HEADCOUNT AND COMPENSATION PLANNING

PLAN-TO-PERFORM BLUEPRINT

WEB-BASED PLANNING FOR MANAGING HEADCOUNT AND SALARY DECISIONS

VERSION 2.0

COGNOS | INNOVATION CENTER
for Performance Management™

EXECUTIVE SUMMARY

This application brief demonstrates a web-based planning process for managing headcount and compensation projections using Cognos Planning. By implementing the *Headcount and Compensation Planning Blueprint*, a company will have forward-looking visibility into workforce decisions at the divisional level, and at the company level as a whole. The headcount projections can be leveraged as a driver in other planning processes of the organization. The *Blueprint* and processes described in this document are generic for employees in any industry in the US, but can be configured to support the complexity of fixed and variable compensation requirements for any industry across many countries.

OVERVIEW

Employee-related expenses are often the largest expense lines on a company's Profit and Loss statement. At the corporate level, maximal effort is made to manage employee-related spending, while at the divisional level, line managers make salary and headcount decisions to optimize the efficiency and output of their staff. Continuous collaboration is required to ensure that divisional level decisions are in line with corporate expectations.

Proper headcount assignment can be dependent upon a number of drivers such as sale volume trends and customer KPI objectives, and may be affected by business operational issues like business unit relocation and restructuring.

Headcount may also be a driver for many other areas, such as help desk support, IT spending, call center support planning, and even sales volume when revenue projections are tied to revenue productivity of sales agents.

Therefore, it is critical that tactical workforce decisions made at the divisional level are aligned with corporate strategy and objectives.

Employee compensation can also be a key driver towards employee productivity. Merit increases tied to individual, team, divisional, and corporate performance objectives can act as an incentive with much more return for the company than an arbitrary annual pay increase.

BLUEPRINT OBJECTIVES:

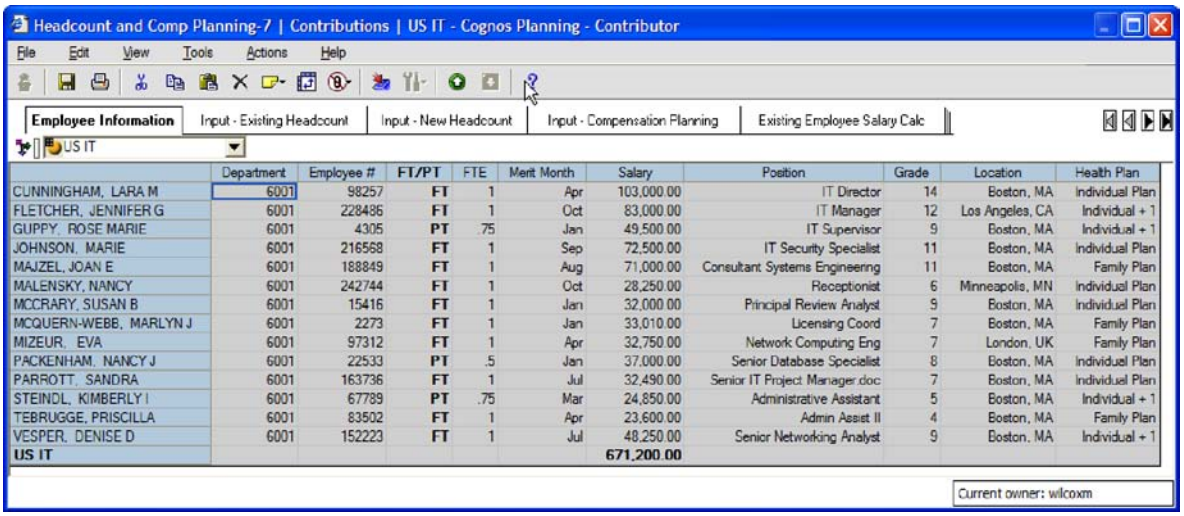
The *Headcount and Compensation Planning Blueprint* achieves a number of planning objectives:

1. Manages headcount for existing, new, and sales employees.
2. Manages salary, merit, and bonus decisions at the employee and/or group level.
3. Determines benefit and tax expenses.
4. Links salary and headcount projections as drivers for other items on an expense plan.
5. Demonstrates variable compensation capabilities.
6. Demonstrates internal transfer planning capabilities.

KEY BENEFITS OF THE COGNOS ENTERPRISE PLANNING SOLUTION:

- Flexible *Blueprint* development using Cognos Analyst to support any *Headcount and Compensation Blueprint*.
- Web-based deployment of models for data collection and consolidation.
- Real-time workflow.
- Real-time consolidation.
- Real-time calculations in the browser for immediate results.
- Scalable architecture with proven deployments to thousands of line managers.
- Linking functionality to provide collaboration between all areas of the corporation.
- Capability to perform form-based planning with selection boxes to drive application logic and calculations.

EMPLOYEE INFORMATION

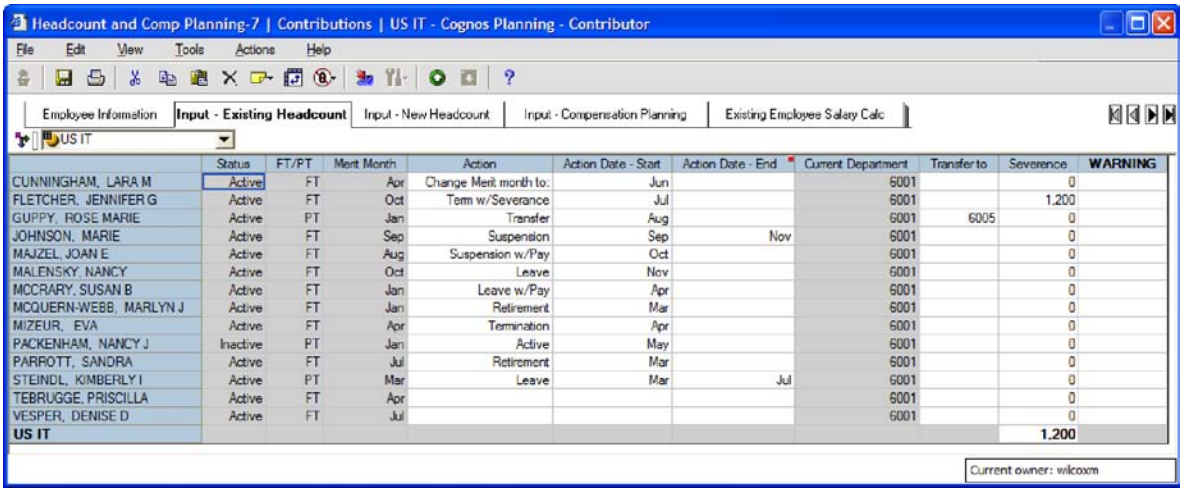


	Department	Employee #	FT/PT	FTE	Merit Month	Salary	Position	Grade	Location	Health Plan
CUNNINGHAM, LARA M	6001	98257	FT	1	Apr	103,000.00	IT Director	14	Boston, MA	Individual Plan
FLETCHER, JENNIFER G	6001	228486	FT	1	Oct	83,000.00	IT Manager	12	Los Angeles, CA	Individual + 1
GUPPY, ROSE MARIE	6001	4305	PT	.75	Jan	49,500.00	IT Supervisor	9	Boston, MA	Individual + 1
JOHNSON, MARIE	6001	216568	FT	1	Sep	72,500.00	IT Security Specialist	11	Boston, MA	Individual Plan
MAJZEL, JOAN E	6001	188849	FT	1	Aug	71,000.00	Consultant Systems Engineerng	11	Boston, MA	Family Plan
MALENSKY, NANCY	6001	242744	FT	1	Oct	28,250.00	Receptionist	6	Minneapolis, MN	Individual Plan
MCCRARY, SUSAN B	6001	15416	FT	1	Jan	32,000.00	Principal Review Analyst	9	Boston, MA	Individual Plan
MCQUERN-WEBB, MARLYN J	6001	2273	FT	1	Jan	33,010.00	Licensing Coord	7	Boston, MA	Family Plan
MIZEUR, EVA	6001	97312	FT	1	Apr	32,750.00	Network Computing Eng	7	London, UK	Family Plan
PACKENHAM, NANCY J	6001	22533	PT	.5	Jan	37,000.00	Senior Database Specialist	8	Boston, MA	Individual Plan
PARROTT, SANDRA	6001	163736	FT	1	Jul	32,490.00	Senior IT Project Manager.doc	7	Boston, MA	Individual Plan
STEINDL, KIMBERLY I	6001	67789	PT	.75	Mar	24,850.00	Administrative Assistant	5	Boston, MA	Individual + 1
TEBRUGGE, PRISCILLA	6001	83502	FT	1	Apr	23,600.00	Admin Assist II	4	Boston, MA	Family Plan
VESPER, DENISE D	6001	152223	FT	1	Jul	48,250.00	Senior Networking Analyst	9	Boston, MA	Individual + 1
US IT						**671,200.00**				

The first tab in the *Blueprint*, ***Employee Information***, contains information uploaded from the current payroll system to calculate both salaries and benefits.

