FABERNOVEL

New KPIs [Talent]

How to value your talent capital.

Foreword.

Jean-Christophe Liaubet
Managing Partner
at Fabernovel

Fabernovel is pleased to release the second volume of its new KPIs report series. While the digital revolution has induced deep changes in the way value is created and shared, we believe that new glasses are required to monitor companies' performance and assess their competitive advantages.

After dealing with the client value, we now focus in this edition on another critical intangible asset of companies, the human capital, which particularly matters to us.

Since its creation in 2003, Fabernovel has been indeed designed and developed as a talent-first organisation. And we are convinced that beyond Tech companies models that rule on the new economy thanks to their scalable platforms, there is an alternative or complementary value creation path for corporates relying on a "Talent company" model based on engagement and development of singular people and on the synergetic combination of their expertises.

The talent capital remains in our view an underrated asset that is heavily discussed but still not properly analysed and valued. Asset or Liability ? Revenue source or cost center (thus sometimes source of savings especially with automation and robotisation)? The employees status has always been ambiguous. But in the current entrepreneurial era marked by talent shortage, human capital emerges as a key differentiation and sustainability factor as well as a much scarcer resource than tech or money.

We thus believe that this is this time to revisit the metrics supporting the investment, development and valuation strategy of talent, focusing on financial flows approach but also on an asset value logic (factoring in the optionality of future potential developments arising from the quality of the staff base).

Aligning on such a new value framework with the relevant KPIs requires a "new deal" between corporates and talent (notably in a relationship that can go beyond the lifetime of a contract as we developed in our report) but also investors. The future belongs in our view to firms that can find this right balance and make their "human capital" a superpower in terms of attractivity, operating performance and valuation in the new economy.

Talent KPIs.

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What is this document?

This is a document dedicated to presenting Fabernovel's view on the new value creation levers in the digital era and in particular on the talent pillar: why it is a critical asset, how to monitor it, assess it and optimize valuation. This comes jointly with an index to assess one's company maturity on talent capital.

Who should read it?

CEOs and C-level employees from financial, HR, innovation teams, and investors, in order to spread this new approach in the company and push their teams to monitor and assess innovation projects differently. Ideally, this approach should be widely shared inside the company.

What can you expect to learn from it?

This document should give you a good understanding of the new approach of talent as an asset and its definition, and a KPI toolkit to monitor each of its step. It also intends to give you the keys to switch to this approach, including a dedicated tool to assess your own maturity.

Who wrote it?

Fabernovel's teams of experts in the valuation of innovation, some of whom were equity analysts for 10-15 years before joining Fabernovel, combining expertise in both finance and digital innovation.

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The digital era has redefined the way we create, share and assess value creation.

The digital revolution is a value revolution.

The new economy is leading to massive value shifts driven by three simultaneous trends.

Value chain disruption

New models, changing environments, evolving sector boundaries...

Perspectives are blurred.

New value definition

The concept of “value” needs to be redefined: generation of flows vs. development of assets, usage value vs. financial value...

Rising share of optionality in valuation

A company’s biggest challenge then becomes to crystallize optionality.

Valuation is not always correlated to financial performance anymore.

Four trillion-dollar babies, each in its own way.

	Apple's very high profitability	Amazon's strategic vision and exploratory DNA	Microsoft's good earnings and long-term vision	Alphabet's strong growth prospects
Market Cap	**$1Tn** *Reached on 02/08/2018*	**$1Tn** *Reached on 04/09/2018*	**$1Tn** *Reached on 25/04/2019*	**$1Tn** *Reached on 16/01/2020*
=				
Net Income	**$63Bn**	**$13Bn**	**$39Bn**	**$34Bn**
✖				
P/E	15x	80x	26x	27x
	Announcement of very strong financial results and high stock buybacks.	Low profits but a strong strategic vision.	Strong Q1 earning results and trust in Microsoft key role to play in the B2B cloud market.	New CEO appointment (Sundar Pichai, Google) and growth in Cloud business.

In the digital era, new value models have appeared, following new rules.

Vision & Entrepreneurial culture
are key

Customer, talent, ecosystem
3 critical assets & value levers

New patterns of value creation

Think long-term
and accept a J-curve

Immobilism is costly
a lack of transformation can be fatal

One key rule: leverage critical intangible assets & value levers.

Value creation models used to heavily rely on financial leverage and optimisation.

1. **Financial Structure**
2. **Restructuring**
3. **Build up**

The digital revolution allows to unlock value from new additional levers.

1. **Client**
2. **Talent**
3. **Ecosystem**

Resulting in positive impacts on

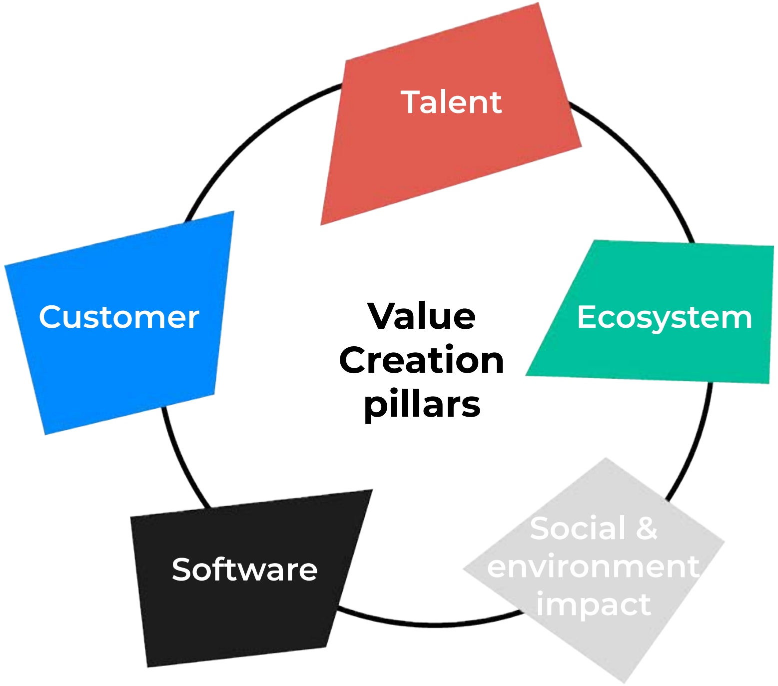
- Innovation capacity
- Product / Service offer
- Level of capital employed
- Long-term growth

Companies need to adopt a stakeholder-centric approach to ensure long-term growth.

The valuation approach in the new economy needs to

Integrate all drivers for value creation
Provide a 360° vision of businesses.

As to ensure **long-term growth** for the whole Ecosystem companies must find an equilibrium that preserves the interests of **all stakeholders,** and embrace longer-term strategy.



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Switching from a cost to an asset approach.

New KPIs

Contradictory perspectives from companies today.

Companies see talent as one of their major strategic challenges today...

> "Gartner survey shows global talent shortage is now the top emerging risk facing organizations."

...yet it is not really monitored and valued as a strategic asset.

A contradictory and diverse approach to talent.

1

A lack of investment in talent.

2

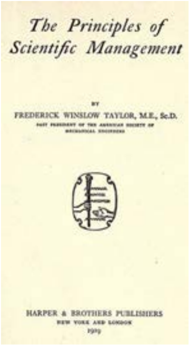
Talent, an ancillary element in reporting, monitoring and valuation.

3

Even though stakeholders' mindset has evolved towards an approach of value creation integrating talent.

Traditionally, talent is seen as a cost factor.

