



A Case Study
**Accessing CompFacts' Pay Database
in Conjunction with the
Free Version of Pay Integrator**

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Summary

This case study demonstrates the synergy a pay consultant enjoyed by having us combine our comprehensive base pay database with the free version of our powerful pay analysis software (Pay Integrator) in conducting a due diligence project for her client.

Note: Although this case study involves a consultant, the described process and benefits apply to any type organization.

In just two business days and for an extremely modest fee, we delivered to her a wide range of location and industry-specific market pay data reflecting her client’s precise labor pool definitions. The data covered over 90 benchmark jobs and included two unusual market statistics needed to implement the client’s pay strategy (40th and 60th percentiles).

After a total of only about two hours of client staff time to perform job matching and create an importable employee data file, we loaded Pay Integrator with the client’s data and our market data. The consultant was then able to use Pay Integrator to interactively perform a wide range of analyses needed for her work – including competitive comparisons and pay structure adjustments and related impact assessments.

The locations and industries illustrated in this document have been changed to preserve the anonymity of the organizations involved. Please visit our website for webcast demonstrations of the processes and software described. We welcome hearing from you with any questions on this project or our services or software.

This document provides a case study in using CompFacts' base pay data base in conjunction with the free version of our Pay Integrator software to meet some unique and challenging needs of a compensation consultant.

Situation

The consultant was assisting her client corporation (which we refer to as the client) perform due diligence in connection with an acquisition being considered of a smaller company (referred to as the target). The target's operations cover two industries (chemicals and plastics) and 12 locations in three U.S. regions (east, west and south).

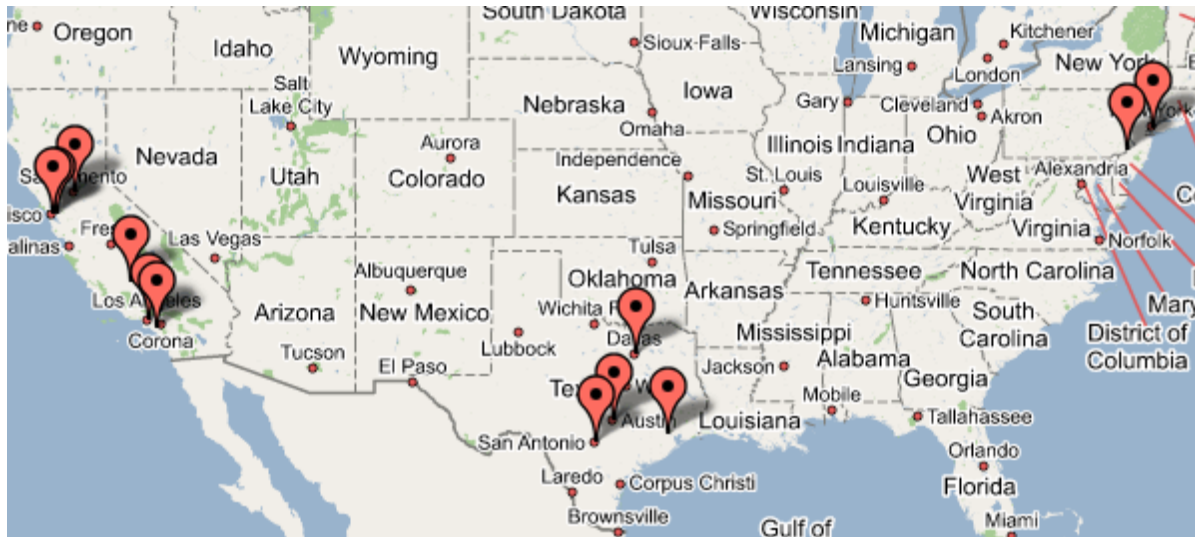
The consultant's role was to provide her client an in-depth, flexible and updatable analysis of where the target's actual and structural pay levels stood relative to multiple labor markets (pools) with respect to the client's two-tier pay strategy. This strategy is to match either 40th or 60th market pay levels depending on job level and type.

