

Compensation Management Software Conference

26th April 2017

Alan Gibbons

the reward
practice.com

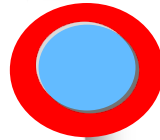
OpenSymmetry

IBM

beqom.
to make your people happy

HWC

PeopleFluent



INTRODUCTION: A GUIDE TO THE OBJECTIVES OF TODAY'S EVENT

1

PART 1 : PREPARATION IS EVERYTHING :

Using simple tools & guidelines for you to streamline and simplify your reward structures prior to software selection

2

CASE STUDY: TRAVELEX & OPENSYMMETRY

3

PART 2 : DECIDING ON THE FUNCTIONALITY YOU NEED:

What could the right software do for your business?

4

TALES OF THE UNEXPECTED...HWC

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PART 3 : FROM ADMINISTRATORS TO MODELLERS –

Making every bit of functionality count

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CASE STUDY: BEQOM AND DHL

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PART 4: TAKING THE GUESSWORK OUT OF VENDOR SELECTION:

Choosing your partners with confidence

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CASE STUDY: IBM AND PITNEY BOWES

9

PART 5: FINAL REVIEW & PANEL SESSION

Spotlight on
Compensation
Planning Software

10.00 – 10.15





Introduction

Our objectives for today:

1. To better understand what Compensation Planning software is and does;
2. To provide templates & tools for you to set out your needs *with utmost clarity*;
3. To help you deal with providers *with confidence*;
4. To help you to seek out and choose the best software for your business;
5. To showcase the services offered by the Compensation Software providers who are with us all day.

So why are we here and not googling all this?





Because choosing Compensation Software is never a 'tick the box' exercise....

It depends on addressing a number of broader questions:



- *Do we simply need to get organised? Do we want our numbers all in one place?*
- *Are we just duplicating the same practices as before? But a bit faster?*
- *Do we want more than a data repository? Are we striving to create stunning strategic policies which will truly attract, retain and motivate the very best?*

The Objective is to determine the right blend of left-brained thinking (e.g. Market Pay Analysis, Salary Budgeting, Pay Structure Design & Progression) and right-brained thinking (e.g., Retention Strategies, Incentive Compensation Design, Talent Management, Recognition Programmes, maximum return for payroll spend) which will be right for our situation and add real value.



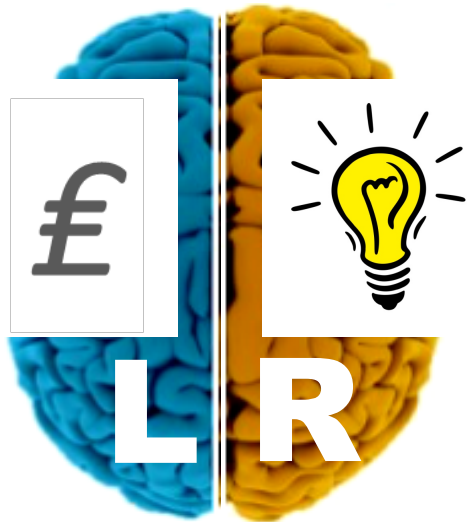


Expectations in this room will vary greatly...

It's often said that there's nothing in HR that's not already been said...

That may be true, but great technology is a game-changer

Whether you simply want tidy pay practices or you want to galvanise performance, *you will find solutions to help you.*



Don't be fooled into thinking technology is dull - commoditising the grind of Pay Administration is liberating, and opens the door to seizing the Talent Management Portfolio - with confidence.





In the past, we sometimes failed to deliver....

- Far too much complacency and over-emphasis on *fitting in with the pay market*;
- Focus on outside influences was *at the expense of good internal understanding* about job structure and content, their capacity to add value, the competences and skills required (and possessed), and about the longer-term influence of career development;
- *Bonus and incentive schemes failed to ignite the workforce*, and were a very weak tool in demonstrating and leading behaviour change and creating truly business-focussed performance improvement;
- *Bland performance measurement* demonstrated by long, rigid time cycles, discretionary payments and lack of individual accountability;
- *A lack of central overview*, particularly in delegated sales incentives programmes which made flexibility and change difficult to achieve in a short space of time;
- *Promotion has been seen as an entitlement*, with poor supporting processes and not linked into budgeted business needs.





What the business needs from HR now:

- ✓ Different people add different value: create stronger links between pay and performance;
- ✓ Transparency: on issues such as Gender Pay Gap;
- ✓ Hammer down costs; ramp up productivity;
- ✓ "Talent"- give us tools to manage it;
- ✓ Find clever ways of engaging our best people;
- ✓ Create incentives that put our people in the driving seat!
- ✓ Finally, a clear map of what our Human Capital costs are from every perspective.





In choosing systems to help us, we will:

- ✓ Identify those systems and processes which help us focus on business objectives;
- ✓ Define our functionality carefully and without outside influence;
- ✓ Involve our IT Team from beginning to end;
- ✓ Not accept functionality we do not need, or which is clearly not of any benefit to us;
- ✓ Ensure that you can recognise (and take) good advice;
- ✓ Buy tools at the right price, supported by guaranteed customer service standards.





Principles One and Two: Summary

- ✓ Take control of the agenda – do not be swept along by a vendor's own processes;
- ✓ Keep all language that you are not familiar with out of the discussions;
- ✓ At all times, have a healthy scepticism for all technology: ask yourself a simple question – is this exercise really going to provide what I have promised my managers?





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***PART 1 : PREPARATION IS EVERYTHING:
Using simple tools & guidelines to streamline
and simplify your reward structures prior to
software selection***



Before you jump in....

Are you really ready to open that Kimono??





Get your house in order - there are 3 things you MUST do:



- Create a set of Global Principles
- Sort out your organisation structure
- Reconcile the external and internal aspects of your pay structures – get your grades and salaries sorted out





Global Remuneration Principles

These provide both a framework and a checklist for how your staff are rewarded, *wherever they are*.

The objective is to increase your ability to successfully attract, retain, reward and motivate talent in every country in which you are active.

It underpins both the importance of one global strategy and the necessity of understanding local markets and their impact.

Globally-agreed principles will underpin the success of your Compensation Planning systems and help you get it right first time.





The Global Remuneration Model Addresses 7 Key Issues:

Target Employees

Identifying how different employee groups are covered by the remuneration strategy, particularly the frequency of review, the sensitivity of their market, and their status as members of the talent pool.

Comparative Framework

Ascertaining the types of companies or industries to which the company will compare compensation levels and performance results. The comparative framework should also indicate whether and/or to what extent, competitive data is available.

Elements of Remuneration

Setting out the elements of compensation to be included in the remuneration strategy: base salary, annual and long-term incentives, benefits, recognition programmes, etc.

Competitive Positioning

Detailing at what level the company will set salary, incentives and benefits relative to the selected peer group or market.

Remuneration Mix

Identifies What emphasis should be placed upon fixed versus variable pay and the extent to which variable pay should be short or long-term.

Governance

Clearly setting out who decisions pay policy; defines roles and decision rights for the design and management of pay programmes.*

Openness, Communication & Motivation

Guidelines for the degree to which the compensation strategy, programmes, and process for making pay decisions are openly and positively communicated, and how they may play a role in the retention of key talent.





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**Elements of
Remuneration**

**Competitive
Positioning**

**Remuneration
Mix**

Each of the elements of remuneration set out below is mandatory in each geography and business unit. Each is described in turn and analysed for their competitive positioning and prominence in the remuneration mix.

Base Salary

Short-Term Incentives

Long-Term Incentives

Benefits

Recognition Programmes

Talent Management

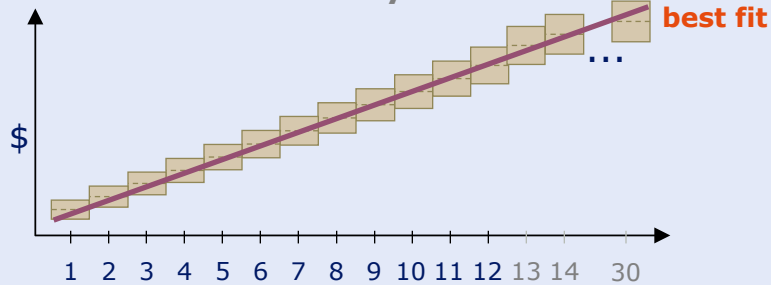




Base Salary 1 - Internal Relativity

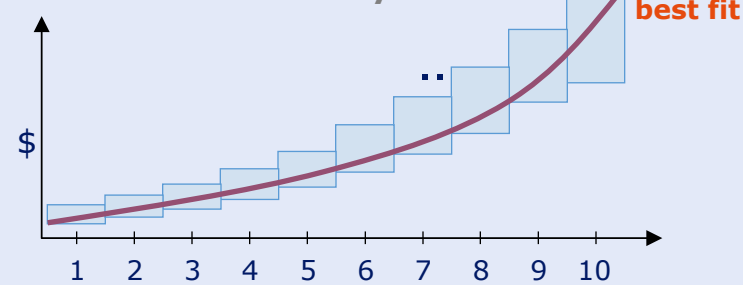
Base pay can be defined as the salary or pay amount given to an employee for performing the daily duties of the defined job and forms the foundation of a total reward system. It recognises the market value of the job, its relationship to other jobs within an organisation, and a person's value to the organisation based on performance, knowledge, skills and abilities. A job evaluation process should be adopted to place jobs in a comparative hierarchy, determined through their relative value to the organisation using internal as well as external factors, or a combination of both. Jobs and their respective salaries, may then be banded as part of a structure designed to fit somewhere along the continuum with traditional banding at one end, through to more broadly banded salaries on the other as outlined by the two diagrams below.

Traditional Salary Structure



- 30+ grade levels
- Many control points: minimums, midpoints, and maximums
- 10–15% minimum-to-minimum progressions
- 50% salary range spreads
- Point factor job evaluation systems

Broadbanded Salary Structure



- 8–12 broad bands/levels
- Fewer control points: minimums and maximums (sometimes zone lines)
- 25–30% minimum-to-minimum progressions
- Increasing salary range spreads from 60–80% in the lower levels to 100%+ in the mid to upper levels
- Less scientific job evaluation process

We should implement a relatively broad banding salary structure, determined through the strategic evaluation of it's jobs across the entire organisation. This should reduce pay administration, present employees with clearer career paths, and increase flexibility in working. However, this approach will need to be clearly communicated to employees, with a particular emphasis upon the performance-related aspects of the remuneration mix.





Short-Term Incentives

Variable awards typically cover a performance period of less than a year (quarterly, semi-annually, or annually). They are typically paid in cash, sometimes in a combination of cash and stock. They are based on either the individual's own performance against pre-determined goals, a group's performance, or the company's overall performance.

Performance may be measured against targets based on business plan budgets, financial criteria, comparative performance or other parameters. Short-term incentive designs will depend on the organisation, its objectives, and the level of the individual within the organisation's hierarchy. Successful companies employ a methodology that ties bottom-line results to the compensation of nearly every employee. This is most effective when it is part of a total approach to employee remuneration that includes cash, equity and benefitslike retirement and health care.*

Individual Performance-Related Pay

The most common form of short-term incentives are personal bonuses based on quantitative (e.g. Sales targets, billing realisation rates, etc.) and/or qualitative (e.g. Peer or supervisor appraisal) measure of individual performance. Incentives may take the form of recognition, suggestions, merit bonuses, incentives, and/or stock.

Team Performance-Related Pay

Similar to, but less common than, individual performance-related pay except paid out to the team from whose corporate results it is determined. Incentives may include recognition, suggestions and/or bonuses.

Unit Performance-Related Pay

Less commonly used as a motivator for individual performance due to the limited opportunity offered to individual employee to affect results. However, as beneficial in enhancing general loyalty and a performance culture across the organisation. Examples of unit performance-related pay include gainsharing and profit sharing.



Ideally, short-term incentives should emulate the competitive positioning of base salary in paying at median for the majority of employees, allowing for exceptional performers to realise bonus pay-outs in the upper quartile. Importantly, employees should be provided with a clear line of sight to their short-term incentives, where they feel able to influence pay-outs through their own individual performance.

* 'Bonuses and Long-Term Incentives Gain More Widespread Acceptance Around The World', Joe Conway, Towers Perrin, Jan 11 2006





There are 3 things you MUST do:



Create a set of Global Principles ✓

Sort out your organisation structure

Reconcile the external and internal aspects of your pay structures – get your grades and salaries sorted out

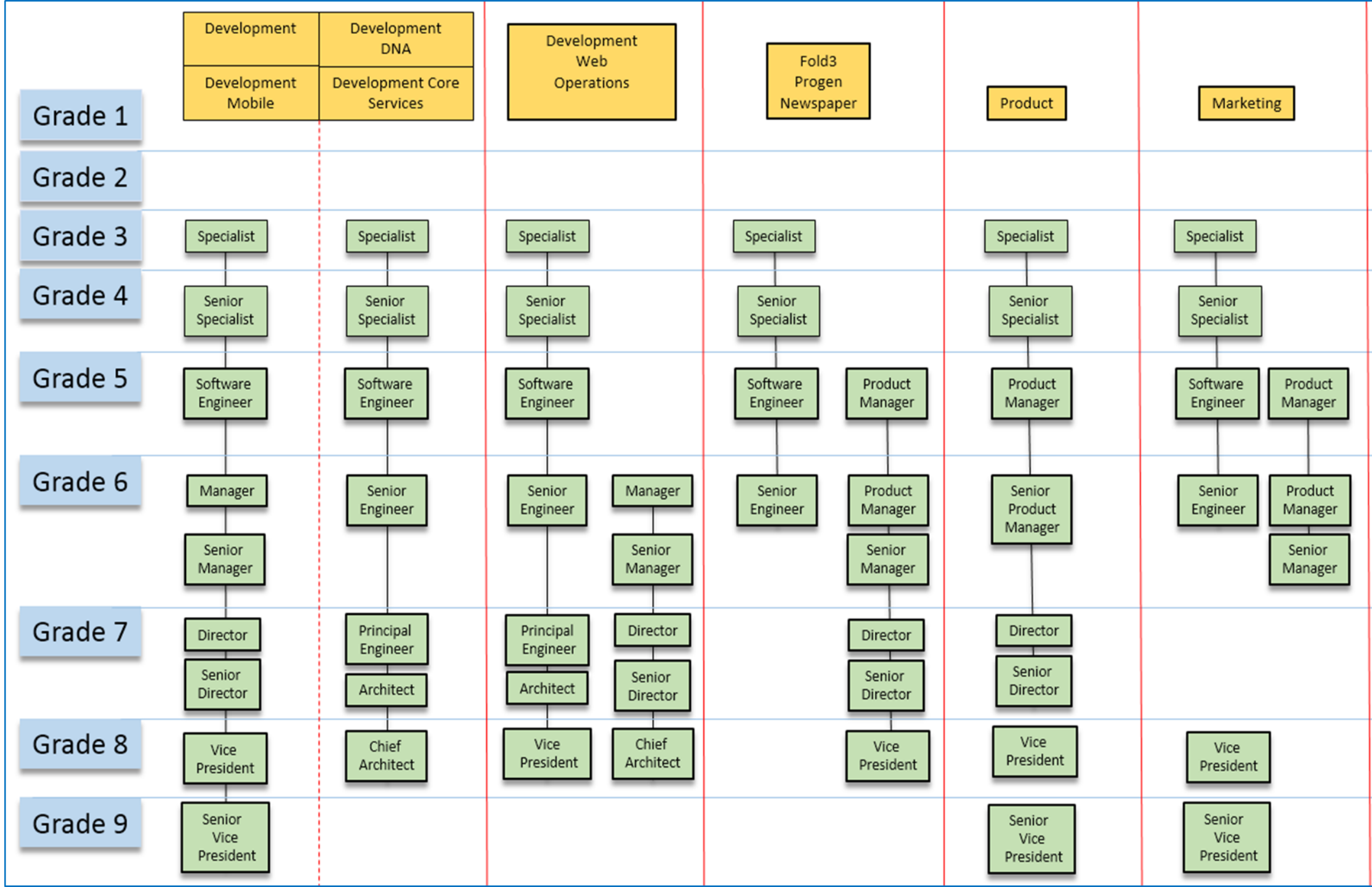




Really accurate & clear Organisation Charts are not a luxury – they are an essential business tool.

