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2010 US Retail and Apparel Compensation and Benefits Survey Participation Planning Webinar

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Agenda

- Welcome and Introductions of Mercer Retail Survey Team
- Participation Planning Webinar Objectives
- Survey Overview
 - Schedule
 - Highlights
- Survey Participation Materials
 - Benefits Valuation Survey Questionnaire
 - Participation Guide
 - Compensation Questionnaire
- Job Matching Tips
- Data Submission Process
- Questions and Feedback

Welcome and Introductions of the Mercer Retail Survey Team

- This is your meeting and your survey; Mercer is your survey partner
- Your participation is vital to the success of this meeting and the survey results
- Mercer Retail Survey Team
 - Bill Strobl Client Relationship Mgr bill.strobl@mercer.com
 - Carol Goose Benefits Project Mgr carol.goose@mercer.com
 - Karen Lacefield Benefits Analyst karen.lacefield@mercer.com
 - Mila Songer Compensation Team Ldr mila.songer@mercer.com

Participation Planning Webinar Objectives

- Understanding the survey process and your involvement
- Ensure consistency of reporting data elements
- Ensure quality position matching
- Knowledge sharing

- During this webinar, please limit discussions to clarification of data elements and comparisons of job content.**
- Participants should not discuss the general or specific pay practices of their organization.**

Retail Survey Overview

Schedule

Activity

- Questionnaires e-mailed and available online at www.imercer.com/retail
- Participation planning webinar
- Compensation data effective date
- Compensation & benefits data submission deadline
- Results available
- Results meeting

Date

- March 18
- March 30
- April 1
- April 27
- Late September
- Fall 2010

Retail Survey Overview

Highlights

- Partnership with the National Retail Federation (NRF)
- Mercer's focus on the retail industry
- Compensation and Benefits Data
- Extensive HR and Industry Practices Section
- Inclusion of Apparel Manufacturing Positions
- Steering Committee
 - Barnes & Noble
 - Cracker Barrel
 - Foot Locker
 - Limited Brands
 - PETCO

Retail Survey Overview

Highlights

Benefits

- Benefits Prevalence Report
 - Compare benefits data for Retail Industry to National averages
- Market Comparison Report showing individual company values compared to Retail peer group
- Spotlight on Benefits Report for the Retail Industry
- Additional Benefits Reports available upon request

Retail Survey Overview

Highlights

Compensation

- 187 participating organizations covering over 1 M observations (2009 survey results)
- 169 Retail positions surveyed in 9 job families
- 52 Apparel Manufacturing positions surveyed – third year
- Base, short-term incentives (target and actual)
- Long-term incentives – third year for valuation
- Results delivered via Mercer PayMonitor®
 - Standard all-participant results in PDF format
 - Ability to print/export the standard results, as well as any custom data reports
 - Exclude and compare your organization's data to the market
 - Define custom markets (e.g., location, store revenues)
 - Age data
- Repeat participants receive a free Peer Group

2010 Survey Overview

Free Peer Group

Ability to create a peer group and run reports on a minimum of 10 participating organizations

The screenshot displays the Mercer PayMonitor interface. At the top, the Mercer logo is on the left, and the user's name 'Marvin Reyes' and 'Exit PayMonitor' are in the center. On the right, there is a 'Mercer PayMonitor' logo with a globe icon. Below the header, there are navigation links for 'My PayMonitor | imercer.com' and 'User Guide | Help | Feedback'. A progress bar shows five steps: 1. Select Positions, 2. Select Market, 3. Set Aging (optional), 4. Compare My Data (optional), and 5. Generate Report. The current step is 'Select Market', with a sub-section for '2009 CA RETAIL: Retail Industry Compensation & Benefits Survey (Aug) - Detailed Report'. A list of 'Peer Group' options is shown, with 'Create Peer Group by Organization Name' selected and circled in green. A callout bubble points to this option with the text 'Click here to create a Peer Group'. To the right, a window titled 'http://paymonitor.imercer.com - Mercer Pay Monitor - Microsoft Internet Explorer provided by Mercer Human Resource Co...' is open. It shows the 'Create Peer Group by Organization Name' form. The form includes a 'Select organizations to include in this peer group' instruction and a note that at least 10 organizations must be selected. There are two lists: 'Available' and 'Selected'. The 'Selected' list contains 10 organizations, including Apple Canada, Inc., Costco Wholesale Canada Ltd., Foot Locker, Inc., Home Depot of Canada, The Hudson's Bay Company, McDonald's Restaurants of Canada Limited, Harry Rosen Inc., Shoppers Drug Mart Inc., TELUS Communications Inc., and Wal-Mart Canada Corp. A 'Filter' dropdown is present below the lists. At the bottom of the form, there is a text input field for 'Please enter a name for this peer group' and buttons for 'Back', 'Cancel', and 'Continue'.

