**Case Study – Benefits Harmonization**

**Background:**

A High Tech organization (Company ABC) in APAC with over 26K employees (16 countries) acquired another high tech organization (Company XYZ) with 13k employees (16 countries)

* All benefits including health and life insurance benefits, retirement benefits, various allowance, leave policies etc. to be harmonized within 12 months of the M&A.
* Different benefit philosophies for both organizations; the buyer ABC was “at market median” as compared to high tech industry while the acquired company XYZ was “much above the high tech market median”. Hence there is a big gap in the current benefit offerings from 2 companies.
* Focus on aligning benefits and philosophies to promote a single brand in each country in APAC. The buyer expects that new plan should align with the market median philosophy. Insurance benefits are expected to be harmonized as 1 single plan after the harmonization date in each country.
* Insurance premiums of company ABC has gone up by about 10% year on year in last 3 years.
* In certain countries, the current benefits are written on employees’ employment contracts, hence the employers are required to get employee consent in order to change benefit design

Client has called on Mercer consultants to help them out with harmonizing benefits across the 2 organizations with a goal of minimizing negative employees impact & retaining key talents of both organizations. In the meantime, premium cost increases in the region is another consideration. Client also called on Mercer to design a sustainable harmonized insurance benefit program for the combined organization.

**Questions:**

Imagine you are now working on this insurance benefits harmonization project:

* What are the key actions you would take throughout the project to effectively meet the needs of the client?
* What key challenges do you envisage in this project?
* How would you ensure that the employees feel engaged and comfortable with the benefits harmonization process?
* If certain employees are unhappy about the new plan design, what can be the options to deal with this issue?
* When looking at the insurance benefit designs, what innovation may you suggest the client to consider to be included in the harmonized plan?

Please prepare a 15-20 Minutes PPT presentation to elaborate your thinking for the above questions & propose solutions to this client.