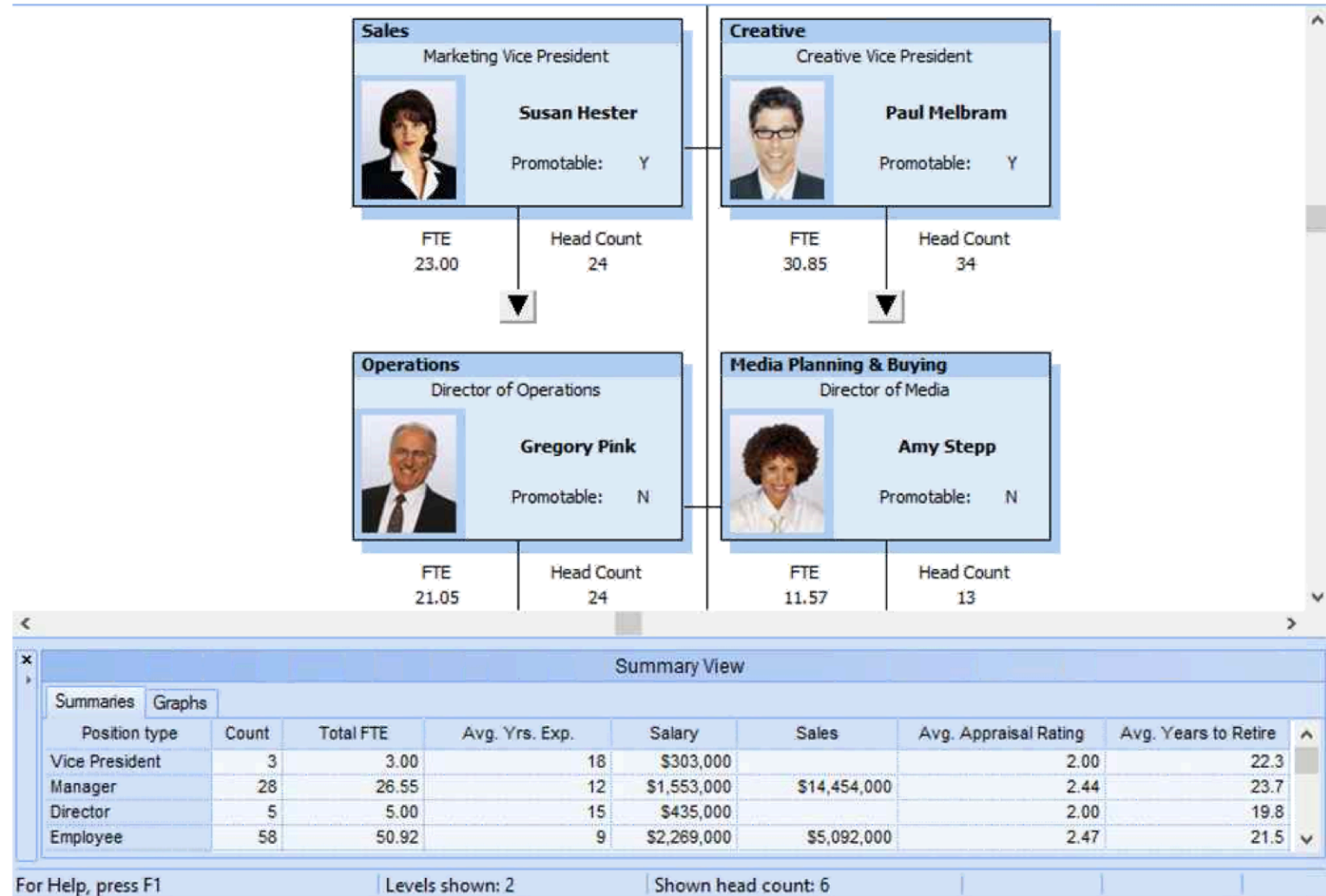
- ✓ They must be accurate.
- ✓ They may be error-prone
- ✓ They may lack detailed employee data
- ✓ They may lack important metrics because data can't be extracted from multiple systems.







Accurate
Organisation Charts
can then be used to
maximum impact in
our new
Compensation
Planning Software.





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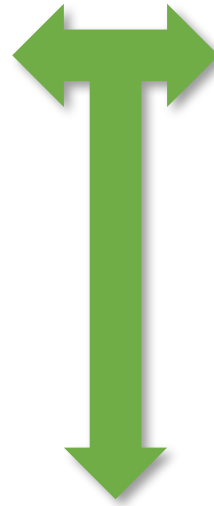
How to get the balance right.

Route 1: Pay Market Approach

Using existing pay data to rationalise grades and pay ranges

Route 2: Internal Equity Approach

Create a fair hierarchy based on job size and contribution



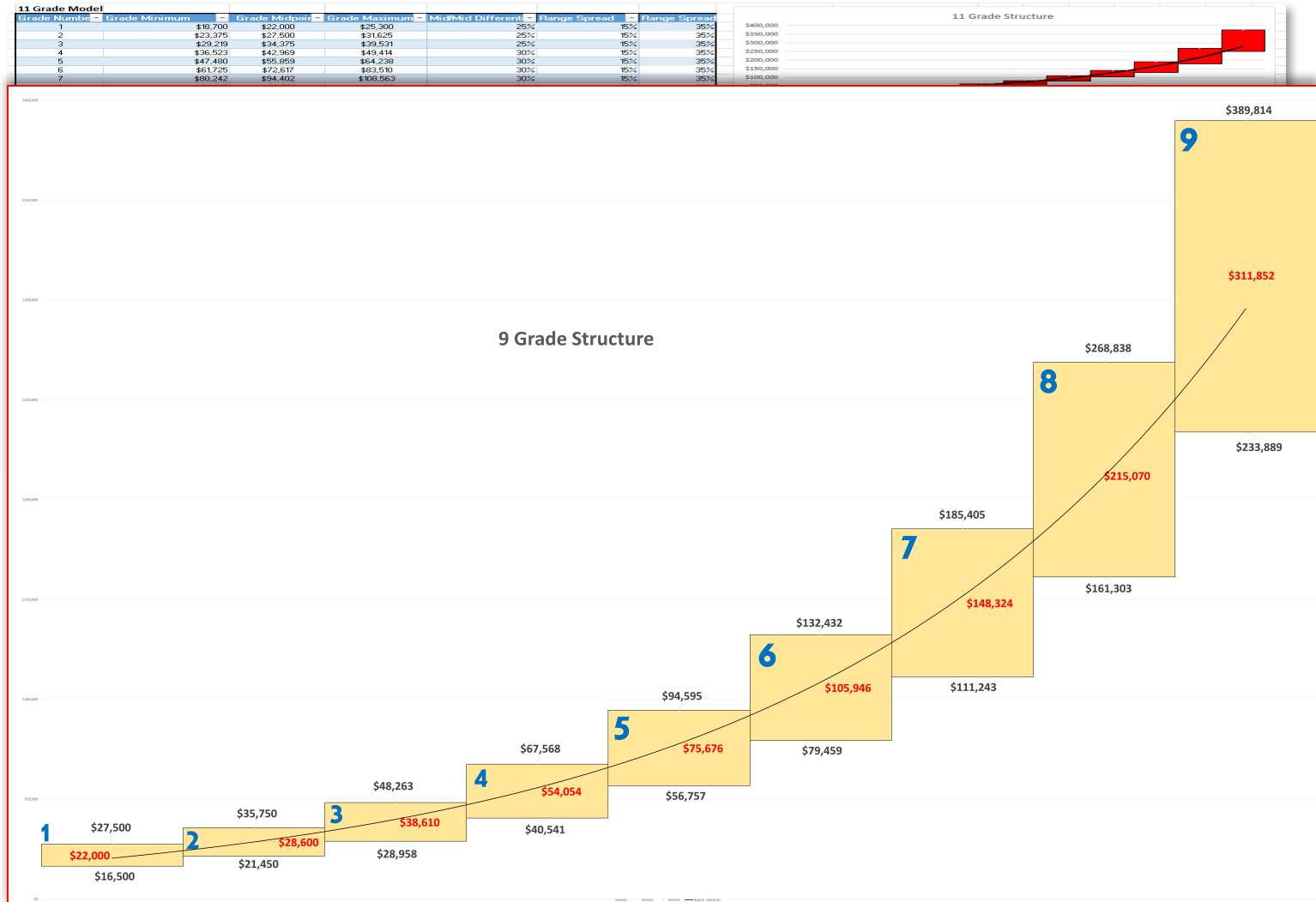
Combined Solution

To create a credible and long-lasting pay & grade structure framework.

Route 1: Current Salary Approach

4 possible Grade structures were created and modelled

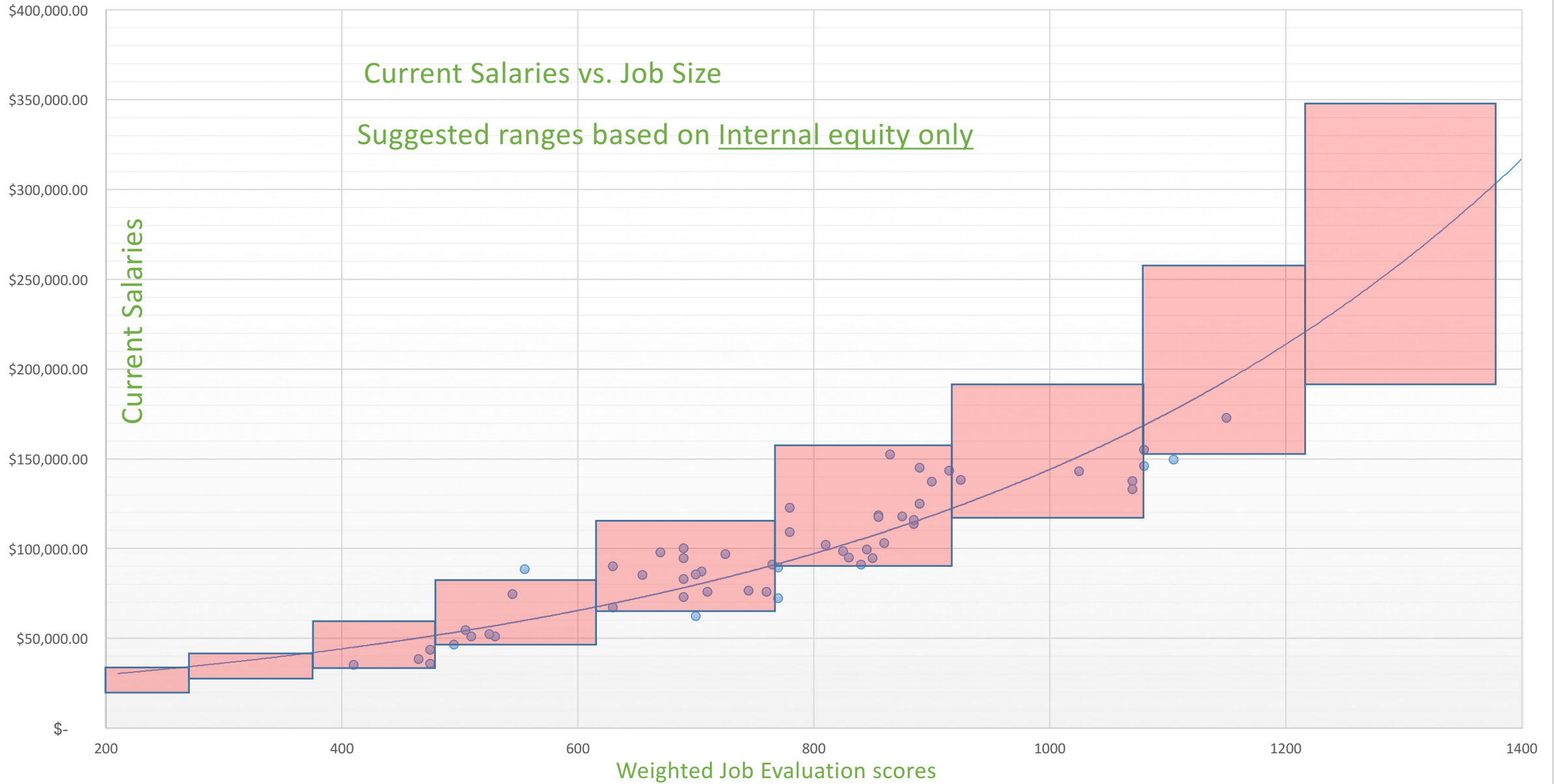
And this is what it looks like...



$y = 20105e^{0.002x}$

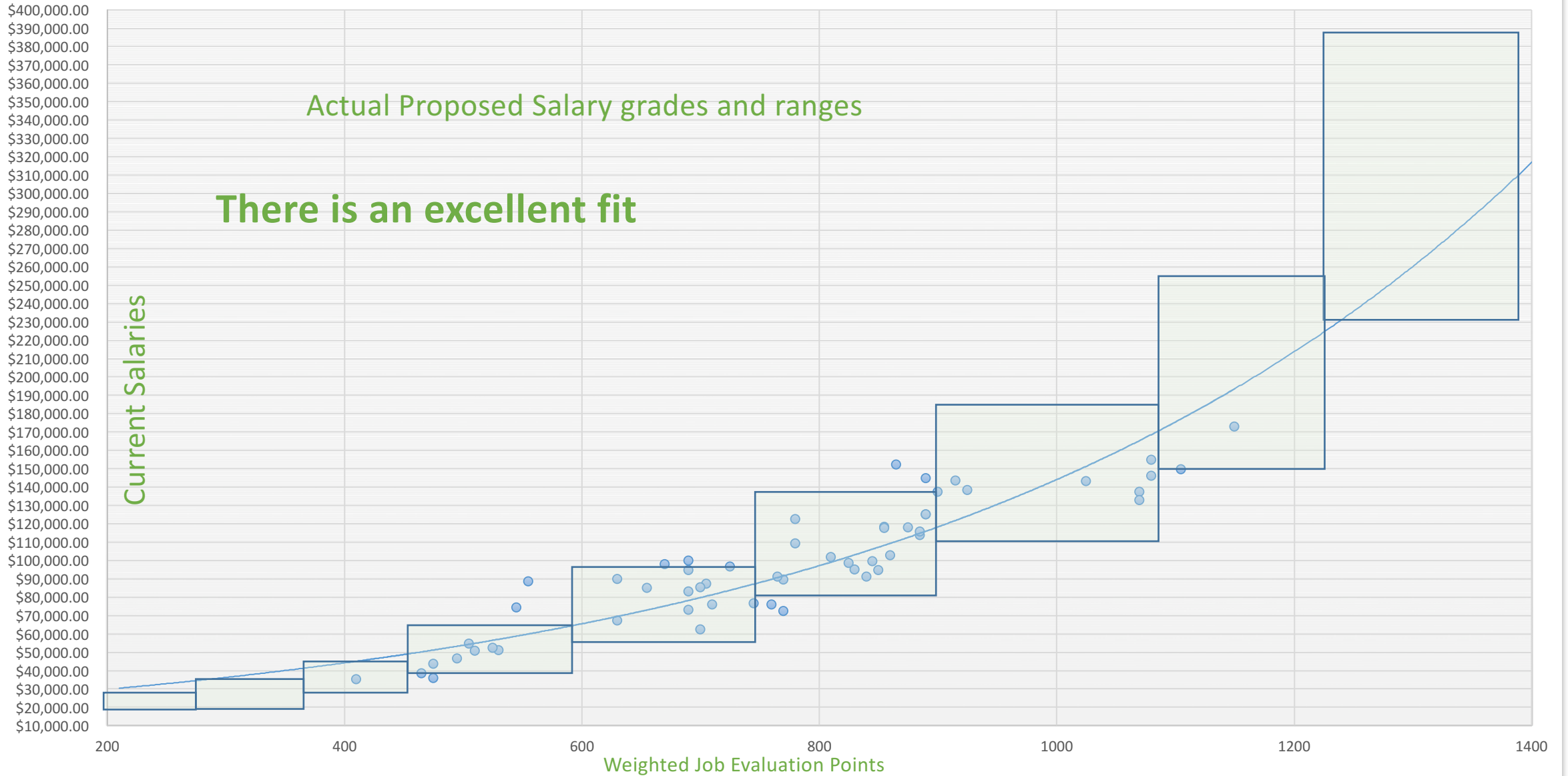
Current Salaries vs. Job Size

Suggested ranges based on Internal equity only



Let's now superimpose the suggested grades from Route 1

$$y = 20105e^{0.002x}$$



Route 1: Current Salary Approach

Using existing pay data to rationalize grades and pay ranges
 $y = 20105e^{0.002x}$

