



Successfully navigate the intersection between HR and the M&A process.

By: Rebecca Stewart

Business Performance Advisor Insperity

About Insperity®

Insperity serves more than **100,000 businesses** with more than **2 million employees** nationwide.

Founded: April 1986

Headquarters: Houston, Texas

Locations: 60 U.S. offices

2015 Revenue: \$2.6 billion

Corporate Employees: 2,400





Today's Presenter



Rebecca Stewart

Certified Business Performance Advisor

Insperity®

70% – 90% of all M&A's Fail ---brand



Agenda

- Identifying HR pitfalls prior to the M&A process
- Establishing HR scorecard and assigning financial value to the HR process
- Identifying and incentivizing key employees to lead the company through the M&A process
- Develop an effective communications strategy



HR Audit

5 areas the audit should evaluate



HR Audit

- 1. Record Keeping
- 2. Recruiting & Selection
- 3. Employee Development
- 4. Employee Relations
- 5. Compensation & Benefits



HR Scorecard



Strategy Map Overview

Mission Vision Values Strategy

Strategic Objectives/Outcomes

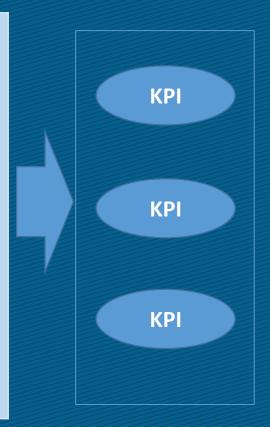
Finance: Satisfied Shareholders

Customer: Delighted Customers

Internal Business Process: Efficient and

Excellent Processes

HR Development (Learning & Growth): Highly motivated/productive employees



Integration between Corporate and Division Scorecards

Vision, Mission, Values, Strategy

Corporate Scorecard

Division Scorecard



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11
		Profit per employee	15	3.5M	2.1M	60	9
2	Recruitment	Ave lead time to recruit employees	10	45 days	35 days	129	13
		New hire failure rate for first 6months of hire	10	8%	21%	38	4
3	Career Mgmt and Employee Performance	% of trained employees below performance standards	8	25%	40%	62.5	5
		Rate of internal job hires - trained employees promoted within the year	7	10%	6%	60	4.2
4	Training & Development	Training Hours per Employee/Year	15	15	15	100	15
		% of trained employees that move up one tier of performance; C to B, B to A	15	25%	7%	28	4
							65



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11

Key Result Areas are the main goals that the HR Mgr need to accomplish.



No.	Key Result Areas	KPI	Weight of KPI	Tai	rget	Actual	Score	Final
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	ind yo Eve	KPIs are icators upour performance at least the second sec	sed to ex ormance esult Are east one	valuate level. ea must KPI.



No.	Key Result Areas	КРІ	Weight of KPI	Target	Actual	Score	Final Score	
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11	
			15					
			10					
			10		Veight of	each KP	l should	
			8	,	be define			
			7		scaled of priority. Should equal 100.			
			15					
			13					
			15					



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11

Targets are based on historical data and future expectations.

Targets can be percentage, number or score depending on KPIs.



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11

Actual is the actual results.

A reporting system should be in place to capture these results.



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11

Formula to calculate KPI used to maximize: (Actual/Target) x 100

Formula to calculate KPI used to minimize (Target/Actual) x100



No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11

Formula for Final Score: (Score x Weight)/100

Final score used to determine bonus allocation, salary increases, bonuses

65

Next Steps

No.	Key Result Areas	KPI	Weight of KPI	Target	Actual	Score	Final Score
1	Employee Retention & Productivity	# of highly productive employees that leave in a given time period; in a year; employees rated at an A level	20	8	15	53	11
		Profit per employee	15	3.5M	2.1M	60	9
2	Recruitment	Ave lead time to recruit employees	10	45 days	35 days	129	13
		New hire failure rate for first 6months of hire	10	8%	21%	38	4
3	Career Mgmt and Employee Performance	% of trained employees below performance standards	8	25%	40%	62.5	5
		Rate of internal job hires - trained employees promoted within the year	7	10%	6%	60	4.2
4	Training & Development	Training Hours per Employee/Year	15	15	15	100	15
		% of trained employees that move up one tier of performance; C to B, B to A	15	25%	7%	28	4
							65



Identifying and Incentivizing Key Employees



Look Beyond the Obvious

High: Likelihood of the employee leaving

High/High Low/High Critical **Employee** Low: Difficulty replacing the employee employee High/Low Low/ Low Ideal Low: Likelihood of the employee leaving

High: Difficulty replacing the

Moving Key Employees from Critical to Ideal



The Communication Strategy





You are Ready to Begin





Questions?



Thank you for joining us

For more information, or to speak with an Insperity® business performance advisor, visit insperity.com/acg or call us at 866-814-6817.

