

**Recognition and Reward Programs –  
The Agony and the Ecstasy**  
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Cash is a strong motivator for the short term. However, if cash is not combined with additional recognition, often performance can lag as people feel taken for granted.

## **DEFINITIONS**

**Incentives:** Cash or tangible awards given for specific performance which is clearly outlined in \_\_\_\_\_ and is measurable. May be tied to a temporary promotion or a long-term program.

**Recognition:** Typically verbal or written praise \_\_\_\_\_ superior or improved performance. There are two types:

Informal Recognition provides \_\_\_\_\_, positive feedback using verbal comments, token awards, or items of symbolic value. It is often a surprise.

Formal Recognition is based on pre-determined \_\_\_\_\_ that outlines exactly what you need to do to earn the recognition.

**Rewards:** Typically a certificate, plaque, dinner, unique gift, or small cash award given following superior performance.

**Commissions:** Cash given bi-weekly, monthly or quarterly for specific sales performance.

**Bonus:** Typically a one-time, lump sum cash award which may or may not be tied to specific individual, team or company performance. Pitfall: If there are not minimum standards of performance, it can be viewed as an entitlement.

Note: A good recognition and reward program should reinforce positive staff behaviors and performance and ideally support your strategic goals.

ACHIEVEMENT CLUBS (Formal Recognition)

**Definition** An exclusive club to motivate exceptional individual and/or team performance in the areas of sales, service, accuracy or productivity. The key is to establish quantifiable entrance criteria and allow members to earn their entry by achieving minimum thresholds of performance. Clubs can be especially motivating because membership is not limited to just the top three performers. Entry is based on performance, not nominations.

#### Sample Entrance Criteria/Rewards

Referrals	6/month	Bronze	Framed Certificate
	12/month	Silver	Cross pen
	20/month	Gold	Dinner for two
Customer Service*	9.5	Gold	Half day off + framed certificate
	8.5	Silver	Breakfast for two
	8.0	Bronze	Business Card Holder
*Based on random samplings, mystery shoppings or telephone surveys. Can be for individual or team recognition.			
Turnaround Time	18 days	Catered breakfast for team	
	12 days	Catered picnic lunch for team	
	5 days	Team dinner at Ritz-Carlton Hotel w/guests	
Sales Volume	\$25,000/month	\$ 250 or Five star dinner/dancing	
	50,000/month	500 or Dinner plus a day spa package	
	75,000/month	1,000 or Weekend at a Bed and Breakfast	
	100,000/month	1,500 or Week in Hawaii	

**Internal Service/Support (Team)** Any department which comes within five points of a perfect score on their Internal Departmental Service Index™ (IDSI™) gets a bonus, party, etc. (Note: You need an internal service measurement system to implement this club. See the sample IDSI form.)

**Internal Service/Support (Individual)** Any associate who averages 9.0 or higher on the internal mystery shopping, comment cards, or receives five coupons within a quarter from co-workers is eligible. Club members will receive special recognition at the President's dinner and a lovely gift.



Management Performance      Develop specific criteria for excellent leadership qualities and create a club to award your top managers, i.e.:

- 100% of sales goals or strategic initiatives
- Average Customer Satisfaction Index of 9.0
- Team product knowledge score of 80%

NOTE:                                      In addition to a special gift or cash, all new club members attend an exclusive quarterly awards function. The key is to create a memorable e\_\_\_\_\_!

### “ON-THE-SPOT” SURPRISE REWARDS

On the spot rewards are effective to reinforce any positive behavior or excellent performance. It is especially helpful to recognize associates who are in areas with limited visibility. It is important to develop “clear guidelines” to avoid the appearance of favoritism or rewarding people for just doing their job.

