

Use the following Best Practices to guide to manage your SPIF program.

- ☐ **Problem Statement:** Be able to succinctly answer the question, “What am I hoping to accomplish with this program?” This is one of the most important, but often overlooked, steps in the process. Haste, and belief that they know the answer to the question before thinking it through, often results in SPIF’s being used incorrectly to cover for plan design flaws (i.e. no one is hitting targets this quarter so let’s do something quick). Examples include:
- Our DSO has grown 20% over the last quarter and is causing cash flow issues.
 - With a new product platform being introduced this quarter, we want to be sure we will not have any excess old inventory to write down.
 - Here is a tool to use when developing the SPIF goal

Currently, (state the problem - never a solution)

Resulting in (results of the problem, why it is important)

Our desired State (state the goal)

By (include the timeframe to accomplish this goal)

Example;

Currently, our Days Sales Outstanding (DSO) has grown to over 60 days resulting in cash flow issues, Our desired state is to bring DSO down to under 45 days by the end of the quarter.

- ☐ Once you know what you're trying to accomplish, then get the team together to **brainstorm short term programs and associated rewards** that can positively impact the situation you've clearly identified during question one. Examples include;
- Reward the sales region with the most team members who reduce DSO by 25%.
 - Sales reps who sell product that is being sunsetted will get a bonus for every booked order.
 - This is the time to **get creative with the rewards**; gift cards, recognition events, golf clubs, etc. Keep in mind that the rewards should be evaluated in the context of the existing comp plan and need to be significant/creative enough to motivate.
 - Keep in mind that the math should support the measurable goals of the SPIF.

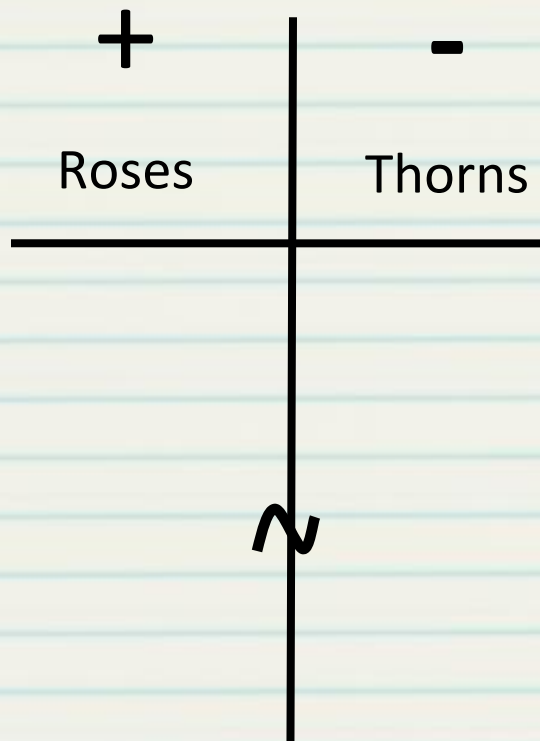
The following are some critical parameters to be sure you cover in your SPIF definition

Eligibility (Who / Where)	Be sure to clearly define who is eligible for this SPIF, and who is not. Some considerations involve which regions will be eligible, will this involve field sales, SE's, inside sales,
Measure (What)	What is being measured and how it is being measured. E.g. 'DSO as defined by the weekly finance report'; sales of any of the following new products ... etc.
Reward	Can be structured as either as bonus dollars, bonus rates, non cash awards, recognition, etc.
Program period / duration (When)	Define the period the This SPIF program will be effective with as much detail as possible. If SPIF'ing on a new product launch. Define the period the program will be in place and the exact end point of the program (i.e. Dec 31, 11:59 PM).

- ☐ **Launch the program** with a clearly communicated goal and performance criteria.
 - Market the SPIF to the sales team with a publicized launch including such details as who is eligible, time span it will be running and all other parameters that define the SPIF from either a product or activity perspective.
 - Utilize multi level communication strategy including as many levels of management as possible, e-mail, social media, mentions at company meetings with the goal being to create a buzz around this program.
 - Warning, be leery of the stealth launch, they rarely result in a successful SPIF.

- ☐ **Measure the performance** of the SPIF during the time period it is effective.
 - Provide as much performance feedback as possible to the field in the form of dashboard updates, ranking reports and inclusion in standard sales performance reporting throughout your sales organization.
 - Sales Performance management systems such as NetCommissions can be a tremendous help.

- At the conclusion of each program, pull the team together to **do a full 'post mortem'** on the effort. Evaluate the ability of the SPIF to move the needle and address the issue first identified as the reason for the SPIF.
 - As part of the review, perform a 'thorns & roses' exercise where each member of the team weighs in on what they felt what didn't work as well as hoped and needs improvement next time you put one together and worked well (to be sure you repeat the next time you run a SPIF). It is critical at this stage that the thoughts and opinions of your front line sales team be proactively sought out and included. Suggestion: grab a white board and use the following chart to record feedback



- Final evaluations should include an investment analysis; how much was invested in the program and what were the benefits. Did it make sense? Would you do it again? Did this SPIF deliver the results you were hoping for?