

## Case study: Azzurri Communications



The Azzurri flexible scheme was shortlisted for the Most Effective Use of a Flexible Benefits Plan in the 2010 Employee Benefits Awards.



### Situation

Azzurri Communications, founded in 2000, is a leading managed services company delivering flexible voice, data and mobile communications. Azzurri provides consultancy, technology and resources to help their customers like Tesco, Waterstones, NHS, B&Q, Royal Mail and HSBC reduce the cost and complexity of running their telephone and data infrastructure. The company has grown rapidly over the last 10 years, partly through the **acquisition of 16 companies**, and as a consequence had a lack of unity.

From a benefits perspective, bringing together so many companies resulted in an inefficient and confusing assortment of benefit entitlements and providers. Azzurri appointed Thomsons Online Benefits to harmonise their benefits, including 17 pension schemes, and to create a unified benefit brand to satisfy their key business objectives to:

- Install equality by introducing a harmonised benefits scheme post acquisitions;
- Improve employee engagement and increase retention;
- Reduce administrative inefficiencies and costs, reduce benefit premiums and increase salary sacrifice;
- Create an accessible communications strategy for office based and non office based workers;
- Offer a competitive package.

This required a flexible online benefits system that could be easily communicated to all sectors of the workforce with easy access and engaging offerings.

### Action

Thomsons Online Benefits created a flexible benefits scheme informed largely by results of a survey undertaken by Thomsons to assess employee needs. An employee representative forum 'Voice of Azzurri' also provided input and feedback from employees. The scheme was introduced in April 2009, after the launch of the pension scheme in October. The scheme is called The Benefits Network.

The Benefits Network allows Azzurri employees to benefit from a group personal pension; medical insurance cover; buying and selling holiday; life cover and income protection. Azzurri decided their HR team would use the Thomsons 'Process Manager' within the technology platform to run benefit administration, saving precious time and resource. Brokerage, implementation services and technology was all provided by Thomsons Online Benefits.

Thomsons used a range of methods to communicate to staff about the new scheme including personalised emails, online and printed communication pieces, one to one meetings with Thomsons' advisers and a technical support line.

**Noel McGonigle, HR Director at Azzurri comments:** "As we have grown so quickly, and as a result of so many acquisitions, managing and communicating our reward package had become an increasingly complicated and time consuming task."

**Chief Executive, Gordon Matthew comments:** ".....We have clarified our vision and values, harmonized and launched our new benefits offering, nationalized our internal structures and processes, refined our service delivery model, and launched our five product Centres of Excellence. Our customers are already seeing the benefits, particularly of improved customer service from a more engaged staff, which positions Azzurri for further growth."

### Result

The numerous benefit schemes were successfully harmonised into one scheme.

Since the implementation of The Benefits Network, almost all Azzurri employees have flexed their benefits. Employees can manage their pension plus their benefits online, allowing them full access to their 'total rewards' package through an online statement. The package offered by Azzurri to employees now competes favourably with larger companies like O2 and Vodafone.

The Benefits Network has helped Azzurri to:

- Improve employee engagement, reduce staff turnover and attract new employees;
- Improve employee perception - 89% of employees now think Azzurri is an excellent place to work (previously 56% before scheme implementation);
- Reduce sickness absence from an average of 7% to 2% (average time off down from 5 to 2 days). This saving is the equivalent of 38 man days per year or £20k;
- Reduce staff turnover - down from 28% to 8.9% which represents a saving of £1.3million per year in recruitment, training and time. Reduce administration of existing benefit schemes saving approx £100k pa;
- Reduce the number of pension schemes from 17 to 1 saved £35k pa in premiums, plus £15k pa savings on advisers' fees. Increased use of salary sacrifice brought a saving of £45k pa.



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