

Oracle Incentive Compensation

Version 12

Features and Business Benefits

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Agenda

- **Overview of Incentive Compensation**
- **Features & Benefits**
- **High Value Capabilities**
- **R12 New Features**
- **OIC Customers**
- **Analyst Recognition**
- **Demo**

Incentive Comp Overview

- Oracle Incentive Compensation (OIC) primarily used to calculate and pay Sales Commissions and Bonuses
 - **Applicable to *any* Variable Compensation**
- OIC and the Industry:
 - **Most mature incentive calculation product in the industry – released in 1997, with over 10 major releases since.**
 - **Largest Live Install Base of all incentive calculation products in the industry.**
 - **550+ live customers**
 - **1.2M payees in production**
 - **Proven to be Scalable and Flexible, by large Oracle customers.**
 - **300,000+ payees**
 - **3,000,000+ transactions/month**
 - **Broad Industry Coverage including Mfg/Tech, Retail, Telco, Financial Services, Pharmaceuticals, Medical Devices**
 - **Recognized as one of the market leaders in the segment by Analysts**

OIC Features & Benefits

- **Ability for Business Users to define and maintain re-useable rules-based Incentive Compensation plan components and configure them to compensation plans**
 - **Provides the ability to develop flexible Incentive Compensation plans that meet the diverse needs of the customer business process**
 - **Next comp plan year changes easily implemented**
 - **Allows Business to take responsibility for Incentive Compensation process**
- **Support for multiple types of Incentive Compensation, including:**
 - **Quota or Amount-based**
 - **Revenue-based, Unit-based**
 - **Non-Revenue – Contests, Promotions, etc...**
 - **Draws (Recoverable / non-Recoverable)**

OIC Features & Benefits

- **Ability to support diverse Transaction Sources for Incentive Compensation calculation purposes, including:**
 - **Oracle Accounts Receivable, Order Management**
 - **Flat File / Spreadsheet**
 - **Third Party systems (via OIC API)**
- **Out of the box integration with Oracle Payroll and Accounts Payable for Commissions Payments:**
 - **Reduced manual effort**
 - **Improved accuracy and audit-ability**
 - **Improved turn around time to payment**
- **Ability to support Payment integration to Third Party systems**
 - ***OIC uniquely positioned to support calculation from and payment to multiple source/target systems***

OIC Features & Benefits

- **Change History / Auditing:**
 - **Change History – Changes to Transactions, Commission Payments and Comp Plan configuration are automatically captured and stored by the system**
 - **Historical visibility to all Incentive Compensation Calculations, Payments and Manual Adjustments**
- **Reporting:**
 - **Out of the box Self Service Comp Reporting for Payees and Managers**
 - **Oracle Discoverer, BI Publisher and OBIEE expand reporting capability**
- **Ability to roll transaction revenue up the Organization Hierarchy and to comp “indirect credit receivers”**
- **Ability to “Classify” Revenue, and to base Incentive Compensation decisions based on the Classification.**

R12 Features*

- **Enhanced history tracking of changes made to setups**
 - **Automatically logged by the system and visible at each object**
- **Multi-Org Access Control – can see transactions and configurations from multiple OU in a single Responsibility, and also use the OU to filter transactions and configurations by**
- **Full support of OAF – supports “Forms Personalizations”**
- **Role-based Business Flows**
 - **Instead of having one Responsibility, from which all functions are accessible, multiple Responsibilities are seeded, each with a subset of capabilities.**
- **Task based Plan creation UI and OIC parameters UI**
 - **Wizard like UI that guides users through this configuration**
- **HR Comp Workbench integration**
- **Enhanced UI – look and feel is better looking and more graceful**
- **Payment approval hierarchy can be tailored to better meet client requirements**
 - **More flexible and versatile and can thus be configured to meet client approval hierarchy requirements more readily**
- **Forecast Future R12 features**:**
 - **Integration with OBIEE including seeded reports**
 - **Enhanced Modeling capability**
 - **Comp Plan distribution & approval to Sales Reps**

* Source is Oracle Corporation.

** Scheduled to be delivered by Oracle Corporation – but this is not a commitment by Oracle to deliver.

OIC High Value Capabilities

- **Increased Accuracy and Audit-ability of Incentive Compensation process**
- **Supports Management Control initiatives, such as Sarbanes Oxley**
- **Ability of Incentive Compensation plans to evolve to meet ever-changing business dynamics**
 - **Avoid being “Locked In” to existing Incentive Compensation plans**
- **Flexibility**
- **Scalability**
- **Multiple input transaction sources are supported**
 - **Oracle integration is pre-built**
- **Multiple commission payment targets are supported**
 - **Oracle integration is pre-built**
- **Reduced non-value add manual effort frees up resources to focus on value add tasks:**
 - **Comp Auditing & Validation**
 - **Comp plan Planning & Development**
- **Reduced IT involvement in comp process**
- **Low Total Cost of Ownership**

Selected OIC Customers*

- ADP
- Best Buy
- Brasil Telecom
- British Telecom
- Canon
- Cardinal Health
- Cisco
- Cox Communications
- Dell
- Delta Dental
- Donaldson
- Edward Jones
- EMC
- First Data
- GE Healthcare
- Harvard Pilgrim Healthcare
- Hologic
- Hutchison Telecom
- JC Penney
- La Poste
- Liberty Mutual
- Lily
- Motorola
- Merial
- Neiman Marcus Group
- Nordstrom
- Packard Bioscience
- PTC
- Pyxis Corp
- Ricoh Corp
- Select Comfort
- Silicon Graphics
- Sun
- Symantec
- Toshiba
- Xerox
- Yahoo!

* Source is Oracle Corporation.

OIC Analyst Recognition

Gartner

“Oracle has managed to support clients with high Scalability requirements in terms of number of payees (in the thousands) and transactions (more than 1 million per month).”

Clients “should consider OIC on their shortlists”

Michael Dunne, Gartner, 2007

OIC Analyst Recognition

The Forrester logo consists of the word "FORRESTER" in a white, serif, all-caps font, centered within a dark green, horizontally-oriented oval.

“Oracle “best-of-breed enterprise class solution” has “the advantage of offering a strong enterprise incentive compensation solution that [can be deployed as] part of a larger suite of functionality ... [or] standalone”

Liz Herbert, Forrester, 2006

OIC Demo

- **Demo Approach “A Day in the Life”:**
 - **Review of Transactions, Transaction Calculation Results**
 - **Reporting**
 - **Direct Credit Receiver**
 - **Indirect Credit Receiver**
 - **Review of Revenue Adjustments – Splits, Moves, Adjustments**
 - **Payment**
 - **Review of Commission Payment Adjustments**
 - **Transaction Import**
 - **Demonstration of OIC Building Blocks**
- **Caveats:**
 - **Demo System**
 - **Demo Data**