Employee Benefits Seminar

Presented By | Jamie Bishop | VP, Sales Executive
Linda Perry | Senior Benefits Executive
Nicole Pfeiffer | VP, Sales Executive
Building Your Succession Plan through a One Page Talent Matrix

Presented By  |  Nicole Pfeiffer, SPHR, SHRM-SCP, GBA, CMS
Vice President, Employee Benefits
Nicole Pfeiffer is a Vice President of Employee Benefits for Cottingham & Butler. Nicole offers consultative advice to business decision-makers regarding their employee benefit plans. Nicole has been with Cottingham & Butler since April 2004. Prior to Nicole’s role in Employee Benefits, she worked as the Vice President of Human Resources and Director of Marketing for the firm. Prior to joining Cottingham & Butler, Nicole worked for Procter & Gamble in a Business Development role.

**Specific Experience**

- Specializes in Employee Benefits Consulting
- Experience in Human Resources and Marketing

**Education**

- BS in Mathematics and BBA in Business Admin from the University of Iowa
- MBA from The University of Iowa Tippie School of Management
- Designations: SPHR, SHRM-SCP, GBA and CMS

**Speaking Engagements**

- State of IA SHRM Annual Conference 2015, 2016, 2017
- State of WI SHRM Annual Conference 2016, 2017
- Various regional SHRM Events

**Volunteerism**

- Board of Director’s Past President for the Dubuque Women’s Leadership Network
- Board of Director’s Past President for the Dubuque March of Dimes
TODAY’S AGENDA

We’ll take a dive into a simple and effective method for conducting succession planning using a one page talent matrix. Through this process, you’ll uncover the quality and depth of your future leaders. Once you know your grid results, you’ll be able to craft a plan to develop and engage your organization’s talent.

You’ll learn how to:
1) Inform and Train Managers
2) Conduct the Calibration Meeting
3) Build Developmental Activities
4) Track and Conduct Follow up
5) Create Transparency and Accountability
Only 50% of firms engage in talent reviews and succession planning – and only 50% of those have a formal process.
WHERE ARE YOU IN THE SUCCESSION PLANNING CONTINUUM?
ONE COMPANY’S EXAMPLE

Attempt I:
All Employee Review. One page template where supervisor accesses the employee on company criteria. Presented to Chairman, CEO and HR.

Pros:
• Broad and quick overview on all company talent. 2 minutes.
• Identified obvious gaps between talent and compensation or talent and responsibility.

Cons:
• Intensive paperwork
• Intensive time
ONE COMPANY’S EXAMPLE

Attempt II:
Replacement Planning. Managers to identify replacements for their role and supervisors roles.

Pros:
• Taking our first step of action to identify key roles and potential replacements.
• Asking managers to start thinking about their potential future replacements and the development needs of those individuals.

Cons:
• Reactive
• Narrow approach
ONE COMPANY’S EXAMPLE

Attempt III: ABC Forced Employee Rankings.

Pros:
• Jack Welch Philosophy
• Forced Rankings. 20%/70%/10%.
• Forces managers to identify differentiation.

Cons:
• Difficult to force rank a population. Especially a small population of high performers.
• Creates a culture of competition not cooperation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Job Title</th>
<th>Supervisor Name</th>
<th>Department Description</th>
<th>Performance Rank</th>
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<tbody>
<tr>
<td>Service Specialist</td>
<td>Supervisor, Susie</td>
<td>Quality Assurance</td>
<td>B</td>
<td></td>
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<td>Quality Assurance</td>
<td>A</td>
<td></td>
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<td>Service Specialist</td>
<td>Supervisor, Susie</td>
<td>Quality Assurance</td>
<td>A</td>
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</tbody>
</table>

![Typical Bell Curve Distribution for Forced Ranking Diagram]
TALENT REVIEWS

Attempt IV: Corporate Talent Matrix


Two objectives:
• To understand the quality and depth of your leaders
• Plan for succession by predicting which leaders will succeed

Pros:
• Minimum paperwork and bureaucracy
• Opens lines of communication

Cons:
• Additional work to be done after High Performers and High Potentials are identified
START (HIRE) WITH SCIENCE

Smart wins every time

Some personality traits matter (and some don’t)

P-O Fit
THE PXP GRID: ELIMINATE COMPLEXITY

- Keep the PnP Grid Simple
- Assess Potential to Advance
- Assess Performance over Time

