

**An Introduction to CompFacts'
Perform4Pay (Limited Version)
Performance Management Program**

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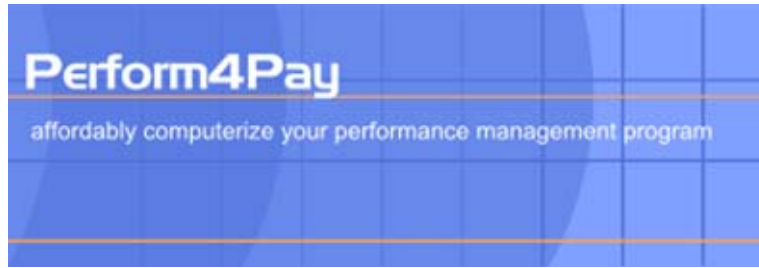
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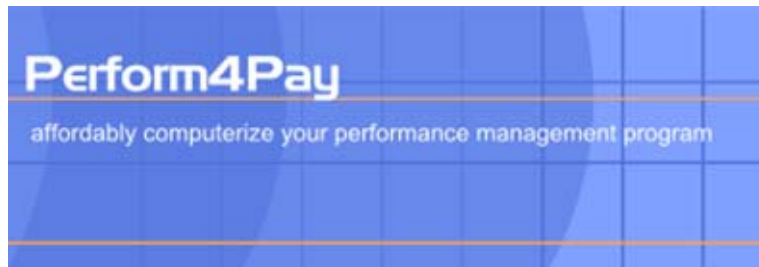
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Introduction

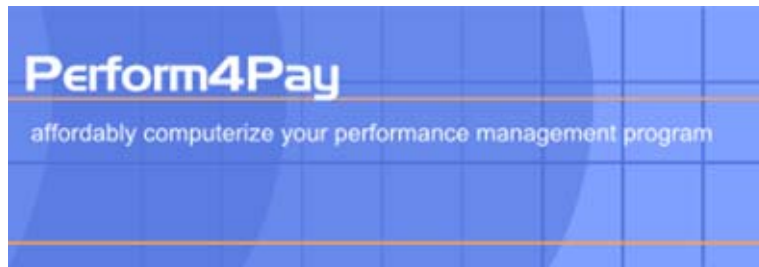
Our Perform4Pay application computerizes an organization's existing performance management program. It automates the collaborative (supervisor and employee) setting of performance standards, their subsequent measurement, and calculations of resulting merit and incentive rewards – in a totally paperless environment. Comprehensive reports and analyses are provided to the organization and employees to help insure that the program is communicated effectively and administered equitably, consistently and in a way which supports the organization's financial, strategic and other human resources objectives.

This document describes a limited-function version of Perform4Pay. The program is provided to users for short periods of time (typically one or two months) primarily to assist in just a single aspect of the user's total performance management program – base, incentive and related pay plan calculations. Despite many of the full program's reporting and analysis functions being disabled, this easy-to-use tool provides an exceptionally quick, convenient and accurate way of performing this vital and time-consuming HR task.

Note: In cases where supervisory ratings have already been completed, the software is still useful as a payment-calculation and ratings analysis tool.

Basic Concepts

Operating Modes – Perform4Pay operates in two modes – an HR setup mode in which relevant pay program and employee information is entered, and a ratings mode in which supervisors enter performance ratings and comments. A screen shot of the program in ratings mode is provided below. Access to these modes is protected by passwords which the program generates.

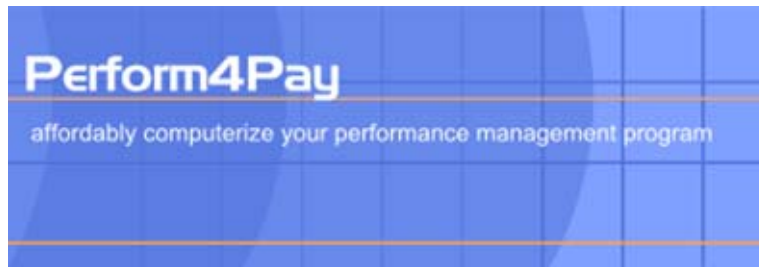


Process – After HR enters relevant information, the program and data files are distributed to supervisors, along with each supervisor’s unique automatically-generated password. By entering this password, the supervisor will only be able to access Perform4Pay’s ratings mode and information on employees who report directly or indirectly to that supervisor.

