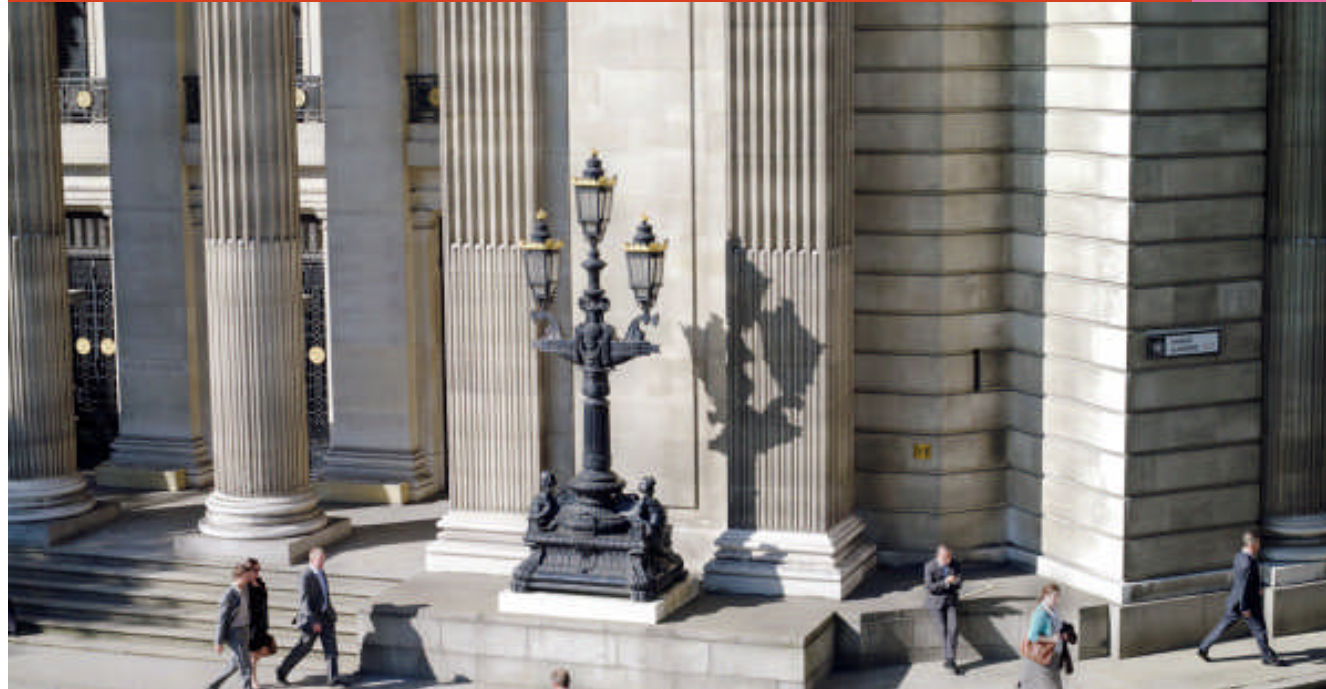


How Financial Services companies can execute the right people strategy

December 13, 2011



PwC Speakers

Moderator:

Brooks Colburn

Panelists:

Bhushan Sethi

Elaine Miller

Scott Stevenson

Administrative Information

- **Materials will be emailed to participants following the webcast**
- **For better viewing experience**, close all other applications
- **For better sound quality**, use headphones
- **If you have any questions** throughout the live program type them in the “Ask a Question” area on the left side of your screen, then click on “Submit Question”
- **If you experience any technical difficulties** during the polling sessions, reply to the question in the “Ask a Question” box

