

CLE Charter

CLE Ready Reference

The CLE Team
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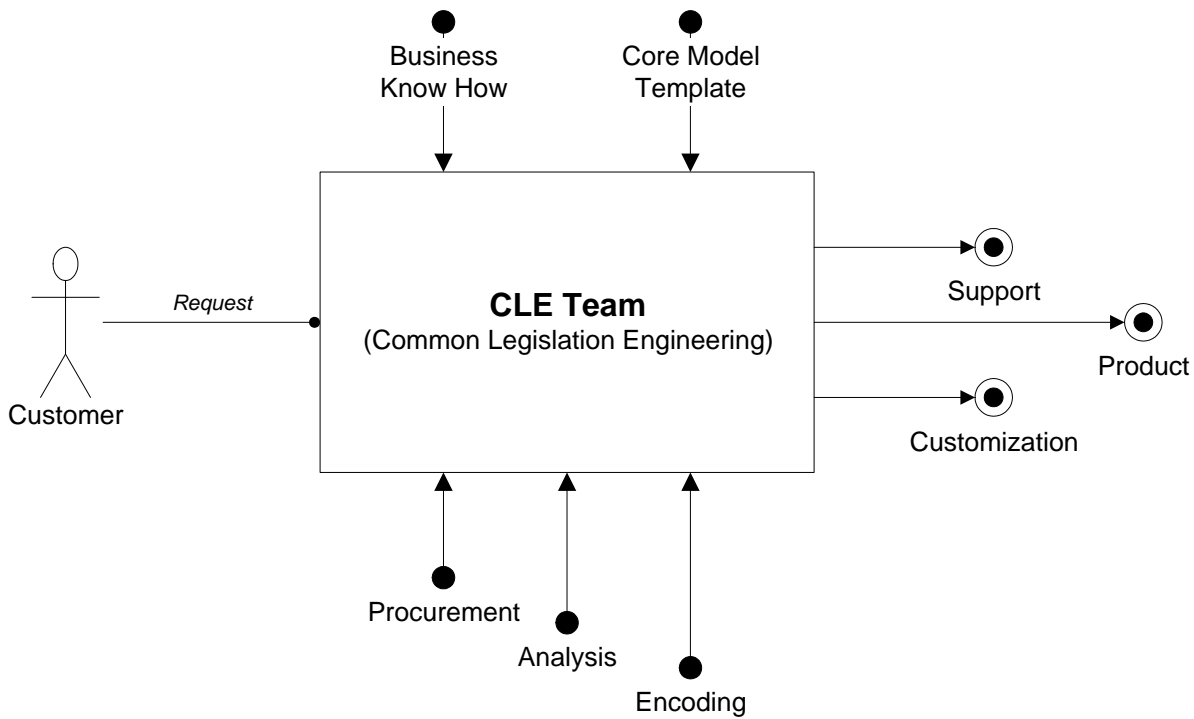
1 The CLE Team, a brief overview

1.1 What is the CLE Team?

The *CLE Team* is the Interwage entity responsible for the customization of our software with respect to local payroll legislation and best-practices in corporate regulations. The output of the CLE Team is what makes our offering a business solution rather than a mere technological solution.

The team was designated in April 2002 as the merger of former procurement, legal analysis and encoder teams. The month of April was spent in rethinking the goals and objectives, the appropriate strategy, and the resulting operational framework and work flow. The result of this was laid out in the *CLE Charter* which is the ready reference and quality tool of the CLE team's operations. This charter will be revised regularly as more experience is gained, as the company's offering matures, and as new needs and expectations are encountered through an increasing customer base.

The CLE Team's operations are summarized in the following figure. The CLE acronym is described as *Common Legislation Engineering*, which we will define subsequently; this is the visionary approach to the CLE Team's operations once the company has rolled out into business. For the time being, the unique mission of the CLE Team is to build up the core deliverables which will support, in 2002, the payroll legislation of eight countries. Hence the current definition of the CLE acronym: *Country Legislation Encoding*.



The CLE Team delivers either products, or support and customization services. Such deliverables are the result of a request either from within Interwage, for instance the current request to deliver in 2002 the legislation of eight countries, or directly from our customer base, to support prototyping and pilot sites or to assist in scope definition, planning, project plans and risk management.

The CLE Team's products are mainly an offering for Interwage and its commercial partners such as system integrators or service bureaus. Within the CLE Team, such products are dubbed *cartridges* because they complement the Interwage software with essential business modeling and functionality. Examples of such cartridges are obviously the support of country legislations. The scope of cartridges will expand as our customer base expands. Possible avenues of growth are the delivery of targeted products for:

1. unions that incorporate the specificities of collective conventions,
2. international administrations with out-of-frontier legislation,
3. specialized regulatory cartridges for dedicated markets,
4. custom cartridges for service bureaus.

