



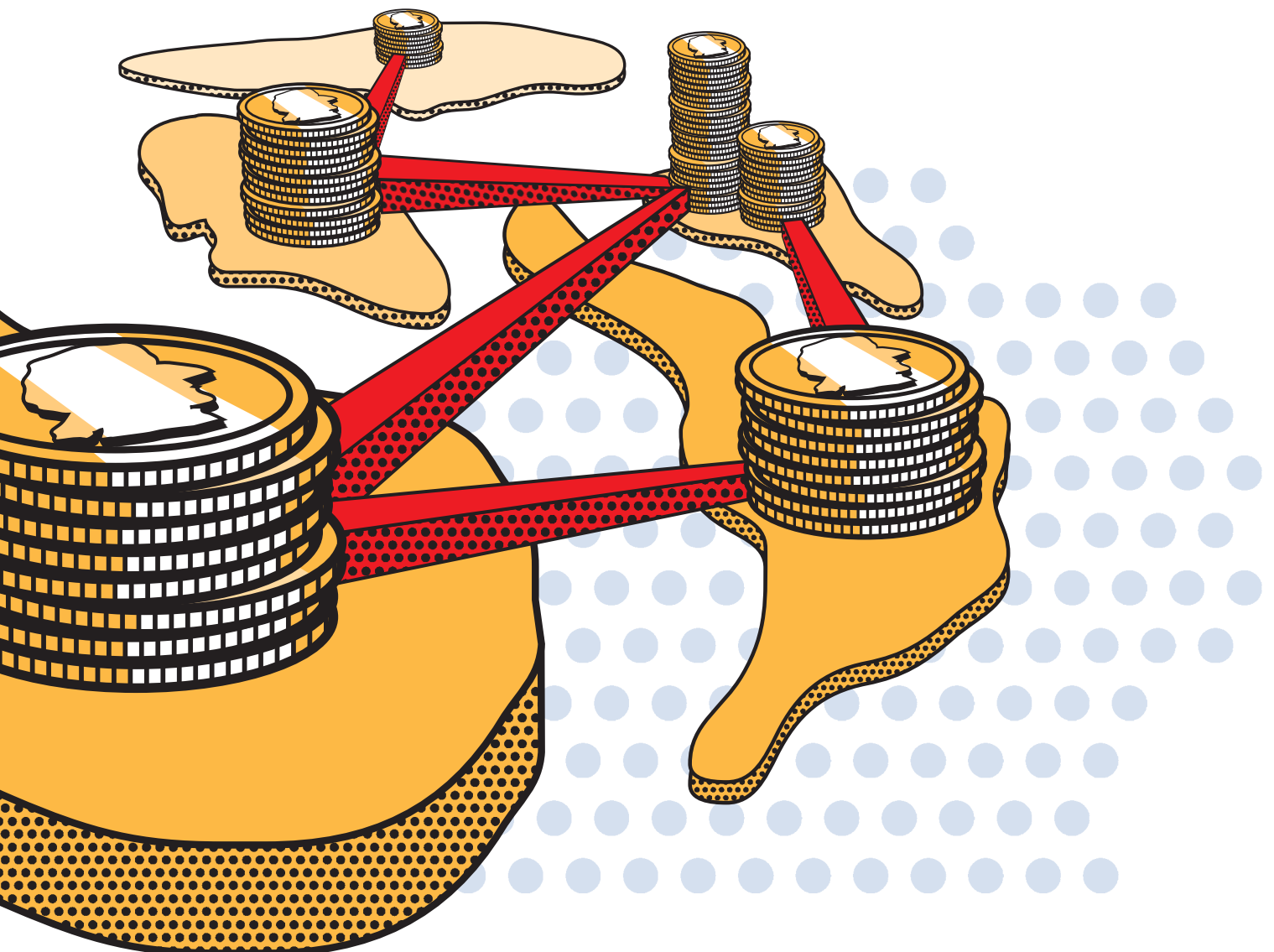
Total Compensation Strategy

Managing Diversity

Nationally and internationally, companies are facing the task of reassessing the balance between their own identity and the force of integration. Centralism often makes access to new markets and regions difficult. Distinctive local autonomies, on the other hand, endanger the overall organization and identity of the company.

Connected with this is the question of whether a unified and global compensation policy should exist, and how much room for maneuver local and regional entities and organizations should be given.

In heterogeneous corporate and company structures, in particular, there are no unified compensation strategies and structures. Systematic guidelines exist at most for the top management; in middle management levels, on the other hand, no corporation- or company-wide strategy is adhered to. For these management levels, a number of conflicting compensation strategies have often developed within the grown legal structures.



