The Club Survey
An idea whose time is still here
Agenda

- Introductions
- What is a Club Survey?
- Advantages and Disadvantages
- Getting Started
- Do You Need a Vendor?
- Selecting a Vendor
- Wrap Up
Ken Cardinal, CBP, CCP

- Managing Director, Surveys
- Pearl Meyer & Partners, LLC
- MBA, M.A., B.A.
- Participant, Steering Committee Chair and member and now manager (vendor) for club surveys
- You can’t have too many guitars

Greven Fine Guitars
Patrice Daprino, CCP

- Senior Program Manager, Compensation
- IBM Corporation, Armonk, NY (forever)
- B.A.
- Involved with club surveys (running, guiding, participating) for a very long time
- Current club surveys:
  - CHiPS One World
  - Corporate Flight Operations
- Avid Yankees Fan
Veronicann Koren

- Corporate Compensation Director
- Parsons Corporation, Pasadena, CA (forever)
- MBA, B.B.A.
- Involved with club surveys (running, guiding, participating) for a very long time
- Current club surveys:
  - National Engineering & Construction Salary Survey (NECSS)
  - Engineering & Construction Compensation Forum (ECCF)
- Avid NASCAR Fan
What is a Club Survey?

- A recurring survey “owned” by a sponsor, group or collective where participants have something in common (e.g. industry, geography, jobs, etc.). Participants may:
  - Be part of an existing association or group
  - Be peers and/or competitors
  - Compete for the same talent

We’re going to focus on firm-reported data, not employee self-reported information.
Advantages

- “Owners” have control over the project
- Owners are invested
- Ability to focus on a limited group of desired participants (e.g. industry group)
- Typically a high level of year over year consistency in survey membership
- Can be very effective in collecting and reporting jobs applicable to a specific industry (e.g. SW engineer, Construction Superintendent, etc.)
- Relationships!
Disadvantages

- The group of participants appropriate for the “Club” may be too few to obtain useful data (small sample)
- The Club may not accurately represent the labor market for the participants
- The Club may become overly self-focused
- Less useful for jobs and HR practices that are not specific to the Club
- Must be carefully managed to comply with anti-trust laws
- Fewer available firms to share financial burden
Things to Think About

- Who can be a member?
- Are all members equal?
- Will there be a Steering Committee/Advisory Board?
- Will survey access be limited to members?
- How are decisions made (including membership decisions)?
- Will there be other club benefits besides survey information?
- Rules?
If You Don't Know Where You're Going, You'll Probably End Up Somewhere Else

(David Campbell)
Things You Can Survey

- Almost anything
  - Qualitative or quantitative
  - Industry metrics
  - Best practices
  - Trends
  - Issues
  - Opinions
  - Financial practices (i.e. salaries)
  - Etc.
Surveys range in dimension
- A single question (poll)
- Collection of detailed information requiring sophisticated questionnaires or collection tools

**A Good Rule of Thumb**
- Never, ever ask for anything more than is absolutely required.

**A Second (related) Really Good Rule of Thumb**
- Every additional question asked reduces the likelihood of any questions being answered
Deciding How Best to Get Information

- Determine precisely **what** information is needed
  - Does it exist already?
  - Does some of it exist?
  - Is the need 1x time or likely to recur?
- **Who** needs the information?
  - Share an interest in getting the information
- **Why** do we(they) need the information?
- **When** is the information needed?

Does anyone have any money?
Common Club Survey Types - HR

- Compensation – Incumbent Data Collection
- Compensation – Policies & Practices
- Benefits – Program Prevalence and Design
- Human Resources Practices
- Human Resource Metrics
How to Start a Club Survey

“Plan A:” Leverage an existing group or club
- Determine if the “group” definition needs to expand to meet the stated need.
- Do they have an existing, related survey?

“Plan B:” Start from scratch
- Only when it’s the only (or clearly best) way

In either case, offer value
Participation

- A survey needs participants to be successful
- Identification of contacts is likely to be a challenge
  - Who are they?
  - Where do they come from?
  - Why would they participate?
  - How do you find them?
- Getting their interest may be a challenge
  - What’s likely to motivate them?
Participation (continued)

- Determine “who”
  - Thought or Opinion Leaders
  - The Club members are (or would be) accepted by Line Management
- Criteria for Club or Group Membership?
  - Industry
  - Name Brand / Reputation
  - Recognized Peer
  - Size
  - Geography
  - Willingness
Participation (continued)

- Just because it’s important to you doesn’t make it important to someone else
- To attract participants, focus on added value or the needs of those providing information
- Even if they want to participate, doesn’t mean they’ll be able to
  - Management says no
  - Lack available resources (time and / or money)
  - Unable to obtain the information
- For reliable information, you need a minimum of a dozen participants with a better minimum being twenty(ish)
Determining Survey Viability

- Articulate the objective
- Specify the timing
- Identify contacts at key firms
- Poll them
  - Determine whether they share an interest in participating
  - Whether their interest is strong enough to secure
    - Commitment
    - Funding
- Determine whether to move forward
Funding

- Common Funding Approaches
  - Single Sponsor
    - Employer
    - Association
  - Small consortium of Sponsors
  - Pro-rata cost sharing
  - Non-Participants Fund Participants
  - Vendor Provides for Other Reasons
    - Use of Data for Consulting
    - Access to Participants (Loss Leader Approach)
What information *might* be shared openly?