1 A lack of investment in talent capital


The Principles of Scientific Management

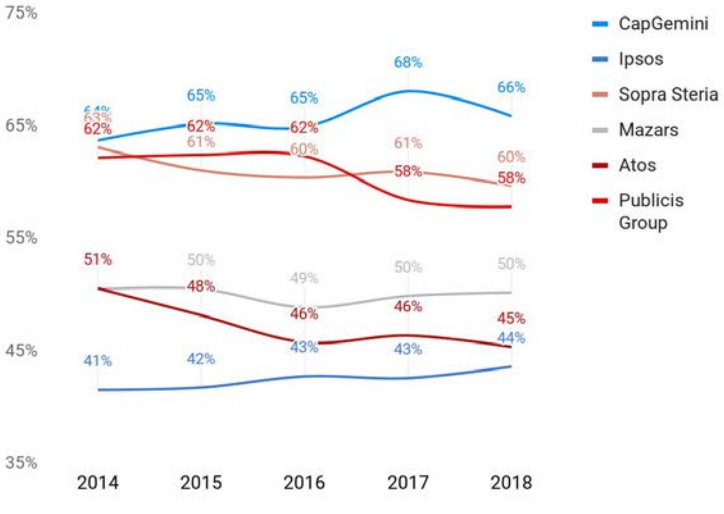
FREDERICK WINSLOW TAYLOR, M.E., Sc.D.

HARPER & BROTHERS PUBLISHERS

Talent is traditionally considered as **a source of cost that could be optimized**, leaving behind assessment of return on investment in this resource and value creation.

Productivity theories focused on efficiency and gain of time.

Talent resource, a driver for operating leverage



In people businesses, few companies have been expanding the ratio “employee expenses/revenue”. Only CapGemini & Atos saw their operational margin increase.

Which reflects on reporting, monitoring and valuation approach.

2 Talent, an ancillary element in...

External reporting

Today, listed companies report information related to
- **Cost & pensions**
- **Working conditions, diversity and engagement**

to comply with IFRS, Gaap and CSR* reporting regulations on costs and compliance only.

Valuation methods

Most investors' models remain centered on **financial flows** based on a product approach, especially since few talent metrics are available.

Performance monitoring

Today, top management incentives are still mostly based on **operational** and **performance** KPIs.

***EU directive (French 2017-1180 ordonance) on "Extra-financial performance declaration"** is an additional step towards integrated reporting, requiring information on social, environmental impact, Human Rights and anti-corruption measures, including:

"Collective agreements concluded within the company and their impact on the economic performance of the company and on employees' working conditions; and actions to combat discrimination and promote diversity."

(Risks, initiatives, results and KPIs).

Stakeholders' mindset is evolving to integrate talent as a strategic focus.

3 Integrating talent in…
…Company strategic vision

Capgemini FY19 Results presentation

…and even P&L

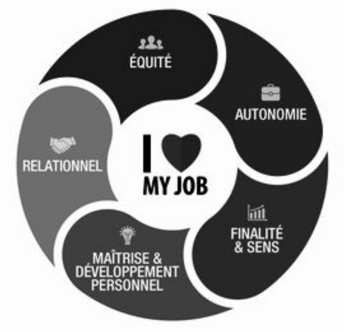
Infosys annual report 2008

APPLICATIONS OF FUNDS		
Fixed assets		
At cost	5,439	4,642
Less: Accumulated depreciation	1,986	1,836
Net block	3,453	2,806
Add: Capital work-in-progress	1,324	965
	4,777	3,771
Intangible assets		
Brand value	31,863	31,617
Human resources	98,821	57,452

…Investors strategy.

Happy@Work fund adopts a long-term investment approach (3-5 years), relying on the premise of a correlation between talent and performance.

Assessment is based on 5 key pillars:



Resulting in a global overperformance of the fund in the long run (vs. benchmark).

Which reflects on reporting, monitoring and valuation approach.

Top management incentives are mostly based on financial KPIs...

When looking at CAC 40 compensation practices (CEO & Top Executives mostly),*

100% of companies include financial criteria in management compensation plan
weighing on average 77% of total compensation.

...though companies are more & more integrating extra-financial component in top management incentives.

72% of companies include extra financial criteria
in management compensation plan *(social & environmental impact, innovation, customer, talent)*

58% of companies include at least one talent-related KPI
in management compensation plan *(recruitment, training, satisfaction or engagement)*
Still, this criteria remains of low importance in remuneration (8% on average) .

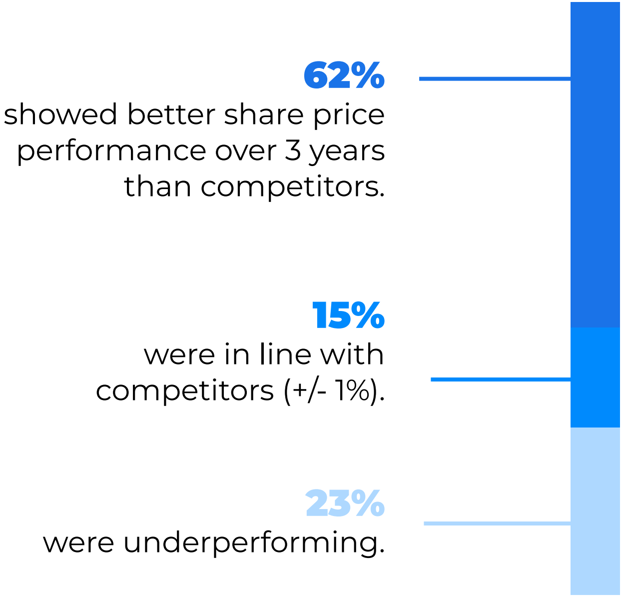
A few inspiring good practices...

*Based on Registration Documents

A call for a change in paradigm.

Indeed, some elements hint at a link between talent and valuation.

Among a worldwide panel of listed companies (all industries), when looking at **the top 15 found to be the most loved by talent** (such as Cisco, Hilton, Salesforce, Workday, Roche, Intuit…*)
and comparing **stock price performance vs. their sector** (over the past 3 years):



Although some other factors definitely play a role in stock overperformance, these results suggest a link between a talent strategy and its impact on valuation.

Sources: *greatplacetowork.com
** Fabernovel estimates

More than a cost, talent is effectively an asset driving value creation.

As talent can impact both earning generation and optionality.

Valuation

Valuation represents the total value of the assets of a company, or the sum of its market capitalization and its net debt.

=

Earnings

- Revenue boost / new streams
- Operating efficiency
- Better time & skills allocation

TALENT

✖

Multiple

- Trust & magnetism
- New optionalities
- Sustainability of the business model
- CSR incarnation

TALENT

Looking at talent as a driver of performance.

A driver of efficiency.

MOLSON Coors

Molson Coors has invested in strengthening employee engagement.

1 Engaged employees are **5x** less likely to have safety incident vs. non-engaged.

2 For an average cost of a safety incident of **$63** vs. **$392.**

3 In 2002 the company saved **$1.8m** in safety costs.

A driver of recovery.

intuit.

When engagement level dropped significantly in its Contact centers in 2003, Intuit answered with more training & flexibility.

1 **+16%** in engagement scores after 2 years.

2 **15%** revenue growth (best rate vs. past 4 years).

3 **300%** stock rise (> Dow Jones, S&P500, Nasdaq rise).

A strategic asset to rely on.

UBISOFT

Ubisoft management mobilized talentpool against Vivendi hostile takeover, to protect company's independence:

1 By leveraging talent attachment to the brand and management.

2 Opposing resignation threat from some creative directors.

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Switching to this asset approach requires “new glasses”.

Traditional Economy
Cost optimization approach of talent
Focused on **cost-effectiveness only**

Vs

New Economy
Asset investment approach,
aiming at more **value creation**

From skillset…
Market-centric economy.
Matching talent skills with organization’s needs.

