



UNIVERSIDADE CATÓLICA PORTUGUESA

The Role of Strategic Performance Measurement Systems in Multinational Financial Operations

A BNP Paribas Cardif Case Study

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The Role of Strategic Performance Measurement Systems in Multinational Financial Operations: A BNP Paribas Cardif Case Study

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Abstract

This study explores how Strategic Performance Measurement Systems (SPMS) drive efficiency, cultural alignment, and strategic decision-making in multinational financial operations through BNP Paribas Cardiff's nearshoring project in Portugal. As global institutions increasingly leverage nearshoring, effective SPMS are essential to balance global standards with local adaptability. Through qualitative research and interviews with GAMA Project stakeholders, this case highlights the critical role of cultural integration, robust governance, and adaptive metrics in overcoming challenges like distributed team management, talent retention, and cross-border communication.

The findings show that a well-implemented SPMS not only improves operational efficiency but also strengthens risk management, innovation, and long-term strategy. This study provides valuable insights for organizations exploring nearshoring, contributing to the literature on global performance measurement and offering a practical framework for future research in this evolving field.

Key-words: Strategic Performance Measurement Systems, Nearshoring, Multinational Financial Operations, Cultural Integration

Resumo

Este estudo explora como os Sistemas de Medição de Desempenho Estratégico (SPMS) impulsionam a eficiência, o alinhamento cultural e a tomada de decisões estratégicas nas operações financeiras multinacionais, através do projeto de nearshoring da BNP Paribas Cardif em Portugal. À medida que as instituições globais recorrem cada vez mais ao nearshoring, os SPMS eficazes tornam-se essenciais para equilibrar os padrões globais com a adaptabilidade local. Através de investigação qualitativa e entrevistas com os intervenientes do Projeto GAMA, este caso destaca o papel fundamental da integração cultural, de uma governação robusta e de métricas adaptativas na superação de desafios como a gestão de equipas distribuídas, a retenção de talentos e a comunicação transfronteiriça.

Os resultados mostram que um SPMS bem implementado não só melhora a eficiência operacional, mas também fortalece a gestão de risco, a inovação e a estratégia de longo prazo. Este estudo oferece insights valiosos para organizações que exploram o nearshoring, contribuindo para a literatura sobre medição de desempenho global e fornecendo um quadro prático para futuras pesquisas neste campo em evolução.

Palavras-chave: Sistemas de Medição de Desempenho Estratégico, Nearshoring, Operações Financeiras Multinacionais, Integração Cultural

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Introduction

In the context of global financial operations, multinational firms consistently pursue novel techniques to improve efficiency, decrease costs, and sustain competitive advantage. This thesis analyses the essential function of Strategic Performance Measurement Systems (SPMS) in relation to nearshoring initiatives in the financial sector, specifically investigating the case study of BNP Paribas Cardif's GAMA Project in Portugal.

The primary objectives of this research are to examine the execution and effects of SPMS in BNP Paribas Cardif's nearshoring initiative in Portugal, determine optimal strategies and possible challenges in modifying SPMS for nearshoring endeavours, and assess the influence of cultural factors on the success of SPMS in multinational environments.

To achieve these objectives, this study seeks to investigate the following principal research inquiry: In what ways do Strategic Performance Measurement Systems enhance the efficacy of nearshoring projects within multinational financial operations? To augment this primary investigation, we additionally examine the primary obstacles and opportunities associated with deploying SPMS in a nearshoring context, and in what manner the cultural factor affects the efficacy of Strategic Performance Management Systems in international financial operations.

Nearshoring, the transfer of corporate operations to proximate countries, and offshore, the relocation of processes to more remote regions, have emerged as increasingly common techniques within the financial sector. These strategies provide advantages including expense savings, access to proficient workforce pools, and operational adaptability. Nonetheless, they pose distinct obstacles in

upholding uniform performance standards across varied geographical and cultural contexts.

Implementing an efficient SPMS in complex, multinational environments is essential for aligning operational actions with strategic objectives. Kaplan & Norton (1992) contend that complete performance assessment systems, which extend beyond conventional financial indicators, are crucial for firms to succeed in the current competitive environment. Moreover, Franco-Santos et al. (2012) underscore the necessity for SPMS to be flexible across diverse cultural and operational environments, especially in multinational scenarios.

This research utilizes a qualitative methodology, integrating an extensive literature analysis with a detailed case study of BNP Paribas Cardif's GAMA Project. By conducting interviews with essential stakeholders and analysing organizational papers, we seek to offer significant insights into the practical implementation of SPMS in a real-world nearshoring context.

