

Compensation Management using SuccessFactors



Managing complex compensation structures is a common challenge for companies in the battle to attract and retain top talent. And, with the growing popularity of pay for performance structures, companies require processes and systems that both help facilitate their strategies and integrate with their performance metrics.

Ad hoc reporting and dashboards with up-to-date information on compensation spending and impacts top the list of key business drivers for executives. Companies want to reduce manual errors that are typical of legacy systems, and effectively track compensation changes with audit trails. Automating checks and balances for budgetary compliance and capturing approvals and delegation of authority are also a must for most organizations.

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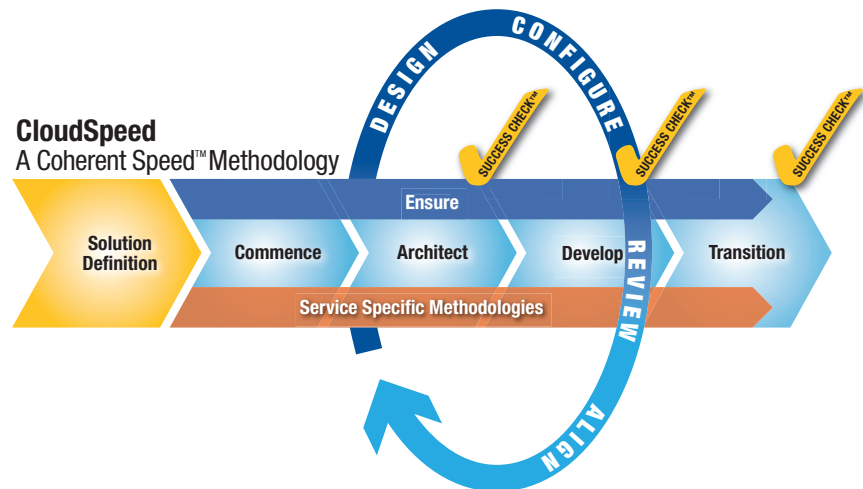
Many companies are turning to SAP's cloud-based solution, SuccessFactors, to help meet their compensation management system needs. SuccessFactors allows for companies to manage workflows, improve budget and regulatory compliance, and integrate with other modules or HRIS systems to combine data across the organization into dashboards and reports. The user-friendly budget and compensation worksheets and the visibility to compensation usage via roll-up/drill-down functionality are also an attractive selling point.

Compensation Management Projects

Implementing SuccessFactors, compensation management functionality should be approached strategically and as a business initiative, not as an IT project. Cloud-based solutions are typically easily configured, leading some implementations to skip or ignore methodology, project management and realistic timelines. These implementations must have a clear focus on designing compensation processes and aligning configuration to meet business requirements. Otherwise, the technology has been replaced, but very little is achieved in meeting the HR and business needs for effectively managing compensation.

Clarkston's Approach

Clarkston's business-focused CloudSpeed methodology combines all the best practices from on-premise implementation methodology with the agility of cloud-based tools. CloudSpeed was designed to efficiently implement cloud-based tools like SuccessFactors while maintaining a strong focus on process design, project management and change management. The iterative design and configuration approach of CloudSpeed allows for clients to visually review and provide feedback of SuccessFactors configuration as it is completed to ensure the system is optimally aligned with business process.



Preparation Checklist

- Clearly defined compensation management structures
- Defined guidelines and incentive plan rules
- Quantitative relationships between performance metrics and compensation, if using a pay-for-performance strategy
- Well defined organizational reporting structures
- Minimized layers of approvals for compensation plans
- Timeline based around SuccessFactors quarterly updates

About Clarkston Consulting

Clarkston Consulting is a different kind of management and technology consulting firm. We deliver a unique experience for market leaders within the Consumer Products and Life Sciences industries. Considering professionalism, expertise, and value as prerequisites, we take service a step further through our unyielding commitment to the success of people as individuals, both our clients and our employees. By combining integrity, adaptability, and a whatever-it-takes attitude, we have achieved an extremely high rate of referral and repeat business and a 10-year average client satisfaction rate of 96%.