How to Use Sales Leaderboards to Influence Company Culture

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CHAPTERS

INTRO

In this eBook we will explore how and why to use sales leaderboards, as well as the importance of company culture and ways that leaderboards influence it. Our goal is to help you further understand the ins and outs of leaderboards and discover how to successfully introduce them into your company—and in turn positively influence company culture.

WHY LEADERBOARDS?

> " Being a great place to work is the difference between being a good company and a great company."
>
> – Brian Kristofek, President and CEO, Upshot

WHY USE LEADERBOARDS IN THE WORKPLACE?

Everyone is familiar with leaderboards. You seem them daily in sports, games, education, business and nearly every other competitive aspect of life. Why is that? It's because **they're fun, easy to interpret information from and they inspire higher performance.**

Have you ever entered a race, for example? Regardless of type or distance, chances are that there were leaderboards displaying finisher information and you were eager to see where you placed at the finish. Depending on where you placed, you probably either celebrated your hard work or promised yourself to give it extra effort next time around. This is because **humans are competitive by nature and driven by the desire for constant improvement.**

Among increasing employee engagement and improving performance, there are many benefits of using sales leaderboards in the office.

Here are 5 of the most compelling.

1 BOOST MOTIVATION

According to a Gallup study, **87% of employees lack motivation and are generally unhappy in their jobs.** While this may sound like a harsh statistic, it doesn't have to be. The truth is that boosting employee motivation and performance is pretty easy once you set a firm commitment to it. If you show employees that you are making the effort, they will follow suit.

Leaderboards are a great way to combat a lack of motivation and enthusiasm in the office. They provide **tangible goals to work towards**—in a visually stimulating manner that is easy to understand. They also instill a **sense of urgency and healthy competition** that your staff will likely respond well to.

2 IMPROVE TRANSPARENCY

Leaderboards are also a highly effective tool to increase the amount of transparency–both among employees and management. By displaying data and targets throughout the office(s), everyone is constantly updated and on the same page. As a result, there is an **increase in performance and collaboration on clearly defined goals.**

Additionally, studies show that **employees are more engaged and thus more productive when management is transparent and openly communicates company updates, strategies and goals.** People want to know what goals/purpose they are working towards, and they want to know their role in achieving those goals. By empowering your employees with knowledge and openness, you are creating a more positive and meaningful work atmosphere where they will want to work harder.

Furthermore, **being open and honest will lead to better and faster problem-solving**–if employees know the reality of what is going on at the company, they can contribute valuable ideas and solutions to executives.

70% of people said they are most engaged when senior leadership frequently updates and communicates company strategy

–Harvard Business Review's 2013, Employee Engagement Survey

3 — INCREASE EMPLOYEE ENGAGEMENT

Similar to motivation, leaderboards have been proven to increase employee engagement by providing a fun and meaningful way to complete tasks. Engagement is significant in the workplace because it ultimately affects the company bottom line.

*Research shows that companies with a high level of employee engagement have experienced a **19%** increase in operating income–as well as a **28%** increase in earnings growth.*

So, if you're looking for a way to drive focused activity on a specific goal in a way that's fun, engaging and intuitive, leaderboards are a great answer.

4 — KEEP TRACK OF METRICS

Leaderboards make it **easy to track key performance indicators.** For those companies who are already effectively tracking key data and metrics, leaderboards make it better and easier because you can **display real-time data in a visual and intuitive way.**

Example: If John is a sales director in an outbound call center that focuses on insurance sales and John knows that his sales teams close deals on 1 in 7 calls, then he immediately knows that by increasing call volume (without diminishing quality), he will increase deals closed and revenue generated.

So, John sets up a leaderboard to show the top 20 agents who are making the most calls and another that shows the top 10 agents closing the most deals (by quantity, value, or margin). As a result, his teams are more aware of their daily numbers and of their impact on bottom-line growth.

You can also choose which KPIs are most important to your company and **base competitions on the specific behaviors you want to encourage from employees.** For instance, if you want employees to make more cold calls, set up a competition where the person with the highest number of cold calls in a given week receives a prize.

