

ORACLE®

Driving Sales Growth With Oracle Incentive Compensation

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Senior Oracle Solution Consultant
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Agenda

Oracle Incentive Compensation Overview

- Oracle Incentive Compensation Overview
- Solution Overview
 - “Match” (Plan Design)
 - “Manage” (Plan Execution, Transactions, Payouts)
 - “Motivate” (Analytics, Reporting, User Adoption)
- Question & Answer



Flexible

Open

Scalable

Market Leader

ORACLE

Why Incentive Comp Matters?

Finance

Financial Control

- Lack of control & visibility into large sums of cash payouts for incentive-based programs
- Fear of/actual loss of millions of dollars in overpayment & comp errors
- Inability to account for variable compensation effectiveness

IT, Operations

Adaptability

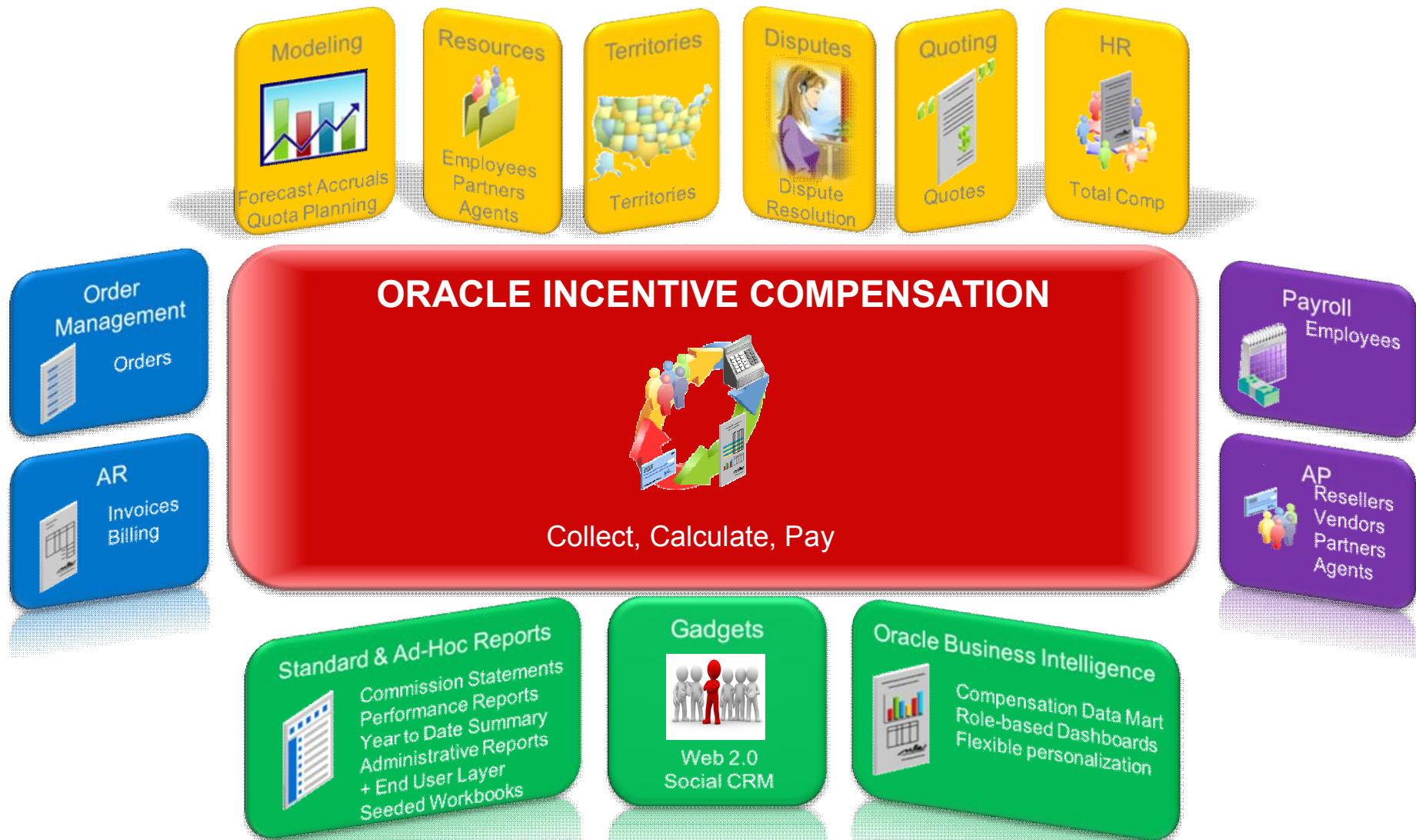
- Difficulty modifying comp plans based on strategy changes
- Difficulty releasing comp plans quickly for new fiscal years & new product releases
- High cost of administration of homegrown solutions

Sales, Executive

Alignment

- Sales targets don't make sense with respect to broader corporate objectives
- Failure to consistently meet key performance targets... & really understand why
- Selling channels under-motivated or performing

Oracle Incentive Compensation



Incentive Management in OIC

Automated Incentive Flow

Match

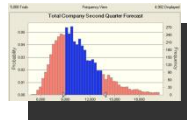
Manage

Motivate

Plan Design & Model



- Reusable Building Blocks
- Flexible Plan Rules
- Match To Strategy



- Assess Risk
- Statistical Modeling
- Plan Copy



Plan Execution

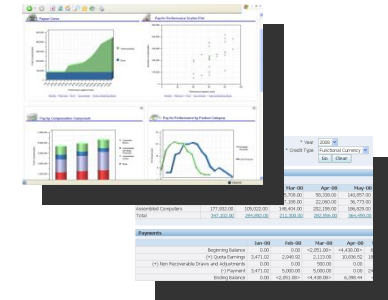
Plan Name	Start Date	End Date	Age	Support Period	Details
...

