

Oracle® Incentive Compensation

User Guide

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Oracle Incentive Compensation User Guide, Release 12.1

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Send Us Your Comments

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Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document. Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
- Does the structure of the information help you with your tasks?
- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Applications Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

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If you require training or instruction in using Oracle software, then please contact your Oracle local office and inquire about our Oracle University offerings. A list of Oracle offices is available on our Web site at www.oracle.com.

Preface

Intended Audience

Welcome to Release 12.1 of the *Oracle Incentive Compensation User Guide*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Oracle Incentive Compensation. If you have never used Oracle Incentive Compensation, Oracle suggests you attend one or more of the Oracle Applications training classes available through Oracle University.
- Oracle Self-Service Web Applications. To learn more about Oracle Self-Service Web Applications, read the Oracle Self-Service Web Applications Implementation Manual.
- The Oracle Applications graphical user interface. To learn more about the Oracle Applications graphical user interface, read the Oracle Applications User's Guide.

The Oracle Incentive Compensation User Guide contains the information you need to understand and use Oracle Incentive Compensation.

See Related Information Sources on page xii for more Oracle Applications product information.

Deaf/Hard of Hearing Access to Oracle Support Services

To reach Oracle Support Services, use a telecommunications relay service (TRS) to call Oracle Support at 1.800.223.1711. An Oracle Support Services engineer will handle technical issues and provide customer support according to the Oracle service request process. Information about TRS is available at <http://www.fcc.gov/cgb/consumerfacts/trs.html>, and a list of phone numbers is available at <http://www.fcc.gov/cgb/dro/trsphonebk.html>.

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Structure

- 1 Introduction to Oracle Incentive Compensation**
- 2 Rules Library Management**
- 3 Building Compensation Plans**
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- 5 Collecting and Adjusting Transactions**
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- Glossary**

Related Information Sources

Integration Repository

The Oracle Integration Repository is a compilation of information about the service

endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **PDF** - PDF documentation is available for download from the Oracle Technology Network at <http://otn.oracle.com/documentation>.
- **Online Help** - Online help patches (HTML) are available on My Oracle Support.
- **About Documents and Release Notes** - Refer to the About Document or Release Notes for the mini-pack or family pack that you have installed to learn about new documentation or documentation patches that you can download. About Documents and Release Notes are available on My Oracle Support.
- **My Oracle Support Knowledge tab** - The My Oracle Support Knowledge tab lets you browse the knowledge base by technology, industry, integration, application, documentation, training, and services, to find all documents for a product area. Use the Knowledge Home to search for release-specific information, such as FAQs, recent patches, alerts, white papers, troubleshooting tips, and other archived documents.
- **Oracle E-Business Suite Electronic Technical Reference Manuals** - Each Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications and integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on My Oracle Support as part of Online Documentation.

Guides Related to All Products

Oracle Applications User's Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) of an Oracle Applications product. This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent programs.

You can access this guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Guides Related to This Product

Oracle Incentive Compensation Implementation Guide

This guide shows you how to set up and control the way in which your organization compensates its sales force, field sales personnel and partners for selling and retaining customers. You can define rules for collection, calculation, credit allocation, payment, and projected compensation.

Oracle Territory Manager User Guide

Oracle Territory Manager enables you to distribute sales and after sales tasks by geographical location, account, task priority, and resource skills. Oracle Sales, Oracle Field Service, Oracle Service Contracts, Oracle Collections, Oracle Partner Manager, and Oracle Trade Management all use Oracle Territory Manager to define ownership of transactions.

Installation and System Administration

Oracle Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Oracle Applications Concepts

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12, or contemplating significant changes to a configuration. After describing the Oracle Applications architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation and configuration choices that may be available.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards for Forms-Based Products*. It also provides information to help you build your custom Oracle Forms Developer forms so that they integrate with Oracle Applications. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

Oracle Applications Installation Guide: Using Rapid Install

This book is intended for use by anyone who is responsible for installing or upgrading Oracle Applications. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle Applications Release 12, or as part of an upgrade from Release 11i to Release 12. The book also describes the steps needed to install the technology stack components only, for the special situations where this is applicable.

Oracle Applications Maintenance Utilities

Use this guide to help you run the various Applications DBA (AD) utilities, such as AutoUpgrade, AutoPatch, AD Administration, AD Controller, AD Relink, License Manager, and others. It contains how-to steps, screenshots, and other information that you need to run the AD utilities. This guide also provides information on maintaining the Oracle Applications file system and database.

Oracle Applications System Administrator's Guide Documentation Set

This documentation set provides planning and reference information for the Oracle Applications System Administrator. *Oracle Applications System Administrator's Guide - Configuration* contains information on system configuration steps, including defining concurrent programs and managers, enabling Oracle Applications Manager features, and setting up printers and online help. *Oracle Applications System Administrator's Guide - Maintenance* provides information for frequent tasks such as monitoring your system with Oracle Applications Manager, administering Oracle E-Business Suite Secure Enterprise Search, managing concurrent managers and reports, using diagnostic utilities including logging, managing profile options, and using alerts. *Oracle Applications System Administrator's Guide - Security* describes user management, data security, function security, auditing, and security configurations.

Oracle Applications User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the Oracle Applications products and tells you how to apply this UI to the design of an application built by using Oracle Forms.

Other Implementation Documentation

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup and reference information for the Oracle Projects implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

Oracle Applications Multiple Organizations Implementation Guide

This guide describes how to set up multiple organizations and the relationships among them in a single installation of an Oracle Application such that transactions flow smoothly through and among organizations that can be ledgers, business groups, legal entities, operating units, or inventory organizations. You can use this guide to assign operating units to a security profile and assign this profile to responsibilities such that a user can access data for multiple operation units from a single responsibility. In addition, this guide describes how to set up reporting to generate reports at different levels and for different contexts. Reporting levels can be ledger or operating unit while reporting context is a named entity in the selected reporting level.

Oracle Applications User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the Oracle Applications products and tells you how to apply this UI to the design of an application built by using Oracle Forms.

Oracle Approvals Management Implementation Guide

This guide describes transaction attributes, conditions, actions, and approver groups that you can use to define approval rules for your business. These rules govern the process for approving transactions in an integrated Oracle application. You can define approvals by job, supervisor hierarchy, positions, or by lists of individuals created either at the time you set up the approval rule or generated dynamically when the rule is invoked. You can learn how to link different approval methods together and how to run approval processes in parallel to shorten transaction approval process time.

Oracle E-Business Suite Diagnostics User's Guide

This guide contains information on implementing, administering, and developing diagnostics tests in the Oracle E-Business Diagnostics framework.

Oracle E-Business Suite Integrated SOA Gateway Implementation Guide

This guide explains the details of how integration repository administrators can manage and administer the entire service enablement process based on the service-oriented architecture (SOA) for both native packaged public integration interfaces and composite services - BPEL type. It also describes how to invoke Web services from Oracle E-Business Suite by working with Oracle Workflow Business Event System, manage Web service security, and monitor SOAP messages.

Oracle E-Business Suite Integrated SOA Gateway User's Guide

This guide describes how users can browse and view the integration interface definitions and services that reside in Oracle Integration Repository.

Oracle iSetup User Guide

This guide describes how to use Oracle iSetup to migrate data between different instances of the Oracle E-Business Suite and generate reports. It also includes configuration information, instance mapping, and seeded templates used for data migration.

Oracle Product Lifecycle Management Implementation Guide

This guide describes how you can define hierarchies of items using structure types, catalogs, and catalog categories, and define change categories and configure them for revised items or request lines. Oracle Product Lifecycle Management provides several predefined catalogs such as the Product Catalog, Asset Catalog, and the Service Catalog and predefined change categories such as change orders and ideas. Use this guide to learn how to define additional catalogs for browsing and reporting purposes and new change categories specific to your business needs. You can then learn how to set up users and responsibilities that provide or restrict access to these catalogs, catalog items, and change management objects.

Oracle Product Lifecycle Management User Guide

This guide describes how to create and manage catalogs, create and maintain product attributes and attribute values, and manage item statuses and lifecycle phases. You can learn how to create change categories, create task templates for change orders, and create change management reports. In addition, you can use this guide to create roles, map roles to privileges, and maintain these roles.

Oracle Workflow Administrator's Guide

This guide explains how to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes, as well as how to monitor the progress of runtime workflow processes.

Oracle Workflow Developer's Guide

This guide explains how to define new workflow business processes and customize existing Oracle Applications-embedded workflow processes. It also describes how to define and customize business events and event subscriptions.

Oracle Workflow User's Guide

This guide describes how Oracle Applications users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle XML Publisher Administration and Developer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce outputs to meet a variety of business

needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and EFT transactions). Oracle XML Publisher can be used to generate reports based on existing Oracle Applications report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions.

Oracle XML Publisher Report Designer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Using Microsoft Word or Adobe Acrobat as the design tool, you can create pixel-perfect reports from the Oracle E-Business Suite. Use this guide to design your report layouts.

Training and Support

Training

Oracle offers a complete set of training courses to help you master your product and reach full productivity quickly. These courses are organized into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle University at any of our many Education Centers, you can arrange for our trainers to teach at your facility, or you can use Oracle Learning Network (OLN), Oracle University's online education utility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep your product working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle **STRONGLY RECOMMENDS** that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and

maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

Introduction to Oracle Incentive Compensation

This chapter covers the following topics:

- Overview
- Responsibilities Based on Business Flows
- Navigating in Oracle Incentive Compensation

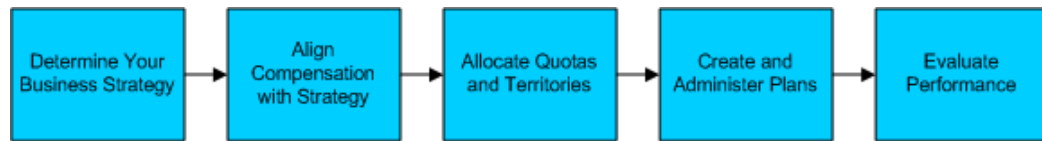
Overview

Sales jobs have a significant, measurable impact on the revenue of your business. Keeping your employees motivated and happy is very important for the long-term health of your enterprise. Oracle Incentive Compensation plays a part in determining cash and other tangible rewards. You can use Oracle Incentive Compensation to pay employees, partners, customers, and any nonemployee role.

A well-designed compensation plan directs employees to follow the goals your company has set, while rewarding good performers and eliminating poor performers. It effectively links performance to earnings. The goal is to create a positive sales culture while controlling costs. For some companies, a fully featured application like Oracle Incentive Compensation is better at managing incentive compensation than a system of spreadsheets and manual accounting. If salespeople are confident that their compensation plans are fair and accurate, then they can spend less time keeping track of transactions and more time generating revenue.

Sales jobs vary tremendously within a company and an industry. For example, some salespeople act as primary customer contacts and sell directly to them, and other types of salespeople have an indirect relationship, or give support before or after the sale. Good compensation plans compensate all of these employees fairly while costing the company as little as possible.

Business Flow



Determine your Business Strategy

A good business strategy determines who your customers are and what they are likely to buy. You need to know what your customers want and what is important to them. You must decide how you are going to contact the customers, and what sets you apart from the competition. You may want to sell directly to customers or indirectly through partners. Only after your strategy is in place should you start designing compensation plans. With the plans you then can communicate your objectives to your entire organization and set performance measures for the salespeople. Compensation plans can then support your overall business strategy.

Align Compensation with Strategy

A compensation plan can help to motivate your sales force to sell, but other considerations are important, too. You want to be sure that the compensation plan gives enough feedback and a long enough time period for accurate assessment of performance. You want the measures of success to be appropriate. You want the sales goals to be fair and accurate.

Allocate Quotas and Territories

With Oracle Incentive Compensation you can align quota targets with corporate revenue, volume, and profit targets. You can organize your sales force by:

- Geography
- Product
- Market
- Customer
- Individual Account Team
- Other

Create and Administer Compensation Plans

Compensation plans are used to reward employees who affect sales results. A good

variable compensation plan contains the two or three most important company objectives. Your company should regularly review and, as necessary, change compensation plans to address changes in the marketplace.

In Oracle Incentive Compensation, you can identify and organize all of the products and services that you sell into a hierarchical structure. This product hierarchy enables you to focus salespeople on exactly the products or services that you want them to sell.

You can use Oracle Incentive Compensation to determine when to compensate salespeople, for example, when the order is booked, an invoice is created, or payment is received. The application can also help you set the appropriate pay frequency to match the unique needs of the product or sales cycle.

A good compensation plan uses performance measures that are weighted appropriately to motivate and compensate your salespeople to meet your sales strategy. Performance measures work best when there are three or fewer, with no measure making up less than 15 percent of the total. Performance measures can be based on:

- Volume production: These can be dollars or sales units. You can use sales volume, revenues, market share, or profits as part of this type of measure.
- Sales effectiveness: These measures can be based on product mix sold, customer retention, price management, order size, and many other factors.
- Customer impact: These include customer satisfaction survey data and loyalty.
- Resource utilization: This includes productivity, use of partners, and more.

Compensation plans can have thresholds and maximums. A threshold is primarily used to avoid paying compensation on the same sale, year after year. It may also indicate management's establishment of a minimum performance level before compensation is earned. Maximums, also known as caps, prevent overpayment of compensation.

You can use a commission matrix to resolve two conflicting objectives. This type of arrangement pays more commission if the salesperson succeeds in meeting both goals. For example, a salesperson may be asked to sell established products but also sell new ones, or retain customers while adding new ones. Salespeople who are successful in both objectives can earn a higher commission than if they achieve success in only one objective. Oracle Incentive Compensation provides multidimensional rate tables to accomplish this goal.

Use individual commission rates to even out commission payments when territories are different sizes. Create the individual commission rate by dividing the salesperson's target incentive amount by the unique quota sales volume for the territory.

Use bonus formulas if you want to pay for relative performance against a percent of quota attainment rather than as a percent of actual sales production. Bonus formulas can be step or rate type. The step type is more common, and is useful for equalizing territories and providing varying payouts on quota performance. The rate type has no gaps or cap, and is more like a commission program. It requires two calculation steps. Bonus formulas can use hurdles, multipliers, and matrices.

Use Compensation Group Hierarchy for Sales Credit Rollup

A compensation group is a group of resources who share sales credit, directly or indirectly, when a sale is made. They are placed together in a hierarchy to accurately account for the payment of commission and sales credit. You can set up compensation groups to roll up sales credit from to managers and their managers. For example, when resources close a sale, they receive commission, their managers receive sales credit toward their quotas, and a director receives sales credit from the manager's transactions. You can also include other team members, such as consultants, who receive indirect credit for performing consulting work that helped to close the business.

In many sales organizations, multiple resources can receive sales credit for the same commission transaction. If you choose to compensate multiple resources for the same commission transaction, you use a compensation group hierarchy to specify the relationships among the credit receivers. If a manager has two resources in his or her group and three more resources in a compensation group below him or her in the hierarchy, then transactions from the resources in the lower group will roll up to the manager and also to the two resources in the manager's group.

A resource can have more than one sales role and belong to more than one compensation group. For example, at one organization, sales representatives 1 and 2 are in the same compensation group because their sales roll up to Sales Manager 1. Sales Manager 1 also belongs to a different compensation group that includes a separate group of salespeople who are working on another project. A resource can have the same role in multiple groups, or multiple roles in the same compensation group. In either case, sales commission can be calculated with no problem. However, if a resource is in multiple compensation groups with different roles, and another resource's transactions are set to roll up to him along multiple paths, the application may not be able to process the commissions correctly.

Evaluate Performance

Executive management must periodically evaluate how the compensation plans are performing and make adjustments to them so that the plans support your business strategy. Managers should periodically evaluate their teams' performance, and adjust the quotas or territories to maximize their salespeople's effectiveness. Reports in Oracle Incentive Compensation enable managers to determine how well their salespeople are performing. Other Oracle applications, such as Oracle Balanced Scorecard and Oracle Financial Analyzer are also useful. These two applications can be ordered, but are not shipped with Oracle Incentive Compensation.

Responsibilities Based on Business Flows

Oracle Incentive Compensation is designed to work with your business practices. The application is delivered with different responsibilities set up to perform specific tasks in the incentive compensation process.

Note: Salespeople are called resources in Oracle Incentive Compensation.

The Incentive Compensation Administrator performs the implementation steps for setting up Oracle Incentive Compensation. This responsibility sets up integrations and dependencies with other applications. Using the Compensation Workbench, he or she:

- Sets application parameters
- Performs setups for Collection, Calculation, and Payment
- Performs setups for Credit Allocation

For detailed information regarding the Incentive Compensation Administrator, see the *Oracle Incentive Compensation Implementation Guide*.

The Plan Administrator:

- Creates classification rules and hierarchies
- Creates sales credit allocation rules and hierarchies
- Designs and builds compensation plans
- Maps Payable integration at the product level

The Compensation Manager:

- Assigns roles to resources
- Assigns compensation plans
- Views reports
- Collects, adjusts, and maintains transactions
- Allocates credit
- Calculates commission
- Adjusts commission
- Creates and adjusts payments

The Compensation Analyst performs many of the jobs of the Compensation Manager, but does not have permission to make assignments or create or pay payment batches. Incentive Compensation Users (and their managers) can view reports relating to their performance.

Some features of Oracle Incentive Compensation relate only to one or another of these responsibilities, so this guide is designed to direct attention to sections that impact users who need them. You can configure different responsibilities for your enterprise as

needed.

The responsibilities in this release have changed. For information on mapping resources from the previous responsibilities to the new ones, see the *Oracle Applications Upgrade Guide: Release 11i to Release 12*

The key concepts discussed below are arranged by the following responsibilities. The second column in the table indicates the location of material of interest to people with that responsibility.

Responsibility	Relevant Chapters
Incentive Compensation Administrator	See the <i>Oracle Incentive Compensation Implementation Guide</i>
Plan Administrator	2 – Rules Library Management 3 – Building Compensation Plans Appendix A – Compensation Scenarios
Compensation Manager Compensation Analyst	4 – Assigning Compensation Plans, Pay Groups, and Payment Plans 5 – Collecting and Adjusting Transactions 6 – Calculating Compensation 7 – Payment with Payment Batches
Incentive Compensation User (Manager Self Service)	9 – Reports section only
Incentive Compensation User (Self Service)	9 – Reports section only

Incentive Compensation Administrator

The Incentive Compensation Administrator is responsible for implementing and administering Oracle Incentive Compensation. At the beginning of an implementation, the Incentive Compensation Administrator sets the application parameters, including:

- General Parameters: Includes the instance name, currency conversion type, and whether compensation plans will be customized
- General Ledger Parameters: These include setup of the functional currency, accounting calendar, and period type for the set of books.
- Interval Settings: These are the time intervals used for Oracle Incentive

Compensation, including period (month), quarter, and year.

- **Credit Types and Conversion Factors:** These are used in the compensation plans and reports.

See the *Oracle Incentive Compensation Implementation Guide* for complete implementation information.

Plan Administrator

Plan Administrators create and maintain compensation plans, and the components of those plans. They also create and maintain the rules and rule hierarchies used in classification of transactions, account generation, and projected compensation.

Compensation plans are built in a modular way, which means you can reuse the plan elements in other compensation plans. The Plan Administrator can control the effective period of a plan or the plan elements by using start and end dates.

Oracle Incentive Compensation provides a 360-degree view of the compensation plans, from which the Plan Administrator can create plans, create and view the plan elements, and see to whom the plans are assigned and keep track of changes with a Notes history.

Compensation plans may be created using a top-down process. A compensation plan is made up of plan elements, which themselves are created from formulas. Formulas are sets of instructions that determine how the transaction information is used to calculate the amount of compensation paid to a resource. Formulas are made from rate tables and calculation expressions, which can be defined and reused within the application. Rate tables are tabular information that establishes compensation percentage rates or fixed amounts for different performance levels. Rate tables use rate dimensions, which define its rate tiers by amount, percent, expression or string value. Calculation expressions are either input or output expressions. Input expressions tell the application what information to use from the transactions and how to match that information to the rate table. Output expressions tell the application how much to pay resources.

Compensation plans are assigned to roles, and individual resources are assigned to a role. You can customize a plan for an individual resource. For example, you might want to pay a specific senior resource a special compensation rate based on unique qualifications.

Plan Administrators are responsible for creating and managing the hierarchies of rules in the Rules Library, which are used by Oracle Incentive Compensation to classify your company's products and services, run transactions for compensation payment, and generate accounts in General Ledger. The Rules Library also includes any other hierarchies that you create, for example, customers.

If your enterprise decides to implement Credit Allocation, then the Plan Administrator is responsible for setting up rules and rulesets for that process.

Plan Copy and Modeling

You are responsible for the design, setup, and maintenance of Oracle Incentive Compensation plans, plan components, and rules. The modeling process allows you to:

- Create multiple scenarios.
- Modify plan, plan components, and rules as required.
- Run simulation of these plans against historical or forecasted transactional data.
- Compare the results of the simulations across scenarios.

In-Line Plan and Plan Component Copy

You can create a copy of a compensation plan or a plan component within the same operating unit. To create a copy, click the Duplicate icon in search results table, in the following pages:

- Search Compensation Plans
- Search Plan Elements
- Search Formulas
- Search Rate Tables
- Search Rate Dimensions
- Search Expressions

Scenarios

Scenarios are grouping of plans, or plan-role assignments, that allow you to compare the compensation costs of a set of plans in a scenario with that of another scenario. So, using scenario, you can compare results across different sets of data, and also across different operating units.

Copy Plan and Plan Components between Database Instances

At various times, you are faced with the task of modifying or updating existing compensation plans to conform to new sales objectives. Now, you can copy plans and plan components from the modeling environment to production environment leveraging XML technology. Using this functionality, you can copy the following plan components:

- plan elements
- formulas

- expressions
- rate tables
- rate dimensions

This focusses on the plans that you have created, and excludes plans that may have been customized for a particular resource.

Plan XML Document

When you have modeled a compensation plan, it may need to be approved by the compensation manager, and other resources within the Sales, HR, and Finance departments before it is activated. Oracle Incentive Compensation facilitates plan approval by displaying the compensation plan in an easy-to-read format. The Plan Report is published using XML Publisher and an RTF Template is provided, so that you can modify the report.

Compensation Manager and Compensation Analyst

Compensation Analysts manage compensation plans, administer the compensation process (Collection, Calculation, Payment), and review and handle disputes. Compensation Managers also perform these tasks, and in addition, manage the work of compensation analysts who report to them. Compensation Managers can make assignments and create or pay payment batches but Compensation Analysts cannot.

Compensation Analysts search and maintain resources, collect transactions, allocate sales credits, maintain transactions, calculate compensation, and manage the payment batches that set up payment of compensation. Compensation Analysts have a 360-degree view of resources. This gives them the ability to maintain resource information, customize compensation plans, and maintain payment plans and pay groups. Compensation Analysts cannot assign compensation plans to roles, but Compensation Managers can. Compensation Analysts can view historical compensation transactions and the records of how their compensation has been calculated. Compensation Analysts have access to a Notes feature, which they can add to or review. Notes help to keep track of changes for historical reference, and aid compliance with Sarbanes-Oxley requirements.

Compensation Analysts can validate the calculation process before running calculation.

Incentive Compensation User

Incentive Compensation Users include managers and salespeople, whose connection to Oracle Incentive Compensation comprises access to five reports, which enable them to view how their compensation plans have calculated their compensation:

- Year to Date Summary: An overview of achievements, commission and bonus earnings, and advances or draws.

- **Commission Statement:** Includes a balance summary that shows balances, earnings, recoverable and nonrecoverable amounts, payment due, and ending balance.
- **Earnings Statement:** Gives a complete look at all of a resource's transactions for a selected period.
- **Attainment Summary:** Provides a snapshot of achievement and earnings, broken down by period to date and interval to date.
- **Performance Detail:** Provides quota attainment detail, including target, attainment, and attainment % to target. A graph is included.

Individual resources can see only their own reports, but Incentive Compensation Managers also have access to the reports of the resources that report to them. Managers use the reports to monitor the performance of their directs.

Incentive Compensation Users can personalize the search and display options for their reports, and can export them to a CSV file or publish them to Adobe PDF format using XML Publisher.

Navigating in Oracle Incentive Compensation

The user interface in Oracle Incentive Compensation Release 12 has been carefully designed to follow the business processes you need to manage incentive compensation. When you log in, you can select any responsibility to which you have been granted access. Each responsibility has a specific menu. You can click any link to access that feature. You can create favorite links to save time.

The Navigator

The screenshot shows the Oracle E-Business Suite Navigator interface. At the top, the Oracle logo and "E-Business Suite" are displayed. Navigation links for "Diagnostics", "Logout", "Preferences", and "Help" are in the top right. Below this, the user is logged in as "SUPER". The main area is divided into two sections: "Navigator" and "Favorites". The "Navigator" section has a list of responsibilities on the left and a large area on the right with the text "Please select a responsibility." and an "Edit Navigator" button. The "Favorites" section has an "Edit Favorites" button and a message stating that no favorites have been selected. The bottom of the page contains links for "About this Page" and "Privacy Statement", and a copyright notice for 2006 Oracle.

ORACLE E-Business Suite

Diagnostics Logout Preferences Help

Logged In As **SUPER**

Navigator [Edit Navigator](#)

- [Compensation Analyst](#)
- [Compensation Manager](#)
- [General Ledger, IFRS Reporting, Vision Ops](#)
- [Incentive Compensation Administrator](#)
- [Order Management Super User, Vision Operations \(USA\)](#)
- [Payables, Vision Operations \(USA\)](#)
- [Plan Administrator](#)
- [Receivables, Vision Operations \(USA\)](#)

Please select a responsibility.

Favorites [Edit Favorites](#)

You have not selected any favorites. Please use the "Edit Favorites" button to set up your favorites.

Diagnostics Logout Preferences Help

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Rules Library Management

Defining Products and Product Hierarchies

Products are user-defined business categories used to determine whether sales credit is applied toward a compensation payment. The Plan Administrator defines the products, which are then placed into hierarchies. Hierarchies are composed of broader product classes at the top, or root, with subclasses as children of the root. A product hierarchy makes it possible to pay compensation for a broader range of products without specifying all possible subclasses in a compensation plan.

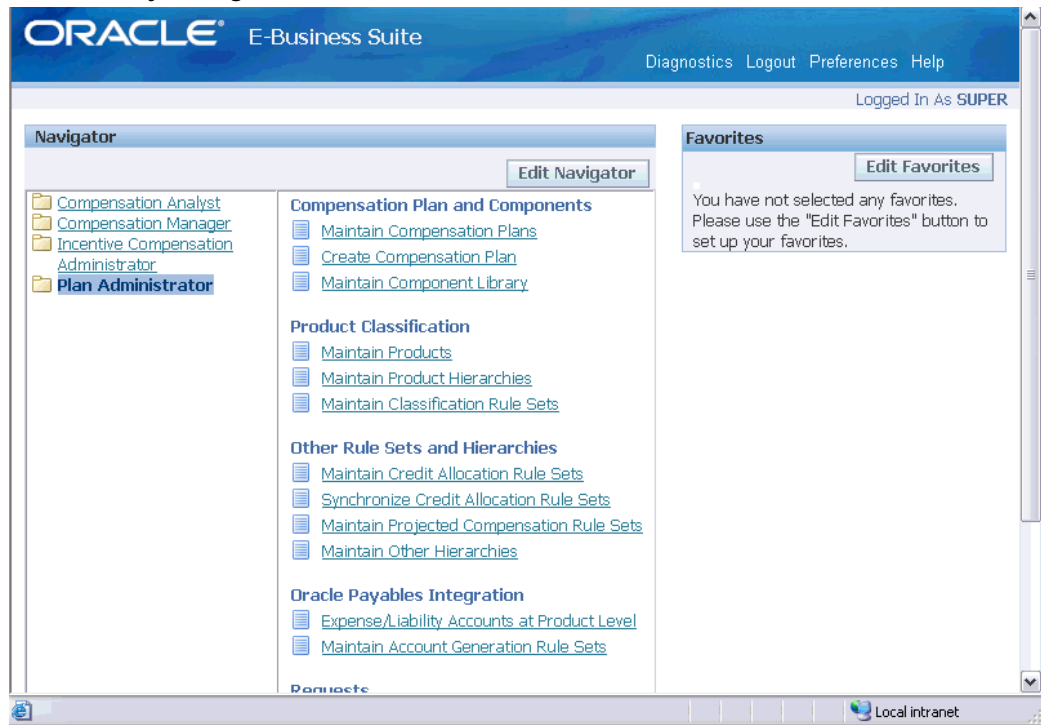
After products and product hierarchies are established, classification rules are used to classify how compensation is awarded. When a compensation transaction passes a classification rule (all conditions are true), Oracle Incentive Compensation then compares the children of that rule, working left to right, until it finds a match. The application then looks at the children of that rule, and so on, and stops if it cannot find a match in the children. The rule classification process returns the product of the last matching rule. After the classification process, the matching product is marked on each transaction as an additional attribute.

If any one of several conditions associated with a product qualifies a compensation transaction to be assigned to a product when the condition is true, you can define multiple sibling rules in the hierarchy, one for each condition. Because Oracle Incentive Compensation evaluates other sibling rules if a transaction does not satisfy the first classification rule on a level in the hierarchy, the application processes these rules as if they were joined by an AND operator. When a transaction fails a rule, the application compares the transaction attributes with other sibling rules from left to right.

If a transaction's attributes satisfy all classification rules, then the transaction is classified against the product. If the OR condition is used, then the transaction will classify against that product if the transaction attributes meet any of the rules of the product.

If several products share multiple conditions, you can minimize data entry by creating a parent classification rule that includes the shared conditions, and by defining only the unique conditions as child rules.

Rules Library Management



Each product represents a different type of sale for which an organization pays compensation. Different companies have different products, because each sales organization awards compensation differently. After defining your organization's products, you can assign one or more of them to a plan element in a compensation plan. Any resources that are assigned to roles that are, in turn, assigned that compensation plan can receive compensation for transactions involving those products.

All products on the same plan element share the same quota and compensation rate table. If products in a compensation plan have different quotas or are paid according to different rate tables, you must create a plan element for each product grouping that calculates the commission differently.

You can award compensation based on factors other than products or services sold. For example: Your sales organization might have customer account teams, where salespeople only receive compensation for sales to their assigned set of accounts. In this case, each customer account is probably a separate Oracle Incentive Compensation product. Your company might organize its sales strategy around expansion into new markets, where each new market is defined as a separate product.

Your company might use industry-based incentive compensation, paying compensation only for sales made in a resource's assigned set of industries. For example, a resource's plan might include a plan element that pays only for sales to pharmaceutical customers, or to auto manufacturing corporations.

Navigation

Building a Product Hierarchy

You can use this procedure to create new hierarchies or to make changes to an existing hierarchy.

There are three placements of nodes that you can make for any hierarchy:

- Root
- Parent
- Child

Root node is the highest level of the hierarchy. You can place as many nodes under the root node as necessary to meet your business objectives.

A parent node is a node that has at least one node that rolls up to it. A parent node typically summarizes information concerning the nodes below it, referred to as child nodes. An example of a parent node would be Western States and under it child nodes called California, Oregon and Washington.

A child node rolls up to a parent node. A child node can roll up to only one parent node. For example, under the parent node of California the child nodes could be called San Francisco and Los Angeles.

You can create a new hierarchy under an existing hierarchy type, or you can create a new hierarchy type and then build the hierarchy there.

The hierarchy determines the eligibility of other products. A transaction can be classified with a product at a granular level, but by creating a product hierarchy, other products are eligible for compensation as long as they exist higher in the hierarchy and lie on the same ancestor path.

For example, sales representatives sell laptops and desktop computers and the transactions are classified at the lowest level, the product name. In the product hierarchy, the product All Computers exists higher than the Laptops and Desktops products. The manager of the sales representatives does not have to list Laptops and Desktops on her plan element but only All Computers, because it exists higher in the hierarchy. She will get calculated compensation even though the transaction was classified as Laptops.

You cannot delete the Base Node of the seeded product hierarchy. For more information on the structure of a hierarchy, see Restrictions.

Navigation

Plan Administrator > Maintain Product Hierarchies

1. Click Create. Create a new hierarchy on the first blank line. The Base Table is the domain where the elements are located that you want to use in your hierarchy. The

primary key identifies each hierarchical element in the base table.

2. Click Apply.
3. Click Details. The application provides a default root class called Hierarchy Base Node. Start building a hierarchy by entering one or more root class names. When you select the root name, a plus sign next to the name indicates you can click it to expand and view the hierarchy that is part of the selected root. You can expand and view any level of the hierarchy.
4. To add a child, select the parent product for which you want to add a child, click the Add Child button, and select where you want the new node to appear. If you select Add new node under selected node, The node is added as a child to the selected parent node. If you select Add new node as root node, the node is added to the hierarchy as another base node.
5. Select a new node type. Click Update to add the product to the hierarchy. Repeat the steps to build your hierarchy.
6. Click Update periodically as you go and at the end to save your work.

Restrictions

Hierarchy deletes are cascading. This means that if you delete a node, all children of that node are deleted along with it.

You can create as many product hierarchies as you need. However, only one product hierarchy can be effective at a time. Use the interval dates to keep the hierarchies separate.

You can import any portion of another hierarchy to become a child of your selected node in the hierarchy you are building. See the Imports and Exports section.

Defining Rule Sets

Rule sets are used to classify information. For example, a classification rule set is used to classify sales transactions to determine the appropriate product for the transaction as part of calculating compensation. Then, using the product, the application matches a transaction with a compensation plan and a compensation amount to be paid when the transaction is calculated.

Rule sets are placed into a hierarchy that accurately reflects business requirements. The rule names are user defined, but many customers have found it useful to give rules a name that is similar to the products that are assigned to the rule. Rules do not require unique names.

In this release of Oracle Incentive Compensation there are four types of rule sets:

- Classification
- Account Generation
- Projected Compensation
- Credit Allocation

Classification defines the rules that are used to identify a product for each transaction that the system processes as part of calculating compensation. Account Generation is used to integrate Oracle Incentive Compensation automatically with Accounts Payable and to classify transactions to identify Expense and Liability Accounts. Projected Compensation is used to classify quotes, opportunities, and so on, for the Projected Compensation API. A Credit Allocation ruleset is used when the credit allocation functionality is active (see Sales Credit Allocation, page 10-1).

The Classifications page lists all rulesets that have already been created. To view or edit a ruleset, click the link in the Name column or use the Advanced Search option.

Products must have been created (see above). Any necessary Attribute flexfields of the CN_COMMISSION_HEADERS table have been defined (see Define Tables). These flexfields become the attributes that are evaluated when determining an eligible product.

When you create a new ruleset, the From and To dates cannot overlap the dates of another ruleset. After you have named and assigned From and To dates to a new rule set, click **Apply** to go to another page where you can build the rule set.

Building a Rules Hierarchy

After you create a rule set, you must create the rules and place them into a hierarchy. A rules hierarchy sets up relationships between rules. The structure of a rules hierarchy starts with a root, then adds one or more parent rules, and then as many child rules as needed. A rule can have one or more child rules or siblings. Every rule must have at least one attribute.

You can define multiple date-effective classification rule sets, but rule set active dates may not overlap.

When you make changes to a ruleset, you must synchronize it. When you check the Select box next to the ruleset and click Synchronize, the application generates a PL/SQL script based on the product and product rules and saves it in an internal table. Before the status changes from Incomplete to Complete, it may display Install Pending. You do not need to synchronize a ruleset if you only rearranged the rules but did not otherwise change them.

The classification engines evaluates the rules from top-to-bottom, left-to-right. As soon as a positive match is made and any child rules evaluated, the transaction is classified and no longer evaluated against any other rules. The rules higher in the hierarchy must

be built accordingly so that the transactions locate the appropriate rule.

A rule may or may not have an associated product. If the rule does not have a product, then its children rules must define the product. If a rule has a product, then the product is assigned to the transaction only if none of its child rules match the transaction.

You can enter conditions in the rule and the hierarchy you want to match. If the value of the transaction attribute rolls up the hierarchy to the value you specify, then the compensation transaction satisfies the condition.

You can specify the exclusion of a value you defined by checking the Not box. The compensation transaction satisfies the condition if the attribute is not equal to the specified value, is not between the range of values specified, or does not roll up to the specified ancestor value.

Click the Report link on the Classifications page to view the Classification Reports for a ruleset. The report displays the product and expression related to each rule in the hierarchy. The Plan Administrator can export the report.

Navigation

Plan Administrator > Maintain Classification Rulesets > <rule set link>

1. Query for a rule.
2. To add a rule, in the lower section of the Rules Hierarchy page, select Root from the Add Rule column list.
3. Name the rule and give it a product name.
4. Add three rows and select an attribute.
5. Enter conditions for the attribute.
6. Enter a value range for the attribute.
7. Enter hierarchy conditions, if necessary, in the Hierarchy Conditions section below.
8. When you are done building the rule set, return to the main rule sets page, select the rule set, and click Synchronize. See Restrictions.

Restrictions

When you click Synchronize, If any rules do not have attributes, an error message displays along the top of the page indicating which rule requires attributes to be assigned to it. The messages continue to display for one rule at a time until all contain attributes.

When creating rules, you may use attributes set up for classification rules. If you are using flex attributes which store date information, be sure to enter dates using a date format that matches how your Compensation Manager views date information. If you

create classification rules using one date format and your Compensation Manager has a different date format in his profile when running the calculation batch, the calculation process may fail.

Every attribute is assumed to be linked to other attributes with AND. If you want any of the attributes to be related with OR, use the Build Expression page to relate the first two attributes with AND or OR.

Building Compensation Plans

This chapter covers the following topics:

- Overview of Building Compensation Plans
- Creating a Compensation Plan
- Creating a View for Compensation Plans
- Maintaining Compensation Plans
- Defining Plan Elements
- Assigning Eligible Products
- Assigning Rate Tables
- Defining Rate Tables
- Defining Rate Dimensions
- Defining Quotas
- Distributing Target, Fixed Amount, and Performance Goal
- Creating a Bonus Plan Element
- Using Accelerators and Transaction Factors
- Using Interdependent Plan Elements
- Defining Formulas
- Calculation Expressions
- Defining Calculation Expressions
- Export and Import Compensation Plans

Overview of Building Compensation Plans

A typical compensation plan consists of one or more modular components, or **plan elements**. Plan elements may reflect variations of commission or perhaps a bonus that

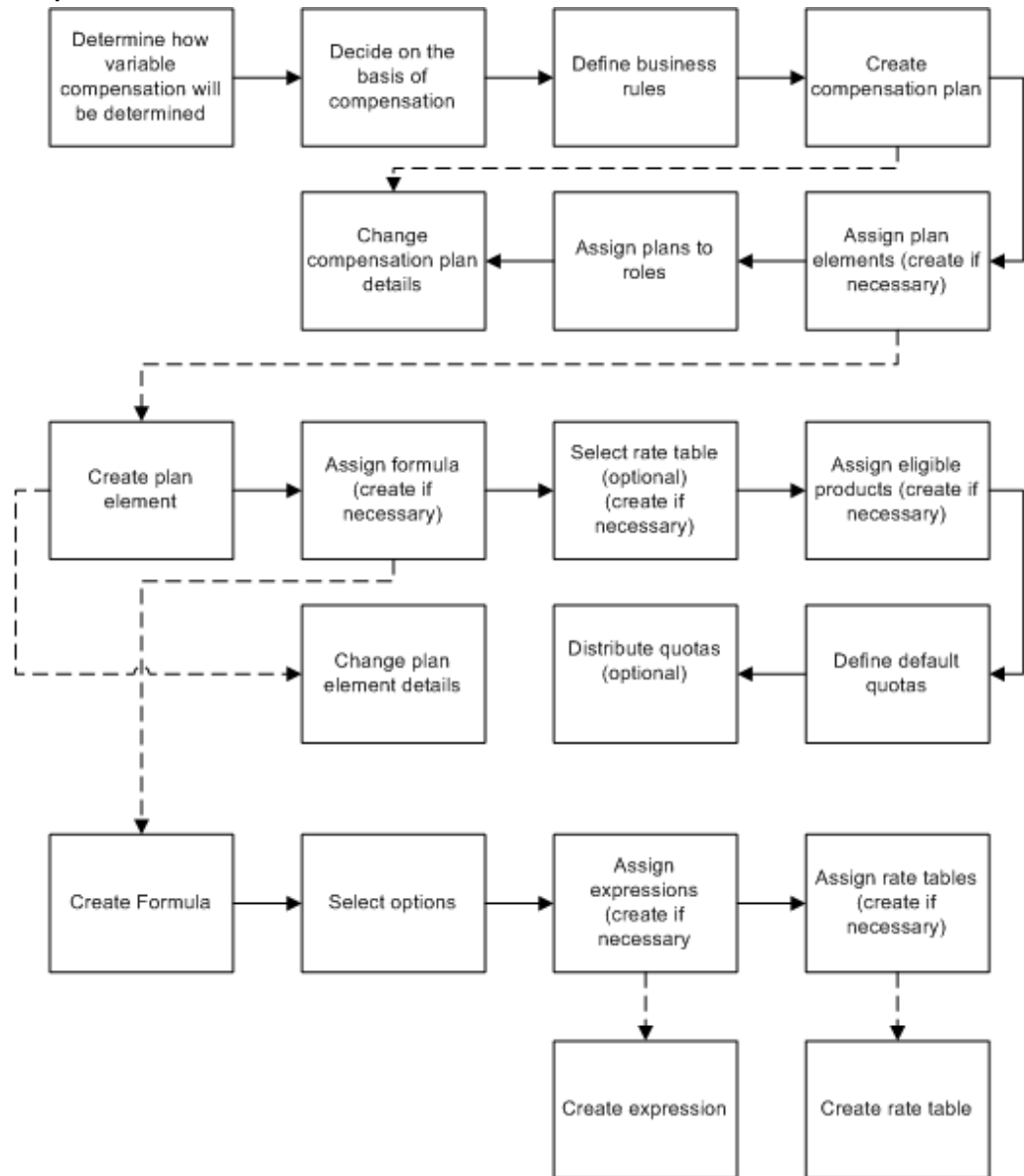
is not based on transaction information. Plan elements can also be configured for tracking nonmonetary credits such as managerial points or production credits.

A compensation plan is built from plan elements and is assigned an effective start date and an effective end date. The plan can then be assigned to one or more Sales Compensation or Incentive Compensation roles.

All modular components used in the system can be configured and reused in different combinations. Taking full advantage of this capability simplifies system configuration as well as administration. For example, from a relatively small library of plan elements, you can configure many compensation plans. These modular components have several distinct functions:

- Products are user-defined categories of sales for which your organization awards compensation. Each product represents a different kind of sale for which your organization pays compensation. Classification rules are used to determine the event eligible for compensation and the basis of calculation.
- Formulas determine how the compensation will be calculated.
- Rate Tables are the part of a formula that determines the rate at which achievements are compensated. Rate dimensions are the structural part of a rate table to which values are added.
- Expressions are interchangeable, reusable parts that are used as input and output expressions of formulas, in expression-based rate dimensions, and in performance measures.

Compensation Plan Creation Flow



When you are building a compensation plan, you can always use pieces that are previously defined. All you need to do is add another row and select the component from the list of values. At each step, though, you can create the component you need by clicking the Create button and following the process.

When resources have customized compensation plans the values are stored in the CN_SRP_QUOTA_ASSIGNS table but the column names are the same as for the Plan Element values above:

- Target => CN_SRP_QUOTA_ASSIGNS.TARGET

- Fixed Amount => CN_SRP_QUOTA_ASSIGNS.PAYMENT_AMOUNT
- Goal => CN_SRP_QUOTA_ASSIGNS.PERFORMANCE_GOAL

When setting these values for specific periods or distributing the amounts over a given period, click the Distribute button at the bottom of the Plan Element Details page.

