



HR Outsourcing

Greater China





Hewitt Associates

A world Leader in HR outsourcing & consulting.
Pioneering break through ideas, services, and products
for nearly 70 years.

- Payroll and Benefits Outsourcing
- Retention and Talent Management
- Compensation and Benefits Management
- Leadership and Management Development
- Executive Compensation
- Organizational Change, Mergers and Acquisitions
- Hewitt Academy for Strategic HR

Making China a better place to work

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About Us

Hewitt HR Outsourcing Service in China



Hewitt is the market leader in both HR outsourcing and HR consulting. We consult with more than 2,300 organizations and administer human resources, health care, payroll and retirement programs on behalf of more than 360 companies to 20 millions of employees and retirees worldwide. Since 2002, Hewitt has been providing HR outsourcing services for over 100 legal entities across 80+ cities in China. From its delivery center in Shanghai, Hewitt offers a comprehensive range of outsourcing including payroll administration, supplementary benefit administration, and multi-process HR business process outsourcing (HR BPO) services to the clients from a large range of industries.

Hewitt is viewed as the pioneer for its outsourcing service which differentiates from its peers in such categories of policy and process optimization, web based employee and manager self service, call center, tax and mandatory benefits expertise, SAS 70 compliance commitment, and Lean Service System.

Our Outsourcing Services Scope

- Payroll Administration Services
 - Payroll Calculation and Delivery
 - Regulatory Research and Updates for Mandatory Benefits and Individual Income Tax
 - Individual Income Tax Calculation and Delivery
 - Overtime Administration (online)
 - Business Claim Administration (online)
 - Leave Administration (online)
 - Payslip Delivery (online and paper)
 - Bank Delivery
 - Employee Support Hotline
- Benefit Administration Services
 - Savings Plan Administration
 - Supplemental Pension Plan Administration
 - Supplemental Housing Plan Administration

Our Solutions

Our clients trust Hewitt with the issues that affect the lives of their employees – and we succeed because of our comprehensive and flexible solutions

- We provide solutions recognizing China's unique and evolving payroll and benefit requirements, which is a combination of our 30+ year HR outsourcing experience around the globe and 15 year compensation consulting expertise in China
- We can integrate the full cycle of payroll and benefits administration from data interface to processing, to reporting and to delivery with emphasis on content expertise and compliance
- Our solutions are strengthened through Lean Service which enhances our interaction with clients and enables us to jointly and continuously improve payroll administration efficiency and final user satisfaction

Our Results

We have a proven track record of delivering HR outsourcing solutions to companies at different locations, of different industries, and of different employee sizes

- We help them improve service quality for final users
- We deliver payroll and benefit administration service with accuracy and responsiveness
- We create and manage with clients a joint improvement roadmap toward win-win partnership and business achievements

Our Awards

- Winner of Rewards and Performance Management Consulting Firm of the Year and HR Outsourcing Firm of the Year in 2006 by "China Staff"
- Winner of HR Change Management Firm of the Year and HR Outsourcing Firm of the Year in 2005 by "China Staff"
- Winner of the best C&B Consultancy of 2004 by "China Staff"
- "HR Consultancy of The Year" five years in a row by "China Staff"
- Winner of the Outstanding Consultancy Award by "Smart Fortune"



Client

- Focus on other more value-added areas in business
- More time and effort in attracting, retaining, motivating and developing talents
- Manage employee satisfaction and service quality at higher level



System

- More result and cost-effectiveness driven
- Stable IT infrastructure with profound Disaster Recovery and Business Continuity Plan
- Continuous R&D and improvement in database, application, hardware and connectivity

Hewitt HR Expertise Background

The Leading HR Service Provider



Process

- Leverage the market best practice and industry benchmarking
- Compliance, Data Privacy, and Confidentiality are musts, and included in the service scope
- Clearer business driver, and more dedicated resources for knowledge capturing, problem solving, and continuous improvement



People

- Stringent selection and on boarding processes
- Continuous knowledge transfer, training, and job rotation to strengthen people development and business results
- Multiple channel career development

