



Challenges and opportunities during an economic downturn

Strategies for Crisis Management

Bucharest, February 2009

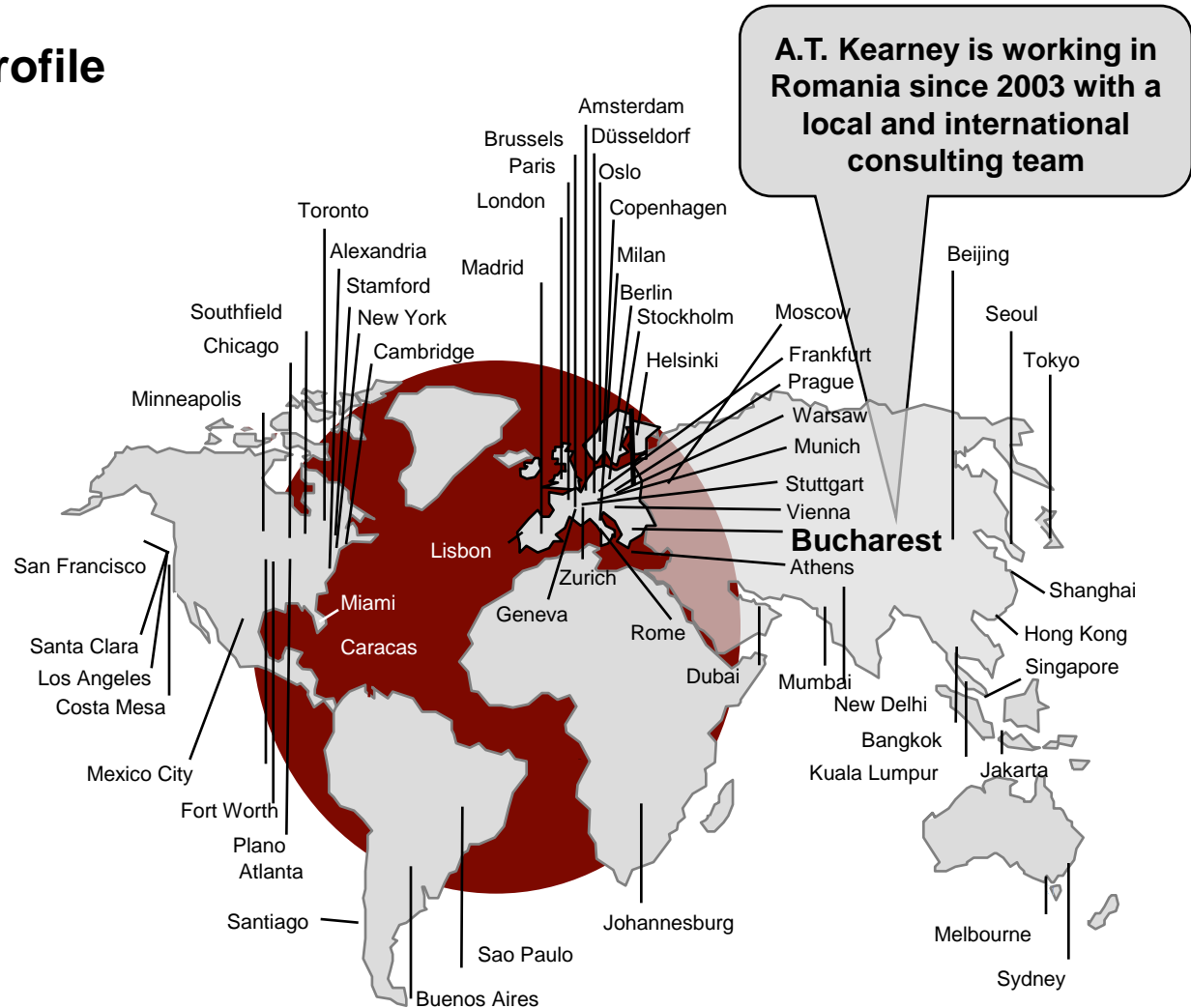
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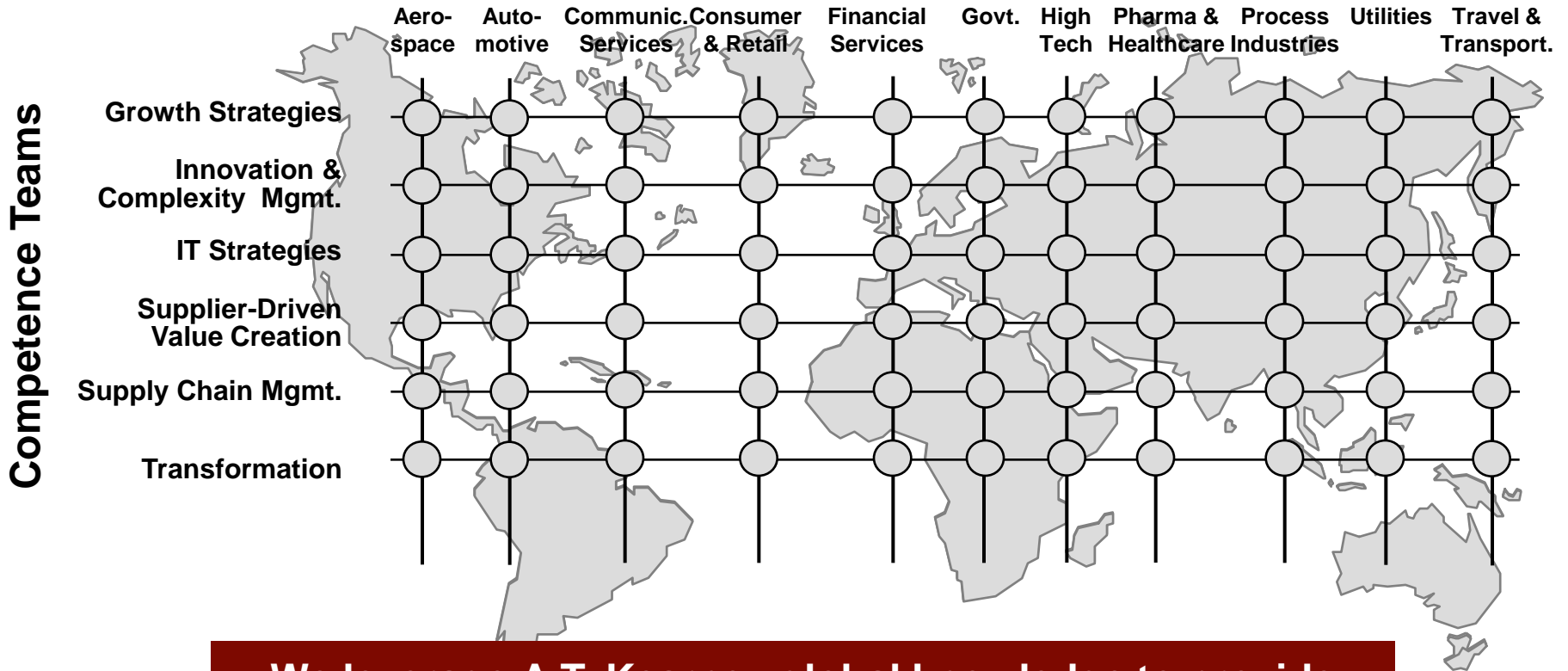
A.T. Kearney – Company profile

- Tradition – Founded 1926 in Chicago
- Private partnership
- Global footprint – 60 offices in 35 countries
- Resources – over 2.000 consultants



We leverage global know-how through functional practices and industry groups

Industry Groups



We leverage A.T. Kearney global knowledge to provide tangible results for clients

Agenda

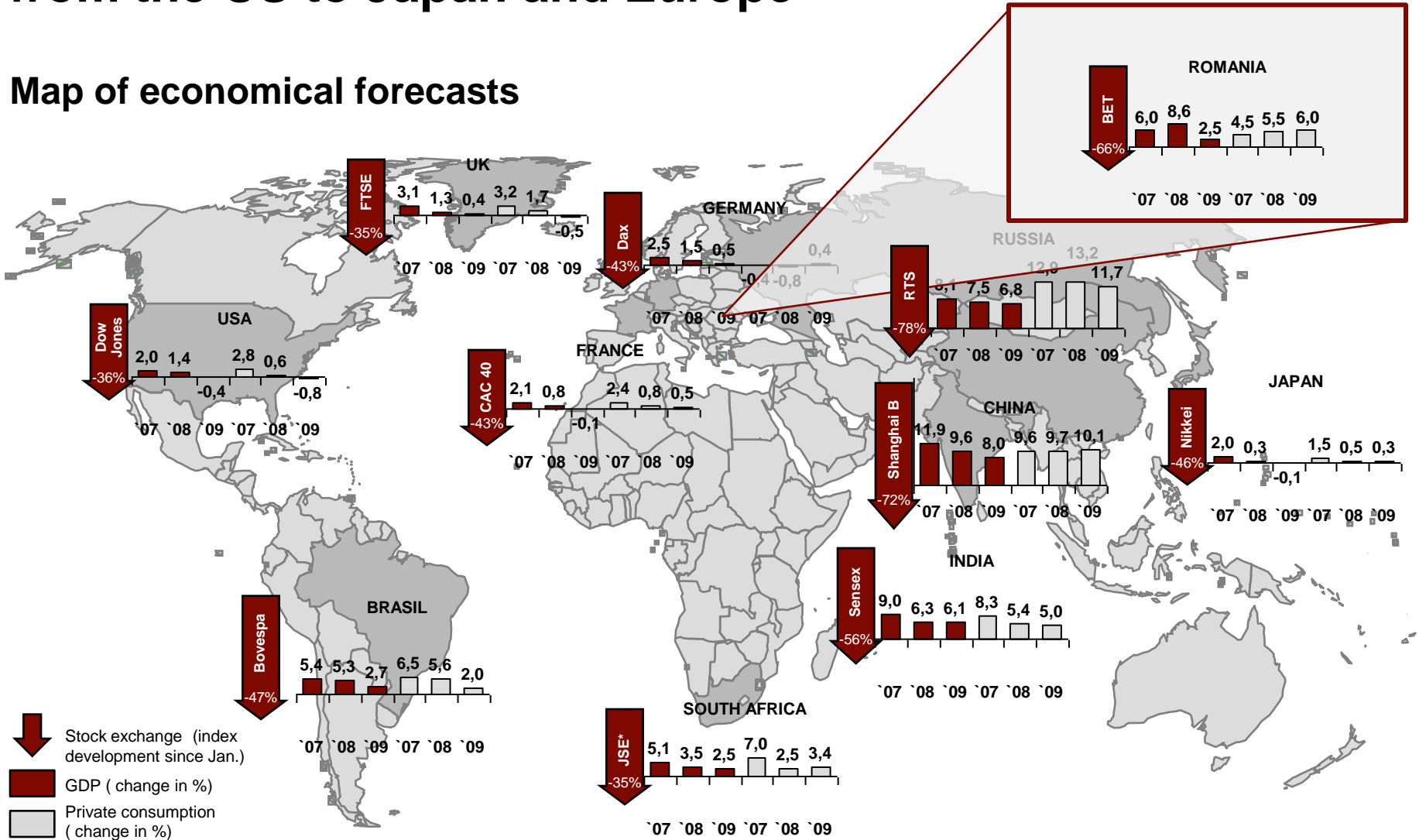
- **International Context**

- Implications for Romania

- Strategies for Crisis Management in Romania

Financial crisis is affecting the countries all over the globe, from the US to Japan and Europe

