

terryberry

# Holistic Employee Engagement— With The Data To Prove It



# Budgeting Best Practice

# Budget Definitions

## Recognition Budget Best Practice

To maximize organizational impact, research suggests allocating roughly 1% of annual payroll to recognition efforts (*ie: \$1M in payroll at 1% = \$10,000 in budget spend*)

- Organizations that allocate at least 1% are 79% more likely to achieve their business goals than those that allocate less than 1%\*

## Budget Ceiling

This figure represents the maximum available spend for all recognition related expenditures. This should take into account all initiatives related to your program. For example, Career Milestones, Peer-to-Peer Recognition, Performance Incentives, Wellness Challenges, Symbolic Awards, Employee Gifting, etc.

## Budget Allocation or Exposure

This figure represents how much of your budget is actually allocated and provided to employees. For example, automated Career Milestone programs will have 100% allocation/exposure. Discretionary components like Peer-to-Peer will typically have a 50% allocation rate depending upon participation.

## Realized Redemption

This figure represents how much of your budget is actually spent. Factors that influence this include program design, participation, turnover, award expirations, savers vs spenders, automated vs manual, performance, etc. Typically, 50% of budget allocation/exposure is ultimately redeemed.

**Ceiling**



**Allocation**



**Redemption**

It is important to note that Terryberry is an invoice upon redemption company!

*Bersin & Associates\**

# Common Budget Use-Cases

## Years of Service/Milestones

When recognizing career milestones, best practice recommendation is to allocate between \$40-\$50 per year of service. This can be split between redemption budget (*ie: tangible merchandise, experiences, travel, etc.*) and a Symbolic Award (*ie: plaque, pin, acrylic digit, presentation kit, ring, etc.*)

## New Hires & Retirees

Many organizations provide new employees with “welcome aboard” points, swag vouchers, new hire kits and/or welcome messages to ensure a memorable onboarding experience. Similarly, retirees are often provided a retirement gift with a Symbolic Award to commemorate their years of service and legacy.

## Performance Incentives

When considering incentive-based components of your recognition program, make sure to align budget to strategic initiatives where performance or adherence is mission-critical (*ie: Sales, Safety, Customer or Patient Satisfaction, Wellness Initiatives, Training & Compliance, etc*)

## Peer-to-Peer/Social

When implementing social recognition, best practice recommendation is to allocate budget to every employee within the organization (*if possible*) to promote program adoption and encourage participation. Budget is typically tiered hierarchically:

- Front Line Employee - \$10/month
- Manager/Supervisor - \$20/month
- Director - \$30/month
- VP - \$40/month
- Executive - \$50/month

***Reminder: regardless of how you allocate budget, Terryberry only invoices upon redemption!***

# Budget Consolidation

CENTRALIZE SPEND AND STANDARDIZE EFFORTS

Most organizations today are spending money internally in some capacity to drive recognition and engagement across their employee base. We help our customers uncover existing spend and transition disparate efforts into one cohesive, unified system and strategy. Things to consider that may already be happening today:



# Budget Consideration: Reward **Impact**

MAXIMIZE IMPACT WITH SYMBOLIC AWARDS



Over our 105+ years of experience, we've discovered that the most impactful recognition programs follow the **Rule of 80/20**. These organizations intentionally allocate **80%** of their service award budget to online redemption and **20%** to symbolic awards. This ensures that:

- Recognition becomes an **emotional experience** rather than a *transactional moment*
- Leaders and managers **actively participate** by delivering the award in person, strengthening employee relationships
- By proudly sharing and displaying their awards, employees become true **brand ambassadors**

## KEY INSIGHTS



- **87%** of employees who receive a symbolic award report a stronger emotional connection to work and the organization
- Employees are **3x more likely** to remember a positive workplace experience when a symbolic award is involved
- Over **70%** of awards are delivered by managers — creating personal, meaningful moments