Route 2: Internal Equity Approach

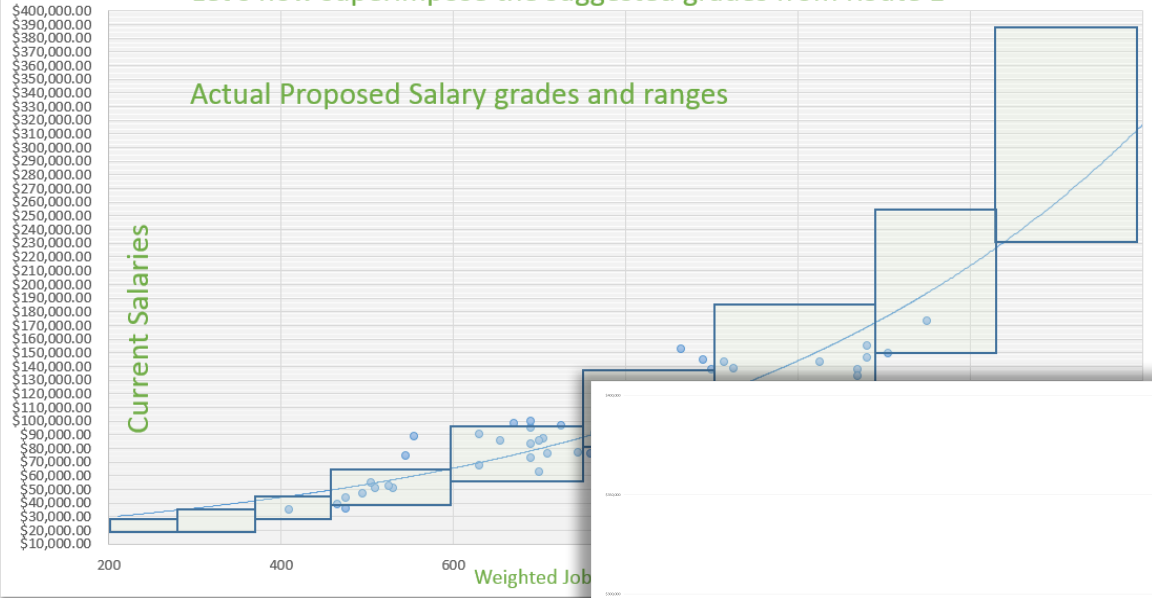
Analyzing jobs to create a fair hierarchy based on job size and contribution
 $y = 20385e^{0.002x}$



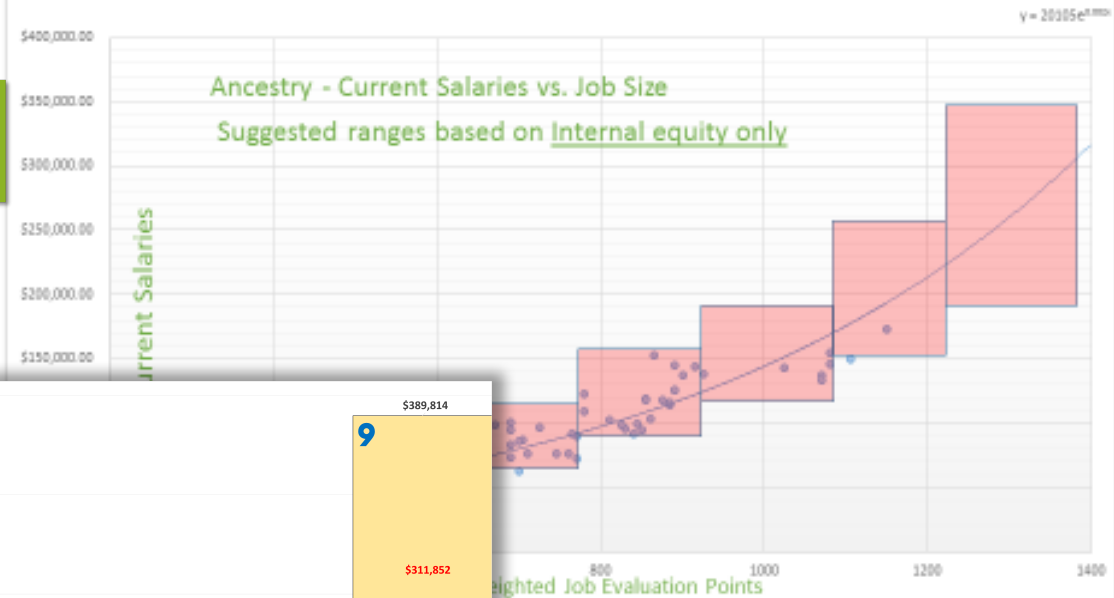
Combined Solution to create a credible and long-lasting pay & grade structure framework.

Let's now superimpose the suggested grades from Route 1

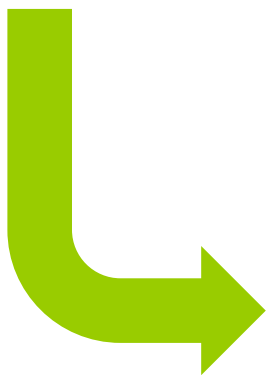
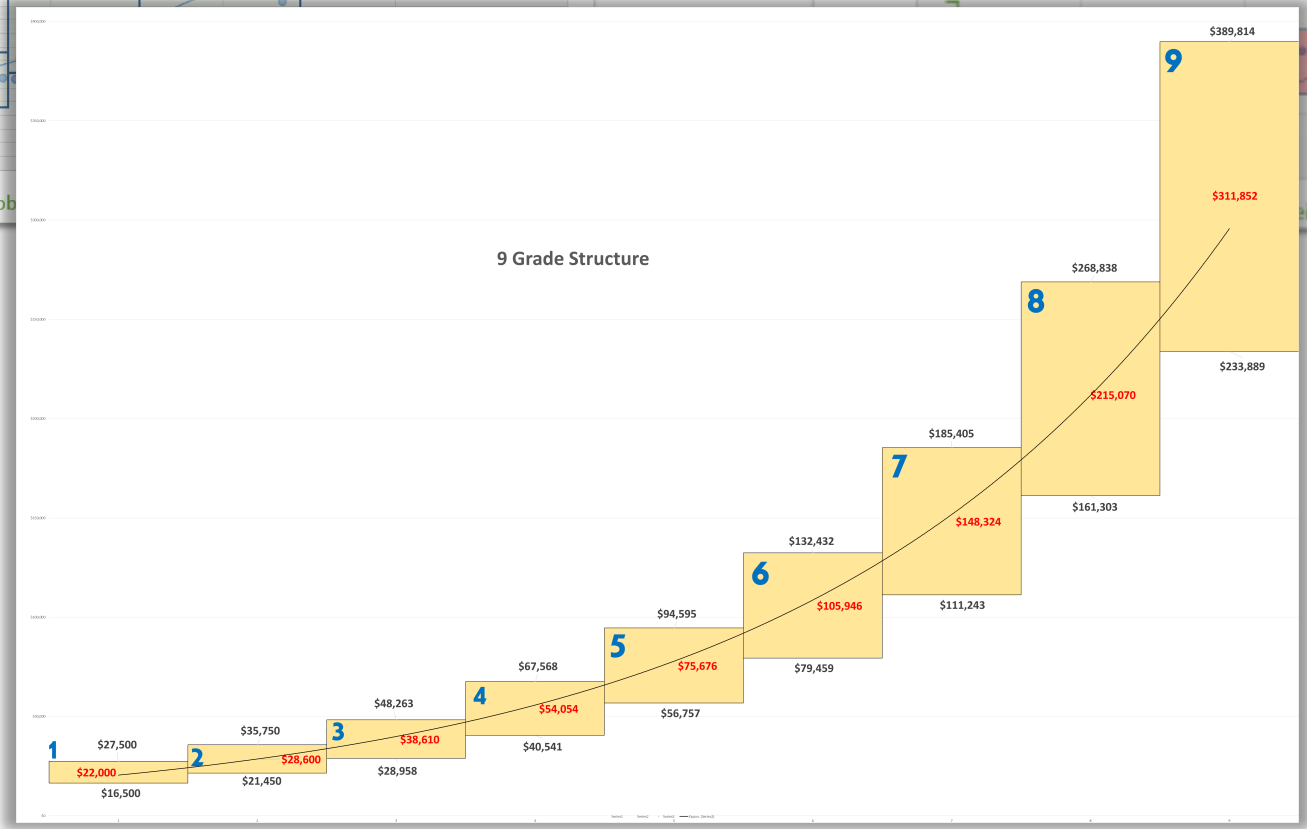
Actual Proposed Salary grades and ranges



Ancestry - Current Salaries vs. Job Size
 Suggested ranges based on Internal equity only



9 Grade Structure





Tenstep:

Introducing the Global Grade Structure
Calibration Toolkit.



Welcome to the *Tenstep* Global Grade Structure Design Toolkit.

Our *Tenstep* toolkit recognises that the Pay & Reward challenges faced by each organisation are unique. The Toolkit has been created to design the best, practical grade structure suited to local markets & circumstances, but within an agreed global template. There are 3 distinct phases which take place when deploying the Toolkit:

Discovery Phase

The Discovery phase opens the toolkit. We start by confirming all job grade levels associated with your jobs. We then confirm market data to be used, and calculate the most accurate market position for each job.

Design Phase

The Design Phase uses the composite market data to produce a picture of all jobs against the market, designs the first version of your grade structure, and compares the fit of current salaries against proposed grades.

Delivery Phase

The Delivery Phase produces a report on the matching exercise, focusses in on the exceptions with comments, and finally delivers an extended, comprehensive COMP3 solution sensitive to local needs and within corporate guidelines.

Introducing the The *10Step* Toolkit

Page

Discover

- 1 **STEP 1** Confirmation of Grade allocation to all jobs 4 - 8
- 2 **STEP 2** Allocation of pay data sources to jobs 9 - 13
- 3 **STEP 3** Creation of weighted, composite Market Pay Data for each job 14

Design

- 4 **STEP 4** Production of Market Pay scattergram & line of best fit 15 - 16
- 5 **STEP 5** Pay Range modelling 17 - 25
- 6 **STEP 6** Compare all current salaries & create definitive Grade Structure 26 - 27

Deliver

- 7 **STEP 7** Produce Master chart showing current salaries and all grades 28
- 8 **STEP 8** Produce Affiliate-level Impact Report 29
- 9 **STEP 9** Produce COMP3 data with proposed exceptions/justifications 30 - 35
- 10 **STEP 10** Report on actual vs. planned outcomes with explanations 36



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Sort out your organisation structure ✓

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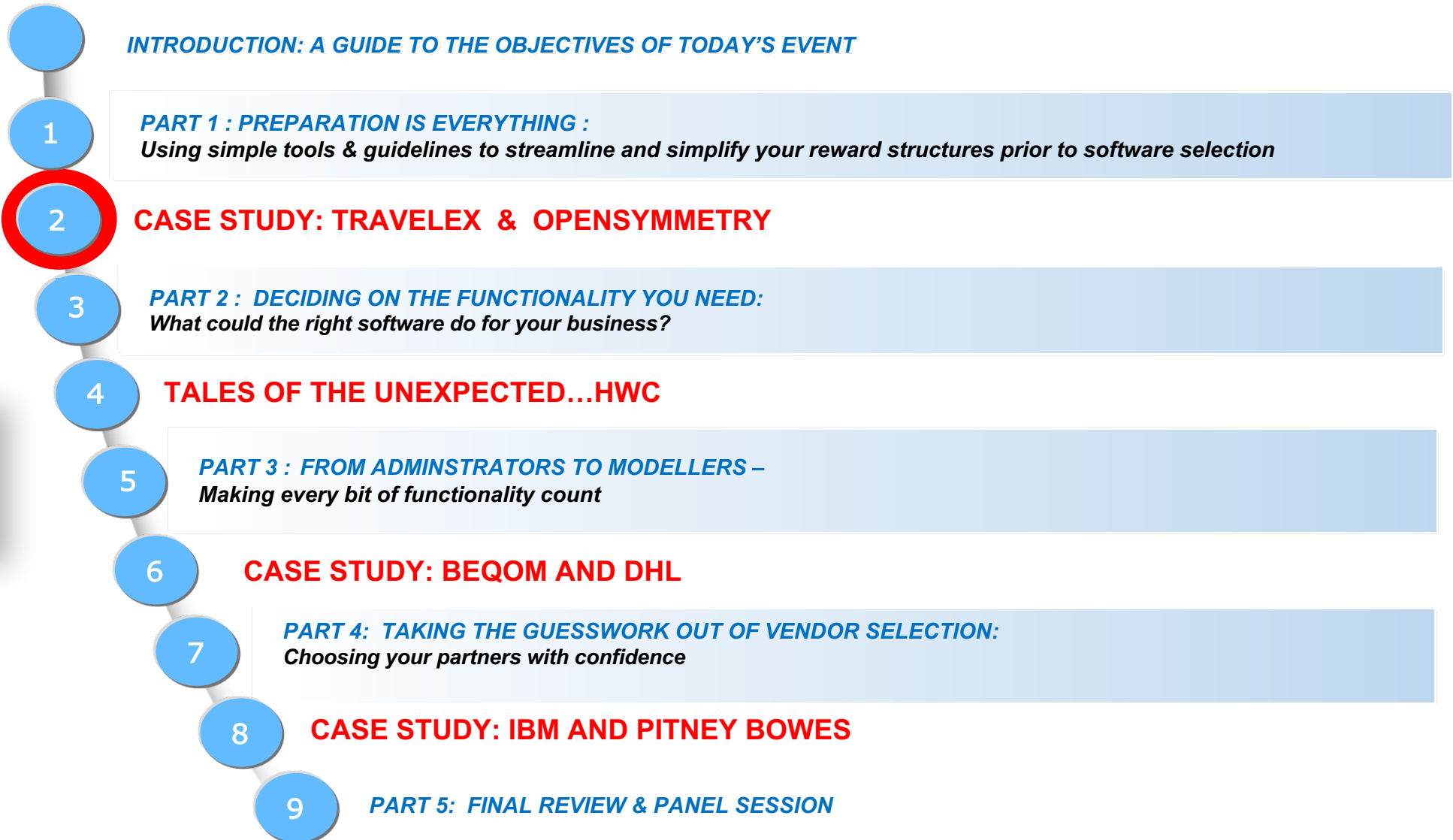




Our house is now in order.

It's time to start the process





Spotlight on
Compensation
Planning Software

10.40 – 11.20



OpenSymmetry

from strategy to success.



Robyn Black & James Mulligan



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11.40 – 12.15





***PART 2 : DECIDING ON THE
FUNCTIONALITY YOU NEED:
What could the right software do for your
business?***





Deciding on functionality:

...do we need

One integrated
Talent &
Compensation
Planning Solution



A suite of individual
“best of breed”
solutions which
seamlessly talk to
each other?

or

Portal



A Portal Provider,
who will integrate
all our good systems
into one common
interface?

Does integration compromise your ideal functionality mix?





Today, everything must be joined up.

We need to think of all of the elements of Compensation & Total Rewards as one practical, integrated “system” - each working together, providing Reward Professionals, Administrators and employees with precisely what they need in terms of information, planning tools and choices.

Today no one HR programme stands alone; we need to stitch these elements together to address a variety of Talent, Compensation & Total Reward challenges.

In 2017, many vendors will claim to supply this end-to-end functionality – which makes decisions more complex.

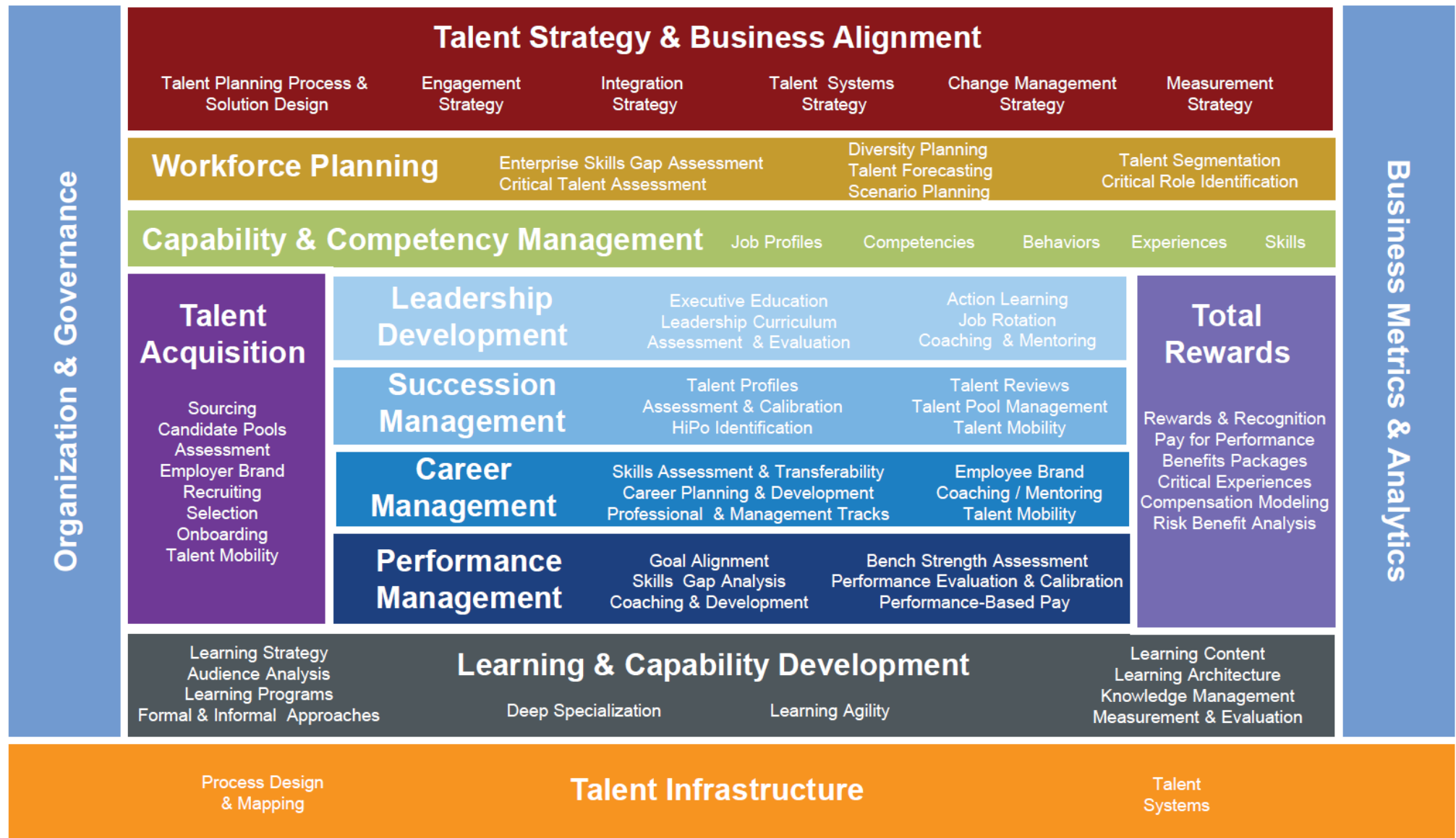




But....