To use these values in an expression, select the following columns from the Calculation Values list of values on the Calculation Expressions page:

- Quota => CN_PERIOD_QUOTAS.PERIOD_TARGET
- Fixed Amount => CN_PERIODS_QUOTAS.ITD_PAYMENT
- Performance Goal => CN_PERIOD_QUOTAS.PERFORMANCE_GOAL

When defining these values for periods that are specific to individual resources, use the same columns as for the plan element but select them from the CN_SRP_PERIOD_QUOTAS table.

- Quota => CN_SRP_PERIOD_QUOTAS.PERIOD_TARGET
- Fixed Amount => CN_SRP_PERIODS_QUOTAS.ITD_PAYMENT
- Performance Goal => CN_SRP_PERIOD_QUOTAS.PERFORMANCE_GOAL

There are numerous columns that derive their values from these column amounts. They can be identified by the inclusion of an ITD or PTD flag in the column name, for example, ITD_PAYMENT is the Interval to Date Payment (Fixed Amount).

You have the option of introducing seasonality into the achievement by using the Distribute button on the Plan Element Details page. When you click this button, the Plan Element Details - Distribute Variables page displays all of the open periods for the plan element. You can manually enter the desired quota amount for each period to create seasonality for the target, performance goal, or fixed amount distribution.

Creating a Compensation Plan

The Plan Administrator creates and maintains compensation plans. Below is a screenshot of the initial page seen by the Plan Administrator.

After you assign the plan an effective start date and end date, you can assign it to multiple sales roles.

The Plan Design page provides a consolidated view of the details of an established compensation plan. You can click the subtabs to view more detailed information.

Warning: Do not open a new window during a browser session and navigate to the same page in the two windows simultaneously while you are defining a compensation plan.

Navigation

Plan Administrator > Create Compensation Plan

Notes

- For easy identification, define compensation plan names by job titles or area of sales you are compensating.
- Check the Allow Eligible Products Overlap box if you want multiple plan elements to use the same eligible products. Use this option when you need to compensate a resource more than once for a transaction. For example, you may have two plan elements, with one used to calculate a monthly commission and the other used to calculate a quarterly bonus.
- When you enter a sequence number for multiple plan elements, this tells the application the order in which to process the plan elements. Sequencing of plan elements is important when one plan element relies on the calculation results of another. For example, with independent plan elements, the dependent plan element requires that the necessary plan element be calculated first so that the most up-to-date data is present. See *Interdependent Plan Elements*, page 3-26.
- When you click **Apply** to validate the compensation plan, it ensures that you have entered the plan information correctly, and verifies the following:
 - The plan has a name and start and end dates.
 - The plan has one or more plan elements assigned with start and end dates within the plan start and end dates.
 - Each plan element that uses a rate table has contiguous tiers with start and end dates within the plan start and end dates.
 - Each plan element has at least one eligible product assigned, with start and end dates within the plan start and end dates.
 - If each of the above conditions is met, then the Status field shows **Complete**. If the Status field displays **Incomplete**, the plan cannot be used to calculate compensation. You must check the items shown above and fix any problems and then **Update** the compensation plan again. Do this until you receive a validation status of Complete.
 - This page supports an optional descriptive flexfield, which you can configure to your requirements. For more information on flexfields, see the Flexfields appendix or the *Oracle Applications Flexfields Guide*.
- To view or change details for an already created compensation plan, select Maintain Compensation Plans in the Navigator.

- You can use the search field at the top of the page. Select a saved search from the drop-down list, or click **Personalize** to create a new search. See Creating a Personalized Search for Compensation plans following.
- To create a new compensation plan, click **Create Compensation Plan** in the Navigator. This takes you to the Plan Design page.
- You can navigate also to the Plan Design Plans page from the Search Compensation page, by clicking a compensation plan from the list, or click the "Duplicate" icon, associated with the plan.
 - If you have clicked the "Duplicate" icon and navigated to this page, then Oracle Incentive Compensation will create a copy of the compensation plan. See: Maintaining Compensation Plan, page 3-7 (Copying Compensation Plan).
 - If you have clicked on a particular compensation plan and navigated to this page, then you can download the details of the compensation, into your local system. See: Maintaining Compensation Plan, page 3-7 (Viewing Compensation Plan - XML Document)

Creating a View for Compensation Plans

You can create a customized search, or view, by specifying the search parameters you want to use. This can save you time if you have a large number of compensation plans. The My Plans view is seeded in the application and cannot be removed. For more information, see the Saved Search feature in the *OA Personalization Guide*.

Navigation

Plan Administrator > Maintain Compensation Plans > Views > Personalize

Notes

- Only the Description field can be removed from the Displayed Columns area. The other columns are required.
- Make sure to save the view with a unique name. If you are making changes to an existing view, leave the name the same.
- You can set the number of rows that you want to display. However, you *cannot* change the number of rows that are displayed in any view that is seeded data.
- Check the Default box if you want your new customized search to be the one that displays compensation plans automatically when you open the Compensation Plan page.
- The application allows for three levels of sorting. Choose the sort parameter order on the left side and on the right side, select ascending or descending order.

- You can rename the columns if it makes more sense in your search.
- You can set the view to show table data when all conditions are met or when any conditions are met. The second setting should be used sparingly.
- The five variables in the dropdown list--Contains, ends with, is, is not, and starts with--enable further personalization. Views created using Is and Starts with perform better than views created using the other variables.

Maintaining Compensation Plans

Oracle Incentive Compensation provides a consolidated view of the details of an established compensation plan. The Plan Design page for an existing plan displays the plan elements, earnings rules, eligible products, rate tables, and default quotas for the compensation plan. You can click the links to view more detailed information. You can sort each section on any column that has a header with an underscore.

The Eligibility tab lists all roles that have been assigned the compensation plan. The Plan Administrator can export resources from this page.

Plan Administrators have access to a Notes feature, which they can add to or review. Notes help to keep track of changes for historical reference. Notes may be system generated or created by the Plan Administrator.

Navigation

Plan Administrator > Maintain Compensation Plans

Notes

- The following plan data can be changed.
 - Name
 - Description
 - Start date
 - End date
 - Flexfields information
 - Allow Eligible Product Overlap box

Use this option when you need to use an eligible product for more than one plan element. For example, you may have a quota type plan element as well as a bonus based on achieving revenue targets that use the same eligible product.

Some changes may not be permitted, for example, the start date of a compensation plan cannot be changed if by doing so the role assignment dates

are outside the date range of the plan.

- You can change or restructure any aspect of a compensation plan. Because you can assign the same plan to many salespeople, however, be aware of how the changes you are making impact individual resources.
- When you change a compensation plan, the changes propagate to the resources assigned to the plans. For customized plans, the resource receives all changes except the customized plan.

Viewing Compensation Plan - XML Document

As a Plan Administrator, after you have successfully created a compensation plan, you may need approval from Compensation Manager or other stakeholders. Oracle Incentive Compensation allows you to report on the elements that make up the compensation plan. You can navigate to the following pages to download and view the plan document:

- Search Compensation Plan page
 1. Navigation: Plan Administrator > Maintain Compensation Plans
 2. Click "View Document" icon.
- Compensation Plan Design page
 1. Navigation: Plan Administrator > Maintain Compensation Plans
 2. Click on the Compensation Plan, which you want to download, to reach the Compensation Plan Design page.
 3. Click View Plan Document.

Note: To specify the maximum number of periods that the application will display in the Plan Element Default Quota Distribution table, in the plan document, set the "OIC:XML Document Max Quota Period" profile option.

To specify the order in which application the periods, in the plan document, set the "OIC:XML Document Quota Periods Display Order" profile option.

To specify the maximum number of records the application will display in each rate table, in the plan document, set the "OIC:XML Document Max Rate Tiers Per Table" profile option.

For more information on profile options, see: Table of Profile Options,

Copying Compensation Plan

You can copy a compensation plan by clicking the Duplicate icon, in the Search Compensation page. This process creates a copy of the plan in the same operating system as the source, and is called Inline Copy. When you create a copy of the source plan, Oracle Incentive Compensation does not create any additional objects within the compensation plan. The new plan is created with references to the plan elements and formulas that were contained in the source compensation plan. Also, the application does not copy notes history to the newly-created compensation plan. If you want to make a new "sub element", then use the corresponding Inline Copy feature for that element and change the copied plan or plan element to reference the newly created sub elements.

Oracle Incentive Compensation ensures that two compensation plans, or any other objects, such as, formulas, rate dimensions, expressions, and plan elements, do not have the same name, when you are creating a copy of any of these objects. The application appends the object name with "_copyXXX", during copying, where "XXX" is a system-generated random three digit number.

Caution: Mark the "Allow Eligible Products Overlap" check box, if there multiple plan elements with the same products, and you want to retain the products, in the plan elements, within the newly created compensation plan.

Defining Plan Elements

A plan element is part of a compensation plan. It specifies the conditions a resource must meet to be eligible for compensation, and it determines how the compensation is calculated. You can assign multiple plan elements to a compensation plan and you can assign a plan element to multiple compensation plans.

Creating a plan element is made simpler by the plan element creation task list. As you proceed through this list, you must perform one procedure at a time before the next one is accessible. The screenshot below shows the task list when it first appears. After the General Information step is completed, the Go to Task icon is activated for Earnings Rules setup.

The Earnings Rule subtab lists the high-level configurations for the Plan Element. This includes:

- Formula Name
- Interval Types

- Process Transactions (Individually or Grouped)
- Split Options
- Payment Options (Group Code, Credit Type)
- Integration with A/P (Expense and Liability Accounts)

These items are grouped under Earnings Rule because they affect the frequency and nature (whether or not to aggregate) of transaction collection, and consequently how earnings are defined and calculated.

The Plan Element Creation Task List

Task Name	Required	Status	Go To Task
Define General Information	*	In Progress	
Define Earnings Rule	*	Not Started	
Assign Eligible Products	*	Not Started	
Assign Rate Tables	*	Not Started	
Define Default Quotas		Not Started	

Checklist Key

- * Required Task
- Not Started
- ⌚ In Progress
- ✓ Complete

When building a compensation plan, you can use any formula, rate tables, and eligible products that you have already created. Or, at each stage of building the plan, you have the option of creating a new component.

Formulas are based on the Commission incentive type of a compensation plan. Bonus incentives, which are based on the Bonus incentive type, are additional compensation based on aggregated transactions. **Note:** When you are defining the earnings rules, the Formula list of values displays only formulas that match the incentive type value selected in the Incentive Type drop-down list.

Warning: If you want to change the setup of plan elements for new periods, for example, at the beginning of a new year, end date the existing plan elements--do not delete them. When you delete a plan element by replacing it with a new one, you lose the resource setup data.

Warning: Do not open a new window during a browser session and navigate to the same page in the two windows simultaneously while you are creating a plan element.

Navigation

General Information

- The Element Group Code offers three choices. If you select:
 - None: The plan element name does not display in the Year to Date Summary.
 - Bonus: The plan element displays in the Bonus category of the Year to Date Summary.
 - Quota: The plan element name displays in the Quota category of the Year to Date Summary.
- The Create Plan Element: General Information page supports an optional descriptive flexfield, which you can configure to your requirements. For more information on flexfields, see the Flexfields appendix or the *Oracle Applications Flexfields Guide*.
- The commonly used intervals are Period (month), Quarter, and Year. However, you can define a custom interval using the Configuration Workbench. After a compensation plan has been assigned to a sales role, in order to change the interval, you must remove the plan assignment, change the plan element's interval, then reassign the compensation plan.
- Formula types can be Formula or PL/SQL Package. Each formula type requires a different action:
 - Formula: Select a formula from the list of values.
 - External: Enter a PL/SQL package name in the Package Name field. This enables the application to find the external formula.
- If you choose an external formula type, you must enter the name of the PL/SQL package in the Package Name field.
- To create a formula, go to Define Formulas, page 3-27
- The Payment Group Code setting is used to set how you want payments from a resource's payment plan to be allocated between plan elements. The payment group codes are customizable using a lookup; the default setting is Standard. If all plan elements are set to Standard, the payment plan amounts are allocated equally.
- The credit type is normally the preset functional currency, but it can be any type that you define in the application. Changing the credit type of a plan element after it has been used in a compensation plan to pay compensation is not recommended. This can affect payment amounts. Payment can be made only in the functional currency credit type.

- Click the Paid Through Third Party Yes button if you want to assign the payment to someone other than the resource receiving the sales credit. For example, this feature may be used if the credit receiver leaves the company and a new resource takes over an account. It can also be used to assign credit to a resource's company instead of to the resource directly. See Setting Up Payees, page 8-2.
- Optionally, you can identify a liability or expense account (if the application is integrated with Oracle Payable). Liability and expense accounts can be identified at the plan element level. Earnings for the plan element are assigned to the specified liability or expense account.
- Select Yes for Use Eligible Products Worksheets to combine the amounts from all products assigned to the plan element to meet a target or goal.
- **Target** is the specific amount set for resources as their attainment amount. The most common way that a target is used in an expression is for evaluating transactions as a percentage of quota. **Goal** is the amount that management sets as the actual goal expected of the resources. This amount is typically used for reporting purposes and is not exposed to the resources. **Fixed Amount** is a constant amount that is used for calculation purposes.
- Target, Goal, and Fixed Amount are indicated here in the application, but are used when building calculation expressions.

Copying Plan Elements

You can create a copy of a plan element, that already exists in the operating unit. This way you need not create a new plan element, whose parameters are similar to an existing plan element. Oracle incentive compensation will create a copy, and then you change the parameters.

When you create copy of a plan element, the application does not make copies of rate tables and expressions within the original plan element, but references the original rate tables and expressions. If you want to make a new expression, then use the corresponding Inline Copy feature for Expressions and change the copied plan element to reference the newly created expressions.

Steps:

1. Navigate: Plan Administrator > Maintain Component Library > Plan Element
2. Search for the plan element.
3. Click "Duplicate" icon.

Note: For more information on copying objects, see: Maintaining Compensation Plans, page 3-7 (Copying Compensation Plan).

Assigning Eligible Products

You must assign at least one eligible product for each plan element. You can add an already created product or create a new one if necessary.

On this page, you can indicate how you want indirect credit to be paid.

- **All:** Every transaction that is available to this plan element is calculated. This includes the resource's own sales as well as sales or transactions that have rolled up to him or her through the Sales Compensation Hierarchy. This is the default setting.
- **Credit Receiver has Manager Role:** Rolled up transactions (and direct sales) are calculated for those resources who have a Manager type of sales role.
- **None:** Only direct credits are calculated for any resource who has this plan element.

Navigation

Plan Administrator > Create Plan Element > Assign Eligible Products

Assigning Rate Tables

Rate tables are used to establish compensation percentage rates or fixed amounts for different performance levels. The compensation formula and plan element determine the type of information to be compared to the rate table as well as how the resulting rate is used in the calculation.

You can assign parent rate tables and also a child rate table to a plan element, if the formula is nested.

Rate tables must be created before they can be assigned to a formula.

Navigation

Plan Administrator > Create Plan Element > Assign Rate Tables

Notes

- You can view the rates by clicking the **Update Rate Table** icon.
- You can enter a child rate table. Use the same steps as you used for the Parent Rate Table section. See example.
- You can click the Plan Element Name link at the top to return to the Plan Element Detail page.

Example

Child rate tables are referenced within embedded formulas. The following example illustrates how child rate tables are used.

First, you create the formula to be embedded, and then create the formula that is referenced by the plan element, which includes the embedded formula within it. Assume that you want to calculate compensation based on percentage of quota, but only for transactions where the sales credit is greater than \$1,000. First you must create an expression to determine if the sales credit is greater than \$1000. The expression looks like this:

Commission.Headers.TRANSACTION_AMOUNT/1000

Use this expression as the input expression for the embedded formula. If the result is greater than 1, then you know that the sales credit is greater than \$1000.

Next, configure an amount rate table with two tiers (one tier for values less than 1 and one tier for values greater than 1):

Amount	Rate
0-1	0
1-999,999,999	1

In this example, the first tier with an amount of less than 1 has a rate of 0, and in the second tier, anything greater than one has a rate of 1.

Create an output expression that references the rate table result. Select Others from the H-grid in the Expression screen and click Rate Table Result.

Next, you need to configure the embedded formula out of the input expression, rate table, and output expression you have just created. It will be referenced by the other formula.

Now you can configure the formula that will be referenced by your plan element. First, configure an expression to reference the formula that you just created. This expression looks like this:

Commission.Headers.TRANSACTION_AMOUNT/SRP Period
Quota.TARGET_AMOUNT*<embedded formula>.

Next, create the rate table for your formula, as follows:

Percent	Rate
0-100%	3%
100-9999%	4%

Finally, create an output expression that multiplies your rate table result by the

transaction amount:

Rate Table Result*Transaction_Amount

When you build this formula, use the expressions and the rate table you have just created. Then, when you configure your plan element, reference the second formula that you created.

When you save the plan element, the rate tables associated with the formula and with the embedded formula are both associated with the plan element. When you view the rate tables associated with the plan element on the Rate Tables subtab of the Plan Design page, the Parent Rate Table section shows the rate table that was created for the second formula, while the Child Rate Tables section displays the rate table associated with the embedded formula. Because it is possible to create multiple embedded formulas, OIC provides a drop-down menu that enables you to select any one of the embedded formulas that you may have configured.

Defining Rate Tables

Rate tables are used to establish compensation percentage rates or fixed amounts for different performance levels. The compensation formula and plan element determine the type of information to be compared to the rate table as well as how the resulting rate is used in the calculation.

Rate tables contain one or more dimension, of an amount, percent, expression, or string type. The rate table input depends on the kind of dimensions that are used. A multidimensional rate table can use different kinds of dimensions to generate a percent or amount result.

You can customize rate table for individual resources. See [Customizing a Compensation Plan](#).

Navigation

Plan Administrator > Maintain Component Library > Rate Tables

Steps:

1. Enter name and click **Update**.
2. To assign or change rates, click the Update Rates button to go to the Update Rates page.
3. To create a new dimension while you're creating a rate table, click **Create** in the Dimension section and build it on the separate page.
4. Click **Apply**.

Restrictions

If a rate table is already assigned to a formula or plan element, it cannot be deleted and the commission type cannot be updated. Dimension assignments cannot be changed. An error message displays if you attempt to delete or change a rate table that is already assigned.

If you have string-based dimensions in a rate table, you must assign the same table or one of similar structure to the formula in the plan element. If you do not do this, the generated formula package assumes that all of the inputs evaluate to numeric values, and an error message and XCALC status results.

If a transaction matches the amount or percent that is the top of one tier and the bottom of the next higher tier, it is calculated using the higher tier. For example, using the percentage rate table below, a transaction that matches 50% exactly is paid at the 3% rate.

Percentage of Target	Commission
1-25%	1%
25-50%	2%
50-75%	3%
75-100%	4%

A rate table can be customized for an individual resource.

Defining Rate Dimensions

Rate dimensions define the tiers that are used in a rate table. The Dimensions summary page displays all of the rate dimensions that have already been created.

A dimension must have at least one tier, but can have as many as you need. See above regarding dimension type.

There are four kinds of rate dimensions:

- Amount: The rate tiers are amounts.
- Percent: The rate tiers are percentages of a quota.
- Expression: These rate dimensions reference calculation expressions, and can be used to create more complex rate tiers. For example, rather than creating a static set of rate tiers such as 0% to 25%, 25% to 50%, and so on, an expression rate dimension

can be configured as 10% * Quota, 25% * Quota, and so on, using a calculation expression.

- String: The rate tiers are alphanumeric, such as product numbers or the names of states.

These values comprise the ranges from which compensation is calculated in a rate table.

If a rate is based on multiple criteria, then a multidimensional rate table can be created to reflect all criteria. Use one dimension per criterion.

Oracle Incentive Compensation supports accumulated revenue with multidimensional rate tables. Accumulation is limited to one dimension.

Navigation

Plan Administrator > Maintain Component Library > Rate Dimensions > Create

Notes

- For Amount or Percent dimensions, in the Rate Tiers area, you must enter numbers in the From and To columns. Follow the sequence, and do not leave any gaps in the rates.
- For String dimensions, enter the string value for the rate tier.
- For Expression dimensions, select expressions from the list of values for the From and To columns.
- You can also create rate dimensions on the Rate Table Details page by clicking the Create button.
- After you create a rate dimension with a type of String or Expression, you cannot change the type with a future update. For rate dimensions of the Amount or Percent type, you can update the type definition, switching Amount to Percent or Percent to Amount only.
- For expression rate dimensions, expressions must be defined in the application in order for the list of values to contain any selectable values.
- If the application is unable to find a match in a string dimension in a rate table, the application picks the last rate value by default. For example, suppose that in the example above, a transaction has dimension values of 10,000, Iowa, and Service. No matches occur, and the rate table result is 9.25%, the last value in the Rate column. This setup permits you to define a catch-all tier that captures all unmatched values. If you want the non-matching transactions to receive no compensation, add OTHER as the last string value to each string dimension with a corresponding rate of 0%, for example. Another method of dealing with non-matching transactions is to use classification rules. Transactions with attributes that do not match your classification rules will have a failed classification status. You can correct these

failed transactions' attributes by changing their values and maintain a record of the adjustment through the manual adjustments window.

Copying Rate Dimensions

You can create a copy of a rate dimension, that already exists in the operating unit. This way you need not create a new rate dimension, whose parameters are similar to an existing rate dimension. Oracle incentive compensation will create a copy, and then you change the parameters.

Steps:

1. Navigate: Plan Administrator > Maintain Component Library > Rate Dimensions
2. Search for the rate dimension whose copy you want to create.
3. Click "Duplicate" icon

Note: For more information on copying objects, see: Maintaining Compensation Plans, page 3-7 (Copying Compensation Plan).

Defining Quotas

Target, Fixed Amount, and Goal are used during Calculation as a basis for quota achievements or as a stated goal, which can be used as a constant value. How these values are used in the actual calculation of compensation is up to you.

Target is the specific amount set for resources as their attainment amount. Resources have views of this figure through their contract. The most common way that a target is used in an expression is for evaluating transactions as a percentage of quota. The expression typically looks like this:

TRANSACTION_AMOUNT/TARGET

This expression gives you the percentage of quota a particular transaction yields.

Note: Target and Quota amounts are used interchangeably.

Performance Goal is the amount that management sets as the actual goal expected of the resources. This amount is typically used for reporting purposes and is not exposed to the resources. Performance Goal amounts are used to determine performance against a constant value for interval and period to date calculations.

Fixed Amount is a constant amount that is used for calculation purposes. Resources do not have a view or access to the fixed amount.

By entering the achievement levels at the plan element level, you create a generic plan. All resources assigned the compensation plan receive this quota figure.

To use Target, Goal, and Fixed Amount in an expression, select the following columns

from the Calculation Values list of values on the Calculation Expressions page:

- Target => CN_QUOTAS.TARGET
- Fixed Amount => CN_QUOTAS.PAYMENT_AMOUNT
- Goal => CN_QUOTAS.PERFORMANCE_GOAL

Distributing Target, Fixed Amount, and Performance Goal

You can distribute targets, fixed amounts, and performance goals to all periods in the interval. The distribution is based on the Calendar that is specified in the System Parameters.

When you distribute these variables, the amounts that you defined are applied evenly when you click the Distribute Evenly button, with the specified amount duplicated in each interval. For example, if you set a target of \$5,000 for a period, \$5,000 is displayed for each month on the Distribute Quotas page.

On the Distribution page, you can select a view of Period, Quarter, or Year. When you apply a different view, the amounts change to reflect this. For example, if you set a target of \$5,000, that amount is displayed for each period in the Period view. If you select and apply a Quarter view, each quarter shows \$15,000. A Year view shows \$60,000 for the entire year.

After the amounts are evenly distributed, you can change them manually for a period to reflect variations in expected sales or seasonality. You can make your changes by percent or amount. Select one radio button to set this choice.

If you alter the amounts, when you save, the percentages display the correct percentages. If you change the percentages to something different from equal distribution, the amounts change to match. However, if, after setting the percentages, you change the target amount to be distributed, the percentages will not remain constant. Because the application saves the amounts and not the percentages, the percentages will reflect the relationship of the saved amounts to the new target amount.

For example, suppose you initially set a target amount is \$10,000, with custom distribution percentages as follows:

- Jan 07 - 5%
- Feb 07 - 5%
- Mar 07 - 5%
- Apr 07 - 10%
- May 07 - 10%

- Jun 07 - 10%
- Jul 07 - 5%
- Aug 07 - 5%
- Sep 07 - 5%
- Oct 07 - 10%
- Nov 07 - 10%
- Dec 07 - 20%

If you distribute these percentages, which add up to 100%, the amounts display correctly. Jan 07 displays \$500, May 07 displays \$1,000, and Dec 07 displays \$2,000. For this example, suppose you decide to change the target amount to \$5,000, or one half of the original amount. When you distribute this amount, the amounts are not cut in half, but the percentages double.

- Jan 07 - 10%
- Feb 07 - 10%
- Mar 07 - 10%
- Apr 07 - 20%

The pattern continues throughout the year. The percentages are twice what they were for \$10,000. This occurs because the amounts are stored in the application, not the percentages. Jan 07 is still \$500 and Apr 07 remains \$1,000, but the stored numbers represent double the percentage of the new target amount.

Navigation

Plan Administrator > Create Plan Element > Define Default Quotas

Notes

- You can click the Plan Element name link to return to the Plan Element Details page.
- When you select an interval, regardless of the view, variables are distributed equally to each period.
- When you click **Distribute Target**, the amounts are equally distributed to each period, duplicating the amount set in the Variables area of the Plan Element Details page.
- If you do not enter an End Date on the Plan Element Details page, the application

automatically distributes the variables for all remaining periods defined in the predefined Calendar for the application.

- If the plan element uses a partial year, then the distributed amounts are prorated. For example, if the periods start with April, and the target amount for each period is \$5,000, then the quarterly view will show as \$15,000 each, but the Year view will be \$45,000.

Creating a Bonus Plan Element

This is an example of creating a bonus plan element. Bonus calculation is normally based on the total compensation earned by the resource or transaction total (sales credit total) of the resource. But in this case the bonus is calculated based on the compensation earned by the resource.

The resource has a commission plan element with the following details:

- Input expression = Transaction Amount
- Output expression = Transaction Amount * Rate table result /100
- Rate table for the commission plan element:

Amount	Commission
0-10,000	1%
10,000-50,000	2%
50,000-100,000	3%
100,000-999999999999	4%

- Commission Plan element Interval = Period
- Apply transaction= Individually

This resource also has bonus plan element with the following details.

- Input expression = Commission_paid_ptd column from a view created based on the cn_srp_period_quotas.
- Output expression = Commission_paid_ptd of the view * Rate table Result /100
- Rate table for the bonus plan element:

Amount	Bonus
0-500	75
500-1,000	65
1,000-5,000	55
5,000-10,000	45
10,000-9999999999	25

- Bonus Plan element Interval = Period.

The resource has the following transactions:

Date	Transaction Amount
01-Jan-01	9,000
02-Jan-01	15,000
01-Feb-01	40,000

Compensation calculated for the above transactions using the commission plan above is:

Date	Transaction Amount	Rate	Commission
01-Jan-01	9,000	1	90
02-Jan-01	15,000	2	300
01-Feb-01	40,000	2	800

Data from the view used for bonus calculation:

Period-id	Input_achieved_ptd	Commission_paid_ptd
2001001	24,000	390
2001002	40,000	800

Bonus calculation using the bonus plan and bonus rate table

Period_id	Input_achieved_ptd	Commission_paid_ptd	Rate	Bonus
2001001	24,000	390	75	292.5
2001002	40,000	800	65	520.0

Notes

- Use Commission_paid_ptd in the bonus input expression if your bonus is based on the compensation of the resource. Use Input_achieved_ptd in the bonus input expression if your bonus is based on the total sales credit of the resource.
- Here is a suggested view definition for the quarterly bonus that you can build to create the example shown previously:

```
select salesrep_id, max(a.period_id) last_period_id,
sum(input_achieved_ptd)

input_achieved_ptd, sum(commission_paid_ptd) commission_paid_ptd
from cn_srp_period_quotas a, cn_quotas_v b
where a.period_id between 2001001 and 2001012
and b.incentive_type_code = 'COMMISSION'
group by salesrep_id, ceil((a.period_id - 2001000)/3)
```

Using Accelerators and Transaction Factors

In a plan element, you can modify the incentive amounts by using accelerators, as well as transaction factors and other factors. You define the effective period for these temporary changes by assigning a Start Date and an End Date. Accelerators increase compensation during that time period, and can be used as incentives for resources. Transaction factors stage sales credit over the life of a sale.

Accelerators

For each product, at plan element level, you can define accelerators. Oracle Incentive Compensation provides two types of accelerators:

- **Earnings Factor:** Increases the resource's commission payment without affecting the level of quota achievement
- **Multiplier:** Increases a resource's quota credit, that is, level of quota achievement

When you want to provide an incentive without affecting a resource's quota achievement, you can define an earnings factor. The earnings factor is a percentage factor multiplied against the net sales credit, resulting in compensation credit. The application then applies the compensation rate to this compensation credit to calculate the compensation. Thus, an earnings factor results in a higher or lower compensation amount but no change in quota achievement.

For example, an earnings factor of 200 has been put onto the eligible product of LIC-DB compensation plans for field resources to promote sales of this type of license. When Salesrep A sells something with the eligible product of LIC-DB, the application takes the transaction amount and calculates the amount of sales credit due to Salesrep A. As an example, the net sales credit is \$1,000. The earnings factor of 200 (200%) is multiplied against this amount to get to the total compensation amount due to Salesrep A, which is \$2,000.

How the accelerators and transaction factors are used depends on how your calculation expression is defined. For example, a common input expression that complements a percentage rate table is as follows:

`EVENT_FACTOR* MULTIPLIER*TRANSACTION_AMOUNT/TARGET.`

A typical output expression looks like this:

`Rate_Result* TRANSACTION_AMOUNT* EVENT_FACTOR* EARNINGS_FACTOR.`

A multiplier enables a resource to reach higher levels of quota achievement more quickly, resulting in higher compensation payments. This is because Oracle Incentive Compensation uses quota achievement to determine which rate to use.

An earnings factor or a multiplier is a percentage expressed as a whole number. If you explicitly choose to use an earnings factor or multiplier in an expression, the default value is zero. You must assign a specific value for earnings factors or multipliers. For example, an earnings factor of 200 means to multiply the commission amount by 200% or a factor of 2 (as in the above examples). A multiplier of 50 multiplies the values in the expression by .5, effectively cutting the final amount in half.

Earnings factors work only when they are used in the calculation *output* expression assigned to the formula. For example:

- `(Rate Table Result*Transaction_Amount)*Earnings_Factor`

Multipliers work only when they are used by the calculation *input* expression assigned to the formula. For example:

- `(Transaction_Amount*Multiplier)/Target`

Earnings factors can only be used when the Apply Transaction Type is set to

Individually as they apply to each individual eligible product. Earnings factors have no meaning if the Apply Transaction Type is set to Group by Interval.

Transaction Factors

Transaction factors help you stage **sales credit** over the life of a sale, assigning percentages of the transaction amount to important events in the sales process, including Invoice, Order, and Payment.

Transaction factors must add up to 100%. For example, you can have 50% of the commission calculated upon order, 20% calculated at invoice value and the final 30% calculated upon payment.

Other factors are used to indicate if any activity related to a sale, such as a credit memo or order return, should be credited at a percentage other than 100%:

- **Clawback:** When the invoice due date grace period is exceeded, the outstanding amount of compensation credited for this sale is taken back.
- **Credit Memo:** A credit memo is generated when an invoice is fully or partially reversed and posted to Oracle General Ledger. Credit memos are later collected and applied against transactions.
- **Deposit**
- **Debit Memo:** A debit memo is generated to fully or partially increase an invoice. It is posted to Oracle General Ledger. Debit memos are later collected and applied against transactions.
- **Giveback:** If an invoice for which a clawback has been performed is subsequently paid, then a giveback is used to restore credit to a resource.
- **Manual Transaction:** A transaction created by a user to reverse or change sales credit.
- **Order Return**
- **Write-off:** A sale is written off the books for a variety of reasons and posted to Oracle General Ledger.

Unlike transaction factors, other factors are each calculated separately, and do not need to total 100%. Each can be over or under 100%. For example, you can set the other factor of Order Return to be credited at 80%, or clawbacks at 110% to match your business procedures.

Eligible products must already be assigned.

Navigation

Plan Administrator > Maintain Component Library > Plan Elements> Assign Eligible Products > Update Factors

Notes

- For accelerators, the default is 100, which is the full amount. Entries can be above or below 100.
- For transaction factors, you can enter numbers to indicate how you want to stage the payment of commission.
- In the Other Factors area, the default entry for each column is 100.

Using Interdependent Plan Elements

Interdependent plan elements use the calculated totals of one plan element to calculate for commission for another plan element.

To set up an interdependent plan element, you must create an expression that accesses specific plan element totals.

To set up an independent plan element, you need to create the input expression you need for it. See *Defining Calculation Expressions*, page 3-32 for more details on creating expressions.

To be used in an input expression, a plan element must already be created.

Navigation

Plan Administrator > Maintain Component Library > Expressions > Create

Notes

- If you are using transaction data from calculation expressions and mixing the plan element total with transaction data:
 1. Select a type from the Type drop-down list. The six selections represent groups of calculation elements, such as expressions, formulas, and SQL functions. The choices for your selection are displayed in the Calculation Values box.
 2. Select the column you want to use in the expression from the Calculation Values box.

After you have created the interdependent plan elements, build a compensation plan using the plan elements. Use the expression as the input expression of the formula of a new plan element. See *Creating a Compensation Plan*, page 3-4 for steps to creating a compensation plan.

The new plan element you create calculates compensation based on totals from the plan element that you built into the expression.

Example

A sales manager wants a resource to receive an additional \$1,000 bonus if she sells 100% of her target for a certain product. Because the bonus requires knowledge from the plan

element for this product, you must create an interdependent plan element. These are the steps the compensation analyst performs to create an interdependent plan element in the resource's compensation plan.

First, the compensation analyst creates a commission plan element that includes the input and output expressions and a rate table to calculate compensation. This plan element pays the regular compensation on the product and aggregates credits and the target.

Secondly, the compensation analyst creates the plan element that pays the bonus if 100 percent of the target of the first plan element is met. This requires a formula that utilizes an input expression that references the achievement of the first plan element. This input expression divides the accumulated total from the first plan element by the ITD_Target total, which determines the achievement.

Finally, the plan elements must be sequenced in the final compensation plan so that the transactions are collected and calculated for the commission plan element first. That way, the total from all of the transactions for the first (commission) plan element can be used accurately in the input expression of the second (bonus) plan element.

If, after all transactions are collected and calculated, the result of the expression in the bonus plan element is 100 percent or greater, then the resource receives her \$1,000 bonus credit.

Defining Formulas

You have complete flexibility to create formulas for calculating compensation. Some formulas can be embedded in another formula definition or in a plan element definition. You can save an incomplete formula and return to complete it later.

You can use expressions or rate tables in a formula that are already created or you can create them as you build the formula. Expressions can be repeated in your formula and can be reused in other formulas as well. See *Defining Calculation Expressions*, page 3-32 for more information on the types of calculation expressions that you can use for commission and bonus formulas.

Warning: Do not open a new window during a browser session and navigate to the same page in the two windows simultaneously while you are defining formulas.

Navigation

Plan Administrator > Maintain Component Library > Formulas > Create

Steps:

1. Select an operating unit.
2. Enter a type of Commission or Bonus. See Restrictions.

A Bonus Formula is a type of Formula where there are no links or references to transactions.

3. Indicate whether to apply transactions Individually or Grouped by Interval.
This affects how compensation is calculated. See Restrictions.
4. Indicate any splits.
Do not split tiers if you want a rate from the rate table applied to the full amount.
Split tiers if you want portions of the full amount paid at each rate up to the top qualifying rate. See Restrictions.
5. Check the Accumulate Transactions box if transactions are required to be aggregated in total.
The rate applied will be determined by the transactions-total achieved to date within the interval. See Restrictions.
6. Check the Interval To Date box if you want to base the calculation on a period different from the plan element interval. See Restrictions.
7. Click **Apply**.
8. Click the Expressions subtab.
9. Select an input expression. To create a new expression click Create. See Defining Calculation Expressions, page 3-32
You can use more than one input expression, but the number of input expressions must equal the number of dimensions in the rate table that you select later.
10. You can assign a forecast if you need it for Projected Compensation.
11. Select an Output expression and a forecast as needed.
12. Select a performance measure if you want to use it in the Year To Date Summary Report for comparison with achievement.
13. Click **Apply**.
14. Click the Rate Tables subtab, the Add Another Row button, and view the rate table.
To create a new rate table, see Define Rate Tables, page 3-15.
15. After all of the components are in place, click **Save** and **Generate**.
If you have successfully created the formula, the status field above the Generate button changes from Incomplete to Complete. See Restrictions.
16. Click **Update**.

What's Next

Copying Formulas

You can create a copy of a formula, that already exists in the operating unit. This way you need not create a new formula, whose parameters are similar to the existing formula.

When you create copy of a formula, the application does not make copies of rate tables, rate dimensions, or expressions, but references these elements, in the newly created formula. If you want to make new rate dimensions or expressions, then use the corresponding Inline Copy feature for those elements and change the copied formula to reference the newly created elements.

Steps:

1. Navigate: Plan Administrator > Maintain Component Library > Formulas
2. Search for formula, whose duplicate you want to create.
3. Click "Duplicate" icon.

Note: For more information on copying objects, see: Maintaining Compensation Plans, page 3-7 (Copying Compensation Plan).

Restrictions

For commission formulas, Individual Option for Transactions can be used with any Cumulative/Interval to Date option.

- By default Interval to Date and Cumulative options must be used together. You cannot select Interval to Date by itself. Split options are selectable (each is mutually exclusive).
- Accumulate can be selected by itself. Split options are selectable (each is mutually exclusive).

In commission formulas, Group by Interval for Transactions must be used with Cumulative. The difference between Group by Interval and Cumulative individual calculation is that Cumulative individual calculation calculates the compensation for each individual transaction, whereas Group by Interval only calculates the total compensation at the end of the interval.

Use interval-to-date quotas and fixed amounts if:

- Calculation is to occur before the end of the plan element interval (for example, if the interval is quarter and calculation occurs monthly)

- Quotas are set cumulatively within the interval
- Performance to date is to be compared to the quota to date

Bonus formulas calculate only against Individual transaction options. Split options are selectable (each is mutually exclusive).

Performance measures must use numeric expressions to work correctly. In a formula, if no performance measure is assigned, the application uses the first input expression. If that expression evaluates to string values, the calculation will fail. Therefore, it is important to assign a numeric performance measure when the first input expression is not numeric.

You must generate a formula for it to be available when you are selecting formulas for a plan element. Formulas that do not have a Complete status do not appear in the Formulas list of values. When you generate a formula the application verifies that the expressions and rate tables are compatible and that they will work when they are called during the calculation.

Example of Split Tiers

A rate table shows 0 to 1000 at 1%, 1000 to 2000 at 2%. The transaction amount is 1500. If you select No Split in the drop-down list, 2% is applied to the whole transaction amount of 1500. If you select Non-Proportional in the drop-down list, 1% is applied to 1000 and 2% is applied to 500.

The Proportional selection in the Split drop-down list is intended for use with amount rate tables. For example, if the rate table shows 0 to 1000 at 100, 1000 to 2000 at 200. The first transaction amount is 200. The compensation for this transaction is 20 because 200 is one fifth of the first rate tier and one fifth of the 100 rate is 20. If the second transaction amount is 1300, the remaining four fifths of the first rate tier pays 80, and half of the second tier $[(1300 \text{ minus } 800) / (2000 \text{ minus } 1000)]$ pays 100 (half of the rate 200). Total compensation for the second transaction is 180.

In a multidimensional rate table, only one dimension can have split rate tiers.

If you are selecting the Cumulative or Split functions, you can use percent, amount, or expression type rate dimensions. You cannot use string dimensions.

Calculation Expressions

Calculation expressions are interchangeable, reusable parts that are used in input and output expressions of formulas, expression-based rate dimensions, performance measures, forecast expressions, and for projected compensation.

You can use these calculation expressions as performance measures, input expressions, output expressions, or rate table dimensions. You can also embed one calculation expression within another. After they have been saved, the expressions can be assigned and reassigned to any number of formulas you need.

Any column from any table can be part of your expression, as long as the Calculation

Value box for the column is selected in Columns and Tables.

You can place a formula inside a calculation expression if you want to be certain that the formula output result is used in the expression. Sequencing plan elements in a compensation plan can also assure that calculations are performed in the order you need.

You can add functions to an expression by selecting them from the Functions list of values. This feature is used in the procedure below.

For details on defining calculation expressions, see *Defining Calculation Expressions*, page 3-32.

Input Expressions

Input expressions tell Oracle Incentive Compensation what to evaluate from the transactions and how to match the results to the corresponding rate table. A simple input formula expression looks like this:

TRANSACTION_AMOUNT

For example, a company can establish that its sales force will be compensated based on transaction amount. The input expression evaluates transactions from the TRANSACTION_AMOUNT column of the CN_COMMISSION_HEADERS table.

This is an example of a rate table:

Transaction Amount	Commission
\$0 - \$100	4%
\$100 - \$500	5%
\$500 - \$99,999	6%

As transactions are sorted by through the input expression they are matched to the established rate table tiers. If a transaction is collected in Oracle Incentive Compensation with the following attributes:

1. Customer X
2. Transaction Amount \$100
3. Product Z

Oracle Incentive Compensation, using the TRANSACTION_AMOUNT input expression, matches the above transaction of \$100 with the rate table and determines that 5% will be paid on this order.

Output Expressions

Output expressions instruct the application how much to pay resources. The payment amount can either be tied to a rate table or not. This will be determined by the users.

Example of a typical output expression, which uses a rate table:

Rate Table Result * TRANSACTION_AMOUNT

Performance Measures

A performance measure is part of a plan element that captures an accumulation of transaction values by plan element and uses the data in reports that compare achievements to quota, goal and performance measure. Performance measures are not used to calculate compensation.

You can use a performance measure to track revenue. You select and define the columns where revenue information for transactions is held. Then, as transactions are entered and collected for the assigned plan element, the transaction values are accumulated. An example performance measure is:

TRANSACTION_AMOUNT

Note: Performance measures must use numeric expressions to work correctly. In a formula, if no performance measure is assigned, the application uses the first input expression. If that expression evaluates to string values, the calculation will fail. Therefore, it is important to assign a numeric performance measure when the first input expression is not numeric.

Defining Calculation Expressions

Calculation expressions define the flow of a formula. Input expressions bring the data into the formula and output expressions take the data out after the formula has run.

