“A major reason we didn’t have enough engagement is because our field folks perceived this program as a national program,” says Bennett—one that didn’t apply to them.

In addition, “they wanted to be recognized in front of their peers and their line-of-sight management,” she adds. “They wanted to know that their regional president knows who they are, as opposed to people from outside their region, because that’s the person who will get them promoted.”

The company decided to take immediate action based on that finding. Beginning in March 2007, the program will evolve from a single national event into six regional events, with the top 5 percent of producers qualifying.

The six events will be held at two destinations, one on each coast: the JW Marriott Grande Lakes in Orlando, Fla., and the Montage Resort in Laguna Beach, Calif. Cingular has four sales regions; the two in the Western half of the United States will go to Laguna Beach, while the two in the Eastern half will go to Orlando. The company also has two national sales channels, both of which will go to Orlando. The four-day, back-to-back trips will be held in March as usual.

In the end, Cingular will spend 5 percent to 10 percent more by using two destinations. “About 60 [percent] to 70

percent of the costs will stay the same, but 30 percent of the different program buckets will have some change,” Bennett says. They are managing the budget by having the regions meet in back-to-back waves, which will defray the cost of staging the events multiple times and offer other economies of scale.

Despite the higher price tag, she has no concerns about the return on investment. “Just the sheer benefit of the retention value pays for the program,” she says—not to mention the additional revenues.

**“[Post-event] surveys tell us about the event, but they don’t tell us if we are hitting home with the program as a whole.”**

—Karen Bennett, Cingular Wireless

Another interesting finding from the survey: More important than the length of the trip, respondents (many of whom are 30 years old or younger) said, was the destination. “We learned that they would give up a day of the trip just to make sure that it was in a sunny destination,” Bennett says.

Right now, Cingular has no intention of reducing the length of the trip, but “we’ll be on a sun-and-fun trend for a while,” says Dennis Magraw, manager, sales operations at Cingular, who handles the day-to-day responsibilities of the program.

### New Rules

Beyond the trip itself, the survey revealed structural problems with the contest rules. For starters, the program was focused more on front-line sellers. Be-

The 2006 Cingular Summit in Salt Lake City: (previous page) Winners grab their hats for a rodeo; (left to right) bobsled at the site of the 2002 Winter Olympics; go horseback riding; and ski at Park City Mountain Resort.

cause, as the survey found, two-thirds of managers did not perceive this program to be for them, they were not engaged; their apathy trickled down to the sales reps who work for them.

“We had reps telling us that their managers just didn’t talk about this program very much,” says Bennett. “That’s because we didn’t have many slots avail-

able for them. But it’s the store manager who’s going to make or break the store numbers because they can exhibit, enforce, and encourage best practices that resonate throughout the store.”

Now, about 60 percent of the overall summit winners will be the top-performing store managers, based on the sales generated by their stores.

Cingular also decided to change the metrics by which participants qualify. Previously, the only criterion was sales performance. Now, participants are also measured for customer service via a feedback tool that Maritz helped to develop to tabulate a customer service score.

“You could have someone who outperforms someone else, sales-wise, but doesn’t qualify over a person with lower sales numbers and higher customer service scores,” says Magraw.

## They Hear You

Cingular has had to increase communication on many fronts since its incentive research last fall.

"You can't have too much communication," says Dennis Magraw, Cingular's manager, sales operations.

For one, correspondence is now specific to each region's trip and qualifying criteria, so that both managers and sales reps understand that it's a regional program—not a national one. Rankings are updated twice a month on a dedicated Web site to show participants where they stand within their market, and now, region. Also, people receive monthly updates on their year-to-date progress and their standing relative to their quotas.

In addition, Cingular has created a page on its Web site that profiles current winners and shares best practices.

"We're engaging winners throughout the year with special communications so that their experience of being a winner isn't just tied to the four-day trip," says Magraw.

A large percentage of those surveyed also said that they prefer an open-ended program (where everyone who meets the goals wins the trip, versus a set number of people) because, within that structure, they primarily compete against themselves and have a better chance to win. While Cingular has no immediate plans to shift to an open-ended program, it will analyze such an approach over the next



few cycles to determine its feasibility.

### Positive Change

While the new regional format is just starting, some changes were incorporated into the trip to Salt Lake City earlier this year.

For starters, after seeing research that showed a clear preference for warm and sunny destinations, organiz-

ers were suddenly aware that the already booked trip to the Rockies would need a little more romancing. So they went the extra mile to promote it, sending out a series of mailings highlighting the activities offered, such as snowmobiling and bobsledding at an Olympic facility.

"To our surprise, we met with tremendous success because of the way we positioned the trip, communicated it, and got everybody excited about a winter venue," says Bennett.

They also introduced the regional concept in Salt Lake City by assigning each region a color that was used on everything from nametag lanyards to bandanas, so that winners from the respective regions could recognize each other. The new sense of unity was evident at the half-day business meeting, where regions sat in color-coded sections. "Their pride really showed through when the regional presidents got up on stage and challenged everybody from their region to make some noise," says Magraw.

"It showed us we were on the right track for 2007." ■

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