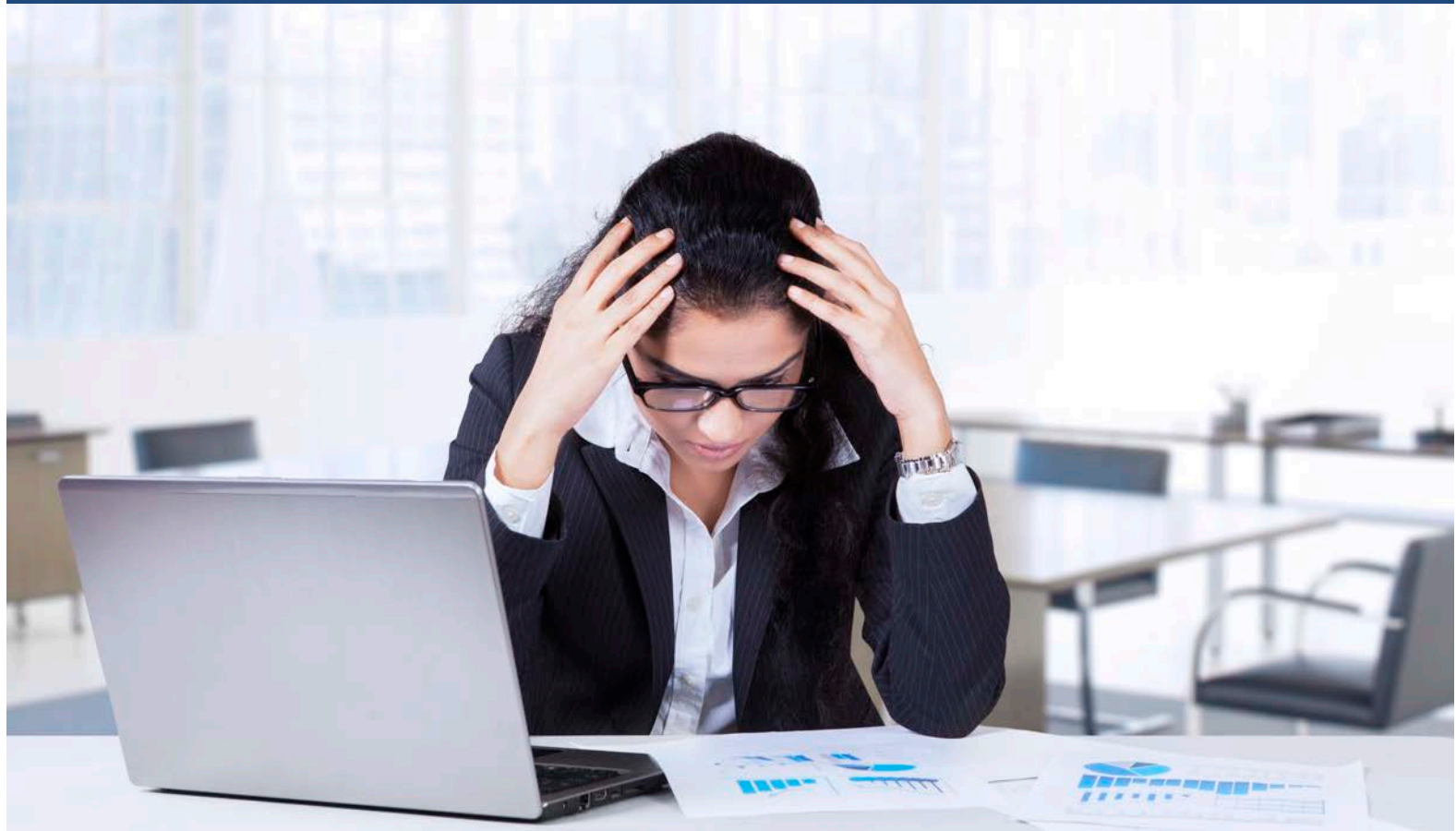


# Why Excel is Not the Answer

FOR MARKET PRICING AND COMPENSATION ANALYTICS



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*Chapter One*

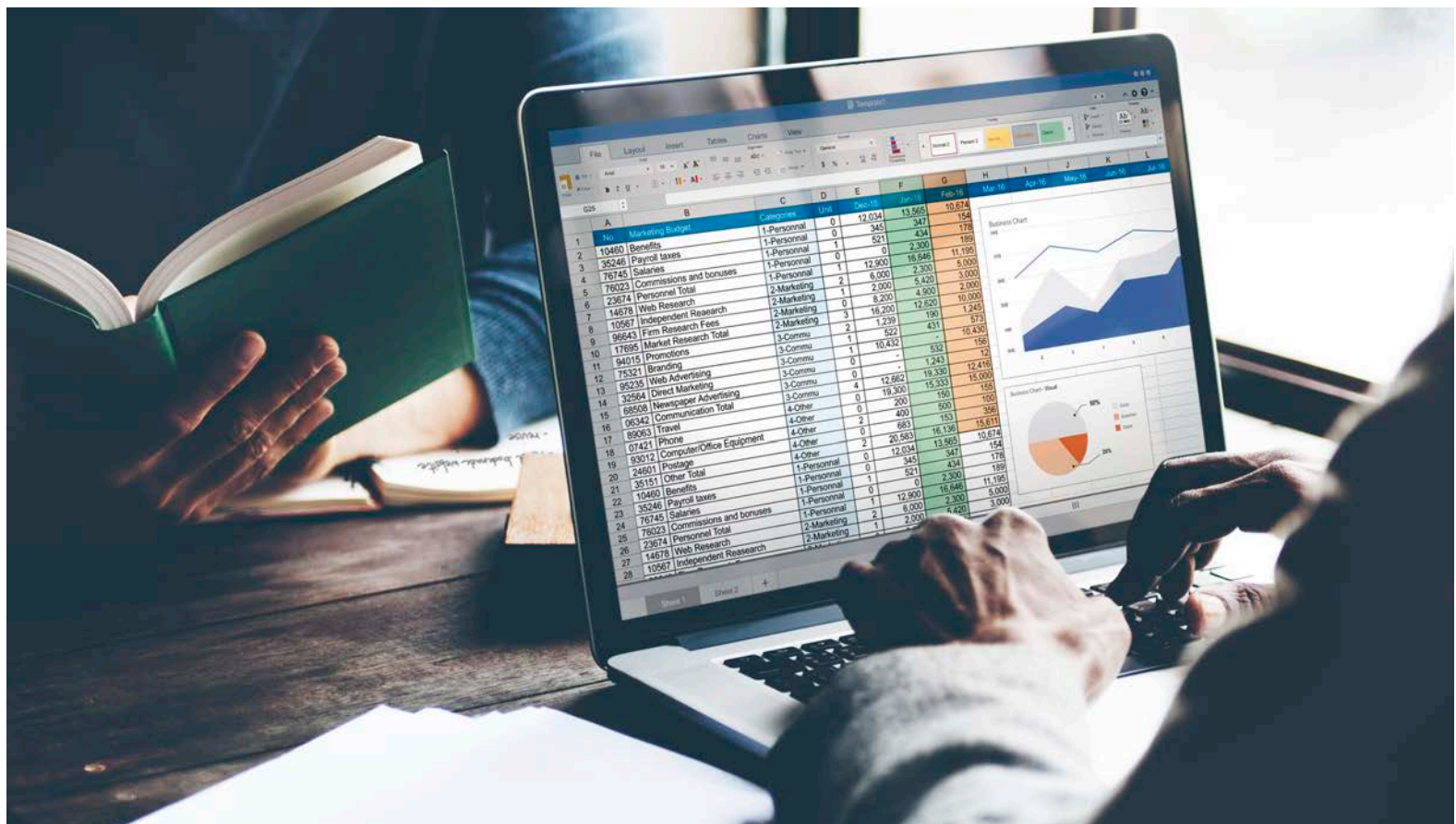
**INTRODUCTION**



# Introduction

Excel has long been the go-to platform for managing compensation. After all, it's free, available on almost every computer, and familiar to most people. It's even how most comp professionals learn the basics of market pricing. But just because you learn to ride a bike with training wheels doesn't mean you need to keep doing so.

At a time when compensation is highly visible and vital to how businesses attract and retain their talent, companies must move beyond the limited, error-prone capabilities of Excel and adopt the strategies and solutions that deliver a modern, more efficient approach.



