

Symbiosis Enterprises

“INCENTIVES”

That Work

Symbiosis Enterprises

Ribbon Gift Collections

as

“INCENTIVES”

[Employee
Incentives](#)

[Safety
Incentive](#)

[Customer
Incentives](#)

Click on one of the links to jump to that incentive, or just click on the space bar or mouse to move to the next slide.

What is a carrot on a stick?

Back in the horse and buggy days, a horse that did not want to pull a wagon would be treated one of two ways.

The master could beat the horse with a whip to cause the animal to pull the wagon.

Or ... Use a carrot on a stick.



Modern Times.

Modern employers face a situation similar to the owner of the horse which refused to pull the wagon.

In order to get employees to do what the employers want, the employers have a choice of using



a whip or a carrot.



Employers cannot beat their employees with whips.



Employers use the threat of “**firing the employee**” to cause the employee to perform.

This process works for overt behavior.

It works poorly when intended to create **spontaneous, self-directed behavior**, such as making sales calls.

Nor can employers literally hold a carrot out in front of their employees to cause them to work.

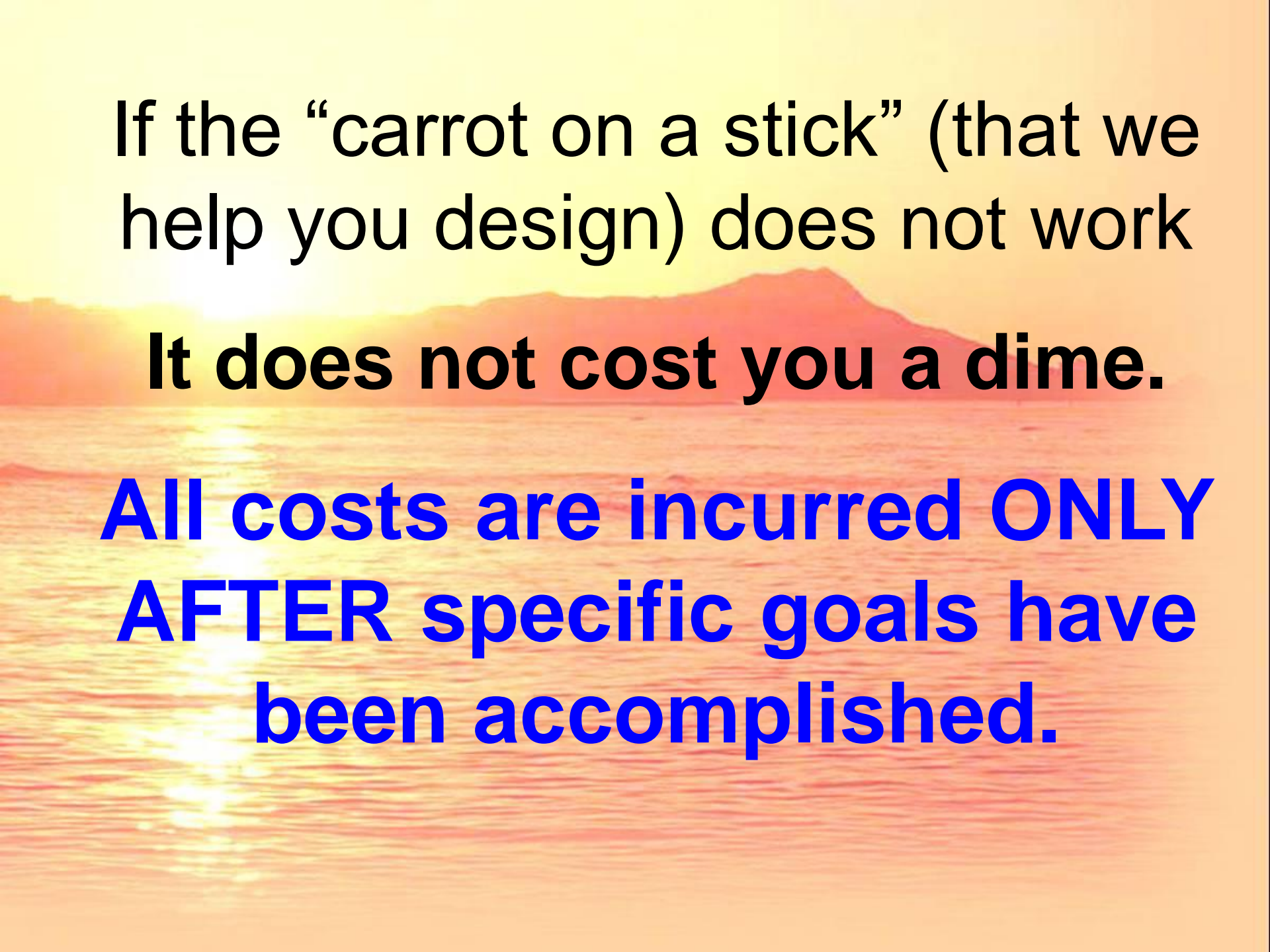
However, employers can hold something of value out in front of their employees which they can only **“sink their teeth into”** **AFTER** they **have accomplished the goals** set by the employer.



