

Case Study: MessageLabs

Implementing a Global Reward Strategy



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*- Christopher Mitford-Slade
Compensation & Reward
Manager*

MessageLabs protects more than 12,000 businesses worldwide and four million end users from email, text spam and internet security threats. Founded in Gloucestershire by Ben White in 2000, the company has grown to become the world's leading provider of messaging security and management services to businesses and governments across the world.

White has led MessageLabs through phenomenal expansion from 20 employees working out of a single office in Cirencester five years ago, with no strategic human resources policy, to 380 staff across three continents today with regional headquarters in Gloucester, New York and Sydney. In fact, it carries the distinction of being the only company to be listed for each of the past five years in the Times Tech Track 100 Index which measures businesses according to revenue growth, and White was recently ranked ninth in Management Today's list of top 100 entrepreneurs.

As MessageLabs grew, the need for clear HR direction became

increasingly vital as managers strived to attract and retain the best talent in the IT industry. Christopher Mitford-Slade, compensation and reward manager at MessageLabs, led the project to review the company's reward structure on which the whole HR strategy would be pinned.

"We were crying out for a reward strategy that was aligned to the overall business plan," says Mitford-Slade. "MessageLabs now competes in a fast-paced global environment and to be successful we needed clear career structures and competitive rates of pay to attract and retain talent in all three regions." With no in-house expertise or resources to support a full reward review, Mitford-Slade looked outside for consultancy help: "I knew that in order to justify the investment to the executive team, I would need a first class reward expert who would give the project credibility."

After talking to a number of specialist reward consultants, Mitford-Slade chose Innecto People Consulting for its in-depth knowledge of both reward management and the

technology sector. Innecto director Deborah Rees and Mitford-Slade spent three months scoping out MessageLabs' issues and challenges in order to develop a sound project plan and business case. Once approval had been given, they set up a reward strategy workshop which included the CEO and the executive team.

"Getting the executive team on board was vital to the success of the project," explains Mitford-Slade. The team decided that reward should be the cornerstone of the company's HR strategy and Innecto helped to analyse job descriptions and salaries, while benchmarking them against industry competitors. Using competency-based job evaluation methodology, job families were created across the business with a career and pay progression established for each.

Innecto also trained Mitford-Slade in reward management to enable him to carry on the project once their contribution had ended. "I had no prior experience of reward management, so I used Rees as a

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coach and mentor to pass on her knowledge and critique specific aspects of the project. This really increased the value of their service," Mitford-Slade explains.

MessageLabs rolled the new strategy out in November 2005, communicating the new structure through an online performance management system called EXCEED, supported by workshops and presentations. The company took an open and honest approach about how individual roles were evaluated. It plans eventually to publish the salary bands to staff. Employee questionnaires have been used to

evaluate the impact of the Reward Strategy and Performance Management process, so that the company can continually improve the services provided.

Mitford-Slade says, "This was the most important strategic internal project that MessageLabs has ever undertaken. We now have a Total Reward Strategy that is relevant to everyone who works for MessageLabs, no matter where in the world they are based. It has been a huge exercise which we couldn't possibly have contemplated without consultancy support but we are still in the early stages of

implementation. It will take several years for this work to come to fruition and for MessageLabs to be globally recognised as an "employer of choice".

"In the meantime, I am confident that the new clearly defined roles and responsibilities, career levels and global salary structures will enable us to reward and motivate the talent that we need to continue to achieve our strategic goals."

"We couldn't have contemplated this project without Innecto's support. Their expertise and reputation gave us the credibility we needed to

convince the executive board to approve the project. I was very impressed with Innecto's ability to work flexibly to meet our demanding high standards and tight timescales."

"Rees was an excellent coach and mentor and overall, Innecto were extremely reliable, prompt, efficient and represented true value for money."