WHAT TYPES?

WHAT TYPES OF LEADERBOARDS ARE MOST EFFECTIVE?

This is a bit of a trick question because **the most effective leaderboards vary depending on the specific industry and company**. For example, a call center may want to have a leaderboard for the highest call volume, but this type of leaderboard may not be relevant to a different company such as a retail store. However, there are some general leaderboards that we think are effective and applicable to most companies.

Sales is a numbers game. The more activity you create, the more likely you are to close a deal. If you're not dialing, booking meetings, attending events, shaking hands and keeping busy, your chances of closing a high volume of sales drastically decrease. The sales profession isn't for everyone... it's for highly motivated team players who like the thrill of the chase. You've got to be outgoing, enthusiastic, likeable and honest. But even if you have it all together, you need to know where you stand.
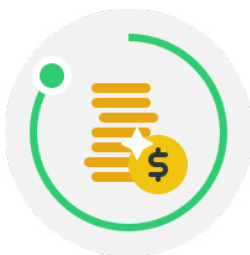
Using leaderboards and data visualization slides on TVs throughout the office is a great way to keep everyone informed, aware of their progress and motivated to tackle their targets. People are naturally driven to achieve goals; so, when you make their goals very clear and constantly visible, they are much more likely to achieve them.

So, here are 5 of our favorites and why we use them:

1

REVENUE PROGRESSION

This simple slides shows a circle graph that measures revenue in real-time. We use it for monthly, quarterly and yearly revenue because as a bootstrapped software startup, we like to see where we stand and how our product is growing.

Personally, this is my favorite slide because all I have to do is glance up and see exactly how we are performing on our total quota for a given time period. Simple, effective, self-explanatory.
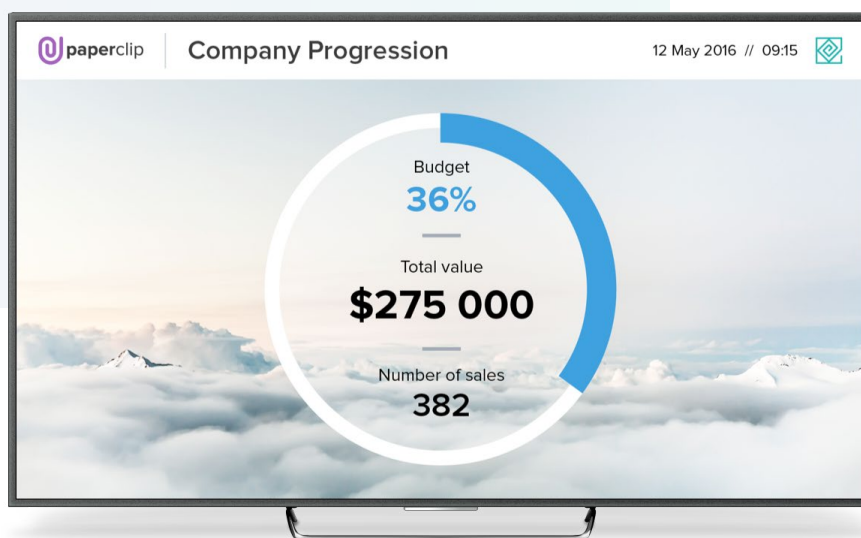
2 NEW MONTHLY RECURRING REVENUE (MRR)

MRR is perhaps the most important revenue metric for any subscription-based business. It also allows you to keep a close eye on metrics such as retention and churn.

We use this slide as a leaderboard to sort by user on weekly, monthly and yearly MRR results. This way, we know which reps are not just bringing in revenue, but the most important type... recurring revenue.

