



parc

2021

PROGRAMME

PARC 2021 PROGRAMME

We launch our 2021 Programme reflecting on a year that will have far reaching consequences for businesses worldwide. This time last year we anticipated a synchronised global economic slowdown, continuing political fallout from Brexit and a trade war between China and the US. All those events were dwarfed by the global pandemic. If ever there was a lesson in *Radical Uncertainty*, this was it.

Some companies were more fortunate than others in terms of the impact on their business. At PARC we pivoted from hosting physical events to running interactive online sessions, looking at how companies could re-think their businesses and boost their performance as they emerged from the lockdown.

Similar themes will continue to feature in PARC's 2021 programme. While some of our meetings will return to a more traditional format, we recognise that, for many members, the virtual sessions have made our content more accessible. We will therefore continue to run some events online.

We will also run a series of online peer exchange events (normally from 12.00 – 13.00, UK time) featuring shorter speaker inputs and more time for members' exchange of views. We will decide on the subject matter of each peer exchange event closer to the time, which will enable us to respond to developments over the course of the year.

We anticipate another turbulent year with the continuing fallout from the Covid-19 pandemic. Governments will face much higher levels of debt, the challenge of raising productivity, flat-lining GDP and disappointing tax revenues. Few are forecasting world GDP to return to pre-pandemic levels much before 2024. Parts of our economies will effectively be on life support for some time to come.

With these challenges in mind, PARC will continue to provide an essential networking, exchange and research opportunity as we consider the impact of these developments and their implications for HR and reward practice within our organisations.

Summary details of our programme are set out opposite.

Mike Haffenden & Phil Wills

THE NEW REALITIES OF GLOBAL TRADE	Webinar and Online Group Discussion Tuesday 26 January
ONLINE PEER EXCHANGE 1: WORKING FROM HOME – THE REWARD IMPLICATIONS	Online Peer Exchange 1 Wednesday 17 February
DELIVERING VALUE THROUGH MERGERS AND ACQUISITIONS – HR'S CRITICAL ROLE	Webinar and Online Group Discussion Tuesday 9 March
FAIR REWARD POLICY – WHAT DOES IT MEAN AND HOW IS IT CHANGING?	Live Panel Discussion Wednesday 24 March
EMPLOYMENT POLICIES – WHAT WE NEED AND WHY WE NEED THEM	Afternoon Meeting, London Wednesday 14 April
STRATEGIC REWARD SKILLS MASTERCLASS	Two-Day Residential, Windsor Wednesday 12 – Thursday 13 May
ONLINE PEER EXCHANGE 2	Online Peer Exchange 2 Wednesday 19 May
WHY ORGANISATIONS FAIL – DO WE KNOW THE SIGNS AND CAN WE READ THEM?	PARC Conference, London Wednesday 2 June
EDUCATION – A MANIFESTO FOR CHANGE	Summer Lecture, London Thursday 8 July
MEASURING FINANCIAL PERFORMANCE	Afternoon Meeting, London Wednesday 14 July
ONLINE PEER EXCHANGE 3	Online Peer Exchange 3 Wednesday 28 July
HOUSE OF LORDS LUNCH	Members Lunch, London Wednesday 8 September
BUILDING A FUTURE-FIT WORKFORCE TO DRIVE PRODUCTIVITY AND PERFORMANCE	Afternoon Meeting, London Wednesday 22 September
BUILDING AND SUSTAINING GREAT ORGANISATIONS	International Conference, Athens Monday 11 – Wednesday 13 October
ECONOMIC UPDATE – 2022 AND BEYOND	Webinar and Online Group Discussion Wednesday 17 November
REVIEW AND 2022 PROGRAMME LAUNCH	Members Dinner, London Wednesday 1 December

THE NEW REALITIES OF GLOBAL TRADE

WEBINAR AND ONLINE GROUP DISCUSSION

Tuesday 26 January
12.00 – 13.00 GMT

This year, we have chosen to use our annual update on world politics to focus on the impact global political and social developments are likely to have on international trade.

We are experiencing the end of a stable world trade regime that has lasted for three decades. While the seeds of its demise might have been sown some time ago, since 2016 the collapse has been swift. The US trade war with China reflects a shift in attitudes to world trade. Moreover, prosperous and powerful China no longer feels the need to defer to the international order.

The UK has left the European Union, a decision which has divided the country and which will significantly alter its trading relationships.