<table>
<thead>
<tr>
<th>PERFORMANCE IN ROLE</th>
<th>POTENTIAL FOR ADVANCEMENT</th>
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</thead>
<tbody>
<tr>
<td>HIGH 20%</td>
<td>Stewart Griffin</td>
</tr>
<tr>
<td></td>
<td>Joyce Turner</td>
</tr>
<tr>
<td>MEDIUM 60%</td>
<td>Chloe Kitton</td>
</tr>
<tr>
<td></td>
<td>Robert Smith</td>
</tr>
<tr>
<td></td>
<td>Alissa Oliver</td>
</tr>
<tr>
<td></td>
<td>Robbie Lucas</td>
</tr>
<tr>
<td>LOW 20%</td>
<td>William Schmidt</td>
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<td></td>
<td>Ricardo Acelero</td>
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<td></td>
<td>Lauren Bissy</td>
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<td>Mary Jo Reilly</td>
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</table>
STEP 1: INFORM AND TRAIN MANAGERS

- Introductory Meeting
- Communication from the top
- Inform about the process
- Train on the tool
- Come back together in about 2 weeks to 1 month
STEP 2: CONDUCT THE CALIBRATION MEETING

- Calibration Meeting #1
- Invite all managers from one department
- Each manager comes having assessed their direct reports
- Discuss each manager’s PxP grid
- Candidate conversations amongst all managers
- Agree on key development activities
- Each department to identify their top 3 talent issues
- Review the overall grid for the group

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</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>20%</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>60%</td>
</tr>
<tr>
<td>LOW</td>
<td>20%</td>
</tr>
</tbody>
</table>

TOP 3 TALENT ISSUES
- Need for additional High performing sales talent
- Jan’s upcoming retirement
- Susie has the ability to take on more. Identify her next role.
CALIBRATION MEETING RESULTS

- Box 9: Prime Talent – Ensure there is a strong development plan
- Box 4: Expert Talent – Use as a mentor
- Box 6: Budding Talent – Usually newer employees with lots of potential who need time and opportunity to shine.
- Box 1: Mismatched Talent – mismatch within the role or the organization. Needs PIP and action.
STEP 3: DEVELOPMENTAL ACTIVITIES

- Identify the key individuals in each department.
- Create developmental plans for these individuals.
- Add value with opportunity.
- Record the division’s top talent needs and work on an action plan.
**ADDNG VALUE**

- Compensation targets
- Developmental investment
- Hi-Potential Program
- CEO/Board Exposure
- Relocation Opportunities
- Special Projects

### Talent Assessment

<table>
<thead>
<tr>
<th>Performance in Role</th>
<th>Potential for Advancement</th>
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<tbody>
<tr>
<td></td>
<td>Compensation targets: Base 50%; Bonus 75%</td>
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<td></td>
<td>Development investment: 1.5x average</td>
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<tr>
<td></td>
<td>Hi-Po Program: No</td>
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<tr>
<td></td>
<td>CEO/Board Exposure: Maybe</td>
</tr>
<tr>
<td></td>
<td>Relocation: no</td>
</tr>
<tr>
<td></td>
<td>Special projects: Yes</td>
</tr>
<tr>
<td><strong>Low</strong> 20%</td>
<td>Compensation targets: Base 25%; Bonus 0%</td>
</tr>
<tr>
<td></td>
<td>Development investment: none</td>
</tr>
<tr>
<td></td>
<td>Hi-Po Program: No</td>
</tr>
<tr>
<td></td>
<td>CEO/Board exposure: No</td>
</tr>
<tr>
<td></td>
<td>Relocation: no</td>
</tr>
<tr>
<td></td>
<td>Special projects: no</td>
</tr>
<tr>
<td><strong>Medium</strong> 60%</td>
<td>Compensation targets: Base 50%; Bonus 50%</td>
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<tr>
<td></td>
<td>Development investment: 0.5x average</td>
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<tr>
<td></td>
<td>Hi-Po Program: No</td>
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<td>CEO/Board Exposure: NO</td>
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<td>Relocation: no</td>
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<tr>
<td></td>
<td>Special projects: No</td>
</tr>
<tr>
<td><strong>High</strong> 20%</td>
<td>Compensation targets: Base 50%; Bonus 75%</td>
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<tr>
<td></td>
<td>Development investment: 2x average</td>
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<td>Hi-Po Program: consider</td>
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<td>CEO/Board Exposure: Yes</td>
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<td></td>
<td>Relocation: Yes</td>
</tr>
<tr>
<td></td>
<td>Special projects: Yes</td>
</tr>
</tbody>
</table>

