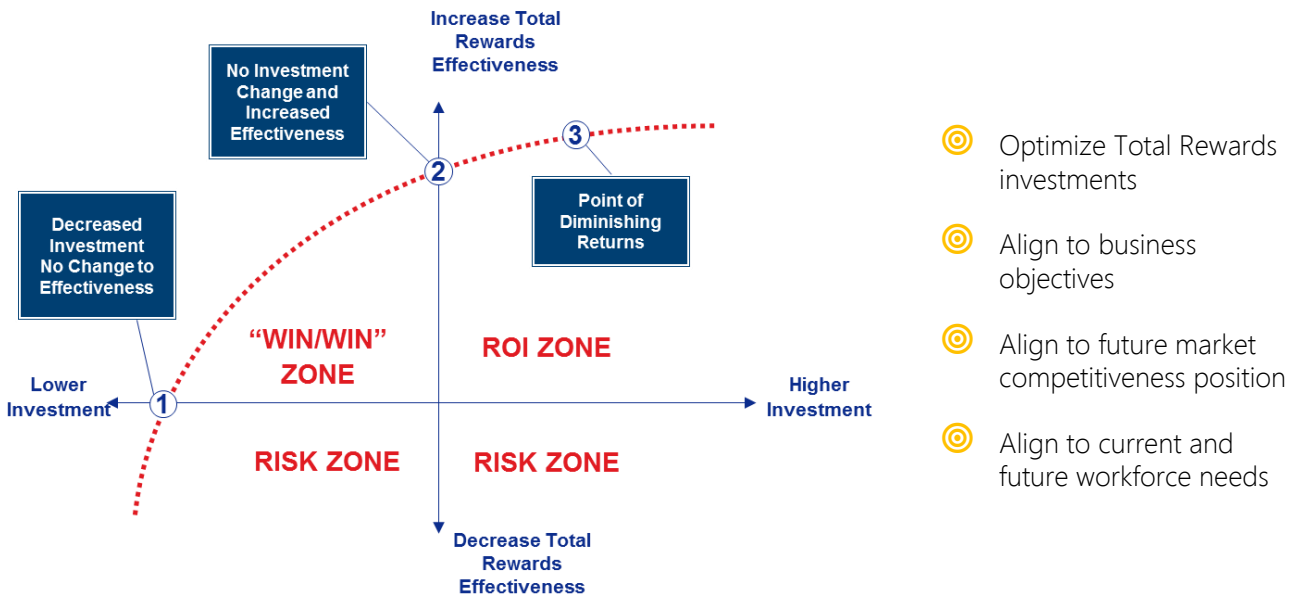


# Optimize Your Total Rewards Investments and Maximize Higher Perceived Value

In today's global economy, the war to recruit and retain top talent is intensifying. Companies continue to look for opportunities invest in ways that generate the greater return on its people investments. Your Total Rewards play a key role in attracting, retain and motivating your critical talent. Do you know ways to generate more value without investing more?

Use conjoint and optimization analysis to align employee preferences to your business, financial, and market objectives

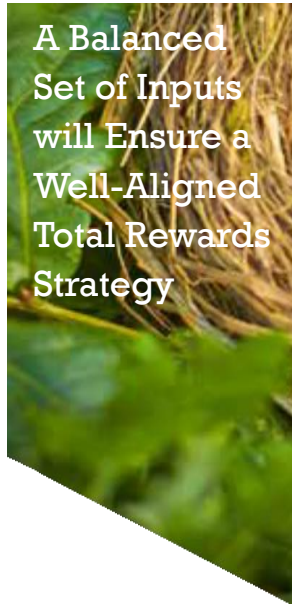
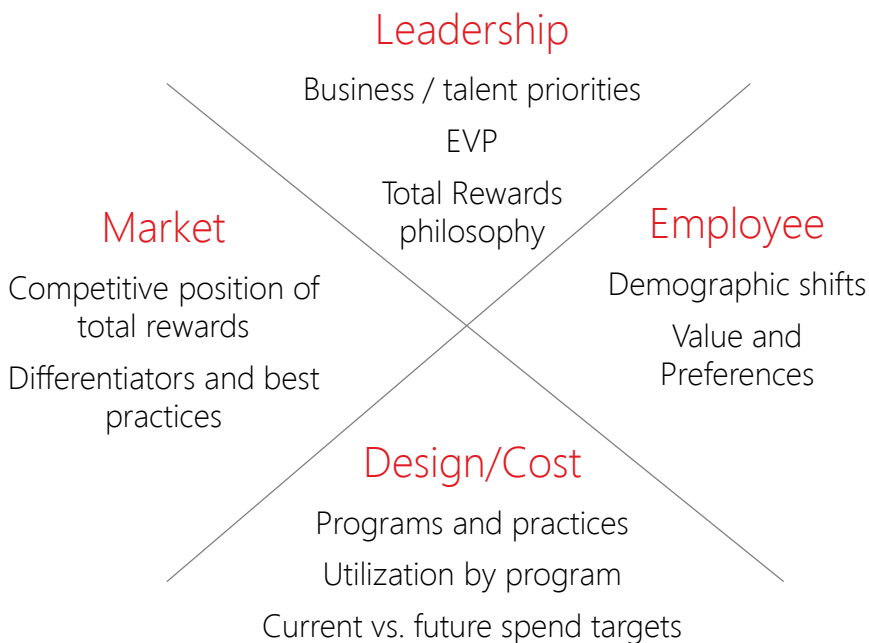