CPE Credits

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Agenda

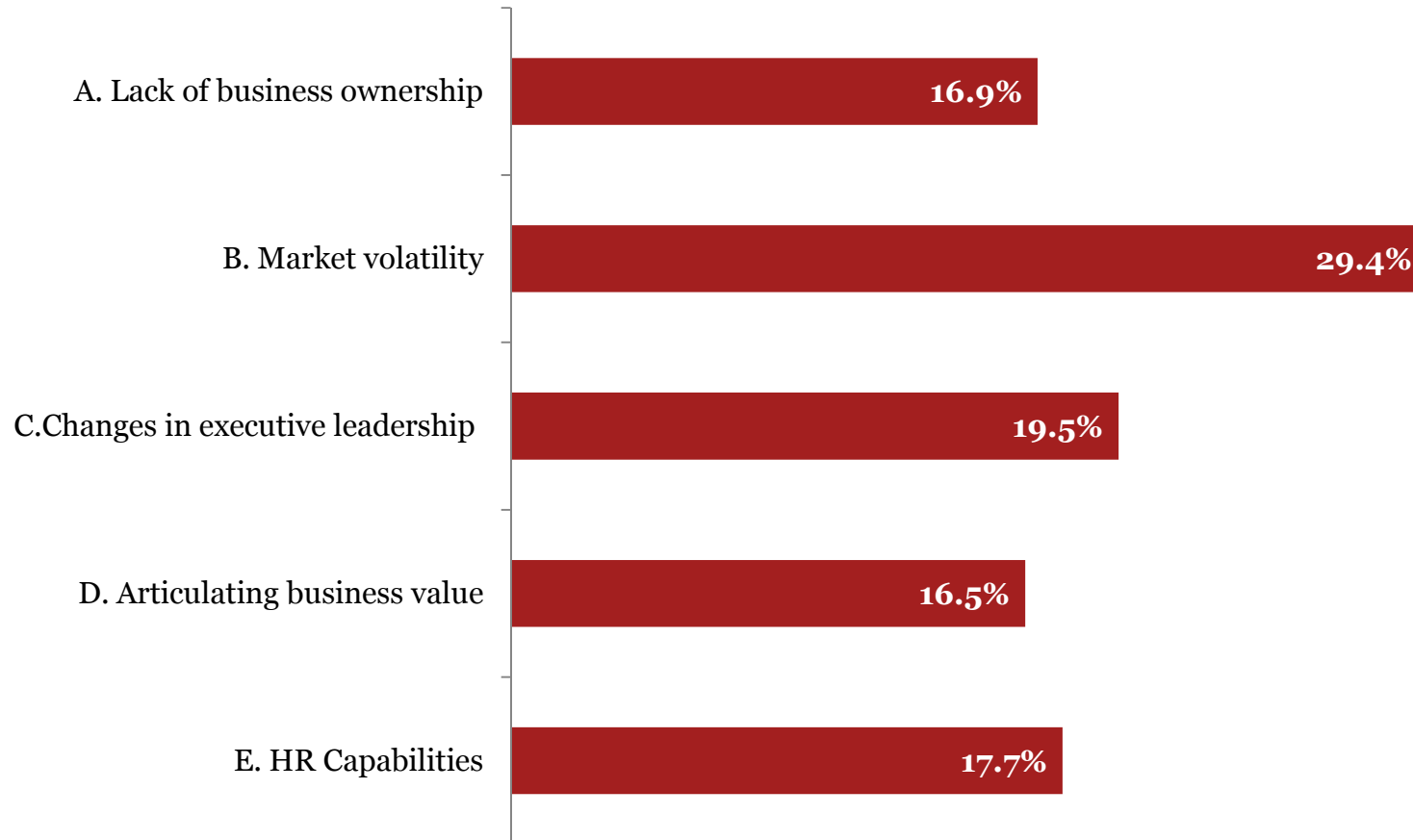
People Strategy Overview

Execution Considerations:

- Managing Regulatory Driven Change
- Implementing a Global Organization Strategy
- Prioritizing Talent Management Components
- Building HR capabilities to drive sustainable change

Questions and Answers

What are the biggest challenges your organization faces in executing people strategy?



Talent remains high on today's CEO agenda and many CEOs are demanding a rethink of their entire people strategy

87% of Banking CEOs stated in a recent PwC survey that they intend to change their strategies for managing talent .

70% of Banking CEOs believe that a limited supply of talent is the most pressing challenge in 2012.

Sixty-five percent of asset management CEOs see the availability of key skills as a significant concern and 36% believe that it is the biggest threat to their growth prospects.

More than 90% [of Insurance CEOs] are planning to revamp their strategy for managing talent.

Fifty-seven percent of banking & capital markets CEOs see the availability to key talent as a significant threat to their growth prospects.

