

eGlobalServe

Annual Report 2019 Year End Report



KRC Consulting
Human Resource Management Company
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**KRC
CONSULTING**



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Introduction to eGlobalServe

In 2010 eGlobalServe (eGS) was formed by recent college graduates Bob Maxwell and Jennifer Walker. Since the beginning, eGS has made it their mission to provide the highest quality trend analysis to companies in healthcare, education, sustainability, and various other industries. eGS takes pride in helping organizations make the best decisions about customers, employees, new services, products, and best practices. Over the six years, eGS has grown to 237 full-time equivalent employees who generate \$39.3 million dollars in sales a year.

KRC Consulting

KRC Consulting is a human resource consulting firm based out of Decorah, Iowa. KRC was originally founded by Cole Schneider, Kaci Ames, Ryan Conroy and Tariro Chibodo. Since the firm's creation, KRC Consulting has made it their mission to provide the highest quality human resource management services to companies looking to maximize their business and reach their goals. With this mission in mind, KRC Consulting looks to implement future-oriented human resource programs to address and solve business problems and opportunities contributing directly to major long term business objectives.

At the end of 2016, KRC Consulting was hired by eGS on a three year contract. KRC Consulting along with Chief Human Resource Officer Marcia Jackson has identified business objectives eGS would like to advance over the three year period. KRC Consulting along with eGS will implement strategic human resource management to advance critical business objectives and lead to eGS's improvement and success.



Outcomes Overview

The outcomes imperative for eGlobalServe's success are measured using Key Performance Indicators (KPI's). Tracking the KPI's allows eGlobalServe to make effective and timely decisions. The KPI's are:

Absenteeism refers to employees missing work. Unavoidable absenteeism results from factors outside an employee's control, for example, illness, family responsibilities, etc. Avoidable absenteeism is a result of a conscious decision made by an employee to stay away from work. The absenteeism rate is the number of absences versus the number of workdays in a specified period, expressed as a percentage.

Diversity refers to employees' differences in demographic characteristics, culture, values, knowledge, skills and abilities (KSA). Diversity is measured with an index. Promoting diversity means creating a balance of demographic, cultural and KSA differences so the mixture can produce higher creativity and better client service. The aim is to bridge differences in perspective so multiple viewpoints can be understood and integrated.

Innovativeness refers to the number of new and usable ideas generated per Full-Time Employee (FTE) in a specified time frame. This can range from radical innovations for new products and services to small improvements in processes and client service to creative ways to solve clients' problems. Innovation is measured using an index.

Productivity refers to employees' quantity and quality of work output, considering a specified time frame or level of resources used to accomplish the work. At eGS, the work is knowledge-based. It has been decided to use an index consisting of billable



hours (hours devoted to a client's project which can be billed to their account), completed projects, and repeat business from clients. This index captures both quantity and quality of work.

Turnover refers to employees leaving an organization. Involuntary turnover occurs when employees are terminated or laid off and voluntary turnover occurs when employees quit or retire. Reducing turnover positively affects the success of the company. The employee turnover rate is calculated by dividing the number of employees who left the company by the average number of employees in a certain period in time. This number is then multiplied by 100 to get a percentage.

Well-being refers to employees' internal states affecting their capacity to make contributions to eGS and to those in their personal lives and communities. Well-being consists of an individual's experience of physical health, psychological health, and positive work attitudes. To measure well-being, eGS is using an index of multiple indicators. Work attitudes measured by eGS include engagement, satisfaction, organizational commitment, and perceived equity. Engagement refers to the degree to which employees invest themselves fully in their work roles and perceive the autonomy to express their authentic selves at work. Job satisfaction refers to an emotional response to various aspects of one's job. Organizational commitment indicates the degree to which someone identifies with an organization and its goals. Perceived equity reflects how fair organizational life seems to be: the perceived fairness of organizational decision-making, of treatment by management, and of the consistency with which policies are enforced.



Goals

KPI	2016 Actual (Baseline)	2017 Critical Goal	2017 Stretch Goal	2018 Critical Goal	2018 Stretch Goal	2019 Critical Goal	2019 Stretch Goal
Absenteeism	360	280	240	200	120	101	30
Diversity	0.240	0.345	0.395	0.450	0.550	0.560	0.700
Innovativeness	0.50	0.75	1.00	1.00	1.50	1.30	2.00
Productivity	40.0	51.5	58.0	63.0	76.0	74.0	93.0
Turnover	0.18	0.15	0.12	0.12	0.06	0.05	0.02
Well-Being	0.550	0.626	0.750	0.700	0.950	0.750	1.140
Profitability	34.0	47.0	61.5	60.0	89.0	75.0	116.0

At the year end of 2016 KRC consulting measured the baseline Key Performance Indicators (KPI's) of eGlobalServe. With the baseline numbers in mind, both critical performance goals and stretch performance goals for the years 2017, 2018, and 2019 were forecasted. The critical performance goal in an intermediate outcome would lead eGlobalServe to improve its financial, social and environmental performance. The stretch performance goal is a high level outcome. Achievement of the stretch performance goals will lead to tremendous profitability and significant contributions to environmental and community involvement. Improving performance in profitability, environmental contributions, and community contributions will allow eGlobalServe to produce increasingly stronger results for years to come.



Spending Overview (2017-2019)

Year	Quarter	Performance Appraisal	Work Life Balance	Training	Talent Management	Compensation	Selection	Internal Consulting Project	Quarterly Spending
2017	Q1	\$ 30,000	\$ 85,000	\$ 25,000	\$ 60,000	\$ 40,000	\$ 35,000	\$ 50,000	\$ 325,000
	Q2	\$ 30,000	\$ 85,000	\$ 25,000	\$ 25,000	\$ 85,000	\$ 35,000	\$ 80,000	\$ 365,000
	Q3	\$ 30,000	\$ 85,000	\$ 40,000	\$ 25,000	\$ 30,000	\$ 35,000	\$ 90,000	\$ 335,000
	Q4	\$ 30,000	\$ 85,000	\$ 25,000	\$ 25,000	\$ 55,000	\$ 35,000	\$ 63,000	\$ 318,000
2018	Q1	\$ 30,000	\$ 50,000	\$ 75,000	\$ 40,000	\$ 40,000	\$ 35,000	\$ 60,000	\$ 330,000
	Q2	\$ 30,000	\$ 50,000	\$ 25,000	\$ 25,000	\$ 40,000	\$ 35,000	\$ 150,000	\$ 355,000
	Q3	\$ 30,000	\$ 50,000	\$ 40,000	\$ 25,000	\$ 85,000	\$ 35,000	\$ 28,000	\$ 293,000
	Q4	\$ 30,000	\$ 100,000	\$ 40,000	\$ 65,000	\$ 95,000	\$ 35,000	\$ 41,500	\$ 406,500
2019	Q1	\$ 30,000	\$ 100,000	\$ 40,000	\$ 25,000	\$ 55,000	\$ 35,000	\$ 65,000	\$ 350,000
	Q2	\$ 30,000	\$ 100,000	\$ 40,000	\$ 25,000	\$ 55,000	\$ 35,000	\$ 87,330	\$ 372,330
	Q3	\$ 30,000	\$ 100,000	\$ 40,000	\$ 25,000	\$ 55,000	\$ 35,000	\$ 81,500	\$ 366,500
	Q4	\$ 30,000	\$ 100,000	\$ 40,000	\$ 25,000	\$ 110,000	\$ 35,000	\$ 40,000	\$ 380,000
Total		\$ 360,000	\$ 990,000	\$ 455,000	\$ 390,000	\$ 745,000	\$ 420,000	\$ 836,330	\$ 4,196,330

From the beginning of 2017, to the year end of 2019 KRC has effectively allocated its budget throughout various programs and services . During its three years with eGlobalServe, KRC Consulting has allocated \$4,196,330 performing strategic human resource practices.

