



## Scorecard-Based Incentive Plan Design Process Steps

**Scorecard-based plan overview:** A Scorecard-based incentive plan is a framework that helps organizations translate strategy into operational objectives that drive behavior and performance. By blending both internal process and financial measures, the Scorecard creates a cohesive set of cause-and-effect relationships that touch all aspects of an organization's performance. The plan design typically has four corporate-wide Scorecard components in which all employees are measured and rewarded.

**All relevant email templates, meeting agendas, module training, plan costing templates and plan document templates mentioned throughout this document are assessable by using the "Quick Links" under the Incentive / Bonus Plan Development Module Resources, Scorecard-Based Incentive Plan Module Resources. See *Attachment A*.**

**Step 1 – Planning Phase: (Phase II on the ICP Development Process Collateral sheet).** This is the first step in creating the actual structure of the incentive plan chosen by the client and is known as the Planning Phase. Send email #2 "Incentive Plan Option Selected". To facilitate this phase of the project, schedule a meeting with the client and use the Incentive Compensation Plan Project Meeting Agenda #2. (*Refer to Meeting Agenda Template folder.*) Use the structure template for the Scorecard Plan and begin to tailor the plan for the client.

1. During this meeting, the following items will be discussed.
  - a. Discuss Scorecard plan structure.
  - b. Determine plan components and weightings for each of the four Scorecard plan measurement areas.
  - c. Determine the actual metrics that will be utilized for achievement for each of the four Scorecard plan measurements for threshold, target, and maximum performance.
  - d. Determine what percent of threshold, target, and maximum achievement will be paid.
  - e. Determine eligible percent of pay for all employees at target level of plan achievement.
  - f. Confirm the plan will pay annually.
2. Determine plan components and weightings for each of the four overall corporate-wide Scorecard plan measurements. Identify potential plans measures and weightings.
  - a. Typical measurements are as follows:
    - i. Financial/Stewardship
    - ii. Internal Business Processes
    - iii. Client/Stakeholder
    - iv. Organizational Capacity
  - b. Each measurement should be placed in each of the four boxes.



- i. The client can replace one of the four measurements with one which is more relevant to the organization.
      - ii. There should be only one measurement per objective. Multiple measurements within an objective make the plan more complex and difficult for employees to understand
    - c. Each box is weighted.
      - i. Each box can have a different weighting; however, the total weighting must add up to 100%.
      - ii. The weightings will be the same for all plan participants.
  3. After weightings have been decided, determine what actual metric will be used to measure each of the four Scorecard objectives if threshold, target, and maximum performance is achieved.
    - a. Document the plan structure definition for each of the Scorecard objectives and measurements and place in the appropriate boxes.
  4. Next, determine the percentage payout levels at target, threshold, and maximum achievement levels.
    - a. The sample Scorecard structure uses 80% for threshold, 100% for target, and 120% at maximum achievement levels. (*Refer to Pt. 8 for a sample Scorecard structure,*)
  5. Once the structure has been established, the next step is to determine what eligible percent of pay all employees will receive at target level of performance.
  6. The final decision in the Planning Phase is to determine how frequently the plan will pay. The Scorecard plan is typically paid annually as the measurements are annual.
  7. Once the incentive plan structure and all plan components are agreed upon and approved by the client, send email #3 Incentive Compensation Structure Completed. (Refer to Email Templates folder.)
    1. If the structure is not finalized, send the email when the structure is complete.
  8. An example of a Completed Scorecard-based plan structure is provided below.



