TALENT STRATEGY AN INTEGRAL PART OF BUSINESS STRATEGY AT GENERALI

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Christina Anagnostopoulou
Generali Group Talent Management
GENERALI’S CONCEPTUAL FRAMEWORK

Diagnostic

- Our strategic priorities
  Key challenges posed by our business strategy

- Our People today
  Diagnostic of the starting point and benchmarking

- Our readiness
  Assessment of how we are aware/equipped to address these challenges

People Strategy

- The People Strategy
  Our value proposition, strategic streams of work, aspiration and trade-offs

- The journey so far
  Foundation initiatives launched, planned or carried out so far

Talent Management

- HR Strategy
  Implications for the activities to be carried out by the HR function

- The change management plan
  Communication plan to communicate / cascade the People Strategy
THE INSURANCE WORLD IS CHANGING

Main trends in Insurance

New technologies

Online: people connected will triple to 5bn by 2020
Telematics: ~15% lower CoR, market will grow 3-4X in 2 years
Mobile/geo-location: Tokyo Marine sells skiing policy to clients located at ski resort
Multi-channel: 20-30 points higher NPS\(^1\) than direct, 10-20 more than agents
Sensors are now installed in new cars, houses, watches, phones, ...
Big Data: Climate Corporation partnered with Amazon to connect 2.5m weather stations, analyze soil type information every 2 sqm, and provide better crop policies

Demographics

Ageing: people >60 will triple to >2bn by 2050. Employable people will decrease
Dependency: people have less children providing them with care in old age
Middle class people from 430m to 1.2bn in 2030, 2/3 growth from India and China
## Main trends in Insurance

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<thead>
<tr>
<th>Social</th>
<th>Competitive</th>
<th>Regulatory</th>
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<tr>
<td><strong>Communities</strong>: clients trust friends and online communities more than agents</td>
<td><strong>Emerging markets players</strong>: 3 out of top 10 global insurers are Chinese</td>
<td><strong>Increasing requirements</strong> and constraints (i.e. S2, GSII, Fatca, …)</td>
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<td><strong>Wellbeing</strong>: Discovery SA differentiates pricing in healthcare insurance leveraging info from a network of partners (gyms, grocery stores, clinics). Hired an expert from Ferrari to handle data</td>
<td><strong>New players / aggregators</strong>: Google already provides quotes from 125 providers in UK</td>
<td><strong>Push for transparency</strong>, symmetry of information (i.e. agents commissions)</td>
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<td><strong>OEMs</strong>: Car OEMs will install black-box in all cars, potentially selling cars with insurance</td>
<td><strong>Standardisation of offering</strong></td>
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<td><strong>Apple</strong> massively investing in innovative technologies in wellbeing / health care</td>
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A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS

Our business priorities

• A sharp **step-up in People performance** is needed to hit targets

• Need to **acquire / refocus People and capabilities** consistently with strategic direction, some important ‘**flows**’ are to be managed

• **Vision, Mission and Values** have to be embedded in People management strengthening Group identity, engagement and cooperation
A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS

• An older workforce with a somehow limited outside perspective

• Many people focused on support and administrative activities

• Little diversity in Leaders’ profiles, limited match with the competency model, struggle to ‘live’ the new matrix organisation

• A rather poor pipeline of successors and talents, lack of structured programs to attract and develop them

• Limited culture of performance

• Limited investments in developing our People
A CALL FOR ACTION: SUMMARY OF KEY EVIDENCES FROM OUR DIAGNOSIS

Our awareness / readiness

• A clear need of a Group People Strategy: we lack a clear strategy and it is seen as a priority

• Good awareness and alignment around the priority areas, lower-than-expected focus on ‘performance culture’ and ‘rebalancing skills’

• Need to address the above challenges also compensating some important gaps in HR ‘infrastructure’ (governance, staff, tools)
How does Leadership Development enable Group Strategy?

The Mission of the Group Leadership Development is to identify, develop and accelerate the careers of Global and Future leaders of Generali, at all levels of the organisation, in order to guarantee a rich internal Leadership Pipeline for a sustainable, long-term people and business development.

Strengthen our Leaders

- Constantly assess the quality of our Global Leaders and invest in the improvement of their Leadership skills, in order to guarantee strategy execution, employee engagement and long-term performances.

Succession Management

- Implement and maintain a solid and structured succession plan for the key positions of the Group, making sure that successors have the development and career moves necessary in order to make it through.

Talent Management

- Identify and develop talents from the lower levels of the organisation, in order to guarantee a sustainable succession pipeline and enhance the engagement of our most valued people by guaranteeing the correct development and career progression through the pyramid.
Our Group People Strategy is built in three stages:

1. Our positioning and proposition …

2. … declined across our People clusters …

3. … and turned into specific strategic streams of work
WE BELIEVE THAT OUR PEOPLE ARE OUR DIFFERENTIATING FACTOR

1. Our positioning and proposition

A top tier international Group …

… bound by shared values …

… rich of opportunities for all our People…

…to unlock and prove their potential

Our People, Our Future
We defined 5 clusters of people to make them express their full potential...