…to infinite onboarding
Customer-centric economy.
Fostering creativity and continuous upskilling to answer future customer needs.

From planned innovation…
Innovation is fostered by R&D employees.
Causal thinking.
Siloed organization (by unit, value chain stage).

…to intrapreneurship & open innovation
Every talent is expected to experiment and innovate.
Test & learn and agile approach.
Transversal organization, cross-functional projects and peer-to-peer learning.

From Human Resources…
Investment in hiring & compensation.
Top-down management.
Enclosed talent pool.

…to Talent Company
Framework of investment and ROI assessment.
Co-construction, value sharing.
Talent ecosystem in the gig economy.

A switch all the more necessary as

Talent is a critical factor

in all aspects of company development (from hyper growth to transformation),

And a potential answer

to strategic issues faced by companies.

Talent, the N.1 resource to support hyper growth.

In a context of talent shortage.

More than funding, the most scarce resource to fight for in young companies is talent.

Some quick math.

€5.1 Bn **Funds raised by French startups in 2019** *(Eldorado)*	×	**2/3** **Of funds raised allocated to increase in payroll** *(Ignition Program)*	÷	**€56 000** **Average salary in startup** [gross salary + employer charges] *(Ignition Program)*	=	**60 714** **New startup jobs** for business & tech profiles.	**VS**	**79 000** **Digital professionals shortage in France in 2019** *(Pole Emploi)*

An element VC companies look at closely, and that could burst the startup bubble with talent scarcity leading to **execution deficiencies and growth slowdown.**

But as companies get bigger, this focus is often left behind and less valued.

USE CASE

A constant investment in talent to accelerate growth.

Mano Mano

- **In 7 years, became the European leader for Online DIY and Gardening products and services.**
- **From 7 employees in 2013 to 480 today.**
- **300€ million raised, including 125€m in 2020**

KPIs and reporting

- **Quarterly Engagement surveys**
- **Recruitment (#hires)**
- **Onboarding NPS**
- **% training and % mobility**

"ManoMano's value is made by its talent: they are preparing the future. It's a constant investment."

Valuing talent in a context of hypergrowth

For Mano Mano, human & business pillars are **interdependent**.
The company has focused on creating a fulfilling environment in which talent can grow.
To scale projects for today and tomorrow, the key is to make every employee responsible and actor of his./her career.

In 2019, the company recruited 30 profiles with more than 10 years of experience in their fields.
Youngest newcomers have a strong engagement rate.

Finding the right (tech) talent in a competitive environment

ManoMano invested in new offices and brand awareness in the startup ecosystem to attract the best talent.
ManoValues ambassador program enables to assess the cultural fit of the candidate with their values.

Mano Mano's employer promise is a real lever in attraction, recruitment and retention.
+ 200 talent in 2019

Upskilling and closing potential skills gaps

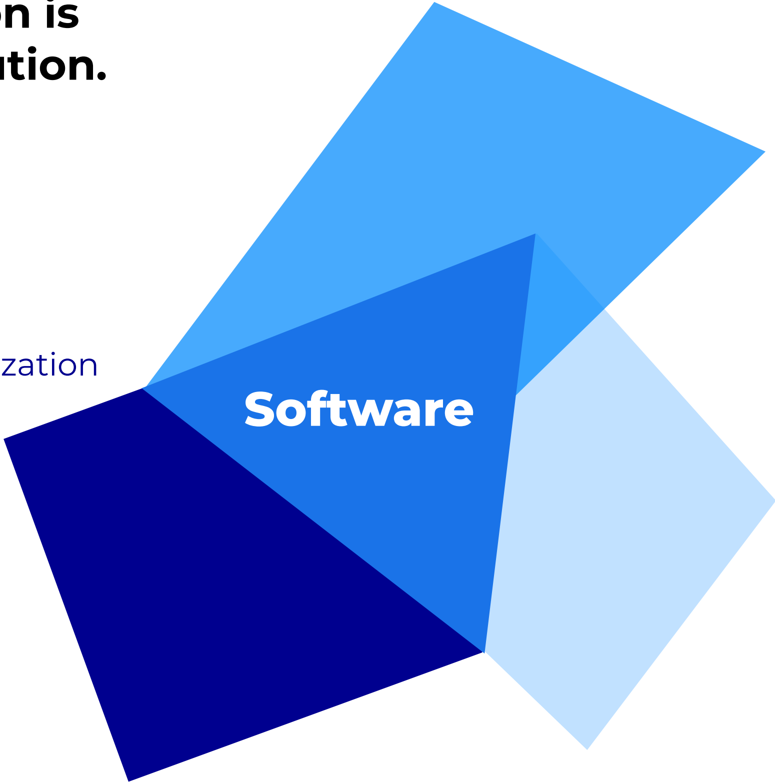
Mano Mano created a learning organization: knowledge sharing from employees and communities, Crafternoons (learning afternoon for tech community).
This goes with a strong career accompaniment and mobility programs.

55 internal and geographical mobilities in 2019
> 150 people involved in the crafternoons, over 50 topics explored since the launch in December 2019

As “software is eating the world”, incumbents are transforming.

An evolution that relies on 3 key pillars.

The digital revolution is also a culture revolution.



Business model
Build a stakeholder centric strategy and monitor with new KPIs.

Organization & Culture
Create an agile organization with transversality and right to fail.

Technology & Data
Edit your own software
Build data-driven decision process.

Talent, the key pivot of this transformation.

What hinders a successful transformation often relates to talent pool.

Transformation means challenging the legacy.

→ requires a **mindset shift** beyond technologies to accept change and question legacy.

Most business models evolve towards more customer-centricity.

→ requires from talent to adapt to new customer expectations and UX, via a **new talent experience.**

Implementing & scaling innovative initiatives.

→ requires new **skill set** complementary with business expertise.

A necessity to accelerate pace of innovation.

→ requires agility and velocity, with a risk of creating **different speeds** due to various levels of maturity.

This transformation comes with a tension.

Recruiting highly-skilled employees

- A difficulty to attract the best profiles in a context of a global talent shortage in technology.
- The need for an "infinite onboarding" to attract and retain.
- A scarcity of "mixed profiles" who can fulfil all the needs of the company.

Upskilling existing employees

- The need to invest in training and culture shift towards agility & change.
- A necessary lapse of time to accept change and challenge legacy.
- Key technical skills that may still be missing.

USE CASE

Changing talent organization, a necessary step to achieve transformation.

P&G's transformation triggers

1 Evolution of consumer priorities and usages.

2 Risk of disruption from DTC brands.

3 Decline in traditional advertising reach triggering a necessity to innovate.

To face these challenges P&G has played on its brand portfolio but has also implemented a major change in talent management and allocation of resources.

Culture & and organization as key drivers of transformation

Re-internalization of competencies to accelerate its digitization (ex: in-house media planning, creative & production).

> **Reinventing advertising means reinventing agency partnerships, moving from brand people who outsource too much of their work to brand entrepreneurs".**
>
> **Marc S. Prichard**
> Chief Brand Officer, P&G Co

From managers to coaches
P&G simplified its **performance review process** - separating evaluation from development discussions (establish employees' priorities and goals, provide feedback, align career aspirations with business needs…).

Reinforcing engagement
Launched a **recognition** program called **Power of You.**
— Employees who are recognized **score higher on engagement** surveys.
— People who received awards were **33% less likely to leave P&G**.

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USE CASE

Changing talent organization, a necessary step to achieve transformation.

