

30 Mistakes Companies Make When Using Incentive Programs to Change Behavior

Setting Objectives

- Set objectives that are based on what management wants to see, not what is realistic to achieve
- Set objectives without receiving input from departments that may be impacted by the incentive program activity
- Set objectives that are designed to create short term changes only
- Set objectives that conflict with other company goals and objectives

Establishing Program Rules

- Establish rules that create that are not feasible for the entire incentive participant audience to achieve
- Establish rules that are not flexible over the life of the program
- Establish rules that are limited to financial aspects only
- Establish rules that are too hard to understand
- Establish rules that create havoc for other departments
- Establish rules without regard for individual/regional demographics
- Establish rules that create entitlement programs (80% repeat participants)

Creating Incentive Budgets

- Create budgets based on what they think they can afford to spend
- Create budgets based on what they spent last year
- Create budgets without regard for incremental expenses from both incentive and non-incentive related departments
- Create budgets without forecasting incremental revenue from both incentive and non-incentive related departments
- Create budgets and truly believe they can negotiate better prices for the same value as a higher budget would cost
- Create budgets based on saving rather than investing

Selecting Awards

- Select awards based on individual (buyer) feelings
- Select awards based on what their peers do
- Select awards without target audience demographic profiling
- Select awards based on price rather than perceived value
- Select awards based on distress or leverage pricing