Though voluntary separation rates have dropped since 2007 from 10% to 7%, forecasts suggest an increase in voluntary turnover to 8.7% by 2013.

Dodd-Frank impacts the cultures, operations and compensation practices of the financial services industry.

With nearly 40% of financial services organizations reporting difficulties in deploying experienced talent globally, new strategies for managing talent is of high concern for 2012.

“A top priority in our HR strategy is to develop more financial management talent enhanced with international experience to the extent possible, to support the Bank's future global development.”
President, Large Chinese Bank

Source: 14TH Annual PwC Global CEO Survey, 2011

Source: Project Blue Survey, 2011

Source: PwC Saratoga Human Capital Effectiveness Survey, 2011

Source: PwC A Closer Look, - Impact on Human Capital, March 2011

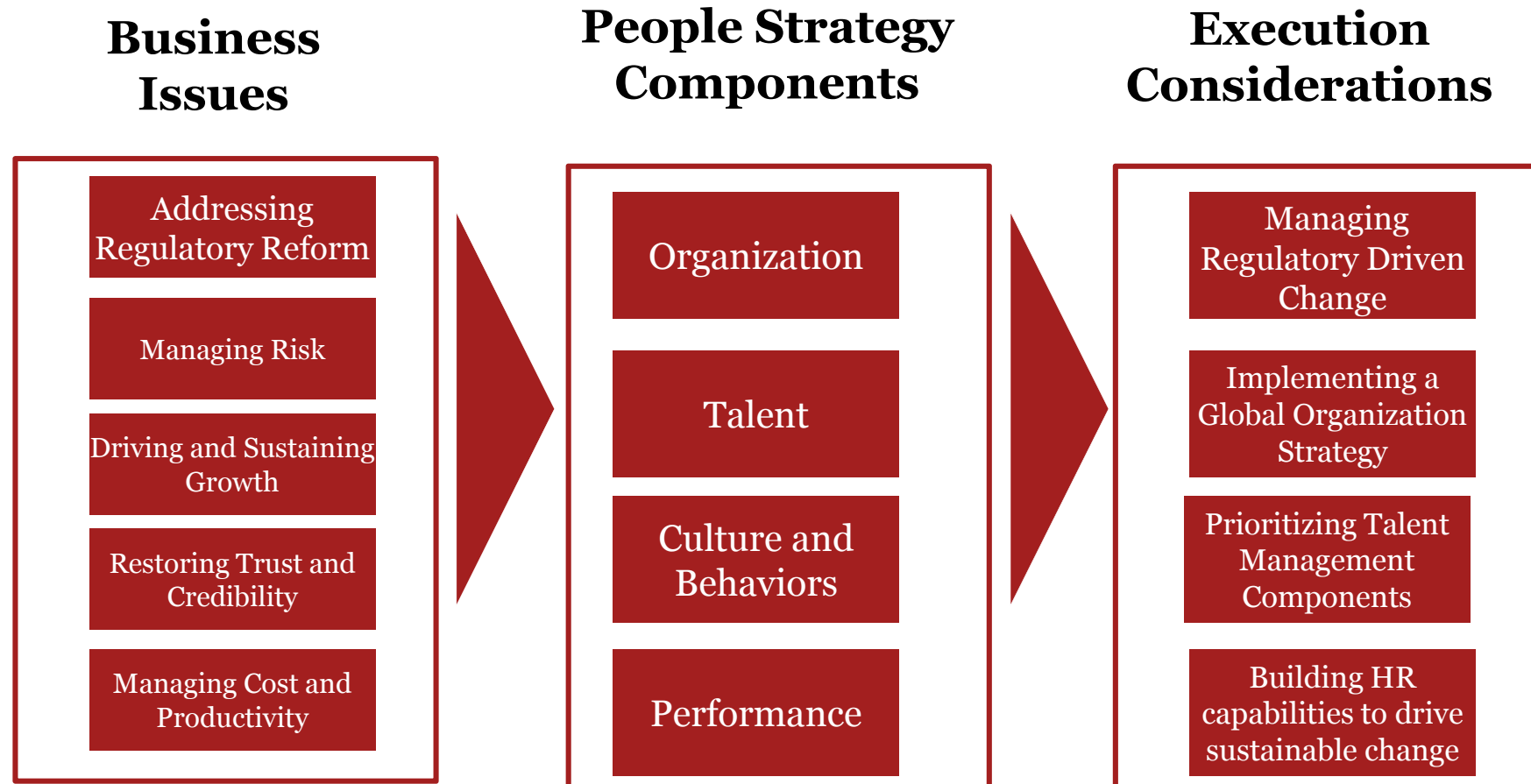
Talent remains high on the CEO agenda and many CEOs are demanding a rethink of their entire people strategy

Q14. Considering the talent required for the success of your business over the next three years, what are the key challenges you expect to face?