There are no selections to be made on this tab, as it is for informational purposes only.

INPUT—EXISTING HEADCOUNT



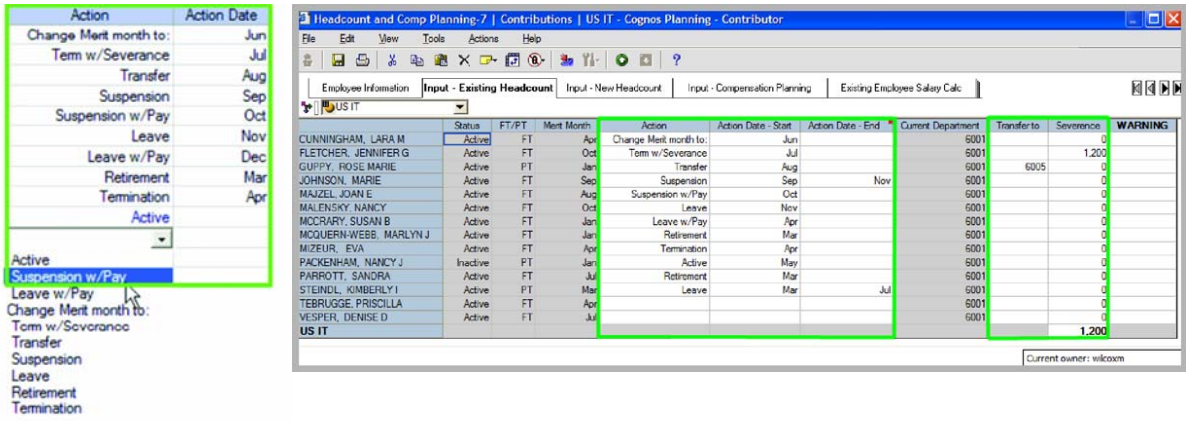
	Status	FT/PT	Merit Month	Action	Action Date - Start	Action Date - End	Current Department	Transfer to	Severence	WARNING
CUNNINGHAM, LARA M	Active	FT	Apr	Change Merit month to:	Jun		6001		0	
FLETCHER, JENNIFER G	Active	FT	Oct	Term w/Severance	Jul		6001		1,200	
GUPPY, ROSE MARIE	Active	PT	Jan	Transfer	Aug		6001	6005	0	
JOHNSON, MARIE	Active	FT	Sep	Suspension	Sep	Nov	6001		0	
MAJZEL, JOAN E	Active	FT	Aug	Suspension w/Pay	Oct		6001		0	
MALENSKY, NANCY	Active	FT	Oct	Leave	Nov		6001		0	
MCCRARY, SUSAN B	Active	FT	Jan	Leave w/Pay	Apr		6001		0	
MCQUERN-WEBB, MARLYN J	Active	FT	Jan	Retirement	Mar		6001		0	
MIZEUR, EVA	Active	FT	Apr	Termination	Apr		6001		0	
PACKENHAM, NANCY J	Inactive	PT	Jan	Active	May		6001		0	
PARROTT, SANDRA	Active	FT	Jul	Retirement	Mar		6001		0	
STEINDL, KIMBERLY I	Active	PT	Mar	Leave	Mar	Jul	6001		0	
TEBRUGGE, PRISCILLA	Active	FT	Apr				6001		0	
VESPER, DENISE D	Active	FT	Jul				6001		0	
US IT									**1,200**	

The second tab of the *Blueprint*, ***Input—Existing Headcount*** is used to manage headcount of existing employees.

Fields in gray are non-editable and are linked over from the ***Employee Information*** tab. Fields in white are editable and used to manage existing headcount.

As changes are made, they are highlighted in **BLUE** along with any cells affected by the change; headcount and salary data is updated automatically to other tabs affected.

The selections in this *Blueprint* are below:

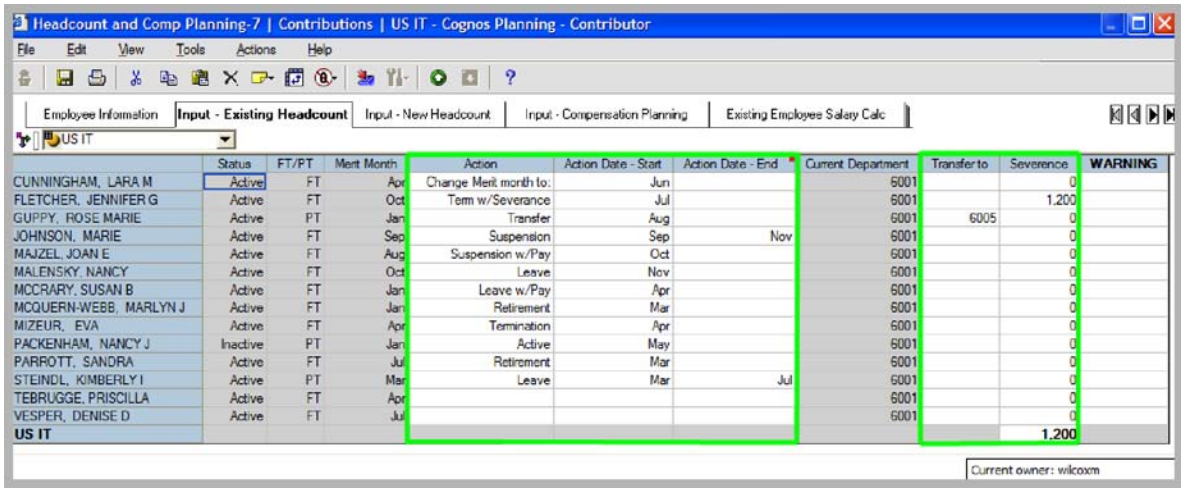


Action. The Action Code field is a list of codes describing the reason for a status change. Each of the codes is associated with different business rules. Financial implications are calculated automatically month-by-month using standardized assumptions. There is no fixed limit to the number of action codes that may be included in the system, and any business rules and conditions may be used.

Action Date-Start. The Action Date-Start provides the effective month for the status change and the corresponding action code. Action Date-Start drives the financial month-by-month changes that occur based upon status changes.

Action Date-End. Action Date-End provides a mechanism to stop the *LEAVE* or *SUSPENSION* actions within the current time scale if desired. Action Date-End drives the financial month-by-month changes that occur based upon Status Changes.

There are additional fields to the right:

