



# CURO CURE-ALL?

**Scott Beagrie** reports on a software that potentially offers reward professionals the scope and flexibility not found in traditional compensation models

**A**s far as technology designed to help with pay review and compensation planning goes, specific modules have been available on enterprise resource planning (ERP) or human resource management systems (HRMS) for some time. Despite this, the reality is that reward professionals are more than likely to resort to good old Excel spreadsheets to do much of the grunt work associated with the process. And even if their ERP or HRMS system does offer a compensation module, such are the complexities surrounding pay today as a result of strict regulation that they are unlikely to meet all their needs.

But it seems reward professionals in the UK finally have their own dedicated compensation planning software – Curo Compensation. Curo is a web-based application built from the ground up to automate and streamline the process of compensation planning. Key features of the product include the ability to make and approve recommendations on salary within one application, allowing managers to easily access, synchronise and analyse the data they require, and linking recommendations to performance metrics, including company, team and individual goals. It has a powerful built-in reporting tool that makes use of graphical dashboards and offers greater transparency and consistency around how pay is determined.

Curo's chief operating officer is Ruth Thomas, who, while at Credit Suisse, introduced an in-house tool for compensation planning to help manage the year-end process for 24,000 employees. She felt the modules offered by ERP providers were too 'vanilla' to deal with the complexities surrounding the compensation planning process. 'If you take a typical financial services company today, a bonus can be made up of anything up to 500 different components in terms of delivery of that bonus,' says Thomas. 'Add on to that stocks and shares, and long-term investment plans, and most ERP compensation products can't handle those types of compensation programmes.'

#### Market watch

Consequently, Thomas surveyed the market and interviewed 300 compensation and benefits professionals to help define the product. While researching the market, she found it wasn't only financial services that were facing challenges in this area, but the increased focus on compensation costs, and the need for transparency and accuracy in the process, meant Curo had cross-sector relevance. 'Many of the reward heads I speak to are still struggling to capture the cost of compensation across the organisation,' explains Thomas. 'One multinational told me that if it managed to get within £10m it is doing well.'

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Thomas left Credit Suisse in 2005 and worked as an interim compensation and benefits manager, a role that also involved implementing flexible benefits packages. She recognised that the web-based and hosted software model used to deliver flex interfaced easily with ERP-HRMS and payroll systems, and felt a similar approach could also work for compensation planning. Curo was formed late last year and started building its product at the beginning of this year.

#### Hosted approach

The software is web-based and, although it operates on the software-as-a-service (SaaS) model, there is an implementation cost because it is configured to suit an organisation's individual requirements. Organisations also pay a licence fee based on the number of people in the workforce and can choose to have the application permanently switched on or only when they are conducting the annual pay review for, say, a period of two or three months. All data resides at Curo's secure multi-tenanted hosting centre, although there is an option to have the software loaded locally on the desktop for organisations preferring the application and data to reside within their side of the firewall. Curo reports that the first four implementations have all opted for the hosted approach.

Curo Compensation can interface with any system and imports data from a variety of sources. Typically, it will take personnel and salary structure data, and compensation histories and performance ratings, from the HRMS system, a flexible benefits data from the flex delivery systems, and market and risk data from spreadsheets. This provides compensation professionals and line managers with the information required to conduct a pay review and undertake compensation planning. Once completed, they can send a feed directly to payroll or via the HRMS system.

According to Thomas, the feedback received thus far has been positive, with both its flexibility and reporting capabilities being singled out for praise. 'The ability to capture and model costs from a compensation professional's perspective is very powerful,' says Thomas, who adds that the current focus

on transparency, reputational risk and governance on matters of reward makes the reporting tool particularly relevant. 'We want line managers to be able to make informed decisions. In order to do that they need all the relevant information to hand.'

When it comes to time-savings, Thomas claims it will typically reduce the three-week period it normally takes to perform a salary review to 48 hours. 'The application has a workflow-driven approval process and audit trails so managers can see where an overspend has happened and can tackle it quickly without having to wait for 8,000 spreadsheets to come back from line managers,' she says.

In common with the SaaS approach, Curo provides users with regular updates included in the licence, but it has also made it possible for users to continue to configure the software after implementation to meet future business needs and other changes that might arise. Thomas points out that when former Chancellor Alistair Darling introduced the banker's bonus tax last year, many organisations had already started their compensation planning processes and had to rework them. So, with this type of occurrence in mind, companies can nominate a 'super-user' who can set up a new compensation process, components and business rules, without having to recall the developer.

Curo, whose name derives from the Latin meaning to care for or administer, is presently implementing the software at four companies. Thomas says that Curo has a roadmap to increase the functionality of the product, which includes adding a compensation modelling tool (the product already does this to a degree) and adding more features around the market data-gathering process.

Thomas adds that the company also regards employees as future users and is intending to introduce a self-service element next year. 'Many organisations have self-service, but for those that don't this will give them the ability to drill down and look at their own compensation data and history,' she continues. 'Where pay is delivered in multiple deferrals, an individual will be better able to understand what they are getting this year, and what is deferred from last year, with a snapshot of their compensation profile.'

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#### FACT FILE

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