



IT Job Study



JEPPESSEN VISION

People working together as a global enterprise for information solutions leadership.

OUR PURPOSE

*Making Every
Mission Possible*

OUR VALUES

*Integrity
People
Customers
Innovation
Accountability
Excellence*

OUR MISSION

Be OnBoard!

CUSTOMER FOCUSED

Our customers' success is our success.

- + Customers seek to do business with us.
- + We know our customers and they know us.
- + Our employees understand what's important to their customers.
- + We deliver integrated solutions to meet customer needs.
- + We create life-long customers.

ENGAGED GLOBAL WORKFORCE

We make a difference everyday.

- + Every Jeppesen employee knows and owns our vision.
- + Everything we do drives our vision and goals.
- + People desire to work here.
- + We help each other develop and grow.
- + People are empowered to be successful.
- + We are passionate and enjoy what we do!

QUALITY TRUSTED WORLDWIDE

Quality is everyone's responsibility.

- + We proactively pursue quality.
- + Training for quality is a priority.
- + Do it right the first time.
- + We are the market leader for quality.
- + Quality is built into everything we do.

PERFORMANCE DRIVEN

We relentlessly pursue excellence.

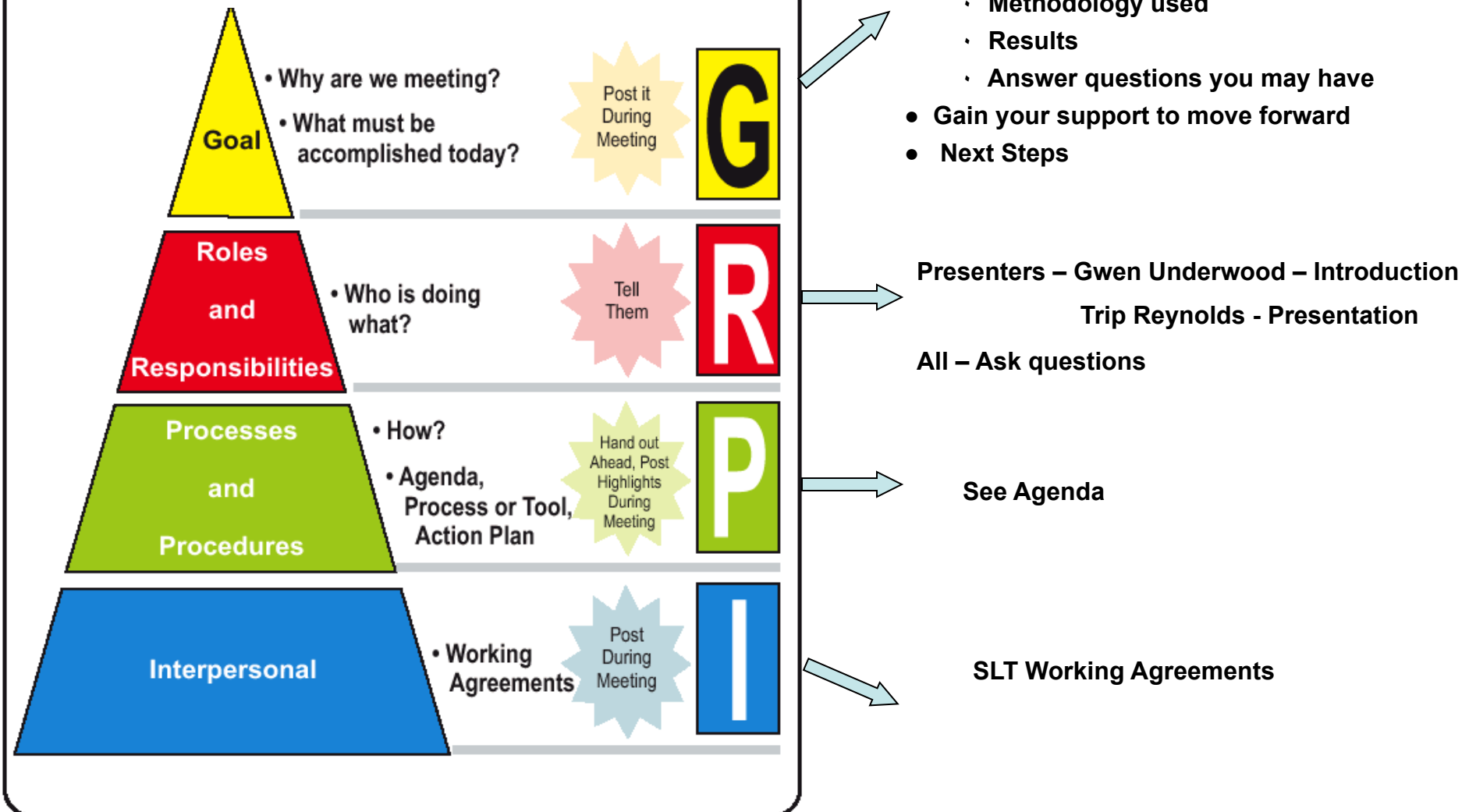
- + We run a healthy business.
- + We invest in our vision to enhance shareholder value.
- + We work in our communities to promote good corporate citizenship.
- + We outperform our competitors.
- + We perform consistently!