SCORECARD			
<b>Financial/Stewardship - 50%</b> <b>"Financial Performance"</b> Threshold \$3.0M <b>Target \$5.0M</b> Maximum \$7.0M		<b>Internal Business Processes - 10%</b> <b>"Efficiency"</b> Threshold 3 Processes Reviewed <b>Target 5 Processes Reviewed</b> Maximum 8 Processes Reviewed	
<b>Client/Stakeholder - 20%</b> <b>"Satisfaction"</b> Threshold Score of 4.25 on 5.0 scale <b>Target</b> Score of 4.50 on 5.0 scale Maximum Score of 4.75 on 5.0 scale		<b>Organizational Capacity -20%</b> <b>"Knowledge &amp; Innovation"</b> Threshold 85% Satisfaction Score <b>Target</b> 90% Satisfaction Score Maximum 95% Satisfaction Score	
<b>Gross Revenue</b> <b>"Financial Performance"</b> The annual revenue achieved by the end of the fiscal year.		<b>Process bottlenecks</b> <b>"Efficiency"</b> Process bottlenecks identified and eliminated.	
<b>Client Satisfaction</b> <b>"Satisfaction"</b> The customer survey overall satisfaction rate score will be averaged for the entire year.		<b>Best Places to Work Score</b> <b>"Knowledge &amp; Innovation"</b> The overall satisfaction score from the annual Best Places to Work Survey.	
Threshold Achievement = 80%; <b>Target = 100%</b> ; Maximum = 120%			

**Step 2: Terms and Conditions Template:** All incentive plans have a document which outlines the terms and conditions of the plan. The Terms and Conditions document has areas requiring decisions relative to plan administration. (Refer to Plan Documents Template folder.)

1. Schedule another meeting with the client. To facilitate this step in the project, use the Incentive Compensation Plan Project Meetings Agenda #3. (Refer to Meeting Agenda Template folder.)
  - a. Prior to the meeting, create and send a draft of the Terms and Conditions document to the client along with the meeting agenda.
  - b. The consultant should make comments and/or recommendations based on their working knowledge of the client.
  - c. The template has a place for the consultant to document company decisions made during this meeting. (Refer to Plan Documents Template folder for template.)
2. Meeting Agenda #3: During this meeting, the following items will be discussed.
  - a. Discuss terms and conditions (previously sent) and gather feedback. Once the terms and conditions are finalized, a bonus plan document will be written.
  - b. Discuss and gather information to model the cost of the plan.
3. The Terms and Conditions topics to be discussed and decided upon are as follows.



- a. Eligibility: Who is eligible to participate in the plan? Date of effective date of responsibility or if hired by a certain point in year?
- b. Corporate Policies: Any there any corporate policies that must be followed, i.e., Code of Business Conduct, quality, etc.?
- c. Terminations: If an employee resigns or is terminated, is the employee eligible for a prorated payment? Prorated payment for monthly or quarterly factors? Annual factors not paid unless employed on December 31 or fiscal year-end or at pay-out time?
- d. Disability: Is eligibility maintained when on an approved leave?
- e. Payment Review: Are employees responsible for reviewing and confirming the accuracy of their bonus payments? If so, does the company want a payment responsibility clause? For example, "Within XX days after a payout is received, an employee can bring forward any discrepancies in calculation for consideration. After the XX-day period following receipt of a payout, if the employee or the company does not bring forward any issues and/or concerns, the calculation and payment are considered final."
- f. Plan Modifications: Will the company have a statement that the company reserves the right to interpret the provisions of any Incentive Compensation Plan, and to amend, suspend or terminate any plan at any time without notice?
- g. Below is an example of the Scorecard plan Terms & Conditions Review and Decisions document.

Area	Comment and Recommendation	Company Name Decision
Eligibility	Eligible to participate on effective date of responsibility or if hired by a certain point in year?	
Corporate Policies	Any corporate policies that must be followed – i.e. Code of Business Conduct, Quality, etc?	
Terminations	Pro-rated payment for monthly or quarterly factors? Annual factors not paid unless employed on December 31 or fiscal year-end or at pay-out time?	
Disability	Eligibility maintained when on an approved leave. Typical laws.	
Payment Review	Employees responsible for reviewing and confirming the accuracy of their bonus payments? If so, does the company want a payment responsibility clause? For example, "Within XX days after a payout is received, an employee can bring forward any discrepancies in calculation for consideration. After the xx day period following receipt of a payout, if no issues have been raised by the employee or the company, the calculation and payment are considered final."	
Plan Modifications	Will have a statement that the company reserves the right to interpret the provisions of any Incentive Compensation Plan, and to amend, suspend or terminate any plan at any time without notice.	

Company decisions should be discussed and entered in the spaced provided.

