

## Case Study

### Vebnet working in partnership with BNP Paribas

BNP Paribas' UK workforce is split across eleven separate companies with a wide geographical spread. The workforce is as diverse as the core seven businesses it represents which range from financial services to real estate to car leasing and covers employees working in call centres to highly paid investment professionals working in the City. The majority of the 6,500 employees have online access.

BNP Paribas Group asked Vebnet to help achieve their business vision to be 'one bank'. From an HR perspective this means having each business within the group align their activities to one another to:

- Reduce global costs by €2.8bn/pa by 2016 (part of an ambitious group-wide goal).
- Fulfil company values of fairness and equality.
- Create an attractive reward model for all areas of the Group to meet recruitment and retention objectives.



“I wanted to pass on my thanks for all your hard work in putting together the new and improved Spectrum for all our companies. Feedback has only been positive. What really cheers me is the strong relationship between the staff at our two organisations and the real personal desire and commitment the staff working on Spectrum show to making it the best it can be. Not only does this deliver excellence, but I hope high personal satisfaction in what you all do.”

**Ian MacKenzie, Group Head of Pension & Benefits, UK, BNP Paribas**

“I think BNPP UK offers a comprehensive range of flexible benefits which allow its employees (and their families) a better standard of living, and which in turn allows its employees to function more efficiently and effectively in the workplace.”

“As a new employee the benefits offered to employees are exceptional. Most employers in my experience do not offer the range of benefits BNP Paribas offer. It shows that BNP Paribas not only talks about caring for their employees but also acts on it by offering such a great package.”

### Employee feedback

## THE CHALLENGE

In early 2014 BNP Paribas had seven HR teams operating seven different payroll systems and more than ten different pension schemes: the opposite of ‘one bank’.

Due to this disparate setup the Group wasn’t maximising the opportunity to drive further efficiencies within the business. For example, the various businesses might independently use the same providers without benefitting from economies of scale. It also resulted in employees receiving wildly varying benefits and service levels both between and within individual schemes. Some benefits, for instance, were only available to certain grades within a company.

## THE STRATEGY

To address this and fulfil the Group’s objectives, BNP Paribas decided to:

- Create a benefits package that:
  - Gave the same options to all employees regardless of company/seniority
  - Looked and felt the same across all businesses
- Enable the businesses, in particular regional companies losing talent to local rivals, to use benefits to better attract talent.
- Make use of a global ‘transformation fund’ and existing budgets to cover the initial set up. Projects granted funding needed to fulfil certain criteria, to be achieved by:
  - Reducing benefits cost across the UK group (without reducing the benefits provision) by 2016. This meant Financial-services employees (primarily in London) who expect generous benefits had an already good scheme enhanced, whilst other employees, often based outside London in other business lines enjoyed a benefits package far more generous than many industry rivals.
  - Making more benefits available to more employees (measured against increased benefits take-up and employee engagement).
  - Improving efficiency by creating a UK Group team to centrally manage benefits across companies.

## THE SOLUTION

### Managing complexity

Most organisations begin with a single HR and payroll system and then introduce a single flex benefits system. What makes this setup unusual is that BNP Paribas had to combine numerous complex existing processes to achieve its objectives.

### Project management, expertise and flexibility

A dedicated team was put together that included stakeholders from a variety of businesses. This required a high degree of project management in order to manage the high number of stakeholders and achieve the transition within the timeframe specified. Throughout the process, Vebnet worked closely with BNP Paribas to ensure that all their requirements were met, including new issues that arose along the way. For example, the flexibility of both the technology and Vebnet’s consultancy team meant that we were able to accommodate last minute changes to benefit eligibility since different participating companies had different requirements and funding options available.

### Technology to manage complexity

Due to the highly configurable nature of the benefits technology system, it meant that all of the client’s requirements could be delivered, including the addition of new benefits, managing different employee groups, legacy flex schemes and companies with no previous flex scheme. Not to mention a very large number of payroll files! The scheme, which offers 27 different benefits to employees via one online portal, ‘Spectrum’, is the single most complex plan that Vebnet has delivered, and includes 28 payroll files, 7 importers and over 300 decision tables. Over 166,000 individual benefit transactions are being processed in January 2015’s payroll for 6,500 employees.