INNOVATIVE

We make the right ideas real.

- + We passionately pursue industry leadership.
- + Customers' needs drive innovative solutions.
- + Innovation ensures our sustainability and growth.
- + Our solutions are best in class—by far.





Agenda

- **Goal of the IT Study**
- **Roles**
- **Overview**
- **Next Steps**



Information Technology Salary Study

August 23, 2004

Goal

- To update the “B” Grade (IT) salary schedule

Why?

- Three years since the last update of the “B” Grade (IT) salary schedule
- To establish and maintain market competitiveness
- NNF and DARE Strategy
- To reduce / eliminate salary inequities

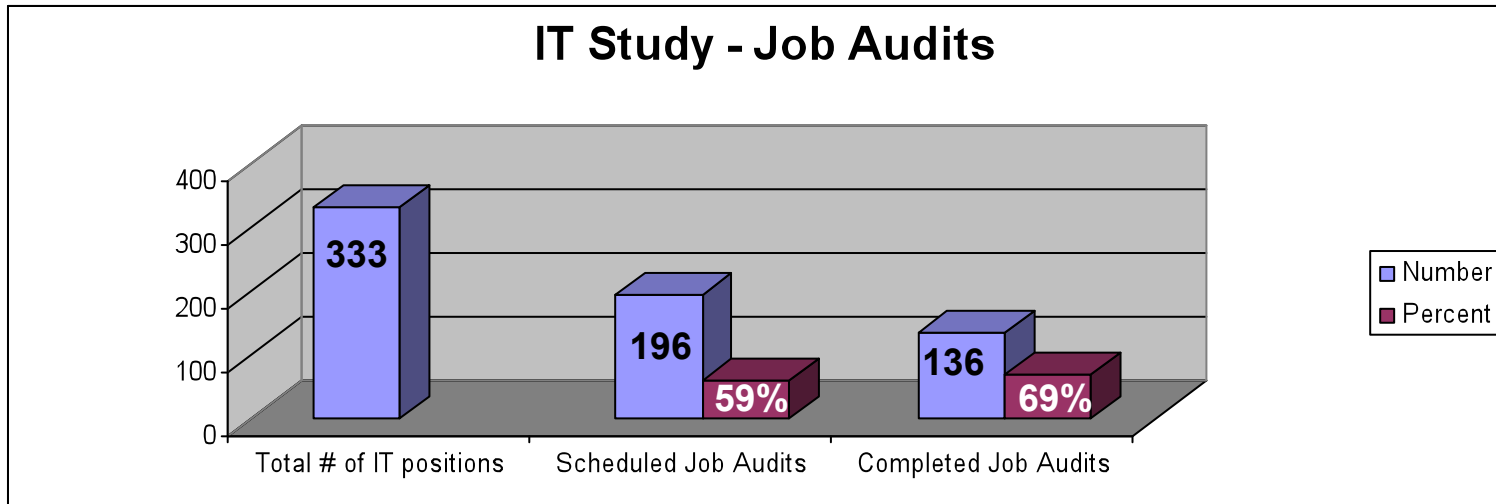
Roles

- **Human Resources** will research, define, validate and ensure compliance to IT salary administration protocols
- **IT Directors** will administer and evolve IT jobs based on industry practices and business objectives
- **SLT** will approve and support this initiative

IT Study – Overview

- **Position Questions** were sent to 333 “B” Grade employee; 143 (43%) were returned via email or inner-office mail
- **Job audits** were randomly selected for 196 (59%) IT positions located in Denver, San Jose, New York and Portland; 136 job audits have been completed with the remaining 60 to be completed as follow-ups to validate the character/scope of essential functions previously detailed in position questionnaires and first-round audits

Job Audits



Job Audit - Software Engineer

Primary Focus?

- Employee 1: Maintain JeppPlan.com customer data; maintain web server and security; maintain UNIX server (Flight Plan)
- Employee 2: To perform as a user advocate. To "break" software. Act as liaison between user and software engineers; act as clearinghouse between developers and users; organizing results to engineers, testers, etc.
- Employee 3: Maintain/enhance JetPlan engine; use meteorology tools and technology to conduct Q & A; using testing tools/utilities, participating in engineering support groups; archive JetPlan database

Most Complex?

- Employee 1: Maintain UNIX server; troubleshoot customer challenges
- Employee 2: Analyze feedback, determine (best design) for scope, character, process for problem-solving. To select Q & A product assessment team participants.
- Employee 3: Getting into the JetPlan engine, writing Fortran and C.

Salary Survey Results – Part 1

- As an aggregate, Jeppesen's IT minimum is 15.13% **below** surveyed benchmarks

Impact: Jeppesen unable to attract qualified staff at existing minimums; frequently required to hire at or above midpoint; salary inequities result between newly hired and existing staff

Salary Survey Results – Part 2

- As an aggregate, Jeppesen's IT midpoint is 11.72% **above** surveyed benchmarks

