



Paysafe Accelerates High Potential Development Through Front Runner Program

Paysafe

Best Advance in High Potential Development

August 2018



Company Background



Company-at-a-Glance	Paysafe is a FinTech company that provides end-to-end payment solutions for businesses and consumers around the world.
Headquarters	London
Year Founded	1996
Revenue	\$1 billion
Employees	2,600-plus
Global Scale (Regions that you operate in or provide services to)	2,600-plus employees across North America, Europe and Asia
Customers/Output, etc. (Key customers and services offered)	Paysafe has 20-plus years' experience in online payments and operates in 40-plus currencies, 24-plus languages and 200-plus payment types. Its business solutions include merchant acquiring, payment gateways, integrated payments, alternative payments, omni-channel, secure cross border e-commerce, white label credit solutions, mobile order and delivery platforms. Paysafe's consumer solutions include digital wallets, prepaid cards and vouchers, remittance and cash solutions.
Industry	FinTech
Stock Symbol	The company was listed on the London Stock Exchange and the FTSE 250 Index until it was acquired by a consortium of The Blackstone Group and CVC Capital Partners in December 2017.
Website	www.paysafe.com

Budget and Timeframe

Overall budget	\$300,000 investment in four completed program waves (2013-17).
Number of (HR, Learning, Talent) employees involved with the implementation?	Two members of the Global L&D Team are involved. The Front Runner Program has a dedicated L&D consultant and program manager who has responsibility for implementation.
Number of Operations or Subject Matter Expert employees involved with the implementation?	The two members of the Global L&D Team collaborate with the Chief HR Officer and business to align the leadership program goals to the strategic priorities of the company. They then partner with different HR (CHRO, regional leads, HRBPs, etc.) and business stakeholders (executives, senior managers, line managers) to implement the program.
Number of contractors involved with implementation	Six best-in-class external vendors are partnering with Paysafe and are involved with the program implementation.
Timeframe to implement	Front Runner is a nine- to 12-months-long program, one wave per year.
Start date of the program	2013

Business Conditions and Business Needs

Paysafe launched its program for high potential individual contributors in 2013 after the strategically important acquisition. Paysafe (then Skril Group) recognized that a structured approach toward leadership development was critical if the combined group was to keep up with competitors in a dynamic industry and achieve its long-term goals. Designed to support employees in building leadership capabilities aligned with Paysafe's strategy, vision and values, the company created the Front Runner, Management Excellence and Leadership Excellence programs. The aim was to:

- Improve leadership and people management skills;
- Create clarity around leader expectations and behaviors;
- Improve development of the right leaders and strengthen the leadership pipeline;
- Identify and develop high potentials; and
- Accelerate the path to growth.

Figure 1: Leadership Development at Paysafe



Source: Paysafe

Followed by another major acquisition in 2015, the combined group had significantly enhanced scale to create market leadership in certain industry sectors. The number of employees in the company doubled at the time of the 2015 acquisition to 1,500, and by the end of 2017 it surpassed 2,600 in 12 global locations. For Paysafe, rapid growth was an important prompt in placing higher priority on talent management and succession planning. The leadership development programs, including Front Runner, needed to be redesigned and updated to answer these changes.

After three completed waves, the Front Runner Program was entirely updated in 2016 in line with the new Paysafe strategy, culture and values. The update needed to provide:

1. Unified global principles and standards for identifying high potential.
2. A structured approach for selection across the group.
3. Design and structure corresponding to the challenges of multiple locations across three continents.
4. Revised topics, corresponding to the new fast-changing global environment.

The **Front Runner** Program (part of the Paysafe global Leadership Development portfolio) targets a limited audience of individual contributors who have the potential to grow into

more complex leadership roles. The program is designed to prepare them to take up such a role within the next two to three years.