How big is the risk of trying to find one solution for all of these vital activities?

Let's go to first principles to decide how to proceed:





The Who

What users need to
achieve or to know

Professionals

Administrators

Employees

The What

The functionality
which will be
provided

Functionality

The How

Systems &
infrastructure which
will deliver the
experience

Technology

Resources

This diagram is the focus of Part 2: Choosing functionality.





The Who

What users need to
achieve or to know

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Functionality

The How

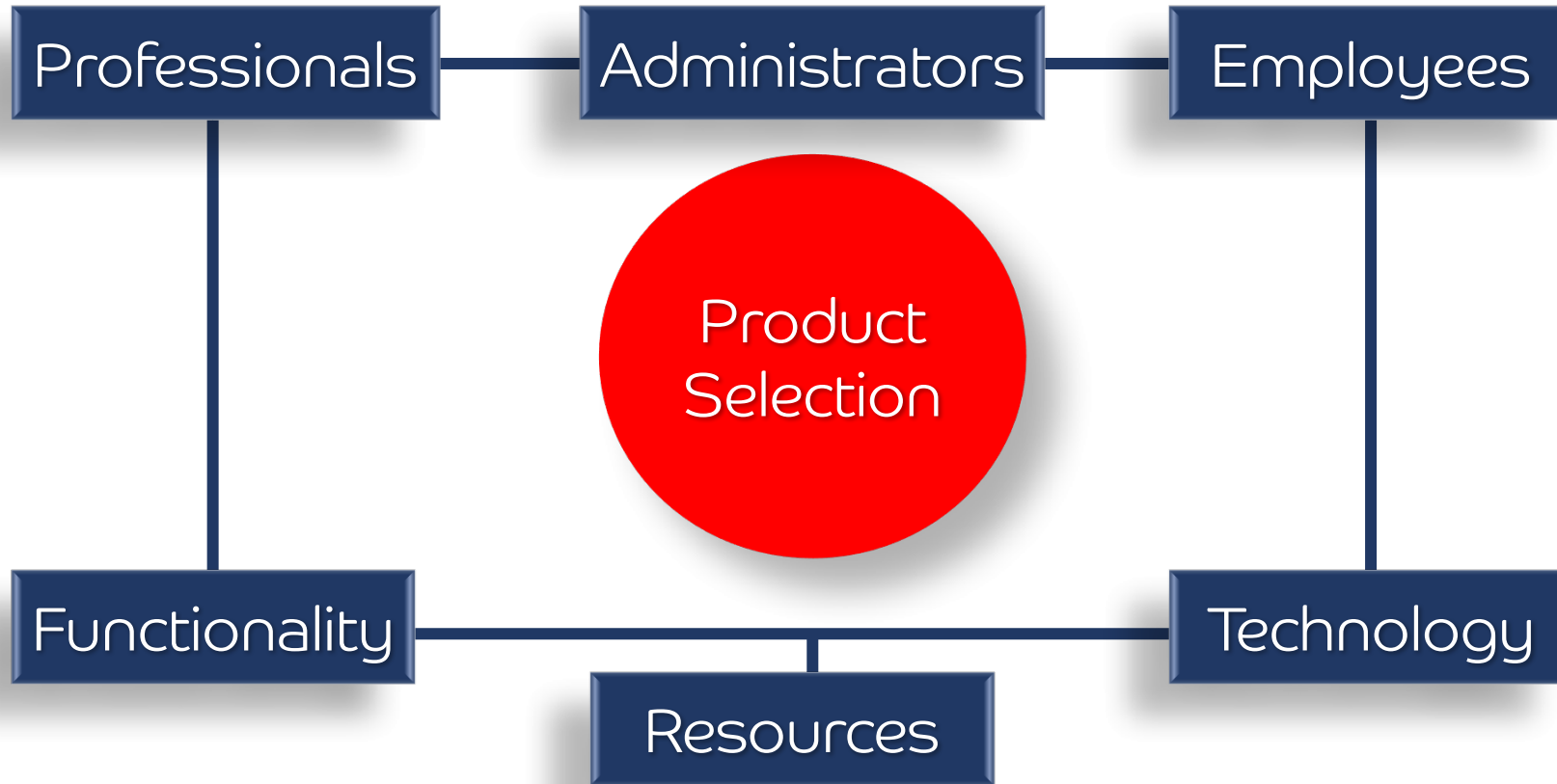
Systems &
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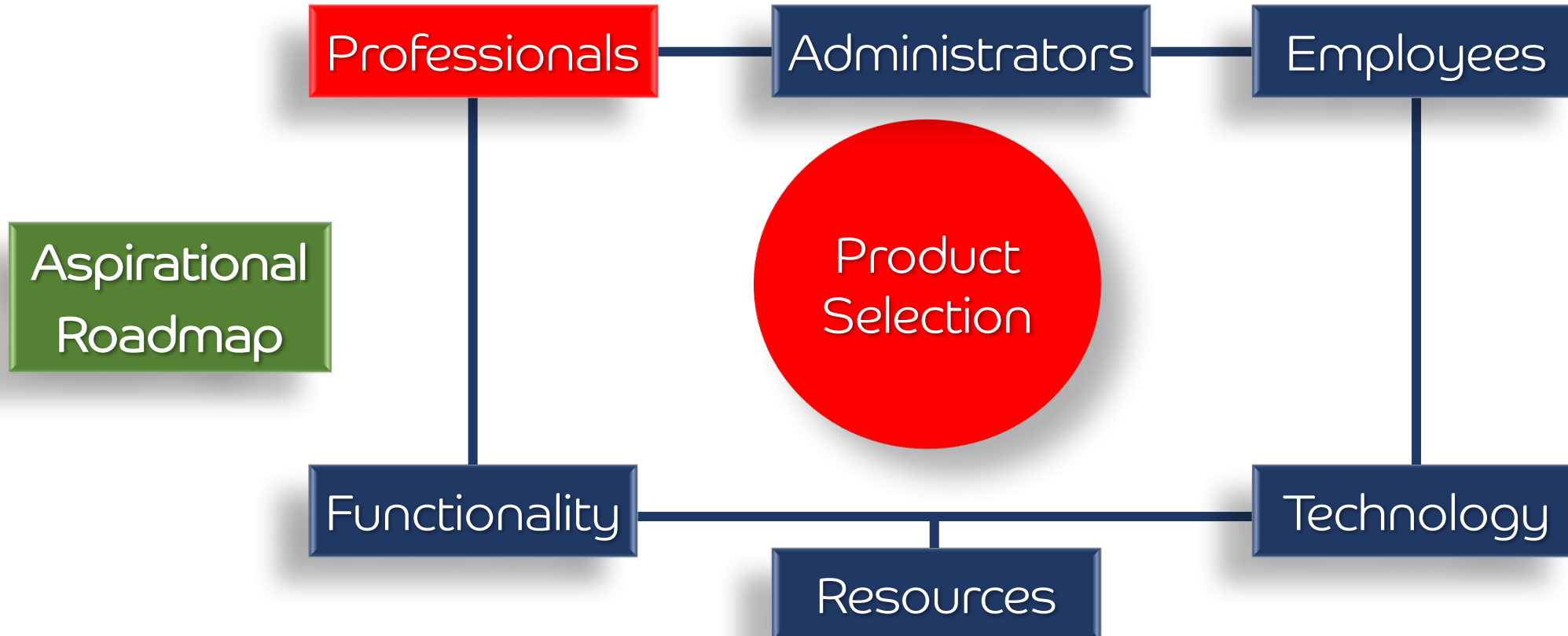
We will use this model to address each aspect of functionality choice, from each of these stakeholders' perspectives..





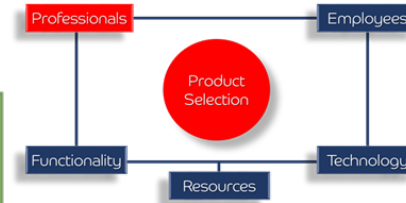
Our Aspirational Roadmap is to satisfy all of these perspectives







What do Reward Professionals want?



Clarity

What's going on in this company?

Cost

To understand and manage costs

Convenience

Fingertip access to information

Control

The ability to manage every kind of transaction

Creativity

The power to model a wide range of options

Contact

The ability to reach out to individuals

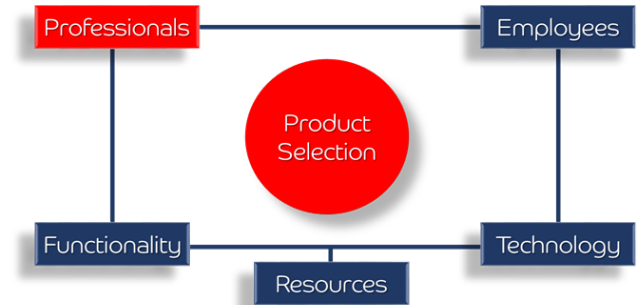
Compliance

The ability to get pay right & pass any audit test



What do Reward Professionals need to know...

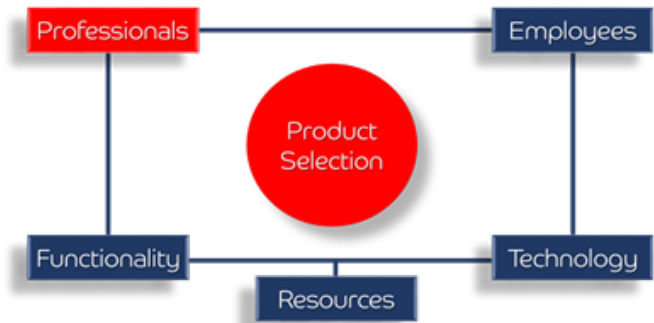
- Who works here and what do they cost us?
- Where is our Talent to be found?
- What are current, fixed and future variable costs?
- Do we comply with all pay & reporting legislation?
- Does every employee know what their job entails? (basics + goals + context)
- Do they have the right skills ? Can we measure these?
- If not, can we replace them or train them cost effectively ?
- Are we developing the right skills for our new strategic direction?
- Are our people focusing on the right goals and business outcomes?
- Are we hiring to increase our core competencies?
- Are our on-boarding processes of a very high quality?
- Relative changes in measurable employee satisfaction & engagement

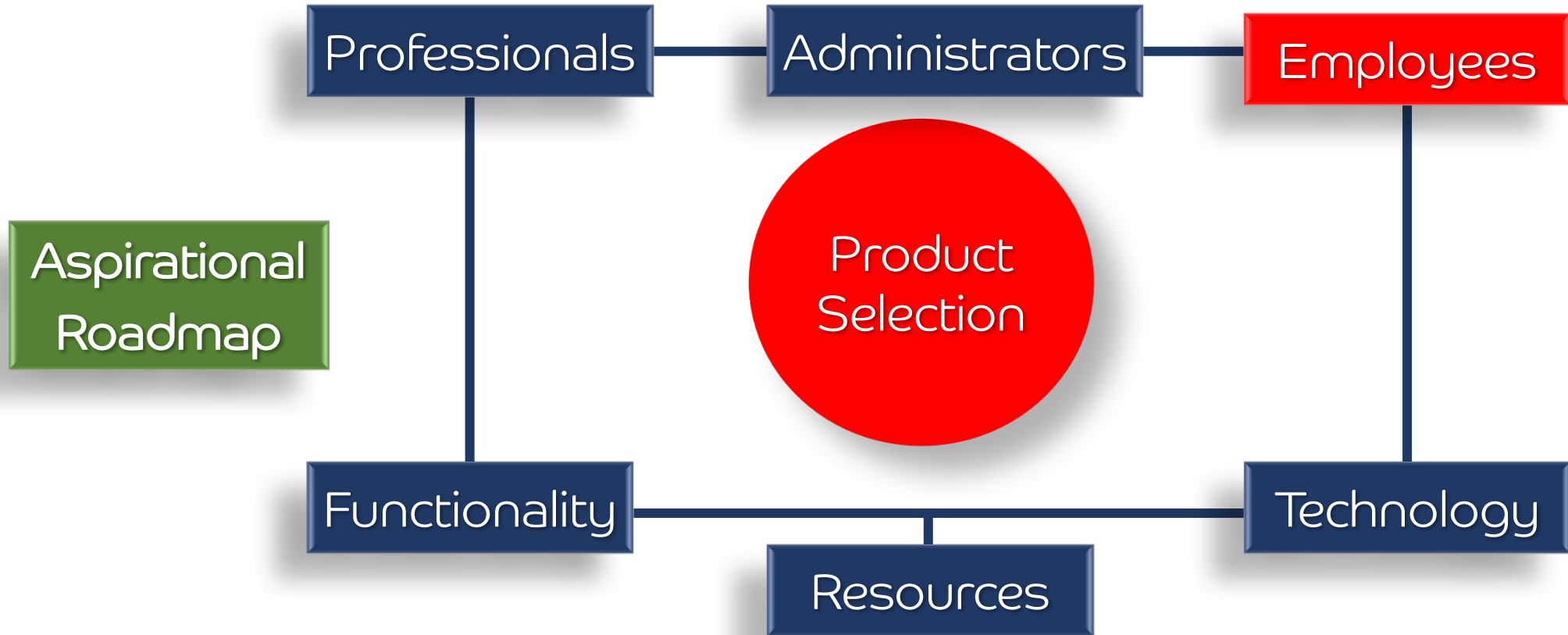




In Summary, Reward Professionals want ...

- **Control**
- Instant access to facts and data
- Accuracy – now & always
- No IT distractions, just IT that works, integrates and delivers
- To look competent and authoritative – no mistakes - ever
- To find and keep the best talent at the lowest cost (rock/hard place dilemma)
- To appear trustworthy in the eyes of their people
- To be creating Reward & Talent policies firmly aligned to Business Objectives
- To create subliminal messages about how good it is here
- Employees to see and celebrate their growing wealth
- Critical employees to be very clear about all their goals: personal & corporate.







What do Employees/Users want?

Reassurance

Information

Convenience

Engagement

Consequences

Options

Enjoyment

Am I valued? How do I know?

What is mine? What will be mine?

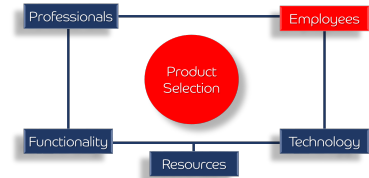
Quick access to my data on multiple platforms

Keep me interested, satisfied and fresh

The ability to model possible wealth scenarios

Let me play with my options in private

I'm in control with great self-service tools





Its all about me...