Source: 14TH Annual PwC Global CEO Survey, 2011

Today's business issues are driving an unprecedented need to execute an integrated Business and People Strategy



Effective Execution of the People Strategy drives a measurable business value

Business	Improved Risk Management	Alignment to Business Strategy	Higher Project Execution Success	Cost Rationalization	Brand Advocacy and Support
People	Improved Employee Engagement and Productivity	Lower Turnover and Recruiting Costs	Improved Quality-of-Hire	Opportunity to Build Hard-to-Copy Skills	Organizational Knowledge Capture

A recent EIU survey found that Global leaders believe Human Capital Risk poses the biggest threat to global business operations.

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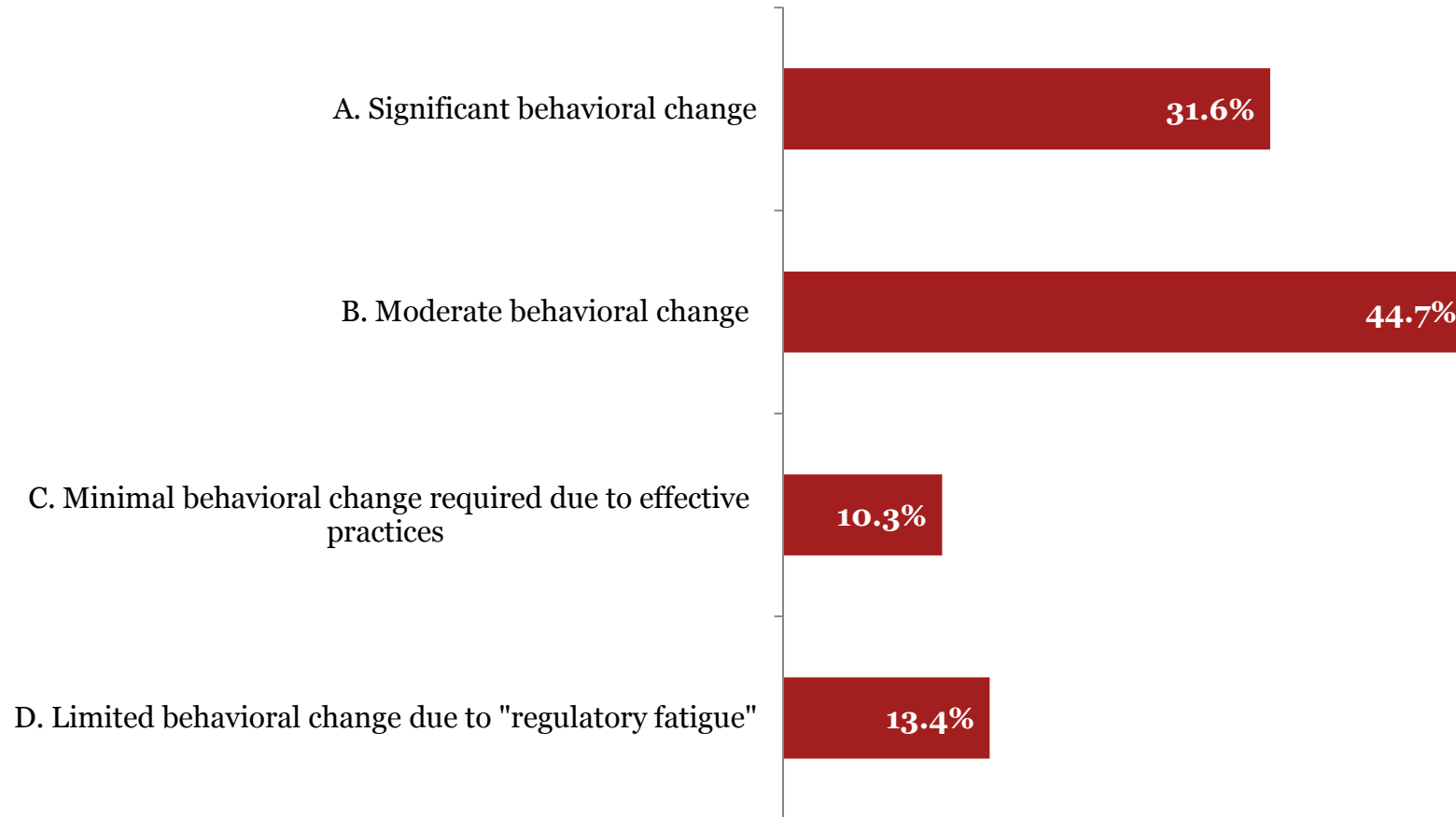
46% of variations in performance can be explained by variations in employee engagement.