Into this already volatile situation came the global coronavirus pandemic, which may weaken trade bonds even further. Both the IMF and OECD have expressed concerns about a return to protectionism, as countries respond to fears of supply security and over-dependence on key imports.

For businesses, this presents a rapid shift in the rules of the game over a very short period of time. Whereas doing business across international frontiers was made easier by the framework of the WTO and membership of trading blocs, the developments of recent years have made it more difficult. Last year's slowdown in most major economies is a reflection of this changed landscape. Understanding this more complex system of global trade is, at once, much more difficult and much more important to the success of a business. It's hard but necessary for any company trying to develop global business strategies and coherent operating plans.

To bring some perspective to this disturbing and challenging picture we are fortunate to have Edward Carr, Deputy Editor of *The Economist*, as our guest speaker. His in-depth knowledge of the global business scene will bring insights that can help us to understand the new realities of world trade and business.



EDWARD CARR is the Deputy Editor of *The Economist*. He works alongside the Editor-in-Chief to oversee *The Economist's* journalism. He joined the newspaper as a science correspondent in 1987. After a series of jobs covering electronics, trade, energy and the environment, he moved to Paris to write about European business. In 2000, after a period as Business Editor, Edward left for *The Financial Times*, where he worked latterly as News Editor. He returned to *The Economist* in 2005 as Britain Editor, then became Business Affairs Editor and Foreign Editor before taking up his current role.

WORKING FROM HOME – THE REWARD IMPLICATIONS

ONLINE PEER EXCHANGE 1

Wednesday 17 February
12.00 – 13.00 GMT

Business commentators and academics have been talking for years about the distributed workplace but it took a global pandemic to make it happen. Little used technology which had been available for years became ubiquitous within weeks. Suddenly, millions of people were working from home.

This has raised a host of unforeseen issues. Much of the legislation governing homeworking is based on assumptions that no longer apply. Homeworking, once an exception, is now becoming the norm in some occupations. Governments across Europe are reviewing legislation to ensure it is more aligned to the way people work in the 2020s. Companies will need to do the same with their policies. The majority will not reflect new working patterns and will need to be thoroughly reviewed.

Potential problems may occur in a number of areas, for example:

- **Performance** – how far can (and should) companies monitor the activities of their workers when they are working remotely?
- **Costs** – once home is a workplace, who covers the costs of heating, lighting and kitting out offices?
- **Welfare** – who is responsible for ensuring that the working environment is safe?
- **Tax** – what does it mean for someone's tax position when their home becomes their workplace?
- **Cross border working** – how do companies deal with people formally based in one country but mostly working from another?

Homeworking also shifts the psychological contract. Will people identify as strongly with their team members when they don't see them as often? What does work-life balance mean when you are living at work?

Given all of this, what are the implications for how employers pay and incentivise people?

By the time we run this session we will have had almost a year in which much greater numbers of people have been working from home. Employers will therefore be starting to develop their long-term responses. In this session we will provide some initial commentary to start a discussion among members, enabling us to build a picture of how employment policies and management practices are evolving.

ONLINE PEER EXCHANGE 2

Wednesday 19 May

ONLINE PEER EXCHANGE 3

Wednesday 28 July

This series of online peer exchange events, feature shorter speaker inputs and more time for members' exchange of views. The subject matter of each event will be decided closer to the time, enabling PARC to respond to developments over the course of the year.

DELIVERING VALUE THROUGH MERGERS AND ACQUISITIONS – HR'S CRITICAL ROLE

WEBINAR AND ONLINE GROUP DISCUSSION AND REPORT

Tuesday 9 March
12.00 – 14.00 GMT

It's become axiomatic now that too high a percentage of mergers are ill-conceived and poorly executed. At the outset there is bullish talk of synergies, combined strengths and market share, only for senior executives to acknowledge, a few years later, that very few of the benefits were realised. Often, as one academic remarked recently, CEOs take credit for successful mergers but blame failures on culture.

HR must share responsibility for this. It has a critical role to play in the identification, due diligence and integration phases of M&A. Early participation of HR professionals is needed to identify critical talent or capabilities in the market that support the strategic development of the company. HR needs to scan and understand the market, helping to build a strong business case, working to successfully integrate acquisitions and, critically, identifying any features of both organisational cultures that might cause problems down the line.

The Covid-19 crisis may have delayed, but has not resolved, these issues. A recent survey by the US M&A Council indicated that 51% of companies anticipated pausing their M&A activity as a result of the 'lock down' period.

