

WAVESTONE

**CORPORATE PROFILE**

2020/21



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## Joint interview with...

### Pascal Imbert

Chairman of Wavestone's  
Management Board

### Michel Dancoisne

Chairman of Wavestone's  
Supervisory Board



**The 2020/21 financial year took place against the backdrop of the health crisis. Nevertheless, the firm's results are excellent...**

**MD:** It's true that with a decline in revenue of only 1%, Wavestone largely outperformed the market. Remember that in France, Syntec Conseil estimated the market decline at 11%, and on a global scale, Source Global Research reported a 13% decline. We can only salute the extraordinary commitment of all the firm's teams in implementing the Battle plan initiated at the beginning of the year.

**PI:** We are all the more pleased with this result because at the beginning of the crisis, we were far from imagining such an outcome. In the first few weeks of the exercise, we had completely frozen recruitment and we had implemented partial activity measures in all the countries where it was possible! However, throughout the year, thanks to a remarkable commercial mobilization, we gradually regained control of the situation and increased the utilization rate of our teams month after month.

**Wavestone's profitability held up very well, with a current operating margin just 0.4 points below that recorded a year earlier. How do you explain this?**

**PI:** At the beginning of the year, given the scale of the shock that was emerging, a performance plan has been implemented to lower the firm's breakeven point. This plan enabled us to make savings of nearly €20m, but without ever having to adjust our workforce. In addition to this plan, the rapid recovery in activity in the second half of the year enabled us to offset the drop in sales prices. This is more than enough to meet our objective of a double-digit annual EBIT margin.

**MD:** It should also be noted that this performance is all the more remarkable in that it also includes a provision for the reimbursement of monies received under furlough arrangements... In addition to profitability, the very strong cash generation during the year enabled Wavestone to reduce its debt and even post a net cash position of more than €30m at the end of the year. This is a favorable situation to return to an offensive attitude and resume growth.

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**The very strong cash generation during the year enabled Wavestone to reduce its debt and even post a net cash position of more than €30m at the end of the year.**

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**You mentioned the plan to reimburse monies received under furlough arrangements. Why do you propose this?**

**MD:** In view of the very solid performance of the financial year, this proposal was obvious and in line with the corporate social responsibility values the firm promotes. The Management Board, in agreement with the Supervisory Board, will therefore submit this proposal to the shareholders for approval at the Annual General Meeting on 27 July 2021. I would like to point out that these indemnities, more than €3 million, were received in France, the United Kingdom, Switzerland and Luxembourg.

**You started a new financial year in April. Is the macroeconomic context more favorable?**

**PI:** Consulting spending remains under tight control with our clients. This is putting a strain on business as usual and routine assignments. On the other hand, major transformation projects are multiplying, and I would even say that they are accelerated by the crisis. For example, mergers and acquisitions, carve-outs, prelude to asset disposals, are continuing at a sustained pace. Or, every month, new large-scale digital transformation initiatives appear.

**MD:** Wavestone intends to return to growth in 2021/22. The year has begun with the acquisition of Everest Group's consulting practice in Dallas, USA. I hope that this merger will lead to other targeted transactions, primarily in the United States but also in other geographical areas, especially in France.

**What are Wavestone's strengths to maintain good performance in 2021/22?**

**PI:** We will capitalize on the strengths that have proven successful in 2020. First and foremost, we will invest heavily in sales. This investment will enable us to ward off any possible rebound from the crisis, and of course will fuel the resumption of growth in our business. We will also continue the sectoral movements begun in 2020 by directing our efforts towards the most buoyant sectors of activity such as the pharmaceutical industry, utilities, the public sector, not forgetting banking and insurance.

**MD:** The firm's human resources expertise will also be put to good use in the new financial year. A more positive market and the resumption of growth will put recruitment and turnover back at the top

of our agenda. We have set ourselves an ambitious recruitment target this year; we plan to hire 800 people whilst also working to contain the rebound in staff turnover to around 15% after the historically low level of 11% recorded during the crisis.

**In terms of human resources, you have announced the launch of the Smartworking@Wavestone project. What should we learn from this?**

**PI:** The health crisis has led to a profound transformation in the way people work, and there is no doubt that some of these changes are irreversible. We believe that this is a great opportunity for the firm to reinvent the way we do business. This is the purpose of the Smartworking@Wavestone project.

**MD:** This project will be carried out in line with the strong «intrapreneurial» culture that drives our employees. As soon as the health constraints are lifted, an experiment will begin during which all the firm's teams will actively contribute to defining and testing our future work organization.

**PI:** The expected benefits are many: development of collaboration between teams, better use of our skills, improvement of the quality of life at work, strengthening of the firm's attractiveness, retention of our employees... not forgetting the reduction of our carbon footprint.

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**The health crisis has led to a profound transformation in the way people work, and there is no doubt that some of these changes are irreversible.**

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**CSR seems to be taking on an increasingly important role at Wavestone, both for employees and for the firm's external stakeholders: clients, candidates, investors, etc.**

**PI:** CSR is an essential lever for sustainable performance. Wavestone's policy in this area is expressed in five commitments to our stakeholders. Firstly, towards our clients: we want to improve their satisfaction and help them achieve sustainable performance. Secondly, to our employees: our ambition is to strengthen their commitment, their well-being and their quality of life at work. Our third commitment is to act for diversity and to create an inclusive working environment, one where everyone is free to be themselves and has the same opportunities to reveal their potential.

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**We want to improve the client satisfaction and help them achieve sustainable performance.**

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**MD:** In addition to these commitments, we are committed to being an ethical and responsible corporate citizen. This concerns the fight against corruption, business ethics, the transparency of our financial information and the quality of our governance. Finally, our last commitment concerns the environment. We wanted to give concrete expression to our desire to take our share of responsibility in the face of the climate challenge by committing to a significant reduction in our CO<sub>2</sub> emissions, particularly by reducing our travel.

**Before the crisis, Wavestone was**

**committed to implementing its Wavestone 2021 strategic plan. Is this plan still relevant?**

**PI:** The Wavestone 2021 strategic plan was put on hold last year in order to focus all the teams on the Battle plan launched to deal with the crisis, which of course led us to question the objectives we had set ourselves.

**MD:** At the same time, the crisis has brought about a lot of changes. Today, new challenges and opportunities are beginning to emerge for our firm. So, we decided to reflect on our future and to draw up a trajectory for the years to come.

**PI:** It is in this context that a strategic reflection has just been launched within the firm, aimed at defining Wavestone's orientations for the next 4 to 5 years. All of the firm's employees will contribute to this process. We will also be seeking the opinion of our external stakeholders. There will be many exciting debates ahead. We look forward to seeing you in December 2021 to discover the results of this reflection and the new Wavestone strategic plan!

# Key figures

**3,453**  
employees worldwide

**8**  
countries

**€ 417.6 m**  
revenue

# Wavestone on the global stage



New York  
Philadelphia  
Dallas

Paris  
Nantes  
Lyon  
Marseille  
London  
Brussels  
Luxembourg  
Geneva  
Casablanca

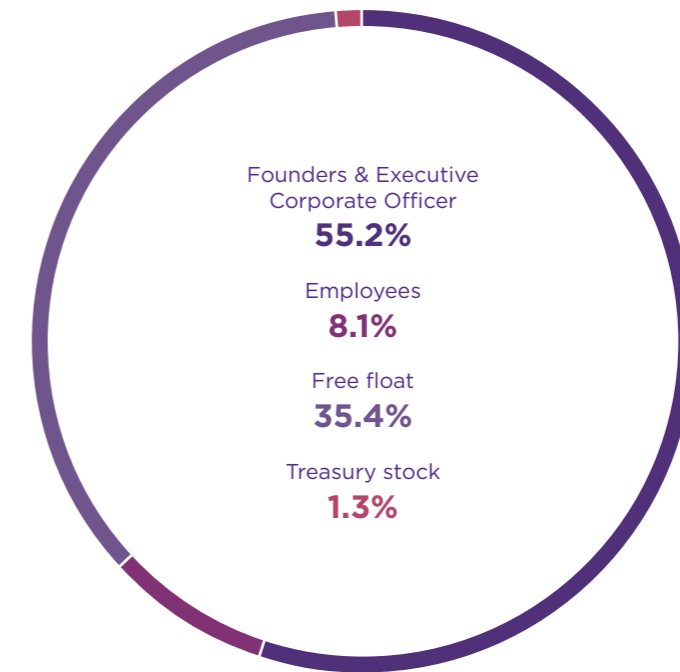
Hong Kong

# Key data for 2020/21 fiscal year

## CAPITAL BREAKDOWN AS OF MARCH 31, 2021

### SIMPLIFIED CONSOLIDATED INCOME STATEMENT

Audited consolidated figures (in €m)	2020/21	2019/20	Change
<b>Revenue</b>	<b>417.6</b>	<b>422.0</b>	<b>-1%</b>
<b>EBIT</b> <i>EBIT margin</i>	<b>53.3</b> 12.8%	<b>55.7</b> 13.2%	<b>-4%</b>
<b>Operating income</b>	<b>43.3</b>	<b>53.5</b>	<b>-19%</b>
<b>Group share of net income</b> <i>Net margin</i>	<b>25.4</b> 6.1%	<b>31.1</b> 7.4%	<b>-19%</b>



### CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2021

Audited consolidated figures (in €m)	03/31/2021
<b>Non-current assets</b>	<b>212.6</b>
<b>Current assets excluding cash and cash equivalents</b>	<b>145.8</b>
<b>Cash and cash equivalents</b>	<b>88.0</b>
<b>Total</b>	<b>446.5</b>

Audited consolidated figures (in €m)	03/31/2021
<b>Shareholders' equity</b>	<b>206.1</b>
<b>Financial liabilities</b>	<b>56.2</b>
<b>Lease liabilities</b>	<b>30.3</b>
<b>Non-financial liabilities</b>	<b>154.0</b>
<b>Total</b>	<b>446.5</b>

Cash and cash equivalents of €31.8m compared to net debt of €29.1m at 03/31/2020

### FINANCIAL CALENDAR

- **07/26/2021**  
Q1 2021/22 revenue
- **07/27/2021**  
Annual General Meeting
- **10/28/2021**  
HY 2021/22 revenue
- **12/06/2021**  
HY 2021/22 results
- **01/27/2022**  
Q3 2021/22 revenue
- **04/27/2022**  
FY 2021/22 revenue
- **05/31/2022**  
FY 2021/22 results

### STOCK MARKET DATA

**Share price at 06/30/2021**  
€40.00

**Number of shares**  
20,196,492

**Market capitalization**  
€808m

**Company value (market capitalization at 06/30/2021 – cash at 03/31/2021)**  
€776m

**Share data**  
**Market:** Euronext Paris  
**ISIN code:** FR0013357621  
**ICB:** 9533 Services informatiques  
**Reuters:** WAVE.PA  
**Bloomberg:** WAVE:FP  
 Wavestone is listed on the Tech 40 index and is eligible for the PEA-PME share savings plan.