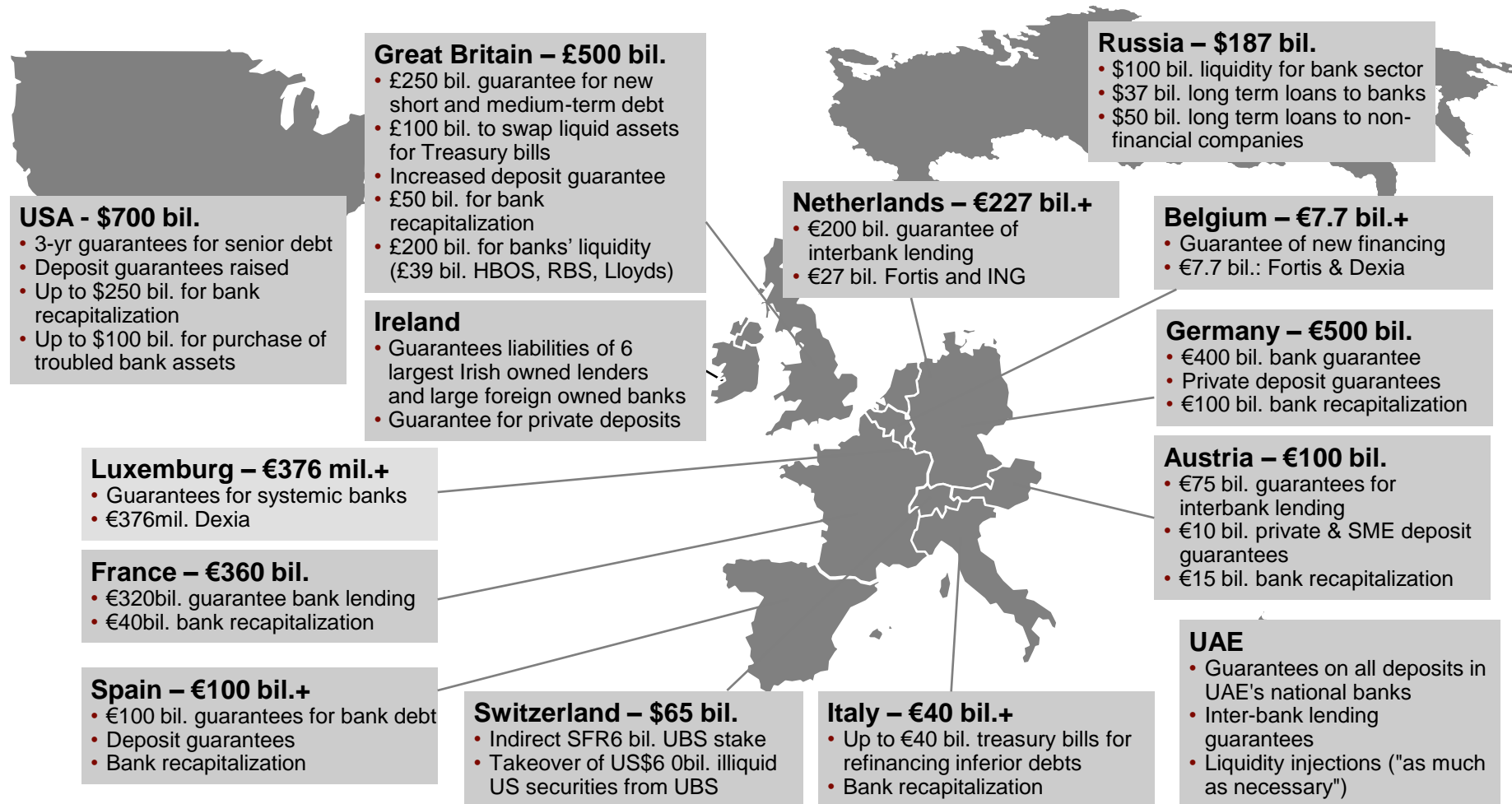
Map of economical forecasts



Source: HB Research, Press Research, Bucharest Stock Exchange, International Monetary Fund, Romanian National Commission of Prognosis

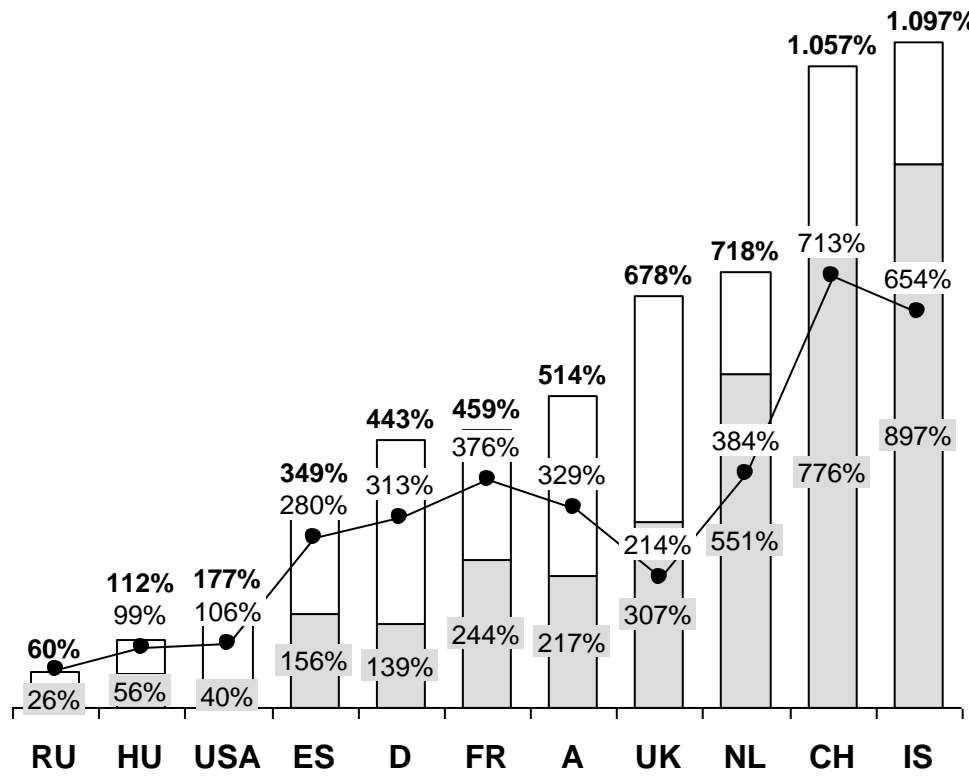
Governments initiated unprecedented action to inject money and revitalize the capital markets

International rescue packages



Though, sovereign risk is getting on the radar screen

All banks consolidated assets as % of GDP



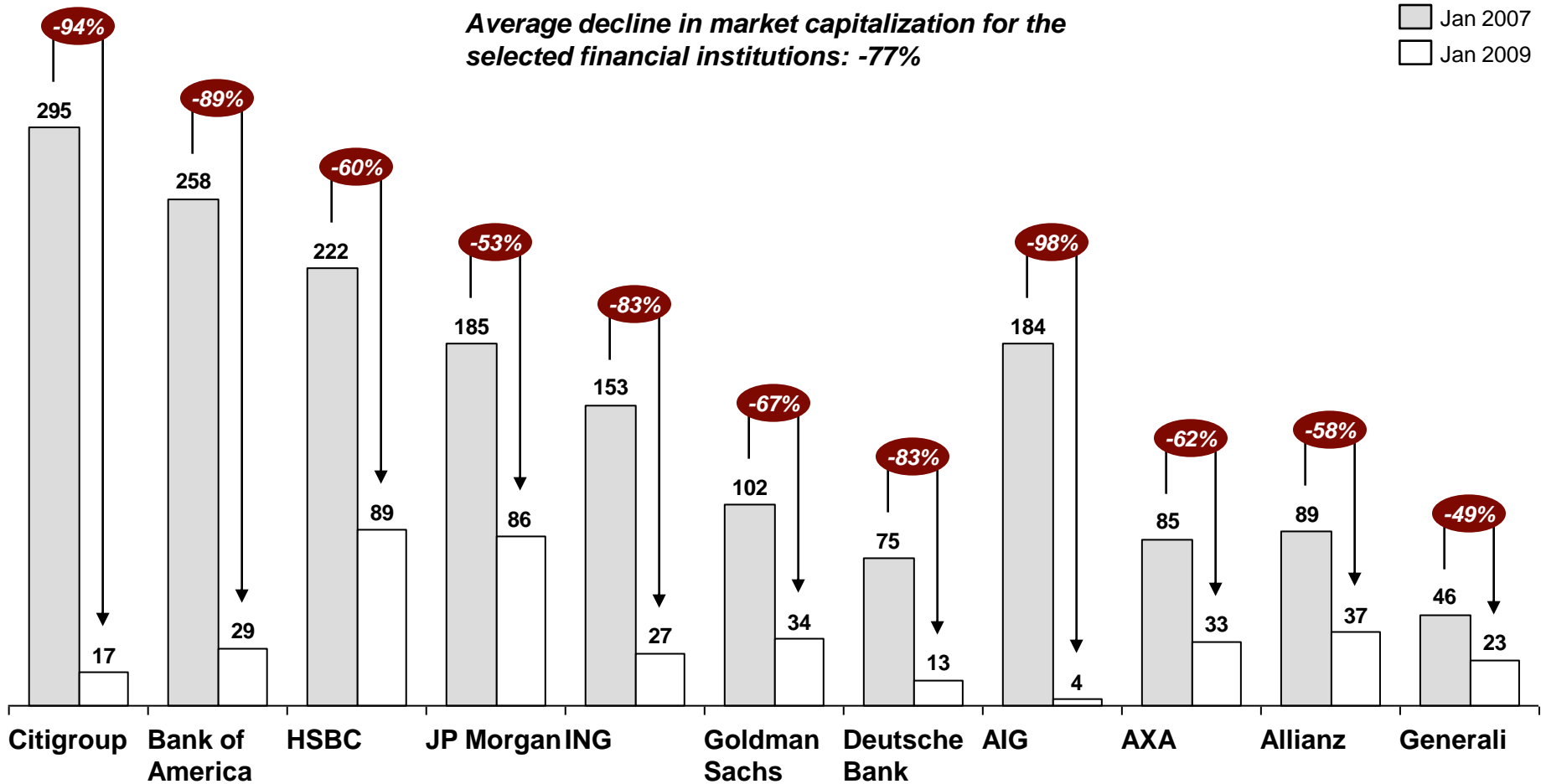
- USA – sub prime crisis causes chain reaction
- Russia – foreign debt problem of oligarchs
- Hungary – large current-account deficit, fast credit growth, reliance on foreign-currency lending, \$20bn IWF loan
- Ukraine – geopolitical risk pre-empted by \$16.5bn IWF loan
- Switzerland – country not able to handle large bank fall out
- Austria – 3bn Icelandic bank debt exposure
- Iceland – financial sector far too large for the country; \$4.5bn IWF loan
- Germany – unclear business models of "Landesbanks" has triggered risk taking / stuffer situations