However, the data reveals an encouraging counter-intuitive growth strategy for those companies prepared to turn crisis into opportunity. Periods of economic volatility generally lead to increased consolidation or restructuring and hence higher levels of M&A activity, with higher potential returns for those who move quickly. Almost 50% of respondents indicated that they will pursue opportunistic acquisitions and almost 25% will target entirely new, non-core technologies during the coming year.

Commentators assert that Covid-19 is leading to a more vigilant approach to mergers. There will be more caution in valuations, financing will be heavily vetted, due diligence will be more complex in trying to understand Covid-19 risks, and specific indemnities will be sought. M&A timescales will therefore be longer and the risks greater.

Our research report and meeting will support you in reviewing your company's M&A approach in its search to exploit great value assets. We will hear from Salvatore Cantale on the drivers of M&A and the sources of strategic competitive advantage, from brand acquisition and market share to talent acquisition and enhancing digital capability. We will explore case studies with senior HR practitioners who have been central to their company's growth through acquisition and will examine how the post Covid-19 environment might change some of the M&A assessments.

All of the above will help you as HR professionals navigate the complicated world of M&A and optimise value creation for your organisation.



SALVATORE CANTALE is Professor of Finance at IMD Business School. His major research and consulting interests are in value creation, valuation, and the way in which corporations structure liabilities and choose financing options. Before joining IMD, Salvatore was an analyst with a large investment bank in London, and held other academic posts with US business schools. He currently serves as advisor at Tulane University, Louisiana. Salvatore holds a BA in Economics and Finance from Università di Catania, Italy, a Master's Degree in Management and a PhD in Finance from INSEAD.



DANIEL CLOKE held senior HR Director roles for over 25-years in a variety of industries undergoing change. He has substantial experience of mergers, acquisitions, and disposals for global companies. Most recently as Group HR and Internal Comms. Director for GVC Holdings PLC, where he led the integration of Ladbrokes and Gala Coral. Daniel now works as an independent consultant with a range of UK and multi-national clients.



GEORGE GOUDRIAAN is a senior international HR Manager at ABN AMRO Bank NV, with headquarters in Amsterdam. In this position he is the HR Workstream lead of the bank's Corporate Development activities, for acquisitions and divestments. Before joining Human Resources, George worked as a Private Banker in Rotterdam, followed by a role as Business Manager. George holds a Master's Degree in International Business Administration from Erasmus University, Rotterdam.

FAIR REWARD POLICY – WHAT DOES IT MEAN AND HOW IS IT CHANGING?

LIVE PANEL DISCUSSION
(WITH AUDIENCE IN SITU OR VIA LIVESTREAM)

Wednesday 24 March
16.30 – 19.30 GMT

2021 will see many firms reviewing the remuneration policies that were originally planned for their triennial review in 2020. The Covid-19 pandemic inevitably forced many companies to adopt a ‘wait and see’ approach, in the context of a new and perhaps unique set of challenges.

For many this will have created a valuable opportunity for a more wide-ranging re-think of reward policy. But either way, there will be an increased level of scrutiny on reward decisions, especially by those companies that have benefitted from taxpayer support during the pandemic. A watchful media and a sceptical public will be on the lookout for any signs of ‘excessive’ executive pay. This will require a careful balancing act around what constitutes fair reward.

Our meeting will have three distinct but related themes, which will enable members to consider the multi-faceted issue of ‘fair’ reward policy from the perspective of a wider group of stakeholders:

1. Key changes to remuneration policy

- What policy shifts are companies now considering in the wake of the pandemic
- What wider perspective on performance and greater protection against reward risk do these changes offer?

2. What is fair and what is excessive?

- Are decisions based on a real understanding of the market for key roles?
- What is an acceptable level of pay ‘inequality’?
- How do you stay the right side of ‘outrage’?

3. Rewarding at the edge

- In order for agile companies to catch the next wave, how do they exploit new business models and talent pools?
- How do you identify and reward the critical resources for the business of tomorrow?
- Do we understand the implications of agile reward?

Our distinguished panel of speakers will offer the diverse perspectives of a senior business school professor, a RemCo chair, the chief executive of an independent think tank, and a leading remuneration consultant.



TORSTEN BELL is the Chief Executive of the Resolution Foundation, a think tank that combines analytical rigour with policy prescriptions to improve the living standards of those on low to middle incomes. He has a background in economic policy. Previously, Torsten was Director of Policy for the Labour Party. He also worked in HM Treasury as a member of the Council of Economic Advisers during the 2008 financial crisis.