Depending on how an expression is defined, it is used as one of the following:

- The input, output, or performance measure of a commission type formula which is applied to individual transactions
- The input or output of a commission type formula which is applied to individual transactions
- The output or performance measure of a formula of any type
- The input of a bonus type formulas or a commission formula which is applied to a group of transactions
- The input of a commission type formula which allows multiple inputs

- The output of the forecast version of a formula
- The input of the forecast version of a formula which allows multiple inputs
- The tier expression of a dynamic dimension
- As a forecast input or output expression

Navigation

Plan Administrator > Create Formula > Expressions

Notes

- You can use operands, user created functions, and numeric constants or string values when building an expression.
- You can use values from another plan element and plan element metrics.
- After you save an expression, the status reads Valid if it has compiled properly. If an expression is not valid, it cannot be used. Fix the problem before attempting to validate the expression again.
- The usage of the expression is also displayed once it is saved. The usage rules determine where the expression may be applied.
- A Bonus calculation expression cannot include an element from the table `cn_srp_period_quotas` or any table that is mapped to this table. A Bonus calculation expression cannot be used as an embedded formula and cannot be mixed with a commission type formula. See Bonus Formulas for more information.
- The six selections in the View H-grid represent groups of calculation elements. Only the calculation elements for that selection are displayed in the Calculation Values box.
 - Sales Compensation Elements: These include seeded and previously defined columns from the transaction headers and lines tables, as well as compensation plan related tables.
 - Expressions: Any previously defined expression can be used as part of another expression.
 - Formulas: Any previously defined non-cumulative commission formula can be used as part of an expression.
 - External Elements: For non-seeded tables or views to be available for expression building, they must be registered on the Tables page and mapping between them and seeded OIC tables should be defined on the External Table page.

- SQL Functions: SQL Number, Group, and other functions can be added to an expression.
- Others: Other elements, such as Rate Table Result and Forecast Amount, are listed here.
- Selected columns are accessible for use in building formulas and performance measures.
- The following Oracle Incentive Compensation tables are predefined in the system and can be used as calculation values in defining performance measures and formulas:
 - CN_COMMISSION_HEADERS: Contains information relating to the transaction, such as employee name and number. The 100 attributes defined on this page are descriptive flexfields. For more information on flexfields, see Oracle Incentive Compensation Implementation Guide, Appendix A, or the Oracle Applications Flexfields Guide.
 - CN_COMMISSION_LINES: Stores transactions created as part of calculation
 - CN_SRP_QUOTA_ASSIGNS: Stores resource plan element assignments
 - CN_SRP_PERIOD_QUOTAS: A multi-org view of quotas and achievements based on interval to date and period to date
 - CN_QUOTAS: Stores plan elements
 - Note: If you want columns to be hidden or added the Incentive Compensation Administrator must configure them under Tables and Columns.
- A rate dimension calculation expression can only be defined from the following tables:
 - CN_SRP_PERIOD_QUOTAS: see above
 - CN_SRP_PLAN_ASSIGNS: Stores resource plan assignments
 - CN_SRP_QUOTA_ASSIGNS: see above
 - CN_SALESREPS: Stores resource personal data, such as name, salesrep-id, and email address.
- Plan element metrics are stored for each resource in the database, and are not necessarily defined in the user interface. Most of the selections relate to accumulation of commission in a plan element over a period--period to date (PTD)--or an interval other than the period--interval to date (ITD). For example, a

plan element can use a period of a month but also an interval of a quarter, and accumulation of commission for either interval or period can be used in another expression to calculate a bonus. This can be set on the Calculation Expressions page using the Plan Element field and the metrics drop-down list next to it.

Example of a User Defined Function

This is an example of a user defined function. Create a user defined function in SQL Plus in the APPS schema, and make sure it is valid. Then you can select it from the List of Values in the expression builder in the application. It is difficult to create a thresholding/cap function using the simple SQL elements supplied in Oracle Incentive Compensation. However, you can create a function in which if a given value is less than the threshold, the function returns to 0; if it is greater than the cap, the function returns the cap value; otherwise it returns the value itself.

In SQL Plus, the function is:

```
create or replace function
  threshold_cap (value number, threshold number, cap number)
return number IS
begin
  if value < threshold then
    return 0;
  elsif value > cap then
    return cap;
  else
    return value;
  end if;
end;
```

You can now build an expression that uses this function in the expression builder in Oracle Incentive Compensation:

threshold_cap(Commission Headers.Transaction Amount,1000,5000).

Warning: When creating user defined expressions, do not perform any updates of transaction related tables or perform any commits. This will potentially cause data corruption in the transaction tables. However, you are allowed to select any values from any table without causing data corruption.

Copying Calculation Expressions

You can create a copy of a calculation expression, that already exists in the operating unit. This way you need not create a new calculation expression, whose parameters are similar to an existing calculation expression. Oracle incentive compensation will create a copy, and then you change the parameters.

Steps:

1. Navigate: Plan Administrator > Maintain Component Library > Expressions
2. Search for the calculation expression, whose copy you want to create.

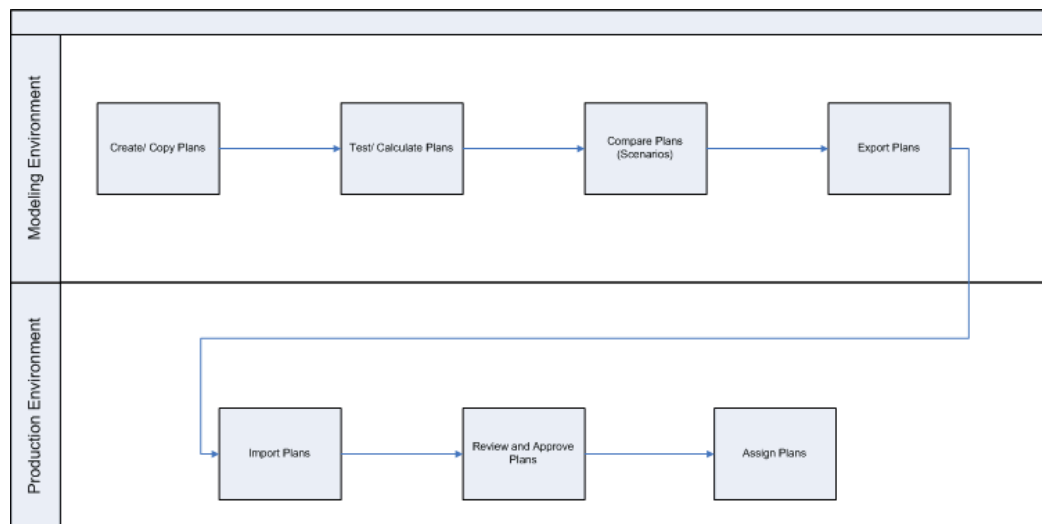
3. Click "Duplicate" icon.

Note: For more information on copying objects, see: Maintaining Compensation Plans, page 3-7 (Copying Compensation Plans).

Export and Import Compensation Plans

As a Plan Administrator, you must modify or update existing compensation plans to conform to new sales directives. Oracle Incentive Compensation allows you to download details of a compensation plan you have modeled in a test environment, and upload it to the production environment. This approach allows you copy plans and plan components across different environments. You can copy a compensation plan, and the following components: plan elements, formulas, expressions, rate tables, and rate dimensions.

The Export Setup Data function allows you to download the compensation plan and its components into your local system, as an XML document. After you have downloaded the file use the Import Setup Data function, to upload the XML file into a different environment. This allows you to migrate plans from one environment to another environment.



To accomplish copying plans from one environment to the other, you generally follow these steps:

1. Create a new plan or create copy of an existing plan.
2. Test the plans for correctness.
3. Compare the plans using Scenarios.

4. Create an Export request for the plan.
5. Import the plan to applicable environment.
6. Review and approve the plan.
7. Assign the plan.

Creating Export Requests

To export details of a compensation plans, you need to create an export request. An export request consists of a single compensation plan or multiple compensation plans. After you process an export request, Oracle Incentive Compensation saves details of the plans in an XML document, which you download to your local system. When you export a plan, application also exports the following element, within a plan:

- Plan elements
- Formulas
- Rate tables
- Rate dimensions
- Expressions

Navigation

Plan Administrator > Export Setup Data > Create

Steps:

1. Enter Request Name.
2. Select Operating Unit.
3. Click **Next**. You will navigate to the Create Export Request: Choose Objects to Export page.
4. Click **Add**.
5. Search for a compensation plan and add it to the request.

Note: You can add multiple plans to the export request.

6. Click **Submit**.

Caution: After you have saved an export request, you can make changes to the plans listed in the request. You have rendered the plan incomplete, due to setup changes, or have deleted the plan; you can still submit the export request. In such a case, Oracle Incentive Compensation, will not process the export request, and it will not create any XML document.

Viewing Export Request

You use the Export Requests page to see details of a particular export request and also download the compensation plan export file. To view details of an export request, you must search for an export request. You can search for an export request using Request Name, Source Operating system, or Status. Oracle Incentive Compensation also provides for an Advanced Search feature. Using this feature, you can search for an export request using additional search criteria. Additionally, you can also click **Views** to personalize and save searches.

After you have searched for a particular export request, you can view details of the request, by clicking on either Request Id, Request Name, or View Log. If you click the **Request Id** link, then Oracle Incentive Compensation displays the parameters, notifications, and diagnostics details of the export request. If you click the **Request Name** link, then Oracle Incentive Compensation, displays plans that are included in the export request and you can download the plan details file, to your local drive.

Note: You can download the plan details file, only if the export request is in 'Complete' status.

Navigation:

Plan Administrator > Export Setup Data

Steps:

1. Enter Request Name.
2. Select Source Operating Unit
3. Click **Go**.
4. Click on applicable **Request Name** link.

When you click **Download File** in the Search Request page, or click **Download** in the request details page, then application dialog box, through which you can save the plan details file to a local system.

Creating Import Requests

To import a compensation plan, into a target operating unit, you need to create an import request. An import request consists of the request name, plan details file, that you had earlier downloaded using the export request process, and target operating unit name. It may or may not have a Prefix Text and Start and End Date.

When you import a compensation plan, into an operating unit, you may want to specify a default naming convention for the imported compensation plan and its sub-elements, to distinguish them from the objects that already exists. All the objects created in the target operating unit will derive their name using the Prefix Text. You may also want to specify start and/or end date for the imported compensation plans and its sub-elements.

Navigation

Plan Administrator > Import Setup Data > Create

Steps:

1. Enter Request Name.
2. Select Target Operating Unit.
3. Select Source Files.

Note: This is the same files you have downloaded to your system during the export process.

4. Optionally, enter Prefix Text.
5. Optionally, select Start and/or End Date.
6. Click Submit.

After you have submitted the export request, Oracle Incentive Compensation generates a Request Id. You can use this Request Id, to track the status of the import request.

Viewing Import Request

The View Import Requests page displays the details of a particular import request, including the source file name, target operating unit, object type, submission date, and status. You can search for an import request using Request Name, Target Operating Unit, and Status. Oracle Incentive Compensation also provides for an Advanced Search feature. Using this feature, you can search for an import request using additional search criteria. Additionally, you can also click **Views** to personalize and save searches.

After you have searched for a particular import request, you can view details of the request, by clicking on either Request Id, Request Name, or View Log. If you click the **Request Id** link, then Oracle Incentive Compensation displays the parameters,

notifications, and diagnostics details of the export request. You can cancel the request if the status is "In Progress". When the request is complete or has failed, then the application does not provide an option to cancel the request.

If you click the **Request Name** link, then Oracle Incentive Compensation displays the status of the request, and the request options. You can view the import request report, as a Log file, which lists all the activities the import request has performed.

Navigation

Plan Administrator > Import Setup Data

Steps:

1. Enter Request Name.
2. Select Target Operating Unit.
3. Click **Go**.
4. Click on applicable **Request Name** link.

Import Examples

The following examples illustrates these scenarios:

- Import Plan: Utilizing Object Reuse
- Import Plan: Avoiding Object Reuse

Import Plans: Utilizing Object Reuse

This scenario explains the situation, when you import a plan, but do not want to create duplicate elements in the target operating unit.

Prerequisites

- You have changed the names of modified plans and its sub-elements, in the source environment, to distinguish them from existing plans in the target environment.
- You do not choose prefix text.
- You have successfully exported plan and plan components.

Scenario: No Prefix Text and No Start/End Date

Source Plan Details File	Elements in Target Operating Unit	Resulting Setup after Import Process
<ul style="list-style-type: none"> Plan 1 <ul style="list-style-type: none"> Plan Element A Plan Element B Plan 2 <ul style="list-style-type: none"> Plan Element B Plan 3 <ul style="list-style-type: none"> Plan Element D <p>Note: In XML source file, "Plan Element B" is reused across "Plan 1" and "Plan 2".</p>	<ul style="list-style-type: none"> Plan 3 <ul style="list-style-type: none"> Plan Element A Plan 4 <ul style="list-style-type: none"> Plan Element A <p>Note: "Plan Element A" is reused across "Plan 3" and "Plan 4".</p>	<ul style="list-style-type: none"> Plan 1 <ul style="list-style-type: none"> Plan Element A Plan Element B Plan 2 <ul style="list-style-type: none"> Plan Element B Plan 3 <ul style="list-style-type: none"> Plan Element A Plan 4 <ul style="list-style-type: none"> Plan A <p>Note: "Plan Element B" is reused across "Plan 1" and "Plan 2". "Plan Element A" is reused across "Plan 1", "Plan 2", "Plan 3", and "Plan 4".</p>

Import Plan: Avoiding Object Reuse

This scenario explains the situation, when you import a plan, without relying on reusing existing plan components.

Prerequisites

- Plan and plan components haven been successfully exported to XML
- Use Prefix Text.

Scenario: Prefix Text

You choose the following options when importing the XML, plan details, file:

- Prefix text: 2008

- No Start/End Date changes

Source Plan Details Files	Elements Existing in Target Operating Unit	Resulting Setup after Import Process
<ul style="list-style-type: none"> • Plan 1 <ul style="list-style-type: none"> • Plan Element A • Plan Element B • Plan 2 <ul style="list-style-type: none"> • Plan Element B • Plan 3 <ul style="list-style-type: none"> • Plan Element D <p>Note: In the plan details, XML, file, "Plan Element B" is reused across "Plan 1" and "Plan 2".</p>	<ul style="list-style-type: none"> • Plan 3 <ul style="list-style-type: none"> • Plan Element A • Plan 4 <ul style="list-style-type: none"> • Plan Element A <p>Note: "Plan Element A" is reused across "Plan 3" and "Plan 4".</p>	<ul style="list-style-type: none"> • 2008: Plan 1 <ul style="list-style-type: none"> • 2008: Plan Element A • 2008: Plan Element B • 2008: Plan 2 <ul style="list-style-type: none"> • 2008: Plan Element B • 2008: Plan 3 <ul style="list-style-type: none"> • 2008: Plan Element D • Plan 3 <ul style="list-style-type: none"> • Plan Element A • Plan 4 <ul style="list-style-type: none"> • Plan Element A <p>Note: "2008: Plan Element B" is reused across "2008: Plan 1" and "2008: Plan 2". "Plan Element A" is reused across "Plan 3" and "Plan 4".</p>

Assigning Compensation Plans, Pay Groups, and Payment Plans

This chapter covers the following topics:

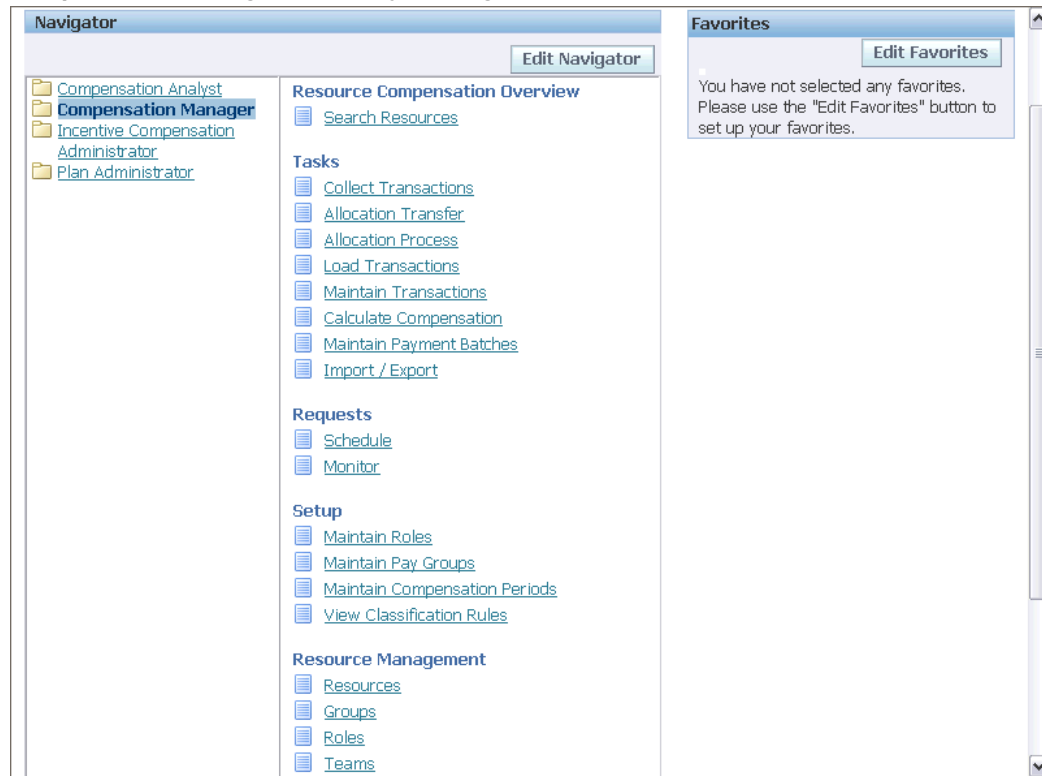
- Overview of Assigning Compensation Plans, Pay Groups, and Payment Plans
- 360 Degree View of the Resource
- Customizing a Compensation Plan for a Resource
- Assigning a Compensation Plan to a Role
- Assigning a Role to a Resource
- Assign Pay Groups
- Assigning a Pay Group to a Role
- Assigning a Pay Group to a Resource
- Define Payment Plans
- Assign Payment Plans
- Assigning a Payment Plan to a Role
- Assigning a Payment Plan to a Resource

Overview of Assigning Compensation Plans, Pay Groups, and Payment Plans

In Oracle Incentive Compensation, compensation plans are not assigned directly to resources. A role is assigned to one or more individual resources, and then compensation plans are assigned to roles. The Compensation Manager can assign a compensation plan to a role using the Setup menu. The Compensation Manager or Compensation Analyst can create and assign roles to a resource by using the Resource tab of the 360 degree view of the resource. The correct profiles must be enabled for the responsibility (System Administrator > Security > Profiles) to make the 360 degree view

of the resource tab updateable.

Compensation Manager and Analyst Navigator



The Compensation Manager or Compensation Analyst also can create, update, or add members of a team or group by using the Compensation Overview, 360 Degree View menu if the correct profiles are enabled for the responsibility (System Administrator > Security > Profiles).

A resource must be assigned to a Pay Group using a resource role. Generally, resources are grouped together in Pay Groups based upon the frequency of payments. A recommended best practice is to use a different role, separate from the compensation plan role, to assign resources to Pay Groups. This way if the job (role) changes, the resource's new plan assignment can occur without removing the resource from the Pay Group. This helps to avoid conflicts for unpaid paysheets and overlapping Pay Group assignment issues.

Optionally, you can assign a payment plan to a resource. Payment plans are created by the Plan Administrator to set up Draw and Recovery options and to define minimum (draw amount) and maximum (cap amount) payments. Both of these functions are part of the Setup section of the Navigator, along with maintenance of the compensation periods that measure achievement.

Warning: Do not open a new window during a browser session and navigate to the same page in the two windows simultaneously while you are assigning compensation

plans, pay groups and payment plans to resources.

360 Degree View of the Resource

Oracle Incentive Compensation provides the Compensation Manager with an in context view of all resource setups and transactions. This enables quick reference and easy maintenance of this information in a single place.

The four sections of this area comprises four main sections:

- Resource Setup
- Plan Setup
- Compensation
- Notes

The Resource Setup tab displays data directly from Resource Manager and supports maintenance of resource compensation type of data.

The Plan Setup tab supports the management of resource plan customizations, payment plan assignments and customizations, and pay groups. For more information on compensation plan management, see *Maintaining Compensation Plans*, page 3-7. For more detail about payment plans, see *Assign Payment Plans*, page 4-10.

For help with pay groups, see *Assign Pay Groups*, page 4-5.

The Compensation tab gives access to current and historical compensation reports, provides viewing and maintenance of compensation transactions, and enables Compensation Managers to view and work on paysheets, without leaving the resource view or context. For more about reports, see *Overview of Reports*, page 9-1. For paysheet information, see *Working with Paysheets*, page 7-14.

The Notes tab provides the ability to add and review notes associated with resources or notes associated with changes to objects such as the compensation plan at a higher level. Notes are automatically generated by the system for changes made to most objects within Oracle Incentive Compensation, and are very useful for auditing and for complying with the Sarbanes-Oxley mandates.

Navigation

Compensation Manager > Search Resources

Customizing a Compensation Plan for a Resource

You can make changes to the plan elements of a compensation plan for a specific resource. You can customize:

- Commission rates

- Transaction modifiers
- Target, Performance Goal, and Fixed Amount
- Distributed amounts

Navigation

Compensation Manager > Resource Compensation Overview > Search Resources > Plan Setup > Compensation Plans

Notes

- You must select the compensation plan and check the Customized box for any plan that you want to customize for a resource.
- Click each subtab under Update Plan Element to make changes for a resource. Click the Details icon to expose the areas you can change, such as rate table rates. Click **Apply** after making changes.

Assigning a Compensation Plan to a Role

A **role** describes a set of salespeople who share a common compensation structure, for example, marketer, broker, and sales manager. Roles are created in Oracle Resource Manager using the Sales Compensation type.

After you have created a compensation plan, you can assign it to multiple roles. A compensation plan must be assigned to a role in order for the resources assigned to the role to receive compensation.

Navigation

Compensation Manager > Setup > Maintain Roles

Steps:

1. Search for the role you need.
2. On the Compensation Plan subtab, add another row, and then select the compensation plan that you want to assign from the list of values.
3. Enter a start date and an end date.
4. Click **Apply**.

Restrictions

Resources who are assigned a role must also be assigned a pay group (see Assign Pay Groups., page 4-5)

The date range used to assign a compensation plan to a sales role must be within the start and end dates of the compensation plan itself.

Assigning a Role to a Resource

After you assign the compensation plan to a role, you can assign the role to a resource using Resource Manager.

More typically, resources are imported into Resource Manager where the roles are either mapped from the Jobs or created specifically in Resource Manager to be used for compensation plans and pay groups. In this case, the roles are assigned to the resources first. Then, after the compensation plan is created and tested, it is assigned to the role. When the assignment occurs the associated records are created by the system for the compensation plan for the resource.

The procedure below can be performed in the 360 Degree View.

Navigation

Compensation Manager > Resource Management > Resources

1. Search for a resource.
2. Click the Update icon next to the resource's name.
3. Under Active Roles, click Add Another Row.
4. Select the Sales Compensation role type.
5. Select a role name from the list of values.
6. Add start and end dates and click **Apply**.

Assign Pay Groups

Pay groups are used to group the resources together for payment processing who have the same frequency of payment and type, such as monthly calculation and payment integration to Oracle Payroll. A resource must be assigned to a pay group to receive compensation.

You can assign a pay group to a role or to an individual resource. If you assign a pay group to a role, every resource who is assigned the role receives that pay group automatically. See Assigning a Pay Group to a Role, page 4-6. The different methods of performing this procedure are detailed below.

Without pay group assignment, compensation setup is considered incomplete by the Oracle Incentive Compensation system because there are a number of dependencies on it. Pay group assignment is needed for paysheet creation and for successful opening of new periods. It is also required by Oracle Incentive Compensation to complete

role-based setup data population at the resource level. Therefore, make sure that all resources have a pay group assigned before performing any of the aforementioned operations.

Assigning a Pay Group to a Role

You can assign a pay group to a role. Resources inherit the pay group when the role is assigned to them. After the pay group is assigned to the role, you can customize the pay group for individual resources, for example, changing the start and end dates. For an individual resource, locking makes it a direct assignment.

The Compensation Manager or Compensation Analyst can assign a pay group to a role in two different ways. The first way is to go to Setup > Maintain Pay Groups and assign a role to the pay group. You may also assign individual resources to the pay group using the Resources subtab in the pay group (recommended). Resources who have different roles used for compensation plan assignment may be mixed and matched easily using the Resource assignment tab. This is also the place where pay groups are created, so this way is convenient for assigning a newly created pay group to a role without having to navigate elsewhere. The second way is to open a role in the Maintain Roles area and assign a pay group to the role.

Using the Administration Tab

Navigation

Setup > Maintain Pay Groups

Prerequisites

- ☐ The pay group must be defined before it can be assigned to a role or resource.

Steps:

1. Query for a pay group, or click **Go** to view all pay groups.
2. Click the Pay Group link to modify the pay group.
3. Click Add Another Row.
4. Select a role and enter start date and end dates.
5. Click **Apply**.

Assign a Pay Group to a Role:

Just as you can assign a role to a pay group, you can assign a pay group to a role.

The pay group must already be defined.

Navigation

Compensation Manager > Setup > Maintain Roles

1. Query for a role.
2. Select the Pay Groups subtab.
3. Select Add Another Row.
4. Select a pay group name, along with start and end dates.
5. Click **Apply**.

Restrictions

You must enter a valid start date and end date for the assignment of a pay group to a role. An error message displays if the dates are not valid. A role cannot have more than one pay group assigned at a time.

Assigning a Pay Group to a Resource

Assigning a pay group to a role can be very efficient, but sometimes you want to assign a pay group individually to a resource, or customize a pay group that was assigned to the resource's role.

Pay group assignment is necessary for a resource to be paid, and is also required in order for the compensation plan that is assigned to the role to appear when you query for the compensation plan assignment.

There are two methods of assigning a pay group to a resource. The easiest is to query the resource in the Resource Compensation Overview (360 Degree View), click the Plan Setup tab and the Pay Groups subtab, and add the pay group there. The other method is to use the Maintain Pay Groups location. Instructions for that way follow.

Navigation

Setup > Maintain Pay Groups

Prerequisites

- ☐ The pay group must be defined.

Steps:

1. Query for a pay group, or click **Go** to view all pay groups.
2. Scroll to the right and click the name link of the pay group you want to assign.

3. Click the Roles subtab.
4. Click Add Another Row.
5. Select a role and enter start date and end dates.
6. Click **Apply**.

Restrictions

A resource can be assigned multiple pay groups, but only one pay group can be active at a time.

Pay groups can be assigned to multiple resources at the same time and you can start and end pay group assignments by individual resource at any time within the duration of the pay group.

When you assign a pay group to a resource, the application automatically checks to see if there are any conflicts between the start and end dates of the pay group and the start and end dates for every resource to which the pay group has been assigned. For example, if you define a pay group starting Jan 1 and ending on Mar 31 and you have assigned it to a resource, the application will not let you change the end date for the pay group assignment beyond Mar 31.

In order to preserve the pay group assignment for a resource when their role is deleted from a pay group assignment, a Prevent Automatic Override check box has been added to the Update Pay Groups page (Setup > Maintain Pay Groups). This feature can be used to prevent individual resources assigned to a pay group from leaving their pay group, even if the other resources assigned to a role are assigned to a new pay group. The check box also prevents manual updates to the resource's pay group.

Define Payment Plans

Payment plans are an optional way to set up advance or deferred payments (sometimes referred to as draws) and to define minimum and maximum payments. The Plan Administrator can create payment plans to set rules governing how, when, and how much is paid and at what frequency.

The Plan Administrator can set amounts paid for a minimum to be recoverable (paid back by the resource) or non-recoverable (the resource does not have to pay them back). For maximum settings, he or she can set whether to pay compensation earned above the maximum to the resource at a later time.

The recovery schedule can be set up independently of the earnings for the period. For example, you can set the payment interval to Period (monthly) and the recovery schedule to Quarter. If the Recovery interval is greater than the payment interval, then the minimum amount is paid until the end of the recovery interval. Earnings are trued up at the end of the recovery interval.

Payment Groups enable you to set up multiple payment plans for a resource during a specific time period, as long as the payment plans are in different groups. The payment group codes are customizable; the default setting is Standard. Payment Group Codes are used to pay and recover adjustments made for the Payment Plan using the Payment Group Codes setup in Plan Elements.

If you want to prevent negative payments to resources, you can create a payment plan with a minimum payment amount of 0 and assign it to any resource who should not have a negative payment amount in the payment batch. If you want to recover any adjustments made to offset a negative balance in the payment batch, then make the zero minimum amount recoverable. This solution will not necessarily prevent a negative payment amount on an off-cycle payment batch. This is because the payment plan minimum is applied against period earnings, not payment batch earnings. To prevent a negative payment for off-cycle payment batches, you can either use a manual hold or a manual payment adjustment.

Here are two examples of payment batches, showing how the total period earnings determines if a payment batch is zeroed out or not.

- Example 1: If payment batch 1 is for \$1,000 and payment batch 2 is for -\$200, the payment plan will not zero out the payment batch 2 amount. This is because period earnings are still greater than zero--in this case \$800.
- Example 2: If payment batch 1 is for \$1,000 and payment batch 2 is for -\$1,200, then the payment plan will zero out the payment batch 2 amount. In this case, period earnings are still less than zero--in this case -\$200.

Navigation

Plan Administrator > Component Library > Payment Plans

Notes

- Click **Create** to create a new payment plan or **Go** to display existing plans.
- You must select an operating unit.
- The default payment group setting is Standard. Period is the default payment interval. You can select other entries for these fields if they have been created separately during implementation.
- For Recoverable, select Yes if you want the minimum amount to be recovered from later earnings. If you select No, the resource does not have to make up for the amount paid.
- For the Recovery Option, select Immediate Recovery if you want the payment plan to apply its rules using earnings that have been collected during the accumulation period interval. If you select Delay Recovery, the application calculates recovery at the end of the interval.

- For Pay Excess Later, select Yes if you want any amounts over the maximum to be rolled over and paid in future periods. Select No if you do not want to pay excess amounts to the resource.
- The default recovery interval setting is Period. Based on the recovery interval, the 'true-up' of payments against compensation occurs at the end of the interval assigned.
- For example, the Recovery Option is set to Delay Recovery, the Payment interval is Period, and the Recovery interval is Quarter. The quarters are Jan-Mar, Apr-Jun, Jul-Sep, and Oct-Dec. If a resource has a payment plan that is valid from February to May, recovery occurs in March. In June, at the end of the quarter, there is no recovery, because the payment plan is no longer in effect. The resource is paid all earnings.
- After the payment plan is created, the Plan Administrator can immediately assign it to a role. See Assign Payment Plans, page 4-10 for details.

Assign Payment Plans

Payment plans can be assigned at the role level, so that all of the resources to whom the role is assigned receive the same payment plan at the same time. See Assigning a Payment Plan to a Role, page 4-11 for more information.

You can also assign payment plans at the resource level using the Resource 360 Degree View. This second approach is the recommended method in order to avoid conflicts later because the role is changed and a different compensation plan is assigned. Conflicts may arise when the role is updated but the payment plan cannot be changed because existing of unpaid pay sheets

You must decide which method of assigning payment plans works best for your organization. However, even if you decide to assign payment plans in mass at the role level, you can still assign and modify payment plans for individual resources as needed.

You can lock a payment plan assignment at the resource level to prevent it from being deleted if the payment plan assignment is changed subsequently at the role level.

When assigning a role to a payment plan, when you click the Apply button, an impact warning page displays, listing all resources who have the role. You can export resources who will be impacted and then can either select the Yes or No button to continue or cancel the assignment. If a resource is already assigned to another active payment plan, a separate region displays the resource and does not create the new Payment Plan assignment if you continue with the assignment by selecting Yes. If a resource has an unpaid paysheet, you must delete it before creating the assignment, or an error message displays.

When you assign a payment plan to an individual resource, if there is an overlapping payment plan or existing unpaid paysheet, an error message displays.

Assigning a Payment Plan to a Role

For speed and efficiency, you can assign a payment plan to a role. The resources who are assigned the role receive the payment plan automatically. A payment plan is assigned to the sales role with specific dates.

You can customize the payment plan for an individual resource for settings such as minimums, maximums, and start and end dates.

You can assign a payment plan to a role in two different ways. The first way, the Plan Administrator makes the assignment while creating or updating the payment plan. This method is convenient for assigning a newly created payment plan to a role without having to navigate to another tab. The second way, the Compensation Manager uses the Maintain Roles feature of the Setup area of responsibility.

Assigning a Role to a Payment Plan

Navigation

Plan Administrator > Component Library > Payment Plans

Steps:

1. Search for the payment plan that you want to assign to the role.
You can also create a new payment plan before making the assignment.
2. Click the Name link.
3. In the Eligibility section, click Add Another Row.
4. Enter the role information and click **Apply**.

Assigning a Payment Plan to a Role:

The Compensation Manager can assign a payment plan to a role using Resource Manager.

The payment plan must already be defined by the Plan Administrator.

Navigation

Compensation Manager or Compensation Analyst > Setup > Maintain Roles

1. Query for a role.
2. Click the Role Name link.
3. Click the Payment Plan subtab.
4. Click Add Another Row.

5. Enter the role information and click **Apply**.

Assigning a Payment Plan to a Resource

As part of maintaining resources, Compensation Managers or Compensation Analysts can assign a payment plan to a resource. Although a payment plan is often assigned to a role, and, thereby, automatically to a resource, it can be customized for date range, minimums or maximums as needed for the specific resource. You can prevent automatic overrides to the customized payment plan by checking a box.

Navigation

Compensation Manager > Search Resources

Prerequisites

- ☐ The payment plan must already be defined by the Plan Administrator.

Steps:

1. Query for a resource.
2. Click the Plan Setup tab.
3. Click the Payment Plans subtab.
4. Click Add Another Row.
5. Select a payment plan. Some or all of the data fields may populate with data.
6. Customize the dates and the minimum or maximum amounts if needed.
7. Check the Prevent Automatic Override box if you want to maintain any custom settings you make.
8. Click **Save**.

Collecting and Adjusting Transactions

This chapter covers the following topics:

- Overview of Collecting Transactions
- Standard Collection
- Collection Features
- Submitting a Collection Request
- Viewing the Request Status and Logs
- Collecting Adjustments
- Imports and Exports
- Defining Imports
- Process Log
- Correct Failed Records
- Creating a Personalized Search for the Import/Export Page
- Exporting Data
- Maintaining Transactions
- Resolving Problems with Transactions
- Create a New Transaction
- Add a New Attribute to the Create New Transaction Page
- Mass Updates
- Deal Split
- Adjusting Transactions
- Adjust Statuses
- Split Transaction
- Loading Transactions

- Viewing Transaction Requests
- Using the Transaction Interface
- Validation Checks and Resolution Method

Overview of Collecting Transactions

The Collections function of Oracle Incentive Compensation imports the transactions it needs to calculate compensation for resources. It allows the collection of data from different data sources, such as Oracle Receivables and Oracle Order Management, or external sources.

Oracle Receivables and Oracle Order Management are known as Seeded Transaction Sources, and they are shipped with the application. To read about how to set up mapping to these sources for your classification needs, see *Standard Collection*, page 5-3.

You can also create your own Transaction Source mapping for collections from the database tables of any legacy or external application. This is called open collections.

Compensation periods are used to define the time period during which transactions are collected. You must open a compensation period in order to use it to calculate compensation. After compensation is calculated, you can close or permanently close the compensation period, after which you cannot calculate compensation for that period. To set up compensation periods, see the *Oracle Incentive Compensation Implementation Guide*. In addition, the Compensation Manager can use the Maintain Compensation Periods menu to search for the Operating Unit and Year and then change the period status to Open and save it.

Data is collected on a periodic basis by submitting a concurrent request. The concurrent request uses the mapping and rules that are defined to determine what data to collect and how to collect it. See *Submitting a Collection Request*, page 5-6 for steps.

Each transaction comprises several attributes, for example, the resource's number, the amount of the sale, the sale date, the product type, and so on. A transaction may optionally contain other attributes, such as transaction currency, product identification, and customer identification. Some of the attributes can be user-defined during implementation. There are an additional 100 columns that can be used to map data to the Oracle Incentive Compensation transactions.

A compensation transaction is a record that identifies a compensation event (such as the sale of an item). It is the smallest unit of data on which a compensation payment can be calculated.

The main attributes of a transaction are:

- Type of compensation event
- Identity of the person who is directly credited for the event

- Value of the attainment for the transaction

The main transaction types for which events are processed are:

- Order
- Invoice
- Payment
- Clawback - If an invoice due date goes beyond the set grace period, an offset for the sale is created against the resource's sales credit for the previously collected invoice.
- Giveback - The payment received for a clawback.
- Credit and Debit Memo - Generated when an invoice is fully or partially reversed and posted to Oracle General Ledger.
- Manual
- Writeoff

A transaction may optionally contain other attributes, such as transaction currency, product identification, and customer identification.

Standard Collection

Oracle Incentive Compensation is delivered with two predefined transaction sources which allow the collection of data from Oracle Receivables and Oracle Order Management. Collection from these two seeded transaction sources is known as Standard Collection.

You can collect transactions from sources other than the seeded Standard Collection Sources. See the *Oracle Incentive Compensation Implementation Guide* for procedures for setting up this process.

In Standard Collection, some of the setups are shipped with the application. These setups, source tables and queries, cannot be modified for Order Management or Oracle Receivables.

Both of the standard transaction sources are delivered with a set of mappings to populate the important columns in CN_COMM_LINES_API. You are allowed to change source values for these mappings and also to create new mappings of your own. See the *Oracle Incentive Compensation Implementation Guide* for the procedures.

Use the Collection - Transaction Sources page to determine which Oracle Receivables or Order Booking events you want to generate transactions. The two standard transaction sources are already built into the table as Receivables Posting and Order Booking.

As a convenience, Oracle Incentive Compensation groups five separate transaction

sources into the Receivables Posting transaction source. In the Receivables Event area you can select which Receivables events you want to be collected. By excluding transactions that you do not need, you can save time in the collection process. The default value for each event is No.

To set these events to collect data:

1. Select the Incentive Compensation Administrator responsibility.
2. Navigate to Configuration Workbench > Collection > Generate Collection Packages.
3. Select Yes next to each event for which you want to collect. You can select No next to events for which you do not want to collect.
4. Click **Save**.

Collection Features

Oracle Receivables

The predefined Receivables data source is slightly different from any other data source because it really represents five transaction sources which have been combined into one, so that they can share a set of mappings. The five sources are referred to as Receivables Events and are as follows:

- Clawbacks
- Invoices
- Payments and Givebacks
- Revenue Adjustments
- Writeoffs

For clawbacks, if an invoice due date goes beyond the set grace period, the credit for the sale is deducted from the resource's sales credit. A credit memo is generated when an invoice is fully or partially reversed and posted to Oracle General Ledger. Credit memos are later collected and applied against transactions. You can collect revenue adjustments that were made in Oracle Receivables using the Revenue Adjustment Module (RAM). A giveback is a past due invoice that had been taken back but has now been paid. For writeoffs, a sale is written off the books and posted to Oracle General Ledger.

These events occur when the relevant transaction is posted to the Oracle General Ledger application.

The transaction collection queries for these events are all based around the same core set of Receivables source tables, but the tables are joined together in different ways so

five different transactions sources would normally be required. The five have been combined into a single transaction source so that you only set up the mappings that you want once and they are applied to the collection of compensation transactions for all five events.

For each event for the Receivables Transaction source, you need to select the row corresponding to the event and click **Generate**. This will create a package for that particular Receivables event.

When the Generate button is clicked, the full package will be generated for the collection of invoices, credit memos, and debit memos. For the other four events (Writeoffs, and so on), simple stub packages will be generated, which speeds up the Generation process.

Each Receivables event has a dedicated concurrent program. Each of these requires two parameters: a Start Period and End Period. The parameter entry is supported by a list of values. The concurrent programs are:

- Collect Invoices
- Collect Clawbacks
- Collect Payments and Givebacks
- Collect Writeoffs
- Collect Revenue Adjustments

Navigation

Compensation Manager > Collect Transactions

Select the transaction type and start and end periods when Receivable --Trx Source is selected.

Oracle Order Management

There is a single collection package which is called by a dedicated concurrent program--Collect Orders. The concurrent program requires two parameters: Start Period and End Period. The parameter entry is supported by a list of values.

Order information can be, and often is, changed after the order has been set to the status of Booked. Such changes, known as adjustments, can be automatically applied to transactions which have already been collected. If a change is made to any line on an order, then all of the sales credits (compensation transactions) for that line are considered to be changed.

There are two possible scenarios:

1. The compensation transactions have been collected but have not been loaded into Oracle Incentive Compensation.
2. The compensation transactions have been collected and also loaded into Oracle

Incentive Compensation.

In scenario 1, the transactions have only got as far as the CN_COMM_LINES_API table. In this case the original transactions are marked OBSOLETE and they will be re-collected into CN_COMM_LINES_API with their new values the next time Collect Orders is run.

In scenario 2, the transactions are already loaded into the application in CN_COMMISSION_HEADERS and may already have been used to calculate compensation for a resource. This requires a different approach. The original transactions in CN_COMMISSION_HEADERS are marked FROZEN. For each of these a reversing transaction is also created in CN_COMM_LINES_API. This is a duplicate of the FROZEN line, but with an opposite polarity (usually meaning it becomes negative) on the transaction amount. This transaction has the effect of reversing out the original. Finally, as in scenario 1, the compensation transactions for this line will be re-collected into CN_COMM_LINES_API with their new values the next time Collect Orders is run.

Each time Collect Orders is run, the list of unprocessed updated Order Lines must first be processed. This can take a long time. To avoid this, when running Collect Orders it is a good idea to process this list of updated order lines at regular intervals, perhaps daily. Use the Order Update Notification concurrent program to do this.

Oracle Transportation Management

Oracle Transportation Management creates work invoice for a driver and sends it to Oracle Incentive Compensation to calculate the compensation pay. Oracle Incentive Compensation process the data based on the information it receives from Oracle Transportation Management, for example:

- Weight
- Miles
- Load
- Type of Truck

For more information, see: Oracle Transportation Management, *Oracle Incentive Compensation Implementation Guide*.

Submitting a Collection Request

Before the Compensation Manager or Compensation Analyst can submit a transaction collection request, the collection setup must be completed and the collection package must have been generated successfully.

Start the collection request by entering basic information about it. You then proceed through a set of steps to make the request more specific. You can schedule the request to occur as soon as possible or at a future time, or to run at scheduled and regular intervals. You can also indicate whom should be notified and under what conditions

they should be notified (normal, warning, error). You can specify printing information next, and then review it all before submitting it. After the request is submitted, you receive a reply

Runtime parameters are used to narrow the range of transactions collected in a collection package if you are using a custom transaction source. For the standard transaction sources you cannot make any changes to the Source Tables or Queries tabs, so the only runtime parameters available are for Start Period and End Period.

For a custom transaction source, a runtime parameter value can be defined, as needed. See the *Oracle Incentive Compensation Implementation Guide* for the procedures. The specific runtime parameters are not set during the collection setup, but are instead entered during the collection submission process. This allows you to change the values without regenerating the collection package.

Navigation

Compensation Manager > Collect Transactions

Notes

- The Collect Orders collection type collects data from Oracle Order Management. The other events collect data from Oracle Receivables. The Collect Custom Transaction Sources collection type collects data from external sources.
- The Process Log page shows the details of the processing of a request.
- Transactions collected for a specific period cannot be collected again for the same period unless the collected_flag is set back to N or the records are physically deleted.

Viewing the Request Status and Logs

After you complete the request submission process, click OK and the Requests page displays. If there is an X in the Status column next to the request, an error has occurred. Find the request number and click the Details icon to view the details of your request. On the details page you can hold or cancel the request. Click the View Log button to see the specifics of the request, including any errors.