**ADAPT  
TODAY**

# A crisis that accelerated transformations

**Naziha Ades, Account Director in charge of the pharmaceutical industry, and Chadi Hantouche, Partner in charge of Wavestone's Hong Kong office, discuss the impact of the crisis on client demand.**



**Naziha Ades**  
Account director



**Chadi Hantouche**  
Partner

**The health crisis has impacted all economic activities, particularly the consulting market. Naziha, you are an Account Director in France, how has this impacted your business?**

**Naziha:** The year 2020 has indeed been full of movement and more evolving than ever! I was keen to get involved where commercial energy was needed. I contributed to the creation of a new client portfolio for the middle market which was a key element of the Battle plan implemented by the firm to deal with the crisis. This creation was a very rich experience, as we explored another type of client that Wavestone had not previously addressed. In October 2020, I took over the commercial management of clients in the pharmaceutical industry. This is a high-potential sector for Wavestone with international accounts and a leading industry, in line with the firm's international growth strategy.

**Chadi, you are a Partner in Wavestone's Hong Kong office, how has the crisis affected activities outside France?**

**Chadi:** Different locations were not affected

all at once by the crisis. For example, we experienced the health restrictions in Asia before they were generalized in Europe or the US. The lifting of these restrictions and the gradual recovery of activity followed the same pattern. The industries most affected were those most dependent on physical travel: distribution, transport and the hotel industry. Conversely, the financial, insurance, pharmaceutical and tech industries held up well. However, all companies were very cautious in the last nine months of 2020 due to market uncertainties, even in the most resilient one. In Hong Kong in particular, the market saw a 15% to 20% drop in activity at the start of the pandemic. However, we have continued to win assignments by being more proactive in seeking out projects and by stepping up our sales effort.

**Has the nature of the projects changed?**

**Naziha:** We have seen a greater number of projects related to cost rationalization. Clients have tended to focus on their highest priority projects, with a guaranteed return

on investment. On the middle market and pharmaceutical accounts where I was particularly involved, the issues addressed were not always directly related to the crisis, although I did observe some pressure on prices. On the other hand, the duration of the assignments was shortened, as the clients chose to incorporate a certain amount of prudence into their projects.

**Chadi:** I have seen two major changes. First, there was an explosion of digital projects in general, particularly those aimed at improving remote working conditions. For example, these were IT transformation projects (infrastructure, solutions) but also projects to adapt processes within companies, for example to integrate dematerialized signatures. Secondly, the more indirectly affected customers focused on the most critical projects. These clients maintained their confidence in us and continued to call on us because of Wavestone's positioning on the most important transformation projects.

**In terms of the expertise requested by clients, was it the same as before the crisis?**

**Chadi:** As I mentioned, digitalization was a key issue in 2020, particularly in the digital workplace and e-commerce. We have, among other things, supported a French cosmetics company in accelerating the deployment of its new online sales site in Asia.

The demand for cybersecurity related topics was even stronger than before, to deal with remote working projects in a secure manner, but also because the pandemic was the ground for a significant increase in cyber-attacks. For example, we carried out a security assessment project for an airline company on their international entities. In the Hong Kong office, we also saw requests for new expertise, such as cost optimization, particularly in the field of digital or supply chain.

**Would you say that the crisis has contributed to the acceleration of our clients' transformation?**

**Naziha:** From my point of view, the transformations were already well underway for our clients. The crisis has not been a brake on these transformations, which have continued despite the context of the pandemic.

**Chadi:** In my opinion, the crisis has contributed to the acceleration of business transformations, the most important of which is the digital transformation, with particular focus on the rise of remote working. This new way of working has also led to a transformation of business processes. Finally, we can observe a transformation of the offers. Some companies have decided to adapt their offers to respond to the new consumption and working patterns brought about by the crisis, such as the launch by Accor of a flexi-working offer.



# Supporting the most critical transformations

**At the convergence of management and digital consulting, Wavestone supports leading organizations in delivering their most critical transformations.**

In a world where knowing how to drive transformation is the key to success, Wavestone's mission is to inform and guide large organizations in their most critical transformations, with the ambition of a positive outcome for all stakeholders. As a true driver of change, we place our energy at the service of our customers' development, innovation, efficiency and resilience by creating the conditions that make everyone want to act. That's what we call «The Positive Way.»

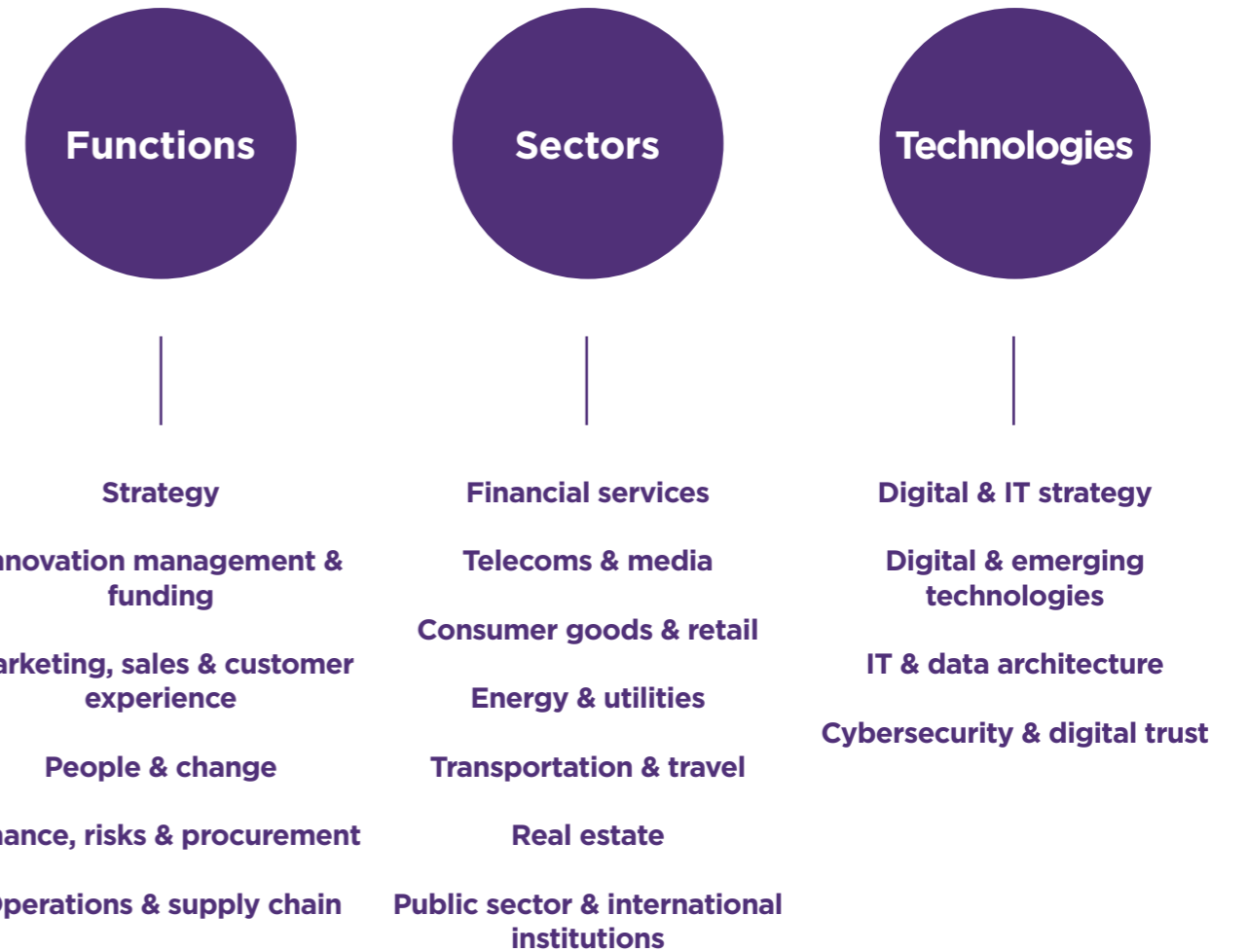
A mindset that drives our 3,000 consultants on a daily basis, and which is driven by our taste for challenge, our ability to imagine new paths and the pleasure of succeeding together. Wavestone offers its clients a broad palette of expertise of three distinct types:

/ sector-specific excellence solutions designed to address core business challenges in many different business sectors;

/ functional excellence used by the firm to address major corporate functions;

/ strong technological expertise, anchored in Wavestone's DNA, that enables the firm to provide an unparalleled range of digital, technology and cybersecurity solutions.

In each of these areas, Wavestone contributes an unrivaled depth of expertise. The essence of our value proposition is our ability to combine these skills seamlessly in multidisciplinary teams that cut through the silo-management approach.



**In order to offer appropriate, bold and bespoke solutions for transformational change, Wavestone relies on five key levers.**

**Research & Knowledge Center**

A dedicated team of market researchers to analyze market data and establish benchmarks.

**Creadesk**

A dedicated workspace, methodologies and a team focused exclusively on stimulating creativity, generating innovative ideas and contributing to new working methods.

**The Faktory**

A technical platform led and coordinated by

senior designers and developers who use prototyping techniques for rapid concept testing and validation.

**Machine Learning & Data Lab**

A team of data scientists, experts in data mining and application.

**Shake'Up**

An accelerator that identifies and selects startups on the basis of their ability to innovatively contribute to various sectors.

# Creadesk, an asset to meet the needs of our clients remotely

Apolline Houssin, Senior Consultant in the Energy, Utilities & Transport practice, looks back at how the Creadesk has supported its teams and clients during the crisis.



