

AN OVERVIEW OF MERIDIAN'S APPROACH TO CONSTRUCTING TAILORED INCENTIVE SCHEMES

INCENTIVE SCHEMES

- Effective schemes focus on a limited number of objectives and can help to achieve one or more of the following:
 - Improved business performance
 - Increased staff retention, which reduces recruitment costs and ensures a knowledgeable experienced team
 - Better team working
 - Reduced absenteeism
 - Increased customer satisfaction and loyalty
- Pitching the rewards at the right level is vital
 - What motivates teams and individuals?
 - What are realistic timeframes?

INCENTIVE SCHEMES

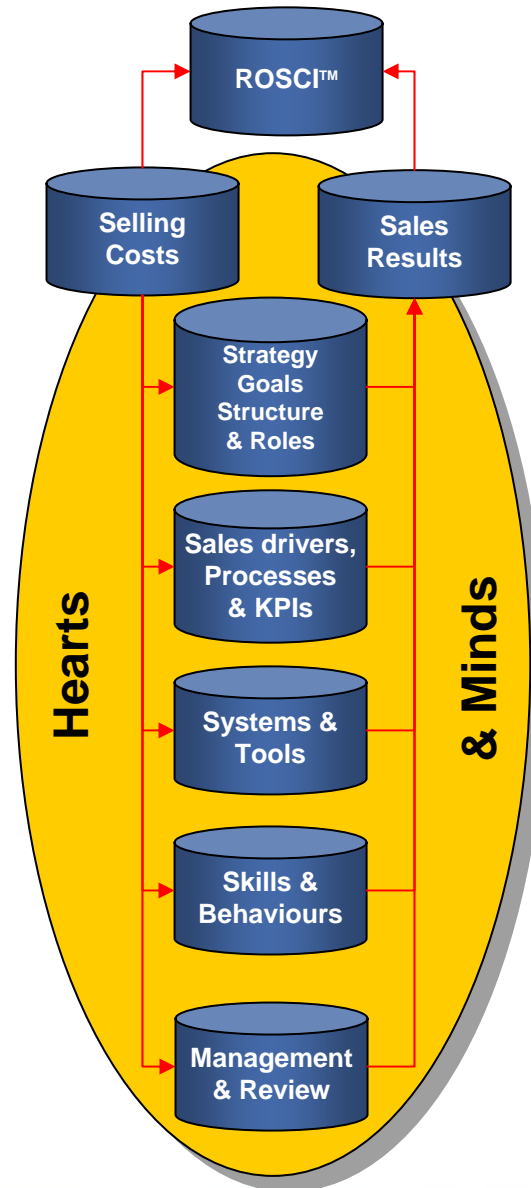
- Building interest and 'buy in' to the scheme are key to creating a successful scheme
 - **Involvement from all levels of staff**
 - **Ongoing Communication**
 - **Ensuring understanding of the scheme.**
- Successful schemes are often flexible so they can be adjusted to meet business needs and keep staff interested.
- Clear guidelines are required to ensure that people know exactly who qualifies and how the scheme works.
- Evaluation of the scheme is essential - targets need to be measured objectively

MERIDIAN'S APPROACH

- Meridian believes that an effective incentive scheme is one that drives and rewards behaviours & actions which support the achievement of business results.
- Therefore our approach has its foundation in understanding our client's current operating issues and the opportunities for improvement.
- It is essential to understand the real 'sales drivers' in the business, so that the appropriate processes, behaviours and competencies are linked to the scheme
- Involvement and buy in from all levels of staff to win 'hearts and minds' is essential for project success.
- Our approach is to focus first on identifying the right behaviours to reward, then on developing a scheme to drive those behaviours.

