Global life sciences corporation optimizes compensation process

Overview

Business challenge

- Over 30 different organizations in 28 regions involved
- Getting 600 regional approvals within each pay cycle

Solution

- Automatic task assignment and guided task completion
- Real-time progress reporting to manage bottlenecks

Benefits

- Cycle time reduced from 30 to 7 days
- Compatibility with existing document management systems

With over 12,000 sales people in North America alone, this life sciences corporation has one of the largest sales forces in the world. Their compensation plans involve sophisticated, constantly changing incentives. Calculating, validating, and approving incentive compensation on a monthly basis across 28 North American regions is an enormous job. Naturally, paying the sales teams accurately and on time is a priority. This is the chief mandate of the Incentive Compensation Solutions (ICS) team.

The challenge of managing a distributed process

The top challenges the ICS team must manage are accuracy and coordination. An accurate incentive compensation report must be generated for each sales team, validated by a central team responsible for report templates and calculations, and then distributed to regional management for approval. Like many organizations, the ICS team was using the tools at hand—MS Excel, shared network drives, e-mail, and lots of phone calls. Because the process relied so heavily on human interactions, inefficiencies existed in many steps of the process:

- **Error-Prone Manual Tasks.** Report templates are updated regularly to handle new incentives and formats. Templates are manually selected from a shared network drive resulting in human error and subsequent rework to fix.
- **Difficult to Understand Process Status.** The ICS team manually sent e-mails with Excel attachments to regional management for approval. It was nearly impossible to gain a real-time view of the status across the 28 regions resulting in phone calls and e-mails to try to determine bottlenecks.

"The field force is happier because it gets paid faster, with fewer errors. It's motivation for the people who really drive our revenue."

—ICS Project Leader

- **Informal Error Handling and Resolution.** No formal process existed to handle errors. Errors were sent in e-mails without a process to ensure that they were fixed before the next pay cycle.
- **Incomplete Tasks, Inconsistent Quality.** No formal mechanisms existed for ensuring all of the validation or approval tasks required were performed. Enforcing procedures is essential to achieving consistency and quality across such a large set of validators and approvers.

The right tools to manage collaboration

The ICS team used Lombardi Teamworks® to achieve greater control and efficiency in executing the reporting validation and approval process. With Teamworks, the ICS team can now initiate the entire process at any time and proactively track and manage the process through completion with unprecedented efficiency. Key capabilities include:

- **Automated Task Assignment.** ICS managers can initiate the reporting process for any type of report at any time. Teamworks automatically determines which users and organizations should receive tasks and notifies them of the work required and the due date.
- **Ensuring Accuracy and Completeness of Every Task.** Coaches guide users through tasks by identifying all areas of a report that must be approved—improving compliance and consistency.
- **Managing the Bottlenecks.** Web-based ScoreBoards give managers real-time visibility into the process status across all regions. At any time, managers can view an activity, drill down into bottlenecks, and track any user that is falling behind.
- **Continuous Process Improvement.** An error tracking process allows users to log any problem they find. The error can be tracked through resolution, assuring the problems reported will be resolved before the next cycle—the basis for continuous process improvement.

Solution Components

Services
- Lombardi Teamworks®

IBM Business Partner
- Lombardi Services

Working with existing applications

One of the key requirements for the ICS team was for the solution to leverage existing infrastructure. Teamworks' standards-based architecture allowed them to do that. Report templates are stored in Documentum and automatically attached to process tasks. Tasks are then sent as links in an e-mail, which steps managers through the approval process.

Results in 90 days platform for the future

The first version of the automated Incentive Compensation Process solution was deployed just 90 days from project inception. This included integration to all key systems and deployment to all 28 regions with hundreds of users. With Teamworks, the ICS team now has the platform in place to continuously improve their process from pay cycle to pay cycle. In the future, the ICS team will enable report approval using mobile devices, introduce new report types, and provide an enhanced process for error tracking and resolution.

Why BPM from IBM?

Business Process Management (BPM) software and services from IBM help organizations optimize business performance by discovering, documenting, automating, and continuously improving business processes to increase efficiency and reduce costs.

For more information

To learn more about IBM's version of Lombardi's Teamworks offering, IBM® WebSphere® Lombardi Edition, please contact your IBM marketing representative or IBM Business Partner, or visit the following Web site:

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