The subsequent sections of this thesis are organized as follows: Chapter 1 provides a comprehensive examination of the literature concerning SPMS, nearshoring, and performance management within multinational frameworks. Chapter 2 delineates the research methodology comprehensively. Chapter 3 presents the case study of BNP Paribas Cardif's GAMA Project. Chapter 4 offers an extensive analysis of the findings, correlating them with current literature and addressing the research inquiries. Chapter 5 ultimately ends the thesis by summarizing essential observations, addressing limitations, and proposing directions for further research.

This thesis seeks to enhance understanding of the interaction of SPMS and nearshoring in the financial sector, contributing to both academic discourse and practical application in international business management. The findings of this study may be advantageous for multinational firms contemplating or presently

involved in nearshoring projects, especially with the enhancement of their performance measuring systems.

Chapter 1

Literature Review

1. Introduction to the Literature Review

In recent decades, strategic performance evaluation has become essential for corporate success, especially in financial decision-making. This domain has undergone substantial evolution since Kaplan & Norton (1992) presented the Balanced Scorecard (BSC), which transformed organizational approaches to performance assessment and management.

Ittner & Larcker (1998) elaborated on this concept, emphasizing advancements in performance measurement and their ramifications for research and practice. Their research highlighted the escalating significance of non-financial metrics and the necessity for more cohesive performance assessment systems, which have been progressively pertinent in the contemporary intricate corporate landscape.

This research seeks to examine the existing understanding of SPMS and their influence on financial decision-making in multinational financial operations. The case study of BNP Paribas Cardif in Portugal offers valuable insights into the implementation and impact of SPMS in a global financial institution, particularly in the context of nearshoring initiatives.

This literature review will analyse several critical domains:

1. The development of performance measurement systems and their strategic significance in multinational contexts;

2. The challenges and opportunities associated with the implementation of SPMS in large financial institutions;

3. The impact of nearshoring and offshoring on organizational performance in the financial sector;

4. The influence of cultural and operational factors on performance measurement in global financial environments.

This revision of the state-of-the art will synthesize findings from these domains to offer a thorough understanding of how SPMS affect financial decision-making in multinational financial operations. This foundation will guide the analysis of the BNP Paribas Cardif case study, providing insights into the practical application of SPMS in a global financial institution.

1. Strategic Performance Measurement Systems

SPMS have seen substantial evolution in recent decades, emerging as vital instruments for efficient management and financial decision-making within enterprises. This section examines the development of these systems, their modern methodologies, and their influence on financial decision-making.

Historically, organizations predominantly relied on conventional financial metrics such as Return on Investment (ROI) and Earnings Per Share (EPS) to gauge success. The evolution of performance assessment systems mirrors the shifting dynamics of management practices and organizational requirements. Neely et al. (2005) present an extensive overview of this history, emphasizing the shift from exclusively financial metrics to more comprehensive methodologies. Nevertheless, as the corporate environment became increasingly intricate, it

became clear that these criteria were inadequate to encompass all facets of organizational performance.

The advent of the BSC by Kaplan & Norton (1992) was a key advancement in this domain. The BSC proposed a multifaceted approach to performance evaluation, encompassing four dimensions: financial, customer, internal processes, and learning and growth. This technology enabled firms to synchronize their operational efforts with long-term strategy, offering a more balanced perspective on performance. Ittner & Larcker (1998) elaborated on this concept, highlighting the increasing significance of non-financial metrics and the necessity for more cohesive performance assessment systems. They contended that non-financial criteria, including as customer happiness and product quality, frequently serve as superior predictors of future financial performance compared to conventional financial indicators.

The impact of SPMS on financial decision-making is substantial and complex. Franco-Santos et al. (2012) performed an extensive analysis of the impacts of modern performance measurement systems, highlighting implications in three primary domains: people's behaviour, organizational capabilities, and performance outcomes. SPMS furnish managers with a comprehensive perspective on organizational performance, facilitating more informed and strategic financial decision-making. For instance, when assessing investments in new projects or markets, managers can now analyse not only the prospective financial return but also the effects on other vital domains like as customer happiness and operational efficiency. Bititci et al. (2012) emphasize that performance measurement systems encounter persistent obstacles to maintain relevance in a swiftly evolving corporate landscape. They contend that SPMS must be more dynamic and adaptable, able to evolve alongside shifts in organizational strategies and the external environment.

