Brandon Hall
GROUP

HRsoft Handles Small Business Employee Compensation

HRsoft
Best Advance in Compensation and
Benefits and/or Payroll Administration
June 2018

Brandon Hall
GROUP
EXCELLENCE IN
TECHNOLOGY AWARDS
SILVER
2017

Company Background

HRsoft
Talent Management Software

Company At-a-Glance	
Headquarters	Maitland, FL, USA
Year Founded	1999
Revenue	$5M to $10M
Employees	50 - 100
Global Scale	US and Canada
Customers/Output, etc.	1.2 million users on HRsoft platform Key customers: Microsemi, Square, Ameriprise, WellCare, Ricoh, Gannett, DentaQuest, Sunrun
Industry	Compensation Software
Website	compensationbusinesspartner.com

Proposition

HRsoft's newest application, Compensation Business Partner, is a compensation-planning solution designed specifically for the needs of organizations that have fewer than 1,000 employees and do salary, merit and bonus planning.

This powerful cloud-based tool helps HR teams replace complicated, time-consuming spreadsheet processes with an easy-to-use, secure system that makes compensation planning faster, easier and more effective.

Ultimately CBP puts the power of enterprise compensation-planning software into the hands of smaller companies.

Product or Program Innovation

With the fast-changing workforce, increasing regulations and complexities with compensation strategy for recruiting and retention, smaller organizations can no longer rely on spreadsheets, offline processes, or inadequate HRIS modules for managing salary, bonus, and merit increases.

They need enterprise level tools but until now have not had a sophisticated solution that was also affordable. For years, HRsoft had to turn away smaller organizations that were not a fit for its enterprise solution, but leaders decided it was time to build a version that met the needs and budget of the SMB market.

Compensation Business Partner provides an easy-to-use, online compensation-planning system that is powerful enough to handle complex global-compensation cycles while providing a tool that helps line managers make fast, easy, and fair bonus decisions. Advanced features include:

- Complete salary, merit, and bonus planning capability.
- Ability to handle multiple compensation plans.
- Support of global pay requirements in more than 70 currencies.
- Personalized total-compensation statements.
- Automated alerts and guidelines for line-manager support.
- Fully-auditable process and reporting for maintaining compliance.
- Automated-plan distribution.
- Real-time reporting, analysis and budget tracking.

HRsoft offers a simple, flat-fee, all-inclusive pricing model that allows for up to 1,000 employees and includes implementation and support. For more advanced users, the company offers flexible-configuration options. In addition, the system can integrate with any HRIS. The result is fast implementation with no surprises that allows companies to leverage existing investments in HR technology.

Unique Differentiators

The primary differentiator for Compensation Business Partner is the ability to streamline and automate the entire compensation process. This SMB tool has the power of HRsoft's enterprise solution with its unmatched features and calculation engine. Other differentiators include:

- **HRIS integration.** Ability to seamlessly integrate with any HRIS system.
- Complex calculations. The powerful, enterprise-level calculation engine can handle dozens of compensation plans in dozens of currencies simultaneously.
- **Easy admin & plan changes.** Users can update plans, make last-minute changes, and even configure new comp cycles.
- **Configurable guidelines.** Easily set up guidelines and alerts for managers to follow when making recommendations.
- **In-house implementation.** All implementations are done in-house with no outsourcing. This ability means no hand-offs or delays, making setup fast and easy.
- **Flat-fee pricing**. One pricing package includes all employees, setup, implementation, hosting, consulting and support. Straight forward with no surprises.

Additionally, the CBP package includes consulting through a partnership with CHRG Compensation Services. The partnership means users have both the outstanding technology and the domain expertise of a leading consulting firm that helps with strategy, plan design, and configuration. The idea is that smaller companies often don't have a dedicated compensation department, so the new tool literally becomes their Compensation Business Partner.

Market Adjustments

The software displays the salary level for associates along with their job title and job grade. Within the system, those aspects can be viewed as hourly, annualized, or other preferred interval for each employee. Some can be viewed as hourly and others as annual. The display is easily changed by the user as often as desired.

Figure 1: Currency PayRate

Source: HRsoft

Using the software, the manager enters a value in the column labelled Market Adjustment to give an individual employee the desired amount. This figure may be entered as a dollar value or a percentage of salary. This entry is made on the Planning Screen within the Salary Tab.