Apolline Houssin  
Senior Consultant

**We are aware of the fears that can be generated by the transformation projects that we support on a daily basis, and we are convinced that change management is often easier when teams are placed at the heart of projects that directly concern them, thanks to collective intelligence.**

**How did the mobilization of the Creadesk make a difference, despite the distance?**

Many used a whiteboard like Mural, making a lasting impression on clients who were convinced by the way we brought them on board.

The solutions made available to the consultants and the facilitation methods proposed were decisive in ensuring the continuity of activity at a distance, particularly when it came to seminars or co-construction workshops. I have the case of a kick-off organized for a client in mind at the beginning of the 1<sup>st</sup> lockdown, a real challenge since we had to allow the face-to-face and remote participants to have coherent and convergent experiences through the creation of physical and virtual mood boards. The event proved to be a success with 100% satisfaction from the participants regarding the co-creative exercises and the remote facilitation.

**What can we learn from this crisis?**

While we already knew the power of collaborative approaches and the commitment they generate within teams, the crisis demonstrated that it was completely possible to transpose these approaches remotely, provided certain good practices are respected. To name but a few, 100% digital animation requires meticulous preparation and even more demanding timing. We were surprised by the level of efficiency achieved when it came to working collectively and remotely on complex subjects, such as the co-construction and mapping of new processes. For other activities such as team building or pure creativity, it is clear that face-to-face sessions are still more suitable, particularly for appealing to the perceptions and feelings of the participants. It is likely that our next challenge will be to develop «hybrid» activities with teams that are partly physical and partly remote.

**What role does Creadesk play at Wavestone?**

The Creadesk is Wavestone's asset dedicated to collective intelligence and innovation. It is an entity at the service of internal teams, with the ambition to help consultants evolve their way of working to maximize the engagement of our clients' teams. We are aware of the fears that can be generated by the transformation projects that we support on a daily basis, and we are convinced that change management is often easier when teams are placed at the heart of projects that directly concern them, thanks to collective intelligence.

To this end, we offer our employees methods, facilitation resources and digital tools, as well as training in facilitation techniques and seminar design. This system is completed by three creative spaces in our premises at La Défense, where we regularly welcome our clients.

**In the particular context of the Covid-19 epidemic, what have you put in place?**

The Creadesk team continued to provide support in two areas: tools and training. In particular, the Creadesk facilitated the adoption of solutions such as Mural and Beekast which were already used before the crisis to keep collective intelligence alive, despite the impossibility of meeting in person. In addition to providing employees with a greater number of licenses, the team increased the number of training courses and support for skills development.

At the same time, we offered support to teams wishing to organize remote seminars or events for their clients. For example, we distributed a guide on remote facilitation, webinars and tutorials.

# Wavestone GO, the application to stay in touch

**Thibaut Carval, Senior Consultant in the Digital & Emerging Technologies practice, is one of the instigators of the Wavestone GO application. He tells us about its creation.**



**Thibaut Carval**  
Senior Consultant

## How did the idea of developing Wavestone GO come about?

At Wavestone, I work on a wide range of subjects such as infrastructure, the digital workplace and more recently on UX Design and design thinking.

The idea of creating Wavestone GO, an internal application that allows all of the firm's employees to meet randomly every week, was born shortly before the first health and containment measures.

## What are the objectives of Wavestone GO?

Wavestone GO has three main objectives. Firstly, we want the application to encourage encounters by creating a «virtual coffee machine», where you can meet any colleague, from any team, to discuss professional or personal projects or passions.

Secondly, these exchanges are intended to create synergies. We find that we work almost exclusively with the same teams

and very little with colleagues from other teams or other functions of the firm. However, when we talk to them, we realise that the projects we are working on are not always so far apart, and that we would benefit from being inspired by them and sharing our best practices.

Finally, Wavestone GO has allowed us to maintain a sense of belonging to a group, especially during this year of remote work. It is important to realise that we are not alone and that there is a whole group around us.

**We want the application to encourage encounters by creating a «virtual coffee machine», where you can meet any colleague, from any team, to discuss professional or personal projects or passions.**

## How has the application developed within Wavestone and how do you see it evolving in the future?

The development went fairly quickly; we made a first version and tested it on a first perimeter. It worked well straight away and the application was promoted at various internal events within the firm. Today, Wavestone GO is available in all offices, and is also presented to new employees

who join us.

We now have 700 users of the application, which means that we meet many people every week in France and abroad.

In the future, we intend to maintain this application, even if we come back to the office more regularly.



# Enhancing our collective knowledge

**Each one of our employees has a unique pool of knowledge to be shared and passed on to others. And that is precisely the challenge of our knowledge management strategy: making the knowledge and experience of every individual a dynamic resource accessible to everyone, for the benefit of our clients' plans and projects.**

In order to structure and simplify this permanent process of exchange, Wavestone has implemented a multilevel knowledge management process.

Every employee is able to access a database of internal personal profiles to quickly identify those of their colleagues whose experience or advanced expertise could make it possible to win a sale or facilitate progress on a particular client project. One person in each project team is responsible for the 'project memory' and to ensure that all the documents are correctly filed and archived.

Lastly, every employee has the opportunity to create or join special-interest communities to share

their experiences and convictions in the context of the issues faced by their clients. At the same time, a search engine progressively indexes all the documents generated by every group entity.

These communities are much more than simple business tools, because they enable Wavestone to put in place a philosophy that makes knowledge sharing a natural reflex. The bottom line is that everyone is empowered and has access to the resources needed to value their own experience.

# Wavestone, a resilient player in a consulting market affected by the crisis

**In a market intimately linked to the good health of private-sector companies and public-sector bodies, where digital and innovation have become permanent features, Wavestone can rely on the strength of its business model and the relevance of its value proposition.**

## A consulting market affected by the crisis in 2020

In France, where Wavestone generates 85% of its revenue, the consulting market has been strongly impacted by the Covid-19 health crisis, with a decline of over 11% in 2020 (source: Syntec Conseil). On a global scale, Source Global Research reported a 13% decline in the market.

The health crisis put strong pressure on sales in the first months of the year, marked by a slowdown in investments by clients and in demand. Despite this uncertain economic environment, Wavestone was able to show resilience, with revenue finally showing a limited decline of -1% for the full year 2020/21.

Throughout the year, Wavestone was able to leverage the most buoyant business sectors, such as the pharmaceutical industry, utilities, the public sector and insurance. The firm is also well positioned in the areas of expertise most in demand by its clients to support them in their transformation: cybersecurity, operational efficiency, IT optimization, and M&A.

## The competitive environment

**Wavestone has four major types of competitor:**

/ Consulting divisions of the "Big Four" international auditing firms: Deloitte, EY, KPMG, PwC.

/ The consulting divisions of major IT consultants: Accenture, Capgemini Consulting etc.

/ Independent management consultancies: BearingPoint, Eurogroup Consulting, Sia Partners, PA Consulting etc.

/ Niche players (sector, function or country-specific): Argon Consulting, Capco, Chappuis Halder & Co, Exton Consulting, Julhiet Sterwen, LHH, Stanwell Consulting, etc.

Strategy consulting firms may occasionally be considered as competitors in certain fringe activities: Bain & Company, BCG, McKinsey, Roland Berger, Oliver Wyman, etc.

**In this highly competitive landscape, Wavestone holds a privileged position, thanks to a combination of three factors:**

/ a broad spread of complementary functional, sector-specific and technological expertise that meets the expectations of clients;

/ a depth of expertise that makes it possible to provide targeted high-value consulting services;

/ a streamlined operating model that enhances the ability to be innovative and enables the emergence of relevant responses and processes.

# The London office's response to the crisis

Mike Newlove, Partner in the Wavestone UK office, shares his thoughts on the year 2020, its challenges and what the London office has implemented to overcome the crisis.



**Mike Newlove**  
Partner

## The health crisis has hit the whole of Europe hard whilst UK was also facing Brexit. How has this affected business?

The Covid-19 crisis and multiple lockdowns had a huge impact on the UK economy. Many companies had to make redundancies and place their staff on furlough. While the UK was being hit hard by the pandemic, Brexit took a backseat. The consulting market was not spared and faced huge disruptions as well. We felt this impact first-hand when opportunities didn't materialise as our client cut budgets and froze several programmes.

## More specifically, how did Wavestone UK office manage in this context and what decisions have been made to face the difficulties?

The UK office is a small office and the situation was difficult from a business performance perspective. Our client base was not diverse enough to mitigate the risks and our utilisation rate dropped considerably, and the order intake was very low. As in other offices of the firm, we had to furlough some employees. However, we did our best to keep the team connected to keep their engagement and motivation up during the challenging times. To face these difficulties, the UK office was part of the wider Wavestone Battle plan initiative, and we launched in September 2020 a UK-specific Recovery Plan. This plan included intensifying our sales efforts, strengthening our sales team and increasing pitches, focusing on and pushing a small number of specific value propositions, increasing utilisation

(including cross-staffing), and reviewing expenses.

In addition to the Recovery Plan, the team established new ways of working initiatives from the start of the crisis, training the team on new tools and ways to run engagements and workshops remotely.

## What are the results of the Recovery Plan?

The results have been good and quicker than expected. Our increased pitch efforts have yielded positive results and we have seen our average rolling order intake increase significantly between Q2 and Q4 of 2020/21, and we even achieved a record order intake for the UK practice the last working week in December. We have also seen our utilisation rate increases steadily month on month, and we are now consistently achieving over 70%. To support this increase, we have re-started recruitment efforts.

**To face these difficulties, the UK office was part of the wider Wavestone Battle plan initiative, and we launched in September 2020 a UK-specific Recovery Plan.**

## What is the outlook for the consulting market in the UK in 2021?

The sector has demonstrated its ability to recover and work in new conditions, whilst continuing to support clients, and according to the [Management Consultancies Association](#) (MCA), the UK consultancy industry is expected to grow by 9% in 2021, with the greatest area of growth in new technology and digital, highlighting the critical importance of the sector in the economic recovery and urgent digital transformation of UK businesses.

# Carve-out: what are the keys to success?

**Philippe Pestanes, Partner in charge of the Strategy and M&A offer, talks about carve-outs, projects regularly conducted by Wavestone for its clients, allowing the identification of best practices and the establishment of a proven methodology.**



**Philippe Pestanes**  
Partner

## **Carve-out projects have multiplied in recent months. What do these operations involve?**

A carve-out corresponds to all the operations carried out in preparation for the sale of an asset of a company or group of companies.