2 Our strategy across People clusters

- **Leaders**: drive the change
  ~700 people (~1%)
- **Managers**: connect the organisation
  10-12k people (~14%)
- **Experts**: make the difference
  3-5k people (~5%)
- **Professionals**: take on the challenge
  55-60k people (~75%)
- **High potential**: prove the value
  2-4k people (3-5%)
...AND TO ACHIEVE THIS WE HAD TO WORK ON SEVEN STRATEGIC STREAMS

3 Strategic streams of work

A Strengthen global leadership
B Nurture High Potentials
C Connect the organisation
D Rebalance the skill mix (strategic workforce planning)
E Raise the bar, step-up performance
F Build an experts ecosystem
G Engage People, enhance the workplace
People Strategy is the company approach to people issues, a shared objective across functions and companies (not just the objective of the HR function).

- Most of the deliverables will be designed by HR together with other functions (internal comms, Comms, Marketing, COO, Finance..)
- All the deliverables / processes will be managed according to the governance model already discussed in GMC (we are not proposing changes in governance).
- The proposed approach will be then incorporated in the new business strategy (People strategy workstream) but some projects will be activated and delivered in 2015.
- In this document we focus on key strategic initiatives that involve GHO.
Former Generali Strategy ...

...and Generali 2020 Strategic directions

- Customer First Choice
- Re-establish our market supremacy
- Keeping high level profitability

- Market supremacy in our key mature markets
- Strong cash generation and profitability
- Customer centricity
- Do our best in our traditional business segments (i.e. retail)
- Openness to innovation /empowerment/ risk taking
- Culture of engagement
- ...

Opportunities for clients
Sales management opportunities
Performance Life
Performance P & C
Excellent operating model
Optimisation of geographic footprint
Balance sheet strengthening
GROUP TALENT AND LEADERSHIP DEVELOPMENT
FROM PEOPLE STRATEGY TO GROUP LEARNING AND DEVELOPMENT INITIATIVES FOR TALENTS

MAKE TOMORROW, TODAY
TALENT MANAGEMENT IN GENERALI
THE MISSION

• Talent Management, as all HR Global processes, is an integration enabler that facilitates the creation of a unique Generali Culture and People Strategy.

• The aim of Talent Management is to identify, develop and accelerate the career of our most precious internal customers, while guaranteeing a sustainable Leadership pool for the short and long term business growth of Generali Group.

• Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.
Our Vision
Our purpose is to actively protect and enhance people’s lives

Our Mission
Our mission is to be the first choice by delivering relevant and accessible insurance solutions
The competency model answers the question “how we should behave” while our Values explain us “why we should behave in that way”.

- How Generali leaders and employees are expected to behave in order to achieve Company’s future strategic objectives.
- A common language to communicate new success factors.
- It is strictly linked to Generali Group Values.
The implementation of a common framework around performance and Talent Management will boost the mindset shift and will enable the creation of a solid talents pipeline, as well as foster talents attraction and retention.
Key vehicle to build the We Generali culture

- Link to our values and the Generali Leaders of the Future model and our Group Strategy.
- A mix of several development tools as training, individual coaching, mentoring, company visits and guest speakers and social learning platform - webinars.

280 participants to Global Leadership programmes among GLG and Successors.
TALENT MANAGEMENT MAIN ACHIEVEMENTS
GLOBAL LEADERSHIP ACCELERATOR

Strong link with performance and potential

- Formal senior executive development center/assessment, by an external provider, before entering the programmes
- Different programmes for GLG and successors based on their growth potential and readiness

150 participants in Development Center (new GLG and Successors)
Foster our Diversity & Inclusion culture

- We offer a specific programme for senior women (GLGs and successors), in order to increase the number of women in the Global Leadership Group in the future

80 Women in additional Leadership Initiatives.
Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.

**Talent Management Approach:**
common Competencies, Definitions and High Level Processes

- **Generali Leader of the Future Model**
- **Potential**
- **Performance and Talent Review Process**

Potential based on 3 factors:
- Competencies
- Experiential Agility
- Career Aspirations
Investing on Talent Management in a homogeneous way, will empower HR to contribute to the business success, assigning the right people to the right job, based on a meritocratic and fair process.

**Leadership Development:**
- Talents are participating in high level Leadership Trainings based on their seniority and needs.

**Talent Reviews:**
- Through structured meeting with the Regions/Countries, we select nominations for the Group Talent Pool.

**Assessments:**
- Talents are assessed using internal and external assessors in order to verify their nomination.

**Career Paths:**
- We will be designing career roadmaps and support the business with strategic sourcing in order to accelerate the careers of our talents.
In order to foster Talent Management Culture and identify the future leadership pipeline we have introduced two clusters of Talents: (Global Talents managed centrally and Generali Talents managed locally)
In order to guarantee a real and successful succession management in the long term, (on top of strengthening our leaders), we need to focus on 2 key areas:

1. **Design structured career paths** in order to equip future top leaders with the experience and the real knowledge of key areas in the organisations.

2. **Plan key career moves** with customized career plans for the key successors and most significant talents.

3. Work on **Strategic Sourcing**, in order to have to be ready to “buy” strong leaders in the market, in the areas in which internal pipeline is particularly weak.