PETER BOREHAM heads Mercer’s UK & European Executive Reward Practice. He has over 20 years’ experience advising major companies / RemCo’s on executive compensation in Europe and North America. Peter has advised the UK Cabinet Office and two Parliamentary Select Committees on senior pay, has spoken regularly at conferences on reward, and contributed to two books on reward management. Peter is a Fellow of the Institute of Actuaries.



GEORGE FEIGER has been Executive Dean of Aston Business School since 2013. Previously he was Founder/CEO of a wealth management firm in San Francisco; Director of McKinsey in the US & UK; Global Head of Investment Banking for Warburg; Global Head of Onshore Private Banking for Swiss Bank Corporation and UBS; and involved in a variety of venture capital activities. He was Lecturer of Economics at Harvard; and Associate Professor of Finance at the Stanford Graduate School of Business. He has a PhD in Economics from Harvard.



ALAN GILES has extensive experience on listed company Boards, including RemCo Chair of Rentokil Initial. He is currently S.I.D. and RemCo Chair of Foxtons plc, and S.I.D. of Perpetual Income & Growth Investment Trust plc. He chairs the Remuneration Consultants Group, is Associate Fellow of Saïd Business School, and Honorary Visiting Professor at The Business School, City, University of London. He graduated in Physics from Merton College, Oxford and holds a Masters in Management from Stanford.

EMPLOYMENT POLICIES – WHAT WE NEED AND WHY WE NEED THEM

AFTERNOON MEETING AND REPORT

Wednesday 14 April
16.30 – 19.30 BST

London

How relevant and up to date are your employment policies? The aftermath of the Covid-19 pandemic will lead to a re-writing of policies in certain areas, especially regarding home working and absence. You will probably have updated your data protection policy in response to GDPR. High profile events often prompt a complete re-write. But what about the ones you haven't looked at for years? Have they stood the test of time? Do they contain old-fashioned language, once deemed acceptable but now seen as offensive? Are they policies designed for your business of ten years ago but less relevant to how you work today?

For many organisations, the policies manual has traditionally been something that has grown over time and has rarely, if ever, been reviewed. For many years, having out-of-date policies carried little risk.

But the business and social environment has changed. Companies are now held to account over policy questions by employees, shareholders and the media. They are now far more likely to be called upon to define, explain and justify the values and the detailed provisions that are embedded in the policies that they apply within their organisation.

This session and the accompanying report will revisit the entire concept of employment policies and their use in organisations from both a legal and a social perspective. How are they used – and what do they tell us about the employer brand? What legacy policies might come back to bite us?

We will consider:

- What employment policies should a company have?
- What should they cover?
- Who owns them?
- What do you do with them when you've got them?
- What is the legal status of your policies?
- What are the implications of making them contractual or non-contractual?
- What is their purpose – to police / to encourage / to manage risk / to ensure fairness and consistency?

The Covid-19 pandemic will be a catalyst and opportunity to review employment policies that may be based on outdated working practices and patterns.

We will look at how employment policies need to evolve and how to revise them in a way that will both remove risk and strengthen your employer brand.



MARTIN WARREN is a recognised industrial relations expert and employment lawyer with significant Board and Human Resources experience gained at law firm Eversheds Sutherland (International) LLP for over 30+ years. Martin was responsible for the strategy of the firm's labour law/industrial relations group and for supporting a portfolio of major clients in dealing with a range of complex labour law issues.

STRATEGIC REWARD SKILLS MASTERCLASS

TWO-DAY RESIDENTIAL

Wednesday 12 and Thursday 13 May

Day 1: 9.00 – 17.00 BST (followed by dinner)

Day 2: 9.00 – 15.00 BST

Oakley Court, Windsor Road, Water Oakley,
Windsor, Berkshire SL4 5UR

Our **Residential Masterclass** is available to one nominee from each PARC member as part of your annual subscription. There is an additional charge for accommodation.

The Masterclass is an ideal learning, networking and skills development opportunity for the next generation of Reward and HR Leaders. The content is targeted at experienced, capable talent who are most likely to progress to the most senior HR and reward roles.

The Masterclass incorporates a speakers' dinner at the end of Day 1. This evening commitment forms an essential component of the Masterclass given our speakers' relevance of insight to the Remuneration Committee simulation on Day 2.

Numbers are strictly limited to ensure maximum participation and interaction with the PARC and guest faculty.