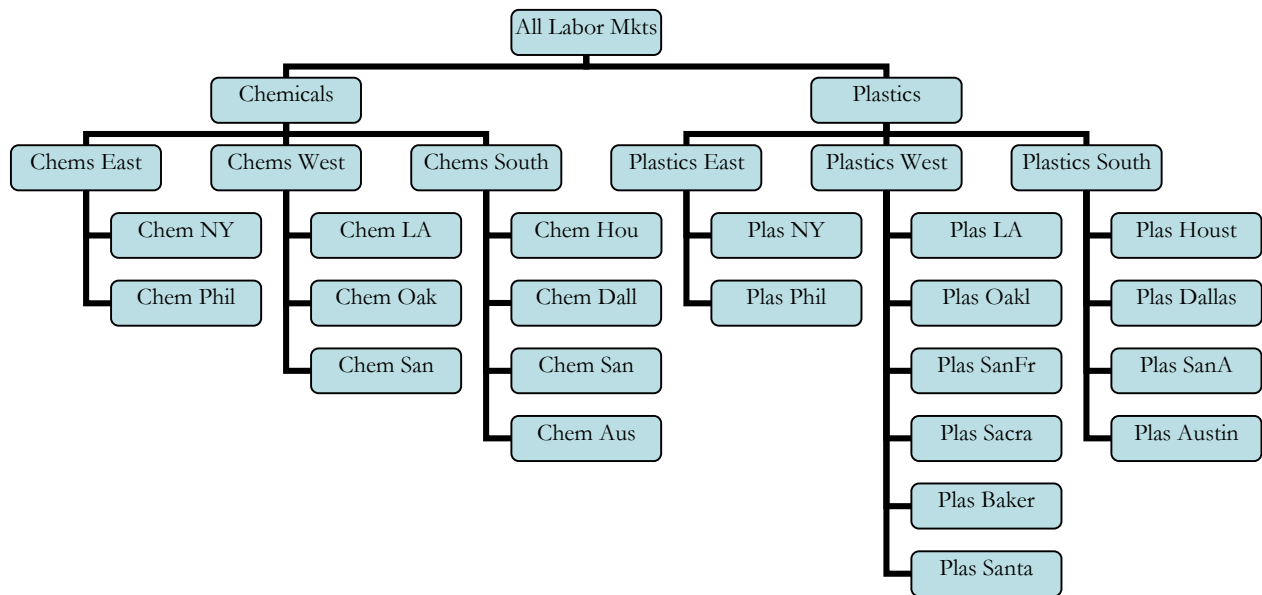
Requirements

Our role was to provide the consultant with software and pay data meeting the following primary requirements:

- The software needed to allow interactive comparisons of the target company's actual and structural pay levels against aged market pay for a large number of tightly-defined industry-at-location labor pools (described below). These comparisons had to be at the employee, job and grade levels, and needed to identify any required structure adjustment and the associated cost and demographic impact of such adjustment.
- Estimates of competitive base pay were needed on about 90 benchmark jobs and, as mentioned, were to include 40th and 60th percentile market pay levels (in addition to standard statistics) required by the client's pay strategy.

- Market pay was needed on a large number of labor pools defined by industry and location as illustrated in the following map and chart. Illustrative labor pools included:
 - Specific industries at specific metropolitan areas (e.g. chemical industry at New York City or plastics industry at Austin)
 - Specific industries at specific regions of the country (e.g. chemical industry in the east or plastic industry in the south)
 - Specific industries for the nation (e.g. chemicals or plastics)
 - Both industries for the nation





Overview of CompFacts Tools

Two CompFacts tools were used to meet these requirements: our Base Pay Database and our pay analysis software Pay Integrator.

Base Pay Database

The CompFacts Base Pay Database is derived from public (government) pay surveys which we enhance in a variety of ways. These surveys reflect statistically-adequate sample sizes and use consistent and well-tested mathematical, computer and compensation techniques overseen by professional pay analysts, statisticians and economists.

The database covers

- 1.2 million organizations
- 800 jobs
- 442 industry classifications
- 52 states and 409 metropolitan areas

We use our proprietary software to query, manipulate and report data from the database to accomplish such things as data aging, projections of market pay at custom percentiles, and data aggregations.

The database and software are fully described at our website.

Pay Integrator

Pay Integrator is a powerful application for combining a user's employee and survey data and accomplishing a wide range of pay analyses, determining required structure adjustments and their cost and demographic impact, assessing the user's competitiveness at the employee, job, grade, structure and unit levels, and performing many other critical compensation tasks. The software is fully described and demonstrated at our website.

For purposes of this project, the free version of Pay Integrator – preloaded with just this project's survey data – was provided. Unlike the standard version, this version does not allow other pay survey data to be used or support many of the standard version's advanced functionality. The free version can be upgraded at a modest cost.

Project Steps

The project was undertaken through the following steps:

1. Using our proprietary software, we first extracted from our pay database the primary market pay data which met the consultant's requirements. This was done through six queries, one of which is illustrated below. This resulted in a comprehensive PDF report (illustrated in its generic form on our website) as well as Excel files which were subsequently imported into Pay Integrator.