Figure 2: Market Adjustment

Source: HRsoft 2018

Guidelines & Alerts

The software, in its standard configuration, presents a range of merit increases to the manager or compensation planner. The range is based on the individual-performance rating.

In the planning process, managers choose the value within the presented range that they believe is appropriate for each associate.

An example of the merit-range calculation and display is shown in Figure 3. The range or guideline appears when the manager clicks in the cell Merit % or Merit Amount.

Figure 3: Salary and Merit Percentage
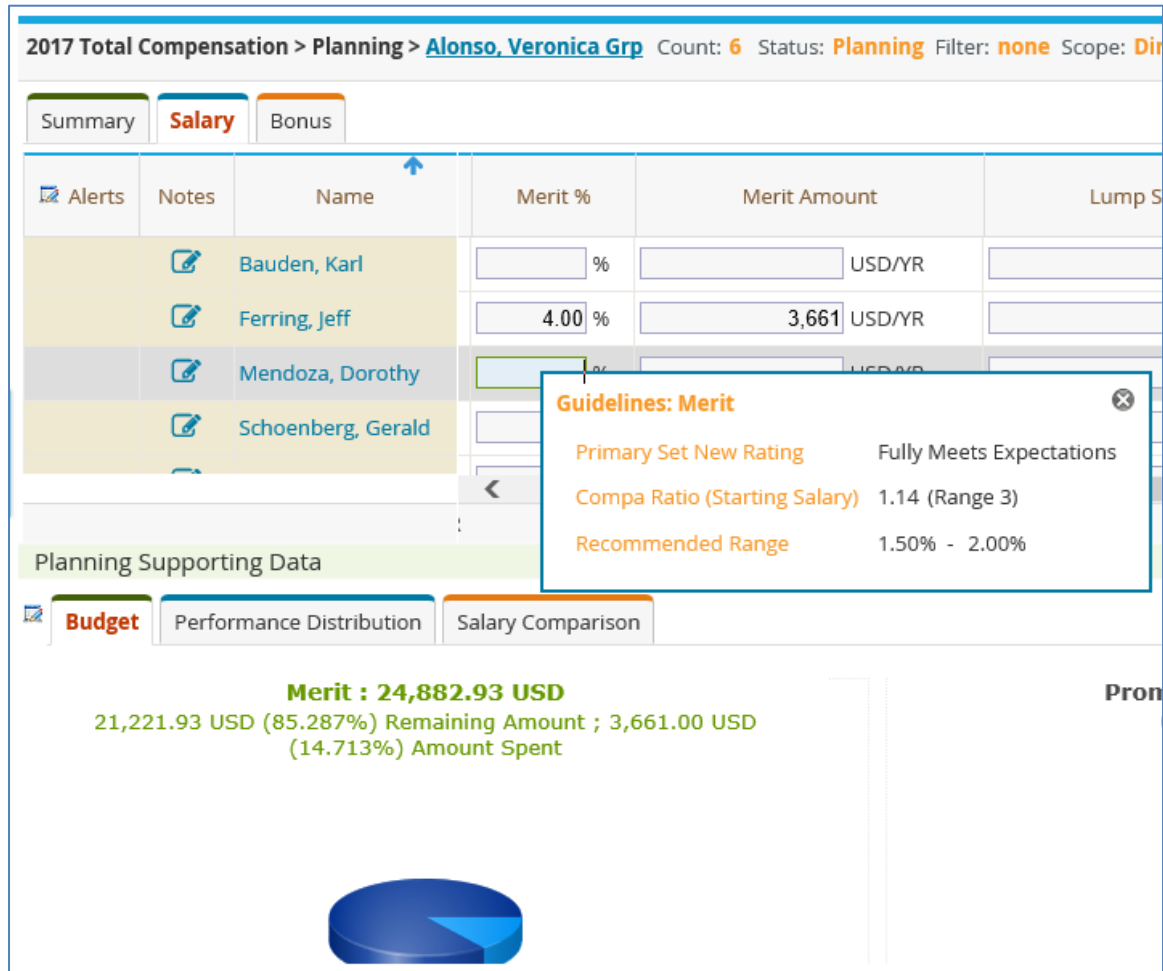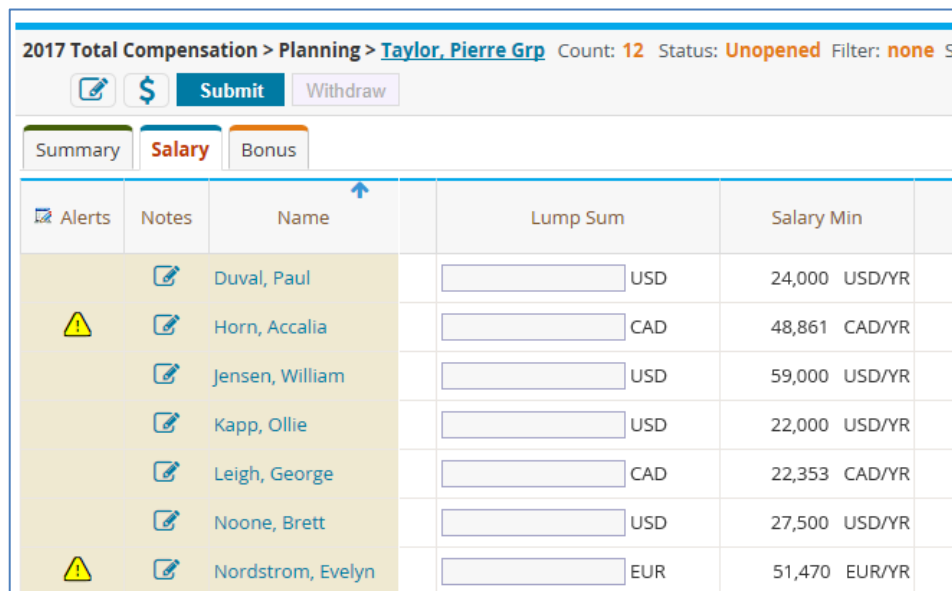
Source: HRsoft