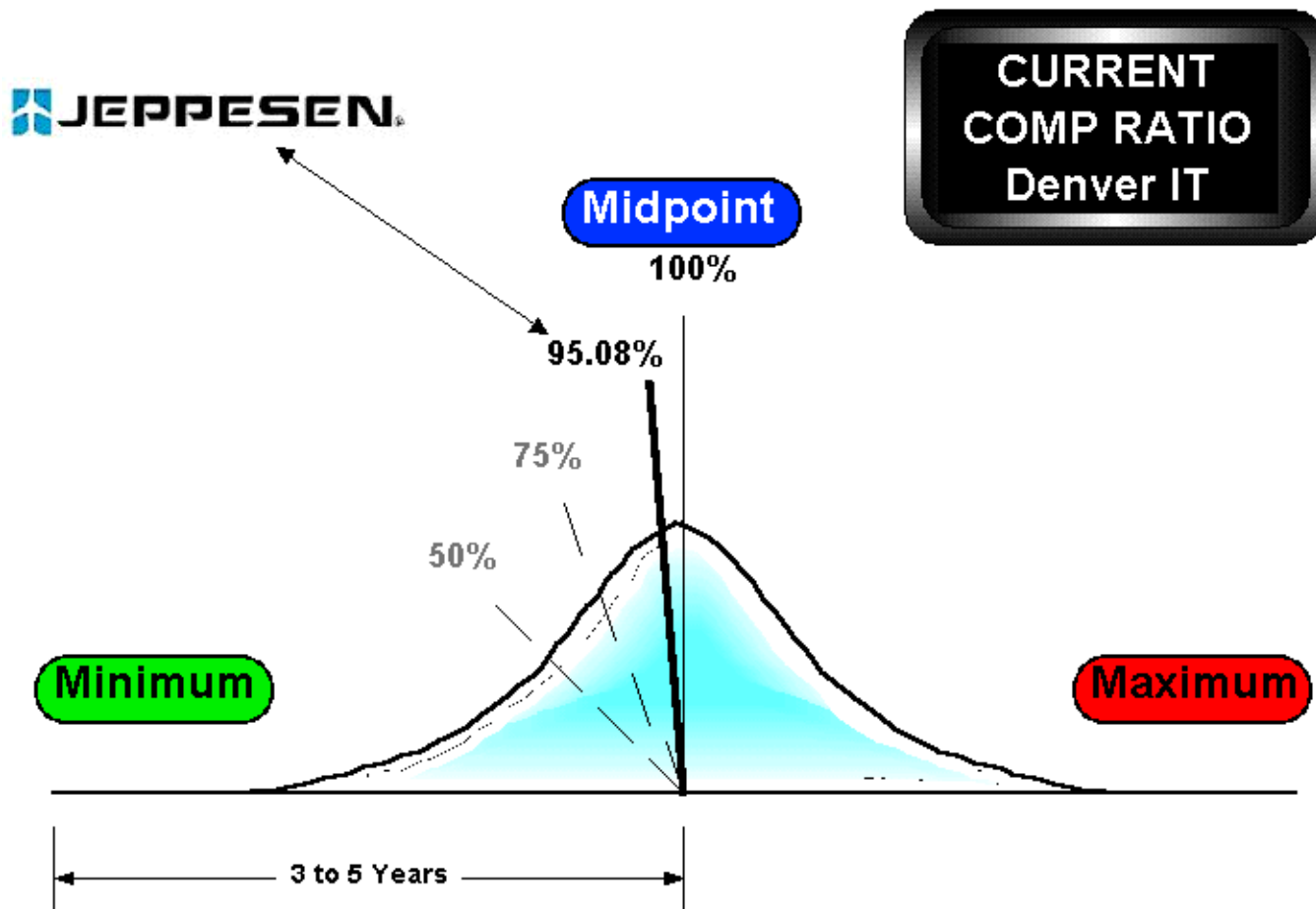
Impact: The average percent of salary range spread (min/max) for benchmark IT jobs in metro Denver is 51.92% - Jeppesen's broadband ranges average 120.13%. Consequently, our