Aligned with Paysafe's performance management cycle, a new Front Runner wave starts every year after the annual performance evaluation is completed. HR and senior leaders nominate top performers with potential to grow into leadership roles. The final decision for participants in the program is supported by an additional assessment of leadership potential and individual feedback is provided by an external coach. The individuals who make the final group attend three modules of workshops over nine months and need to complete individual assignments based on predefined development areas. The first module focuses on personal effectiveness, the second module on building relationships with impactful communication and the final module on strategy and business acumen. At the end, participants graduate by demonstrating their knowledge and skills obtained and/or honed throughout the program.

Overview

The Front Runner Program objective is to boost the performance of high potential non-managers and increase promotability within the organization. It is designed to provide participants with tools, resources and experience, which will support them in increasing personal effectiveness, self-awareness and leadership knowledge. The main goals of the program are:

- Identify high leadership potential employees who are currently in individual contributor roles;
- Accelerate development and prepare them to assume management and leadership roles within one to three years; and
- Provide opportunities for networking and cross functional collaboration.

The overall program duration is nine to 12 months and includes identification and selection. There are three stages in the program: Identification and nomination process, Front Runner Prep (final selection of participants) and Front Runner GO (nine months' learning journey). Every wave starts with 50 to 60 nominations from different regions and business units distributed based on headcount. After a thorough selection process based on previous performance and assessment of potential, a group of 20 participants is selected to start their learning journey.

Figure 2: Front Runner Program Timeline



Source: Paysafe

Eligibility criteria and selection

Identification and selection process has been unified and standardized across the group and has been aligned to organization business cycle and regional differentiations. Nomination criteria:

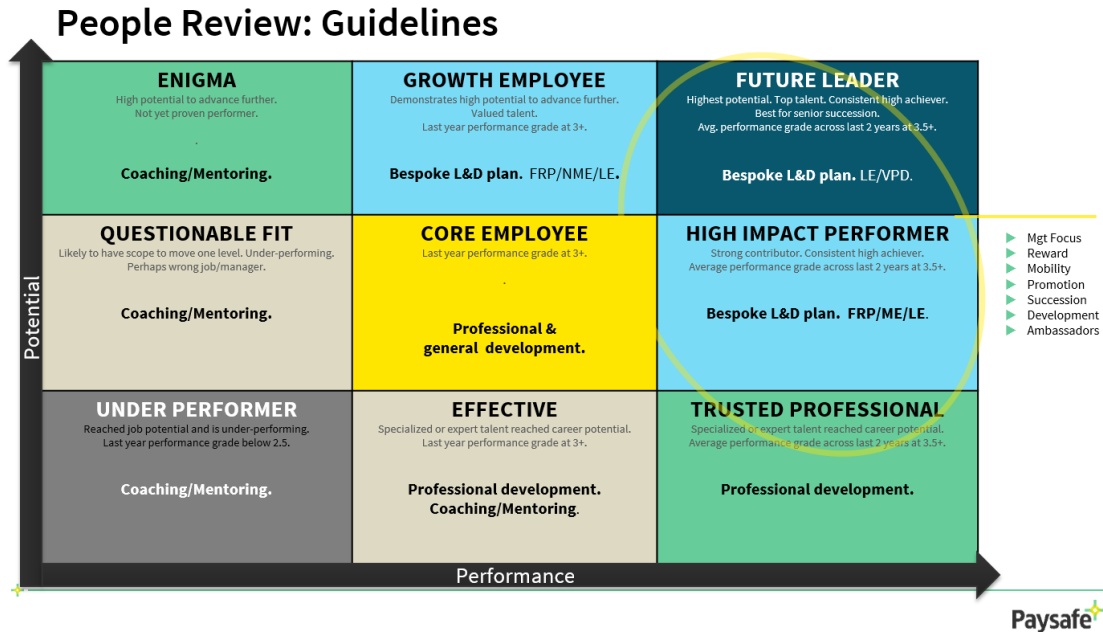
- Minimum six months of work experience in Paysafe;
- Consistent performance during employment;
- Last performance rating over 3.5 (in a scale from 1 to 5); and

Evidence consistent with attitudes and behaviors of a future leader.