CompFacts Pay Database

After setting desired specifications (some of which are mutually exclusive), press the Report Pay Data button for your report, the Report Job Summaries button for summary descriptions of the included jobs, or the Browse / Export to Excel button to see a data list that can be exported to Excel (e.g. to subsequently import the data into Pay Integrator).

Include "All Organizations" Data Cut
 Include Avg of Data Cuts #Copies:
 Aging Date/Rate:
 Custom Percentiles:
 Report Sort:

Six Labor Pools Report
 Require Local Industry Data
 User Name:

Current Specs: 4 Data Cut/s on 14 Job Group/s Covering 93 Jobs

Type	Value	Code
Combo	Plastics in Bakersfield	
Combo	Plastics in Los Angeles	
Combo	Plastics in Oakland	
Combo	Plastics in Sacramento	
Combo	Plastics in San Francisco	
Combo	Plastics in Santa Ana	
Job Group	Advertising, Marketing, Promotions, Public Re	11-2
Job Group	Assemblers and Fabricators	51-2
Job Group	Business Operations Specialists	13-1
Job Group	Computer Specialists	15-1
Job Group	Engineers	17-2
Job Group	Financial Clerks	43-3
Job Group	Financial Specialists	13-2
Job Group	Metal Workers and Plastic Workers	51-4
Job Group	Operations Specialties Managers	11-3
Job Group	Other Office and Administrative Support Work	43-9
Job Group	Sales Representatives, Wholesale and Manu	41-4
Job Group	Secretaries and Administrative Assistants	43-6
Job Group	Supervisors, Production Workers	51-1
Job Group	Supervisors, Sales Workers	41-1

- We then imported the target company's employee data into Pay Integrator from an Excel file as illustrated below. Because the requirements of the imported file are modest and flexible, importable internal information can be provided easily and quickly from virtually any HRIS.

Import Internal Information

Integrator Wizard
Import Data

Importing Employees

Enter, on the list on the left, the Excel columns containing the data to be imported. Data indicated as required must be imported. The available Excel columns from the source Excel file are shown on the list on the right. To enter a column, select the data field row, enter the column in the text box at the top of the list, and click the Change button.

Req?	Integrator Data Field	Get From XL Col
Yes	Employee ID	A
Yes	Employee Name	B
Yes	Organization Code	C
Yes	Organization Name	D
Yes	Job Code	E
Yes	Job Title	F
Yes	Salary	G
Yes	Pay Structure	H
Yes	Grade	I
Yes	Range Minimum	J
Yes	Control/Midpoint	K
Yes	Range Maximum	L
No	Custom User Field #1	M
No	Custom User Field #2	N
No	Custom User Field #3	
No	Bonus Dol - Actual	
No	Bonus Dol - Target	
No	Bonus Pct - Actual	

Actual Excel Content

XL Col	Row 1 Information
A	EmpNo
B	Employee Name
C	Organization Code
D	Organization Name
E	Job Code
F	Job Title
G	Annual Salary
H	Pay Structure Name
I	Grade
J	Range Minimum
K	Range Midpoint
L	Range Maximum
M	User Custom Field 1
N	User Custom Field 2

3. The final step - and the only one that involved any appreciable client staff time - was for the client to match internal and survey jobs. This process is made fast and simple through the use of special tool we provide called Job Matcher. As illustrated below, the process simply involves selecting a survey job, selecting an internal job, and clicking a button. Since Job Matcher is pre-loaded with both sets of jobs (along with summary descriptions for the survey jobs), the entire process

took less than two hours. Job Matcher is demonstrated on our website.

Pay Integrator Job Matcher

-- This tool matches lists of survey and internal jobs pre-loaded by Pay Integrator. Click column labels to sort in ascending or descending order. Enter or edit job descriptions in the top textboxes as desired.
 -- Existing matches to the selected jobs are shown (in blue) in the bottom textboxes. Click the large button to match selected jobs. Click the left Delete Matches button to delete internal jobs matched to the selected survey job, or the right button to delete survey jobs matched to the selected internal job.

