



Statement of Direction Compensation Management

Lawson has never been more committed to delivering a leading Human Capital Management solution to the global marketplace. With Lawson's new pattern-based development tools and methodology, a new generation of Human Capital Management products is being created to address the needs of the increasingly global enterprise.

A key discipline within Human Capital Management includes the ability to drive a performance-based business organization by using software to support automating the total compensation process. Lawson plans to build and deliver a compensation management solution that will help an organization manage an employee's total compensation, including pay for performance, salary planning and administration, and reporting and analytics. The Lawson Compensation Management solution will help allow customers to align compensation programs with corporate objectives and offer employees visibility into their total rewards. These mission-critical business processes would be accessible to all levels of our customers' organizations via a secure, role-based interface.

This statement of direction has two important goals:

1. To provide our customers with prompt communication about upcoming product offerings and
2. To simplify your planning process with opportunities to participate in and budget for future projects.

This statement will not indicate specific release dates, nor is it intended to be a comprehensive and final list of future functionality.

Project Overview

- Lawson has been and will continue to work with several lead adopter customers to complete the design and validation phase of the project.
- Beta site implementations for Compensation Management is planned to validate functionality and system usability.
- Lawson plans to hold periodic usability labs with customers, non-customers and Lawson Human Resources employees. The objective of these sessions is to finalize user interface and functionality before beta release.

Planned Features – Development Goals of Compensation Management

This document outlines Lawson's current vision for this project. This vision could and may change during the development cycle of this project and, as a result, Lawson cannot and does not make a commitment to develop the specific features listed below.

- Salary Planning and Administration functionality including:
 - The modeling and calculating of merit and promotional pools
 - Automation of the awarding and approval process
 - The automatic updating of employees' pay rates
- Support for variable components of pay, including:
 - Linking organizational goals and strategies to individual pay for performance
 - Variable Pay based on both external and internal measurements
 - Pay based on education, certification, and competencies
 - Longevity Pay
 - Multiple pay frequencies and currencies assigned to different pay components

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Planned Features – continued

- Support for complex salary structures, including:
 - Quartile
 - Quintile
 - Broad-banding
 - Geographic differentials
- Rate Progression rules for Step and Grade Schedules, including rules based on:
 - Length of Time
 - Performance Rating
 - Hours Threshold
 - Waiting period rules
- Customizable, role-based security with configurable dashboards and reporting
- Analytics that measure and evaluate the effectiveness of compensation programs
- Employee Total Compensation Statement that offers employees and managers visibility into their total rewards
- Rules-based compensation management with effective dating, cap, threshold setting and more
- Employee may be concurrently in multiple compensation programs, independent of plan start and end dates
- Ability to work with Lawson's Budgeting and Planning tool
- Ability to work with Lawson's Performance Management solution
- Ability to work with Lawson ProcessFlow® enabling notifications such as pay increase reminders

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