■ Top three banks' assets as % of the GDP

● Total banks' domestic (unconsolidated) assets as % of GDP

As the crisis unfolded, there was an enormous destruction of shareholders value

Stock Prices for Selected Financial Institutions, 29/01/07 - 22/01/09, US\$ BN

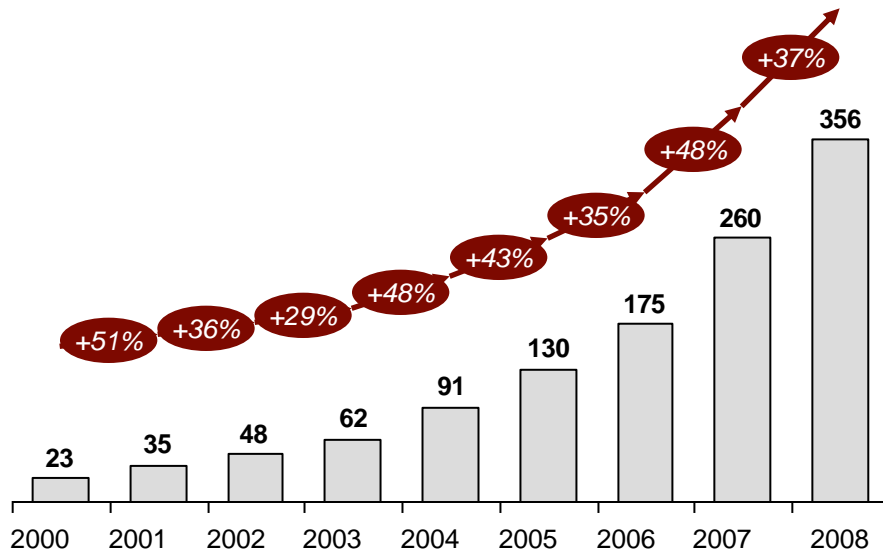


Agenda

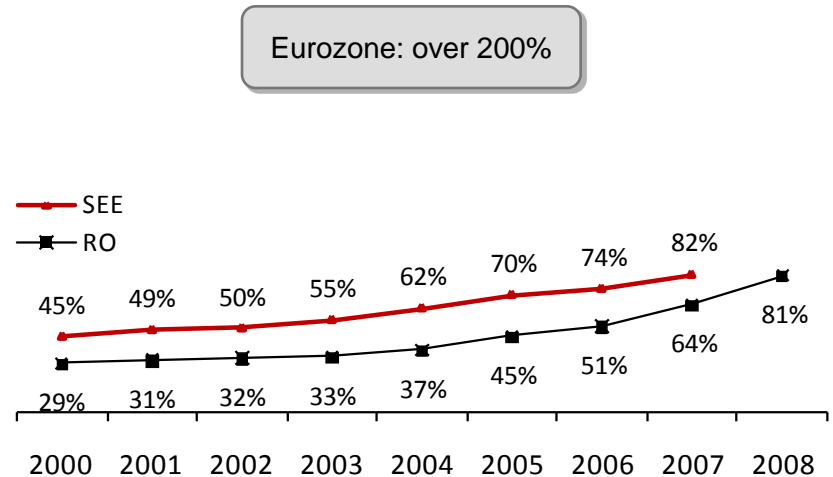
- International Context
- **Implications for Romania**
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Banking penetration in Romania is lower than in EU, but the financial sector is dominated by international financial groups which are challenged in their home markets

Aggregated Assets of Romanian Banks
RON B



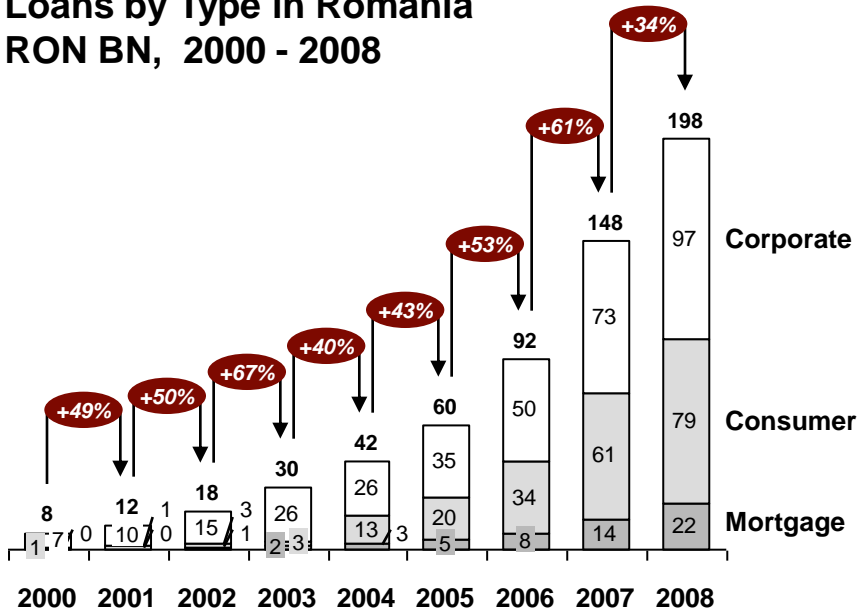
Assets of Romania & SEE Markets
% of GDP



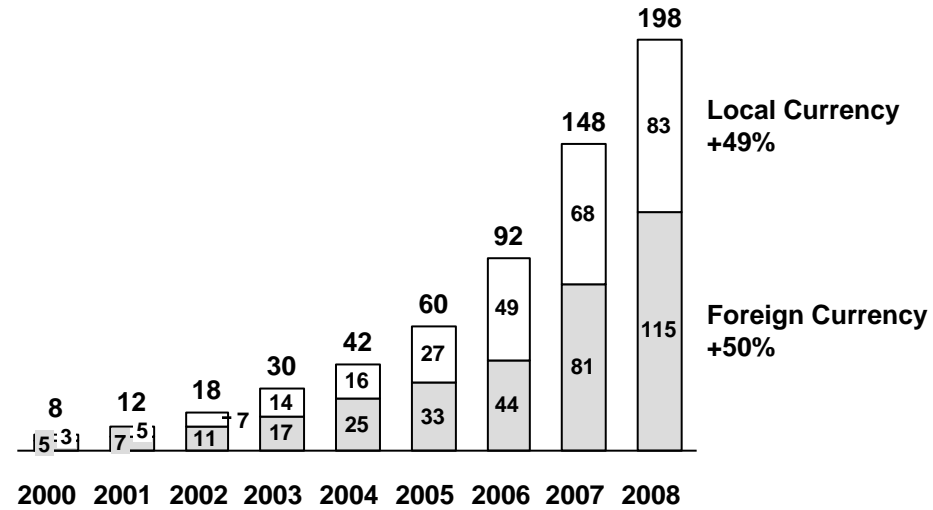
- Statistics may be somewhat underestimated due to the relatively large amount of loans booked by several banks on their Group balance sheet
- Growth in the Romanian banking sector is significantly threatened in 2009

The large number of consumer loans and the weight of foreign currency loans are important threats for the Romanian financial sector

Loans by Type in Romania
RON BN, 2000 - 2008



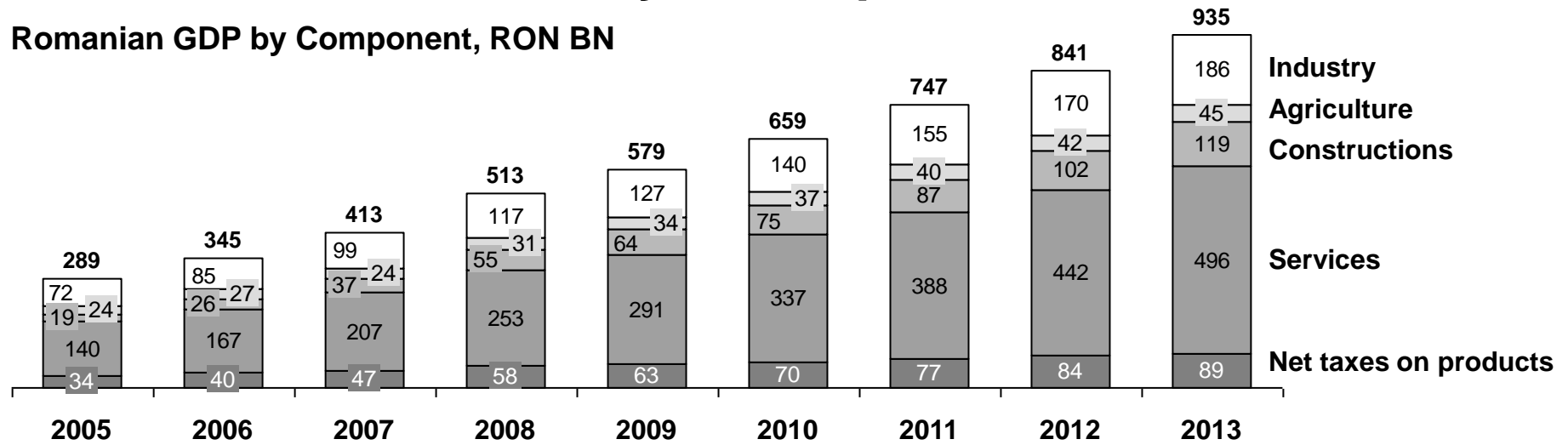
Loans in Local & Foreign Currency in Romania
RON BN, 2000 - 2008



