Wolters Kluwer Human Resources
Global Transformation 2016-2020

Maryjo Charbonnier, CHRO
Presented to NYHRPS, May 13, 2020
1. The “180+ years old HR start up”
   - WK global operations
   - The need for HR change

2. Charting the road for HR Transformation
   - Maturing our Talent solutions
   - HR Strategic Priorities

3. Business case for integrated technology
   - Technology drives HR Effectiveness
   - Productivity benefits of investment

4. The journey to HR Transformation
   - Understanding 2016 state
   - Envisioning a new HR Operating model

5. Pacing our HR Transformation
   - Early globalization of our Talent solutions
   - Migrating to the integrated technology platform

6. Managing Change & Continuous Learning
   - Future Forwarding HR Guiding Principles
   - Progressive Governance Structure engaging Critical Stakeholders
The leading provider of content and software solutions for professionals

- Legal & Regulatory
- Tax & Accounting
- Finance & Compliance
- Healthcare

Combining expert content, technology and services to help customers deliver superior results and greater productivity

Key Figures

1836
Founded in the Netherlands

Today a market-leading global information services company

19,000 employees - 50% female, 75% favorable employee engagement score

Serving customers in 180+ countries, Operating in 40+ countries

Revenues in 2019
€4.6 bn

Wolters Kluwer history spans 180+ years
Purpose
We help professionals deliver deep impact when it matters most.

What we do
Every second of every day our customers face decisive moments that impact the lives of millions of people and shape society for the future.

A global provider of professional information, software solutions and services, Wolters Kluwer helps protect people’s health, prosperity, safety, and legal rights while building better professionals in business.

Who we are

| 600,000 Legal professionals worldwide |
| 210,000 Top accounting firms and most of the world’s governing tax authorities |
| 1,000,000 Healthcare professionals in 170 countries |
| 90% of the world’s top banks and 98% of the top U.S. banks |

Our Strategy

Grow
Expert Solutions

Advance
Deep Domain Expertise

Drive
Operational Agility

Our Customers
We asked our Stakeholders in 2016 what do they expect from HR*

- Division CEOs are looking for timely and accurate data on people so they can make informed capital allocations and global people decisions
- Our People Leaders and Employees want HR to shift from administration to advisory services, including creative compensation solutions, onboarding, talent strategy
- The HR touch points for managers and employees were not contemporary and getting quality information was very challenging, not aligned with our message to the market about our company

*Source: HR Insights Survey open comments and Division CEO interviews

<table>
<thead>
<tr>
<th>A clear support model</th>
<th>Data should be easy to get</th>
<th>Execution of acquisitions &amp; divestitures needs to be easier</th>
<th>How will we absorb the 1x costs to get to a better place?</th>
</tr>
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<tbody>
<tr>
<td>“we probably underspend on HR”</td>
<td>“It takes us 4-days of non-HR time to get the data we need... each month”</td>
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<tr>
<td>We need a HR System that stops our over-spend on phones, manual IT processes, supplies etc... By having a central on/off switch</td>
<td>Global businesses need visibility into global data to make good (fast) people decisions</td>
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<tr>
<td>“Better systems that allow transparency and trust “</td>
<td></td>
<td>HR should spend more time and resources with departments and defining strategies, changes and evolutions...</td>
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<td></td>
<td></td>
<td>Change resistance in Europe must be addressed... still overcoming the Country CEO model</td>
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*Source: HR Insights Survey open comments and Division CEO interviews*
Our goal has been to mature our human capital talent solutions aiming to reach level 3 by 2020, in alignment with the organization’s Vision and Strategic Plan.

- **Level 4: Optimized Talent Solutions**
  - Predictive analytics
  - Forecasting models
  - HR metrics at manager’s fingertips, maximum scale of service centers; future-focused capability building strategies; tailored practice by workforce segment

- **Level 3: Integrated Global HR Talent Solutions**
  - Core HR processes globally aligned, automated and integrated
  - HR analytics function fully formed

- **Level 2: Enterprise Practices**
  - HR processes and technology begin to be standardized with increased integration consistent across the organization; basic reporting

- **Level 1: Foundational HR**
  - HR processes often siloed
  - Systems in place but not connected
  - Stand alone programs
  - Compliance in place
  - Many manual interventions

All maturity models adapted from Deloitte/Bersin.
We agreed that three strategic priorities would guide our focus to ensure that our Human Capital strategy is a key, competitive differentiator driving better financial, operational and employee engagement results.