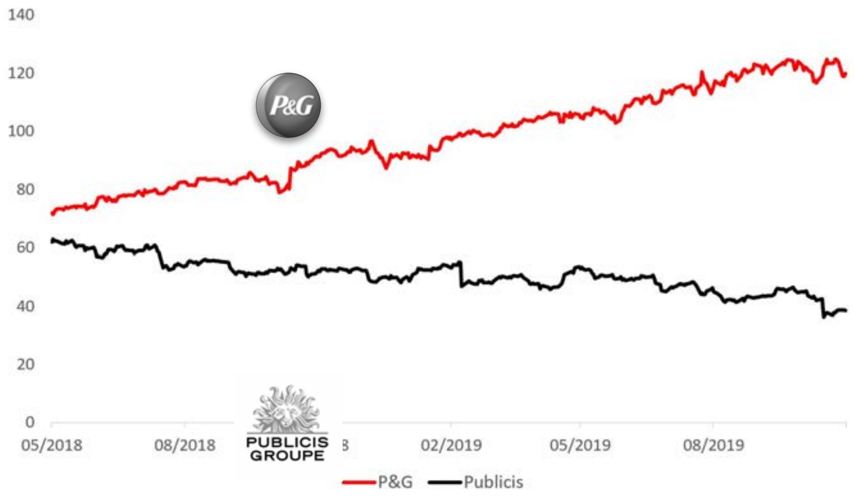
Adopting a global approach of digital transformation by redesigning both brand portfolio and organization has proven to be a winning strategy:

+67% share price performance over 18 months.

Rise in sales after 5 years of decrease.

Share multiples rerating fuelled notably by the shift towards digitalization and re-internalization of competencies.

Share price performance *(over 18 Months, local currency)*



As P&G and other major companies relied less and less on agencies such as Publicis (P&G was their first customer for a long time), Publicis' share price decreased steadily.

*Source: Yahoo Finance, as of 31 October 2019.

USE CASE

A culture shift to transform the social model.

The Maif Digital Transformation plan has relied on culture and organization.

MAIF

An ambitious 2015-2018 strategic plan to develop an **agile and innovative social model.**

To achieve this goal, an **organizational shift** was launched in 2016, focusing on innovation capacity and agility of teams.

1. **Meaning and shared purpose.**
2. **Trust and allowing initiative.**
3. **Horizontal work environment.**

& profit-sharing calculated based on talent indicators.

"Managing by Trust"

Talent attractivity

+400 new hires 2015-2018 (in a context of network concentration).

Top 500 best employers in France for 5 consecutive years.

Talent engagement

- 25% absentee rates since 2015.

94% of interns are ready to recommend MAIF to a friend.

To attract more customers

Customer attractivity

+165 000

new customers between 2015-2018

Revenue growth

+10%

revenue between 2014-2018

(**+4% 2010-2014)**

At the heart of this talent strategy is the symbiotic relationship between talent and employer.

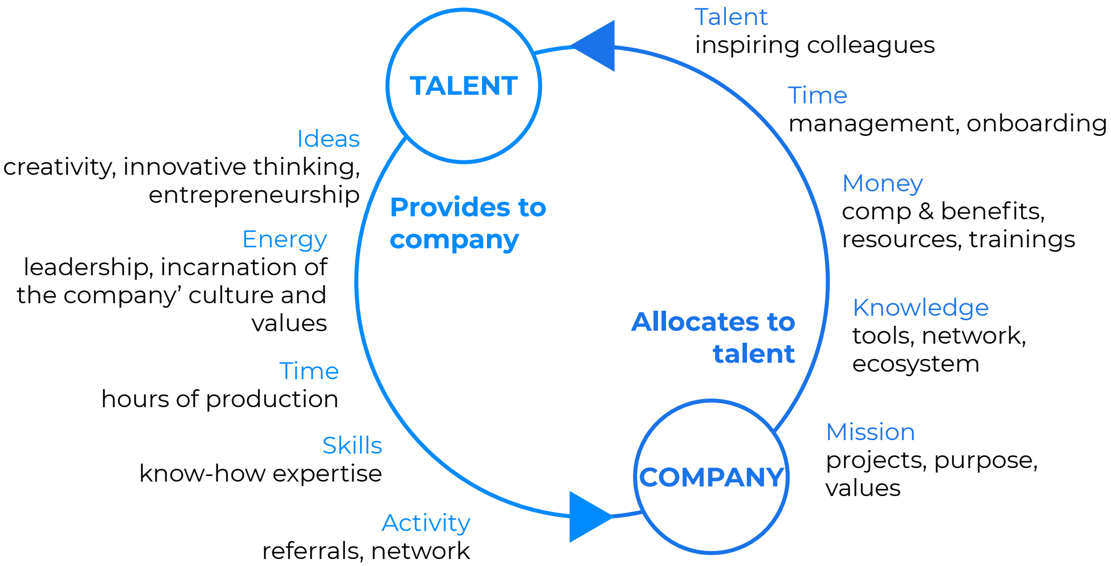
Building a shared value model that fulfills needs and expectations.

In a world of rising tech and AI capacities, human factor still brings key added value to reinforce:

Vision
through engagement, leadership

Execution
through velocity, quality

Innovation
through creativity, risk-taking



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2

How to measure value of this intangible asset?

Assessing talent as an asset requires new methods to measure return on investment and value creation rather than costs.

New KPIs

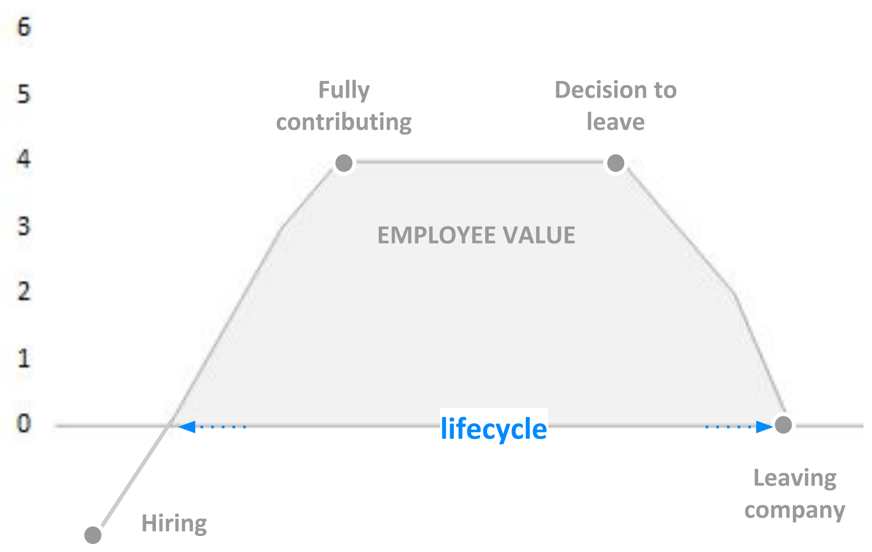
Similar to Customer Lifetime Value in a customer approach, **Employee Lifetime Value** developed by Greenhouse encompasses the global value each talent brings to the company over time.

Though it has not been adopted by companies yet, this emerging metric highlights the **positive impact of investing in talent asset** and the **levers to increase talent value**.

USE CASE

Employee Lifetime Value, the "gold standard metric".

Developed by Greenhouse, to measure value creation of a talent.