*CB*
FINDINGS ON DEPARTMENT HR KEY ISSUES

- Add additional staff
- Performance plans
- Retirement/Transition plans
- Individual Development Plans
- Management Training candidates
- Promotion candidates
- General employee relations – attendance, morale, communication

- Department A: 1) Shortage on experienced personnel in light of new business and terminations, 2) Performance issues Joe
- Department B: 1) Need for additional high performing sales team members, 2) Joann’s future retirement/replace identified, 3) Giving Sue additional responsibilities
- Department C: 1) Jan’s future retirement, 2) Retaining Jill, 3) George’s inability to travel
- Department D: 1) Management training for identified individuals, 2) Promotion discussion regarding 2 top candidates for Service Supervisor, 3) Change of role for Sara, 4) Ways to combat poor attendance
- Department E: 1) Need for sales talent – added Frank, Kyle, and Jamie, 2) Need for service talent – added Heather, John, Braden, Collins, 3) Better communication of division’s vision and career pathing
- Department F: 1) Back-up Doctors, 2) Supervisor Transitions, 3) Analytical person
- Department G: 1) Amy potential ASR supervisor, 2) Plan to get Joan out of management, 3) Kara wanting elevated role
- Department H: 1) Need for more Sales Leadership – Andy, Thomas and Helen, 2) Need for more Service Leadership – to discuss at next meeting, 3) Need for more sales talent
STEP 4: TRACKING AND FOLLOW UP

- Hold Calibration Meetings 2x/year
- Calibration Meeting #2
  - Record new employees on the grid
  - Discuss who has moved?
  - Follow up on developmental activities
- What progress has been made on the top talent issues?
- Create a master grid for the organization

<table>
<thead>
<tr>
<th>Department</th>
<th>Intro Meeting</th>
<th>Calibration Meeting #1</th>
<th>Calibration Meeting #2</th>
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<tbody>
<tr>
<td></td>
<td>Scheduled</td>
<td>Attended</td>
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<td>Department A</td>
<td>03/21/2016</td>
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<td>05/01/2016</td>
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<tr>
<td>Department B</td>
<td>03/01/2016</td>
<td>X</td>
<td>04/01/2016</td>
</tr>
<tr>
<td>Department C</td>
<td>03/01/2016</td>
<td>X</td>
<td>05/01/2016</td>
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<tr>
<td>Department D</td>
<td>03/27/2016</td>
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<tr>
<td>Department E</td>
<td>03/04/2016</td>
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<td>05/25/2016</td>
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<td>Department F</td>
<td>03/14/2016</td>
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<td>Department G</td>
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<td>04/29/2016</td>
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<td>02/21/2016</td>
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<td>04/01/2016</td>
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<tr>
<td>Department I</td>
<td>02/25/2016</td>
<td>X</td>
<td>04/01/2016</td>
</tr>
<tr>
<td>Department J</td>
<td>03/13/2016</td>
<td>X</td>
<td>05/07/2016</td>
</tr>
<tr>
<td>Department K</td>
<td>03/04/2016</td>
<td>X</td>
<td>04/03/2016</td>
</tr>
<tr>
<td>Department L</td>
<td>03/20/2016</td>
<td>X</td>
<td>04/23/2016</td>
</tr>
</tbody>
</table>
STEP 5: CREATE TRANSPARENCY AND ACCOUNTABILITY

To Tell or Not to Tell

• Hold discussions during annual review time
• Ensure that high potential employees know that they have high potential
• Discuss commitment and investment, not labels
• Balance the conversation
• Tell everyone else too

The Organization’s Responsibility

• Managers must tell the employee his/her results of the talent reviews
• Managers must follow up on developmental steps
ONE COMPANY’S RESULTS

Department

• Each department maintained their own department grid
• Each department identified their future promotions
• Departments got to work on performance improvement plans for their lowest performing employees
• Planning took place for pending retirements
• Opened up more communication between departments and HR on issues and solutions

Corporate:

• Created one grid for the entire company. “The Talent Belongs to the Entire Organization.”
• Identified 25 employees for an emerging leadership development program
• Identified 5 individuals for future division leadership roles and created personalized specific leadership development plans
There was a need to create a training program for future and current supervisors
- Identified the competencies and skills
- Hired external trainer
- Enrolled 25 employees
- Year long program held monthly