4. Share with the client a plan document will be written once the terms and conditions of the plan are finalized.
5. The last agenda item is to gather information needed to cost model the plan. (Refer to Step 4 for detailed information on Financial Modeling.)



- a. Provide the client with the Scorecard Blank Census Template. *(Refer to Plan Costing Template folder.)* The census should contain the employees name, position title and annual salary (as of specified date) of all plan participants.
- b. Ask the client to complete the template and return to the Consultant.
- c. Below is an illustration of a Scorecard Blank Census Template. A completed Scorecard Census Template can be found in the Plan Costing Templates Folder.



**Company Name - Census Data - XX.XX.XX**

EE Name	Position Title	Annual Base Salary as of xx.xx.xx
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

6. Send email #4” “Terms and Conditions Determined” once all decisions have been made and agreed upon by the client. *(Refer to Email Templates folder.)*

**Step 3 – Building Phase: (Phase III on the Incentive Compensation Plan Development Process Collateral sheet) Draft Plan Document:** Throughout the incentive compensation design process, the consultant has obtained the necessary concepts, plan design elements and terms and conditions needed to prepare the plan document.

1. At this point in the process, the consultant should prepare a draft of the plan document using the Scorecard Plan Document template. *(Refer to Plan Documents Template folder.)*
2. Finalize any incomplete items.
3. Customize the plan document to the Client.
  - a. Add Client logo, Client Name throughout the document, adjust plan definitions if needed, customize plan eligibility, objectives, award targets, performance assessment award calculation, and terms and conditions as agreed upon by the client for their Scorecard plan.
4. A draft of the plan document will be sent to the client in Step 5 with along with Meeting Agenda #4. *(Refer to Meeting Agenda Template folder.)*



**Step 4 – Testing Phase: (Phase IV on the ICP Development Process Collateral sheet) Financial impact / Cost Modeling:** Modeling the cost to implement the proposed incentive plan is critical to its' success.

1. Modeling needs to be conducted at all plan performance achievement levels. (Use Excel template titled "Scorecard Plan Cost Modeling Blank Template" template; refer to Plan Costing Template folder.)
2. The consultant will typically perform the cost modeling activity.
3. Copy and paste the three columns of employee data (EE Name, Position Title and Annual Base Salary as of XX.XX.XX) from the Scorecard Completed Census template into a Scorecard Plan Blank Cost Modeling template. (Refer to Plan Costing Template folder.)
4. Enter the percent of payout an employee is eligible at target in the column titled ". % of Pay at Target."
  - a. The target percentage is typically the same for every employee.
  - b. The bonus target dollar amount for each employee will automatically be calculated using the plan participant's current annual salary and the bonus target percentage. (The formula to calculate the bonus target is in the column titled "Bonus Target.")  
=SUM(Annual Base Salary as of xx.xx.xx X % of Pay at Target %)
5. Next, in separate columns enter the four scorecard objectives as defined in the Scorecard structure and corresponding weightings for each of the scorecard measurements.
  - a. The column heading is the objective metric and the percentages below the column heading represent the respective weighting for each objective.
    - i. In this cost modeling activity, the achievement level should remain at 100% for all four Scorecard objectives.
  - b. The cost modeling of the target payout bonus dollars for each of the objectives will be automatically calculated.  
=SUM(weighting X achievement percent)
  - c. Column R titled "Total Weight %" ensures all weightings add up to 100%.
  - d. Column S titled "Total Dollars Payout" ensures that the sum of all payout dollars equal the employee's bonus target dollars (Column D).
6. Add subtotals to the bottom of the spreadsheet, i.e., Annual base salary as of XX.XX.XX and each scorecard objective that has a dollar figure (see illustration below).
7. Lastly, add grand totals to the bottom of the spreadsheet indicating an overall dollar total for the achievement of each of the Scorecard measurements at threshold, target, and maximum performance levels.
8. Review and verify all formulas in the spreadsheet to ensure the calculations are the same and correct for each employee, subtotals and grand totals are accurate.
  - a. The Blank and Completed Scorecard Modeling templates have a formula to calculate threshold and maximum achievement levels at 80% and 120% respectively. If the client choses different performance achievement levels (other than 80% and 120%), be sure to modify the formulas accordingly.