Employee lifetime value

Measures the **Total net value over time** that an employee brings to an organization **while working there.**

ELV = ∑ costs + ∑ monthly effective margin

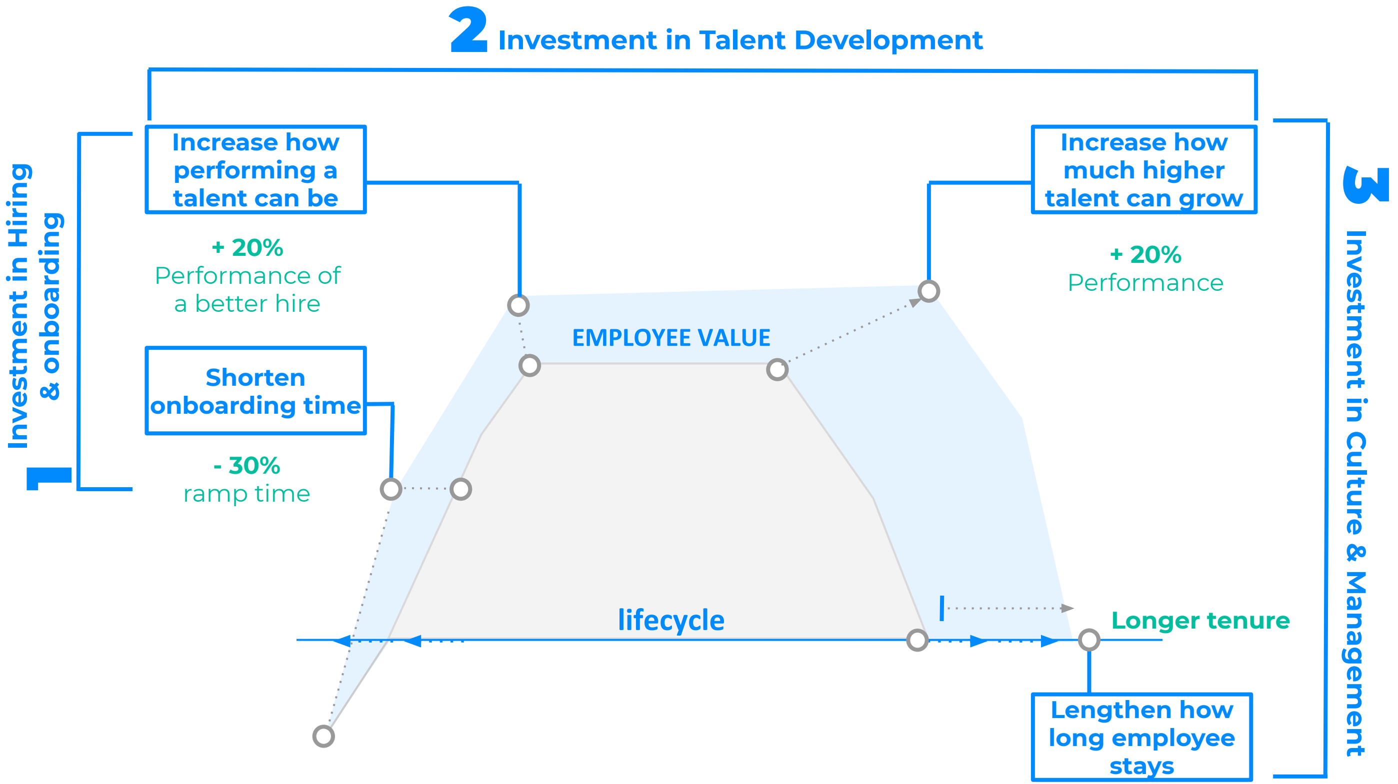
- ∑ costs: Hiring, training, Onboarding, Departure, culture & management
- ∑ monthly effective margin: Value production (% staffing, Daily rate / G&A, wages)

→ **Highlights the ROI of investment in talent**
→ **Measures value creation of talent**
→ **Identifies levers of talent value creation**

Greenhouse Employee Lifetime value - Maia *Josebachvili* (Greenhouse is an american leading hiring software).

Employee Lifetime Value, the "gold standard metric".

Investing in talent: a strategy that pays off.



Calculation by Greenhouse on Employee Lifetime value *(Medium, Maia Josebachvili).*

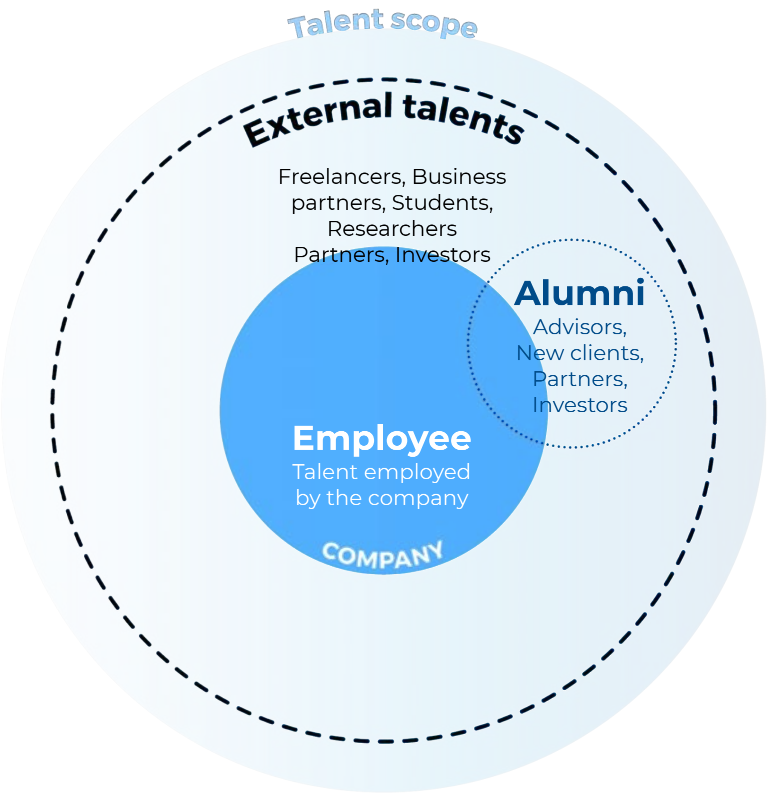
Talent definition can be enlarged beyond the concept of an employee within a company.

A talent-centric organization reaches talent beyond its internal organisation limits and benefits from them.

The talent scope encompasses all who contribute to an organization's development and value creation, by their work or inputs, beyond a business relationship.

The talent lifecycle lasts beyond the time spent within the company.

Consider an ecosystem of talent rather than an enclosed structure.



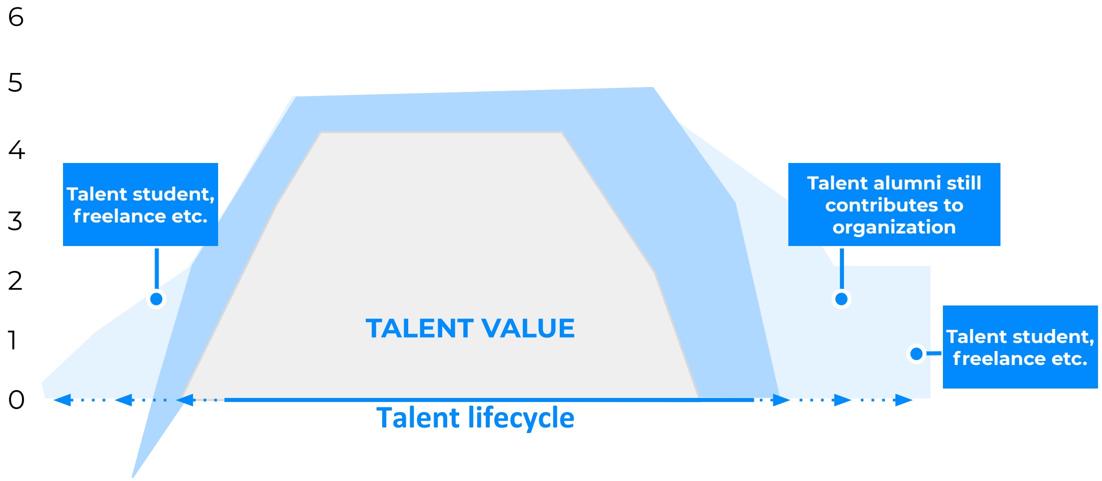
External talent
Refer new talent, generate lead, contribute to reputation and brand building, conduct research.