The above table gives a general outline of where each individual dollar was allocated to over the three years. The chart is organized in the rows by year and individual quarter. The column shows what programs the money was spent on. The table includes a total program spending, total quarterly spending, and a total spending over the three years. Further budget details for the current year will be included in an in-depth analysis of the 2019 budget below.

2019 Budget

In 2019 eGlobalServe allocated \$ 1,486,930 to be spent in critical areas of human resources. Using strategic human resource management best practice, KRC consulting allocated the budget into multiple programs and categories. KRC allocated the money to improve performance appraisals, work-life balance, training, talent management, compensation, and selection. KRC's decision making and money allocating processes were designed to help eGlobalServe reach its outlined goals for 2019. A detailed breakdown of spending is shown in the table below. In addition, isolated incidents each quarter required strategic budget allocation. A detailed table of isolated incident spending is shown below the budget.

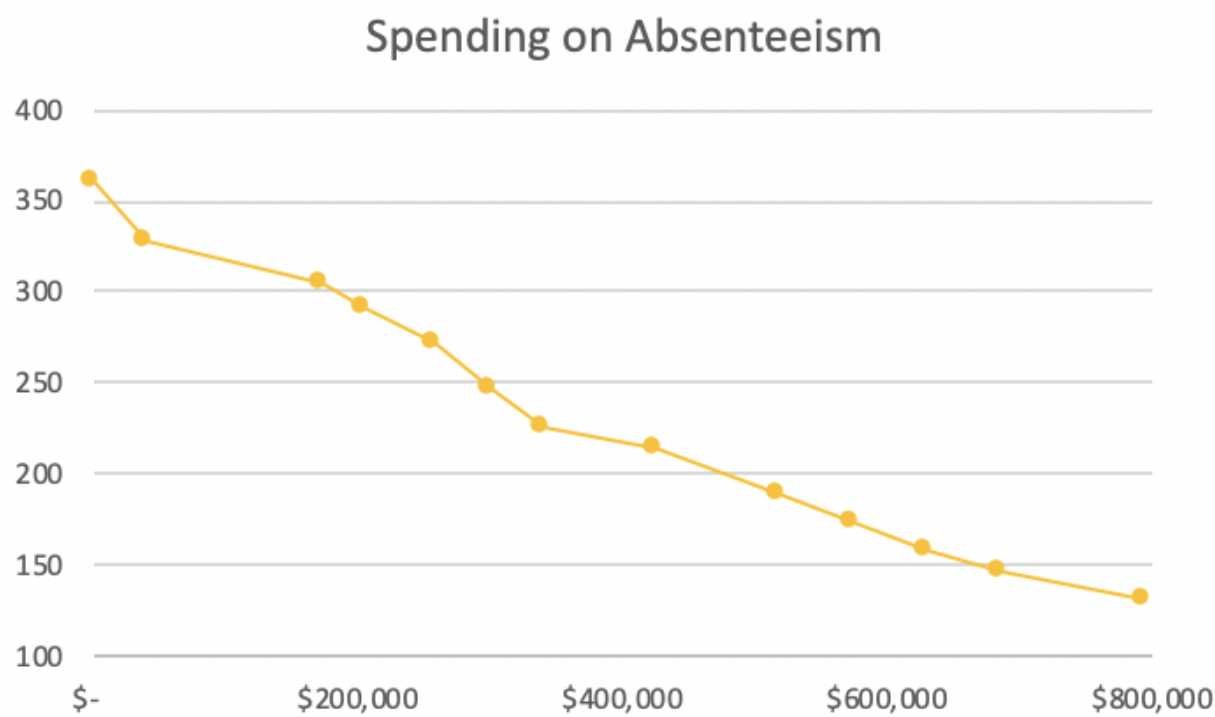
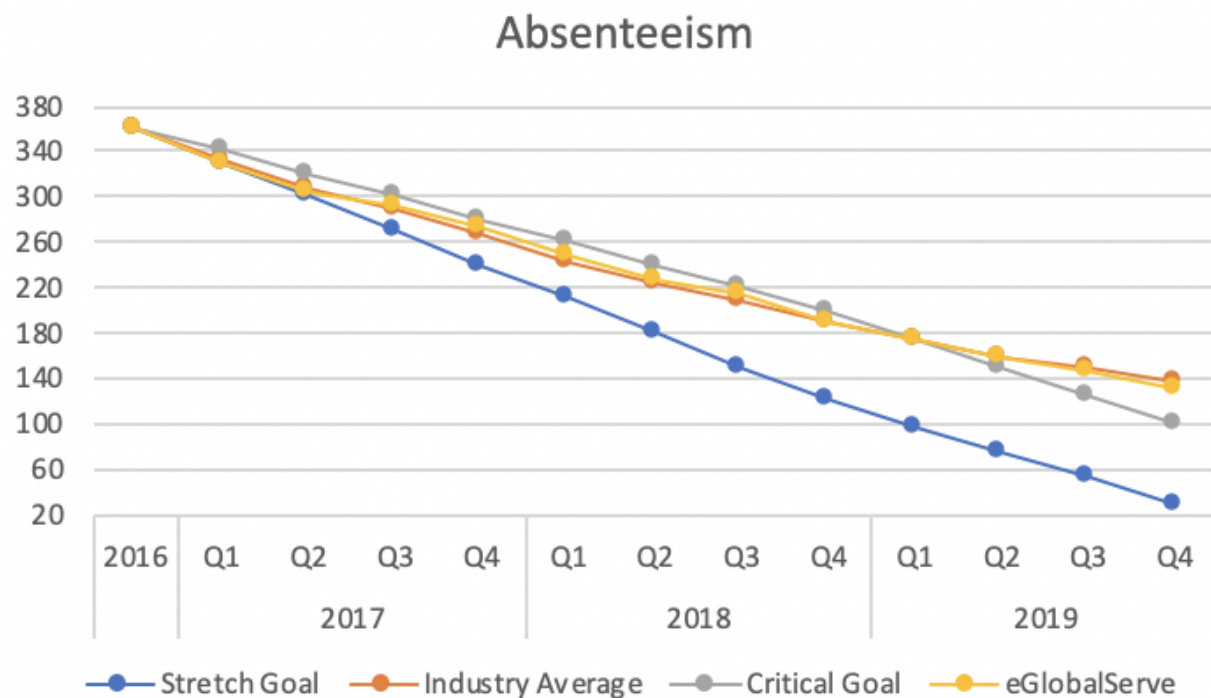
Category	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Performance Appraisals				
Result Oriented	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Work Life Balance				
Telecommuting	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Flex-Time	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Training				
Mentorship	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Talent Management				
Systematic Job Posting	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Compensation				
Skill Based				\$ 55,000
Profit Sharing	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Selection				
Recruitment By Band of Employee	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Other Incurred Expenses*				
(See Table on Page 6 For Specifics)	\$ 65,000	\$ 87,330	\$ 81,500	\$ 40,000
Quarterly Subtotal	\$ 350,000	\$ 372,330	\$ 366,500	\$ 380,000
2019 Total				\$ 1,468,830

2019 Budget (Continued)

In 2019 a total of \$273,830 was allocated to addressing isolated opportunities and incidents throughout the year. Isolated opportunities and incidents throughout the year required KRC consulting's strategic action. Funds were allocated to further progress eGlobalServe's progression towards its Key Performance Indicator goals. Specifics of actions taken will be described in further detail as to how they contribute to KPI's later in the report.