There are several reasons why a company may decide to dispose of an asset. Firstly, it may become non-strategic in relation to other more essential activities on which the company wishes to concentrate. Secondly, the company may want to dispose of an asset to make a profit, which was particularly the case in 2020 in the context of the crisis. Finally, the asset sold may prove to be underperforming within the group, or even loss-making.

## **A carve-out is a very transformative operation for the company that carries it out. What are the main challenges and stakes of these operations for Wavestone's clients?**

Carve-outs are both strategic and major transformations that bring many challenges for the transferring company.

The first is to define the scope of the assets to be sold. This concern, among other things, operations, employees, contracts, .... This can be complicated in a group where many synergies exist between the different activities.

Another issue is the strategy for the disposal of the asset, depending on the nature of the buyer. For example, if the buyer is a manufacturer, it is to be expected that he will have the skills to absorb the new activity. On the other hand, if the buyer is an investment fund, it will be necessary to make the business being sold as autonomous as possible. Identifying the buyer therefore determines the way in which the carve-out will be conducted. Once the business being sold has been taken over and the sale strategy defined, it is necessary to be able to create an autonomous structure from an operational point of view in order to make it attractive to the buyer. This contributes to the continuity of the business, which is essential in this type of operation.

Finally, the last challenge of these operations is to minimize the negative impacts by limiting the disruption to the divested asset and the divesting company

as much as possible, and by reassuring all the stakeholders in the project (key employees and talents, suppliers, strategic clients, etc).

## **What role does Wavestone play in these strategic transactions and what expertise does it bring to the table?**

Wavestone is regularly involved in this type of operation and has therefore developed a proven methodology.

The first step consists of thinking about the disposal strategy: helping clients to identify the assets to be sold, identifying all the dependencies between the asset and the parent company, finding the most efficient ways to cut these dependencies and, if necessary, setting up transition service agreements (TSAs), which are essential for securing the buyer and maximizing the success of the transaction.

The second stage concerns the operational preparation of the sale. We assist with the structuring of the actions necessary for the separation, focusing on two key dimensions. Firstly, the technological dimension; we must be able to identify all the elements inherent in the IS and provide technical solutions to make the asset being sold autonomous on these subjects. Secondly, the human dimension. A carve-out often generates questions and even stress for the teams concerned. Dialogue and change management are therefore essential to secure the operation.

Finally, the last stage concerns the execution of the carve-out. The aim is to minimize the impact on the operational business, with the Wavestone team helping to absorb the workload and identify the necessary corrective measures once the

asset has been separated. Post-closure, we can assist in managing the TSA and streamlining the cost structure.

Wavestone is particularly well equipped to successfully carry out this type of operation thanks to its model: the combination of key expertise such as the mastery of support functions (HR, finance, purchasing), change management and the IT dimension (ERP, IS, infrastructure, security). We have supported this type of operation in many sectors: health, distribution, media, etc.

## **Has the health crisis accelerated these operations? In your opinion, will this acceleration continue? What is Wavestone's role in this dynamic?**

The health crisis initially slowed down mergers, acquisitions and carve-outs. In the second half of 2020, the momentum picked up and will continue into 2021, as the context is favorable for this type of transaction. Indeed, companies are looking for cost rationalization and/or acquisitions at reasonable prices. However, this is a perennial problem that will not disappear after the crisis.

For Wavestone, the challenge is to continue to gain recognition for our expertise in these operations in order to gain more and more market share.

# A sales force dedicated to the success of our clients

**To successfully rise to the challenges faced by our clients and to drive positive transformation in all business sectors, Wavestone has developed a business development model founded on the principle of client management.**

Wavestone boasts a portfolio of clients spanning a very broad spectrum, from global and local companies with leading positions to new entrants, both in the private and public sector. The firm is committed to cultivating an open-minded approach, while maintaining its presence in all main sectors. This multisectoral presence provides resilience in times of economic fluctuation and allows the firm to capture growth in the most dynamic sectors.

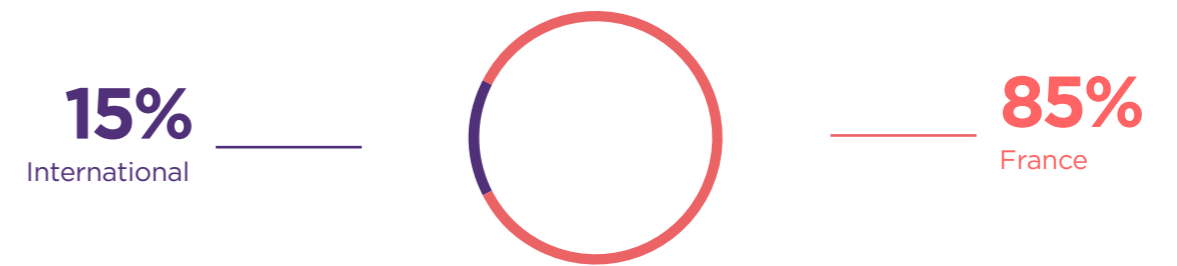
In each practice and office, client management is provided by a hybrid team of consultants and sales executives tasked with developing the full range of the Wavestone value proposition to all the clients it manages. This collaboration provides the

stimulation required to guarantee that the solutions proposed combine strategic expertise with proven implementation.

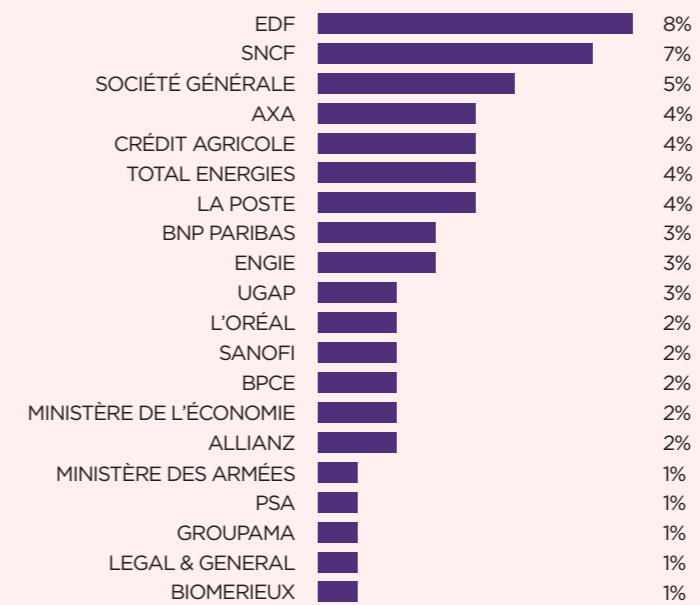
**Wavestone's client management has two key missions:**

- / to support the growth of Wavestone's business activities and revenue;**
- / to maintain close long-term relationships with top-level decision-makers.**

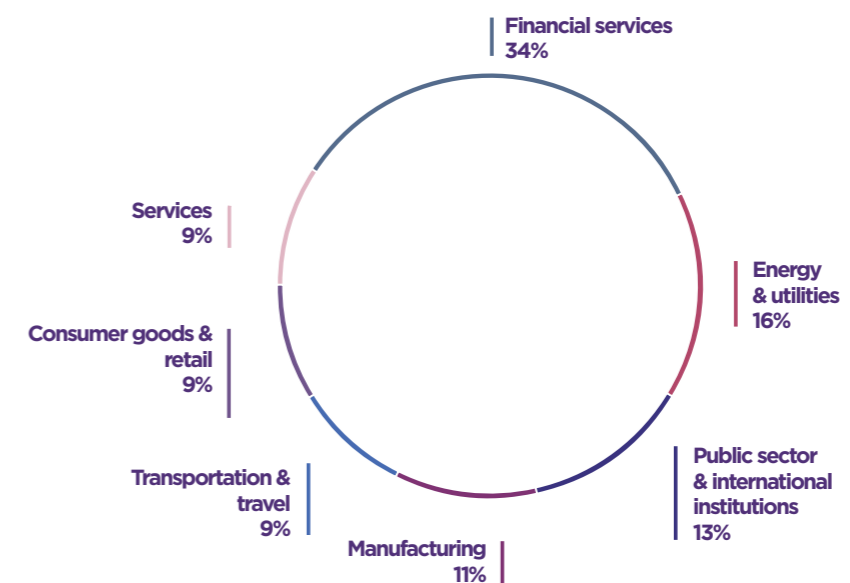
Geographical breakdown of 2020/21 revenue:



Our Top 20 clients in 2020/21:



Sectorial breakdown of 2020/21 revenue:



# Wavestone supports the European Commission in its strategy to fight online abuse

**Debora Di Giacomo, Senior Manager at the Luxembourg office, looks back on a project with digital and societal dimensions conducted for the European Commission.**



**Debora Di Giacomo**  
Senior Manager

## Wavestone is supporting the European Commission in the fight against some types of online abuse. How did the firm take part in this project?

Wavestone's teams in Luxembourg have developed extensive track record on the digitalization of the European public sector, as well as on digital policies. In this case, a study was launched by the European Commission to put forward a new framework to tackle child sexual abuse online, an issue that the Covid-19 crisis has only made worse. With the rapid development of emerging technologies, criminals are more numerous. In particular, the study is intended to help identify recommendations to improve the hotlines operations from a legal, operational, technological, and organisational viewpoint.

This study was part of an open public procurement, several partner organisations contacted Wavestone to take part leveraging our expertise on the assessment of digital policies.

## What was the methodology and what are its findings?

Given the sensitiveness of the study and the scope covering all European Member States and Canada, the study followed a very strict and structured research methods.

To provide evidence-based recommendations, our team collected data through desk research. At the same time, an extensive survey targeting European Hotlines was launched. Data was complemented through workshops with experts in the field and the resulting recommendations were reviewed by an expert panel.

The study identifies the current challenges faced by hotlines in the EU Member States. These challenges consider, in particular, the global dimension of operations of the global network, and the partners the hotlines operate with, such as the internet industry or the law enforcement. To give concrete

## The study is intended to help identify recommendations to improve the hotlines operations from a legal, operational, technological, and organisational viewpoint.

recommendations, we identify gaps in the way the hotlines fight against the spread of illicit content and identified actions to be taken to prevent it from being posted online.

involved to the European Commission on assignments where Wavestone can bring our best skills which includes European Policies, cybersecurity, emerging technologies and digital transformation.