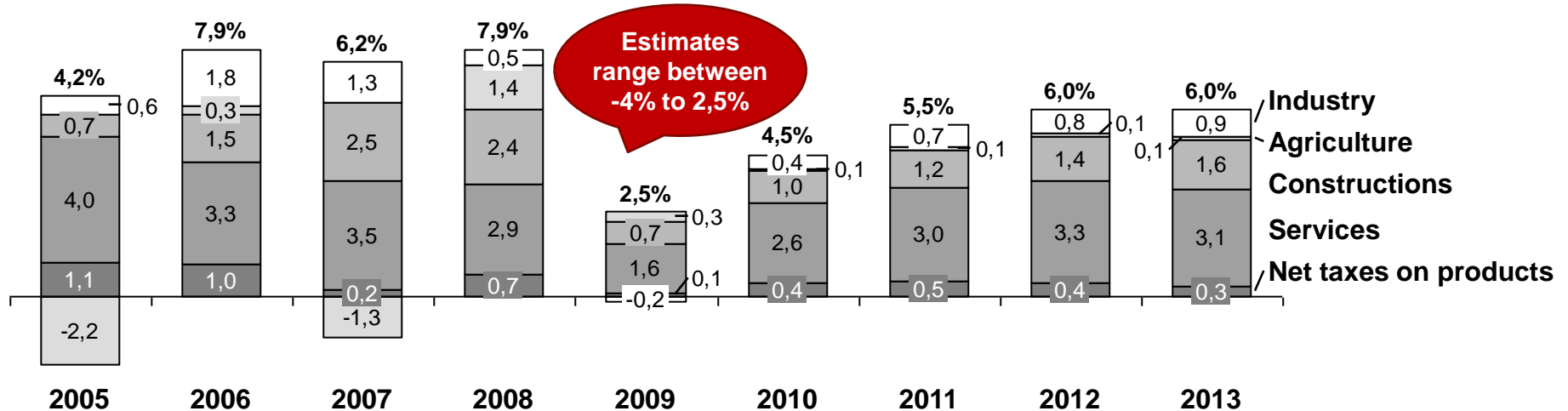
- NBR statistics indicate a share of approx. 85% of consumer credit in retail lending, with only 14% mortgage lending; in EU, mortgage loans represent almost 70% of total retail lending
- The large weight of loans denominated in foreign currency pose a threat given the recent RON devaluation
- Increasing burden of the debt service and the decline in consumer loans will have a major impact on several areas of retail
- Loans grow at a higher speed than deposits in Romania, driven mainly by the increasing level of consumption and leading to a liquidity gap within banking system

Romanian Commission for Prognosis has one of the most optimistic GDP growth forecasts; GDP contraction is more and more seen as a likely development

Romanian GDP by Component, RON BN



Romanian GDP Growth by Component, %



Industrial production was already showing weaknesses in several industries in 2008; 2009 raises significant concerns

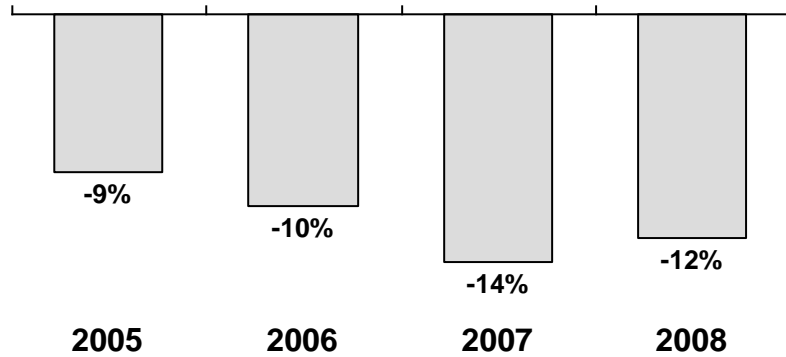
Romanian industrial production, year-over-year growth, %

Industry	2005	2006	2007	2008
A. Extraction, of which:	-0,5%	2,4%	-0,4%	-0,2%
Coal	-1,2%	7,2%	0,2%	-0,5%
Hydrocarbons	1,6%	-2,1%	-0,4%	-3,8%
Others	3,3%	21,2%	19,6%	15,0%
B. Manufacturing, of which:	2,5%	7,8%	6,4%	1,8%
Food and drinks	3,5%	15,9%	9,2%	6,6%
Tobacco	-7,3%	-7,0%	26,9%	27,5%
Textiles	-10,9%	-13,1%	5,4%	-23,1%
Clothing	-15,9%	-8,1%	-1,0%	-21,5%
Leather and footwear	-11,9%	2,3%	-3,0%	1,5%
Wood products (non-furniture)	22,5%	8,2%	17,0%	0,5%
Paper	5,0%	6,9%	10,3%	-9,0%
Editing & printing	15,1%	-15,0%	-4,4%	30,0%
Oil and coal	13,4%	-3,5%	-3,5%	-2,0%
Chemicals	3,1%	14,0%	8,7%	6,4%
Plastics	-6,8%	1,0%	14,0%	4,5%
Construction materials	-2,4%	11,8%	14,3%	7,3%
Metallurgy	2,0%	1,0%	3,6%	-15,0%
Metal products	1,0%	15,8%	6,2%	0,1%
Machinery and equipment	-1,1%	-0,1%	2,8%	5,0%
Electrical equipment	1,9%	11,6%	-6,1%	-15,0%
Telecom equipment	-37,1%	13,6%	-5,7%	10,5%
Medical instruments	-11,4%	-5,8%	2,5%	4,2%
Road transportation	34,9%	21,2%	18,8%	6,0%
Other transportation	1,7%	17,3%	16,3%	6,5%
Furniture and others	17,1%	21,2%	1,8%	-10,0%
C. Utilities, of which:	-1,5%	4,4%	-0,9%	7,3%
Electrical, thermal, gas and water	0,8%	6,7%	-0,1%	10,5%
Total Industry	2,0%	7,1%	5,4%	1,9%

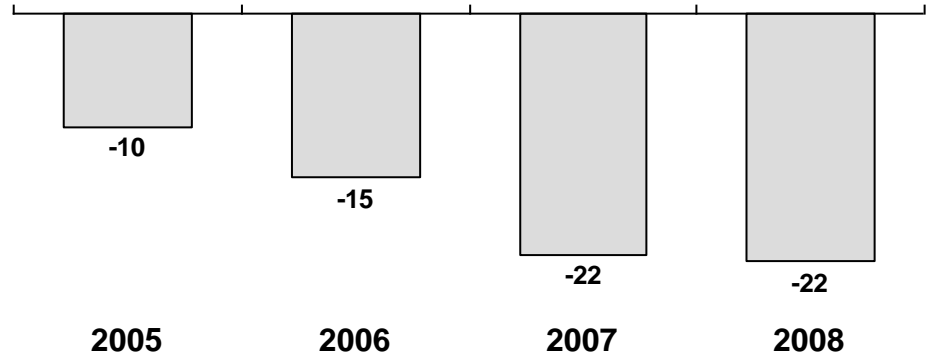
- Based on preliminary results, several industries experienced a significant decline in 2008 – e.g., textiles & clothing, paper, metallurgy, electrical equipment, furniture
- A clear reduction in growth became apparent in several other industries and the trend is likely to continue in 2009 – e.g., wood products, chemicals, plastics, construction materials

Current account deficit and the trade imbalance put significant pressure on the Romanian economy; FDI is one of the few indicators that has a recent positive trend