midpoints function more as pseudo-minimums than viable midpoints.

Salary Survey Results – Part 3

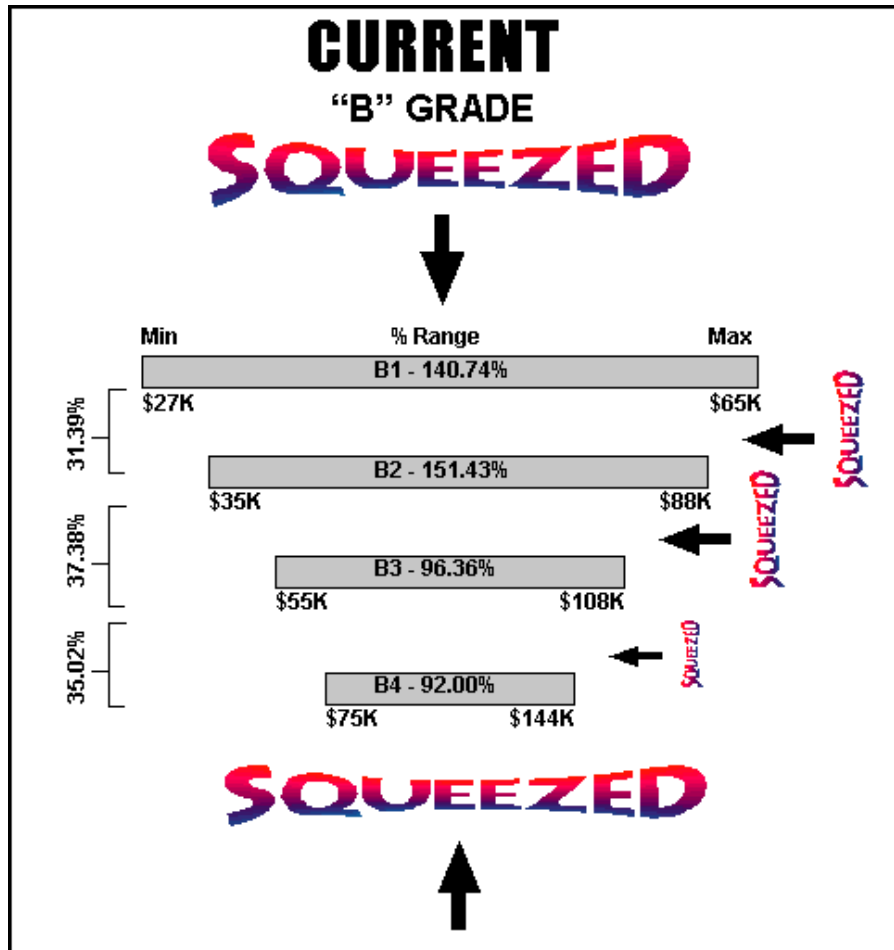
- As an aggregate, Jeppesen's IT maximum is 21.11% above surveyed benchmarks