The system also updates when users unsubscribe, so we can keep a close eye on our exact numbers in real-time. Can your software do that and put it on TV screens?
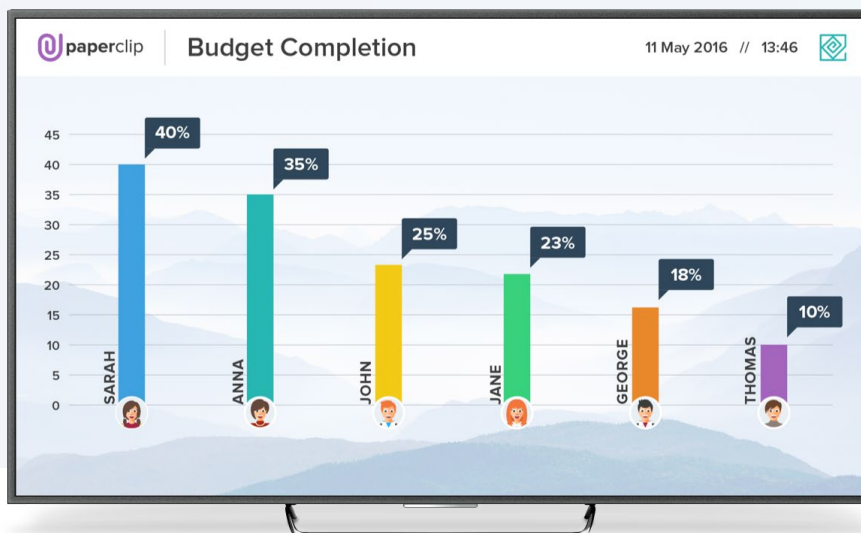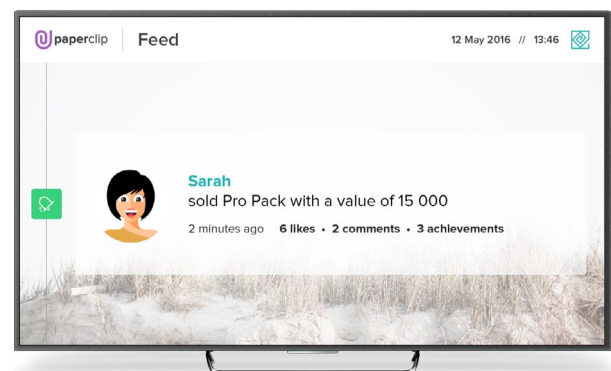
3

LAST 10 UPDATES

We use this slide to display the last 10 sales made, along with the seller's name, team/location, product sold, customer name and total value. This way, we can easily see all of the most important information for recent sales all in one place. Plus, it's a huge motivation boost to look at this slide and see big name customers, high sales values or which office is taking the lead in generating new revenue.

4

COMPANY FEED

While not technically a single metric, this slide shows all of the recent updates within the company feed and usually runs for about 25 seconds. This slide shows all of the most recent reports in order and recognizes each person who completed them. Whether it's sales, activities, offers, meetings, or just social chat and engagement, they show up hear to bring a fun vibe to the office and keep everyone informed.

5 GAMIFICATION SLIDES

Since we make it possible to unlock badges for completing key activities, it's fun to keep track of who has completed which milestones and how many times. Plus, it allows us to quickly sort achievements. In total, we have about 30+ badges and awards to unlock within our company this year and we only show some as a slide on TVs. Here are some examples of the gamification slides we use:

- **Takeoff** — User closed their first sale of the week
- **Guardian Angel** — User with the most customer support requests taken that day
- **MVP Week** — User who activated the most new licenses during the week
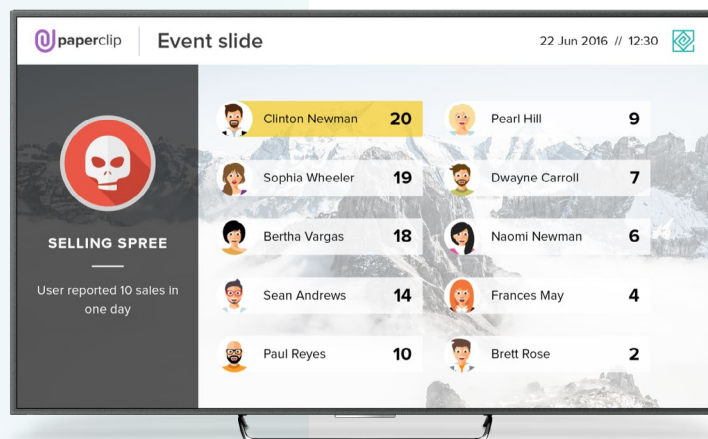
Keep in mind, the most effective leaderboards for you may be different. The best way to determine which leaderboards will be most effective for your teams is to look at your most important business metrics and determine what you would like to measure more, increase activity for, or shine a spotlight on. If you have any questions about using leaderboards, feel free to ask us!