9. Below is an example of a completed Scorecard cost modeling template.

Formula in payout columns assume target achievement level of 100% obtained for cost modeling. Change payout % based on achievement levels obtained for final year-end calculations.

Company Name - Scorecard Bonus Modeling - Date					Financial / Stewardship			Internal Business Processes			Client/ Stakeholder			Organizational Capacity			Total Weight %	Total Dollars Payout
EE Name	Position Title	Annual Base Salary as of xx.xx.xx	Bonus Target	% of Pay at Target	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout	Total Weight %	Total Dollars Payout
Employee A	Director Accounting	\$108,148.35	\$10,814.84	10%	50%	100%	\$5,074.42	10%	100%	\$1,081.48	20%	100%	\$2,162.97	20%	100%	\$2,162.97	100.00%	\$10,814.84
Employee B	Chief Financial Officer	\$178,161.98	\$17,816.20	10%	30%	100%	\$8,908.10	10%	100%	\$1,781.62	20%	100%	\$3,563.24	20%	100%	\$3,563.24	100.00%	\$17,816.20
Employee C	Director Sales	\$108,122.07	\$10,812.21	10%	50%	100%	\$5,406.10	10%	100%	\$1,081.22	20%	100%	\$2,162.44	20%	100%	\$2,162.44	100.00%	\$10,812.21
Employee D	Director Marketing	\$113,504.35	\$11,350.44	10%	50%	100%	\$5,675.22	10%	100%	\$1,135.04	20%	100%	\$2,270.09	20%	100%	\$2,270.09	100.00%	\$11,350.44
Employee E	Manager Accounting	\$84,453.41	\$8,445.34	10%	50%	100%	\$4,222.67	10%	100%	\$844.53	20%	100%	\$1,689.07	20%	100%	\$1,689.07	100.00%	\$8,445.34
		\$674.58	10%	50%	100%	\$4,337.29	10%	100%	\$867.46	20%	100%	\$1,734.92	20%	100%	\$1,734.92	100.00%	\$8,674.58	
		\$9,167.33	10%	50%	100%	\$4,583.66	10%	100%	\$916.73	20%	100%	\$1,833.47	20%	100%	\$1,833.47	100.00%	\$9,167.33	
		\$8,239.67	10%	50%	100%	\$4,119.84	10%	100%	\$823.97	20%	100%	\$1,647.93	20%	100%	\$1,647.93	100.00%	\$8,239.67	
		\$8,340.36	10%	50%	100%	\$4,170.18	10%	100%	\$834.04	20%	100%	\$1,668.07	20%	100%	\$1,668.07	100.00%	\$8,340.36	
		\$8,550.32	10%	50%	100%	\$4,275.16	10%	100%	\$855.03	20%	100%	\$1,710.06	20%	100%	\$1,710.06	100.00%	\$8,550.32	
		\$8,651.01	10%	50%	100%	\$4,325.51	10%	100%	\$865.10	20%	100%	\$1,730.20	20%	100%	\$1,730.20	100.00%	\$8,651.01	
		\$8,961.66	10%	50%	100%	\$4,480.83	10%	100%	\$896.17	20%	100%	\$1,792.34	20%	100%	\$1,792.34	100.00%	\$8,961.66	
		\$4,119.84	10%	50%	100%	\$2,059.92	10%	100%	\$411.98	20%	100%	\$823.97	20%	100%	\$823.97	100.00%	\$4,119.84	
		\$4,130.55	10%	50%	100%	\$2,065.28	10%	100%	\$413.05	20%	100%	\$826.10	20%	100%	\$826.10	100.00%	\$4,130.55	
		\$4,284.80	10%	50%	100%	\$2,142.40	10%	100%	\$428.48	20%	100%	\$856.96	20%	100%	\$856.96	100.00%	\$4,284.80	
		\$4,284.80	10%	50%	100%	\$2,142.40	10%	100%	\$428.48	20%	100%	\$856.96	20%	100%	\$856.96	100.00%	\$4,284.80	
		\$4,612.59	10%	50%	100%	\$2,306.30	10%	100%	\$461.26	20%	100%	\$922.52	20%	100%	\$922.52	100.00%	\$4,612.59	
		\$4,634.01	10%	50%	100%	\$2,317.01	10%	100%	\$463.40	20%	100%	\$926.80	20%	100%	\$926.80	100.00%	\$4,634.01	
		\$4,749.70	10%	50%	100%	\$2,374.85	10%	100%	\$474.97	20%	100%	\$949.94	20%	100%	\$949.94	100.00%	\$4,749.70	
Employee Z	Administrative Assistant	\$47,518.43	\$4,751.84	10%	50%	100%	\$2,375.92	10%	100%	\$475.18	20%	100%	\$950.37	20%	100%	\$950.37	100.00%	\$4,751.84

