

core

Compensation Research

by OD&M Consulting



a GI GROUP company
OD&M
CONSULTING
Your People, Our Work

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SURVEY OVERVIEW

Reliable compensation and benefits survey data is now more important than ever. Such information is essential for building a consistent pay strategy, which ensures external competitiveness and internal equity. Our precise data collection and validation processes, coupled with the depth of our database, guarantee the delivery of high-quality data and a reliable reporting system.

CORE Compensation Research will help you to:

- get a better understanding of local market salary & remuneration trends
- attract, support and retain employees within the context of your company's overall HR strategy
- efficiently plan your HR budget
- ensure that your top performers and key talents have attractive compensation packages

INDUSTRY COVERAGE

General industry survey covering:

- Consumer Goods
- Manufacturing
- High-Tech (IT and Telecommunication)
- Retail
- Automotive
- Other sectors



SPECIFIC INDUSTRY CLUB SURVEYS:

- **Banking Sector**
- **IT Sector**
- **Pharmaceutical Sector**

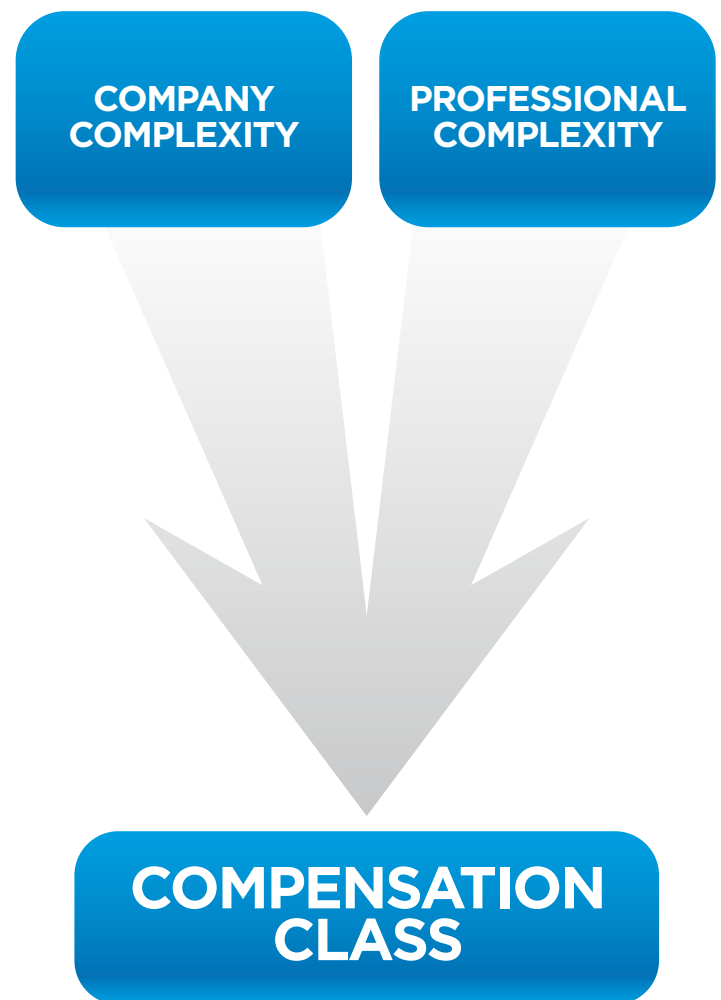
METHODOLOGY

GLOBAL PROFESSIONAL SYSTEM (GPS)

CORE Compensation Research for job matching purposes, uses our international **Global Professional System (GPS)**, methodology for job classification designed by OD&M Consulting, a simple and user-friendly tool, which is designed to analyse and classify roles within an organization.

GPS defines the **ROLE'S MARKET VALUE** by the two different variables:

- **PROFESSIONAL COMPLEXITY:**
role type and professional level;
- **COMPANY COMPLEXITY:**
complexity of the organization in which the role operates.
- The two variables are crossed to determine the **compensation class**, a set of roles of similar complexity. They provide a compensation reference for comparison with the external market.