Navigation

Compensation Manager > Collect Transactions > OK

Collecting Adjustments

- Collecting Adjustments for Order Transactions, page 5-8
- Collecting Adjustments for Custom Transaction Sources, page 5-8

- Collecting Adjustments for AR - RAM, page 5-9

Collecting Adjustments for Order Transactions

Order information can be, and often is, changed after the Order has been set to the status of Booked. Such changes, known as adjustments, can be automatically applied to transactions, which have already been collected. If a change is made to any Line on an Order then all of the Sales Credits (Compensation Transactions) for that line are considered to be changed. See Special Features, page 5-4 for a complete explanation.

Collecting Adjustments for Custom Transaction Sources

You can make adjustments to transactions in your custom Transaction Sources in the same way as standard Collections from Oracle Order Management does. All you need to do is to call a Collections API, identifying the transaction that has been changed.

If you specified a Header Table on your Source Tables tab then you need to pass the unique identifiers of both the Header record and the Line record of the changed transaction. Otherwise only the identifier of the Line record is required.

Suppose that Collections has already been run for October 2001 transactions in the example legacy system. Also, those transactions are already imported into Oracle Incentive Compensation. Now a change is made to one of the orders for that month. The ID of the Order Header is 1001 and the ID of the Order Line is 1234. To notify Oracle Incentive Compensation of this change you make the following call:

CN_NOTIFICATION_PUB.Create_Notification

This API can be called either:

- At the time that the adjustment was done in the source system
- In the prenotification phase, or
- In the notification phase itself.

This is the code:

```
CN_NOTIFICATION_PUB.Create_Notification
( p_api_version      => 1.0,
  x_return_status    => l_return_status, -- OUT parameter
  x_msg_count        => l_msg_count,     -- OUT parameter
  x_msg_data         => l_msg_data,      -- OUT parameter
  p_line_id          => 1234,             -- Line Table Id
  p_source_doc_type  => 'LEG',            -- Transaction Source Type
  p_adjusted_flag    => 'Y',              -- Adjustment(not new record)
  p_header_id        => 1001,             -- Header Table Identifier
  p_org_id           => your_org_id,      -- Operating Unit (optional)
  x_loading_status   => l_loading_status -- OUT parameter
);
```

The next time Collections is run for this Transaction Source, reversing transactions will be created to nullify all of the sales credits associated with this transaction line. All of

the sales credits will then be collected again with the new values in. This reversal and re-collection of the October transaction will occur even if you specify that you want to collect only November transactions this time.

Note: to understand the `p_org_id` parameter, you need to first understand the Oracle Applications 'Multi-org' strategy, which allows data for multiple operating units to exist, partitioned from each other, within a single database. Discussion of Multi-org is beyond the scope of this document. If you don't understand this concept then please see the *Oracle Applications Multiple Organizations Implementation Guide*.

If your procedure which calls `CN_NOTIFICATION_PUB.Create_Notification` is running in a database session where the Org-Id has been set, and your procedure is only dealing with transactions for this Org-Id, then you can omit the `p_org_id` parameter. In any other situation (for example where you have a single procedure or database trigger which detects updates to transactions from multiple Org-Ids) you must specify the correct value of `p_org_id` for the transaction when you call `Create_Notification`.

When collecting an invoice, if a resource is assigned non revenue credit only, quantity is not populated for this particular resource. However, the transaction amount is populated as the total of revenue amount and non revenue amount. This can cause some confusion. If you want to display the quantity for resources with non revenue credit only, set the collection parameter `Collect Quantity for Non Revenue Credit Receivers?` to Yes.

Collecting Adjustments for AR - RAM

Oracle Incentive Compensation allows you to make transaction adjustments one time, in Oracle Receivables using RAM (Revenue Adjustment Module), and collect the adjustments into Oracle Incentive Compensation. This eliminates the need to make corresponding manual adjustments in Oracle Incentive Compensation to reflect the RAM adjustments.

Use the receivables event, Revenue Adjustment Posting, to collect the revenue adjustment. You need to enable this event during the collection setup process, generate the collection package, and submit the concurrent request `Collect Revenue Adjustments` to collect the adjustments.

Submit the `Collect Invoice` concurrent request to collect your invoice transactions from Oracle Receivables. After collecting the invoice transactions, you can subsequently run `Collect Revenue Adjustments` on a regular basis to collect any adjustments that has been made on the transactions since the last collection. Oracle Incentive Compensation compares the time of the adjustments with the time of last run of collection and determines which adjustments should be included.

During the process of Revenue Adjustments Collection, you can control whether the manual adjustments that have been made on the Oracle Incentive Compensation side should be negated or not. To do so, use this collection parameter: `Negate Original Transaction During Revenue Adjustments Collection?`. There are two possible values for

the parameter as follows:

- **Yes:** Revenue Adjustments Collection negates the corresponding transactions that have been collected before and then re-collects them from Oracle Receivables with the new RAM adjustments. Any manual adjustment that has been done in Oracle Incentive Compensation against the original collected transactions is negated. This option ensures the data integrity from Oracle Receivables; however, you lose the manual adjustments made in Oracle Incentive Compensation side if any.
- **No:** Revenue Adjustments Collection does not negate any corresponding transactions that have been collected before. Only the new RAM adjustment transactions is collected. This option preserves your manual adjustments, which have been done on the collected transactions, but it may result in the loss of the data integrity. In certain cases, the data in Oracle Incentive Compensation may need to be manually synchronized with the data in Oracle Receivables.

Before collecting adjustments from ARM:

- The collection setup must be completed and the collection package for Revenue Adjustment Posting event must have been generated successfully.
- The invoice transactions must be collected into Oracle Incentive Compensation.
- The adjustments must be made in the Revenue Adjustment Module in Oracle Receivables (Receivables Responsibility > Control > Accounting > Revenue Accounting).

Navigation

Compensation Manager > Collect Transactions > Collect Revenue Adjustments

Notes

- The parameters provided here indicate the period during which the RAM adjustments were made, not the period that the transaction's processed date belongs to.

Imports and Exports

You can import a batch of transactions from an external source rather than importing them one at a time. You can create an Import transaction on the Imports Definition page.

The import process begins with data files in CSV file format that are imported from an external source. These files are mapped to the target table columns in Oracle Incentive Compensation, where they are stored using a stored mapping or a new mapping that you create. At this time the status of the data is NEW.

After you review the setting, you can cancel the import process, which will set the status of the data to Cancelled.

If you do not cancel the process but proceed, you submit the data, which transfers it from the data file to the CN_IMP_LINES table. The data then has a status of Stage. If this process fails, the status is Failed at Staging.

After the data is staged, the application runs the concurrent program, which transfers data from CN_IMP_LINES to the destination table. While the data is waiting for the concurrent program to start, its status is Scheduled.

If the import process succeeds, the status of the data changes to Completed. You can then view the Process Log or Import Report to confirm that everything is the way you want it.

If the import process fails, however, the status changes to Failed at Importing. At this point you can either view the Process Log or Import Report, or view and download the failed records using the Failed Records page. After you have corrected the records that caused the import failure, you can resubmit them for import.

Begin the import process on the Imports Definition page, which is Step 1 of the import process. The process continues on to Step 2: Import Header Mapping. It is used to map source fields to target fields in the application. The process then continues on to Step 3: Review, and Confirmation pages. It is used to review your mapping of source fields in a file to target fields in Oracle Incentive Compensation. The process then continues on to Step 4, the Confirmation page. It confirms that your mapping of source fields in a file to target fields in Oracle Incentive Compensation has been submitted for processing.

Warning: When you import transactions, the application does not check for duplicate records. There is no way of determining whether a transaction is a duplicate transaction that should not be reloaded or simply a transaction that is identical to a previous one. Two identical transactions can be loaded as valid separate transactions.

There are two profile options used for the Import Framework.

- OIC: SQL Loader Control File Directory: This profile must be set at the site level to OIC: SQL Loader Control File Directory = \$CN_TOP/bin. \$CN_TOP/bin has to be first translated to a full physical path. Be sure that the \$CN_TOP/bin exists on the Concurrent Manager tier and that write privileges are enabled. If the bin directory does not exist it should be created and given read/write/execute permission.
- OIC: SQL Loader Server Side Data File Directory:

The following three profile options are set automatically if you run AutoConfig. All of them set the following default value at Site Level.

- OIC: SQL Loader Server Side Data File Directory - Set to @
"%s_applcsf%/inbound/%s_contextname%".
- OIC: SQL Loader Control File Directory - Set to "\$CN_TOP/bin"
- OIC: Log File Directory - Set to "%s_appltmp%"

After AutoConfig runs, some profile values will appear differently, as follows:

Before and After Autoconfig Runs

Before Autoconfig Runs	After Autoconfig Runs
%s_applcsf%/inbound/%s_contextname%	/u01/proddb/admin/inbound/cn
APPLCSF	/u01/proddb/admin
contextname	product name = cn

After you change the setting of a profile option, you must bounce the server to reset it.

Defining Imports

You can define imports.

Navigation

Compensation Manager > Tasks > Import/Export

Prerequisites

- ☐ The source file must have data delimited in one of the formats recognized by the Transaction API (comma, double quote, single quote, semicolon, space, or tab).
- ☐ A transaction must already exist.

Steps :

1. Click **New Import**.
2. Select an import type.
3. Enter a unique name for the import process and an optional description.
4. Click the Client or Server button to define your data source.
5. Select the column delimiter. Comma is the default.
6. Select how you want your fields to be enclosed.
Double Quotation is the default.
7. Check the File Header Exists box if there is a header on the source file.
Mapping begins at the first column, so it is important to specify if your source file

has a header.

8. Click **Next** to proceed to Step 2: Import Header Mapping.
9. Optionally, use the fields at the top of the page to load an existing mapping or save a new mapping.
10. To create a new mapping, click a source field in the first column to highlight it.
11. Click the target field in the second column.
12. Click the right arrow button to move the mapping to the third column.
13. View the Preview window to see what your mapping looks like.
14. Click **Next** to save and move to Step 3: Review.
15. Review the general information and mapping on the page.
16. If all the information is correct, click **Import**.

This page displays details of transactions that have been imported, including User Input Data File Names Server Side Data File Names, and an Import ID number. This information is useful for tracking the history of previous imports and for finding the location of the original spreadsheet.
17. If the information is not correct, click **Cancel**, and then return to the Import Header Mapping page to make corrections.
18. Click **Finish** to go to the Imports Search page. You can check there to see if your import was successful.
19. If you want to perform another import, click **New Import**.

Restrictions

If the source file is created using Excel and saved with a CSV file extension, the data will automatically be delimited with commas by Excel. If you want to update the source file and remove any rows, select the row(s) and use Edit > Clear > All to remove the data. This will clear the data and the delimiters. Manually deleting each cell will not clear the delimiters. Failure to do so may cause the import to fail. This issue may also arise when using other spreadsheet applications.

In order for dates to appear correctly when you import data into Oracle Incentive Compensation, you must change all date fields to text fields. Also, you must specify all years as four-digit numbers, for example, March 13, 2007 should appear as 13-Mar-2007, not 13-Mar-07.

The number of fields throughout the CSV file must remain the same. For example, if the

header contains ten fields, all imported data must also have ten fields. Any blank spaces after the ten fields are seen by the application as additional fields. If data is imported with any additional fields in it, the import will fail.

The table below shows an acceptable format for transaction data. It is a very brief example of data that would work for a transaction API format.

Name	Revenue Type	Processed Date	Transaction Amount	Item ID	State
Randy Roth	Revenue	31-Mar-2006	250	AS72111	CA
Suzanne Chalmers	Revenue	31-Mar-2006	250	AS72111	WA
Azid Hakim	Revenue	31-Mar-2006	250	AS72111	OR

A problem can occur when you try to import a revenue class that has a name that contains more than 30 characters. A revenue class name has a maximum length of 30 characters, whether it is created or imported. To fix the problem, shorten any revenue class names that are longer than 30 characters and rerun the import.

Process Log

To view a process log for an import or export, click the icon in the Log column. You can view the Process Log in five ways:

- All: Shows the complete process log.
- Brief: Shows Errors and Milestones (see below).
- Debugs only: Shows debug information only (which can be quite lengthy).
- Errors only: Shows errors only.
- Milestones only: Shows the status of the import process (such as Staged or Completed).

Correct Failed Records

Sometimes records fail during the import process. This occurs because the content or the organization of the record is incorrect. The Failed Records page displays any records that failed during the import process. The reasons for failure are shown at the end of each record.

The Failed Records page displays automatically upon failure of the import process. You can view the page by clicking the number link in the Failed Records column on the Imports/Exports page.

After you correct failed records you can reimport them.

Correcting failed records individually is much more efficient than reimporting an entire file. That is because reimporting creates an entire new set of records in the database in addition to the old set.

Navigation

HTML: Transaction > Import/Export

Steps:

1. Click the Download to CSV File image icon to download the records to a CSV file.
2. Correct the data in the CSV file.
3. Create a new import using the corrected CSV file to load the data into the application.

Creating a Personalized Search for the Import/Export Page

Use this search page to configure the display that appears initially when you click the Import/Export subtab of the Transaction tab.

Import or export must have taken place to be displayed.

Navigation

Compensation Manager > Imports/Exports

Notes

- All is the default Operation setting.
- Enter an import date if you want to restrict your search to one specific day.
- In this release of Oracle Incentive Compensation, the columns in the Displayed Columns area cannot be moved to the Available Columns side.
- The application allows for three levels of sorting. In the three fields on the left side, choose your sort parameters from the drop-down lists. The drop-down lists contain the columns in the Displayed Columns area. Select ascending or descending order for each sort parameter from the drop-down lists on the right side.
- The default number of rows to be displayed is 10.
- If you want the report to be the default that appears in the Saved Searches field,

check the Default box.

- If you want to modify a saved search, make the changes and click **Save**. You cannot modify a seeded search, but you can rename one and save it, and then apply the changes you need to it and resave the search.

Exporting Data

Just as data can be imported from CSV files, it can be exported from Oracle Incentive Compensation to a CSV file.

You can export hierarchies and expressions by navigating to Transaction > Import/Export (see below). You can also perform this export by using the Import/Export subtab in the Quota tab.

Navigation

Compensation Manager > Import/Export

Steps:

1. Enter type, name, and optional description.
2. Click **Next** to proceed to Export Header Mapping.

This page is where you map source fields to mapped fields. You can use an existing mapping or create and save a new one.
3. Select a set of source fields and use the arrows in the middle of the page to move source fields into the mapped fields box on the right.
4. You can load an existing mapping instead of creating a new one. This can save you time.
5. Save the mapping.
6. Click **Next** to proceed to the Review page.

This page is used to review your mapping of source fields in Oracle Incentive Compensation to target fields a file. The process then continues on to the Confirmation page.
7. On the Review page, verify that the general information and mapping on the page are correct.
 1. If all the information is correct, click **Export**. The Confirmation page appears.
 2. If the information is not correct, click **Cancel**, and then return to the Export Definition page to make corrections.

8. On the Confirmation page, click **Finish** to go to the Export Search page. You can check there to see if your import was successful.
9. If you want to perform another export, click **New Export**.

Maintaining Transactions

The Compensation Manager or Compensation Analyst can review and make adjustments to collected transactions. Adjustments can be made before, during, and after the calculation process. Also, if a collected transaction contains errors in information or credit assignment, the Compensation Manager or Compensation Analyst can correct them.

Note: After transactions have been run through the Crediting process through integration with Territory Manager or the Allocation process in Oracle Incentive Compensation and have been manually adjusted, these adjusted transactions are not picked up by the allocation engine to be reprocessed. The adjusted transactions can however, be run through calculation.

Navigation

Compensation Manager > Maintain Transactions

Steps:

1. Search for the transaction you need. An Operating Unit is required.
To add greater granularity for your search, click the Advanced Search button.
2. On the Transactions page, click the appropriate button for the type of action you want to perform:
 - Click the Create button to opens the Create Transaction page, where you can create a new manual transaction. See Create a New Transaction, page 5-20.
 - **Mass Update:** Click this button to get to the page where you can move multiple credits from the existing credited resource to a different resource that you specify. See Move Credits, page 5-22.
 - You can also split a deal on this page. This feature allows you to split the sales credit for an entire deal, which may include more than one transaction line.
Note: The radio button for Deal Split appears only when you query a specific invoice or order transaction number. See Deal Split, page 5-23.
3. To make adjustments to a transaction, click the resource name link on the transaction. See Adjust Transaction, page 5-24
4. To split an individual transaction, click the **Split** icon next to the transaction you

want to adjust. See Split Transaction, page 5-27

5. Perform the steps you need on the appropriate page.

Restrictions

You cannot split nonrevenue, obsolete, frozen, or reversal transactions.

Resolving Problems with Transactions

This section contains useful guidance for resolving transaction failures for classification, rollup, population, and calculation.

Oracle Incentive Compensation provides links to appropriate application pages to help you resolve disputes, correct setups, or make adjustments. If a transaction has not been classified, then a Compensation Manager or Compensation Analyst can view any related details for that transaction. If a transaction has been processed, either partially or all of the way through calculation and payment, then the Compensation Manager or Compensation Analyst can drill down from the Commission Lines via the Status Detail icon for each individual commission line and view the details related to that line item. If a transaction has not been classified, then a Compensation Manager or Compensation Analyst can view any related details for that transaction via the Status Detail button on the page.

Navigation

Compensation Manager > Maintain Transactions > Detail icon or Compensation Manager > Compensation > Transaction subtab

Possible Resolution Steps for XCLS--Classification Fails

1. Check the Attributes that are used by the Classification Rules and Rules Hierarchy. Make sure that the values entered or collected for the transaction used by the classification rules match the values for the rule expressions. These are case sensitive.
2. Check the process date of the transaction to make sure it falls within a valid rule set date range.

Possible Resolution Steps for XROLL--Rollup Fails

1. The resource has a Sales Compensation role but is not attached to a group that has a Sales Compensation' type of usage. The resource must have both a sales compensation role and belong to a sales compensation group hierarchy.
2. The resource is not associated to a compensation group. The resource might have been assigned a group at an earlier time, but some setup change occurred and the

resource is no longer associated to a compensation group.

3. If the resource on the transaction belongs to more than one organization (OU) and is in more than one group hierarchy, make sure the Multi-Org role-up profile, OIC: Multi Rollup Path, is set to Y (not Yes or yes); also make sure the profile is not end-dated.
4. Make sure that the Sales Compensation Role that is assigned to the resource has either the Member or Manager box checked.
5. Make sure that the Resource Group role is defined and the transaction process date is within the range of group role dates.
6. Check to ensure that the Group has a usage type of Sales Compensation.

Possible Resolution Steps for XPOP--Population Fails

1. Check the date range for the plan element and compensation plan. If the ranges do not encompass the transaction process date, the transaction will not be considered for this plan element.
2. Make sure that the classification rule is included in the product hierarchy, if using a hierarchy in the plan element.
3. Check that the product hierarchy is not end dated prior to the current period ranges. The transaction process date must also fall within a valid Hierarchy date range
4. Make sure that the product (or child of the parent class) assigned to the transaction is included in at least one plan element that is used in the resource's compensation plan.
5. Be sure to check the compensation plan status. If the compensation plan was edited, the plan may be in an incomplete state.
6. If the resource's sales position is end dated in the current period before calculation occurs and after the load process occurs, then population will not occur. Check the resource sales role dates.
7. Records may be missing in the cn_dim_explosions_all table because a trigger was inadvertently disabled. Check to make sure that product transactions exist in this table. If one or more records are missing, enable the trigger, delete the product and save, then re-add the product and save.

Possible Resolution Steps for XCALC--Calculation Fails

1. Make sure that the rate table is set up to accept all possible values passed to it from the transaction. This applies to both input and output expressions. If the first tier is setup with value Xxx to Value Xxx, change the first range to 0.00 to Xxx. Also check any string values passed to the table. Strings must find an exact match.
2. Check the data on the transaction to ensure that values expected by the formula are not missing.
3. Check the values used in the formula (input or output expressions) to make sure a divide by zero error has not occurred.
4. If a plan element is used in a calculation expression, make sure that it is assigned to the resource's compensation plan.
5. If a formula used in calculation was updated, the package may need to be regenerated. Make sure that the status of the formula and compensation plan are complete.
6. Check the interval settings for the current interval and year being processed for the plan element. Period interval values must be unique when calculating using an interval-to-date formula.
7. Make sure that there are compensation plan and or quota records created for the period the calculation is being processed. The records may be missing because the customize flag for the plan element is checked and the quota was not entered and/or distributed for the resource's plan element.
8. 8. If using incremental calculation, make sure the system profile, Mark Events, is set to Yes.

Create a New Transaction

If any resource needs manual sales credit line adjustments, you can create a manual transaction for the process date.

Navigation

Compensation Manager > Maintain Transactions > Create

Notes

- After entering the required information, you can enter other fields as needed and available. These fields are customizable.
- The reason field supplies an explanation of why the manual transaction was

created, for anyone reviewing the transaction later.

- In the Processing Information section, you can select which phases of calculation you wish to run. You can skip any of the following four phases by unchecking the box beside it. The following list describes examples of possible reasons for skipping a calculation phase and the dependencies that exist if you do skip the phase. For a general explanation of the phases of calculation, see Phases of Calculation, page 6-2.
 - **Perform Classification:** If you want to specify a different eligible product for a transaction than the standard one, you may not want to classify it through the normal process. However, if you uncheck Perform Classification, you must supply the eligible product information or the transaction will fail calculation.
 - **Perform Rollup:** If you want to keep credit from rolling up to managers for a specific transaction, you can uncheck Perform Rollup to keep the credit with the direct resource only. However, if the Managerial Rollup box on the System Parameters page is unchecked, rollups for all transactions are prevented, so in that case selecting this preprocessing code for a single transaction is unnecessary. If a resource is a member of more than one compensation group, then you must specify a compensation group when selecting any preprocessor code that skips Rollup, or the transaction will fail rollup. There are no other dependencies on this selection.
 - **Perform Population:** If a resource is a member of multiple groups and has multiple plan elements, you may want to eliminate possible duplication of compensation payments. In this case, you can skip the population phase for a transaction. However, you must specify the plan element and the role assignment for the resource for calculation to succeed.
 - **Perform Calculation:** Calculation is normally not skipped, but the application provides the flexibility to choose it in case a business situation requires it in the future. If this option is unchecked, you must provide the calculated amount in the commission text box.
- All adjustments made when creating a new transaction must be loaded before they are available for calculation.
- If you want to create another new transaction using the same basic information as the current transaction, click the Create Another button. This saves time, because you do not need to reenter data, and also enhances accuracy.

Add a New Attribute to the Create New Transaction Page

You can customize the attributes on the Create New Transaction page. This helps in setting up effective classification of transactions.

Navigation

Incentive Compensation Administrator > Configuration Workbench > Calculation <
Configure Tables and Columns

Steps:

1. Search for the CN_COMMISSION_HEADERS table.
2. Select the table name in the results. The columns are displayed in the table below.
3. Select the Classification view from the View Column drop-down list.
4. Choose an unassigned Attribute field and type in the column name that you want to be displayed on the Transaction Page in the User Name column.
5. Check the Classification and Search box in the same row as the new user name for the column. This indicates to the application that you want to use the field for classification.
6. You may also display this column in the search results page by checking the Display in Results flag.

Mass Updates

Sometimes you need to adjust a group of transactions. Use the Mass Updates function for this purpose, for example, when the sales credit for a number of transactions has been erroneously assigned to a resource.

This feature maintains the history of the original transaction or transactions while displaying the corrected transactions.

You can also use the Mass Updates function for splitting a deal. See Deal Split, page 5-23 for instructions.

Navigation

Compensation Manager > Maintain Transactions > Mass Updates > Adjust

Prerequisites

- ☐ All adjustments made with the Mass Updates process must be loaded before they are available for calculation.

Steps:

1. Query for transactions.
2. Make sure that the **Adjust** radio button is selected.

3. In the Name area, enter the Resource Name you wish to assign these transaction to. Enter a Customer Name if you want to update the customer name for these transactions.
4. In the Attributes area, enter any information that you want to update for these transactions. Customer and the attributes are updated on the adjusted transactions. If the original resource is still eligible for sales credit, he or she must be specified as a credit receiver.
5. Enter your comments, if any.
6. Click **Apply**.

Deal Split

You can divide up the sales credit on an entire deal.

Deal split is used only for order and invoice type transactions. You cannot perform a deal split for a manual type transaction with the order number or invoice number.

Navigation

Compensation Manager > Maintain Transactions > Mass Updates > Deal Split

Steps:

1. Query a specific transaction by order number or invoice number to activate the Deal Split button on the Apply Mass Updates to Transactions page.
2. Select the Deal Split button.
3. Enter the names of the new credit receivers.
4. In the split field, enter a credit percentage for each resource.
The numbers for revenue credit must add up to 100 percent.
5. Click **Apply**.

Restrictions

You cannot have only nonrevenue types in a deal split if the original transactions are of revenue type. A deal split with only nonrevenue types is possible only if the original transactions are of nonrevenue type.

All revenue transactions in a deal split must add up to 100%. The total split of the split transactions should equal the split percentage of the original transaction.

Adjusting Transactions

Sometimes you need to adjust a transaction, for example, if a mistake has been made when the data was entered. The Adjust Transaction page

Navigation

Compensation Manager > Maintain Transactions > Update

Prerequisites

- ☐ Transaction must already exist.
- ☐ Frozen transactions cannot be adjusted.

Steps:

1. Use the search parameters to find the transaction that you want to adjust.
2. Click the object link for the transaction that you want to adjust.
3. Enter any changes in the appropriate fields and click **Apply**.
4. At the bottom of the page, you can select one of three subtabs to view Commission Lines, Transaction History, or Notes:
 - Commission Lines: Use to check the transaction status, calculation status, commission amounts.
 - Transaction History: Displays any changes that have been made to the transaction.
 - Notes: Enter a reason and comments to explain changes for future review.
5. Click **Apply**.

Adjust Statuses

There are many statuses for transaction adjustments. The table below lists them, with meanings and notes.

Status	Meaning	Notes
MANUAL	Manual	When a new transaction is created, it has this status.
SPLIT	Split	When a single transaction is split on the UI, the original transaction is set to FROZEN and one or more transactions are created for each new credit receiver with this adjust status.
MASSADJ	Move Credits	When mass moving credits, the original transactions are set to FROZEN and new transactions are created for the new credit receiver with this adjust status.
DEALSPLIT	Deal Split	When splitting transactions at the order or invoice level, the original transactions are set to FROZEN and new transactions are created for the new credit receiver with this adjust status.
FROZEN	Frozen	When a loaded transaction is adjusted, the original transaction is set to frozen and is not processed any further.
REVERSAL	Reversal	The transaction reverses an existing transaction, and will not be used in calculating compensation, only for auditing.
SCA_PENDING	Frozen for Credit Allocation	The transaction is currently being processed by credit allocation, and can't be adjusted or loaded into the transaction header table.
SCA_ALLOCATED	Processed - Credit Allocation	The transaction has been processed successfully by credit allocation.

Status	Meaning	Notes
SCA_NO_RULE	Processed - No Credit Rule Found	The transaction was processed by credit allocation, but no matching rule was found for the order/invoice line.
SCA_NOT_ALLOCATED	Processed - Credit Not Allocated	The transaction was processed by credit allocation, a matching rule was found, but credit was not allocated to the resource because no allocation was defined for the role .
SCA_NOT_ELIGIBLE	Not Eligible for Credit Allocation	(1). The original transaction was adjusted after it was processed by credit allocation. (2). Order/Invoice line is adjusted in the source system and collected into OIC after the order/invoice line was processed by credit allocation.
SCA_DISTINCT_ERROR	Error - More than One Distinct Set of Mapping Columns	Transactions for the same order/invoice line have inconsistent attribute values which will be used for credit allocation.
SCA_REVENUE_ERROR	Error - No Revenue Line	At least one of the transactions for the order/invoice line must have the REVENUE revenue type.
SCA_SRP_ERROR	Error - Invalid Salesrep.	The name failed validation against: JTF_RS_SALESREPS(ORG_ID, SALESREP_ID)
SCA_ROLE_ERROR	Error - Invalid Role	The role failed validation against: CN_SRP_ROLES(ORG_ID, SALESREP_ID, ROLE_ID)

Split Transaction

The Compensation Manager or Compensation Analyst can distribute sales credit in whole or in part between one resource and another or among a group of resources by using the Split Transactions feature.

You can split sales credit for a transaction differently depending on the transaction split percentage of the transaction. This percentage is assigned to the transaction when it is created or as an adjustment. It is already part of the transaction before any splits are performed.

A transaction split percentage of 0% is the default setting. If the setting is 0%, then any amount can be used when you split sales credit.

If a transaction split percentage is assigned, any split must add up to that percentage. For transactions that have a transaction split percentage of 100%, the sales credit for split revenue transactions must equal 100%. If the transaction split percentage is another amount then the sales credit for the split revenue transactions must add up to that percentage. Nonrevenue sales credit does not have the 100% constraint of revenue credit.

See Examples below.

Navigation

Compensation Manager > Maintain Transactions

Steps:

1. Query for the transaction that you want to split.
2. Click the **Split** icon.
3. Select the names of the resource with whom you want to split the credit.
4. Enter the percentage of revenue or nonrevenue sales credit each person is to receive.

Note: If the original resource is still eligible for sales credit he or she must be specified as a credit receiver.

5. Enter any User Comments.
6. Click **Apply**.

Examples

You want to split sales credit for John's transaction to Steve and Bill. If the transaction split percentage is 0%, then any split percentages are allowed. So, you can give 60% to Steve and 75% to Bill or 25% to Steve and 40% to Bill. Or, you can assign 100% to John and 5% to Steve and 5% to Bill. The percentage amount can add

up to more than 100%.

If the transaction split percentage is set to 100%, you can give 75% to Steve and 25% to Bill, or 50% to both, but you cannot give 60% to Steve and 50% to Bill (110%) or 40% to Steve and 35% to Bill (75%). It must add up to 100%.

If you decide to split Steve's 75% from the previous example between Cameron and Dave, you can give 40% to Cameron and 35% to Dave, or 70% to Cameron and 5% to Dave, but whatever the percentages you choose, they must add up to the 75% transaction split percentage of Steve's original transaction.

Restrictions

All adjustments made with the above process must be loaded before they are available for calculation.

Loading Transactions

After transactions are collected and adjusted, they must be loaded into Oracle Incentive Compensation tables prior to running the calculation and payment processes.

Navigation

Compensation Manager > Load Transactions

Notes

- You must specify an operating unit.
- Select **Run Load** only if the amount of transactions to be calculated is small or there are only a few salespeople. This type of loading freezes up the application so you are unable to do anything else until it is complete.
- Select the **Schedule Load** option to run the loading if the load is large. It runs as a background process in the Concurrent Manager, so you can use the application for other tasks. You can enter a name for the request to simply find it after loading is complete.

When you schedule a load, you can choose to run it as soon as possible or at a specific later time and date. If you want to set up a more specific schedule, click **Advanced Schedule**. You can create a schedule, and name that schedule.

You can select notification recipients as part of the **Schedule Load** process. You can specify under what conditions the recipients should be notified.

- Enter a resource name if you want to load transactions only for a specific resource.
- Check the **Perform Classification and Rollup** box if you want to perform incremental calculation for the transactions you are loading. That means that only transactions that are new or have been changed are loaded.

- Click **Refresh** on the Requests page to display updated information as the concurrent processing proceeds.

Viewing Transaction Requests

After you have loaded the transactions, you can view your Concurrent Manager request. As you prepare to request calculation, the View Requests link is on the Calculation Requests page. Another link takes you to the process log, where you can review details of the load request.

Navigation

Compensation Manager > Requests > Monitor

Using the Transaction Interface

Oracle Incentive Compensation supports use of a transaction interface to bring compensation transactions into the system. To process incentives, Oracle Incentive Compensation uses the CN_COMM_LINES_API table as a transaction interface for the following:

- Standard collection of sales credit transactions using out-of-box integration with Oracle Receivables (for Invoices/Credit Memos/Payments and so on) and Oracle Order Management (for Booked Orders).
- Collection from custom sources of data using the standard collection feature.
- Uploading transactions directly into the CN_COMM_LINES_API table using SQL*LOADER, SQL, PL/SQL routines, and so on, for processing Incentives.
- Importing data from a spreadsheet (see Defining Imports, page 5-12 and the following pages).

If you intend to upload transactions directly into the CN_COMM_LINE_API table or import data from a spreadsheet, the table below provides a detailed description of key attributes of the CN_COMM_LINES_API table. See the *Oracle Incentive Compensation TRM* for more detailed information on each column.

Column	Data Type	Description
COMM_LINES_API_ID	NUMBER(15)	This is the unique identifier of the table and must be populated with a value. If using the SQL* LOADER then use the sequence CN_COMM_LINES_API_S.next val.
PROCESSED_DATE	DATE	The date the transaction needs to be processed for compensation calculation. This is a mandatory column.
TRANSACTION_AMOUNT	NUMBER	The transaction amount that needs to be used as a basis for arriving at the compensation value. This is a mandatory column.
TRX_TYPE	VARCHAR2(30)	<p>The type of the transaction. It can have any one of the following values:</p> <p>CBK: Claw Back (or Take Back)</p> <p>CM: Credit Memo</p> <p>GBK: Give Back</p> <p>INV: Invoice</p> <p>MAN: Manual Adjustment</p> <p>ORD: Booked Orders</p> <p>PMT: Payment Received</p> <p>WO: Write Off</p> <p>This is a mandatory column.</p>

Column	Data Type	Description
EMPLOYEE_NUMBER	VARCHAR2(30)	The resource that is receiving credit for the transaction. If using the SQL*LOADER option or the spreadsheet, the value needs to be Salesrep Number as defined in Resource Manager. Please refer to Resource Manager documentation for more information on how to define a resource.
OBJECT_VERSION_NUMBER	NUMBER	Sequential number which is set at 1 on insert and incremented on update. Used by APIs to ensure that the current record is passed. This is a mandatory column. When you upload a transaction directly into the API, the value must be set to 1.
SALESREP_ID	NUMBER(15)	This value is populated by standard collection programs of the application. Custom and nonstandard processes should not populate a SALESREP_ID value. The EMPLOYEE_NUMBER column should be used instead.

Column	Data Type	Description
LOAD_STATUS	VARCHAR2(30)	<p>This denotes the status of the transaction after the Transaction Interface Loader process is run to load transactions from the API table to the CN_COMMISSION_HEADERS table. Here are two important status values:</p> <p>UNLOADED: Status of new transactions when they are first loaded into the API table. It also denotes transactions that have not been picked up for loading into the CN_COMMISSION_HEADERS table.</p> <p>LOADED: The transaction is successfully loaded into the CN_COMMISSION_HEADERS table. See Validation Checks and Resolution Method for more details and the rest of the LOAD_STATUS values.</p>
TRANSACTION_CURRENCY_CODE	VARCHAR2(15)	<p>The currency code of transaction amount that comes with the transaction, for example, USD. The value must correspond to the currency code as defined in GL-Currencies. See the GL-Currencies form to confirm. See Note: in Exchange Rates following.</p>

Column	Data Type	Description
EXCHANGE_RATE	NUMBER	<p>The exchange rate that needs to be applied to determine the actual amount of the transaction. Ideally, this matches what is defined in the GL-Daily Rates table.</p> <p>Note: Transaction_Currency_Code and Exchange_Rate are not mandatory. If these two values are left as Null the application assumes that the currency_code matches the functional currency and that no exchange rate will be applied. However, if you populate TRANSACTION_CURRENCY_CODE with currency that is <i>not</i> the functional currency, you must populate EXCHANGE_RATE. This is done automatically using the GL rates with using the Transaction screen. If done using SQL, you can populate whatever exchange rate you want.</p>
ADJUST_STATUS	VARCHAR2(10)	<p>The adjustment status of the transaction. It is automatically updated on the Adjustments screen when the system makes adjustments. This is a system-generated field and should not be populated with any value.</p>

Column	Data Type	Description
ORG_ID	NUMBER	Needs to be populated with the specific org for which the transactions are being loaded for Incentives calculation. If the implementation is multi-org, then it is a mandatory column. If the implementation is not multi-org, then the column can have null value.
ROLLUP_DATE	DATE	The date the transactions must use to roll up the sales credit using the compensation group hierarchy. If this column is null, the date value in the PROCESSED_DATE column will be set for this column. If you need this date to be different from the PROCESSED_DATE you can set it to a different value.
REVENUE_TYPE	VARCHAR2(15)	This column denotes whether the transaction is of a Revenue or Nonrevenue sales credit type. For transactions collected directly from out-of-box integration with Oracle Order Management or Oracle Receivables, this column is populated automatically with the respective sales credit type defined in these source systems. Note: When the application collects nonrevenue transactions from Oracle Receivables, if there is a quantity value, it is zeroed out during collection.

Column	Data Type	Description
ATTRIBUTE1 - ATTRIBUTE100	VARCHAR2(240)	These are the descriptive flexfield columns on the transaction. They can be populated with values to be used in defining classification rules or for defining expressions to be used in formulas, rate tables, and so on.

Validation Checks and Resolution Method

The transaction interface loader process starts by collecting transactions from the API based on the parameters provided by the user and looking at transactions in the API that have the following load_status:

- **UNLOADED:** Status of the transaction when it is first loaded into the API table. It also denotes that it has not been picked up for loading into the CN_COMMISSION_HEADERS table.
- **ERROR - PRIOR ADJUSTMENT:** This means that the value of the collection parameter Allow Prior Period Adjustments? has been set to No and the transaction processed_date has a column value that is less than the last processed transaction processed_date. To resolve this, perform the following:
 1. Make sure to set the parameter to Yes so that the system can process prior period adjustments.
 2. If the paramet is set to No, change the processed_date on the transaction to be greater than the date for which calculation was last run.
- **ERROR - TRX_TYPE:** This means that the trx_type column value of the transaction is not a system recognized transaction type. The possible values for this column are Claw Back, Credit Memo, Give Back, Invoice, Manual Adjustment, Booked Orders, Payment Received, or Write Off. To resolve this, fix the trx_type value on the transaction.
- **ERROR - REVENUE CLASS:** This means that the revenue_class_id column value provided on the transaction is not defined in the system. To resolve this, make sure that the revenue_class_id value populated on the transaction refers to the revenue class defined in the system.
- **ERROR - NO EXCH RATE GIVEN:** This means that the transaction currency is

different from the functional currency defined for the system and the value of the exchange_rate column is not populated. To resolve this, populate the exchange_rate column with a value on the transaction.

- **ERROR - INCORRECT CONV GIVEN:** This means that no value has been given to the transaction_currency_code column and the exchange_rate column but the value of the transaction_amount is not equal to acctd_transaction_amount. To resolve this, make sure that the transaction's transaction_amount column is not a functional currency based value, and then provide values for the transaction_currency_code and exchange_rate columns. This error should not occur if you are using SQL*LOADER or importing a spreadsheet. This is because the acctd_transaction_amount is not required in those cases.
- **ERROR - CANNOT CONV/DEFAULT:** This is a catch-all bucket in case the process cannot do currency conversion of transaction_amount column of the transaction. Possibly the currency code has not been defined.
- **SALESREP ERROR:** This means that the process did not find any resources defined in the system for the given employee_number column value or salesrep_id column value. To resolve this, perform the following procedure:
 1. Make sure the employee_number or salesrep_id column is populated with a value in the API table. If you are using SQL*LOADER or a spreadsheet, only employee_number needs to be entered.
 2. Make sure the employee_number or salesrep_id on the transaction is defined in the system and active for the processed_date of the transaction.
- **PERIOD ERROR:** This means that the given processed_date column value on the transaction does not fall within the compensation period start date and end date that is defined in the system. To resolve this, do the following:
 1. Provide a value for the column processed_date on the transaction for which the compensation period start date and end date are defined in the system and also Open.
 2. Verify that the compensation period start date and end date are defined in the system to include the processed_date column value on the transaction.

For example, if periods are defined as follows:

Jan-06 (1-Jan-06 to 31-Jan-06)

Feb-06 (1-Feb-06 to 28-Feb-06)

A transaction that is processed for 2-March-06 will create a period error message.

The transaction interface loader process does not pick up transactions in the API that have the following load_status:

- **OBSOLETE:** The transaction has been adjusted prior to the transaction interface loader being run and cannot be uploaded into the system.
- **FILTERED:** As part of Standard collections, the post collection process is defined to filter this transaction, therefore that it cannot be loaded into the system.
- **LOADED:** The transaction is already successfully loaded from the table CN_COMM_LINES_API into the transaction table CN_COMMISSION_HEADERS. See Validation Checks and Resolution Method for more details.
- **SCA_PENDING:** The transaction has been transferred to the Sales Credit Allocation engine but has not been processed yet.

Additional Note

The Reload Errored Transactions parameter (Configuration Workbench > Collection > Setup Collection Parameters) allows you to decide whether or not to attempt to load the unloaded transactions which failed to load in prior attempts. The default value for this parameter is No. When the parameter is set to Yes, the transaction interface loader attempts to load the transactions that failed to load in prior loads.

If API transaction data are populated through Collection or created through Maintain Transaction, the data is always valid. Invalid data, in most cases, are introduced into the API table by a direct upload into the API table from an external source.

For example, suppose that the invalid salesrep_id, invalid employee_number or both columns are null. For such invalid transactions, the loader sets the Load_Status to SALESREP ERROR or PERIOD ERROR, respectively. To fix this problem, correct the data and then set the Reload Errored Transactions parameter to Yes so that these error transactions can be picked up again in the next run of the load process. Because this is an expensive operation, the parameter should be set to Yes only if errors have indeed been fixed in the transactions that could not be loaded.

Calculating Compensation

This chapter covers the following topics:

- Overview of Calculating Compensation
- Preparing for Calculation
- Submitting Calculation
- Resubmitting Calculation
- Using Incremental Calculation
- The Notify Log
- Customizing the Notify Log Search
- Notification Log Triggering Events

Overview of Calculating Compensation

Calculation is a process used by Oracle Incentive Compensation to calculate commission and bonus plans for resources.

Two Types of Calculation

Oracle Incentive Compensation supports two types of compensation calculation--Commission and Bonus. The Commission type of plan element is the most often used in Incentive Compensation, because it is based on transactions generated by a resource's sales activity. It can be quota or nonquota based. A Bonus type plan element is used to pay an extra amount to a resource for performance, but it has no direct links or references to specific transactions.

Two Modes of Calculation

Oracle Incentive Compensation performs calculation in two ways: Complete and Incremental.

Complete Calculation

Complete Calculation calculates all transactions in the interval, and it is the default setting. Complete calculation erases the previous result and reruns the entire calculation process. Because it completely recalculates everything, it takes more time to finish compared to Incremental calculation. The advantage of Complete calculation is faster setup change because the system does not need to keep track of these changes.

Incremental Calculation

Using Incremental calculation, the calculation engine of Oracle Incentive Compensation processes only transactions that are affected by a change. When you run Incremental calculation, the application uses the Notify Log, which tracks all changes made in the system since the last calculation. See Using Incremental Calculation, page 6-17 for more detail on this calculation method.

Phases of Calculation

When you calculate a set of transactions, the application performs these actions:

- **Preprocessing:** The application determines which resources are to be calculated and performs validation. For example, it checks the resources to be sure that their compensation plans are complete and determines if they have any transactions within the specified dates.
- **Revert:** This feature restores the transactions within your specified parameters back to their original unprocessed state. When a complete calculation is performed, the application deletes any system-generated (rollup) transactions and reverts the status of transactions to Unprocessed. This way the new calculation starts with no data left over from a previous calculation.
- **Classification phase:** The application checks the applicable classification rules against the affected transaction attribute values. If a match is found, a unique product is assigned for each transaction. The status of matched transactions is marked as CLS (Classified). The classification rules packages consist of nested if-then-else clauses. The process starts from the top most rule; if the conditions for a rule are met, it moves to the child rule. If the conditions of the child rule are not met, the transaction is classified to the product associated with the Parent Rule. Otherwise, the Transaction Attributes will be compared to the next rule at the same level. If no rule is matched, transaction is marked as XCLS (Failed Classification).