Extra places may become available to members at a cost of £1,500 per person.

Places may become available to non-members at a cost of £2,500 per person.

This will be our sixth annual Strategic Reward Skills Masterclass and each year we evolve the content and format to ensure continued relevance and value for those attending.

The Masterclass is aimed both at prime succession candidates to current Heads of Reward in major listed companies, and also at newly-promoted (or aspiring Corporate HR Directors, who are seeking to develop a more strategically focused set of reward skills. Attendees particularly value our simulated Remuneration Committee session, focused on the interface role with the RemCo and Main Board.

The content of the Masterclass is founded on those areas most frequently reported by RemCo Chairs as essential to effective performance as the Group HR Director or Head of Reward in major companies.

Our proprietary content encompasses:

- The ability to develop a 'grounded' reward strategy – aligned with business strategy.
- The ability to review / assess and contribute to RemCo effectiveness.
- The ability to review / assess the effectiveness of longer-term incentive arrangements – and develop clear alignment to sustainable, long-term performance.
- The ability to design / conduct a risk audit of reward.

Prior to attendance, delegates will be asked to review their organisation's strategic business objectives, including as outlined in the Annual Report, and to assess the alignment between these objectives and their organisation's:

- a) approach to talent strategy;
- b) reward values and principles; and
- c) major group-wide reward plans.

It is important that anyone nominated to attend the programme will have the opportunity to discuss their organisation's strategic business objectives (and performance model) with relevant members of senior management. Under the guidance of the nominating PARC member, each attendee should be set clear actionable objectives linked to the Programme deliverables, which they can share in a pre-Masterclass discussion with a member of the PARC team. Each nominating PARC member and nominee will have a discussion with a member of the PARC team at least three weeks before the Masterclass.



DREW MATTHEWS is Global Compensation and Benefits Director for BT. Previously, Drew was a Partner at Aon Hewitt New Bridge Street, most recently Head of Reward at Micro Focus and also formerly Personnel Director at Tesco where he was accountable for reward, global mobility, share schemes, and occupational health and wellbeing for over 500,000 employees in 14 countries.



PHIL WILLS advises and assists PARC in the development of its programme of events. His previous corporate roles included Global Head of Reward for Reed Elsevier (RELX), for ICI, and for Diageo. Since 2010 he has established an independent consultancy business to provide strategic reward support, focused on the delivery of business strategy and organisational performance. His other major focus is as coach to newly appointed (or aspiring) Corporate HR Directors on all areas of reward strategy and delivery (including incentive plan design and corporate governance effectiveness).

Our **Online Masterclass** will be available to those who want to complete the masterclass but are unable to join us for the residential in Windsor. We are holding what will be our second, interactive Masterclass in Autumn 2021. The cost of participation is the same as for the residential masterclass, minus accommodation costs. This online programme is designed to ensure that the breadth of content and interaction with guest faculty remains aligned with what is achieved on the residential programme. Please contact us with your interest in joining the **Online Masterclass**.

WHY ORGANISATIONS FAIL – DO WE KNOW THE SIGNS AND CAN WE READ THEM?

PARC CONFERENCE

Wednesday 2 June
12.30 – 18.30 BST

Haberdashers' Hall, 18 West Smithfield,
London EC1A 9HQ

Why do companies fail? What is it that makes a successful business go from hero to zero in such a relatively short space of time? Of course, businesses disappear – as their business models become no longer relevant. It's part of the natural process of renewal and innovation. Yet what still surprises us is the speed at which some outwardly successful businesses suddenly collapse. A quarter of a century's corporate governance reform seems to have made little difference. The shock of corporate catastrophes like Wirecard in Germany and Carillion in the UK still make headlines.

The aftermath of the Covid-19 pandemic is seeing the most difficult trading conditions many companies have ever experienced. Yet even here, some companies have fared better than others in the same sector. Many of the economic pressures that were present before the pandemic are still with us and most forecasters believe it will take another four years to recover from the economic damage. Businesses are still grappling with the implications of changes in customer, employee and investor attitudes brought about by the pandemic. Consequently, more companies will come under pressure and more will be at risk of failure.

There are some factors about which we can do nothing. Yet there are others over which we have greater control, which we still don't manage as well as we might. The reasons are many and varied, ranging from dishonesty, incompetence and managerial hubris to lack of basic strategic and operational expertise or straightforward financial control. Whilst we might think 'it could never happen to us', all too often it does!

