

Incentive Compensation Management

Align Employee Behavior with Strategy



Strata's Axiom™ Incentive Compensation Management (ICM) solution empowers banks, credit unions, farm credit associations, and non-depository lenders to manage and administer incentive plans to improve financial performance, and to help individuals achieve organizational objectives. With Axiom ICM, financial institution leaders can:

- Manage unlimited incentive plans for different roles within the institution
- Analyze new or modified plans in "what-if" scenarios
- Achieve increased visibility and accuracy in compensation plan calculations and supporting metrics
- Align employee behavior with corporate goals

Streamlined Processes

Axiom ICM provides sophistication without complexity. It offers a variety of benefits to financial institutions, including the ability to:

Increase administrator efficiency – Process numerous plans for hundreds or thousands of employees quickly and efficiently.

Improve employee productivity – Enable payees to spend more time on the work that matters; clearer plan metrics and more transparent plan calculations result in less time reconciling the data.

Empower business users – Leverage the familiarity of Excel® in a unique and extensible manner that makes it easy for finance, the retail team, human resources, and other business users to work with the system.

Key capabilities include:

- **Support for multi-faceted criteria** – Handle complex criteria, such as tiered performance thresholds, to support team and individual goals.
- **Automated data imports** – Configure and automate data imports from source tables.
- **Integrated output** – Produce plan results to an outbound file for use in driving actual payments in your payroll system.
- **Report distribution and publishing** – Access report books online or schedule distribution to management and payees.

Robust Scenario Analysis

More than just a payment calculator, our Axiom ICM solution provides numerous analytical benefits to the enterprise, including the ability to:

Evaluate new approaches – Model "what-if" scenarios to understand the impact of new or modified plans.

Incorporate actual performance data – Process proposed plan modifications or new plan scenarios against current performance data to estimate costs and general viability.

Respond to changes with agility – Model plan changes and adjust programs as needed to react to rate changes and other market factors.

Key capabilities include:

- **Unified platform** – Perform scenario analyses for ICM plans that also incorporate data from budgeting, profitability, and other processes housed on the unified Axiom platform.
- **Full drill-down** – Directly access transaction detail from any report.
- **Flexible communications** – Choose from numerous analytical report options, including ranking reports, distribution analyses, and comparisons to target, aggregated by role type, function, geography, or institution.
- **Rich dashboards** – Visualize information in robust dashboards to readily analyze plan performance.

Financial Governance and Control

Overpayments of 2%–10% are common when administering incentive plans manually. The Axiom ICM solution introduces more control and better processes for calculating and managing employee incentive plans. Advantages include the ability to:

Increase accuracy and flexibility – Reduce the probability of overpayments when compared to error-prone and inflexible stand-alone spreadsheets or other home-grown systems.

Generate more timely transactions – Replace processes that draw information from disparate sources such as customer transaction systems and loan application systems by using the unified Axiom platform.

Create transparency – Increase employee buy-in and eliminate time-consuming, manual compensation tracking with robust reporting capabilities that provide full visibility into transactions and calculations.

Key capabilities include:

- **Mid-cycle reporting** – Generate progress reports for use as a motivational tool.
- **Built-in dispute resolution** – Support a review cycle between plan calculation and payment for employees to review preliminary payout information, log any disagreements, and achieve speedy resolution.
- **Roles-based security** – Grant users access and permissions based on defined roles.

Broader EPM Strategy

With the right tools, your incentive plan can motivate customer-facing employees to generate growth that is profitable, on target, and within the risk guidelines of the institution. Our broader enterprise performance management (EPM) strategy leverages a variety of capabilities on a unified platform, including the ability to:

Reward the right behaviors – Reward on profitability, not just volume. For example, rather than compensating loan officers merely on loans closed, consider loan contribution to net income (as measured by each loan's net margin contribution). Use Strata's Axiom™ FTP and Profitability solution with Axiom ICM to consider all components of profitability as a basis for measuring incentives.

Improve plan quality – Use scheduler services to load planned incentive payouts directly into the Axiom™ Planning solution to inform planning and reporting, thereby improving the quality and accuracy of the plan.

To learn more about Axiom Incentive Compensation Management, request a [demo](#).