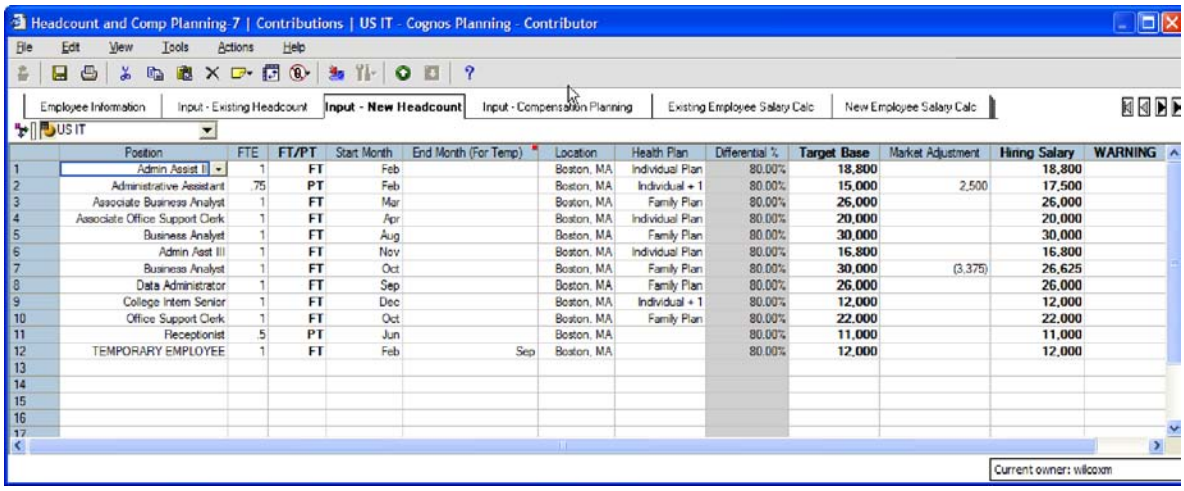


	Status	FT/PT	Merit Month	Action	Action Date - Start	Action Date - End	Current Department	Transfer to	Severence	WARNING
CUNNINGHAM, LARA M	Active	FT	Apr	Change Merit month to:	Jun		6001		0	
FLETCHER, JENNIFER G	Active	FT	Oct	Term w/Severance	Jul		6001		1,200	
GUPPY, ROSE MARIE	Active	PT	Jan	Transfer	Aug		6001	6005	0	
JOHNSON, MARIE	Active	FT	Sep	Suspension	Sep	Nov	6001		0	
MAJZEL, JOAN E	Active	FT	Aug	Suspension w/Pay	Oct		6001		0	
MALENSKY, NANCY	Active	FT	Oct	Leave	Nov		6001		0	
MCCRARY, SUSAN B	Active	FT	Jan	Leave w/Pay	Apr		6001		0	
MCQUERN-WEBB, MARLYN J	Active	FT	Jan	Retirement	Mar		6001		0	
MIZEUR, EVA	Active	FT	Apr	Termination	Apr		6001		0	
PACKENHAM, NANCY J	Inactive	PT	Jan	Active	May		6001		0	
PARROTT, SANDRA	Active	FT	Jul	Retirement	Mar		6001		0	
STEINDL, KIMBERLY I	Active	PT	Mar	Leave	Mar	Jul	6001		0	
TEBRUGGE, PRISCILLA	Active	FT	Apr				6001		0	
VESPER, DENISE D	Active	FT	Jul				6001		0	
US IT									**1,200**	

Transfer To. Companies often have difficulty planning employee transfers in the upcoming year. Employees can sometimes "fall through the cracks." For example, one departmental plan may recognize the transfer-out of a given employee while the receiving depart fails to recognize the transfer-in. The collaborative capabilities of the Cognos Planning Platform allow for processes to manage planned employee transfers effectively.

Severance. When choosing an Action that requires severance pay, a warning is issued to enter the severance amount. Other warnings are issued based upon the selections made. For example, all Actions require an Action Month.

INPUT—NEW HEADCOUNT



	Position	FTE	FT/PT	Start Month	End Month (For Temp)	Location	Health Plan	Differential %	Target Base	Market Adjustment	Hiring Salary	WARNING
1	Admin Assist II	1	FT	Feb		Boston, MA	Individual Plan	80.00%	18,800		18,800	
2	Administrative Assistant	.75	PT	Feb		Boston, MA	Individual + 1	80.00%	15,000	2,500	17,500	
3	Associate Business Analyst	1	FT	Mar		Boston, MA	Family Plan	80.00%	26,000		26,000	
4	Associate Office Support Clerk	1	FT	Apr		Boston, MA	Individual Plan	80.00%	20,000		20,000	
5	Business Analyst	1	FT	Aug		Boston, MA	Family Plan	80.00%	30,000		30,000	
6	Admin Asst III	1	FT	Nov		Boston, MA	Individual Plan	80.00%	16,800		16,800	
7	Business Analyst	1	FT	Oct		Boston, MA	Family Plan	80.00%	30,000	(3,375)	26,625	
8	Data Administrator	1	FT	Sep		Boston, MA	Family Plan	80.00%	26,000		26,000	
9	College Intern Senior	1	FT	Dec		Boston, MA	Individual + 1	80.00%	12,000		12,000	
10	Office Support Clerk	1	FT	Oct		Boston, MA	Family Plan	80.00%	22,000		22,000	
11	Receptionist	.5	PT	Jun		Boston, MA		80.00%	11,000		11,000	
12	TEMPORARY EMPLOYEE	1	FT	Feb	Sep	Boston, MA		80.00%	12,000		12,000	
13												
14												
15												
16												
17												

The third tab, ***Input-New Headcount*** manages the headcount or hiring of new employees.

The department manager enters the projected hiring schedule for the upcoming year. All of the editable fields are white. The fields in gray are determined by the choices made in the white fields. For example, entering an employee's FTE (Full Time Equivalent) as 1 would designate the employee as FT (Full Time), making a choice of .75 or .5 would designate the employee as PT (Part Time). All of the text fields are selected by dropdown.

As before, the changes are highlighted in BLUE. Headcount and salary impacts are reflected automatically in any tabs affected.

Planning by position:

- A selection is made from a list of pre-approved positions.
- The employee's FTE is chosen.
- The FT/PT field is instantly calculated.
- A start month is selected.
- An End Month is selected for a temporary employee whose contract will terminate within the current timescale.
- The employee's working location is selected.
- The employee's health plan choice is selected.

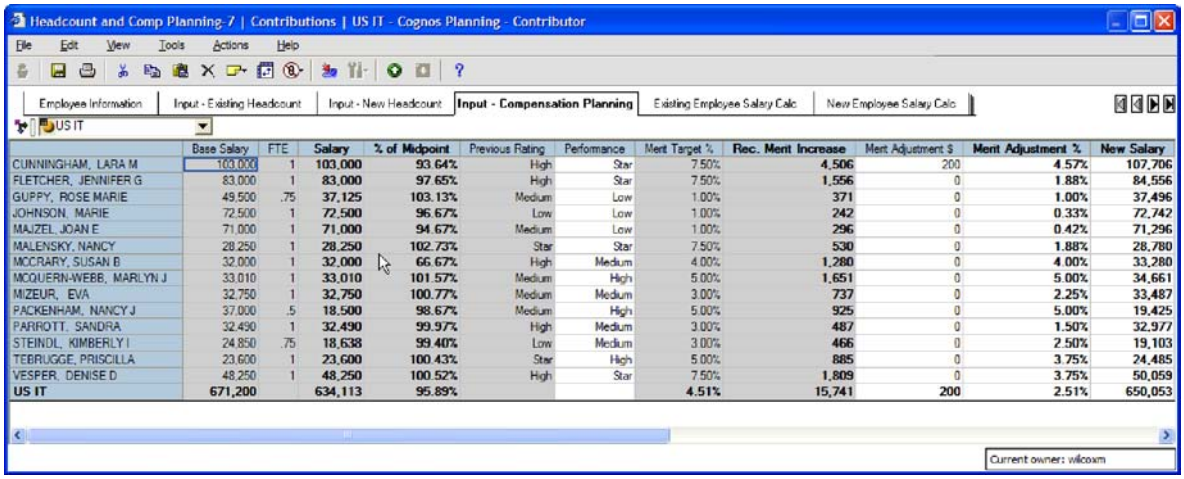
The *Blueprint* allows a differential to be paid based upon employee location. If Minneapolis is the baseline, a Minneapolis location would pay 100 percent of the recommended midpoint for this position. Someone working in New York would get a differential equal to 135 percent of the midpoint, while someone working in Sioux Falls, SD would get 85 percent of the midpoint.

Each position has its associated salary grade. The combination of this salary grade and differential choice causes the Target Base to be populated. The manager makes a Market Adjustment to the Target Base to arrive at a Hiring Salary.

Bonus % is calculated using business rules embedded in the model. Based upon grade, and assuming all first-year employees perform at mid-level, a Bonus % is brought via a lookup table. The model pays a bonus to employees who serve at least six months during the calendar year. That bonus is spread over their entire pay period. The rules are assumptions made within the existing *Blueprint*. It is very easy to modify a *Blueprint* to reflect a customer's own set of headcount and payroll assumptions.

This tab's form-based paradigm allows users to plan based upon the decisions they make to manage their employees, and eliminates burdensome month-by-month calculations of cost and headcount. This streamlines workforce planning for department managers, and offers corporate management visibility into the decisions that drive changes to the workforce, rather than a mere superficial view of departmental dollar spend.

