

Cost management

Our point of view

- For many organizations, there is a heavy focus on cost deferral and reduction measures to ensure business continuity and we've seen significant impact on employee rewards and jobs.
- Cost management is here for the long-term so preserving employee experience will be vital for recovery.
- Understanding the impact on employee engagement and the employee experience needs to be part of the decision calculus and provides information on the potential and need to REINVENT.
- Areas where companies can manage costs include employee rewards, workforce composition and career development across RESPOND, RETURN and REINVENT efforts.
- Mercer is well positioned to guide clients through various cost management phrases:



Discover & Define: understand the cost problem and develop a foundational understanding of current programs/policies



Plan: determine cost-saving opportunities that address cost issue and optimize value to employees and the organization



Execute: execute cost-saving measures with thoughtful speed, governance, compliance, precision, and communication

Initial Discovery session in the first stages of RESPOND



Future contingency planning for 6+ months, the next stage of RETURN, and the next round of cost management opportunities

Scenario modelling for finding \$X savings and the least negative impact on the employee experience



Identifying and segmenting how cost cuts will impact different employee populations

OUR APPROACH

1.

Inventory people cost management opportunities (health, wealth, career) and evaluate against timing, potential employee impact, potential savings and strategy.

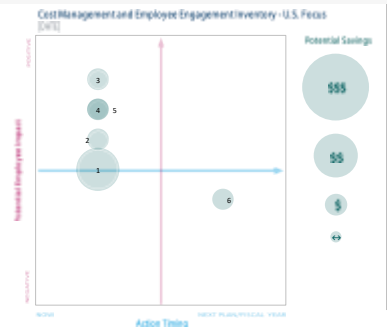
2.

Approach is customized to your interest and needs, and tool can be used in meeting setting to guide the conversation and exploration of ideas.

3.

The outcome is cost management opportunities balanced with impact on the employee experience

Sample outputs



Category	#	Strategy	Description/Detail	Strategy of Interest	Potential Employee Impact	Potential Savings Impact	Action Timing	Employer Size or Setup	Resource
Absence and Disability Management	1	Leave / Time off Assessments	Assess and evaluate current time off / leave management programs to confirm alignment with newly implemented emergency leaves, dependent on company leaves and/or applicable federal/state leaves Evaluate changes to current paid time off and/or vacation policies Recommend/develop plans based on identified gaps	Y	↕	\$\$	NOW	ANY	LAD
	2	Execution of Leave / Time off Changes	Based on identified necessary changes to existing or new leaves policies, Mercer will assist and support with project management, vendor alignment/coordination, and policy modification.		↕	\$\$	NOW	ANY	LAD
	3	Return to Work (RTW) / Accommodations	Evaluate existing RTW programs/protocols specific to modified duty and accommodations to provide support for the changing work environment (i.e., work from home)		↕	\$\$	NOW	ANY	LAD
	4	Supplemental Individual Disability Insurance	Evaluate current LTD coverage to identify any employees with gaps in coverage Offer individual disability insurance to make employees whole on total income replacement	Y	↑	\$	NOW	ANY	LAD



Got questions? Contact us at: www.asean.mercer.com
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