



Optimizing Your Total Rewards: An Aligned Strategy Leads to Successful Execution

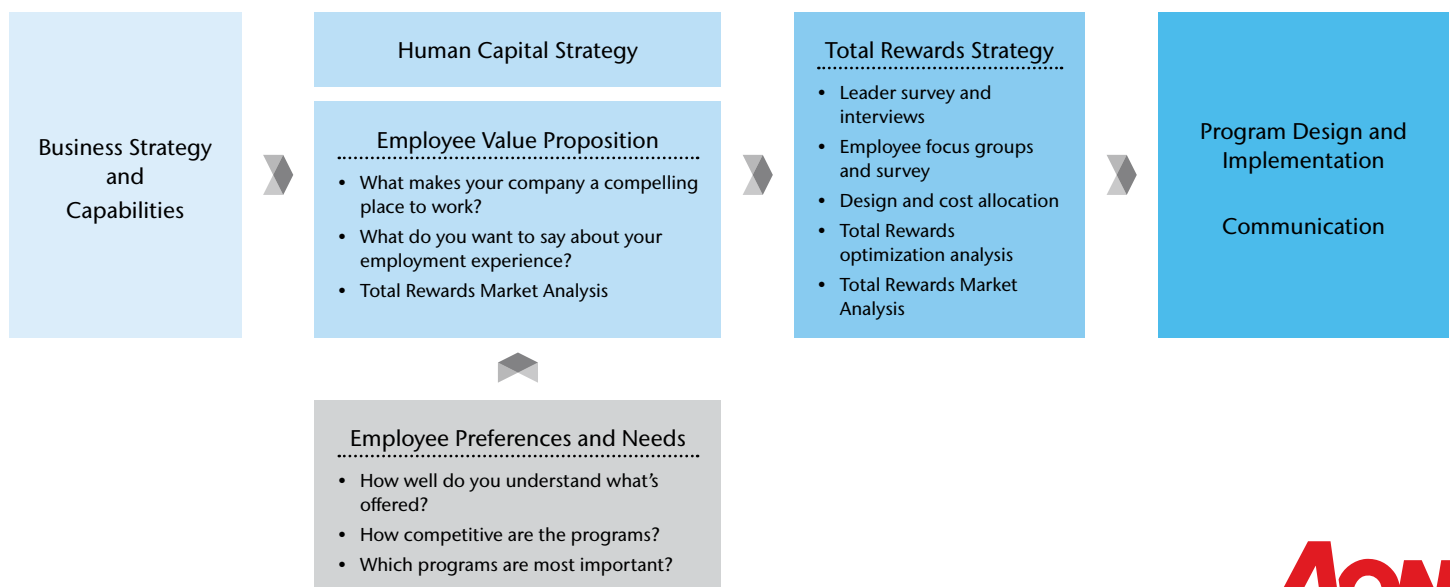
Total Rewards programs often represent one of the largest investments an organization makes. With an increasingly competitive environment and a changing talent landscape, companies are continually focused on maximizing the return on their total reward investments

Aon's approach and tools are proven to:

- Define a well-articulated total rewards philosophy and strategy aligned to business and talent objectives
- Target business critical talent pools and workforce demographics and their total reward preferences
- Anticipate employees' reactions to new programs or future program changes
- Provide data rigor to support decisions for total reward program design, delivery and communication planning