One possible reason for Failed Classification is if the date format in the Compensation Manager's profile does not match that of the rule flex attributes that were entered when the Plan Administrator created the rule. See Building a Rules Hierarchy, page 2-5 for more information on using flex attributes to create rules.

- **Rollup phase:** Oracle Incentive Compensation runs a process to determine all resources who should receive credit for a transaction based on the rollup date and the resource hierarchy effective on that date. For every credit receiver, the

application creates a new system-generated transaction. The transactions are marked as Rolled Up. Transactions that fail rollup are marked XROLL.

- **Population phase:** Oracle Incentive Compensation identifies the appropriate plan elements for every transaction by matching the products of the plan elements with the products of the transaction. The application updates each transaction with the plan element information. The status after this phase succeeds is Populated. Lines that fail to populate are marked XPOP.
- **Calculation Phase:** Based on the information gathered, Oracle Incentive Compensation performs calculation on all transactions that have passed the Population phase for resources specified for the period. It evaluates the expressions defined on a given formula, looks up the rate from the rate table, calculates the compensation amount, and updates the transactions and balance tables with the results. The transaction status is then displayed as Calculated. Lines that fail calculation are marked XCALC.

Unprocessed and Failure Statuses

The following statuses can occur when a transaction has not been processed or if there is a failure during one of the calculation phases.

- **Unprocessed:** The transaction has not been processed or has been returned to unprocessed state after a revert phase. The application displays a status for unprocessed transactions in transaction status. If you receive an Unprocessed status, make sure that the Ruleset is synchronized. Or, if there are invalid classification rules packages, attempt to recompile them manually. The most common reason for a classification rules package to remain INVALID is because of the column_datatype of the attribute column being used to classify a transaction. For example, if an attribute column or a mapped column has a datatype of CHAR, (as defined in the Tables and Columns form) and a rule uses a number as its value, a conflict occurs. This conflict will allow the Classification Ruleset to Synchronize, but will prevent the classification rules package from compiling. If this is the case, the rule needs to be re-created using an attribute column with a column_datatype of VARCHAR2 or NUMBER.
- **Failed Classification:** Transactions that do not match a predefined classification rule receive the Failed Classification status (XCLS). A primary cause of Failed Classification status is that the transaction attributes do not satisfy the very top classification rule in the hierarchy. Another cause of failed classification is that the processing date is outside the dates defined for the Classification Ruleset. Classification rules and transaction attributes are case sensitive, so check to be sure that they match.
- **Failed Rollup:** If a resource is not in the hierarchy in a compensation group or has not been assigned Sales Compensation group usage, the rollup fails, and a

transaction status of XROLL is displayed.

- **Failed Population:** Population fails if a transaction does not match any plan element in the compensation plan for the credited resource. Transactions and plan elements are matched using products and the effective product hierarchy. Transactions that fail population are marked as XPOP.
- **Failed Calculation:** Oracle Incentive Compensation indicates a failed status for transactions that have failed the calculation phase in the transaction status. Check your calculation rules, and be sure that your calculation expressions, rate tables (if applicable), plan elements, and compensation plans are all valid. Transactions that fail calculation are marked XCALC.

The Calculation Process

The process of calculation comprises three main sections, as follows.

The Rollup Phase

During the Rollup phase, Oracle Incentive Compensation runs a process to determine all resources who should receive credit for a transaction based on the rollup date, and the resource hierarchy effective for that date. For every credit receiver, Oracle Incentive Compensation creates a new system-generated transaction and the lines are marked as Rolled Up.

Multiple resources can receive credit for the same transaction. For example, a sales manager may receive sales credit for his subordinate's transactions. If you choose to compensate multiple resources for the same transaction, you must organize your compensation groups into a hierarchy to specify the relationships among the credit receivers in your sales force.

When transactions are processed with a hierarchy in effect, resources in parent positions automatically receive all of the sales credit applied toward resources in child positions that report to them, regardless of product. This roll-up credit is also called indirect credit.

When Oracle Incentive Compensation allocates sales credit to multiple credit receivers, each person receiving credit for the transaction receives 100% of the sales credit.

For example, in a hierarchy, three salespeople report to a manager; the manager reports to a director. The first resource receives \$10,000 for an invoiced transaction, the second receives \$5,000 for a different transaction, and the third resource receives \$7,000 for another transaction. Each resource receives sales credit for the individual transaction that results from their work. However, if Managerial Rollup is checked for rollup, the salespeople's manager receives \$22,000 in indirect rollup sales credit.

In addition to the three invoices mentioned, a fourth invoice gives the manager \$15,000 in direct sales credit. The salespeople reporting to the manager do not receive any credit.

The manager's boss, the director, is at the top of the rollup hierarchy. The director receives a total of \$37,000 in indirect rollup sales credit, including both the Manager's direct \$15,000 credit and the \$22,000 total for the three salespeople that rolls up to him through the manager.

What to Do if Rollup Fails

If Rollup fails, verify the following:

- The resource on the transaction is assigned to a compensation group.
- The group the resource is assigned to has the usage of Sales Compensation.
- If the resource on the transaction belongs to more than one compensation group, the profile OIC: MULTI_ROLLUP_PATH is set to Y (not Yes or y).

The Population Phase

During the Population phase, Oracle Incentive Compensation identifies the appropriate plan elements that are associated with the resource's compensation plan that have been allocated to the transactions. The application attempts to match transactions with the Plan Elements for the credited resources and if the match is successful, the transaction is populated.

The application performs the following checks during the Population phase. It

- Identifies the compensation period
- Identifies the plan element and assigned Sales Role and Compensation Plan (based on Plan Element to Product Mapping)
- Uses the Product Hierarchy (traversing the hierarchy upwards to determine the most general product)
- Handles revenue class overlap (The system generates a duplicate transaction line record for any transaction that is associated with more than one Plan Element due to revenue class overlap.)
- Handles multiple roots (The system creates a system-generated duplicate transaction line record for any transaction that is associated with more than one sales role within a compensation group.)
- Fails population. If the transaction does not find a matching revenue class in the compensation plan for the credited resource then no compensation can be calculated. Oracle Incentive Compensation displays a status of Failed Population (XPOP) in the transaction status column.

What to Do if Population Fails

1. Check if there is a role and in turn there is a compensation plan assigned to the resource on the date of the XPOP transaction. If there is no role or compensation

plan assignment and this is not intended, then assign the appropriate role and compensation plan to the resource.

2. If there is a compensation plan assigned to the resource, check whether the compensation plan has a COMPLETE status.
3. If compensation plan is complete, then check whether any of its plan elements effective on the date of the transaction has a matching revenue class with the transaction's revenue class. Whether there is a revenue class match is determined by the revenue class hierarchy. If the revenue class on the plan element is a parent revenue class of the revenue class of the transaction, it is a match.
4. If there is a revenue class match, then check and make sure that the involved revenue classes exist in the revenue class hierarchy. If not, add them to the revenue class hierarchy.
5. Make sure that the Revenue Class that the transaction was assigned is assigned to at least one Plan Element that is included in the resource's compensation plan.
6. Make sure that the Sales Compensation role that is assigned to the resource has either the Member or Manager box checked.
7. Make sure the resource's Sales Compensation role is a Group Member role for the date of the transaction.
8. Make sure that the group the resource is assigned to has the usage of Sales Compensation.
9. After the above setup is validated, run calculation again.

The Calculation Phase

During the Calculation Phase, Oracle Incentive Compensation performs the calculation on all transactions within the specified parameters. It evaluates the expressions defined on a given formula, looks up the rate from the rate table, calculates the compensation amount, and updates the transactions and balance tables with the results. Oracle Incentive Compensation displays a status for calculated transactions in the transaction status column.

The Calculation process calculates compensation based on the Calculation Rules (defined in Plan Elements). Calculation Rules include Commission Rate (defined in the Rate Table), Accelerators (earnings factor, multiplier, and transaction factors), Accumulation or Non-Accumulation, Split or Non-Split, Interval-to-Date Quota or Annual Quota, Individual or Group By. If the application is unable to calculate the compensation for the transaction, the transaction is marked as 'XCALC' (Failed Calculation).

What to Do if Calculation Fails

If transactions failed to be calculated, Oracle Incentive Compensation displays a status of XCALC for those transactions. Check the following things if calculation fails for a transaction:

- The value passed to the Rate Table from the Input Expression is included in the Rate Table. (To prevent this problem always make the first tier of the rate dimension 0 to X instead of starting it as X to 10000, for example).
- No values in the Formula are divided by zero.
- All columns used in the formula to calculate are populated for the transaction.
- The formula packages are valid (regenerated).
- The number of inputs to the formula match the number of dimensions of the rate table.
- The type of formula input matches the rate table dimension type.

Preparing for Calculation

Before you run a compensation calculation, you must make sure that calculation is possible for the salespeople chosen. You must verify the following things before attempting to calculate compensation payments:

- Make sure that all salespeople to be compensated have a valid compensation plan assigned to them.
- Make sure that the compensation period for which you are calculating has an Open period status. You can only open a period if the current compensation period status is Never Opened, Future Entry, or Closed. To open a period, navigate to Setup > Maintain Compensation Periods.
- You must have defined your classification rules and synchronized your classification rule set.
- The product hierarchy must be defined.

Rollup Summarized Transactions

The rollup summarized transactions process results in a significant reduction in the number of transactions that need to be processed, which improves performance substantially.

Without the rollup summarized transaction feature turned on, the collection process replicates base transactions to every resource in the rollup hierarchy. This means that in a rollup hierarchy that is five levels deep with five base reps all rolling up to the same

set of managers, all transactions from the five base reps are replicated to every manager. As an example, if each of the five base reps has ten transactions, there is a total of 50 base transactions. After rollups, including all transactions for each resource to their manager, there are 250 transactions, as shown below:

- $10 \text{ transactions} \times 5 \text{ levels deep} \times 5 \text{ base reps} = 250$

However, if the Rollup Summarized Transactions feature is turned on, then the following occurs:

- Before Rollup:

Total base transactions = 50 in CN_Commission_Headers (same as before)

Total summarized transactions = 5 in CN_Commission_Headers (one for each base resource)

- After Rollup:

Total number of transactions = $5 \times 5 = 25$ (five summarized transactions are rolled up to each of the five managers)

You can summarize transactions if they share common definitions. The default set of definitions includes the following fields:

- direct_salesrep_id
- processed_period_id
- processed_date
- rollup_date
- comp_group_id
- revenue_class_id
- trx_type

Any transactions that match in these seven fields will be aggregated and processed together. Therefore, it is very important to verify that your aggregated calculations create the same result as when they are calculated separately. Some formulas can generate different amounts of compensation if aggregated transactions are used.

The following examples show a situation where aggregation does not affect calculations and a situation where it does:

Example 1: Aggregation Yields same Result as Individual Transactions

The formula uses these settings:

- Cumulative Flag: Yes

- Non-proportional Flag: Yes
- Apply Transactions Individually
- Input: transaction_amount
- Output: rate*transaction_amount

Rate Table below shows two columns and two rows, with 0-100 at 1% and 100-500 at 3%:

Transaction Amount	Commission
0-100	1%
100-500	3%

There are two transactions:

1. Transaction Amount of 90
2. Transaction Amount of 20

Without aggregation, the calculation proceeds as follows:

For the first transaction, the input of 90 falls into the first tier of the rate table, and is compensated at 1%. Commission is $90 * 1\% = 0.9$.

For the second transaction, the input is $90+20=110$, because the cumulative flag is selected. This puts the transaction into the second tier. Because there is a non-proportional split, the commission is $10 * 1\% + 10 * 3\% = 0.4$.

The total commission for both transactions is $0.9 + 0.4 = 1.3$.

If the aggregation parameter is turned on, there will be one aggregated transaction with a transaction amount of 110. The calculation process proceeds like this:

The input is 110. Because there is a non-proportional split, the commission is $100 * 1\% + 10 * 3\% = 1.3$. The aggregated transactions yield the same result as the individual transactions.

Example 2: Aggregation Yields a Different Result

This example uses the same transactions, but the formula is not cumulative. Because of this, the calculation result of an aggregated transaction is different from the total of the individual transactions.

Commission is calculated as follows:

Transaction Amount is $90 * 1\% = 0.9$

Transaction Amount is $20 * 1\% = 0.2$

The total commission for both transactions is $0.9 + 0.2 = 1.1$.

If aggregation is turned on for these non-cumulative transactions, there will be one aggregated transaction of 110. The calculations are as follows:

- Aggregated Transaction $100 * 1\% + 10 * 3\% = 1.3$ (with a non-proportional split).

In this case, the commission derived from the aggregated transaction is different from the commission derived from individual transactions.

Two Parameters

Two calculation parameters control how transactions are rolled up.

Navigation: Incentive Compensation Administrator > Calculation > Setup Calculation Parameters

- **Aggregate Transactions during Rollup:** This parameter sets up the application to aggregate matching transactions. Set Yes or No; the default is No
- **Aggregate Transactions Based on Custom Criteria during Rollup:** This parameter works only if Aggregate Transactions during Rollup is set to Yes. The parameter tells the application whether you are using default or customized summarization code. Set Yes or No; the default is no.

Note: After you change the setting of a profile option, you must bounce the server to reset it.

Accumulation and Splits in Multidimensional Rate Tables

Under some circumstances, compensation must be derived from multiple aggregated values. One way to accomplish this is to use multiple aggregated values in a formula and to split rate tiers in multidimensional rate tables.

When you assign expressions to a cumulative formula, you can specify for each expression whether it is cumulative or not. If you want to split rate table tiers when calculating compensation, you can select one dimension upon which to perform the split.

There is no limit as to how many expressions can be cumulative, however you can specify only one dimension to be split in any formula that is used in a multidimensional rate table. Any more splits would render the calculation process meaningless.

Generic Example of Accumulation Along Multiple Dimensions

Suppose we have the following rate table.

Quantity	0-80%	80-90%	90-999%
0-100	1%	1.5%	2%

Quantity	0-80%	80-90%	90-999%
100-200	1.5%	2%	2.5%
200-1000	2%	2.5%	3%

The first dimension measures the total quantity of the sales and the second dimension measures the percentage achievement of the total transaction amount against the target.

Assume the following formula is used:

- Name: Formula 1
- Type: Commission/Apply individual transaction
- Cumulative: Yes
- ITD: No
- Split: No split
- Input1: quantity (cumulative: Yes)
- Input2: transaction_amount/target (cumulative: Yes)
- Output: RateResult * transaction_amount

Suppose you have the following transactions.

Transaction ID	Quantity	Transaction Amount
1	50	1000
2	100	2500
3	500	4000

The target for the example resource is 5000.

The compensation will be calculated in the following way. For the first transaction, the cumulative total from input1 is 50 and the cumulative total from input2 is 1000 / 5000 = 20%. Comparing the two cumulative values against the rate table, the rate is 1%. Now apply this rate to the current transaction's transaction amount and you get 1000 * 1% = 10.

For the second transaction, the cumulative total from input1 is 150 (adding 100 to the previous total of 50 from transaction1) and the cumulative total from input2 is 20% + 2500 / 5000 = 70%. Comparing these two cumulative values against the rate table, we find the rate to be 1.5%. Apply this rate to the current transaction's transaction amount and you get $2500 * 1.5\% = 37.5$.

For the third transaction, the cumulative total from input1 is 650 (adding 500 to the previous total of 150 from transaction1) and the cumulative total from input2 is 70% + 4000 / 5000 = 150%. Comparing these two cumulative values against the rate table, the rate is 3%. Apply this rate to the current transaction's transaction amount and you get $4000 * 3\% = 120$.

The total compensation for all these three transactions will be $10 + 37.5 + 120 = 167.5$.

Note that both input values are accumulated and the cumulative totals are used to look up the rate from the rate table.

Generic Example of Split in a Multi-Dimensional Rate Table

Suppose we have the following rate table.

Quantity	0-80%	80-90%	90-999%
0-100	1%	1.5%	2%
100-200	1.5%	2%	2.5%
200-1000	2%	2.5%	3%

The first dimension measures the total quantity of the sales and the second dimension measures the percentage achievement of the total transaction amount against the target.

Assume the following formula is used:

- Name: Formula 1
- Type: Commission/Apply individual transaction
- Cumulative: Yes
- ITD: Yes
- Split: Non-proportional split
- Input1: quantity (cumulative: Yes/Split: Non-proportional split)
- Input2: transaction_amount/target (cumulative: Yes)
- Output: RateResult * quantity

Note that split is performed on the first dimension which corresponds to the first input. Suppose you have the following transactions.

Transaction ID	Quantity	Transaction Amount
1	50	1000
2	100	2500
3	500	4000

The target for the example resource is 5000.

The compensation is calculated in the following way. For the first transaction, the cumulative total from input1 is 50 and the cumulative total from input2 is $1000 / 5000 = 20\%$. Since 20% matches the first column in the rate table, you use the rates in the first column while splitting the quantity total along the first dimension. Since 50 is completely within the first tier of the first dimension, all of it is compensated at the rate of 1, thus yielding a commission of $50 * 1 = 50$.

For the second transaction, the cumulative total from input1 is 150 (adding 100 to the previous total of 50 from transaction1) and the cumulative total from input2 is $20\% + 2500 / 5000 = 70\%$. Since 70% still matches the first column in the rate table, you use the rates in the first column while splitting the quantity total along the first dimension. The first 100 out of the total of 150 is paid at the rate of 1 and the remaining 50 that falls in the second tier is compensated at a rate of 1.5. Therefore, the commission is $100 * 1 + 50 * 1.5 = 175$. Since it is ITD calculation, we need to subtract the previous payout. So, the commission is $175 - 50 = 125$.

For the third transaction, the cumulative total from input1 is 650 (adding 500 to the previous total of 150 from transaction1) and the cumulative total from input2 is $70\% + 4000 / 5000 = 150\%$. Since 150% matches the third column in the rate table, you use the rates in the third column while splitting the quantity total along the first dimension. So, the first 100 gets paid at a rate of 2, the next 100 gets paid at a rate of 2.5 and the remaining 450 gets paid at a rate of 3. The total is $100 * 2 + 100 * 2.5 + 450 * 3 = 1800$. Subtracting the previous payouts, the commission is $1800 - 125 - 50 = 1625$.

Note that only the dimension marked to perform a split is traversed while splitting the total amount. The other dimension(s) is only used to determine which set of rates are used in computing the compensation.

Submitting Calculation

You can calculate compensation for all resources who have valid compensation plans, for all resources in the notify log file, or for resources you specify. The Calculation Requests page displays a summary of all of the calculations that you have submitted.

You can click the link in the Batch Name column or use the search parameters at the top to narrow your search to selected batch names. Or, click **Calculate Compensation** to create a new calculation submission.

You can click View Log to view the log messages generated during a given calculation run. You can navigate to the View Notification Log page to view the changes that have been made to the Oracle Incentive Compensation system that Incremental Calculation uses to speed up the calculation process.

It is recommended that you run calculation for all resources if you are running Complete Calculation. If you are running Incremental Calculation, you should specify For All Resources in Notify Log. This ensures that all dependencies among resources are handled automatically by the application. If you intend to run calculation for a small number of resources and want to specify the resources, be sure to include all resources having dependencies among them in your calculation submission. You can check the Include Hierarchy box to include resources below a specific resource.

The Request ID is stored as a column and a search parameter for any calculation request that is submitted concurrently. The Request ID is not recorded for calculation requests that are submitted as an online process.

Calculation can be run as often as necessary.

You can select commission calculation or bonus calculation. See Two Types of Calculation, page 6-1.

In the procedure below, to create a new batch, start at step 1. To use a previously defined batch, click the link in the Batch Name column and begin at step 8.

Navigation

Compensation Manager > Calculate Compensation

Prerequisites

- ☐ Transactions must already be collected and loaded.

Steps:

1. Click **Calculate Compensation**.
2. Enter a name in the Name field.
3. Select the beginning and end dates of the transactions to be calculated.
4. Select the type of calculation to be submitted, either Commission or Bonus. At this stage, the calculation status is Incomplete.
5. For Bonus calculation, select an interval type.

Bonus calculation often uses a different interval than Commission calculation. For

example, a bonus can be paid once a year while commission is calculated monthly. Therefore, you must select one of the seeded interval types: Period, Quarter, or Year. Commission calculation can use any interval types as defined separately by the Incentive Compensation Administrator using the Compensation Workbench.

6. Check the Incremental Calculation box if you want to run incremental calculation to process the pending changes made to the system.
7. Select one of two resource options. These options change depending on whether the Incremental Calculation box is checked or not. If the box is unchecked, these options appear:
 - All Resources: Calculates compensation for everyone
 - Specific Resources: Enables calculation of compensation only for resources you choose.

If the Incremental Calculation box is checked, these two resource options appear:

- Resources in Notify Log: Calculates compensation for resources affected by recent changes to their compensation setup or newly loaded transactions, as recorded in the Notify Log.
- Specific Resources

The following steps apply to batches that you have just created or previously created batches. For previously created batches, it is assumed that you have run a search for the batch.

8. Select a calculation method.
 - Run Calculation: Runs online, and is best for small jobs.
 - Schedule Calculation: Sets up a concurrent request, and is best for big jobs that can run in the background. See Restrictions for more information.
9. The process changes depending on a number of factors:
 1. If you selected All Resources or Resources in Notify Log in the Resource Option field previously, and you selected Commission type, calculation runs if you click Run Calculation, or you are sent to the scheduling procedure if you selected Schedule Calculation.
 2. For bonus calculation only, select the bonus plan elements that you want to use from the drop-down list. This finer granularity of choice for bonus calculation enables you to calculate bonus plan elements individually. After you select the bonus plan elements, click Run Calculation or Schedule Calculation

3. If you selected Specific Resources you must enter the specific resources for whom you want to submit a calculation.
10. To enter specific resources for calculation:
 1. Click Add Resources.
 2. Select a resource from the list of values. Create more blank rows as needed.
 3. Check the Include Hierarchy box if you want to run calculations for the resource and all of that resource's subordinates.
 4. When you have finished entering names, run or schedule the calculation.
11. If you are scheduling calculation, proceed through the six-step procedure. Click **Next** between steps, and after you have reviewed the submission, click **Submit**.
12. If calculation was successful, the Status field now displays Completed.

To verify that the calculation was processed correctly, you can go to the Year to Date Summary for the corresponding fiscal year. Search for the resource name and select the correct fiscal year.
13. After the calculation batch Information page displays, click **OK** to return to the Requests page.
14. Click the **Details** icon to see more information, including Diagnostics.

Restrictions

The Status field displays the status of the calculation using these values:

- Incomplete: The calculation has not been submitted.
- Complete: The calculation has completed successfully.
- Failed: An error has occurred. You can run the calculation again, if necessary.
- In progress: The calculation is still in the process of running.

Transactions with process dates that fall within the dates you specify are included in the calculation.

If you have made a change that affects the calculation, for example, to a rate table, then the application lists in the Notify Log all resources and periods that are affected by the change. Select Resources in Notify Log to calculate all the resources affected by the changes made.

You can use parameters to determine for whom calculation is performed:

- **Schedule Calculation:** If the calculation is large, select this option to run the calculation as a background process in the Concurrent Manager. After you submit a concurrent process, you can proceed to do other things while it completes the calculation. You may want to make a note of the concurrent request ID number in case you want to check the status of the process later on. If a batch runner fails during concurrent calculation, the application automatically cancels other running and pending batch runners. If you deselect this option, then calculation is performed online.
- **Incremental Calculation:** Use Incremental Calculation for most or all of your calculations. This option calculates only newly added transactions and transactions that are affected by the new transactions. This option also calculates the compensation for resources who are affected by events that happened since the previous calculation.

Resubmitting Calculation

If calculation fails, you can resubmit and if calculation is run for all resources, the calculation process will try to pick up from the point of failure rather than having to start from the beginning. Calculation can fail at any phase in the process:

- Revert
- Classification
- Rollup
- Population, or
- Calculation

Query for the batch by name or select Failed from the Calculation Status drop-down list to list all failed batches.

Transactions must be collected and loaded.

Using Incremental Calculation

If you have a large volume of transactions to process, it can save time to process only those transactions that have been affected by some change. Incremental Calculation marks all predefined transaction events in a notification log table known as the Notify Log. By doing this, Oracle Incentive Compensation runs calculation only for the resources that require it.

In the Notify Log table, the REVERT_TO_STATE column tells the calculation engine to what state the transactions need to be reverted. In complete calculation, transactions are completely deleted and returned to the Unprocessed state. But in Incremental

Calculation, the calculation engine can selectively skip various phases of calculation for individual transactions.

The Notify Log records changes related to five phases of calculation (see Phases of Calculation, page 6-2).

- Revert
- Classification
- Rollup
- Population
- Calculation

Any changes occurring to the following elements could cause the need for recalculation:

- System Parameters
- Classification Rules
- Product Hierarchy
- Dimensions used in classification rules
- Formulas
- Rate Tables
- Plan Elements
 - Start date, end date
 - Eligible Products
 - Transaction factors
- Compensation Plans
- Role plan assignment
- Resource role assignment
- Resource level plan element change
- Interval number
- New transactions

- Salespeople hierarchy
- Payee assignment
- Team assignment to a resource
- Pay group assignment to a resource

To use Incremental Calculation you must check the Incremental Calculation box on the Calculate Compensation page when running the calculation. To enable the Notify Log functionality you must set the profile option OIC: Enable Incremental Calculation to Y. **Note:** After you change the setting of a profile option, you must bounce the server to reset it.

If you normally use Incremental Calculation for every calculation you do not need to deselect the Incremental Calculation box. The Notify Log keeps track of changes and if a Complete Calculation is required it will do this automatically. You can check the Notify Log to see if it will run for all resources to get an indication of how long the calculation will take.

Oracle Incentive Compensation can track notifications to the following four levels:

- **Resource Level:** If an event causes re-calculation for multiple periods, then the mark event creates an entry for a resource with a Null period and specifies the date range.
- **Resource/Period Level:** A resource usually has one entry per period with a status of Incomplete in the Notify Log table. If the event causes a change to all resources, then instead of adding an entry for all the resources, there is a global entry, which tracks all resources for a period.
- **Resource/Period/Start Date Level:** If an event causes the change at the specific date level within a period, notification can track at specific date range level. This allows recalculation to be done for transactions falling within the specified date range instead of calculating for the entire period.
- **Resource/Period/Start Date/Plan Element Level:** This level is the most granular level that is captured, and it makes Incremental Calculation the most efficient. For the events that cause the REVERT_TO_STATE to go only to the Population phase, only the Calculation phase needs to be rerun. This makes sense if, for example, the transaction is being rerun only because of a change in the commission rate of a single plan element.

How Incremental Calculation Processes New Transactions

Incremental Calculation, compared to Complete Calculation, has an effect on calculation times because it calculates only for new transactions. However, if any new transactions have a dependency on previous transactions, this may result in a large

number of recalculations, which can add to the time it takes Incremental Calculation to run. This scenario shows how a new transaction can cause other transactions to be recalculated.

Rate table:

Incremental Calculation Example

Transaction Amount	Rate (Percent)
0-500	1%
500-2000	2%
2,000-9,999,999	5%

Three transactions:

01-Jan-2007 100

05-Jan-2007 300

10-Jan-2007 1,000

A simple cumulative, no-split formula is used:

- Input Expression: Transaction Amount
 - Output Expression: Rate * Transaction Amount

The commissions for these transactions are:

01-Jan-2007 100 $100 * 1\% = \$1$

05-Jan-2007 300 $300 * 1\% = \$3$

10-Jan-2007 1,000 $1,000 * 3\% = \$30$

A new transaction for \$900 on 04-Jan-2007 is loaded into the system and commissions for all four transactions are follows:

01-Jan-2007 100 $100 * 1\% = \$1$

04-Jan-2007 900 $900 * 3\% = \$27$

05-Jan-2007 300 $300 * 3\% = \$9$

10-Jan-2007 1,000 $1,000 * 5\% = \$50$

The \$900 transaction of 04-Jan-2007 has changed the rate for the 05-Jan-2007 and 10-Jan-2007 transactions, so when calculation is rerun, those transactions must be recalculated.

When you run Complete Calculation, the application redoes everything. Incremental

Calculation does not redo classification and rollup, which has already been done in the loading process. In Incremental Calculation, the application goes through all of the calculation phases, in case there are pending setup changes to process. However, since the new transactions have already been classified and rolled up in the loading process, it goes through Classification and Rollup quickly. New transactions are populated in the Population phase. Therefore, much of the real time saving benefit of Incremental Calculation is seen in the other phases before calculation itself.

The Notify Log

The Notify Log automatically records every change in the system that affects calculation. The Notify Log lists what part of the calculation is affected and therefore must be rerun as a result of an event.

You must turn the OIC: Enable Incremental Calculation profile option to Y for every transaction event to be put into the Notify Log so that it is included in the next calculation phase. **Note:** After you change the setting of a profile option, you must bounce the server to reset it. For more information see Using Incremental Calculation, page 6-17.

See the list of All Trigger Events following.

Navigation

Compensation Manager > Calculate Compensation > View Notification Log

Notes

- Click **Search** to use the NotifyLogDefault parameters or any searches you have already saved.
- To create a custom search, click **Personalize** (see Customizing the Notify Log Search below).
- Click any of the table headers that are links to sort the log on that particular column.
- Use Previous and Next to move from the displayed rows to the ones before or after them.

Customizing the Notify Log Search

Because the Notify Log Summary page may contain hundreds of entries, it helps to be able to narrow down the search parameters. You can use the Search page to create a view that preserves a customized search.

Navigation

Calculation Requests > Notification Log > Save Search

Notes

- Enter search parameters into any of the six fields in the Notify Log area that help you to narrow the range of displayed information.
- In the Attribute Properties area, you can click a selection once in the Available Columns and then click the right arrow button in the center area to move the selection to the Displayed Columns list. You can also click an item in the Displayed Columns area and then click the left arrow to move it back to the Available Columns list. The double arrow buttons move the entire contents to the other side.
- Ascending is the default setting for sort parameters.
- Use the Number of Rows to select the number of rows to be displayed at a time.
- If you are creating a new saved search, be sure to give a new name to your custom search. Don't change this field if you are making changes to an existing search. Check the Default box only if you want the new search to be the default that displays when you open the Notify Log page.

Notification Log Triggering Events

There are many triggering events that are displayed in the Notification log. Some triggering events correspond to changes that are made in Resource Manager, such as a change of resource's group or promotion from salesperson to manager. Most of the triggering events correspond to changes in Oracle Incentive Compensation, such as a revision to the product hierarchy or a revised date range in a compensation plan. Below is a table of all of the triggering events that cause a resource to be listed in the Notification Log for recalculation.

Event Code	Meaning/Description
CHANGE_SYS_PARA_RC	Change revenue class hierarchy used
CHANGE_SYS_PARA_SRP	Change revenue class hierarchy and roll up flag
CHANGE_CLS_RULES_DATE	change classification ruleset date range
CHANGE_CLS_RULES	Change classification rules
CHANGE_RC_HIER	Change revenue class hierarchy
CHANGE_RC_HIER_DATE	Change product hierarchy date range

Event Code	Meaning/Description
CHANGE_RC_HIER_DELETE	Delete revenue class hierarchy effective interval
CHANGE_CLS_HIER	Change a hierarchy used in classification
CHANGE_CLS_HIER_DATE	Change a hierarchy date range used in classification
CHANGE_CLS_HIER_DELETE	Delete a hierarchy effective interval used in classification
CHANGE_CP_HIER_ADD	Add an edge to compensation group hierarchy
CHANGE_CP_HIER_DELETE	Delete an edge from compensation group hierarchy
CHANGE_CP_HIER_DATE	Change date range of a compensation group hierarchy edge
CHANGE_CP_ADD_SRP	Add a salesperson to a compensation group
CHANGE_CP_ADD_MGR	Add a manager to a compensation group
CHANGE_CP_DELETE_SRP	Delete a salesperson from a compensation group
CHANGE_CP_DELETE_MGR	Delete a manager from a compensation group
CHANGE_CP_SRP_DATE	Change date range of a salesperson
CHANGE_CP_MGR_DATE	Change date range of a manager
CHANGE_FORMULA	Change a formula
CHANGE_RT_TIERS	Change rate table tiers
CHANGE_RT_INS_DEL	Insert or delete rate tiers
CHANGE_QUOTA_DATE	Change plan element date range

Event Code	Meaning/Description
CHANGE_QUOTA_POP	Change plan element revenue class factors
CHANGE_QUOTA_UPLIFT_DATE	Change plan element uplift factors date range
CHANGE_QUOTA_CALC	Change plan element
CHANGE_QUOTA_ROLL	Change plan element revenue class
CHANGE_COMP_PLAN	Change compensation plan
CHANGE_COMP_PLAN_OVER_LAP_FLAG	Change compensation plan overlap flag
CHANGE_SRP_ROLE_PLAN	Change role/plan or role/salesperson assignment
CHANGE_SRP_ROLE_PLAN_DATE	Change date range role/plan/salesperson assignment
CHANGE_SRP_QUOTA_PAYEE_DATE	Change date range of payee assignment
CHANGE_SRP_QUOTA_POP	Change salesperson's uplift factors or payee assignment
CHANGE_SRP_QUOTA_CALC	Change salesperson's plan element
CHANGE_PERIOD_INTERVAL_NUMBER	Change a period's interval number
CHANGE_INSERT_TRX	Insert new transaction -- need recalculation
CHANGE_SRP_PAY_GROUP	Change pay group/salesperson assignment
CHANGE_SRP_PAY_GROUP_DATE	Change date range of pay group/salesperson assignment
CHANGE_TEAM_ADD_REP	Add a salesperson to a team
CHANGE_TEAM_DEL_REP	Delete a salesperson from a team

Payment with Payment Batches

This chapter covers the following topics:

- Overview of Payment with Payment Batches
- Integrating with a Third Party Payroll System
- Pay Groups, Payment Plans, and other Setups
- Payment Administrative Hierarchy
- Creating a Payment Batch
- Create Paysheets for a Payment Batch
- Viewing and Changing Existing Payment Batches
- Creating a Personalized View for Payment Batches
- Using the Payment Batch Summary
- Working with the Paysheets Summary Page
- Working with Individual Paysheets
- Creating a Personalized View for Paysheets
- Payment Hold at the Transaction Level
- Approving Paysheets
- Submitting a Payment Batch for Payment
- Payment Review with Example

Overview of Payment with Payment Batches

After you have used Oracle Incentive Compensation to collect transactions and calculate compensation, the last step in the process is payment. The Oracle Incentive Compensation payment batch process is much like that used in most companies. The Oracle Incentive Compensation Payment process considers the following:

- Who is paid
- Which transactions and adjustments are paid
- The period of time for which the payment occurs
- The submission and approval of the payments (if approvals are used)

Payment Setups and Relationships

In order for payment to pay a resource, several setups must be completed. The following defines the setups and relationships of the payment process.

Pay Group Assignment to a Resource

A pay group is an object that defines the frequency of payments, based on the calendar associated to the pay group. A resource must be assigned to a pay group in order to be paid compensation. The pay group places resources together that are on the same payment cycle and that are sent to the same system. For example, if your payments are being sent to an external Payables and external Payroll system you might group for monthly resource payments to Payables into Pay Group A and monthly resource payments to Payroll in Pay Group B.

Payment Analyst Hierarchy

This is a resource manager hierarchy that determines paysheet approval rollup and resource read/write security. The hierarchy is created using groups, roles, and resources that utilize the Sales Compensation Payment Analyst usage.

The Payment Analyst Hierarchy works in conjunction with the Oracle Incentive Compensation user/responsibility setup. The Hierarchy determines who approves the paysheets; if the user is set up as a Manager of the Payment Analyst group then the user can approve paysheets for those Analysts who report up to the Manager in the Payment Analyst group. Regular members of the Payment Analyst hierarchy can modify, lock, and submit paysheets for those resources who are assigned to the Payment Analyst in Resource Manager.

In Oracle Incentive Compensation, by default, the Compensation Manager has permission to create and pay payment batches. The Compensation Analyst responsibility does not have these permissions, however, the responsibility can be modified to include either of these permissions as well as other permissions if desired.

The Approval process can be turned off by setting the profile OIC: Enforce Payment Worksheet Approval to No.

Payment Batches and Paysheets

Payment batches are associated with pay groups and paysheets. When a payment batch is associated with a pay group, it defines for which compensation period, for example, Feb-03, Q4, and so on, the payment batch is valid. At the same time, the pay group determines the resources who are eligible to be paid within the payment batch.

Paysheets are the individual worksheets for resources; they contain the payable commission, draw and recovery, and payment adjustments for the resource.

Oracle Incentive Compensation does not actually produce paychecks. The application uses payment batches to determine payment amounts. When a payment batch is processed and paid, the payment totals for resources are automatically transferred to Oracle Payroll or Oracle Payables, as long as the integration between Oracle Incentive Compensation and Oracle Payroll or Oracle Payable has been enabled. For external payment applications, you can feed the data to the application using a CSV file. Oracle Incentive Compensation saves payment batches and their associated paysheets, which can be referenced as an audit trail.

Working with Paysheets

A resource is paid using a paysheet. This process proceeds as follows.

1. A payment batch is created.
2. Paysheets are created within the payment batch.
3. Compensation Managers and Compensation Analysts review paysheets for the resources assigned to them. This review includes making holds, manual commission adjustments, payment plans, and notes.
4. The paysheets are approved using the Payment Analyst hierarchy. The member type Analyst locks and submits the payment sheet, the manager type Payment Analyst approves the payment sheet (s). After the payment sheet is approved it can be rejected if necessary.
5. After all of the paysheets in the payment batch have been approved, the payment batch can be paid. All paysheets must be approved before the batch can be paid.

The table below describes the process of creating, approving, and paying a new payment batch.

Step	OIC Page Used/Navigation
1. Manager assigns payment plan to resources (optional)	Payment Plan Compensation Manager > Compensation Overview > Resource search > Compensation Plan > Payment Plan (subtab) OR Compensation Manager > Setup > Maintain Roles > Role Search > Payment Plan subtab

Step	OIC Page Used/Navigation
2. Compensation Manager creates a payment batch	Create Payment Batch Tasks > Maintain Payment Batch > Create
3. Compensation Analyst views and adjusts paysheet details	Paysheets : <batch name> Detail icon Tasks > Maintain Payment Batch > Search > Paysheets
4. Compensation Analyst locks paysheet	Paysheets : <batch name> Detail icon > Lock button Tasks > Maintain Payment Batch > Search > Paysheets OR Tasks > Maintain Payment Batch > Search > Multi-select Lock button
5. Compensation Analyst submits paysheet to Compensation Manager	Paysheets : <batch name> Detail icon > Submit Tasks > Maintain Payment Batch > Search > Paysheets icon OR Tasks > Maintain Payment Batch > Search > Multi-select > Submit button
6. Compensation Manager approves or rejects paysheet	Tasks > Maintain Payment Batch > Search > Paysheet Icon > Multi-select > Approve OR Tasks > Maintain Payment Batch > Search > Paysheet Icon > Detail Icon > Approve
7. Compensation Manager runs a pay payment batch request	Tasks Maintain Payment Batch > Select Payment Batch > Pay

Integrating with a Third Party Payroll System

Oracle Incentive Compensation has standard integration with Oracle Payroll and Oracle Payable. However, for integration with a third party payroll system, you must download the data to a .csv file. You can download the data at the payment batch, resource, or resource detail level.

Navigation

Compensation Manager > Maintain Payment Batches > Export

Steps:

1. Click Export to download the payment batches.

2. Select **Open** to work on the file now or **Save** to copy the payment batch .csv file to another location.
3. If you want to perform this at the resource level, you can view the paysheets first, click the Paysheets icon, and then click **Export**.

To get the resource payment detail information, click the Detail icon. You can then export the details to a .csv file if needed by clicking **Export**.

Pay Groups, Payment Plans, and other Setups

Resources must be assigned a pay group and optionally can be assigned a payment plan. You can pay by transaction or by summary. These three setups are discussed below.

Pay Groups

In order for resources to receive payment, they must be assigned to a pay group and a compensation plan that are effective for the period for which the payment batch is created. This is how the application determines if a resource is qualified to receive compensation.

To create a pay group, a Compensation Manager or Compensation Analyst can navigate to Maintain Pay Groups > Create.

See Assign Pay Groups, page 4-5 to assign a pay group to a resource or a role.

Payment Plans (Draw)

The resource optionally can be assigned a payment plan, which is used to control how much of the resource's earnings are paid in each payment batch. Some payment plans contain minimum or maximum amounts per compensation period. Minimum amounts (draws) are used to pay resources compensation during periods in which they do not earn substantial compensation, and maximum amounts (caps) are used to reduce payment when a resource earns more compensation than they can be paid.

Minimum amounts may be recoverable or nonrecoverable. Recoverable payments need to be paid back, but nonrecoverable payments do not. The payback by the resource can be scheduled and limited in various ways. Overpayments can be carried forward or waived with the Pay Later feature.

The Plan Administrator creates payment plans. The Compensation Manager or Compensation Analyst can assign the payment plan to the resource in the same way as the pay group is assigned. See Assign Payment Plans, page 4-10 for details.

All calculations for all resources for which you want to pay compensation must be completed for the appropriate date range before you can begin creating a payment batch. Calculation creates the compensation amounts for transactions and updates the compensation due amounts. The Payment process then uses these amounts to populate

the payment amount for each resource. If any adjustments are made later, they will be resolved the next time a payment batch is run.

Pay by Transaction or by Summary

Using the Pay by Transaction profile option, you can set up the application to pay by transaction or by summary. If you set the profile to Yes (Y), each transaction appears as a separate line on the resources' paysheets. If you set the profile to No (N), then the application aggregates the transactions for the resource at the plan element level.

Each payment method has advantages and disadvantages. Pay by Summary is easier and faster, because the number of lines in the payment batch is much smaller. However, paying by summary gives you a less detailed view if you plan to hold transactions for payment later. Also, if you plan to send the payments out to an external system, the level of detail might be needed by the product summary, in which case the summary method will not provide enough detail.

Whether you decide to use Pay by Summary or Pay by Transaction, you should carefully consider which one works best with your business processes before selecting a setting during implementation. After a payment batch has been paid, the setting cannot be changed from Pay by Summary to Pay by Transaction. This setting should be determined during implementation and prior to end-to-end testing. For optimum performance, you should not change the setting.

If the Pay by Transaction profile is set to No, the transactions are summarized at the plan element level. Because payment recovery is set at the resource level, when a payment recovery appears on the Payment Transactions page, the Plan Element field is not populated.

The Payment Administrative Hierarchy must be set up in order to pay a payment batch.

Payment Administrative Hierarchy

The paysheet lifecycle, as defined previously, is as follows. A Compensation Analyst reviews the pay worksheets for his resources that are assigned to him. He makes any adjustment, adds note to the worksheet explaining the adjustments, and when satisfied, he locks the paysheet and submits it for approval by the Compensation Manager.

Before the payment batch can be paid, all paysheets must be in the approved status. The approval hierarchy is created in Resource Manager. It defines who has approval rights and the ability to edit the paysheets. As with any Resource Manager hierarchy, it is built utilizing groups, roles, and resources. The group usage necessary to build the hierarchies is Sales Compensation Payment Analyst.

There is a profile, OIC: Enforce Payment Worksheet Approval, that determines whether the approvals are required or not. If the profile is set to N, the system takes care of the status change.

Oracle Incentive Compensation uses a Payment Administrative Hierarchy to define the

relationship between Compensation Analysts and Compensation Managers. A Compensation Analyst must be assigned a role within this hierarchy in order to access the payment hierarchy.

