

Award Sourcing and Fulfillment

- To effectively tap the motivational power of incentives you need to be able to present the right rewards to your audience. Common pitfalls include:
 - Too limited of an award selection
 - Award selection with too few appealing awards
 - Award selection with too many "unattainable" awards
 - Unavailable or undeliverable awards
- Incentive planning companies provide stock award catalogs and award sourcing services supported by seasoned merchandise buyers who "know" the right reward including brand, value and current popularity. They also provide award sourcing for custom selections.
- Award fulfillment is a significant issue. Incentive companies spend months sourcing awards that are "available" when your award winners are ready to redeem them. One of the worst things that can happen is to have motivated a salesperson or employee and to not be able to fulfill the award selection they were presented and want to redeem.
- Many of the best incentive management companies offer award selections that are warehoused for convenient and timely delivery.

Customer Services

- Many companies who manage their own incentive programs have found they become overwhelmed with customer service issues. This usually happens when awards are slow in arriving, back-ordered or out of stock. It also happens when award selections arrive damaged or are not what the award winner thought they were when they ordered them.
- Incentive planning professionals provide 100% customer service support backed by sourcing, shipment tracking

and warehousing systems along with experienced customer service professionals who communicate and work with award winners to make sure they get the awards they want when they want them. They manage the calls and coordinate all the shipping requirement for returns and replacements.

Program Administration Tracking and Reporting

- Many companies choose to track their own incentive programs and report progress and results to participants and company management. Although this may seem efficient, most companies find it is extremely time-consuming. Incentive companies typically provide comprehensive administrative tracking services that allow their clients to pick and choose how much or how little administrative support they need.

Results Analysis

- It has become standard for incentive companies to provide complete results analysis. This includes analysis of program data and projections of performance as the program rolls out in order to monitor effectiveness and recommend modifications if/when necessary. Most companies that manage their own incentives fail to do this. In addition incentive management companies will provide ROI analysis to validate the effectiveness of your incentive program.

Summary

- Many companies do choose to develop, implement and manage their own incentive program, however most find that outside expertise provides them with a greater ability to achieve successful results while minimizing the time and human resources they need to allocate to effectively manage an incentive program.



PFI Will Again Be On The Road In 2006

PFI Incentive Professionals will again hit the road in 2006. Be sure to mark your calendars for the following incentive and promotional industry shows at which PFI will exhibit

| Show | Location | 2006 Dates |
|--|-------------------|-------------------|
| The Incentive Show | New York, NY | May 3 -4 |
| Promotions East (SAAGNY) | Atlantic City, NJ | June 6-7 |
| Specialty Advertising Association of California (SAAC) | Long Beach, CA | August 2-3 |
| The Motivation Show | Chicago, IL | September 26-28 |

If you are planning to attend any of these shows, be sure to stop by and find out what's new, visit with PFI Sales Representatives and see how PFI can help you help your clients succeed.

Partners *for* INCENTIVES

6545 Carnegie Avenue
Cleveland, Ohio 44103
Phone: 216-881-3000
1-800-AWARDS1
Fax: 216-881-7413
Email: Sales@SPIHQ.Com



➔ February 2006

PFI Offers The Awards You Need

Point-Based Award Catalogs

Point-based award collections present the ultimate in merchandise award program selection and flexibility. Programs designed to reward participants in points redeemable for merchandise enable you to recognize and reward performance improvement at all levels of activity for a nearly infinite combination of criteria. If you can measure it, you can assign a point value. The power of points lies in the ability to track, bank and accrue them like money. The more points a participant is able to accrue, the stronger the motivation to earn more—and that kind of motivation yields results.

PFI offers two point-based award catalogs; the Deluxe and Deluxe-lite. The Deluxe catalog is a great option when program participants have the ability to earn \$500 or more (in points) during the course of the program or program year. The Deluxe-lite is the perfect catalog for participants in programs where the average point earning potential is under the \$500 threshold. 80% of the Deluxe-lite awards are less than \$500 in value. This is extremely important in that your best motivational efforts and intentions will not be realized if the value of the awards presented to participants exceeds their realistic earning potential.