For the look and feel of the site, highly configurable branding allowed each company to have its own home page and messaging capability creating brand adaptability.

### Improving administration

Working with Vebnet’s admin team, BNP Paribas identified another area where they could reduce admin burden and time/resource spent. The sophistication of the data importer allowed us to automate processes that previously could only be managed through manual manipulation. This significantly reduced the amount of time taken to administer the scheme and data uploads can be processed quickly and automatically – and with fewer errors.

28  
separate payroll files

89%  
of employees accessed the site

37%  
increase in benefits take-up

Savings target exceeded by  
492%

Employee spend increased by  
42%

### Creating a competitive reward package

BNP Paribas set about creating a single set of benefits which standardised each entity's benefits offering internally, and also competed with other packages within their respective employment markets, thanks to a series of generous, innovative inclusions. For example:

- Offering genuinely flexible benefits – BNP Paribas took five different income protection schemes and converted them into one scheme which honoured all of the original terms and provided employees with enormous flexibility (they can flex down to 40 % or up to 80 % of earnings). Whilst Life insurance can be flexed between 2x and 15x an employee's salary. The health screening benefit is one of the most complex designs we have come across, with dynamic funding levels aimed at rewarding employees for investing in their health and wellbeing.
- Introducing a UK first – BNP Paribas was the first UK company to introduce genetic testing as part of its health benefits. This involved close working with HMRC to ensure it met its strict tax exemption criteria (as a result employees share in full ERNI savings). Employees also have the option to reduce their core health screening to release funding for these tests.

### Maximising impact through the reward brand, Spectrum

A single communications campaign and benefits portal brought employees together under one common reward brand for the first time, helping reinforce the message of 'one scheme for all' to employees. Rolling out the branded portal meant that all employees across the seven businesses were able to access their benefits using a one stop shop approach for their benefits. Various communications were deployed through a number of channels and targeted to each company so they were appropriate for each audience within the Group. Using Vebnet's configurable branding, this enabled BNP Paribas to have different 'home' pages for each corporate entity, plus ensuring that employees accessed the correct supporting booklets and links for each benefit.

## THE RESULTS

### Becoming 'One Bank'

- A scheme for all – all seven businesses now offer employees a range of the 27 benefits under one group brand. Three companies within the Group have also transformed their reward package from just life insurance and a company pension to include several new benefits their people can now choose from.

- As a result of the initial success, BNP Paribas have now asked Vebnet to include a further four companies within Spectrum expanding the scheme to nearly 8,000 staff.
- Managing cost – By combining schemes, the Group benefitted from significant economies of scale, achieving a 40 % reduction in the overall running costs for the previously separate flex plans.
- Flexible reporting – due to the more flexible reporting functionality, BNP Paribas have access to much more sophisticated Management Information available across the business.

Within the first year the Group increased NI savings by 37 % thanks to increased benefits take-up. These savings far exceeded the original target by a very impressive 492 % and delivered one year earlier.

### Achieving HR objectives

The new scheme has achieved:

- Increased take-up across all benefits
- Gadget Insurance take-up increased 81 % .
- Pension savers increased 14 % (non-contributory schemes) with actual contributions increasing 31 % .
- Other notable increases were: critical illness (20 %), family dental (27 %), partner life insurance (34 %), RAC breakdown cover (20 %).
- In total, employee spend increased by 42 % .
- During open enrolment 89 % of employees accessed Spectrum with 78 % making active choices, one of the new flex companies had 93 % access and 91 % submitted.

### Improved employee engagement

Employees say their benefits are a significant improvement on those they previously received at BNP Paribas or from other employers, rating it on average 7.4/10 (10=greatly improved).

Additionally, 81.3 % of employees believe the scheme is particularly or fairly well designed to meet their needs now and 78 % agree it will meet their future needs.

## ADDITIONAL BENEFITS

The project has been cited internationally as an exceptional example of cross-business line change: the one-off funding enabled an ultimate improvement in business performance and a better quality offering to employees whilst greatly reducing costs (yet, importantly, not reducing the benefits themselves).



## How we can help

- Reward and benefits strategies
- Reward and benefits technology
- Employee communication
- Healthcare and risk consulting
- Administration services

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