Hewitt in China Market

Making China a Better Place to Work

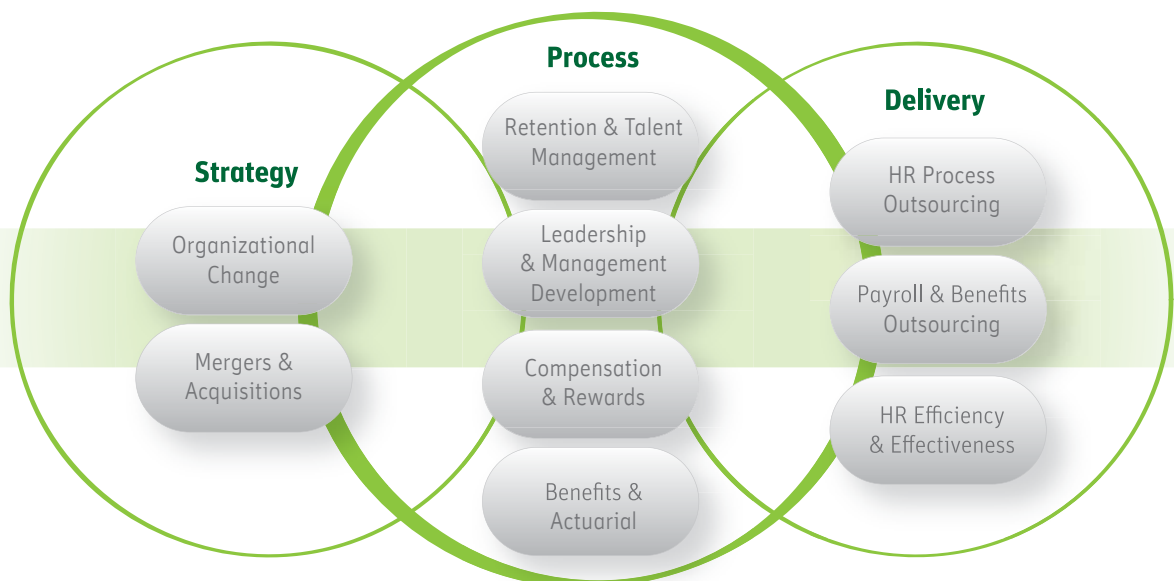
Hewitt has a strong presence in China and is firmly committed to helping our clients in this critical global market

- Depth of experience — First to establish a WOFE China business in 1994, based in Shanghai
- Expertise that makes a difference — With over fifteen years of operating experience, our professionals are seasoned ones that understand how to help companies achieve success
- Local support — Hewitt has over 250 associates spread across Beijing, Chengdu, Guangzhou, Hong Kong, Shanghai and Shenzhen
- Partnership — Hewitt has worked with over 2,500 clients in China—organizations that represent the best of FIE and Chinese companies

HR Outsourcing and Consulting Integration

Hewitt's focus is HR. Period. Hewitt offers the most comprehensive and flexible solution in the HR outsourcing industry and is the only company capable of offering total HR outsourcing services on an integrated basis with HR consulting expertise. Behind all Hewitt services are processes and technology dedicated solely to managing human resources.

Full Spectrum HR Service Provider in China



Hewitt Strength

SAS 70

About SAS 70

Statement on Auditing Standards (SAS) No. 70, Service Organizations, is an internationally recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). A SAS 70 audit or service auditor's examination is widely recognized, because it represents that a service organization has been through an in-depth audit of their control activities, which generally include controls over information technology and related processes.

In today's global economy, service organizations or outsourcing providers must demonstrate that they have adequate controls and safeguards when they handle data belonging to their customers. In addition, the requirements of the Sarbanes-Oxley Act of 2002, and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) make SAS 70 audit reports even more important to the process of reporting on effective internal controls at service organizations.

SAS 70 compliance provides clients with reassurance that clients' data are being handled by service professionals that have a clearly defined and secure process for data eradication. Clients should never settle for a service provider that does not have SAS 70 compliance.

SAS 70 History in Hewitt HR Outsourcing

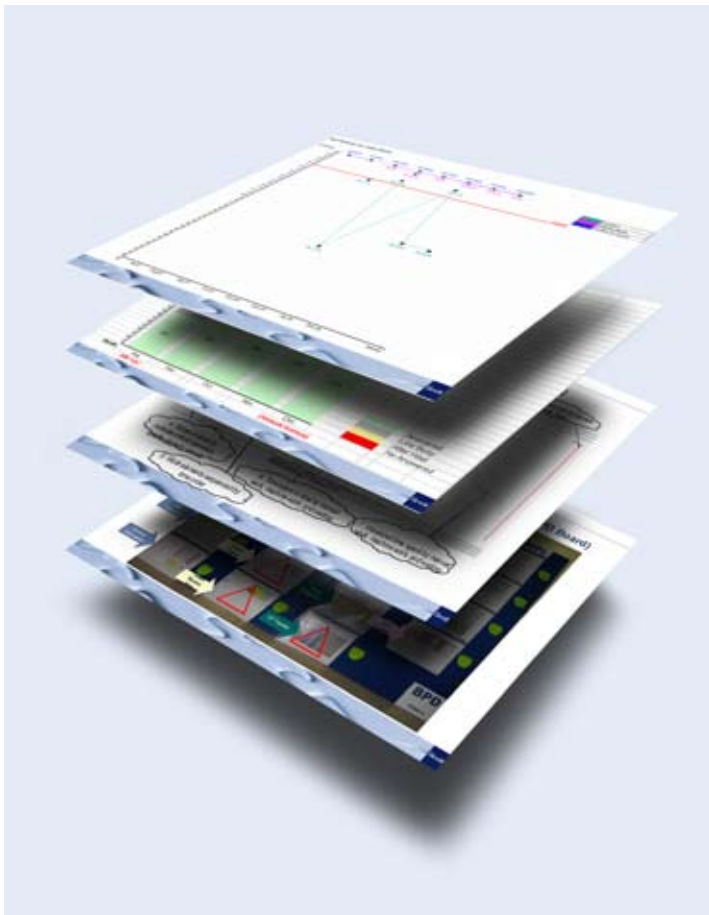
- Hewitt is committed to maintaining strict controls across the various processes which govern our company and the delivery of our HR outsourcing services
- Hewitt was globally re-certified SAS 70 compliant in 2007
- In China, our first SAS 70 Type II audit commenced on August 12, 2005 and we received the final report by June 2006
- A clean report for 2007 was also issued to Hewitt HRO China at the end of 2007
- Our local commitment to SAS 70 sets us apart from our competitors and ultimately enables us to provide better service to our clients