Organizations with top-quartile engagement were found by a recent Gallup study to have 16% higher customer loyalty than those with bottom-quartile engagement.

Source: Q12 Meta-Analysis: the Relationship Between Engagement at Work and Organizational Outcomes. Gallup. 2009.
 Source: "Building Engagement Capital." Corporate Leadership Council. 2011.
 Source: "Best Practices in Risk Management: A Function Comes of Age." Economic Intelligence Unit. 2007
 Source: PwC Saratoga Human Capital Effectiveness Survey, 2011

Managing Regulatory Driven Change

To what extent is today's regulatory environment acting as a catalyst to behavioral change?

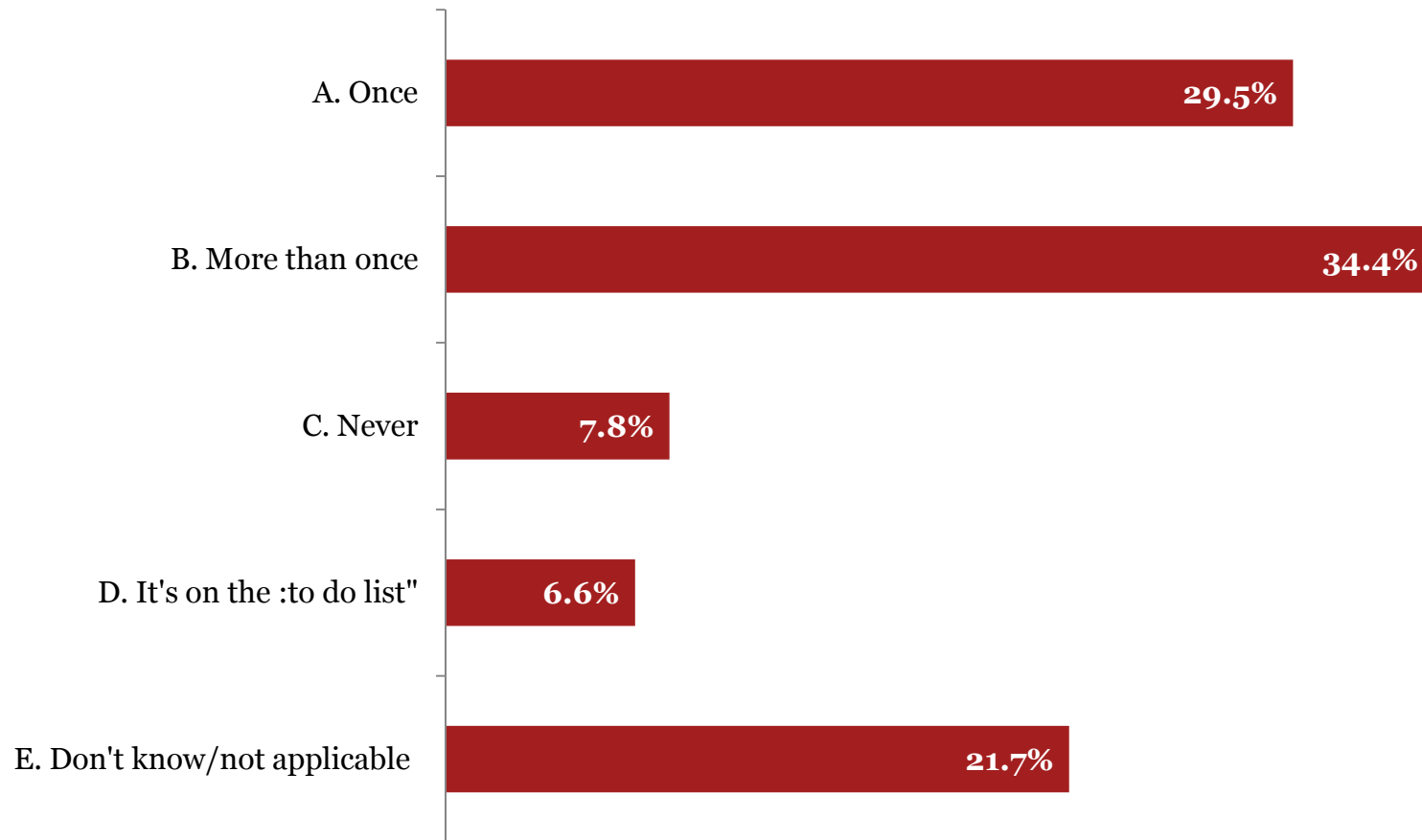


Today's regulatory environment is driving the need to refine a number of people strategy components

- Significant changes in hiring, on-boarding, development and succession planning practices
- New regulations (e.g., Dodd Frank, Basel III, Solvency II) drive the need to reorganize work and decision making
- Redefining incentives and rewards
- A need to manage regulatory fatigue and avoiding a 'tick the box' mentality

Implementing a Global Organization Strategy

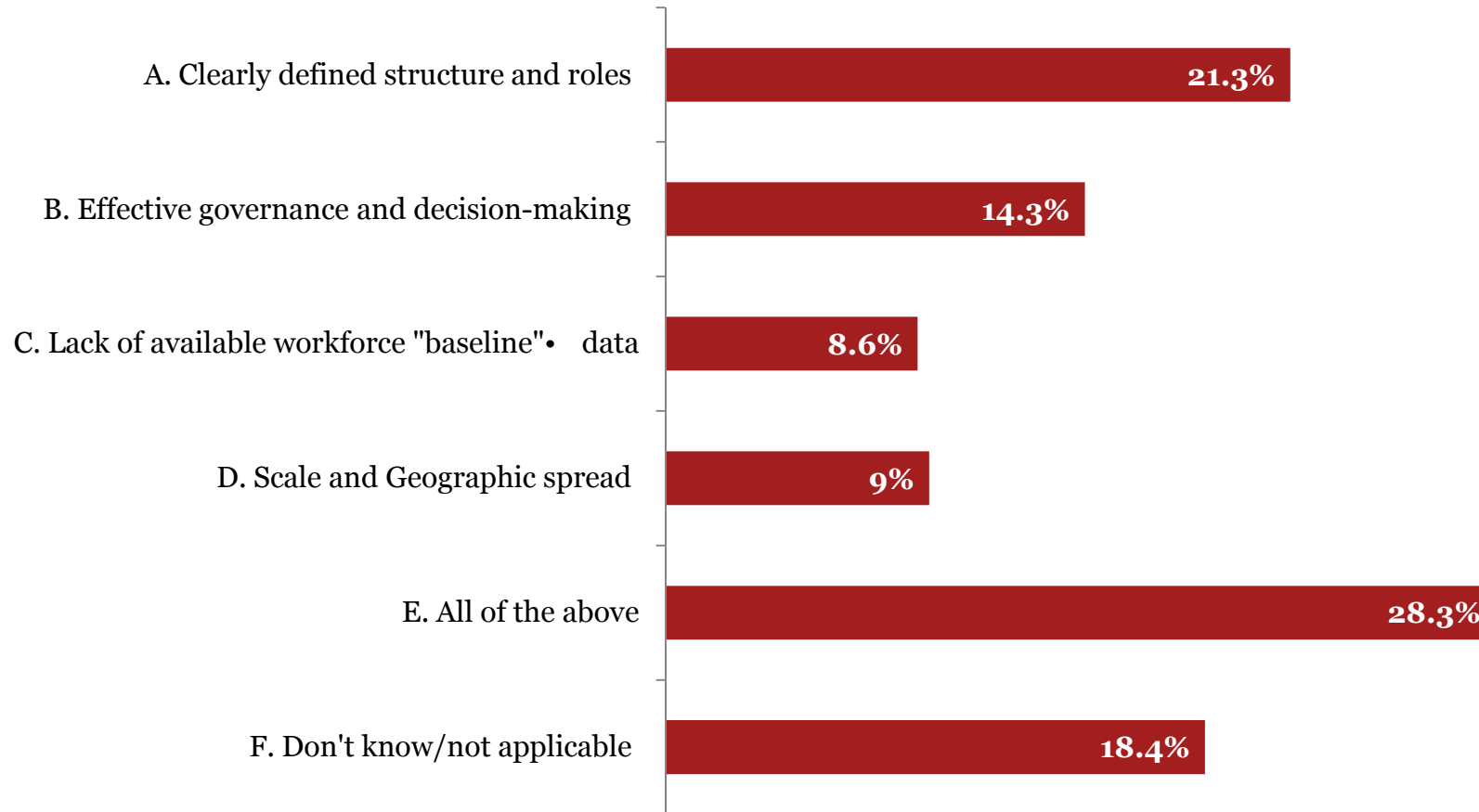
In the last 12 months, how often has there been a review and redesign of your organization?