Think Global, Act Local

The framework of the total compensation strategy: performance, results and market

The development of a total compensation strategy creates and influences a collective culture, offers corporation- and company-wide shared rules and directives, advances the implementation of the business strategy and promotes performance and results orientation.

A total compensation strategy should take into account the following elements and orientation points:

- » Fixing a value-based company management
- » Coupling with the long-term appreciation of the company's value
- » Market orientation for engaging qualified executives and specialists
- » Cost consciousness during conception and implementation
- » Taking local conditions into account



Figure: Framework of a Total Compensation Strategy

Structure Follows Strategy

The extent and structure of the compensation should be based, in terms of results, on the total compensation approach, and should take into account regional or local market conditions and the particular social and tax systems:

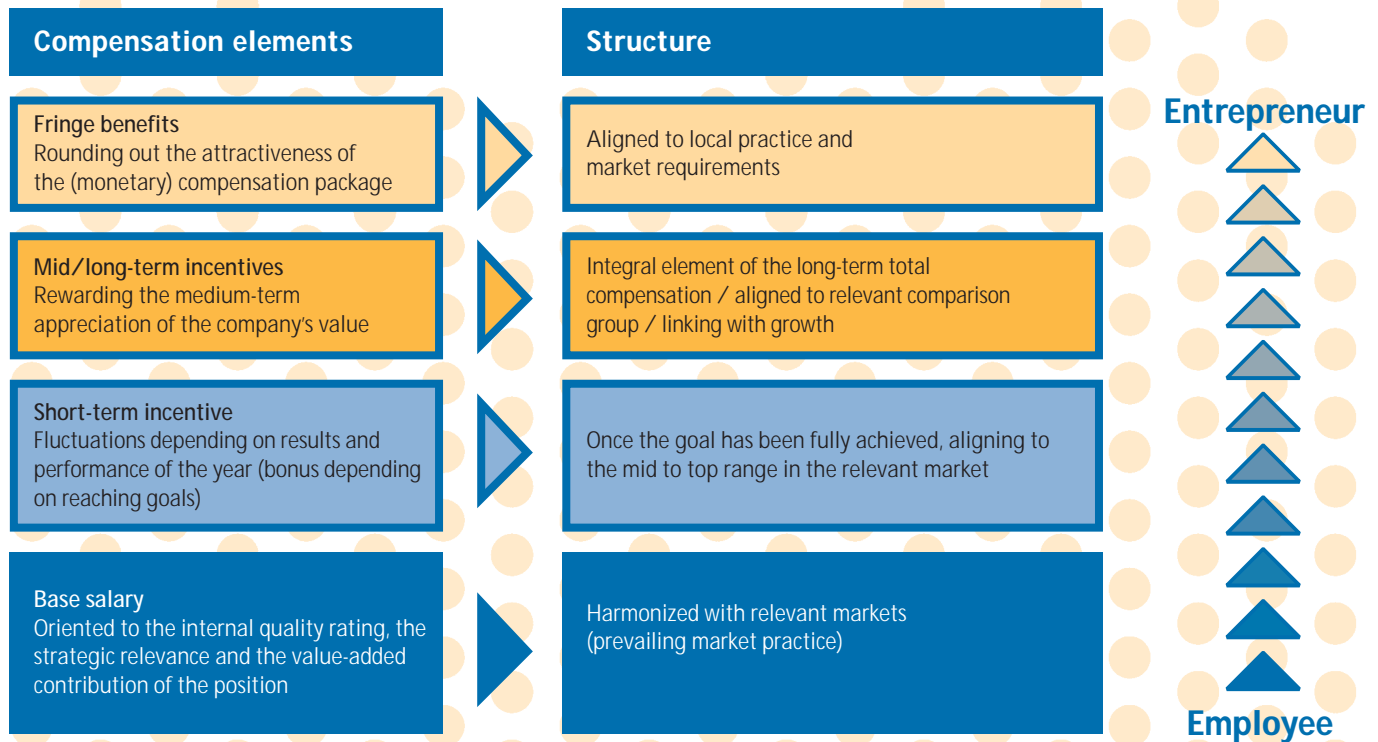


Figure: Total compensation approach

In the results, the developed total compensation strategy fulfills, among other things, the following objectives from a company and managerial viewpoint:

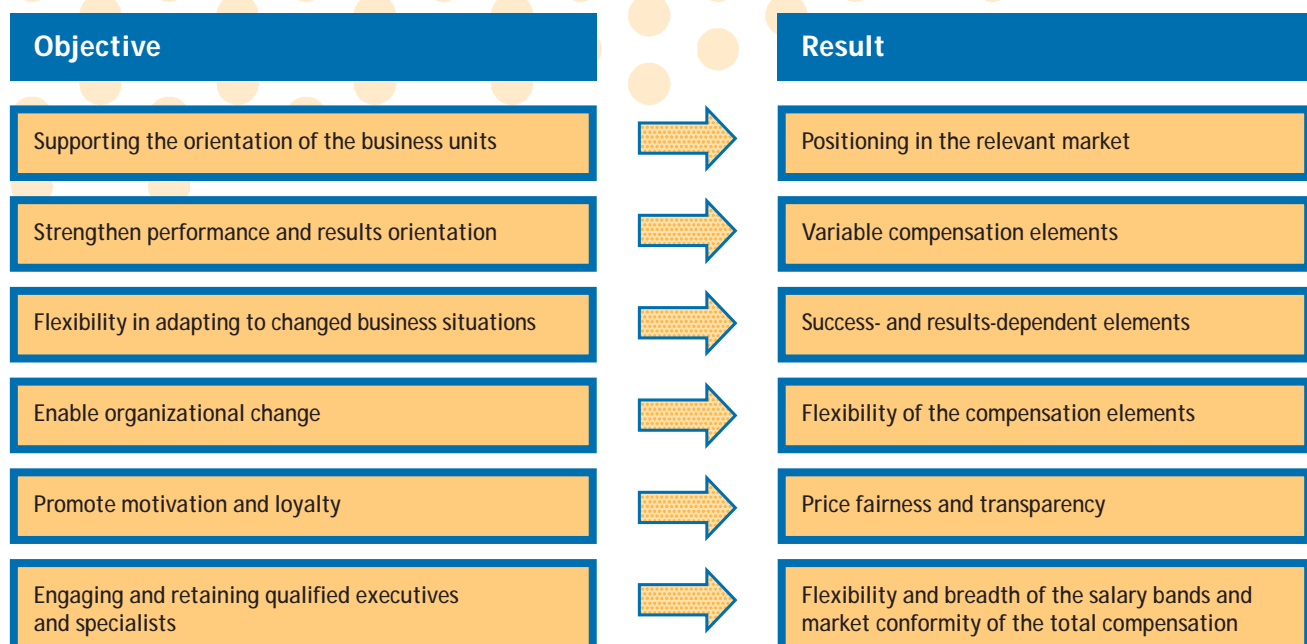


Figure: Development of a total compensation strategy

Step by Step

The Kienbaum approach for the development of a total compensation strategy is ideally based on the following steps:



Figure: Project steps for developing a total compensation strategy

Why Kienbaum?

» We listen to you before taking action

Our first task as your partner is to gain an insight into your company. Keeping in mind the developments within your sector, your own objectives as well as the prevailing company culture, we develop relevant solutions covering every aspect of compensation. Listening carefully is consequently an important part of our work.

» We accompany you right to the goal

We recognize possible solution paths and develop these together with you. The depth of our consultancy expertise enables us to cut through complex facts. We support you in implementing solution paths that will lead you to your desired goal. We are also happy to support you in the practical implementation.

» We take your individual situation into account

Together with you we develop a tailor-made performance management system for approaches that are suited to your company, that meet your specific requirements and that harmonize your company culture.

» We develop solutions that meet with approval

The biggest assets of a company are its employees. We develop and implement solutions that meet with the approval of both the management and the employees and that motivate them to work towards achieving their company's goals. Our work is done when we are all convinced by the results. For us, a convincing result comprises flexible systems that are useful for you in the long term and that can easily be adapted to future developments. We support you actively in your communications.

Total Compensation System

Success- and performance-oriented
Compensation Systems

(Performance Management, short-
and long-term Incentive Systems)



Job Evaluation Systems
(Grading Systems)

Executive Compensation

Compensation Comparisons / Benchmarking

Compensation Studies / Salary Calculation Software
/ Online Salary Survey

Figure:
Our performance spectrum

Kienbaum has 15 offices throughout Germany. Its international activities are supported by local consulting teams in Austria, Brazil, China, Croatia, the Czech Republic, France, Great Britain, Hungary, Luxembourg, the Netherlands, Poland, Russia, Switzerland, Singapore and Thailand.

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