**Strategic Priorities**

**Grow our Business**

- **Lead Change**

**Advance our Talent**

- **Develop Skills & Careers**

**Drive to Operational Agility**

- **Deliver HR Efficiency & Effectiveness**

**Implications**

**Reshape the work and workforce, focused on our critical talent segments. Enhance our ability to manage change, drive engagement, & ensure PECO costs are sustainable.**

**We will thoughtfully mature our talent and rewards programs and processes into integrated global solutions.**

**We will plan, execute, and create a financial model for HR technology and a service delivery strategy that results in better business insights and a contemporary, digital employment experience.**
**Globalization of Talent Solutions**

**SuccessFactors - 1st host for our talent solutions – PM, Talent and LMS**

- Go after the easy stuff with an affordable price tag that’s low risk
- Start where globalization is easy, and everyone needed a better solutions
  - 28 different Performance Management processes, all different timelines, and 20% of the world doing it on paper in 2016
  - Talent Management process had begun but all in paper binders
  - 9 different LMS systems covering 10% of employees for the cost of one global system

- Learned that we could do things globally, and how to run a project
- The HR team was seen as a change agent who could use technology
- Employees liked the change
- Work came off the local HR teams to stop doing a lot of local things
Transforming the 180+ years old HR start up... meant unpack 120 different HR ecosystems

We have...

- 18,600 Employees in 46 countries
- Pay them through 61 different payroll processes
- Track them through 22 source “systems” that populate SuccessFactors
- We have 25+ job architecture systems
- We have many financial systems we map HR data to

Using the concept of HR ecosystem – where we had unique ways we delivered service by country, by source system, and business units – we have...

- Over **120 HR ECOSYSTEMS** we needed to map out and understand

It was daunting, going to take time, a village and plan
“Sometimes the only option is the hardest thing to be done.

That what is left that is easy, isn’t really an option, and you know it.

Sometimes the moonshot is the only option left, and as a leader, you have to accept that.

More importantly you have to find a way to rally your team, or your nation, to do what looks like...almost the impossible.”

Daniel Bobroff, Keynote Speaker & AI Technology Visionary
What did our initial state “moonshot” looked and felt like?

The Green Stripe & HCM Project is our Moonshot!!

We have to prioritize what are the important “strings”...
...even when they are not all known yet...
We had a lot of puzzles to solve and a few problems...

<table>
<thead>
<tr>
<th></th>
<th>SIMPLE (Puzzle)</th>
<th>COMPLICATED (Problem)</th>
<th>COMPLEX (Mess)</th>
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<tbody>
<tr>
<td>The recipe is essential</td>
<td>•</td>
<td>• Formulæ are critical and necessary</td>
<td>• Formulæ have only a limited application</td>
</tr>
<tr>
<td>Recipes are tested to assure replicability of later efforts</td>
<td>•</td>
<td>• Sending one rocket increases assurance that next will be ok</td>
<td>• Raising one child gives no assurance of success with the next</td>
</tr>
<tr>
<td>No particular expertise: knowing how to cook increases success</td>
<td>•</td>
<td>• High level of expertise in many specialized fields + coordination</td>
<td>• Expertise can help but it is not sufficient; relationships are key</td>
</tr>
<tr>
<td>Recipe notes the quantity and nature of “parts” needed</td>
<td>•</td>
<td>• Separate into parts and then coordinate</td>
<td>• Can’t separate parts from the whole</td>
</tr>
<tr>
<td>Recipes produce standard products</td>
<td>•</td>
<td>• Rackets similar in critical ways</td>
<td>• Every child is unique</td>
</tr>
<tr>
<td>Certainty of same results every time</td>
<td>•</td>
<td>• High degree of certainty of outcome</td>
<td>• Uncertainty of outcome remains</td>
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In the 2018-2020 period, we heavily focused on how to use technology to scale to improve business case for technology.
Envisioning a HR future with enhanced user experience

More contemporary employee experience

HR answers at your fingertips

Reducing manager & employees time spent on administrative activities

More efficient & effective HR service

Secure platforms that enhance data and system security

Contemporary Candidate Experience

Best investment for critical HR infrastructure at end of life

HR support that’s current with our competition for talent
# Technology Investment: A Financial Payback