Other Incurred Expenses	Spending
Quarter 1	
Discrimination	\$ 35,000
Employee Ethics	\$ 30,000
Quarter 2	
Employee Layoffs	\$ 42,330
Offshoring	\$ 45,000
Quarter 3	
Cross Cultural Partnership	\$ 10,500
Selection Process	\$ 71,000
Quarter 4	
Employee Engagement for Innovation	\$ 40,000
2019 Other Incurred Expenses Total:	\$ 273,830

Absenteeism



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Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$1,000)
2016		360	-	360	360	360	\$ -	-
2017	Q1	328	32	340	330	334	\$ 40,000	0.80
	Q2	305	23	320	300	309	\$ 135,000	0.17
	Q3	292	14	300	270	288	\$ 30,000	0.46
	Q4	272	20	280	240	266	\$ 55,000	0.35
2018	Q1	247	25	220	236	243	\$ 40,000	0.62
	Q2	226	21	200	206	223	\$ 40,000	0.53
	Q3	214	13	180	176	207	\$ 85,000	0.15
	Q4	190	24	200	120	190	\$ 95,000	0.25
2019	Q1	173	17	175	98	174	\$ 55,000	0.31
	Q2	158	15	151	75	160	\$ 55,000	0.27
	Q3	146	12	126	53	149	\$ 55,000	0.22
	Q4	131	15	101	30	136	\$ 110,000	0.14

Absenteeism negatively affects productivity, team performance, and profitability. It can also be damaging to the work environment. Therefore, improving absenteeism was one of the top goals for eGlobalServe because it affects several key performance indicators. While absences are unavoidable, for example, illness or family emergencies, eGlobalServe aimed to reduce avoidable absenteeism which is a conscious decision made by an employee to stay away from work.

This year, eGlobalServe decided to continue allowing employees to have flex-time. This decision had positive responses in the previous year and contributed to the decrease of absenteeism. Allowing employees to have a flexible work schedule means employees have the freedom to choose hours that work for them. This allows employees to make the best schedule that works for them and have time to pursue non-work issues and still have time for their work.

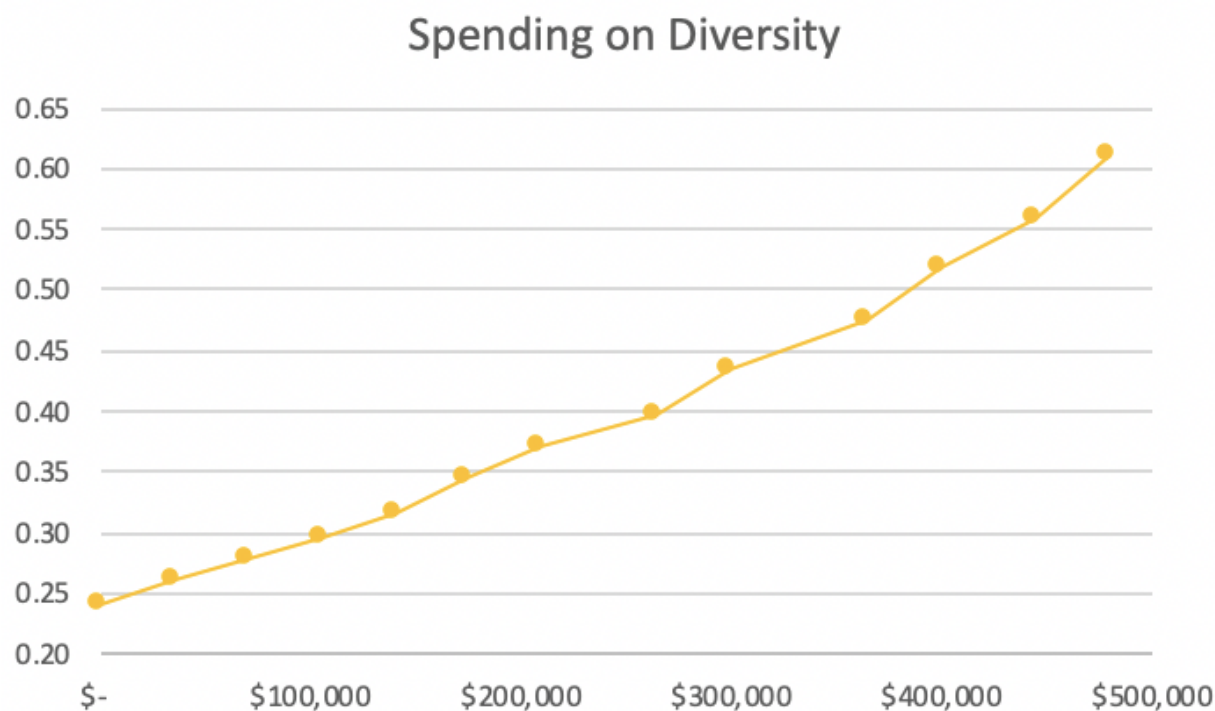
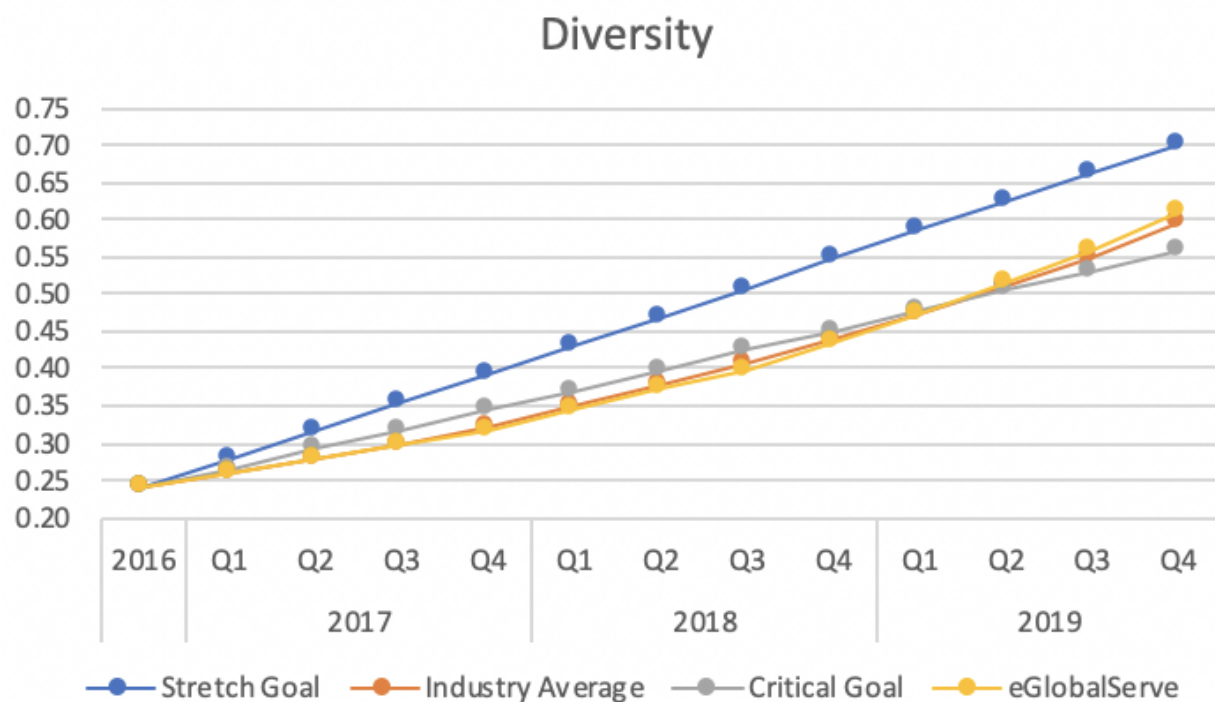
In addition, actions taken on disaster planning helped tackle the issue of absenteeism. The plan included backing-up data for customers and employees at three remote servers. This means in the event of a disaster eGS will be well prepared and there will be no reason for employees to miss work. The implementation of multiple servers will allow eGS employees to be equipped with the tools to stay working in spite of a disaster.