What you are about to view, is a “carrot on a stick” program.

A carrot changes behavior by elevating, tracking, and rewarding specific profit increasing activities



A sunset scene with a bright sun low on the horizon, casting a golden glow over a body of water. In the background, there are silhouettes of mountains or hills. The sky is a mix of orange, yellow, and red.

If the “carrot on a stick” (that we help you design) does not work

It does not cost you a dime.

**All costs are incurred ONLY
AFTER specific goals have
been accomplished.**

Not everyone wants ... or likes ...
the same things.

An appropriately
INCENTIVIZED
employee
performance
program
can

create the motivation for
each employee to become
“self-governing”.

Because the employees choose what they want from a “gift album”.



What is a “Gift Album”? the Perfect Gift made Easy!

Unlike “cash” and gift cards, gift albums are usually “NOT TAXABLE INCOME”

Albums
for Men

Albums for
Women

Albums
for Teens

Albums
for Children

Albums
for Babies



Variety Albums
with gifts for
Almost Anyone

Albums of
Jewelry

Albums for
Gourmets

Albums for
Newly Weds

Albums of Small
Appliances

Even a whole Album just for Chocolate Lovers

Like a Mini Department Store, each Gift Album is a COLLECTION of twenty to forty different items, in 20 different categories with prices from \$25.00 to \$750.00.



Chocolates



Appliances



Electronics

Ribbon Gift Collections

You choose
The price



Jewelry



They choose
Their gift.



Sports Equipment

Toys

Gourmet Food



Tools



Gadgets



What do you want to improve?



In every industry some promotions work more in one region and less another.

In every region of the country, some promotions work more in one store and less another.

In every store, some employees respond more to promotions and others respond less.

Based on your specific industry, region, and employees ...

Determine a specific activity, which if increased, would yield a return that is greater than the cost of a “carrot”.

Illustration of a “carrot” increasing sales.



In a business that uses appointment setters, sales are dependent upon the volume of appointments set.

If appointment setters average 40 a month which yields 20 sales per month then the appointments to sales is a 50% ratio.

A 10% increase in appointments would produce 4 more appointments and 2 more sales.

If the average sale produces \$250.00 PROFIT (price minus expenses) then a 10% increase in the number of appointments set would result in an additional

\$500.00 in PROFIT.



Incentivizing the Increased Profit

For every month in which an appointment setter produces 10% more than the specified minimum appointments, he/she will receive ONE credit for a Gift Album.

In this example, one credit would be equal to \$50.00 in redemption value (\$60.00+ in perceived value.)

The Carrot can grow larger.

**To encourage a sustainable self-governance,
rewards should increase in value
proportional to the length of time
during which the goals have been achieved.**



Sustained Improvement Increases Reward



The appointment setter can choose to redeem the ONE credit or “bank” the credit toward a larger gift album.

After 4 months with 10% increased performance, the appointment setter would have 4 credits valued at \$50.00 each which could be redeemed for a \$200.00 Gift Album.

After 15 months, the appointment setter would have 15 credits, which could be redeemed for a \$750.00 Gift Album.

The Dollar Value Of The Carrot



For every \$50.00 awarded in prizes, the company will earn \$450.00.

After one year, one employee would produce an additional \$5,400.00 but cost the company a mere \$600.00.

