

Stock Focal: Managing Stock Allocations using Oracle Compensation Workbench v.R12

Timothy Walsh
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 - Planning
 - Building Blocks
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 - Benefits
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Introductions



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Oracle's Compensation Workbench (CWB) provides your enterprise with a web-based solution for determining and allocating compensation awards, including:

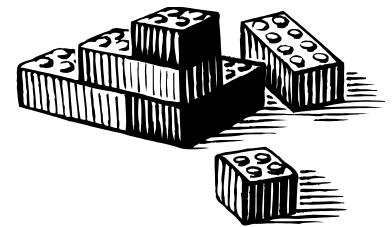
- Salary increases
- Bonuses
- Stock options

- Planning your Equity Compensation
 - Local or Global in design?
 - Who is eligible? (Eligibility Criteria)
 - What are the periods/frequency for each?
 - What are the limits, minimum/maximums?
 - What if any, recommendations are required?
 - What tasks can a manager perform?

- Planning your Equity Compensation
 - Can a manager reserve shares for later?
 - At what level are allocations allowed?
 - line manager, directors, VPs
 - Who will be distributing the budget?
 - What data do you want to capture in the database?
 - Grants, Price, effective date, vesting date, vesting schedule
 - What information does the managers need to make a decision?

Implementing a Stock Plan

- Setup Building Blocks
 - Define elements to hold each distribution
 - Define FastFormulas for calculations
 - Define eligibility profiles
 - Define Life Event(s)
 - Define plan type (Stock)
 - Define the plan(s)
 - Define plan enrollment requirements
 - Define standard rates
 - Enable SSHR menus / Worksheet personalization's



Stock Plan Challenges



- Stock Element Definitions
- FastFormulas
- Posting of Stock values
 - Use FastFormulas to define extra input values
- If you are using Standard Benefits or ICD make sure that all unrestricted Life Events are closed before running participation process.

Stock FastFormula

Macromedia Flash Player 6

Navigator - mc_SHRMS_Manager

Functions Documents

People:

Enter personal and assi

+ People

- + FastPath
- + Recruitment
- + Career Manage
- + Work Structures
- + Payroll
- + Total Compens
- + View
- + Processes and Reports
- + Transaction Maintenance
- + Mass Information eXchange:
- + Other Definitions
- + Security
- PERWSEPI
- CAGR Template
- + Quickhire
- Action
- Inbox
- TEST_CUSTOM_JNK
- Enter Employee shared HR

Formula: 01-01-2000

Name MC_GRANT_PRICE

Type Extra Input

Description

Edit Formula(MC_GRANT_PRICE): 01-01-2000

```
GRANT_PRICE = 24.13
GRANT_DATE = "01-MAR-2005"
VEST_SCHED = "YEARLY = 4 YR"
LOT_NAME = "A45B19"
EXPIRE_DATE = "01-MAR-2015"
GRANT_TYPE = "ISO"
GRANT_TICKER = "ORCL"
```

Enter the appropriate formula values.

This example uses hard-coded values in the formula. However, you can write the formula to obtain these values from anywhere in the database.

This formula is executed during the Compensation Workbench Post Process. Thus, the Grant Price information does not need to be established until this process is run.

Verify

Stock Element

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Element: 01-01-2000

Name **Stock Options** Reporting Name

Description

Primary Classification **Supplemental Earnings** Benefit Classification

Effective Dates
From **01-01-2000** To

Processing
Standard **Advanced** Advance Pay

Type
☒ Nonrecurring
☐ Recurring

Termination
☐ Actual Termination
☐ Final Close
☒ Last Standard Process

Priority **2500**
Skip Rule

☒ Multiple Entries Allowed
☐ Additional Entry Allowed
☐ Closed for Entry
☒ Process in Run
☐ Once Each Period
☐ Indirect Results(K)
☐ Adjustment Only(J)
☐ Third Party Payment

Currency
Input **USD**
Output **USD**

Qualifying Conditions
Age
Length of Service
Units

☐ Standard []

Further Information

Input Values | Click Input Values | Balance Feed Control(z) | Frequency Rules(q)

Exclude Balances | Relative Dates(z) | Extra Information(g) | Usages

Stock Element

Macromedia Flash Player 6

Element: 01-01-2000

Name **Stock Options**

Description

Prim Input Values(Stock Options): 01-01-

Effective From

Processing Standard

☐ Gross

☐ Iterative

☐ Separ

☐ Proce

Create input values that represent the amounts that are to be captured in Compensation Workbench. Amounts may have a unit of measurement of shares for the number of shares, or money for the value of a grant.

Also include input values for each of the return values defined in your formula such as Grant Date and Vesting Schedule.