Choosing to continue using results-orientated appraisals also contributes to a decrease in absenteeism. Employees want to get good feedback from their managers



and showing up for work contributes to a good appraisal. A good appraisal may also be beneficial to the employees if eGlobalServe decides to internally recruit so it is important for the employees to show up to work and show they are someone the company can depend on.

Diversity





Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$10,000)
2016	2016	0.24	-	0.24	0.24	0.24	\$ -	-
	Q1	0.26	0.02	0.27	0.28	0.26	\$ 35,000	0.01
	Q2	0.28	0.02	0.29	0.32	0.28	\$ 35,000	0.00
	Q3	0.30	0.02	0.32	0.36	0.30	\$ 35,000	0.01
2017	Q4	0.32	0.02	0.35	0.40	0.32	\$ 35,000	0.01
	Q1	0.34	0.03	0.37	0.43	0.35	\$ 35,000	0.01
	Q2	0.37	0.03	0.40	0.47	0.38	\$ 35,000	0.01
	Q3	0.40	0.02	0.42	0.51	0.41	\$ 55,000	0.00
2018	Q4	0.44	0.04	0.45	0.55	0.44	\$ 35,000	0.01
	Q1	0.47	0.04	0.48	0.59	0.47	\$ 65,000	0.01
	Q2	0.52	0.04	0.51	0.63	0.51	\$ 35,000	0.01
	Q3	0.56	0.04	0.53	0.66	0.55	\$ 45,500	0.01
2019	Q4	0.61	0.05	0.56	0.70	0.60	\$ 35,000	0.02

Diversity includes numerous differences in experiences, viewpoints, and backgrounds among individuals who make up a broader community. Improving diversity within eGlobalServe has been a focus of selection because of the impact diversity has on ethical and social performance indicators. Maintaining these indicators within the selection process assures eGlobalServe is not exercising in any illegal hiring practices. Furthermore, diversity in the workplace will continue to be a key component because it will manifest itself in building a reputation for the eGlobalServe, leading to increased profitability and opportunities for workers

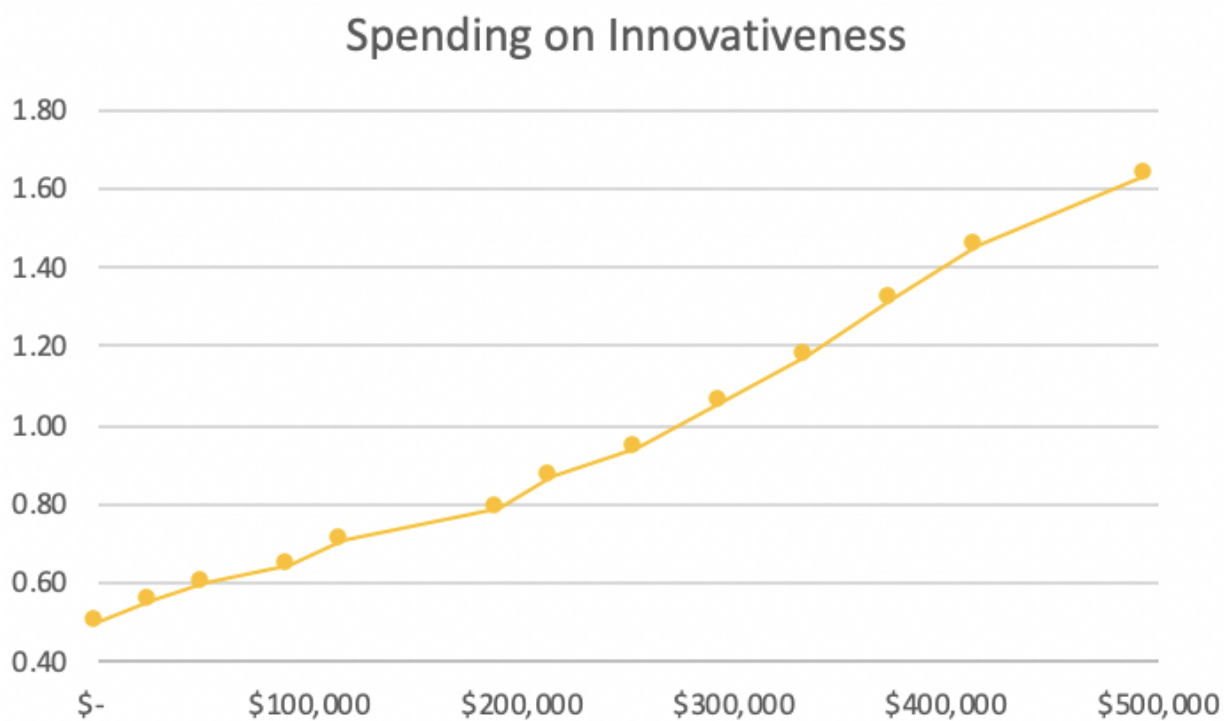
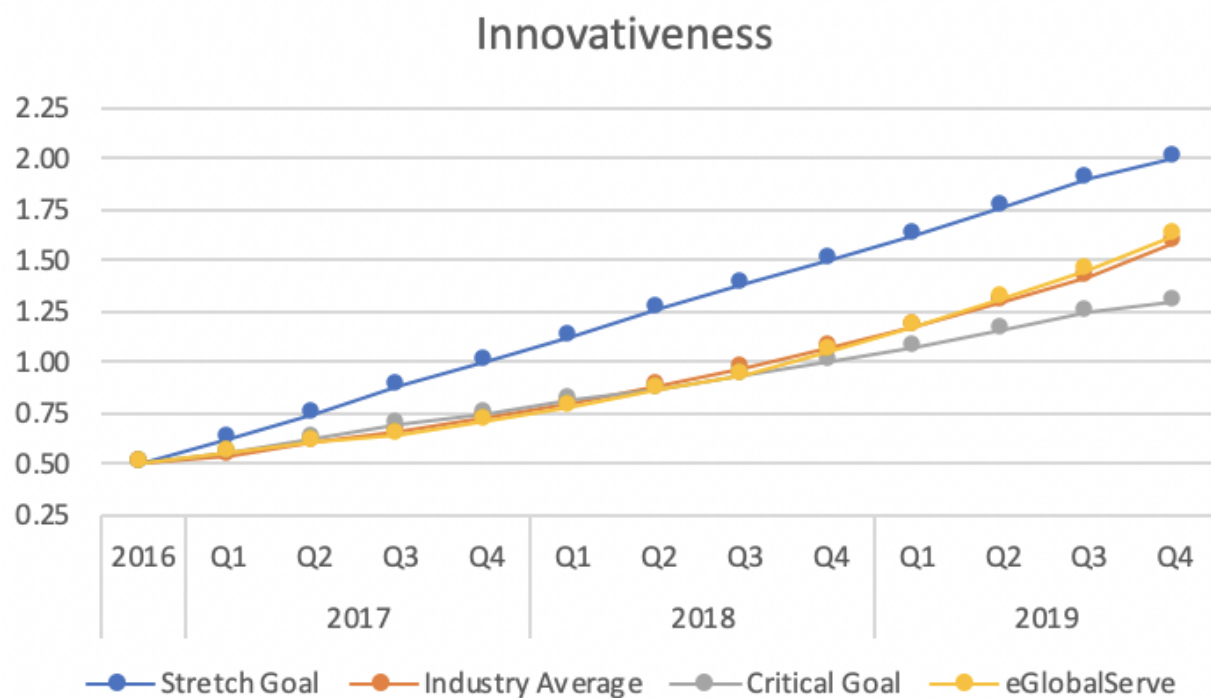
This year the focus was on developing a more adequate hiring process focused on customizing recruitment for each of the three bands of employees. The goal was to use effective selection to recruit talented employees with strong communication skills, intellectual assets, and positive work attitudes. This selection also permitted eGlobalServe to advertise with various media, agencies, and web outlets allowing eGlobalServe to target a more extensive array of applicants and improve their overall performance.

