Allied Irish Banks poised to increase efficiency and ROI with beqom's reward system on Microsoft Azure

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Eugene McMahon, Head of Rewards in Allied Irish Banks

The economic crisis in 2008 brought the global economy to its knees. In Ireland, the government took a majority shareholding in the country's largest financial institution, Allied Irish Banks (AIB), to protect the national financial system. After the needed capital injection, every business activity and expense at AIB underwent intense scrutiny. Pay increases were temporarily suspended as the bank downsized and reduced the number of employees from nearly 25,000 to the current level of 10,500. By 2014, the economy had improved and the bank's financial performance had been completely transformed, opening a door of opportunity that allowed AIB to slowly transition to partial private ownership and perhaps ultimately, full private ownership.

Boosting efficiency is easier when employees are highly motivated

AIB recognized it needed a new approach in determining employee rewards, and so sought a technology platform that would give managers the insight they needed to deliver employee rewards based on individual performance. Eugene McMahon, Head of Rewards at AIB, says, "Because there were no pay raises between 2009 and 2014, we had some time to reflect on what we wanted from a reward system. We wanted to establish a functionally rich, fully integrated, end-to-end reward platform that would accommodate annual pay reviews and future incentive programs within an increasingly onerous regulatory environment."

Finding an automated solution that interoperates with a hybrid cloud

Technology has changed just a bit since 2009. Previously, managers used spreadsheets to track employee salary increases and rewards. To adopt a more performance-based approach, AIB needed an integrated platform that would compare and analyze data such as salary ranges, employee performance ratings, individual salaries, and departmental budgets . However, all this information resided in different human capital management, learning management, performance management, and workforce analytics systems. Manually extracting, compiling, and analyzing data to gain needed insight from these onsite and cloud-based systems was difficult and cumbersome,

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Adrian Basiewicz, Senior Rewards Analyst, Allied Irish Banks

Customer Name: Allied Irish Banks (AIB)
Industry: Banking and financial services
Country or Region: Ireland
Customer Website: www.aib.ie/
Employee Size: 10,500
Partner Name: beqom
Partner Website: www.beqom.com

Customer Profile
AIB is a leading international financial services institution that provides comprehensive banking and financial services to retail, business, and corporate customers. Headquartered in Dublin, Ireland, AIB also has locations throughout the country as well as in the UK and the US.

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so AIB sought an affordable solution that could consolidate these processes while complying with industry regulations.

A Microsoft Azure–based solution facilitates integration and compliance

The bank engaged a number of third parties for proposals including beqom, a Microsoft partner whose Total Compensation solution runs on Microsoft Azure. Commenting on the evaluation process, Peter Dunne, Human Resources Change and System Manager at AIB, says, "Initially, I had a preference for using an existing AIB software vendor to provide us with its reward system. But at the end of the day, beqom won out. Total Compensation scored higher in terms of being functionally rich. With it, our managers and our employees will get the best results."

Security was another critical factor in the decision process. With beqom's solution, AIB can comply with federal and international banking regulations. Adrian Basiewicz, Senior Rewards Analyst at AIB, says, "As a financial institution, all the data we manage—including HR information—is highly sensitive and confidential. Total Compensation, which runs on Azure, passed the very robust evaluation process by our IT security employees."

Designing and implementing a solution in three months

The team from beqom worked with AIB to understand what information managers needed from systems and some other applications to manage employee rewards. Developers then built 15 interfaces using technologies in Microsoft Azure. "The design phase took about 16 days, and the build cycle took about 38 days," explains Basiewicz.

To facilitate rapid and protected communication between AIB's existing infrastructure and Total Compensation, beqom engineers configured Azure Virtual Network Gateways, Azure Traffic Manager, and Azure Redis Cache. In addition, developers used Azure Cloud Services to provision virtual machines that run AIB's Total Compensation solution, as well as different types of Azure Storage to store and replicate data locally and in other regions. The solution is now ready for production and AIB is determining an appropriate time for implementation.

Replaces spreadsheet silos with a flexible, enterprisewide rewards solution

Once in production, managers will have access to the solution by logging on to the AIB network using their Windows-based workstation. From the console, managers will see all the employees on

their team, as well as other data points that they need to award salary increases in line with individual performance and salary levels. McMahon says, "With Total Compensation, managers can instantly have a look at their teams, the salaries of individual members, and their performance ratings—and how total increases fit within a particular budget." From the console, managers can change data views and create different reports.

Empowers employees with clear expectations and insight

While the beqom platform offers considerable flexibility in reward design and delivery, it also provides standardized processes as well as reward matrices, so employees and their managers have a transparent framework to work from. AIB can potentially develop a pay matrix that clearly illustrates how pay increases are attributed to individual performance, their position within salary ranges, and within budget parameters. Similarly, if an individual is not performing, the manager has the data needed in one location to show why that employee will not be getting a pay increase.

Facilitates agility

AIB can easily modify departments' reward matrices and create additional reward initiatives including incentive programs, bonuses, and deferred compensation plans—without engaging a developer. "The fact this is a Microsoft Azure–based

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solution gives our business and other key stakeholders more opportunities to customize and improve it, visually and functionally, so they can get the analytics they need about employee rewards and easily refine the solution over time to meet evolving requirements," says Basiewicz.

Improves efficiency, cuts costs, and boosts ROI

By adopting a Microsoft Azure–based solution, AIB saves money. Not only does it make use of existing system investments, which improves ROI, but the bank also avoids having to purchase and manage more onsite infrastructure. In addition, AIB expects to realize significant efficiency gains: the new solution automates nearly all reward-related processes so managers no longer have to manually copy and paste data, analyze information, and circulate reports for approvals . "Upon rollout, to initiate a pay review with the beqom solution, a manager will follow the prompts, entering the requested information," Basiewicz explains. "When complete, the review will be automatically sent to that manager's manager. Once this second person clicks to approve the review, it's sent to our department, and

one of us approves it. Everyone involved in the process will receive an email message after each step is completed."

Provides a platform for transforming the bank's culture

This solution marks an important milestone for AIB because it's using leading technologies to simplify processes for employees much like it has for customers. "Since the economic crisis, we've been pushing to deliver an omnichannel experience for our customers that's very much based on technology integration, so they have easy access to all the services they need from one portal," says McMahon. "By applying the same high standards of technologies and services to our employees that we do for our customers, we raise the bar in AIB in making AIB a better place to work and a better bank to do business with."