Employee
Generate new ideas
Contribute to projects
Embody the company.

Alumni
Become ambassadors and contribute to reputation, generate talent & client leads.
Become partners (investor, venture associates, new clients etc.).
Collaborate as freelance.

Thus enlarging the scope of talent value assessment.

From Employee Lifetime Value to Talent Infinite Value.



Talent Infinite Value

Based on ELV, the TIV takes into account **a potentially infinite relationship** between a talent and an organization that begins **before hiring** and lasts **after departure**, based on new ways of collaboration other than employment contract.

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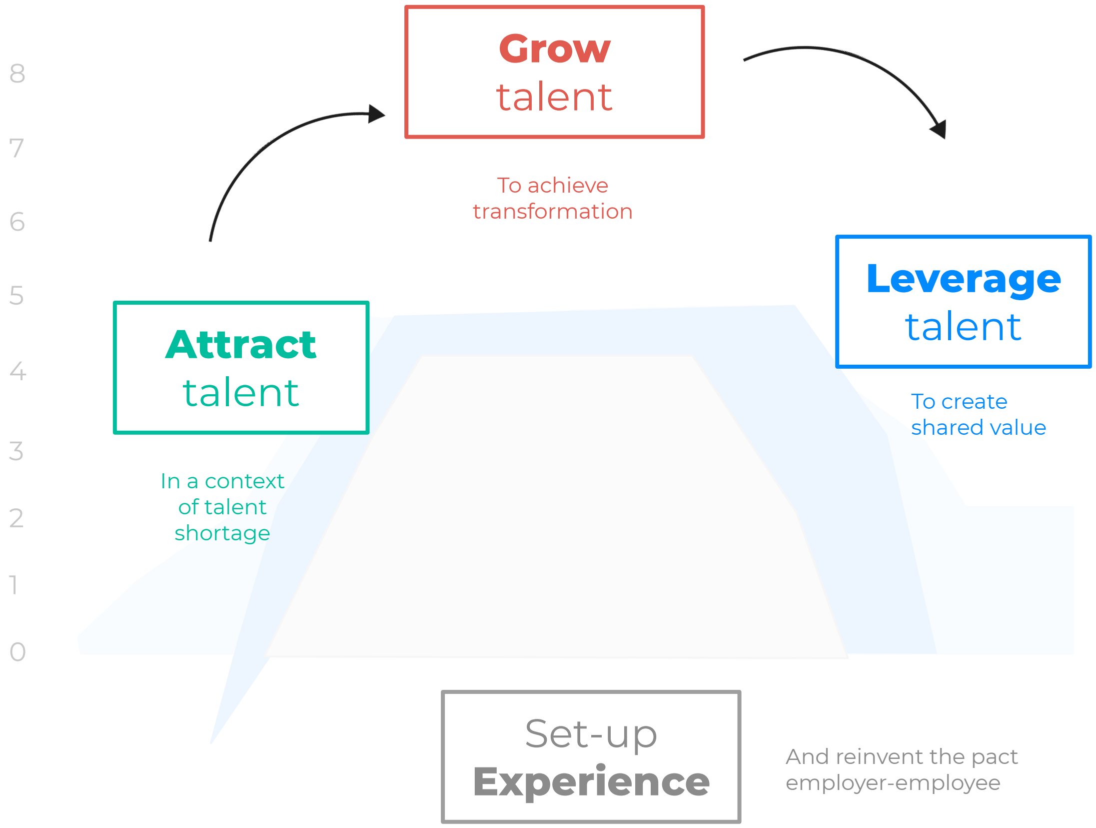
Four key challenges for talent-centricity emerge.



Four main areas to focus on when monitoring and assessing talent asset.

3

New reporting approach, new KPIs.

4 areas of reporting to focus on.

Attract
How to **identify & attract** a one of a kind team of talent?

Grow
How to **nurture** talent & continuously **grow** your pool of talent.

Leverage
How **to create value** For the customer, the company & the talent?

Rely

Drives

Set-up Experience
How to **provide** the best experience for talent?

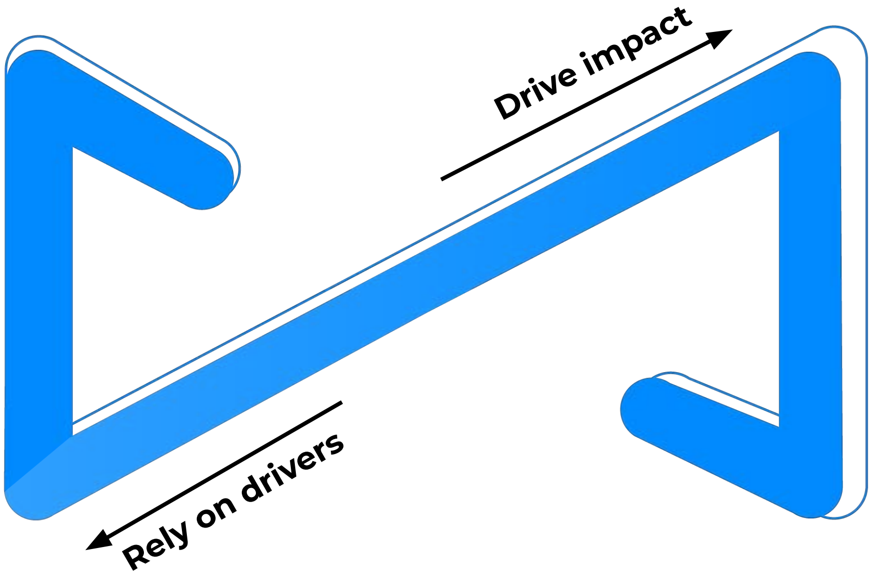
[Methodology] Different levels of analysis.

2 typologies of KPIs mapped.

Drivers

What levers of action
to improve talent asset?

What KPIs
to monitor it?



Impact

What objectives and results
To target?

What KPIs
To assess evolution?

Identify & attract a one-of-a-kind team of talent.

Attract

Drive impact

Key questions to monitor drivers of improvement

Drivers KPIs

How **appealing** is my company brand?

Glassdoor rating

How open is my **talent ecosystem?**

Nb of events for company alumni per year

How strong are my **recruitment capacities**?

Level of personalization of recruitment process

& many others on KPI table

Key questions to assess impact.

Impact KPIs

How **magnetic** is my company for talent ?

Nb of applications per job

How **singular** is my pool of talent?

Nb of acknowledged field experts

How wide is the **scope** of my talent ecosystem?

Nb of business partnerships led with alumni

Rely on drivers

USE CASE

A better recruitment for better retention and performance.

A lack of cultural fit is often a cause of resignation & turnover.
Amazon puts a special emphasis on recruitment metrics follow-up in order to ensure talent fit with their 14 leadership principles.

amazon

Profiles	% of female candidates met for a job % of graduates coming from Tier One Universities
Evolution	Nb of hours of training per employee Time spent at a same position
Welfare	Satisfaction regarding the manager / the work / the team(reported regularly to CEO Jeff Bezos)
Productivity	Ratio Time spent on a project / time billed to client Hourly rate per day
Talent acquisition	Average Time to fill a job vacancy (time-to-hire) Attrition rate

1 **Customer Obsession**
2 **Ownership**
3 **Invent and Simplify**
4 **Are Right, A Lot**
5 **Learn and Be Curious**
6 **Hire and Develop the Best**
7 **Insist on the Highest Standards**
8 **Think Big**
9 **Bias for Action**
10 **Frugality**
11 **Earn Trust**
12 **Dive Deep**
13 **Have Backbone;**
14 **Disagree and Commit**
15 **Deliver Results**

Nurture and continuously grow your pool of talent.