There is a continued push to deliver a truly global organization strategy

- Increased need to baseline and manage global workforce data
- Design for improved productivity and capacity management
- Establish flexible and adaptive organization structures that drive collaboration across traditional business unit, product and geographic silos
- Realignment of ways of working to operate globally with effective decision making and speed of execution
- Mobilize, manage and disband global “project organizations”

In your current organization design, what are the most significant challenges?



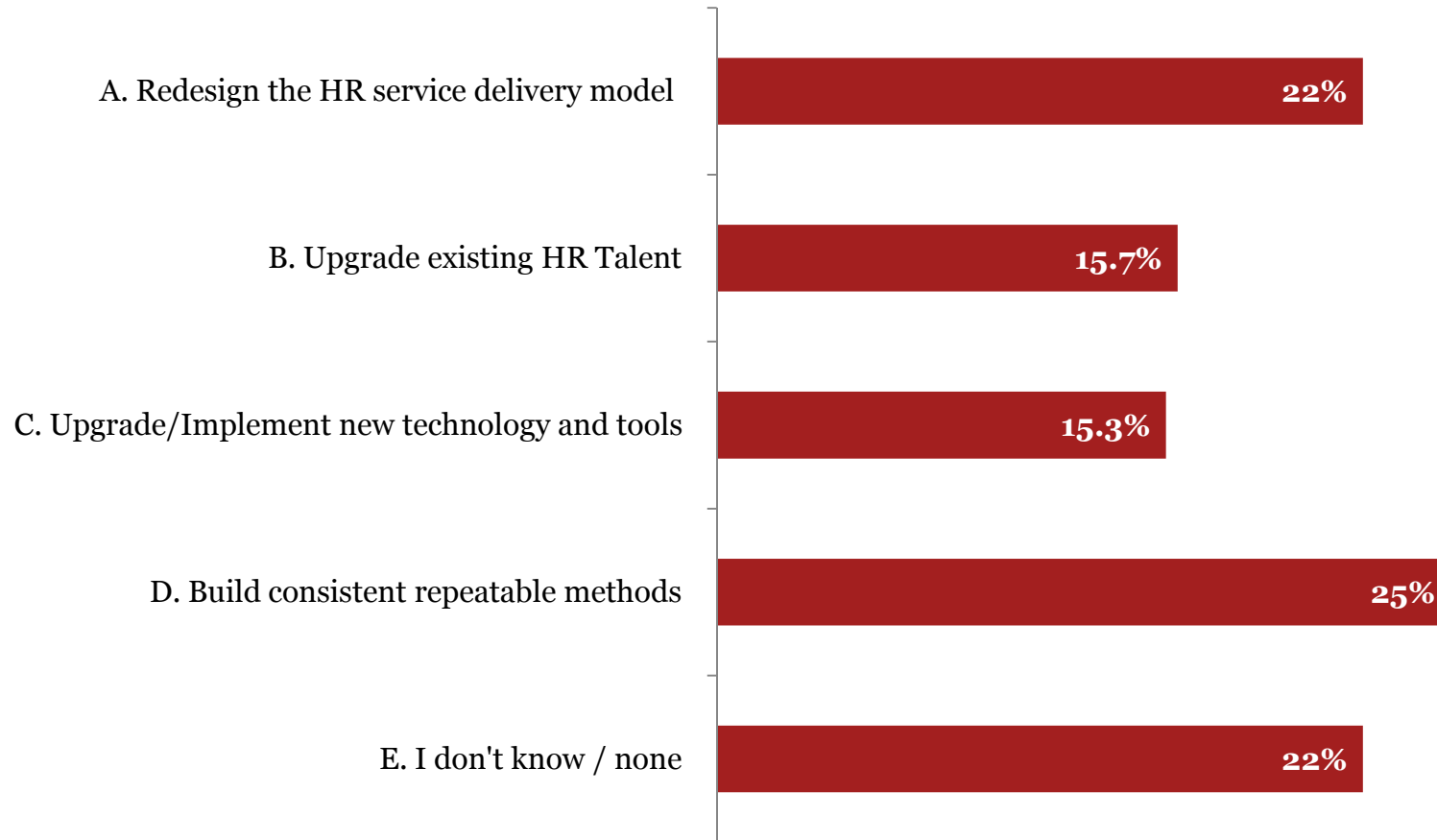
Prioritizing Talent Management Components

