Sales Incentive Program Case Study: Optus 007- Sales R&R Challenge

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Objectives:

- Grow revenue by increasing market share
- Motivate a highly diverse sales force through an extraordinary incentive beyond expectation
- Deliver a strong return on investment in the program

Singtel Optus is Australia’s challenger telecommunications brand with revenues of $7b across four markets: Consumer, Small Business, Business & Government, and Wholesale. All four markets are intensely competitive, and characterized by slowing growth rates and declining margins. Optus needed to strengthen its position as the challenger and increase its share of the four key markets.

The Optus’ sales force is complex, comprised of sixteen distinct sales teams with different revenue, margin and market share targets and different product suites and service combinations. The incentive program needed to inspire the varied individuals and teams within the organization to grow revenue by increasing market share.

Solterbeck worked with Optus to design a solution that was simple to understand and efficient to deploy yet sufficiently comprehensive and appealing to meet the needs of 1,000 widely diverse sales people. Many had participated in past incentive award programs, and needed to be provided with reward options which exceeded those experienced in the past.
A four-tier incentive was designed whereby complimentary components would drive performance in their own right as well as aggregate to a single, compelling, balanced incentive. Each tier could focus on very finite performance metrics and specific reward benefits.

The **007 – Sales R&R Challenge** was launched on April 1, 2006, as part of the Optus’ annual Offsite road show of sales events. The new James Bond movie, Casino Royal had been released in 2007, and the “007” in 2007 (a once in a thousand year opportunity!) was chosen as a simple but topical and scaleable theme.

Introduction through a video of reward highlights, the entire program detail was presented by a celebrity host, and accompanied by fun breakout activities. A unique printed program brochure was given to all participants, with additional copies available to the staff unable to attend, and to new employees who joined during the year. When participants returned to their desks, they received a launch pack informing them of their ‘mission’ for the year, including an innovative USB wristband device, which included the launch video and link to the program website, further reinforcing the business goals.

Over the next year, a comprehensive calendar of ongoing communications included a mix of program themed, and reward specific messages. Over 40 pieces of communications such as teasers, reward samples, progress results, were issued resulting in consistently high program awareness and participant engagement. A strong mix of media (print, face to face, environmental, and electronic) was used to ensure maximum reach. Corporate, team, personal, and incentive messages were creatively conveyed using extraordinarily high quality communications based on movie posters, billboards and secret communiqués from headquarters. The quality of the communication pieces set a benchmark for Optus’ incentive programs and visually reinforced Optus’ level of commitment to the program.

Optus promised and delivered with a suite of market leading rewards. The four tiers of the program included:

1. **Jump Start**, based on a “Sale-ing Away” theme with the objective of driving team sales in the first quarter based on unique roles within Optus’ markets. Qualifying teams were rewarded with
an afternoon of cruising Melbourne Bay or Sydney Harbor aboard a luxury private yacht, with
gourmet catering and enabling a chance to socialize with colleagues.

2. **The Score!**, was designed to drive individual sales. Every deal was rewarded with a point
value and personal performance determined rewards, based on the number of points
accumulated. Point values varied by role and market and individual points earned could be
exchanged for each participant’s choice of over 1,500 product options. 2,210 vouchers from
market leading brands, and 910 redemptions of 350 unique pieces of merchandise were
generated.

3. **Pacesetters**, focused on achievement of target performance against annual objectives. Each
team member was required to meet their individual goals to determine group eligibility. High-
performing individuals were rewarded with a 5-day personal development conference in Hong
Kong. Conference content was selected to meet the company’s training and FBT objectives, but
made more inspiring with a celebrity MC and inspirational speakers. An extensive entertainment
program ran day and night, with a final night ‘top secret’ 007 Agents gala dinner.

4. **Number One Club**, focus was to drive high achievers to extend their sales performance.
As a closed incentive program, a limited number of top-performers and their partners were
treated to a 7-day trip to Tahiti in luxurious first class resorts in Papeete and Bora Bora. From
4-wheel drive adventures across the island, to cultural activities and deep-sea fishing, every
activity was designed to inspire.

Within each tier of the program flexibility was entrenched to provide measurement and qualification
specific to market and role, yet rewarded and celebrated through a single unified, efficient reward process
with the program website as the main gateway.
The program website was not only a key communication vehicle, but also the primary program administration, reward fulfillment, and reporting tool. The homepage provided a unified user perspective that was seamlessly underpinned by two pieces of specialized software: RewardCentre for The Score! and EventCentre for Jump Start, Pacesetters and Number One Club.

**RewardCentre Incentive Management Software** provided each individual with access to a personalized account within a specified sales team or channel. This enterprise-wide platform simplified collection of performance data, communication, and rewards information and offered the ability to customize program rules and information to the team, channel and individual.

Participants could see only the information that related to them. In addition, multiple levels of management and administration access supporting accurate, real time management reporting were available to program administrators.

**EventCentre Conference and Event Management Software** supported the communication and delegate registration for Pacesetters, Number One Club and Jump Start. Participating sales employees across the organization had access to all the latest program information regarding destinations, events, registration, past attendees, etc. A past-program component was included in the event website, providing benefit to participants, strengthening the reward appeal with a strong sense of history, profile, and value. Participants accomplishments were not only recognized in the present, but captured for posterity. For Optus, the website became a powerful historical archive: a single point data repository and program record-keeping tool.

Both software systems were CMS based, enabling information to be updated in real time at no cost.

**Results:**

- Optus marketing objectives were exceeded (exact amount not specified), and market share increased
- Revenue growth of 8.9% exceeded the industry average of 3%
• **82% of participants** logged onto the program website an average of 1.6 times per month, **88% of Pacesetters** rated the program Very Good or Excellent (38% rating the program excellent)

• **320 individuals (32%)** met their individual goals and earned a place at the Pacesetters Hong Kong conference

• **30 individuals** and their partners qualified for Number One Club in Tahiti, an increase over the previous year, and overachievement against target

• Efficiency targets were set at 10% maximum of administration cost. Final total administration expense was **under 9%**.

In addition to meeting its marketing objectives, the incentive also delivered other significant organizational outcomes. Staff retention has improved and sales manager surveys reveal that the incentive program is frequently used as part of the ‘pitch’ to attract high caliber talent. The program was considered such a success that Optus continues to invest in the evolution of the program and has recently launched its third subsequent sales incentive built on the same strategic platform.