Survey Jobs				Internal Jobs		Descrip/Matches	
Descrip/Matches	S	<+Survey>	Sur JCode	SurveyJob	<+Int Code>	Internal Job	Descrip/Matches
Examine budget estimates for completeness, accuracy, and conformance with procedures and regulations.	vc	07 East Chemicals	43-3011	Bill and account collec	cngggg	Budget Analysts	
Analyze budgeting and accounting reports for the purpose of maintaining expenditure controls.	vc	07 East Chemicals	43-3021	Billing and posting cle	cngggx	Transportation, Stor	
	vc	07 East Chemicals	17-2031	Biomedical engineers	cngggz	Logisticians	
	vc	07 East Chemicals	43-3031	Bookkeeping, accour	cngghg	Logisticians	
	vc	07 East Chemicals	13-2031	Budget analysts	cngghh	Transportation, Stor	
	vc	07 East Chemicals	13-1199	Business operations sp	cnggho	Transportation, Stor	
	vc	07 East Chemicals	17-2041	Chemical engineers	cngghp	Budget Analysts	
	vc	07 East Chemicals	17-2051	Civil engineers	cngghr	Mechanical Enginee	
	vc	07 East Chemicals	11-3041	Compensation and be	cngghs	Purchasing Manage	
	vc	07 East Chemicals	13-1072	Compensation, benefi	cngggg	Logisticians	
	vc	07 East Chemicals	13-1041	Compliance officers, e	cnggop	Mechanical Enginee	
	vc	07 East Chemicals	11-3021	Computer and informa	cnggor	Logisticians	
	vc	07 East Chemicals	17-2061	Computer hardware er	cnggos	Budget Analysts	
	vc	07 East Chemicals	43-9011	Computer operators	cnggpd	Machinists	
	vc	07 East Chemicals	15-1021	Computer programmer	cnggpe	Transportation, Stor	
	vc	07 East Chemicals	15-1031	Computer software en	cnggpg	Machinists	
	vc	07 East Chemicals	15-1032	Computer software en	cnggph	Desktop Publishers	
	vc	07 East Chemicals	15-1099	Computer specialists, .	cnggpo	Compensation, Bene	
	vc	07 East Chemicals	15-1041	Computer support spe	cnggqh	Mechanical Enginee	
	vc	07 East Chemicals	15-1051	Computer systems ana	cnggro	Transportation, Stor	
	vc	07 East Chemicals	51-4011	Computer controlled s	cnggrp	Desktop Publishers	

Match to all surveys jobs (regardless of survey) with same code

Delete Matches

 Delete Matches

Illustrative Results

The primary result of the project was a version of Pay Integrator preloaded with pay data from the CompFacts base pay database and the target company's actual pay information. The full range of analyses and reports thereby made available to the consultant is fully described and illustrated on our website.

What follows is a brief summary of just some of those capabilities.

Data Fields and Data Cuts (Labor Pools)

When an analysis is performed, the consultant will generally select one or more data fields and data cuts (e.g. 60th percentiles salaries for New York City chemical companies). The following screen shot shows some of the selections that were provided for this project. Note that the list on the left includes standard Pay Integrator selections not actually needed for this project – such as bonus information.

Data Fields	Data Cuts (Labor Pools)
10th Ptl Salaries	All Labor Markets
25th Ptl Bonus Dollars	Chems New York City
25th Ptl Bonus Percent	Chems Philadelphia
25th Ptl Num Ees	Chems East Region
25th Ptl Salaries	Chems Los Angeles
25th Ptl Struc Max	Chems Oakland
25th Ptl Struc Min	Chems San Francisco
25th Ptl Tot Cash Tar	Chems West Region
25th Ptl Total Cash Act	Chems Houston
40th Ptl Salaries	Chems Dallas
60th Ptl Salaries	Chems San Antonio
75th Ptl Bonus Dollars	Chems Austin
75th Ptl Bonus Percent	Chems South Region
75th Ptl Ctrl-Mid Point	Plastics New York City
75th Ptl Salaries	Plastics Philadelphia
75th Ptl Struc Max	Plastics East Region
75th Ptl Struc Min	Plastics Los Angeles
75th Ptl Tot Cash Tar	Plastics Oakland
75th Ptl Total Cash Act	Plastics Ssn Francisco
90th Ptl Bonus Dollars	Plastics Sacramento
90th Ptl Bonus Percent	Plastics Bakersfield
	Plastics Santa Ana
	Plastics West Region
	Plastics Houston
	Plastics Dallas

Competitive Analysis of a Single Job

After the consultant specifies a job (e.g. computer programmers), data field (e.g. 60th percentile salaries) and data cut (e.g. both chemicals and plastics industries at all locations), Pay Integrator retrieves all matching survey data.

It provides comparisons of market pay against internal actual and target salaries (e.g. midpoints). Market data can be aged, presented in different pay denominations, printed, sent to a Microsoft Word or Excel file, or exported as a pure data file (CSV format) for use by other applications.