Drive impact

Key questions to monitor drivers of improvement

Drivers KPIs

Do I manage to best **onboard and create connexions**?	*Nb of team building events*
How much do I **empower** talent?	*Nb of feedbacks given/received per month*
Do I manage to create an **infinite learning path?**	*% of talent pool trained each year*
What learning **gameplay** do I provide?	*Nb of knowledge management tools*

& many others on KPI table

Key questions to assess impact.

Impact KPIs

What **career path** do employees follow?	*Nb of positions held per talent*
What is the level of **talent development?**	*Nb of new skills developed*
What is the level of **collective development?**	*Nb of cross-units projects developed*
What is the level of **talent-to-market fit?**	*Nb of new offers developed with success*

Rely on drivers

USE CASE

Varied learning initiatives to answer strategic priorities.

criteo

Evolving challenges

After 10 years of rapid growth, Criteo faced in 2018 a growth slowdown and a need to refocus its strategy.

Leading to one main challenge: develop new competencies fast on topics further away from their historic offers.

A varied mix of training tools to answer this challenge.

1. **Instructor-led training: 25,426** hours, **49%** of which are backed by attendance sheets or training certificates.
2. **Online training**: **9,957 hours** on specific topics (data science, digital marketing, soft or business skills, language skills...)
3. **Peer-to-peer and social learning**:
   - **"9:30"** or **"learn and lunch"** initiatives with an informal knowledge-sharing session from subject matter expert volunteers.
   - Criteo **"Confident Communicator Club"**, an internally led initiative to help improve presentation skill.
   - **"Machine learning boot camp".**

IN-CLASS TRAINING	TRAINING HOURS	INCLUDING HOURS BACKED BY EVIDENCE	AVERAGE TRAINING HOURS PER EMPLOYEE	AVERAGE TRAINING HOURS PER TRAINED EMPLOYEE	% OF TRAINED EMPLOYEES
APAC	**3,298**	**2,210**	**17.3**	**15.6**	**111%[3]**
Criteo Singapore Pte. Ltd.	1,225	1,050	17.0	15.5	110%
Criteo KK	2,073	1,160	17.4	15.6	112%
Americas	**6,392**	**3,237**	**8.1**	**17.7**	**46%**
Criteo Corp	4,827	2,027	6.8	16.4	41%
Criteo do Brazil LTDA	1,565	1,211	21.1	23.0	92%
EMEA	**16,107**	**7,034**	**10.2**	**19.1**	**54%**
Criteo Europa S.L.	5,842	981	17.9	18.4	98%
Criteo Ltd	731	475	6.8	16.2	42%
Criteo S.A	7,765	4,759	8.4	21.4	41%
Criteo GmbH	843	536	9.5	19.1	49%
Criteo France SAS	556	284	5.5	14.6	38%
TOTAL	**25,426**	**12,481**	**10.1**	**18.2**	**55.5%**

Source: Criteo 2018 CSR report

Grow

Create value for the customer, the company & the talent.

Drive impact

Key questions to monitor drivers of improvement

Drivers KPIs

Is my **organization** in adequation with my strategy?

% of talent pool embracing vision

How strong is my **business development** capacity?

Daily rate of talent vs. market

& many others on KPI table

Key questions to assess impact.

Impact KPIs

What **value premium**?

EBITDA/talent

What is my **cost** related to talent?

Departure cost

How much **value** is created for **stakeholders**?

Talent Infinite Value

Rely on drivers

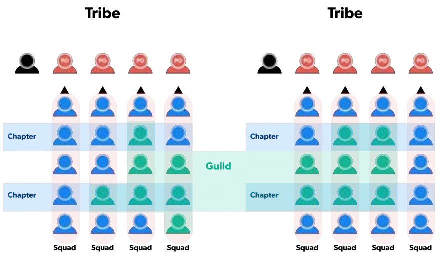
Leverage

USE CASE

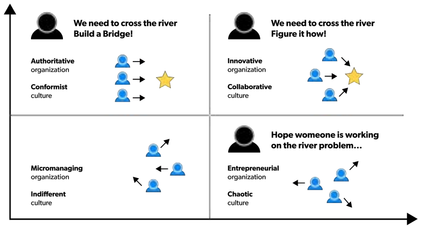
Organizational shift to leverage talent singularity.

Spotify's

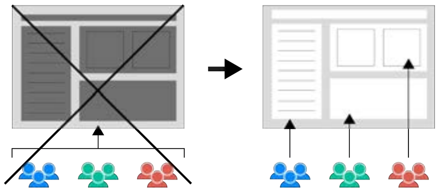
Organization evolved with company hypergrowth to set a new model of collaboration, from scrum to squads, **to better value the larger pool of talent and remain at the edge of innovation and agility.**



An organization made to scale up agility while retaining direction.



Autonomy and alignment are two key values for it to work.



Adapted to business needs: squads make small and frequent releases.

Infosys *(Indian ICT services)*

Has assigned a value to its entire workforce since 2008 and adopted the Lev-Schwartz human resources accounting model, that highlights the firm's commitment to investing in employees.

Revenue per Employee

	Mar 31, 2019
Revenue per Employee - Consolidated	54.0

Provide the best experience to talent.

Drive impact

Key questions **to monitor drivers of improvement**

Drivers KPIs

How much **purpose** does the company convey? — *Attractivity of the mission statement*

How much does the company provide **care**? — *Nb of medical check-ups offered to talent*

Is **reward fair** ? — *Employee sense of recognition*

How **inclusive** is the company? — *Number of internal diversity initiatives implemented*

& many others on KPI table

Key questions **to assess impact.**

Impact KPIs

What sense of **fulfillment**? — *Talent NPS*

How **engaged** is my pool of talent? — *Sense of community Index*

How well do I manage to **retain** talent? — *Turnover rate*

Rely on drivers

Experience

USE CASE

Making talent experience a priority.

ACCOR

Launch of the HEARTIST journey

Cultural transformation launched in **2017**.

Purpose
“Connecting hearts all around the world”.

By focusing on experience of customers and employees.

- 180 ambassadors and “transformers”.
- Feeling Well@Work committee.

- **Group engagement index is factored into managers’ bonuses since 2016.**

HEARTIST JOURNEY

HEARTIST Impact

Investing in talent experience led to:

77% Employee engagement & well-being score (2017, +5 pts yoy).

81% CSR index in 2017 (employee satisfaction on CSR policies).

Winner of **Worldwide Hospitality Awards** - category HR (Nov. 2018).

Objective **35%** women as hotel general managers by end-2020.

1 891 Hotels teams trained & engaged.

91% of employees attended a training course in 2017.

“Customers judge the performance of our hotels; **our employees are the day-to-day players**: it's up to us to release their energy and facilitate their initiatives. It's up to us to provide them with continuous learning opportunities.”

Arantxa Balson,
Managing Director
Talent & Culture

2019 All strategy

“Strategic Priorities in our new asset-light model”

- **Talent & culture**
- Distribution & loyalty
- Brands

FY 2018 results presentation, Investor Day Nov. 2018, Annual report 2016

Experience

Integrate KPIs to your daily reporting and monitoring.

Improve talent management internally thanks to new metrics.

FABERNOVEL

internally

Develop
& monitor talent pool
To better distribute skills, optimize talent asset and measure performance.