The Compensation Manager normally is placed at the top of the hierarchy, at the root node. Anyone with Compensation Manager responsibility who is a manager member of the Payment Analyst Hierarchy can freeze and pay payment batches, although typically a single user is assigned the task of actually paying the payment batches.

Compensation Analysts can only access paysheets for resources assigned to them and for resources not assigned to any Compensation Analyst (unassigned resources). Compensation Managers can access paysheets for resources assigned to them, resources assigned to any Compensation Analyst beneath them in the pay hierarchy, and any unassigned resources.

Use the Sales Compensation Payment Analyst role type whenever you define a Compensation Analyst in Resource Manager for use in Oracle Incentive Compensation.

Resources that belong to groups with a usage of Sales Compensation Payment Analyst should be assigned only to a Sales Compensation Payment Analyst role, and they should not be given salesrep numbers. A resource cannot be assigned to both a Sales Compensation Payment Analyst role and to a Sales Compensation role.

Analysts that were defined prior to this release that use a Sales Compensation role should have that role and group member role removed and be assigned the Sales Compensation Payment Analyst role.

See Approving Paysheets, page 7-23 for details on the steps used by a hierarchy to approve a payment batch.

Payment Batch Security Access

Below is a list of security access for the Compensation Manager and the Compensation Analyst. Security access can also be configured to match your requirements. For example, you can create a new responsibility that allows the Compensation Analyst to create payment batches but not to pay them. The list below does not display entire list of security functions.

Action	Compensation Manager	Compensation Analyst
Create Payment Batch	Yes	No
View Payment Batch	All Payment Batches	All Payment Batches
Delete Payment Batch	All Payment Batches	No
Freeze Payment Batch	All Payment Batches	No

Action	Compensation Manager	Compensation Analyst
Unfreeze Payment Batch	All Payment Batches	No
Refresh Payment Batch	All Payment Batches*	No
Pay Payment Batch	All Payment Batches	No
Create Paysheets for Payment Batch	All Payment Batches*	No

All Payment Batches: The user can perform the action on the payment batches if the status of the payment batch allows it.

* For a payment batch level action such as Refresh Payment Batch or Create Paysheets for Payment Batch, the user can refresh or create paysheets for all resources included in the pay group, not only for the resources to which the user has access.

Payment Batch Status/Action Matrix

Based on payment batch status, only certain actions can be performed in the payment batch. The table below shows those actions for unpaid, frozen, and paid payment batches.

Action	Unpaid	Frozen	Paid
View Payment Batch	Yes	Yes	Yes
Delete Payment Batch	Yes**	No	No
Freeze Payment Batch	Yes	No	No
Unfreeze Payment Batch	No	Yes	No
Refresh Payment Batch	Yes	No	No
Pay Payment Batch	Yes	Yes***	No
Create Paysheets for Payment Batch	Yes	No	No

** A payment batch can be deleted only if all of the paysheets in the payment batch have the status of Unpaid.

*** Only if the Profile OIC: Validate Worksheet Status is set to No.

Paysheet Status/Action Matrix for Unpaid Payment Batches

The table below describes the actions that can be performed on paysheets with the status of Unpaid, Locked, Submitted, and Approved in unpaid payment batches.

Action	Unpaid	Locked	Submitted	Approved
View Paysheet	Yes	Yes	Yes	Yes
Update Paysheet (Calculated, Manual Payment)	Yes	No	No	No
Add Notes to Paysheet	Yes	Yes	Yes	Yes
Remove Paysheet	Yes	No	No	No
Lock Paysheet	Yes	No	No	No
Unlock Paysheet	No	Yes	No	No
Refresh Paysheet	Yes	No	No	No
Submit Paysheet	No	Yes	No	No
Approve/Reject Paysheet	No	No	Yes	Yes

Paysheet Status/Action Matrix for Frozen Payment Batches

The table below describes the actions that can be performed on paysheets with the status of Unpaid, Locked, Submitted, and Approved in frozen payment batches.

Action	Unpaid	Locked	Submitted	Approved
View Paysheet	Yes	Yes	Yes	Yes
Update Paysheet (Calculated, Manual Payment)	No	No	No	No
Add Notes to Paysheet	Yes	Yes	Yes	No
Remove Paysheet	No	No	No	No
Lock Paysheet	No	No	No	No
Unlock Paysheet	No	Yes	No	No
Refresh Paysheet	No	No	No	No
Submit Paysheet	No	Yes	No	No
Approve Paysheet	No	No	Yes	No
Reject Paysheets	No	No	Yes	Yes

Creating a Payment Batch

In order to be paid, a resource must be created in Resource Manager, be assigned to a pay group, and be assigned a compensation plan.

From the Payment Batches page you can create a new payment batch or drill down on an existing payment batch to see information about it on the Payment Batch Summary page. From that page you can drill down to see paysheet details for individual resources.

Navigation

Compensation Manager > Maintain Payment Batches > Create

Notes

- All is the default incentive type.

- Create a separate payment batch for each pay group. To set up pay groups, select Maintain Pay Groups from the Tasks menu. See Pay Groups, page 7-5.
- You can only have one open payment batch per pay group at any one time. The application will not allow you to create a new payment batch until the status of any previous payment batches for the pay group is Paid.
- You can only create payment batches for the last period paid or a future period. After you have paid a payment batch for one period you cannot go back to the previous month to create a payment batch for the pay group.
- It is possible to have more than one payment batch for the same pay group in the same period as long as you have paid the first one. This is known as an off-cycle payment.
- The pay date of the payment batch must be within the mapping date range of the pay element and the plan element for the pay element name to be displayed on the Transactions page.

Create Paysheets for a Payment Batch

You can create paysheets for the resources in a payment batch by selecting All Resources in Pay Group when you define your payment batch. This method uses a concurrent request to create worksheets in mass for all resources that are on a payment batch. You can also create paysheets for specific resources that you choose.

In case you need to add a resource to a payment batch individually, click the View Paysheets icon next to the payment batch on the Payment Batches page. Then, click the Add Resources button.

Viewing and Changing Existing Payment Batches

Besides creating new payment batches, you can view and change existing payment batches.

The Payment Batch Summary page contains useful information for Compensation Managers and Compensation Analysts. This includes the Paysheet Status, Top Paysheets, Top Transactions, Payment Batch History, and a link to view individual paysheets. The ability to export terminated resources information can be helpful in assuring that all payments are made promptly to departed resources. See Using the Payment Batch Summary, page 7-13 for more information.

Navigation

Compensation Manager > Maintain Payment Batches

Steps:

1. Query for a payment batch.

You can click **Save Search** to create a view, or custom search.

2. For unpaid payment batches, check the box in the Select column if you want to perform an action. Then, select an action from the Actions drop-down list and click **Go**.
3. Click the link in the Name column to go view the Payment Batch Summary.
4. Click the View Paysheets icon to go to the Paysheets: <payment batch name> summary page. Many actions can be performed on this page. See Working with Paysheets , page 7-14 for details.

Restrictions

If you are logged in as a Compensation Manager, the Analysts Payment Batch Total column displays the sum of the payments that roll up to you from resources assigned to you and from resources assigned to Compensation Analysts assigned to you. If the Manager is at the top of the Payment Analyst Hierarchy then the total amount columns will be identical.

The Payment Batch Total field displays the total amount of the payment batch. If you are logged in as a Compensation Manager, the fields display identical amounts, because you are at the top of the hierarchy.

The Payment Batches page can be sorted in ascending or descending order on any column except for Paysheets.

Creating a Personalized View for Payment Batches

The Payment Batches page uses the same Simple Search and Advanced Search features as are used throughout Oracle Incentive Compensation. Using those searches, you can configure the display of payment batches to suit you. And you can also create a personalized view that displays your specifically required payment batches automatically. To create or edit a view, click the Views button. Select an existing view to edit or leave the field blank to create a new view. Click Personalize.

When you are editing a view, open after you make changes, save it with the same name. When creating a new view, save your changes with a new name.

If you want to base a new view on an existing view, duplicate the existing view. Be sure to rename the new view.

If you select Yes for Display View, the view will appear in the Views drop-down list.

In the Attribute Properties area, all columns can be removed except for Operating Unit.

You can order the columns the way you want, and you can also rename any column in your personalized view. You can set the number of rows that you want to display. However, you *cannot* change the number of rows that are displayed in any saved search that is seeded data unless you personalize the region using the framework's personalization.

Check the Set as Default box if you want your new view to be the default selection on the Payment Batches page.

Using the Payment Batch Summary

The Payment Batch summary incorporates bins that display worksheet status, Top Worksheets, Top Transactions, and Terminated Resources. There is also a Payment Batch History, which documents any changes of status made to the payment batch, along with date and user information. The bins use icons to enable one-click access to detailed information for the individual paysheets and transactions. A graph area displays paysheet information at a glance.

This information helps Compensation Managers see the progress of their reporting analysts, so they can contact the Compensation Analysts to be sure they submit their paysheets in a timely manner.

Navigation

Compensation Manager > Maintain Payment Batches > Name link

Notes

- In the Paysheet Status bin, if there are no paysheets in a particular status, no row is displayed. For example, if the payment batch contains only Approved worksheets, that is the only row that appears.
- The Percentage column shows the percentage of the total paysheets represented by that status. For example, if there are 8 paysheets and 2 of them are unpaid, the number in the Percentage column is 25%.
- The bar graph displays the amounts of the paysheets by status. This display gives the relative amounts of the total worksheets in each status at a glance.
- The Top Paysheets bin lists the top five paysheets by descending payment amount. Click the Details icon to view the specific paysheet.
- The Top Transactions bin lists the top transactions by descending payment amount. Click the Details icon to see the specific paysheet.
- The Terminated Resources area displays resources that have been end dated in Resource Manager within the date range of the pay period. You can export this data for review. Click the Details link to see a resource's paysheet.

Working with the Paysheets Summary Page

The Paysheets summary page is the entry point for viewing and performing actions on paysheets. This view provides analysts and payment managers summary information about the breakdown of earnings for each paysheet. The Compensation Manager or Analyst can remove, refresh, lock, unlock, and submit unpaid paysheets. The Compensation Manager can also approve and submit paysheets.

The Oracle Incentive Compensation search capabilities include a simple search, the more detailed Advanced Search, and the ability to create personalized views, which you can set as the default search.

The paysheets that are available to you are defined by your position in the payment hierarchy and your Oracle Incentive Compensation responsibility. For example, a Compensation Analyst who is a member of the Payment Analyst Hierarchy cannot approve or submit paysheets. He can however, modify, lock and submit paysheets for those resources who are assigned to him via Resource Manager.

On the Paysheets summary page, you can click the Detail icon to go directly to the individual paysheet for a resource. On the paysheet you can see the calculated and manual transactions are listed in separate tabs. You can also view any notes relating to the paysheet.

For the listed resources, the Paysheets summary displays earnings and adjustments. Original earnings and subsequent adjustments are shown, as well as the amount that would be paid according to the payment plan, including payment and recovery adjustments. The Total Paysheet Amount is the final payment figure, after all earnings and adjustments are considered.

Navigation

Compensation Manager > Maintain Payment Batches > Paysheets icon

Working with Individual Paysheets

A paysheet displays the details of the total payment amount for an individual resource. It comprises manual payments and calculated payments.

Manual payments are not part of a compensation plan. Calculated payments use transactions, applied to a compensation plan. You can adjust bonus and commission amounts using the paysheet.

You can make a manual pay adjustment to a paysheet. This is an additional amount that reduces or increases the total payment amount on the paysheet. The amount can be made recoverable during the next payment that is created. The manual adjustment must be associated with a plan element so that the recoverable amount will be associated with a payment group code. This code identifies which earnings should be used for recovery. If the manual pay adjustment is not recoverable, it will not be owed by the resource at a later date and will not show up in the balances. To make an

adjustment recoverable, check the Recoverable box on the manual pay adjustment line.

Payments may need to be adjusted for one of the following reasons:

- You want to pay a different amount from what was calculated.
- You want to make a payment for a future transaction.
- The resource is receiving a bonus.
- Any other reason as indicated in the comments in the Notes.

A resource may be assigned to an analyst on the Resource screen in Resource Manager, but it is not required. If a resource is assigned to a Compensation Analyst, the analyst's name appears on the worksheet. A Compensation Manager can view information only about resources assigned to the Compensation Analysts who report to him or her, and can also view unassigned resources when the Unassigned Resources box is checked. A Compensation Analyst can work only on worksheets assigned to him or her or that are unassigned.

Navigation

Compensation Manager > Maintain Payment Batches > Name link > Paysheets Detail > Detail icon

Steps:

1. Check the Notes subtab to enter comments into the Notes area. These notes can be read later to explain any changes you make to the paysheet.
2. To add a manual payment:
 1. Click the Manual Payments subtab.
 2. Add a row.
 3. Select a plan element name. The list includes any plan elements that are in the resource's compensation plan.
 4. Check the Recoverable box if you want the payment to be recoverable from future earnings.
 5. Enter a payment amount.
 6. Click **Apply**.
3. To manually adjust a payment amount for a calculated payment, click the Calculated Payments subtab and click Transaction Details. The Transaction Details button only appears if the Pay By Transaction profile is set to Yes. If it is set to No, then you must adjust at the Plan Element level.

4. Enter the amount in the Payment Amount column for the transaction line and click **Save**.
5. To hold a transaction and pay it in a future payment batch, on the Payment Transaction page check the Payment Hold box next to a transaction and click **Save**.

You can hold or release all transactions at once. The Hold All/Release All button starts a concurrent request. While the job is processing the paysheet will have a status of Processing. While processing, no other actions can take place in the payment batch.
6. On the paysheet, If you waive recovery the resource does not have to pay back any payment received from a payment plan.
7. After making any changes, lock the paysheet. This must be done before submitting the paysheet for approval by the Compensation Manager, and to prevent the data from being changed.

Restrictions

The Pay Element Name fields are populated for transactions for which the plan element is mapped to a pay element for use in integration to Oracle Payroll.

When you hold a transaction it is taken out of the paysheet and is not paid in the current payment batch. It can be paid in a future payment batch.

If the Pay by Transaction profile is set to Yes (Y), every transaction is listed on the paysheet, and the plan element and pay element can be displayed.

If the Pay by Transaction profile is set to No (N), the compensation amounts are summarized at the plan element level. Therefore, the pay element name is displayed against the plan element name on the Payment Transactions page, if the mapping exists and the payment batch date falls within the mapping date range. But, in the case of a payment recovery, the amounts are aggregated at the resource level and distributed at the plan element level, so the pay element is listed but the plan element name is not displayed.

In the Calculated Payments area, the Calculated Amount column displays the total amount calculated for the resource at the time calculation was run. The Payment Difference column displays the difference between the Calculated Amount and Payment Amount, if any, for unpaid transactions.

Any changes to transactions will affect the total payment amount to the resource. Values other than '0.00' indicate that the earnings captured by the paysheet are not the most current for the resource. A paysheet refresh obtains the most up-to-date compensation data.

Creating a Personalized View for Paysheets

You can create a custom search for paysheets that you access frequently. You can set the search as the default if you want those paysheets to be displayed automatically when the Paysheets page appears.

This process works the same as creating a personalized view for payment batches. See *Creating a Personalized View for Payment Batches*, page 7-12.

Payment Hold at the Transaction Level

During the payment interval of the commissions cycle, Compensation Manager or Compensation Analyst can hold a specific transaction for payment in a later payment batch. Reasons for payment holds include:

- Incorrect revenue recognition
- Credit holds
- Company policies, such as holding high commissions

After a transaction has been identified to be held and not paid within a payment batch, it may take considerable time to remedy the issue. Therefore, a held transaction may need to span multiple payment batches. Held transactions stay in a held status until they are manually released, so Compensation Managers and Analysts do not have to worry about the transaction being paid.

The Payment Hold box on the Payment Transaction page must be checked and the database must be updated. The system-generated note is attached to the paysheet and the box remains flagged until it is manually changed to release the hold. After a transaction is held, the amount is removed from the earnings and the paysheet total.

On the Paysheets summary page, the Held Amount column displays the aggregated amount of held transactions from the current payment batch, including any manual adjustments made specifically to held transactions in the Payment Amount field of the Payment Transaction page. As transactions are held and released, the total in the Held Amount column reflects the changes.

A held transaction affects the paysheet totals in many ways. First, the held amount is removed from the Paysheet Earnings column and is placed into the Held Amount column. If the transaction was adjusted before the hold was made, then the adjustment is removed from the Adjusted Amount column and is placed into the Held Amount column. Finally, the held amount is considered in payment plans only if the paysheet is refreshed or the payment plan is reapplied. When a held transaction is released from its hold, the reversal of the aggregate totals occurs.

After the payment batch has been paid, all of the payment batch information becomes static. The Paysheet summary retains the Held Amount value along with the other

standard summaries. However, the held transaction does not appear on the Payment Transaction page as it was not included in the payment batch.

Basic Hold Example

This simple example uses two transactions to show what happens when one transaction is held and paid in a subsequent payment batch. The example displays only the table columns that are relevant in the example.

In the January 07 payment batch, there are two transactions with calculated amounts of \$5 and \$7. The Payment Transactions page displays the calculated amounts and the payment amounts as the same; the payment difference is 0. In the Held Transactions column, N = No and Y = Yes.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	5	0	5
2	N	7	0	7

The Paysheets summary for this payment batch shows the aggregated transactions, in the amount of \$12 in the Current Earnings Due, Paysheet Earnings, and Total Paysheet Amount columns, as follows:

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Total Paysheet Amount
12	0	0	12	12

The Compensation Manager or Analyst holds the second transaction, for \$7, by checking the Hold box next to it on the Payment Transaction page. The N in the Held Transaction column changes to Y.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	5	0	5
2	Y	7	0	7

The Paysheets summary still displays \$12 in the Current Earnings Due column, but also an amount of \$7 in the Held Amount column, and the remaining \$5 in the Paysheet Earnings and Total Paysheet Amount columns.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Total Paysheet Amount
12	0	7	5	5

The payment batch is locked and paid. If you drill down on the Total Paysheet Amount for the Jan 07 payment batch, the held transaction no longer appears on the Payment Transaction page.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	5	0	5

For the next payment batch, February 07, there are no new transactions. However, the held, unpaid transaction appears on the Paysheets summary in the Held Amount column.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Total Paysheet Amount
7	0	7	0	0

When you drill down on the total worksheet amount column, the held transaction displays on the Payment Transaction page.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
2	Y	7	0	7

If the hold on the transaction is released, the amount appears in the Calculated Amount and Payment Amount columns and is paid by the payment batch. If the transaction is held, then the amount carries over to the next payment batch and no payment on the transaction is made.

If you make an adjustment to a transaction and then hold the transaction, the amount of the adjustment is populated in the payment amount column when the hold is released and the transaction is paid in a payment batch.

Adjust and Hold Example

In the example below, you can see what happens to the Paysheets summary and the Payment Transactions pages when a payment analyst adjusts and then holds a transaction.

First, the Compensation Manager or Analyst creates a payment batch. This payment batch has current earnings due of \$5.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
5	0	0	5	0	5

The Payment Transactions page shows the two transactions that relate to this payment batch.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	3	0	3
2	N	2	0	2

Now, an adjustment is made to transaction 2, adding \$2. You can see the \$2 added to the Adjusted Amount column in the Paysheet Summary and the Total Paysheet Amount is now \$7.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
5	0	0	5	2	7

On the Payment Transactions page, for transaction 2 the Payment Difference column shows the added \$2 and the Payment Amount column grows to \$4.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	3	0	3

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
2	N	2	2	4

Now, the Compensation Manager or Compensation Analyst holds transaction 2. The Paysheets summary displays the held amount, and the paysheet earnings and total paysheet amount are reduced by that amount. The adjusted amount returns to 0.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
5	-2	4	3	0	3

On the Payment Transactions page, the N (No) in the Held Transactions column becomes Y (Yes).

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	3	0	3
2	Y	2	2	4

Now, when payment batch 1 is paid, the total worksheet amount of \$3 is paid. The held amount remains \$4.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
5	-2	4	3	0	3

The Payment Transactions page now displays only transaction 1.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
1	N	3	0	3

The Compensation Manager or Compensation Analyst creates a second payment batch. There are no incremental earnings, so only the held transaction is displayed, in the Current Earnings Due and the Held Amount columns. The Total Paysheet Amount column displays 0, and there are no paysheet earnings.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
2	-2	4	0	0	0

The Payment Transactions page shows transaction 2, just as it was when it was held.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
2	Y	2	2	4

When the held transaction is released, the \$4 moves from the Held Amount column to the Total Paysheet Amount column. The Paysheet Earnings and Adjusted Amount columns now show the original earnings and adjustment amounts.

Current Earnings Due	Earnings Difference	Held Amount	Paysheet Earnings	Adjusted Amount	Total Paysheet Amount
2	0	0	2	2	4

On the Payment Transactions page, the Y changes to N as the transaction is no longer held and is set to be paid.

Transaction	Held Transaction	Calculated Amount	Payment Difference	Payment Amount
2	N	2	2	4

Note: The example works the same way even if the adjustment is made after the transaction is held, in reverse order from the example.

Approving Paysheets

After a payment batch has been created, the paysheets in it must be approved by the Manager in the Payment Administrative Hierarchy. As paysheets are approved, records are created and stored.

The table below lists four different Paysheet Status types, with a description:

Worksheet Status	Description
Unpaid	When a paysheet is created but before it has been through the approval process, its status is Unpaid.
Locked	After reviewing a paysheet and making any adjustments, the Compensation Analyst locks it to prevent any changes before submitting it to the Compensation Manager. If the paysheet is unlocked, the status resets to Unpaid.
Submitted	After the Compensation Analyst submits a paysheet for approval by the Compensation Manager, its status changes to Submitted. Paysheets must be locked before they are submitted.
Approved	The paysheet has been approved by the manager and has been submitted for payment. That person, whether the approver or a higher level manager, pays the payment batch after all of the paysheets are approved.

Submitting a Payment Batch for Payment

After all the paysheets have been approved the Compensation Manager can submit the

payment batch for payment.

There are two methods to submit a payment batch for payment:

- A Compensation Manager can go to the Payment Batches page, check the Select box next to the unpaid payment batch, and select Pay from the drop-down list. Or, on the Payment Batch Summary, he or she can select the Pay button. Either of these actions invokes an online process, which is best suited to processing small payment batches.
- The second method of paying a payment batch is to create a concurrent request, which can be scheduled to run immediately or to be run later using the scheduler. This method is better for processing large payment batches. For this second method, navigate to Requests > Schedule, choose the Pay Payment Batch job and then select the Operating Unit to which the job applies. In step two, choose the payment batch for which you want to schedule the job and continue through to Apply.

When performing multiple actions on a payment batch or a paysheet, the selected records are processed one by one. If an operation on any payment batch or paysheet fails, the process stops and the action rolls back completely. A payment batch must be run in its entirety, including all paysheets. To process the payment batch, you need to find and fix the problem and then perform the action again on all of the originally selected records.

When the first payment batch is paid in a period, the data is transferred to Payroll successfully if Oracle Integration is set up and used. For an off-cycle payment batch, after you pay the payment batch from Oracle Incentive Compensation and before you validate the BEE batch, you must change the "Action if Entry Exists" from "Reject Entry" to "Create New Entry" in the Batch Control and save the record before proceeding with the validation process. To ensure that payment batches are automatically accepted by Payroll whether for regular period payments or off-cycle, change the setting of the profile option OIC: Approve or Reject Duplicate Payment Transactions. To allow multiple payments to the same pay element in the same period, change the profile setting from Reject (the default setting) to Insert (create new entry) or Update (change existing entry), based upon your business needs. After a payment batch is paid in Oracle Incentive Compensation it cannot be repaid. If the receiving system rejects the payments, then the payments will need to be re-entered into Payroll manually.

Payment Review with Example

After calculation is complete, payment batches are created either by using the Run Create Paysheets Concurrent Process or by clicking the online Apply button when the payment batch is created. The payment batch is opened and Compensation Analysts begin reviewing the commission information for resources assigned to them. Compensation Analysts can drill down and view paysheet details by clicking the Detail icon in the paysheet summary or search. There, they can see the resource's overall performance to quickly verify that the overall earnings match what the resource is

supposed to receive. On the Paysheet detail page, Compensation Analysts review the resource's commission (summarized by plan element), payment plan adjustments (draw and cap) and manual adjustments. If the system is set up to Pay by Transaction, a "Transaction Detail" button is displayed and the Analyst can query transactions applicable to the paysheet and adjust or hold at the line level.

If a Compensation Analyst decides that some adjustments are necessary, he can make manual adjustments to the payment amount. These adjustments can be:

- Adjustments to earnings
- Manual pay adjustments
- Waived recoveries
- Held transactions
- Payment plan additions

While the payment batch is open, compensation recalculation may take place if some transaction adjustments were not loaded for the current or a prior period. To compensate for this, Compensation Analysts can selectively refresh paysheets. This lets the Compensation Analyst include changes for resources that need it while preserving the comments and manual adjustments that they have already made for the resource.

For example, a paysheet is created for a resource with a payment plan for \$1,000. If the resource's earnings are \$600, then the payment plan adds \$400 to bring the total to \$1,000. However, after transactions are recalculated for the resource, the earnings are reduced to \$450. If the payment plan is reapplied during a refresh, the amount of the plan increases from \$400 to \$550 to compensate for the lost earnings and keep the total at \$1,000. If the refresh is not applied, the original amounts remain unchanged.

In a similar scenario, a paysheet is created for a resource with a payment plan of \$1,000. The earnings are \$600 and the payment plan adds \$400 to bring the total to \$1,000. For this resource, a manual transaction of \$200 is made. The transactions are recalculated and the total earnings are reduced to \$450. In this case, the manual pay adjustment is added to the \$450 earnings, so after the refresh, the payment plan amount is reduced to \$350 so the total can be \$1,000. Without the refresh, the original amounts stay the same.

The Payment Difference column on the Paysheet: <payment batch name> search page makes it easy for Compensation Analysts to see which resources have a payment difference because of a compensation recalculation.

After the Compensation Analysts are finished examining and verifying a resource's data, they can click Lock Paysheet to put the paysheet in Locked status. Then, they submit the paysheet for approval by the compensation manager, which puts the paysheet in Submitted status. Locking the paysheet preserves the information on it in the event that the Compensation Manager later performs a refresh at the payment batch level. In that case, any locked paysheets are not refreshed. A paysheet can be unlocked by the Compensation Analyst. This puts the paysheet in Unlocked status.

The Compensation Manager reviews all of the details pertaining to the paysheet and then approves it or rejects it, adding comments if desired. When a Compensation Manager rejects a paysheet, it returns to Unpaid status. Any comments added during the approval process are maintained for future reference.

When all the paysheets for the payment batch are approved by the Manager, the Compensation Manager submits the payment batch for payment. The paysheet status then changes to Paid. If the Manager freezes the payment batch, no changes can be made to the paysheets by Compensation Analysts.

Creating Resources, Roles and Groups

This chapter covers the following topics:

- Define Resource Groups (Compensation Groups)
- Defining Roles
- Defining Resources
- Setting Up Payees
- Setting Up Resources for Team Compensation

Define Resource Groups (Compensation Groups)

Compensation Groups are defined in Resource Manager. The Compensation Manager and Compensation Analyst can access Resource Manager by using the Resource Management section of their menus. For detailed information, refer to appropriate sections of the Oracle *Common Application Components Implementation Guide* (Implementing Resource Manager) or Oracle *Common Application Components User Guide*.

Defining Roles

In Oracle Incentive Compensation, compensation plans are assigned to roles, and resources are assigned a role. A Role may encompass one or more job descriptions and job titles. Within the role type used for Oracle Incentive Compensation, roles are assigned to resources, resource groups and resource teams. Oracle Resource Manager is delivered with predefined roles for all E-Business Suite modules, including Oracle Incentive Compensation.

Roles in Oracle Incentive Compensation must be the Sales Compensation type in order to be assigned compensation plans and pay groups. The Sales Compensation usage type must be used when creating user-defined roles to be used in Oracle Incentive Compensation. The Compensation Manager and Compensation Analyst can define roles in Resource Manager by using the Resource Management section of their menus.

Before a resource can be assigned a role, the resource must be given a Sales Rep Record. See the Managing Roles and Role Types chapter in the *Oracle Common Application Components Implementation Guide* for the steps for this procedure.

Sales Compensation Payment Analyst Role Type

Use the Sales Compensation Payment Analyst role type whenever you define an analyst in Resource Manager for use in Oracle Incentive Compensation.

Users that belong to groups with a usage of Sales Compensation Payment Analyst should be assigned only to a Sales Compensation Payment Analyst role, and they should not be given salesrep numbers. A user cannot be assigned to both a Sales Compensation Payment Analyst role and to a Sales Compensation role.

If you have analysts that were defined prior to this release that use a Sales Compensation role, remove that role and group member role and assign the Sales Compensation Payment Analyst role.

Defining Resources

Resources are created in or imported into Resource Manager. For Oracle Incentive Compensation, the resource must have a Sales Rep record to be assigned to a compensation plan. This record is located on the Receivables tab in Resource Manager or on the Resource tab within the 360 degree view of the resource in Oracle Incentive Compensation. Be sure to enter a Start Date in the Date Active field and Quota Sales Credit as the Sales Credit Type when creating the Sales Rep record.

For details, refer to appropriate sections of the *OracleCommon Application Components Implementation Guide* (Implementing Resource Manager) or *OracleCommon Application Components User Guide*.

Setting Up Payees

You can create a Payee if you want to assign payment to someone other than the resource receiving the sales credit. For example, use payee assignment if a credit receiver leaves the company and a new resource takes over the account.

Navigation

Compensation Manager > Resource Manager > Resources

1. Select the resource you wish to have as a payee in Resource Manager.
2. Assign the Payee role (with type Sales Compensation) to the payee/resource in Resource Manager. Before being assigned the Payee role, the resource must have a Sales Rep Record as well in Resource Manager.
3. Assign a pay group to the payee in Oracle Incentive Compensation.

4. Be sure that the plan element has the Paid Through Third Party option set to Yes.
5. In the Plan Setup for the resource in the 360 degree view of the resource, select the plan element and assign the Payee using the LOV in the Payee region. The start and end dates of the Payee assignment must fall within the plan element dates as well as the Pay Group date assignment for the Payee.

Setting Up Resources for Team Compensation

You can use Resource Manager to define resource teams that are recognized by Oracle Incentive Compensation when calculating compensation amounts for members of a team.

Transactions are typically associated with a single resource but may need to be allocated to every resource within a team. If the resource on the transaction is a member of a team, then Oracle Incentive Compensation automatically calculates compensation for every member of the team. For example, assume Steve is a member of a team consisting of Steve, John, and Bill. A transaction for \$100 is collected into Oracle Incentive Compensation. Steve is entitled to 100% credit for this transaction, but because he is also a member of a team, Oracle Incentive Compensation automatically gives 100% credit to John and Bill as well. As part of the team setup, the plan element used to calculate the team commission must have the Compensation Indirect Credit option set to All.

However, even though team members all receive credit for the transaction, the sales credit rolls up a sales hierarchy only on the original transaction. For example, if Steve, John, and Bill all report to Bob, Bob receives only \$100 sales credit (from Steve). If Steve reports to Bob but John and Bill report to Sally, only Bob receives rollup sales credit. Even if Steve, John, and Bill each have different managers, only Bob receives the rollup sales credit.

Refer to the *Oracle CRM Application Foundation Implementation Guide* for the specific steps necessary for creating a team and adding resources to it.

Reports

This chapter covers the following topics:

- Overview of Oracle Incentive Compensation Reports
- Compensation Group Hierarchy Report
- Transaction Details Report
- Attainment Summary
- Performance Detail Report
- Commission Statement
- Year To Date Summary
- Earnings Statement Report
- Discoverer Workbooks

Overview of Oracle Incentive Compensation Reports

Oracle Incentive Compensation provides seven reports that are used by Compensation Analysts and Compensation Managers to assist in monitoring the processing of transactions.

- Commission Statement
- Earnings Statement
- Year to Date Summary
- Transaction Details Report
- Attainment Summary
- Performance Detail Report

- Compensation Group Hierarchy Report

The first six reports can be accessed from the Compensation tab on the Resource View page. Three of the reports, including the Compensation Group Hierarchy Report, are available directly in the Navigator.

Five reports are used by Incentive Compensation Users and their managers to track their progress towards achieving their sales goals:

- Commission Statement
- Year-to-Date Summary
- Earnings Statement
- Attainment Summary
- Performance Detail Report

A resource can export these reports to a CSV file for use with a spreadsheet program such as Microsoft Excel. Or, the resource can publish the report using XML Publisher.

For all of the self-service reports, RTF Word Templates and data sample files have been delivered. These allow the Compensation Manager to redesign the look and feel of the reports that are published in pdf format, as well as to add and delete columns to suit the company's business needs and data. XML Publisher can be configured to work with Workflow and Concurrent Manager so the reports can be sent out automatically. Reports also can be published in Excel, Word, or plain text.

In addition, ten Oracle Discoverer reports are supplied with this release. Oracle Discoverer is an ad hoc query, reporting, analysis, and web publishing tool. It is tightly integrated with Oracle E-Business Suite Release 12. Oracle Discoverer is useful in Oracle Incentive Compensation for creating, modifying, and executing ad hoc queries and reports. See Discoverer Workbooks, page 9-5.

For some of the reports, when you click the link, a Resource Search page appears. Use search parameters to get to a Resource Search Results page. A few reports display another search parameter page after you make a selection from the Resource Search Results page.

Compensation Group Hierarchy Report

The Compensation Group Hierarchy report displays compensation groups and the resources in each, and also shows the roll up hierarchy of the groups in relation to each other. In the Level column, the number indicates the level in the hierarchy of the compensation group. A Level 1 group is at the top of the hierarchy, and is also at the top of the report.

Transaction Details Report

The Transaction Details report shows transactional details for a specific resource. It is primarily used by Compensation Analysts. The report can be run to show results of any specified period and transaction status. This report allows users to search for and display data for non-direct credit receivers as well as direct credit receivers.

Attainment Summary

The Attainment Summary is a snapshot of salespeople achievement and earnings. Achievements are shown against interval to date quota and annual quota. Earnings totals are broken down by period to date and interval to date. This report was known as the Quota Performance report in previous releases.

Performance Detail Report

The Performance Detail Report provides quota attainment detail not available in other reports. It contains target, attainment, and attainment to target % at the plan element and eligible product level for a resource. It contains a chart that displays total quota to total attainment amounts. The report is accessible by Compensation Managers, Compensation Analysts as well as by Incentive Compensation Users and their managers.

Commission Statement

The Commission Statement report is designed to be easily understood. It includes a Balance Summary that shows balances, earnings, recoverable and nonrecoverable amounts, payment due and ending balance. In the Commission Summary section you can select details for commission, bonus, or payment adjustments. This section also includes a graph.

Resources and their managers can access the Commission Statement report through the following responsibilities:

- Incentive Compensation User (Self-Service)
- Incentive Compensation User (Manager Self-Service)

or by using the Sales Dashboard through the Sales User responsibility in Oracle Sales.

You can select the Compensation Reporting Hierarchy usage in Resource Manager as the Group Usage for all Sales Compensation Groups to determine user access to the Commission Statement report. This usage makes it easier to set up reporting structures so that managers have access to commission statements for the people that report to them. This usage can be set up by the Incentive Compensation Administrator in the

General Parameters area of the Configuration Workbench.

Notes

- If you are logged in as an Incentive Compensation User the reporting currency field automatically defaults to your local currency.
- The Payment Batch list of values is associated with the salesperson selected.
- In the Commissions Summary area, selecting Commission, Bonus, or Payment Adjustments partially refreshes the page, giving you the details associated with the selection.
- In the Commission: Plan Element Details area, select a specific plan element or all plan elements from the View drop-down list. This partially refreshes the page and gives you the details associated with the selection.
- When you click the Export button to download the report information to a spreadsheet, the downloaded report includes all possible columns, not just the ones that are selected for on-screen display.

Year To Date Summary

The Year to Date Summary is an overview of a resource's achievements, commission and bonus earnings and advances or draws.

The figures are grouped by period and by plan element. The Compensation Manager or Compensation Analyst can control which plan element appears as a quota or bonus category by checking the Quota Group box on the Plan Element page. If you check:

- Quota: The plan element name displays in the Quota category.
- Bonus: The plan element displays in the Bonus category.
- None: The plan element name does not display.

The payout section is grouped by earnings type and by period.

Notes

- Any transactions from December must be posted in order to appear in the January summary for the following year.
- To reset the salesrep subledger balances (cn_srp_periods) to zero at the beginning of each fiscal year during calculation and payment, set the Reset Balances Each Year profile option to Yes. If it is set to No, the default setting, the balances carry over across fiscal years. You should decide which option you want to use for carrying forward balances and set it before using the application. If the profile is changed after the application has been used and calculations are run, you must rerun

calculation to synchronize and accumulate the balances.

Earnings Statement Report

The Earnings Statement Report gives you a complete look at all of the transactions for a resource for a selected period. These transactions include both direct credit acquired by the resource as well as indirect credit acquired by the resource through his or her direct reports. The search criteria Period Type and Period are used in conjunction with each other.

- If the Period Type is Period and the Period is Nov-07, then the report will display all transactions for the month November 2007.
- If the Period Type is Quarter and the Period is Nov-07, then the report will display all transactions for the quarter in which November 2007 falls.
- If the Period Type is Year and the Period is Nov-07, then the report will display all transactions for the year in which November 2007 falls.

You can personalize the Earnings Statement Report by creating views. A view can be created by using the Save Search button or by using the Views panel > Personalize > Create View. After you've performed a search in the Earnings Statement Report, if you want to save the result for future reference, a click the Save Search button. This will lead you to the Create View page where you can specify the displayable columns, the sort order and the search criteria. After you have saved this view, you can access it by clicking on the Views button on the Earnings Statement report. It is advisable to create a view which has both Period Type and Period search criteria specified. If only one of these criteria are specified, the application will not take it into consideration.

Discoverer Workbooks

Oracle Discoverer is an ad hoc query, reporting, analysis, and web publishing tool. It is tightly integrated with Oracle E-Business Suite Release 12. Oracle Discoverer is useful in Oracle Incentive Compensation for creating, modifying, and executing ad hoc queries and reports.

Nine predefined Discoverer workbooks are provided in this release. For more information on these reports, see below.

The seeded Discover reports are explained below.

Calculation Batch Process Report

This workbook allows the monitoring and analysis of batch calculation processes as they run.

Compensation Plan Eligible Product Mapping

This workbook shows, for a given effective date, all plan element and revenue class assignments for a compensation plan. The workbook can be used to list eligible products that identify a compensation plan's plan elements that will generate compensation.

Resources Not Validated for Calculation

This workbook checks pay group assignment and compensation plan validity for a specific effective date. There are two worksheets, one for invalid compensation plans and one for resources without a pay group. This report should be run before initiating a calculation batch process.

Resources with Pay Group Assignment Different than Compensation Plan Dates

This workbook identifies resources whose compensation plan assignments are not correlated with their pay group assignments. This report should be run before starting the calculation process.

Earnings Statement Report

This workbook provides transaction details by resource for a specified time period. It can also be run for a specific analyst for a time period to collect all transactions for all analyst resources. All transactions that have been calculated successfully are reported. It displays batch calculation process status.

Transaction Details Report

This workbook provides transaction details by resource for a specified time period. It can also be run for a specific analyst for a time period to collect all transactions for all analyst resources. All transactions are reported irrespective of their status. It displays the same information as the online version of the report.

Formula Definitions

This workbook shows the details of the calculation formula that is associated with a resource's compensation plan. There are two worksheets. One worksheet shows input and output expressions for calculation and another worksheet shows input and output expressions used for forecasting. The worksheets identify all incomplete formulas that have been assigned to resources and also identifies all formulas that utilize a specific expression.

Resource Assignments Overview

This report captures all of the assignments that a resource has: compensation group, role, compensation plan, pay group, analyst, and effective date assignments for resources.

Transaction Status Report

The Transaction Status report enables analysts to obtain transactional data for all of their resources that are in a specific status. From viewing the results of this report, the analyst can then select a single transaction and initiate a query that returns all the records that share the same transaction header ID. This means that the analyst can have a 360 degree view of all reversals, obsoleted transactions, frozen transactions, split transactions, RAM adjustments, and so on, for a single transaction.

Sales Credit Allocation

This chapter covers the following topics:

- Overview of Sales Credit Allocation
- Credit Rules Setup
- Defining, Editing, and Deleting Credit Rules
- Creating Credit Rules
- Editing Credit Rules
- Deleting Credit Rules
- Synchronize the Credit Rules
- Simple and Advanced Rule Searches
- Simple Rule Search
- Advanced Rule Search
- Transferring Transactions to the Sales Credit Allocation Rules Engine
- Processing Transactions in the Sales Credit Allocation Rules Engine
- Using Workflow to Check and Update the Revenue Allocation Percentage

Overview of Sales Credit Allocation

Oracle Incentive Compensation calculates and pays variable compensation to resources using rule-based compensation plans. However, other considerations can make the proper allocation of sales credit a much more complicated matter. Sales Credit Allocation in Oracle Incentive Compensation is an optional method of splitting the sales credit if splits are based upon the role. Territory Manager can be integrated into the Oracle Incentive Compensation collection process to create the credit assignments. See the *Oracle Territory Manager Implementation Guide* and *Oracle Territory Manager User Guide* for more details.

Sales Credit Allocation addresses these considerations:

- At what point in the business process should credit receivers be identified?
- What criteria should be used to determine a credit receiver?
- Can these criteria change over the duration of the activity?
- How is credit allocated?
- Can credit be based on the specific contribution of the resource to the activity?

Sales Credit Allocation automates the credit allocation process by systematically applying a set of consistent rules. This minimizes errors, thereby reducing the time that Compensation Analysts must spend reconciling them.

Because the sales process varies from company to company, Sales Credit Allocation is flexible enough to cover many different scenarios. The Sales Credit hierarchy can be set up to represent any type of organizational structure. Any attribute or combination of attributes found on the collected transaction can be used to identify how the transaction should be allocated (split).

Using the common component, Oracle Territory Manager, credit rules can be based on different types of territories. Territories are assigned to maximize sales force productivity. Territories can be set up according to:

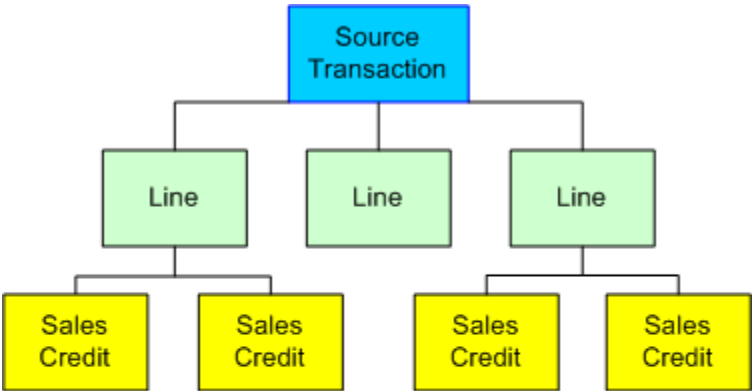
- Geography: For example, state, county, or postal code.
- Customer: Useful when customer relationships are especially important. For example, Acme Computers (one large customer), 25 dealerships (many small customers).
- Product: Useful when strong product knowledge is crucial, for example, in complex industrial machinery.
- Multiple criteria: Combines two or more of the above three territory types. Example: the California (geography) offices of Acme Computer (customer).
- Custom qualifier: Create a custom attribute to be used in identifying a territory assignment.