2010 Survey Overview

Free Peer Group

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Welcome Marvin Reyes
Exit PayMonitor

My PayMonitor | imercer.com

Report Templates | My Templates | My Reports |

- 1 Select Positions
- 2 Select Market
- 3 Set Aging (optional)
- 4 Compare My Data (optional)
- 5 Generate Report

2009 CA RETAIL: Retail Industry Compensation & Benefits Survey (Aug) - Detailed Report: Annual Comp Data
Select Market

- Peer Group
- Annual Corp Sales Vol for Canadian Operations
- Annual Corp Sales Vol for Global Operations
- Specific Merchandise Category
- General Merchandise Category
- Total Employment
- Total Number of Stores
- Type of Organization
- Corporate Ownership
- Quality of Match
- Annual Incentive Eligibility
- Sales Incentive Eligibility
- LTIP Eligibility
- Overtime Eligibility
- Geographical Responsibility

Clear all selections

Predefined queries -- Select from the standard survey statistics. If you select multiple markets, results are provided for each selection.

Premium queries -- Make user-defined selections to fit your data needs. If you select multiple markets, results are combined into a new, custom selection.

- QuickCount Report
- Create Peer Group by Organization Name

Once your peer group has been approved, you can run multiple reports on this group

Retail Survey Participation Materials – Data Submission Tools

Three Components

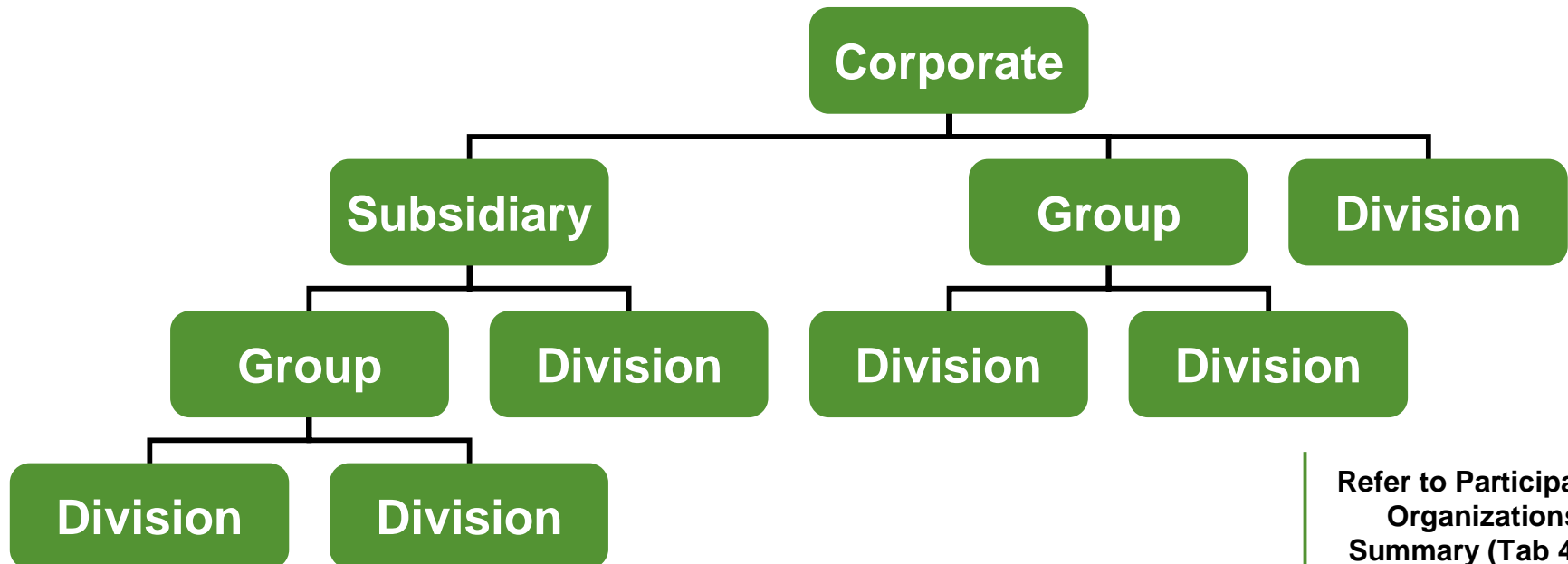
Survey participation materials available at www.imercer.com/retail