Here are the other important specifications for both the Deluxe and Deluxe-lite catalogs:

Deluxe Catalog of Awards

The 2006 Deluxe Catalog is as big and impressive as ever featuring 1308 selections from many of the most widely

demand brand name manufacturers. Here is just a partial list of some of the brand names you'll find:

**Bose • Sony • Mitsubishi
Coleman • Kate Spade • Cuisinart
Satellite Radio-XM & Sirrus**

As in the past, the Deluxe catalog features awards valued between \$20 and \$4,000 dollars. 72% of all selections are valued at \$500 or less.

The following is a percentage breakdown of deluxe catalog selections by value.

DELUXE CATALOG

| Dollar Range | Number of Items | Percent/Total | Cumulative Percent |
|-------------------|-----------------|---------------|--------------------|
| Up to \$49.99 | 127 | 9% | 9% |
| \$50.00-\$99.99 | 250 | 19% | 28% |
| \$100.00-\$199.99 | 283 | 20% | 48% |
| \$200.00-\$499.99 | 313 | 26% | 74% |
| \$500.00-\$999.99 | 182 | 14% | 88% |
| \$1,000.00 & over | 153 | 12% | 100% |

Expiration date: December 31, 2006 with redemption through March 31, 2007

Deluxe-lite Catalog

The 2005-2006 Deluxe-Lite continues the tradition of presenting participants with an anything-but-lite award selection at a tremendous value. This newest version of the Deluxe-Lite catalog features 742 brand name awards. The real value of the Deluxe-Lite catalog, however, is in the distribution of award values. Over 50% of the items in the Deluxe-Lite catalog are valued under \$100 and less than

continued on page 2

10% are over \$500. Here is a breakdown of the Deluxe-Lite catalog by the numbers:

| DELUXE-LITE CATALOG | | | |
|------------------------------|------------------------|----------------------|---------------------------|
| Dollar Range | Number of Items | Percent/Total | Cumulative Percent |
| Up to \$49.99 | 318 | 42% | 42% |
| \$50.00 - \$99.99 | 186 | 25% | 67% |
| \$100.00 - \$499.99 | 219 | 30% | 97% |
| \$500.00 - & Over | 19 | 3% | 100% |

Expiration date: 12/31/06 with redemption through 3/31/07

Plateau Award Catalogs and Brochures

Plateau award vehicles present nearly as much reward flexibility as point-based catalogs. Performance criteria can be easily established at incremental levels of achievement

(plateaus). The motivational power of a plateau-based incentive program lies not in the opportunity to accrue points for awards, but in the opportunity to stretch one's performance to qualify for the next higher award level. With the right award plan structure, this can be as powerful a motivator as a point-based program.

PFI offers a variety of plateau award vehicles designed to meet all plateau program reward needs. Here is a brief description of each:

Plateau Award Collection

The Plateau Award Collection features 1,121 award selections presented in 13 individual award value levels ranging from \$17.50 to \$1,000. The Plateau Collection can be presented with all 13 levels bound as a single catalog, used as individual award level catalogs or any combination of the 13 award value levels. Each plateau level features between 36 to over 100 items.

SUMMARY OF THE PLATEAU AWARD COLLECTION:

| Collections | Pages | # of Items | Points | Price |
|--------------------|--------------|-------------------|---------------|--------------|
| 01 | 4 | 36 | 3,500 | \$17.50 |
| 02 | 8 | 83 | 5,000 | \$25.00 |
| 03 | 8 | 87 | 7,500 | \$37.50 |
| 04 | 12 | 116 | 10,000 | \$50.00 |
| 05 | 12 | 109 | 15,000 | \$75.00 |
| 06 | 12 | 110 | 20,000 | \$100.00 |
| 07 | 8 | 75 | 30,000 | \$150.00 |
| 08 | 12 | 114 | 40,000 | \$200.00 |
| 09 | 12 | 111 | 60,000 | \$300.00 |
| 10 | 8 | 75 | 80,000 | \$400.00 |
| 11 | 8 | 66 | 100,000 | \$500.00 |
| 12 | 8 | 72 | 150,000 | \$750.00 |
| 13 | 8 | 67 | 200,000 | \$1,000.00 |
| Totals | | 1,121 | | |