INPUT—COMPENSATION PLANNING

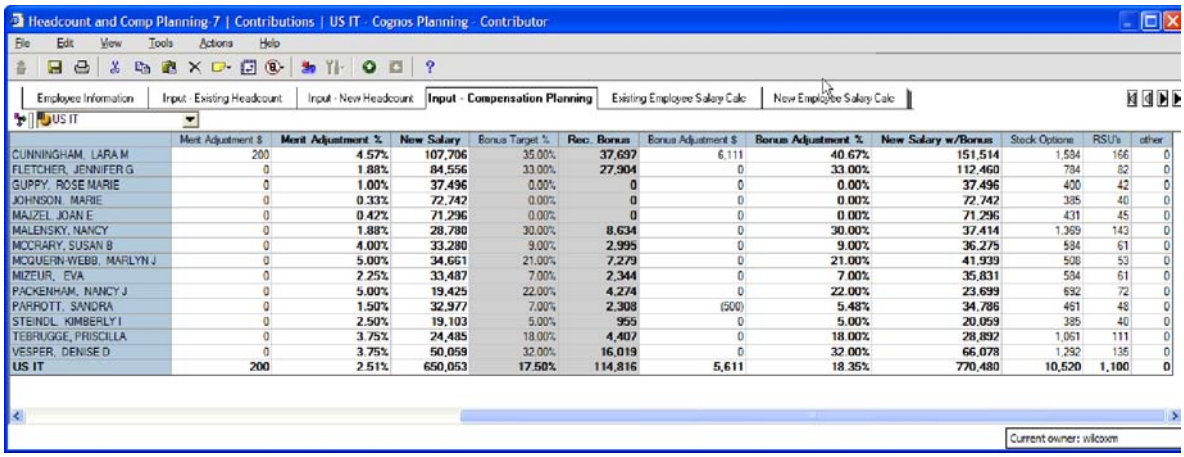


	Base Salary	FTE	Salary	% of Midpoint	Previous Rating	Performance	Merit Target %	Rec. Merit Increase	Merit Adjustment $	Merit Adjustment %	New Salary
CUNNINGHAM, LARA M	103,000	1	103,000	93.64%	High	Star	7.50%	4,506	200	4.57%	107,706
FLETCHER, JENNIFER G	83,000	1	83,000	97.65%	High	Star	7.50%	1,556	0	1.88%	84,556
GUPPY, ROSE MARIE	49,500	.75	37,125	103.13%	Medium	Low	1.00%	371	0	1.00%	37,496
JOHNSON, MARIE	72,500	1	72,500	96.67%	Low	Low	1.00%	242	0	0.33%	72,742
MAIZEL, JOAN E	71,000	1	71,000	94.67%	Medium	Low	1.00%	296	0	0.42%	71,296
MALENSKY, NANCY	28,250	1	28,250	102.73%	Star	Star	7.50%	530	0	1.88%	28,780
MCCRARY, SUSAN B	32,000	1	32,000	66.67%	High	Medium	4.00%	1,280	0	4.00%	33,280
MCQUERN-WEBB, MARLYN J	33,010	1	33,010	101.57%	Medium	High	5.00%	1,651	0	5.00%	34,661
MIZEUR, EVA	32,750	1	32,750	100.77%	Medium	Medium	3.00%	737	0	2.25%	33,487
PACKENHAM, NANCY J	37,000	.5	18,500	98.67%	Medium	High	5.00%	925	0	5.00%	19,425
PARROTT, SANDRA	32,490	1	32,490	99.97%	High	Medium	3.00%	487	0	1.50%	32,977
STEINDL, KIMBERLY I	24,850	.75	18,638	99.40%	Low	Medium	3.00%	466	0	2.50%	19,103
TEBRUGGE, PRISCILLA	23,600	1	23,600	100.43%	Star	High	5.00%	885	0	3.75%	24,485
VESPER, DENISE D	48,250	1	48,250	100.52%	High	Star	7.50%	1,809	0	3.75%	50,059
US IT	**671,200**		**634,113**	**95.89%**			**4.51%**	**15,741**	**200**	**2.51%**	**650,053**

The first three tabs have focused on headcount planning. In ***Input-Compensation Planning*** tab, we manage existing employee compensation, which will require decisions in four areas.

The first decision will be to select a Performance level for each employee from a drop-down list of choices. In the *Blueprint*, an employee may fall into the category of Star, High, Medium, or Low. This information, combined with an employee's position relative to the midpoint salary, determines Recommended Merit Increase.

Recommended Merit Increase may be adjusted to reflect the user's ultimate desire. Adjustment may be made by changing either the Merit Adjustment $ or the Merit Adjustment %. Manipulating either will reflect in a New Salary being calculated for the employee.



	Merit Adjustment $	Merit Adjustment %	New Salary	Bonus Target %	Rec. Bonus	Bonus Adjustment $	Bonus Adjustment %	New Salary w/Bonus	Stock Options	RSU's	other
CUNNINGHAM, LARA M	200	4.57%	107,706	35.00%	37,697	6,111	40.67%	151,514	1,584	166	0
FLETCHER, JENNIFER G	0	1.88%	84,556	33.00%	27,904	0	33.00%	112,460	784	82	0
GUPPY, ROSE MARIE	0	1.00%	37,496	0.00%	0	0	0.00%	37,496	400	42	0
JOHNSON, MARIE	0	0.33%	72,742	0.00%	0	0	0.00%	72,742	385	40	0
MAIZEL, JOAN E	0	0.42%	71,296	0.00%	0	0	0.00%	71,296	431	45	0
MALENSKY, NANCY	0	1.88%	28,780	30.00%	8,634	0	30.00%	37,414	1,369	143	0
MCCRARY, SUSAN B	0	4.00%	33,280	9.00%	2,995	0	9.00%	36,275	584	61	0
MCQUERN-WEBB, MARLYN J	0	5.00%	34,661	21.00%	7,279	0	21.00%	41,939	508	53	0
MIZEUR, EVA	0	2.25%	33,487	7.00%	2,344	0	7.00%	35,831	584	61	0
PACKENHAM, NANCY J	0	5.00%	19,425	22.00%	4,274	0	22.00%	23,699	692	72	0
PARROTT, SANDRA	0	1.50%	32,977	7.00%	2,308	(500)	5.48%	34,786	461	48	0
STEINDL, KIMBERLY I	0	2.50%	19,103	5.00%	955	0	5.00%	20,059	385	40	0
TEBRUGGE, PRISCILLA	0	3.75%	24,485	18.00%	4,407	0	18.00%	28,892	1,061	111	0
VESPER, DENISE D	0	3.75%	50,059	32.00%	16,019	0	32.00%	66,078	1,292	135	0
US IT	**200**	**2.51%**	**650,053**	**17.50%**	**114,816**	**5,611**	**18.35%**	**770,480**	**10,520**	**1,100**	**0**

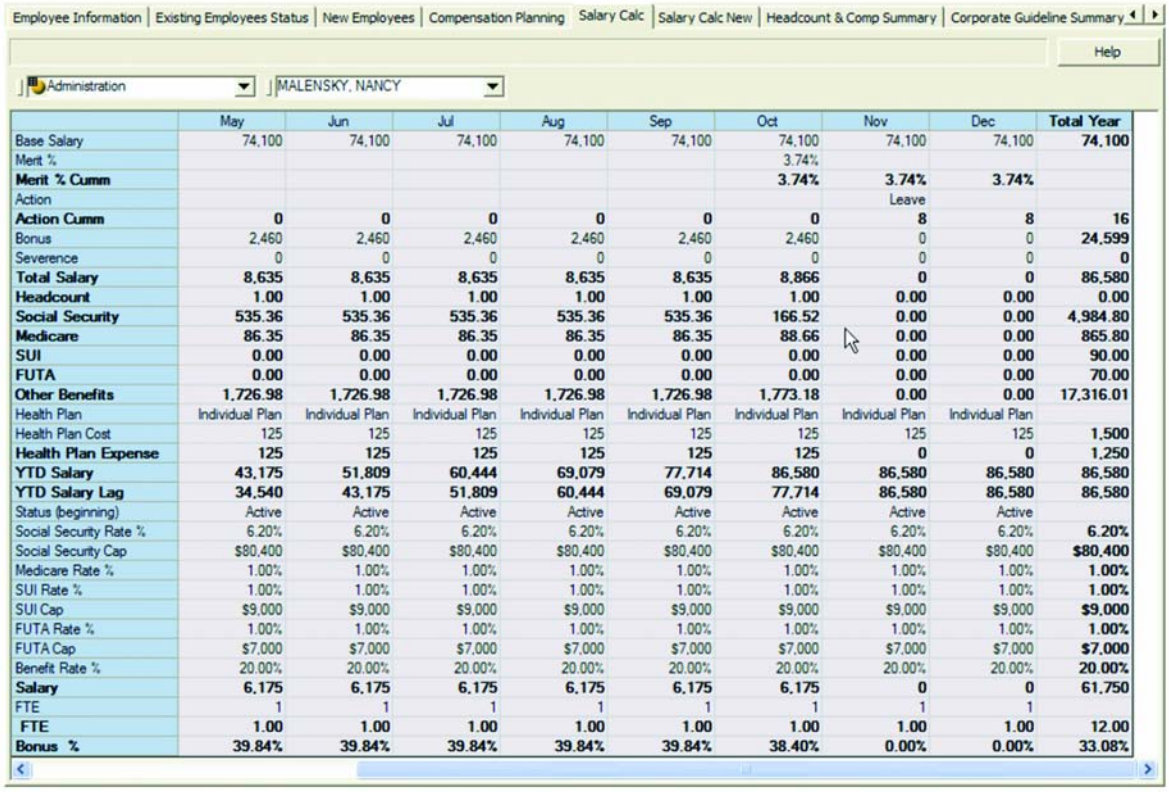
Having arrived at a New Salary, a user may adjust the Recommended Bonus. Bonus % is looked up in a table based upon the employee's performance and grade level. Bonus % is therefore a corporate guideline. As with the Merit Increase, Recommended Bonus may be adjusted using either the Bonus Adjustment $ or the Bonus Adjustment % fields. Adjusting either will cause a New Salary with Bonus to be calculated.