Effective execution of talent strategy requires a balanced focus on building and sourcing capability

- Effective use of alternative talent pools models to manage demand and supply peaks and troughs
- Creative approaches to sourcing entry level and experienced talent
- Increased rigor in conducting functional and enterprise wide talent assessments
- Targeted investments in Talent Development, focused on building leadership and professional competencies
- A deliberate approach to leadership succession planning and careerpathing
- Understanding your organization's employee value proposition

Building HR capabilities to drive sustainable change

Where should your HR team focus it's effort to best support execution of the People Strategy?



Human Resource functions are being challenged, more than ever to demonstrate relevance and “lead” in a number of areas

- Define, lead and sustain enterprise culture change
- Establish common approaches to workforce planning, managing change and organization design
- Enhance business partner capabilities, such as: increase business acumen, product, functional and regulatory insights
- Establish a flexible, yet consistent practices in the areas of incentives and rewards
- Aggressively realize HR delivery model cost savings, which can be reinvested in enhancing business partner capabilities
- Operate as “role model” change agents

Question & Answer

Self Assessment

Key Questions To Ask Yourself

	To what extent do you agree or disagree with the following:	Fully Agree	Partially Agree	Disagree
Regulatory Driven Change	<ul style="list-style-type: none"> • Does your organization identify and leverage alternative talent pools to manage peaks and troughs? • Does your organization have well-defined succession plans and leadership development programs? • Is your organization's top talent being identified and developed? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global Organization Strategy	<ul style="list-style-type: none"> • Executive leadership roles, responsibilities, and decision-making accountabilities are well defined • Your organization is communicating key messaging around regulatory reform to the organization? • Is leadership supporting and enabling desired behavioral changes to ensure that the regulatory reforms are met? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prioritizing Talent Management Components	<ul style="list-style-type: none"> • Does your organization have an enterprise wide view of employees by business function and geography? • Can your organizational structure adapt to changes in business models and market place needs? • Does your organization have a clarity around decision making accountabilities between global and regional entities? • Does your organization have the ability to mobilize "project organizations" globally? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HR Capabilities	<ul style="list-style-type: none"> • Is there an effective working relationship between HR and Business Leaders? • Is HR acting as a role model in driving sustainable change? • Are services being delivered by HR currently addressing business models? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank You!

Contact Information for presenters:

Bhushan Sethi:

(646) 471-2377

bhushan.sethi@us.pwc.com

Scott Stevenson:

(646) 471-7803

scott.a.stevenson@us.pwc.com

Elaine Miller:

(646) 471-8359

elaine.m.miller@us.pwc.com

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