



## ***Driving Profitable Growth through Incentives***

*Pre-Conference Seminar – March 2012*

**Participant Benefit:** In addition to learning the basics of good incentive compensation design, we will develop draft incentive plans for 2 key brokerage roles during the course. The roles chosen will be selected by majority vote of participants, preferably in advance of the seminar. Participants may use these plan designs in their own businesses. We will use real examples throughout of things to do and not do, to keep the material relevant and interesting to participants.

*Course time: 4 to 6 hours (we can increase or decrease the time as needed)*

- I. Introduction – why incentive compensation matters
- II. What you need to know *before* you can develop an incentive plan
  - a. What are your company’s growth objectives?
  - b. What is the strategy for achieving these objectives?
- III. What roles do you have and what are their key accountabilities?
  - a. All in one broker
  - b. Full segregation of duties (freight finder, inside sales, truck hunter)
  - c. Some kind of blend?
  - d. Outside sales
  - e. Support roles
- IV. How much do you need to pay to acquire the kind of talent you need?
  - a. The importance of using salary surveys to determine Target Total Compensation
  - b. Why market intelligence is not intelligent for things like commission rates, threshold multiples of salaries, and other supposedly “standard” practices for brokers.
  - c. Why you should develop career bands
  - d. How to develop salary bands for use in an annual merit increase program
- V. What is the right pay mix and why must it vary by role?
  - a. What is prominence and why does it matter?
  - b. How can you ensure people aren’t promoted into a position with less base salary?
- VI. What are some good performance measures to use for the different roles?
  - a. What make some measures good and others bad?
  - b. How do you assign weights?
- VII. Plan mechanics – the nitty gritty details
  - a. Scope, Pay Frequency & Performance Period
  - b. Crediting Point – on shipment, invoice or payment?
  - c. Calculation Approaches:
    - i. 3 types of commissions
    - ii. 2 types of goal-based incentives
    - iii. Bounties and KPI’s
    - iv. Modifiers and Matrices
- VIII. Plan modeling – what to do and what to look for
- IX. Communication and Implementation – how to ensure a successful launch
  - a. Roll-Out presentation
  - b. Plan documents
  - c. Incentive Calculation Tools (Excel or Third-Party)
  - d. The need for regular reporting of results
  - e. On-going plan management and governance