- Open Collections
- Import/Export
- Maintain Transactions
- Approvals
- Draws, Recovery
- Calculation Process
- Estimates



Maintain Paysheets

Analytics & Reporting



- Resource Views
- Management Views
- Attainment Tracking
- Ad Hoc Analysis
- Transaction Drill



Oracle Incentive Compensation Enterprise Incentive Management

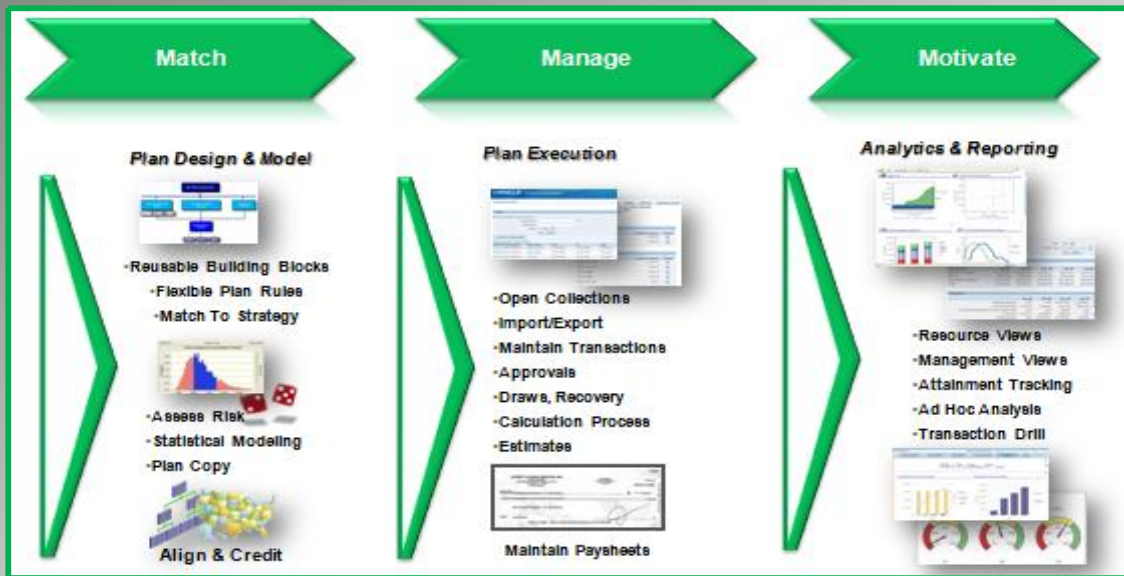


Oracle

Orders
Invoices
Payments

Legacy Systems

Open API's
Direct Table Map
SOA



Payroll

Employees

Payables

Resellers
Vendors
Partners
Agents

Standard Reports

- Commission Statements
- Performance Reports
- Year to Date Summary
- Administrative Reports
- + End User Layer
- Seeded Workbooks

Web 2.0

Gadgets
Social CRM

Oracle Business Intelligence

- Compensation Data Mart
- Role-based Dashboards
- Flexible personalization



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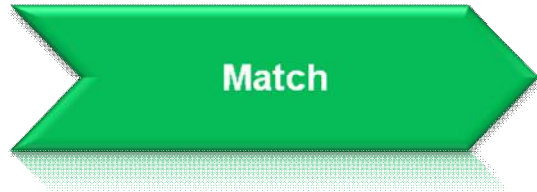
Extending the Value of OIC

- ✓ Robust Analytics & Reporting
- ✓ “What If” Modeling
 - Plan Costing
 - Plan Scenarios
 - Forecasting Accruals
 - Quota Setting
 - Territory Optimization
 - Data Mining
- ✓ Dispute Resolution
- ✓ Projected Compensation
- ✓ Next Generation Business Applications

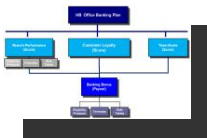


Incentive Management in OIC

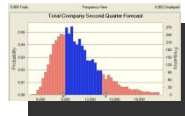
Automated Incentive Flow



Plan Design & Model



- Reusable Building Blocks
- Flexible Plan Rules
- Match To Strategy



- Assess Risk
- Statistical Modeling
- Plan Copy



Plan Execution

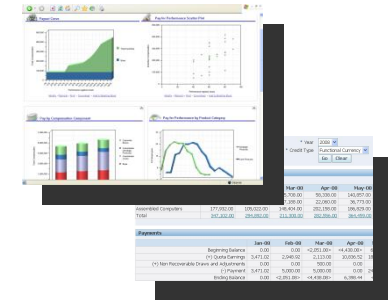
Employee	Plan	Start	End	Target	Actual
John Doe	Executive	01/01/2010	12/31/2010	1,000,000	1,200,000
Jane Smith	Executive	01/01/2010	12/31/2010	800,000	950,000
Bob Johnson	Executive	01/01/2010	12/31/2010	600,000	700,000

- Open Collections
- Import/Export
- Maintain Transactions
- Approvals
- Draws, Recovery
- Calculation Process
- Estimates