Impact: Excluding a handful of skewed salary placements, no IT employees are anywhere near the salary grade maximums. For example, the current comp ratio for Denver's IT staff is 95.08% of midpoint!

COMP RATIO



Current Comp Delivery System



Existing and potential Salary inequities: If the Senior Computer Operator (B1) is supposed to be more complex with a higher compensatory value than the Computer Operator (B1) and a Computer Operator Junior (B1) positions – why do they all share the same salary range? Likewise, why does the Project Manager Senior (B3) share the same salary range with the Project Manager (B3)?

Proposed Comp Delivery System

PROPOSED		
“IT” SALARY SCHEDULE		
Min	% Range	Max
	IT 1 - 120.13%	
\$31,085		\$68,428
	IT 2 - 120.13%	
\$35,269		\$77,638
	IT 3 - 120.13%	
\$40,016		\$88,088
	IT 4 - 120.13%	
\$45,403		\$99,945
	IT 5 - 120.13%	
\$51,514		\$113,397
	IT 6 - 120.13%	
\$58,448		\$128,661
	IT 7 - 120.13%	
\$66,315		\$145,978
	IT 8 - 120.13%	
\$75,241		\$165,627

Clearly defined position hierarchy for all career series, configured with separate grade levels to maximize internal equity.

A “grade 5” position is a “grade 5” position company-wide, with locality based pay being the only difference in job design.

Comp Ratio?

Abandon Broadband? - Option 1: Increase current minimum by 15.13%, drop current midpoint by 11.72%, and drop current maximum by 21.11%, then maintain current spread between grade levels [31.39%, 37.38% and 35.02%] which, by default, leaves a 64.96% spread between min/max.

Grade	Minimum	Midpoint	Maximum	CAES*
B1	31,085	42,374	51,279	39,897
B2	40,843	55,675	67,375	67,583
B3	56,110	76,487	92,560	81,505
B4	75,759	103,272	124,975	98,699