Chaired by Margaret Heffernan, author of *Wilful Blindness*, this PARC half-day conference aims to:

- Provide a warning as to what happens when important management disciplines are not followed.
- Help people to recognise early warning signs and anticipate threats to the business before they become critical.
- Create a learning opportunity to give us the benefit of profiting from the mistakes of others.

Our panel of speakers will provide insights from their various fields of expertise helping us to:

- Spot the signs of impending trouble
- Optimise our processes and project management skills
- Understand the legal framework in which businesses operate
- And, overall, improve our corporate decision-making.



STEPHEN CARVER lectures in Project Management, Action, Execution and Implementation at Cranfield University. He previously worked in oil and for Virgin, with project and risk management experience in most sectors. He is a prolific writer, much sought-after speaker and highly regarded as a global expert in Risk, Influencing and Crisis.



DIANE GILHOOLEY is the Global Head of the Eversheds Sutherland HR and Pensions Practice. She is also a member of the Senior Management Team and International Steering Group. Diane is eminent in the field of employment law, handling high-profile cases and providing strategic employment advice at national and international levels.



MARGARET HEFFERNAN produced prize-winning radio and television programmes for the BBC and ran media and software companies in both the UK and US. She is the author of five books, including *Wilful Blindness* (a finalist for *The FT Best Book award*). Her TED talks have been seen by over eight million people. She mentors senior and chief executives, and writes for *The Financial Times*.



TIM STEER was an international rock band sound and lighting engineer before qualifying as a Chartered Accountant with EY. He then became an Investment Analyst with HSBC James Capel and Merrill Lynch. He was a founding partner of New Star and later joined Artemis. Tim is an observer and commentator, and author of *The Signs Were There*.



PROF. DAVID TUCKETT is a Fellow of the British Institute of Psychoanalysis, a Training Analyst, Professor and Director of the Centre for the Study of Decision-Making Uncertainty at UCL. He is also Senior Research Fellow at the Kiel Institute for the World Economy. He has held a number of other senior appointments and is a prolific author and contributor to a range of publications.

EDUCATION – A MANIFESTO FOR CHANGE

SUMMER LECTURE

Thursday 8 July

17.30 – 18.45 BST (followed by drinks)

Sea Containers House, 20 Upper Ground,
London SE1 9RQ

Education is the most important factor determining the future of our children, our economy, our society and ultimately our planet. In our Summer Lecture, Richard Gerver will share his vision of the thinking and processes we must adopt if we are to develop a system that prepares our people for success in a complex and uncertain future.

Bringing together his career as a former award-winning teacher, globally renowned principal, school and university board member and government policy advisor, Richard explains exactly what skills, behaviours and attributes our children need to achieve success in the modern world.



RICHARD GERVER is an award-winning speaker, author and thinker, who began his career in education as Headmaster of the failing Grange Primary School. In two years, he famously transformed the school into one of the most acclaimed learning environments – celebrated by UNESCO and the UK Government. Richard has since transitioned to the stage where he delivers passionate, and provocative speeches, drawing on his insights from frontline education to explore the links between great leadership, human potential, change and innovation.

MEASURING FINANCIAL PERFORMANCE

AFTERNOON MEETING AND DISCUSSION PAPER

Wednesday 14 July
16.30 – 19.30 BST

London

In companies, we often talk about financial performance – at company and business unit level. But what do we actually mean by financial performance and how do we measure it? The answer is often ‘it depends’ because companies may choose to focus on different measures depending on the specific challenges and priorities that they face.

However, an awareness of the broad range of financial performance measures and metrics is critical for any reward professional.

In this session we will develop a critical understanding of the most important financial performance metrics. We will consider the strengths and weaknesses of each measure in different business contexts, their use by investment analysts and their deployment in acquisition models. We will look at how and when these measures should be incorporated into specific performance and reward interventions.

Measures we will examine will include:

- Total Shareholder Return (TSR) – (both relative and absolute)
- Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)
- Definitions of ‘Profit’: PBT / PAT / PBIT / Adjusted Operating Profit
- Return on Capital Employed (ROCE)
- Economic Value Added (EVA) and Economic Profit (EP).

The style of this event will be practical and informative, aimed at those wishing to contribute to greater effect to the selection and application of such measures in their companies. We will also examine a number of case studies, illustrating how and why specific metrics have been used.



ROBERT STEPHENS is a CFA charterholder who runs his own research company. He has worked as an Equity Research Analyst for over 10 years and regularly contributes to media publications including *The Daily Telegraph's* *Questor* column, *Master Investor* and *What Investment*.

