

# Case Study: STA Travel



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## STA TRAVEL

### At a glance...

- ▶ **Industry: Travel & Leisure**  
STA Travel is the market leader in student and youth travel
- ▶ **Company overview:**  
STA Travel employs in excess of 2000 staff, with a network of nearly 400 retail branches worldwide



"INCA enables you to manage the sales force fantastically. I'm really delighted with it."

"Life before INCA was an incredibly complex incentive scheme & if you asked any of our sellers if they really understood it, their answer was probably no."

**John Constable,**  
Managing Director (UK), STA Travel

## key challenges...

- Implement a global business solution to calculate commission and reduce the reliance on manual, error prone spreadsheets
- Drive directional selling
- Flexibility to introduce incentive changes immediately
- Understand sales behaviours & identify how these could be effectively targeted
- Promote a performance driven culture
- Allow staff to manage their own performance

## the INCA solution...

### Implementation & Integration

- 8 weeks for the UK & Nordics
- Pays sales forces in the USA, Europe & Asia
- Deployed on Windows 2003 with SQL Server

### Benefit Highlights

- Productivity of sales advisors increased by 11%
- Sales of 'add on services' e.g. travel insurance, accommodation and tours all increased
- Performance driven culture realised
- Global solution which integrates seamlessly with existing IT infrastructure
- A commercially aligned sales force

### STA Travel's strategic use of Incentive Compensation Management software drives up sales performance, influences sales behaviour and increases employee motivation

STA Travel is the market leader in student and youth travel and the business is responsible for the travel plans of more than six million people each year.

The industry is competitive, margin driven and as a sales orientated organisation, STA Travel required a flexible but robust global incentives solution to manage its commission and bonus schemes and reduce its reliance on spreadsheets. STA Travel chose to implement Practique's web-based Incentive Compensation Management application, INCA.

## the drive for change...

STA Travel's strategy focused on two goals; for employees it centred on placing the responsibility on sales staff to manage their own performance and influence their own earning capacity. For the business it was key to understand where the company's earnings derived from, to communicate changes to the sales plan immediately, to promote a performance driven culture and to demonstrate that transparency between sales behaviour and pay existed.

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### Practique at a glance...

Practique is the author of INCA an Incentive Management solution. This web-based software automates sales commission and bonus and is responsible for managing the commission of over 120,000 employees and channel partners across Europe every day.

Practique, a UK based organisation, is the leading specialist vendor of Incentive Compensation Management software in Europe. INCA is implemented in many forward thinking companies including O2 in the UK and Germany, The Carphone Warehouse, Mazda, BT, Cable & Wireless, The Royal Bank of Scotland & STA Travel.

For more details on how INCA can benefit your organisation please call us on: 01344 354 988  
Or visit [www.practique.co.uk](http://www.practique.co.uk)



## criteria specifics

The system criteria needed to be flexible so it could be modified to meet local market requirements. Consistency across countries and comparability of reward schemes on a global scale was key. In addition, STA Travel needed to ensure effective measurement as well as rapid deployment for new incentive schemes. The software was also required to conform to the business strategy of centralised IT and feed seamlessly into the existing IT, finance and payroll infrastructure.

## reaping the rewards

As a result of implementing INCA the productivity of STA Travel's sales advisers increased by 11% and a direct pattern was identified whereby 100 percent of all sales staff logged onto INCA 15 minutes prior to the start of their shift and straight after it ended. This demonstrated that the transparency between sales behaviour and pay existed.

There was also a positive shift in sales behaviour; previously sales had pushed flights however with the new INCA software a performance driven culture was promoted. The result saw sales of travel insurance up by 21%, an accommodation increase of 14% and tours up by 6%. All new incentives, month-end drivers and sales messages are now sent through an employee's online sales statement. Consultant's earnings are also in line with business performance.

## life after INCA

Practique's INCA software has positively impacted on the business as a whole. STA Travel now has a system which drives performance across the whole company, as previous systems just promoted the top sellers. It has increased its sales margin and the business is now more focused on directional selling, promoting a performance driven culture.

As INCA has automated the calculation of commission and bonus, the number of queries relating to pay have decreased. This is because employees can access their pay and targets via a real-time online statement. INCA is transparent and so it automatically creates a full audit trail. This has helped to reduce the previous administrative burden and as a result there has been a reduction in unnecessary admin support.

As a result of INCA, the sales force is now commercially aligned; amendments to existing or new incentives can be implemented immediately so the business can move quickly to accommodate market changes. Complex and manual communication around incentives is now eradicated and STA Travel has a much clearer understanding of where to find data on existing incentives.

## immediate return on investment

The return on investment has been measured in several ways, from a financial standpoint sales productivity has increased and directional selling has driven up the sales profit margin. However staff are more motivated with target setting and incentives to drive sales. They can see an immediate breakdown of how their individual and team sales are impacting on their monthly salary so they can focus on selling rather than shadow accounting.

In summary Practique's INCA software has effectively helped to shape STA Travel's business model to meet its internal targets and drive up sales and ultimately positively impact the business' bottom line.