Name	Units	Sequence	Required	Enterable	Database Item
Pay Value	Money	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Shares	Number	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Grant Price	Money	3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Grant Date	Date	4	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vesting Schedule	Character	5	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

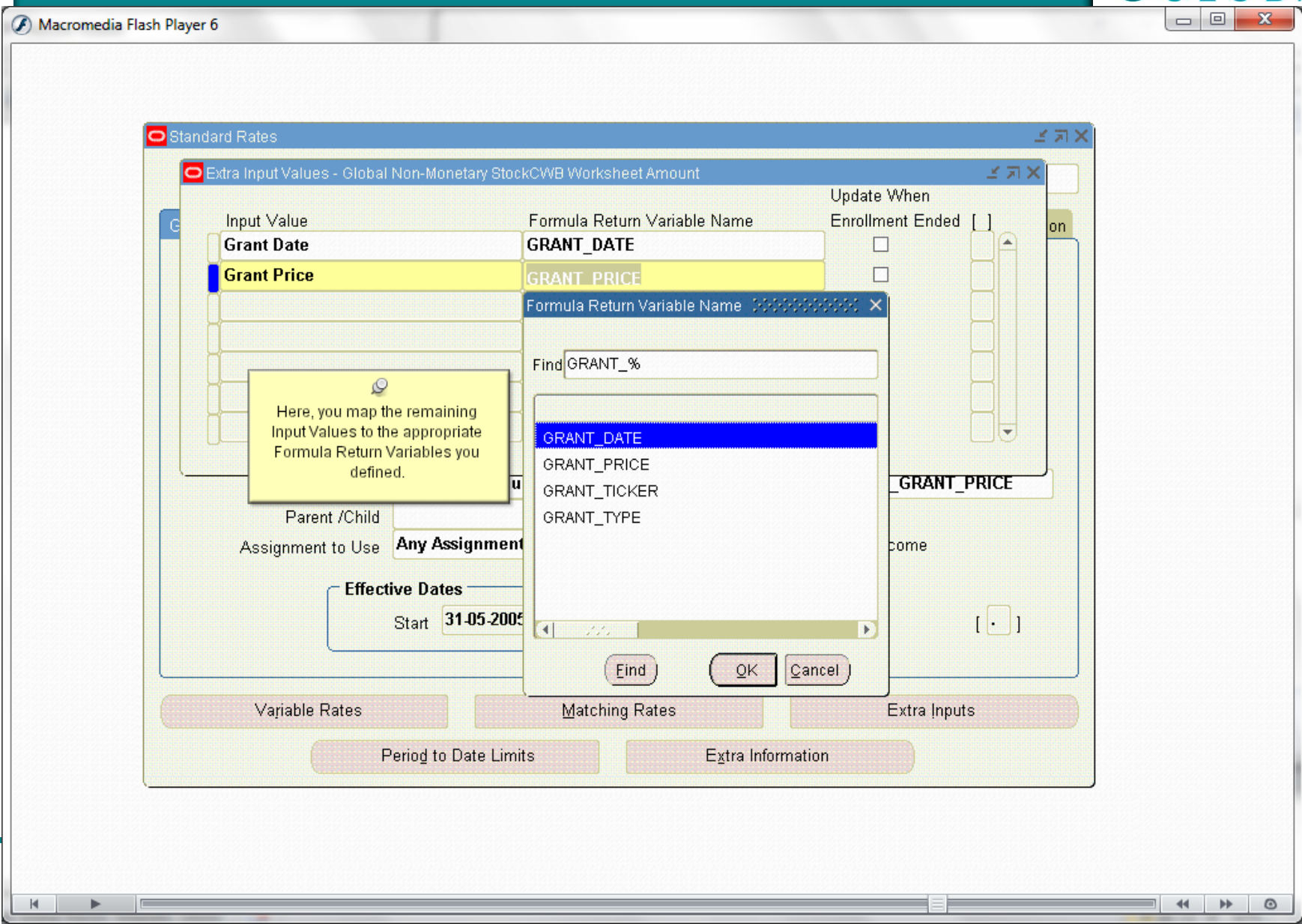
Further information

Input Values Balance Feeds Balance Feed Control(z) Frequency Rules(q)

Exclude Balances Iterative Rules(O) Extra Information(g) Usages

Navigator - mc_ST

Stock Standard Rate Extra Inputs



Stock Plan Other Considerations



- Manager's Worksheet Layouts
- Global vs. Local recommendations
- Reserves
- Employee Statements
- Reports

CWB Stock Plan Benefits



- Distributing compensation management to line managers
- Manager's have better visibility into how their employee's are compensation
- Online reporting in CWB
- Better management/controls over approval processes
- Avoiding Excel based processes (Go Paperless)
- Data available for reporting, budgeting, costing

Lessons Learned



- Must plan your cycle to include Board approval times
 - Comp Admin's change window, posting dates, etc.
- Define a separate Life Event for each Stock plan to avoid a overlapping issues.
 - Executive plan vs. IC plans
- With multiple business groups, define one Global plan and multiple local plans for each business group
- Use plan design copy feature if your defining multiple Stock plans.
- Use plan export/import feature to migrate plans between instances.
- Oracle's CWB viewlets provide additional & helpful information.

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- Right Shore Delivery Model
- Right Size
- SAS 70 Certified

Q&A

For More Information



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