This year eGlobalServe was faced with an unethical phone use issue. In order to address this problem the company decided to implement a task force of various managers and employees to investigate and inform the company of the situation. Their goal was to collect reactions from the employees and managers and then develop a new policy on phone usage. This policy was then added to the employee handbook.



Another thing eGlobalServe focused on was developing their relations with their cross cultural partnerships. There were some cultural barriers that occurred during a meeting this past year but eGlobalServe implemented strategies to resolve these conflicts. They decided to explain customs to the employees and also video call the top senior at eGlobalServe to make the meetings run more smoothly.

Innovativeness



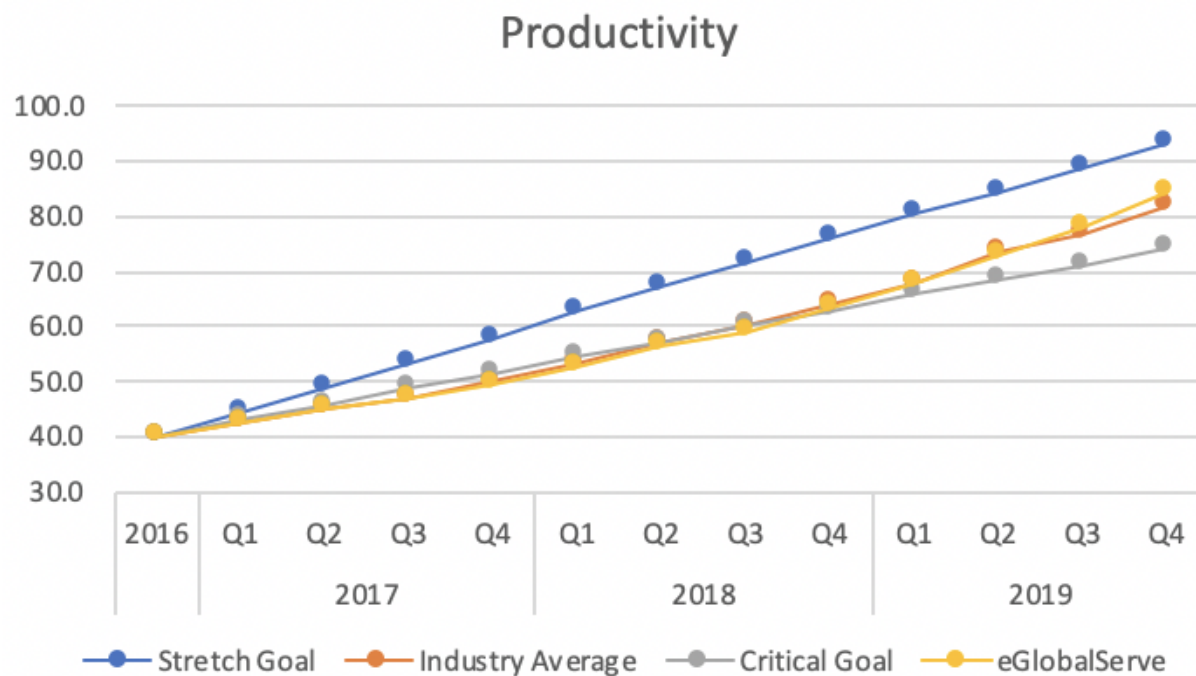
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Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$10,000)
	2016	0.50	-	0.50	0.50	0.50	\$ -	-
2017	Q1	0.55	0.05	0.56	0.63	0.54	\$ 25,000	0.02
	Q2	0.60	0.05	0.63	0.75	0.60	\$ 25,000	0.02
	Q3	0.65	0.05	0.69	0.88	0.65	\$ 40,000	0.01
	Q4	0.71	0.06	0.75	1.00	0.72	\$ 25,000	0.02
2018	Q1	0.79	0.08	0.81	1.13	0.80	\$ 75,000	0.01
	Q2	0.87	0.08	0.87	1.26	0.88	\$ 25,000	0.03
	Q3	0.94	0.07	0.93	1.39	0.96	\$ 40,000	0.02
	Q4	1.06	0.12	1.00	1.50	1.07	\$ 40,000	0.03
2019	Q1	1.18	0.12	1.08	1.63	1.17	\$ 40,000	0.03
	Q2	1.32	0.14	1.16	1.76	1.29	\$ 40,000	0.03
	Q3	1.45	0.14	1.24	1.89	1.42	\$ 40,000	0.03
	Q4	1.63	0.18	1.30	2.00	1.58	\$ 80,000	0.02

Innovativeness is described as the number of new and usable ideas generated per Full-Time Employee (FTE) in a specified time frame. Enhancing innovativeness has been a focus within eGlobalServe because of the influence of employee training. Innovativeness is a significant key performance indicator because it is the core of eGlobalServe. With eGlobalServe being a knowledge-based firm providing analytics for different companies, it is critical to calculate innovativeness companywide and measure the effectiveness as a key performance indicator.

For 2019, the goal was to develop different training methods to help employees learn and integrate into their specific role at a faster rate. One way eGlobalServe achieved this goal was going over essential job functions with employees. This selection gave employees the ability to refamiliarize their role in the company. Another angle eGlobalServe took was offering training to any employee, who has worked with the company for two years or less, the ability to meet with a previous mentor. This selection allowed employees to reconnect with a mentor and gave them the opportunity to ask questions and learn new skills.