Cells contain a formula that automatically calculates bonus \$\$ payout at target level achievement for each employee

Add scorecard objectives and corresponding weightings

Cells contain formulas that automatically calculate bonus payout at target level achievement

Sub-Total	\$1,840,381.01	\$184,038.10	Sub-Totals	\$92,019.05	\$18,403.81	\$36,807.62	\$36,807.62	\$184,038.10
<p>Assumption: Threshold = 80%, Target = 100%, and Maximum = 120%</p> <p>Grand totals assume measurements are fully achieved at threshold, target and/or maximum. Does not account for payouts at various achievement levels.</p>								
Subtotals	Grand totals & cost at threshold, target, and maximum payout levels			<p>GRAND TOTALS SCORECARD MEASUREMENTS AT THRESHOLD \$147,230.48</p> <p>GRAND TOTALS SCORECARD MEASUREMENTS AT TARGET \$184,038.10</p> <p>GRAND TOTALS SCORECARD MEASUREMENTS AT MAXIMUM \$220,845.72</p>				

**Step 5 – Review of Costs Modeling and Plan Document:** This next step in the project involves ensuring the organization can afford to implement the incentive plan, review of the financial modeling of plan costs, finalizing the plan design, and making any revisions to the plan document.

1. Schedule a meeting with the client to discuss the results of the financial modeling.
  - a. Prior to the meeting, send a copy of the completed cost modeling spreadsheet as a PDF file or as an excel file (with all formulas removed) and the draft plan document along with the Meeting Agenda #4 (Refer to Meeting Agenda Templates folder.)
2. Meeting Agenda #4: During this meeting, the following items will be discussed.
  - a. Review cost modeling. Are any changes needed?
  - b. Review of the “draft” plan document.
3. Conduct the meeting.
4. You may also want to model a sample Year-End payout.
  - a. The consultant would model this by sharing with the client an illustration of a Year-End Completed Scorecard Cost Modeling template. (An example can be found in the Plan Costing Templates folder.)
  - b. The example illustrates the **actual performance** of the four Scorecard objectives at various levels of plan achievement. Formulas will need to be modified to calculate the Plan’s cost at Year-End. (See example below.)



Change Achievement Level based on final results. Revise formula in payout columns where Achievement is not 100%