## Technology produces significant productivity benefits for the company during the VSP period

<table>
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<tr>
<th>Technology Benefit</th>
<th>Details</th>
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| **Bring Total Cost of Ownership for HR in line with Benchmarks**                  | ▪ Delivers a lower cost HR function with better service outcomes; brings HR in line with benchmark ratios  
▪ Most, if not all, one-time costs, have planned offset not a financial burden to divisions |
| **Best Investment for unavoidable spend on mission critical systems**              | ▪ PeopleSoft in US is at end of life and must be addressed; we are two versions behind latest & even the latest version’s sunset date is announced |
| **Deliver opportunity to drive effectiveness**                                     | ▪ Reducing Managers’ time on HR administrative activities by 1 week per year could redirect €8,000,000/year of payroll cost to focus on business priorities  
▪ Saving 15 minutes per month in HR and payroll activities for every employee results in a productivity gain of €2,500,000/year  
▪ A 1% improvement in managing our €1.7B labor spend generates €17,000,000/year of payroll cost that could be redirected |
| **Enhance enterprise governance**                                                 | ▪ Enhances financial and operational controls on people costs and data  
▪ Sets foundation to manage GDPR requirements, which carries a non-compliance penalty of > €20,000,000 or up to 4% of annual revenue |
| **Enhance employee experience**                                                    | ▪ Deliver a contemporary, digital employment experience, reflecting our desire to be a market leader in expert software systems  
▪ Advance to level of our main competitors for talent who are already have cloud based HR systems implemented |

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* Included in business case, other items mentioned here are in addition to the business case
**Source: Labor productivity and manager & employee time savings estimated based on Aon Hewitt experience with similar business cases
Talent Management

- In 2017 **Performance Management, Talent Planning** and **Learning** were built in Success Factors as the first wave of HR Globalization

- In 2020, **Performance Management** (starting with setting goals) and **Talent Planning** launched in Workday to provide a simplified, integrated experience

- In 2021 we are considering moving **Learning** into Workday

Advanced Compensation

- In 2019 **Global Career Framework** ready for integration in Workday, and supporting consistent rewards globally

- In 2020 the first ever **online year-end merit process with calibration**, including a comprehensive training plan for managers

- In 2020 **Automated year-end compensation statements for non-executive employees from Workday** (standard accounting for local regulations or works council requirements as needed)
Wolters Kluwer evolves

HR evolves to support it

Key Concepts

• Balance global/local, standard/custom
• Changes in how people work, processes, and technology are how we achieve that balance
• Technology-enabled processes allow for simplified user experience

About the Model

• The functions and roles within HR will become more specialized
• Four main components to the new HR model:
  ▪ Division/LOB HR
  ▪ Market HR
  ▪ COEs
  ▪ HR Service Delivery
The GCF is the underpinning for defining rewards and competitive pay in addition to being the basis for building skills and careers.

- **GCF** is the basis for defining promotions and lateral moves.
- Requisitions can be posted with the career band and level so that employees can better assess career opportunities.
- The criteria used to evaluate jobs in building the GCF will be the evaluation criteria for ongoing job evaluations.
- HR is responsible for the job evaluation process.
- The GCF is the structure for defining our Global Rewards Framework to improve the transparency and competitiveness of our rewards programs.
Integrating Technology while keeping the Usual HR Trains Running on Time

**Global Career Framework (GCF)**
- Jun 2019: GCF Launched with Workday
- Early 2020: PM/Goal setting
- Mid 2020: Talent Mgt.
- 2021: Learning

**Workday**
- Q4 2018: System Testing, including HR, some Finance
- Jun 2019: Global Launch
- Used and integrated in all talent processes

**Country-by-Country launches through 2020**

**HR BAU**
- Oct 31, 2018 OE Survey Closed
- Early Dec: OE Results Available
- Jan-March: Objective Setting for 2019 Aligned with new Strategy
- Just-in-time training/learning solutions to support the Transformation