HOUSE OF LORDS LUNCH

MEMBERS LUNCH

Wednesday 8 September
12.00 – 15.00 BST

House of Lords, Westminster, London SW1A 0PW

Our annual lunch for PARC members will be at the House of Lords, a suitable venue for a mid-year review of political and economic events.

The early 2020s are already shaping up to be a tumultuous decade. The past year has added global pandemic to the list of potentially destabilising factors affecting the world economy. Others, such as trade wars, geopolitical instability, climate change and demographics, are still with us. We have seen that it is very difficult to anticipate political and economic developments more than a few months ahead.

For this very reason, our choice of speaker will be made closer to the time. We shall be inviting a politician, commentator or observer whom we believe will best meet our requirements of informing and entertaining.

This will be a perfect opportunity to visit the seat of government, network with fellow attendees, listen to some well-informed commentary and discuss the key issues affecting our businesses.

BUILDING A FUTURE-FIT WORKFORCE

AFTERNOON MEETING AND REPORT

Wednesday 22 September
16.30 – 19.30 BST

London

Conventionally, we called operational staff blue collar or manual workers. This doesn't really work as a descriptor for front-line staff in modern organisations. They are just as likely to be waiting at a table, on the phones in a call centre, serving in a retail outlet, or working in a care home as they are to be on a factory floor.

What has remained constant, though, is that most organisations put less resource into the management and development of their operational staff than they devote to managerial and professional employees. Organisations have for years not done enough to optimise the output and the development of their operational workforces. In many organisations they are treated as a cost base rather than a source of competitive advantage. Investment in their skill and career development has been in decline for the last two decades. This cannot continue.

We have been talking about rapid change in business and work for years but the Covid-19 pandemic has forced the pace of change. It shocked us into bringing about organisational change at speed. Shifts in working practices which we assumed would take months, or even years, occurred in a matter of weeks. As is often the case, the discussion of these changes and their long-term implications has focused on those in professional and managerial occupations. Yet much of the impact, in terms of the restructuring of the labour force, is likely to fall on the rest of the workforce – those in various operational roles ranging from manufacturing and warehousing through to call centres and social care.

Without a significant re-skilling of front-line workers, many advanced economies and many companies are likely to run into problems. Covid-19 is likely to accelerate some of the trends which were gathering pace beforehand. Operational roles are likely to be the section of the workforce most affected by technological and economic developments over the next decade.

How do we need to re-skill employees for their new role and purpose in a changed world? How do we develop the operational workforce as a source of strategic competitive advantage? This report will aim to provide insights into the changing nature of operational employment and will focus on good practice case studies of companies that have developed their entire workforce to fit the future.



KEVIN HALLOCK is Dean and Professor of Strategy and Business Economics at the Cornell SC Johnson College of Business and the Joseph R. Rich '80 Professor of Economics and HR Studies and Founding Director of the Institute for Compensation Studies at Cornell. He is also a Research Associate at the National Bureau of Economic Research and a Fellow of the National Academy of HR. His current research is focused on labour markets, executive compensation, the plan design and mix of employee compensation, and the gender wage gap.

BUILDING AND SUSTAINING GREAT ORGANISATIONS

ANNUAL INTERNATIONAL CONFERENCE LIVE

Monday 11 – Wednesday 13 October

InterContinental Athenaeum Athens, Leof. Andrea Siggrou 89-93, Athina 117 45, Greece

Accommodation: CRF and PARC have secured a rooming block at the InterContinental Athens for those wishing to stay at the conference venue. There is a non-refundable accommodation cost of £235 + VAT per night. We recommend a two-night stay: Monday 11 and Tuesday 12 October. Please note that places at the hotel are limited.

Attendance for non-members is £1,500 + VAT (excluding flights and accommodation).

What is a 'great' organisation? How do you know you work for one? What can you do if your organisation isn't 'great' today, but you'd like it to be? These are the questions we will be looking to answer.

