

# Leveraging Awards Administration to Your Benefit—and that of Participants

*In planning incentive programs, many companies tend to put awards administration low on the priority list. This is a mistake. A strong, centralized awards administration guarantees that your program runs effectively and that it generates a good return on investment and long-term motivational benefit.*

To understand why centralized awards administration makes good business sense, it's important to look at incentive programs from the participants' perspective. To participants, presentation is critical. Participants don't care about how your organization selects or delivers the prizes in a sales contest. They don't care about what kind of computer tracks results and processes transactions on an e-commerce Web site. They want to know they will get what they earned as soon as possible after they've earned it. Delivering merchandise promptly, accurately and in good condition doesn't typically draw gasps of admiration from dazzled customers. But it is an essential part of any incentive, promotion or e-commerce program. The last thing you want is a program in which administration and fulfillment problems aggravate participants, cause people to be unhappy or waste precious time. Bottom line: A dysfunctional awards administration process reflects poorly on the company and you.

Centralized awards administration will ensure that everything works seamlessly, the way it should—to create a powerful motivational experience for the award winner. Customizing and special packaging come together much more easily, the participant gets the award that he or she is anticipating and there's no delay resulting from the coordination of data from multiple systems. Just as important is the issue of fairness and consistency so similar accomplishments in various departments within an organization are awarded same level awards. Centralized awards administration allows companies to offer their participants redemption options from multiple vendors but leaves the complicated vendor administration, participant inquiries and assorted problems to someone else. That way, end-user companies can focus on running their businesses and getting top performance out of their employees, sales force or dealers, rather than worry about running the incentive program as well.

## The Technology Advantage

Another important factor to consider is that with centralized awards administration—having all of your awards on one platform—the end-user gains more control over

spending and performance. There's greater control over the awards budget through redemption tracking, and it's easier to track what you are spending as you spend it—when redemptions are occurring—and for which awards participants are redeeming their points. This information will help you design better programs in the future. Incentive technology becomes a platform for almost every element of an incentive program and provides levels of real-time measurement never before feasible.

Low-cost technology solutions in conjunction with centralized awards administration allow companies to get the most out of:

- **Enrollment:** to get formal buy-in from incentive program participants
- **Communications:** to provide an ongoing stream of useful information to inform and update program participants and to promote alignment with internal objectives
- **Promotion:** to add value or focus attention through special offers and add-ons
- **Point tracking:** to manage accounts of program participants and to keep participants informed about their progress and redemption opportunities
- **Award fulfillment:** to let winning participants select, redeem and track shipping for a wide variety of awards
- **Data updates:** to allow reduction of duplicate data entry by automatically updating other corporate databases
- **Training:** to enable end-users to incorporate tips, quizzes, Web content and other training materials to boost performance or reinforce communications
- **Real-time performance tracking:** to provide management with the ability to see real-time results by product, geography, salesperson, etc.
- **Return-on-investment analysis:** to provide the ability to correlate performance improvement with program cost

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### Avoid Multiple Vendor Hassles

Working with a single vendor essentially eliminates the need for companies to invest its own internal resources in awards administration. Spreading your awards program out among multiple vendors, on the other hand, requires you to oversee and coordinate their duplicated efforts, involving you and your staff in unnecessary work that can only distract you from your own core mission and core competencies. Overseeing and coordinating basic fulfillment requirements alone might involve:

- **Order forms and instructions.** These include meeting qualifying rules, selecting merchandise, ordering it and filling out shipping information. With multiple vendors, this will involve multiple processes.
- **Order receipt.** By mail, telephone or online, this includes initial clerical processing and data entry. With multiple vendors, participants might have to enter multiple orders.
- **Credit approval.** For consumer programs, in particular, this might include credit card authorization or check clearance.
- **List maintenance.** You would have to accumulate and coordinate customer demographics from multiple sources for marketing.
- **Inventory control.** Using multiple vendors increases the risk of running into inventory shortages.
- **Reports.** Marketing, merchandising, financial and operating control reports would have to be coordinated and consolidated for internal use.
- **Order filling and shipping.** Receiving, stocking, picking, packing and shipping terms are likely to vary from vendor to vendor.
- **Customer service.** With multiple vendors, there will be multiple contact points for handling inquiries, complaints and merchandise returns.

Every awards administration process that is duplicated creates the possibility of confusion or disappointed expectations for participants and might involve your time and resources to coordinate information and processes. Do you really want to create those potential problems for yourself? And it's important not to overlook the cost-saving benefits of volume discounts that often are part and parcel of engagement with a single supplier, instead of different departments outsourcing to various vendors.

### What to Look for in a Supplier

You may not want to do it all in-house, but on the other hand, you want to make sure that the supplier/vendor that you do use can provide these and other services and skills. Ask these questions to be sure that you're getting the strong awards administration and fulfillment competencies that you need:

- How quickly can the vendor deliver merchandise or gift cards, issue reports, resolve complaints? To determine the vendor's level of expertise in awards administration, ask for its closure rate in resolving problems in a single call.
- What presentation options are available to you? Can the vendor handle customized presentation packages without adding significant time or costs?
- What types of reports can the vendor deliver, and how timely will these be? Can reports be customized to the needs of program managers?
- Can participants access their personal status in real-time—or close to real-time—to check on goals met and points earned?
- How flexible is awards administration? Does it allow for mid-program adjustments to increase participation and improve performance?
- Has it handled similar projects or programs before? What types of programs has it handled? Experience in early problem detection allows time for corrections.
- What type of return-on-investment analysis can the vendor provide? Will the vendor be able to provide details on performance gain in relation to the program cost? And how quickly will these reports be delivered?
- If your company has global offices, does the supplier have international capabilities to provide appropriate awards to employees in these locations?