

LISTEN OR DIE



40 LESSONS
THAT TURN CUSTOMER FEEDBACK
INTO GOLD

SEAN McDADE, PhD

Available at
amazon

www.peoplemetrics.com/listen-or-die

LESSON #35



THE SECRET TO GETTING YOUR PEOPLE TO USE VOC IS TO TIE COMPENSATION TO THE PROGRAM.

Once you have done your training, created some fun contests based on system usage or NPS, and enlisted your executive sponsor to generate excitement around VoC, it's time to consider the very best way to get your people to use your VoC software platform—tying results to compensation. This is a surefire way to interest employees in VoC.

You can be creative in the ways you tie VoC to compensation, usually through a bonus program. Your bonus program could be based on people achieving a particular NPS level or customer satisfaction score. Another approach is to base bonuses on having a certain number of completed surveys per month/quarter/year or having a

low percentage of surveys returned with customer issues. No matter the goal or threshold, if employees reach that target, they are eligible to receive a bonus; if not, they don't. It's simple, it's straightforward, and it's motivating.

A word of caution before going any further: when you are just starting a VoC program, it's best that you establish performance benchmarks *before* you begin a bonus program tied to VoC. Let's say you "believe" an NPS of 40 is a solid threshold to establish a bonus program. You start a transactional VoC survey and realize that all of your locations are at an NPS of 50 or more, and you now owe far more bonuses than your budget allows. It's better to wait. Review your trends. Look at NPS over the course of a year to really see what's happening. After that, you'll be able to set benchmarks and bonus criteria that you can be confident in. Another approach is using a relationship survey to establish your benchmarks for bonus plans in your transactional VoC.

SETTING EFFECTIVE BONUSES

There are many factors to consider when establishing an effective bonus program. For example, are you setting the right goals to encourage the right behavior? Perhaps employees should focus on something other than NPS? And what about your basic survey health? Are you collecting enough customer feedback to define your goals effectively?

B2C companies with thousands or millions of customers, for instance, should make sure that their benchmark goals are based on robust customer feedback. For example, a single hotel can easily serve at least 100 guests a night—that’s 700 a week and more than 2,800 a month. With over 33,000 customers a year, you should always have at least 10% or 3,000-plus responses on hand in a given year to make sure that the bonus plan is based on enough volume to deliver accurate results.

Our successful clients at PeopleMetrics tend to be the organizations that tie bonus plans to benchmarks established from at least one year of measurement. They set a budget based on thresholds identified over that year, and they have strong communication with their employees about the program.

Bonus programs do not need to include every employee—in fact, bonuses are typically reserved for the people who are *accountable* for the customer experience. This could be a general manager of a hotel, as well as the manager who oversees an entire region; it could be the head of the contact center or the head of field services. These people can choose to set up a bonus system for their team, but they do so as a separate program. There are usually too many employees for the customer experience leader to manage all individual bonuses tied to VoC.

DON'T FORGET NON-MONETARY REWARDS

Other incentives do not necessarily involve monetary compensation but can be big motivators. Awards and public recognition go far, especially when they're attached to an experience such as a trip or a night out. These incentives are typically connected to programs that are focused on recognition alerts rather than NPS or overall customer satisfaction (see Lesson 33). This is an amazing way to motivate and incentivize the front line!

Stephen R. Covey, author of *The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change*, made a good point: it's possible for something to be *important*, even if it's not *urgent*. Some organizations don't focus on recognition alerts because they're not urgent. In the long run, though, recognition is very important and can yield huge dividends.

CHECKLIST FOR LINKING REWARDS TO YOUR VOC

- The single most effective method for increasing usage and interest in VoC is to tie compensation goals to key VoC metrics like NPS, customer satisfaction, number of surveys completed, number of problem alerts generated, etc.**
- Do not create a bonus plan until you have a good understanding of your VoC thresholds, especially**

around the metric you will base the bonus program off of. For example, you will ideally need a year of customer feedback before you can be confident in your bonus thresholds.

- ❑ **You should target your customer-facing managers for your bonus program**—for example, the general manager of a hotel or a manager of a contact center.
- ❑ **Encourage managers who are part of the official VoC bonus pool to have their own bonus program** for their people—but you should *not* be responsible for this.
- ❑ **Don't forget about nonmonetary rewards** too—these can be really powerful, especially if they publicly recognize employees.
- ❑ **Recognition alerts are a great way to include everyone** in a rewards program tied to customer feedback (see Lesson 33).

LISTEN OR DIE



40 LESSONS
THAT TURN CUSTOMER FEEDBACK
INTO GOLD

SEAN McDADE, PhD

Available at
amazon

www.peoplemetrics.com/listen-or-die