

# Kennametal Transforms Rewards and Redemption with XoxoDay and SAP SuccessFactors

EVEN WITH LOCALIZATION OF REWARD OFFERINGS, KENNAMETAL STILL WANTED TO PROVIDE A STANDARDIZED EXPERIENCE FOR ALL EMPLOYEES AROUND THE GLOBE.



**Craig Powers**

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A rewards program can be a way for a company to show appreciation to its productive employees beyond the paycheck, but rewards programs are not useful if the rewards themselves are not appealing and hard to redeem. Kennametal sought to improve its rewards and recognition program to acknowledge and encourage work that benefits its customers and the financial performance of the organization.

One of the goals of transforming rewards and recognition was to improve employee engagement. Additionally, Marc Lippa, VP of HR operations at Kennametal, says ultimately as part of driving peak performance, they want to show appreciation for their workers.

“We try to take the time to tell our employees we appreciate what they do,” explains Lippa.

He adds that Kennametal is also providing a vehicle for employees to give peer-to-peer kudos to each other, along with manager to employee recognition, and even employee to manager.

## Seeking Localization and Seamless Integration

Offering meaningful rewards can be a challenge at a global organization—Kennametal has approximately 8,600 employees spread across many countries



spanning five continents. Different rewards, particularly localized rewards, have different relevance to someone in the United States or India, for example. To drive success and engagement in the program, Kennametal wanted to offer rewards that mattered to their workers no matter their location.

Even with localization of reward offerings, Kennametal still wanted to provide a standardized experience for all employees around the globe.

Along with localization, built-in integration was a major factor for Kennametal in updating its rewards and recognition program to avoid extra effort on fixing errors in files and file feeds. Single sign-on functionality was important, as was connecting with SAP SuccessFactors.

“You can build a fancy program on awarding employees and saying thank you, but in the end the redemption process must be really useful, easy, and user-friendly to your employees. Otherwise, it creates more frustration than it helps on engagement,” says Andreas Bauerlein, HRIS manager at Kennametal. “We learned from our previous solution that seamless integration is a plus and it’s a must.”

## KEY TAKEAWAYS



Kennametal transformed its rewards and redemptions program with Xoxoday and SAP SuccessFactors integration.



Offering relevant and localized rewards were key to the success of the program, which saw a total of 13,000 reward transactions from May 2021 to January 2022.



Kennametal co-innovated with Xoxoday to build a unified rewards and recognition platform aligning with its core company beliefs that could be applied globally across multiple countries.

# COMPANY SNAPSHOT



## KENNAMETAL

Kennametal is a global supplier of tooling and wear-resistant solutions with approximately 8,600 employees worldwide.



## XOXODAY

Xoxoday is a technology company and SAP partner that builds infrastructure to send rewards, perks, incentives, & disburse payouts to employees, customers and partners.

### **Xoxoday brings SAP SuccessFactors Integration, Rewards Flexibility**

Kennametal implemented Xoxoday's Rewards and Incentives platform to accomplish its goals of localization and seamless integration with SAP SuccessFactors without extra interfaces or file feeds. Xoxoday provided Kennametal with a unified platform that they could apply globally but also allowed employees to use their rewards at a regional level. Kennametal also worked closely with Xoxoday to ensure the platform met their specific needs, even down to company culture—aligning rewards and recognition to Kennametal's core beliefs.

"There were things we challenged Xoxoday to do for us that maybe they hadn't done with other clients, but now they can bring those solutions to other clients," says Lippa. "We have a relationship to be a little innovative in how we are going to use the program and how we are going to leverage recognition for our employees."

He adds that as the project with Xoxoday went forward, the two companies were able to work together to enhance Kennametal's rewards and recognition program globally. For example, there were specific translations for certain countries, adjustments for local currencies, and rewards that fit for each location.

### **Finding Success and Encouraging Employee Health and Safety**

Implementing Xoxoday integrated with SAP SuccessFactors in mid-2021 has already yielded results for Kennametal. From May 2021 to January of 2022, there were a total of 13,000 rewards transactions, according to Alexandra Keegan, Global HR Total Rewards Analyst at Kennametal. She adds they are now doing about 3000 transactions per month. Choice has been a key factor in the success of the program.


"The option to redeem vouchers for everyday life things instead of going in and picking products that we choose for you was big positive note for the employees because we are giving them their choice back," says Keegan.

### **What's Next for Kennametal's Rewards and Recognition Program**

Kennametal is looking to continue innovating its rewards and recognition program now that it has the platform in place. Going

forward, the company hopes to add recognition around anniversaries and internal contests for innovation, while also tying incentives to goals and objectives.

The most significant thing on the roadmap is milestone awards, says Bauerlein, as the company moves to bring all rewards and recognition possibilities into a one-stop-shop for redemption possibilities that matter to employees.



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## WHAT DOES THIS MEAN FOR SAPINSIDERS?

Based on Kennametal's experience transforming its rewards and recognition program with the help of Xoxoday, SAPinsiders should consider the following for their own rewards and recognition programs:

1

**Give employees redemption options they care about.** A rewards and recognition program is only impactful if employees actually care about the rewards. Look into giving them choice, as Kennametal did with offering retail vouchers. Localized options also help keep rewards relevant for employees.

2

**Create consistent, easy-to-access platforms for reward redemption.** It shouldn't be a challenge to redeem a reward. Consider choosing a rewards and recognition platform that integrates with your HR systems and also offers single sign-on.

3

**Push your technology partners to innovate with you.** To get the most out of your rewards and recognition program, your platform should have the capability to cater to your specific needs. Xoxoday worked closely with Kennametal to co-innovate and build out new capabilities. That's not only beneficial to Kennametal but will have positive impacts on other Xoxoday customers as well.