GAMIFICATION

The Engagement Loop

MOTIVATION

ACTION
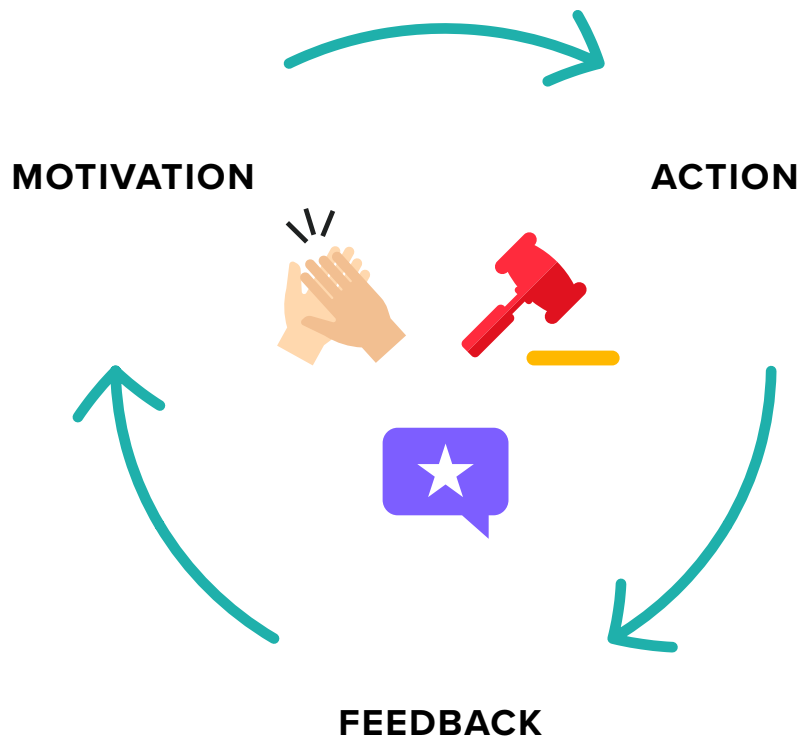
FEEDBACK

> " As with any other type of learning, there must be clear and immediate feedback to help players understand their progress and negotiate challenges. At the simplest level, an engagement loop makes your game an effective part of overall business strategy."

BEST PRACTICES

" You want to set goals that you can hit, so when you start hitting them, you can celebrate those wins. People start trusting in your way of projecting the business."

