



Case Study Life Science

As distributor cash incentive programs became increasingly prevalent, animal health industry manufacturers discovered the only way to get the attention of distributor sales reps (DSRs) was to continually increase payout rates and outspend the

competition. And while manufacturers continued to “one up” the other, DSRs continued doing what they had been doing, receiving cash payments in many cases without knowing what they did to earn the award. Frustrating DSRs, cash payments were issued to distributor principals, eventually appearing in DSR pay checks with little or no connection to the sponsoring manufacturers.

A market-leading manufacturer of animal health vaccines and pharmaceutical products came to BI WORLDWIDE (BIW) for solutions that would differentiate their brands and promotions, capture the mindshare of DSRs, motivate sales performance and ultimately lower their budget.

Working closely with their market and brand leaders, BIW developed a points-based incentive program built on a centralised rewards and recognition platform that was shared by multiple market segments. By utilizing points, the client was able to take the focus off the monetary value of awards and lower payouts without lowering the perceived value of the program.

For DSRs, the ability to combine points gave them increased earning power and flexibility and changed their focus from how much cash they earned to what they could do with their points.

With a nearly unlimited selection of inspirational and hedonic awards including the latest and greatest merchandise from leading brands, tickets to major sporting events, concerts and theatrical productions, and the ability to arrange the perfect getaway with Do-It-Yourself travel, it was easy for DSRs to imagine the possibilities. Beyond product sales, DSRs have the opportunity to earn points for other important sales activities including attending training events, completing product quizzes and submitting best practices.

Challenge

- Differentiate distributor sales incentive promotions
- Capture DSR mindshare and motivate increased discretionary sales efforts
- Provide a consistent, flexible platform able to support multiple market segments
- Lower overall promotional costs

Solution

- Build a points-based, consistent and centralised incentive system shared by multiple market segments (audience smart)
- Provide the ability to directly communicate with, motivate and reward DSRs for their sales performance
- Shift away from cash to more promotional, engaging and cost-effective tangible awards
- Provide turnkey services including a rewards & recognition platform, communications, data integration and administration, reporting, reward fulfillment, customer service and overall project management

Results

- Entering the sixth year of operation
- More than 2,500 participating DSRs
- 25% reduction in awards spend without changing requirements
- Significant increase in sales among the client's highest producing DSRs

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Case Study Life Science *continued*

As a full-service provider of behaviour change solutions, BIW provides turnkey and in-house services to maximise the impact of the program and individual promotions. Services include:

- Program design consulting
- Communications campaign in partnership with the client's agency of record
- Integration of sales data from more than 20 distributors, determination of performance levels, point earnings calculations, and issuance of points according to program rules
- Ongoing program administration and file maintenance
- Personalised monthly point statements
- Management and executive-level reporting
- Training reinforcement
- Project management
- Regular program review, analysis and recommendations

The program is entering its seventh year of operation.

BIWORLDWIDE produces measurable results by applying the principles of behavioural economics to increase engagement with their clients' employees, channel partners and customers.