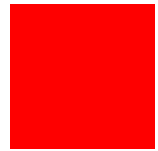
Maintain Paysheets

Analytics & Reporting



- Resource Views
- Management Views
- Attainment Tracking
- Ad Hoc Analysis
- Transaction Drill





Plan Modeling & Forecasting



Flexible

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Crunching The Numbers

The screenshot displays a Microsoft Excel spreadsheet titled "Product forecasting.xls" in Compatibility Mode. The spreadsheet is organized into a grid with columns labeled A through Z and rows numbered 1 through 22. The data is categorized by resource and product, with columns for months (Jan through Sep) and various product types (Bookshelf Audio System, Home Theater Audio System, Boom Box, Personal CD Player, MP3 Player). A red callout box is overlaid on the spreadsheet, containing the text "History + What If = My Sales Credits are 'X'". The callout box is positioned over the data for Resource 2, Product B, in the month of July (row 7, column H).

Resource 1
Product A
Product B
Total Resource 1

Resource 2
Product A
Product B
Total Resource 2

Corporate
Product C
Total Corporate
Total Company

1
2
3
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21
22

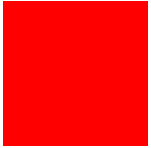
Bookshelf Audio System Home Theater Audio System Boom Box Personal CD Player MP3 Player

Jan 7,046 3,082 33,220 10,923 7,966
Feb 4,850 1,903 21,520 7,227 6,627
Mar 1,681 709 9,870 3,005 1,968
Apr 2,830 1,129 12,235 3,872 2,281
May 3,747 1,616 20,092 6,149 5,957
Jun 6,172 3,365 25,209 13,317 10,009
Jul 5,828 2,759 28,993 8,305 7,721
Aug 8,942 4,233 44,488 12,744 11,847
Sep 13,142 7,542 29,282 23,346 11,872

History + What If
=
My Sales Credits are "X"

Smart View Data Source Manager
Provider URL: http://demodrive:13080/aps/S...
DEMODRIVE
ASO_10M
ASO_B2m
ASOamp
AT
BBB
BBbranch
BevPlus
BikesC
BikesR
BookA2
Channels
Classic
Demo
dm_Clust
dm_NBaye
dm_Regre
DMDemo
EdenGL
EdenSale
EpmPln
Finsrvcs
FSIASO
FSIWM

Planning Form Base case forecast Adjusted Forecast Submit Forecast 2008 Plan Forec

