Becoming a Talent Solutions Provider: From Staffing to Consulting Solutions

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President Akkodis North America, and US Country President, The Adecco Group

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Who We Are

The Adecco Group

- 100,000+ Clients Globally
- 2 million+ Associates on assignment every day
- 180,000+ Permanent placements
- 850,000+ Trained and coached
- 500,000+ People successfully transitioned every year

>60 Countries and Territories

5,000+ Offices

39,000+ Employees Globally

30,000+ Tech Experts

Revenues 2022 $24.8 billion

Talent & Tech Solutions Delivery by our marker-leading businesses

Adecco is a global leader in workforce solutions, offering flexible placement, permanent placement, outsourcing and managed services across all sectors.

Akkodis powers the Smart Industry transformation globally with digital and engineering services across Consulting, Solutions, Talent and Academy.

LHH unlocks the full potential of professional talent via a comprehensive portfolio of services across talent identification and sourcing, talent development and retention, talent mobility, and talent outplacement.
### Comprehensive Portfolio of Solutions in Talent & Technology

#### Define Workforce Strategy
- Workforce Planning
- Workforce Analytics
- Regulatory Expertise
- Process Optimization
- MSP
- Supplier Optimization
- Talent Market Watch
- Salary Benchmark
- Future of Work Trends
- Advisory

#### Attract, Hire, Deploy
- Executive Search
- Employer Branding
- RPO / RXO
- Hire, Train, deploy
- Flexible Jobs
- Permanent Hire
- Outsourcing
- Apprenticeship
- Diversity, Inclusion & Social Impact (DEI)

#### Skill, develop, transition
- Workforce Transformation
- Assessments
- Re/Upskilling
- Academies
- Leadership development
- Soft Skills
- Coaching
- Career Transition
- Career Mobility
- Inclusion Path (DEI)

#### Transform and evolve
- Product & System Development
- Technical Consulting
- Cybersecurity
- Robotics
- R&D Outsourcing
- Virtual Reality Solutions
- IT Digital Backbone
- Operations Management
- Data Analytics & AI
- IOT(DEVICE & TESTING)
Why We Are Here

US Staffing Industry Size and Outlook ($ Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023P</th>
<th>2024P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>153.2</td>
<td>140.7</td>
<td>188.0</td>
<td>224.7</td>
<td>201.7</td>
<td>207.2</td>
</tr>
</tbody>
</table>

YoY Growth %

- 2019: 3%
- 2020: -8%
- 2021: 34%
- 2022: 20%
- 2023P: -10%
- 2024P: 3%

Source: US Staffing Industry Forecast: September 2023 Update

- Staffing is Cyclical
- We are in a Down Market
- Huge Opportunity in Adjacent Markets
Examples of Adjacent Markets in Business Process Services

<table>
<thead>
<tr>
<th>Horizontal service areas</th>
<th>Customer Experience Management (CXM) services</th>
<th>Finance and Accounting Outsourcing (FAO) services</th>
<th>Human Resource Outsourcing (HRO) services</th>
<th>Marketing services</th>
<th>Trust and safety services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global market size in 2021 (in US$ billion)</td>
<td>101.0-103.0</td>
<td>10.8-11.0</td>
<td>5.3-5.4</td>
<td>8.2-8.7</td>
<td>7.0-7.5</td>
</tr>
<tr>
<td>Growth % (2017-19)</td>
<td>2-4%</td>
<td>9-11%</td>
<td>6-8%</td>
<td>13-15%</td>
<td>45-47%</td>
</tr>
<tr>
<td>Growth % (2020-22E)</td>
<td>10-12%</td>
<td>9-11%</td>
<td>8-10%</td>
<td>13-15%</td>
<td>33-35%</td>
</tr>
<tr>
<td>Growth % (2022E-23F)</td>
<td>5-7%</td>
<td>12-14%</td>
<td>6-8%</td>
<td>21-23%</td>
<td>26-28%</td>
</tr>
</tbody>
</table>

**BPS is positioned to remain comparatively resilient**

The BPS industry is expected to not be impacted heavily in recessionary times; when cost reduction seems to be the obvious move, and digital-infused BPS offers additional value with lower investments.

**The ongoing talent shortage will provide BPS with greater access to global talent**

Due to the talent shortage the industry is experiencing right now, BPS provides an opportunity to access global talent and improve efficiency.

**BPS growth would be sustainable coming out of a downturn**

For the BPS market, while the near-term growth rate is expected to be in the range of 9-9.5%, even the medium- to long-term forecast is expected to be in a healthy range of around 8-8.5%.