Productivity



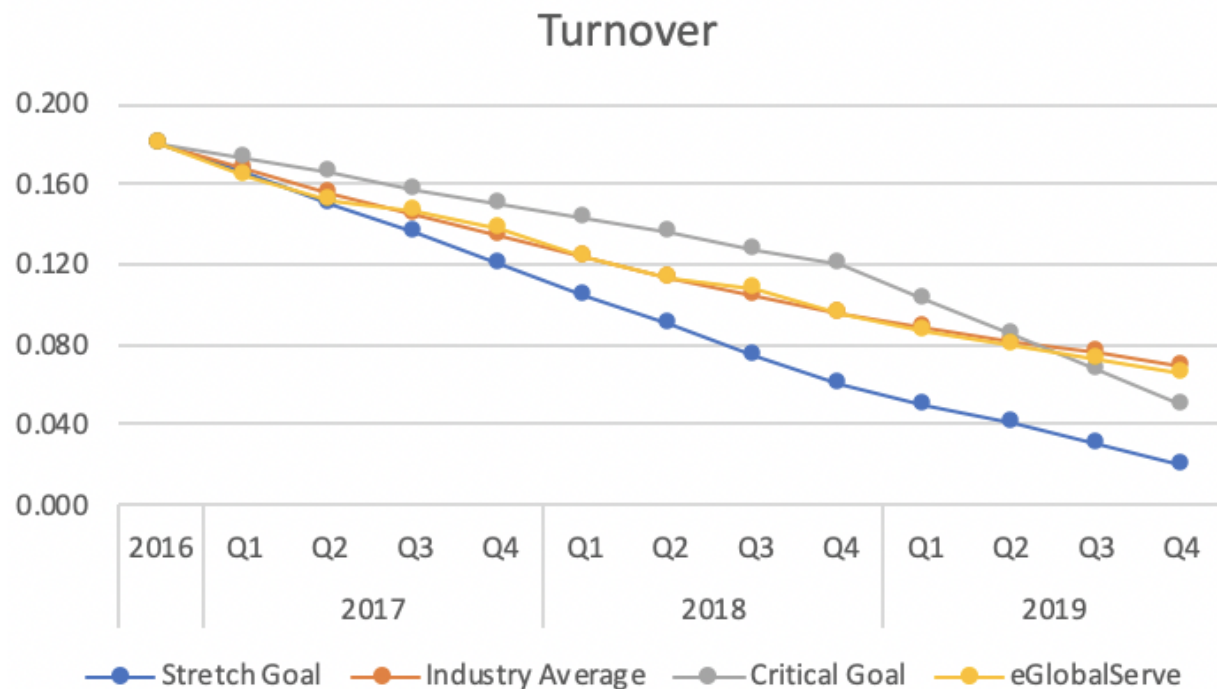


Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$10,000)
	2016	40.0	-	40.0	40.0	40.0	\$ -	-
2017	Q1	42.7	2.7	42.9	44.5	42.4	\$ 30,000	0.90
	Q2	45.0	2.3	45.8	49.0	45.0	\$ 30,000	0.77
	Q3	46.8	1.8	48.6	53.5	47.2	\$ 30,000	0.60
	Q4	49.4	2.6	51.5	58.0	50.2	\$ 30,000	0.88
2018	Q1	52.85	3.41	54.38	62.50	53.37	\$ 30,000	1.14
	Q2	56.38	3.53	57.25	67.00	56.96	\$ 30,000	1.18
	Q3	58.86	2.48	60.13	71.50	60.18	\$ 38,000	0.65
	Q4	63.63	4.77	63.00	76.00	64.10	\$ 30,000	1.59
2019	Q1	68.08	4.45	65.75	80.25	67.87	\$ 30,000	1.48
	Q2	72.99	4.91	68.50	84.50	73.31	\$ 30,000	1.64
	Q3	77.68	4.70	71.25	88.75	76.55	\$ 30,000	1.57
	Q4	83.96	6.28	74.00	93.00	82.02	\$ 30,000	2.09

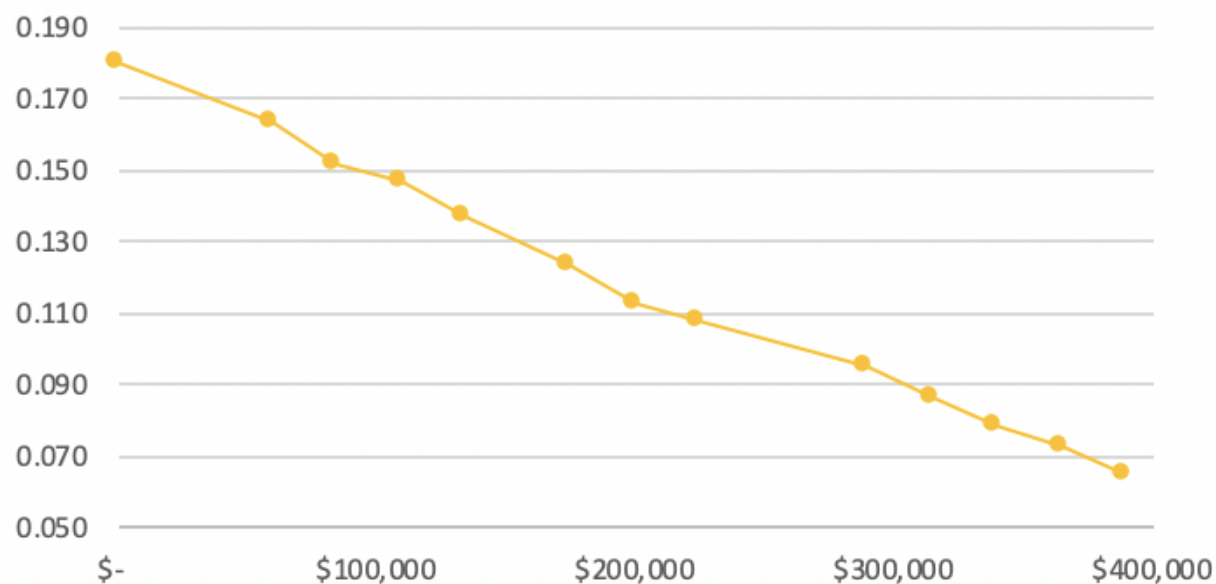
Productivity is the measure of the efficiency of a person or company in converting inputs into useful outputs. Productivity growth has been an essential focus for eGlobalServe this past year. because the greater the productivity levels are the higher the end of the year profits will be. High productivity can lead to greater profits for eGlobalServe and a greater income for individual employees.

This year improving productivity has been a focus of performance appraisals amongst employees and managers. The goal was to continue to use performance management to increase the amount of employee contribution to accomplishing strategic goals. This performance appraisal decision uses result-oriented appraisals which focus on both employees and managers and the impact of employees' work, rather than on less relevant features. This appraisal approach proved to help productivity. Employee performance increased when seeing their key contribution to strategic goals.

Turnover



Spending on Turnover





Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$100,000)
	2016	0.180	-	0.180	0.180	0.180	\$ -	-
2017	Q1	0.164	0.016	0.173	0.165	0.167	\$ 60,000	0.03
	Q2	0.152	0.012	0.165	0.150	0.155	\$ 25,000	0.05
	Q3	0.147	0.005	0.158	0.135	0.145	\$ 25,000	0.02
	Q4	0.137	0.010	0.150	0.120	0.134	\$ 25,000	0.04
2018	Q1	0.124	0.013	0.143	0.105	0.123	\$ 40,000	0.03
	Q2	0.113	0.011	0.135	0.090	0.113	\$ 25,000	0.04
	Q3	0.108	0.005	0.128	0.075	0.105	\$ 25,000	0.02
	Q4	0.095	0.013	0.120	0.060	0.096	\$ 65,000	0.02
2019	Q1	0.086	0.009	0.103	0.050	0.088	\$ 25,000	0.04
	Q2	0.079	0.007	0.085	0.040	0.081	\$ 25,000	0.03
	Q3	0.073	0.006	0.068	0.030	0.076	\$ 25,000	0.02
	Q4	0.065	0.008	0.050	0.020	0.069	\$ 25,000	0.03

Turnover refers to the number of employees leaving an organization. Involuntary turnover occurs when employees are terminated or laid off. And voluntary turnover occurs when employees quit or retire. Reducing turnover is important for eGlobalServe. Keeping turnover low allows eGlobalServe to avoid unnecessary costs which are incurred when replacing employees.

This year, eGs' strategy to improve turnover was to use customized recruitment to attract and select higher quality candidates. This selection continues to attract higher quality employees. This means selecting candidates that are the best fit for eGlobalServe. This helped reduce the turnover rate.