With TEN employees, the company would make an additional \$54,000.00 per year.

If the employees do not perform, the program costs nothing. All gifts are ordered AFTER the employee has performed the task and received one or more monthly credits.

Insights For Employee Incentives



The company determines the most viable action to incentivize, how to measure the results, and the percentage of increased profits designated for the rewards.

Employees are given the name of a reward (Luxury, Celebrate, etc.) and the number of credits needed to receive the reward, but not the dollar value of the reward.

At the website they can see the various gifts that could be earned but not the actual cost of the gift.

When activity is accomplished,
rewards are purchased

When activity is NOT accomplished,
no rewards are purchased.

Additional Insight



IRS Guidelines

If the rewards are to be “non-taxable income” for the employee, then the following criteria should be met.

The incentive program should be in a written format, and a copy should be given to each participating employee.

The dollar value of the reward should NOT be revealed.

The reward should not be easily converted to cash.

The reward should not be perceived by the employees as supplementary “wages”.

(Ask for a copy of IRS publication 15-B.)



Summary of Employee Incentive

The total cost for one year

$\$50.00 \times 10 \text{ employees} \times 12 \text{ months} = \$6,000.00$

Or NOTHING if the program does not work.

Income produced by incentive

$\$500.00 \times 10 \text{ employees} \times 12 \text{ months} = \$60,000.00$

Increased Profits = \$54,000.00

Or NOTHING if the program does not work.



Symbiosis Enterprises

Incentives

For

Customers



Two Ways to Incentivize Customers

Increasing The Sale

Use Ribbon Gift Collections to “nudge” a customer to buy more of an item, or a higher priced item, or buy a supplementary item, or buy a surplus stock item.

Referrals

Use Ribbon Gift Collections as a reward for a customer referring a customer.

Incentivizing During The Sale



Examples

Quantity increase: a carpet store could offer a gift album if the customer includes one more room for carpeting.

Quality increase: an appliance store could offer a gift album for buying a Kitchen Aid rather than a Chinese import.

Additional purchase: a car dealer may offer a gift album for purchasing an extended warranty.

Surplus Stock: a candy store may offer some “almost out of date” candy while supply lasts. An incentive to buy today.

Incentivizing AFTER The Sale

“Tell A Friend”



Examples

After the sale, every customer is given ten “tell a friend” tickets to give to their friends.

For every “friend” who comes into the store, the referring customer will receive ONE credit. Five credits produce a \$30.00 gift album. Ten credits produce a \$50.00 gift album.

For every “friend” who makes a purchase that yields at least \$500.00 in profit, the referring customer will receive a \$50.00 gift album.



Symbiosis Enterprises

An introduction
to the use of a
“carrot on a stick”
to encourage
greater safety

AND

**REDUCE WORKER'S
COMPENSATION COSTS**

What is a carrot on a stick?

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a whip or a carrot.



Employers cannot beat their employees with whips.



Employers use the threat of “**firing the employee**” to cause the employee to perform.

This process works for overt behavior.

It works poorly when intended to create **spontaneous, self-directed behavior**, such as reducing injuries.

Nor can employers literally hold a carrot out in front of their employees to cause them to work.

However, employers can hold something of value out in front of their employees which they can only **“sink their teeth into”** **AFTER** they **have accomplished the goals** set by the employer.



What you are about to view, is a “carrot on a stick” program.

If the program that we help you
design does not work

It does not cost you a dime.

**All costs are incurred
ONLY AFTER specific
goals have been
accomplished.**

The “sad” state of affairs in California.

The following paragraph is from a letter issued to employees of a company in Sacramento in 2003. The full letter was published in the Sacramento Bee newspaper and posted on the columnist’s weblog.

From October 1, 2001 to October 1, 2002, our Company paid approximately \$28,000 in Workman's Compensation premiums. On October 1, 2002 our premiums rose to \$100,000 per year. On January 1, 2003 Workman's Compensation rose to \$105,000 per year. Ten days ago, our Workman's Compensation was increased an additional 19.8% to \$125,790 per year. In addition, last month we were informed that our premiums would increase at least 25%, effective October 1, 2003. This means that in one year's time our premiums will have gone from \$28,000 to at least \$157,000 per year, a 561% increase in one year! Through June 30th of this year, we have already paid \$70,000 more in Workman's Comp premiums than at June 30th of 2002.

