



Automated Compensation Planning Process Enables More Strategic Decision Making at Raytheon



- Client** Raytheon Company
- Number of employees** 80,000+ worldwide
- Industry** Government and commercial electronics, space, information technology, technical services and aviation
- Benefits**
 - Reduction in compensation planning time
 - Improved control of program administration
 - Greater visibility for upper management into the planning process

Raytheon is an industry leader in defense and government electronics, space, information technology, technical services, and business aviation and special mission aircraft providing integrated mission systems to meet the critical defense and non-defense needs of their customers. Over 60,000 domestic salaried employees are spread across seven major business units to meet the organisation's aspiration of being the most admired defense and aerospace systems supplier through world-class people and technology.

HR/Business Challenge

Managing the salary planning process for over 60,000 employees is a monumental task. At Raytheon, the mostly manual process spanned a 12 week period and relied on managers to edit and route hundreds of spreadsheets throughout the company.

"Previously, we used an in-house spreadsheet methodology for compensation planning," explained Phil Smith, Senior Manager of Compensation. "With the spreadsheets, the biggest problem was the distribution (breakdown) and recovery of inputs. A great deal of time was

consumed getting the correct information to the planning manager. Additionally, managers and HR Administrators would change cell format, which made the process of reassembly of individual sheets and subsequent analysis a nightmare. The process itself was lengthy, taking nearly three months, and decision making was inhibited because senior managers were only able to view data after all the sheets were 'rolled-up.'"

Acting on their strong organisational commitment to Six Sigma process and discipline, Raytheon recognised a need to replace their manual salary planning system with one that would hold up to the organisation's commitment to Six Sigma standards.

Solution

After an extensive evaluation of several compensation planning solutions, Raytheon ultimately chose Workscope based on the solution's intuitive, easy-to-use interface, and deep application functionality. Raytheon purchased Workscope Compensation Planner to provide line managers with better information when they need it to make better decisions.

"We found the Workscope solution to be a very intuitive and user-friendly approach for the managers — one which provides all necessary information in one place," said Sarah Sumner, Director Corporate Performance Development and Compensation.

Workscope Compensation Planner combines deep application functionality with ease of use, enabling managers to understand HR's enterprise-wide compensation strategy, make equitable, informed pay decisions that reward individual performance within company guidelines, and communicate those decisions to their direct reports clearly and effectively.

To ensure widespread adoption of the solution, the Workscape project manager worked closely with Raytheon to develop a customised training package to increase engagement and ease the learning curve. Feedback from HR managers has been positive and adoption of the solution has been high.

The solution was implemented on time, even with the Raytheon team working under a tight schedule to meet their target goals.

"I cannot say enough about how the Workscape team responded and worked with us to deliver the solution on an accelerated timeline that would meet our approval and planning cycles," said Smith. "In less than five months Workscape gathered requirements and tested, developed, and deployed the Compensation Planner solution to our 10,000-person pilot group. In addition, the Project Manager worked closely with us to develop a highly effective training module."

"Workscope Compensation Planner was very well received by the 3,500 Raytheon managers who conduct compensation planning. It required minimal training and they now have a top-notch planning tool which enables them to make compensation decisions with all the information they need at their fingertips. It takes them less time to complete a quality job so they have more time to spend on customers and solutions."

DIANE AVELLAR

VP OF PERFORMANCE DEVELOPMENT
AND BENEFITS
RAYTHEON

Results

By deploying Workscape Compensation Planner, Raytheon has been able to maintain their commitment to Six Sigma standards, reduce errors to budget, and improve their overall compensation planning time.

Benefits include:

- Better decision support utilising the ability to share information easily and securely
- More visibility to compensation planning, enabling senior managers to see budget allocation and spending during the planning process
- Improved ability to gather and create customised reports
- Improved control of program administration and compliance by applying rules on a uniform basis, greater data retention, and comprehensive reporting
- ITAR (International Traffic in Arms Regulations) compliance
- Enables HR to be more focused on strategic decisions and less on tactical execution

"We reduced the process from a period of nearly 12 weeks to just six and have enabled HR to be more focused on helping with decision making and less involved in mechanics of execution," said Smith. "Senior Level Managers can go into our compensation planning tool every day and see how much is being spent and where it is allocated. I feel our business process is more efficient."