A territory can have a single dedicated resource assigned to it, or it may have many resources assigned. In other situations, a single resource may be responsible for a single territory or multiple territories. When multiple sales resources are involved, the Territory Assignment engine can be used to determine who receives credit during collection for each transaction, creating multiple lines for the resources identified by the rules. Oracle Incentive Compensation Sales Credit Allocation rules can then be used to determine how much credit each resource receives. Optionally, the split percent can be added to the assignment in Territory Manager, but this involves some customization to the collection process.

The Sales Credit Allocation engine generates percentages based on the credit rules that

you create and based upon the information found on the source data collected into Oracle Incentive Compensation. The Sales Credit Allocation engine does not change the transaction lines themselves or create additional lines for new resources, so the quantity and transaction amounts appear unchanged even if the resource receives less than 100 percent of the sales credit.

Sales Credit Allocation Hierarchy



	<u>Item</u>	<u>Quantity</u>	<u>Transaction</u>
Transaction	Product	100	Amount
Line	A		\$1,000
			0
	<u>Resource</u>	<u>Percentage</u>	<u>Sales</u>
Sales	John	50	Credit
Credit	Smith	%	\$500
			0

The sales credit allocation process is divided into two main areas:

- Credit Rules Setup
- Credit Rules Engine Transaction Processing

Credit Rules Setup

To set up sales credit allocation, you first must create a hierarchy of rules that defines how much credit each resource should receive.

The seeded transaction sources for sales credit allocation are Oracle Incentive Compensation and Oracle Quoting. You can also set up a custom user defined source.

Credit rules are defined by using credit rule attributes, which you set up for each transaction source. You can assign a user-defined name to each attribute. These attributes include:

- Source Transaction Column Name

- User Defined Column Name
- Data Type
- Value Set
- Transaction Source

Credit rules evaluate inputs using attributes found on the transaction to determine if credit should be split between credit receivers. Credit rules also specify the allocation percentage by revenue type (Revenue, Non Revenue) for each role. Each resource that shares a role receives either the allocation percentage or a proportional share of the allocation percentage, depending on how the allocation percentages are defined.

You must assign a numeric rank to credit rules. If a transaction matches more than one rule during processing, the application applies the rule with the lowest rank. If multiple rules with the same rank apply to the transaction, the application uses the first one it finds. Ranking does not have to be unique for each credit rule.

A credit rule hierarchy maintains and links rules in a logical manner. A child credit rule automatically inherits the conditions of the parent rule.

A credit rule consists of the following:

- Name (of rule)
- Description
- Date Effectivity
- Rank
- Parent Rule
- Transaction Source

Credit rule conditions determine whether a credit rule can be applied to a set of transactions. A credit rule can have one or more conditions. Credit rule conditions are made up of the following:

- Attribute
 - Source Transaction Column Name
 - User Defined Column Name
 - Data Type
 - Value Set

- Transaction Source
- Operator
- Value(s)

Allocation percentages indicate how much revenue credit or non revenue credit each resource associated with a role receives. You can assign one or more allocation percentages to each credit rule. Revenue percentages are split evenly among the resources that have the same role. Non revenue percentages can be split evenly or all resources can receive the same percentage. The application requires that revenue allocation add up to 100 percent. You can create, update, or delete allocation percentages, and make them date-effective.

Allocation percentages have the following definition:

- Sales Role
- Revenue Credit Percent
- Non Revenue Credit Percent (optional)
- Non Revenue Credit Split (check box)
- Effective Date

Notes

- The data type of the credit rule attribute must match the data type of the transaction attribute column value or rules engine processing will fail. For example, if the data type in the rule attribute is Numeric, the credit rule condition is Between 100,000 and 200,000, and the transaction attribute value is ABC, the rules engine will reject the transaction, because ABC is not numeric data.
- The rules engine processes transactions in bulk, so the log does not list the specific transactions that caused the failure.

Defining, Editing, and Deleting Credit Rules

To define, edit, or delete Credit Rules, perform the following procedures. A bubble train at the top of the page shows where you are in the definition and editing processes.

A rule must have at least one condition specified on the Assign Conditions page and one date range specified on the Assign Allocation Percentage page.

When you create rules, you can selectively use the Cancel, Back, and Next buttons to navigate from one page to another. Use the Next button to proceed through the normal rule creation and editing processes. Use the Back button to return to the *previous* page without changing any data. Use the Cancel button to return to the *summary* page

without changing any data.

Warning: When creating, editing, or deleting a rule, and after you have made changes to the data, do not use the Back and Forward browser buttons to navigate to the rule summary or search pages. This can cause stale data errors. Instead, use either the Cancel button or the View Full Hierarchy button to return to the Credit Allocation Rules search and summary pages. When switching between a simple and advanced rule search, always use either the Simple Search or Advanced Search navigation the buttons provided. Do not use the Back and Forward browser buttons.

Creating Credit Rules

This is the procedure for creating new credit rules.

Navigation

Plan Administrator > Maintain Credit Allocation Rule Sets

Prerequisites

- ☐ The transaction source must be seeded or previously defined in the CN_LOOKUPS table.

Steps:

1. On the Credit Allocation Rules page, click **View Full Hierarchy** to expose the hierarchy.
2. click **Select** next to the hierarchy node under which you want to add a rule.
Example: Oracle Quoting.
3. Click **Create Child**.

If you do not perform step 2, when you click **Create Child** you will receive an error message and be unable to continue.

4. Enter From and To dates.

If the rule is the child of a parent rule that has an end date, then an end date is required.

5. Enter a name for the new rule.

A rule name must be unique across a transaction source and also cannot be the same as a transaction source name.

6. Enter a rank.

The lower the rank number, the higher priority the rule. So, rank 1 is highest priority. See Restrictions.

7. If you want to change the parent of a rule, select one from the list of values.

8. Click **Next**.

9. Click the search icon to select credit rule attributes.

10. Select credit rule attribute operators.

Only if Between is selected can you enter both a Value From and a Value To.

11. Enter a value in the Value From field and click **Next**.

12. Set up an allocation percentage date range.

Note: If the rule has an end date, then the end date of the allocation is required.

You can define allocation percentages for more than one date range. See Restrictions. **Note:** Date ranges cannot overlap.

13. Click **Apply**.

You can use the new row if you are setting up multiple date ranges. Enter information for the second period of date effectiveness.

14. Select a sales role from the list of values.

Note: Use a Sales type role with Oracle Quoting, which calls the Oracle Incentive Compensation API to create the split. Use a Sales Compensation type role for Oracle Incentive Compensation Transactions.

You can assign multiple roles.

All resources that are assigned the sales role receive sales credit.

You cannot assign the same role more than once in a single date period.

You can assign a role non revenue credit only, without assigning revenue credit.

15. If you want all resources that share the sales role to receive revenue credit, enter a revenue credit percentage.

Revenue credit percentages must equal 100%.

16. If you want all resources that share the sales role to receive non revenue credit, enter a non revenue credit percent.

You can enter a role to receive only non revenue credit.

Non revenue credit does not need to add up to 100%.

17. If you entered a non revenue credit percent, you can check the Non Revenue Credit

Split box to split the non revenue percent evenly between all resources that share the sales role.

If you want all resources that share the sales role to receive the full amount of the non revenue credit, leave the box unchecked.

18. If you made changes in the Revenue Credit Percent or Non Revenue Percent columns, click **Update** to refresh the total amount.
19. If you are defining allocation percentages for more than one date range for the role, repeat the steps to set up the second date range, assign it to the sales role, and indicate sales credit percentages.
20. Click **Next**.
21. Carefully review the information. If it is correct and complete, click **Finish**.

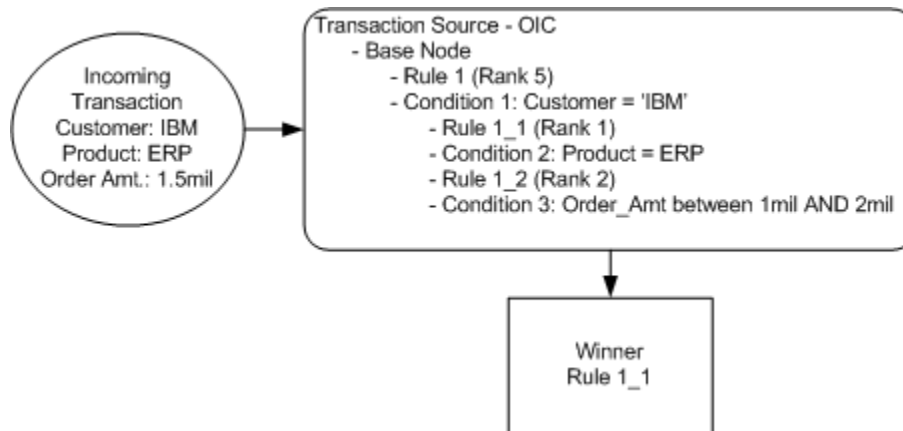
Changes made to a rule on the previous three pages are saved. The Rules Summary page appears, with a confirmation message, and the new rule appears in its place in the rule hierarchy. You can select the new rule and view the four pages that you used to create the rule.

Restrictions

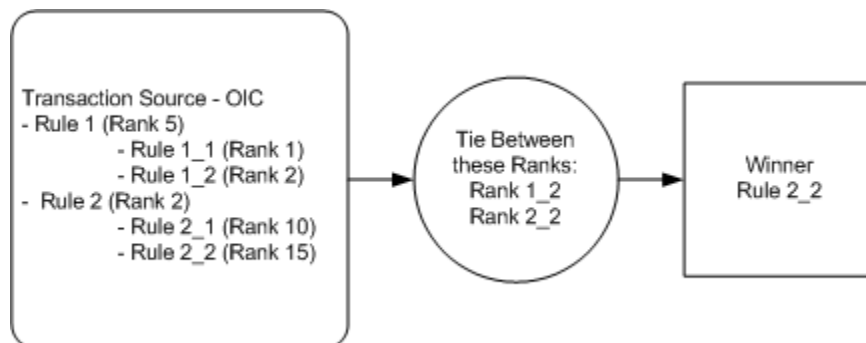
Rank is relative within a hierarchy. If two rules have the same rank but one has a parent with a higher rank, then the rule with the higher ranking parent takes priority. The examples below explain how ranking works.

If a single transaction matches more than one Credit Rule, the Credit Rule with the highest rank (lowest number) is the winning Credit Rule that is applied to the transaction.

If a single transaction matches more than one Credit Rule, and one or more Credit Rules have the same highest Rank, then the first Credit Rule with the highest Rank is the winning Credit Rule that is applied to the transaction. The order of matching Credit Rules with highest Rank is undefined (depends on result set's random order).



In the Credit Rule hierarchy, when child credit rules are inheriting the parent rule conditions, they also inherit the Rank. That means while evaluating a Credit Rule, its parent rule rank is also considered. In the following figure, Rule 2_2 is selected because its parent rule rank is lower than other rule's parent rank.



Editing Credit Rules

You can edit rules that you have already created. The main difference between editing and creating rules is that you use the Update Credit Allocation Rule page instead of the Create Credit Allocation Rule page at the beginning of the process. This page contains the same fields as the Create Credit Allocation Rule page, but they are filled in with data. Instead of clicking Create, you click Update to open the page for edits.

When you are editing rules, unless you know exactly in which node the rule you want exists, you can use the Simple Search and Advanced Search to find it. See Simple and Advanced Rule Searches, page 10-11 for steps to this procedure.

You can change the name, description, rank and the start and end dates of a rule. You can also change the conditions of a rule, including the Credit Rule Attribute, Operator, and Value columns.

Navigation

Plan Administrator > Maintain Credit Allocation Rule Sets

Notes

- If editing credit rules to take effect in a subsequent month, it is a better practice to end date the current rule or criteria and create or update the rules with a new effective date. This way you have a history to use for auditing purposes.

Deleting Credit Rules

You can delete rules if you no longer want them to be used in the Credit Rules Hierarchy. Again, if the rule has been used to calculate commission at some time, it is a recommended best practice to end-date the rule instead of deleting for auditing purposes. You can delete a rule in three places:

- The Credit Allocation Rules hierarchy page
- The Simple Search Results page
- The Advanced Search Results page

The deletion process on each page is the same.

Navigation

Plan Administrator > Maintain Credit Allocation Rule Sets

Prerequisites

- ☐ The credit rule has already been created.

Steps:

1. To delete a rule on the Credit Allocation Rules page, skip to step 4.
If you need to open a hierarchy node to find the rule, click the node containing a plus sign to drill down to greater detail.
2. To delete a rule from the Simple Search Results page, enter search parameters at the top of the Credit Allocation Rules page and click Go. To delete the rule, continue from step 4.
3. To delete a rule from the Advanced Search Results page:
 1. Click the Advanced Search button on the Credit Allocation Rules page.
 2. On the Advanced Search page, select parameters and values.
 3. Click **Search**.

4. To delete the rule, continue from step 4.
4. Click **Select** next to the rule that you want to delete and click **Delete**.
5. Click **Apply** to confirm the deletion or click **Cancel** to cancel the deletion and return to the previous page.

Restrictions

Depending on the type of rule to be deleted (leaf-node rule or parent rule), the dialog page contains a radio button selection. The application provides two types of parent rule deletion--cascading and noncascading. In a cascading deletion, the parent rule and all of its child rules are deleted. In a noncascading deletion, only the parent rule is deleted, and its child rules are promoted to the level of the deleted parent rule.

Synchronize the Credit Rules

Any time you make changes to one or more rules, you must synchronize the rules in the Credit Rule hierarchy. This procedure ensures that when transactions are sent to the Credit Rules Engine they are processed based on the most recent rule conditions. For example, changes to the rank of a rule, or the allocation percentage of a rule must be up to date to deliver the desired results.

The synchronization process has five steps, which enable you to choose when the request runs, what it looks like, and whom should be notified. A request ID is supplied for tracking purposes.

The Transaction Source must be mapped and the Credit Rule hierarchy must be created.

Navigation

Plan Administrator > Synchronize Credit Allocation Rule Sets

Notes

You can synchronize credit allocation rule sets directly from the Credit Allocation Rules Summary page by clicking the Synchronize button.

Simple and Advanced Rule Searches

On Sales Credit Allocation rule creation summary pages, you can perform a simple or advanced search to find and display rules. A simple search can be performed directly on the Sales Credit Allocation main page. The advanced search enables a more detailed search process. Both searches are described below.

Simple Rule Search

If the rule you need is not displayed on the Sales Credit Allocation rules summary page, you can use the simple search at the top of the page to display rules by rule name, sales role, or effective date. In addition, you can access the Simple Search page from the Advanced Search page by clicking the Simple Search button.

Navigation

Plan Administrator > Maintain Credit Allocation Rule Sets

Notes

- If you need to use the Advanced Search, click the Advanced Search button.
- After performing a simple search, you can return to the Credit Allocation Rules summary page by clicking **View Full Hierarchy**.

Advanced Rule Search

If a simple search is not sufficient, use the Advanced Search page to search for rules by any of six parameters.

You can set up a wide search to look for rules that match or are like *any* specified parameter or create a narrow search that looks for rules that match or are like *all* specified parameters. The search results are displayed at the bottom of the page.

If your search results are not what you need, you can change the parameters and rerun the search. Or, you can return to the Simple Search page by clicking the Simple Search button.

Navigation

Plan Administrator > Maintain Credit Allocation Rule Sets > Advanced Search

Notes

- Select a radio button to determine whether the results of the rule search will be filtered based on meeting all conditions or any conditions. The default is All.
- For each of the parameters you can select filters.
- If the table of search results is long, use the Next and Previous buttons to move through the list.
- If necessary, you can change the parameters and rerun the search. Enter the new parameter information or change the existing parameter and click **Search**.
- To use a simple search, click **Simple Search**.

- To return to the Credit Allocation Rules summary page, click **View Full Hierarchy**.

Transferring Transactions to the Sales Credit Allocation Rules Engine

The Credit Allocation Engine determines which credit rules are applied to a transaction and provides the names of eligible credit receivers and the credit rule percentages for those credit receivers based on their roles.

For each transaction, the rules are evaluated to find criteria that match the transactions. Among matching rules, the rules with the highest rank or highest in the hierarchy (lowest number) take highest precedence for evaluation. If multiple rules apply with the same rank, then the rule found first by the application is selected.

Sales Credit Allocation provides a common interface for all calling modules. After the rules engine processes the input transactions and finds the matching rules and percentages, the role and percentage information is loaded into an output interface table, which then can be used by the calling module for further processing.

Loading transactions into the Sales Credit Allocation engine is performed separately from the processing of the transactions. That way, you can load transactions several separate times and then perform the processing later. The credited transactions in Oracle Incentive Compensation cannot be viewed in the transaction maintenance page however, until both processes have been run. The Plan Administrator creates and manages the rules, but the Compensation Manager performs the loading and processing of the transactions.

A filter is provided for processing transactions by date range. The rules engine processes only transactions with a process date within the given date range.

The Transaction Source must be mapped. The Sales Credit Rule hierarchy must be created.

Navigation

Compensation Manager > Allocation Transfer > Submit Request

Notes

- Check the Rerun previous results box if you want to rerun the previous set of transactions.
- After you set up and process the request, you can click **View Log** on the to see the Process Log.
- Click the **Monitor** link to see if the request has completed.
- After the transfer is completed, the Compensation Manager can go to Allocation Process to process the transactions in the Sales Credit Allocation rules engine. Or, you can wait until more transactions have been transferred before starting the allocation process.

- To view the request status of any previously submitted, click **View Request Status**.
- In this release, transactions are loaded into fixed format input interface tables. The CN_SCA_HEADERS_INTERFACE_ALL table holds the transaction data and CN_SCA_LINES_INTERFACE_ALL holds the corresponding resources and their roles.

Processing Transactions in the Sales Credit Allocation Rules Engine

Transactions are processed in either Batch mode or Online mode. Use Batch mode for processing large volumes of transactions. Online mode is best if you want to create a manual transaction and need to find resources and their corresponding allocation percentages in real time.

The two modes use different process flows. To run the Allocation Process step you must schedule a request a concurrent request using the Allocation Process link. The job can be submitted to run as soon as possible or can be scheduled to run at a later time. For online processing, you must call a PL/SQL API.

Sales Credit Rules are specific to each transaction source. The rules engine checks the transaction source for each input transaction.

The following Notes describe the Batch mode of processing transactions in the Sales Credit Allocation rules engine.

At least one transaction, per unique ID, must have a revenue type of REVENUE (meaning that there is revenue credit) in order for Sales Credit Allocation to successfully allocate credit.

Navigation

Compensation Manager > Allocation Process > Submit Request

Notes

- Select the date range through Allocation Process link, then name the job, select the Operating Unit and walk through the regular request pages.
- Seeded transaction sources are Oracle Incentive Compensation and Oracle Quoting. You can also select any previously defined custom source.
- You can click **Monitor** to see the Process Log.
- Click **Refresh Data** periodically until the phase is displayed as *Completed*.
- You can view the status of previously requested credit allocation requests.
- The Sales Credit Allocation engine generates percentages based on the credit rules that you create. In Oracle Incentive Compensation, these percentages are then applied only to sales credit amounts. The percentages are not applied to order line

attributes, such as quantity. However, the generated percentages could be used in a different application for other purposes, such as in an expression applied against quantity.

- Sometimes, the generated percentages may not appear to add up to exactly 100 percent. This is because data that is displayed in the application is rounded to the precision of the currency and does not display the entire precision. However, data in the database is stored in the full precision and does add up to 100 percent. This is the behavior of several number fields in the application and is not specific to Sales Credit Allocation.
- In the case of multiple transactions with identical invoice/order numbers, resource name, and line number, the transaction amounts are aggregated into a single sales credit allocation transaction. Zero amount transactions are created for the other source transactions. To avoid this situation, be sure that line numbers are unique for transactions with the same invoice/order number and resource name.
- You must set up the background workflow process to move the processed credits back into the API table.

Using Workflow to Check and Update the Revenue Allocation Percentage

During credit allocation processing, the credit rules engine checks whether the total output revenue allocation percentage is equal to 100%. If the total revenue allocation percentage is not equal to 100%, then the status of the transaction is updated to REV NOT 100.

These transactions are processed by Workflow based on a system profile value. You can set how you want to handle transactions that are not able to be processed normally.

There are three options provided with the Sales Credit Allocation module.

- **Even Distribution:** The remaining revenue percentage is distributed evenly among the existing sales roles.
- **Weighted Average:** The remaining revenue percentage is distributed based on the weighted average.
- **Custom:** You can add custom code if none of the seeded choices suits your business requirements. You can use the Custom option to set up for the Workflow process to not process the transaction.

The option is set in the system profile *OIC: Allow split % less than 100%*. If you do not set the value at the application level, it defaults to the site level. If no selection is made, the Workflow process fails.

For example, the allocation percentages for a transaction are 60% to Role 1, 20% to Role 2, and 20% to Role 3. However, during transaction processing, only two roles are

associated with the credit rule. What is to become of the remaining 20%?

Using Even Distribution, each of the two roles receives 10% credit, or half of the remaining 20% credit. Using the Weighted Average, The first role gets 15% and the second receives 5% of the sales credit, because 60% represents three times the 20% of the second role. Each of the resources assigned to the roles that resulted in revenue output receives additional credit.

Compensation Scenarios

This appendix covers the following topics:

- Introduction
- Scenario Management
- Common Compensation Scenarios Based on Formula Options
- Complex Compensation Scenarios
- Compensation Scenarios Based on External Tables

Introduction

Oracle Incentive Compensation uses modular components to build compensation plans. All components used in the system can be configured and reused in different combinations.

For a detailed description of the compensation plan creation process, see *Overview of Building Compensation Plans*, page 3-1.

This appendix contains scenarios that show typical ways that companies use Oracle Incentive Compensation to calculate compensation for resources. It contains all of the valid formula combinations and illustrates how transactions are calculated using those options.

Creating a Compensation Plan and Using the Plan Component Library

You can create a compensation plan directly from the Main Menu by clicking the Create Compensation Plan link. You can create an empty compensation plan, and create and add plan components to the plan as necessary.

You can navigate to the plan component library directly from the Main Menu by clicking the Maintain Component Library link. In the Plan Component Library, you can use the component library sidebar to choose which component to search, and either create a new component or edit an existing component from the search page. You can

also export search results to a CSV file.

The following sections describe the information that you can enter for compensation plans, plan elements, formulas, and rate tables, and the expression builder page for expressions.

Update Compensation Plans

The Update Compensation Plan page consists of three tabs:

- **Design:** Enter important information for plan design setup.
- **Eligibility:** Choose roles to be assigned the compensation plans. Resources assigned to the role are assigned this compensation plan.
- **Notes:** Contains system-generated and user-entered notes relating to changes to the plan or to any of its components. This is not used for setting up the compensation plan.

See *Creating a Compensation Plan*, page 3-4 for more details.

The following table describes fields and other components on the Design tab of the Update Compensation Plans page.

Component	Type	Description
Operating Unit	LOV	Required
Name	Text input	Required
From	Date picker	Required
To	Date picker	Optional
Context Value	Pick list	Flexfield.
Description	Text input	Optional
Allow Eligible Products Overlap	Check box	Check if you are using an eligible product in more than one plan element.

Component	Type	Description
Plan Elements	Table	You can add Plan elements to this plan by adding them here. Refer to the Plan Elements section to see the Plan Element-related information
Save	Button	Save and stay on the page.
Apply	Button	Save and leave page.

Plan Element Details

The plan element creation process uses a Plan Element Checklist:

1. Define General Information (required)
2. Define Earnings Rule (required)
3. Assign Eligible Products (required)
4. Assign Rate Tables (required)
5. Define Default Quotas

The following table describes the fields from all five steps in the checklist, in order.

Component	Type	Description
Operating Unit	LOV	Required
Name	Text input	Required.
From	Date picker	Required.
To	Date picker	Optional.
Calculation Type	Pick list	
Element Group Code	Pick list	

Component	Type	Description
Description	Text input	Optional, but useful for differentiating plan elements with similar names.
Context Value	Pick list	Flexfield
Formula Type and Name	LOV	Select Formula or External. With Formula, select from the Choose Formula drop-down list. With External, enter a package name. This field is required.
Interval Type	Pick list	The period of time for which the plan element calculates compensation, for example, Period (month), Quarter, or Year.
Payment Group Code	Pick list	User-defined; Standard is the default setting.
Credit Type	Pick list	Select functional currency (default) or any predefined currency type.
Paid Through Third Party	Radio group	Use if you want to assign payment to a resource other than the one who earned sales credit.
Liability Account	LOV	Use this field to set up a liability account with Oracle Payable at the plan element level. Optional.
Expense Account	LOV	Use this field to set up an expense account with Oracle Payable at the plan element level. Optional.
Compensate Indirect Credit	Radio group	

Component	Type	Description
Eligible Products	Table	You can add rows to the table.
Target	Text input	Set a target that you can distribute on the Distribute Variables page. Optional.
Fixed Amount	Text input	Set a fixed amount that you can distribute on the Distribute Variables page. Optional.
Performance Goal	Text input	Set a goal that you can distribute on the Distribute Variables page. Optional.

Formula Definition

In addition to header-level information, formula options are organized in tabs:

- Options: Five choices affecting transactions
- Expressions: Input, output, or performance measures
- Rate Tables: Add a rate table to be used by the formula
- Interdependencies: Lists expressions referencing this formula
- Notes: Contains system-generated and user-entered notes relating to changes to the formula or to any of its components. This is not used for setting up the formula.

The following table describes fields and other components of the Formula definition page. See Define Formulas, page 3-27.

Component	Type	Description
Operating Unit	LOV	Required
Name	Text input	Required.
Calculation Type	Pick list	Select Commission or Bonus.

Component	Type	Description
Status	Read-only field	This field says Incomplete until the formula is generated.
Description	Text input	Optional, but useful for differentiating formulas with similar names.
Process Transactions	Pick list	Select Individually or Grouped by Interval. This affects how calculation runs.
Split Option	Pick list	This affects how transactions are applied to the rate table.
Accumulate Transactions	Check box	Check to use accumulated transactions to determine the rate tier applied to transactions.
Interval To Date	Check box	Check to use interval-to-date calculation.
Planning	Check box	Check if this formula is to be used for planning only.
Input		
Output		
Performance Measure		

Rate Tables

The following table describes fields and other components of the Rate Table pages. See *Define Rate Tables*, page 3-15.

Component	Type	Description
Operating Unit	LOV	Required

Component	Type	Description
Name	Text input	Required.
Rate Type	Pick list	Select Commission or Bonus.
Rate Dimensions	Table	Add rate dimensions to the table.

Rate Dimensions

The following table describes fields and other components of the Rate Dimension page. See Define Rate Dimensions, page 3-16.

Component	Type	Description
Operating Unit	LOV	Required
Name	Text input	Required.
Type	Pick list	
Description	Text input	Optional.
Tiers	Table	Add tiers to table.

Calculation Expressions

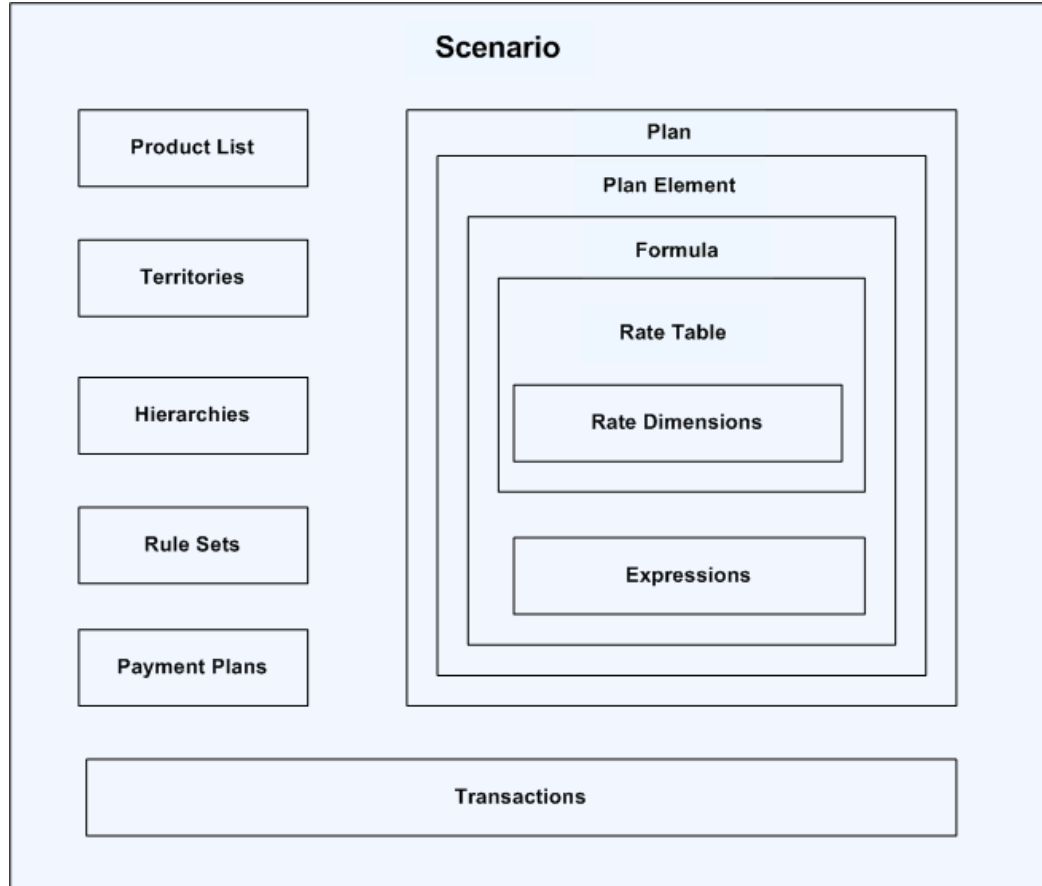
Use the Expression Builder to pick and choose components and operators to create an expression. See Define Calculation Expressions, page 3-30 for details.

Scenario Management

A scenario is a end-to-end setup required to process transactions and calculate payments. A scenario includes:

- Start and End Date
- Setup information
- One or multiple compensation plans and its sub-elements

- Transactional data



You can perform the following operation on a scenario:

- Create
- Create a duplicate of an existing scenario
- Update an existing scenario
- Delete an existing scenario

Search Scenarios

As a Plan Administrator, you can search for an existing scenario, in a operating unit and perform various operation on these scenarios. Oracle Incentive Compensation supports Simple Search, Advanced Search, and Views. Using Simple Search you can search for a scenario using Operating Unit and/or Scenario Name. You can click **Advanced Search** to search based on additional search criteria. View allows you to personalize and save searches.

Oracle Incentive Compensation displays list of scenarios that matches your search criteria. You can create a duplicate copy of these scenarios, delete them, or view and update the scenarios, by clicking the appropriate links.

Navigation

Plan Administrator > Maintain Scenario

Create/ View/ Update Scenario

You can create a new scenarios, and view or update an existing scenario. When you change a plan, or elements within a plan, which are included in a scenario, Oracle Incentive Compensation will automatically update the scenario.

To create a scenario, click **Create** in the Search Scenario page. Enter a scenario name, choose an operating unit, and add plans to the scenario, to create one. After you have created a scenario, you can view and update the scenario. To view a scenario, click the applicable scenario, from the Search Scenario page. Oracle Incentive Compensation displays all the compensation plans in the scenario. You can add more compensation plans to the scenario, or delete existing ones.

You have the ability to export the plans in the scenario, to your local system. The application saves the details in an XML file. When you click **Export Plans**, Oracle Incentive Compensation creates an export request, with the following parameters:

- Request Name: "<Request Name>:PlansXXX", where XXX is a random number generated by the system.
- Operating Unit is the scenario operating unit.
- List of plans include all the plans in the scenario.

For more information on exporting compensation plans, see: Creating Export Request, page 3-37.

Common Compensation Scenarios Based on Formula Options

On the Update Formula page, there are various calculation options involving rate tier splits, how to process transactions, whether to accumulate transactions, and whether to use Interval-to-Date in the calculations. This section describes the valid formula combinations and illustrates how transactions are calculated using those options.

Scenario	Process Transaction	Split Option	Accumulate Transaction	Interval to Date
A	Individually	No Split	No	No

Scenario	Process Transaction	Split Option	Accumulate Transaction	Interval to Date
B	Individually	No Split	Yes	No
C	Individually	No Split	Yes	Yes
D	Individually	Non-Proportional	No	No
E	Individually	Non-Proportional	Yes	No
F	Individually	Non-Proportional	Yes	Yes
G	Grouped by Interval	No Split	Yes	No
H	Grouped by Interval	Non-Proportional	Yes	No

For the example test case, the following Percent rate table is used for scenarios A through H. An Amount rate table (presented later in this document) is used for scenarios I through L.

Tier	Rate
0-1,000	1%
1,000-3,000	2%
3,000-8,000	3%
8,000-20,000	5%

For scenarios A through L, these are the transactions:

Name	Date	Amount
T1	Jan-01-2007	200
T2	Jan-2-2007	300

Name	Date	Amount
T3	Jan-15-2007	1,500
T4	Feb-01-2007	1,200
T5	Feb-15-2007	2,000
T6	Mar-01-2007	4,500

Now, we will describe each scenario and list the commission calculation results for the transactions for each scenario.

Scenario A: Transactions Processed Individually

Individual calculation is the simplest way to set up compensation calculation for transactions. Each transaction is applied to a rate table separately without regard for the period in which it takes place or any other transactions. Compensation is calculated using a single rate dimension. In this scenario, all transactions are processed individually against the rate table. The total amount of commission earned is 234.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	2%	30

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	2%	24
T5	Feb-15-2007	2,000	2%	40

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	3%	135

Scenario B: Transactions Processed Individually, Rates Based on Accumulated Transactions

Use a cumulative formula when you want to apply individual transactions to a rate table but still use the accumulated total for the period to calculate the compensation. This type of calculation rewards resources for increasing sales volume. However, unlike the group-by-interval formula, a cumulative formula does not create a dummy transaction at the end of a period and apply the total to the rate table all at once.

In this scenario, each transaction is processed individually, but rates for each transaction are based on accumulated achievement for the interval. The total amount of compensation earned is 254.

For Transaction T3, the accumulated amount is $200+300+1500=2000$. For Transaction T5, the accumulated amount is $1200+2000=3200$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	2%	30

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	2%	24
T5	Feb-15-2007	2,000	3%	60

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	3%	135

Scenario C: Transactions Processed Individually, Accumulated Interval-to-Date

With accumulated interval-to-date, transactions are applied to a range, but the table uses expressions that indicate percentage of achievement toward the period quota instead of specific amounts. These percentages apply equally regardless of the amount of the quota for the period. This means that the resource receives a consistent rate of compensation regardless of the amount of quota for that period. Interval-to-date formulas calculate compensation for the period of the interval and then revert to 0 at the beginning of each new interval.

For example, a resource in the holiday decoration sales industry is placed on a compensation plan with a Quarter-to-Date interval. For the first three quarters of the year, the quota is \$10,000 per quarter. However, the quota for the busy fourth quarter is \$50,000. The annual quota is \$80,000, but the resource works to attain a realistic quota each quarter.

In this scenario, each transaction is processed individually, but rates for each transaction are based on accumulated achievement for the interval. Interval-to-date (ITD) means that rates calculated for the current transaction are applied retroactively (minus the commission already calculated for past transactions). The total amount of compensation earned is 271.

For transaction T2, the accumulated amount is $200+300=500$. Commission is $500*1\% - 2 = 3$. For transaction T3, the accumulated amount is $200+300+1,500=2,000$. Commission is $2,000*2\% - (2+3) = 35$. For transaction T5, the Accumulated amount is $1,200+2,000=3,200$. Commission is $3,200*3\% - 24 = 72$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	2%	35

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	2%	24
T5	Feb-15-2007	2,000	3%	72

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	3%	135

Scenario D: Transactions Processed Individually, but Split Nonproportionally Across Rate Tiers

Rate tiers can be split, allowing compensation to be calculated by applying transactions to more than one rate tier. Use a rate tier split if you want compensation to accurately reflect the exact amount of the transaction up to the maximum amount of each rate tier. Splitting rate tiers normally results in lower commission payouts, because only the part of the transaction amount that is over the maximum threshold of a tier is paid at the next higher tier's rate.

In this scenario, all transactions are processed individually against the rate table, but can be split non-proportionally across rate tiers. The total amount of compensation earned is 164.

For transaction T3, the first 1,000 applies to 1%, and the remaining 500 applies to 2%. Commission is $1,000 \times 1\% + 500 \times 2\% = 20$. For transaction T4, the first 1,000 applies to 1%, and the remaining 200 applies to 2%. Commission is $1,000 \times 1\% + 200 \times 2\% = 14$. For transaction T5, the first 1,000 applies to 1%, and the remaining 1,000 applies to 2%. Commission is $1,000 \times 1\% + 1,000 \times 2\% = 30$. For transaction T6, the first 1,000 applies to 1%, the next 2,000 applies to 2%, and the remaining 1,500 applies to 3%. Commission is $1,000 \times 1\% + 2,000 \times 2\% + 1,500 \times 3\% = 95$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2

Name	Date	Amount	Commission Rate	Commission Amount
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	1.33% (1% for 1,000, 2% for 1,000)	30

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	1.167% (1% for 1,000, 2% for 200)	14
T5	Feb-15-2007	2,000	1.5% (1% for 1,000, 2% for 1,000)	30

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	2.11% (1% for 1,000, 2% for 2,000, 3% for 1,500)	95

Scenario E: Transactions Processed Individually, Accumulated Transactions, Non-Proportional Split

In this scenario, each transaction is processed individually, but rates for each transaction are based on accumulated achievement for the interval. The accumulated achievement can be split non-proportionally across rate tiers. The total amount of compensation earned is 181.

For transaction T2, the accumulated amount is 200+300=500 (1st tier). For transaction T3, 1% is applied to the first 500 to finish the 1st tier. 2% is applied to remaining 1,000. For

transaction T4, 1% is applied to first 1,000 to finish the 1st tier. 2% is applied to the remaining 200 (2nd tier). For transaction T5, 2% is applied to the first 1,800 to finish the 2nd tier. 3% is applied to the remaining 200 (3rd tier). For transaction T6, 1% is applied to the first 1,000 to finish the 1st tier. 2% is applied to the next 2,000 to finish the 2nd tier. 3% is applied to the remaining 1,500 (3rd tier).

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	1.67% (1% for 500, 2% for 1,000)	25

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	1.167% (1% for 1,000, 2% for 200)	14
T5	Feb-15-2007	2,000	2.1% (2% for 1,800, 3% for 200)	42

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	2.11% (1% for 1,000, 2% for 2,000, 3% for 1,500)	95

Scenario F: Transactions Processed Individually, Accumulated Achievement, Split Non-Proportionally, Interval-to-Date

In this scenario, each transaction is processed individually, but rates for each transaction are based on accumulated achievement for the interval. The accumulated transactions can be split non-proportionally across rate tiers. Interval-to-Date (ITD) means that rates calculated for the current transaction are applied retroactively (minus the commission already calculated for past transactions). The total amount of compensation earned is 181.

For transaction T2, the accumulated amount is $200+300=500$. Commission is $1\% \times 500 - 2 = 3$. For transaction T3, the accumulated amount is $200+300+1,500=2,000$. Of the 2,000, the first 1,000 is applied 1% from the first tier, and the remaining 1,000 is applied 2% from the 2nd tier. Commission = $1\% \times 1,000 + 2\% \times 1,000 - (2+3) = 25$. For transaction T4, of the 1,200, the first 1,000 is applied 1% from the 1st tier, and the remaining 200 is applied 2% from the 2nd tier. Commission = $1\% \times 1,000 + 2\% \times 200 = 14$. For transaction T5, the accumulated amount is $1,200+2,000=3,200$. Of the 3,200, the first 1,000 is applied 1% from the first tier, the next 2,000 is applied 2% from the 2nd tier, and the remaining 200 is applied 3% from the 3rd tier. Commission = $2\% \times 1,800 + 3\% \times 200 = 42$. For transaction T6, of the 4,500, the first 1,000 is applied 1% to finish off the 1st tier, the next 2,000 is applied 2% to finish off the 2nd tier, and the remaining 1,500 is applied 3% from the 3rd tier. Commission = $1\% \times 1,000 + 2\% \times 2,000 + 3\% \times 1,500 = 95$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	1%	2
T2	Jan-02-2007	300	1%	3
T3	Jan-15-2007	1,500	1.5% (effective)	25

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	1.167% (effective)	14
T5	Feb-15-2007	2,000	1.75%	42

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	2.11% (effective)	95

Scenario G: Calculation at End of Interval, Commission Rate Based on Accumulated Achievement of Grouped Transactions

In this scenario, calculation occurs at the end of the interval (month, in this case). Because calculation is grouped by interval, only a single commission record is created for each interval. The commission rate used for calculation for the group is based on the accumulated achievement for the group. The total commission for each month is the same as in Scenario C, because Interval-to-Date (ITD) Targets are not used. When ITD Targets are distributed across periods and used in calculation, calculation will use the period ITD Target during calculation of that period. The total amount of compensation earned is 271.

For the January Sum, the accumulated amount is $200+300+1,500=2,000$. Commission = $2\% \times 2,000 = 40$. For the February Sum, the accumulated amount is $1,200+2,000=3,200$. Commission = $3\% \times 3,200 = 96$. For the March Sum, the commission = $3\% \times 4,500 = 135$.

January

Name	Date	Amount	Commission Rate	Commission Amount
January Sum		2,000	2%	40

February

Name	Date	Amount	Commission Rate	Commission Amount
February Sum		3,200	3%	96

March

Name	Date	Amount	Commission Rate	Commission Amount
March Sum		4,500	3%	135

Scenario H: Calculation at End of Interval, Non-Proportional Split, Interval-to-Date

In this scenario, calculation occurs at the end of the interval (month, in this case). Because calculation is grouped by interval, only a single commission record is created for each interval. The commission rate used for calculation for the group is based on the accumulated achievement for the group. The accumulated achievement can be split across rate table tiers. The total commission for each month is the same as in Scenario F, because ITD Targets are not used. When ITD Targets are distributed across periods and used in calculation, calculation uses the period ITD Target during calculation of that period. The total amount of compensation earned is 181.

For the January Sum, of the 2,000, the first 1,000 is applied 1% from the 1st tier, and the remaining 1,000 is applied 2% from the 2nd tier. $\text{Commission} = 1\% \times 1,000 + 2\% \times 1,000 = 30$. For the February Sum, of the 3,200, the first 1,000 is applied 1% from the 1st tier, the next 2,000 is applied 2% from the 2nd tier, and the remaining 200 is applied 3% from the 3rd tier. $\text{Commission} = 1\% \times 1,000 + 2\% \times 2,000 + 3\% \times 200 = 56$. For the March Sum, of the 4,500, the first 1,000 is applied 1% from the 1st tier, the next 2,000 is applied 2% from the 2nd tier, and the remaining 1,500 is applied 3% from the 3rd tier. $\text{Commission} = 1\% \times 1,000 + 2\% \times 2,000 + 3\% \times 1,500 = 95$.

January

Name	Date	Amount	Commission Rate	Commission Amount
January Sum		2,000	1.5% (effective)	30

February

Name	Date	Amount	Commission Rate	Commission Amount
February Sum		3,200	1.75%	56

March

Name	Date	Amount	Commission Rate	Commission Amount
March Sum		4,500	2.11% (effective)	95

Proportional Split Examples

Splitting rate tiers using a proportional split usually involves a rate table that is of the Amount type. Where the rate table used rate percentages, such as 1% of 2%, the Amount type rate table uses specific amounts, such as 10 or 40. The table below shows the details of the four proportional split scenarios, I through L. The four scenarios use the same six transactions as those used for scenarios A through H.