## SERVICE AWARDS

# Budget Best Practice for Service Awards

By systematically aligning budget to the **Rule of 80/20**, our customers—*and their employees*—realize added value with each and every milestone



### 5 Year Anniversary

For example, 5-year anniversaries may be budgeted for **\$250** per recipient

### 20% - Symbolic Award

Terryberry automatically fulfills a branded symbolic award valued at **\$50** (20% of \$250)

*Best practice* – award is mailed to the employee's manager to ensure it's hand delivered in a public setting or meeting

### 80% - Online Redemption

Employee automatically receives **\$200** worth of points (80% of \$250) to spend within the online redemption platform

# **Symbolic Awards for Milestones**

## SYMBOLIC EXAMPLES

# If You Can Think It, We Can Design It!

The options for Symbolic Awards are truly limitless, so below are examples that typically resonate with most organizations for **Service Anniversaries**:

More Examples [Here!](#)



Presentation Kits



Acrylic Awards/Digits



Jewelry



Legacy Landscapes

# **Symbolic Awards for New Hires & Retirees**

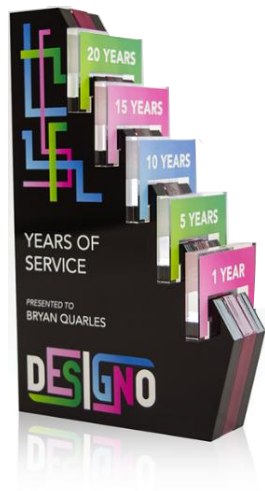
SYMBOLIC EXAMPLES

# If You Can Think It, We Can Design It!

The options for Symbolic Awards are truly limitless, so below are examples that typically resonate with most organizations for **New Hires and Retirees**:

[More Examples Here!](#)

*New Hire*



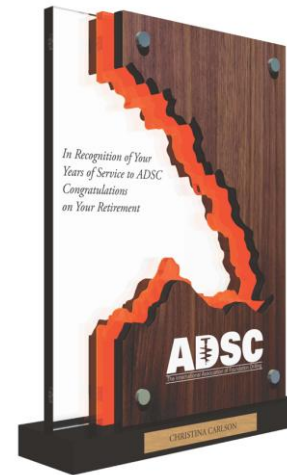
**Perpetual Awards**

*New Hire*



**New Hire Kits**

*Retiree*



**Plaques/Trophies**

*Retiree*



**Crystal Awards**

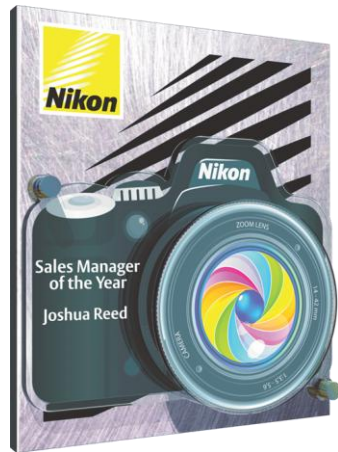
# **Symbolic Awards for Performance Incentives**

SYMBOLIC EXAMPLES

# If You Can Think It, We Can Design It!

The options for Symbolic Awards are truly limitless, so below are examples that typically resonate with most organizations for **Performance Incentives**:

More Examples [Here!](#)



Plaques/Trophies



Perpetual Awards



Acrylic or Crystal



Wearables

# **Symbolic Awards for Social Programs**

SYMBOLIC EXAMPLES

# If You Can Think It, We Can Design It!

The options for Symbolic Awards are truly limitless, so below are examples that typically resonate with most organizations for **Social Programs**:

More Examples [Here!](#)

Values/Nominations



Magnetic Awards

Values/Nominations



Perpetual Awards

Nomination



Trophies



Wearables

# Ready to transform your culture into a competitive advantage?

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 Boost Points

- 10 Points\*
- 15 Points\*
- 75 Points\*