METHODOLOGY

PROFESSIONAL AREAS AND DISCIPLINES



CORE Compensation Research covers 18 professional sectors, 85 disciplines and over 345 benchmark positions, from executive to the most junior level within the organization, in the following professional areas:

- General Management
- Accounting, Finance & Controlling
- Customer Service
- Sales
- Marketing
- Public Relation & Communication
- Information Systems
- Legal
- Human Resources
- Support & Secretary
- General Services
- Supply Chain
- Engineering
- Production/ Operations
- Research & Development
- Environment, Health & Safety
- Project Management

QUALITY

- Quality Assurance
- Quality Control
- Quality Audit
- Business Process Improvement

CORE COMPENSATION RESEARCH PAY ELEMENTS

Annual Base Salary

Monthly base salary times the number of months guaranteed.

Total Annual Guaranteed Cash

Annual base salary plus other additional fixed payments or legally required cash payments.

Annual Total Cash and Benefits Overview Report

Annual guaranteed cash plus variable incentives (actual and target) and Benefits Overview Report



CORE COMPENSATION RESEARCH STATISTICS

25th Percentile

The data point that is higher than 25% of all other data in the sample when ranked from low to high. Also known as the first quartile or lower quartile.

Average

The sum of all data reported divided by the number of observations in the sample. Also known as mean.

Median

The data point that is higher than 50% of all other data in the sample when ranked from low to high. Also known as the 50th percentile.

75th Percentile

The data point that is higher than 75% of all other data in the sample when ranked from low to high. Also known as the third quartile or upper quartile.

SURVEY OVERVIEW

REPORT TYPES

GENERAL STANDARD REPORT

- Sample overview
- Benchmark reports using position title with data clustering by the following criteria:
 - Industry
 - Region
 - Company size
- Job family and Career level reports
- Market Policy, Practice and Benefits Report.

CUSTOMIZED REPORT

- Company data comparison to predefined market refinements by:
 - Industry
 - Region
 - Company size
- Company data will be compared to the selected sample by position title, job family and career level.

PEER GROUP REPORT

- Company data comparison to selected peer group of minimum 10 companies.
- Company data will be compared to the selected sample by position title, job family and career level.



MARKET
DATA
WILL BE
UPDATED
QUARTERLY

REPORT SAMPLE

ANALYSIS BY POSITION TITLE

166 - Area Manager

Is responsible for direct and indirect sales management in a specific geographical area (region or macro-region) and is in charge of coordinating the local sales force with business strategies. Makes sure the budget is defined and the sales goal for the area is achieved by the direct or indirect sales force. Coordinates the area sales force scouting new sales opportunities and defining actions geared to ensuring customer satisfaction. May assist the sales management in defining the sales strategy and the marketing plan for the area. May be personally in charge of relations with key and potential accounts.

