

Executive Reward Statements



Executive Reward Statements are an essential tool to recruit, retain and motivate your executives. They help them to understand the make-up of their reward package, its likely value, what is driving this value and when the payments can be realised. This helps to align their interests with those of the company and its shareholders.

We have developed a software system that can produce high quality Executive Reward Statements (ERS) with relative ease.

Our ERS System has tremendous flexibility to deal with the plethora of complex incentive plans and pension arrangements seen today, allows the output to be tailored to exactly how you want it and provides total control over the performance scenarios and assumptions used.

What are Executive Reward Statements?

Executive Reward Statements provide executives with a single statement pulling together all their reward information into one place to help them to understand:

The make-up of their reward package

Its likely value

What is driving this value

When the payments can be realised



To align their interests with those of the Company and its shareholders

Executive reward can be complicated with many moving parts, numerous performance measures and payments spread over many years. Consequently, producing Executive Reward Statements has traditionally been a time consuming and expensive exercise.

Our ERS System

Our ERS system produces bespoke Executive Reward Statements with relative ease, showing the executive:

Last Year

What was earned last year

This Year

What could be earned this year

Past LTIPs

What is "in the bank" in terms of outstanding LTIPs

Timing

When the payments can be realised

Performance

How the value is affected by performance

Influence

Which plans and performance drivers have the most influence

Our ERS System can value all the usual elements of pay and benefits (eg salary, car, pension etc) and can also value a wide range of annual incentive plan designs and LTIPs, with various complexities.

Types of Plans	Complexities
Annual Incentives	Cash plans and share plans
Deferred Share Plans	Dividend reinvestment (cash and shares)
Share Matching Plans	Multiple vesting periods
Restricted Shares	Multiple performance conditions
Performance Shares	Different currencies
Share Options	Different performance scenarios and assumptions

Even though our ERS System will cover all the various plans that executives in a company may have, only those applicable to the specific executive are shown on their statement.

Additional uses of our ERS System

In addition to providing Executive Reward Statements, our ERS System can also be used to:

Aid Recruitment	Show a potential executive the total value of the reward package on offer together with a comparison with his existing package
Aid Retention	Show the total value of the reward package including outstanding long-term incentives which are yet to vest;
Promotions	Analyse the impact of a significant promotion and its effect on the package
Reward Strategies	Show how a change in reward strategy impacts each executive
Test Designs	Test different reward strategy designs

What will it cost?

It is difficult to be specific without knowing your requirements, complexity of reward packages, countries covered and availability of good quality clean data. And, having been in your position ourselves, we are mindful of not over-promising only to see the project costs spiral out of control.

For a relatively straightforward project covering around 100 UK executives with clean, accurate and easily accessible data, and using our standard statement, we would envisage the cost to be in the region of £25,000 (plus VAT).

How we work

We can work collaboratively with you in a variety of ways, ranging from providing a fully outsourced service requiring the minimum of resource from you, right through to us just managing our ERS system and you managing all other aspects of the project.

From our experience of producing executive reward statements for large multinational companies, we have developed a range of tools and procedures to simplify the data collection processes. We are also able to print and bind statements as well as provide digital copies.

We have our own dedicated business IT system to ensure that the data you provide us with is safe and secure. We are also registered under the Data Protection Act for holding and processing personal and sensitive client data.

About Us

We are Graham and Catherine Middleton. We are both reward professionals with over 50 years of experience between us working for large international companies including Unilever, Cadbury Schweppes, BG Group, Kingfisher and BAE Systems. See our website for more information.

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