

# Unleashing the power of data and software to reimagine compensation planning



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## The Challenge

Address compensation planning inefficiencies in order to help BorgWarner get the best return on its talent investment.

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Compensation plays a pivotal role in enabling BorgWarner to attract and retain the range of skilled talent required to maintain its competitive position as a leader in vehicle technology solutions that support a more energy-efficient world. BorgWarner's director of compensation recognized that to power the ambitions of top talent in the future the company would need to design ever-more innovative compensation programs. But before it could achieve this objective, BorgWarner needed to address the issues that were making its compensation planning process inefficient and time-consuming.

- **Numerous data vendors.** BorgWarner relied on three data vendors and found it difficult to integrate and manage compensation data from multiple vendors.
- **Manual process.** The company was still using spreadsheets to do its compensation planning. Not only was this process time-consuming but it was prone to error and did not support the company's data security requirements.
- **Misaligned compensation.** The director of compensation who was also responsible for overseeing global mobility discovered in reviewing contracts that in some geographies the company was overpaying for talent – that is, compensation was above market rates.
- **Ineffective communication.** The compensation team was challenged to communicate information about pay and benefits to leaders outside of HR who were not familiar with the planning process. It lacked the technology to be able to share this information in a format that various stakeholders would be able to readily understand. This proved especially problematic during the annual compensation strategy review when the compensation team had to share compensation information with the executive team and business leadership.

BorgWarner was looking for a trusted partner to help improve its compensation planning. After careful consideration of the leading competitors, the decision was made to engage Willis Towers Watson with whom BorgWarner had a long-standing relationship. The idea of working with one integrated software platform had a strong appeal for BorgWarner. Additionally, the director of compensation valued having access to an experienced Willis Towers Watson consultant, a dedicated expert with deep knowledge of the BorgWarner organization who could keep him up-to-date on the latest thinking and technology. It was also important to have access to Willis Towers Watson's global community of local subject matter experts who could be called upon as needed to help solve challenging compensation problems in local markets.

### Why Willis Towers Watson

When it came to selecting a trusted partner to help address its compensation planning challenges, BorgWarner selected Willis Towers Watson because it offered a powerful combination of market leading data, enterprise strength technology and industry expertise. BorgWarner valued having a single source to turn to for all its compensation planning needs.

## Our approach

Engage HR and business stakeholders in a collaborative process on how to use technology, data and analytics to make better compensation decisions.

The Willis Towers Watson consultants took the following steps to help BorgWarner reimagine its compensation planning process:

- 1. Conduct situation analysis.** The consulting team assessed the current state of both executive compensation and non-executive compensation to determine what was working and what was not. The team identified key pain points including an inefficient decision-making process owing to the company's largely manual, spreadsheet-based compensation planning process.
- 2. Benchmark against best practice.** The team demonstrated best practice compensation planning and management to the various stakeholders and identified opportunities to improve BorgWarner's process – for example, by using sophisticated analytics to integrate their data sources and better understand the company's competitive position with regard to compensation in different markets.

- 3. Propose new platform.** The consulting team recommended that BorgWarner adopt the Willis Towers Watson Compensation Software. This would provide the company with a single, global platform that would serve as a secure repository for all salary surveys, and enable the compensation professionals to quickly analyze their compensation data and assess their position relative to the market. In addition, the platform would allow BorgWarner's compensation team to rapidly design compensation programs, run analytics and model the cost impact. Lastly, this platform would make it easy to share data and run management-ready reports.

## The results

A faster, more efficient compensation planning process enabling BorgWarner to hire and retain the talent needed to accelerate innovation.



**With Willis Towers Watson Compensation Software, I feel like we have a bigger team than we do in reality because I now have a tool that is powerful enough to massage my data and give me answers, enabling me to clearly present the impact to a broad range of stakeholders.”**

Keith Brown  
Director of Compensation, BorgWarner

As a result of moving to the Willis Towers Watson Compensation Software platform and having access to Willis Towers Watson expertise, BorgWarner has realized many benefits including:

- 1. An integrated data and software platform.** With ready access to a single source of all survey data, BorgWarner's compensation professionals can quickly benchmark and market price jobs using data from multiple vendors, and compare their position to that of competitors. This has helped BorgWarner improve its attraction and retention of high value talent. In addition, this helps ensure a globally consistent approach to compensation planning as well as alignment with the local market.

2. **Improved analytics and reporting.** The compensation team can now quickly analyze and visualize data from multiple dimensions. It is now possible to instantly get a good sense of the compensation range for a specific role anywhere in the world and model the cost impact using one tool. And, the compensation team can now run easily shareable reports for various stakeholders to streamline decision making.
3. **Data governance and security.** The compensation team now can control access to compensation data and track changes that users have made. Automated data management helps ensure internal quality control and improves data security.
4. **24/7 access to latest thinking.** Working with one dedicated expert and an extended global community of subject matter experts allows BorgWarner to have access to latest thinking on compensation technology, trends and best practices in all its markets.
5. **Cost savings.** Using one integrated platform will reduce costs. And, improved benchmarking and modeling will help ensure that BorgWarner pays the right amount for top talent in all its markets.

Overall, BorgWarner is now able to make faster, more efficient compensation decisions and design innovative compensation programs in order to attract and retain top talent globally. Its reimagined approach to compensation planning, which combines market-leading data, cutting edge technology and deep industry expertise, enables BorgWarner's talent to thrive and the organization to prosper.

## Unlock More

### *Compensation data fuels new growth strategy in Poland*

BorgWarner found itself in the enviable position of having one of its business units in Poland forecast a growth rate of 60% for 2020. Consequently, it sought Willis Towers Watson's help to shape a strategy to realize this growth potential. Specifically, BorgWarner needed to quickly fill a number of skilled manufacturing positions in this emerging market with a substantial pool of highly educated talent. But to achieve this objective, the company required a better understanding of the local market for skilled manufacturing jobs and what constituted a competitive compensation package given that the Polish government was in the process of raising minimum pay.

Using the expertise of Willis Towers Watson consultants and the Willis Towers Watson Compensation Software platform, BorgWarner's compensation team benchmarked compensation for these manufacturing jobs across the country. As a result, the company gained a more in-depth understanding of how its current compensation packages for skilled manufacturing jobs compared to those of competitors and how much above the new minimum wage it needed to go in order to recruit talent with highly sought-after new manufacturing skills. These insights and data allowed BorgWarner to develop highly competitive compensation packages, enabling it to attract the skilled manufacturing talent critical to accelerating its growth strategy.

## About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com).



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