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- Anne Sample, SVP of Human Resources, PepsiAmericas

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# Customer Case Study: PepsiAmericas

Integration of performance and compensation management key to success



## Company:

- PepsiAmericas, PepsiCo's second largest bottler with 14,000 employees

## Challenges:

- Need to create a human capital planning initiative centered on a comprehensive performance management process
- Communicate and align corporate goals with manager and employee goals and objectives
- Organizational silos each wanting a different niche performance solution
- Need to tightly integrate performance and compensation management

## Solutions:

- Authoria Performance
- Authoria Succession
- Authoria Salary
- Authoria Incentive

## Results:

- Lock-step alignment between corporate goals, business unit goals, and manager and employee goals and objectives
- Significant error rate reduction over previous manual systems
- Return on capital invested increased from 6.1% to 7.3% in 2 years
- Split-adjusted stock price rose 80%; PepsiAmericas attributes increase on corporate-wide focus on their goals with improved accountability

## Challenges

After a merger in 2000, PepsiAmericas created a plan to join its three separate companies, each with its own distinct culture. The PepsiAmericas HR team played a prominent role in leading the transformation, focusing on talent management. A critical component of the plan was the creation of a human capital planning initiative centered on a comprehensive performance management process.

According to Anne Sample, SVP of Human Resources at PepsiAmericas, the key challenge in a successful performance management initiative is clearly communicating to managers "what your organization's goals are and what they, as managers, need to do to support them. Then, the challenge is for HR to help managers understand that a performance management program is the most important and powerful business tool they can have; it's not an isolated HR program."

While facing the challenge of organizational silos wanting to offer a variety of niche performance solutions, PepsiAmericas also recognized the crucial need to link performance and compensation management. "Performance management doesn't become reality until it's linked to pay. If you don't link it, it's all talk. You can purchase niche solutions to help do this, but unless they're integrated and linked, they don't really work."

## Solution

PepsiAmericas chose the combination of Authoria Performance, Succession, Salary and Incentive to automate key components of the talent management lifecycle. "Ultimately, it was the integrated nature of Authoria's solutions that carried the day," says Sample.

"Our managers told us that having the solutions integrated would enable them to be far more effective. Consequently, being able

to provide a highly integrated product suite where managers enter data once and have it flow through all areas of the HCM process is what led us to choosing Authoria."

## Results

PepsiAmericas has achieved powerful results since deploying the Authoria solution. Key is improved alignment between corporate goals, business unit goals, and manager and employee goals and objectives.

Sample explains: "It's critical that managers and employees see corporate goals at the uppermost levels. It helps them see how their own business unit's goals relate to those high-level objectives, as well as how their group and division goals link to their personal ones. We're excited to visualize that goal alignment using Authoria Performance."

With Authoria, PepsiAmericas created methods and tools that clearly communicate to managers the role they're being asked to play. "Previously, we had a variety of processes, but they weren't integrated. Nothing frustrates managers more than having to duplicate effort, whether it's repeatedly entering the same information into the system or filling out cumbersome forms." Today, the Authoria solution has made it easy for managers to guide employees through the talent management cycle, from hiring to performance reviews.

PepsiAmericas has also seen significant error rate reduction over the various manual systems they previously used. And with the powerful embedded coaching, managers have the knowledge they need at their fingertips to accomplish successful performance reviews.

Company-wide, PepsiAmericas has seen a huge impact on overall corporate performance. Return on capital invested went from 6.1% to 7.3% in just 2 years and PepsiAmericas's split-adjusted stock price has risen 80% since deploying the Authoria solutions.