

Case study: Coflex



Situation

Cofunds is a thriving financial services company experiencing strong growth. It operates in a sector where generous remuneration is expected, and a talent war rages despite the credit crunch. A strong benefits package is therefore of paramount importance to enable sustained future growth.

Cofunds decided to implement a new reward solution that would engage employees with their package. The aim was to improve the perceived value of reward and ultimately act as an effective recruitment and retention tool.

There were also other business needs that the solution had to fit in with:

- Ensure employees are rewarded for their contribution to Cofunds;
- Standardise employee terms and conditions;
- Be flexible to meet changing legislation;
- Ensure robust and effective methods are applied for salary review based on salary surveys and market factors.

Action

Cofunds and new provider Thomsons Online Benefits designed an innovative scheme, branded Coflex, which reflected true flexibility.

Based on an allowance system, Coflex enables employees to purchase benefits from a pot of money rather than directly from base salary (as is the standard). What makes this scheme particularly innovative is the size of the pot on offer (4% of salary on top of pension and core benefits), and the range of benefits available to employees.

Coflex combines job dependent benefits, core benefits and flexible benefits to create a leading edge package. Cofunds have differentiated themselves from competing organisations and created an effective recruitment and retention tool.

Thomsons' technology, Perquisite™, was adapted to meet changing legislation while the Total Reward Statement included each individual's bonuses and benefits to increase impact.

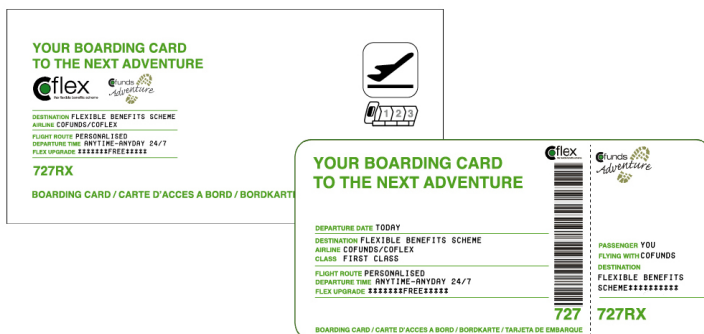
In response to this innovation, 90.8% of employees agreed "I believe that having flexible benefits makes the business more competitive."

Result

The no holds barred internal communications, innovative 'true-flex' scheme and robust technology all worked in harmony. As a result 92% of employees logged into the benefits portal and tailored their benefits package to suit their personal needs.

The high level of engagement in benefits was proven to increase the perception of value and staff satisfaction as a whole, and these two factors in turn helped Cofunds achieve a dramatic reduction in staff turnover.

- 84.2% of employees agreed "I believe that flex makes a real difference in supporting my needs and lifestyle";
- 94.4% of employees agreed with the statement "I feel more positive about the business now it is providing flexible benefits";
- Salary reviews are now based on salary surveys and the use of total compensation value data has made this process more effective;
- Employees have all now been successfully moved to the same terms and conditions.



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