— Wiley Cerilli, Founder, former CEO of SinglePlatform

BEST PRACTICES FOR USING LEADERBOARDS

Leaderboards are good for much more than simply measuring progress or showing data. Use them to introduce a fun, competitive atmosphere.
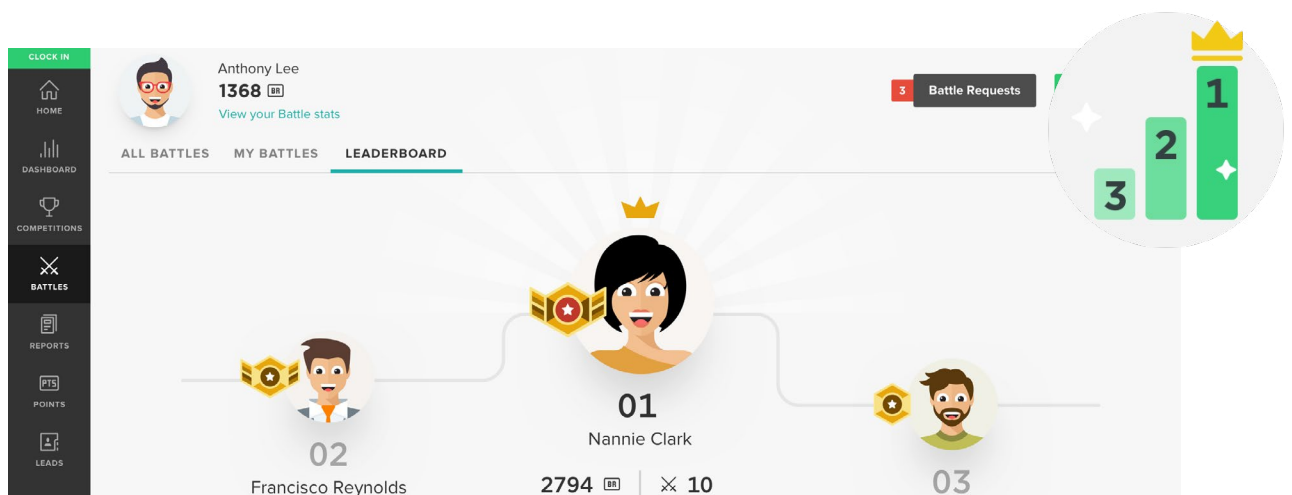
👇 Here are 3 best practices for using leaderboards.

1 TRACK THE RIGHT METRICS

Tracking the wrong KPIs is one of the most common sales leaderboard mistakes made by employers. Simply measuring sales may seem like an obvious choice, but in reality sales leaderboards should rather be utilized to encourage behaviors above and beyond the basic expectations of ones job.

Instead of tracking sales alone, managers should **track activities that have the potential to generate sales** such as qualifying leads or setting a meeting. This will start to create a pattern of good behavior while the overall goal is still the same - increasing sales.

2 LEVEL THE PLAYING FIELD

Leaderboards frequently favor the seasoned veterans and more competitive employees. These individuals often have bigger and better sales results, which are highlighted on sales leaderboards. This can leave the "newbies" and less competitive employees feeling discouraged and de-motivated. Luckily, with digital leaderboards this is an easy fix.

There are several ways to counteract this. One way is to **use customized leaderboards that compare more closely matched employees.** This allows the "lesser-performing" employees to still feel relevant and to have a chance to be a top performer in certain areas. Ideally this will keep everyone feeling more engaged and even encourage the lower performers to gradually climb up the leaderboard.
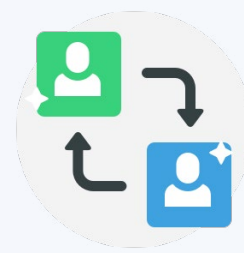
Another way is to **track less traditional metrics**. For example, a leaderboard for the most 5-star customer support reviews could be a great way to create focus on a core area of your business behind-the-scenes. Additionally, try implementing some competitions, such as a lottery competition on a weekly or monthly basis. Awarding points for a wide variety of different tasks across various roles becomes both easy and rewarding. It can also be a great way to unify everyone across the various roles.

3

EMPHASIZE BOTH INDIVIDUALS AND TEAMS

A common downfall of sales leaderboards is placing too much emphasis on individual employees. This can lead to selfish behavior and cause individuals to move away from teamwork and cooperation in the workplace. Of course it is important for employees to perform well individually, but not at the cost of the team as a whole.

In order to avoid this occurrence, try to ensure that sales leaderboards are comparing both individuals and teams. **Try implementing a team competition now and again to encourage employees to work together to achieve a common goal.** Being a part of a team is also a great way for lesser and middle performers to have a chance to excel.

Although sales leaderboards are an effective way to increase performance and encourage good behavior, they only do so when set up and implemented correctly. It is all too common that companies fall victim to toxic practices such as tracking the wrong KPIs, bias against newer and less competitive employees and forgetting the importance of teams versus individuals. This defeats the point of leaderboards at all and often negatively affects company culture.

