

Compensation Management

Achieve Global Compensation Visibility

SumTotal Compensation Management simplifies and standardizes the planning, modeling, budgeting, analysis, and execution of global compensation and reward policies.

The solution offers a fully configurable environment that enables organizations to build compensation plans to suit their workforces. And when tied to performance management processes (e.g., SumTotal Performance Management), companies are able to deploy true pay-for-performance. There are two key elements to compensation management: Building the plans and reviewing/approving them.

Building Compensation Plans

During the process of establishing compensation plans, companies take into consideration different employee types, such as a software engineer or a sales representative, and establish the primary salary ranges based on the different grades available for each position (e.g., Software Engineer I, Software Engineer II). Each position can be assigned an associated salary or compensation range, which can be further affected by other factors such as seniority, location, and market salary surveys. Which factors are included and how much weight each factor has are easily configured during plan definition. SumTotal Compensation Management includes all aspects of employee compensation, including bonuses, variable pay, and long-term incentives such as stock options.

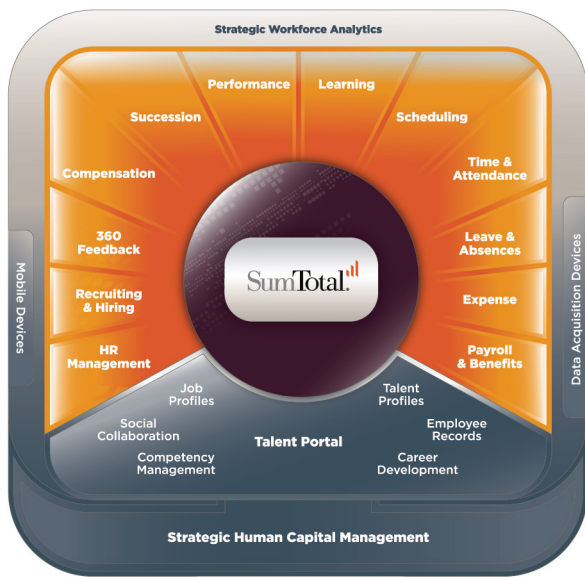
Compensation plan definition within SumTotal is extremely flexible. For instance, a plan can be applied to all employees or groups of employees, different policies in a single plan may apply to all employees or a group of employees, or an organization may cover all of its employees within one plan or within multiple plans. Plans can be tested against the organization's budget using simulations to ensure that policies are practically applied.

Reviewing and Approving Plans

Once compensation plans have been configured for a workforce, the rules devised are applied to employees. Managers review proposed salary adjustments, compare them to standard guidelines (e.g., compa-ratio) or market salary survey data, adjust as necessary, and approve the compensation plans for their direct reports. The data for their direct reports appears on a worksheet that uses similar spreadsheet tools and controls as Microsoft Excel. Additionally, managers can seamlessly import and export their worksheets

Key Benefits

- Simplify compensation policy planning and administration and effectively communicate policies across the organization
- Manage all forms of employee compensation, including salaries, bonuses, variable pay, and long-term incentives (LTI) such as, stock options
- Flexibly define a single company plan or multiple plans across individuals, groups, divisions, and geographies
- Enable pay-for-performance to retain key employees by rewarding them commensurate with their efforts
- Model and simulate the budget impact of salary and compensation actions
- Leverage flexible and configurable workflows to define and execute plan reviews and approvals
- Quickly and easily access detailed job and compensation data, including third-party salary survey data
- Seamlessly import/export compensation worksheets from/to Microsoft Excel
- Analyze all aspects of compensation with detailed reports, analytics, and interactive dashboards to make more informed business decisions



between SumTotal and Excel in order to work offline. SumTotal's relation-based security protects employee compensation information and can only be viewed by validated parties.

A manager's submitted recommendations are available for review by the next level in the organization's hierarchy. Higher levels of management can reject a plan, sending it back for additional changes. Additionally, they can drill down into the organization to examine additional detail as needed.

Cross-Functional Benefits

SumTotal uniquely provides native integrations from Compensation Management to other core talent processes in order to support a holistic, end-to-end talent management strategy.

- **HR Management (HRMS):** Historical compensation data can be used to guide future compensation and reward decisions
- **Learning Management:** Compensation and incentives can be tied to the completion of learning programs
- **Performance Management:** Performance ratings can be used as inputs into compensation decisions, thereby enabling consistent pay-for-performance policies
- **Recruiting & Hiring:** New positions and job profiles can be tied to pre-defined compensation plans
- **Succession Planning:** The financial impact of succession plans can be modeled and analyzed

"Since our pay-for-performance culture helps our employees reach their highest potential, we have to have a common baseline for measurement and visibility to ensure our top performers are rewarded most appropriately. SumTotal gives us the foundation to automate and streamline our people processes and will help us to retain the best."

Tom Croisant,
Director of Compensation and HRIS,
BÖWE BELL + HOWELL

About SumTotal // SumTotal Systems, Inc. is the global leader of strategic Human Capital Management (HCM) solutions that provide organizations with a new level of visibility to help make more informed business decisions and accelerate growth. Recognized by industry analysts as the most complete solution, SumTotal provides full employee lifecycle management, including a core system of record, from a single provider for improved business intelligence. The company offers customers of all sizes and industries the most flexibility and choice with multiple purchase, configuration, and deployment options. We have increased the performance of the world's largest organizations including Sony Electronics (NYSE: SNE), AstraZeneca (NYSE: AZN [ADR]; London: AZN), Amway (KUL:AMWAY), Seagate (NYSE: STX), Dell (NASDAQ:DELL), and Google (NASDAQ:GOOG).

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