* Current Average Employee Salary

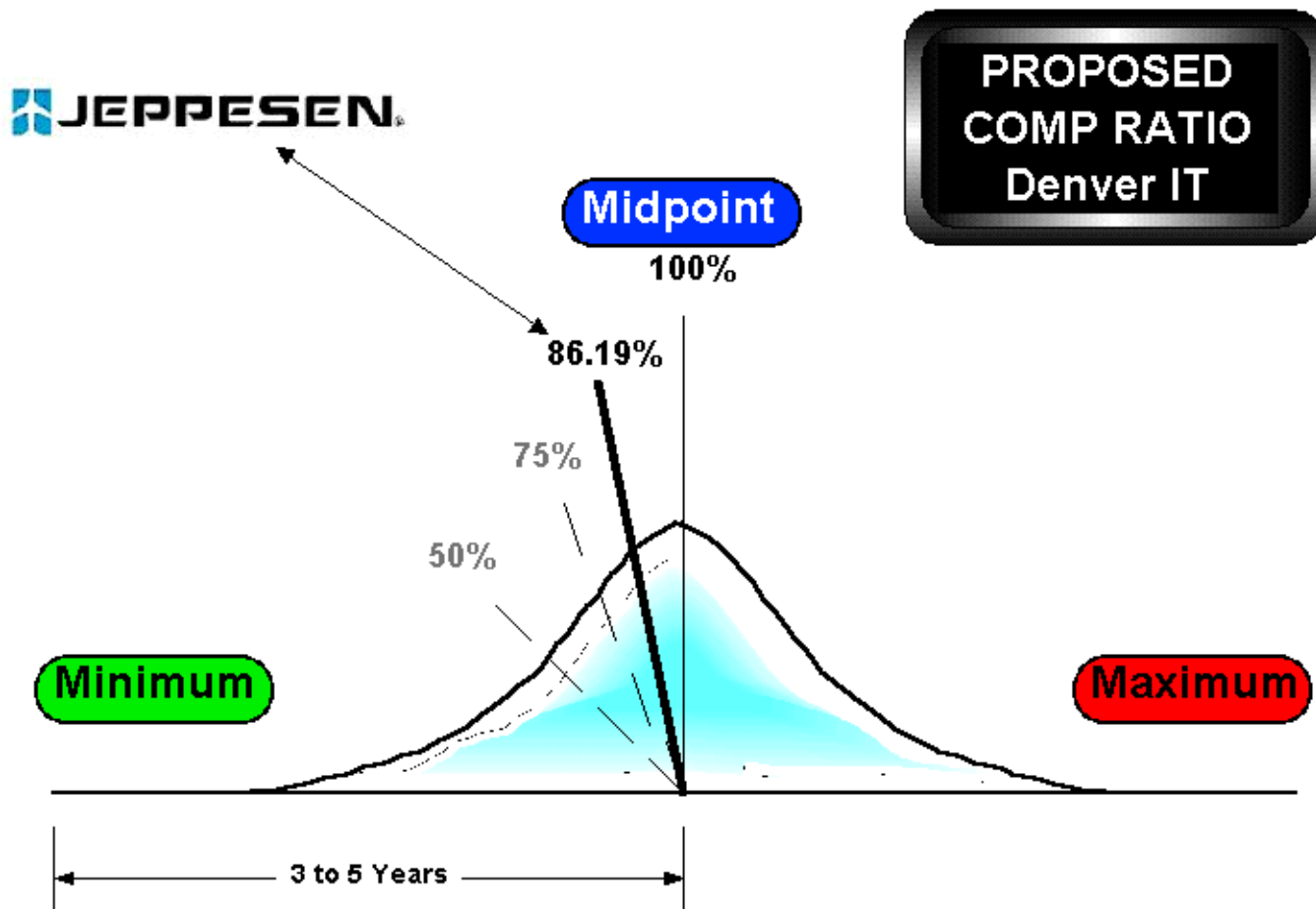
Abandon Broadband? - Option 2: Increase current minimum by 15.13%, drop current midpoint by 11.72%, and drop current maximum by 21.11%, then square-off salary range [13.46% between grades and, by default, a 64.96% spread between min/max].