Lean Service

Behind our successful business performance is the Lean Service System that we apply as a transplant of the Toyota Production System, or the Lean Production System, in the HR outsourcing industry. Hewitt Associates believes that there are a lot of gaps along the process of delivering outsourcing service: between clients' and outsourcing partners' understanding of the service agreement, between raw data quality delivered by clients and expected by outsourcing partners, between deliverable produced through outsourcing partner's systems, processes and people designed and organized based on the original understanding of clients' needs and what is actually received, or perceived to receive, by clients... These gaps become the issues that need to be tracked, recorded, analyzed and resolved in our Lean Service System. Hewitt Associates understand that, only by minimizing these gaps, will we be able to continuously satisfy our clients, enhance our systems, improve our process efficiency, engage our people, and grow our business with solid financial strengths.

What is Lean Service?

Lean Service is a systematic methodology utilizing effective tools and techniques to minimize the gap between expected deliverable and perceived delivery, and to create a loyal clientele with healthy financials supported by robust platforms, lean processes and engaged employees.



Benefits from Lean Service

- Client First
 - increase satisfaction
 - standardized deliverable with customized caring
 - joint ownership and benefit
- Grow with Intention
 - enhance system functionality
 - increase system reliability
 - lead to mass customization
- Get Lean
 - eliminate waste
 - reduce lead time
 - continuous improvement
 - ensure compliance
- Rewarding Working Environment
 - business plan & individual development
 - quick training and flexible staffing
 - bottom up ownership

Hewitt Technologies

ESS Tools (e-Payslip, e-Claim, e-OT) & HewittPay



ESS Tools: web based tools for data collection and payroll result delivery for final users

- Overtime administration system
- Business claim administration system
- Online payslip system

Advantages:

- Shorten the application process
- Centralize management
- Easy for check and review
- High security and confidentiality

Client Stories

A Global Fortune 10

With Six Sigma service, 10,000+ employees, 33 legal entities in China

Challenge

With very aggressive M&A driven growth plans, this organization was seeking a standardized, robust and scalable payroll solution which could be quickly rolled out to provide accurate and efficient payroll administration services to existing and future employees. At the same time, another challenge lying in front of the project team is to standardize payroll policy and operations across different businesses and legal entities in parallel to a China-wide Oracle HRIS roll-out.

Scope

- Data migration and clarification
- Zero To Post Net Payroll processing and delivery
- Mandatory benefits regulation research in 50+ cities, and calculation
- Individual income tax regulation research, calculation, and filing in 25 cities

Results

- Designed and implemented an ERP linked payroll outsourcing solution
- Drove the cross business consolidation and standardization of payroll policies and processes
- Regulation compliance across 50+ cities
- Standardized reporting system across 33 legal entities
- Call center and email support for inquiries
- Support fast organization change with standardized transition management plan
- Meet the agreed performance measures, and exchange experience in 6 Sigma, Lean Service, and Net Promotion Score

World's Leading Telecom Equipment Manufacturer

10,000+ employees, 7 legal entities, 40+ employee locations

Challenge

The client was seeking for a reliable and scalable solution to relieve the administration burden of payroll related work from internal HR staff, especially in areas of raw data collection and clarification, so that they can focus on core business and become the real partner of the business. Our team was requested to provide a user friendly system which enables online employee and manager self-service for overtime and business claim data collection and clarification, in addition to payroll administration.

Scope

- Payroll calculation
- Mandatory benefits regulation research
- Individual income tax regulation research and calculation
- e-OT and e-Claim system for data collection and clarification
- e-Payslip

Results

- Phased solution for separate payroll and e-system "go live"
- Standardized data collection process
- Employee self-service via e-mail, web and hotline support
- Reduction of client FTE requirements and time spent
- Uniform reporting system across entities
- Drove the cross business consolidation and standardization of payroll policies and processes
- Became Hewitt's ambassador to its partnership businesses on payroll service



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