

EXECUTIVE REMUNERATION: FAST GROWTH

CREATING INNOVATIVE & COMPELLING EXECUTIVE COMPENSATION



We get your pay and reward working harder

INNECTO
REWARD CONSULTING

OUR TRACK RECORD IN EXECUTIVE REMUNERATION PROJECTS

<p>AIM-LISTED INSURANCE COMPANY: SECOND WAVE MANAGEMENT INCENTIVE PLAN</p> <p>The business has grown over the last few years, and original execs have participated in a highly geared reward scheme which has paid out handsomely. We have now developed a tax efficient equity-based scheme to take the business on to the next level, including incentivising a number of new recruits who bring big company/blue chip expectations. The scheme is focused on growth but with a robust EPS underpin. Our goal is to keep the existing excellent senior team and attract new hires into the mix.</p>			<p>PRIVATELY OWNED DIGITAL RETAIL MARKETPLACE: SERIES E FUNDING REFRESH</p> <p>A new LTIP for the senior team who are in place to take the business forward to a possible further investment round or IPO. Working with the HRD (highly experienced ex ASOS.com and Net-a-Porter), CEO and Chairman, we're focusing on key metrics that will deliver significant returns through a new growth S curve. This has involved developing some clarity about top team eligibility/ participation and payment levels. We've achieved this through a mix of market intelligence and plotting a workable organisation design for the organisation's future.</p>
<p>PRIVATELY OWNED FS/INSURANCE ORGANISATION: MARKET INTELLIGENCE & BONUS DEVELOPMENT</p> <p>We have re-structured and re-based Executive Compensation for a privately owned FS business. As the organisation emerged from its traditional background, it required innovative thinking around market intelligence, bonus design and a cash LTIP as no shares were available for employees.</p>	<p>DIGITAL STORAGE: PAY BENCHMARK DD PROCESS</p> <p>As part of the sale of this significant global business, we supported the DD process by providing remuneration benchmarking and recommendations for change to ensure that the senior team, and key on-site employees were remunerated in line with the market. This provided reassurance for the buyers and pinpointed adjustments to ensure longevity in the senior team through earn-out.</p>	<p>TV SPORTS ORGANISATION: LONG-TERM INCENTIVE DESIGN</p> <p>The business, a JV between private investors and Sky UK Ltd, has been set challenging targets for shareholder returns. Our role was to create an LTIP that felt meaningful to the senior executive team and met the needs of the external investors. The design of the plan involved helping the business identify and agree a long term strategy, and then build a plan around key deliverables on EBITDA, international growth and new markets.</p>	<p>CHANNEL 4: SHARED EXECUTIVE & EMPLOYEE SCHEME</p> <p>Channel 4 is a public service broadcaster that relies entirely on commercial activity to fund programmes. It receives no licence fees but is required to comply with the terms of its public service broadcast charter. This creates tension in the organisation between creative and sustainable commercial needs. We worked with the RemCom to develop a bonus scheme that delivered on both elements.</p>
<p>PRIVATELY OWNED GLOBAL MVNO BUSINESS: PRE-IPO AND LTIP GROUP SCHEME</p> <p>We're working with a fast-growth mobile tech business to ensure that employees are rewarded and given a 'share in success' for their support in growing the business if the business is sold or floats. In addition, we've designed an equity-based growth scheme which rewards execs for achieving ambitious growth targets between now and 2018.</p>			

EXECUTIVE REMUNERATION

The job of delivering executive remuneration is becoming increasingly challenging for organisations. In fast growth businesses it is progressively more complex, as often senior directors are founders/shareholders themselves. New hires may bring blue chip experience but want a significant 'slice of the action.' Investors want to protect their investment and resist shareholding dilution. We can help you.

Our consultants are experts in all areas of executive compensation from analytics, market benchmarking, designing short or long term bonus schemes, communications and remuneration committee support. We can help you create an employee deal for executives that attracts, motivates and retains the best talent, and delivers results for the business.



VARIABLE PAY

Variable pay not only needs to attract, motivate and retain talented people, it also needs to reflect the long term success of the business, and ensure that the performance required is stretching. With more scrutiny now than ever before from shareholders, regulators and the media, executive bonuses need to demonstrate value for money and show that they are not rewarding failure. We can help.

