



Enter \$90B Incentive Engagement Space

Business Plan Description

This descriptive document is designed to follow a process of outlining the mission/vision of entering the \$90B incentive engagement space, lay a solid business plan foundation to equip promotional marketing distributor owners and sales professionals to make a decision, as to whether the addition of this space can:

- Be a profitable and viable business addition to your growth and success.
- Bring a powerful added strategic value to existing customers (Enterprise and SMB).
- Help expand new business development initiatives.
- Add a powerful strategic element to all your major RFP's.
- Take advantage of the latest performance engagement technologies and rapidly growing desire by corporations to coordinate, integrate and excel at all aspects of performance: HR, Sales Channel, Customer Loyalty.
- Add a new and accretive business model, more based upon enduring SaaS based user fees and scalable rewarding merchandise.
- Become a licensed business partner of the leading global performance engagement platform, Power2Motivate (owned by HIG Growth Capital and used by leaders such as Halo Recognition and Workhuman- previous dba Globoforce), Including delivery globally, integrating all currencies and languages.
- The potential to develop a higher and more enduring contribution margin rate.

This document can be the beginning of a work in progress and designed to be updated through all aspects of business planning, launching, executing, growing and evolving.

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I. Mission / Vision (purpose)

Your current purpose and promise likely looks something like “WE HELP CREATE & INSPIRE YOUR BRAND”.

A supporting and complimentary purpose and promise for Incentive Engagement might be well explained as “WE MOTIVATE & EMPOWER PEOPLE TO PERFORM AT THEIR BEST”.

Great leaders instinctively know that the more engagement, fulfillment, appreciation and focus in a company, the better it performs; data proves this, over and over, again.

Incentive Engagement mission statement

We help leading corporations motivate and empower their people to perform at their best, by bringing to life employee and customer experiences, through performance engagement- incentive -recognition- reward programs, using intelligent data, leading engagement technology and the most fulfilling reward and member benefits cloud in the world.

Incentive Engagement philosophy and vision

To help people and businesses realize their full potential, through the power of combining both Brand Inspiration and People Empowerment promises. Our clients seek and appreciate our value as a strategic business resource, to help design – innovate – engage performance solutions.

II. The Opportunity

This section provides further description of the problem (need), the solution, the market opportunity, the product, the customers and the differentiating technology.

I. The Problem

Perhaps the #1 leading corporate strategic initiative this decade is to improve workplace culture and performance, through enhancing engagement, people behavioral data analytics, personalized experiences, motivation, rewarding and much more.

The degree of commitment by corporate leadership to these areas, for better or worse, has an impact on their brand.

This problem and opportunity to improve, while many first jump to HR/Employees (internal) is equally important to customer loyalty and sales channel (external) improvement. Most times, sales channel and customer loyalty programs have shorter sales cycles as they are classified as revenue generation and don't involve company wide decision making.

2. The Solution

Commonly involves:

- growing constituent participation (engagement)
- learning about people as individuals (surveys, interests, behaviors, skills, performance, career development)
- performance management (intelligent personalized data analytics)
- timely and meaningful personalized recognition and rewarding
- all coordinating to achieve an impact on motivation- focus- performance
- involving purposeful human topics such as health and wellness, charities, peer-peer and even affinities such as climate change.
- with increasing demand and realistic ability to integrate with corporate data systems (i.e.: HRIS, performance data)
- and the latest trend to incorporate economic member benefits (savings) to all individual constituents in their personal and family lives.

3. The Market Opportunity

While this summary business plan will touch on this market segment, we look forward to learning more about your current promotional marketing sales and business.

The Incentive Marketing Industry:

- 84% of U.S. businesses spend \$90 billion annually on the incentive industry with \$14.4 billion spent on incentive travel and \$75.6 billion on award points, merchandise and gift cards to reward sales staff, employees, channel partners and customers.
- While it seems impossible to find growth and trend detailed information, trends show:
 - Consolidation of rewarding needs into an integrated platform, where the use of dynamic data into performance mgmt. and experiences are as important as the reward mediums.
 - Naturally leading to more use of platform user and mgmt. fees (at scalable high margins) and continued pressures on rewarding margins (ave. 20%, with highs of 40% and lows of 5%)
 - Corporations trying to tie incentives and rewards to specific individual and team performance, in a personalized manner.

- Rewarding delivered directly to recipient (digital or merchandise), using an integrated supply chain, efficient float account billing and a better experience for all (recipient, corporation, reseller, suppliers and platform provider).
- Compared to PPAI/PPAI reporting promotional marketing spend at \$25 billion, at annual growth rate of 4.9% in 2018 and similar estimates for 2019.

4. The Product

The product, in the eyes of corporations seeking to solve the problems referenced above through effective execution of the solutions referenced above include:

- Performance engagement professionals that can earn the position as a strategic business advisor.
- A technology platform solution that can integrate with their corporate data, deliver intelligent experiences and improve engagement and performance of all types of constituents.
- A cloud reward platform that offers reward merchandise that appeals to all generational desires and trends.
- Flexibility to develop custom approaches to key metrics management, personalized dashboards and personalized performance progress and results.
- Efficient supply chain, billing and cost allocation. Measuring the relationship between increased personalized engagement and improved performance.

5. The Customers

While 84% of all US businesses use incentive recognition there are key characteristics that make up the profile of best target clients:

- Enterprise clients: >1.5k employees, SMB customers: 250 < 1.49k employees).
- At some level of recognizing their problems/needs and desire to continuously improve.
- Making advancements in their systems (ERP, HRIS, etc..) and seeking to coordinate with a leading performance engagement solution.
- Have existing programs, not yet integrated into a total solution platform, that are under-achieving. A great place to start is significantly improving from current/past results.
- While You/P2M together will be able to compete at all levels of RFP, the best scenarios are often when you can help a corporation define strategic initiatives and together guide through a collaborative process to develop, launch and roll out a program.

Prospect segments for your to consider initially:

- Key existing strategic clients.
- Full existing customer base (Enterprise and SMB)
- Consistent business dev't initiative in your geographic areas of focus.
- Leads from Power2Motivate's Evergrow marketing and events.
- Participation in Josh Bersin Academy community.

6. The Technology

As a reseller business partner with Power2Motivate, your technology will be leading edge. At par with the best of the best in the industry (Halo Recognition, Workhuman, OC Tanner, etc...) and far above 95% of the competitors.

- Engage & Excel has been working with progressively for 5 years.

7. Key competitors

Within this huge industry, there are so many competitors. We'll break a few key competitors into segments, for reference:

Competitors who also offer promotional marketing solutions:

- www.HaloRecognition.com In Feb 2017 [Halo acquired Michael C. Fina](#) B2B division, estimated at \$75M (a Power2Motivate Tier I reseller). Now rebranded to Halo Recognition, operates as a specialized recognition division of Halo.

Competitors who also offer a comprehensive technology platform solution:

- www.BIWorldwide.com \$700M
- www.WorkHuman.com \$500M Rebranded from Globoforce in Feb 2019.
- www.OCTanner.com \$540M
- www.Achievers.com \$100M
- www.Workstride.com \$15M

Other mid-sized competitors

- www.online-rewards.com \$80M. Very basic. Not a sophisticated platform like Power2Motivate.
- www.LinksUnlimited.com \$65M.

Offering reseller programs to promo distributors

- www.Hinda.com