Whether you hope to achieve Point 2 to optimize current investments and maximize the value of total rewards, to achieve a state between Point 1 and 2 to increase value and find cost savings, the Total Rewards Optimization approach will help you solve for various objectives



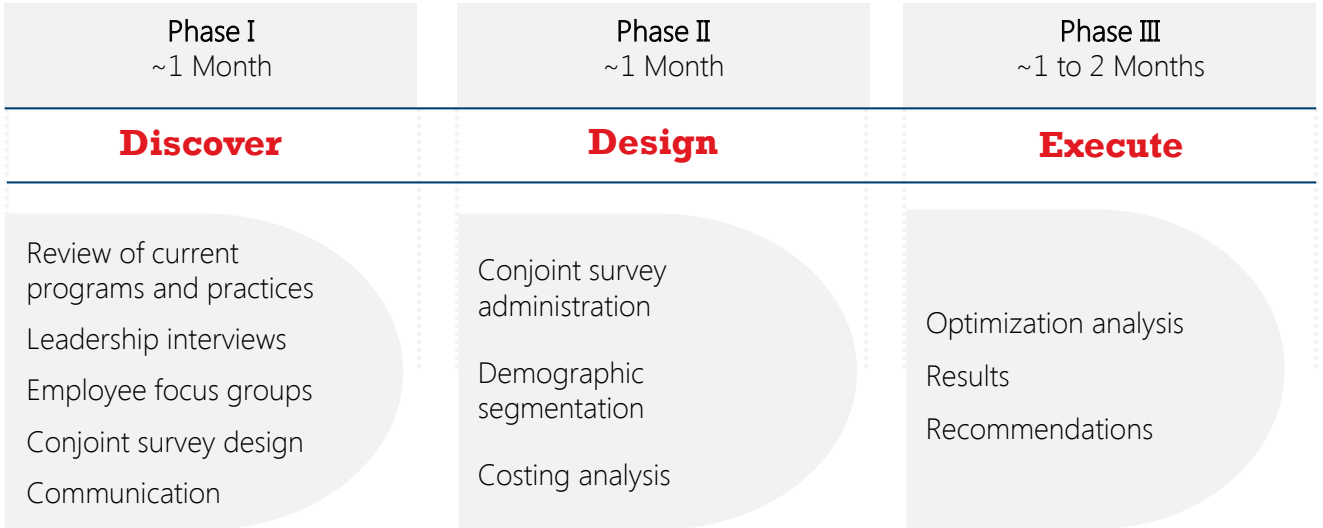
# Top Ways Companies Use Total Rewards Optimization

- 1** **Merger and acquisitions**
  - Harmonize programs, identify optimal program designs for new company
  - Gather employee preferences on new designs relative to current state, and define actions needed to transition employees from one plan to another
- 2** **Long-term strategy**
  - Use efficient frontier analysis to inform your 2 to 3 year Total Rewards Strategy
  - Link to your Employee Value Proposition
  - Refine recruitment strategy
- 3** **Increase employee value and manage costs**
  - Reduce total rewards cost or re-allocate costs from one program to another that increase overall value to your employees and increase likelihood of achieving performance based goals
- 4** **Core vs. differentiators**
  - Test value of new designs and programs
  - Consider a flexible program – define what's core vs. programs where employees can 'buy up'
  - Identify valued programs by key workforce segments
- 5** **Validate design considerations**
  - Take guessing out of how employees will react to program changes
  - Forecast level of sensitivity of program changes
  - Use to inform messaging about changes