Who I am

All about me & my Relationship with the company

What I do

Job

Organisation

Key objectives

What I get

TRS

Base Pay

Shares

Bonuses

Benefits

How I perform

Annual Objectives

My Appraisals

My Competencies

My Skills

Competencies

Comp Library

My Career

Opportunities

Mobility

Training

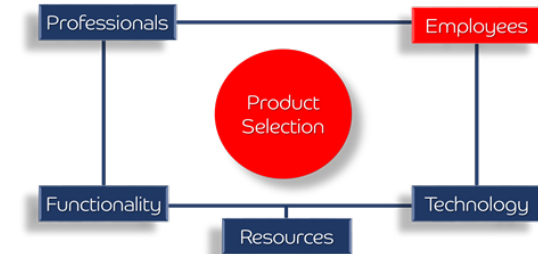
Development

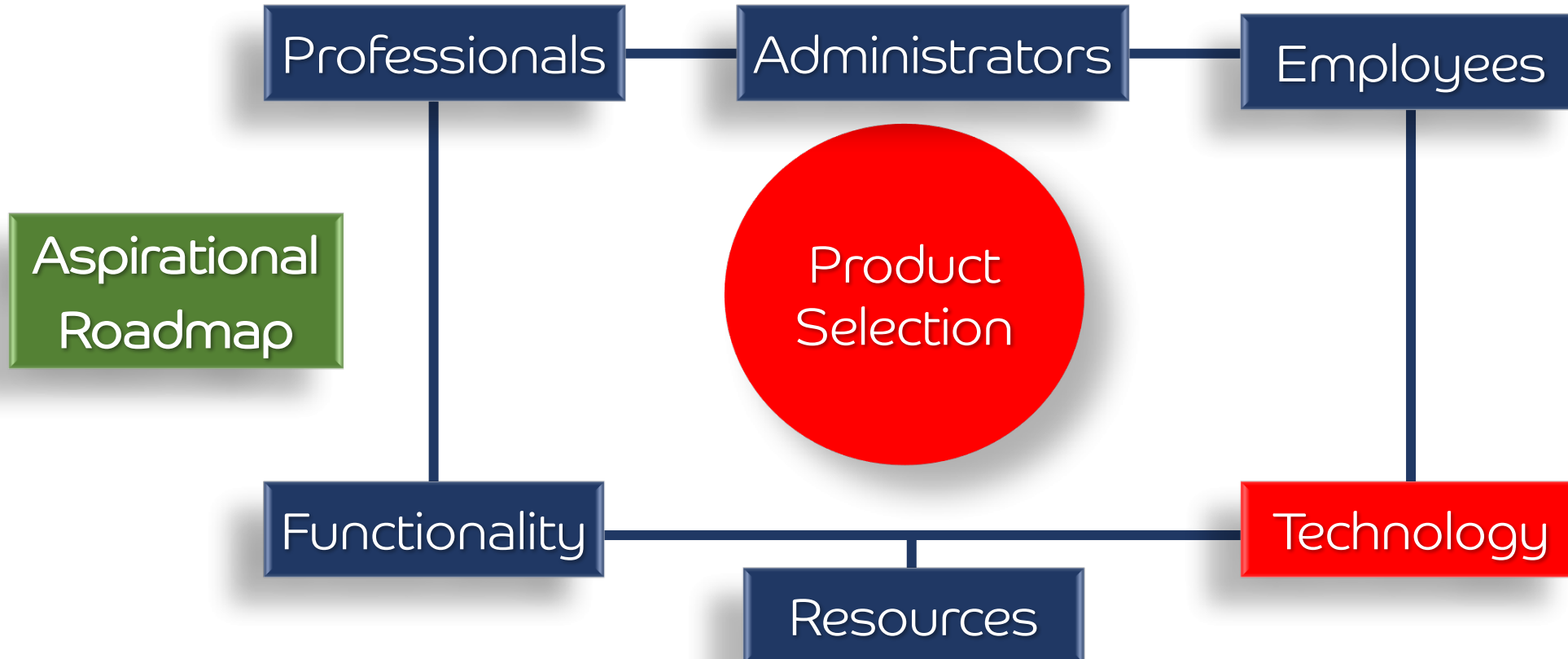




In Summary, employees want...

- No surprises – I am doing what I have been asked to do
- Easy, private access to their intimate company numbers & metrics
- To see what they are owed/worth/getting
- Accessible help, explanations and examples
- An enjoyable experience with minimum clicks
- Accessible data , available 24/7 and on mini-devices
- Additional services which reflect their “club” status if they are in a Talent Pool
- An employee dashboard which they feel totally at home with
- The ability to exercise choice, with access to ever-fresh, informative content

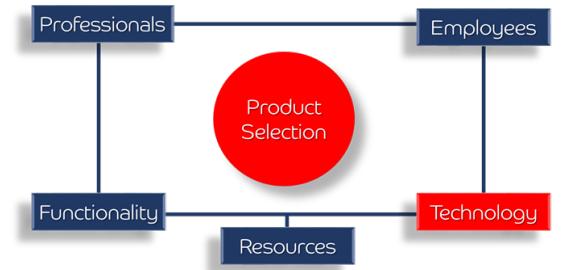


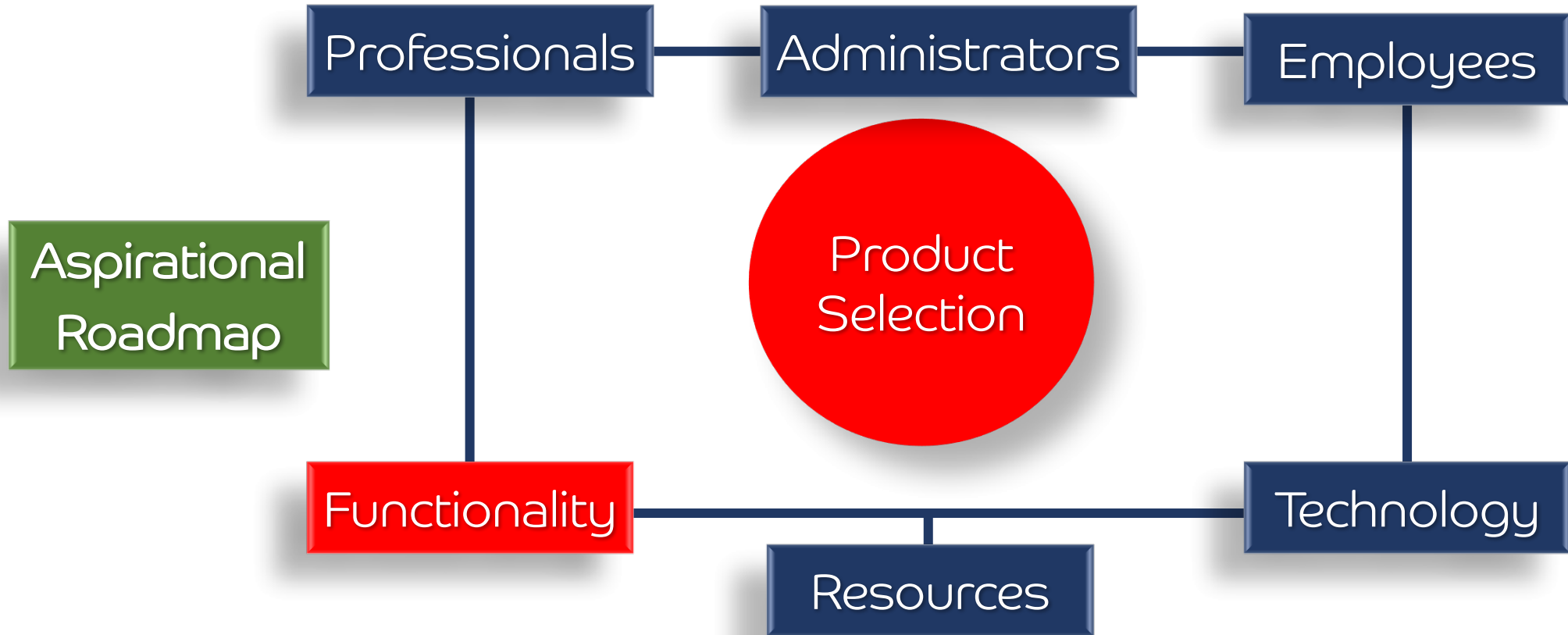




Technology

- Listen to your IT experts – they know best
- On-premises or SaaS/Cloud?
- Your IT Team must not be under-represented in this selection process
- Secure their involvement throughout the selection & implementation processes
- Use them to understand the big differences between customisation and configuration
- IT may be intimidated by Sales people – do not let this happen
- Give IT a good run at the project – they want to – and will - make it work, but put them in the driving seat and not in the background







Professionals

Administrators

Employees

Functionality

This “portfolio of functionality” can be crafted in many ways but these 8 sub-divisions will keep us on track.

We will explore each of the 8 in more detail on the following pages, through the eyes of each of the 3 user types.



- Job Information
- Pay Management/Total Reward
- Reports & modelling tools
- Talent Management
- Performance Management
- Dashboards
- Integration
- Hosting





FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
7. Integration
8. Hosting

Part 1:
Basic
Functionality

Part 2:
From
administrators
to modellers
(To be covered in Part 3)





FUNCTIONALITY

1. Job/Personal Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
7. Integration
8. Hosting



Job/Personal Information - All users Perspective

1. Full personal details
2. Key dates
3. Access to detailed Job Description
4. Organisation Chart, photos of all employees
5. Direct reports/peers/line manager
6. Competency profile of current role
7. Snapshot of wealth (share ownership or wider?)
8. Future wealth predictions
9. Menu of additional services



FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
7. Integration
8. Hosting



Pay Management/TR - A : Professional's Perspective

1. I can see all pay grades and group compa-ratios
2. I can see all individual pay details and comps-ratios
3. I can compile salary and benefits cost information on a company-wide basis, by function, geography, and more
4. I can create and view reports on all aspects of share scheme obligations, share release and vesting timescales and implications
5. I can create reports on performance and rewards achieved by individuals and groups under my control
6. I can compare historic pay-out data and view trends and individual success and failure reports over 3 – 5 years
7. I can see reports on designated Talent in terms of the sums earned and pay-outs due
8. I can assess flight risk due to low base/variable/performance

Pay Management/TR - B : Administrator Perspective

1. I can import, set up and assimilate data for new users, teams or departments in a straightforward manner
2. I can create pay grades, populate them with people and data, and amend as necessary
3. I can import and set up market pay data
4. I can choose performance matrices and populate them with a full range of % options
5. I can support all aspects of Share Scheme administration
6. I can add and amend new benefits and monitor their costs
7. I can create new reports and provide existing ones on request for management /RemCo.
8. I can run all “what if” scenarios in a dual system without affecting our main system

Pay Management/TR - C : Employees' Perspective

1. I can see all details of my base pay and it's history
2. I can see all of my benefits and their value to me
3. I can see a Total Rewards Statement
4. I can see and manage my Share Scheme programme
5. I can see the market pay data associated with my job
6. I can see the max and min pay in my pay grade
7. I can see where I sit in the grade hierarchy
8. I can see the pay and grades of my reports
9. I can see my grade penetration
10. I can see everyone on my team's compa-ratio (including mine)
11. I can see and assess possible career path options, with the associated skill gaps I need to overcome



FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
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8. Hosting



Reports & Modelling - A : Professional's Perspective

1. Everything the Administrator can do, plus:
2. Distribution of Talent Resources by job, location and business
3. Reward profiles of all staff – historic and projected
4. Review of “High Potential” profiles
5. Review of leavers profiles
6. Review of increases awarded in any combination
7. Allocation model using variable amount of payroll investment and ability to scale amounts invested into different areas of the business and to particular groups of staff
8. Production of major planning scenarios for the Board i.e. LTIP commitments, base pay strategy, benefits costs, market pay positioning, variable pay commitments

Reports & Modelling - B : Administrator 's Perspective

1. I can access a wide range of reports and model these to fit corporate demands
2. I can change a wide range of data parameters and prepare forecasts based on different outcomes
3. I can produce reports on every individual, showing financial and job data and compare these with other staff as well as with historical data for that same individual.
4. I can prepare & list all components of pay, benefits and LTIPS
5. Aggregate all of the above across various employee groups
6. Prepare budget estimates based on a scale of increasing performance and varying Share Scheme payments
7. Show cash flows for future years based on any Total Rewards scenario

Reports & Modelling - C : Employee's Perspective

1. I can see reports of what I have received, what is promised and the value of my current investment in the company
2. I can model my future income at various degrees of success in reaching my future goals
3. I can see the financial stake held in the company by all of my direct reports
4. I can issue sell instructions
5. I can review my equity sales history
6. I can amend all sales admin information about myself
7. I can see sales quotas and my monthly/quarterly progress towards them
8. I can see my competency and pay profiles compared to others in my job, or against the job standard and job description, in the aggregate
9. I feel comfortable navigating my way around my relationship with the company



We will look at the next tranche of functionality in Part 3, after we have heard from HWC

FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
7. Integration
8. Hosting

To be covered in Part 3 (From administrators to modellers)





INTRODUCTION: A GUIDE TO THE OBJECTIVES OF TODAY'S EVENT

1

PART 1 : PREPARATION IS EVERYTHING :

Using simple tools & guidelines to streamline and simplify your reward structures prior to software selection

2

CASE STUDY: TRAVELEX & OPENSYMMETRY

3

PART 2 : DECIDING ON THE FUNCTIONALITY YOU NEED:

What could the right software do for your business?

4

TALES OF THE UNEXPECTED...HWC

5

PART 3 : FROM ADMINSTRATORS TO MODELLERS –

Making every bit of functionality count

6

BEQOM

7

PART 4: TAKING THE GUESSWORK OUT OF VENDOR SELECTION:

Choosing your partners with confidence

8

CASE STUDY: IBM AND PITNEY BOWES

9

PART 5: FINAL REVIEW & PANEL SESSION

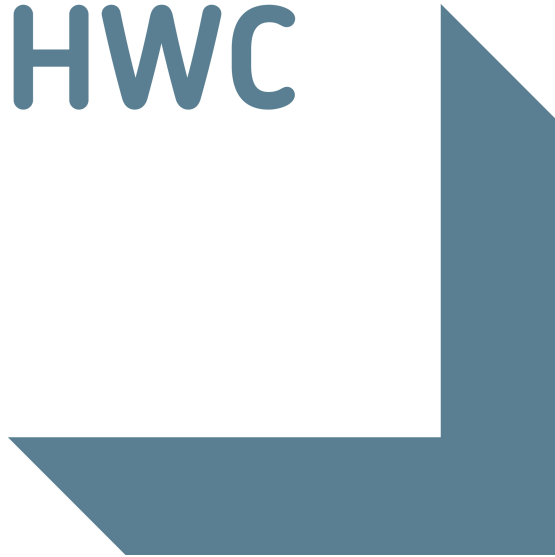
Spotlight on
Compensation
Planning Software

12.15 – 12.45





HWC



John Thrower & Claire Bedwell





INTRODUCTION: A GUIDE TO THE OBJECTIVES OF TODAY'S EVENT

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Making every bit of functionality count

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CASE STUDY: BEQOM AND DHL

7

PART 4: TAKING THE GUESSWORK OUT OF VENDOR SELECTION:

Choosing your partners with confidence

8

CASE STUDY: IBM AND PITNEY BOWES

9

PART 5: FINAL REVIEW & PANEL SESSION

Spotlight on
Compensation
Planning Software

13.35 – 14.10





***PART 3 : FROM ADMINISTRATORS
TO MODELLERS –
Making every bit of functionality
count***





R

FUNCTIONALITY

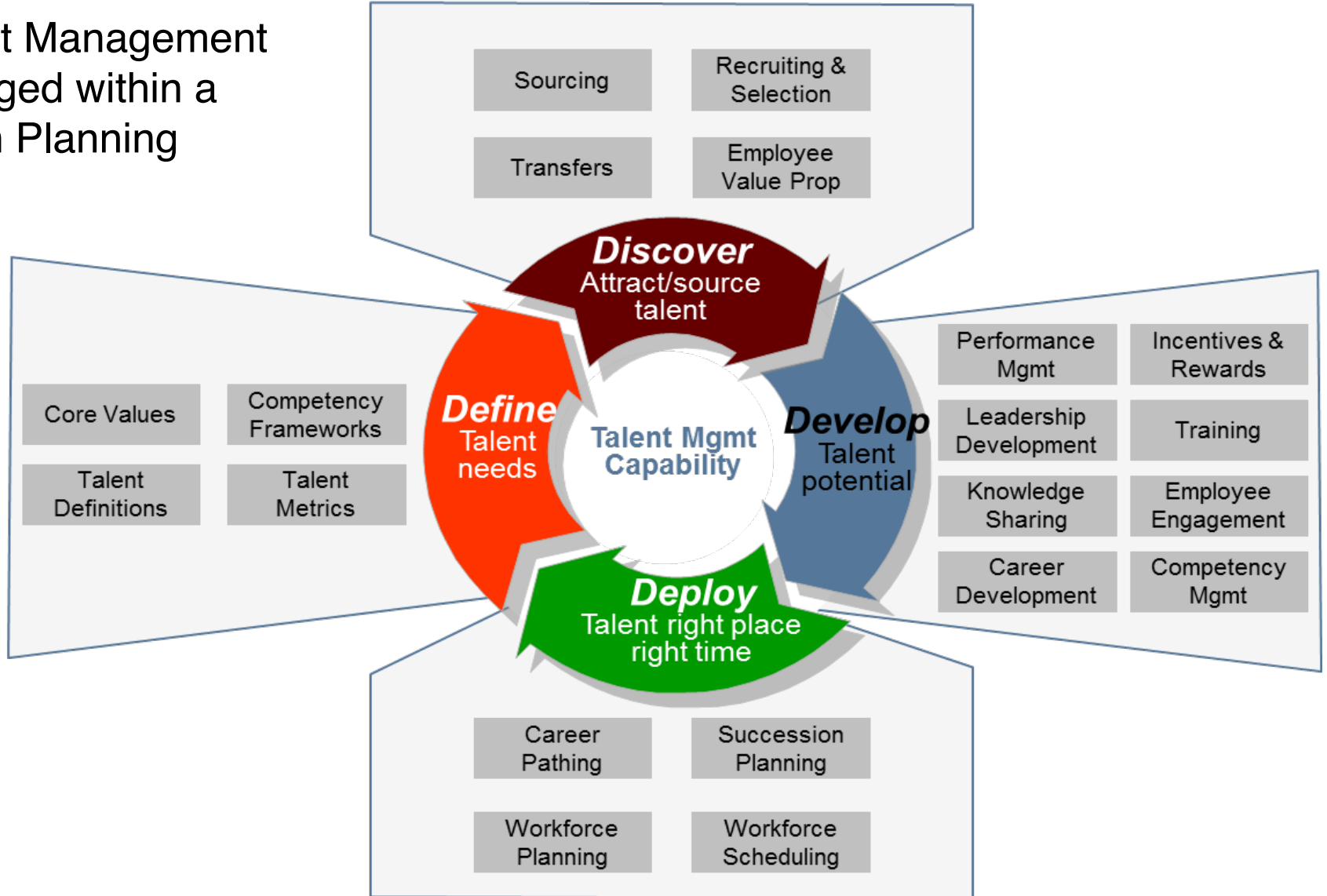
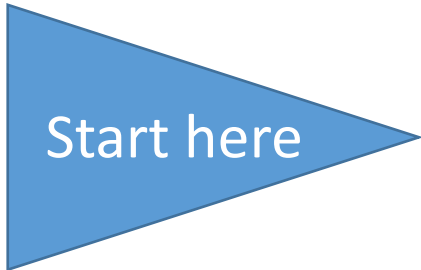
1. Job Information
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**Part 3
From
Administrators
to
modelling
applications**



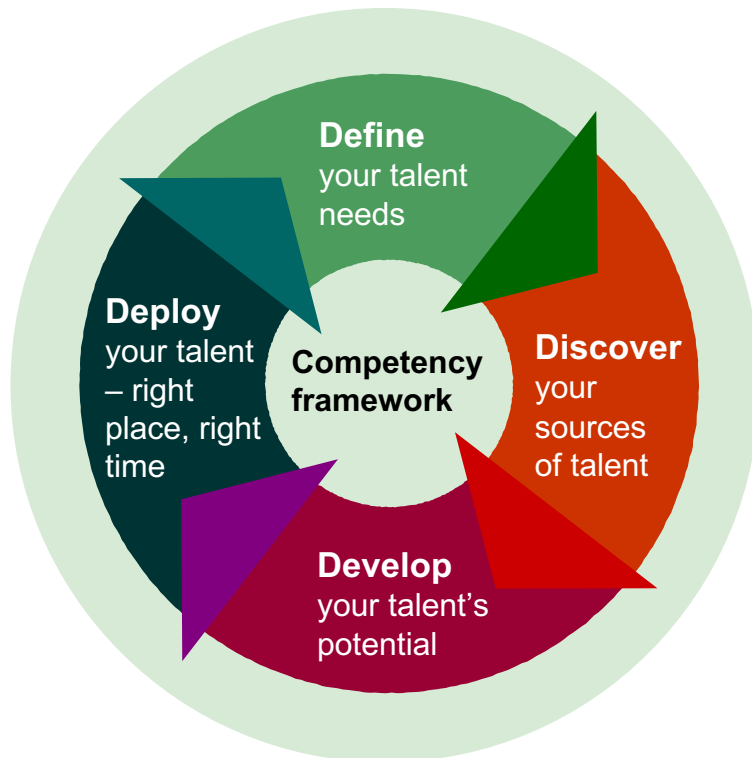


Everything in the Talent Management Lifecycle can be managed within a suitable Compensation Planning environment





Great Compensation Planning Systems will orchestrate everything in Talent Management



Define Your Talent Needs

- Manage/create accurate job descriptions
- Manage competency library by workforce
- Support workforce planning

Discover Sources of Talent

- Manage job boards
- Conduct pre-screens & interviews
- Schedule manager interviews
- Manage travel logistics
- New joiner onboarding

Develop Your Talent Potential

- Track competencies by individual
- Manage objective & goal setting
- Manage succession plans & career paths
- Manage performance review process
- Administer learning management system

Deploy Talent

- Manage scheduling
- Support workforce planning
- Evaluate jobs
- Administer compensation / rewards



Talent Management - A : Professional's Perspective

1. I can see the Talent Pool - and what it costs
2. I can see Talent Pool metrics(who/how much/where/how long/how much longer)
3. I can monitor everyone's journey, and create Management Reports which are easy to understand
4. I can compare Talent Pool members against a range of criteria
5. I can see the total value & cost of each individual
6. I can use Talent information to the benefit of planning resources and deployment
7. I can identify future leaders and why/where they are
8. I can check on, and measure, Employee Engagement
9. I can find people with exactly the right skills for the business's future deployment needs
10. I can manage international assignments, choose candidates and assess associated costs

Talent Management - B : Administrator's Perspective

1. I can post appraisal processes for the Talent Pool
2. I send out reminders
3. I check these have been completed
4. I can manage the scheduling of Talent
5. I can manage the Competency Library
6. I can create reports on Talent Metrics
7. I can see and report on career paths and career planning
8. I can organise or offer suitable Training to my Talent Pool
9. I can schedule any number of consultative events with employees or create/organise events
10. I can manage every aspect of my Talent Pool as an exclusive, member-only club.

Talent Management - C: Employee's Perspective

1. I see that I am part of a Talent Pool Group
2. I complete my own appraisals
3. I see how I have been appraised by leaders & by peers
4. I can compare my past and future goals & objectives
5. I can analyse my development needs online
6. I can see that I am part of a Talent Pool Development Programme
7. I can find, see and analyse new opportunities
8. I know where I stand in the company, and in the Talent Pool
9. I can see my competencies and those for other jobs
10. I can look for training to increase my competencies selectively
11. I feel that all of the resources I need to support me are only a click away



Getting the best out
of key functionality:

Talent & Performance
Management

FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
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Some components of Talent and Total Rewards Management are particularly contentious and are subject to reassessment

- Employee Performance Management in many companies *is broken*.
- Today, most business executives talk about creating a performance-driven culture, improving accountability, and driving business results.
- ***But they also tell us that their Performance Management process is of little or no value.***
- Despite billions of dollars spent to automate the performance appraisal process, it often does not drive results. Company after company tell us that their “rating and ranking” process is not driving enough value and, in many cases, it creates animosity and tremendous amounts of wasted work.





Some components of Talent and Total Rewards Management are particularly contentious and are perhaps better avoided...(2)

- We have been working in this field (with SABA) since 2001. Back then, when people were excited about cascading goals, and rigorous ranking and rating, we found a growing desire to think differently. Today, companies do.
- After years of discussion, large organizations are now totally rethinking their Performance Management processes - often eliminating ratings, and focusing more heavily on coaching, feedback, development, and “agile” goals.
- Sometimes, if they do not have the luxury of pushing out low performers, companies need to coach and develop them to succeed. Rather than use forced ranking to eliminate people who do not fit, we need to source and recruit better, ***so that we do not bring them into the organization in the first place.***





Some components of Talent and Total Rewards Management are particularly contentious and are perhaps better avoided...(3)

- In 2017, we should make a bold step - reengineer or redesign the old-fashioned performance appraisal process, and focus on “enabling high performance” instead.
- This change will build. Already, companies (like Adobe, Microsoft, New York Life, Motorola Solutions, Kelly Services, Juniper, Accenture and many others) have thrown away their ratings and integrated processes to develop more agile, coaching-based, traditional developmental approaches.
- When choosing Compensation Planning software, we need to accept that PM as we know it today is in (rapid) and fashionable decline – will our chosen system have the flexibility to adopt the newer approaches to Performance Improvement? **Ask, “*what options do I have?*”**
- We call this the shift away from “competitive evaluation” toward “**coaching and development.**”



Companies may not have the luxury of pushing out low performers;

Rather than use forced ranking to eliminate people who do not fit, we need to source and recruit better, so that we do not bring them into the organization in the first place.

In 2017, we should make a bold step—reengineer or redesign the old-fashioned performance appraisal process, and focus on “enabling high performance” instead.

In the Past	Today
Annual appraisal and rating	Continuous feedback and coaching, treating “feedback as a gift”
Forced ranking	No forced ranking and no rating at all in many cases
Annual goals and objectives	Quarterly or regular goal-setting with informal check-in process
Annual talent	
Development	Development
Recognition by manager	Recognition by peers, manager, team leaders
Career plan for promotion and HiPos	Career plan for everyone, with open movement and career mobility
Focus on moving up or out	Focus on moving across, down, up, and around
Compensation based largely on ratings	Compensation based on performance, potential, market demand for position, critical nature of role, customer impact
Bell-curve distribution of raises and financial returns	High performers receive much higher levels of compensation than median or middle

How do these very different ways of doing Performance Management fit in with our integrated Total Rewards models?

Can the new generation of Compensation Software adapt to a different way of looking at Performance?



However, others continue to embrace traditional Performance Management

- Successful companies realise that the only way to recognise and reward key staff in all business scenarios is to “**carve out**” a proportion of base or incentive budget and ring-fence this for the top performers
- This means that the best performers will always be recognised, and that lean times for most staff will not extend to those who have made a major contribution
- “Carve-out” amounts will depend on the size of the company and the size of the high performer cadre: in tough times, larger proportions of the budget can be allocated to the “carve-out” pot.
- *Compensation Planning software can play a leading part in making this “carve-out” approach work.*



“What gets measured, gets done”



Performance Management - A : Professional's Perspective

So our
Performance
Management
Wish List may
take several
forms..

1. I can check that performance targets have been set and communicated
2. I can see the financial implications at every level of performance of my direct reports
3. I can check on the fairness of targets
4. I can set dates and other key facts in the system
5. I can send messages to all executives in the system
6. I can respond to enquiries from users and others
7. I can reallocate targets & goals
8. I can amend targets during the year

Performance Management B : Administrator's Perspective

1. I can check that performance targets have been set and communicated
2. I can set dates and other key facts in the system
3. I can send messages to all executives in the system
4. I can respond to enquiries from users and strategists
5. I can monitor progress against targets and set up alerts

Performance Management - C : Employee's Perspective

1. I can access , comment on and track my goals
2. I can see the rules governing the performance process
3. I can see the timings governing the process
4. I can check and agree goals with my manager
5. I can set myself an action plan
6. I can communicate with a variety of people on matters to do with my performance
7. I can set performance targets for my direct reports
8. I can compare targets & goals for a group of direct reports
9. I can see all the linkages between pay and performance
10. I can see my pay/performance history
11. I can see my Performance Development Plan
12. I can see all of my KPOs (results-based and value-based objectives)
13. I can see my Manager's Talent Review.

Performance Management - Nice to haves

1. I can carve out budgets to pay my top performers significantly for their achievements
2. I can identify and flag my mission-critical roles
3. I can match individual performance with role criticality and amend base, incentives and bonuses accordingly
4. I can use variable pay as a real differentiator in my Performance Management processes
5. I can blend these approaches with the new vision of Performance Management to reward effort, learning, development and value creation, ensuring that performance and not ratings are rewarded
- 6. I can make all of this stuff look simple and communicate it with ease**



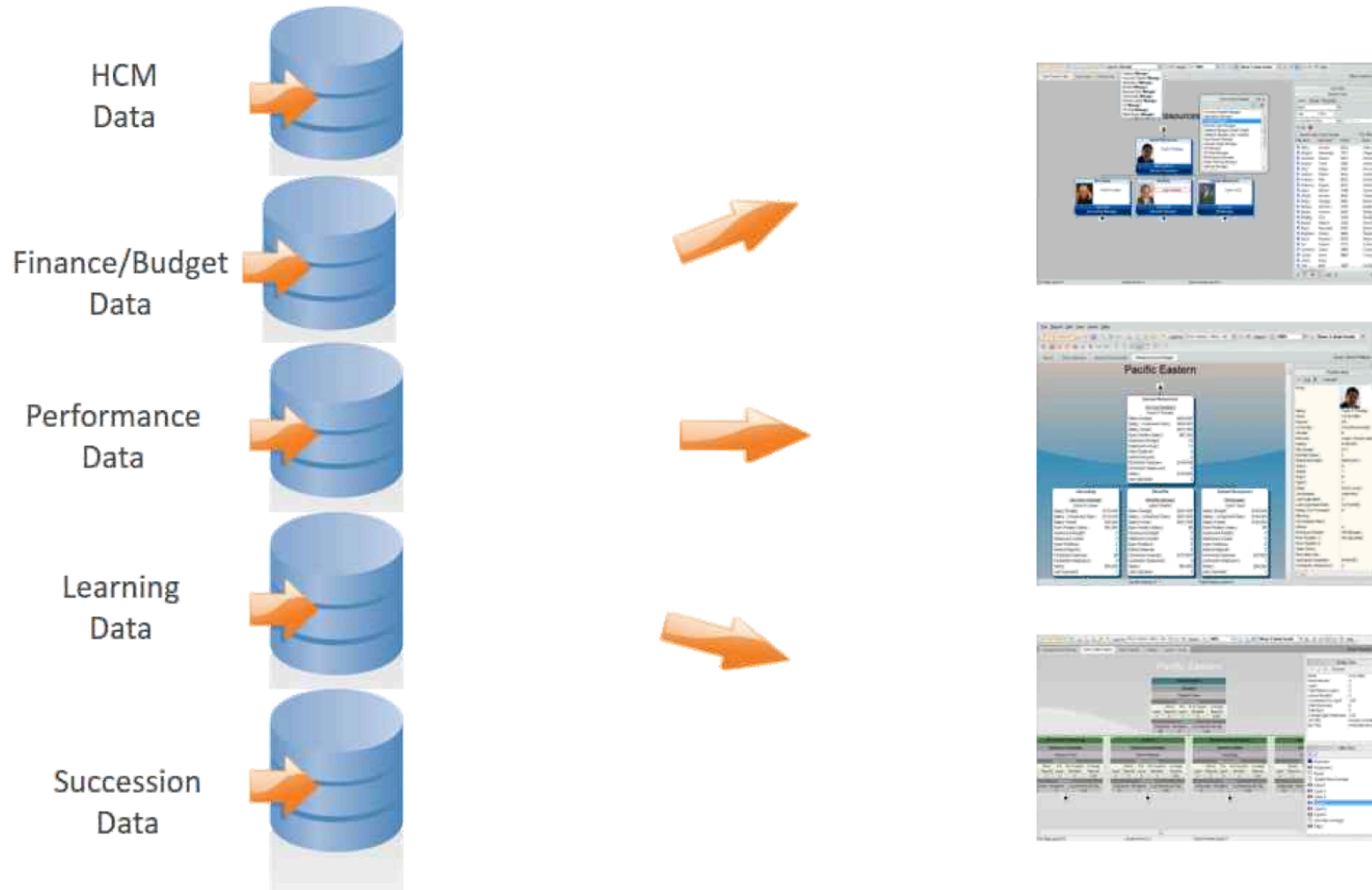
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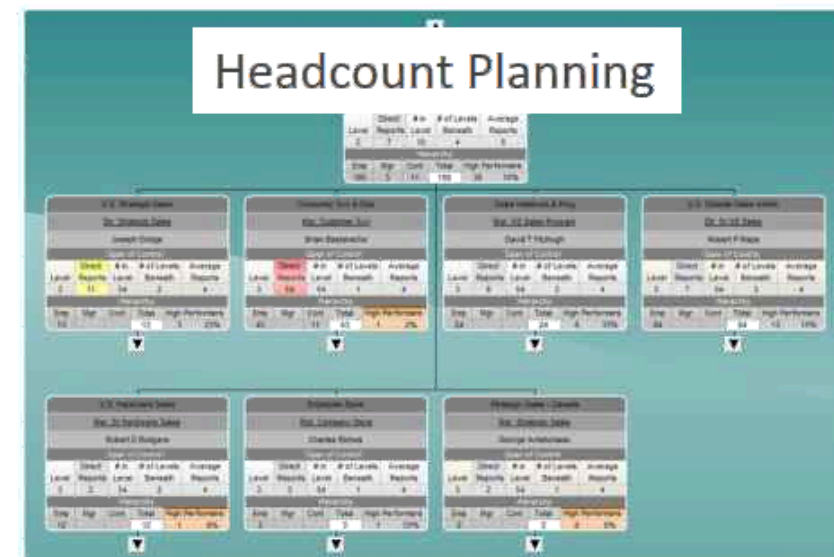
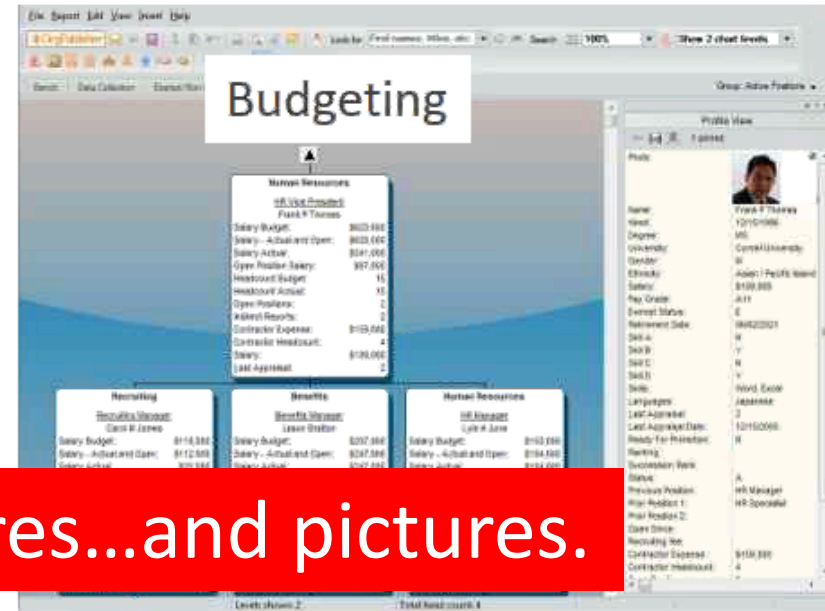
Utilise all of your data, from all of your sources...