Company Name - Scorecard Year End Results Modeling - Date					Financial / Stewardship			Internal Business Processes			Client/ Stakeholder			Organizational Capacity			Total Weight %	Total Dollars Payout
EE Name	Position Title	Annual Base Salary as of xx.xx.xx	Bonus Target	% of Pay at Target	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout	Weighting	Achievement Level	Payout		
Employee A	Director Accounting	\$108,148.35	\$10,814.84	10%	50%	100%	\$5,407.42	10%	80%	\$655.19	20%	120%	\$2,595.56	20%	100%	\$2,162.97	100.00%	\$11,031.13
Employee B	Chief Financial Officer	\$178,161.98	\$17,816.20	10%	50%	100%	\$8,908.10	10%	80%	\$1,125.30	20%	120%	\$4,765.89	20%	100%	\$3,650.00	100.00%	\$18,172.52
Employee C	Director Sales	\$108,122.07	\$10,812.21	10%	50%	100%	\$5,406.10	10%	80%	\$664.98	20%	120%	\$2,594.93	20%	100%	\$2,162.44	100.00%	\$11,028.45
Employee D	Director Marketing	\$113,504.35	\$11,350.44	10%	50%	100%	\$5,675.22	10%	80%	\$708.03	20%	120%	\$2,791.70	20%	100%	\$2,270.09	100.00%	\$11,577.44
Employee E	Manager Accounting	\$84,453.41	\$8,445.34	10%	50%	100%	\$4,222.67	10%	80%	\$527.83	20%	120%	\$2,026.88	20%	100%	\$1,688.07	100.00%	\$8,614.25
Employee F	Manager Marketing	\$86,745.78	\$8,674.58	10%	50%	100%	\$4,337.29	10%	80%	\$542.27	20%	120%	\$2,081.90	20%	100%	\$1,734.92	100.00%	\$8,848.07
Employee G	Manager Business Develop	\$91,673.30	\$9,167.33	10%	50%	100%	\$4,583.66	10%	80%	\$572.93	20%	120%	\$2,200.16	20%	100%	\$1,833.47	100.00%	\$9,350.68
Employee H	Human Resources Manager	\$82,386.70	\$8,238.67	10%	50%	100%	\$4,119.34	10%	80%	\$514.92	20%	120%	\$1,977.52	20%	100%	\$1,647.93	100.00%	\$8,404.46
Employee I	Facilities Manager	\$83,403.63	\$8,340.36	10%	50%	100%	\$4,170.18	10%	80%	\$521.27	20%	120%	\$2,001.69	20%	100%	\$1,668.07	100.00%	\$8,507.17
Employee J	Purchasing Manager	\$85,503.18	\$8,550.32	10%	50%	100%	\$4,275.16	10%	80%	\$534.40	20%	120%	\$2,052.08	20%	100%	\$1,710.06	100.00%	\$8,721.32
Employee K	Risk Manager	\$86,510.11	\$8,651.01	10%	50%	100%	\$4,325.50	10%	80%	\$540.63	20%	120%	\$2,076.25	20%	100%	\$1,730.20	100.00%	\$8,824.03
Employee L	Customer Success Manager	\$89,616.59	\$8,961.66	10%	50%	100%	\$4,480.83	10%	80%	\$560.10	20%	120%	\$2,160.80	20%	100%	\$1,792.33	100.00%	\$9,140.89
Employee M	Manager IT	\$91,844.69	\$9,184.47	10%	50%	100%	\$4,592.23	10%	80%	\$573.76	20%	120%	\$2,204.27	20%	100%	\$1,833.89	100.00%	\$9,368.16
Employee N	Receptionist	\$36,099.44	\$3,609.94	10%	50%	100%	\$1,804.97	10%	80%	\$228.80	20%	120%	\$866.39	20%	100%	\$711.99	100.00%	\$3,682.14
Employee O	Accountant I	\$38,563.20	\$3,856.32	10%	50%	100%	\$1,928.16	10%	80%	\$239.51	20%	120%	\$825.52	20%	100%	\$671.26	100.00%	\$3,933.45
Employee P	Accountant I	\$39,527.28	\$3,952.73	10%	50%	100%	\$1,976.36	10%	80%	\$246.55	20%	120%	\$848.65	20%	100%	\$690.55	100.00%	\$4,031.78
Employee Q	Accounts Payable Specialist	\$39,720.10	\$3,972.01	10%	50%	100%	\$1,986.00	10%	80%	\$248.25	20%	120%	\$869.25	20%	100%	\$712.60	100.00%	\$4,061.45
Employee R	Human Resources Coordin	\$40,705.60	\$4,070.56	10%	50%	100%	\$2,035.28	10%	80%	\$254.41	20%	120%	\$885.24	20%	100%	\$728.24	100.00%	\$4,151.97
Employee S	IT Help Desk	\$41,198.35	\$4,119.84	10%	50%	100%	\$2,059.92	10%	80%	\$257.48	20%	120%	\$895.58	20%	100%	\$736.58	100.00%	\$4,202.23
Employee T	IT Help Desk	\$41,305.47	\$4,130.55	10%	50%	100%	\$2,065.27	10%	80%	\$259.41	20%	120%	\$900.54	20%	100%	\$738.54	100.00%	\$4,213.16
Employee U	Purchasing Coordinator	\$42,848.00	\$4,284.80	10%	50%	100%	\$2,142.40	10%	80%	\$267.80	20%	120%	\$928.35	20%	100%	\$760.96	100.00%	\$4,370.50
Employee V	Purchasing Coordinator	\$42,848.00	\$4,284.80	10%	50%	100%	\$2,142.40	10%	80%	\$267.80	20%	120%	\$928.35	20%	100%	\$760.96	100.00%	\$4,370.50
Employee W	Accountant II	\$46,125.87	\$4,612.59	10%	50%	100%	\$2,306.29	10%	80%	\$288.29	20%	120%	\$1,107.02	20%	100%	\$922.52	100.00%	\$4,704.84
Employee X	Accountant II	\$46,340.11	\$4,634.01	10%	50%	100%	\$2,317.01	10%	80%	\$290.12	20%	120%	\$1,112.16	20%	100%	\$926.80	100.00%	\$4,726.69
Employee Y	Administrative Assistant	\$47,497.01	\$4,749.70	10%	50%	100%	\$2,374.85	10%	80%	\$296.86	20%	120%	\$1,139.93	20%	100%	\$949.94	100.00%	\$4,844.69
Employee Z	Administrative Assistant	\$47,518.43	\$4,751.84	10%	50%	100%	\$2,375.92	10%	80%	\$297.48	20%	120%	\$1,140.44	20%	100%	\$950.37	100.00%	\$4,846.88
Sub-Total		\$1,840,381.01	\$184,038.10		Sub-Totals			\$92,019.05	\$14,723.05			\$44,169.14			\$36,807.62			\$187,718.86
GRAND TOTALS SCORECARD FINAL PAYOUT TOTAL																		\$187,718.86