The following statement is from the California Chamber of Commerce in 2006

California’s workers’ compensation system has undergone major transformation in the last four years. In terms of what an average policy holder pays. Workers’ compensation rates per \$100 of payroll have decreased from the high in 2003 of \$6.47 to \$3.75 in the first half of 2006.

Unfortunately, despite these great strides, **California still ranks second highest in the nation following Alaska.**

How Workers Comp is Calculated and Adjusted

The cost of Workers Comp premiums increases in proportion to the number of claims, and/or the total cost of claims.

As claims are filed by a company, a history is established compared to other companies with the same class code. This history becomes the company's Experience Modifier.

When a company files claims that are 10% or 20% higher than the "average" for their class code, the Experience Modifier is activated, and premiums are increased 10% or 20%.

While insurance companies do not release the exact number of claims that will trigger an increase in the price of premiums, most businesses understand that the BEST number of claims is NONE.

Insurance companies also do not release the exact length of time during which no claims would return a company's Experience Modifier to the 1.0 default value.

Workers Comp is “No Fault” Insurance

Workers Comp pays medical costs and/or disability payments when an employee is injured at work. Period.

Except under specific circumstances, it does not matter if the employee was negligent, sleepy, suicidal, or angry at the company. It doesn't matter if the company had unsafe conditions or if the employee was an unsafe employee. The insurance is paid, regardless.

Since Workers Comp is paid totally by the company, an employee has no motivation to increase safety procedures in order to reduce on the job injuries.

An appropriately INCENTIVIZED safety program can create the desire for employees to reduce job related injuries.



Parameters for a Progressive Safety Incentive

A safety incentive should include rewards that the employee considers valuable or desirable.

The carrot on a stick should be a something that people want more than they want to be injured at work.

To encourage a sustainable safety history, rewards should increase in value proportional to the length of time in which there have been no work related injuries.

An appropriate incentive should be based on the actual costs of Workers Comp premiums. Premiums are based a company's annual payroll, a company's class code, and a company's experience modifier. None of these factors are public record.

Consequently, we will use an imaginary company to show the benefit of a progressive safety incentive.

An Imaginary Company

For illustration, we will set up an imaginary company with thirty employees.

The total annual wages paid will be set at \$1 million (\$33K per employee).

A class code rate of \$10.00 per \$100.00 (10%) will be used.

Total annual premiums are \$100,000.00 ($0.1 \times \$1,000,000.00$)

In this imaginary company, suppose twenty four claims for injuries in a year would increase a 1.0 Experience Modifier to 2.0

then premiums would increase from 10% to 20%.

Annual premiums would increase from \$100,000.00 to \$200,000.00

Which is an additional \$100,000.00 a year

or **\$8,333.00 per month,**

or **\$277.00 per month ... for each of thirty employees.**



Designing a Progressive Gift Incentive

Objective: to sustain an Experience Modifier value of 1.0, or less, on an annual basis.

In this imaginary company, a 2.0 Experience Modifier costs the company an additional \$277.00 per month, per employee.

\$25.00 per month per employee will be estimated for rewards.

For every month in which there are NO Workers Comp claims, each employee will receive a one month credit towards a gift album from which they choose a gift.

An employee may choose to redeem a one month credit for a low priced album or accumulate more monthly credits toward a higher priced album.

Caveats

A company shall set up a tracking system of their choice to determine who is eligible for monthly credits, and how many credits have been accrued.

We recommend that one person in the company order rewards on a monthly basis, **AFTER** one or more employee has requested to redeem their safety credits. Ordering from one to thirty rewards should only take ten minutes.

Note: if no goals are accomplished, no gifts are given, there is NO COST to the company. Rewards are only purchased **AFTER** the accomplishment of a goal.

We recommend that a company not allow safety credits to be traded, or exchanged, between employees. Nor should employees be allowed to pool their collective single month credits toward a single higher value gift selection.

We recommend that a company establish a written policy regarding resolution of individual rewards when the greater employee group does not achieve rewards. For example, what should be the company policy if a specific employee has no work related injuries for a whole year, but other employees file enough Workers Comp claims to cause an Experience Modifier rate of greater than 1.0?