A picture really is worth a thousand words...

“A lack of visibility into existing skills that already lie within the workforce is the primary barrier to HR redeploying personnel effectively. Half (48 percent) of HR managers questioned said that the one thing that would help them effect change within the company is ‘better visibility of employee s


...but there are pictures...and pictures.





Some common visulisation needs:

- Directory Services
- Head Count Management
- Span of Control Analysis
- Diversity Monitoring
- Compensation Management
- Performance Analysis
- Talent Review
- Organizational Planning
- Succession Planning
- Budget Planning
- Retirement Planning

Creative			
<u>Creative Vice President</u>			
Paul M Melbram			
Salary	Hire Date	Performance	Potential
\$99,000	06/17/2002	4	40
Total Salaries: \$1,819,000		Head Count: 37	

Creative		
<u>Creative Vice President</u>		
Paul M Melbram 		
Span of Control		
Direct Reports	Level Number	Levels Below
3	2	4
Hierarchy		
Head Count	Average Rpts	High Performers
37	3.40	12
		30.77%

Information Technology	
<u>Director of Technology</u>	
Succession Plan Required:	Y
Critical Role:	Y
Gregory K Pink	 
Performance Rating:	4
Potential Rating:	70
Impact of Loss:	High
Retention Risk:	High

Your Dashboard choices will be the place where all your hard work comes together: make it a great and effective shop window.

Bench Data Collection Exempt/Non-Exempt **Headcount and Budget** Group: Active Positions

Pacific Eastern

Human Resources

HR Vice President
Frank P Thomas

Salary Budget:	\$620,000
Salary - Actual and Open:	\$628,000
Salary Actual:	\$541,000
Open Position Salary:	\$87,000
Headcount Budget:	15
Headcount Actual:	15
Open Positions:	2
Indirect Reports:	2
Contractor Expense:	\$159,000
Contractor Headcount:	4
Salary:	\$109,000
Last Appraisal:	2

Recruiting

Recruiting Manager
Carol M Jones

Salary Budget:	\$118,000
Salary - Actual and Open:	\$112,000
Salary Actual:	\$25,000
Open Position Salary:	\$87,000
Headcount Budget:	3
Headcount Actual:	3
Open Positions:	2
Indirect Reports:	0
Contractor Expense:	\$0
Contractor Headcount:	0
Salary:	\$63,000
Last Appraisal:	3

Benefits

Benefits Manager
Jason Bratton

Salary Budget:	\$207,000
Salary - Actual and Open:	\$247,000
Salary Actual:	\$247,000
Open Position Salary:	\$0
Headcount Budget:	5
Headcount Actual:	6
Open Positions:	0
Indirect Reports:	0
Contractor Expense:	\$124,000
Contractor Headcount:	3
Salary:	\$62,000
Last Appraisal:	3

Human Resources


HR Manager
Lyle H June

Salary Budget:	\$150,000
Salary - Actual and Open:	\$104,000
Salary Actual:	\$104,000
Open Position Salary:	\$0
Headcount Budget:	4
Headcount Actual:	3
Open Positions:	0
Indirect Reports:	2
Contractor Expense:	\$35,000
Contractor Headcount:	1
Salary:	\$40,000
Last Appraisal:	3

Levels shown: 2 Total head count: 4

Profile View

1 pinned

Photo 

Name:	Frank P Thomas
Hired:	12/15/1996
Degree:	MS
University:	Cornell University
Gender:	M
Ethnicity:	Asian / Pacific Island
Salary:	\$109,000
Pay Grade:	A11
Exempt Status:	E
Retirement Date:	06/02/2021
Skill A:	N
Skill B:	Y
Skill C:	N
Skill D:	Y
Skills:	Word, Excel
Languages:	Japanese
Last Appraisal:	2
Last Appraisal Date:	12/15/2005
Ready For Promotion:	N
Ranking:	
Succession Rank:	
Status:	A
Previous Position:	HR Manager
Prior Position 1:	HR Specialist
Prior Position 2:	
Open Since:	
Recruiting fee:	
Contractor Expense:	\$159,000
Contractor Headcount:	4



Your User Interface:

Your beautiful data
deserves to be seen at
its best....

So what makes a
good UI, and how
much attention
should you pay to it?





For employees with multiple complex data to view, getting clarity and simplicity can be a real challenge

John Smith Pay Management

Share Awards

+ Add Share Award Grant

LTI Restricted Stock

AWARD NAME	SHARE TYPE	GRANT VALUE	NUMBER OF SHARES	SHARE PRICE	GRANT DATE	VEST DATE	LOCAL VALUE	NUMBER VESTED	NUMBER IAPSED	NUMBER OUTSTANDING	Actions
2014 LTI	Ordinary	£61,355	8765	£7.00	01-Dec-2014	01-Dec-2017	£61,355	0	0	8765	Actions
2013 LTI	Ordinary	£48,294	7546	£6.40	01-Dec-2013	01-Dec-2016	£48,294	0	100	6546	Actions
2012 LTI	Ordinary	£61,656	8684	£7.10	01-Dec-2012	01-Dec-2015	£61,656	200	0	6684	Actions
2011 LTI	Ordinary	£49,720	7968	£6.24	01-Dec-2011	01-Dec-2014	£49,720	7968	0	0	Actions

LTR Restricted Stock

AWARD NAME	SHARE TYPE	GRANT VALUE	NUMBER OF SHARES	SHARE PRICE	GRANT DATE	VEST DATE	LOCAL VALUE	NUMBER VESTED	NUMBER IAPSED	NUMBER OUTSTANDING	Actions
2014 LTR	Ordinary	£11,886	1698	£7.00	01-Dec-2014	01-Dec-2017	£315.00	0	0	1698	Actions
2013 LTR	Ordinary	£17,651	2758	£6.40	01-Dec-2013	01-Dec-2016	£288.00	0	0	2758	Actions





Your User Interface:

Some vendors have been able to combine good looks with great data

View Compensation Director, Recruiting Services ... Jacqueline Desjardins ...

View As Of 09/09/2014

Total Compensation 158,158.40 USD Total Salary & Allowances 139,234.91 USD Total Base Pay 139,234.91 USD

Supporting Information

Supervisory Organization Human Resources
 Job Profile Director, Recruiting Services
 Time Type Full time
 Scheduled Hours 40
 FTE 100.00%

Guidelines

Compensation Package Management Compensation Package
 Grade Management
 Grade Profile USA (California)

Compa-Ratio 1.114 Position in Range 85.59% Pay Range Segment Above Q4

Total Base Pay Pay Range

Currency	Frequency	Minimum	1st Quartile	2nd Quartile	3rd Quartile
USD	Annual	105,000.00	115,000.00	125,000.00	135,000.00

Average Annual Cost by Geography

Average for Annual Compensation / Pay Cost in USD 104,049

Geography	Employee	Contingent Worker	Average of Annual Compensation / Pay Cost in USD
EMEA	80,441	202,953	84,665
Japan & Asia/Pacific	72,011	34,907	64,906
Latin America	89,072	64,063	87,405
North America	120,780	108,310	119,706
(Blank)	45,425	0	45,425
Total	105,342	91,124	104,049

Are we paying for performance?

Employee	Position	Rating - Current	Rating - Previous	Base Pay Range Segment Effective	Compa-Ratio	Supervisory Organization	Manager
Robert Hoing	Director, HR Operations	★★★★★	★★★★★	Q3	1.008	Human Resources	Logan McNeil
Pedro Santiago	Director, Workforce Planning	★★★★☆	★★★★☆	Q4	1.195	Human Resources	Logan McNeil
Norman Chan	Senior Specialist	★★★★☆	★★★★☆	Q3	0.834	Human Resources	Both Liu





Some systems will give you little or no choice over what your user experience looks like.

Other systems will be highly configurable.

Either way, we need a combination of:

- Clear data, easy to see & understand
- An enjoyable experience
- No unnecessary clicks or keystrokes.



Dashboards - A : Professional's Perspective

- ✓ Top level metrics and graphics available at a click
- ✓ Easy to set up additional views
- ✓ Easy to communicate dashboard content
- ✓ Format and look and feel easy to understand by busy C-Suite people
- ✓ Clear areas for focus:
 - Talent deployment & competitive positioning of good people
 - Financial data modelling at all levels and in all reward areas
 - Clear budget progress and cost anomalies shown

Dashboards - B : Administrator Perspective

1. Easy UI for frequent use
2. A workmanlike access point – no gimmicks
3. Tools to monitor the most frequent navigation paths and other data which will help to improve the user experience

Dashboards - C : Employee's Perspective

1. Dashboard is the flagship of the system – it must “befriend” its users and our customers
2. Dashboards for each type of user
3. Not clogged up with inappropriate information
4. Content easily customisable by employees
5. One click access to everything
6. Stickability – make users want to come back and log on a very frequent basis
7. Do not patronise – quirky tricks are amusing the first time, but grate afterwards



FUNCTIONALITY

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Integration is the issue which could quietly strangle your grand project

- We need to know the work required for integrating the application with the current infrastructure (HSM's*), data feeds, file servers etc.)
- What really are the technology constraints – can the application sit in the current infrastructure?
- WISP* Vs LAMP* server stacks – are the skills to setup and maintain these environments available?
- **Pretending you understand this stuff is a career-ending move!**



*Hardware Security Modules

*(L)inux or (W)indows, (A)pache or (I)IS, (M)ySQL or (S)QL Server, (P)hp or (A)SP.net.



FUNCTIONALITY

1. Job Information
2. Pay Management/Total Reward
3. Reports & modelling tools
4. Talent Management
5. Performance Management
6. Dashboards
7. Integration
8. Hosting





Cloud Solution Choices Continue To Improve And Evolve

- Forrester's research revealed a market in which Workday, SuccessFactors, Ultimate Software, Peoplefluent and ADP lead the pack, and IBM, Oracle, Meta4, Ceridian, and FinancialForce all provide very competitive options.
- Buyers can choose the Cloud HRMS solution that matches the characteristics of their workforce and their business process requirements.
- All of our vendors here today offer Cloud solutions





0

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14.10 – 14.40



beqom.

to make your people happy



Andrea Rae & Tanya Jansen



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***PART 4 : TAKING THE GUESSWORK OUT OF
VENDOR SELECTION:
Choosing your partners with confidence***





The most important relationship of all is this one:



Our system selection process needs this triangle – and its dynamics - to ensure enduring success.





Vendor Selection :

Large or boutique?

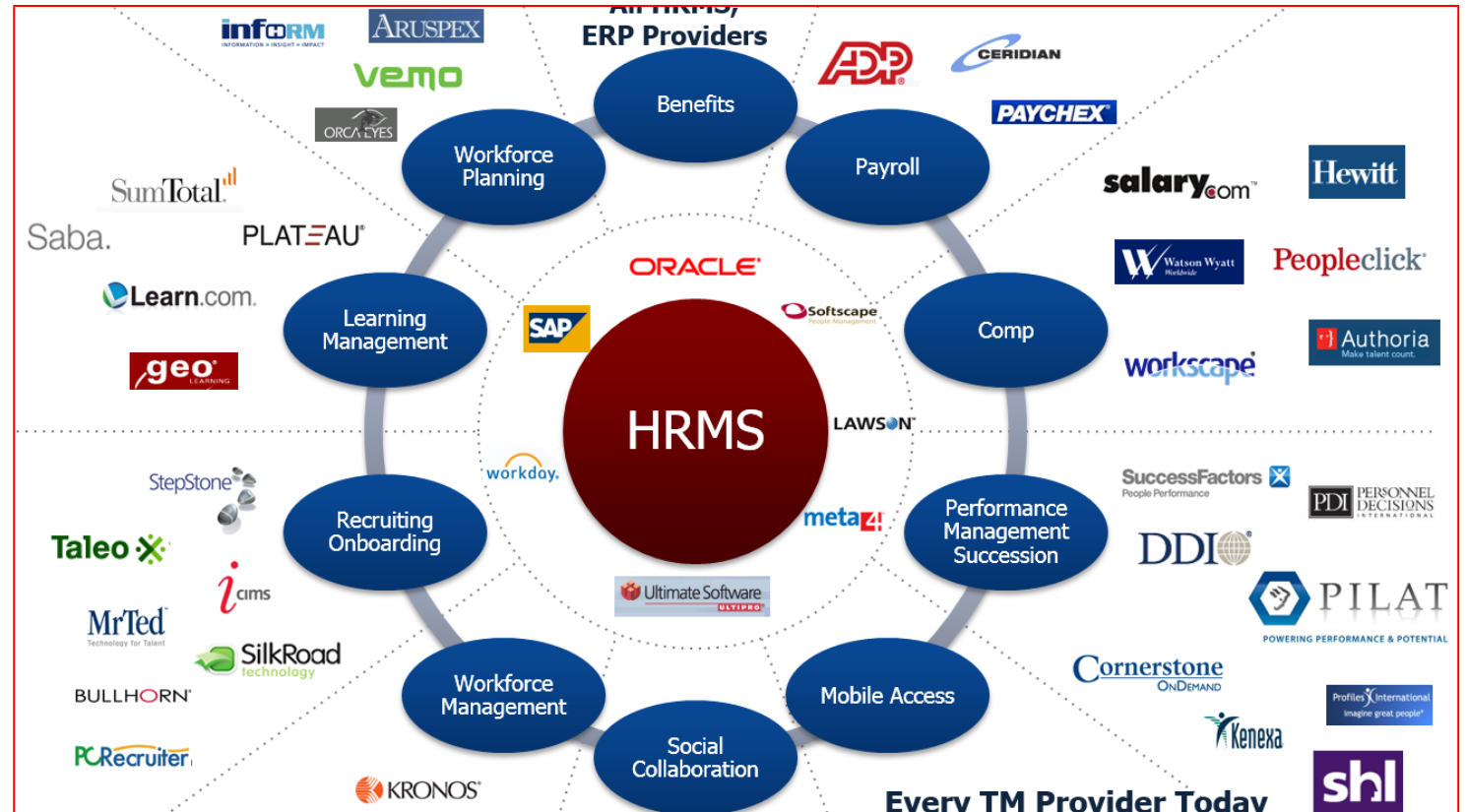
Integration vs functionality?

What do we have that's already good? (and want to keep)

How much redundant functionality stuff can I overlook? (but might have to pay for)

Customer support?

