



Rewarding Sales Performance

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According to a recent study on employee motivation,

70% of your employees are less motivated today than they used to be;

80% of your employees could perform significantly better if they wanted to; and

50% of your employees only put enough effort into their work to keep their job!

Perhaps the reason is because employees do not see a clear and convincing relationship between the effort they put forth and the reward they receive. For credit unions, this becomes particularly evident when *selling and cross-selling* initiatives are implemented.

More and more credit unions are making the shift to a sales and service culture. No longer just order takers, many tellers and member service representatives are expected to identify member needs, look beyond what brought the member into the credit union and recommend appropriate products and services. A sales incentive program can be an important component in a successful sales and service culture, but incentives alone cannot make it happen.

Before we can reward sales performance we must determine what we expect from our employees. Is cross-selling treated as a peripheral duty? In other words, do we give our tellers the (spoken or implied) message, "If the lobby is empty, and you feel like it, go ahead and tell the member about the current VISA promotion."

Or, is cross-selling considered an *essential function* of the position, wherein if you do not cross-sell, you are failing at an important part of your job, and therefore risk counseling and/or discipline.

Or are you somewhere in between?

Regardless, *communication is key*. Clearly communicate your expectations to your employees. In addition, include cross-selling duties in the job description and make certain that cross-selling is a measured component in the performance appraisal.

This is all part of creating a culture that is focused on selling. It doesn't happen overnight and it doesn't happen after one staff meeting. It happens with hiring the right people into the right jobs, training them appropriately, communicating effectively, and putting in place the right motivation and reward system.

After everything else is in place, here are some questions to consider before setting up any sales incentive program:



What products/services do we want to include in the sales incentive program? Products that generate revenue (loans, VISA cards, etc.)? Services that reduce lobby traffic (home banking, bill payer, etc.)? Bundled products and services?

Who is eligible to participate? Tellers? MSRs? Loan officers? Lending Assistants? Receptionists?

Do we want to reward department, team or individual performance? Or do we want a hybrid program that rewards group and individual performance?

What actions/behaviors will we reward? All sales? All referrals? Only referrals that result in sales?

What will the frequency of payments be? Each pay period? Monthly? Quarterly? Annually?

What will the duration of the incentive program be? Ongoing (continuous) or short-term (has a beginning and an end, i.e. month-long initiative, three month program, etc.)?

Finally, communicate the new incentive program with the enthusiasm it deserves. Most likely, you or your Human Resource Consultant has spent many long hours researching, designing, testing, revising and retesting your new program. Deliver it and implement it in a way that shows your commitment and eagerness. And remember, celebrate successes, learn from mistakes, and above all else, have fun!

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