By tracking the right metrics, implementing customized leaderboards and comparing both individuals and teams, companies can sufficiently benefit from sales leaderboards in the workplace.

COMPANY CULTURE

" Corporate culture is the only sustainable competitive advantage that is completely within the control of the entrepreneur."

– David Cummings, Co-Founder, Pardot

WHY IS COMPANY CULTURE IMPORTANT?

According to entrepreneur.com, company culture is "a blend of the values, beliefs, taboos, symbols, rituals and myths all companies develop over time." Essentially, it is the personality of the company and the general work atmosphere. Thus, company culture contributes greatly to employee happiness–and happy workers are more productive and have better performance. Studies show that "**39% of workers would work harder if they are happy in their current role or place of work**."

So of course company culture is significant to the success of a company overall. Here are 3 major reasons why.

1 EMPLOYEE RETENTION

Having a good company culture makes a huge difference in retaining employees. The stats speak for themselves...

47% of HR leaders say that employee turnover and retention is their **number one challenge.**

48.4% is the likelihood of job turnover at a company with poor company culture,

compared to only **13.9%** at a company with a rich culture.

1.5-2x

The cost of losing one employee can range from tens of thousands of dollars, to 1.5-2X their annual salary.

Replacing an employee can cost **150%** of his or her annual salary

In US companies, employee turnover already costs **$160 billion** a year.

Infographic crafted by **SALESSCREEN**

REFERENCES

SHRM and Globoforce | **Columbia University** | **Deloitte** | **Gallup** | **Forbes**

2

ENGAGEMENT AND MOTIVATION

Good company culture means happier employees, which means higher engagement and motivation. **More motivated employees perform their tasks with a much higher degree of efficiency and professionalism**. In turn, the level of motivation and engagement in an office has a profound impact on the overall company culture.

UNDERSTAND → RECOGNIZE → MOTIVATE → ENGAGE → UNDERSTAND
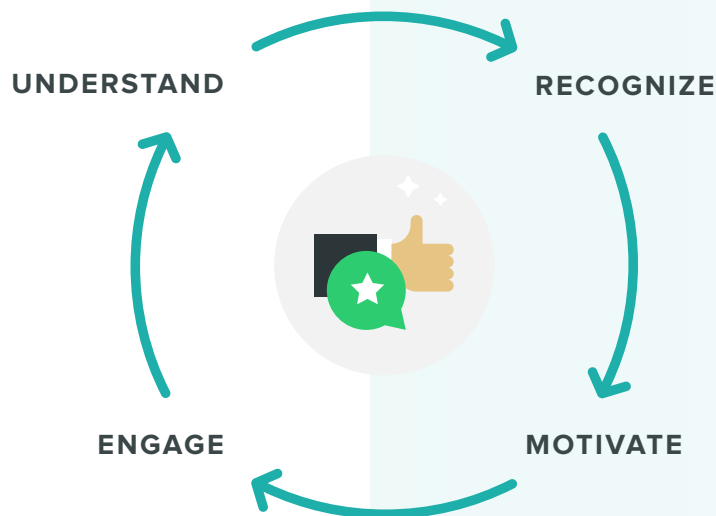
3

ALIGNED GOALS HELP BETTER THE COMPANY

When **goals are aligned and employees feel like there is a common purpose that everyone is working towards, the company will perform better**. This is because humans are a results oriented species and we like to know that if we're putting forth full effort then there is some reason or tangible result.

The more closely the goals are aligned to productivity and efficiency, the more effectively you will build a strong company culture where everyone is willing to give 100%.

INFLUENCE OF LEADERBOARDS

> " Satisfied employees mean satisfied customers, which leads to profitability."
>
> — Anne M. Mulcahy, CEO, Xerox

HOW DO LEADERBOARDS INFLUENCE COMPANY CULTURE?

Cultivating and maintaining a good company culture is paramount to the success of a business. Research by Deloitte suggests that "**88% of employees believe a distinct corporate culture is important to a business' success**". Additionally, companies with a strong company culture tend to have happier and more fulfilled employees.