Configuration is king.





infor	Infor HCM	Rating: ★★★★★ (1)	Price: \$\$\$\$	Advisor Recommendations: 32	Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
Bullseye Engagement	Bullseye Engagement	Rating: ★★★★★ (4)	Price: \$\$\$\$	Advisor Recommendations: 10	Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
PeopleFluent	PeopleFluent	Rating: ★★★☆☆ (2)	Price: \$\$\$\$	Advisor Recommendations: 8	Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
CuroComp	CuroComp	Rating: ★★★★★ (12)	Price: \$\$\$\$	Advisor Recommendations: 3	Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
HR Toolbench	HR Toolbench	Rating: ★★★★★ (12)	Price: \$\$\$\$	Advisor Recommendations: 1	Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
SAP	SAP Perform & Reward for Small Business	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
sumHR	sumHR	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
staff2	Staff Squared	Rating: ★★★★★ (8)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
ramco hcm	Ramco HCM	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L

HRsoft	HRsoft	Rating: ★★★★★ (1)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
EmpXtrack	EmpXtrack						
SecureSheet	SecureSheet						

Willis Towers Watson Compensation Software	Willis Towers Watson Compensation Software	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
JobItUs	JobItUs	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
WorkBright	WorkBright	Rating: ★★★★★ (16)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
Calamari	Calamari	Rating: ★★★★★ (71)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
PeopleQlik	PeopleQlik	Rating: ★★★★★ (2)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
ORACLE PEOPLESOFT	PeopleSoft Human Capital Management	Rating: ★★★★★ (2)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
TIMOGIX	Timogix	Rating: ★★★★★ (6)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
CompensationXL	CompensationXL	Rating: ★★★★★ (15)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
SnapHRM	SnapHRM	Rating: ★★★★★ (10)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
HealthcareSource	Pay Data and Survey Management	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L

A closer look at some of these vendors would help to quickly hone your thinking and your final shopping list of functionality

ramco hcm	Ramco HCM	Rating: No reviews	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L
grosum	GroSum	Rating: ★★★★★ (5)	Price: \$\$\$\$		Platforms: Apple, Windows	Deployment: Cloud, On-Premise	Business Size: S, M, L



	Namely ★★★★★ (27 Δ)	<ul style="list-style-type: none">Pricing: AverageIndustries: All Industries
	DeepTalent ★★★★★ (1 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Any Sized BusinessesIndustries: All Industries
	ETWeb - Lumesse ★★★★★ (1 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise BusinessesIndustries: All Industries
	SAP SuccessFactors ★★★★★ (1 Δ)	<ul style="list-style-type: none">Good for: Enterprise Businesses
	APS Online ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: Low-endGood for: Any Sized BusinessesIndustries: Advertising / Media / Publishing
	Agile HR ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Any Sized BusinessesIndustries: All Industries
	Ascentis HR ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise BusinessesIndustries: All Industries

	BirdDogHR ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Mid Sized BusinessesIndustries: Architecture / Engineering / Construction
	BiznysSoft ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise BusinessesIndustries: All Industries
	Comerstone OnDemand ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Any Sized BusinessesIndustries: All Industries

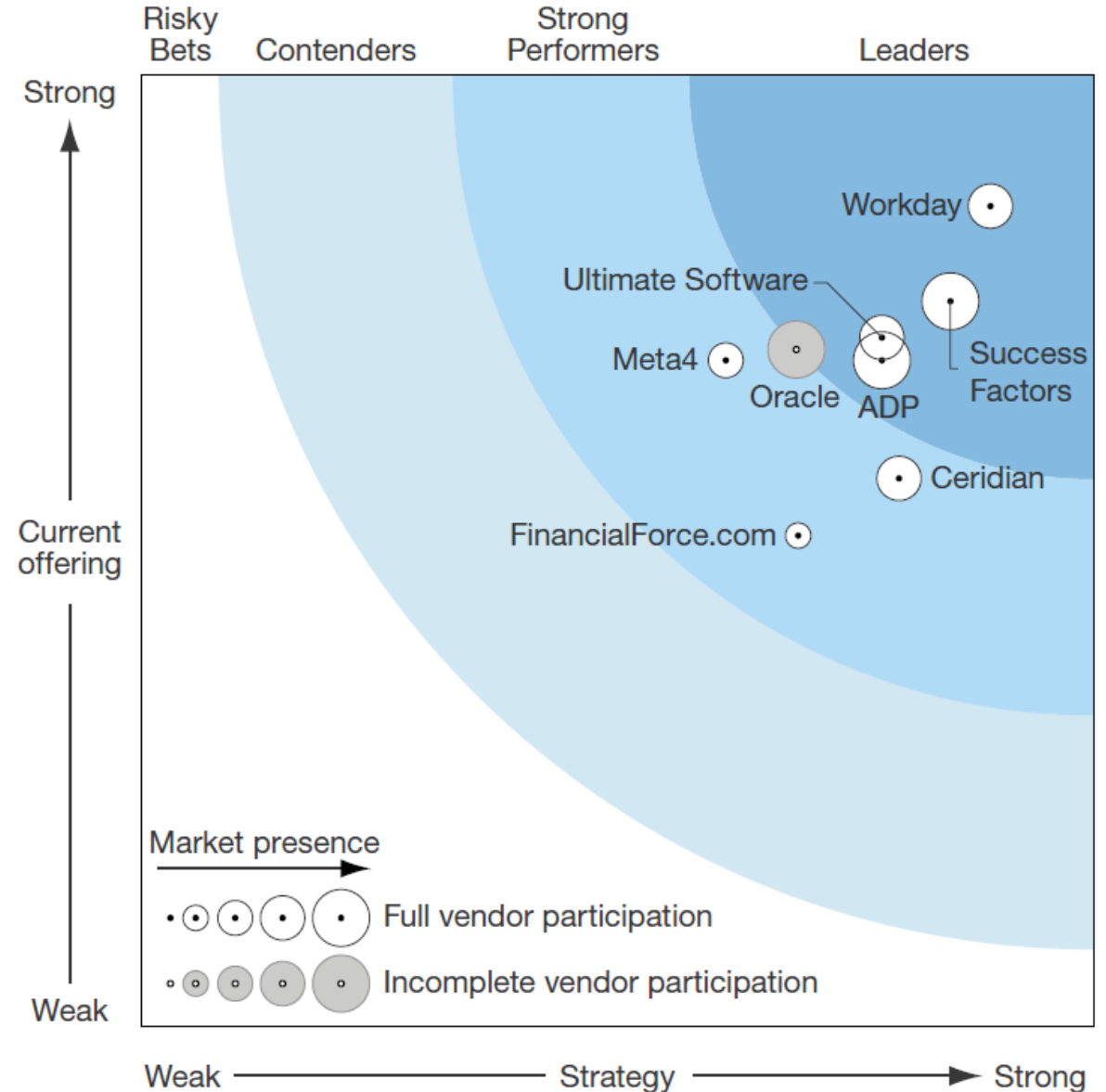
Here are others that focus on Performance Management

	KunbaHR ★★★★★ (0 Δ)	<ul style="list-style-type: none">Good for: Mid Sized Businesses
	MYOB PayGlobal ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise Businesses
	Monitae ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Any Sized BusinessesIndustries: All Industries
	NEOGOV ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise BusinessesIndustries: Education and Training
	OpenHR - Advanced Business Solutions ★★★★★ (0 Δ)	<ul style="list-style-type: none">Pricing: AverageGood for: Enterprise BusinessesIndustries: All Industries





Forrester's wave is a good source of thoroughly researched advice, but covers very large & general applications with over 100 users – thus the emerging providers may get overlooked.





These are the kinds of very wide functional systems that Forrester will provide comparative data on.

HRM core functions	Workforce management	Compensation and rewards	Recruitment and hiring	Talent management	Learning and development
<ul style="list-style-type: none"> • Employee records • Payroll • Benefits administration and enrollment • Salary and wage structures • Jobs and positions • Employee engagement • Compliance • Organizational structures 	<ul style="list-style-type: none"> • Time reporting • Attendance • Paid time off • Absence management • Workforce scheduling and assignments • Productivity analysis • Labor cost distribution 	<ul style="list-style-type: none"> • Base salary administration • Bonus programs • Commissions • Stock and long-term incentives • Employee recognition • Wellness • Retirement and savings • Market pricing and equity 	<ul style="list-style-type: none"> • Workforce planning • Requisitions • Sourcing and social recruiting • Candidate engagement • Talent pools • Applicant evaluation • Diversity and compliance • Onboarding 	<ul style="list-style-type: none"> • Employee performance • Goal management • Career planning • Competency management • Succession planning • Talent review • Retention management 	<ul style="list-style-type: none"> • Leadership development • Learning course administration • Content management • Mobile learning • Mentoring • Collaboration • Social and informal learning • Professional certification

Human resource management (HRM) master data, reporting, and analytics





...and this is a typically detailed review, undertaken with great care and using multiple factors and weightings to give a considered list of top 10 vendors in each sector.

	Forrester's Weighting	ADP	Ceridian	FinancialForce.com	Meta4	SuccessFactors	Ultimate Software	Workday
CURRENT OFFERING	50%	3.50	2.88	2.58	3.50	3.81	3.62	4.31
Recruiting	8%	3.00	3.00	2.50	2.00	5.00	3.50	4.25
Core human resource management	15%	3.20	2.60	2.60	3.80	4.60	3.20	5.00
Compensation	8%	4.60	1.80	3.40	4.60	4.60	3.00	5.00
Benefits	8%	3.20	3.40	2.60	2.60	2.40	3.90	4.00
Payroll	8%	4.65	4.30	0.65	4.70	3.40	3.85	3.70
Time and attendance	8%	3.60	5.00	2.20	4.20	1.00	3.60	3.00
Talent management	8%	4.60	0.20	2.20	3.80	5.00	4.20	3.80
Employee engagement	12%	1.90	2.10	2.10	3.40	4.00	2.65	3.70
Technology	15%	3.75	3.25	3.25	2.75	3.75	3.75	4.75
SaaS	2%	5.00	4.00	4.00	5.00	3.00	5.00	5.00
Customer experience	8%	3.00	3.20	3.60	4.40	3.80	5.00	5.00
STRATEGY	50%	3.89	3.98	3.45	3.07	4.25	3.89	4.46
Product strategy and vision	85%	3.90	4.10	3.50	3.15	4.30	3.90	4.50
Cost and value	10%	3.20	4.40	4.20	3.40	3.40	4.20	3.80
Strategic alliances	5%	5.00	1.00	1.00	1.00	5.00	3.00	5.00
MARKET PRESENCE	0%	4.55	3.97	1.85	2.59	4.14	3.33	3.26
Financial viability	30%	4.70	4.00	2.50	3.20	4.40	3.00	3.90
Installed base	40%	4.10	4.10	1.80	2.20	3.30	4.00	2.60
Employees and offices	30%	5.00	3.75	1.25	2.50	5.00	2.75	3.50





Typical Functional Requirements Analysis

Legend : 0 to 2.9 < 3 to 3.9 > 4 to 5

Note: The rates consider the initial responses to the RFI and the adjustments done after the demos

	DIRHU	Kenexa HIRING & RETENTION	SAP	StepStone	SUCCESSFACTORS Visibility. Accountability. Results.	Taleo	Ranking
Compensation Planning	3.7	4.6	4.8	3.1	4.2	4.9	
General	4.1	4.9	5	2.6	4.5	5	TALEO SAP KENEXA SUCCESSFACTOR DIRHU STEPSTONE
Open Job Requests	3.8	5	5	3.5	5	5	
Authorization	3.4	4.4	4.9	4	3.9	5	
Job Postings	4.6	4.8	5	4.1	4.2	5	
Job Search	4.8	4.3	5	3	4.8	5	
Interviews	2.8	5	4.9	3.4	3	5	
Closing, hiring and boarding	2.1	3.6	4.7	1.6	3.6	5	
Reporting	3.7	4.7	4.3	3	4.3	4.3	
Pay modelling	3.6	4.3	4.7	4.4	4.6	4	
Career Development	3.1	4	5	4.6	4.7	4.1	SAP SUCCESSFACTOR STEPSTONE TALEO KENEXA DIRHU
Individual Development Plan (IDP) Creation	2.7	3.8	5	4.8	4.8	4.1	
Individual Development Plan (IDP) discussion and authorization	3.4	4.3	5	4.4	4.6	4.1	
Succession Planning	4.1	4.8	4.7	4.5	4.7	4	KENEXA SAP – SUCCESSFACTOR STEPSTONE DIRHU TALEO
Key Position	4	4.5	4.6	4.4	4.6	3.9	
Key People	4.3	4.9	4.8	4.7	4.6	4.1	
Staffing	4.3	4.8	4.8	4.3	4.6	3.8	
Monitoring and Reporting develop.	3.7	4.9	5	4.6	4.9	4	
Employee's CV	3.8	4	4.5	4	4.5	4	
Total Score	3.6	4.4	4.8	3.8	4.4	4.5	





A lot to think about - from functionality, to look & feel, to integration.

Let's bring our thoughts together into a useful final checklist of how to move forward with a good chance of success....

Here are 10 logical steps in vendor selection to help you make the best choices.





STEP 1

Learn the language of Software, Change Management and Project Planning

Learn about hosting, and the main issue of choosing between “on-premises” and Cloud

Start to develop a feel for costs, both start-up and on-going, and where the money goes

Become familiar with your own tough buying, selection and procurement processes

Learn what is happening in the HR IT space; don't waste time on yesterday's solutions





STEP 2

Agree and categorise the functionality you:

- Want to keep
- Must have,
- Would love to have
- Will dispose of

Identify the processes you want the software to take on, and why you need them

List the full capabilities you want to have, in order, and the systems which currently do/do not provide them and how they are/not linked

Set up a great working relationship with your key in-house IT providers and invite them to help create the system specification with you





STEP 3

Create your
local and global
Business Cases

Carefully prepare an inventory of the business issues which will be addressed during this process

Quantify the measurable benefits to be gained by proceeding, the likely investment costs and payback times. Clearly show the financial and competitive benefits. Set out the risks of not proceeding.

Share all of these with the key decision makers and invite their participation, comments and support





STEP 4

Create and then deploy a methodology for choosing only relevant software vendors to engage with

Use your functionality framework from Step 2 to create a selection template for initial screening based on size, functionality, approx. functional match and approximate cost (if known)

Eliminate systems which do not serve your exact specifications, business sector, size or geography (ies) and budget estimate.

Produce and share a long list. Work with others to produce a shortlist of 4 vendors.





STEP 5

Communicate efficiently and honestly with potential vendors.

Create vendor visit templates which will simplify assessment

Provide each potential vendor with a detailed list of your functionality needs and other specifications, including existing systems with which the new system will need to communicate.

Design and agree an evaluation template and share it with all vendors. Provide vendors with data to use (if appropriate) in putting together their demonstrations

Carefully arrange demos with sufficient time and with all of your interested parties in attendance.





STEP 6

Manage each vendor visit/demo with great care. Provide colleagues with good assessment tools

Stay in complete control of the demo process by setting out clear agendas and timeframes for the sessions

Assume you will get only one good chance to see the software and do not waste it. Vendors like clients to pay attention – it is disrespectful not to.

Carefully arrange demos with sufficient time to see everything and with all of your interested parties in attendance.

Record, share and compare impressions shortly after each event.





STEP 7

Rigorously compile vendor scorecards to cover every aspect of the experience and the functionality offered by each one.

Eliminate those who do not offer the minimum functionality you can accept or who cannot work with your other systems

Meet with all interested parties to go through a rigorous ranking process of the remaining contenders based on functionality, ease of use, benefits and cost.

The outcome should be a well-reasoned, clear winner, or the decision to call back 2/3 vendors to revisit specific issues raised by the selection panel.





STEP 8

Rigorously compare pricing for the remaining systems under consideration or for the clear favourite

Create a pricing schedule which enables each vendor's products and services to be clearly compared and costed

Obtain full details of set up costs, annual licenses, training, customisation and any other fees. Obtain any third party costs.

Ask for details of any price flexibility due to using internal resources or other cost saving opportunities





STEP 9

Check the viability of the chosen vendor:

- References
- Financial checks

Ask for at least 2 references with a similar operating profile (industry/size/location/culture). Plan careful visits to each one. Treat these in the same way as vendor presentations, but with due consideration to the company.

Ask each reference site questions which are difficult to find out from the vendor

Fully assess the chosen vendor's financial viability and long-term survival chances. Ask for internal professional assistance to do this.





STEP 10

Take every opportunity to get a better deal and to clarify any legal or other issues prior to final agreement.

Check the scope of licenses and that what you are buying is sufficient for your organisation, now and in the future.

Ask for their final position on prices and discounts

Ensure that performance clauses covering both software and services are included in the price. Take great care in agreeing detailed timescales and milestones and ensure that slippage has the right level of (financial) consequences.





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Pitney Bowes

Andrew Small & Matthew Blanchard





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16.15 – 16.45