*Chapter Two*



**THE DRAWBACKS AND  
LIMITATIONS OF EXCEL**



# 1. Lack of Consistency

One of the biggest challenges around using Excel lies in reporting consistency, or rather the lack thereof. When relying on spreadsheets to perform complex compensation calculations, mistakes are likely to be made.

Multiple people can enter data differently, and any changes or discrepancies can unwittingly change dollar values. Even if it's just off by a fraction, that can lead to significantly overpaying or underpaying your teams.



And what happens if your comp person leaves the organization? You could potentially have months of comp reporting not being done, leaving huge gaps for your next comp professional to try to figure out.

## 2. Compliance Risks

Using Excel can also open your company up to compliance risks. When the newest FLSA regulations go into effect in a few months, any potential miscalculation in employee earnings can result in potential back pay or unnecessarily paying for overtime. Employees you thought were exempt may become non-exempt, and if using Excel, you might never know you have an issue.



Fair pay and minimum wage compliance are also extremely important. Without deep knowledge of the filters, formulas, and nuances of Excel, this type of reporting is not easy to create. Manual processes can make it extremely difficult to recognize and address all relevant trends and outliers. But most importantly, if you're not on top of these types of rules and regulations, your company could be blindsided by a lawsuit.

## 3. Making Your Data Visual

The shortcomings of relying on Excel for complex comp calculations don't end with compliance and inconsistent reporting. What happens when you need to make a presentation to company leadership?

Unless you double as a graphic designer (and which busy comp professional has the time to do that?), you're likely limited to putting a spreadsheet in front of people who might not be too savvy in deciphering compensation data. An easy, intuitive way to display your data for other members of the business goes a long way towards saving time and proving your worth as a proactive HR business partner.





*Chapter Three*



**HOW TO MAKE THE CASE  
FOR A NEW SOLUTION**



## Where Do I Start?

Adopting a solution like CompAnalyst might not be easy for every comp department. Historically, the compensation function is usually the last in a business to get money for new tools or technology.

Since compensation is not directly tied to revenue, it can be difficult to get the investment the department needs to stay on top of the latest trends. Instead of tying it directly to revenue, making the case for a compensation solution should be about protecting the organization. You can start by demonstrating the risks that can happen if you continue to rely on spreadsheets and the financial impact on the company for non-compliance, which can be in the \$100,000's.



## What other angles can I try?

Comp professionals can also show the limitations of continuing to rely on Excel, highlighting the list of challenges that make determining appropriate pay levels difficult. You can discuss managing and analyzing all of your different survey data, show how difficult it is to price a single job, touch on your employee engagement and retention rates, and present a plan for how you would use your new-found time.

Overall, the goal of HR is to attract new talent and keep current top performers motivated and engaged. Without a sound pay philosophy, the business will struggle to find and retain qualified talent, leading to further challenges down the road. Compensation software can remedy these pain points.



*Chapter Four*

**IF EXCEL ISN'T THE  
ANSWER, WHAT IS?**



## What to Look for in a Solution



As compensation becomes more complex and visible, your organization needs a solution that can automate key processes and provide the simplicity and consistency that Excel can't deliver. Comp professionals often get bogged down in their spreadsheets – looking up formulas, making sure everything is up to date and essentially being data managers – rather than displaying their true expertise as a strategic business partner.

With a technology-based solution, comp professionals can then focus on more impactful initiatives like proposing new, competitive pay structures or developing bonus programs to keep current employees engaged.

## How Salary.com Can Help



Salary.com's CompAnalyst solution remedies Excel's issues of inconsistent reporting, compliance, and data visualization. We offer a cloud-based platform that makes it simple to manage salary surveys and market pricings, and we also provide compensation analytics of internal pay practices against market rates to easily understand your company's pay competitiveness and internal equity.

With our new configurable dashboard and widgets, users can get instant visualizations of their data. This helps to uncover any potential risks and make the necessary adjustments, while also being able to present compensation data in a more digestible way. And through a new mobile app, comp professionals can pull up data anytime, anywhere, giving them access to crucial information whenever and wherever they need it.