Defining the Progressively More Expensive Gifts

The more months an employee works safely, the more safety credits are accumulated, the more valuable the earned reward becomes.

View and order gift collections at
<http://www.tvandrielen.ordermygift.com>

Month #1

At the end of one month, an employee may choose to exchange a one month “safety credit” for a \$25.00 variety gift album which has over 40 household and personal items with a perceived value of about \$30.00.

Remember, gift albums are purchased AFTER the employee requests to redeem one or more “safety credits”.

Click on this link to see the wide assortment of gifts in twenty different gift albums:

<http://tvandrielen.ordermygift.com>

As time passes with no claims, employees have the option of continuing to save their monthly safety credits toward progressively more and more valuable gifts.

At the end of three months, the employee can redeem three credits for a \$50.00 variety assortment catalog with a perceived value of \$75.00.

At the end of six months, an employee can redeem six credits for a \$100.00 variety assortment with very nice gifts. The perceived value of \$150.00.

An employee who goes **nine months** without filing a Workers Comp claim, or redeeming safety credits, could receive a \$200.00 variety gift album. The perceived value is \$300.

An employee who has **one full year** without a single Workers Comp Claim, and has not redeemed any of their twelve safety credits, could qualify for a \$300.00 variety album, with a perceived value of \$400.

Other gift albums are available, priced from \$25.00 to \$750.00. Some are designed for men, others for women, while one is just for weddings, another for baby showers. Click here to see the entire collection:

<http://www.tvandrielen.ordermygift.com>

After one year with few or no injuries, the imaginary company's Experience Modifier would be returned to 1.0.

This illustrative incentive program would have cost the company \$25.00 per month per employee for the past year ...

AND will save the company \$252.00 per month per employee for the next year, and as many years as the program remains in effect.

The total cost for one year
 $\$25.00 \times 30 \text{ employees} = \750.00
 $\times 12 \text{ months} = \$9,000.00.$

Or NOTHING
if the program does not work.

Cost reduction for the next year
 $-\$252.00 \text{ a month} \times 30 \text{ employees} = -\$7,560.00$
 $\times 12 \text{ months} = -\$90,720.00.$

Increased Profits = \$81,720.00

Will this type of safety incentive work with your people?

The only way to find out is to start a safety program for your people.

Choose what you want to offer as safety incentives. After all, you know what your people would enjoy more than we would.

Show your people the nice gifts they will receive AFTER they have a good safety record.

**When your people have achieved the
safety you specify,
THEN you order the rewards.**

If the program does not work, you do not order the rewards.

While you have been sitting at your computer thinking about what you have read, with no risk, isn't it time to pick up the phone and call Tom to get your questions answered in just a few minutes?

Tom's cell 408-592-7514

You have nothing to lose, but a few minutes of your time...

**And thousands of dollars of Workers
Comp money.**

A sunset scene over a body of water with mountains in the background. The sun is low on the horizon, creating a bright glow and reflecting on the water. The sky is a mix of orange, yellow, and red. The mountains are silhouetted against the bright sky.

Symbiosis Enterprises

“Carrot on a Stick”
Gift and Incentive Albums

Tom Van Drielen
Box 18907
San Jose, Ca. 95158
Home Office 408-723-4777
National Toll Free 877-370-0053