The fourth and final decision centers on Equity. A user may grant Stock Options, RSU's (Restricted Share Units), or "other" compensation to the employee.

Once having completed these four decisions, the *Blueprint* has all the information it needs to calculate monthly Salary, Benefits, and Headcount.

It should be noted that a user could plan for an individual employee or for all employees at once. Planning at the Total Department level allows managers to target specific corporate guidelines in areas such as Merit Compensation or Department Bonuses.

EXISTING EMPLOYEE SALARY CALC



Employee Information | Existing Employees Status | New Employees | Compensation Planning | Salary Calc | Salary Calc New | Headcount & Comp Summary | Corporate Guideline Summary

Help

Administration | MALENSKY, NANCY

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Year
Base Salary	74,100	74,100	74,100	74,100	74,100	74,100	74,100	74,100	**74,100**
Merit %						3.74%			
Merit % Cumm						**3.74%**	**3.74%**	**3.74%**	
Action							Leave		
Action Cumm	**0**	**0**	**0**	**0**	**0**	**0**	**8**	**8**	**16**
Bonus	2,460	2,460	2,460	2,460	2,460	2,460	0	0	**24,599**
Severence	0	0	0	0	0	0	0	0	**0**
Total Salary	**8,635**	**8,635**	**8,635**	**8,635**	**8,635**	**8,866**	**0**	**0**	**86,580**
Headcount	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**0.00**	**0.00**	**0.00**
Social Security	**535.36**	**535.36**	**535.36**	**535.36**	**535.36**	**166.52**	**0.00**	**0.00**	**4,984.80**
Medicare	**86.35**	**86.35**	**86.35**	**86.35**	**86.35**	**88.66**	**0.00**	**0.00**	**865.80**
SUI	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**90.00**
FUTA	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**70.00**
Other Benefits	**1,726.98**	**1,726.98**	**1,726.98**	**1,726.98**	**1,726.98**	**1,773.18**	**0.00**	**0.00**	**17,316.01**
Health Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	
Health Plan Cost	125	125	125	125	125	125	125	125	**1,500**
Health Plan Expense	**125**	**125**	**125**	**125**	**125**	**125**	**0**	**0**	**1,250**
YTD Salary	**43,175**	**51,809**	**60,444**	**69,079**	**77,714**	**86,580**	**86,580**	**86,580**	**86,580**
YTD Salary Lag	**34,540**	**43,175**	**51,809**	**60,444**	**69,079**	**77,714**	**86,580**	**86,580**	**86,580**
Status (beginning)	Active	Active	Active	Active	Active	Active	Active	Active	
Social Security Rate %	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	**6.20%**
Social Security Cap	$80,400	$80,400	$80,400	$80,400	$80,400	$80,400	$80,400	$80,400	**$80,400**
Medicare Rate %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	**1.00%**
SUI Rate %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	**1.00%**
SUI Cap	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	**$9,000**
FUTA Rate %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	**1.00%**
FUTA Cap	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	$7,000	**$7,000**
Benefit Rate %	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	**20.00%**
Salary	**6,175**	**6,175**	**6,175**	**6,175**	**6,175**	**6,175**	**0**	**0**	**61,750**
FTE	1	1	1	1	1	1	1	1	
FTE	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**12.00**
Bonus %	**39.84%**	**39.84%**	**39.84%**	**39.84%**	**39.84%**	**38.40%**	**0.00%**	**0.00%**	**33.08%**

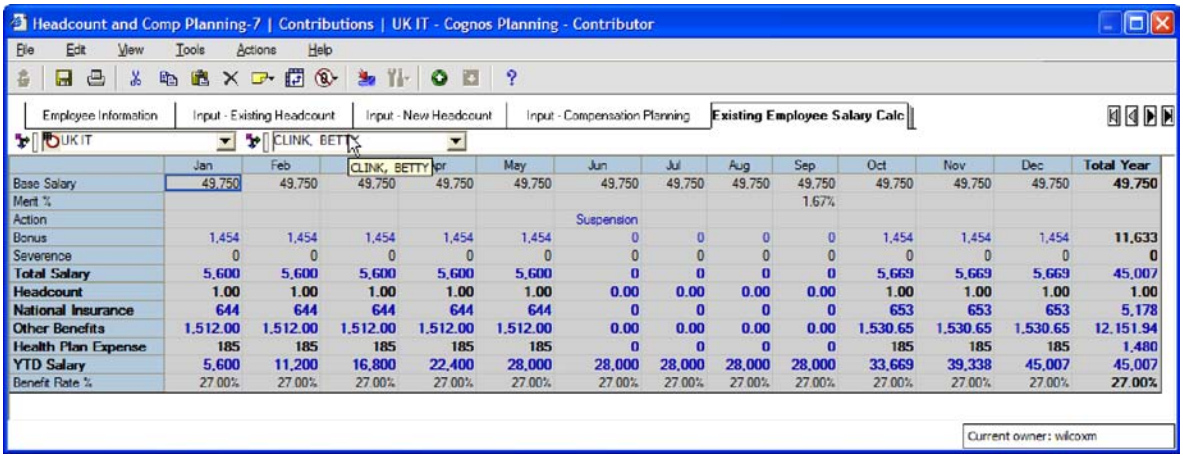
Tabs five and six in the *Blueprint*, ***Existing Employee Salary Calc*** and ***New Employee Salary Calc*** calculate — by Employee or New Position — monthly Salary, Merit Increases, Bonuses, Government Impositions, Benefits, and Headcount. All calculations reflect choices made on preceding tabs. It is not necessary to display this information. They are included for informational purposes. An Administrator of the Cognos Contributor application could decide to hide these tabs and allow users to see results in the following ***Headcount and Compensation Summary*** tab.

As staffing changes were made on the previous tabs, financial impacts were automatically calculated for each month and highlighted in BLUE. **Notice how many calculations are performed automatically by just a few changes to the plan!!** Managers are spared having to figure out the financial impact of workforce changes, allowing the system to do it for them.

The Salaries, Variable Comp, Bonus, and Severance lines are calculated by entries on the previous tabs. The Benefits lines are calculated as a standard rate per active employee. Social Security, Medicare, and FUTA taxes are calculated employee-by-employee using the appropriate rates and taxable caps.