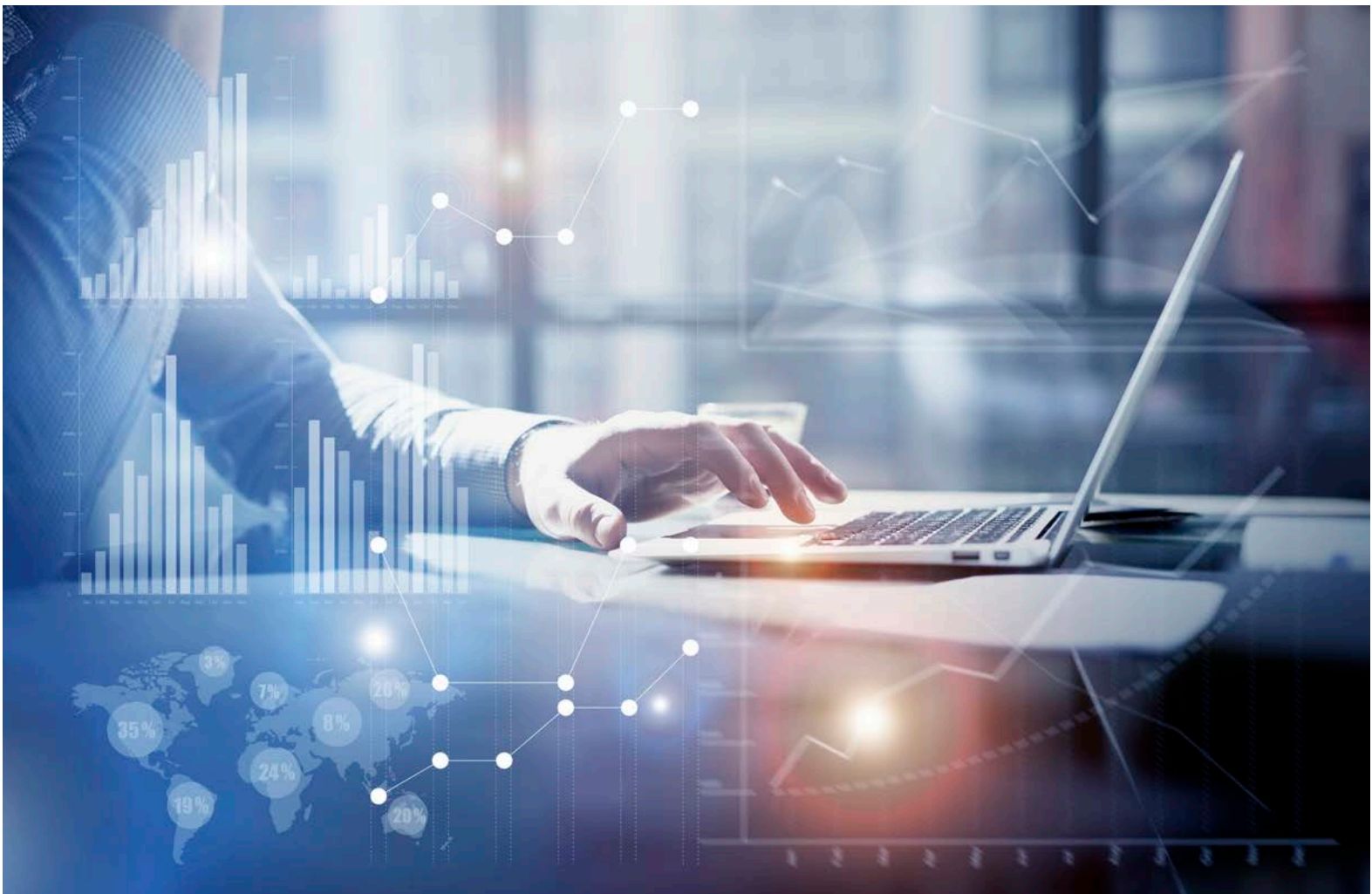
*Chapter Five*

**CONCLUSION**



## Conclusion

For today's comp professionals tasked with developing fair and competitive pay practices, performing their key tasks on outdated technology will no longer cut it. At a time filled with steep competition for the best talent, poor employee engagement and growing industry regulations, comp teams need a solution that can adapt to their most pressing demands and streamline their day-to-day tasks. It's almost 2017, and now many comp professionals can attest – Excel is not the answer.





To learn more about how  
CompAnalyst from Salary.com  
makes market pricing simple,  
book a demo below!



**Book a Demo**