Professional Area: SALES

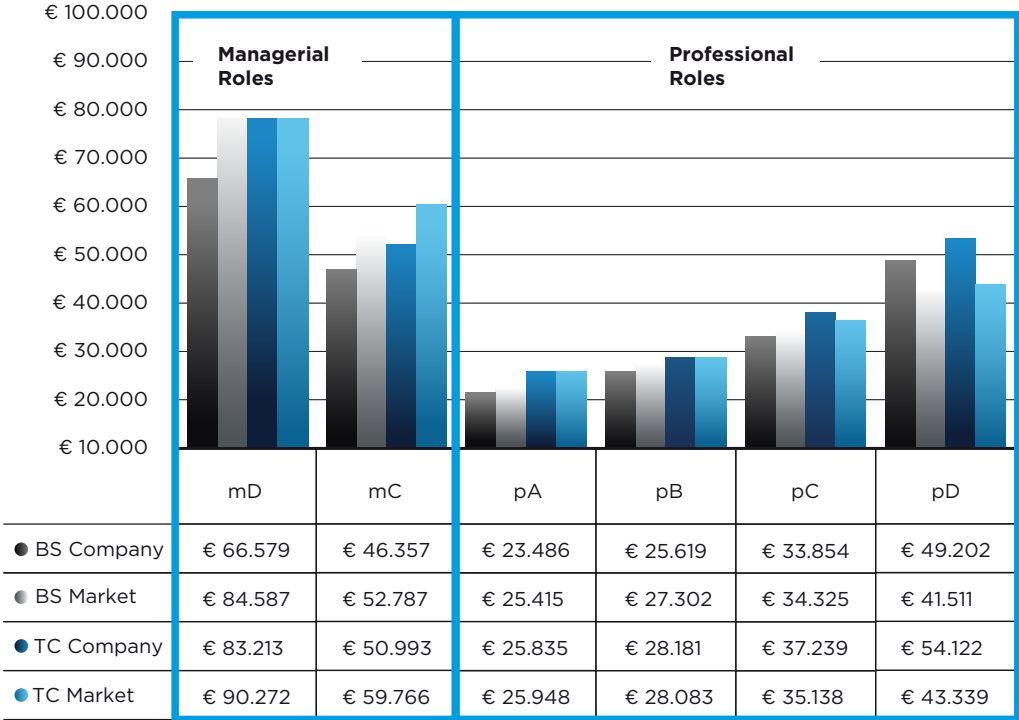
Discipline: Area Sales

Sample	267 Incumbents				15 Companies		
GREAT INDUSTRY	% of Eligible	Mean	1* Decile	1° Quartile	Median	3° Quartile	9° Decile
a. Annual Base Salary (ABS)	n.a	50.487	43.513	42.968	49.857	58.934	65.938
b. Total Annual Guaranteed allowances	n.a	2.156	1.687	1.898	2.096	2.276	2.422
c. ANNUAL GUARANTEED CASH (a+b)	n.a	53.150	38.891	44.567	51.832	60.282	69.081
d. Annual Actual Bonus Amount	68%	8.485	7,564	8.987	9.200	11.750	15.754
e. Target Bonus (as % of ABS)	70%	19,3%	10,7%	15,6%	20,2%	22,1%	25,4%
f. Annual Actual Sales Commission Amount	20%	18.456	15.982	17.983	19.602	23.764	25.873
g. ANNUAL TOTAL CASH (c+d+f)	n.a	59.866	42.610	49.374	58.133	68.447	79.313
h. Profit sharing scheme	5%						
i. LTI scheme	4%						

ANALYSIS BY CLUSTER (Annual mean)	INDUSTRY		COMPANY SIZE		GEOGRAPHICAL REGION	
COMPANY CLUSTER	Telecommunication		Large		North Italy Area	
GUARANTEED CASH	55.808	+5%	55.276	+4%	62.261	-7%
TOTAL CASH	63.458	+6%	62.261	+4%	62.261	-8%

REPORT SAMPLE

ANALYSIS BY COMPENSATION CLASS



• Market compensation data can be refined by:

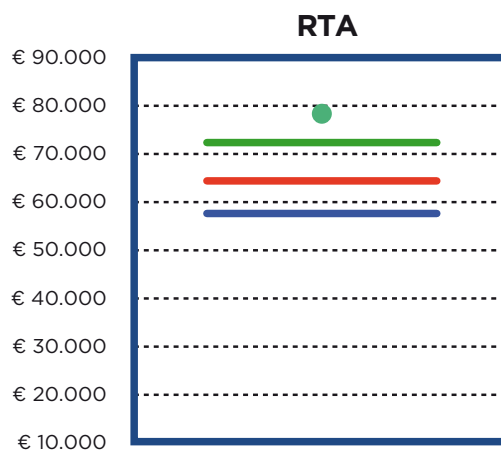
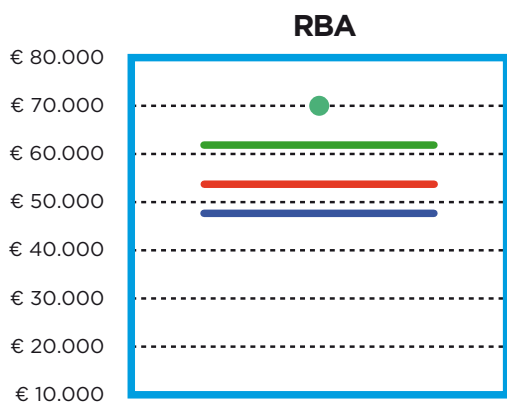
- ✓ Industry
- ✓ Region
- ✓ Company size
- ✓ Peer group

Marketing Manager

Market Benchmark

Employee ID	002
Functional Area	Marketing
Location	MILANO
Professional level	Manager ML2

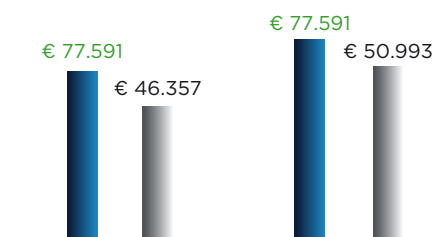
	Base salary	Total cash	Variable cash
Marketing Manager	€ 70.456	€ 77.598	10%
3°Quartile	€ 47.529	€	7%
Medlan	€ 54.571	€	8%
3°Quartile	€ 82.082	€ 72.821	15%
Market difference for Milano area	0,0%		
Comparation versus...	1,29%	1,29%	
Individual PosTraining	above	above	