Analyze Single Employee or Job

Note: Results reflect Special Filter OFF status set in Analyze Data ==> All Employees task

Sort/Select by Name | Sort/Select by Ee Code | Sort/Select by Title | Sort/Select by Job Code | Analysis

Update 60th Ptl Salaries Annual

Other: All Labor Markets Aging Date / Rate 12/31/2007 3.2

Focus of Analysis: Computer Programmers

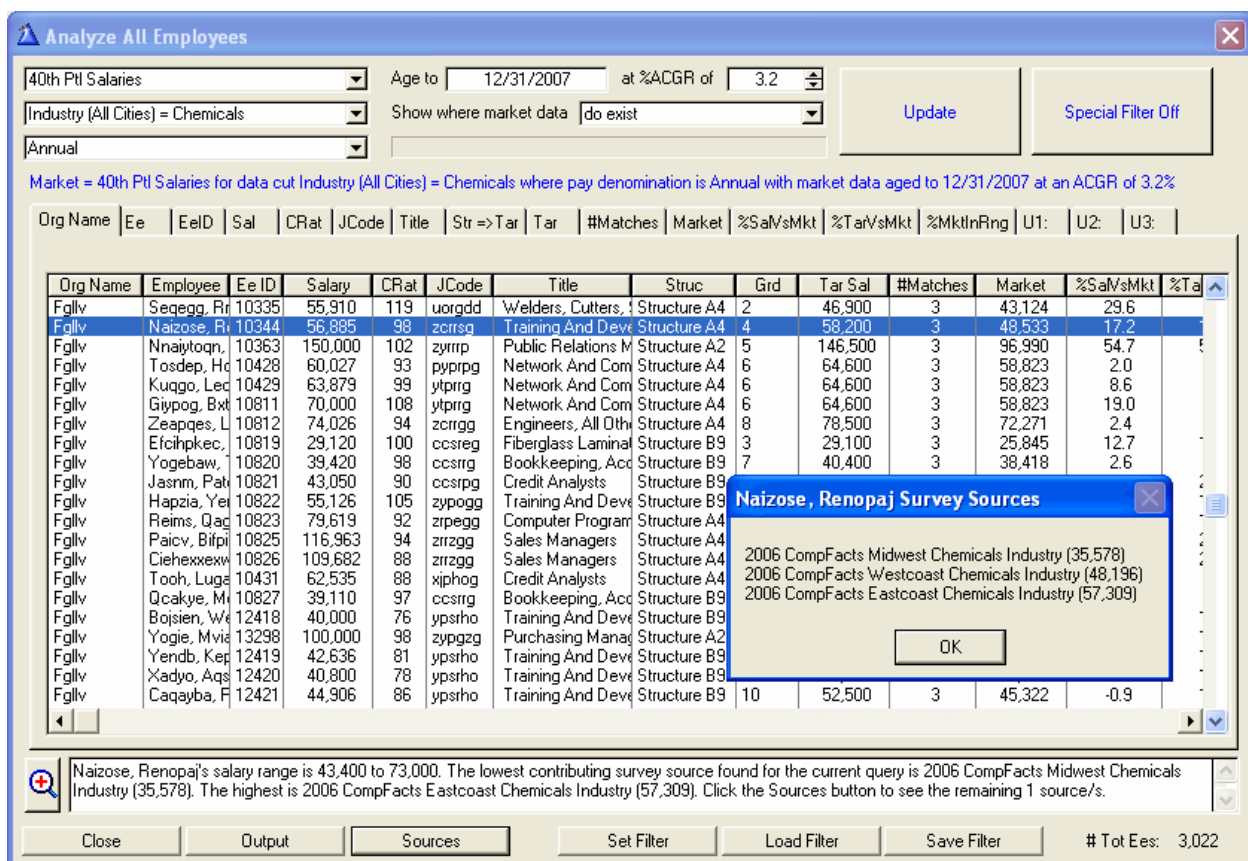
Survey	Value
2006 CompFacts Eastcoast Chemicals Industry	92,223.65
2006 CompFacts Eastcoast Plastics Industry	76,872.65
2006 CompFacts Midwest Chemicals Industry	88,391.83
2006 CompFacts Midwest Plastics Industry	80,093.52
2006 CompFacts Westcoast Chemicals Industry	96,250.51
2006 CompFacts Westcoast Plastics Industry	78,888.14
Survey Average	85,453.38
Job's Internal Target Salary	86,900.00
Percent Internal Target Salary vs. Market	1.7
Number of Internal Employees Reflected	5
Salary of Lowest Paid: Yaczo, Irebe	75,000.00
Average Salary:	83,165.09
Salary of Highest Paid: Exkapdy, Yahir	93,600.00
Percent Internal Salary vs. Market - Lowest Paid	-12.2
Percent Internal Salary vs. Market - Average	-2.7

Close Output

All-Employees Analysis

After the consultant specifies a desired data field (e.g. 40th percentile salaries) and data cut (e.g. chemicals industry at all locations), Pay Integrator retrieves all matching survey data for all jobs and employees in the target organization.