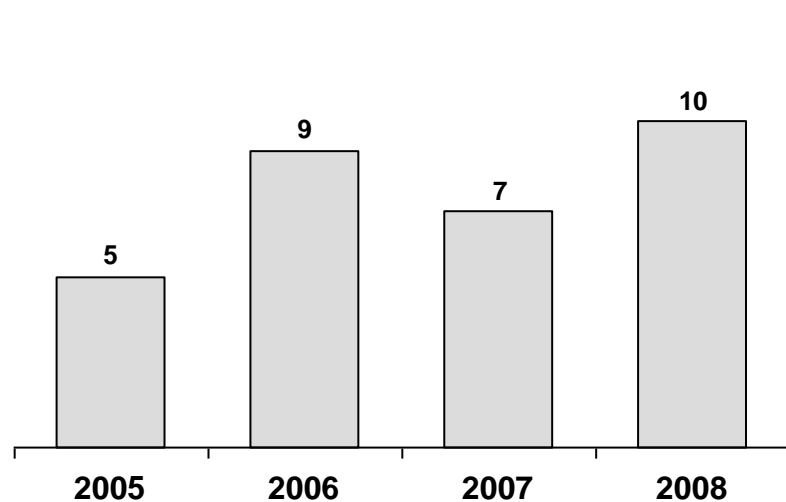
Current account deficit, % of GDP



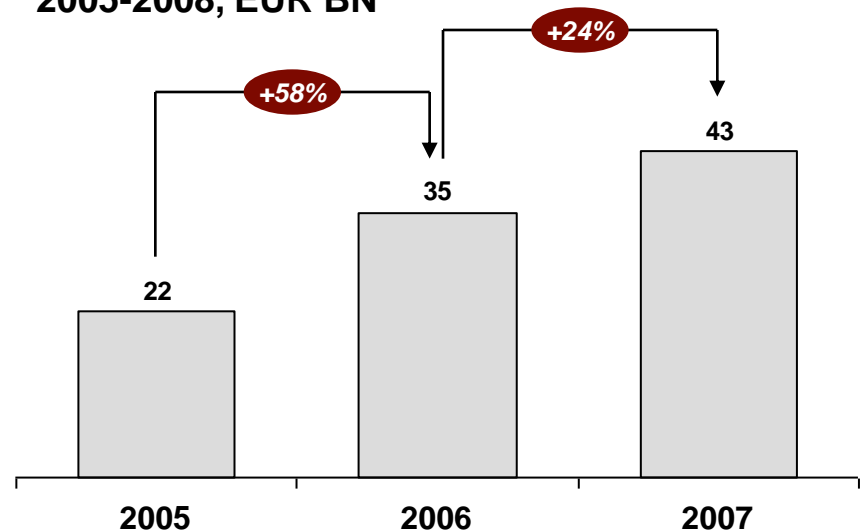
Trade balance, EUR BN



Flow of Foreign Direct Investments 2005-2008, EUR BN

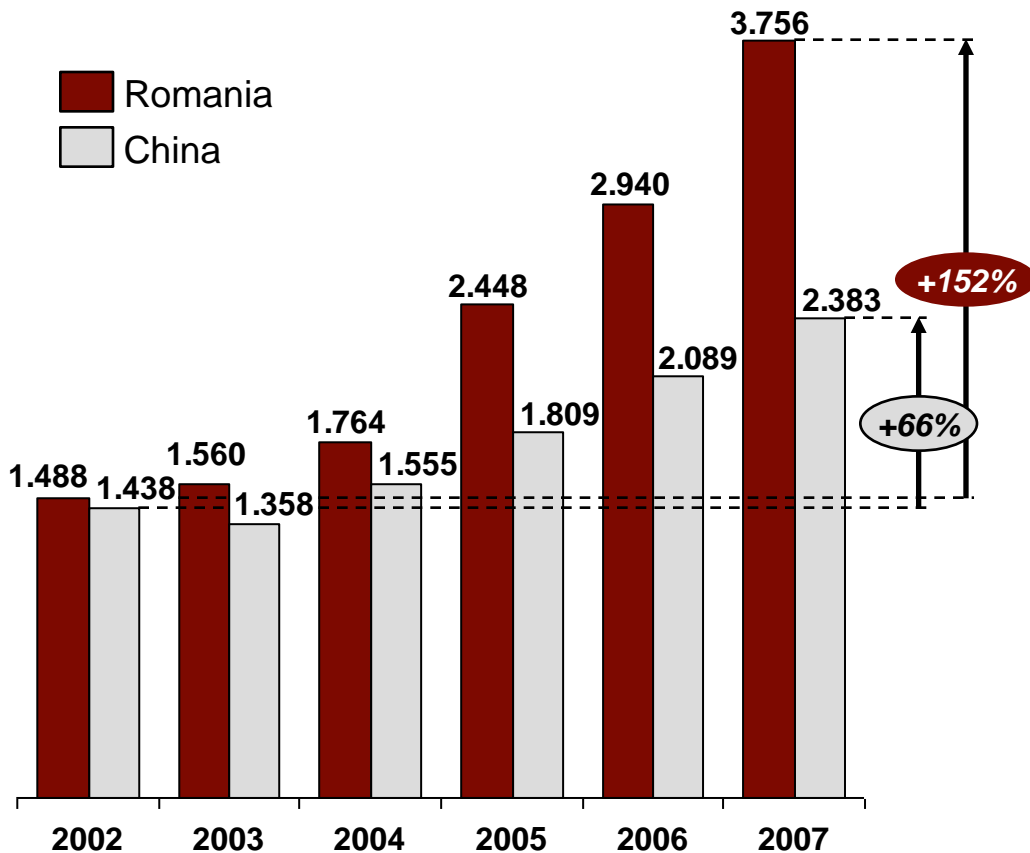


Stock of Foreign Direct Investments 2005-2008, EUR BN



Though, the fast growing salary costs are diminishing Romania's competitive advantage...

Romanian vs. Chinese average annual net salaries
2002-2007, EUR



- The average wage in **China** increased at a **slower pace** as in the Romanian market (+66% vs. +152%, basis 2002)
- On the Romanian market **wages increased at a higher pace as the GDP** thus posing a threat to the competitive advantage Romania had with its cheap workforce
- In the future **Romanian companies** exporting basic engineering products on the global market **will face an intensive competition from the Asian countries** that have access to cheaper labor force and do not need a high investment in technology
- It is essential for the Romanian SMEs to **increase the labor productivity** in line with the wages growth to be able to face the international competition

...and in recent years Romania has lost to some extent its attractiveness as outsourcing location

A.T. Kearney Global Services Location index

2006

Rank	Country	Financial structure	People and skills availability	Business environment	Total score
1	India	3.47	2.14	1.26	6.87
2	China	3.21	1.76	1.17	6.14
3	Malaysia	2.95	1.12	2.00	6.07
4	Philippines	3.58	1.16	1.05	5.78
5	Singapore	1.62	1.44	2.67	5.73
6	Thailand	3.27	0.94	1.51	5.72
7	Czech Republic	2.57	1.12	1.90	5.58
8	Chile	2.73	0.97	1.87	5.58
9	Canada	1.10	2.03	2.40	5.52
10	Brazil	2.91	1.36	1.23	5.50
11	United States	0.54	2.74	2.22	5.49
12	Egypt	3.55	0.95	0.98	5.47
13	Indonesia	3.51	1.06	0.89	5.47
14	Jordan	3.02	0.91	1.43	5.35
15	Bulgaria	3.29	0.86	1.11	5.27
16	Slovakia	2.72	0.96	1.55	5.24
17	Mexico	2.87	1.16	1.19	5.22
18	Poland	2.67	1.06	1.44	5.16
19	Hungary	2.61	0.88	1.63	5.13
20	United Arab Emirates	2.66	0.61	1.85	5.12
21	Costa Rica	2.96	0.79	1.34	5.09
22	Ghana	3.57	0.58	0.93	5.08
23	Argentina	3.14	0.93	0.98	5.05
24	Romania	3.07	0.92	1.05	5.03
25	Jamaica	2.92	1.01	1.10	5.03
26	Vietnam	3.55	0.69	0.76	5.00

2007

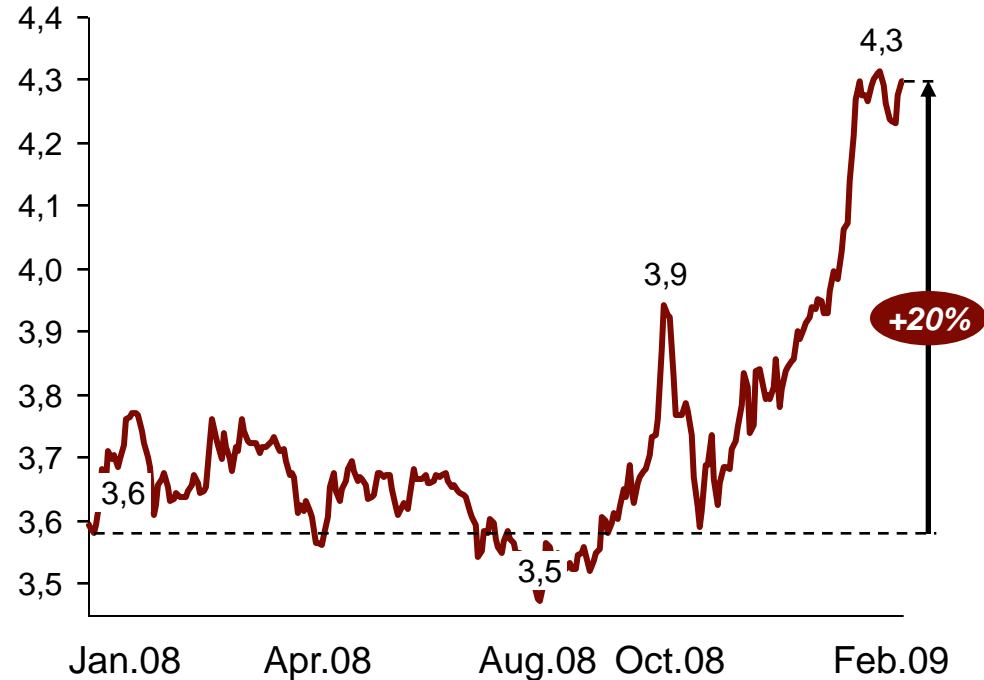
Rank	Country	Financial attractiveness	People and skills availability	Business environment	Total score
1	India	3.22	2.34	1.44	7.00
2	China	2.93	2.25	1.38	6.56
3	Malaysia	2.84	1.26	2.02	6.12
4	Thailand	3.19	1.21	1.82	6.02
5	Brazil	2.64	1.78	1.47	5.89
6	Indonesia	3.29	1.47	1.06	5.82
7	Chile	2.65	1.18	1.93	5.76
8	Philippines	3.26	1.23	1.26	5.75
9	Bulgaria	3.16	1.04	1.56	5.75
10	Mexico	2.63	1.49	1.61	5.73
11	Singapore	1.65	1.51	2.53	5.68
12	Slovakia	2.79	1.04	1.79	5.62
13	Egypt	3.22	1.14	1.25	5.61
14	Jordan	3.09	0.98	1.54	5.60
15	Estonia	2.44	0.96	2.20	5.60
16	Czech Republic	2.43	1.10	2.05	5.57
17	Latvia	2.64	0.91	2.00	5.56
18	Poland	2.59	1.17	1.79	5.54
19	Vietnam	3.33	0.99	1.22	5.54
20	United Arab Emirates	2.73	0.86	1.92	5.51
21	United States (tier two)	0.48	2.74	2.29	5.51
22	Uruguay	2.95	0.98	1.54	5.47
23	Argentina	2.91	1.30	1.26	5.47
24	Hungary	2.54	0.95	1.98	5.47
25	Mauritius	2.84	1.04	1.56	5.44
26	Tunisia	3.03	0.90	1.50	5.43
27	Ghana	3.27	0.90	1.25	5.42
28	Lithuania	2.60	0.83	1.98	5.42
29	Sri Lanka	3.18	0.96	1.22	5.36
30	Pakistan	3.23	1.00	1.11	5.34
31	South Africa	2.52	1.18	1.60	5.30
32	Jamaica	2.85	0.95	1.45	5.29
33	Romania	2.88	0.87	1.53	5.28
34	Costa Rica	3.00	0.86	1.36	5.22
35	Canada	0.77	2.09	2.30	5.16
36	Morocco	2.92	0.90	1.33	5.14

The emerging of new attractive countries such will continue to impact Romania's growth in the IT & Customer Support sectors

As most emerging markets, Romania is much more volatile than the developed economies