<table>
<thead>
<tr>
<th>Training Topics</th>
<th>Overview</th>
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</thead>
<tbody>
<tr>
<td>Hiring Process</td>
<td>Characteristics sought, Interviewing Techniques used, Assessing talent, Decision Making</td>
</tr>
<tr>
<td>Employee Performance Process</td>
<td>How to write and deliver a performance review and pay change. Best practices.</td>
</tr>
<tr>
<td>Improvement Process</td>
<td>Determining when to use an Improvement plan, drafting one, communicating and follow through.</td>
</tr>
<tr>
<td>Termination</td>
<td>Documentation, decisions impacting unemployment, and the termination meeting</td>
</tr>
<tr>
<td>Running a Team Meeting</td>
<td>Take a look at some best practices on how to run an effective team meeting. Agendas, 5 minute meeting planner, ownership, and follow-up.</td>
</tr>
<tr>
<td>One-on-One Meetings</td>
<td>What does an effective one-on-one meeting look like and how can you make your meetings more productive. Agendas, Accountability, Follow through.</td>
</tr>
<tr>
<td>Time Off</td>
<td>Learn the fundamentals of Vacation, EA, Bereavement, FMLA, STD, LTD, and Unpaid Time off. Learn the time and attendance system Unitime.</td>
</tr>
<tr>
<td>HR Legal Basics</td>
<td>FLSA, Overtime, Unemployment, Temporary Help, Exempt/NonExempt Classification</td>
</tr>
<tr>
<td>Emotional Intelligence and Addressing Difficult Personal Situations with Empathy</td>
<td>Best Practices when an employee is going through a difficult situation. How to find website resources and how to gently recommend services available.</td>
</tr>
</tbody>
</table>
The current leadership team:

- Rewrote Senior Leader job description (Practice Leader).
- Identified the Knowledge, Skills and Abilities necessary to be a Practice Leader.
  - Knowledge: 2 areas
  - Skills: 10 attributes
  - Leadership Ability: 4 E’s model
- Created a current competency evaluation form for the individuals.
- Selected 5 individuals that we believed could be a future Practice Leader
- Created specific development plans for these 5 individuals
WHERE ARE YOU IN THE SUCCESSION PLANNING CONTINUUM?
Thank you!

Contact your C&B Representative for additional detail

Today’s Presenter:
Nicole Pfeiffer; npfeiffer@cottinghambutler.com; 563-587-5208
HealthCare Reform & Compliance Update
May 16, 2017
Cedar Rapids Seminar
Presented By | Linda Perry, Sr. Benefits Executive
AGENDA

- Affordable Care Act effective March 2010

- ACA Update

- AHCA-American Health Care Act—pending Legislative Approval

- LOA-General Compliance, Rules, Other Information
HEALTHCARE REFORM

NOBODY KNEW HEALTHCARE

COULD BE SO COMPLICATED
Since 2010, Congress voted 62 times unsuccessfully to repeal all or some of ACA.

• Federal agencies provide guidelines and interpretations.
• ACA provides broad authority to HHS, which also includes IRS and DOL
• Many regulations/guidance have been issued on most ACA provisions
• Federal agencies cannot change the text of statutes—they can only interpret and provide additional guidance where the law allows
TRUMP’S EXECUTIVE ORDER

• Directed Federal Agencies to “minimize the ACA’s economic and regulatory burdens”

• Broadly directs federal agencies to waive, delay or grant exemptions from ACA requirements that may impose a financial burden

• Does not specify how it should be carried out
• Refer to Comparison Chart
• W-2 reporting
• Federal subsidies
• Eliminates the individual mandate by making penalty $0 as of 2016
• Eliminates the employer mandate by making penalty $0 as of 2016
• Essential health benefit requirements for individual and small group markets
• Retains ACA Wellness program structure
• Increases HSA contribution limits to equal the limit of OOP max under HDHP
• Eliminates Cadillac Tax from 2020-2025
• Retain ACA market reforms: Pre-X, Deps to 26, no annual lifetime limits
• Age rating: from 3x to 5x
• Discontinues the ACA’s Medicaid expansion in 2020
LEAVE OF ABSENCE

• Refer to LOA Handout
• General Rules:
  • FMLA
  • USERRA
  • ADA
  • State/Local Laws
• Determine which applies to organization
• Review Policies & Practices
• Administrate in consistent manner
QUESTIONS?
Thank you!

Please be sure to fill out and turn in the evaluation sheet in the back of your booklet.

HRCI & SHRM credit certificates will be sent out electronically to all participants after the seminar.