The process of identifying participants for the Front Runner Program kicks off shortly after the annual performance appraisals. Regional HR leads, together with local senior leaders, identify and nominate Front Runner candidates based on initially distributed quota per region. The list with 50 to 60 nominated candidates is then presented and calibrated during a global HR meeting sponsored by the Chief HR Officer and facilitated by L&D program manager.

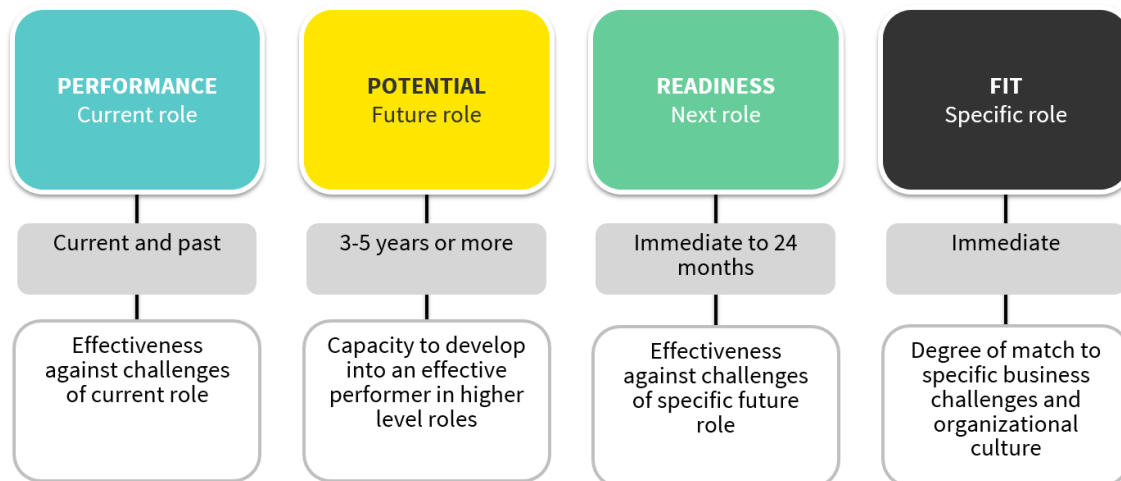
After nominations are finalized, regional HR leads (or local HRBPs) meet with the nominees and their line managers to confirm the nominations, explain the program and next steps and answer questions. Official separate communication is released by the Chief HR Officer to executives, line managers and participants, which is followed by webinars and additional detailed instructions. With this extended communication activities, all stakeholders are informed about the program, its objectives, criteria and processes.