1. **Benefits Enrollment** - www.imercersurveys.com/benefitsenrollment
 - Past participants - follow instructions to update last year's data
 - New organizations - complete the enrollment form and send in Summary Plan Documents
2. **Compensation Survey Participation Guide**
 - Overview of survey participation process, definitions of data elements collected, and survey position descriptions
 - Some positions collect additional data elements allowing for more detailed information in the results; refer to the Data Elements Collected by Position tables (pages 22-25 in the Participation Guide)
 - Some data elements are specific to Retail or Apparel Manufacturing
3. **Compensation Survey Questionnaire**
 - Separate Excel workbook that collects data on HR and industry practices and compensation

Retail Survey Participation Materials

Compensation Questionnaire: Organization Information (Tab 4)

- Organization data are collected on each entity reported for which position-incumbent data are submitted
 - Ensure entity information is reported for all incumbents
 - Do not report store locations as entities



Refer to Participating Organizations Summary (Tab 4) of the questionnaire, and pg. 6 of the guide.

Retail Survey Participation Materials

Compensation Questionnaire: Organization Information (Tab 4)

- Organization data collected includes a number of demographic items that are used in the analysis of position and incumbent information that is reported
 - Market Category (7 choices): Big box, Dept. store, Discount, etc.
 - Merchandise Category (23 choices): Apparel, Automotive, Books, etc.
 - Revenue/Sales
 - Total Full-Time Equivalents
 - Total Number of Stores
 - Most Prevalent Store Size, by square footage

Refer to Participating Organizations Summary (Tab 4) of the questionnaire, and pgs. 5-7 of the guide.

Retail Survey Participation Materials

Compensation Questionnaire: HR and Industry Practices Info (Tab 5)

- Collects data on policies and practices for your organization
- If you have more than one plan type, submit data on the plan that is most prevalent across your organization (all reporting entities) or your corporate plan
- Participants from last year have a number of these questions pre-populated with the previous year's data

Refer to HR Industry and Practices (Tab 5) of the questionnaire, and pg. 7 of the guide.

Retail Survey Participation Materials

Compensation Questionnaire: Benefits Policies Information (Tab 6)

- Serves as an addendum to the separate Benefits Valuation Survey Questionnaire
- If you have more than one plan type, submit data on the plan that is most prevalent across your organization (all reporting entities) or your corporate plan
- Participants from last year have a number of these questions pre-populated with the previous year's data

Refer to Benefits Policies (Tab 6) of the questionnaire, and pg. 7 of the guide.

Retail Survey Participation Materials



Compensation Questionnaire: Position-Incumbent Information (Tab 7)

- Data elements collected vary by survey position (see Participation Guide pgs 22-25)
- Report individual incumbent data only; do not report average data
- Report an incumbent for only one survey position; do not match an incumbent to more than one survey position
- All compensation data are effective as of **April 1, 2010**
- Bonus data are collected if the incumbent is eligible for short-term incentives
 - Include commissions for those incumbents in sales positions
 - Report “zero” for eligible incumbents who did not receive payouts
 - If payout amounts are not available, leave blank
 - Report **annualized** STI amounts for **all positions**

Refer to
Position-Incumbent
Information (Tab 7) of
the questionnaire,
and pgs. 8-16 of the
guide.

Retail Survey Participation Materials

Compensation Questionnaire: Position-Incumbent Information (Tab 7)

- New Questions in the Position-Incumbent Information section 
 - STI Status for Non-Receivers
 - If eligible and STI Amount zero/blank, this field collects reason
 - Store Headcount will be collected by incumbent for Store Manager, Position 17006 (Will be available in PayMonitor for scoping)
- Long-term incentive data are collected if the incumbent is eligible
 - LTI Plan Types Offered
 - Stock/Share Options
 - Share Appreciation Rights (SARs) 
 - Stock/Share/Share Unit Awards
 - Performance Units
 - Long-term Cash

Refer to
Position-Incumbent
Information (Tab 7) of
the questionnaire,
and pgs. 8-16 of the
guide.

