



Designing and implementing a unified, value-driven compensation strategy after a major acquisition.

Topics

Outsourced Finance &
Accounting Finance &
Accounting Transformation

Industry

Technology & Software

Team Size

1 Principal, 1 Director,
1 Associate

Duration

4 Months

Situation

A west-coast marketing technology company completed a large strategic acquisition that more than doubled the size of the company and its employee base. The company wanted to restructure the organization to better align resources with their new go-to-market strategy.

The acquirer and target approached compensation quite differently pre-transaction. The post-transaction integration presented an opportunity to unify the combined company's compensation plans around a consistent philosophy, structure and approach to align compensation with go-to-market and value creation objectives.

The company sought the expertise of an outside compensation advisor to bring expertise and independent thought to the process. It was important to the company that their advisor had deep resources, expertise, and best practices knowledge. Equally important was that their compensation advisor had the been-there, done-that operating expertise to align compensation with desired performance objectives. They chose Growth Operators

Execution

- We began our work by getting an in-depth understanding of the newly combined company's culture and forward vision.
- We built a compensation plan and structure that incorporates industry trends, market competitive practices, and creates a career path structure for approximately 50 unique roles.
- We consolidated the acquirer and target's different compensation bands into one structure for the entire organization.
- We slotted 205 current positions into the new banding structure creating a career path for employees.
- We developed market ranges for:
 - 53 roles at 9 band levels
 - 3 industry pay markets
 - 7 geographic locations
 - 477 different salary ranges
- We analyzed internal comp-ratio and pay equity
- We developed 3 annual bonus plans and 2 commission plans
- We trained 42 managers across 3 operating companies on the compensation philosophy, banding structure, pay processes and bonus plans.
- We facilitated a consistent base pay review process for over 200 employees
- We developed communication materials for 5 bonus plans and delivered individual compensation statements to over 200 employees.

Result

All executives and managers have a newly-unified compensation philosophy. The company's employees understand the company's pay for performance philosophy and are driven to achieve results that create value, and managers are empowered to make employee decisions with that philosophy and framework.