

Overview

Incentease is an online employee incentive planning and administration solution designed, implemented and supported by HRN compensation professionals. Incentease provides the tools you need to ensure that your incentive pay program is being based upon quantitative achievement of agreed upon objectives. Built upon solid business principles, the program measures, calculates and reports the bottom line effectiveness of your overall incentive pay program. This level of data management provides justification that incentives have a positive, documented effect on earnings and production.

Incentease is a revolutionary, simple-to-use online application designed to make incentive pay programs more effective at achieving and rewarding desired results. Each eligible employee receives their personal performance scorecard related to their specific role and responsibilities. The performance scorecard clearly defines weighted objectives and establishes achievement thresholds. Based solely upon achieved results, Incentease calculates maximum incentive potential, incentive percent achieved and incentive amount earned.

During the planning and implementation process, HRN compensation experts consult with each client as much or as little as necessary to develop an incentive plan structure unique to their requirements. For a base plus incentive pay program to be effective, the employee must believe the “at-risk” component meets the following motivational criteria:

- Employees value the incentive offered
- Employees believe they will be paid the incentive if they achieve the objective
- Employees believe they can achieve the objective
- Employees understand the importance of their objectives to the organization

Built On Solid Compensation and Incentive Principles

- Balanced scorecard rewards “balanced performance” based on overall job requirements
- Can track, measure and reward both team and individual performance
- Links goals to key corporate measures and professional development objectives
- Not an ‘entitlement’ program; level of collective achievements determines incentive compensation

Incentease Components

- Individual goals
- Team goals
- Goal category weightings
- Hurdles
- Thresholds
- Incentive award scale



Incentease Features and Benefits

- Customized to Your Organization — HRN customizes each incentive compensation plan based on your unique approach to goal-setting and rewarding performance. Incentease is based on a balanced scorecard approach – specifically *your balanced scorecard*.

In consultation with your team, each position is assigned individual and/or group goals. Each goal is weighted to establish a level of importance. The higher a goal is weighted, the greater the opportunity (and risk) to earn incentive compensation. An overall rating level is calculated based on level of achievement and weight percentages of the combined goals.

- Goals and Objectives — Use your goals and objectives, or select from the Incentease library that features commonly used, industry-specific goals. Additionally, your plan can incorporate global, group *and* individual goals.
- Goal Weighting — Use your current goal weights or work with your consultant to build a plan that meets your unique objectives. The more important the goal, the higher the weighting, and greater the incentive compensation opportunity.
- Levels of Performance — Unlike off-the-shelf programs that set three or four performance levels for each goal, Incentease allows you to choose the number of performance levels for each goal, *and* the point at which rewards are paid.

- Rewards and Motivates Employees — Simple bonus plans often distribute cash to employees without them knowing exactly why. Incentease is designed to motivate employees toward documented objectives, communicate performance along the way, and reward performance when goals and objectives are achieved. Recognition, communication and motivation are keys to employee satisfaction, and ultimately employee retention.
- Fair and Equitable — Objective and easy to understand, Incentease clearly communicates incentive plan criteria and takes the guesswork out of distributing cash incentives to employees.
- Incentease Updates — HRN is continually adding new features and improving the functionality of Incentease. Because Incentease is a hosted online solution these features and upgrades will become available to you as they are implemented. All upgrades and enhancements are included in your annual licensing fee.

The screenshot shows the Incentease dashboard interface. At the top, there is a navigation menu with tabs for 'System', 'Build Plans', 'Reports', and 'Tools'. Below this, there are links for 'Home', 'Company Configuration', and 'Login Information'. The main content area is divided into several sections:

- Bar Chart:** A horizontal bar chart comparing 'Employees' (12) and 'Job Titles' (10).
- HR Fact Friday (pt I): H1N1 (Swine Flu) Vaccine Expected to Be Available in October:** A news article snippet stating that the FDA has approved 4 vaccines against the H1N1 flu virus for 2009, with distribution expected in October.
- Current Cycle Employee Plan Summary:** A table listing employees and their plan status.
- Plans Due in the Next 30 Days:** A table showing no plans are due in the next 30 days.

| Employee | Created | Weighted | Threshold Set | Result Set |
|------------------|---------|----------|---------------|------------|
| Fred Benson | ✓ | ✓ | ✓ | ✓ |
| Joshua Bernard | | | | |
| Mary Duke | ✓ | ✓ | ✓ | ✓ |
| John Howard | ✓ | ✓ | ✓ | ✓ |
| Jeremy Lucas | | | | |
| Julie Lynn | ✓ | ✓ | | |
| Bruce Phillips | | | | |
| Noah Rodgers | ✓ | ✓ | ✓ | ✓ |
| Grace Smith | ✓ | ✓ | ✓ | ✓ |
| Joseph Villa | | | | |
| Charles Williams | | | | |

| Employee | Due Date |
|----------|----------|
| None | |

The Incentease dashboard provides at-a-glance administrator or supervisory level plan and activity summary data. Also provided is the ability to connect to an external RSS feed for updated news and information.

