



PRACTIQUE
A Merced Company

Whitepaper:

Incentive Compensation Management brings Customer Relationship Management into the 21st Century.

Prepared by Practique Associates Limited the leading specialist vendor of Incentive Compensation Management software in Europe.

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Practique Whitepaper

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Executive Summary

The economic climate is signalling growth, making Customer Relationship Management (CRM) more important than ever. The focus according to Gartner is moving as 80 per cent of the world's top CEO's declare current objectives are shifting from cost cutting to growth.

Incentive Compensation Management (ICM) is able to play a vital role in encouraging growth. It is a burgeoning market, which is predicted to be worth \$300m by 2010. The parallels and dependencies between compensation management and CRM are compelling. Many incentive schemes are usually oversimplified due to traditional systems being unable to effectively support any type of complexity over the variable pay process.

ICM solutions not only automate commission, bonus and incentive management they provide a central repository of performance and achievement data that helps managers better understand how employees react to any incentive plan and adjust it accordingly to ensure they are kept in line with business objectives. Additionally, interactive web statements help payees to understand the impact stretching their target will have on their remuneration.

Practique Managing Director, Joanne Walker comments, "The need for detailed information on staff performance is a business imperative and a reward system has to be sophisticated in terms of its construction around business objective alignment. Employees in an organisation need to have timely, personalised, and targeted information available to them. A reward system should be able to manage any number and type of different pay plan, taking into account each person and their role within the company, as different individuals will respond to different sorts of reward."

How CRM and ICM work effectively together

Practique is a 'Best of Breed' ICM solution provider. Their INCA application gives organisations better control, visibility and measurement capability of the entire ICM process.

INCA's powerful analytical capability gives organisations the ability to view the current state of the business and the market. This gives the intelligence for goal posts to be moved in order to focus activity, making the company more competitive.

Analysts predict that niche and best of breed vendors are going to be 'the next big thing' for a comprehensive business CRM system. It is becoming more commonplace for organisations to deploy a core CRM suite, adding expert solutions that can compliment and expand the current reporting systems.

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With quality analytics available from ICM software, organisations can:

- Alter business models to fit with the diverse market place
- Effectively compete, win and profit in today's fast-changing markets
- Identify and harness changing market opportunities
- INCA, a web-based system, provides interactive access giving 'real time' information
- INCA's archived data can be used by management to look at modelling and forecasting

Best of Breed – INCA

Gartner recognises organisations increasingly deploy a core CRM suite that is then surrounded by and built upon with expert solutions and as a result these companies will take the competitive advantage.

- INCA, unlike homegrown systems does not compromise pay plan principles, it provides a package capable of dealing with each business's specific complexities giving quick and easy analysis for ongoing evaluation.
- Calculation accuracy is improved optimising motivation for sales forces to perform well and expand the business.
- Management can easily look at a variety of elements of the business, from singling out star performers with a data snap-shot, to looking at the bigger picture and forecasting next year's sales.

About Practique

Pratique is the author of INCA an Incentive Management solution. This web-based software automates sales commission and bonus and is responsible for managing the commission of over 120,000 employees and channel partners across Europe every day.

Pratique, a UK based organisation, is the leading specialist vendor of Incentive Compensation Management software in Europe. INCA is implemented in many forward thinking companies including O₂ in the UK and Germany, The Carphone Warehouse, Mazda, BT, Cable & Wireless, STA Travel and The Royal Bank of Scotland.

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