Stock market evolution BVB versus S&P 500
2007 – 2009, Jan 2007 = 100%

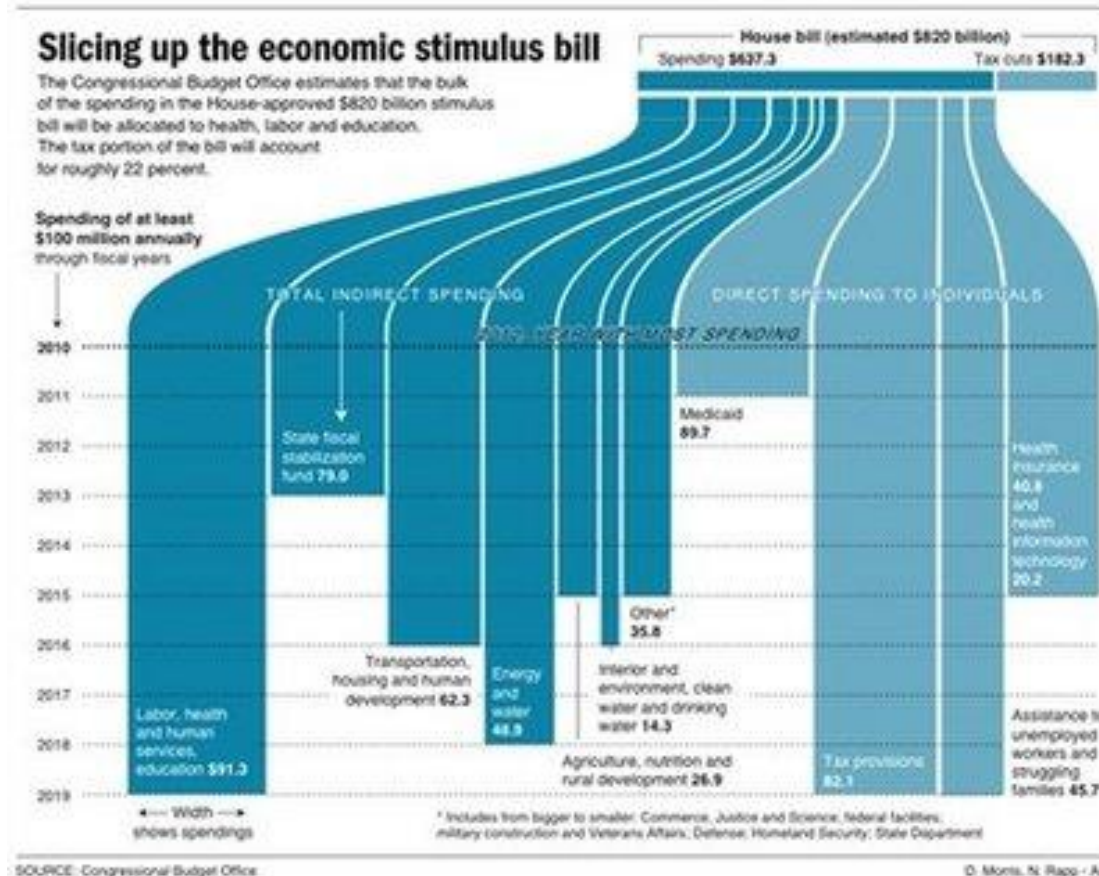
EUR/ RON exchange rate evolution



Compared to the US index's correction of approx. 42% within last two years, Romanian stocks sunk by roughly 74%

Government support could alleviate the impact; though, Romanian Government has little options for cutting taxes and did not prove its capacity to mobilize and absorb funds

US Government stimulus plan – initial form ⁽¹⁾



Romanian Government stimulus plan

- **Stimulate economic growth and job creation**
 - Government investments in infrastructure of **10.2 EUR BN** during 2009
 - Facilitate absorption of EU funds by closely monitoring involved institutions and simplify fund access procedures. Total funds currently unused amount to approx. **19 EUR BN for 2007-2013** (only 176 M absorbed to date)
 - Capitalize CEC Bank and Eximbank with a total amount of **250 EUR M**, partly directed for supporting small and medium enterprises; Implement counter-guarantee fund for SME financing
 - Continuation of “Rabla” program encouraging car owners to replace their old car with a new one, with total allocated funds of **53 EUR M**
- **Fiscal measures**
 - Remove taxes on re-invested profit starting with Q2 2009 - estimated budget cost of **800 EUR M**
 - Urgent payment of government debts to private companies, totaling **2.1 EUR BN**
- **Reduction of government personnel spending by 20%** through more restrictive allocation of salary bonuses to public employees

Agenda

- International Context
- Implications for Romania
- **Strategies for Crisis Management in Romania**

A.T. Kearney analysis demonstrates that organisations that are proactive during downturns can create value

Approaches Taken by Companies During Downturns

Deep Cuts

- Eliminate all discretionary spend
- Significant headcount reduction
- Significant cuts across all other operating and capital expenses

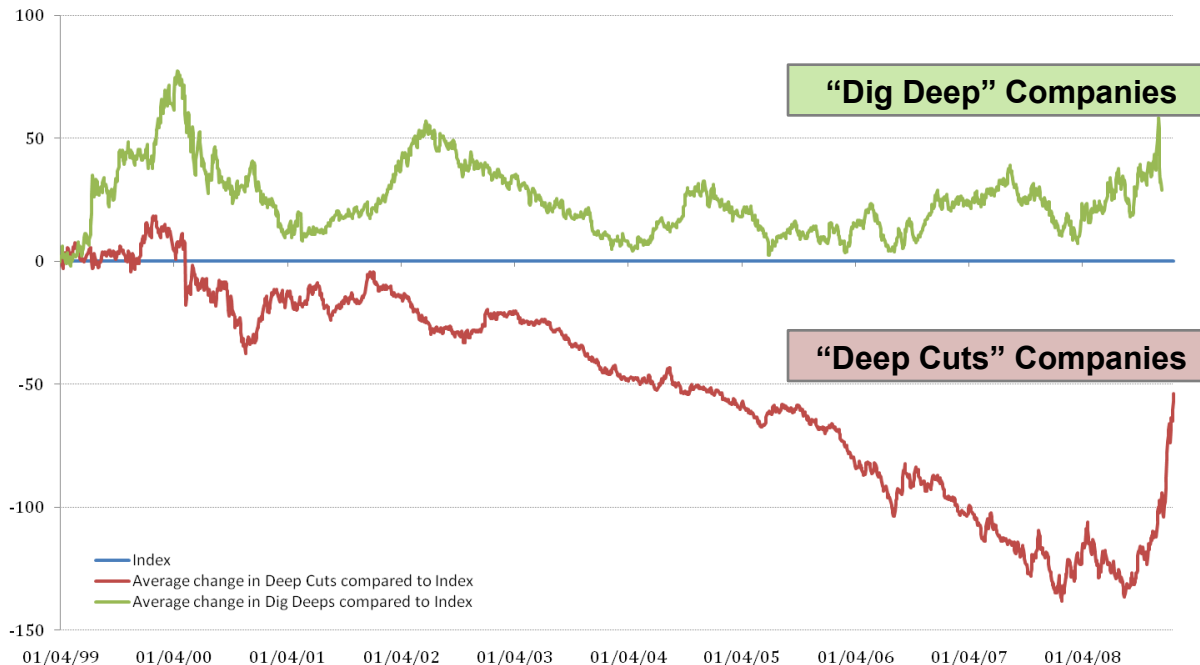
Deep Freeze

- Freeze on all investment and recruitment
- Stop on growth programmes

Dig Deep

- Hold steady on core strategies
- Cautious on cost but maintaining investment in growth oriented programs

Share Price Performance Relative to Industry Averages

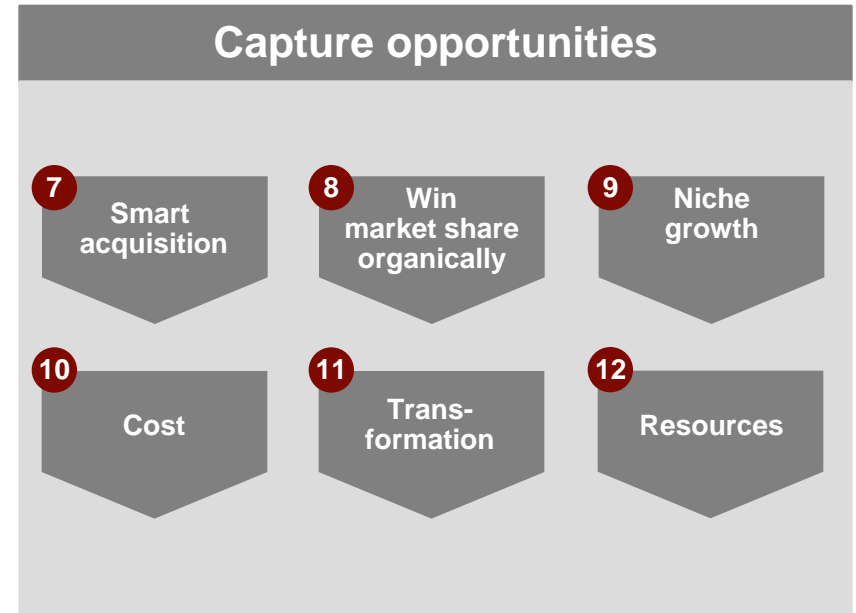
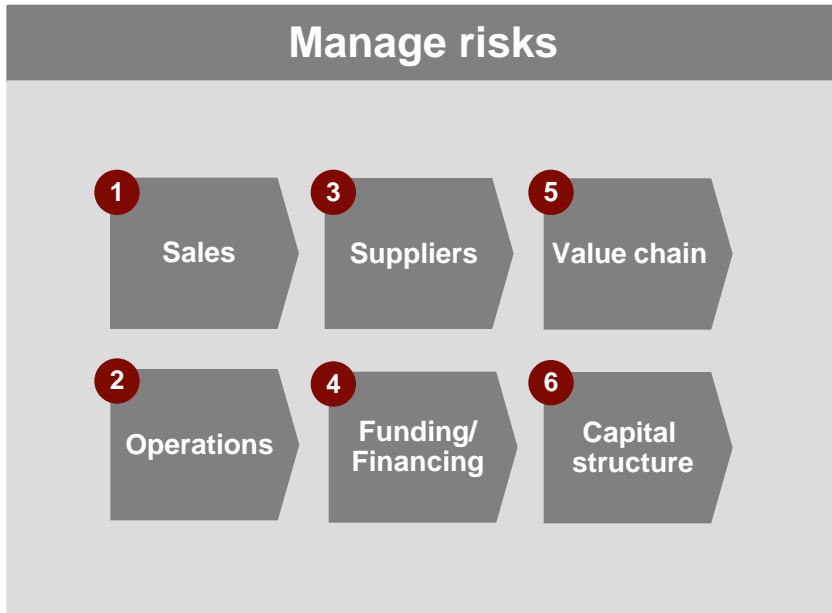