A wide-range of internal, market and competitive-position data are provided for each employee. Displayed data can be filtered and sorted in many ways. As illustrated, expanded internal and competitive information, and individual survey data, can be displayed for a highlighted employee simply by clicking a button. Market data can be aged and displayed in any pay denomination. Information can be printed, sent to a Microsoft Word or Excel file, or exported as a pure data file (CSV format) for use by other applications.



Analyze All Employees

40th Ptl Salaries | Age to 12/31/2007 | at %ACGR of 3.2 | Update | Special Filter Off

Industry (All Cities) = Chemicals | Show where market data do exist

Annual

Market = 40th Ptl Salaries for data cut Industry (All Cities) = Chemicals where pay denomination is Annual with market data aged to 12/31/2007 at an ACGR of 3.2%

Org Name	Ee	EeID	Sal	CRat	JCode	Title	Str => Tar	Tar	#Matches	Market	%SaVsMkt	%TaVsMkt	%MktInRng	U1:	U2:	U3:
Fgllv	Segegg, Rr	10335	55,910	119	uorgdd	Welders, Cutters, 1	Structure A4	2	46,900	3	43,124	29.6				
Fgllv	Naizose, R	10344	56,885	98	zcrsrg	Training And Devt	Structure A4	4	58,200	3	48,533	17.2				
Fgllv	Nnaiytoqn,	10363	150,000	102	zyrrp	Public Relations M	Structure A2	5	146,500	3	96,990	54.7				
Fgllv	Tosdep, Hd	10428	60,027	93	pyprpg	Network And Com	Structure A4	6	64,600	3	58,823	2.0				
Fgllv	Kuqgo, Lec	10429	63,879	99	ytprg	Network And Com	Structure A4	6	64,600	3	58,823	8.6				
Fgllv	Gyppog, Bxt	10811	70,000	108	ytprg	Network And Com	Structure A4	6	64,600	3	58,823	19.0				
Fgllv	Zeapqes, L	10812	74,026	94	zcrsrg	Engineers, All Oth	Structure A4	8	78,500	3	72,271	2.4				
Fgllv	Efcihpkec,	10819	29,120	100	ccsreg	Fiberglass Laminat	Structure B9	3	29,100	3	25,845	12.7				
Fgllv	Yogebaw,	10820	39,420	98	ccsrg	Bookkeeping, Acc	Structure B9	7	40,400	3	38,418	2.6				
Fgllv	Jasnrm, Pati	10821	43,050	90	ccsrpg	Credit Analysts	Structure B9									
Fgllv	Hapzia, Yei	10822	55,126	105	zypogg	Training And Devt	Structure B9									
Fgllv	Reims, Qac	10823	79,619	92	zrpegg	Computer Program	Structure A4									
Fgllv	Paicv, Bilpi	10825	116,963	94	zrrzgg	Sales Managers	Structure A4									
Fgllv	Ciehexxwv	10826	109,682	88	zrrzgg	Sales Managers	Structure A4									
Fgllv	Tooh, Luga	10431	62,535	88	xiphog	Credit Analysts	Structure A4									
Fgllv	Qcakye, Mi	10827	39,110	97	ccsrg	Bookkeeping, Acc	Structure B9									
Fgllv	Bojsien, W4	12418	40,000	76	ypsrho	Training And Devt	Structure B9									
Fgllv	Yogie, Mvia	13298	100,000	98	zypgzg	Purchasing Manag	Structure A2									
Fgllv	Yendb, Kep	12419	42,636	81	ypsrho	Training And Devt	Structure B9									
Fgllv	Xadyo, Aqs	12420	40,800	78	ypsrho	Training And Devt	Structure B9									
Fgllv	Caqayba, F	12421	44,906	86	ypsrho	Training And Devt	Structure B9	10	52,500	3	45,322	-0.9				

Naizose, Renopaj's salary range is 43,400 to 73,000. The lowest contributing survey source found for the current query is 2006 CompFacts Midwest Chemicals Industry (35,578). The highest is 2006 CompFacts Eastcoast Chemicals Industry (57,309). Click the Sources button to see the remaining 1 source/s.

