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Human Resources

Program helps companies reward workers

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Not long ago, the employee incentive program at Cornerstone Community Federal Credit Union was cumbersome and inefficient.

Employees earned points based on the number of referrals they made to the credit union's financial advisers. At the end of every month, points were tallied and employees selected prizes in the form of gift cards. One employee was then in charge of physically buying the gift cards, often from local retailers, and distributing them.

Tired of that arrangement, the Niagara County credit union decided to switch gears. Last month it enrolled in Payback Incentives, an online employee recognition and sales incentive program relaunched in January by J. Fitzgerald Group Inc.



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The new system, which offers dozens of e-gift cards as rewards, is now

available to companies of any size that can choose from a free plan or an advanced \$99-per-month plan. Both options allow companies to buy points for their employees – \$1 per point, which in turn is worth \$1 – and keep track of points online.

“I just looked at it like, let’s pull the curtain back on these things and be upfront and fair and give people a program that won’t break the bank,” said Jack Martin, president of J. Fitzgerald Group.

The 15-year old advertising agency is headquartered in Lockport.

“I look at this as a strong component to the overall benefits package. If you’re happier, that’s contagious. And it’s contagious to the outside world where your customers and your clients can hear it in your voice,” he said.

Employee recognition and sales incentive programs are big business in the United States. According to Blackhawk Engagement Solutions, a corporate incentive and consumer promotions company, U.S. organizations spend more than \$100 billion on incentives every year.

J. Fitzgerald Group built Payback Incentives in 2006 for Volvo Construction Equipment, a client that wanted an automated rewards system for its dealer networks. The agency had just a few weeks to develop a program.

“They were thrilled with it,” Martin said. “They blew their incentives budget and generated an additional \$8 million in sales that year.”

It wasn’t long before the agency realized that other companies might be interested. So it presented the idea to certain clients – including Columbus McKinnon Corp. in Amherst – and began building what Martin calls “one-offs” of the original system.

Lots of companies were interested, but he said some couldn’t afford the costs associated with building the platform, which could range from \$5,000 to \$30,000. So he decided to find a way to scale the program and make it accessible for any business.

So far, the program attracted 25 companies, including those that used the system prior to the relaunch.

The list includes UB MD Orthopaedics & Sports Medicine, Millington Lockwood Business Interiors and Delta Airlines.

The agency makes money by getting a cut from the retailer every time a card is purchased.

The \$99 program, which covers an unlimited number of employees at any one business, has a fee attached to it to offset data storage costs, Martin said.

Cornerstone, which has 125 employees, is enrolled in the no-cost program, which means it pays for the cost of the points only.

Right now, employees can earn points for sending new business to the credit union's financial advisers, but someday the company may expand it to other departments.

"It's talked about here quite a bit and it's talked about at credit unions in general," said Suzanne English, vice president of marketing. "People are always looking for ways to motivate and reward their staff and this seems to be the way of the future."

Martin said the agency is working on a sales contests and sales goals version of the program.

It also has plans to introduce the system in Canada and the United Kingdom.

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