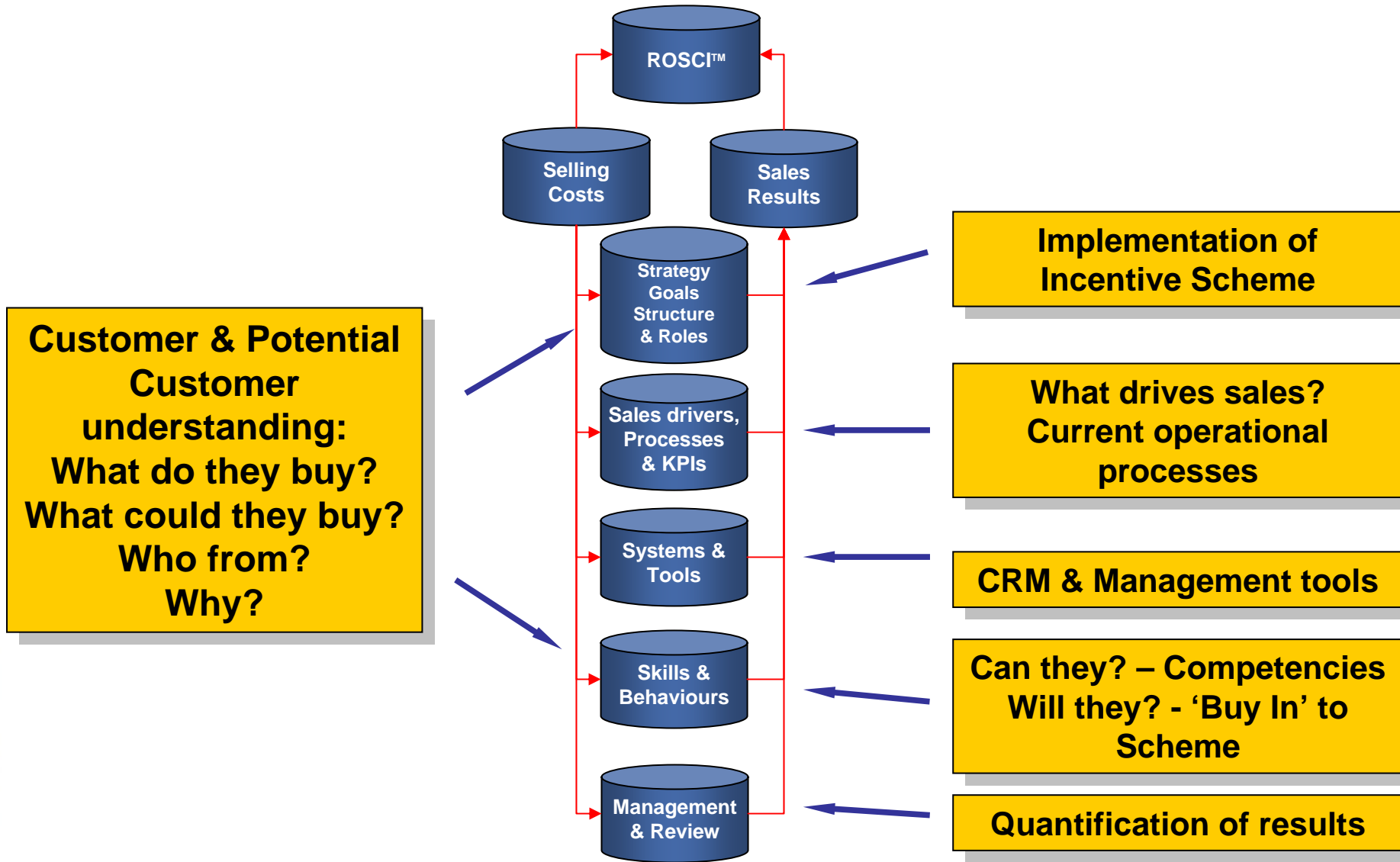
METHODOLOGY : THE ROSCI MODEL FRAMEWORK

ROSCI
(Return on Sales & Customer Investments) allows standardised internal comparison of performance and objective setting to drive profitable revenue.



This improvement in ROSCI can be targeted by pulling on any one of the levers and the resulting ROI measured to analyse whether it has had the desired impact