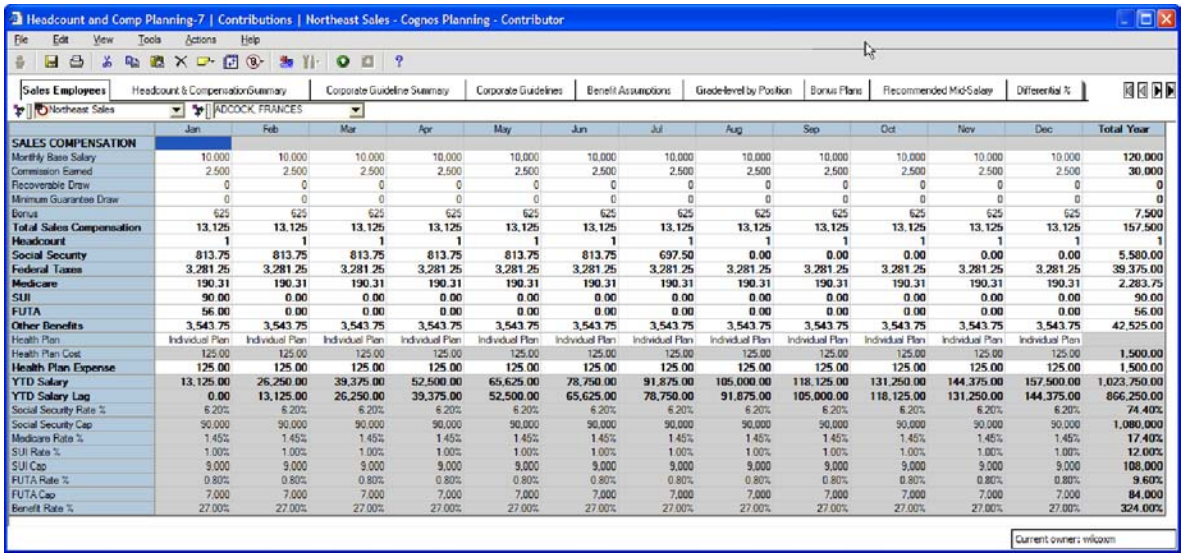
Headcount can be a driver for additional expense line items. Many of the IT allocations are sensitive to head-count change, since they use a standard cost rate per active employee. So, as the employee headcount changes, the associated IT expenses would automatically be calculated.

Additional driver-based planning sensitivities could be adopted in the *Blueprint*. For example, travel expenses could be driven by headcount, but also made sensitive to the employee's position. A sales person could have a higher travel cost estimate than an administrative assistant. Travel expenses could be automatically estimated based on staffing and positions in the department.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Year
Base Salary	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750	49,750
Merit %									1.67%				
Action						Suspension							
Bonus	1,454	1,454	1,454	1,454	1,454	0	0	0	0	1,454	1,454	1,454	11,633
Severence	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Salary	5,600	5,600	5,600	5,600	5,600	0	0	0	0	5,669	5,669	5,669	45,007
Headcount	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
National Insurance	644	644	644	644	644	0	0	0	0	653	653	653	5,178
Other Benefits	1,512.00	1,512.00	1,512.00	1,512.00	1,512.00	0.00	0.00	0.00	0.00	1,530.65	1,530.65	1,530.65	12,151.94
Health Plan Expense	185	185	185	185	185	0	0	0	0	185	185	185	1,480
YTD Salary	5,600	11,200	16,800	22,400	28,000	28,000	28,000	28,000	28,000	33,669	39,338	45,007	45,007
Benefit Rate %	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%

Note in the screen above—where we've logged in as IT manager in the UK—Social Security, Medicare, and FUTA taxes are no longer displayed. Since the *Blueprint* enables appropriate local tax calculation, for the UK we would calculate National Insurance.

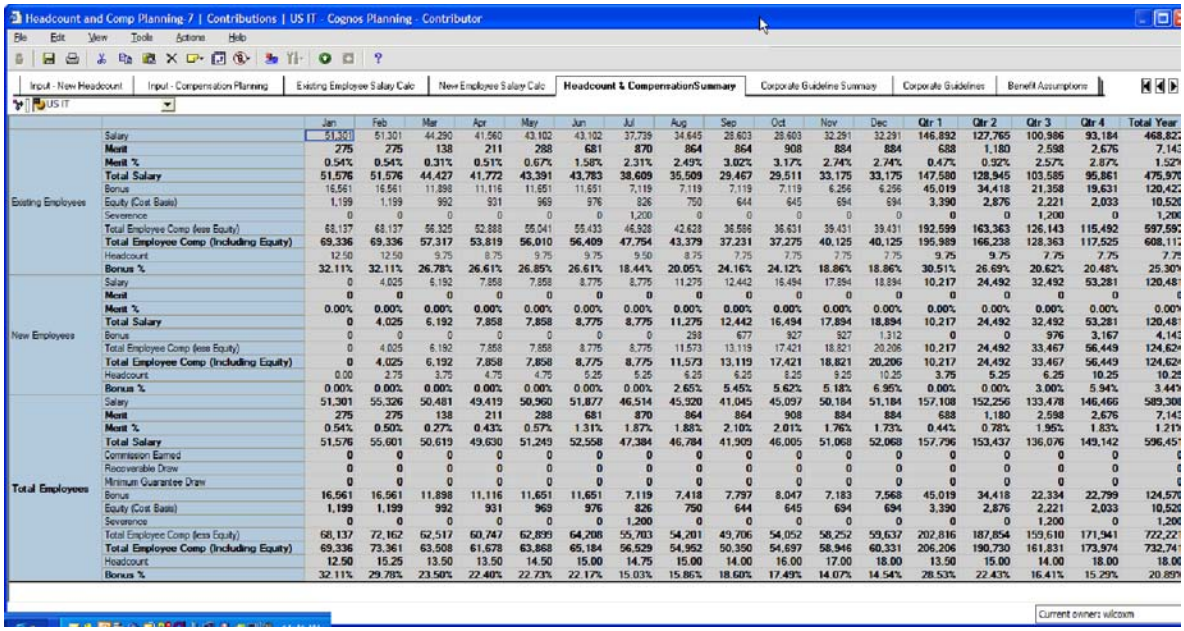


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Year
SALES COMPENSATION													
Monthly Base Salary	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Commission Earned	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Recoverable Draw	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum Guarantee Draw	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonus	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Total Sales Compensation	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	13,125	157,500
Headcount	1	1	1	1	1	1	1	1	1	1	1	1	1
Social Security	813.75	813.75	813.75	813.75	813.75	813.75	697.50	0.00	0.00	0.00	0.00	0.00	5,580.00
Federal Taxes	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	3,281.25	39,375.00
Medicare	190.31	190.31	190.31	190.31	190.31	190.31	190.31	190.31	190.31	190.31	190.31	190.31	2,283.75
SUI	90.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00
FUTA	56.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.00
Other Benefits	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	3,543.75	42,525.00
Health Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	Individual Plan	
Health Plan Cost	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
Health Plan Expense	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	1,500.00
YTD Salary	13,125.00	26,250.00	39,375.00	52,500.00	65,625.00	78,750.00	91,875.00	105,000.00	118,125.00	131,250.00	144,375.00	157,500.00	1,023,750.00
YTD Salary Lag	0.00	13,125.00	26,250.00	39,375.00	52,500.00	65,625.00	78,750.00	91,875.00	105,000.00	118,125.00	131,250.00	144,375.00	866,250.00
Social Security Rate %	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	74.40%
Social Security Cap	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	1,080,000
Medicare Rate %	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	17.40%
SUI Rate %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	12.00%
SUI Cap	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
FUTA Rate %	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	9.60%
FUTA Cap	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Benefit Rate %	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	27.00%	324.00%

The ***Sales Employees*** tab above is visible only to locations actually having sales employees, and is fed sales compensation information from the *Sales Compensation Release 2 Blueprint*. Using that *Blueprint*, managers plan for sales staff and calculate staff compensation. Information is fed into the ***Sales Employees*** tab to calculate government impositions, healthcare costs, and other headcount-driven expenses. A sales manager need not enter the *Headcount and Compensation Blueprint* for these calculations to run. The Contributor Administrator executes the link necessary to feed required information. Calculated information is then available to a P&L for review.