## What was the stake for Wavestone Luxembourg ?

It was very rewarding for Wavestone to be involved in initiatives that aim to make our society better, especially when it concerns children. Our goal is to continue to be

To learn more about this client story, check out our client stories on [www.wavestone.com](http://www.wavestone.com).





# Human resources in 2020/21: actions to meet the challenges of the crisis

Clémence Lagu, HR Manager at Wavestone, in charge of the Financial Services practice and the US office, discusses the challenges raised by the Covid-19 health crisis on human resources management.



**Clémence Lagu**  
HR Manager

## What are the major challenges that the health crisis has brought to light on our ways of working?

With the switch to teleworking for all employees, one of the main challenges was team management and maintaining proximity between employees. At Wavestone, the creation of links between people and daily closeness are strong markers; the crisis put a stop to a whole series of rituals that punctuated our daily lives and created a sense of belonging (Friday breakfast, regular festive events, etc). We had to reinvent our leadership methods and find ways to maintain the pleasure of working together despite the distance. Team meetings were reviewed and adapted to the remote working context and many more informal initiatives were introduced: photo contest, sports challenge, cooking classes, etc. The process

of integrating new employees has been completely rethought and many training courses have been adapted to be delivered remotely.

The urgent nature of the crisis has led to a very strong mobilization of many employees. This is made more relevant in the context of national lockdown where the boundary between professional and personal life is more tenuous and where decompression periods are greatly reduced. This over-investment in the professional sphere has led to numerous imbalances in the work-life balance. The challenge today is to create the conditions for employees to return to a more serene and satisfying work rhythm, which is one of our priorities in 2021/22.

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**The challenge today is to create the conditions for employees to return to a more serene and satisfying work rhythm, which is one of our priorities in 2021/22.**

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## What is Wavestone's position on this issue?

About work-life balance, we still have a long way to go. In our internal Wavestone Mood survey of December 2020, only 60% of employees felt they had a satisfactory work-life balance. For several months now, we have been implementing actions to make this balance a reality for everyone: a «lunch slot» has been set aside, the principle of no meetings beyond a defined time slot has been established, awareness-raising workshops have been held for management, and regular content has been published to share advice and best practices for finding a work-life balance and maintaining it over the long term.

We also rely heavily on the exemplarity of management. In addition, we are conducting tests in certain areas to gain a better understanding of the situations experienced by the teams. For example, to enable them to indicate on a monthly basis whether they feel that their work-life balance is respected. And finally, we pay particular attention to employees' leave-taking.

In order to measure the impact of our HR actions, we have organized our HR surveys in a more structured way. The concerning nature of the crisis has made it necessary to gauge employees' state of mind on a more

regular basis, which gave rise to Pulse@Wavestone. This survey, which is rich in information, will continue for the 2021/22 financial year. The objective is to measure employee commitment and identify their needs.

## What do you personally expect from the Smartworking@Wavestone project?

I expect the project to reinvent our way of working by making the most of the benefits of teleworking that we have seen this year: flexibility, better quality of life, greater efficiency, a lever for attracting and retaining teams, better synergies between offices, etc, while limiting the pitfalls (staying out of touch or losing the feeling of belonging, for example). I expect us to be inventive, disruptive and to land on new ways of working that reinforce Wavestone's «Great Place to Work» dimension.

**To find out more about the Smartworking@Wavestone project, read pages 36-37.**

**PREPARE  
FOR  
TOMORROW**



# Smartworking@Wavestone, a project to invent tomorrow's working environment

Fanny Rouhet, Human Resources Director at Wavestone, presents the Smartworking@Wavestone project and its expected benefits for the firm.



**Fanny Rouhet**  
Human Resources Director

## The Covid-19 health crisis has profoundly changed the way all Wavestone employees work. Looking back, how does Wavestone view remote working since the beginning of the crisis?

The crisis has definitely changed many things. Remote working has become the norm since mid-March 2020 for all of the firm's teams. Remote working was already a widespread practice at Wavestone, and we found that we could continue to work effectively by all being remote.

But this new structure brought some challenges. After more than a year of working remotely, it appears that employee motivation remains good, although there are disparities between teams and experience. In the early months of the crisis, we all saw the many benefits of remote work: less fatigue from travelling, more flexibility to manage work-life balance, better efficiency, breaking down geographical barriers between offices and countries, etc. But over time, limits have appeared. Social ties are weakening, the

integration of newcomers is more difficult, some employees do not have optimal remote working conditions, and finally, we lack the reference points that used to punctuate our days in the office.

However, we are convinced that working patterns have changed permanently and that we will not go back to the pre-crisis structure of work. This is why we have launched Smartworking@Wavestone.

## What is Smartworking@Wavestone?

It's an ambitious project that aims to build the work environment of tomorrow with a new mix of face-to-face and distance working. This project, which will start as soon as the health constraints are over, is built as an experimental approach. For several months, each team in the firm will independently test new ways of working and new ways of operating: face-to-face/remote mix, IT tools, office layout, managerial practices, etc.

Once these experiments have been carried out, we will share the feedback in order

to identify best practices and define a coherent operation at the Wavestone level.

## How can we make the experiment a success?

We have defined 5 rules to ensure that the experimentation takes place in the best possible conditions.

First of all, in order to be as close as possible to the operational realities of each business, the experiment will be carried out by practice, by office or by department. It will also have to be part of a participative approach, with management ensuring that all employees feel part of the project.

Our objective is not limited to finding a new face-to-face/remote mix. This project should help us to address the issues of welcoming new employees, changes in HR and managerial practices, office layout, etc.

During the experiment, employees can remotely work from the location of their choice, within their home country. Smartworking@Wavestone will thus be an opportunity to experiment with relocation outside of one's home region without contractual change. These situations will be recorded and monitored in order to share an assessment and specify Wavestone's HR policies in this area at the end of the experiment.

Finally, remote working must remain an asset for employees and for Wavestone. In order for it to be positive for everyone, everyone must ensure that it does not cause any disruption to operations, whether it's to our clients, our employees, our teams or our managers.

## What are the next steps?

The real next step is to be able to get to the heart of the matter by starting the experiment. While waiting for the health constraints to be lifted, we are using this time to reflect on what we will want to experiment with in each team as soon as we can. We are also taking advantage of this time to organize the management of the project at the Wavestone level and in particular, to identify the employees who will be the «ambassadors» of the project within their teams.

## What are the expected benefits of this project?

Of course, we expect an improvement in efficiency, quality of life at work and work-life balance for our employees. But this new working environment could also strengthen the synergies between our offices around the world, reduce the firm's carbon footprint thanks to the reduction in our travel, and finally improve our brand image in the eyes of our clients or our attractiveness to candidates or future companies joining Wavestone in the context of M&A transactions.

# Setting the benchmark as an employer

**Wavestone is committed to be an employer of choice in the consulting market. This strategy is based on a proven model: recruiting the finest talent, providing personal career path management, and offering employees rich career development prospects.**

## Attracting top candidates

Wavestone recruits candidates from diverse backgrounds with varying degrees of experience, and looks for people with commitment, who already have a reputation for strong entrepreneurial drive and a sense of team spirit, with a real potential for development within the firm. The recruitment plan includes a high percentage of new graduates from the most prestigious French (engineering and management) graduate schools and universities. In addition to the recruitment team, composed of recruitment professionals, a community of around 1,000 consultants conducts recruitment interviews and get involved with developing educational partnerships and all the initiatives that go with that. This mobilization completes a diversified sourcing strategy: an annual candidate referral campaign, a preemployment trainee scheme, recruitment agency partners, events dedicated for students and candidates, etc. In order to attract the most talented people in an extremely competitive sector, Wavestone has adopted a distinctive position for its candidates. Le cabinet met un point d'honneur à aborder chaque phase du recrutement comme un moment d'échange privilégié, avec une attention portée à la qualité du parcours candidat, quelle que soit l'issue du processus. Cela passe notamment par la formation de tous les recruteurs et la conformité à la charte du recrutement.

## Offering rapid and diversified career opportunities

In order to give everyone a clearer view of their career prospects, career paths - called Wavestone Horizon - are formalized for all of the firm's functions. For each level of responsibility in a given job, the expected competencies and the benchmark salary are clearly defined and are the same for all. A mobility scheme also enables employees to broaden their horizons by changing jobs, areas of expertise or offices. Career paths are led by 500 local managers, the Career Development Managers, supported by HR relays (one for approximately 140 employees).

To support its growth ambitions, Wavestone encourages the development of its employees in management. Each year, many of our employees are put in charge of projects or teams, and a training program helps them take on this responsibility. In this context, the firm aims to share a common culture and best practices, regardless of job, field of expertise or geographic location.

## Developing an environment that fosters professional and personal growth

The attention paid to the work-life balance of employees is part of a more global approach to quality of life at work that is intended to be sustainable and in continuous progress. This approach includes not only the measures that contribute to the quality of career paths, but also the workspaces within Wavestone's offices, flexible working initiatives such as telecommuting or co-working, measures to support parenthood and all initiatives that allow employees to be involved in the company's project.

Under the impulse of the firm's CSR approach, new reflections and initiatives have also emerged around the theme of diversity and the development of a more inclusive work environment: mission handicap, equality between women and men, LGBT+... These subjects are all new opportunities to continue to develop a quality work environment for all Wavestone employees.

## Labels and HR certifications

Happyindex®  
Trainees

Label HappyIndex® /  
Trainees France 2021



2<sup>nd</sup> place in the «Youth» category  
of the Grand Prix Humpact Emploi  
France 2020

## A necessary adaptation in times of health crisis

In the context of the health crisis, successive confinements and widespread teleworking, Wavestone has set up ad hoc mechanisms to communicate regularly with the teams and maintain the social link within the firm.

Global Talks are regularly organized for employees from all offices, allowing them to ask questions of all kinds (HR, work organization, strategic vision, business situation, etc.) or to obtain information on the firm's situation and crisis management. In a less formal setting, the firm also organizes «What's Up Wavestone» meetings during which employees share the firm's news.

On another note, Wavestone Go (see dedicated article) has been deployed throughout the firm. Finally, as the health crisis has caused a great deal of concern and tension within the company, Wavestone has launched the Wavestone Mood surveys. This survey format, which is very short and directly linked to current events, is a way to put our current issues or action plans into perspective, to take the pulse of the teams and to identify potential points of fragility or concern, thus allowing corrective actions to be taken at the right time.