Scenario	Process Transaction	Split Option	Accumulate Transactions	Interval To Date
I	Individually	Proportional	No	No
J	Individually	Proportional	Yes	No
K	Individually	Proportional	Yes	Yes
L	Grouped by Interval	Proportional	Yes	No

The table below shows the Amount rate table. It uses the same tiers as the Percent rate table used in scenarios A through H.

Tier	Amount
0-1,000	10
1,000-3,000	40
3,000-8,000	100
8,000-20,000	2,000

Scenario I: Transactions Processed Individually, Proportional Split

In this scenario, all transactions are processed individually against the rate table. A proportional split occurs when a transaction crosses rate table tiers. The total amount of compensation earned is 149.

For transaction T1, 200 is 20% of the 1st tier. Commission = $(200/1,000) \times 10 = 2$. For transaction T2, 300 is 30% of the 1st tier. Commission = $(300/1,000) \times 10 = 3$. For transaction T3, the first 1,000 fills up the 1st tier, and the remaining 500 is 25% of the 2nd tier. Commission = $10 + (500/2,000) \times 40 = 20$. For transaction T4, the first 1,000 fills up the 1st tier, and remaining 200 is 10% of 2nd tier. Commission = $10 + (200/2,000) \times 40 = 14$. For transaction T5, the first 1,000 fills up the 1st tier, and the remaining 1,000 is 50% of the 2nd tier. Commission = $10 + (1,000/2,000) \times 40 = 30$. For transaction T6, the first 1,000 fills up the 1st tier, the next 2,000 fills up the 2nd tier, and the remaining 1,500 is 30% of the 3rd tier. Commission = $10 + 40 + (1,500/5,000) \times 100 = 80$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	N/A	2
T2	Jan-02-2007	300	N/A	3
T3	Jan-15-2007	1,500	N/A	25

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	N/A	14
T5	Feb-15-2007	2,000	N/A	30

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	N/A	80

Scenario J: Transactions Processed Individually, Proportional Split, Accumulated Transactions.

In this scenario, all transactions are processed individually. When looking up the rate table amount, the accumulated achievement is used. A proportional split occurs when the accumulated achievement crosses rate table tiers. Because the amounts are accumulated, the subsequent transactions in a period hit higher rate tiers than in Scenario I (illustrated in the calculation for T2 and T5). The total amount of compensation earned is 164.

For transaction T1, $\text{commission} = (200/1,000) * 10 = 2$. For transaction T2, the accumulated amount is $200 + 300 = 500$. $\text{Commission} = (300/1,000) * 10 = 3$. For transaction T3, the accumulated amount is $200 + 300 + 1,500 = 2,000$. Of the 1,500, the first 500 accounts for the remaining 50% in the 1st tier, and the remaining 1,000 accounts for 50% of the 2nd tier. $\text{Commission} = (500/1,000) * 10 + (1,000/2,000) * 40 = 25$. For transaction T4, the first 1,000 fills up the 1st tier for \$10, and the remaining 200 accounts for 10% of the 2nd tier. $\text{Commission} = 10 + (200/2,000) * 40 = 14$. For transaction T5, the accumulated amount is $1,200 + 2,000 = 3,200$. Of the 2,000, the first 800 accounts for the remaining 40% of the 2nd tier, and the remaining 1,200 accounts for 24% of the 3rd tier. $\text{Commission} = (800/2,000) * 40 + (1,200/5,000) * 100 = 40$. For transaction T6, the first 1,000 fills up the 1st tier for \$10, the next 2,000 fills up the 2nd tier for \$40, and the remaining 1,500 accounts for 30% of the 3rd tier. $\text{Commission} = 10 + 40 + (1,500/5,000) * 100 = 80$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	N/A	2
T2	Jan-02-2007	300	N/A	3
T3	Jan-15-2007	1,500	N/A	25

February

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	N/A	14
T5	Feb-15-2007	2,000	N/A	40

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	N/A	80

Scenario K: Transactions Processed Individually, Proportional Split, Accumulated Transactions Interval-to-Date

In this scenario, all transactions are processed individually. When looking up the rate table amount, the accumulated achievement is used. A proportional split occurs when the accumulated achievement crosses rate table tiers. Interval-to-Date (ITD) means that the rate table amount for the current transaction is applied retroactively (minus the commission already calculated for past transactions). The total amount of compensation earned is 164.

For transaction T1, 200 is 20% of the 1st tier. Commission = $(200/1,000) \times 10 = 2$. For transaction T2, the accumulated amount is $200 + 300 = 500$. Commission = $(500/1,000) \times 10 - 2 = 3$. For transaction T3, the accumulated amount is $200 + 300 + 1,500 = 2,000$. The first 1,000 fills up the 1st tier, and the remaining 1,000 is 50% of the 2nd tier. Commission = $10 + (1,000/2,000) \times 40 - (2 + 3) = 25$. For transaction T4, the first 1,000 fills up the 1st tier, and the remaining 200 is 10% of the 2nd tier. Commission = $10 + (200/2,000) \times 40 = 14$. For transaction T5, the accumulated amount is $1,200 + 2,000 = 3,200$. The first 1,000 fills up the 1st tier, the next 2,000 fills up the 2nd tier, and the remaining 200 is 4% of the 3rd tier. Commission = $10 + 40 + (200/5,000) \times 100 - 14 = 40$. For transaction T6, the first 1,000 fills up the 1st tier, the next 2,000 fills up the 2nd tier, and the remaining 1,500 is 30% of the 3rd tier. Commission = $10 + 40 + (1,500/5,000) \times 100 = 80$.

January

Name	Date	Amount	Commission Rate	Commission Amount
T1	Jan-01-2007	200	N/A	2
T2	Jan-02-2007	300	N/A	3
T3	Jan-15-2007	1,500	N/A	25

February

Name	Date	Amount	Commission Rate	Commission Amount
T4	Feb-01-2007	1,200	N/A	14
T5	Feb-15-2007	2,000	N/A	40

March

Name	Date	Amount	Commission Rate	Commission Amount
T6	Mar-01-2007	4,500	N/A	80

Scenario L: Grouped by Interval, Proportional Split, Accumulated Transactions

In this scenario, calculation occurs at the end of the interval (month, in this case). Because calculation is grouped by interval, only a single commission record is created for each interval. When looking up the rate table amount, the accumulated achievement is used. The accumulated achievement can be split across rate table tiers. The total amount of compensation earned is 164.

For the January Sum, the first 1,000 pays out \$10 for the 1st tier, and the remaining 1,000 accounts for 50% of the 2nd tier. $\text{Commission} = 10 + (1,000/2,000) * 40 = 30$. For the February Sum, The first 1,000 pays out \$10 for the 1st tier, the next 2,000 pays out \$40 for the 2nd tier, and the remaining 200 accounts for 4% of the 3rd tier. $\text{Commission} = 10 + 40 + (200/5,000) * 100 = 54$. For the March Sum, the first 1,000 pays out \$10 for the 1st tier, the next 2,000 pays out \$40 for the 2nd tier, and the remaining 1,500 accounts for 30% of the 3rd tier. $\text{Commission} = 10 + 40 + (1500/5000) * 100 = 80$

January

Name	Date	Amount	Commission Rate	Commission Amount
January Sum		2,000	N/A	30

February

Name	Date	Amount	Commission Rate	Commission Amount
February Sum		3,200	N/A	54
March				
Name	Date	Amount	Commission Rate	Commission Amount
March Sum		4,500	N/A	80

Complex Compensation Scenarios

This topic contains four scenarios that a little more complicated than the ones in the previous topic. They include:

- Multiple Input Formula
- Bonus Compensation
- Interdependent Plan Elements
- Compensation for Transactions Using Multiple Rate Dimensions

Multiple Input Formula

A scenario that uses a Multiple Input formula generates commission based on information in addition to the transaction amount. This scenario uses a state code. This scenario uses these expressions

- Input Expression: Transaction Amount, State Code
- Output Expression: Rate Result*Transaction Amount

This scenario uses this rate tables. Columns 2 through 4 show the commission percentage for each state code:

Transaction Amount	State Code: CA	State Code: NV	State Code: OR
0-5,000	1%	2%	3%

Transaction Amount	State Code: CA	State Code: NV	State Code: OR
5000-10,000	2%	3%	4%
10,000-30,000	3%	4%	5%
30,000-999,999,999	5%	6%	7%

Below are the transactions used in this scenario.

Resource	Processed Date	Amount	State Code	Transaction Type	Commission
Rep 1	02-Jan-07	\$3,000	CA	Revenue	\$30
Rep 1	15-Jan-07	4,000	OR	Revenue	120
Rep 1	29-Jan-07	25,000	NV	Revenue	1,000

When the individual transactions are applied to the rate table, the first transaction falls into the first tier of the rate table, for state code CA, so it pays commission at 1%. The second transaction is still in the first tier, but for state code OR it pays 3%. The third transaction falls into the third tier of the rate table, for state code NV, so it generates commission at 4%. Total commission for the three transactions is \$1,150.

This method of calculating compensation works the same if you use a multidimensional Amount rate table rather than a Percentage table.

Bonus Compensation

A Bonus plan element has no links or references to individual transactions. Bonus formulas calculate only against Individual transaction options. Split options are selectable (each is mutually exclusive).

A bonus plan element uses a formula type of Bonus and a plan element incentive type of Bonus.

This scenario uses a bonus plan that uses achievement information to calculate a bonus.

This scenario uses these expressions:

- Input Expression: Aggregated transactions
- Output Expression: Rate Table Result

This Bonus rate table uses a Percent Amount rate table, because the dimension rate tier ranges are measured in percentages but the bonus amounts are measured in dollar amounts.

This Percent Amount Rate Table uses a dimension with tier ranges. When the amount of the resource's aggregated transactions fall in the rate tier range between them.

Percentage of Achievement	Bonus Amount
0-50	\$0
50-75	1000
75-100	2000
100-999,999	1000

The bonus plan element compares the amount of the aggregated transactions with the resource's target. The percentage of achievement determines whether a bonus is paid and also the amount of the bonus.

Interdependent Plan Elements

Interdependent plan elements use the calculated totals of one plan element to calculate commission for another plan element. This is especially useful if you want to base qualification for bonus compensation on achievement of sales targets in a commission plan element.

To set up an interdependent plan element, you must create an expression that accesses specific plan element totals.

For specific steps to create interdependent plan elements, see *Using Interdependent Plan Elements*, page 3-26.

As an example, you want your resources to receive an additional bonus if they sell more than 50% of their target. To create an interdependent plan element in the resource's compensation plan, perform these steps.

1. Create a commission plan element, including the input and output expressions and a rate table to pay regular commission and aggregate credits and the target. Include the appropriate eligible product(s) in the plan element.
2. Create a second plan element that pays a specified bonus if a specified percentage of the target of the first plan element is met. Use a formula with an input expression that references the achievement of the plan element created in step 1. This input expression divides the accumulated total by the ITD_Target total, which determines the achievement.

3. Sequence the plan elements in the final compensation plan so that the transactions are collected and calculated for the commission plan element first. That way, the total from all of the transactions for the first (commission) plan element can be used accurately in the input expression of the second (bonus) plan element.
4. Set up a plan element that calculates commission and determines if the resource has achieved 100 percent of her sales target. It has been kept simple for the purposes of this example.
5. Set up these expressions for the first plan element:
 - Input Expression: Transaction Amount
 - Output Expression: Rate Result*Transaction Amount
6. Set up the following rate table, which shows what percentage of commission to pay on ranges of transaction amounts.

Transaction Amount	Commission
0-5,000	1%
5000-10,000	2%
10,000-30,000	3%
30,000-999,999,999	5%

7. Set up a second plan element that uses achievement information from the first plan element to calculate a bonus.
8. Use these expressions for the second plan element:
 - Input Expression: Aggregated transactions
 - Output Expression: Rate Table Result
9. Use this rate table, which uses a Percent input and outputs an Amount.

Percentage of Achievement	Bonus Amount
0-50	\$0

Percentage of Achievement	Bonus Amount
50-75	1000
75-100	2000
100-999,999,999	1000

10. The bonus plan element compares the amount of the aggregated transactions with the resource's target. The percentage of achievement determines whether a bonus is paid and also the amount of the bonus.

Compensation for Transactions Using Multiple Rate Dimensions

Rate tables can use four different kinds of dimensions:

- Amount: The rate dimension is defined in quantities.
- Percent: The rate dimension is defined in percentages.
- String: The rate dimension uses alphanumeric data.
- Expression: The rate dimension uses previously defined expressions.

See Define Rate Dimensions, page 3-16 for more information.

This scenario shows examples of each kind of rate dimension, and how they can work together in multidimensional rate tables as well.

In a company, the sales manager wants to pay commission based on the amount of units sold and also on the territory in which the sale it was made. The amount sold is an amount. The territory is defined by state, which is stored as a string. The manager asks the Incentive Compensation Analyst to create a multidimensional rate table consisting of a Units Sold dimension and a State dimension.

A Units Sold amount dimension by itself looks like this:

Units Sold
1-100
100-250

Units Sold

250-999,999,999

A State string dimension by itself looks like this:

State

California

Oregon

Washington

Combined, they become a multidimensional rate table, which pays different amounts based on units sold and also on where the deal took place (see the setup below).

This scenario uses these two expressions:

- Input Expression: Units Sold, State
- Output Expression: Rate Table Result

Here is a rate table for the scenario.

Units Sold	California	Oregon	Washington
1-100	\$100	\$200	\$400
100-250	200	300	600
250-999,999,999	300	400	800

Here are the transactions:

Resource	Processed Date	Units	State	Transaction Type	Commission
Rep 1	07-Jan-07	150	California	Revenue	\$630

Resource	Processed Date	Units	State	Transaction Type	Commission
Rep 1	12-Jan-07	1,000	Oregon	Revenue	45
Rep 1	20-Jan-07	50	Washington	Revenue	144

When transactions are applied to the rate table, the units sold dimension is used first, and then the territory dimension is applied later. For the three transactions above, the calculation works this way:

The first transaction is applied to the rate table, in the second tier, for California. This generates commission of \$200.

The second transaction is placed in the third tier of the rate table, for Oregon, generating \$400 commission.

The third transaction ends up in the first tier, for Washington, generating \$400 commission.

Compensation Scenarios Based on External Tables

You can use external tables to calculate compensation. This section contains two examples:

- External Table Based Expressions Used in Formula for Both Input and Output
- Bonus Based on External Data

External Table Based Expressions Used in Formula for Both Input and Output

Oracle Incentive Compensation can accommodate external tables, as long as the tables are properly registered in the application. In this example, the commission calculation uses legacy data from the company's Human Resources Department in the input expression, and then uses another table in the output expression to modify commission payment amounts.

The input expression uses an Employee Code Number. Employees with less than two years of experience are assigned code number 1, employees with 2-5 years of experience are assigned code number 2, and employees with 5 or more years of experience are assigned code 3. This multiplier increases transaction amounts and can move transactions up the rate table, paying higher commission to more senior salespeople.

The output expression uses the previous year's achievement as a ratio of sales divided by goal. This legacy data, stored in a table in Accounts Receivable, rewards resources who achieved or exceeded their goal last year and penalizes resources who underachieved last year.

See Define Calculation Expressions, page 3-30.

For the Employee Code Number to appear in the expression builder, the external table in which it appears must be registered. This procedure can be performed by your database administrator using a SQL script.

These are the expressions used in this scenario:

- Input Expression: Transaction Amount * Employee Code Number
- Output Expression: Rate Table Result * (Previous Year Sales/Previous Year Goal) * Transaction Amount * Employee Code Number

Here's the rate table, which uses transaction amount and commission percent.

Transaction Amount	Commission
0-5,000	1%
5000-10,000	2%
10,000-30,000	3%
30,000-999999999999	5%

Here are the transactions.

Resource	Processed Date	Amount	Transaction Type	Commission
Rep 1	07-Jan-07	\$7,000	Revenue	\$630
Rep 2	12-Jan-07	3,000	Revenue	45
Rep 3	20-Jan-07	4,000	Revenue	144

Below is a Human Resources table that shows the resource name and employee code number.

Resource	Employee Code Number
Rep 1	3

Resource	Employee Code Number
Rep 2	1
Rep 3	2

Here is an Accounts Receivable table, with resource name, sales year, sales amount, and annual goal.

Resource	Sales Year	Sales Amount	Annual Goal
Rep 1	2002	\$250,000	\$250,000
Rep 2	2002	150,000	100,000
Rep 3	2002	180,000	200,000

The External Input Output formula multiplies the transaction amount times the Employee Code Number and then applies it to the rate table. The rate table result is then multiplied times the ratio of previous year sales to previous year goal.

This is how compensation is calculated for three different resources.

Rep 1 is a long term employee who met his 2002 goal exactly.

The transaction is multiplied times the Employee Code Number

- $\$7,000 * 3 = \$21,000$

The amount is applied to the rate table

- $\$21,000$ is in tier 3, so $\$21,000 * .03 = \630 .

The rate table result is multiplied times the sales/goal ratio (1.0)

- $\$630 * 1.0 = \630

By meeting his sales goal the previous year, Rep 1 receives all of his calculated commission amount. Note that if the Employee Code Number was not part of the input expression, or if Rep 1 was a new employee, this transaction would fall into the second tier of the rate table, paying 2% on \$7,000, or \$140. This input expression rewards seniority and meeting previous goals.

Rep 2 has been working for the company for only a year and a half, so she is assigned Employee Code Number 1. However, she worked very hard last year and exceeded her goal.

The transaction is multiplied times the Employee Code Number

- $\$3,000 * 1 = \$3,000$

The amount is applied to the rate table

- $\$3,000$ is in tier 1, so $\$3,000 * .01 = \30

The rate table result is multiplied times the sales/goal ratio (1.5)

- $\$30 * 1.5 = \45

Although her commission rate is lower because of her shorter time with the company, Rep 2 increased her earnings on this transaction by 50 percent because of her success in the previous year.

Rep 3 has worked for the company for four years, and does a good job. However, he achieved only 90% of his goal last year, and this will affect his final commission earnings.

The transaction is multiplied times the Employee Code Number

- $\$4,000 * 2 = \$8,000$

This amount is applied to the rate table

- $\$8,000$ is in tier 2, so $\$8,000 * .02 = \160

The rate table result is multiplied times the sales/goal ratio (.9)

- $\$160 * .9 = \144

Rep 2 benefited from his longevity with the company--it doubled the amount applied to the rate table. However, he lost out on 10 percent of his earnings because he did not meet his sales goal for the previous year.

Bonus Based on External Data

Sometimes data in an external table is needed to determine eligibility for a bonus. In this example, the resource's salary is used to determine the amount of a bonus payment. This information is stored in the Human Resources Department.

See Define Calculation Expressions, page 3-30.

For the Salary Amount to appear in the expression builder, the external table in which it appears must be registered. This procedure can be performed by your database administrator using a SQL script.

Here are the two expressions used for this scenario:

- Input Expression: Salary Amount
- Output Expression: Rate Table Result

This Bonus example uses an Amount rate table. Both rate dimensions are measured in dollar amounts.

Salary Amount	Bonus Amount
\$25,000-50,000	\$1,000
50,000-75,000	2,000
75,000-100,000	3,000
100,000-999,999	5,000

For three sample resources, the calculation works this way when the bonus plan element is applied:

Resource Name	Salary	Rate Tier	Bonus Amount
Sam Smith	\$42,500	1	\$1,000
Joan Jones	68,000	2	2,000
Peter Parker	110,000	4	5,000

For an external formula type, you must enter External in the Formula Type field instead of Formula. You do not enter anything in the Choose Formula field, but you must enter a PL/SQL package name to enable the application to find the external formula.

Glossary

Accelerator

An accelerator is a type of incentive that is used in an expression to vary compensation payout amounts. Earnings factors work on output expressions by multiplying the compensation rate without affecting the quota. Multipliers work on input expressions, changing compensation amounts by moving calculation to a different tier in a rate table.

Account Generation

Account Generation is an option in System Parameters that you can use to populate account codes in General Ledger. You can select the appropriate detail level and from where the application pulls expense and liability information. Account Generation is set at the application level.

Adjust Transaction

Use this feature to correct errors and make any manual changes that are needed.

Allocation Percentage

In Sales Credit Allocation, allocation percentages indicate how much revenue credit or nonrevenue credit each resource associated with a role receives. You can assign one or more allocation percentages to each credit rule. You can create, update, or delete allocation percentages, and make them date-effective.

Application Programmable Interface (API)

An application programmable interface is a set of procedures used to import or export information to and from Oracle Incentive Compensation.

Attainment Summary Report

This report is a snapshot of resource achievement and earnings. Achievements are shown against interval-to-date quota and annual quota. Earnings totals are broken down by period to date and interval to date.

Batch Mode

In Sales Credit Allocation, transactions are processed in either Batch mode or Online mode. Use Batch mode for processing large volumes of transactions. For batch

processing, call a concurrent request using the Requests tab. See Online Mode.

Bonus

A percent of base pay, or fixed dollar amount, for accomplishing objectives; may be capped or uncapped. A bonus is typically paid for meeting a goal, including quantitative and qualitative goals. A Bonus plan element has no links or references to individual transactions. Bonus formulas calculate only against Individual transaction options.

Calculation

Calculation is a process used by the application to calculate commission and bonus plans for salespeople. Oracle Incentive Compensation supports two types of compensation calculation--Commission and Bonus. Commission calculation is based on transactions identified for a Commission type of plan element, which is associated with a commission type formula. Bonus calculation is based on a Bonus type plan element, which is associated with a Bonus type formula. A Bonus type formula has no links or references to transactions.

There are two modes of calculation:

- Complete calculation includes all resources. It is the default setting.
- Incremental calculation runs only for those resources that have new transactions or changes.

Calculation goes through phases: Revert, Classification, Rollup, Population, and Calculation.

Calculation Phase

During the Calculation Phase of calculation, Oracle Incentive Compensation performs calculation on all transactions within the specified parameters. It totals the credit for the transaction, checks against the accumulated quota figure to determine the rate tier, calculates the final commissionable amount, and updates the commission due amount. The process calculates commission based on the Calculation Rules (defined in Plan Elements).

Child Node

A child node rolls up to a parent node in a rules hierarchy. A child node can roll up to only one parent node.

Classification Rules

Classification rules are user defined categories used to classify sales transactions. Classification rules are part of a classification ruleset. Classification rules vary greatly from one company to another, depending on the product or service provided and the different ways that resources are compensated.

Classification Rules Report

The Classification Rules report displays the Rule Name, Product, and Expression for classification rules selected from the list on the Rules Found page. You can download a CSV file and open it in a spreadsheet program.

Classification Ruleset

A group of classification rules assigned to a specific time period or location that sorts transactions into preset categories, so that they can be compared to eligible products in a resource's compensation plan. Only one classification ruleset can be active at a time.

Clawback

See Takeback.

Collection Query

The Collection Query specifies the exact tables and rows from those tables that you need to perform a collection from a source other than the standard collection sources.

Collections

The Collections function collects the transactions it needs to calculate commission for resources. You can collect data from different sources, based on the configuration and mapping defined between the source tables and destination tables. Oracle Receivables and Oracle Order Management are the seeded transaction sources in Oracle Incentive Compensation, but you can set up the application to collect from any other source.

Commission

Compensation paid as a percentage of sales measured in either dollars or units.

Commission Statement Report

This report includes a Balance Summary that shows balances, earnings, recoverable and nonrecoverable amounts, payment due and ending balance.

Compensation Group

A compensation group is a set of resources who share sales credit, directly or indirectly, when a sale is made. A compensation group hierarchy sets up the relationship of different compensation groups to each other.

Compensation Group Hierarchy Report

This report displays compensation groups and the resources in each, and also shows the rollout hierarchy of the groups in relation to each other.

Compensation Period

A compensation period is the time interval during which commissions are collected.

Compensation Plan

A compensation plan is a collection of one or more modular plan elements used to calculate a compensation payment. One compensation plan is assigned to a sales role, which is then assigned to a resource. Some parts of a compensation plan can be customized for individual resources, such as a payment plan or pay group, and compensation rates can be individually adjusted as well.

Compensation Transaction

A compensation transaction is a record that identifies a compensation event, such as the sale of an item. It is the smallest unit of data on which a compensation payment can be calculated.

Concurrent Program

Concurrent programs run in the background while you are using other Oracle Incentive Compensation functions. For example, you can run a concurrent program to collect transactions from a transaction source while you are building compensation plans.

Credit Memo

A credit memo is generated when an invoice is fully or partially reversed and posted to Oracle General Ledger. Credit memos are later collected and applied against transactions.

Credit Rule

Credit rules are defined for Sales Credit Allocation using credit rule attributes, which you set up for each transaction source. Credit rules evaluate inputs using attributes to determine if credit should be allocated to credit receivers. Credit rules also specify the allocation percentage by revenue type (Revenue, Non-revenue) for each role.

Credit Rule Hierarchy

A credit rule hierarchy maintains and links rules in a logical manner. A child credit rule automatically inherits the conditions of the parent rule.

Credit Type

Credit types must be defined for use in Oracle Incentive Compensation. The credit type is normally the preset functional currency, but it can be any type that you define in the application, such as points or air miles.

CSV File

A CSV file is a data file in which the values are delimited by commas. The acronym CSV is used to represent Comma Separated Value.

Cumulative

A type of performance cycle. A performance cycle is cumulative when the performance of the resource is measured over subsequent performance periods.

Customized Box

Check the Customized box if you want to customize a role for a resource. If the Customized box is checked, subsequent changes to the agreement may not affect the resource.

Customized Flag

If you leave the Customized Flag box unchecked for a plan element, then any changes you make to the quota or rates for that plan element are automatically inherited by the resource. If you check the box, the contents of the customized plan element are not affected by any changes you make to the plan element at the role level.

Deal Split

Use the Deal Split function to split up sales credit for an entire deal. You must query a specific transaction by order number or invoice number to expose the Deal Split button on the Transactions page.

Debit Memo

A debit memo is generated to fully or partially increase an invoice. It is posted to Oracle General Ledger. Debit memos are later collected and applied against transactions.

Dimension

See Rate Dimension.

Direct Sales Credit

Direct sales credit is credit that is directly assigned to a resource in a transaction in a feeder system, such as Oracle Quoting or Order Management, or another non-Oracle legacy system. See: Indirect Sales Credit.

Draw

A draw is a mechanism to pay a resource a minimum amount of compensation for a specified period of time. You can define the period that the draw and recovery will be in effect by using a payment plan. As part of the agreement with resources, this amount can be recoverable or nonrecoverable.

Drill Down, Drilldown

Drill down (verb) means to click a link to go to a greater level of detail. Drilldown is the noun form.

Earnings Statement Report

This report gives you a complete look at all of the transactions for a resource for a selected period. The columns on the report are parameters that you select in the parameters modification page.

Expense Account

An expense account is an account type segment in Oracle General Ledger. Expense accounts can be identified at the plan element level. Earnings for the plan element are assigned to the specified expense account in Oracle General Ledger. See the *Oracle General Ledger User Guide* for more information.

Export

See Import and Export.

Expression

Expressions are interchangeable, reusable parts that are used as input and output expressions of formulas, in expression-based rate dimensions and in performance measures. Input expressions tell Oracle Incentive Compensation what to evaluate from the transactions and how to match the results to the corresponding rate table. Output expressions instruct the application how much to pay resources.

External Formula

External formulas are used when the formula requires some data that is not in the application. They are similar to system generated formulas, except that they contain customized material. This means that when you upgrade the application, any changes that were made are not automatically applied to the external formula, so they must be applied manually. For external formulas, you must enter the name of the PL/SQL package in the Package Name field.

External Table

Oracle Incentive Compensation can accommodate external tables, as long as the tables are properly registered in the application.

Failed Records

Sometimes records fail during the import process. This often occurs because the content or the organization of the record is incorrect. The Failed Records page displays any records that failed during the import process, and the reasons for failure.

Fixed Amount

Fixed Amount is a constant amount in a compensation plan that is used for calculation purposes. Resources do not have a view or access to the fixed amount.

Fixed Component

See Component.

Formula

A formula is a set of instructions that determines how compensation is calculated. Formulas are built from input expressions, output expressions, and rate tables. Formulas used in Incentive Planning must be designated as planning formulas with a specific combination of rules. For these formulas, only one input expression is permitted. A bonus formula has no links or references to transactions. You can use an external formula when defining a plan element. See External Formula.

Functional Currency

Functional currency is the currency in which Oracle Incentive Compensation performs all calculations. It is the currency used by General Ledger to record transactions and maintain accounting data for the set of books. After functional currency has been set up for an organization, it does not change.

Goal

Goal is the amount that management sets as the actual goal expected of the resources in a compensation plan. This amount is typically used for reporting purposes and is not exposed to the resources.

Group By Interval

When you use a Group by interval, all transactions from a predefined period are submitted together for calculation. This period can be a month, quarter, or year. Group by Interval calculation requires that you check the Cumulative box. Commission is calculated by applying the total amount of the grouped transactions to the rate table.

Import and Export

In Oracle Incentive Compensation, you can import data to spreadsheets and export data from spreadsheets. You can import data into Oracle Incentive Compensation for hierarchies, classification rulesets, calculation expressions, and products. You can also import personalized agreements that were downloaded and personalized by a manager offline, or contracts that were approved offline by a contract approver. You can import transactions during the Collection process. You can export data from Oracle Incentive Compensation for hierarchies and expressions.

Indirect Sales Credit

Indirect sales credit is inherited by a resource according to his or her place in the resource hierarchy. Indirect sales credit typically rolls up from a resource to a manager.

Incremental Calculation

Incremental Calculation marks all predefined transaction events in a notification log

table known as the Notify Log. By doing this, Oracle Incentive Compensation runs calculation only for the resources that require it.

Interval

Intervals are time periods during which a compensation or a plan element is effective. Plan element intervals must be contained within the effective interval of a compensation plan.

Interval to Date

Use an Interval to Date plan element in a compensation plan if you want to pay compensation based on accumulated achievement during a specified period. This type of plan element calculates commission based on achievement towards cumulative quota targets, such as Period to Date (PTD), Quarter to Date (QTD), or Year to Date (YTD).

Interval Type

An interval type is the time period of an interval. Commonly used interval types are month, quarter, and year. You can define a custom interval.

Liability Account

A Liability Account is an account type segment in Oracle General Ledger. Liability accounts can be identified at the plan element level. Earnings for the plan element are assigned to the specified liability account in Oracle General Ledger. See the *Oracle General Ledger User Guide* for more information.

Listing Notification

During data collection, this feature makes a list of all individual transaction lines from the transaction Source for which compensation is payable.

Manual Transaction

A manual transaction is created by a user to reverse or change sales credit.

Mapping

Mapping is the set of rules defining collection that connect the table columns of a feeder system to the transaction columns in Oracle Incentive Compensation. Mapping can be direct or indirect. Direct mapping uses source data from one or more of the tables in the From clause of the Collection Query. Indirect mapping is more complex, and uses From and Where clauses in an UPDATE statement.

Move Credits

Move Credits is used in Collections to mass adjust a group of transactions based on criteria selected in the parameters. Use the Move Credits function when the sales credit for a number of transactions has been erroneously assigned to a resource.

Notification Log

The Notification log, also known as the Notify Log, automatically records every change in the system that affects calculation and lists what part of the calculation must be rerun as a result of an event. This is especially useful when performing Incremental Calculation.

Notification Query

A notification query shows the exact query which will be used to create the Notification list of line-level transactions which are eligible for compensation. It is used when collecting from a source other than the standard transaction sources.

Online Mode

Transactions are processed in either Batch mode or Online mode. Online mode is best if you want to create a manual transaction and need to find resources and their corresponding allocation percentages in real time. For online processing, you must call a PL/SQL API. See Batch Mode.

Open Collections

Oracle Incentive Compensation can collect transaction information from any source, including legacy systems, provided that the other system's data can be accessed in the same database instance.

Org Striping

Org striping means marking something, such as a role, by organization. This is used to limit access to data to those who need it.

Parent Node

A parent node is a node in a rules hierarchy which has at least one node that rolls up to it. A parent node typically summarizes information concerning the nodes below it, referred to as child nodes.

Pay Group

A pay group is an assignment that determines the frequency with which a resource receives payment. Pay group assignment is necessary for a resource to be paid. A resource cannot belong to more than one pay group at a time. You can assign a pay group to a role, in the same way that a compensation plan is assigned to a role. Resources inherit the pay group when the role is assigned to them. You can perform individual pay group assignment to a resource.

Payee Assignment

Use Payee Assignment if you want to assign the payment to someone other than the resource receiving the sales credit. For example, use payee assignment if a credit receiver leaves the company and a new resource takes over the account.

Payment

There are three types of payment:

- Regular Payment: The application collects data, prepares it, and formats it to be used by a non-Oracle Payable system.
- Accounts Payable Integration: Used for vendors, this method prepares payment for Oracle Accounts Payable by classifying the resources as suppliers.
- Oracle Payroll Integration: The application collects data and creates a file that can be used by Oracle Payroll.

Payment Analyst Hierarchy

A Payment Analyst Hierarchy is a hierarchy in Resource Manager that determines worksheet approval rollup and resource read/write security. The hierarchy is created using groups, roles, and resources that utilize the Sales Compensation Payment Analyst usage.

Payment Group

The payment group setting enables you to assign multiple payment plans to a resource as long as the payment groups are in different payment groups for a specific date range. The payment group codes are customizable; the default setting is Standard.

Payment Hold

Payment on a specific transaction can be held so that it is not paid. Compensation analysts make payment holds under the discretionary review. Reasons for payment holds include incorrect revenue recognition, credit holds, and company policies, such as holding high commissions.

Payment Plan

A payment plan is an optional arrangement in affect for some salespeople who need to receive a minimum payment regardless of their earnings. You can specify a minimum and/or a maximum payment as well as whether any minimum payments are recoverable or not against future amounts payable. Payment recovery can be on a separate schedule from the compensation period.

Payment Batch

Oracle Incentive Compensation uses payment batches to determine payment amounts. The payment batch process considers:

- Who is paid
- Which transactions are paid

- How much is paid
- When payment occurs

Paysheet

An individual paysheet displays the details of the total payment amount for a resource. It comprises manual payments, calculated payments, total payments, and recoveries. Paysheets are part of a payment batch.

Performance Measure

An accumulation of transaction values that is captured by a Plan Element and grouped for use in reports that compare achievements to Quota, Goal and Performance Measure. Performance measures are not used to calculate commission.

Period

The time span over which performance is measured for incentive purposes. The typical period in Incentive Compensation is a month, but it can be a quarter, a year, or a custom definition.

Plan Element

Plan elements are the parts from which compensation plans are built. Plan elements may reflect variations of commission or perhaps a bonus based on the accumulated achievement of the resource. Plan elements can also be configured for tracking nonmonetary credits such as managerial points or production credits. Plan elements consist of modular components that can be freely assigned in different combinations, including products, formulas, and rate tables. Interdependent plan elements use the calculated totals of one plan element to calculate for commission for another plan element.

Population Phase

During the Population phase of calculation, Oracle Incentive Compensation identifies the appropriate plan elements that are associated with the resource's compensation plan that have been allocated to the transactions. The application attempts to match transactions with the Plan Elements for the credited resources and if the match is successful, the transaction is populated.

Preprocessed Code

In Collections, the Preprocessed Code drop-down list contains 16 combinations of skipping the four main phases of calculation: Classification, Population, Rollup, and Calculation. You can also skip all phases or skip nothing. There are a variety of reasons for skipping phases of calculation. The main benefit is saving time. See Chapter 8 for details.

Product

A product is a user-defined category of business revenue used to classify a transaction for compensation and calculation. Products are assigned to plan elements and help determine whether classified sales credit is applied toward a compensation payment.

Product Rules

Product rules contain one or more conditions that a transaction must meet to classify into a given product. Product rules are combined into a ruleset.

Product Hierarchy

A product hierarchy is an arrangement of products and subproducts in which the broadest classes are at the top of the structure.

Profile Option

Profile options enable an organization to configure the application to suit its business requirements. Some profile options are required and some are optional. Most profile options have preset default values that you can change as needed.

Quota

A quota is the total amount that a resource or manager is expected to sell. Management uses quotas to distribute the organization's sales commitment to all resources.

Rate Dimension

Rate dimensions define the tiers that a rate table uses to calculate commission percentages. There are four kinds:

- Amount: The rate tiers are amounts.
- Percent: The rate tiers are percentages of a quota.
- Expression: These rate dimensions reference calculation expressions, and can be used to create more complex rate tiers.
- String: The rate tiers are alphanumeric, such as product numbers or the names of states.

Rate Table

A rate table is used to establish compensation percentage rates or fixed amounts for different performance levels. As part of a formula, along with input and output expressions, a rate table determines the amount of compensation based on amount or percentage of achievement compared to quota. Rate tables can use percent or amount, or both, to calculate commission percentages. A multidimensional rate table uses more than one dimension to calculate commission percentages, for example, State and

Product.

Recoverable, Nonrecoverable

These terms define whether compensation can be recovered from (paid back by) the resource who receives it or not.

Request ID

When submitting calculation, the request ID is stored as a column and a search parameter for any calculation request that is submitted concurrently. The Request ID is not recorded for calculation requests that are submitted as an online request.

Resource

Anyone who is set up to receive compensation in Oracle Incentive Compensation, including salespeople, managers, and administrators.

Responsibility

People are assigned different responsibilities in Oracle Incentive Compensation to allow them appropriate access to the application. For example, the Incentive Compensation Super User has access to everything in the application, while other responsibilities, such as Incentive Planning Analyst, can access only the areas in the application that are required to perform their jobs.

Responsibility Group

Oracle Incentive Compensation uses responsibility groups to assign access privileges to responsibilities. These groups determine which groups and resources the person assigned to the responsibility can work on. All seeded responsibilities are already placed in appropriate responsibility groups during installation of the application, but any new responsibility that you create for use in Incentive Planning must be assigned a responsibility group.

Role

A role describes a set of resources who share a common compensation structure. Examples are Salesperson, Consultant, and Regional Sales Manager. In Oracle Incentive Compensation, each individual resource is assigned a predetermined role, which can be customized. Changes to a role affect everyone assigned to that role who does not have the Customized box checked on the compensation plan. A resource can have more than one role at the same time.

Rollup Phase

During the Rollup phase of calculation, Oracle Incentive Compensation runs a process to determine all resources who should receive credit for a transaction, based on the rollup date and the resource hierarchy effective for that date. For every credit receiver, Oracle Incentive Compensation creates a new system-generated transaction and the

lines are marked as Rolled Up.

Rollup Summarized Transactions

The rollup summarized transactions process significantly reduces the number of transactions that need to be processed, which improves performance.

Root Node

Root node is the highest level of a rules hierarchy. You can place as many nodes under the root node as necessary to meet your business objectives. Oracle Incentive Compensation provides the flexibility to create multiple root nodes.

Rules Hierarchy

A rules hierarchy sets up relationships between rules. The structure of a rules hierarchy starts with a root, then adds one or more parent rules, and then as many child rules as needed. A rule can have one or more child rules or siblings.

Ruleset

A ruleset is a collection of rules. There are three types of Rulesets, which are used for revenue classification, account generation, and plan element classification.

- Revenue Classification defines the rules that are used to identify a product for each transaction that the system processes as part of calculating commissions.
- Account Generation is used to integrate Oracle Incentive Compensation automatically with Accounts Payable and to classify transactions to identify Expense and Liability Accounts.
- Plan Element Classification is used to classify quotes, opportunities, and so on, for the Projected Compensation API.

Runtime Parameters

Runtime parameters are used to narrow the range of transactions collected in a collection package if you are using a custom transaction source. For example, a start date and end date can be defined. The parameters are defined on the Queries page in the setup process.

Sales Credit

An amount of revenue or nonrevenue credit that is awarded to a resource.

Sales Credit Allocation

Sales Credit Allocation automates the credit allocation process by systematically applying a set of consistent rules. This minimizes errors, thereby reducing the time analysts must spend reconciling them.

Sales Role

See Role.

Sales Credit Allocation

This is an automated process that accurately determines who should receive credit and how much credit should be given to each credit receiver. Credit allocation can be applied at different times within the sales cycle, for example, opportunities, quotes, orders, and invoices.

Seasonality, Seasonality Schedule

Seasonality relates to sales patterns that change over the course of a year. Seasonality schedules are used to distribute product/service income or cost/expense throughout the year, expressed in percentages of the year's total.

Set of Books

A set of books identifies a company or fund within Oracle Applications that shares a common chart of accounts, structure, calendar, and functional currency. Oracle Incentive Compensation processes incentive compensation payments according to periods defined in a calendar associated with a set of books that is defined in Oracle General Ledger (see the *Oracle General Ledger User Guide*).

Split

Components of an Incentive Planning agreement can use a split when calculating quota against a rate table. When you split tiers of a rate table, you pay commission at the lowest tier possible in the rate table. Splits are proportional or nonproportional. A nonproportional split is used with rate tables that pay based on percentages of the transaction amount. For rate tables that pay an amount instead of a percentage, a proportional split is used to take the amount of the transaction that falls within a tier and divide it by the entire amount paid for that tier. This generates a percentage that can be applied against the transaction amount in the tier.

Split Transaction

Use the Split Transaction page to distribute sales credit in whole or in part between one resource and another or among a group of resources. You can split sales credit for a transaction differently depending on the transaction split percentage of the transaction. This percentage is assigned to the transaction when it is created or as an adjustment.

Standard Transaction Sources

The standard transaction sources for collection are Oracle Receivables and Oracle Order Management Collections. These seeded sources are set up when the application is shipped.

Takeback

The amount of compensation credited for a sale that Oracle Incentive Compensation takes back when the invoice due date grace period is exceeded. If the invoice is subsequently paid, then a giveback can be used to restore credit to a resource. Takebacks are sometimes called clawbacks.

Target

Target is the specific amount set for resources as their attainment amount in a Compensation Plan. Resources have views of this figure through their contract. The most common way that a target is used in an expression is for evaluating transactions as a percentage of quota.

Team Compensation

If the resource on the transaction is a member of a team, then Oracle Incentive Compensation automatically calculates compensation for every member of the team. Teams are set up in Resource Manager. However, although team members all receive credit for the transaction, the sales credit rolls up a sales hierarchy only on the original transaction.

Threshold

Minimum level of performance that must be achieved to earn compensation on a rate table.

Transaction Batch Size

Along with the Salesperson Batch Size, the Transaction Batch Size determines how many transaction batch runners get submitted for concurrent calculation. This is a setting in System Parameters.

Transaction Details Report

This report shows transactional details for a specified resource and is used primarily by the Incentive Compensation Analyst. The report can be run to show results of any specified period and by transaction status. This report is configurable.

Transaction Factor

A transaction factor stages sales credit over the life of a sale, assigning percentages of the transaction amount to important events in the sales process, including Invoice, Order, and Payment. Transaction factors must add up to 100%.

Transaction Filters

Transaction filters allow you to define criteria to remove unwanted transactions during collection. Transaction filters are especially relevant to Receivables and Order Management, because you cannot change the collection query for those standard transaction sources.

User Code Blocks

User code blocks are single or multiple PL/SQL statements (functions and procedures) that you can insert at defined points in the Collection procedure. User code blocks can be inserted at:

- Pre-Notification: at the beginning of the Notification query
- Post-Notification: between running the Notification and Collection queries
- Post-Collection: after the Collection query has been run

Year To Date Summary

The Year to Date Summary is an overview of a resource's achievements, commission and bonus earnings and advances or draws. This report is accessible by the Compensation Manager, Compensation Analyst, and Incentive Compensation User (Self Service) responsibilities.

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