Figure 3: 9-box Matrix



Source: Paysafe

Figure 4: Dimensions of Talent



Source: Paysafe

Figure 5: Defining Potential



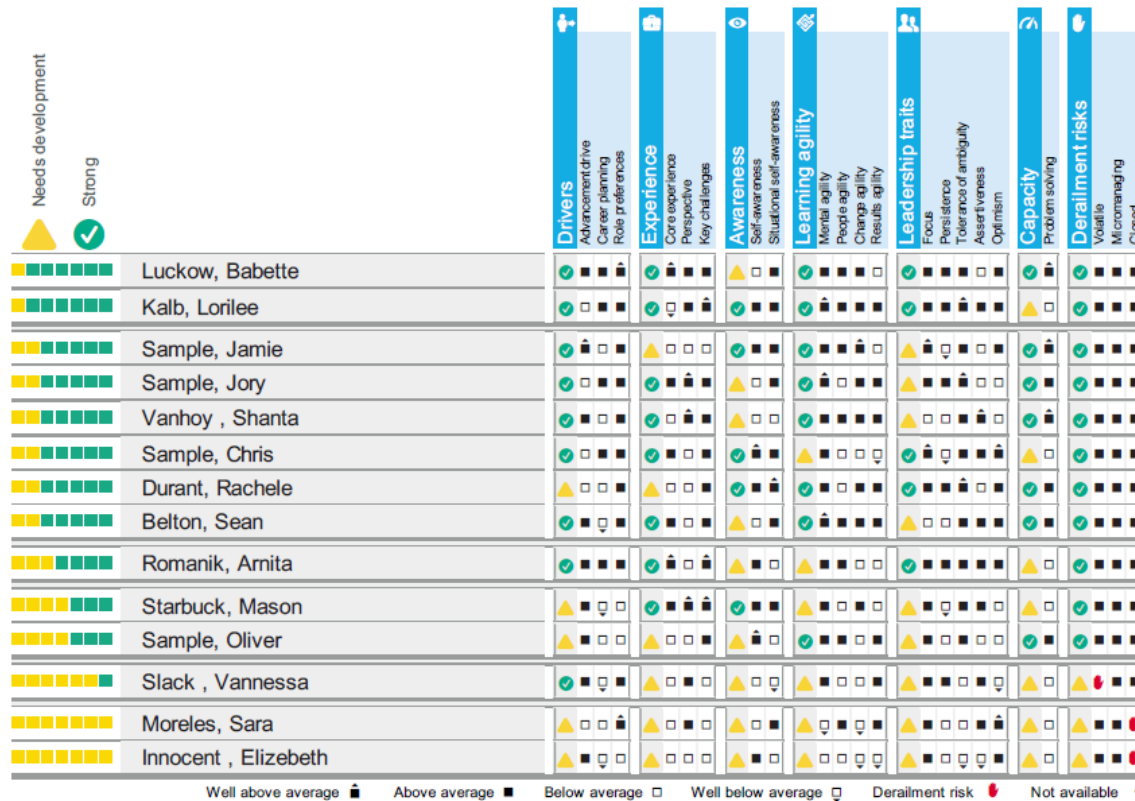
Source: Paysafe

Candidates officially enter the second step in the selection process — validation of leadership potential. For this, Paysafe uses the Korn Ferry Assessment of Leadership Potential. The assessment measures essential signposts that indicate the likelihood of future leadership advancement and success such as:

- The drive and motivation to serve as a leader.
- A track record of formative experiences.
- Self-awareness for strengths and developmental needs.
- Learning agility — the ability to learn from experience.
- Capacity — aptitude for logic and reasoning.
- Leadership traits associated with advancement.
- Managed derailment risks.

Regional HR leads and senior leaders then receive an aggregated talent grid for their nominations. The final decision takes into consideration the results from the assessment and the specific business needs, as well as the local strategy for succession planning. For the final stage of the program – Front Runner GO — 20 final participants are selected and begin their nine-months-long learning journey.

Figure 6: Sample Talent Grid



Source: Paysafe

Full process and program overviews, criteria, additional materials, videos and photos, etc., are available on Paysafe’s internal social platform called JAM. It is accessible 24/7 by all employees and the global L&D team posts updates about the FRP on a regular basis.

Design and Delivery of the Model

The Front Runner Program is designed to create a unique leadership development experience for high potentials and prepare them to assume formal leadership roles in the near future. The program steps on the 70:20:10 model to put learning of new skills and behaviors into practice by mixing blended learning solutions with opportunities to build relationships and exchange experience and real-life projects. Over the period of one year the program passes through three stages: identification and nomination process, Front Runner Prep (refining nominations and final selection of participants) and Front Runner GO (nine months’ learning journey).

Stage 1: Identification and Nomination

This stage begins immediately after finalizing the annual performance reviews for Paysafe. Regional HR leads, together with local senior leaders, identify and nominate Front Runner candidates based on initially distributed quota per region. To identify and nominate candidates, they use performance/potential matrix (nine-box model) and align their decisions with local business needs. Each Regional HR lead has predefined quota for nominations, based on headcount distribution. Nominations are then reviewed on a Global HR meeting sponsored by the Chief HR Officer and facilitated by L&D program lead. The purpose of the meeting is to assure alignment between regions and candidates. After list is finalized, regional HR leads (or local HRBPs) meet with the nominees and their line managers to confirm the nominations, explain about the program and next steps and answer questions.

