

IBM Cognos Incentive Compensation Management



Increase accuracy, reduce costs and drive sales performance

Business Benefits

- Reduce commission overpayments
- Reduce cost of managing commissions
- Align sales teams with corporate objectives

Highlights

- Extensive automation from data collection to commission statements
 - Graphical compensation plan design
 - Prebuilt plan components and process lists
 - Diverse view of commissions, MBOs, and rewards
 - Plan modeling and forecasting
 - Personalized compensation plan documents
 - Streamline plan management and rollout
 - Expansive audit log
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IBM Cognos ICM solutions help simplify incentive compensation management for organizations by increased accuracy, reduced costs and higher sales performance. Compensation administration costs are significantly reduced with the automation of commission calculations. Eliminating slow, costly and manual administrative processes helps minimize calculation errors that lead to commission overpayments and payment disputes. With Cognos Incentive Compensation Management, sales professionals have extensive visibility into their pay, which can significantly reduce the time and effort spent on reconciling commissions. Sales representatives also receive embedded analytics that help them gain insight into their own performance. Compensation administrators can implement new plans more efficiently to respond to new business imperatives. Analysts are able to model and better understand the financial impact of incentive programs prior to rollout for more accurate cost management and forecasting. With a detailed view of the entire compensation plan portfolio along with tracking capabilities, organizations are able to have more control over sales compensation administration as well as meet audit requirements.

An extensive solution for incentive compensation management



Automating compensation

Cognos ICM automates the entire compensation process including data collection, compensation calculation and commission statement distribution. By collecting data from sources including existing systems, databases and PDFs, Cognos ICM provides a single, more accurate view of data to calculate commissions. The solution's flexible and scalable calculation engine can perform the calculations necessary to match your compensation plans and definitions. Organizations can improve performance while significantly reducing costs errors and wasted time.

More accurate payout results

By eliminating the need to manually manage splits, reassignments and other exceptions, Cognos ICM improves the accuracy, auditability, and visibility in compensation management. Compensation teams can dramatically increase their productivity as the solution automates the process of identifying exceptions and calculates commissions accordingly. As a result, organizations are able to validate payouts, reducing commission overpayments and disputes.

Detailed commission statements

Cognos ICM delivers personalized commission statements that provide payment details down to the transaction level for tracked payees. Up-to-date performance data and what-if calculators also enable sales representatives to understand their rankings and earning potential, gaining more motivation to close sales. With extensive visibility into their pay and performance, salespeople spend less time on shadow accounting and launching payment inquiries and have more time to sell.

Rapid plan creation

Implementation costs can be dramatically reduced by using Cognos ICM prebuilt solutions. With a robust library of compensation plans, processes, connectors, and reporting templates, organizations can greatly accelerate the deployment of incentive programs. Since these prebuilt solutions are based on tried and test implementations and experience, users are able to use industry best practices in compensation plan design.

Owned by business users

Cognos ICM enables business users to create, modify and implement compensation plans to drive desired sales behavior. Compensation analysts are able to define calculation rules without requiring IT knowledge or coding skills. Rules are also displayed graphically to allow for easier navigation through even the most complex plans and are reusable across incentive programs. With Cognos ICM, compensation teams can implement virtually any compensation plan they need.

Robust plan modeling

Compensation Analysts have the ability to model compensation plans in order to understand the financial impact of changes. Using historical or other base data, users can test the effectiveness of compensation plans against multiple scenarios. Modeled results can be evaluated from multiple perspectives including the expected payout change on the business and on specific sales individuals. With the ability to more accurately forecast commission payouts, organizations can better budget for sales compensation costs, manage target total compensation for sales representatives and assess plan effectiveness.

Governance and compliance

By providing a single view of the compensation plan portfolio and tracking all user activity, Cognos ICM solutions help organizations to more adequately meet audit and compliance requirements. Access to data is restricted by user rights and modifications to compensation processes are logged along with timestamps. With expansive audit trails of changes and events, organizations can more accurately trace commission payment back to the source.

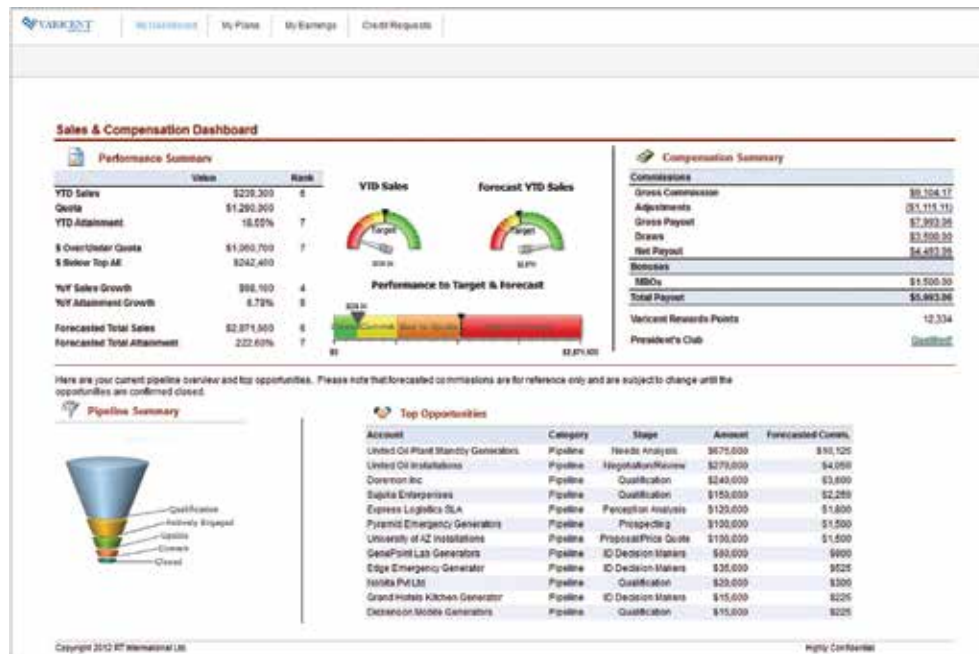


Figure 1: Sales and Compensation Dashboard

Grow, retain and satisfy customers

- Align sales resources with corporate strategy
- Enable new kinds of plans and objectives that drive how clients are sold and serviced
- Deploy territory structures and coverage models to support evolving customer needs
- Gain insight to sales effectiveness

Increase operational efficiency

- Reduce related compensation, territory and quota cycle times
- Deliver detailed, personalized incentive statements and reports to improve understanding and decision making
- Leverage workflow for SPM processes, including inquiries and disputes
- Ensure process scalability and flexibility

Transform financial processes

- Model compensation plans before rollout to understand and optimize its impact on the business
- Create more accurate forecasting and accruals
- Reduce manual intervention and errors

Manage risk, fraud & regulatory compliance

- Meet business and regulatory needs for controls and auditability into the compensation process
- Provide program and process reporting
- Improve program governance

About Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

For more information

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To learn more about IBM Cognos Sales Performance Management visit
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