Source: Everest, 2023, *Decoding Managed Services for Staffing Providers: Navigating the Business Process Services (BPS) Landscape*
Our Evolution in Establishing a Consulting Solutions Brand

Differentiated Offering  Rich in Talent  Well Diversified  Clear Ambition

$2.4B Acquisition  $4.1B Company

AKKA - A leading engineering and technology consulting player

modis - A technology IT consulting and talent services player

A Global Leader in Smart Industry
Our Portfolio of Services

- Industries: 7
  - Automotive & Transportation
  - Aerospace & Defense
  - Energy & Clean Technology
  - Banking & Financial Services
  - Information & Communication Technology
  - Manufacturing & Logistics
  - Life Sciences & Healthcare

- Tech Practices: 7
  - Digital & Software
  - Data Analytics & Artificial Intelligence
  - Cloud, Infrastructure & Security
  - Product & System Development
  - Wireless & Connectivity
  - Validation & Verification
  - Manufacturing & operations

- Service Lines: 4
  - Talent Solutions Academy Consulting

Global Delivery Footprint | In-Country | Near-Shore | Off-Shore
Market Opportunity: Expanding our Talent Solutions to Consulting Solutions

Large Market for North America IT Services (Estimated Size)*

$312B - $324B

2021 – 2026 Projected IT Services CAGR
8% - 10%

Customer Requirements

Key growth drivers

Need for sustainability
Increased cyber threats, hybrid working model, talent crunch, and business continuity requirements.

Need for efficiency
Increased focus on cost optimization, automation, agility, and better employee utilization and productivity.

Need for differentiation
Digital delivery of products and services, better customer experience, changing customers' preferences, innovation, and value addition.

Source: Everest, 2023, Contingent Talent and Strategic Solutions State of the Market 2023 - Elevating Efficiency and Experience to Navigate Uncertain Times
Consulting Solutions and a Managed Services Model: Why Pivot?

Staffing firm revenues (share of staff augmentation and SoW models)
Percentage in terms of spend (US$ billions)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2022</th>
<th>2026E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing firm revenues</td>
<td>320-330</td>
<td>410-420</td>
<td>540-550</td>
</tr>
<tr>
<td>Traditional staff argumentation</td>
<td>95%</td>
<td>90%</td>
<td>83%</td>
</tr>
<tr>
<td>SOW- retained by staffing providers</td>
<td>5%</td>
<td>10%</td>
<td>17%</td>
</tr>
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</table>

Benefits of managed services engagements for staffing firms

- Better margins in the long term
- Long-term client relationship
- More predictable, less cyclical business
- Enhanced employer brand and access to associates
- Access to a larger market

Source: Everest, 2023, Contingent Talent and Strategic Solutions State of the Market 2023 - Elevating Efficiency and Experience to Navigate Uncertain Times
Seeds of Success: Evolving from Staffing to Consulting Solutions

- Built Leadership Team
- Established Shadow P&L and Aligned to Go-to-Market Structure
- Subject Matter Experts: Sales, Solutions, Delivery
- Partnered Cross-country, Cross-GBU

- Strong Technical Delivery Management and Client Success Management Structure
- Betting on Global Delivery Centers: Mexico, India, Bulgaria
- Focus on Analysts and Advisors
- Thought Leadership
Seeds of Success: Educated Our Sellers on “What CTO’s Think”

1. Digitalization is the most important megatrend

2. Most impacted by disruptive technologies

3. 71% Plan to invest 50-over 100M USD on digital transformation (next five years)

4. Technology choice

5. Biggest barrier to accelerating digital transformation

6. 59% Believe that top leadership lacks sufficient AI skills / knowledge

Source: During 2023**, Akkodis conducted thought leadership research with C-Suite global business leaders from the world’s major industries. 150+ CTOs in the US and Canada
Case study: Upselling Talent to Consulting & Solutions

Traditional Talent Services

Placements
3 months, $

Managed Capacity

Manage teams and timelines
9 months, $$

Tech Solution

Application development and support

Cloud & IoT application, using AI for predictive maintenance, supported by near- and offshore delivery
–3 years, $$$

Automotive & Transportation
Client
• Think about this from the perspective of the Recruiter’s and BDM’s Desk
• How will you manage the change and get them bought into the new model?
• How do you manage the communication and transformation?
• Some will come along on the journey and some will resist the change
• Build a team to pivot to new segments of solutions and consulting

Do Not Overlook the Power of Staffing!
Thank you