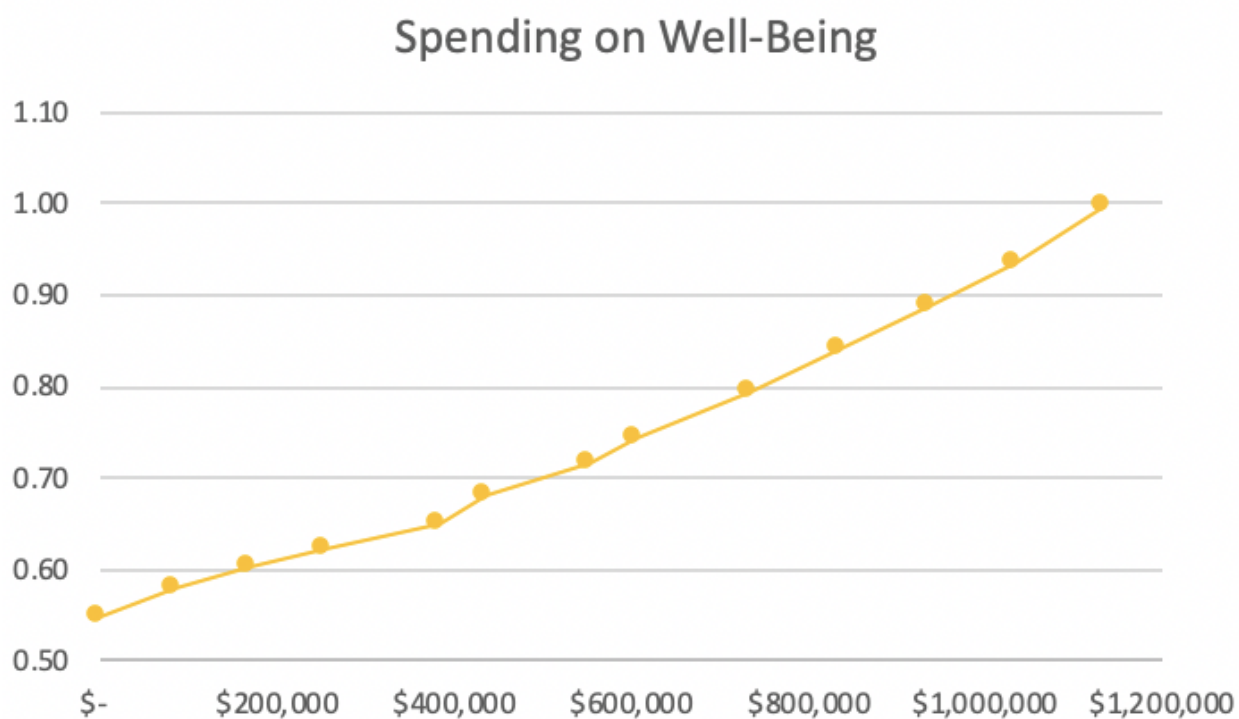
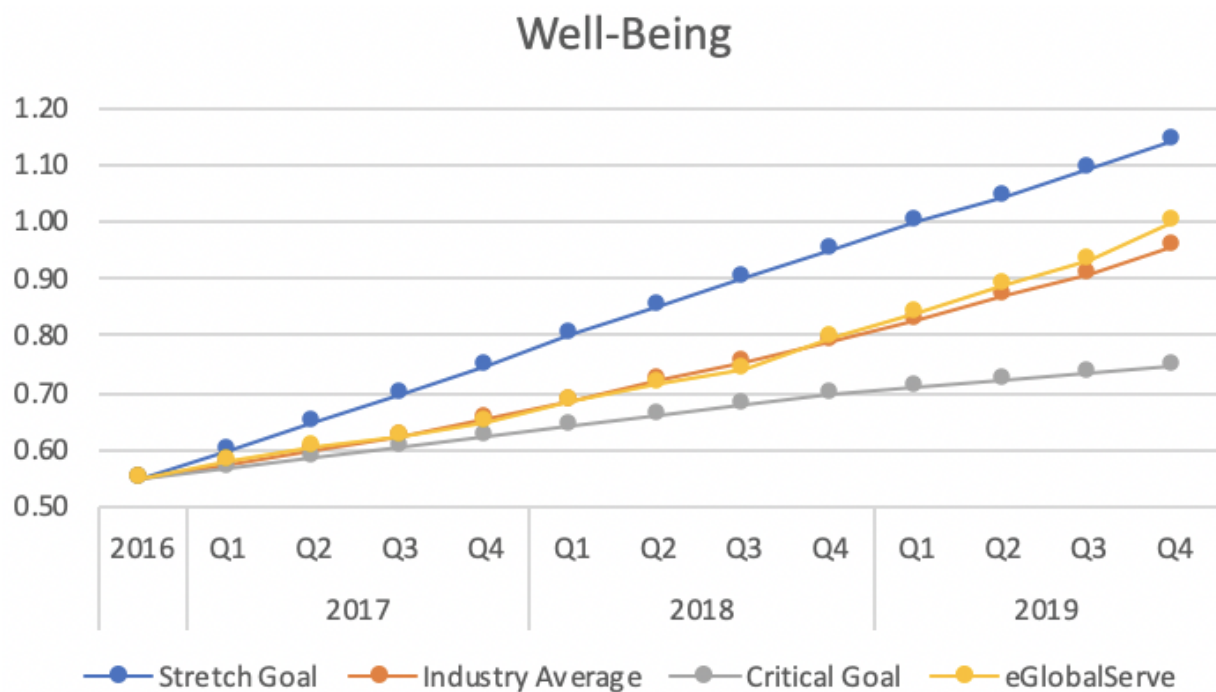
In addition, eGlobalServe made the decision to create an open-invitation meeting. This helped improve the turnover rate because employees felt valued by the organization. They felt that their contributions and importance and their value is appreciated by the organization.

The decision to continue with teleworking makes eGlobalServe a good company to work for. EGlobalServe employees value that the composant gives them the freedom to make up their own hours. This flexibility in the work schedule is not something done by a lot of companies which makes the employees for eGlobalServe appreciate that the company trusts them to make their own hours and still get work done. This reduces turnover as employees see that they are trusted by the organizations and not many companies can offer the same flexibility.



Continuing the Compensation decision to create a stock program was received well by a lot of the employees and this reduced the turnover rate. The long term investment by eGlobalServe into their future gives them more reasons to stay working for eGlobalServe.

