

## Digital Ventures

### Objective

- Add new profitable businesses

### Goal

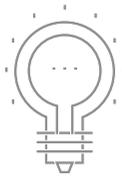
- New adjacent revenue streams
- Margin enhancement
- Become the global leader in digital HR solutions

### Measure of success

- Revenues from new markets
- Client & candidate Net Promoter Score
- Margin enhancement

**Franz-Josef Schürmann**

Chief Sales and  
Innovation Officer



# Innovate

The third and final stage in our strategic agenda is 'Innovate'. We are empowering our entire business and team to think creatively and to reimagine the world of work. To do this, we are growing the scope of our offer by investing in digital ventures that take advantage of technological innovation, open up new markets, and cater to the changing needs of our clients and candidates. Chief Sales and Innovation Officer Franz-Josef Schürmann talks us through this exciting programme of innovation and new ideas.

## Q. What are the core principles of the Innovate agenda?

**FJS.** Innovation is opening up a whole new range of possibilities for the world of work. It's vital that we are at the forefront of this new wave so that we can give our candidates and clients the support they need to navigate their way to success.

Our 'Innovate' agenda means creating differentiation and competitive advantage, thanks to talent and technology, because only innovation can guarantee sustainable development.

We want to be the digital leader in our industry, but also its disruptor: combining the expertise and experience of a large company with the energy and ideas of a start-up. Led by our digital incubator, Adecco Group X, we are searching the HR technology landscape to find, build and invest in the most promising tools and emerging business models. Through our Digital Ventures programme we then bring these tools and businesses to life at the Adecco Group.

Digital Ventures take three forms. Firstly, we are deploying tools that enhance productivity and improve customer experience. Secondly, we have created online 'twins' that mirror our offline models. Thirdly, we're building solutions to capture new revenue growth opportunities in adjacent markets. Co-creation and partnership are at the heart of the strategy and we are working with leaders in technology to combine our knowledge and reach. And we're encouraging the ideas of our own people, with Adia and YOSS as market-changing examples of the power of investing in home-grown talent.

The Adecco Group is best placed to capitalise on this age of innovation. We have the domain expertise, the data, and the ability to distribute across a wide network and to more than 100,000 clients. Becoming more digital is the logical step for a global HR solutions partner with a deep understanding of labour markets and how they function. It's also our responsibility, as a trusted business partner, to both lead and guide our customers through this rapidly developing world.

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**“Our customers need tools and services that help them thrive in the digital era.”**

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## MAKING THE FUTURE WORK FOR EVERYONE – INNOVATE

### Q. How will Digital Ventures drive profitability for the Group as a whole?

**FJS.** Digital Ventures will support Group profitability in two key ways. Firstly, by giving our consultants the best tools available, for example, using artificial intelligence to improve job search and match capabilities, we can significantly raise productivity.

Secondly, through our 'digital twins' and new models we are building pioneering, global and differentiated customer products with very strong value propositions. We have showcased solutions that mirror our existing physical services, with our Adia 'recruitment on demand' service a good example. But we also want to break new ground with innovative products such as YOSS, our freelancer platform, which will fuel the gig economy and harness the immense potential for growth in that market.

All of our digital ventures are expected to be accretive to the Group margin. Just as Lee Hecht Harrison enhances that margin, we will build digital businesses of sufficient scale to have a meaningful impact to the Group.

To finance these ventures, we are making an upfront margin investment of about 25 basis points in 2018 and 2019, with an expected return on that investment from 2020, as the ventures achieve maturity and scale.

### Q. What have been the key developments for Adecco Group X and the Digital Ventures in 2017?

**FJS.** 2017 has been a landmark and action-packed year for our digital programme. We launched our Adia online temp staffing business in Switzerland in May, and it was up and running in the UK by the end of the year. Adia is an example of the way digital innovation can open up fresh pockets of growth for us because we now have access to parts of the market – for example hospitality and events, and the small client segment – in which we were not very active previously.

Our ground-breaking YOSS freelancer marketplace went live in France with a minimum viable product (MVP) in late November and we have high hopes for it to become a market-leading service in the freelance economy.

Throughout these projects, we have adopted an open-minded, co-creation philosophy, combining the best of the worlds of HR and technology to create greater value for our customers. For example, we have worked with top IT companies such as Microsoft for YOSS and Infosys for Adia, as well as HR tech start-ups like Mya.



Adrian P. Hofer  
Global Head of Digital Operations

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### Digital ventures

**Adia**

Adia is revolutionising temporary work through an easy-to-use app that any jobseeker or business can download. For people seeking temporary work in hospitality, catering, events or promotions, Adia delivers the ultimate experience of flexibility and convenience. They can sign up and get matched to jobs instantly, work when they want and get paid quickly. Businesses

can post job offers and get applications instantly, view workers' skills and ratings, hire staff, plan shifts, issue contracts and approve timesheets all from a single platform. Co-created with Infosys, Adia is leveraging technology to fix the inefficiencies in the world of work, changing the way people earn a living and how businesses cope with fluctuating demand.





Marcus Sawyer  
Adecco Group X President

## Q. How will Adecco Group X help shape the future of work?

**FJS.** For Adecco Group X, the emphasis is on looking for trends and opportunities that we can turn into innovative services that benefit our growing base of candidates and clients.

Labour markets are changing, and more people and companies are looking for greater flexibility and control in the way they work, so we are investing in tools such as YOSS and Adia that bring that to life.

The Adecco Group has unrivalled sources of data about labour markets across the world. This resource can be turned into valuable insights for our clients. With Adecco Analytics, we're already making that happen.

And more of us are changing roles or even industries several times throughout our careers. The Adecco Group is helping to make those transitions easier and more successful by investing in training and re-skilling, and through existing career services such as Lee Hecht Harrison Active Placement.

By embracing innovation, we really are making the future work for everyone.

**YOSS** Freelancers are the heartbeat of the future of work. With YOSS, the Adecco Group is in a unique position to connect the millions of people attracted to this type of work with the thousands of corporations that are looking for more flexible and innovative ways to get work done. YOSS' ambition is to help freelancers, contractors and consultants find interesting projects at enterprise clients while supporting their day-to-day business management and offering access to benefits traditionally associated with

permanent employment, such as insurance and timely payments. Simultaneously, YOSS makes it quick, simple, and cost-effective to find, hire, work with, monitor, and pay freelance workers. YOSS is more than just a job marketplace. Co-created with Microsoft, it is a robust end-to-end solution that gives both enterprises and freelancers the right tools and services to maximise productivity, manage their projects and talents, and harness the benefits of more flexible ways of working.

**Vetterly** Vetterly is a rapidly growing success story in professional permanent recruitment in the North American market, with clients ranging from start-up companies to household names. Vetterly uses machine-learning algorithms to attract in-demand talent and to connect the best candidates to its clients. This exciting technology is proven to reduce time-to-hire and to improve the quality of matches. Vetterly serves more than 4,000 clients in seven

major metropolitan areas across the US, specialising in IT, sales and finance recruitment. The Adecco Group recognises the opportunity to harness innovative technologies to build scale and drive the consolidation of the market. We plan to expand Vetterly into more North American metropolitan areas, and launch the digital marketplace in London as its first international market in 2018.

YOSS

VETTERLY