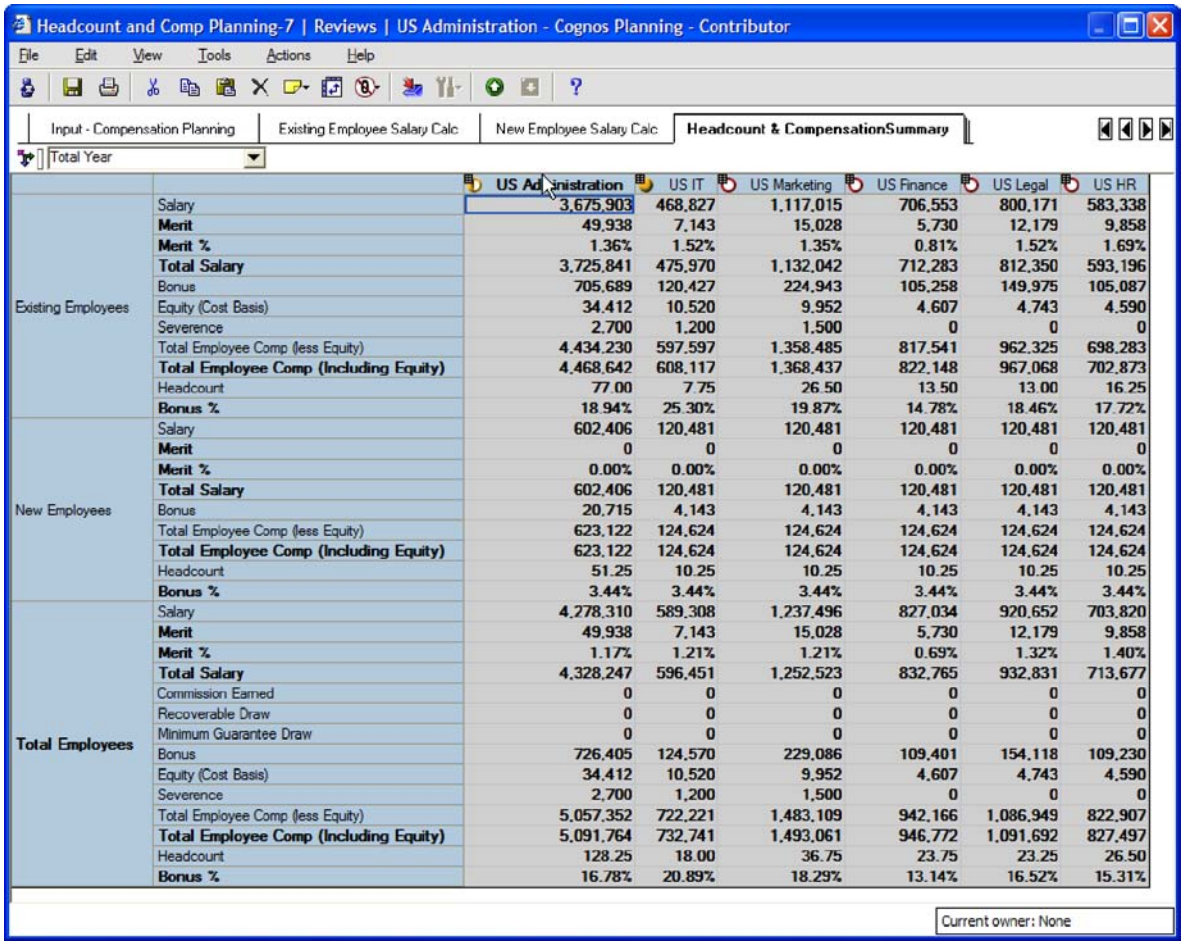
Though designed to work in conjunction with the *Sales Compensation Release 2 Blueprint*, the ***Sales Employees*** tab may be fed from any source containing appropriate data.

HEADCOUNT AND COMPENSATION SUMMARY



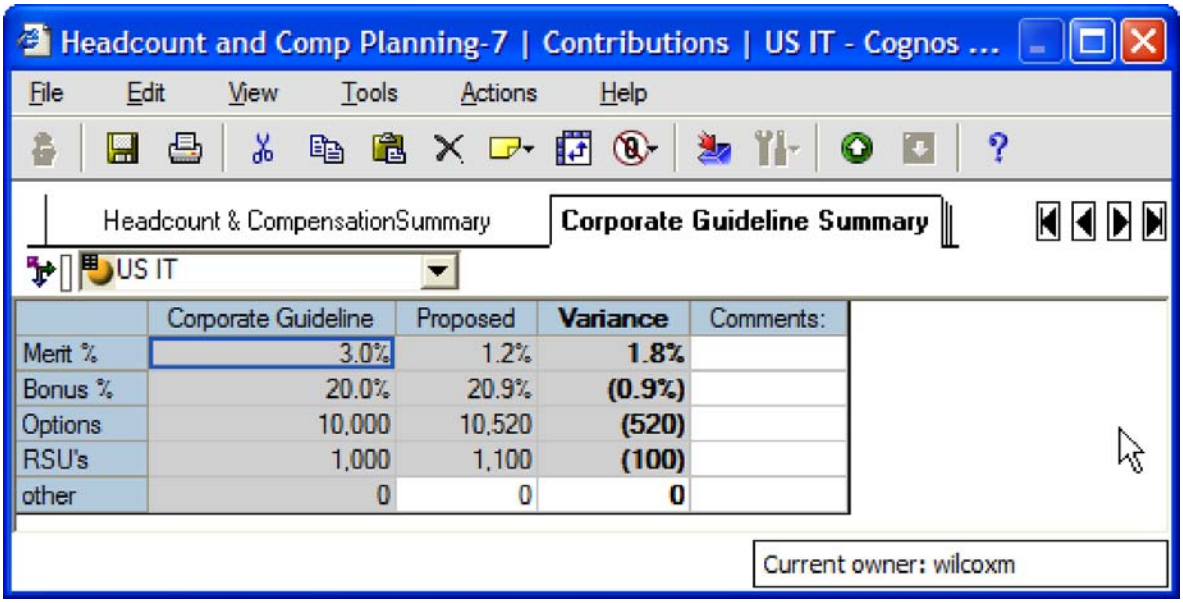
The seventh tab in the *Blueprint*, ***Headcount and Compensation Summary***, consolidates the information in the two or three preceding tabs to provide a view of the entire Headcount and Compensation proposed for the department.

Users who are reviewers for more than one department may re-orient this tab to view the Compensation for all reporting departments for easy comparisons and evaluation.



		US Administration	US IT	US Marketing	US Finance	US Legal	US HR
Existing Employees	Salary	3,675,903	468,827	1,117,015	706,553	800,171	583,338
	Merit	49,938	7,143	15,028	5,730	12,179	9,858
	Merit %	1.36%	1.52%	1.35%	0.81%	1.52%	1.69%
	Total Salary	3,725,841	475,970	1,132,042	712,283	812,350	593,196
	Bonus	705,689	120,427	224,943	105,258	149,975	105,087
	Equity (Cost Basis)	34,412	10,520	9,952	4,607	4,743	4,590
	Severence	2,700	1,200	1,500	0	0	0
	Total Employee Comp (less Equity)	4,434,230	597,597	1,358,485	817,541	962,325	698,283
	Total Employee Comp (Including Equity)	4,468,642	608,117	1,368,437	822,148	967,068	702,873
	Headcount	77.00	7.75	26.50	13.50	13.00	16.25
	Bonus %	18.94%	25.30%	19.87%	14.78%	18.46%	17.72%
New Employees	Salary	602,406	120,481	120,481	120,481	120,481	120,481
	Merit	0	0	0	0	0	0
	Merit %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total Salary	602,406	120,481	120,481	120,481	120,481	120,481
	Bonus	20,715	4,143	4,143	4,143	4,143	4,143
	Total Employee Comp (less Equity)	623,122	124,624	124,624	124,624	124,624	124,624
	Total Employee Comp (Including Equity)	623,122	124,624	124,624	124,624	124,624	124,624
	Headcount	51.25	10.25	10.25	10.25	10.25	10.25
	Bonus %	3.44%	3.44%	3.44%	3.44%	3.44%	3.44%
Total Employees	Salary	4,278,310	589,308	1,237,496	827,034	920,652	703,820
	Merit	49,938	7,143	15,028	5,730	12,179	9,858
	Merit %	1.17%	1.21%	1.21%	0.69%	1.32%	1.40%
	Total Salary	4,328,247	596,451	1,252,523	832,765	932,831	713,677
	Commission Earned	0	0	0	0	0	0
	Recoverable Draw	0	0	0	0	0	0
	Minimum Guarantee Draw	0	0	0	0	0	0
	Bonus	726,405	124,570	229,086	109,401	154,118	109,230
	Equity (Cost Basis)	34,412	10,520	9,952	4,607	4,743	4,590
	Severence	2,700	1,200	1,500	0	0	0
	Total Employee Comp (less Equity)	5,057,352	722,221	1,483,109	942,166	1,086,949	822,907
	Total Employee Comp (Including Equity)	5,091,764	732,741	1,493,061	946,772	1,091,692	827,497
	Headcount	128.25	18.00	36.75	23.75	23.25	26.50
	Bonus %	16.78%	20.89%	18.29%	13.14%	16.52%	15.31%

