

IBM Incentive Compensation Management

Highlights

- Reduce commission overpayments and the cost of managing commissions
- Align sales teams with corporate objectives
- Extensive automation from data collection to commission statements
- Graphical compensation plan design
- Prebuilt plan components and process lists
- Diverse view of commissions, management by objectives and rewards
- Plan modeling and forecasting
- Personalized compensation plan documents
- Streamline plan management and rollout
- Expansive audit log

Increase accuracy, reduce costs and drive sales performance

Simplify incentive compensation management for organizations

IBM Incentive Compensation Management solution helps simplify incentive compensation management (ICM) for organizations by increasing accuracy, reducing costs and raising sales performance. Eliminating slow, costly and manual administrative processes helps minimize calculation errors that lead to commission overpayments and payment disputes. Compensation administration costs are significantly reduced with the automation of commission calculations. Sales professionals have extensive visibility into their pay, which can reduce the time and effort spent on reconciling commissions. Sales representatives also receive embedded analytics that help them gain insight into their own performance.

With IBM Incentive Compensation Management, analysts are able to model and better understand the financial impact of incentive programs prior to rollout for more accurate cost management and forecasting. Organizations are able to have more control over sales compensation administration and meet audit requirements, using a detailed view of the entire compensation plan portfolio and tracking capabilities.

Clients use IBM Incentive Compensation Management as an extensive solution to increase automation, improve accuracy and manage data.

Automated compensation

IBM Incentive Compensation Management 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, IBM Incentive Compensation Management 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 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, IBM Incentive Compensation Management improves the accuracy, auditability and visibility in compensation management. Compensation teams can 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

IBM Incentive Compensation Management 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 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 payment inquiries and have more time to sell.

Rapid plan creation

Implementation costs can be dramatically reduced by using IBM Incentive Compensation Management 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 tested implementations and experience, users are able to utilize industry best practices in compensation plan design.

Owned by business users

IBM Incentive Compensation Management enables businesses 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 displayed graphically to enable easier navigation through the most complex plans and are reusable across incentive programs. With IBM Incentive Compensation Management, compensation teams can implement virtually any compensation plan they need. IBM solution administrators can also react to market changes and quickly identify performance outliers to drive key motivators by deploying mobile-ready reports. Reports can be shared with other administrators, sales reps or managers.

Robust plan modeling

Compensation analysts have the ability to model compensation plans 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. By more accurately forecasting commission payouts, organizations can better budget for sales compensation costs, manage 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, IBM Incentive Compensation Management solutions help organizations 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 payments 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 into 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 sales performance management 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 and regulatory compliance

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

Drive sales uplift

- Eliminate shadow accounting and leave more time for sales reps to focus on selling
- Drive coaching with improved sales management visibility
- Motivate sales reps with increased visibility into their compensation plans
- Implement targeted incentives quickly with an agile compensation system

Why IBM?

IBM Industry solutions 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.

With IBM Industry solutions, companies can identify and visualize trends and patterns in areas, such as customer analytics, that 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

To learn more about the IBM Incentive Compensation Management solution, contact your IBM sales representative or visit: [ibm.com/industries/sales-performance-management](https://www.ibm.com/industries/sales-performance-management).



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