While the average shelf life of companies has greatly reduced over the last few decades, there appear to be enduring characteristics that mark out those organisations that deliver sustained high performance over the long term. Many researchers have developed models describing the distinguishing features of 'great' organisations. Although their methodologies and conclusions differ, there are a number of common themes. Great companies tend to have:

- **A clear purpose and values beyond making money:** they develop and maintain an aspirational purpose/ mission, an economic model of the business, a set of core values and norms of behaviour that are broadly communicated and understood.
- **The ability to be ambidextrous:** optimising the core while developing new lines of business.
- **Openness to the outside world:** the ability to sense changes in the external environment, see and exploit opportunities before others. Continuous monitoring of the environment by a large number of people in the organisation, not just a select few responsible for strategy.
- **Strong customer orientation:** they maximise the surface area of the organisation that's in contact with customers, and make it easy for decision makers to receive information about customer behaviour and respond fast to changing customer demand.
- **An organisation design that enables fast, informed decision-making:** autonomy and devolved decision-making, even in large complex organisations. They don't allow organisation complexity such as matrix management to bog people down.
- **A distinctive culture that supports innovation and experimentation:** tests are constantly being run and evaluated. Failure is accepted as a legitimate outcome of experimentation and a vehicle for learning. Learning is applied to future experiments.
- **Organisational resilience:** the ability to bounce back from setbacks.
- **Change viewed as 'normal' and ongoing:** not something to be endured on a periodic basis.
- **A culture where people can flourish:** the rhetoric of investing in people is backed up by leadership commitment and action.



STEPHEN CARVER lectures in Project Management, Action, Execution and Implementation at Cranfield University. He previously worked in oil and for Virgin, with project and risk management experience in most sectors. He is a prolific writer, much sought-after speaker and highly regarded as a global expert in Risk, Influencing and Crisis.



MATTHEW INGLE founded Howdens Joinery Group in 1995 and was CEO until 2018. As part of the MFI Group, Howdens grew rapidly. It's 'worthwhile for all' culture, unique business model, innovative products and relentless focus on customer service set it apart, and in 2017 was ranked the 7th best large company to work for by *The Sunday Times*.



PROF. MICHAEL JACOBIDES holds the Chair of Entrepreneurship and Innovation at LBS, where he is Professor of Strategy. He is Academic Advisor to the Boston Consulting Group, Visiting Scholar at the New York Fed, and Visiting Fellow at Cambridge. He studies industry evolution, new business models, value migration and strategy, and how digital ecosystems transform the business context.



WHITNEY JOHNSON is one of the 50 leading business thinkers in the world (Thinkers50) and an expert on disruptive innovation and personal disruption. She has written widely on disruption and is a co-founder of the Disruptive Innovation Fund with Harvard Business School's Clayton Christensen.

ECONOMIC UPDATE – 2022 AND BEYOND

WEBINAR AND ONLINE GROUP DISCUSSION

Wednesday 17 November
12.00 – 13.00 GMT

No one was expecting a return to business as usual after the events of 2020. By November 2021 the initial shock of the Covid-19 pandemic will have dissipated, but many of the resulting shifts in public attitudes and changes in consumer behaviour will be with us for the long term. Consequently, for many companies the business landscape will change. The fully recovered economy is likely to look significantly different from the one that existed before the pandemic.

The most resourceful and resilient businesses will have adapted their business models and will be expecting to make more changes as markets and societies evolve. It has become more important than ever to scan and understand the forces shaping the business environment.

Coming as it did on the back of a decade of stagnating productivity and slow economic growth, the pandemic will lead to government borrowing at near wartime levels. As a result of the economic shock, the GDP growth and increased tax revenue that governments rely on to reduce their debt will be a long time coming. Add to this the continuing political volatility, trade disruption, UN projections that show an ageing population, and increasing social pressures on both advanced and developed economies over the coming decade – and the economic challenges for the 2020s will be a lot more daunting than those of the previous decade. As economist John Kay put it *Radical Uncertainty* is the new normal.

As the business world of 2022 and beyond throw up yet more surprises, those companies that have pivoted, survived and thrived will need to do so again. At a time when you will be at an advanced stage of thinking about budgets and plans for next year, our speaker, a prominent economic commentator or academic, will give us a perspective on how the economic environment of the coming decade might develop.

REVIEW AND 2022 PROGRAMME LAUNCH

KEYNOTE ADDRESS AND MEMBERS DINNER

Wednesday 1 December
18.30 – 22.00 GMT

We will round off our 2021 programme with a brief look back over the past year and an optimistic, if realistic look forward to 2022.

The signs are that 2022 will be another year of surprises, seeing the confounding of long-held assumptions and the emergence of new threats and opportunities. But this is a time to draw breath.

Our speaker will provide us with insights on the year past and some signposts for the one to come.

This stimulating and thought-provoking dinner will also see the launch of the PARC 2022 Programme.



parc 2021

PROGRAMME

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