- c. If the client approves the cost modeling, send email #5 “Plan Costing Completed” after the meeting. (Refer to the Email Templates folder.)
- d. If no, move to Step 6: Revision of Plan Costing.
- 5. Review the draft plan document with the client and discuss any concerns or requested revisions to the plan document.

**Step 6: Revision of Plan Costing:** Based on the cost modeling meeting, the client may find that the plan costs are more than anticipated.

1. If this occurs, modify the specific areas of concern expressed by the client.
2. If the client feels the cost at threshold is too low or the cost at maximum is too high, modify the percent of achievement at threshold or max at the bottom of the spreadsheet to calculate new grand total costs.
3. Send a revised cost modeling copy to the client.
4. Continue modeling the plan costs until such time the client gains alignment.
  - a. Once the final cost modeling is completed and approved by the client, send email #5 “Plan Costing Completed”. (Refer to Email Templates folder.)





**Step 7 – Finalization Phase (*Phase V on the Incentive Compensation Plan Development Process Collateral sheet*) Finalization of Plan Document and**

**Resolution of Outstanding Issues:** After you have amended the draft plan document from meeting #4 (*Step 5; #4*), schedule the final meeting with the client with the purpose of gaining alignment on the final plan document.

1. Prior to the meeting send Meeting Agenda #5 (*Refer to Meeting Agenda Templates folder*) along with the final plan document.
2. Meeting Agenda #5: During this meeting, the following items will be discussed.
  - a. Review final plan document.
  - b. Wrap-up any outstanding issues.
3. This meeting serves as the “final walk-through” for the plan document and to wrap up any outstanding issues.
4. During this meeting, ask the client if there are any outstanding issues.
  - a. Discuss and resolve any issues.
5. Once the plan document is complete and finalized, and all outstanding issues relative to the plan have been resolved, send email #6 “Plan Document Completed”. (*Refer to Email Templates folder.*)

**Step 8 – Final Step of the Project:** Once all documents have been completed, sent to client, and all outstanding issues are resolved and finalized, send the Final Email “All Deliverables Completed”. (*Refer to Email Templates folder.*)

## ATTACHMENT A

### INCENTIVE / BONUS PLAN DEVELOPMENT MODULE RESOURCES SCORECARD PLAN DEVELOPMENT MODULE RESOURCES