Grade	Minimum	Midpoint	Maximum
1	31,085	42,374	51,279
2	35,269	48,078	58,181
3	40,016	54,549	66,012
4	45,402	61,891	74,898
5	51,514	70,222	84,979
6	58,447	79,673	96,417
7	66,314	90,397	109,395
8	75,240	102,565	124,119

Locality Based Pay

<u>Occupation Title</u>		Denver	New York	%	San Jose	%	Portland	%
		Mean Annual Annual	Mean Annual Annual	< or > Denver	Mean Annual Annual	< or > Denver	Mean Annual Annual	< or > Denver
1.	Computer and Mathematical Science Occupations	\$68,080	\$72,910	7.09	\$85,520	25.62	\$60,160	(11.63)
2.	Computer and Information Scientists, Research	\$99,640	\$73,380	(26.35)	\$118,570	19.00		
3.	Computer Programmers	\$69,290	\$74,400	7.37	\$84,510	21.97	\$56,890	(17.90)
4.	Computer Software Engineers, Applications	\$77,170	\$84,470	9.46	\$93,860	21.63	\$74,910	(2.93)
5.	Computer Software Engineers, Systems Software	\$77,000	\$75,960	(1.35)	\$97,110	26.12	\$78,880	2.44
6.	Computer Support Specialists	\$51,290	\$54,860	6.96	\$60,630	18.21	\$37,090	(27.69)
7.	Computer Systems Analysts	\$71,050	\$74,890	5.40	\$76,580	7.78	\$64,440	(9.30)
8.	Database Administrators	\$62,060	\$78,040	25.75	\$80,560	29.81	\$60,640	(2.29)
9.	Network and Computer Systems Administrators	\$66,410	\$74,330	11.93	\$76,640	15.40	\$56,080	(15.55)
10.	Network Systems and Data Communications Analysts	\$64,320	\$71,700	11.47	\$76,870	19.51	\$62,710	(2.50)
11.	Actuaries	\$76,110	\$99,810	31.14			\$61,870	(18.71)
12.	Operations Research Analysts	\$59,530	\$62,280	4.62	\$79,820	34.08	\$57,100	(4.08)
13.	Statisticians	\$56,010	\$71,200	27.12	\$65,000	16.05	\$55,630	(0.68)
SOURCE: Bureau of Labor Statistics, May 2003			New York	9.28	San Jose	21.26	Portland	(9.24)

COMP RATIO



Salary Surveys vs. Job Evaluation

B1	JN1225	Bus Rules Analyst, Assoc
	JE3030	Business Analyst, Assoc
	JN4820	Computer Operator
	JN4810	Computer Operator, Jr
	JN4830	Computer Operator, Sr
	JE1330	Config Management Spec, Assoc
	DE0019	Configuration Control Coord
	DN2000	Configuration Control Coordina
	DN0008	Data Analyst
	DE8101	Data Integration Engr, Assoc
	JE8101	Data Integration Engr, Assoc
	JN1017	Document Analyst I
	JN1018	Document Analyst II
	JN1125	Flight Ops Support Spec, Assoc
	JN1288	GSCC Analyst, Assoc
	JN0023	Intranet Web Devel, Assoc
	JN0020	Market Segment Editor

Salary surveys primarily focus only on “BENCHMARKS,” i.e., jobs that exist in great quantity in the market.

Salary surveys do not typically capture unique, new, or evolving jobs – especially for boutique industries.

Job Evaluation

[illegible]

COST IMPACT

- Denver - \$26,545.68
- San Jose - \$2,898.64
- Portland - \$0.00
- New York - \$542.00

TOTAL – \$29,986.32

What do we achieve with implementation?

- **Current and competitive** salary schedules
- **Consistent** position hierarchy, company-wide
- **Updated** job descriptions
- **Reduce/eliminate** salary inequities
- **Empower** IT to evolve jobs and for NNF
- **Positive** impact on other salary schedules
- **Cost effective** strategy to support OD, consistent with comp practices and Boeing

Next Steps

- **Meet with Managers & Supervisors**
- **Fine tuning**
- **Update/create job descriptions**
- **Jeppesen Compensation Committee approval**
- **Employee communication**
- **Performance management and salary administration training**
- **New Salary Schedules (J, IT, M) effective January 1, 2005**
- **Salary adjustments for those who are below the new salary range minimums**

Questions???