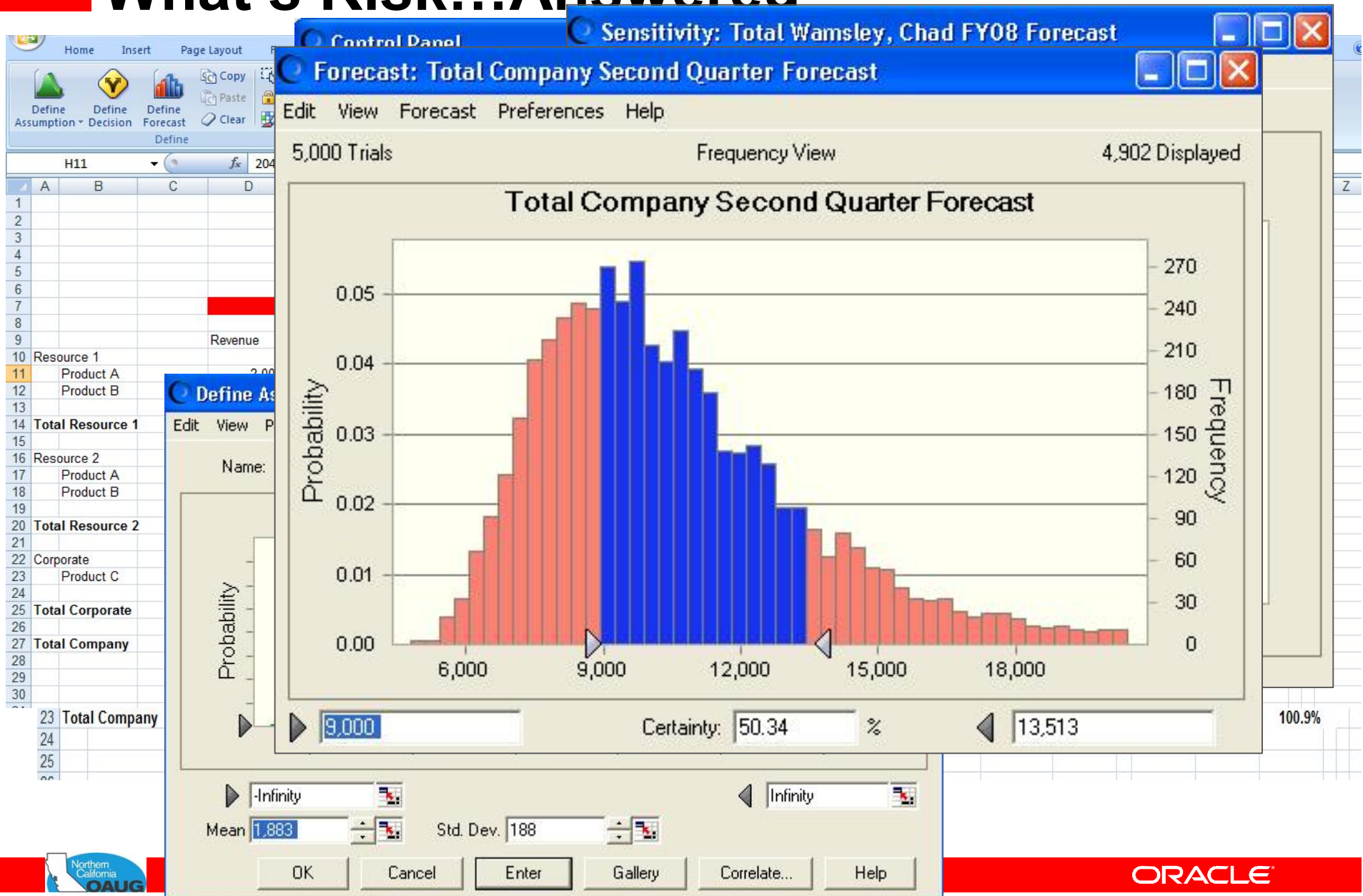


Is It Correct?

What's The Risk?



What's Risk...Answered



Update and Re-run

Microsoft Excel Crystal Ball interface showing a simulation window for "Forecast: Total Company FY08 Forecast".

The simulation window displays a histogram of the forecast results. The x-axis represents the forecast value (ranging from 36,000.00 to 52,000.00), and the y-axis represents the frequency (ranging from 0 to 400). The histogram shows a distribution of values, with a peak around 44,000.00. The simulation parameters are 8,000 trials, and 7,889 results are displayed.

The simulation window also shows a progress bar indicating that the simulation is complete. The progress bar shows 8,000 trials completed out of 8,000 trials.

At the bottom of the simulation window, the following statistics are displayed:

Probability	40,559.08	Certainty:	66.24	%	46,919.77
-------------	-----------	------------	-------	---	-----------

Buttons for "OK" and "Cancel" are visible at the bottom of the window.

The background Excel spreadsheet shows the following data:

Cell	Value
H11	2040

Generate Quota Import to OIC

Forecasting_Spreadsheet_.xlsx - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Crystal Ball

Define Assumption Define Decision Define Forecast Copy Paste Clear Select Freeze Cell Prefs Start Stop Reset Step Tools Save or Restore Run Preferences View Charts Create Report Extract Data Help Resources About Help

	A	B	C	D	E	F	G	H	I
1	Operating Unit	Sales Rep	Club	Sales Rep Number	Processed Date	Revenue Type	Actual Revenue	Budgeted Revenue	
2	Vision Operations	Cali Callcenter	Product A	2108	31-Mar-2008	REVENUE	\$7,740.00	\$7,500.00	
3	Vision Operations	Jeter, Derek	Product A	2109	31-Mar-2008	REVENUE	\$12,666.67	\$12,700.00	
4	Vision Operations	House	Product C	2111	31-Mar-2008	REVENUE	\$5,900.00	\$5,550.00	
5									
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37									
38									

LT Sales Forecast -FY 08 Upload to OIC Charts Sheet1

Pass New Quotas to OIC via Open API

ORACLE Incentive Compensation

Compensation Plans > Design >

Update Plan Element: Assembled Computers

* Indicates required field

Operating Unit **Vision Operations**
* From 01-Jan-2003
(example: 18-Sep-2008)

Calculation Type Commission
Description Audio Products

Context Value

Earnings Rule | Eligible Products | Rate Tables | **Default Quotas** | Notes History

