

incentive compensation management

BUSINESS BENEFITS:

Governance and Control.

Introduce more control and a better process for designing and calculating employee incentive plans.

Drive the Behaviors You Want.

Enable the customer-facing team to perform at their best by aligning well-designed incentive plans with corporate objectives.

The Accuracy You Need.

Reduce the probability of overpayments when compared to error-prone home-grown approaches.

Transparency and Buy-in.

Provide payees full transparency to their plan performance, eliminating unproductive disputes and the wasted time of shadow accounting by plan participants.

“What-if” Plan Modeling.

Process proposed plan modifications or new plan scenarios against actual performance data to estimate costs and general viability.

Owned by Business Users.

Embraces and extends familiar Microsoft Excel in a unique manner that Finance, Retail Team, HR or other business users can easily use.

Improved Productivity.

Clarity of plan mechanics and transparency of plan calculations means payees spend more time on the work that matters.

Managed Workflow.

Support a review cycle between plan calculation and payment, allowing payees to review preliminary payout information and register any disputes, all within the application.

Lowest Total Cost of Ownership (TCO).

Rapid deployment combined with the ability to manage the system without outside assistance translates to a compellingly low TCO.

Superior Customer Service.

Receive immediate, personalized service from the best trained EPM support staff in the industry.

DESIGNING AND CALCULATING INCENTIVE PLANS FOR FINANCIAL INSTITUTIONS.

Today, as financial institutions face unprecedented economic and regulatory uncertainty, aligning employee incentives to desired outcomes is more important than ever. Forward-thinking financial institutions not only need well-designed incentive plans, they also need systems and processes to manage the incentive plans. Well-designed incentive plans have the power to align the individual with the institution's strategy. They can motivate customer-facing employees to generate the kind of growth that is profitable and within the risk guidelines of the institution. However, for many institutions this process is conducted using stand-alone spreadsheets or other home-grown systems that can be error-prone and highly inflexible.

Sophistication Without Complexity

With Axiom EPM's Incentive Compensation Management (ICM) solution for financial institutions, you can manage highly complex incentive plans designed for various roles within the institution. The solution begins with importing all relevant information into the Axiom ICM data repository. This includes information from disparate sources such as data from customer transaction systems and loan application systems. Within the ICM system, plan administrators can design an unlimited number of incentive plans using a familiar Excel user interface. These plans can include complex criteria for payout—such as tiered performance thresholds in support of team and individual goals. The solution, which is designed to be managed by non-technical personnel, can process plans for hundreds, even thousands of employees and provide comprehensive reporting and workflow to supplement the process.

More Than a Payment Calculator

While designed to process numerous incentive plans for thousands of payees, ICM can also be an important analytic application for the enterprise. Proposed new plans or variations of existing plans can be tested and analyzed. These what-if plan scenarios are highly valuable in evaluating alternative approaches for setting incentives. The range of analytical reports that can be created is endless. Ranking reports, distribution analysis, and comparison to targets with aggregations by role type, function, geography, and organization can be supported, with full drill-down to transaction detail. Rich dashboards that analyze plan performance can be created as a means to visualize the information.

FEATURES:

Built-in ETL Capabilities. Easily configure and automate data imports from source data tables.

Business Process Management. Design the ICM process that's right for your institution, including managed review cycles for payees with processes that handle dispute resolution.

Roles Based Security. Grant users access and permissions based on defined roles.

Scheduler Services. Automate and streamline data import and EPM functions such as planning and reporting.

Plan Creation. Use the familiar Excel interface in Axiom ICM to create or modify plans.

Plan Output. Easily design and produce plan results to an outbound file for use in driving actual payments in your payroll system.

Scalability. Process numerous plans for hundreds or thousands of employees quickly and efficiently.

Drag & Drop Report Design. Create reports using "drag & drop" functionality in a Microsoft front-end.

Drill-down and Drill-thru Capabilities. Dynamic drill from consolidated plan results to employee or even transaction-level detail.

Report Distribution & Publishing. Online access or scheduled distribution of report books.

Financial Governance and Control

Overpayments of 2-10% are common when administering incentive plans manually. That translates to twenty to eighty thousand for every million dollars paid in incentive compensation. Stand-alone spreadsheets are inadequate when paying large employee groups with multiple plans of varying levels of complexity. When employees don't trust or don't have visibility into the incentive management system, they tend to keep track of their incentive compensation manually. This manual "shadow accounting" is time-consuming and unproductive. Axiom EPM has robust reporting that allows individual employees to see the detailed transactions and calculation results that drives their compensation. Reports can be generated mid-cycle as a motivational tool, showing each person their progress to date. In the event an employee has a disagreement with plan results, the application has the built-in ability for the user to log their dispute and get it resolved. ICM from Axiom EPM provides fast, secure and accurate processing of your incentive plans.

Part of a Broader EPM Strategy

Incentive compensation management is not an isolated process; it is closely related to the overall performance management initiatives of the institution. Because Axiom EPM's ICM solution is part of a unified platform, you can achieve more than other ICM point solutions can offer. For example, suppose the institution wanted to reward loan officers not merely on loan volume but—more importantly—on a loan's net margin contribution, taking into account the cost-of-funds and perhaps capital requirements. This approach requires each loan to be transfer priced and given an economic capital allocation – something the Axiom EPM platform can provide. Other synergies between ICM and performance management processes exist—for example, the planning process. The planned incentive payout could be loaded directly into the budgeting system, improving the quality and accuracy of the plan. With Axiom EPM's ICM solution you can model, measure, manage and reward the right behaviors, ultimately improving corporate performance.

Axiom EPM application offerings include:

- Strategic & Capital Planning
- Budgeting & Forecasting
- Financial & Managerial Reporting
- Regulatory Reporting
- Credit & Financial Analysis
- Profitability Measurement
- Incentive Compensation Management

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