

Sales Contests: Boost Revenue, Staff Camaraderie

Experts outline the do's and don'ts of effective sales contests



By Jason Risley

With the U.S. economy showing signs of growth, now's a great time for textile services companies to look to increase profits. To strengthen your balance sheet, you'll need to motivate your workforce to increase sales. Sales contests offer an outstanding opportunity to boost both revenues and staff morale.

One company that runs successful sales contests is Dempsey Uniform & Linen Supply Inc., Jessup, PA. In these contests, which typically last 8-12 weeks, Dempsey employees earn the right to participate in a company outing if they reach the contest goals, according to Sales Manager Mark Lewis. Past prizes have included overnight cruises out of New York, a private suite at a Baltimore Orioles' baseball game and a yacht trip on the Inner Harbor in Baltimore. These trips include staff members from multiple company locations and their spouses.

"There's quite a bit of camaraderie that gets established; we do it in conjunction with the route teams and there's competition that goes on for who's going to finish at the top and get first prize," Lewis says. "The people that come back from the trips are happy and had a great time. So for the next contest period, it tends to motivate the people that didn't make it to

make sure they make it this time around. It breaks up the monotony of doing the job day in and day out."

Doritex Corp., Alden, NY, is another company that has run successful sales contests. Doritex focuses such contests on getting more productivity out of its route sales representatives (RSRs). These contests include rewards for upselling on routes, direct sales of nonrental products and renewals, according to Jim Doro, president of Doritex. Upselling contests typically last 6-8 weeks, while direct sales or renewal contests may run for 13 weeks.

ATTAINABLE GOALS

Regardless of the duration of a contest, it's imperative to set realistic goals for your sales team to attain during the event. Otherwise, participants may feel overwhelmed, or discouraged because they don't believe the goal is realistic. Unattainable goals—or the sense that they aren't realistic—can deflate the morale of your sales force.

"If the contest is set up in such a way that people have the ability to win, or certainly give it a very powerful effort and learn from it, I think people like that," says Bruce Hodes, president and founder of CMI, Oak Park, IL, a business consulting firm that works with clients



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in the commercial laundry, food processing, manufacturing, insurance, healthcare, technology and staffing sectors. “If it’s set up in such a way that they have no reality of winning, I think that can be demotivating.”

Lewis adds that, “It’s got to be a stretch goal, but attainable. There can be drawbacks, if you don’t set the rules up and set the expectations properly. Then people can think they’re doing something that they’re not and not getting rewarded or be upset about it. So, if a contest isn’t administered properly and fairly it can be a negative.”

While the goals ought to be reachable, the participants should get more out of the contest than just the prize itself. “The objectives of the sales contest are to teach good sales process and behavior so that even when the contest is over, they continue with good practice,” says Randy Widrick, director of sales & marketing, Bates Troy Inc., Binghamton, NY. “A salesperson should not have to always need a contest to perform.”

FOSTERING TEAMWORK

If properly run, a sales contest can create a sense of unity among employees and demonstrate the importance of working together to achieve goals.

“One thing you do is make it a group event,” Hodes says. “Where I’ve had the most experience with this is in route sales. You set it up so that your company is going to beat another company. So, we’re not competing against each other, we’re competing against an outside force.”

“You want to do that because you want people training and developing each other, coaching each other, helping each other, not competing against each other. Having friendly competition is fine, but having destructive competition—or you vs. me competition—can be harmful and you won’t exceed a target. One guy might be a superstar, but I’m much more interested in all the sales force exceeding their target than just one person.”

Doritex has seen greater cooperation develop among its RSRs as a result of its contests. “We have had contests where we try to utilize teams to help create a more friendly and competitive atmosphere,” Doro says. “These types of contests can create a great team feeling because teammates push each other and help each other out, and there is more RSR communication amongst each other than normal.”

Widrick adds that, “The sales contest can be very enjoyable if it’s a team contest and everyone has a chance to win. I personally do not like sales contests where only one person wins and everybody else doesn’t. It costs more to allow everyone the opportunity to win, but the salesperson’s challenge should be to better his or her efforts. A sales contest can be on the number of calls, or the number of presentations, with an extra bonus for the sale. A team contest for calls, presentations and sales can also be effective. If someone wins, it doesn’t mean that someone else has to lose. How much better if everyone can win based on their efforts?”

Widrick points to a recent program Bates Troy held to sell hotel linen overstock. If the salesperson sold the overstock linen, they received a 10% bonus on the sale. The linen sold within two weeks of the contest. “Sales contests boost morale if they reward morale,” Widrick says. “They foster teamwork if they reward teamwork. If you reward winner-loser philosophy, you will get division, improper competitiveness and even cheating. Set up the sales contest to reward the behavior you desire.”



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TOP DOWN PARTNERING

While contests can generate teamwork among employees, it’s also important for management to be a part of the team. For the contest to run smoothly, the participation of upper management is essential. According to Widrick, the executive management team should provide daily mentoring and coaching, accountability, marketing support and general support to the salesperson. Top management also should deliver the reward and publicly recognize the efforts of RSRs or other salespeople.

Hodes says that setting an example that shows managers making a real contribution to the sales effort can go a long way with staff members. “If management is selling right alongside, it makes a huge difference. I’ve seen that with a bunch of our clients, where they go out on calls with their

sales force or RSRs, and ride around with them. They're on the trucks and they're helping. They're meeting the managers and the owners of the businesses and using their influence to drive sales. The salespeople and the route drivers find that very empowering.

"You don't want to set up the situation of, 'you go do it.' It's a conversation of 'let us go do it.' Let us be partners in it; we're in it together. Partnership from the top down in a company. That we're in it with you. We're excited about what we can achieve together. And we're prepared to be your partners. Certainly with independents, the owner making sales calls can make a huge difference; it can be a real differentiator."

Regular updates and emphasis by upper management is crucial to keeping the contest on everybody's radar, Lewis says. "There ought to be a lot of management focus on a weekly basis to discuss the contest and have it on the tops of minds of the participants. If you're involving route teams, then it needs to involve the daily check-ins that happen

with the route teams. It needs to be focused on that every day, so they're talking about it."

The examples noted above confirm that sales contests can provide a great experience for participants at all levels and that increased sales and improved employee morale often result. However, successful contests often include certain guidelines, such as limiting a zero-sum game approach within a company and gaining the active involvement of management in both talking up the program and pitching in with sales. Clear and regular communications—plus generous incentives—also help to build awareness of the contest and keep employees focused on reaching achievable goals. Stick with these tips and in most cases you'll find that sales contests not only deliver added revenue, but also provide an enjoyable team-building experience for all concerned. **TS**

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