

REVINATE "Best Practice" Agent Incentive Plan

The REVINATE Best Practice Agent Incentive Plan is designed for both short term behavioral changes and long term sales incentives that impact revenue, employee retention and recruiting, and potentially lowers the abandonment rate. The ultimate goal of the incentive program is to: ensure accuracy of data input, increase close ratios, provide excellent service in the reservations department, create a friendly competitive sales environment and increase revenues. The recommended REVINATE incentive plan is a two phase implementation process – (1) Behavioral (2) Performance Based Incentives.

Behavioral Incentives (Phase 1)

The first phase (see Exhibit A) is specifically designed to set a precedent during the first month as to what management expectations are for the team of reservation agents regarding the use of REVINATE products and practices. By monetarily encouraging agents on a temporary basis to properly utilize REVINATE products and practices from the beginning, accurate data will accrue immediately and bad habits won't be formed. Thirty days after this incentive plan is introduced, the REVINATE Narrowcast data collected can be used as a baseline assessment to measure agent effectiveness and help formulate an action plan as to where proper coaching and improvements can be made in order to increase revenue. The compliance based incentive plan should serve as a qualification for the agents to move up or graduate to the next incentive plan. Agents who do not graduate should remain on the initial phase of the plan until their habits align with Management expectations. Additional coaching would obviously be warranted. In addition, after the first month, agents who do not progress should no longer qualify for incentives for their performance during the Compliance/Call Scoring phase of the plan.

They need to be highly encouraged to advance to the next level. Once an agent has reached the defined level of percentage of compliance, call scoring, and conversion they graduate to the next phase of the plan. Not only will this ensure accurate agent close conversions but the wealth of marketing data collected will immediately begin to aid in yield management and policy decisions, as well as targeting specific market segments with different advertising outlets.

Performance Based Incentives (Phase 2)

Once an agent “graduates” from the first phase or 30-day Compliance/Call Scoring Incentive Plan and reaches a defined minimum conversion percentage, REVINATE Best Practices recommends the final step, which is to implement Performance Based incentives or the Close Conversion Incentive Plan (see Exhibit B). The agents have now moved from a focus of using the system correctly, to focusing on their booking skills and/or their conversion rate.

Principles from the compliance/call scoring phase can and should be used as “qualifiers” for this and any future incentive plans. This means that the agent must maintain a specific level of ELM and Call Results compliance and call scoring in order to receive the incentive amount they qualify for based on their conversion rate. This incentive plan is financially justified based on additional revenue realized. The REVINATE incentive justification worksheet tool will be provided to you. This tool will help you to determine how best to use this incentive program, and which numbers to actually use for your business.

Exhibit A | Behavioral Incentive Plan | First Month

	% Compliance	Bonus Amount *
<p>Enhanced Lead Management (ELM) Compliance</p> <p>Measured through Inbound Call Tracking and ELM Compliance Report for all lead calls, check-in and out dates, and property type are filled in and an attempt was made to ask for an email address. For calls resulting in a booking, a confirmation number and booking revenue are recorded. For not booked calls, after a follow up was made, the reason not booked is also recorded. * If the call result “General Property Inquiry” is used this must not exceed 5% of total lead calls to qualify.</p>	90%	\$25

<p>Accurate Call Results</p> <p>This is measured through the Agent Auditor Report. All inbound calls have an accurate call result.</p>	90%	\$25
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Call Scoring*

This component is recommended to encourage the agents to begin to use the seven non-negotiables, or essentials, in each lead call they facilitate. The seven non-negotiables are measured through the Agent Scoring Report

	% Compliance	Bonus Amount
Use Proper Greeting	90%	\$10
Listen to Caller’s Request	80%	\$10
Personalize the Conversation	80%	\$20
Convey Confidence & Pride / Make Personalized Recommendations	80%	\$10
Use Professional, Courteous Language	90%	\$10
Ask if you can make a reservation	80%	\$20
Thank the guest for calling	90%	\$10

**Bonus type or amount may be adjusted to what makes sense for your business. This sample incentive plan would pay an agent \$140 if they achieve maximum results.*

Exhibit B | Performance Based Incentive Plan | After First Month

Once your team has successfully mastered the “compliance” of the system, we suggest you implement a conversion based incentive plan. This rewards people for their increases in conversion.

If Conversion Rate is:	Potential Payout is:
70%	\$400
65%	\$350
60%	\$300
55%	\$250
50%	\$200
45%	\$150
40%	\$100
35%	\$50
30%	\$25
0-29%	\$0

Incentive Qualifiers:	Minimum Expectation:
ELM Compliance	90%
Call Results Compliance	80%
Call Scoring	70%

Each incentive qualifier must be met in order to qualify for the incentive program. If the call result “General Inquiry” is used, it should not exceed 3% of total call volume for each agent to qualify for any incentive plan.

Things to Consider When Implementing the Incentive Plan:

- For all incentive plans, the agent is required to schedule coaching sessions at least twice monthly. If they do not meet these coaching appointments, they do not receive any of their incentive payouts.
- If an agent close ratio decreases from the previous month more than 3% (greater than the average agent) they do not qualify for the incentive payout.
- When using the commission incentive plan, consideration should be given to making seasonal adjustments to the percentage used. During peak season (when call volume is at its heaviest) you may want to use a lower percentage rate. During the low season (when call volume is at its lowest), you may want to increase the percentage used.
- To be fair in making payouts to part-time employees, you can consider that any bonus or commission is paid relative to the hours the employee works in a given week or month compared to “full-time regular” status. Full-time regular status is generally considered either 40-hours a week or 160-hours per month for the purpose of the incentive plan. If an employee works 20 hours each week or 80 hours in a month, they would qualify for 50% of the bonus or commission. You could also consider setting a minimum level of total calls to answer compared to the total calls for part-time people.

Additional Incentive Programs to Consider:

- A team incentive plan whereby if each agent reaches a predetermined minimum conversion rate, everyone receives \$50. Remember, everyone has to be at that minimum level. It is not an average.
- A personal growth incentive plan. Each month an agent increases their conversion ratio from the previous month, they get \$20 for every 1 percentage point of conversion increase. They qualify for this plan as long as they have never gone backwards in conversion rates.
- Offering \$5.00 for each saved reservation (when a caller is canceling a booking).
- A “Selling Opportunities” incentive plan. For each reservation an agent is able to book from a “not booked”, “hot lead”, or “RezForce” lead they can make an additional incentive of \$5 - \$10 for every booking. With this plan, don’t have agents follow up on their own leads. Have a separate “Lead Follow-Up” person.
- An incentive for the highest “Average Revenue per Booking”. For those who exceed this level they can make an additional \$75 incentive per month.

- After your team has been on the conversion plan for a few months, you may want to consider changing to a “commission type plan”. You would pay them a percentage of their gross revenue booked. This would reward staff for their revenue contribution to the team. All of the same qualifiers would apply. As agent conversion rates increase, the commission amount may also grow. This will create a competitive “sales environment” within your Reservation Department and will motivate agents to continually improve their conversion rate. Agents should be very focused on taking calls which will not only have a direct result on their personal income potential, but will also lower overall abandonment rate. This incentive plan should remain in place to maximize the effectiveness of each agent.

These are only suggestions. Decide if and how these will be implemented based on your owner split and profitability goals.