This screenshot shows the 'My Objectives' library. It includes a navigation bar with 'My Objectives' and 'Library' tabs, and an 'Add Objective' button. Below is a table of objectives:

| Objective | Org Level | Levels | Type | Edit | Delete |
|---------------------|------------|--------|---------|------|--------|
| Client Retention | Top Level | 5 | Percent | | |
| Client Satisfaction | Top Level | 7 | Percent | | |
| Performance Rating | Individual | 5 | Units | | |
| Project Completion | All Levels | 7 | Percent | | |
| Return on Assets | Top Level | 5 | Percent | | |

This screenshot shows the 'Values' report for objectives. It includes a navigation bar with 'Objectives', 'Values', 'Report', and 'Previous Plans' tabs, and buttons for 'Add Objective', 'Copy Template', 'Copy from Plan', and 'Clear Plan'. Below is a table of values:

| Objective | Basis | Weight | Override | Edit | Delete |
|---------------------|--------------|----------------------|----------|------|--------|
| Return on Assets | Demo Company | 50.00 | | | |
| Client Retention | Demo Company | 20.00 | | | |
| Client Satisfaction | Demo Company | 20.00 | | | |
| Project Completion | Demo Company | 10.00 | | | |
| | | Total Weight: 100.00 | | | |

Each individual incentive plan requires assigning a range of relevant objectives (goals) to each position and determining the weight and performance thresholds for each. Incentease comes with a pre-defined 'Objective Library' or users can create and customize their own.

incentease

Info Packet

Screenshots

Demo Company
8/1/2009 - 10/31/2009 Employee Incentive Plan

Benson, Fred
Job Title: Client Services Rep
Location: Client Services

Maximum Incentive Potential: 5.00% of base salary.

Performance Scale:

| Objective | Basis | Weight | Threshold | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------|-----------------|--------|-----------|--------|--------|--------|--------|---------|--------|---------|---|---|----|
| Client Satisfaction | Demo Company | 35 % | 80.00% | 70.00% | 75.00% | 80.00% | 85.00% | 90.00% | 95.00% | 100.00% | | | |
| Performance Rating | Sales | 25 % | 3.00 | 1.00 | 2.00 | 3.00 | 4.00 | 5.00 | | | | | |
| Project Completion | Client Services | 20 % | 80.00% | 70.00% | 75.00% | 80.00% | 85.00% | 90.00% | 95.00% | 100.00% | | | |
| Client Retention | Demo Company | 10 % | 90.00% | 80.00% | 85.00% | 90.00% | 95.00% | 100.00% | | | | | |
| Return on Assets | Demo Company | 10 % | 0.15% | 0.14% | 0.15% | 0.16% | 0.17% | 0.18% | | | | | |

Incentive Earned Calculation

| Objective | Result | Performance Level Achieved | Percent Level Achieved | Weight | Weighted Percent Achieved |
|----------------------------|---------|----------------------------|------------------------|--------------|---------------------------|
| Client Satisfaction | 97.00 % | 6 | 75 % | 35 % | 26.25 % |
| Performance Rating | 4.00 | 4 | 50 % | 25 % | 12.5 % |
| Project Completion | 87.00 % | 4 | 25 % | 20 % | 5 % |
| Client Retention | 99.00 % | 4 | 50 % | 10 % | 5 % |
| Return on Assets | 0.17 % | 3 | 33 % | 10 % | 3.3 % |
| Overall Performance | | | | 100 % | 52.05 % |

Maximum Incentive Potential: \$331.25
Incentive Percent Earned: 52.05 %
Incentive Amount Earned: \$172.42

Detailed incentive plan reports show incentive compensation potential, objectives, weights, minimum goal (threshold) and performance levels. Administrators and participants can also see at any time their actual weighted balanced performance scorecard as it relates to incentive percent and amount earned.