The CLE Team will support its products by providing support and customization services. Support will involve providing the methodological and operational framework to analyse business, legislative or regulatory needs and build the appropriate project plan. Customization will provide highly efficient staff for the definition and encoding of further enhancements to existing CLE products.

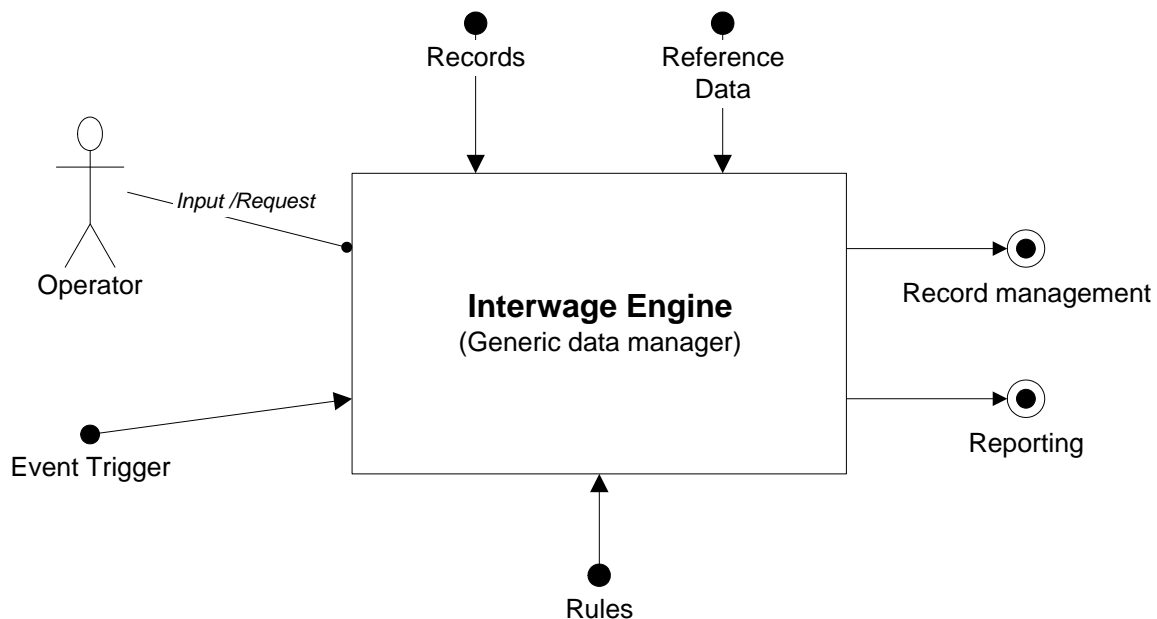
This support will be delivered initially in-house, typically to the Implementation Team and to Sales and Marketing. In a near future, this support could be sold out on request directly to customers. A domain where such support is most probably of high demand is in the case of service bureaus.

As Interwage's customer base evolves, the CLE Team's expertise and business know-how will proportionally augment. These skills could derive new products and services. Typically, compared to the medical profession, the CLE Team will be developing a unique competency of general trans-national legislation and regulations. Specialist will exist in each country, but the first point of contact would be the CLE Team. Such a service profile is unexistent today and may prove to be of interest. Such opportunities are foreseen and will be evaluated whenever appropriate, and could eventually off-spawn independant profit centers.

This visionary approach to the possible derivatives of the CLE Team's work is subject to a prerequisite: the team must stay a team, that is small, efficient and focused. Though it is mandatory that the expertise and know-how be built as a corporate knowledge asset rather than an individual one, the lessons learned from the software industry is that small teamwork is the most efficient approach to startups and pioneers. And Interwage in general, the CLE Team in particular, are targeting a new market and hence, are pioneers.

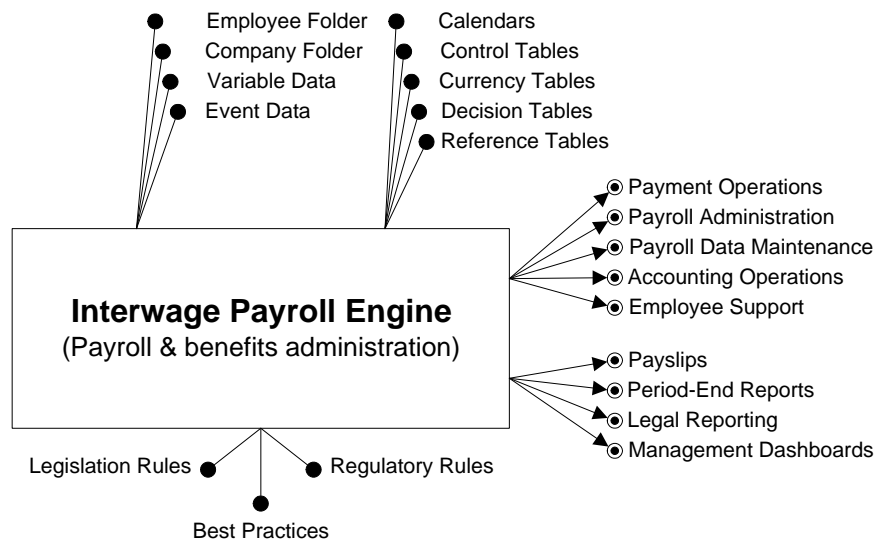
1.2 What is a cartridge?