All items in a plateau level carry the same award value. Although the Plateau Collection is designed with step-up or plateau levels, it can also be presented as a point award catalog. Combined, this catalog can be effectively used with most any incentive application. When used as individual plateau brochures, this collection is perfect for gift award programs, employee recognition, and any application where benchmark or step-up goal achievement is the award criteria.

Expiration date: 12/31/07 with redemption through 3/31/08

continued on next page

Junior Mini-Module

The Junior Mini-Module is a six-panel brochure featuring a limited selection of the most popular awards from Plateau award levels 1-5 (\$17.5 - \$75.00). This brochure features 63 award selections and is best used in programs where participants have performance plateaus or goals to achieve and a limited earning potential.

Expiration date: 12/31/07 with redemption through 3/31/08

Mini-Max Award Brochure

The Mini-Max Award Brochure is the Junior Mini-Module and Senior Mini-Module combined into a 12-page brochure. Although it is a plateau catalog, the number of popular brand-named awards in a wide range of values makes this a

great award collection for all incentive applications. Many clients have used the Mini-Max with points. The Mini-Max brochure features 128 award selections.

Expiration date: 12/31/07 with redemption through 3/31/08

Online Awards

The Deluxe, Deluxe-Lite, Plateau Collection, Reflections and the Canadian Catalog are all available online.

When it comes to merchandise awards PFI has you covered—in print, online and around the world!



Other Award Considerations

DON'T LIMIT YOURSELF TO A SINGLE AWARD VEHICLE

All the catalogs presented above can be included in any combination. (Remember, plateau awards can be presented in points.) For example, many clients will launch a program using the Deluxe-lite or Mini-Max catalogs and later introduce the Deluxe Catalog as participants' earnings exceed \$500. Even more have used the mini-modules in promotional mailings to jump-start activity during the course of the program. Many PFI partners offer their clients both online and offline award collections. There is no reason to limit the number of awards you present to program participants.

Don't Forget the Non-Catalog Option

You can really dial up the program activity, enthusiasm and support by creatively introducing additional award opportunities outside the pages of the catalog. Specially selected and sourced merchandise make great "Fast Start," "Top Performer" and "Fast Finish" bonus awards. PFI's staff of experienced, professional merchandise buyers can help you source and fulfill any non-catalog merchandise offering. Take a moment to review your accounts and see if there is an opportunity to introduce additional merchandise incentives. The end results will be more revenues for you and, most important, greater success for your clients.

International Collection

In addition to the Canada, PFI has developed partnerships in Mexico as well as Europe. Program participants in these parts of the world can be offered merchandise selections presented and described in their native language fulfilled within their borders without the hassle of customs and international shipping.



Here Are Answers To Why Your Client Should Pay You To Manage Their Incentive Program

PFI understands the challenges you face in terms of selling incentive program management and fulfillment services to your prospects and clients. Most companies are very quick to challenge you by asking "What's in it for me." "Why should I pay you to run my incentive program?" Or, they simply believe they can do it by themselves.

We know that most companies are far better off if they let "Incentive Professionals" develop and manage their incentive programs. To help you communicate this and convince your clients and prospective clients, we have outlined the following rationale.

Rules planning and budgeting

- Incentive management companies provide access to incentive program planning professionals to help you analyze your goals, your distribution channel or operational functions and, most important, your budget. They will work with you to develop the best reward/rules structure that will meet your objectives within your budgetary parameters.
- Incentive planning professionals can help you avoid the pitfalls of developing a plan that fails to call your participants to action, or call them to action in a way that overruns your budget, yet fails to achieve your goals.

continued on page 4