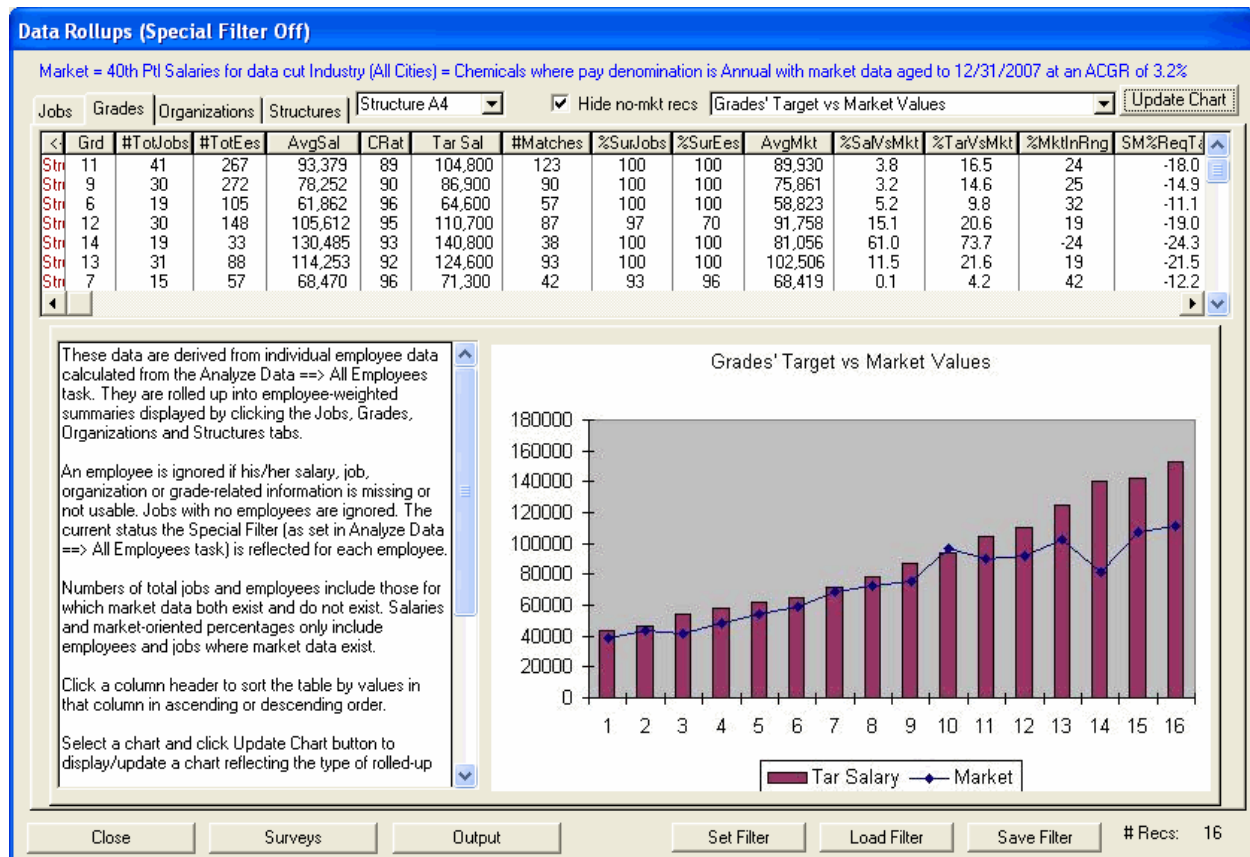
Close | Output | Sources | Set Filter | Load Filter | Save Filter | # Tot Ees: 3,022

Grade Rollup

Aged market pay data for individual employees are summarized for each job, structure, organization unit and (as shown) grade. Complete information is provided on internal pay, market pay, the percent difference between the market and both internal target salaries (e.g. midpoints) and actual average salaries, and (where applicable) the percent the market has penetrated the current salary range.

Information is provided which helps the consultant assess the adequacy of survey data for jobs, grades, organization units and structures. Trend-line (smoothed) market-vs.-target salary percent differences are provided for each grade which can be used (directly by Pay Integrator) for year-end structure planning.