# Skills sponsorship, a strong social commitment for Wavestone

**Hélène Cambournac, CSR Manager, discusses Wavestone's social commitments, particularly in terms of skills sponsorship.**



**Hélène Cambournac**  
CSR Manager

constraints linked to the partial activity, we were able to support organizations such as the APHP and the French Red Cross on issues directly linked to the Covid-19 crisis. In addition, practices have been mobilized in this particularly troubled period to achieve a high level of social commitment. In the 2020/21 financial year, we therefore devoted 0.79% of total staff time to social commitment. This rate was even achieved without Powerday, which contributes 0.2% each year.

## What is the outcome of these actions and what are Wavestone's long-term objectives?

If we take stock of the 2020/21 financial year, around 200 consultants were involved in 80 pro-bono missions, for around thirty associations. We have therefore greatly accelerated our commitment. With the return to more sustained activity, the staffing of these missions will become even more challenging. The needs of associations and foundations are still numerous, and we wish to maintain our commitment in particular to our five key partners: Make.org, Share it, La Croix Rouge, Femmes@Numérique and Solidarité Internationale.

In 2021/22 we intend to continue to accelerate our investment in skills sponsorship and aim to devote at least 1% of the firm's time to general interest organizations. To achieve this, we have set up new actions such as the reorganization of the sponsorship team to be even more efficient in the management of demand, or the launch of our «solidarity campaign» for which we asked our employees about the theme they wished to prioritize in the context of these missions. The fight against climate change was the most popular theme. As a result, 20% of the contribution in skills sponsorship will be dedicated to projects related to this subject.

## What are Wavestone's social commitments?

As part of our CSR approach, our commitments aim to establish Wavestone as a good corporate citizen and to support projects with social value. At Wavestone, this commitment to society is reflected in our contribution to sponsorship, firstly through mentoring actions where our employees provide help and support on a particular theme. For example, in France, we support the students of the Georges Villebon Institute, or the association Elles bougent, which aims to increase the number of women in the tech industry. Secondly, Wavestone makes the skills and expertise of its employees available to organizations with a social mission, through free consultancy assignments. The organization of Powerday, Wavestone's international solidarity day, aims to help organizations with concrete projects in the field or through skills sponsorship. Finally, the Wavestone Foundation, through financial sponsorship, supports associations that work for disadvantaged children.

## Can you tell us more about skills sponsorship at Wavestone?

Skills sponsorship consists of carrying out consultancy assignments on behalf of associations or foundations, without being invoiced. The challenges of these missions can be like those of traditional consulting missions, i.e., IT transformation, organization, logistics or change management.

These so-called «pro-bono» missions require the same skills, the same high standards and the same commitment as usual consulting missions, and we impose the same quality of delivery during their execution. Any consultant can be asked to contribute his or her expertise to this type of mission.

## What impact has the Covid-19 crisis had on Wavestone's commitment to sponsorship?

The crisis has led to an explosion in the needs of associations and the firm has organized itself to meet this demand. We set up a sponsorship crisis unit to contact our various non-profit partners and foundations and identify their urgent support needs. Despite our staffing

## Share it x Wavestone: the digital transformation of social impact projects

Share it is a Tech for Good accelerator at Station F. Through a support program, Share it codes digital solutions for social entrepreneurs and associations. The goal: to help social entrepreneurs increase their impact and support more beneficiaries.

To meet the needs of social entrepreneurs, Share it relies on the business and technological expertise of Wavestone consultants. For example, Share it worked with Ticket for Change, which creates engagement programs that reach over 70,000 people to create a dashboard that automates the measurement of the impact of their training. Wavestone consultants have also worked with Share it and Signes de Sens to develop a plug-in that instantly translates any word on the web into sign language video: La Bulle Elix.

Over the past 2 years, Wavestone has supported 10 projects, which have had an impact on tens of thousands of people.

To find out more, visit Wavestone's website, section «[Read our client stories](#)».

## Wavestone commits to the feminization of the digital industry with the Femmes@Numérique foundation

The Femmes@Numérique foundation was created in 2018 under the aegis of the Fondation de France, to fight against the chronic lack of women in digital.

Committed to professional equality between women and men, Wavestone is involved with the Foundation with the desire to have a positive impact on society and inequalities. The firm has been supporting Femmes@Numérique for over a year on all its projects. A dozen consultants from different practices (public sector, cybersecurity) have been involved in projects such as the strategic support of the Foundation, the development of its reputation or the hosting of a community of female professionals committed to the feminization of digital professions.

To find out more, visit Wavestone's website under the heading «[Read our client stories](#)».

# Embodying and sharing our own values

**Engaged in a CSR approach for 10 years now, Wavestone has made it a key part of its strategy.**

Wavestone is recognized for its extra-financial performance and aims to remain a cutting-edge company in terms of CSR. Wavestone has been in the top 3 in its category in the Gaïa Rating for the past 5 years (2<sup>nd</sup> place in the category of companies with revenues between €150m and €500m in 2020).



# Wavestone, recognized for its commitment to CSR

 <p><b>2<sup>nd</sup> in our class in 2020</b></p>	 <p><b>2<sup>nd</sup> in the «Youth» category</b></p>
 <p><b>Score B-</b></p>	 <p><b>90% favorable recommendations</b></p>
 <p><b>4<sup>th</sup> in class in 2020</b></p>	 <p><b>72/100 «Gold» Commitment</b></p>



“Despite a difficult context in 2020, the year was rich in CSR news: continued implementation of our client satisfaction policy, development of our investment in skills sponsorship, management of the health crisis in a responsible way for all our stakeholders, and finally the integration of ESG criteria in our financing contract”.

*Hélène Cambournac, CSR Manager*

# Integrating CSR issues into the heart of our business with the Responsible Consulting approach

Eric Gency-Piriou, Senior Account Manager, presents the Responsible Consulting approach, which aims to proactively integrate CSR issues into the heart of Wavestone's business.



**Eric Gency-Piriou**  
Senior account manager

## What does Wavestone's responsible consulting approach consist of?

As part of its CSR strategy, Wavestone has formulated five commitments, one of which relates to its consulting business: to support our clients towards sustainable performance. This is an expectation of our stakeholders: employees or candidates, investors, shareholders, and clients. Moreover, the latter now include CSR criteria in the selection of their partners.

Our responsible consulting approach is a response to this proactive commitment. It enriches the way we carry out the most standard assignments by taking proactive action to:

- / enlighten our clients on the CSR challenges of their transformation projects;
- / propose concrete and measurable actions, which are the sources of sustainable performance.

This approach is part of our day-to-day consulting work, regardless of the industry concerned. It is not a new offer.

## In concrete terms, how do you integrate CSR commitments into your assignments?

Our consulting business offers us a privileged position to act at the heart of our clients' transformations and to generate positive and sustainable impacts for society. We are not in a declaration of intent, but in an intention to act.

We have chosen to focus on four themes: the impact on individuals, respect for privacy, greenhouse gas emissions and waste management.

The approach is based on a pragmatic method that everyone can use. At the start of an assignment, after an initial inventory, diagnoses guide the reflection on the four themes to direct our consultants towards a set of operational accelerators:

- / documentary resources;

**Our consulting business offers us a privileged position to act at the heart of our clients' transformations and to generate positive and sustainable impacts for society. We are not in a declaration of intent, but in an intention to act.**

- / capitalized methodologies and tools;
- / committees of experts who can be mobilized.

Once our convictions have been forged, we enlighten our clients on the CSR challenges of their projects and, ultimately, propose tangible actions for each impact that we evaluate.

This approach is not intended to be applied to all projects. It will be applied as a priority to assignments where we have a real influence on decisions or directions.

## Have you already carried out assignments using this approach?

Since the beginning of 2021, we have tested the approach on several dozen projects and have completed 5 of them with concrete results.

On a program to redesign a collaborative tool for a major banking group, we shed light on the impact of digital consumption on greenhouse gas emissions and proposed the implementation of new storage rules to reduce the digital footprint, without disrupting users. The amount of storage space used could eventually be halved. Another example: as part of a study of new logistics scenarios for a major international luxury goods group, we integrated the measurement of CO<sub>2</sub> emissions from the new associated transport scheme.

Finally, we introduced a new «environmental impact and waste management» criterion

in the selection grid for the future supplier of office automation services for an energy giant.

We intend to capitalize on the momentum that has been created to roll out a broad-ranging responsible consulting approach, covering an increasingly wide range of projects throughout the firm

## What are Wavestone's ambitions for responsible consulting in 2021/22?

Based on our initial findings, we estimate that there are between 300 and 600 eligible projects each year, i.e., projects where Wavestone is in a position to influence decisions and orientations and where we could apply the approach.

We favor concrete and tangible results to be able to measure the positive impacts generated in the long term and we have set ourselves a target of at least 25 missions in the current financial year.

We are already committed to the long term with a minimum target of more than 100 projects by 2024.

## Client satisfaction, a key challenge for the coming years

**Wavestone is committed to delivering the highest level of client satisfaction in the consulting market. To support and achieve this goal, the firm has implemented a quality policy that is systematically applied to all its assignments.**

**The Wavestone client satisfaction policy is underpinned by the following components:**

**/ an organization structured around a Steering Committee responsible for policy, and a network of local Quality Champions;**

**/ a client satisfaction risk identification and control process that covers all the firm's management mechanisms;**

**/ an annual survey conducted among existing and previous Wavestone clients.**

## 2021 client satisfaction survey results: an NPS... that continues to progress

**A NPS (net promoter score) that continues to rise to 54.2 (+3 points)**

The 5<sup>th</sup> edition of the annual satisfaction survey was conducted in April 2021 among clients in all countries where Wavestone is present. More than 3,000 clients were surveyed, and 23.3% of them responded, demonstrating once again this year the strong interest of our clients in this approach.

After a bump in Wavestone's NPS last year (from 30 in 2019 to 51 in 2020), it remains slightly above last year's level, with a score of 54.2. This result is in line with Wavestone's objective of increasing NPS each year.

The other results of the survey show a great stability in the level of satisfaction of our clients compared to last year, which was marked by a clear improvement compared to previous years. Thus, 94% of our clients are satisfied or very satisfied with Wavestone's consulting services, as in 2020.