Caveats

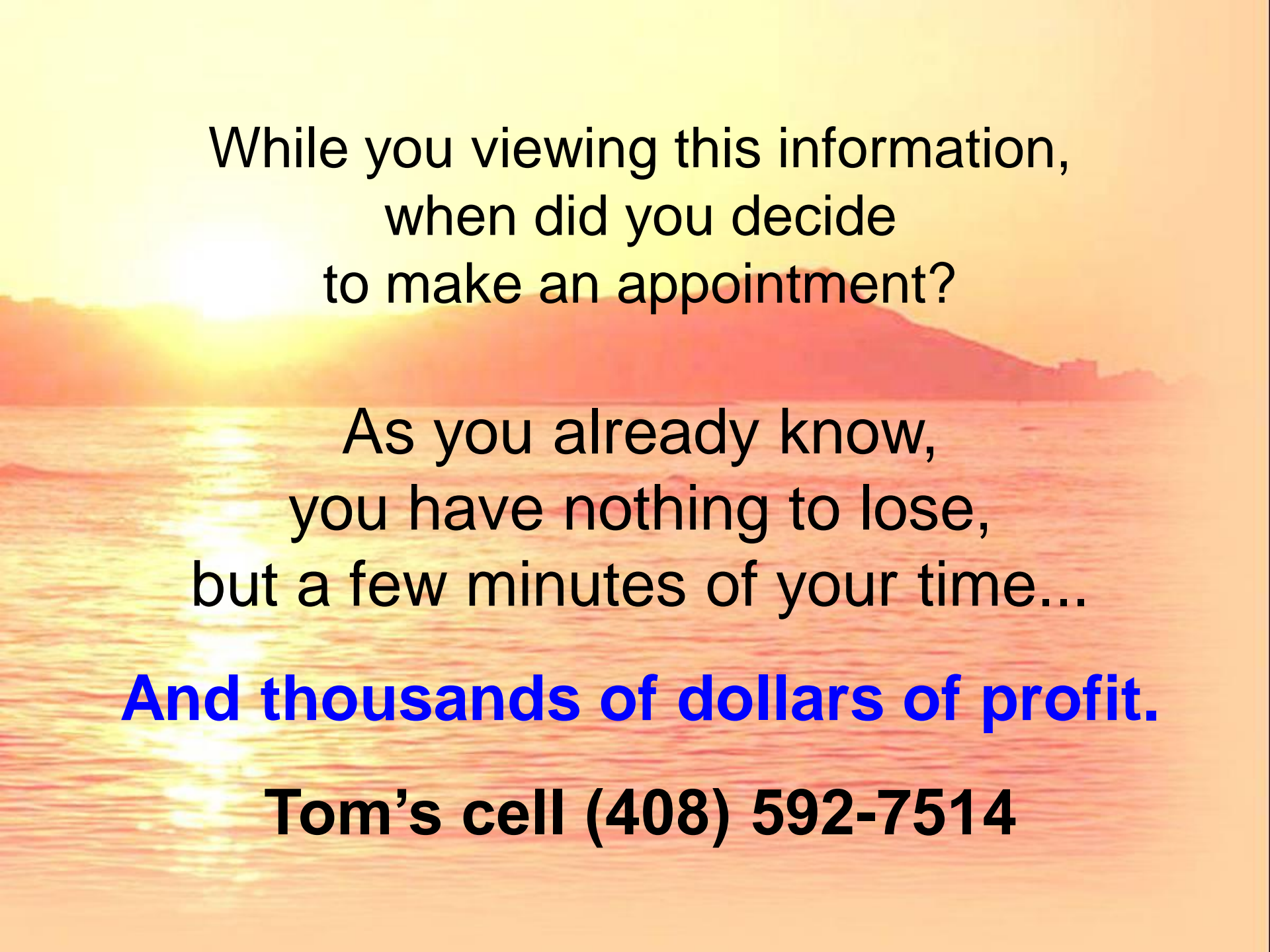
A company shall set up a tracking system of their choice to determine who is eligible for monthly credits, and how many credits have been accrued.

We recommend that one person in the company order rewards, AFTER credits have been confirmed. Ordering gift albums typically takes about ten minutes.

Credits should not be bartered, traded, exchanged, or pooled in order to realize a higher value gift selection.

A company should establish a written policy outlining individual and group rewards. This written policy should not mention any dollar values.

Note: **if no goals are accomplished, no gifts are given**, there is NO COST to the company. Rewards are only purchased AFTER the accomplishment of a goal.

A sunset over a body of water with mountains in the background. The sun is low on the horizon, creating a bright glow and reflecting on the water. The sky is a mix of orange, yellow, and red. The mountains in the background are silhouetted against the bright sky.

While you viewing this information,
when did you decide
to make an appointment?

As you already know,
you have nothing to lose,
but a few minutes of your time...

And thousands of dollars of profit.

Tom's cell (408) 592-7514

A sunset scene over a body of water with mountains in the background. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water. The mountains are silhouetted against the bright sky.

Symbiosis Enterprises

Incentives That Work

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