

CASE STUDY

Deep Dive into Executive Compensation

Newport Group helped a large conglomerate see the “big picture” of its executive compensation structure, and provided a vision for long term improvements.

Situation

The chief human resources officer of a large conglomerate was looking for a full compensation review to determine if the multi-industry organization had a competitive executive compensation package, with appropriate incentive pay and long-term compensation options. They contacted Newport Group’s Non-Qualified business line, who turned to our Compensation Consulting team for additional insight.

Solution

The Compensation Consulting team completed an initial benchmarking study of the conglomerate’s compensation structure. The team then collaborated with the Non-Qualified business line to better explain how a modern deferred compensation plan could help add value to the conglomerate’s executive compensation package. Over the course of two years, the team’s solution included providing:

- An executive compensation philosophy document
- Multiple executive benchmarking studies for the conglomerate’s business lines, with the latest competitive salary data from publicly-held and private peer companies
- Intelligence on incentive plan metrics and award amounts
- Conceptual design for a non-qualified deferred compensation (NQDC) plan

Outcome

This information empowered the conglomerate to make informed executive compensation decisions and improve the offerings of its executive package to enhance the attraction and retention of top team members.

Fast Facts

- Client Industry: Auto dealerships, sports and entertainment, consumer finance, real estate
- Employees: 11,000
- Annual revenue: \$6 billion

How We Helped the Client

- Provided an objective, credible consulting resource
- Assisted in the development of a comprehensive executive total compensation philosophy
- Provided competitive salary analysis for top positions
- Improved pay decisions
- Paved way for NQDC plan to add additional value to the executive compensation package



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