Stage 2: Front Runner Prep (assessment and final selection of candidates)

The program moves to next stage — Front Runner Prep — and is announced with official communication from CHRO to executives and senior management; then to line managers and to participants. Executive and senior management team are provided with the list of participants for awareness and visibility; line managers play a key role in their people's development and this is acknowledged; participants are congratulated on being selected and welcomed into the program. Additionally, the L&D program manager facilitates two awarenesses — one for line managers and one for participants and sends detailed instructions for next steps.

In a period of one month, participants should complete the following:

- Korn/Ferry Assessment of Leadership Potential — Provides the ability to objectively and accurately identify people with high leadership potential.
- Individual Development Plan — During one-on-one meeting with dedicated coach, participants analyze results from the assessment and create individual leadership development plans. They are strongly encouraged to discuss and share their detailed report and plans with their line managers.
- Pacific: The Leadership Game — An online learning game that teaches and strengthens the skills needed for managing high-performance teams



through practice and play. The users will enjoy a unique survival adventure while learning and practicing lessons about the reality of teams, leadership, motivation, conflict resolution, delegation and empowerment, among other things.

Figure 7: Pacific The Leadership Game



Source: Paysafe

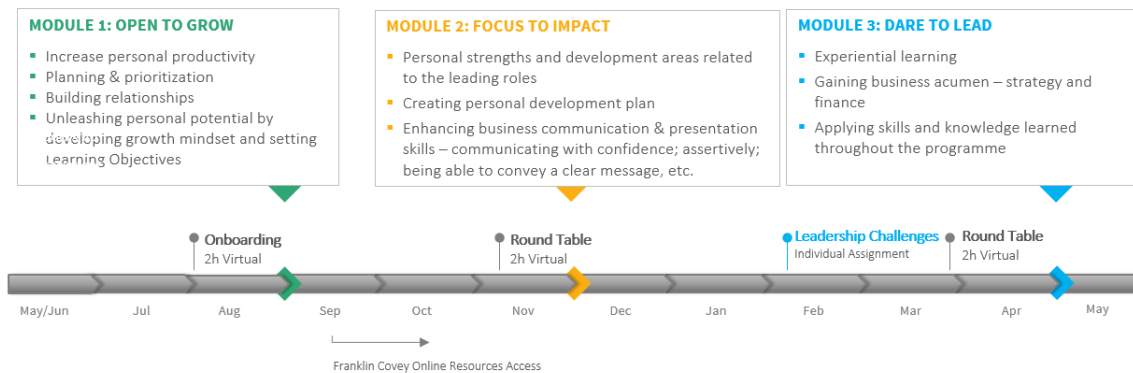
This stage completes with final selection of top 20 high potentials who are ready to begin their nine-months-long learning journey. The final decision is based on regional business needs, succession plans, assessment of leadership potential and distributed quotas. During individual meetings, every participant is informed about the decision and the rationale behind it. The nominees who are not selected to continue in next stage update their individual development plans based on the feedback and can be considered for enrolment in the next wave.

Stage 3: Front Runner GO

This stage of the program is a nine-months-long learning journey, which provides opportunities for development of the following competencies aligned with Paysafe

competence model: communicates powerfully and broadly, collaborates and fosters teamwork, develops strategic perspective and takes initiative.

Figure 8: Front Runner GO Overview & Timeline



Source: Paysafe

The program aims to provide the tools and resources for participants to become more effective, improve their communication skills and gain better strategic perspective and business acumen. The journey is structured in three modules of three-day workshops and face-to-face activities going through the following principles: Knowing self, knowing others and knowing the business:

- Module 1: Open to Grow** — This module aims to nudge participants into a “growth mindset” to enable them to learn to be more productive by understanding self and the benefits of collaborating with others. The program which was chosen to support these objectives is “The 7 Habits of Highly Effective People” by FranklinCovey. The workshop is customized to meet Paysafe requirements by embedding company values and creating additional opportunities for participants to learn more about each other.
- Module 2: Focus to Impact** – Day One of this module is dedicated to leadership development center. Using a combination of individual and group activities, participants are placed in challenging situations and observed by external assessors. To ensure objectivity of results, every participant is observed by three different consultants in three different exercises. Each participant is entitled to an intensive feedback session, during which their overall performance is reflected upon and possible areas for development are discussed. To ensure greater transparency of the results, the individual exercises are videotaped and parts of them are



analyzed during the feedback session based on overall program objectives, and initially defined competencies.

