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## Overview

### The need

Elavon wanted to identify and retain talent across its multinational operations. To achieve this, the company needed to track employee performance effectively, and calculate compensation payments accordingly.

### The solution

Elavon implemented IBM® Incentive Compensation Management. The IBM solution enables the automatic processing of close to 25 million compensable transactions every month.

### The benefit

Thanks to the IBM solution, Elavon can calculate compensation payments within 48 hours of closing its books – an improvement of more than 85 percent. This helps to identify, reward and retain talent.

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## Elavon

*Improving payment accuracy while reducing monthly processing from two weeks to two days*

Elavon is a part of U.S. Bancorp (NYSE: USB). Elavon provides end-to-end payment processing services to more than one million merchants in the United States, Mexico, Europe, Canada and Puerto Rico.

As a leading global provider of merchant acquiring services, Elavon boasts 800 internal sales-related employees and 2,400 external partners for whom commission payments must be calculated. As a growing global enterprise, Elavon found it challenging to offer its payees visibility of their compensation and address their diversity of needs. After implementing IBM Incentive Compensation Management, Elavon gained transparency of employee performance across the company, along with the flexibility to adapt the solution to meet its unique and changing requirements.

### Lack of visibility costs time and money

As a multinational company, Elavon experiences a rapid rate of growth with close to 25 million compensable transactions processed every month. The company's legacy compensation system was splintered geographically with a home-grown, web-based program in North America and an outdated spreadsheet-based system in Europe. This environment was IT-intensive, cumbersome and expensive to support. It did not offer business owners of compensation the ability to meet the global requirements for managing compensation.

Shaun Hunt, Director of Compensation at Elavon, says: "Prior to IBM Incentive Compensation Management, Elavon paid employees and external sales partners through a patchwork of HR and AP systems. To generate payments and manage the accrual process we had to create over 6,000 payment IDs. You can imagine that the process was cumbersome, error-prone and limiting."

Elavon recognized the need for a solution and presented an exacting set of requirements to several compensation software vendors.



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## Solution components

### Software

- IBM® Incentive Compensation Management
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All of the vendors were put through demanding proof steps during the selection process. Elavon was impressed with the ability of Incentive Compensation Management to configure specific scenarios “on the fly”, including the use of a new reporting model. Ultimately, Elavon determined that IBM offered the optimal solution to meet its needs.

## **Greater flexibility and business ownership leads to growth and savings**

IBM offered a solution that has enabled Elavon to enhance the relationship between its IT group and its business groups. At Elavon, new products are introduced regularly and pricing structures are always changing for existing products. The company’s business needs are very elaborate from a data point of view, and when data structures change, the system must be able to react quickly and seamlessly.

With the IBM solution, the compensation team is able to configure new partners and products with immediate visibility of the results. IT no longer has to be involved to make every single change required. Consequently, Elavon is able to control the payment process with greater accuracy and flexibility, and shortened payment cycles.

Rebecca Sandberg, Senior Director Compensation Strategy and Analysis at Elavon, says: “Because IBM Incentive Compensation Management provides the ability to customize how calculations are set up, we are not relegated to predetermined, ‘boxed’ plans. Our data sources are now consistent and we can create customized calculation streams for different segments with access all in one place.”

Hunt adds: “With IBM Incentive Compensation Management, we are now able to see results within 48 hours of closing our books. In the past, it would typically take two weeks before we could even see partial results. Incentive Compensation Management has revolutionized our ability to see results, which has enabled better customer service and dramatically improved payment accuracy.”

The product’s flexibility has allowed Elavon to easily build and maintain reports for management and has also provided important multi-language support, which has proved to be a critical resource as Elavon moves into non-English speaking regions.

## **A new approach to dispute resolution**

With thousands of payees scattered worldwide, and fragmented, inadequate and IT-dependent systems managing payouts, it is not surprising that the dispute resolution process was unwieldy. Before IBM Incentive Compensation Management, Elavon handled disputes through email, and there was no electronic workflow-related dispute system. This process was time-consuming, inefficient, unreliable and costly.

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*“With IBM Incentive Compensation Management we are now able to see results within 48 hours of closing our books. In the past, it would typically take two weeks before we could even see partial results. IBM Incentive Compensation Management has revolutionized our ability to see results, which has enabled better customer service and dramatically improved payment accuracy.”*

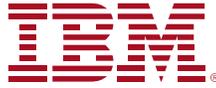
— Shaun Hunt, Director of Compensation,  
Elavon

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“The lack of transparency made dispute-related research virtually impossible,” said Sandberg. “We needed something that was streamlined and integrated. IBM Incentive Compensation Management gives us a workflow system that is logged and flows based on hierarchies. It has provided us with a dispute resolution process that works efficiently for everyone involved.”

### **About IBM Analytics**

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