“You can’t turn off the engines of the plane half way across the Atlantic”
A.G. Laffley

“When the winds of change blow, some people build walls and others build windmills”
Chinese Proverb

There are several winning strategies which Romanian firms should leverage

Winning Strategies During Downturns



- Scenario planning and war gaming
- Risk assessment and risk management

- Proactively adapt core strategies
- Cautious cost management
- Maintain investment in growth oriented programs in segments with limited risk

1 With the top line at risk, companies must proactively protect against revenue loss

Potential risks

Sales

- ❑ **Customer reluctance**
- ❑ **Decreased volumes**
- ❑ **Protectionism and de-globalization**
- ❑ **Price reductions**
- ❑ **Payment delays and defaults**

Potential risk mitigation actions

- **Control volumes proactively**
 - Identify **risky customers/channel partners** along drivers and assess timing along the cycle
 - **Monitor** customers and **phase out risky** customers
 - Develop service differentiation regarding customer attractiveness; establish long-term **partnerships** with preferred customers
 - Support customers in **financing**
- **Manage pricing proactively**
 - **Favor volume adjustments, discounts and promotional products** instead of price reduction
 - **Increase service volume** and increase focus on aftermarket
 - **Unbundle product and service** to allow for lower prices
 - Reduce prices by **product adaption** (reduced packaging/volumes)
 - **Reengineer pricing structures** through de-averaging, indexing based on commodities, etc.
 - **Monitor competitor pricing**
 - Adjust **payment terms**; minimize **payables/DSO** and sell payables/factoring
- **Increase sales effectiveness**
 - **Leverage free internal sales** capacity
 - **Incentivize** sales organization heavily **based on performance**

2 Sound operations are key for balancing proactively between capacity and costs

Potential risks

Operations

- ❑ *Excess capacities*
- ❑ *Excessive production and distribution costs relative to competition*
- ❑ *Oversized retail network*
- ❑ *Reduced maintenance/replacement opportunities*

Potential risk mitigation actions

- **Challenge fixed costs** (marketing, R+D, etc.)
- Take **zero-based budgeting** approach
- Watch **labor cost** structure and development; increase **flexibility of working hours/labor costs**
- **Production optimization** (where applicable)
 - Increase productivity through lean manufacturing, six-sigma, etc.
 - Eliminate out-of-control product complexity
 - Design for cost
 - Improve the integrated sales-to-operations planning process
 - Manage capacities proactively, lowering break-even point
 - Align plant costs with market, competitive pressure
- **Optimize distribution** (where applicable) – make vs. buy, renegotiation of terms
- **Retail network optimization** (where applicable)
 - Eliminate units with limited profitability and potential
 - Rationalize hours of operations, product mix, etc. to increase effectiveness of all units
- **Sale of assets** (excess capacity) to increase liquidity
- **Outsource** selectively

3 Managing risky suppliers can help avoid business interruptions

Potential risks

Suppliers

- ❑ **Supplier quality and reliability**
- ❑ **Supplier bankruptcy**
- ❑ **Payment terms & conditions**
- ❑ **Price fluctuations volatility**

Potential risk mitigation actions

- Re-evaluate **risk profile of suppliers** (business continuity risks, drivers analysis)
- **Establish early warning system** for default of suppliers and phase out risky suppliers
- Establish **safety stocks** for risky suppliers and **lower inventories** for other suppliers
- Establish **long-term partnerships** with stable suppliers
- Determine impact for suppliers of own **volume drop**
- Financially **support key suppliers at risk**
- **Bundle volume** with **key/stable** suppliers
- Establish specific **supplier communication**
- Avoid long position – favor **short contract timeframes**
- Establish **flexible price adaption** to falling prices
- Adjust **payment terms**; maximize **payables/DPO** to improve the cash position

4 As the financing risk increases, proactive funding management is key for all companies

Potential risks

Funding / Financing

- ❑ ***Restricted 3rd party funding***
- ❑ ***Loss of/or restricted access to bank loans***
- ❑ ***Increased capital cost***
- ❑ ***Restricted capital markets, reduced IPO***

Potential risk mitigation actions

- **Bolster balance sheet**
- Assess **cash position** and monitor **bank liquidity**
- Project **future cash generation**, and make **scenario-tests**
- Free-up capital by **working capital optimization** (receivables, inventories, payables management)
- Review and proactively adapt **investment/ CapEx program**
- Analyze refinancing needs and secure follow on financing
- **Secure** banks, develop **additional banking** relationships
- Relax **accounting policies** to generate flexibility
- Leverage **hidden reserves**
- Define **spending control mechanism**

5,6 Value chain restructuring and optimization of the capital structure help companies manage shareholder value

Potential risks

Potential risk mitigation actions

5

Value Chain

- ❑ *Cyclical business units*
- ❑ *High fixed costs*

- **Legal separation/ sale** of critical business units
- **Value chain split up** in legally separate suppliers
- **Reduce overhead** costs
- Focus business on **stable BUs, regions, industries**
- **Reduce capacity** in industry (to avoid price war)
- Invest for the future/strategic initiatives

6

Capital Structure

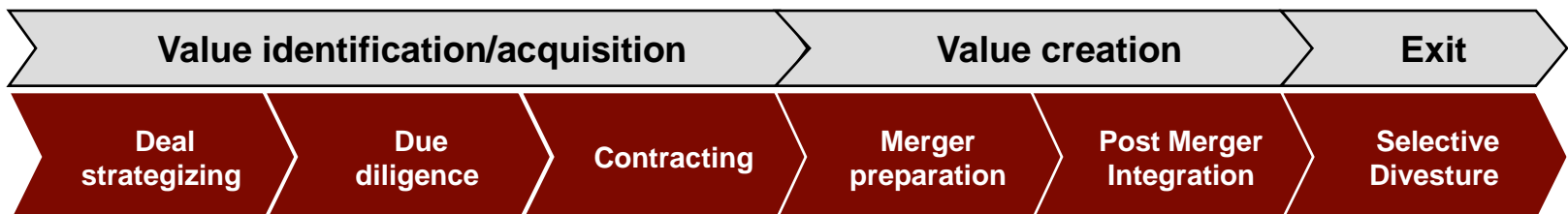
- ❑ *Emergence of take over victims due to lowering valuations*
- ❑ *Competition from strong players (more stable countries, industries)*
- ❑ *Limited ability to acquire with own shares*
- ❑ *Government interventions*

- Monitor proactively **equity movements**
- Intensify **proactive capital market communication**
- **Transparency** on crisis management strategies
- Leverage **government actions**

7 Realizing smart acquisitions is an important lever that can be used by companies to consolidate their position

Smart acquisitions

- **Deals made in downturns create more value than those made in upturns**
- **Precondition:** Assess own CF/balance sheet strength and duration of crisis to determine own mid-term stability
- Although financing is more expensive, prices are often more favorable, creating the conditions for valuable trade-offs
- Realize M&A bargains (to be driven by companies/investors with high cash flows and/or high liquidity, e.g. financially strong companies, PE funds even without 3rd party leverage, high net worth individuals in emerging markets and sovereign wealth funds)
- Screen the broad strategic horizon (beyond the pure core focus areas of your company) for opportunities – companies with sound fundamentals, potential for steady cash flows and/or with strong synergies/ optimization potential
- Realize rigid and risk-proof due diligences, paying special attention to target cash flow and debt structure
- Consolidate industries/value chain steps based on buy-and-build strategies: push a series of small, comparably risk less acquisitions and realize synergies



8,9 Crisis can become a good opportunity to re-establish the positioning in the industry

8

Win market share organically

■ Reconfigure and/or lead the industry

- Understand your own and your competitor liquidity, balance sheet and cash flow strengths and weaknesses
- Identify weak targets to attack
- Kill overcapacities in the industry: drive smaller/weaker players out of the market (e.g. by dedicated sales/pricing efforts and/or supplier alliances)

9

Niche growth

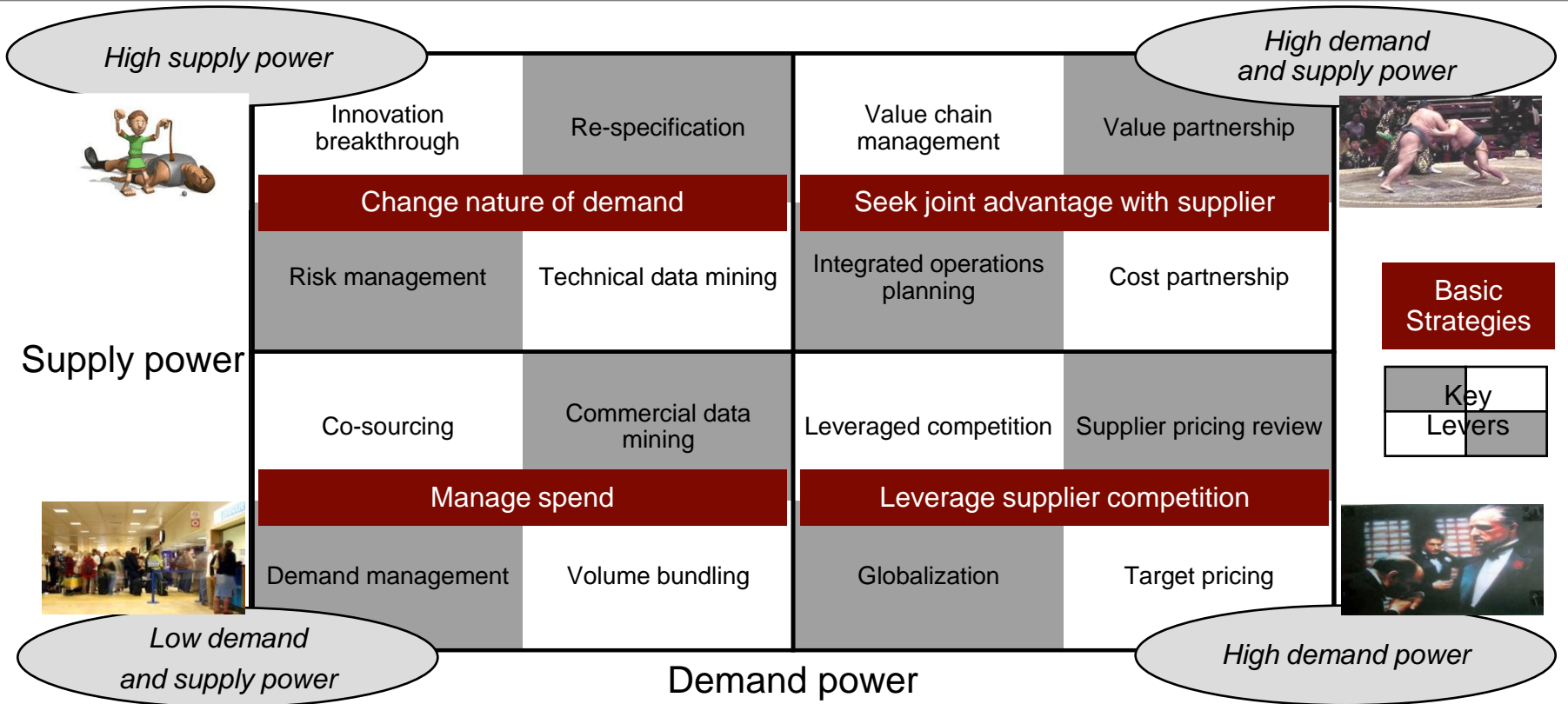
■ Hunt for profitable growth in attractive segments