Lump Sum Awards

The software gives a manager the ability to make a lump-sum award. The most common case for a lump-sum award is when an employee has reached the maximum salary amount for the position held. The lump-sum award is intended to keep the employee's salary within the range for the position held. Money used for lump-sum awards are considered part of the merit budget.
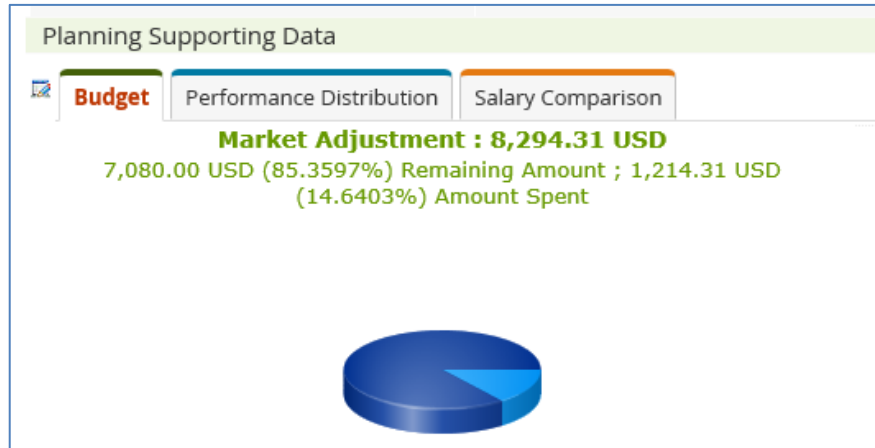
Figure 4: Lump-Sum Award

Source: HRsoft

Budgets

On the lower portion of the Planning Screen is a section called Planning Supporting Data that supplies a pie chart of the available budget for each component of the plan and the amount spent and available. The pie chart is dynamically updated as each award is entered in the Planning Screen.

Figure 5: Budget Planning

Planning Supporting Data

Budget | Performance Distribution | Salary Comparison

Market Adjustment : 8,294.31 USD
7,080.00 USD (85.3597%) Remaining Amount ; 1,214.31 USD
(14.6403%) Amount Spent

Compa-ratio

The Compa-ratio describes the individual's position in the pay range against the pay-policy reference point for the range. It can be used to reposition an individual's pay in the range if it is too high or too low.

There are two separate Compa-ratio values displayed in separate columns in the planning worksheet. Compa-ratio is calculated in the software and displayed for each employee using the current salary and the salary after adjustments are considered.