- Marketing Manager
- 3°Quartile
- Median
- 1°Quartile

Internal Comparison

- Marketing manager
- Professional Level Mean

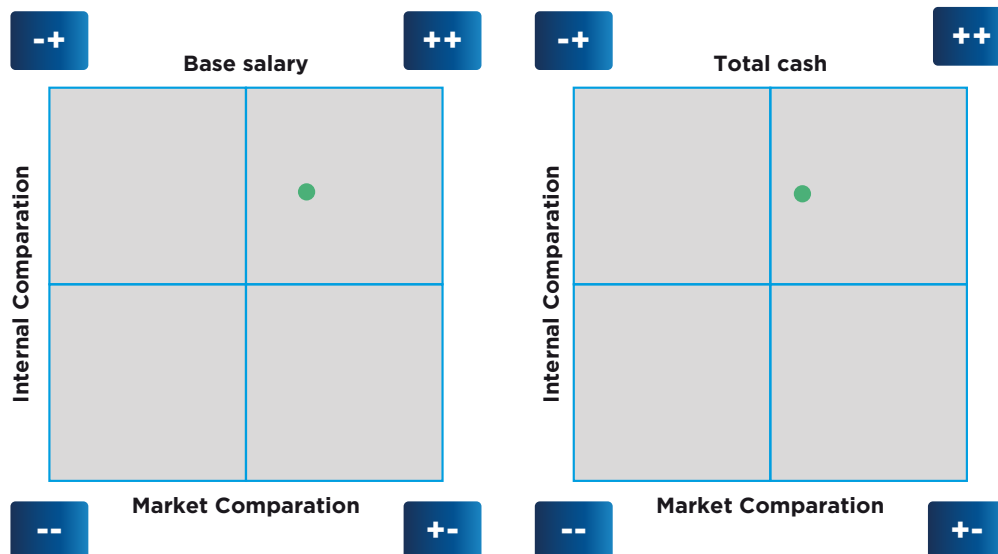


	Base salary	Total cash
Marketing Manager	€ 70.456	€ 77.591
Professional Level Mean	€ 46.357	€ 50.993
Professional Level	Manager ML2	
Comparative versus Professional Level	1,52	1,52

	Marketing Manager	Market practice (0% of eligible)	
Car	N	24%	
Private petrol / Gas	N	8%	
Medical plan	N	17%	
Medical Check up	N	16%	
Pension plan	Y	20%	
Insurance	N	22%	
Housing	N	1%	
Canteens and meal tickets	Y	60%	
Mobile phone, Blackberry, Portable PC	Y	55%	Mobile phone, BlackBerry
		57%	Portable PC
School and family	N	1%	Kindergarten
		1%	School for children
		1%	Fellowships
Other		4%	Equality participation plans

External and Internal Comparison matrix

	Base salary	Total cash
Professional Level	1,29	1,29
Comparative versus Professional Level	1,52	1,52



ABOUT US

Local experience – International know-how

Gi Group HR Solutions d.o.o. was found in 2002 (under the name of ConsulTeam) and since then it has become one of the most intensively growing human resource consulting businesses in South-East Europe.

Under the brand OD&M Consulting we provide Human Capital Consulting and Training and Development services.

Our mission is to support clients in achieving their business strategy by offering a wide knowledge of the local market, experience of our international consultants, and tried and tested practices of our partners.

We work with clients to address a broad array of their most important human resource issues and have expertise in different areas of human resource consulting.

OD&M provides clients with leading edge services in the area of compensation and benefits, performance management, change management, training and development, assessment and development centers and human capital strategy.

During the past decade we have accomplished a range of large-scale human capital consulting projects for some of the most successful companies from various industries within the region.

Our people are recognized and acknowledged by clients for producing the most known salary survey in region, combining local expertise and knowledge of the market whilst applying the most rigorous standards and the international know-how.

Combination of our consultant's market knowledge, expertise in job evaluation and grading, as well as in salary structure and bonus schemes design, has been a valuable asset for our clients.



For more information, please contact us directly:

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