Use Eligible Products Worksheets No
 Yes

Worksheet

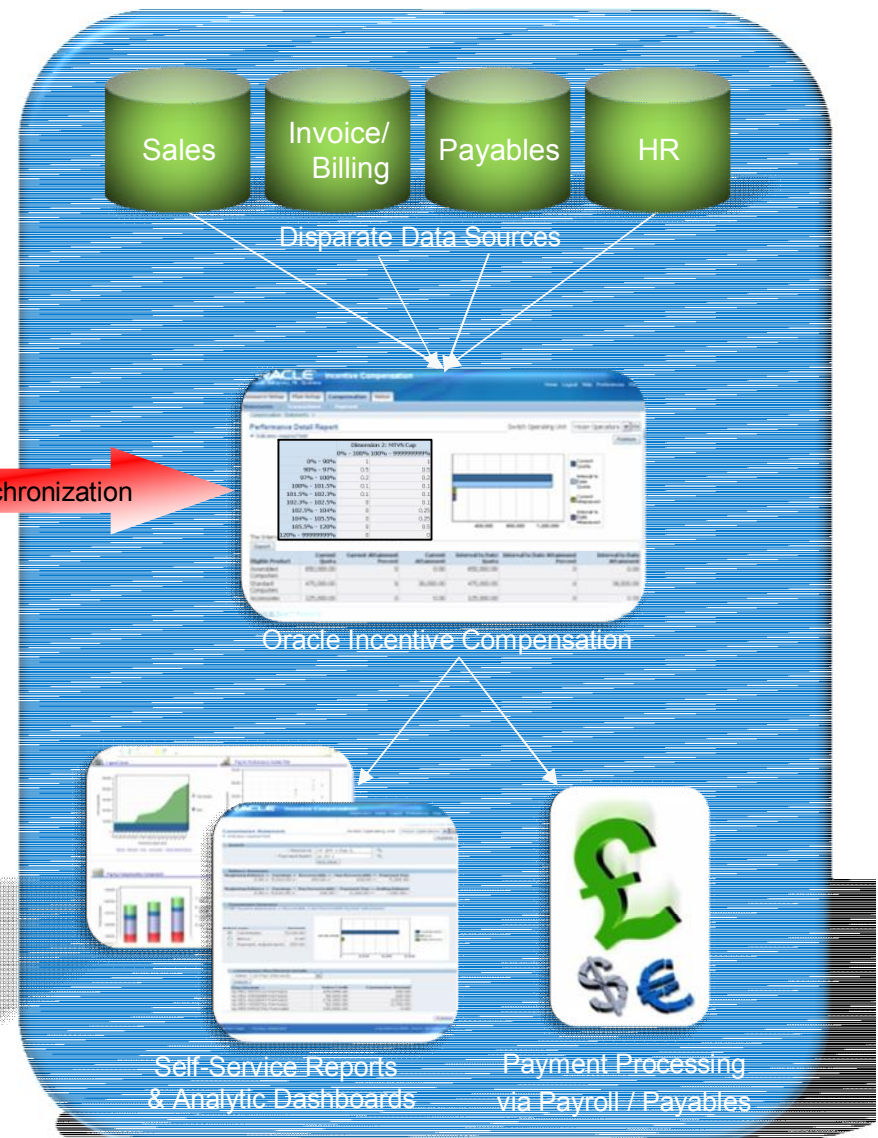
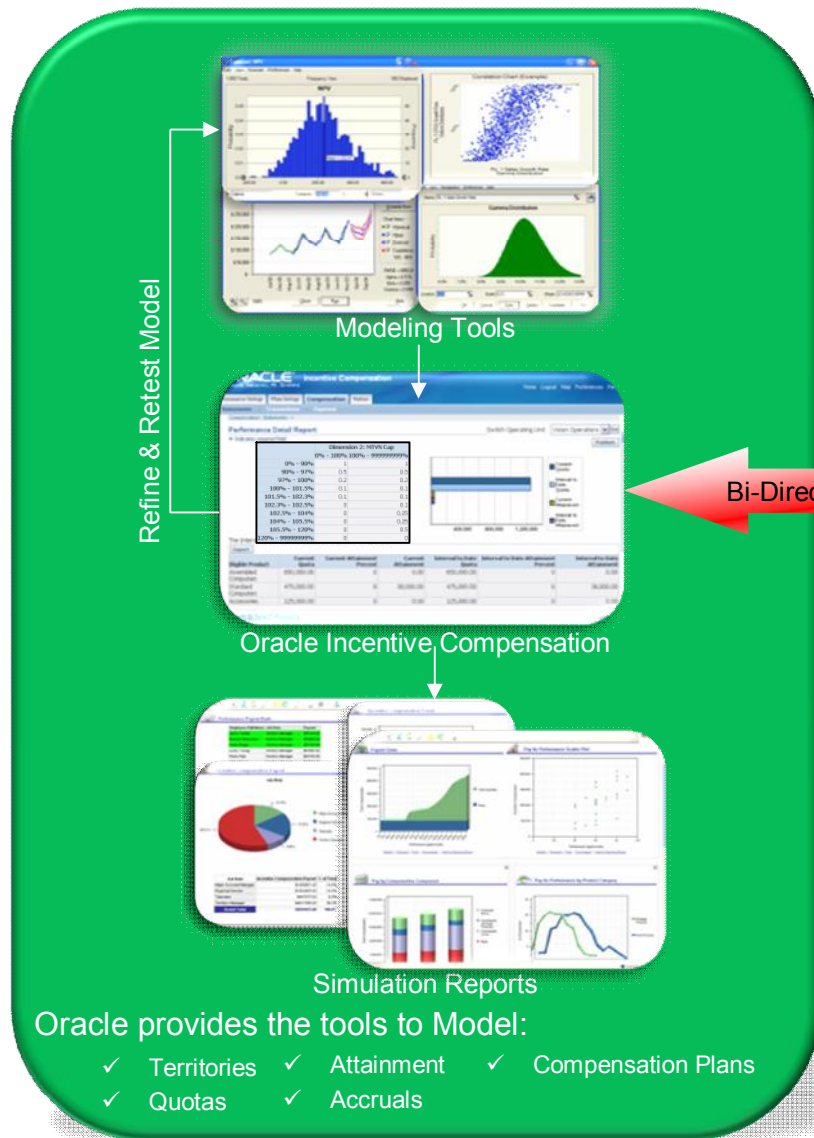
Distribute

Eligible Products	Target	Fixed Amount	Performance Goal
Home Theater Audio System	320000	0	0
Bookshelf Audio System	75000	0	0
Boom Box	3700000	0	0
Personal CD Player	320000	0	0
MP3 Player	100000	0	0
Recalculate Total	4515000	0	0

Modeling Best Practices

Modeling Environment

Production Environment



Bi-Directional XML Synchronization

Oracle provides the tools to Model:

- ✓ Territories
- ✓ Quotas
- ✓ Attainment
- ✓ Accruals
- ✓ Compensation Plans

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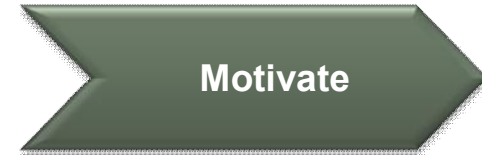
Scalable

Market Leader

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Incentive Management in OIC

Automated Incentive Flow



Plan Design & Model



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- Flexible Plan Rules
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- Assess Risk
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- Plan Copy