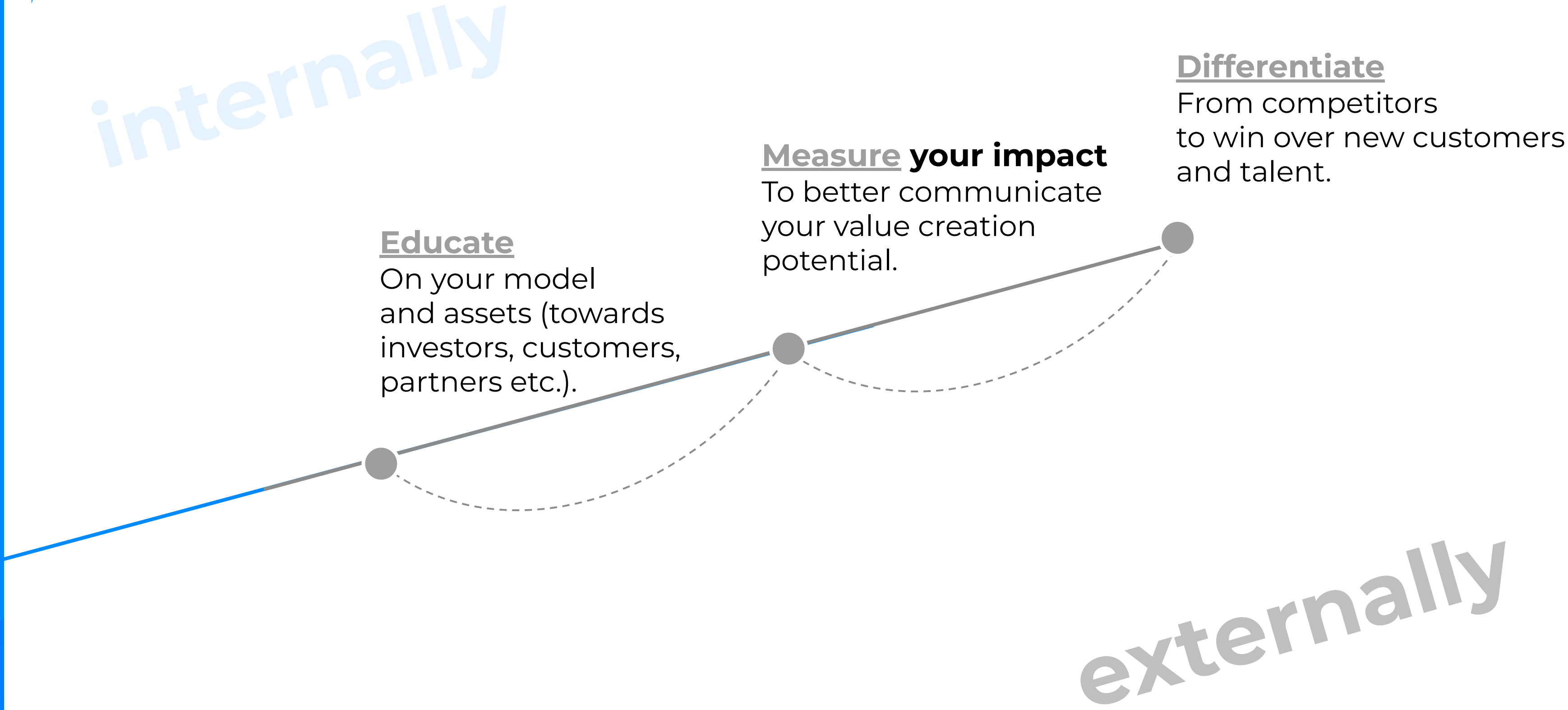
Adapt internal processes and anticipate needs (recruitment, training, mobility) via a real time vision on data and a framework to monitor investment.

Consolidate the corporate culture
To create commitment (listening to individual, personalizing the talent path).

Confirm your vision & transformation path
and communicate it internally.

externally

And value talent asset externally to stakeholders thanks to new metrics.



Adopt a talent-centric mindset.

To each company its KPI.

A focus on one or a few KPIs

adapted to your strategy, your objectives and your stage of growth.

A complementary approach

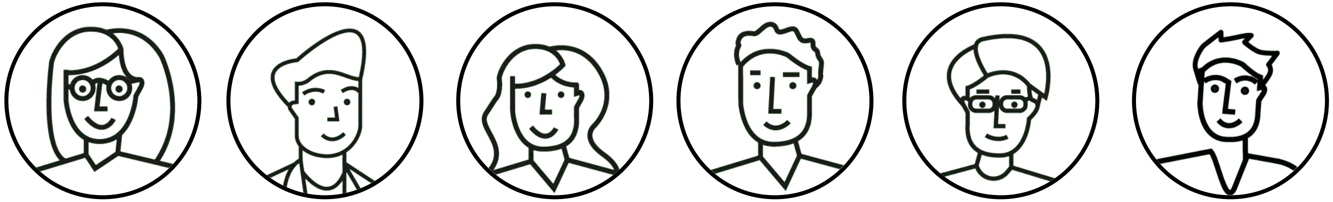
with financial reporting and other extra-financial metrics.

The right data tools

To collect, analyze and harness talent information.

A key tool at all levels in the company.

CEO	COO	CFO	MANAGERS	HR	TALENT



Key takeaways.

A few KPIs to remember.

ATTRACT

Nb of new recruits compared to objectives per business

Recruitment process time

Number of connections with alumni, freelance, students

LEVERAGE

New incentives for productivity

Profit sharing & incentives

Talent Infinite Value

Pricing/Valuation premium

GROW

Level of autonomy given

Nb of trainings per talent

Nb of feedbacks given & received

Nb of cross-unit projects

SET-UP

Level of quality of management & job interest

Welfare & benefits

Talent sense of recognition

Regretter turnover & Talent NPS

KEY ISSUES

The respect of talent data privacy.
A balance between talent and business priority.

A GLOBAL APPROACH

to adopt towards stakeholder-centricity, including also Customers, Social & Environmental impact, Ecosystem.

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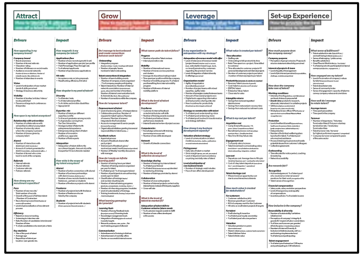
Test your own level of talent-centricity.

FABERNOVEL

With a dedicated index

With a presentation to your company

With Fabernovel KPI toolkit



Appendices.

Authors.

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Graduate from ESSEC, Gabrielle joined Fabernovel in 2018 as a **Value Analyst.**

She has worked within Fabernovel practices in Paris and San Francisco, focusing on several projects including innovation strategy and new models of valuation based on extra financial criteria.
She also worked on the first publication of the “New KPIs” serie, dedicated to customer asset.

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While at Fabernovel he has worked on strategies studies and has developed e-learning programs for major players of the Beauty industry.

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Axelle is **Corporate Strategy, Value and Insights Director**. She joined Fabernovel, after 20 years as Equity analyst at Cheuvreux, Director of Investor Relations at **IPSOS** and Founder of her company, **MYFINADVICE**.

At Fabernovel, she works on several projects of strategic advisory, and has a strong expertise on the assessment and scoring of strategic projects.

Jean-Christophe Liaubet
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Jean-Christophe is **Managing Partner** at Fabernovel and founder of the valuation practice of the Group.

With over 20 years of experience as an Equity Analyst and then Managing Director at **Exane BNP Paribas**, he helps corporates make and value the best investment decisions.

Thank you

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