

Here Comes the Web -- Get Involved Now

By Gopi Mattel, Again Technologies

The use of the World Wide Web and Web technologies in business puts companies on the verge of dramatic productivity gains for the first time since the debut of the computer itself. Through collaborative technologies empowered by the Web, we are sharing data, learning from it and leveraging it for gain -- all in real time.

Web-enabling of software applications in compensation management -- from spreadsheet programs, to automated compensation software, to data mining programs -- not only will accelerate processes, but also will enable the real-time gathering of data and the modeling of it in just-in-time plans. Here are some of the benefits of Web technology for compensation management.

Collaboration

Compensation management often rests in a seam between HR and finance. The Web shortens the long circuit of paper shuffling by placing data where it can be viewed, shared and approved. Collaboration can exist not only between departments but also with the people most affected by compensation -- those receiving it. For those receiving variable pay such as sales commissions, viewing real-time performance can provide the urgency to surpass goals, instead of missing them.

Immediate Feedback for Rapid Data Analysis and Modeling

Some automated variable compensation programs feature compensation plan modeling. Distributing or viewing modeled plans via the Web allows for real-time input and feedback, making it possible to change compensation plans rapidly, providing immediate results-tracking to employees and allowing compensation professionals to spend their time on what's most important -- modifying employee behavior to produce results.

Customer Self-service

The Web can provide employees the means to securely view pay data online. Automatic payments can be tracked, deductions checked and 401(k) and stock plans viewed. This takes the intermediary out of the process, allowing for faster service by enabling self-service. Backup customer service still will be necessary, but the cost and time savings achieved by automating answers to frequently asked questions can provide significant savings and added benefit for employees.

Build or Buy?

How companies embrace Web technologies will greatly affect their abilities to leverage data and enhance compensation management. Web-enabled compensation programs exist that are designed to calculate not only regular pay, but variable pay as well. These range from less than \$100,000 to millions of dollars for a large installation.

Off-the-shelf programs exist for small enterprises; however, they are unlikely to be Web-enabled. Web-enabling an in-house system is possible, but costs can vary widely and can run quickly into thousands and even hundreds of thousands of dollars. When faced with redesigning or replacing a system, experience and cost are the likely determining factors.

Web Technologies Trends to Watch

Intranets/Extranets/Portals

Company intranets, in-house Web sites not accessible to the public, enable the sharing of documents within Web browsers. Compensation plan documents and tracking systems now can be accessed over intranets by appropriate parties, such as sales management, finance and compensation.

Extranets are secure, password-enabled Web sites that enable access to data and applications for partners or customers. They also can link disparate applications and data together, allowing, for example, for the flow of data from an enterprise resource planning (ERP) program to move directly to outsourced firms such as payroll processors.

Some enterprises will adopt portal technologies to create “supersites,” company-defined, enterprise-wide intranet communities with search engines and other helpful resources. Other companies offer software that allows desktop browsers to launch company portals that could organize information in a channel fashion, including everything from “mynews” to “mycompanypolicies” to “my compensation.”

ASPs/Outsourcing

A new business model emerged in 1999 bringing application software into the outsourcing arena. Under the application software provider (ASP) model, vendor companies or software aggregators host software on their systems, allowing customer companies to access the software. This rental model places the support burden on the software provider and enables pricing flexibility and availability of robust enterprise software to enterprises that couldn't possibly purchase it.

Security

The downside of the interconnected nature of the Internet is that it increases exposure to potential threats -- inside and outside the organization. Security will be of paramount importance to the organization and employees with whichever path is adopted concerning the Web.

Get Connected and Share the Gains

Web user growth rose 12.5 percent last year, reaching 63.9 million unique visitors during October 1999, according to Web site monitoring firm Media Metrix.

While the growth percentage will taper, the use of Web technologies will only increase. The Web is here to stay. It's time to let people collaborate and make technology do the work, so we can all share the gains.

About the Author -- Gopi Mattel is Chief Technology Officer for Again Technologies. He is a frequent lecturer and occasional author on technology-based solutions for the compensation profession.

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