Plan Execution

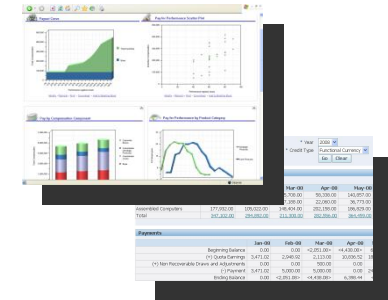
Plan Name	Start Date	End Date	Open Collections	Import/Export	Maintain Transactions	Approvals	Draws, Recovery	Calculation Process	Estimates
Plan A	01/01/2008	12/31/2008	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567	1,234,567

- Open Collections
- Import/Export
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Maintain Paysheets

Analytics & Reporting



- Resource Views
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Real Time Audit Tracking



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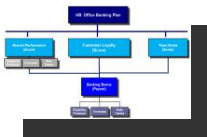
ORACLE

Incentive Management in OIC

Automated Incentive Flow



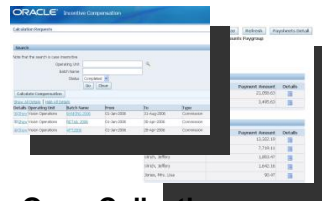
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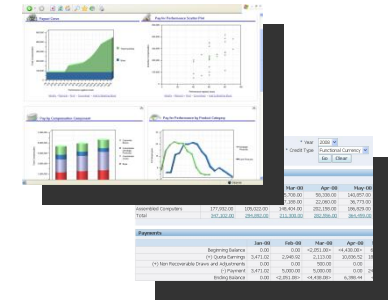


- Open Collections
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Maintain Paysheets

Analytics & Reporting



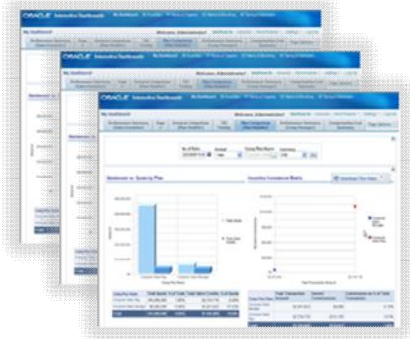
- Resource Views
- Management Views
- Attainment Tracking
- Ad Hoc Analysis
- Transaction Drill



A Day in the Life...

Empowering Sales & Improving Behavior

Reporting
& Analytics



Projected &
Estimated
Compensation



Gadgets

Product	Earnings	Rate	Credit	Trx. Amount
AS18947	\$ 5546.00	10.29 %	\$ 110000.00	\$ 110000.00
AS72111	\$ 4799.00	7.00 %	\$ 95960.00	\$ 95960.00
AS54888	\$ 2658.34	11.00 %	\$ 53166.75	\$ 53166.75
CM76845	\$ 81.23	1.13 %	\$ 7220.00	\$ 7220.00
CM76840	\$ 81.00	10.00 %	\$ 5700.00	\$ 5700.00

Total Records: 5/5

Compensation Plan
Acceptance



Am I going to
be paid
correctly?
When am I
going to get
paid

How am I
doing so far?
How can I do
better?

What's my
role? How am
I rewarded?

Tell me what I
should do
next? Sell to
whom &
what?

Gadgets: Accurate Calculations

ORACLE | Recent Transactions

Date	Customer	Product	Trx Amou	Credit	Earnings
01/19	Outh Jesse	AS54888	\$ 15190.50	\$ 15190.50	\$ 60.7
01/19	Othman AlShamran	AS54888	\$ 15190.50	\$ 15190.50	\$ 60.7
01/19	Othman Aighamdi	AS54888	\$ 15190.50	\$ 15190.50	\$ 60.7
01/19	Othman ElAmri	AS54888	\$ 15190.50	\$ 15190.50	\$ 60.7
01/19	Othman Jawah	AS54888	\$ 15190.50	\$ 15190.50	\$ 60.7

Total Records: 100/100

Recent Transactions:

- Real-Time Performance Visibility – No need to wait until the end of the quarter to see total performance and commission due.
- Minimize “shadow accounting”

ORACLE | Top Customers

RSS	Customer	Earnings	Rate	Credit	Trx Amou
	Computer.Com	\$ 5546.00	10.29 %	\$ 53900.00	\$ 107800
	COMPUTER DELIVERY	\$ 4798.00	5.00 %	\$ 95960.00	\$ 95960
	James Dean	\$ 734.59	7.00 %	\$ 10499.90	\$ 10499
	Computer Service and	\$ 202.27	11.00 %	\$ 1838.85	\$ 3677
	Carl Douglas	\$ 87.41	1.00 %	\$ 3741.10	\$ 3741

Total Records: 5/5

Top Customers:

- Impact total sales, earnings, and “rate of return” per customer
- See potential subsequent or repeat revenue of customers
- RSS feeds by customer

ORACLE | Top Products

Product	Earnings	Rate	Credit	Trx Amou
AS18947	\$ 5546.00	10.29 %	\$ 110000.00	\$ 110000
AS72111	\$ 4798.00	7.00 %	\$ 95960.00	\$ 95960
AS54888	\$ 2658.94	11.00 %	\$ 53166.78	\$ 53166
CM76845	\$ 81.29	1.13 %	\$ 7220.00	\$ 7220
CM76840	\$ 81.00	10.00 %	\$ 5700.00	\$ 5700

Total Records: 5/5

Top Products:

- Drive Behavior of the sales channel to sell the most profitable products – Visibility into most lucrative products
- Shopping the Plan – Drive focus on which products to sell and which will provide the biggest earnings rate

