Excellence in Talent Acquisition

Insights into Bayer’s Talent Acquisition Strategy

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World Talent Forum 2015 in Munich, Allianz Arena, October 1st, 2015
Agenda

- Bayer’s new Strategy
- The Start: Drivers for Bayer’s Talent Acquisition (TA) Transformation
- The Approach: A TA Strategy to support the Business Strategy
- The Elements: Insights into Bayer’s TA Strategy Definition
- The Way Ahead: Next Steps & Benefits
Bayer’s future organization will be characterized by greater integration under the umbrella of a strong corporate brand.

### Today

- **Bayer**
  - Group Board of Management
    - Corporate Center
  - **Bayer HealthCare**
    - Pharmaceuticals
    - Consumer Health
  - **Bayer CropScience**
  - **Bayer MaterialScience**
    - *IPO in preparation*
  - Bayer Business Services
  - Bayer Technology Services
  - Currenta

### In the future

- **Bayer**
  - Board of Management
    - Pharmaceuticals
    - Consumer Health
    - Crop Science
  - Corporate functions
    - Bayer Business Services
    - Currenta

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1. 60% owned by Bayer AG
2. In the future, Animal Health will be a business unit reporting directly to the Board member Liam Condon
3. Incl. Technology Services
In all areas of our business, we invent, develop and market new molecules which influence the biochemical processes in living organisms.
Our Life Science Businesses hold Leadership Positions

<table>
<thead>
<tr>
<th>Life Sciences</th>
<th>Pharmaceuticals</th>
<th>Consumer Health</th>
<th>Crop Science¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strong in research and development</td>
<td>No. 2 with leadership positions in key categories (dermatology, gastrointestinal disease) and strong brand recognition</td>
<td>Crop Protection: no. 2 with a highly diversified R&amp;D portfolio</td>
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<td>Leadership positions in core therapeutic areas, e.g. in cardiology, ophthalmology, women’s health &amp; certain segments of oncology</td>
<td>Strong geographic footprint</td>
<td>Seeds: no. 7 but with leading positions in canola, cotton, vegetables and rice</td>
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<td></td>
<td>Successful market launches, e.g. Xarelto, Eylea, Xofigo</td>
<td>Focused on consumer-centric innovation</td>
<td>Animal Health: no. 3 in the companion animal market (CAP)²</td>
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<tr>
<td>FTE³</td>
<td>≈38,000</td>
<td>≈11,700</td>
<td>≈26,800</td>
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Unique and diversified portfolio mitigates risks

1 Incl. Animal Health (will report as a business unit directly to Liam Condon)
2 Companion animal products
3 Expected headcount on January 1, 2016
The Starting Point
Drivers for Bayer’s TA Transformation

EXTERNAL CHALLENGES
- Increasingly dynamic economic environment
- Disruptive technology innovations

INTERNAL CHALLENGES
- Business volatility
- New focus of business strategy
- Missing Link between business strategy and TA execution

No. 1 in Life Science

- Difficulty to establish a TA mindset
- Low standardization & synergies
- Heterogeneity of processes & operating models

Changing candidate values and preferences
Changing candidate expectations
Changing workforce demographics and availability

INTERNAL CHALLENGES
- Increasingly professionalized recruiting practices
- No state-of-the-art system support
- Gap between business ambition and reality in recruiting

EXTERNAL CHALLENGES
- Changing candidate values and preferences
- Changing candidate expectations
- Changing workforce demographics and availability
# The Idea
A TA Strategy to support Bayer’s Business Strategy…

<table>
<thead>
<tr>
<th>Business Strategy &amp; Needs</th>
<th>TA Value Add</th>
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<tbody>
<tr>
<td>• Support Bayer’s new focus on Life Sciences as an innovation-driven, highly dynamic business</td>
<td>• Establish a consistent employer brand globally to position Bayer as the #1 employer in the Life Sciences industry</td>
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<tr>
<td>• Enable Bayer’s global growth</td>
<td>• Identify, engage and successfully hire Life Science critical target groups for Bayer</td>
</tr>
<tr>
<td>• Balance quality of TA services, costs and resources</td>
<td>• Become a reliable, agile partner for the business</td>
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<td></td>
<td>• Establish business responsiveness by TA to provide required quality profiles with high speed</td>
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<td></td>
<td>• Have adequate instruments in place: active sourcing, talent pool mgmt., Candidate Relationship Mgmt. (CRM)</td>
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<td>• Challenge internal mobility to re-allocate competencies to places with high need</td>
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<tr>
<td></td>
<td>• Have state-of-the-art processes, tools and SLAs in place</td>
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<td>• Select and onboard the right talent smoothly into the organization</td>
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The Idea
… and to meet external Labour Market Realities

<table>
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<th>Candidate Expectations</th>
<th>TA Value Add</th>
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</thead>
<tbody>
<tr>
<td>• Enjoy a great candidate experience with consistent messages at any touchpoints</td>
<td>• TA Mindset – anybody involved</td>
</tr>
<tr>
<td>• Experience an appreciative recruitment process at eye level</td>
<td>• Active sourcing and relationship management processes</td>
</tr>
<tr>
<td>• Have transparency and fast reactions throughout the entire recruitment process</td>
<td>• Professional and standardized content</td>
</tr>
<tr>
<td>• Find my future employer in 21st century - Use my social media environment</td>
<td>• EVP and selling stories that match reality and target group preferences</td>
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<tr>
<td></td>
<td>• Worldwide standards and policies</td>
</tr>
<tr>
<td></td>
<td>• Differentiated processes and dedicated TA resources</td>
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<tr>
<td></td>
<td>• Light candidate experience (e.g. quick apply functionalities)</td>
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<tr>
<td></td>
<td>• Covering candidate channels / integrating social media / supporting mobile devices</td>
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Marijn Dekkers captured our new employer promise in a nutshell …