Well-Being





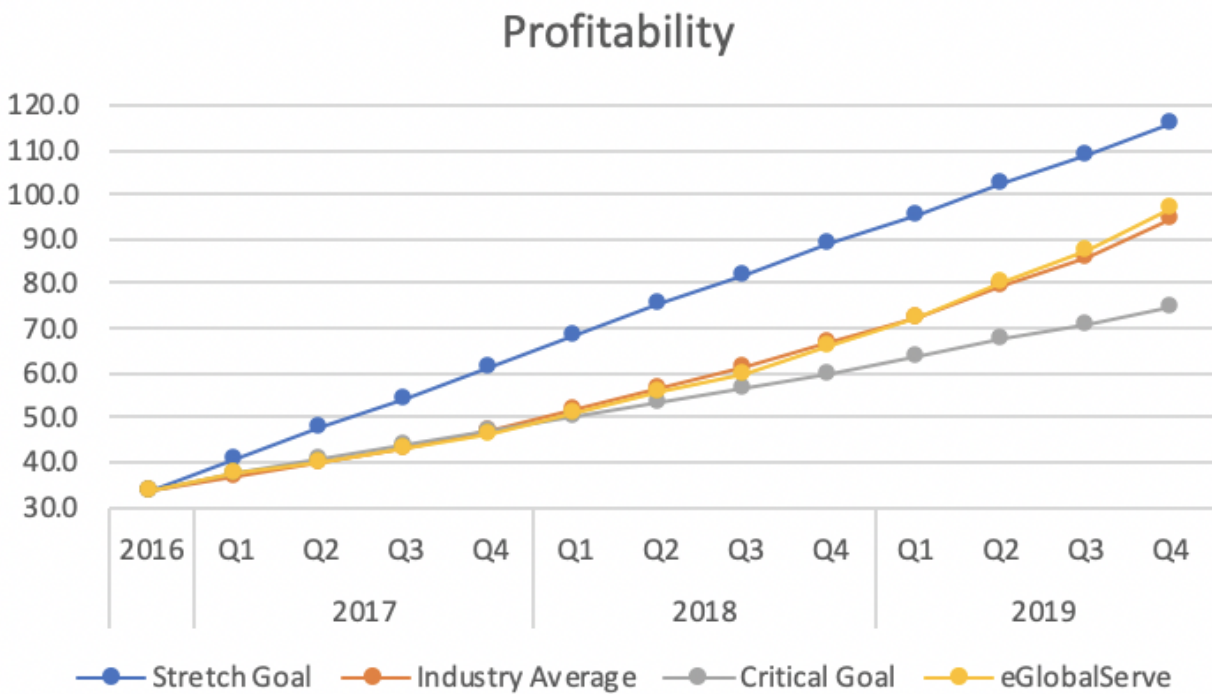
Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$100,000)
	2016	0.55	-	0.55	0.55	0.55	\$ -	-
2017	Q1	0.58	0.03	0.57	0.60	0.57	\$ 85,000	0.03
	Q2	0.60	0.03	0.59	0.65	0.60	\$ 85,000	0.03
	Q3	0.62	0.02	0.61	0.70	0.62	\$ 85,000	0.02
	Q4	0.65	0.03	0.63	0.75	0.65	\$ 130,000	0.02
2018	Q1	0.68	0.04	0.71	0.89	0.69	\$ 50,000	0.07
	Q2	0.72	0.03	0.80	1.03	0.72	\$ 120,000	0.03
	Q3	0.74	0.03	0.89	1.17	0.75	\$ 50,000	0.05
	Q4	0.80	0.05	0.70	0.95	0.79	\$ 130,000	0.04
2019	Q1	0.84	0.05	0.71	1.00	0.83	\$ 100,000	0.05
	Q2	0.89	0.05	0.73	1.05	0.87	\$ 100,000	0.05
	Q3	0.94	0.05	0.74	1.09	0.91	\$ 100,000	0.05
	Q4	1.00	0.06	0.75	1.14	0.96	\$ 100,000	0.06

Well-being refers to diverse and interconnected dimensions of physical, mental, and social wellness extending beyond the traditional definition of health. An employees' wellness is an important focus at eGlobalServe as it relates to a good work-life balance. Employees who have high mental and physical wellness are more likely to feel a sense of accomplishment and personal fulfillment causing eGlobalServe to have higher production levels which would result in greater profitability at the end of the year.

The main focus for this year was to continue to provide eGlobalServe's employees' with accommodations to help balance their work-life. eGlobalServe decided to keep their investment in electronic equipment and ISP coverage for those working at home as well as developed strategies for project coordination and tracking productivity.

Additionally eGlobalServe focused on the well-being of employees by continuing to implement flex-time which allows employees to work certain core hours during a workday but adjust the start and end times of their day, depending on non-work priorities. These selections allowed eGlobalServe to gain concentration and reduce the stress of their employees.

Triple Bottom Line - Profitability



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Year	Quarter	eGlobalServe	Change	Critical Goal	Stretch Goal	Industry Average	Spending	ROI (per \$10,000)
	2016	34.0	-	34.0	34.0	34.0	\$ -	-
2017	Q1	37.3	3.3	37.3	40.9	36.9	\$ 20,000	1.63
	Q2	40.1	2.8	40.5	47.8	40.1	\$ 30,000	0.94
	Q3	42.9	2.8	43.8	54.6	43.2	\$ 90,000	0.31
	Q4	46.3	3.4	47.0	61.5	47.1	\$ 18,000	1.88
2018	Q1	50.79	4.51	50.25	68.38	51.50	\$ 60,000	0.75
	Q2	55.48	4.69	53.50	75.25	56.37	\$ 80,000	0.59
	Q3	59.39	3.91	56.75	82.13	61.04	\$ -	-
	Q4	66.08	6.69	60.00	89.00	66.85	\$ 11,500	5.82
2019	Q1	72.59	6.51	63.75	95.75	72.42	\$ 35,000	1.86
	Q2	79.99	7.40	67.50	102.50	79.19	\$ 87,330	0.85
	Q3	87.18	7.19	71.25	109.25	85.82	\$ 71,000	1.01
	Q4	96.64	9.46	75.00	116.00	94.55	\$ -	-

Profitability is eGlobalServe's most critical enterprise to its success and breaking even is the bottom line of a company making a profit. With eGlobalServe close to breaking even in recent years, profitability must be improved. Throughout the company, most, if not, every decision has profitability in mind.

During the first quarter, eGlobalServe had to make a decision regarding discrimination. Throughout the organization, employees and managers involved in the recruiting and training department took part in a training program about avoiding discriminatory practices. This gave eGlobalServe a lower chance of having discrimination in the workplace, meaning less money being spent on discriminatory problems, resulting in an increase in profitability.

The second quarter eGlobalServe was faced with two decisions about profitability. The first decision was about employee layoffs as five employees were laid off due to budget issues. All of the employees who were laid off were lower level employees. With the managers keeping their positions, both teams were still able to function despite losing fellow team members. The result of the five employees being laid off allowed eGlobalServe to cover a budget issue creating an increase in profitability.

The second decision for quarter two focused on off-shoring as eGlobalServe took two different approaches. First, the company developed an off-shoring program involving the industry analysts because they are a smaller group and do not have client interaction, meaning, customers were not affected directly. The company then reached



out to potential providers to see if off-shoring was an option to transition employees into other positions or other companies. With eGlobalServe, deciding to off-shore employees, it created an increase in profitability.

The second decision regarding off-shoring in quarter two had a different approach. eGlobalServe implemented a small test with select clients with a pre-selected India-based provider firm. The goal of this test was to target internal analysts who have client interface responsibilities. Once the test was completed, the results were assessed. This test allowed eGlobalServe to off-shore employees. With a decrease in labor cost, the company was able to increase profitability.

In the third quarter, the company was presented with an opportunity regarding the selection process. The company needed to hire someone for the role of Industry Manager/Senior Market Research Analyst. eGlobalServe narrowed down the applicants to a pool of five candidates. The candidate who stood out the most had great answers about situational questions asked and fit well into the company. The candidate was later than hired making costs for recruiting go down and increasing profitability.

Lastly, in quarter four, eGlobalServe had to make an evaluation of its HR programs. The company was faced with the challenge of statistically analyzing the profitability of its HR department . After eGlobalServe made the necessary calculations, the company was able to confirm all costs are being met by profits, meaning no employees will be fired. The company decided to have a flexible budget going forward allowing for future investments. With the flexible budget, the company was able to increase profitability.

Conclusion

In 2019, KRC Consulting in partnership with eGS, implemented positive changes which led to improvements in all KPIs. eGS has met its critical goal in KPIs. The overall performance of eGS has continued to improve throughout 2019. The decisions KRC consulting made throughout the year allowed eGS to pass the industry averages for all KPI. Throughout the year the actions taken by eGS improved its profitability. Throughout the year, eGS was committed to making the best decisions that would positively impact its KPIs. Whether it was offshoring, hiring a new manager or laying off lower level employees to cover its budget issues, all decisions were carefully evaluated and the best decisions were implemented to improve KPIs. KRC Consulting is confident that in the near future our partnership with eGS will allow eGS to pass its stretch goals across all KPI's. KRC Consulting has enjoyed its partnership with eGS and is looking forward to continued success together in the future.

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