Year to Date Summary

Switch Operating Unit Vision Operations

* Indicates required field

Search

* Year 2007

* Credit Type Functional Currency

Compensation

Quota

Plan Element	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Standard Computers	110,143.00	30,719.00	39,746.00	29,069.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	209,677.00
Service	10,396.00	14,058.00	19,051.00	18,689.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,194.00
Assembled Computers	137,720.00	143,755.00	187,622.00	136,803.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	605,900.00
Total	<u>258,259.00</u>	<u>188,532.00</u>	<u>246,419.00</u>	<u>184,561.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	877,771.00

Payments

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Beginning Balance	0.00	0.00	1,885.32	4,349.51	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	
(+) Quota Earnings	2,582.59	1,885.32	2,464.19	1,845.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,777.71
(+) Non Recoverable Draws and Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(-) Payment	2,582.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,582.59
Ending Balance	0.00	1,885.32	4,349.51	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	

[Return to Search Resource](#)

Resource Setup Plan Setup Compensation Notes

Statements

Compensatio

Year to Date

* Indicates re

Search

Compensat

Quota

Plan Elemen

Standard Con

Service

Assembled C

Total

Payments

(+) No

Adobe Reader - [OIC_YTD-259699503_out[1].pdf]

File Edit View Document Tools Window Help

85%

Search Web **Y!** **Adobe Reader 7.0**

ORACLE Incentive Compensation

Vision Operations

Year to Date Summary

Jones, Mrs. Lisa - 2007 (US dollar)

Report Date 26-Sep-2007

Page 1 of 1

Run By Feng, Ms. Amy

Report Parameters

	Credit Type	Functional Currency
Compensation Type	Quota	

Plan Element	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Standard Computers	110,143.00	30,719.00	39,746.00	29,069.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	209,677.00
Service	10,396.00	14,058.00	19,051.00	18,669.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62,194.00
Assembled Computers	137,720.00	143,755.00	187,822.00	136,803.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	605,900.00
Total	258,259.00	188,532.00	246,419.00	184,561.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	877,771.00

Payment

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total
Beginning Balance	0.00	0.00	1,885.32	4,349.51	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	6,195.12	
(+) Quota Earnings	2,582.59	1,885.32	2,484.19	1,845.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,777.71
(+) Non Recoverable Draws and Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

1 of 1

ations **Go**

rt **Publish**

7 **Total**

209,677.00

62,194.00

605,900.00

877,771.00

ec-07 **Total**

95.12

0.00 8,777.71

0.00 0.00

0.00 2,582.59

95.12

[Return to Search Resource](#)

Export

Publish

My Dashboard

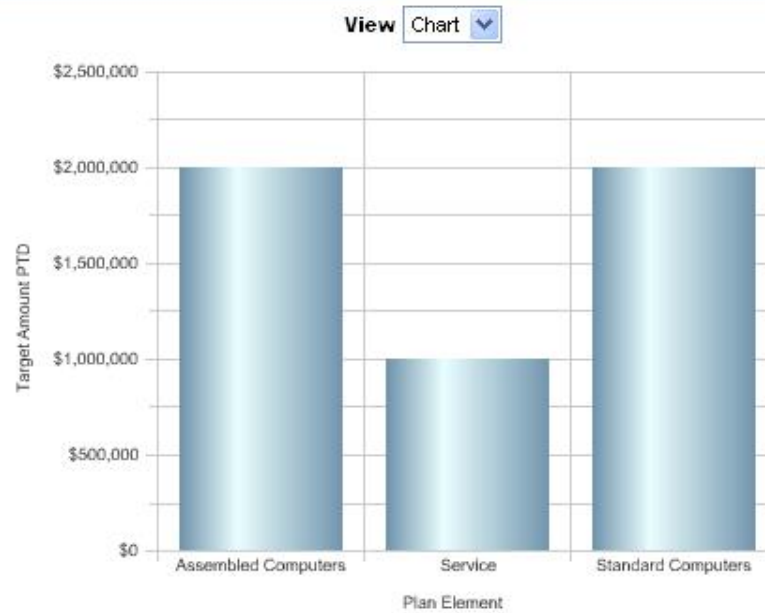
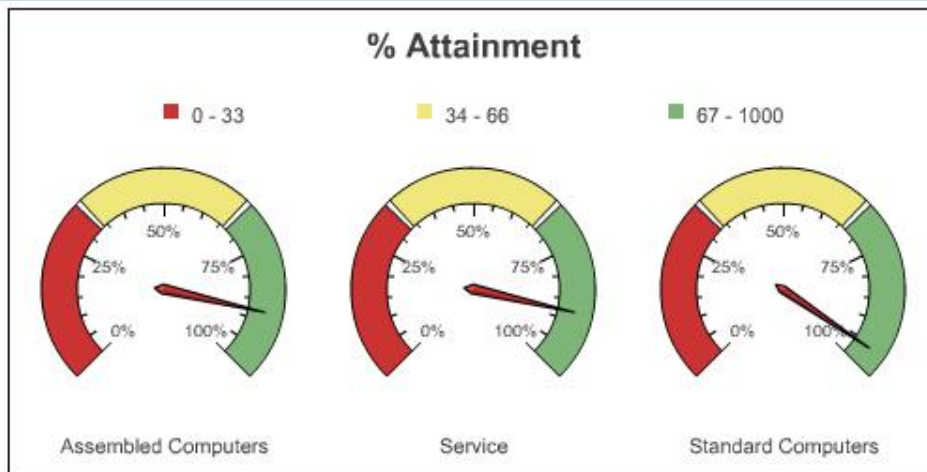
Welcome, Administrator! Dashboards - Answers - More Products - Settings - Log Out