- Balloons and a song
- Checkbook of awards (Managers distribute)
- Mugging program (Staff nomination)
- Praising coupons (Associate to Associate)
- Kudos board for all associates

### CUSTOMER INVOLVEMENT

- Coupon programs (commonly used by the airlines)
- Comments from your customer surveys/comment cards
- Assign a point value to each comment, coupon or letter received

### ADDED VALUE AND CREATIVE RECOGNITION

- Offer staff special training (computers, supervisory, web design)
- Invite a nutritionist, financial planner and fitness trainer to speak to your staff
- Offer housecleaning, carpet cleaning, manicures, massage and other pampering or time saving services

### TEAM VS. INDIVIDUAL AWARDS

- Individuals who consistently perform deserve special recognition
- Team awards are important to encourage people to work together and unite in a common goal
- You need both!



## COMPANY NEWSLETTERS

Take advantage of your newsletter to instill an achievement-oriented culture. Assign recognition “reporters” from each department to call or email the newsletter editor by a certain date. Include:

- Sales & service results
- Support/admin accomplishments
- Corporate and dept. goals/results
- Quizzes to test knowledge
- Customer comments
- Product knowledge and sales tips
- Quality team updates

### MOST POPULAR REWARDS

- A memorable experience!
- Weekend/trip
- Dinner for two
- Housecleaning/auto detail
- Team social event
- Gift certificates
- Personalized gift of choice
- Time off
- Healthy cash award

### MOST UNPOPULAR REWARDS

- Overuse of plaques
- Miniscule cash incentive
- Lunch with CEO

### CAUTION!

- Avoid the “1, 2, 3 syndrome” — the same people always get recognized
- Avoid popularity contests (Employee of the Month with vague criteria)
- Avoid emphasizing “tenure” over “performance”
- Be sure to tie your recognition program to your key strategic initiatives and department goals
- Get staff involved in creating your recognition program
- Avoid giving cash without recognition

To get started,  
“create your recognition team today!”

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## RESOURCES

**Order our audio CD “Recognition and Reward Programs: The Agony and the Ecstasy!” for your team. For information on our “informal” and “formal” Recognition Guidebooklets™, available support, staff climate survey or to schedule Barbara for your retreat or event, visit us at [www.RomanoSanfilippo.com](http://www.RomanoSanfilippo.com), call (760) 738-9100, or fax the attached “Rapid Response Form”.**

## GuideBooklet™ Description

GuideBooklets™ are detailed, step-by-step, “instruction manuals” written by Romano & Sanfilippo to assist clients in implementing the basic components of a sales and service culture. Depending on the specific component, each GuideBooklet™ includes comprehensive instructions, worksheets, timelines, examples, memos to staff, and more. They have been updated and fine-tuned over the past eleven years based on experiences gleaned during implementation by our clients.

The comments we hear time and again are how detailed the GuideBooklets™ are, how they simplify the process and greatly reduce the time it would have taken if our clients had tried to figure it out on their own. They eliminate “reinventing the wheel” and needless employee frustration, and facilitate quicker and better results. Because our GuideBooklets™ are written as implementation and education tools, there is no comparison to other books on the same topic including many Crisp Publications and “Dummies” books.

Each GuideBooklet™ is designed to enable a client to implement a sales and service culture component with merely a phone orientation. However, consulting assistance is available if needed. Based on the amount of support you require to implement the components, we have multiple pricing options to suit your budget. Please give us a call to discuss your needs.

You get a more favorable and consistent outcome not only because of the instructive nature of the content, but also because of the process by which the component is implemented:

- Step 1 Form a team led by a senior manager.
- Step 2 Each member of the team is given a GuideBooklet™ to read and is asked to write down any notes and questions in the margins.
- Step 3 Romano & Sanfilippo provides a one-hour phone orientation to highlight the most critical concepts and steps, answer the team’s questions, and make sure they understand their charter.

Through this approach, there is more buy-in and ownership to development of the process or system because employees implement the components of a sales and service culture on their own as a team.

You can see a partial sample of a GuideBooklet™ for the Performance Management component at <http://www.romanosanfilippo.com/romano/protect/guidebookletpp.html>. Please call Barbara Sanfilippo or Bob Romano at Romano & Sanfilippo for the current password to this protected site.