“If you bring the passion to innovate we give you the power to change.”
At Bayer we always start by listening – because our customers are at the heart of everything we do. The needs of our customers and the challenges facing society inspire us to develop ideas that improve people’s lives. As part of the Bayer team, each of us needs to thoroughly understand and support our customers in order to deliver products and solutions that matter – now and in the future.

Passion to innovate | Power to change
At Bayer innovation is part of our DNA. But it’s not something that happens exclusively in laboratories. We see it as being open to new and unconventional approaches and perspectives. Our working culture is driven by our passion and the fascination to think ahead. That is why we encourage you to question the status quo and constantly think beyond the obvious. It takes imagination, ambition and courage to find answers to society’s most pressing questions.

Passion to innovate | Power to change
Insights into the Bayer TA Strategy Definition
Overview of Key Elements and Project Approach

1. What does Bayer’s Business Strategy mean to TA?

2. What is the right TA Strategy to support Bayer’s Business Strategy?

3. What Products shall we provide as part of this Strategy?

4. What do we need to deliver these Products?

5. What TA Organization do we need for this?
The Level of the TA Strategy

TA Goals

- Establish a Talent Acquisition mindset across the entire organization
- Provide a robust planning (consider business demands and major labor market developments)
- Fill current and future positions; Acquire capabilities and mindset for Bayer (fit for purpose vs fit for career)
- Integrate the talent that we recruit into the organization

TA Goals will drive the TA organization and align TA actions to deliver on these goals.
Bayer is coming from a “single-product” recruitment function and evolving into a full-range Talent Acquisition product portfolio provider.

Products are separated into primary (client-facing) and secondary TA products.

Definition is driven by an end-to-end process & a customer-driven perspective.
Within the primary products, three “Recruitment & Sourcing” products are differentiated.

Products mapped to Bayer’s definition of its Talent Segments to better respond to both: the business demand as well as the external talent market.

“Recruitment & Sourcing” products show different process flows and make use of different sourcing strategies.
### The Level of the TA Products

#### Sample TA Product Definition: Talent Marketing

| Customer | TA Experts and Recruiters from all levels as direct customers from within the HR / TA community  
|          | All Bayer employees and external prospects, candidates and applicants as indirect end customers |
| Service Description | Target group analysis for standard & new Tier 1 target groups (e.g. market intelligence, preferences)  
| Target Groups | Definition of content and channels for standard and new Tier 1 target groups  
| Trigger | Communication activities across all (Tier 1-3) target groups while considering EVP and adapting / extending it to certain key talent segments  
| Your Outcome | Analysis of target groups is relevant for Tier 1 target groups only  
| Service Level | Communication and advertising activities are relevant to all target groups  
| Your Contribution | Market trends such as changing talent segments, target group preferences, communication channels  
| | Feedback from recruiters, TA experts & candidates / any consistent and substantial feedback from candidate touchpoints or interactions  
| | Accomplished target group analyses for Tier 1 target groups (standard and new ones), e.g. analyzing target group employer & job preferences, preferred communication channels, labor market competition (in close collaboration with Market Intelligence secondary product, etc.)  
| | Insights from reporting and reports such as channel usage, conversion rates, and others  
| | Implemented communication activities for Tier 1-3 target groups  
| | Target group (TG) analyses: 1 week for existing / standard TGs, 2-4 weeks for new TGs  
| | Communication & advertising: 2-3 days for existing / standard TGs, 2-4 weeks for new TGs  
| | Activities & events: 2-3 weeks for existing / standard TGs, 4-6 weeks for new TGs  

- TA Products definitions aim to educate and equip the customers by focusing on **what they get within what service level** and **what they need to contribute**
The Level of the TA Product Prerequisites
Definition of TA Processes, System and Organization

- Based on TA product portfolio definition
  - prerequisites for product delivery (incl. process, system, organization) were analysed and harmonized
  - foundation for system configurations and global template definitions were set
  - roles & responsibilities re-defined and skill gaps identified
  - development of Bayer TA Academy to upskill the TA organization started
• **Overall timeframe** of the initiative **is 3 years** and planned **until 2018**

• Finalization of **TA operating model and the system configurations** for the global template until **end of 2015**

• **Roll-out** of the entire approach (strategy, products and all product pre-requisites) **into Bayer’s core countries in 2016**, remaining countries in 2017-2018
The Way Ahead
Take-Aways and Benefits

Key Take-Aways
- The biggest change of “Excellence in TA” is within HR
- Better customer understanding and orientation is key
- TA is a mindset. It is the responsibility of the entire organization

Benefits
- Better optimization of TA investments & balance with local efficiency
- Higher TA agility through possibility to shift resources
- Higher strategic injection & influence on business decisions
Thank you!