



# Panasonic increase their flexible benefit take-up rates and improve benefits communication



### The Challenges

Although Panasonic already provided a good range of employee benefits, the take up rates were relatively low, due to several factors:

- The benefits were not communicated as well as they could have been.
- There was a lack of awareness and understanding about the benefits scheme.
- Benefits on offer were very traditional and conventional; such as life assurance and income protection.
- Most of the benefits were less attractive to younger workers.

There was a high cost associated with managing the pension scheme and although the scheme was very good, the general take up of the pension benefit was below industry average.

Panasonic have recently restructured the business to become more streamlined in the way they operate. This resulted in the outsourcing of a number of key areas such as the payroll administration, before this the benefits were managed in-house through excel spreadsheets which was time consuming, resource heavy and prone to error.

### About Panasonic

Panasonic UK was established in 1972 and has since become a leading supplier of consumer and business related electronics products. The company currently employs more than 500 staff and has an annual turnover in excess of £900m.

### The Solution

NorthgateArinso provided a full range of services that included re-broking the benefits provided through a partner broker, the provision of the MyChoice benefits administration system, which offered integration with their new ResourceLink Aurora web based HR and Payroll system, and in addition a benefits communication solution.

### Benefits Brokering

NorthgateArinso Reward Solutions arranged a broking exercise through a partner broker, to refresh the benefits on offer and provide 5 additional benefits which better suited the workforce.

NorthgateArinso Reward Solutions worked with their FSA regulated partner to identify the right benefit providers, and negotiated preferential terms to achieve the best outcome for Panasonic and their employees. Through clever broking, the cost of the pensions, group life assurance and group income protection were substantially reduced, generating more than £100k of savings each year for Panasonic.

The addition of a Voluntary Benefits package was also chosen to enable a wider range of benefits to be made available to employees, so that they could select the benefits best suited to their lifestyle.

### Technology Solution

The management of benefits moved from the Panasonic HR team over to the MyChoice online technology; this has significantly streamlined the way in which the HR team manage the scheme and have provided complete visibility of all benefits across the workforce.

Richard Mills, Head of UK, HR and Facilities at Panasonic explains why NorthgateArinso's MyChoice solution is important to Panasonic: "Our engagement surveys show that employees want the best possible transparency when it comes to their remuneration package. MyChoice is the answer as it will let us provide each employee with access to a Total Reward Statement in real time."

MyChoice is hosted alongside the ResourceLink Aurora HR and Payroll solution within the NorthgateArinso state of the art data centres in Brussels. Disaster recovery was also a priority for Panasonic, and NorthgateArinso have a proven track record in this area.

The employee end user experience was very important to Panasonic. In 2010 they plan to launch their employee self service solution within ResourceLink Aurora and will have both solutions with single sign on capability to link the employee seamlessly from their employee self service portal into the MyChoice solution where they can access their Total Reward Statement, make their new benefit selection or check their current selection.

Beverly King, Compensation & Benefits Advisor stated that "The web-based access will enable employees to view their flexible benefits details at any time. It will provide them with all the information they need to decide whether to make changes to their package, in order to keep it relevant to them as and when their personal circumstances change. The fact that employees will make choices online will also take away any duplication of effort for HR resources."

MyChoice also provides enhanced management information and gives Panasonic the ability to produce comprehensive reports at the touch of a button. It allows them to look at the benefits they offer compared to the demographic of the workforce and thereby ensure that there is something for everyone. Other types of reports have provided Panasonic with information on the overall National Insurance savings achieved across the business.

MyChoice provides full integration with third party benefits providers and Terms and Conditions are now managed electronically for all benefits. There is no longer a need for printing out information and Panasonic now have access to a powerful auditing tool which records which employees have accepted alongside date and time records.

## Communications

A Benefits Microsite was built by NorthgateArinso Reward Solutions, allowing employees to access comprehensive, easy to understand information about how all the benefits work, key features and more specific information such as a member booklet for the private medical plan or a claim guide for the critical illness scheme.

By using the Microsite, Panasonic now have a better understanding of the interest and demand for benefits and the ability to track which benefits their employees are showing the most interest in. This is helping to plan for next year's and future enrolments.

In addition the Microsite, Panasonic held an in-house run "Benefit Fair", inviting new providers along to help promote the new schemes and to increase the potential take up rates. Staff were able to talk to providers about their benefits, how they work and the advantages they offer. Group demo sessions of MyChoice were also run throughout the benefit enrolment period.

Feedback from staff about the Benefits Microsite and the Benefit Fair was very positive. Benefit take up rates for some of the new benefits were exceptionally high, for example critical illness had a take up rate of over 12% and bikes for work 3.5% which are both well over normal take up rates. Employees with no need for the current level of life cover were able to trade down and purchase other benefits that were more suitable to their circumstances, which was popular. Appreciation and understand of the pension was also improved, resulting in take up rates increasing by 50% within the first month of the Flexible Benefit scheme opening.

## Benefits from the Project

### Proven Increase in Employee Engagement

- Significant increase in the take up of benefits
- Total reward statements now available online, anytime
- Improved communications strategy
- Reduced administration for the employee

### Return on Investment

- Increased Salary Sacrifice uptake (figures)
- Increased savings for Panasonic and their employees through tax and NI
- Re-broking of pensions lead to significant business cost savings
- More efficient scheme – reduced administration and resources

### Integration

- Removed the requirement to re-key data
- No messy import and export routines between systems
- True seamless integration between MyChoice and ResourceLink
- Reduction of errors and a reduced risk of errors

### Management information

- Increased analytics on employee preference and demand
- Ability to see all benefits in one place
- Information at the touch of a button
- Instant access to NI savings and contributions across the business
- Better tracking of overall benefit costs and employee take up

### Data Security

- Security of employee data (high up on the agenda)
- ISO 27001 approval from NorthgateArinso
- NorthgateArinso's capability and proven disaster recovery plans which set the industry benchmark
- Employee logon process offers an added level of security

Panasonic UK shared services are currently the only division in their business to offer a fully flexible employee benefits package, leading the way for the global business.

Whilst MyChoice integrates with the Panasonic NorthgateArinso ResourceLink Aurora HR & Payroll system in the UK, MyChoice will also integrate seamlessly with SAP which Panasonic use globally, thereby offering a future proofed solution. NorthgateArinso are a preferred partner for SAP and have strong SAP consultancy capability.

Initial conversations between NorthgateArinso and Panasonic about the desire to introduce flexible benefits within their business began in January 2009. Eighteen months later, in August 2010, Panasonic have not only launched a new benefits package managed through MyChoice, but have also implemented an integrated new web based ResourceLink Aurora HR and Payroll solution with a fully outsourced Payroll. All of this has been provided in partnership with NorthgateArinso and is a testament to the HR Business Partners at Panasonic who have managed the projects.

For an initial discussion about your requirements call us on 01244 572722.  
Email: [rewardinfo@northgearinso.com](mailto:rewardinfo@northgearinso.com)  
or visit [www.northgearinso-reward.co.uk](http://www.northgearinso-reward.co.uk)