Global employment organizations (GEO)

Implementation insights

26–29 October 2014
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Implementation
Recommendations

► Clearly articulate anticipated benefits of the structure
► Identify potential challenges and planned approach to address:
  ► Internal
  ► External
► Identify core team and key players
► Develop change management approach
# EY examples – benefits drive implementation

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Action plan

► Develop a realistic timeline
► Gain acceptance of roles and responsibilities for stakeholders and project team
► Obtain buy-in to change
► Review of work plan
► Create project manager role
► Continued validation through implementation
What would you have done differently?
RWE Dea AG
RWE Dea Group-History

Broad experience based on 115 years’ successful upstream business

> 1899 Establishment of
   “DEUTSCHE TIEFBOHR-AKTIENGESELLSCHAFT”

> 1911 Change of company name to
   “DEUTSCHE ERDÖL-AKTIENGESELLSCHAFT” (DEA)

> 1966 Acquisition of majority stake in DEA by Texaco

> 1970 Change of company name to
   “DEUTSCHE TEXACO AKTIENGESELLSCHAFT” (DTA)

> 1988 Acquisition of DTA by RWE AG

> 1989 Change of company name to
   “RWE-DEA Aktiengesellschaft für Mineraloel und Chemie”
   since

> 2001 Restructuring to an upstream company

> 2002 Change of company name to “RWE Dea AG”

Slide courtesy of RWE Dea AG
RWE Dea Company
Some facts at a glance

RWE Dea …

> … is engaged in the exploration and production of crude oil and natural gas with a corporate history of 115 years.

> … is active in 14 countries and holds more than 180 exploration, development and production licences.

> … has significant exploration success in recent years which contributes to a growth path to produce more than 70 million bbl OE p.a. by the end of this decade.

> Secures a growing portion of gas supplies into the RWE Group value chain.

Slide courtesy of RWE Dea AG
Demands/expectations

> RWE Dea AG continues its international growth strategy. As a result more and more vacancies abroad need to be filled. Key factors for our international success are our local and international employees.

> Demands/ expectations:

– A globally applicable, consistent and market oriented framework/ policy for international assignees without „home country“ (Global Employees) in terms of
  • Compensation
  • Contractual framework
  • Social security
  • Tax
  • Pension
  • Assignment-Benefits (e.g. Allowances, Housing, Family)
  • etc.

> Facilitate the recruitment of international staff/ assignees, especially for „hardship locations“
Business Case: opportunities establishing a Global Employment Corporation (GEC) for RWE

Opportunities

> Attractiveness: Becoming a more attractive employer for the existing internationally mobile workforce and for resources with the required competencies and experience on the global labour market

> Foreign local hires: More efficient and effective recruitment of foreign local talent for hiring into RWE Dea locations and also for sending them onwards on assignment

> Retention of temporary returnees

> Internationalization of Headquarter

> Consistent treatment of employees

*Slide courtesy of RWE Dea AG*
Cognizant Technology Solutions
About the company

► A leading provider of information technology, consulting, and business process outsourcing services
► Over 75 development and delivery centers worldwide and approximately 187,400 employees as of June 30, 2014
► Ranked among the top performing and fastest growing companies in the world
Working with GEOs

- Do you need a GEO – keep an open mind
- Opportunity to review other aspects of your program
- Do other stakeholders truly understand how a GEO works and the role it will play in the business
- Start in one region and expand
- Is your company global or headquarter-centric

*Slide courtesy of Cognizant Technology Solutions*
Case study
Current situation

- Is a US-headquartered company
- Is part of the Fortune 50
- Had “GEO-type” entity in place since 1969
- Did not “employ” global population, only a subset
- Needed to be updated to address current times, population needs
- Has goal to globalize the program
- In the process of implementing a new structure after benchmarking and self-analysis process
Lessons learned

► From original structure:
  ► False sense of security
  ► Importance of staying on top of legislative developments

► For new structure:
  ► Change management process
  ► Interrelationship of the functional decisions
  ► Importance of the project manager