- Even if industries go down as a whole, specific segments may grow; therefore focus on growth through more stable/smallest decreases and/or quickest recovery segments (industries, regions)
- Address fast growing (micro-) segments: consider partnerships to participate in promising portfolio momentum of segments which you may not be able to tackle alone
- Generate additional sales/margins/asset utilization based on leveraging assets and competencies along the value chain
- Ensure must-have products
- Develop low cost offering (de-featuring, design for cost)
- Drive innovation (which often growth even in crisis)

10 Proactive cost management is key for profit control

Cost reduction

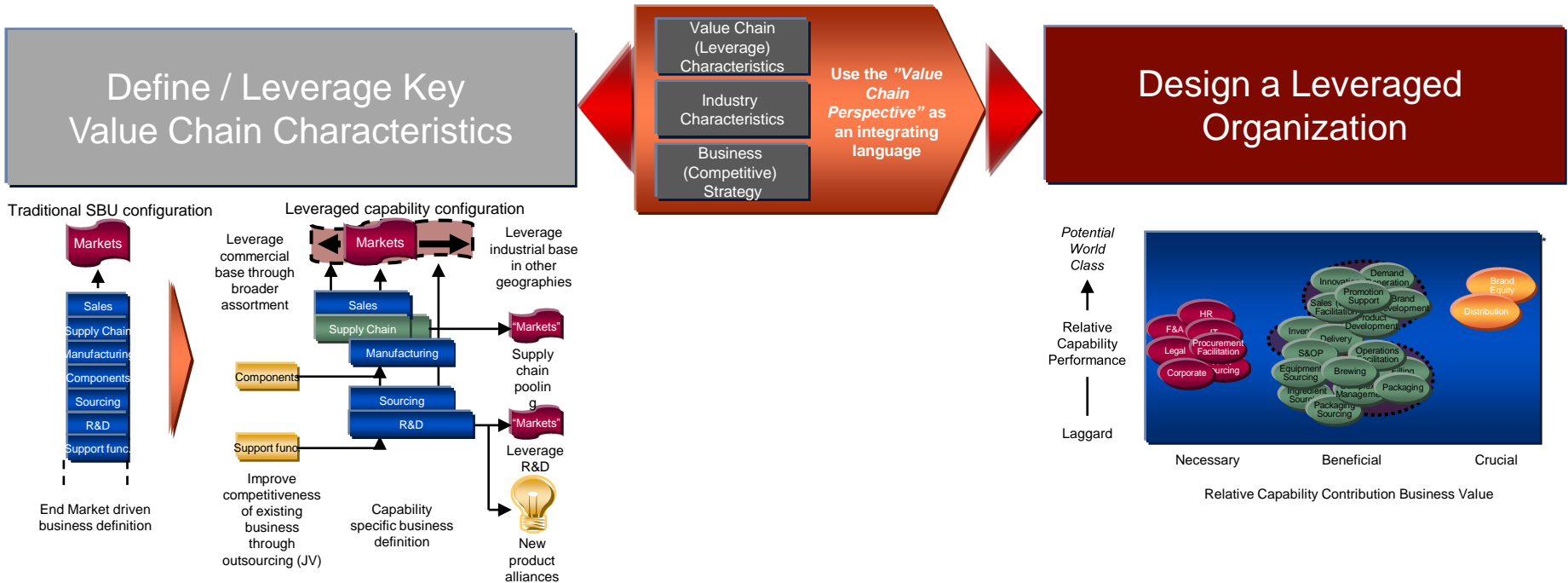
- Companies often ignored the importance of cost optimization during periods of growth; now, aggressive cost control measures are key for survival
- Multiple models exist for companies to optimize costs: renegotiations, supplier footprint consolidation/ optimization, should-cost models, demand management, supplier fitness programs, etc.
- Several cost categories require an even more customized approach (e.g., marketing, R&D, etc.)



11 Enterprise reorganization and transformation should be conducted with the key value chain targets in mind

Transformation

- Reshaping proactively the organization to face challenges and opportunities of the new business environment is key
- The focus of any transformation should be to align the organization to key value chain characteristics; simple layoffs without careful analysis of the organizational fit with the business goals, without streamlining the processes and managing the transition effectively can be more harmful than beneficial

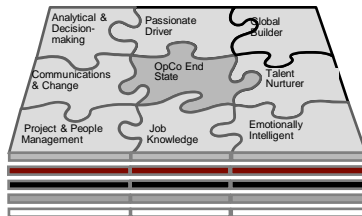


12 Human resource management is key even during crisis

Resources

- Recruit and retain the best talents – remain prepared for the continued race for the best
- Engage proactively the management team, keeping/protecting the high performers, establishing the appropriate performance and compensation targets

1. Competency Model



3. Assessment Tool

Avon FP&A Organization

The following Talent Assessment is designed to assess the employees of Avon's current Finance organization on their job knowledge, skills and behavioral attributes. Information will be used to identify capability needs and secure role alignment in Avon's end state finance organization.

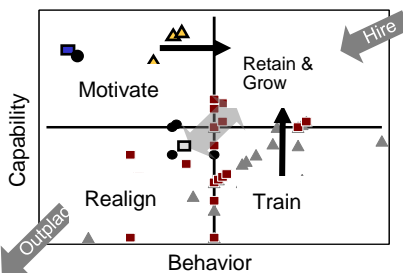
As a current direct supervisor, you are being asked to carefully assess each of your employees.

This assessment should take approximately 45 minutes to complete. Please complete the entire assessment.

Survey Comments:

Question	Response
1. Instructions	Provides overall instructions for completion of the Talent Assessment and definitions
2. Employee Background	Describes the employee's background and experience
3. Group 4	Employee's competencies and behaviors in Group 4, using eight key dimensions
4. Group 3	Employee's competencies and behaviors in Group 3, using eight key dimensions
5. Group 2	Employee's competencies and behaviors in Group 2, using eight key dimensions
6. Group 1	Employee's competencies and behaviors in Group 1, using eight key dimensions

5. Assessment Framework



2. Role Definitions

Role Definition – FP&A Manager

Position(s)	Role Type	Key Roles & Responsibilities
<ul style="list-style-type: none"> CSU Senior Manager/Manager Country Senior Manager/Manager Regional CSU Finance Director/Senior Manager Branch/CSU Manager 	<ul style="list-style-type: none"> Provides analytical support for and collaborates on decision-making Plans and directs analysis of financial data: <ul style="list-style-type: none"> Capital expenditure financial justification and post-investment reviews Sales, margin, and profit performance against plan/budget/forecasts with corrective action recommendations, as needed Cross margin and operating margin opportunities Leads overall financial planning and budgeting and management reporting for assigned region/lead market/stand-alone market Leads development of management reporting package, including consolidated financial information for assigned region/lead market/stand-alone market Coordinates business unit/country results and analysis of results against plan, forecast, and prior year Analyze and monitors key KPIs and foreign currency impact Issues recommendations to enhance financial planning & analysis business processes and implements enhancements Identifies opportunities to improve profitability Prepares special financial studies – e.g., activity analysis Participates in Statute-Only certification, as well as any region/market/country certification requirements, as needed Ensures financial information and documentation complies with Avon, US GAAP and local market requirements prior to submitting to Global Finance 	
Overview	Leads overall financial planning and budgeting and management reporting for assigned region/lead market/stand-alone market	
Reports to	FP&A Director	
Operating Unit	Region, Lead Market, Stand-Alone Market	
Utilizes with	CSU, CSU and CSU Finance and business leadership, markets, corporate finance functions	
Competency Model	Layer 3 skills and wills	
Typical Education/Experience	<ul style="list-style-type: none"> Requires a 4 year degree in Business, Finance or Accounting. MBA preferred. 7+ years relevant experience in financial planning and/or analysis for a large multi-national organization 	

4. Employee Evaluation Templates

Each employee's weighted skill and will values can be summarized in a scorecard

Employee Name: _____

Dimension	Capability	Score (1-5)	Weight (%)	Weighted Value	Complexity Factor (95-105%)	Final Value
Skills	Analytical and Decision Making					
	Communications and Change Management					
	Project and People Management					
	Understanding Avon's Business					
Skills Value						
Wills	Emotionally Intelligent					
	Talent Nurturer					
	Global Builder					
	Passionate Driver					
Wills Value						

- Competency model connects end state vision to employee performance, defining essential capabilities and behaviors
- Role definitions establish a common understanding of key responsibilities at the different hierarchy levels
- Rigorous assessment tools are used for evaluating employee behaviors and capabilities, and for measuring skill gaps and surpluses
- Employee evaluation templates summarize capability and behavior gaps and surpluses
- Assessment frameworks plot capabilities and behaviors, outlining gaps and required actions (e.g., training)
- Formal evaluation and incentivizing schemes are essential for monitoring performance

Thank you!

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