The supervisor can see each employee’s individual goals and objectives for up to five separate pay plans, and enter relevant comments and ratings bearing on pay calculations instantly performed by the software.

When done, the supervisor has Perform4Pay transmit ratings and comments back to HR where they are consolidated with those of other supervisors, analyzed and exported to a file suitable for payroll processing.

Pay Plans and Plan Factors – Perform4Pay can currently handle up to five separate pay plans, each having up to 30 separate factors. Each employee can be covered by different combinations of one or more of the plans. A factor is a dimension of a pay plan which usually determines a separate piece of the total calculated payment for the plan (e.g. financial performance goals of an incentive plan or personal objectives for a merit pay plan).



An Illustration

The following screen shot illustrates Perform4Pay being used by a supervisor.

Perform4Pay (Limited Version) - Supervisory Ratings Mode (Jones, Robert J.)

Abels, Frank
Vice President
Current Salary: 122,000.00
Current Grid (Min/Tar/Max): 15 [100,000 / 125,000 / 150,000]

Item Rating	Ee	Supv
0.00	Abels, Frank	Jones, R
19.00	Brown, Gene	Jones, R
7.00	Dalaman, Step	Jones, R
11.00	Linger, Mary	Jones, R
13.00	Pamota, Gene	Jones, R
0.00	Smith, Robert	Jones, R
11.00	Summerman, C	Jones, R

merit increases | **incentive plan** | spot bonuses | stock options

2005 Reliability in Customer Service Goal

Indicate the number of 2005 service interruptions for which employee was responsible and which will be used to measure performance against the goal indicated below. Please include any commentary you believe relevant.

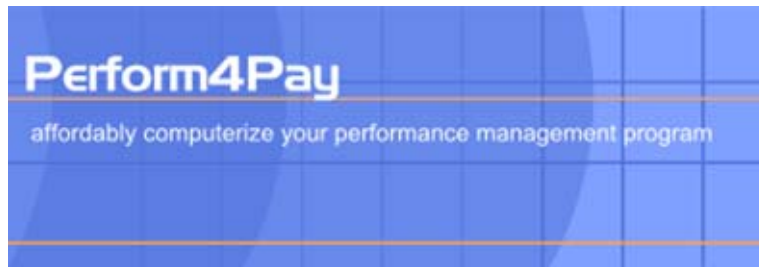
Achievement of reliability in customer service (which is based on the number of service interruptions - as defined in company policy statement A3-12 - more than five minutes in duration) will result in multipliers at the threshold level (15 interruptions) of 5%; target level (10 interruptions) of 10%; and maximum level (5 interruptions) of 20%. Arithmetical pro-rations will be used to compute percentages for other numbers of interruptions.

Frank's organization experienced 19 service interruptions - but 5 of those were directly rated to hurricane Katrina's devastating effect on resources not under his control.

Item Rating: 19.00 Update Plan Value 13,423.45

Note From HR: Market data suggest that grade 16 may be more appropriate for this position.

- The supervisor (Mr. Jones) has seven employees to be evaluated, and has selected to work on Mr. Abels. In Mr. Abels' case there are four pay plans in place – a merit increase plan, an incentive plan (the one currently being worked on), a spot bonus plan and a stock option plan.



- The incentive plan being worked on has seven factors which determine the total payout under that plan. The second factor (described as “2005 Reliability in Customer Service Goal”) is currently being considered by referencing the instructions for that factor (the top text box) and the specific goal previously set (the middle text box).
- Additional rating assistance is provided by the Item Rating column of the employee list on the left. These show the current ratings on this factor for the supervisor’s other employees, and are a useful way of helping produce consistent and valid ratings.
- The supervisor has entered a comment (the bottom text box) and a rating of 19 (bottom input field) for the factor, and is able to see the result of that rating (a calculated total incentive plan payment [which includes current ratings on the incentive plan’s six other factors] of \$13,423.45).
- The supervisor is able to navigate quickly in two ways. First, he can select a specific employee (from the list on the left), plan (from the tabs above the instructions text box) and plan factor (from the buttons on the right). And second, he can go forward from one plan factor to the next, then from one plan to the next, and then from one employee to the next by clicking the Next Item button on the bottom right.