Module 2 then continues with a two-day workshop focusing on communication skills and public speaking. This foundational course provides individuals with a powerful set of interaction skills that enables them to communicate more effectively with colleagues and customers and, in the process, build trust, strengthen partnerships and achieve desired results.

- **Module 3: Dare to Lead** – The objective of this module is to develop and increase the strategic thinking and understanding of business environment through experiential learning. In highly an engaging business simulation scenario, participants learn business fundamentals, strategy and strategic decision-making, basic finance and how to analyze key performance indicators. By forming five simulation teams, they compete against each other in a virtual market. Several business periods are simulated in which the delegates make independent management decisions as a leadership team. They need to lead the business in a successful and profitable manner and to develop it strategically. Thereby delegates receive insights into the success factors of business thinking and operating. On Day Three of this module, each team needs to present in front of members of the Paysafe executive team. The presentations need to outline their business strategy, explain their decisions during the simulation and justify a decision to acquire a certain company. This M&A scenario is given to them to test understanding of the business and financial KPIs and loosely simulate the dynamic FinTech environment.

Presentations are followed by an official graduation ceremony.

Each module of the program is visited by a member of the executive team or a senior leader in the organization. These guests bring additional business perspective from Paysafe by sharing latest company updates and strategic initiative news and engage participants in dialogue to receive their feedback and get to know them better.

Between each module there are additional activities which are designed to keep participants engaged in the program, to follow up on individual plans and to provide additional opportunities to build relationships. Examples of such activities are virtual roundtables (get-togethers to discuss topics of interest to all participants), one-on-one with regional HR leads and Front Runner cafés. The last are locally organized initiatives to connect participants from different waves in networking activities.

Figure 9: Photos from FRP Events



Source: Paysafe

Participation

- **L&D consultant and program manager** — Owner of the program who has responsibility for the content design and implementation. He or she works with various stakeholders internally and externally to manage the whole program; is the point of contact for Front Runners; and is supported by the other members of the global L&D team. Collaboration with HR leads and their teams is key — partnering with them ensures that the whole FRP is well understood, effectively implemented and participants have all the tools and support needed on local level, too.
- **Regional HR leads and their teams** — They play a key role in helping senior managers identify key people for the FRP within the business and in consulting them on how to manage and develop their talent effectively afterward. They also have regular check-ins with Front Runners (both active participants and graduates) and their line managers to discuss topics like progress on development goals, support needed, etc.
- **Chief HR Officer** — Front Runner Program sponsor; responsible for translating global business strategy into HR/L&D talent management strategy, discussing broader business needs with L&D program manager and collaborating with

executive team on the FRP graduation, executive participation in other FRP events, etc.

- Paysafe Executives & Senior Management** — They play a key role throughout the whole program — as they are kept up-to-date on current participants and attend each face-to-face module kicking off the different days, hosting official dinners, enabling networking for participants and closing the events. They form an integral part of the FRP graduation where at least five to six members of the executive and senior management team act as a panel to listen to and evaluate participant presentations, ask Front Runners questions about the program, their individual participation in it, their specific leadership challenges, their leadership development goals and next steps. They also receive an executive briefing pack of all wave participants during the graduation that contains information about participants, the program and what additional operational or functional areas the Front Runners might be interested in. In case there are relevant opportunities like temporary assignments or projects, the executives and senior managers consider the Front Runners for them.

