

## 4. Preferred Pump: Reinvesting In The Business

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Posted: May 11, 2006

*A sales incentive program for customers has contributed to the company's success.*



Preferred Pump offers a Dealer Awards program that provides customers with merchandise or trips based on their purchases. The 2005 program was effective for purchases shipped and invoiced between Jan. 1 and Dec. 31, 2005. Preferred customers were invited to enroll by completing a form and having an officer, owner or manager sign it. Customers earned one award point per \$1,000 in program period purchases.

The award trips are open to the customers' employees and their dependents. To give customers more choice and flexibility, Award Points may be rolled over for one year, for the "Big Trip." The 2005 dealer award program's Big Trip was an eight day/seven night cruise scheduled for Feb. 12 to 19, 2006 that included full air and ground transportation and deluxe ocean view staterooms for two on the Royal Caribbean Mariner Of The Seas.

Customers in the region that Joe Thein, group manager, oversees tend to have more free time during the cold weather months so they show a high percentage of participation in the company's Dealer Award trips to the warm and sunny vacation spots offered annually in the program. Thein's region includes branches in Minnesota and Wisconsin.

Another award trip offered in the 2005 program was a four day/three night trip to Las Vegas in December, including airfare and accommodations at the Treasure Island hotel and casino.



More than 400 people opted for the Las Vegas award trip in 2005. When the timing of the Las Vegas trip coincides with the National Groundwater convention, more than 700 people will typically participate, says Tom Bowers, director of marketing/group manager at Preferred Pump.

In addition to the trips, award points can be redeemed for merchandise, such as camcorders, flat-screen or projector TVs, DVD players, designer handbags, exercise equipment, camping packages, gas grills, watches, cameras and a pool table.

The Dealer Awards program gives Preferred Pump a competitive edge, according to Jim Mathison, a group manager at the company. "Other people in the market might be selling the same product that we are, but our customers will feel loyal and want to buy from me because we reward them for their purchases," Mathison points out.

"Preferred Pump earmarks our rebates from vendors to fund our customer promotion," asserts Tom Bowers, director of marketing and group manager for CA. "To support our Dealer Awards Program, we have a dedicated full-time person, an engineer by profession, who manages and administers the program. We believe it brings customers closer to us by making things go smoothly," says Bowers.

Mike Floyd, another group manager at Preferred Pump, says he appreciates the willingness of Randy Lyne, president, to reinvest profit dollars into something that benefits the customers. "He believed in that concept even before he had the money to do it," he says. "We are where we are today because of it."