Demo Company
Incentives Earned - Overall

| Employee Name | Job Title | Location | Incentive Potential | | Incentive Earned | |
|----------------------------------|--------------------------|------------------------|---------------------|------------|------------------|-------------|
| | | | % | \$ | % | \$ |
| Benson, Fred | Client Services Rep | Client Services | 5 % | \$331.25 | 52.05 % | \$172.42 |
| Duke, Mary | Accountant | Accounting | 15 % | \$1,575.00 | 34 % | \$535.50 |
| Howard, John O | President | Demo Company | 25 % | \$7,812.50 | 46.5 % | \$3,632.81 |
| Lynn, Julie | Client Services Rep | Client Services | 5 % | \$300.00 | 14.55 % | \$43.65 |
| Rodgers, Noah S | IT Manager | Information Technology | 25 % | \$4,625.00 | 67.9 % | \$3,140.38 |
| Smith, Grace | Client Services Director | Client Services | 25 % | \$3,875.00 | 53.3 % | \$2,065.38 |
| Wilson, Charles B | Developer | Information Technology | 15 % | \$2,006.25 | 67.9 % | \$1,362.24 |
| Youngblood, Robert | CFO | Demo Company | 25 % | \$6,687.50 | 46.5 % | \$3,109.69 |
| Total Incentives Paid | | | | | | \$14,062.06 |
| Total Possible Incentives | | | | | | \$27,212.50 |

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Administrators can readily report the collective performance and overall incentives earned against total possible incentives available (budget) by all or groups of plan participants.



Demo Company
Incentives Earned Summary

| | <u>Possible</u> | <u>Earned*</u> | <u>Percent of</u> |
|---------------------|--------------------|--------------------|-------------------|
| Client Retention | \$5,766.88 | \$2,883.44 | 50.00 % |
| Client Satisfaction | \$6,486.25 | \$4,864.69 | 75.00 % |
| Performance Rating | \$157.81 | (\$33.59) | -21.29 % |
| Project Completion | \$5,981.88 | \$3,437.03 | 57.46 % |
| Return on Assets | \$8,819.69 | \$2,910.50 | 33.00 % |
| Totals | \$27,212.50 | \$14,062.06 | 51.68 % |

* The values shown are totals of the actual amounts earned. Depending on your setup negative values may be possible. Any negative earned amounts indicate an area where multiple employees failed to achieve the threshold level and decreased their overall payout. If the total amount decreased is more than the total amount earned a negative value will appear on this report.

Administrators can collectively report the percentage of objectives achieved against total possible incentives available (budget) by all or groups of plan participants.

Build Plans | System | Reports | Tools
Builder | Objective Library | Data Entry | Close Plans

Hide Chart

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    graph TD
      Demo[Demo Company] --> Wichita[Wichita, KS]
      Demo --> Salt[Salt Lake City, UT]
      Wichita --> Client[Client Services]
      Wichita --> IT[Information Technology]
      Wichita --> Accounting[Accounting]
      Salt --> Marketing[Marketing]
      Salt --> Sales[Sales]
    
```

Org Units | Jobs | Employees

Add Employee | Click Employee Row to open Plan Workspace.

| ID | First | Last | Title | Supervisor | Location | Edit | Delete |
|----|--------|---------|---------------------|-------------------|--------------------|------|--------|
| 8 | Fred | Benson | Client Services Rep | Grace Smith | Client Services | | |
| 10 | Joshua | Bernard | Regional Manager | John Howard | Salt Lake City, UT | | |
| 3 | Mary | Duke | Accountant | Robert Youngblood | Accounting | | |
| 1 | John | Howard | President | None | Demo Company | | |
| 11 | Jeremy | Lucas | Marketing Director | Joshua Bernard | Salt Lake City, UT | | |
| 7 | Julie | Lynn | Client Services Rep | Grace Smith | Client Services | | |

The "Build Plan" screen allows creating, updating, and monitoring individual plans; organized by location or department, job title, or employee name.

Ordering and Contact Information

Professional Implementation

We are experienced compensation professionals and we thoroughly understand variable compensation. We are committed to spending the time necessary to ensure an effective program is developed and implemented; whether that means incorporating existing incentive plan data or developing a new incentive plan program from the ground up.

Data Import

HRN will perform the initial entry of employee data as part of your system setup. Thereafter, most organizations can manually enter and import data updates in a matter of minutes.

Annual Updates and Ongoing Support

Ongoing phone support is included at no additional charge for as long as you maintain your Incentease license. Compensation professionals are available to assist you with any compensation questions you may have.

Contact HRN Management Group

To request pricing, make an order, or have your questions answered, contact us via:

- Phone: (800)940-7522, Monday through Friday, 7:30 am to 5:30 pm Mountain Time
- Online: www.hrnonline.com
- Email: info@hrnonline.com

About HRN Management Group

Founded in 1989, HRN develops practical and effective human resource staff management products designed to simplify and improve employee development, compensation consulting services ranging from executive search and recruitment to organizational development, management training, pre-employment background verification, and affirmative action plan preparation.

Other HRN Solutions

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- HR Suite
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- Job Descriptions Plus
- Complete HR Consulting Services
- Executive Search and Recruitment