Figure 6: Compa-ratio

2017 Total Compensation > Planning > **Alonso, Veronica Grp** Count: **6** Status: **Planning** Filter: **none** Scope: **Direct Reports**

Summary | **Salary** | Bonus

Alerts	Notes	Name	New Rating	Current Salary	Current Compa Ratio	Merit %
		Bauden, Karl	Unsatisfactory Performance	165,000 USD/YR	0.94	%
		Ferring, Jeff	Exceptional Performance	100,000 USD/YR	0.77	%
		Mendoza, Dorothy	Fully Meets Expectations	200,000 USD/YR	1.14	%
		Schoenberg, Gerald	Exceptional Performance	63,000 USD/YR	1.58	%
		Yount, Nancy	Exceeds Expectations	180,000 USD/YR	1.03	%
		Zimring, Libby	Fully Meets Expectations	125,000 EUR/YR	0.90	%

Real-time Planning Review

In this section, the Reviewer can see all of the entries made by the planner(s) in the entire hierarchy and submit to automatically roll up the planning to the next level of management as needed.

Figure 7: Planning Review

Source: HRsoft 2018One-Click Submit

Once compensation planners have entered the salary values for all of employees in their groups, the next step is to submit the plan for review and approval by clicking the Submit button
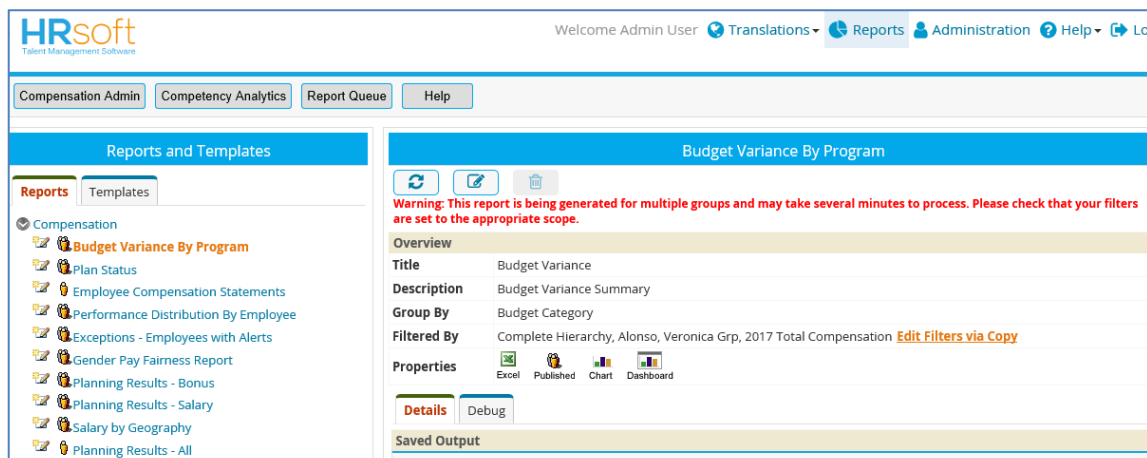
Figure 8: One-click Submission

Source: HRsoft

Management Reports

Management reports in the standard configuration allow for the review of data in the compensation plan. Reports may be run at any time and are updated with fresh data. Reports are available by clicking the Reports button at the top of the screen.

Figure 9: Management Reports

Source: HRsoft

Measurable Results

The key driver for HRsoft's market is saving time. On average, implementing Compensation Business Partner can cut the typical compensation cycle time in half, meaning 50% less labor cost and replacing the frantic stress-filled process with its error-prone spreadsheets.

Case Study: Pharmaceutical Company

The Challenge. One of the greatest challenges faced by this organization was the lack of ability to support ongoing and in-cycle changes in the pay process. The operational schedules left only a small window for compensation planning, which led to many changes having to take place towards the end of the cycle. While performance data is reviewed in January, budgets aren't finalized until mid-March after business results have been fully accumulated. Thus, compensation planners often needed to change bonus targets for different people across most of the organization.

With many tools, it's impossible to make changes so late in the process. In fact, the tool this organization was using couldn't support the necessary changes, so planners switched back to a manual process to avoid further complexities. This manual process left them with hundreds of different spreadsheets to collect from many different countries.

The Solution. With the CBP platform, this organization was able to automate its global compensation process. Compensation planners now can make changes as needed and within their limited amount of time. The software has been configured in a way that allows them to make changes online whenever they need to, thereby allowing them to recalculate rewards without ever having to start from scratch. They've also been able to cut their compensation-cycle time in half.

Customer Quote. "The tool is simple to use, effectively met our needs and enabled us to plan for approximately 1,000 employees in a timely manner. High marks for their responsiveness and willingness to support us as a client." – Compensation Manager

About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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