Home My Performance My Team Performance Tiering & Distribution 80 20 Deciling Comparative

Page Options

Year: 2008
 Quarter:
 Salesrep Name: Alan Richards, ANL
 Plan Name: Computer Sales Rep
 Plan Element:
 Go

Performance by Plan Element



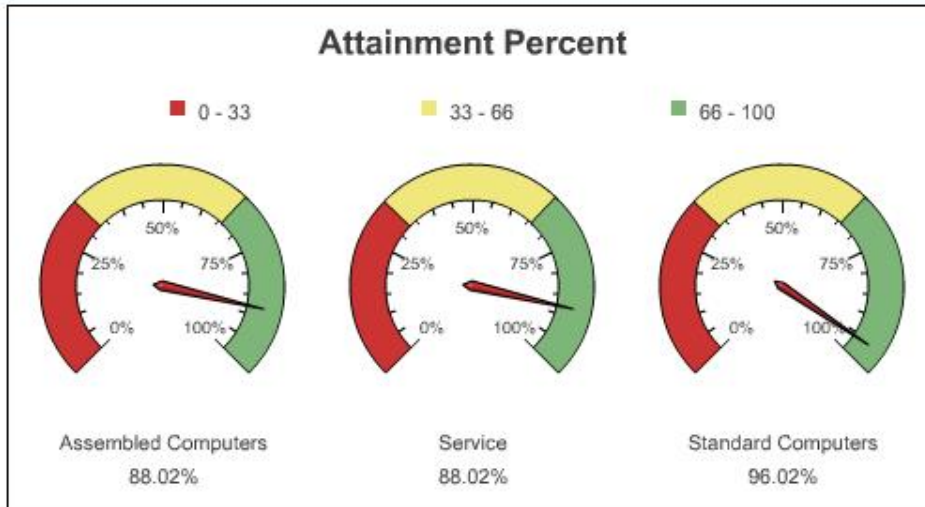
[Modify](#) - [Download](#)

Incentive Investment Matrix

10.00%							
--------	--	--	--	--	--	--	--

Year: 2008 |
 Quarter: |
 Plan Name: Computer Sales Rep |
 Plan Element: |
 Salesrep Name: Alan Richards, ANL |
 Go

Percent to Quota - Fiscal Year



Effective Commission Rate - Fiscal Year



Incentive Management in OIC

Automated Incentive Flow

Match

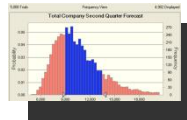
Manage

Motivate

Plan Design & Model



- Reusable Building Blocks
- Flexible Plan Rules
- Match To Strategy



- Assess Risk
- Statistical Modeling
- Plan Copy



Plan Execution

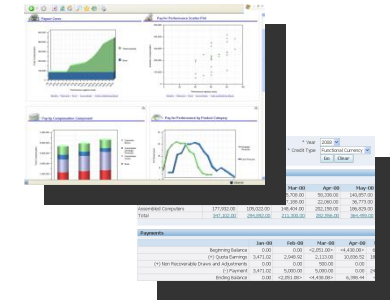
Plan Name	Start Date	End Date	Open Collections	Import/Export	Maintain Transactions	Approvals	Draws, Recovery	Calculation Process	Estimates
...

- Open Collections
- Import/Export
- Maintain Transactions
- Approvals
- Draws, Recovery
- Calculation Process
- Estimates



Maintain Paysheets

Analytics & Reporting



- Resource Views
- Management Views
- Attainment Tracking
- Ad Hoc Analysis
- Transaction Drill



Successful Customers Select Oracle!

IT



Media & Telecom



Retail



Successful Customers Select Oracle!



Finance



Healthcare



Manuf.



Incentive Compensation Value & ROI

Improved financial controls

- Improved regulatory compliance & financial predictability
- Reduced administration errors & over payments
- Improved accountability over incentive expenditure

"Our implementation of Oracle Incentive compensation improved accuracy, provided more control and reduced interpretation and subjectivity of compensation plans"

ADP Inc

Improved adaptability

- Improved time to market with new products & business initiatives
- Accelerated new fiscal year compensation rollouts
- Reduced incentive management staffing costs

"Our implementation of Oracle Incentive compensation provided a low cost of ownership with tight integration to backend systems in a global rollout"

Silicon Graphics

Improved alignment

- Aligned with corporate goals
- Increased sales & channel partner productivity
- Full sales line of sight for focused sales execution

"Our implementation of Oracle Incentive compensation improved call center agents productivity with alignment to corporate objectives."

British Telecom PLC

OIC Solution Summary

Oracle is #1 in Enterprise Incentive Management

- ✓ **Largest** live EIM install-base
- ✓ **Global** market momentum
- ✓ Penetration of **key verticals** – Fin, Retail, Tech, and Telco

Enterprise solution with best-of-breed capabilities

- ✓ **Complete** end-to-end solution set
- ✓ **Flexible, scalable** design to adapt to complex plan requirements
- ✓ **Open** architecture for ease of integration with external systems

Drives cost-effective management of compensation programs

- ✓ Improves **financial control** and cost management
- ✓ Delivers compensation **adaptability** and effectiveness
- ✓ Ensure sales and partner channel **alignment** with corporate objectives