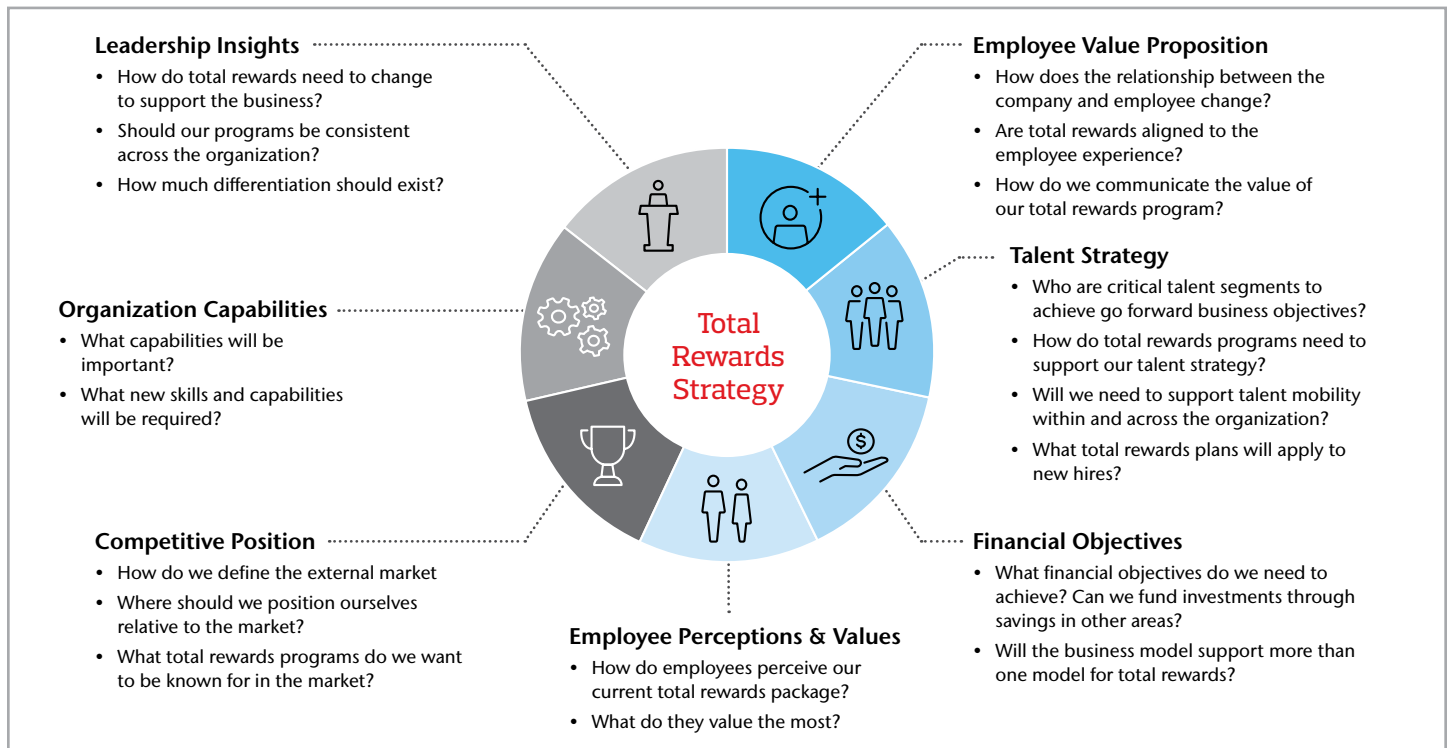
Building and Executing Your Total Rewards Strategy

A clearly articulated and aligned Total Rewards strategy is linked to your business goals and human capital strategy, and aligned with your Employee Value Proposition. Total Rewards is an important tool to attract, motivate, and retain talent.



Framework

Aon leverages a comprehensive data-driven framework for helping organizations develop a total rewards program that optimizes the value of their total reward investments:



Supporting Resources

Strategy and Program Design Expertise:

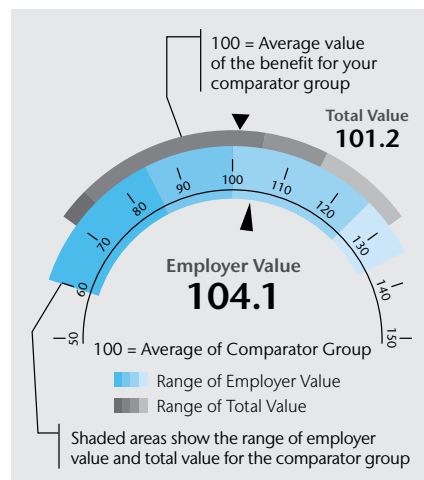
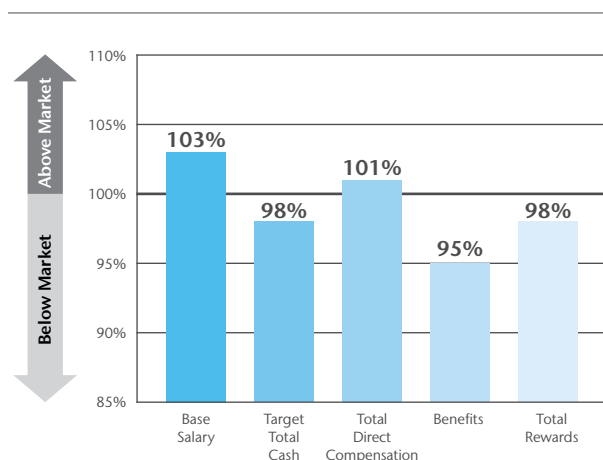
With a team of specialists focused on helping organizations design a holistic total rewards strategy and program to meet their needs, we are also able to leverage subject matter experts across a broad range of total rewards disciplines (e.g., broad-based and incentive, compensation, health and welfare, retirement, flexible benefits).