However, while the rate of clients reporting dissatisfaction is at its lowest level in 5 years, 39% of them are not fully satisfied with Wavestone's response, the same as in 2019, but down from 27% in 2020. The ability of our teams to quickly take the right action in the face of customer dissatisfaction therefore remains a priority. Finally, in the context of the health crisis, our clients almost unanimously (97%) consider that the transition to remote working was well managed by Wavestone, and 86% of them plan to continue using remote working with our teams, at least in part, once the sanitary measures are lifted. This year, action plans adapted to each scope (practices and international offices) will be put in place in line with our objectives of increasing the NPS and improving the management of client dissatisfaction. In particular, under the leadership of our quality champions, we will be significantly increasing the use of quality assessments, which enable us to evaluate the level of client satisfaction during an assignment.



# Quality Assessment, a new tool for customer satisfaction

**Laurent Bellefin, Partner in charge of major transformation projects, reveals the background to a new customer satisfaction approach: the Quality Assessment, a tool he had the opportunity to try out during the year.**



**Laurent Bellefin**  
Partner

## Why is client satisfaction a major issue for Wavestone?

As with all companies, but even more so in consulting, client satisfaction is the key to a lasting relationship with our clients. It allows us to maintain the firm's reputation, to establish solid business relationships, therefore securing a sustainable growth in our turnover. Wavestone aims to be among the best in the consulting market in terms of client satisfaction and is indeed recognized as a player that delivers quality services, as demonstrated by our NPS (Net Promoter Score) level, which has risen for the third consecutive year.

We usually teach our teams that there is no reason why a client should not be satisfied with each of our services. And it is this quasi-obsession that allows us to create relationships of trust with our clients and ultimately to be positioned and to win increasingly strategic projects.

## Has the Covid-19 health crisis changed our relationship with customer satisfaction?

Yes, it has indeed changed our relationship with customer satisfaction. Carrying out assignments remotely has made it more difficult for us to perceive weak signals of client dissatisfaction. We have therefore had to pay more attention and ask them more regularly to express their perception of our work. In this way, we have adopted new reflexes that will last beyond the crisis.

## You tried out a new feature of our customer satisfaction system, the Quality Assessment. To begin with, what is it about?

In 2020, Wavestone was mobilized for an important mission, a project to set up synergies between two players in the bancassurance sector as part of their merger. The objective of the project was to optimize common operations and identify new business synergies.

Six months after the start of this mission, we wanted to carry out a Quality Assessment, i.e. an evaluation of the quality of our service.

This process consists of interviewing the main stakeholders on various subjects: why they chose Wavestone, what their perception of our intervention is on different dimensions such as the quality of the deliverables, the relevance of our recommendations, and the methodology and the investment of our teams. Finally, we ask them for an NPS score, which indicates their level of satisfaction and whether they would recommend us to other clients.

## How did the Quality Assessment go for you and what did you learn from it?

The clients gave us excellent feedback, particularly on the expertise we provide,

on our ability to bring out clear and shared guidelines and on the involvement of our teams. They have also given us a very good NPS rating. We have also been able to identify that they expect us to provide advice with conviction, without hesitating to challenge them even more whenever we consider it necessary.

The other lesson of the Quality Assessment is that the client perceives this type of action as a proof of great maturity on the behalf of the firm, which demonstrates our desire to constantly improve to best meet their needs!



# A new marketing function to support Wavestone's international development

Beth Thomas, Chief Marketing Officer, talks about the creation of the new marketing function and its objectives to support Wavestone's market positioning and international development.



**Beth Thomas**  
Chief Marketing Officer

## Why did Wavestone decide to create a new global marketing function?

Wavestone is committed to grow and develop internationally. It is with this idea of performance and development that the new marketing function has been created. We have done a lot of great things for Wavestone US in this field, especially in the Philadelphia office, and we are now looking to replicate this work to the other practices. The main mission of the new marketing function within Wavestone is to drive and execute marketing activities to generate new demands and attract new clients, through the delivery of marketing campaigns based on proven practices in the US.

## Which kind of results do you expect?

Our efforts are going to result with new pitches that are going to be converted into pipeline and then into new wins. We will measure the return on investment of our marketing actions with KPIs to ensure we are going in the right direction. Relevant KPIs in marketing include the conversion rates from marketing qualified leads (MQLs) to pitches

to pipeline to new wins. For example, in the US, we've successfully deployed a campaign for the "New CIO". We monitor the announcements of newly appointed CIOs knowing these individuals are a strong target for us. In parallel, we turn on targeted digital advertising ads and initiate inside sales calling efforts. This, coupled with emails offering an asset like the "CIO Radar" ensure we increase our chances of brand awareness and trust in our thought leadership. We have successfully scheduled initial pitches that have converted into closed business for the US from this multichannel and multitouch campaign. Both are key because in marketing, it takes at least 8 touchpoints before someone will engage with us!

## What's the priority for 2021?

We will focus our efforts on a limited number of perimeters. UK and Switzerland to be more precise and may be other practices in the second half of the year. We want to make sure we are securing some quick wins and leverage on them to encourage other offices.

# Wavestone's expansion in the United States

Jeff Vail, Partner and CEO of the Wavestone US office, shares his thoughts on the outlook for the consulting market in the US in 2021 and what is the future for the North American office.



**Jeff Vail**  
Partner

## How the US market is performing following the easing of health restrictions and what is the outlook for the consulting market in the US in 2021?

After months of severe sanitary measures, restrictions have eased significantly in the early part of 2021, in some states, totally. Since, the economy is on a fast rebound and we are on the road to recovery. From a challenging double-digit decline in 2020, the US market is expected to rebound to 2019 pre-pandemic levels in 2021. As companies reconsider their workforce model and their external services relationships, they fully embrace the criticality of digitization, we have an exciting year ahead.

## How is Wavestone managing in this context?

We are focusing on our customers and critical executive relationships to ensure

their success as they work through this reemergence. Virtual work has allowed us to be agile and flexible to provide the right people, with the right expertise and skill when clients have needs.

We are focusing on three main areas. First, we are positioning ourselves to win the talent war (new HR leadership, best-place-to-work focus, expanding benefits, workplace flexibility, training, team building, and recruiting). Secondly, we are getting ahead of competitors in returning to face-to-face sales activities. Finally, we aim to over-deliver client expectations at every opportunity. These efforts are showing results, our commercial activity is rebounding. In the first months of the new fiscal year, we are seeing order intake higher than prior year, as well as our leading indicators of pipeline and pitch activity.

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**As companies reconsider their workforce model and their external services relationships, they fully embrace the criticality of digitization, we have an exciting year ahead.**

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**Now that WGroup is fully integrated and that Everest Group's consulting practice has joined Wavestone, how do you see the future of the Wavestone US office?**

First, it's a pleasure to represent US office(s) – plural! We now have a presence in three critical US metropolitan areas - New York, Philadelphia, and Dallas. Having a presence in Dallas is vital as it is the fastest emerging region for businesses in the US. The addition of the consulting practice of Everest Group takes us to a new level and increases our visibility as a consulting player in the US. There is no challenge, no project for any client, of any size, that we can't deliver on.

**What are your expectations regarding the partnership with Everest Group on the research space?**

Research and market intelligence fuel our customer value. Everest Group is a well-known brand in providing high-value insights to the marketplace. We are pleased to have these foundational insights to better serve and offer higher value to our clients in the US.

**Wavestone opens a new chapter in the US with the acquisition of Everest Group Consulting**

Founded in 1991 and headquartered in Dallas, Texas, Everest Group is a research and consulting firm. Its research on the professional services market is recognized worldwide. Everest Group is a company made of two practices: Consulting and Research- the former being acquired by Wavestone.

For the past thirty years, Everest Group *Consulting* has focused on delivering high value-added consulting services on business process optimization, sourcing, and transformation to corporate and IT leaders.

Everest Group *Consulting* serves Global 500 clients across a variety of industry sectors, including Financial Services, Utilities, Retail, and CPG.

This acquisition accelerates the development of Wavestone in the US, which is a high priority market in Wavestone's international development strategy.

**“This acquisition is perfectly in line with our strategic plan in the US. We were impressed with the practice's first-class client base and the strategic character of its assignments. The skills and talent quality of the team are an ideal fit for us as Wavestone continues to expand in the US market.”** Pascal Imbert, CEO of Wavestone.

In addition to this acquisition, Wavestone and Everest Group have established a strategic alliance. Wavestone will become the exclusive consulting partner of Everest Group in North America. The partnership will extend to Europe, where Wavestone will support Everest Group's ambition, while leveraging its research to bring more value to clients.



# Leveraging the strength of French cybersecurity expertise internationally

Matthieu Garin, Partner Cybersecurity & Digital Trust, looks back at the development of cybersecurity expertise in Wavestone's different regions.



**Matthieu Garin**  
Partner

## Cybersecurity is one of Wavestone's traditional areas of expertise... How has the subject evolved over the last few years, both in the market and at Wavestone?

The subject of cybersecurity is nothing like it was when I joined Wavestone 15 years ago. Cyber-attacks were still anecdotal, and the regulators had little interest in them. So, consulting in this area was limited to security policies, awareness, and fundamentals.

Today, everything is different; cyber-attacks are multiplying, some major accounts are investing hundreds of millions of euros per year in security, executive committees are involved, and the subject has even become political! In response to these developments, we have had to broaden our spectrum of intervention. It is now a question of responding to the strategic needs of our clients while being able to provide cutting-edge technological expertise. In

2020, we intervened in more than 60 client crises, including 8 major ones, which was 50% more than in 2019. I would like to point out that in June 2020 we obtained the qualification of «Security Incident Response Provider» from the French National Cybersecurity Agency. We are the first and still the only ones to have it today.

## You have been supporting the development of cybersecurity in the UK for a few months. How mature is the cybersecurity market in this country and what are the challenges?

The UK cybersecurity market is a little ahead of the French market. It is similar to that of the United States, driven by American and British security publishers. Unlike French companies, who still rely heavily on consultancy to choose security technologies, UK customers are more likely to be looking for partners to help them optimize and rationalize all these new solutions.

