THRIVING IN AN AGE OF DISRUPTION
CRAFT A FUTURE-FOCUSED PEOPLE STRATEGY

THE WORLD OF WORK IS BEING

The fourth industrial revolution is fast becoming a workplace reality. Artificial intelligence, robotics, 3-D printing, drones, and wearables are rapidly integrating into the work environment — driving changes to role expectations and the creation of new jobs. At the same time, business models are adjusting to take advantage of a more fluid workforce — in part to address the talent scarcity challenge, but also in response to what people say they want out of a job.

DISRUPTED... ARE YOU READY?

Today's organizations are facing unprecedented pressure to reskill and redeploy talent to stay competitive. A more diverse demographic profile, digital ways of working, and shifting expectations are reshaping the world of work. These forces demand a re-think of how organizations prepare for the future.

A FUTURE-FOCUSED PEOPLE STRATEGY

In today's dynamic business environment, it's not enough for companies to survive — they must *thrive*.

Mercer partners with organizations on their Thrive journey by addressing four critical priorities:
- **Craft a Future-Focused People Strategy**
- **Curate a Compelling Value Proposition**
- **Create a Thriving Work Environment**
- **Cultivate a Lab Mindset**

The first step sets the foundation and is often the most challenging to get right — especially in an environment that keeps shifting under our feet. The way we have approached HR strategy and workforce planning in the past is no longer fit for purpose. As digitalization, diversity, and disruption forever change what it means to "go to work," iterating on last year's strategy is not enough to ride the crest of workforce change.

Think differently! Traditional approaches to workforce planning — a key part of any People Strategy — are often based on existing organizational structures and tend to focus on size and capacity. But when both the environment and the required skillsets are rapidly changing, a longer-term approach is required — one that contemplates a future work model and takes a holistic view of all possible talent pools and programs. The most successful people planning strategies are increasingly focused on disruption, innovation, and large-scale transformation to visualize the potential for a different future. They put in place agile work structures, which often involves breaking down silos and creating space for iteration and adaptation.

At Mercer, we help our clients to think bigger and broader. It's not just capacity planning; it's about leadership, culture, work models, and how the employee experience helps people thrive in this new world.

WE HELP YOU ANSWER THESE FIVE QUESTIONS

1 The future has become unpredictable. How can we get a clearer picture of our **future demand** in Capabilities, Leadership, and Culture?

2 What can we do to understand our current and **future supply** internally and externally? Not just for leadership but also for critical skills and capabilities?

3 What key **human capital risks** is our business facing, and how do we quantify and mitigate them? What are our gaps in Leadership, Culture, Skills, and Capacity?
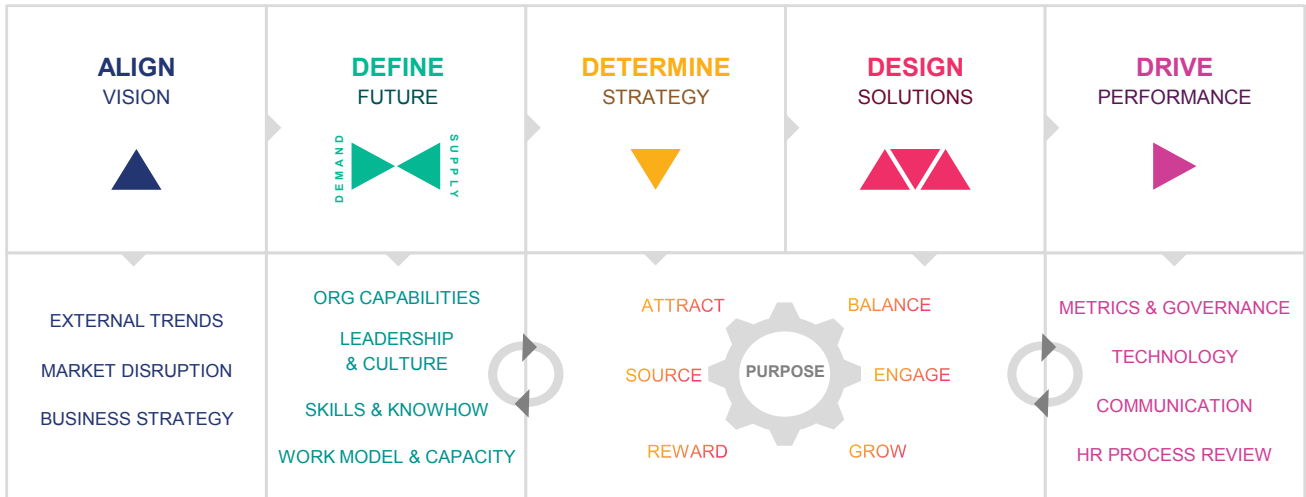
4 Which people initiatives are really going to **make a difference**? Where should we focus our investment and how do we measure the impact?