As such an important element of a successful business, it makes sense to utilize any and all resources in order to improve and nurture a positive company culture. For example, sales leaderboards, if used correctly, can be a valuable tool.

Below are 5 ways that sales leaderboards promote a good company culture.

1 INCREASE TRANSPARENCY AND ACCOUNTABILITY

A study by Harvard Business Review showed that **70% of employees are more engaged when management is consistent and open with communicating company updates and strategies**. If employees are more aware of all company goals, it allows them to feel more purposeful in their contributions to the company. Having more transparency via sales leaderboards also allows everyone to be on the same page and thus be more productive and effective both individually and as an overall team.

Visualizing company data is also a great way to **increase accountability because everyone can clearly see what all employees are doing and how well they are doing it**. And when leaderboards are tracking the right metrics, this has a generally positive effect on the employees and general work atmosphere.

70% of employees are more engaged when management is consistent and open with communicating company updates and strategies

2

GIVE RECOGNITION

Another great way that leaderboards contribute to company culture is by giving recognition for good performance and other relevant metrics. It is important for employees to feel appreciated and noticed for their hard work. A study by Aon Hewitt revealed that **not feeling appreciated is the main reason that many Americans chose to leave their workplace.**

In addition, **65% of people reported that they did not receive any recognition for good performance**. Sales leaderboards are an effective and exciting way to combat this statistic and ensure that employees are being properly recognized for their work.

3

ENCOURAGE COLLABORATION

Since sales leaderboards create transparency throughout a company, it becomes more natural for employees to work together in order to achieve common goals. When everything is out in the open, employees are encouraged to collaborate rather than work against each other.

Furthermore, sales leaderboards should be used to highlight not only individual performance, but also teams. Doing so contributes to having a **friendly and teamwork-minded environment that places value on achieving company goals through collaboration and combined efforts**. Via sales leaderboards, teams can easily visualize their performance and its overall effect on the company which will likely reinforce the power of collaboration.

4

PROVIDE INSTANT FEEDBACK

Leaderboards provide real-time results and thus instant feedback for employee performance. This has been shown to boost motivation and keep employees more engaged. Instant feedback allows people to immediately see how they are doing; if they are performing well they can celebrate and continue to progress, and if they are performing poorly they can quickly course-correct and identify patterns that could help them to improve in the future.

Either way, employees have control and ownership over their performance and this will likely result in happier and more productive workers.

5

INCREASE EMPLOYEE ENGAGEMENT

A study by the Society for Human Resource Management reported that "**it costs the equivalent of 6 to 9 months' salary to replace a disengaged employee, plus an additional 90 to 200 % in long-term expenses**". This should be reason enough to promote employee engagement, and additional studies show that high employee engagement and good company culture go hand-in-hand.

Sales leaderboards (again, when used correctly) have been proven to increase employee engagement by providing meaning and purpose in a visual and aesthetically pleasing manner. It also adds a fun and social element to the workplace that help to counteract boredom and apathy amongst employees.

SUMMARY

Company culture isn't just a buzzword—it's an increasingly important factor in determining the success of a business. Good company culture leads to higher employee retention, engagement and motivation. It also promotes productivity and can even lead to an increase in profit.

Through the use of sales leaderboards, you can promote better company culture and encourage desired behaviors from your staff.

So, if your goal is to build a stronger company culture and have more engaged employees who are aware of their progress towards key targets, then leaderboards may be just what you need. If you enjoyed this eBook and want to learn more, simply reach out to us via the website chat function or by requesting a demo. We'll be glad to explain how leaderboards can be a driver of growth in your business and how we can help you align them with the right metrics and behaviors.

Thanks for taking the time to read, we wish you success and motivation on your road ahead.

Thanks for reading. This eBook was handcrafted by the marketing team at SalesScreen, a sales motivation platform which allow sales organizations to Visualize Data, Accelerate Sales and Surpass Goals.

Contact us to learn more

VISUALIZE DATA | ACCELERATE SALES | SURPASS GOALS

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