- Number of job levels
- Job level descriptions
- Job descriptions
- Existence of a particular position
- Existence and definition of geographic pay zones
- Retention program prevalence
- Vacation practices
- Cost of vision care plan
- Telecommuting provisions
- General HR and Business Practices
What information would not normally be shared openly?

- Incumbent Information
  - Salary
  - Variable Compensation
  - Long Term Incentives
  - Perquisites
  - Etc.

- Confidentiality
- Legality (Anti-Trust and/or Privacy)
Historically, many* organizations ran their own surveys. These days, most surveys are not run directly by either a member / group of members.

Challenges:
- Type of Information Desired
- Time / Resources
- Expertise / Capability
- Infrastructure (including ability to meet schedule)
- Confidentiality
- Legality

*Although less frequently over time
Legal Considerations: Safe Harbor Guidelines

- Relevant DOL and DOJ Antitrust case*
  - The survey is managed by a 3rd party.
  - The information provided is based on data more than 3 months old.
  - There are at least 5 providers for each reported statistic.
  - No individual firm's data represents more than 25% of a reported statistic.


*The above information is provided for discussion purposes. The presenters are not lawyers and in no case should the above information be considered "legal advice". Each situation is unique and every organization should seek appropriate legal counsel for their unique situation.
Selecting a Vendor

- Reach out to vendors you know
- Ask your peers whether they know qualified / reputable vendors?
- Investigate which vendors practice in which industries
- Determine which vendors practice in which geographies
Request for Information (RFI)
- Least formal, no project commitment; typically asking about interest and capability

Request for Proposal (RFP)
- The most extensive, asking for price and project structure details

Request for Quote (RFQ)
- Simply asking for a price commitment within an agreed-upon project structure
The RFP – A Process Overview

- Draft detailed RFP
- Identify potential vendors
- Email / Fax / Mail RFP to vendors
- Provide opportunity for questions / answers
- Allow reasonable turnaround time
- Evaluate submitted proposals
- Follow-up with questions to vendors as needed
- Award to vendor of choice
- Notify vendors not selected
Detailed RFP

- General Information
- Project Information and Scope
- Information Required of Vendor
- Estimated Fee Structure
Detailed RFP – General Information

- Purpose or objective
- Participants
  - Number
  - Participant contact information
  - Likelihood of participation
  - How participant contact will be managed
- Survey contact
- RFP timing
- RFP evaluation process
- Any specific proposal requirements
- Presentation or proposal defense expectations
Detailed RFP – Project Information / Scope

- Sample RFP Table of Contents
- Detailed list of survey requirements
- Level of precision required (how critical to be “spot on”)
- New or existing (replacing vendor)
- Recurring or one time survey
- Vendor, steering committee/sponsor and participant roles
- Meeting requirements (planning / matching / results)
- Survey report expectations (PDF / Excel / Online / etc.)
- Survey Timetable
Detailed RFP – Vendor Information

- Vendor approach
- Vendor capability
- Are surveys core business or sideline?
- Background / qualifications
- Examples of prior work: Data collection / report
- References
- Vendor point of contact
- Vendor: Who will do the work?
Detailed RFP – Vendor Fees

- Estimated fees
- How the fees were established
- For recurring surveys – fee stability / guarantees
- Travel and miscellaneous fees if any

It is useful to specify a fee description format applicable to all vendors submitting a proposal to facilitate comparison of proposals.
Sample RFP Scoring Checklist

<table>
<thead>
<tr>
<th>Scoring Checklist (for each Vendor)</th>
<th>Please rate on a scale of 1 to 5, with 5 being the highest.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of proposal submitted</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Responsiveness to proposal requirements and questions</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Firm qualifications</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Firm experience with similar surveys</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Project team depth and breadth</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Proposed process</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Discussion of ensuring data quality</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Ability to meet timing requirements</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Price</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Report output options</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Firm relationships with target participants</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Commitment to client services</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Commitment to ongoing survey enhancements/improvements</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Overall perceived interest in the assignment</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Additional benefits/services provided (beyond survey management)</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Quality of telephone or in-person presentation</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
Vendor Considerations

- Survey viability
  - Participation
  - Timing Expectations
  - Sources of Funding
- Are roles clearly defined
- Are they able to provide sufficient value for the money
- Clarity / reasonableness of RFP conditions
- Survey Fit (does this fit within their area of expertise, strategic direction, etc.)
- Is it going to be fun?
Constant Survey Challenge

- Getting accurate information
- Getting timely information
- Getting cost-effective information

Quality vs. Time vs. Cost
Title: The Club Survey: An idea whose time is still here. (#46103) Speakers: Kenneth R Cardinal, CBP, CCP, Patrice Daprino, CCP, Veronicann J Koren

Workshop Description: Compensation and Benefits Professionals look to ground our decisions with timely and reliable information. Often, the first question from a manager or decision-maker is "Who's in the data set?" Frequently this can mean we need to assemble a reliable peer group and conduct a regular survey among this group. In this session, a panel composed of compensation practitioners and consultants will address the benefits and challenges associated with running a club survey. Speakers will guide the audience through the key features such as pluses, minuses, and associated issues such as speed, timing, cost, and other issues requiring consideration. They'll conclude with a discussion about using an RFI or RFP process and selection of a vendor.

Learning Points:
1) Identifying what kinds of information best lend themselves to collection through the survey process
2) Assembling a Club
3) Choosing between a do-it-yourself approach and hiring out the work and, if the latter, when and how to select a vendor
4) Practical information on how to develop an effective Request for Information (RFI) or Request for Proposal (RFP)