Figure 10: Part of the Executive Briefing Pack (Wave 4)



Source: Paysafe

- **Participant line managers** — Their part and involvement are integral. They collaborate with their department heads (senior managers) to come up with the practical and SMART leadership challenges for their Front Runners. The challenges must be designed to put the Front Runner out of their comfort zone, to allow them to work on honing their leadership strengths and work on development areas. Line managers provide support and coaching and continuously develop their team members before, during and after the FRP. They collaborate with their HR business partners to do this.

Transition

The original version of the Front Runner Program which ran between 2013 and 2016 did not incorporate post-graduation support. Even though activities did exist (i.e. HR checking in with Front Runner alumni), they were informal and rather inconsistent across Paysafe locations. This was recognized as a thing to improve, and the redesigned version of the FRP currently includes the following activities:

- **Regular follow-ups** — Regular meetings between HR, Front Runners and their line managers. Regional HR leads maintain close and regular contact with all Front Runner graduates. They discuss current progress to development and career goals, support needed and further development opportunities. When Front Runners are promoted to formal leadership roles, they are also eligible to participate in next-tier development programs that exist at Paysafe.
- **Executive and senior managers time** — As part of the key talent population at Paysafe, Front Runners are considered company ambassadors. They are being relied on to promote not only the program, but also other company initiatives, culture and values. As a result, Front Runners are often invited to management town halls, other key stakeholder meetings facilitated by executives and senior management, etc. to provide their opinions and input. They are often entrusted with sensitive and confidential information before it being made available to all employees. The goal is to expose Front Runners not only to communicating and networking with senior leaders, but also to how important decisions are made, to the collaboration between units on higher levels, etc. This helps them gain holistic perspective and understand better how a business operates and what it is to be a leader.

Figure 11: Executive Presence at FRP Events



• Source: Paysafe

- **Front Runner Cafés** — Regional HR teams started to organize events annually where Front Runners from all waves get together for a few hours, a day or an evening. There is no formally defined structure of the event, but the goal is to give people exposure to internal and external thought and business leaders. A recent FR Café in the Paysafe office in Austria saw an expert come to talk about “Humanity in Leadership” for one hour before facilitating a long discussion on the same topic with all local Front Runners.
- **Mentoring** — As part of the company Diversity and Inclusion program, some Front Runners graduates receive a chance to be mentored by an executive or senior manager at Paysafe.
- **Support tools** — The company HR system provides several useful tools that could help graduates in their transition: a continuous development module where they log their meetings with HR, line managers and senior managers and update points discussed and agreed action items; a development objectives module (connected to the first) where people can input their goals for development, define time frames, check on progress, etc.; and an internal social platform which enables sharing, networking and communication within certain groups — FRP participants, management team at Paysafe, etc.

Overall

Over the course of its existence, the Front Runner Program established itself as a prestigious and successful initiative, and investment in it increased. Paysafe kicked off



Wave 1 of the FRP with 11 participants, and participant numbers have increased to 56 in Wave 4.

Indicators of the program success and impact

Promotability: One of the main goals of the FRP was always to “grow Paysafe’s own” talent. The numbers show that the program has significantly contributed to strengthening the leadership pipeline.