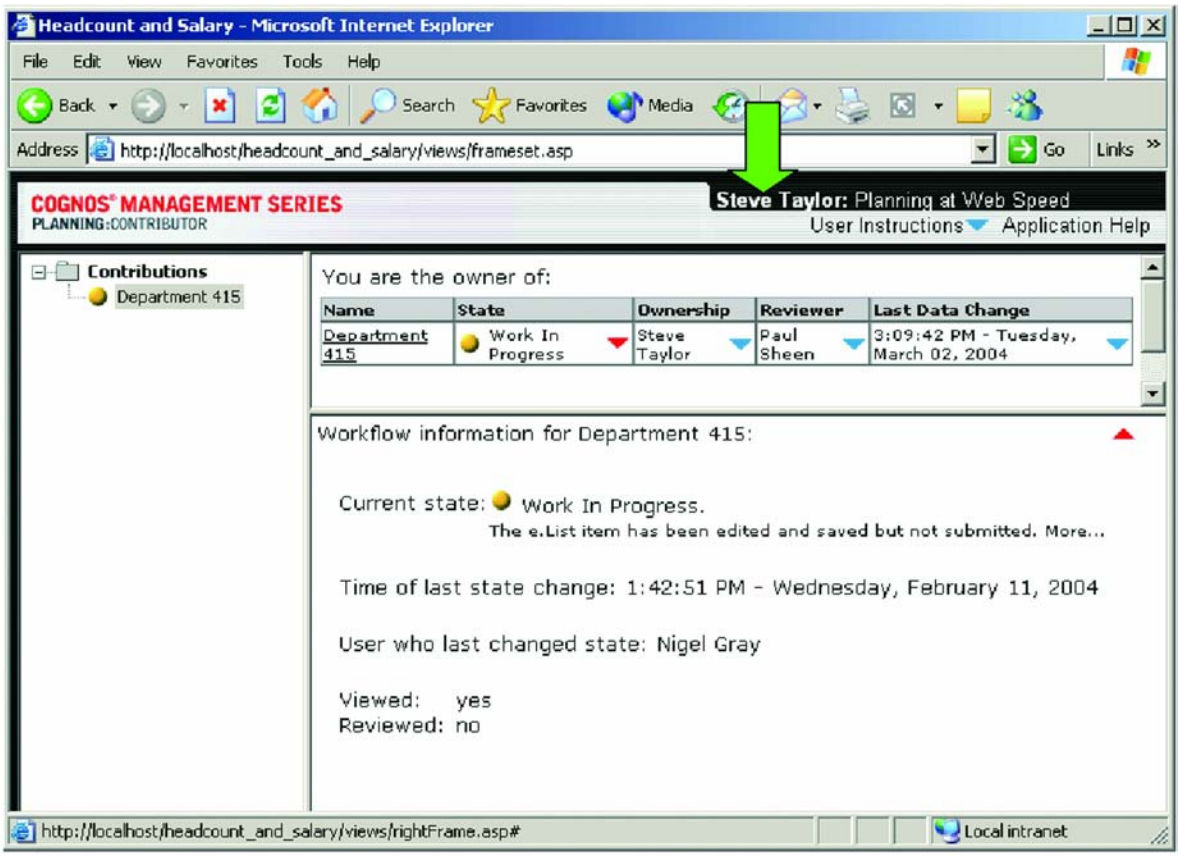
CORPORATE GUIDELINE SUMMARY



The final tab is *Blueprint* is ***Corporate Guideline Summary***, which compares proposed merit increases, bonuses granted, and equity awarded to the corporate guidelines that have been set. This tab may also be re-orientated to provide a view across multiple departments.

REAL-TIME WORKFLOW VISIBILITY

Logged in as Steve Taylor, manager of Department 415.

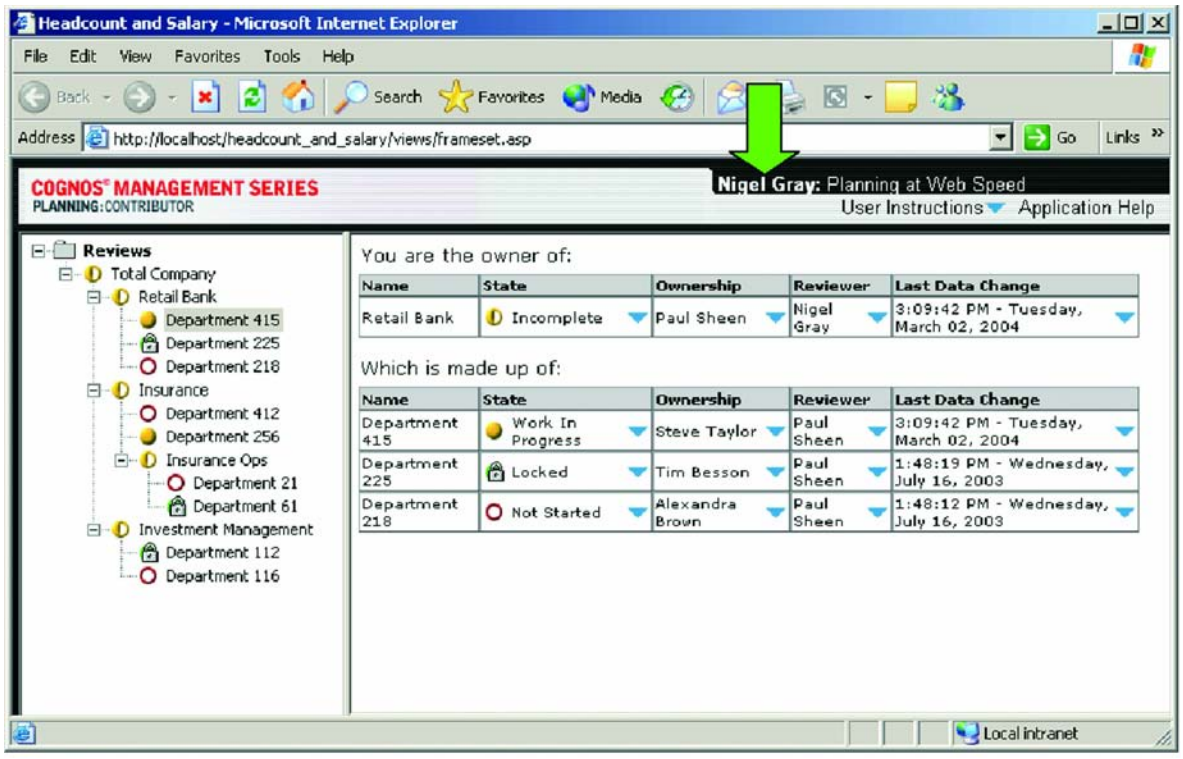


Steve Taylor is the manager of Department 415. When Steve logs in, the workflow perspective contains only the departments that he is responsible for. Steve can view additional information regarding the status of the plan by clicking on the down triangles within each cell.

Before data is entered, the state of the plan is designated as **Not started**. Once a plan is saved, the state becomes **Work in progress** and remains accessible for further editing. When an item is submitted, the plan is **Locked** and no more changes can be made. The locked state indicates that the plan is ready for review. A reviewer can review the plan in any state, but can only reject a locked plan item. When a locked plan is rejected, it returns to a state of work in progress, making it editable once again for the departmental manager.

REAL-TIME WORKFLOW VISIBILITY

Logged in as Nigel Gray, manager at the Total Company level.



As managers are making changes to the departmental plans, upper-level managers have real-time visibility to the workflow status of the company-wide headcount and salary plan.

In this example, Nigel Gray is the manager at the Total Company level, and can see the workflow status of each submission. Nigel can see that Steve Taylor, manager of Department 415, is still working on the plan for this department. Nigel can view Steve's plan and can also see the consolidated expense plan for all departments in the Retail Bank or consolidated at the entire Total Company level.

The workflow status changes, while data consolidation and aggregation all occur in real-time, without the need for a batch process to be performed on the database.

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The Cognos Innovation Center is dedicated to transforming routine performance management practices into "next practices" that help cut costs, minimize risk, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

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