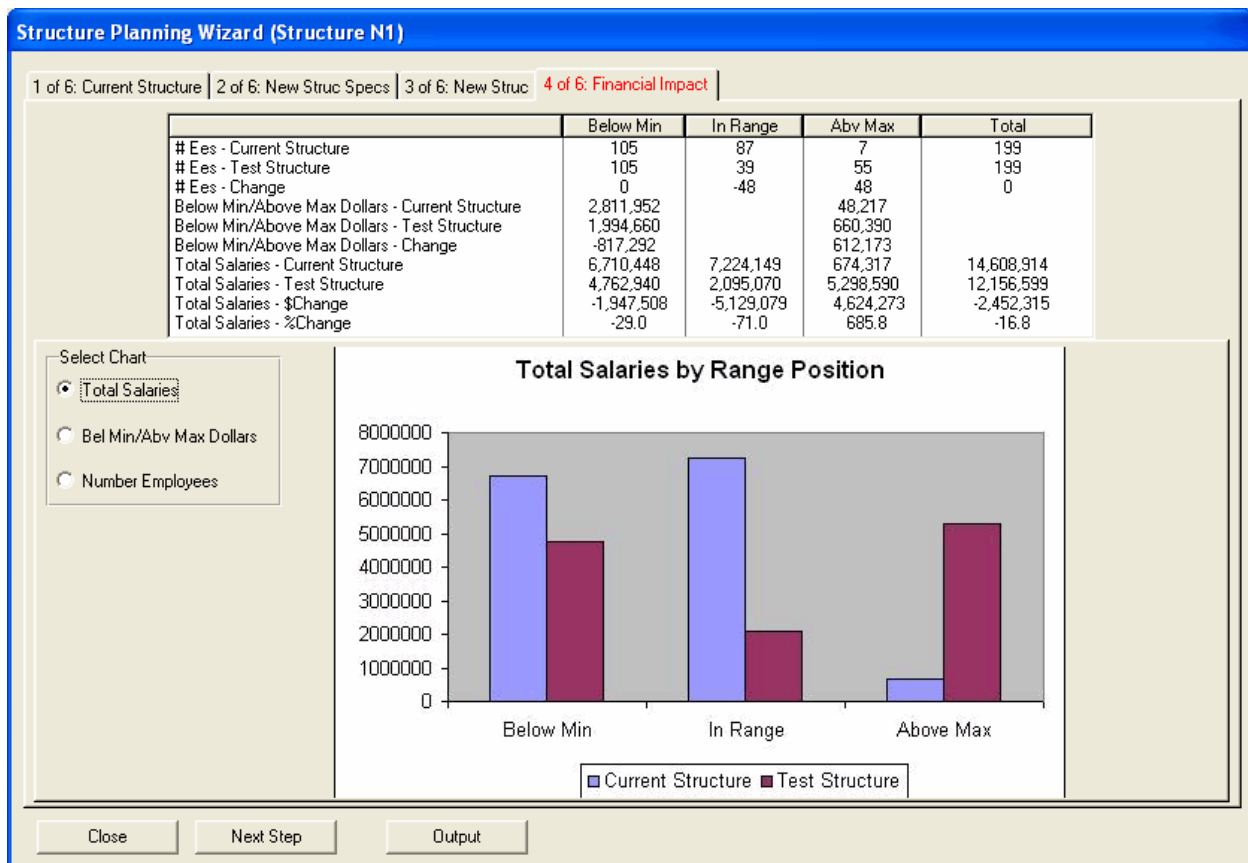
Since job evaluation points are available, market pay projected from those points are displayed, as well as percent differences between those projections and actual market pay (useful in flagging possible internal vs. external value inconsistencies).



Structure Adjustment

The consultant can specify many characteristics for determining how a current pay structure is to be adjusted – including percent range spreads, adjustments to individual grade target salaries (e.g. midpoints) and dollar rounding. Also, the dollar and demographic impact are assessed by Pay Integrator simulating a pay action for each employee using policy rules that are also specified by the consultant (i.e. how employees falling below their new minimum, within their new range and above their new maximum are to be treated).

The resulting structure and impact are shown in a variety of lists and windows, including an overall summary depicted here. A list of employees projected to fall out-of-range (along with their percent variations from range) and a full Microsoft Word report on the process and impact are also provided.



Conclusion

This case study has hopefully demonstrated two of CompFacts' unique capabilities - an ability to quickly and economically provide market pay data for virtually any location and industry and at any competitive percentile, and the cost-free software to interactively analyze that data against a user's own internal pay for purposes of competitive comparisons and structure adjustments.

If you have similar needs – and especially if you are on a tight budget and timeline – we hope you'll contact us.