**ADP**
- Nov-Mar: PM Year-End
Tips for Managing BIG Change: You have to “crawl-walk-run-fly” your way there

- Pay your own way
- Ruthlessly prioritize, we just did this and only this for 3 years
- You have to start all change first in the HR function – which is, change the structure and leadership as continue to change the work
- 6 month of visibility so leaders could be prepared & manage expectations – simple messages, simple scripts, WIIFM – these got packaged and cascaded down through the organization
- 1-3 months of visibility for employees
<table>
<thead>
<tr>
<th>Our Guiding Principles formed the basis for all process &amp; tech design</th>
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<tbody>
<tr>
<td><strong>Aim High and Deliver</strong></td>
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<tr>
<td>• That means we continue to plan our work and work our plan.</td>
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<tr>
<td>• Deadlines and decisions to meet them are mandatory.</td>
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<tr>
<td>• No one gets to opt out. And not everyone gets to win every time.</td>
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<tr>
<td><strong>Future forward the new HR Service Model</strong></td>
</tr>
<tr>
<td>• We have to begin to THINK and ACT like we are in the new model.</td>
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<tr>
<td>• We have to design for new ways of working, not how we do it today. Find reasons to say yes, not all the reasons to say no.</td>
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<tr>
<td><strong>Drive role clarity at all choice points.</strong></td>
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<tr>
<td>• Roles should be designed with a high degree of functionalization in mind. Every role has a map on our model. Repeatable, scalable activities should be the focus need to be fast, effective and lower cost.</td>
</tr>
<tr>
<td>• Think like a professional sports team. Not every player, plays all positions.</td>
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<tr>
<td><strong>Standard Configuration for Technology</strong></td>
</tr>
<tr>
<td>• We will adapt to delivered processes from Workday and PeopleDoc, unless we need to accommodate documented legal/regulatory issues.</td>
</tr>
<tr>
<td>• We have invested in market leading, global systems that deliver market practice processes out of the box, and commit to keeping them “out of the box.”</td>
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<tr>
<td><strong>Focus on the Customer in Process Change</strong></td>
</tr>
<tr>
<td>• We know that global standardization and harmonization works. Even when it’s hard.</td>
</tr>
<tr>
<td>• Where there’s conflict, ask two question: What would work best for a manager of a global team? And, how many clicks would it take on Amazon?</td>
</tr>
<tr>
<td><strong>Manage the Change: First in HR, then in Business</strong></td>
</tr>
<tr>
<td>• We continue to commit to training our HR teams and build easy to use tools.</td>
</tr>
<tr>
<td>• We speak with one voice to the business.</td>
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</table>
Our progressive governance structure ensured decisions and issues were resolved at the lowest level possible, with regular status reviews at highest levels in the structure.

Key Stakeholder groups, own communication to respective functional areas

- CHRO & HRLT
- Extended HR Program Board
- Critical Executive Working Councils
- Project Management Team Weekly
- Project Integration/Coordination Weekly

Finance was a critical player in building the model and also in Workday implementation, therefore we built connections to key groups in the Finance community.

1) Preview to our divisional CEO & CFO’s
2) Quarterly Executive Updates
3) Leader cascades
4) Employee communications
is how we refer to the new HR experience, bringing better, simpler access to HR service supported by market leading technology.

Accelerating Our Value
By focusing on Drive Operational Agility
- The HR Transformation is a key organizational proof point of our commitment to Driving Operational Agility.
- The new HR model will provide a better experience and greater efficiency, supported by better tools and resources and new ways of interacting with HR, so leaders and employees can be more effective in their jobs.

We’re Making HR Better
by improving the way we deliver HR services
- HR is changing the way we work so that HR and our businesses can focus on what matters most – better HR service that delivers greater value to our businesses.

Easier to Access Support
with the Launch of the MyHR Portal
- MyHR Portal will provide easy access to our HR source systems, and a place to submit inquiries and get answers to HR questions across the globe.
- Over time, MyHR Portal will continuously improve the user experience with additional content that is most relevant to you, continually enhancing the way leaders, employees and HR work together.

Improved Technology & Processes:
GCF, Workday, Payroll
- The Global Career Framework provides the necessary foundation for global HR processes, and the support for skills and career development that employees asked for.
- We have invested in market-leading cloud based HR technology, and begun to harmonize HR processes to make them simpler and data more secure for our leaders, employees, and ourselves.
Getting Ready for the new MyHR digital experience – 4 things to Know & Do now

- Be a Change Champion for MyHR
- Continue to an active advocate for the Global Career Framework rollout
- Training is about to start for you, your managers and employees
- Understand critical deadlines and how to access MyHR

Simple messages for enhanced Leader experience
We’re proud of how much we’ve done and the adoption rates, but there is oh so much more...

What we accomplished

- **Jan. 2020**: Completed 2019 Annual Performance Reviews
- **Feb. 2020**: Launched 2020 Performance Goals Setting
- **March 2020**: Completed 2019 Bonus & Merit awards
- **June 2020**: Launching Talent Planning

What’s different now in HR?

- Moving to 98% WFH has been easy
- The new HR technology was instrumental in our response to COVID 19
  - We could find employees
  - Target communications
  - HR portal allowed for easy push out of communications
- The HR model allowed us to balance global, regional, and local needs and allowed the HR teams to move very quickly

What’s on the horizon?

- Implement Candidate Relationship Management
- A more globally integrated learning solutions
- HR Operating model 2.0