A cartridge is a customization applied to the Interwage software in order to deliver pre-defined business, legislative or regulatory functionality.



As illustrated in the above figure, the Interwage software provides a generic rule-based engine for the manipulation and administration of data. A major asset of this engine is that it is not dedicated to payrolling; it could be used for a wide variety of applications. The engine is triggered interactively (human interaction) or automatically (events). It applies a set of rules to records, often using in the process reference data such as controlled lists

or tables of values. The outcome of such processing involves the automated update of the records and reporting, directly on paper or through electronic delivery.

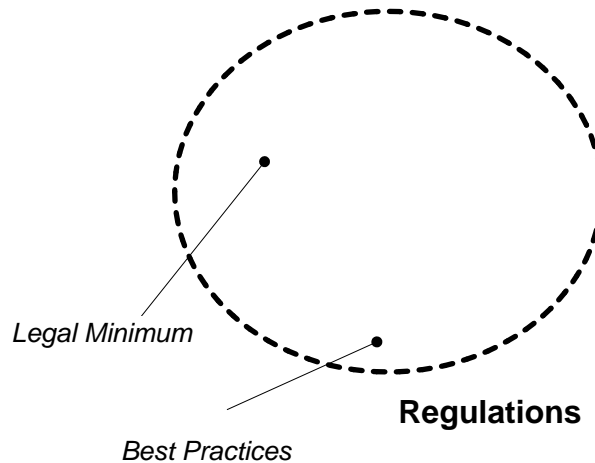


The CLE Team's core competency is its detailed understanding of the intrinsics of the Interwage software and to provide the appropriate customization to turn this effective technology into a business offering. The above figure shows how the Interwage software is turned into a payroll and benefits administration solution by highlighting some of the topical domains addressed. Customization is comparable to that of former mainframe systems or products such as SAP. A major difference though is that, contrary to SAP for instance, the Interwage philosophy doesn't constrain the customer to a unique philosophy and workflow. Rather, Interwage allows each customer to adapt the offering to his particular regulations, using whatever subsets of the legislation he requires. Such flexibility requires intense analysis and preparation prior to effective customization of the product. This is, in effect, where the cartridge is used. It provides a base customization template which should cover most if not

all of the customer's needs. Effective customization on the client site, based on a supplied set of cartridges, should be reduced to a strict minimum.



Legislation



A cartridge doesn't necessarily cover the entire scope of the topic it addresses. This holds particularly true in the legislative world where such coverage, inclusive of precedence, would be an impossible goal to achieve and would require important staffing for little profit. Rather, a cartridge addresses the most commonly used components. This is tentatively illustrated in the above figure in the case of a country legislation country where the objective is to cover the minimal legal requirements versus legislation and the best-practices in terms of regulations.

To assist it in the development of cartridges, the CLE Team has developed and will maintain a Core Model. This core model is a template customization used internally by the CLE Team for the elaboration of new cartridges. It provides the foundations of a *universal trans-national payroll model*. While this is an internal tool, it is of high interest from a commercial standpoint since the horizontality it induces accross cartridges can be further used to develop new services, such as trans-national summary dashboards for upper management.

1.3 How are cartridges assembled?

TODO: Explication du workflow

How is a cartridge produced?

The production of cartridges is a four steps process:

1. A procurement phase is initiated through an RFP (Request for proposal) which targets the *best-in-breed* competencies in a given country for all local aspects of payroll whether legislative or best-practices and ranging from employment contracts to statutory reporting, through compensation and benefits, income taxation and social contributions. A contract is established for the procurement of a *Legislation Country Book* that provides both a framework and guidelines to help organise information in the way the most appropriate for subsequent analysis and encoding by the CLE team.
2. The delivered country book is further processed by legislation analysis that organise the collected information into a formal set of *RFI documents* (Ready for Input). These documents clearly document each elected component of the country book, describing precisely the eligibility and calculations rules, isolating the associated decision and reference tables.
3. Output from the analysts, is processed by legislation encoders who effectively convert a specification into working objects in the system. This encoding is made consistent with other cartridges and with the core model so that horizontal consolidation across multiple cartridges is always possible; thus enabling the possibility of extraction of cross-country and cross-legislation dashboards of significant key indicators.
4. The last step of the production of a cartridge involves its certification through a recognised local authority. Such authorities may sometimes be private institutions that have developed a certification process that has become a de facto standard in the country. In other cases, the certification body may be directly the central or national taxation authority. In all cases, the purpose of the certification is to ensure that common features of payroll, be they best practices or legislation, are correctly modelled and calculated.