## We have set up an international cyber community. With 600 consultants and the ability to think and act to meet all needs in a coherent way on an international scale

The other major difference between the two markets is operational resilience, which is much more developed in the UK. This is about anticipating all the scenarios that could lead to a major impact on a sector or businesses and ensuring that an action plan is in place to minimize the risks in the event of an incident. The subject is so vital across the UK that we have renamed the office's cybersecurity arm to 'Cybersecurity & Operational Resilience'.

## Who are the leaders in cybersecurity consulting worldwide? What is Wavestone's position and where does the firm fit in?

Today, the leaders in cybersecurity consulting worldwide are largely the main audit firms, followed by the major players in technology consulting. Wavestone has a dual positioning: we are among the leaders in this field in France, but we are still outsiders in the international offices where we have a cybersecurity strike force (United States, United Kingdom, Hong Kong, Europe, Morocco). In these areas, we need to take advantage of our French expertise, which is why we have set up an international

cyber community. With 600 consultants and the ability to think and act to meet all needs in a coherent way on an international scale, this strike force is a real lever, particularly when we work with major international accounts.

# Artificial intelligence at the service of companies

Ghislain de Pierrefeu, Partner IT & Data Architecture, gives his vision of artificial intelligence, a technology at the service of clients which can be both ethical and sustainable.



**Ghislain de Pierrefeu**  
Partner

## Artificial Intelligence is a subject that has been very fashionable in recent years, but difficult to grasp easily. Can you give us a definition?

The complexity of the subject lies in the fact that the areas covered by what is called Artificial Intelligence (AI) have evolved over time: the first expert systems of the 1950s/1960s were already called AI because they reproduced a minimal part of the functioning of the brain: the ability to analyze a situation to make a decision based on predefined rules.

Today, AI has become the capacity offered by the machine to perform tasks usually associated with human cognitive capacities: perception, analysis, prediction, decision... the main difference is related to the volumes of data available and the calculation capacities that allow

to take many more inputs to perform these tasks.

In today's realities, AI is often associated with machine learning, i.e. the ability for computer programs to make decisions based on learned data, rather than being explicitly programmed to perform a task. They learn and improve over time when exposed to new data.

I would like to point out that despite all this progress and its undeniable contribution to an infinite number of concrete problems, AI is still a long way from reproducing all human cognitive capacities. It is infinitely more efficient than our brain in analyzing and taking into account a large number of parameters, but remains very weak in terms of situational and emotional intelligence or intuition...

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**Our conviction is that AI must become an asset among others, serving the company's strategic projects, whose main concern remains customers and employees.**

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## Where do we stand today? What recent advances have been made on the subject?

We are in the process of moving away from «shiny» AI (a time where these two letters alone were enough to raise funds) to AI that serves the core business processes of companies. Of course, there are significant scientific advances every day, for example in reinforcement learning, computer vision, frugal AI, interpretability of algorithms, emotional Natural Language Processing... but the biggest advance, in my opinion, is that it is becoming a real acceleration tool for companies that are now looking for tangible results: marketing/sales, fraud detection, personalization of offerings, optimization of the supply chain...

## Many digital players and consulting firms have taken up the subject of AI. How is Wavestone's approach different?

Wavestone is an independent consulting firm that has no vocation to sell products, licenses, or algorithms... This gives us a very pragmatic view of the real benefits of AI. Our clients, who are

used to demonstrations of strength by market players, are generally surprised by our very reasoned discourse on the value of AI. For example, we are very wary of data-centric or AI-centric approaches... which don't really make sense. Our conviction is that AI must become an asset among others, serving the company's strategic projects, whose main concern remains customers and employees. It is therefore key to engage the business departments so that they integrate AI and Data into their strategic projects. The target must now be to use AI to «transcend» the company's key assets and not to systematically «disrupt» them.

In this context, our strength lies in our ability to combine - seamlessly - highly specialized AI skills with precise business expertise in each of the sectors we work for.

Another key dimension for our clients lies in the fact that we do not claim any intellectual property and that we pass on all the models and skills developed to the client teams. This is so that they can take full ownership of the AI developed and can supervise and develop it over time.

### In your experience, in which areas has AI proved particularly successful?

There's a lot of talk about sectors being ahead or behind in AI. This is somewhat true, for example e-commerce and technology companies are generally ahead of other sectors like utilities or construction. But the big difference is between the major business functions. To date, the only functions that have experienced real AI transformations at scale are marketing/sales and anti-fraud. The other functions are still far behind. A good way to measure the contribution of AI is by measuring the real impact it has on business processes; if your business processes do not change and you do not feel the need to transform processes, then AI is not very useful or has not yet been scaled up!

### What are the concrete examples of value added by AI in the context of projects carried out for clients?

For a brokerage company, we improved the processing of customer files for credit allocation, with the ability to process twice as many files thanks to supervised learning. For a leading banking company, we worked on the detection of data leakage fraud. The result: a 90% reduction in false positives and the detection of true positives that had not been detected before. Another example in the retail sector was the drastic improvement of the assortment in shops by clustering

shops, allowing for much finer management of supplies, which brings both gains in revenue and operational gains in the supply chain. And finally, in the public sector, we have developed a recommendation engine for HR mobility plans, with the aim of drastically reducing the analysis time of HR teams and, above all, increasing employee satisfaction. In each case, direct performance is achieved for the organizations concerned.

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### The subject that is closest to our heart is to accompany companies in their AI assisted transformations.

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### What is Wavestone's ambition about AI?

The subject that is closest to our heart is to accompany companies in their AI assisted transformations. The idea is that all the strategic subjects of companies integrate an AI component and use all the capabilities that this can bring, whether in the supply chain, operations, sales, marketing, HR... We are convinced that there are many places where AI can bring value, even if it is not simple because the data was not originally designed for it. In any case, we consider that in two- or three-years' time, most strategic projects will not be possible without artificial intelligence. Our second ambition is to use AI

responsibly. There is a great deal at stake in building AI that does not use data without the knowledge of the people concerned. We also know that AI can introduce biases into the analysis, notably by reproducing human biases from the past. We will therefore have to systematically balance what AI can bring and what humans should bring. Wavestone works a lot on this whole ethical dimension, notably with the European Commission and groups of

which the firm is a member to ensure that what we produce is virtuous. Most of the research we do about AI focuses on the issues of ethics and responsibility, and on the aspects of security and robustness of algorithms so that they do not drift and create «monsters». To sum up, our ambition is to introduce AI in a more massive way in business functions, and to do it in a responsible way by using robust and secure AI.



# The efficiency of an integrated organization

**Wavestone has adopted an integrated organizational model that closely combines the skills required to make collaborative working and mutual trust a reality for everyone.**

**This operating model has been designed on the basis of three key principles:**

/ Ensuring appropriate implementation of the Wavestone value proposition

/ Facilitating the formation of multidisciplinary teams and the international delivery of global assignments

/ Maximizing synergies between units and guaranteeing a high level of operational performance

## Operational entities

The key entity in the Wavestone operating model is the practice. A practice brings together those teams responsible for concentrating the expertise of Wavestone in one of its areas of excellence and/or in a geographical area. In June 2021, Wavestone had 21 practices.

Each practice is also responsible for new business development across all Wavestone services within a portfolio of clients. This business development is carried out by both the practice's consultants and dedicated account managers.

Practices are managed by Practice steering

teams, led by practice leaders. Each practice leader reports to a member of the Executive Committee.

Because some skills draw on multiple areas of expertise, they are structured cross-functionally as communities of experts based in multiple practices; examples include the Marketing Sales & Customer Experience community.

Lastly, Wavestone has chosen to invest long term in exclusive assets that will enhance its value proposition (see page 16).

## Functional departments

Wavestone's functional departments are responsible for supporting the firm's operations, steering investments that will drive Wavestone's future growth and controlling risks.

There are six functional departments: human resources, recruitment, marketing, communication, finance and IT.

Each of them is responsible for the entire scope of the firm and some of them include referents within Wavestone's practices.

## Wavestone's Executive Committee (EXCOM)

The firm is managed by an Executive Committee, led by the General Management, which is composed of the members of the Wavestone Management Board.

The members of this Executive Committee are:

**Pascal Imbert**, Chairman of the Management Board

**Hélène Cambournac**, CSR Manager

**Laurent Stoupy**, Partner, in charge of finance and IT

**Patrick Hirigoyen**, General Director and member of the Management Board

**Laure Michel**, Recruitment Director

**Philippe Dajean**, Partner

**Reza Maghsoudnia**, Development Director

**Laurent Bellefin**, Partner, in charge of marketing and communication

**Benoît Darde**, Partner

**Guillaume Durand**, Partner

**Anne Régnier**, Commercial Director

**Beth Thomas**, Marketing Director

**Frédéric Goux**, Partner

**Mike Newlove**, Partner, UK

**Fanny Rouhet**, HR Director

**Jeff Vail**, Partner, US

## Strategic Committee (STRATCOM)

The Strategic Committee's role is to discuss strategy, action plans, the evolution of the value proposition and Wavestone's international expansion.

The members of this Strategic Committee are:

Salma Bennani

Philippe Dajean

Reza Maghsoudnia

Sarah Lamigeon

Benoit Darde

Joël Nadjar

Laure Michel

Guillaume Durand

Nicolas Nepomiastchy

Florence Noizet

Chadi Hantouche

Philippe Pestanes

Anne Régnier

Jim Hennigan

Laurent Stoupy

Fanny Rouhet

Patrick Hirigoyen

Alessandro Zambon

Gérôme Billois

Pascal Imbert

## Operational and Business Committee (OBCOM)

This body brings together practice leaders, key business players, and managers of marketing, communication and recruitment functions. It addresses operational issues (delivery, business, client satisfaction, etc.) and enables all players to be aligned with current priorities. It is composed of approximately 40 people.



## The Management and Supervisory Boards

As of March 31, 2021, the composition of Wavestone’s governance bodies is as follows.

### Management Board



**Pascal Imbert**  
Chairman of the Management Board



**Patrick Hirigoyen**  
Member of the Management Board

### Supervisory Board



**Michel Dancoisne**  
Chairman of the Supervisory Board



**Rafaël Vivier\***  
Supervisory Board Member



**Marie-Ange Verdickt\***  
Vice-Chairman of the Supervisory Board



**Sarah Lamigeon**  
Supervisory Board Member



**Christophe Aulnette\***  
Supervisory Board Member



**Benjamin Clément**  
Supervisory Board Member



**Jean-François Perret\***  
Supervisory Board Member

\* independent members