Our data driven approach leverages the full breadth of Aon's benchmarking databases and tools:

Competitive Benchmarking:

With industry leading benchmarking resources (e.g., across industries, McLagan Financial Services, Radford Technology, etc.), Aon has some of the deepest compensation benchmarking anywhere. Aon's Benefit Index[®] sets the standard in benefits benchmarking and comparative analytics. Aon also has the ability to integrate these different data sources into a holistic 'total rewards' benchmarking methodology.

Total Rewards Market Position



Employee Value and Preferences:

Perhaps the single greatest gap in most organizations' approach to total rewards is the failure to regularly engage with their own employees to better understand how their total rewards programs are meeting their employees' needs. Aon offers a range of approaches to assist organizations in better understanding how their employees perceive and value their organizations' benefit offerings.

What makes Aon's approach unique in this respect is our data-driven methodology that enables us to tie your employees' perceptions and values directly to the cost of your total rewards investments and the return on those investments (e.g., quantifiable impact on engagement or retention).

Program Design Change	% Change to Current Satisfaction of 66%	Cost Impact (\$'000)	Cost/Savings per 1% Satisfaction ('000)
Career Development – transfer across departments, and business lines	10.7%	\$0	\$0.0
Base Pay – additional 3% over and above last year's increase	8.7%	\$2,588	\$225.2
Flexible work arrangements – you self-define	6.7%	\$2,588	\$173.4
Pace of progression – more clarity about your path over next 2 years	6.6%	\$1,894	\$125.0
Challenging or interesting work – to work on cutting edge projects	6.5%	\$0	\$0.0
Bonus – Re-allocate 10% of base pay into a bonus plan	6.2%	\$2,588	\$160.5
Paid Parental Leave – 8 additional weeks of leave	6.0%	\$485	\$29.1
Bonus – target increases by 50%, 25% re-allocated to bonus	4.3%	\$1,364	\$58.7
DB or DC – you receive an additional higher DC benefit instead of DB	3.3%	\$1,290	\$42.6
Company car – allowance increases by 10%	3.1%	\$2,290	\$71.0
Bonus – Re-allocate 5% of base pay into a bonus plan	3.1%	\$485	\$15.0
Training and Development – fewer opportunities	-4.2%	(\$863)	(\$36.2)
Recognition – fewer opportunities to be recognized	-4.4%	(\$131)	(\$5.8)
Flexible work arrangements – options are more limited	-4.5%	(\$103)	(\$4.6)
Base Pay – stays the same for the next 2 years	-4.9%	(\$131)	(\$6.4)
Medical – less coverage	-4.9%	(\$485)	(\$23.8)
Bonus – target opportunity reduces by 50%	-6.6%	(\$2,588)	(\$170.8)

Market Research:

We complement our benchmarking and survey capabilities with market leading research around total rewards. How do generational differences shape the way your employees view their rewards? How do organizations leverage or modify their reward programs in the context of M&A transactions? Aon regularly conducts tailored research studies into those areas of rewards most meaningful for our clients.



Communications and Change Management:

A critical outcome that organizations trying to effect are communicating the value of their total rewards program to employees. Our leading communications and change management experts are able to help with defining the strategy to generate a high return on communications efforts as well as with getting organizations ready for changes to programs and building an and impactful results-based employee experience.

Consulting Services

We enable organizations to transform their total rewards approach to maximize ROI and get the most out of their current and future talent. We are renowned for our thought leadership, innovation, creativity and passion around Total Rewards, and for the results we create for our clients through our Total Rewards consulting.



Total Rewards Strategy

- External trends/best practices
- Compensation and benefits market analysis
- Total Rewards philosophy and roadmap
- Program design and implementation
- Governance
- M&A and Total Rewards



Total Rewards Perceptions and Optimization

- Current value and perceptions measurement
- Conjoint and ROI analysis
- Alignment of financial, market and perceived value of Total Rewards



Communication

- Change communication
- Employee Value Proposition (EVP)
- Work/Life

We're here to empower results

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