THE ROSCI MODEL



INCENTIVE SCHEME PROJECT

DELIVERABLES

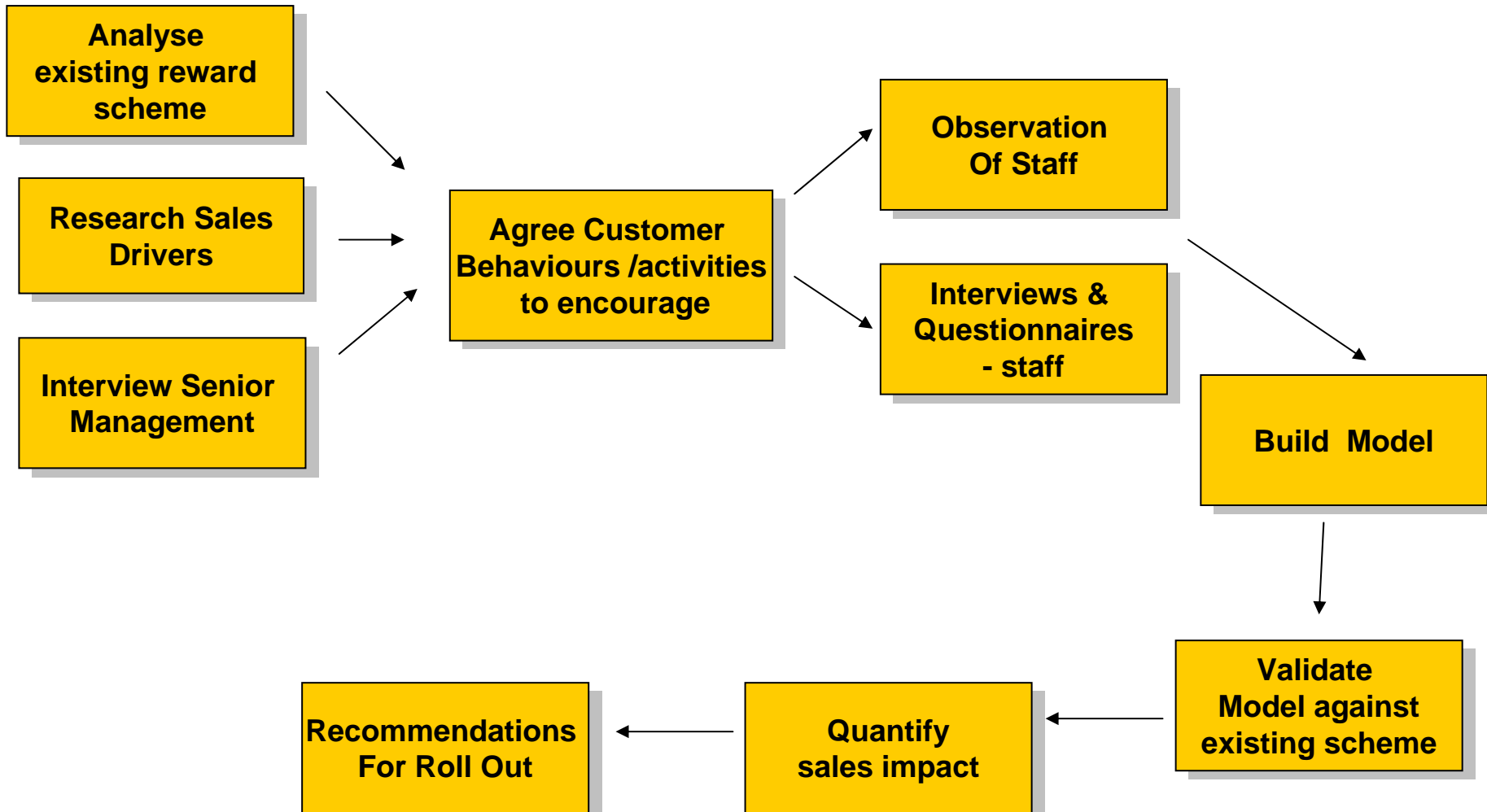
- Agree Objectives of Incentive scheme
- Review of existing scheme/ rewards structure
- Highlight key behaviours / activities to be driven
- Assess availability and ease of access of relevant data.
- Assess competencies of staff to deliver
- Identify what motivates staff
- Build Initial Model:
 - **Set Targets**
 - **Relate Model to Company performance**
 - **Identify rewards**
 - **Ensure scheme is competitive**
 - **Establish likely tax implications**
 - **Review costs & funding Vs likely return**
- Test model
- Quantify results
- Recommendations for roll out to include “buy in” from whole team

INCENTIVE SCHEME PROJECT

SCOPE OF WORK - METHODOLOGY

- Orientation Kick-off
- Senior management interviews
- Review of relevant market research, customer feedback research
- Data mining - CRM system
- Operational teams & line management - interviews & observations
- Internal Questionnaire designed to identify key motivators
- Development of Model in conjunction with management & staff
- Research Administration & Tax implications
- Trial of model in one team
- Modifications as required
- Roll out to all teams

INCENTIVE SCHEMES OUTLINE PROJECT FLOW



THE BENEFITS OF WORKING WITH MERIDIAN

- Tailored approach
- Understanding of the ROI of sales activities
- Expertise on sales drivers affecting business
- Clear view of potential and the skills/competencies required to improve performance
- Track record of clear communication flow between different parts of a business
- Development of a model which will demonstrate quantifiable results
- Development will involve the entire team so it will become *your* project

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