Retail Survey Participation Materials

Compensation Questionnaire: Position-Incumbent Information (Tab 7)

Position 17026, Salesperson – Commissioned

- Combine STI Amount and Commission Amount and report in STI Amount column
- Matches to this position **will be excluded** if a STI/Commission Amount is not provided
- A Commissioned Salesperson typically receives a commission on each sale

Refer to
Position-Incumbent
Information (Tab 7) of
the questionnaire,
and pgs. 8-16 of the
guide.

Retail Survey Participation Materials

Compensation Questionnaire: Position Lists, Notes & Feedback, Working Sheet

Refer to Position List-Retail (Tab 8) and Position List-Apparel (Tab 9) of the questionnaire, and pgs. 26-57 of the guide.

Position Lists (Tab 8 and Tab 9)

- Two worksheets included with Retail and Apparel Manufacturing positions listed separately
- Each position list includes position code, title, description

Refer to Notes and Feedback (Tab 10) of the questionnaire.

Notes and Feedback (Tab 10)

- Utilize this worksheet to provide any explanatory notes about your organization's data and even provide suggestions for survey enhancements

Refer to Working Sheet (Tab 11) of the questionnaire.

Working Sheet (Tab 11)

- This worksheet is included to help you prepare your data submission; use this worksheet to ease the process of entering your organization's data

Job Matching Tips

Review the survey position descriptions to determine which positions you will match

- Many organizations level their positions differently; it is important to match positions by responsibilities included in the position description, not by position title
- Matching the positions accurately on the front end will increase the value of the data when you receive the results. Like many areas of compensation, matching position content is often more of an art rather than a science.
- Refer to the Organizational Status Level (Participation Guide pg. 9) for reference
- Refer to the sample Organization Charts of job family relationships (Participation Guide pgs. 20-21)
- Review each description and look for
 - Duties and responsibilities
 - Job requirements (experience / knowledge)
 - Level of performance

Job Matching Tips

Review the survey position descriptions to determine which positions you will match

- Single incumbent positions are identified in the survey position list and descriptions with “S” before the position code
 - **S** 10000 Chief Executive Officer (CEO)
Non-Chairman - Retail
 - “This is typically a single incumbent position.”
 - Generally, one employee (the most senior individual) per organization entity should be reported for single incumbent positions

Example of position indicating single incumbent status listed in the guide.

Example of position description indicating single incumbent status in the guide.

Data Submission Process

1. Review Participation Guide
2. Consider which positions you can match according to the position descriptions
3. Complete Mercer's preformatted Excel Workbook (compensation data) and web enrollment (benefits data)
4. Review your completed questionnaires to ensure the accuracy of your submission
 - a. Were the data submitted in the requested format?
 - b. Do the base pay and other related pay data provided look reasonable for the position (i.e., annual \$ for annual positions, hourly \$ for hourly positions)?
5. Explain any special circumstances on the [Notes & Feedback](#) worksheet
6. Have another person at your organization review your completed workbook
7. Save a copy of your completed questionnaires for your records
8. Submit your data to Mercer no later than **April 27, 2010**
9. Expect to receive an e-mail receipt confirmation from Mercer

Refer to Notes
& Feedback (Tab 10)
of the questionnaire.

Data Submission Process

Compensation Survey Questionnaire

- There are two options for submitting your data electronically to Mercer.
 - The completed Compensation Survey questionnaire can be uploaded directly to Mercer via a secure internet connection.
 - Reference the 'Excel Submission Guidelines' tab of your Compensation Survey questionnaire for access to this link.
 - E-mail your completed Compensation Survey questionnaire to surveys@mercer.com. Do not forget to attach the completed questionnaire to your e-mail.
- Upon receipt of your Compensation Survey questionnaire, you will receive an e-mail notification within 24 hours confirming receipt of your submission.

Benefits Enrollment

- Save your information on the web enrollment page. You will be notified if something is incomplete or needs explaining.

Thank you for your continued participation.

- *The Mercer Retail Team*

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