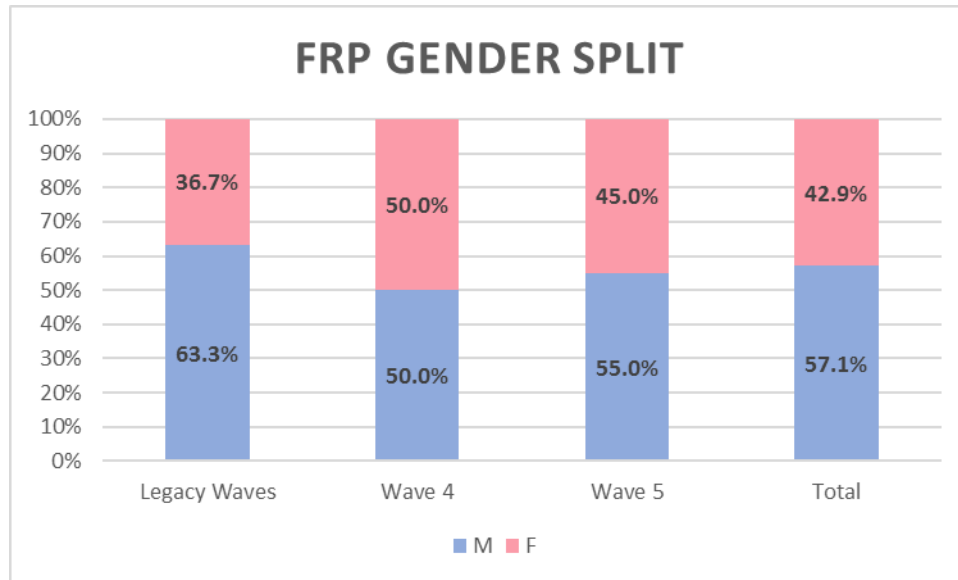
- Legacy Waves 1-3 (2013-16) — 57% of participants are already promoted to people management roles and a further 19% have taken up different expert roles with expanded responsibilities.
- Wave 4 (2017) — 25% have been promoted to people management roles during the program itself.

Attrition: It is currently 2.5% for all participants in Waves 4 (2017) and 5 (2017-18) and 0% for only the GO part. For comparison, the group average is approximately 12%. The target attrition for this population is below 5%.

For legacy waves, attrition remained 0% until 2015 when Optimal Payments acquired Skril to become Paysafe. Due to the two companies being of the same size, integration process was significant, with many changes and synergies happening. Attrition for Front Runners was about 20% during this year and this is largely attributed to the extraordinary circumstances.

Gender Diversity: One of the Paysafe global talent management objectives is to have improved gender diversity in leadership roles. The Front Runner Program supports this aspiration, as shown below:

Figure 12: FRP Gender Split



Source: Paysafe

Satisfaction: Overall participant satisfaction with the program and the whole learning experience is over 95% for all waves (average for all modules and activities).

Front Runners share that the journey helped become more effective, apply new ideas and innovations into their work, improve their work-life balance, become more confident and create an even clearer vision of what their leadership development goals are. Some of their quotes:

- “The presentations in front of the executives and senior managers build up the confidence and presenting skills a lot. The overall experience was at really high level, and in my opinion, this was the best learning experience so far. [I] appreciate the great opportunity to be part of the Front Runner program.”
- “I thought the learning resources provided to us were excellent and will be great tools to use moving forward in building and developing my leadership skills.”
- “[I] really enjoyed the presentation stage and great discussions with the executives. [It’s] always good to hear different views and get things in real life perspective.”
- “Overall I am extremely happy to participate in this program. The presentation in front of the executives was a life-time experience.”

Line managers of participants are also asked about their observations to cross-check whether there are any gaps between theirs and the Front Runners’ perceptions:



- “... The training, helped him be more organized and willing to take more responsibilities.”
- “Focus and priority setting improved, better listening.”
- “Works to build relationships with other team members.”
- “Took over lead tasks voluntarily.”

Lessons learned and outlook

Throughout the course of the whole program, Paysafe has learned that the initiative must evolve to maintain its relevance to the business. Apart from the complete redesign of the program in 2016, the company has taken steps to further improve certain content components and communication not only to stakeholders, but to all staff, and transition support.

Suggestions for improvement by different stakeholders include providing even more sharing and networking opportunities and working on the post-graduation component. Short-term objectives are to describe and formalize transition components and brainstorm ideas of further engagement of alumni with new Front Runners.

Paysafe is currently integrating a Talent Management and Succession Planning module into our HR system. This module will provide opportunities for better succession management and management of talent pools which include Front Runners.

To provide more insightful information about the transfer of knowledge and behaviors, a Level 2 evaluation of learning (according to The Kirkpatrick Model) was applied for one program module during the last wave. The plan is to expand this practice over the rest elements of the program and use the data to demonstrate impact of learning and return on investment.

Paysafe is working on the continuous advancement of the Front Runner Program and ensuring that the initiative remains the best way to identify and develop the company’s top leadership talents.



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