Design of executive compensation can be a tricky balancing act and has the added complication of business leaders having a personal agenda as well as a business one. We can design an executive bonus or LTIP that:

- Creates a clear line of sight between actions, behaviours and results; and reward
- Is self-funding and provides a genuine reward for high performance
- Balances the requirements of all stakeholders – shareholders, regulators, employees and execs
- Is simple and understandable – and we can help you communicate it
- Looks at more holistic metrics and measures and not just broad financial ones such as TSR
- Ensures all the management team are facing the same direction, and working together to achieve success

EXECUTIVE PAY BENCHMARKING

Benchmarking executive level roles is a high profile and emotive issue that can be made much better and simpler by an independent specialist. Comparing all elements of the total package (base pay, total cash, benefits and long term incentives) against a market where company size and turnover, as well as an appreciation of 'unique' or scarce skills, is a challenge. We have the expertise to help.

We work with you to fully establish the appropriate market for the skills and experience required, before sourcing appropriate surveys that provide sufficient data at the senior executive level. We find that a great deal of subjectivity and judgment can be required in matching senior level roles, deciding upon comparator organisations, and choosing/weighting suitable surveys, and that's where our experience comes in.

We produce a full benchmarking report detailing market salary, benefits and long term incentives by role, along with associated robust recommendations.

Other areas of executive compensation where we can help include: designing short or long term bonus schemes, communications and Remuneration Committee support. We can help you create an employee deal for executives that attracts, motivates and retains the best talent, and delivers results for the business.

REMUNERATION COMMITTEE COACHING

A Remuneration Committee (RemCom) that works effectively will not only ensure that your organisation meets its regulatory and legal requirements, it will play a critical role in driving your business strategy and managing executive performance. We can help design a plan which holds Executives accountable for the factors which determine success or failure of the business as a whole. Our consultants can help you get the most from this vital process.

We can support your remuneration committee by:

- Providing one-to-one coaching to upskill new or existing committee members
- Running a RemCom Masterclass to train a small group
- Set up or improve existing RemCom processes and governance
- Provide advice and guidance to your RemCom on reward topics e.g. benchmarking and bonus design

INTRODUCING INNECTO

Innecto Reward Consulting is a specialist pay and reward consultancy. We provide expertise in pay and reward to a range of organisations from high-growth 'teenagers' such as ASOS.com, Boden and Lebara Mobile to well-established major organisations going through significant change such as ITV plc, Penguin Random House and Premier Foods.

What makes us different is our 'been in your shoes' philosophy. The guiding principle in the appointment of all consultants is that they have actually done the job that our clients do. It changes the nature of the relationship and allows trust to develop quickly. And it works. The result is better collaboration, open and honest relationships and ultimately successful projects that make our clients happy, and stand the test of time. More than 70% of Innecto's clients come back for another project within two years.

Our approach is always to listen to an organisation's requirements for reward support and work on the basis that no two situations are the same – each organisation we work with has a different set of objectives and needs that will reflect their unique DNA, culture and employer brand. It's for this reason that our services are often bespoke and flexible. We do not assume there is a 'one size fits all' solution for our clients.

Our client list is impressive. We've worked with a variety of clients in a variety of sectors and we specialise in businesses that are classified as high growth, with external PE funding and M&A situations.

OUR CLIENTS MAKE US SPECIAL



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OUR EXPERTISE

Bonus culture: all change or same old story - Reward Magazine interview

Hot topic: can pay be too high - HR Magazine article

Has executive pay got out of hand? - Business Today article (page 9)

Performance bonuses; who truly deserves them? - Personnel Today article

Cracking the RemCom code – Blog post

Five top myths about executive compensation exploded – Blog post

TESTIMONIALS

“Innecto are a great partner, they have a great track record and really know their stuff. They make complicated pay data meaningful and are very personable and approachable.”

PHIL TIFFIN, HEAD OF HR: BODEN

“From project design to delivery Innecto provided clear, timely and inspired guidance and we look forward to partnering with them on future developments.”

MARGARET MITCHELL, HEAD OF HR: CENTER PARCS

“Innecto strikes a good balance at understanding what we are asking for as a client but also making suggestions as to other approaches we may not have considered.”

SARAH MARTYN, PEOPLE MANAGER: CTIL

IF YOU WANT TO FIND OUT MORE

Please call us on 020 3478 4810 or email enquiries@innecto.com

INTERNATIONAL REWARD | REWARD STRATEGY
EXECUTIVE COMPENSATION
EMPLOYEE ENGAGEMENT | PAY BENCHMARKING
JOB EVALUATION | PAY FRAMEWORKS
REWARD COMMUNICATIONS
BENEFIT AUDIT & DESIGN | VARIABLE PAY
SALES BONUS | REMUNERATION COMMITTEE SUPPORT
PERFORMANCE MANAGEMENT

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