5 How do we break down HR silos and ensure **alignment** across our people initiatives?

THE MERCER APPROACH

ALIGN VISION	**DEFINE** FUTURE	**DETERMINE** STRATEGY	**DESIGN** SOLUTIONS	**DRIVE** PERFORMANCE
EXTERNAL TRENDS MARKET DISRUPTION BUSINESS STRATEGY	ORG CAPABILITIES LEADERSHIP & CULTURE SKILLS & KNOWHOW WORK MODEL & CAPACITY	ATTRACT BALANCE SOURCE PURPOSE ENGAGE REWARD GROW		METRICS & GOVERNANCE TECHNOLOGY COMMUNICATION HR PROCESS REVIEW

FUTURE-FOCUSED • INTEGRATED • PEOPLE-CENTERED

We begin by understanding both the external (outside-in) and internal (inside-out) context. We will focus on your business strategy, external trends, and upcoming disruptions to identify implications for your organization's people and workforce needs. We take a data-driven approach to help you understand and quantify the impact. We also provide a variety of self-serve tools to support strategy work.

Before jumping into "solution-mode" it is important to analyze and understand your organization's unique situation: what are your people needs (demand) and how does this compare to the current state (supply). We take this step to provide the evidence needed to create buy-in, drive action, and enact real change.

Next, we create a detailed strategy to help you build your workforce of the future. Impact analysis will measure the shrinkage of the gap across a broad range of dimensions that impact culture, productivity, and engagement. From here, we can support the development of an integrated roadmap for implementation.

Given internal and external labor dynamics and your strategic goals, we will partner with you to understand your current talent programs and review their fit with the new people strategy, identifying which should remain in place and which require additional configuration to ensure both a defensive and offensive response to human capital risks. We can also identify gaps where new solutions need to be designed.

In our experience, solution implementation is the most important and overlooked stage of a people strategy process. Too often, the necessary infrastructure and communication is assumed to be place when this is not the case. We will work with you to ensure your transformation efforts are sustained and put in place measurable objectives for each solution.

A DATA DRIVEN APPROACH FOR PRECISION INSIGHTS

Mercer's approach leverages the power of statistical modeling and predictive analytics to diagnose the organizational, workforce, and individual components of your current and future people strategy. Our digital diagnostic tools can assess where you are headed based on your current trajectory, and can also project the impact of different strategy scenarios on your workforce of tomorrow — helping you move from "I think" to "I know."

HUMAN CAPITAL SCAN®

HC Scan provides in-depth analysis to answer questions such as:

- What type of talent is needed to meet future business objectives? Do you have enough of this talent today?
- What roles will be critical to achieving your strategic goals?
- How strong is your bench? How difficult is it to fill critical vacancies?
- What is your current talent acquisition strategy and how is it meeting current & future needs?
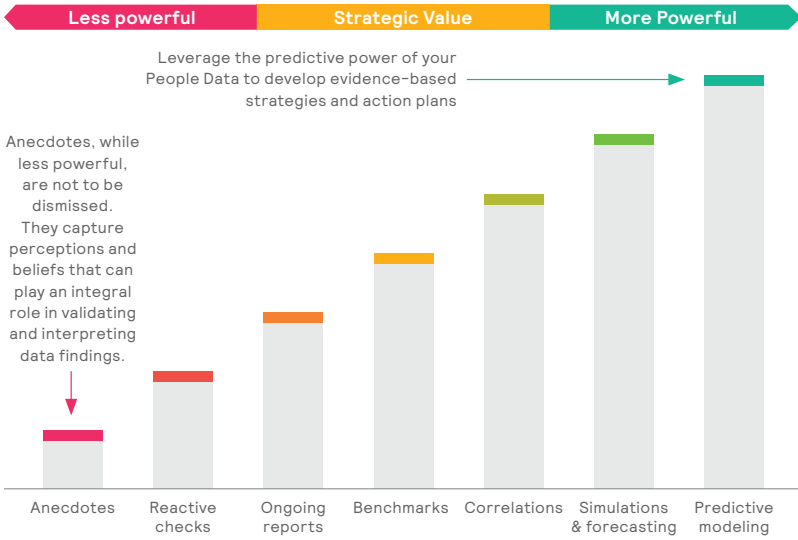- What aspects of work do you reward?

Dashboards with optional benchmarking allow you to pinpoint strengths and gaps at a glance, providing an initial view to inform the creation of your future-focused people strategy.

INTERNAL LABOR MARKET®

Mercer's Internal Labor Market (ILM) Maps provide a graphical representation of talent flows that can identify movement and progression blockers for key populations.

Career Level	Total Hires ▶		Active Headcount, Total Promotions ▲, and Representation (%)				Total Exits ▶	
	Males	Females	Males	Females		Representation: % Males | % Females	Males	Females
Level 1	10.3% (20)	0.0% (0)	19596			67% | 33%	6.2% (12)	8.8% (8)
			Males: 9.5% (26)	Females: 13.0% (22)				
Level 2	19.0% (52)	0.0% (0)	273	169		62% | 38%	19.0% (52)	26.1% (44)
			12.0% (78)	16.8% (86)				
Level 3	14.0% (91)	0.0% (0)	650	510		56% | 44%	10.0% (65)	14.0% (72)
			5.6% (117)	7.6% (140)				
Level 4	21.1% (442)	0.0% (0)	2,093	1,851		53% | 47%	19.3% (403)	26.1% (484)
			16.9% (169)	22.0% (237)				
Level 5	29.9% (299)	0.0% (0)	1,001	1,074		48% | 52%	22.1% (221)	28.8% (309)
			11.5% (39)	15.8% (59)				
Level 6	19.2% (65)	0.0% (0)	338	371		48% | 52%	11.5% (39)	15.8% (59)
Overall	21.3%	0.0% ▶	Active Headcount: 4,550 | 4,071	9.4% | 13.3% ▲		53% | 47%	17.4%	24.0% ▶

Less powerful | **Strategic Value** | **More Powerful**

Leverage the predictive power of your People Data to develop evidence-based strategies and action plans

Anecdotes, while less powerful, are not to be dismissed. They capture perceptions and beliefs that can play an integral role in validating and interpreting data findings.

Anecdotes · Reactive checks · Ongoing reports · Benchmarks · Correlations · Simulations & forecasting · Predictive modeling

Our people strategy approach can also draw on a wider suite of proprietary tools, including:

- **Organizational Culture Assessment:** Compares key aspects of current and desired org culture

- **Digital Readiness Assessment:** Measures your organization's digital skills gap

- **Thrive45 Audit:** Measures the level to which the current work environment enables a Thriving workforce

ABOUT MERCER

Mercer delivers advice and technology-driven solutions that help organizations meet the health, wealth, and career needs of a changing workforce. Mercer's more than 22,000 employees are based in 43 countries and the firm operates in over 130 countries. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy, and people. With more than 60,000 colleagues and annual revenue over $13 billion, through its market-leading companies including Marsh, Guy Carpenter and Oliver Wyman, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment. For more information, visit www.mercer.com. Follow Mercer on Twitter @Mercer.

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