A Balanced Set of Inputs will Ensure a Well-Aligned Total Rewards Strategy

# A Simple Three Phased Process



## The Power of Data and Modeling to Define Your ROI of Total Rewards

Program Design Change	% Change to Current Retention of 78%	Cost Impact (\$000)	Cost/Savings per 1% Retention (000)
Student loan repayment – 401(k) Contribution up to 5% of annual salary	5.0%	\$448	\$89
Commuter reimbursement – up to \$100 per month	4.3%	\$702	\$162
401(k)_Pension – Co. Contribution up to 5% of annual salary	4.3%	\$1,179	\$272
Your Annual Salary – 5 to 10% more	4.2%	\$4,457	\$1,060
Paid Parental Leave – 24 weeks primary and non-primary	4.1%	\$464	\$113
Fitness reimbursement – up to \$100/mo (complete 60 visits in 6 mos)	4.1%	\$702	\$173
Convenience Perks – up to \$100 per month	3.9%	\$702	\$182
Tuition Reimbursement – Up to \$10,000 relevant to current role	3.7%	\$322	\$87
Student loan repayment – up to 5% of annual salary (after taxes)	3.6%	\$448	\$123
Onsite Wellness Activities – various onsite services at subsidized rate	3.6%	\$330	\$92
Equity Grants – you get more	2.8%	\$3,380	\$1,221
401(k)_Pension – 100% match up to 6% of your base salary	2.5%	\$497	\$202
Fitness reimbursement – up to \$50/mo (complete 60 visits in 6 mos)	2.2%	\$351	\$157
Commuter reimbursement – up to \$50 per month	2.2%	\$351	\$159
Student loan repayment – \$100 per month	2.1%	\$169	\$81
Convenience Perks – up to \$50 per month	2.1%	\$351	\$170
Paid Parental Leave – 18 weeks primary and non-primary	2.0%	\$270	\$135
Tuition Reimbursement – Up to \$3,000 per year, expanded use	1.9%	\$739	\$380
Food – Daily catered hot breakfast and lunch	1.9%	\$1,039	\$544
Onsite Wellness Activities – various onsite svcs at employee expense	1.7%	\$16	\$9
Food – Catered hot or box lunch on varying days. Breakfast offered	-2.1%	(\$297)	(\$140)
Medical Coverage – Co. pays 100% In-Network for you/dependents	-2.4%	(\$352)	(\$145)
Tuition Reimbursement – No longer offered	-2.4%	(\$138)	(\$57)
Equity Grants – you get less	-3.3%	(\$3,380)	(\$1,034)
401(k)_Pension – No Match	-4.0%	(\$1,049)	(\$264)
Food – Daily catered box lunch with breakfast pantry options	-4.5%	(\$742)	(\$164)
Medical Coverage – Co. pays 100%; You pay for spouse/dependents	-4.8%	(\$253)	(\$52)
Your Annual Salary – 5 to 10% less	-5.3%	(\$4,457)	(\$848)

✓ Quantify the employee, market and financial impact of one-off program designs and packages

✓ Use Aon's online proprietary optimization dashboard to model and scenario test alternative program designs and instantly see the quantitative impact

✓ Analyze various scenarios and impact to different workforce segments and demographics



Selected Reward Mix - EF22: (Aggregate Cost Change: (\$5,666,914); Aggregate Motivation: 94.1%)  
Market Position: Above Market (2.5 out of 5); Aligned to Total Rewards Strategy: Partly Aligned (2.2 out of 3);

Reward	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Annual Merit Increase Opportunity	Your Annual Merit Increase Opportunity - 90% less (\$2,880,604.00)	Your Annual Merit Increase Opportunity - what you received last year \$0.00	Your Annual Merit Increase Opportunity - 90% more \$2,880,604.00			
Annual Bonus - Non Sales	Annual Bonus- Your target opportunity is reduced by 90% (\$9,267,865.45)	Annual Bonus- Your target opportunity is reduced by 28% (\$4,633,931.75)	Annual Bonus- Your target of individual and company financial remains the same \$0.00	Annual Bonus- Your target opportunity increases by 25% \$4,633,931.75	Annual Bonus- Your target opportunity increases by 50% \$9,267,865.45	
Sales Bonus/Commissions						

Restore Defaults  
Collapse All Expand All

- Business Unit Groupings
- Gender
  - All
  - Females
  - Males
- Tenure
  - All
  - Less than 1 year
  - 1 to less than 3 years
  - 3 to less than 5 years
  - 5 to less than 10 years
  - 10 to less than 20 years
  - 20 years or more
- Generation5
- Salary
- Performance Rating

# FAQ

## Q. What is conjoint?

A. Respondents are asked to make forced trade-offs between different elements. The results rank the priority elements for individuals, specific employee groups/segments, and the total population.

## Q. How long does it take to complete?

A. The online survey can be completed between 15–20 minutes.

## Q. Can we survey employees globally?

A. Yes, the survey is custom designed to country specific programs and market practices.

## Q. When is the best time to run it?

A. No one specific timing is best for every employer. However, if you are planning to revise your EVP, design a Total Rewards strategy or prepare a budget, the survey results can provide valuable input.

## Q. What kind of questions can I expect in the survey?

A. We ask questions to measure the value and perceptions of the current Total Rewards package, and the 'trade off' questions that test specific design options that you would consider implementing in the future.

## Q. How can I use the results?

A. The results can be used in budgeting, as an input to EVP/Total Rewards program design, to help you decide on actions to attract and retain key talent groups (for example, digital talent), or as an input to employee engagement program design.

## Q. Will I get benchmarks?

A. At Aon, we have unmatched market data total rewards, along with data on employee preferences from around the world.

## We're here to empower results

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## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

For further information on our capabilities and to learn how we empower results for clients, please visit:  
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