While SPMS have been extensively examined in several organizational settings, their implementation in international financial institutions poses distinct problems and opportunities. These intricate businesses encounter unique challenges in executing and utilizing SPMS owing to their global scope, varied legal frameworks, and the necessity for transnational uniformity. In international financial institutions, SPMS are essential for connecting global strategy objectives with local operational realities (Dossi & Patelli, 2010). The application of SPMS in these circumstances implies a careful equilibrium between global standards and local adaptability, especially considering the diverse regulatory needs in various countries Bititci et al. (2012). Moreover, in financial institutions, SPMS are frequently interconnected with risk management and regulatory compliance, introducing an additional degree of complexity to their design and implementation Eckles et al. (2014). The proficient application of SPMS in multinational financial institutions can markedly improve the alignment between global corporate strategies and regional business unit operations, thereby enhancing financial decision-making and overall organizational performance Micheli & Mura (2017).

The field of performance measurement in multinational financial operations is swiftly transforming, propelled by technological innovations and shifting business dynamics. Melnyk et al. (2014) emphasize the necessity for more flexible and responsive performance measurement systems in progressively intricate company environments. In the realm of multinational financial operations, several significant trends are emerging: real-time performance monitoring facilitated by advanced analytics and artificial intelligence, incorporation of non-financial metrics (notably Environmental, social, and governance factors), application of predictive analytics for forecasting future performance challenges, and a transition towards more comprehensive, integrated systems that harmonize global strategic objectives with local operational realities (Bourne et

al., 2018; Micheli & Mura, 2017). These trends highlight the necessity for multinational financial institutions to consistently adapt their performance measurement systems to maintain competitiveness and responsiveness in a complex global business landscape, while also accommodating varied regulatory frameworks and stakeholder expectations across nations.

2. Nearshoring and Offshoring Strategies

The global business environment has seen a notable transition towards nearshoring and offshore as companies aim to enhance efficiency and save expenses. Oshri et al. (2015) present a thorough examination of global outsourcing and offshoring techniques, demonstrating the evolution of these strategies from basic cost-reduction tactics to intricate systems for value generation. Their research highlights the complex nature of offshore decisions, which include financial, strategic, operational, and cultural factors.

Nonetheless, although these strategies have potential advantages, research has also underscored the concealed expenses and operational intricacies that frequently accompany outsourcing choices. Larsen et al. (2013) investigate the concealed expenses linked to outsourcing, examining the relationship among complexity, organizational structure, and experience. Their findings indicate that the expected advantages of offshore may frequently be counterbalanced by unexpected coordination and control expenses, especially in knowledge-intensive tasks. This highlights the imperative for firms to have strong governance frameworks and efficient communication pathways while executing nearshoring or offshore strategies.

To address these complexities, Kedia & Mukherjee (2009) present a study framework that emphasizes disintegration, location, and externalization

advantages in the decision-making process regarding outsourcing techniques. Their research offers significant insights into how companies might strategically utilize global resources to improve their competitive advantage. By analysing the interaction among these three criteria, firms can make better informed decisions about which operations to offshore and their optimal locations.

Regarding organizational performance, the influence of nearshoring and offshore on organizational performance has been a topic of significant discussion. Contractor et al. (2010) contend that transferring high-value corporate tasks can produce substantial advantages, including access to specialized talent pools and improved innovation capabilities. Nevertheless, they also warn that these techniques necessitate meticulous management to alleviate potential risks and guarantee alignment with overarching business objectives.

In addition to direct operational effects, Lewin & Peeters (2006) examine the transformative capacity of offshore, positing that it signifies more than a mere commercial trend; it has the potential to radically alter organizational structures and processes. Their research suggests that offshore can foster novel global collaboration and value generation, compelling firms to transcend immediate cost reductions and contemplate the long-term strategic ramifications of their nearshoring and offshoring choices.

As the international business landscape progresses, nearshoring methods also adapt. Ellram et al. (2013) analyse contemporary patterns in manufacturing location decisions, highlighting a transition towards reshoring in some industries. Their research underscores the fluidity of these tactics and the necessity for firms to perpetually evaluate their worldwide presence in response to evolving economic, technical, and geopolitical conditions.

Based on the literature review, we have developed a conceptual framework that illustrates the key factors influencing the implementation and success of SPMS in the context of nearshoring and offshoring strategies for multinational

financial operations. This framework, presented in Figure 1, synthesizes the various elements discussed in the literature and demonstrates their interconnections. It highlights how organizational performance is influenced by the interplay between SPMS, nearshoring/offshoring strategies, and various contextual factors such as cultural dimensions, technological innovation, and global market dynamics. The framework serves as a guide for understanding the complex relationships between these elements and provides a structure for analysing the BNP Paribas Cardif case study.

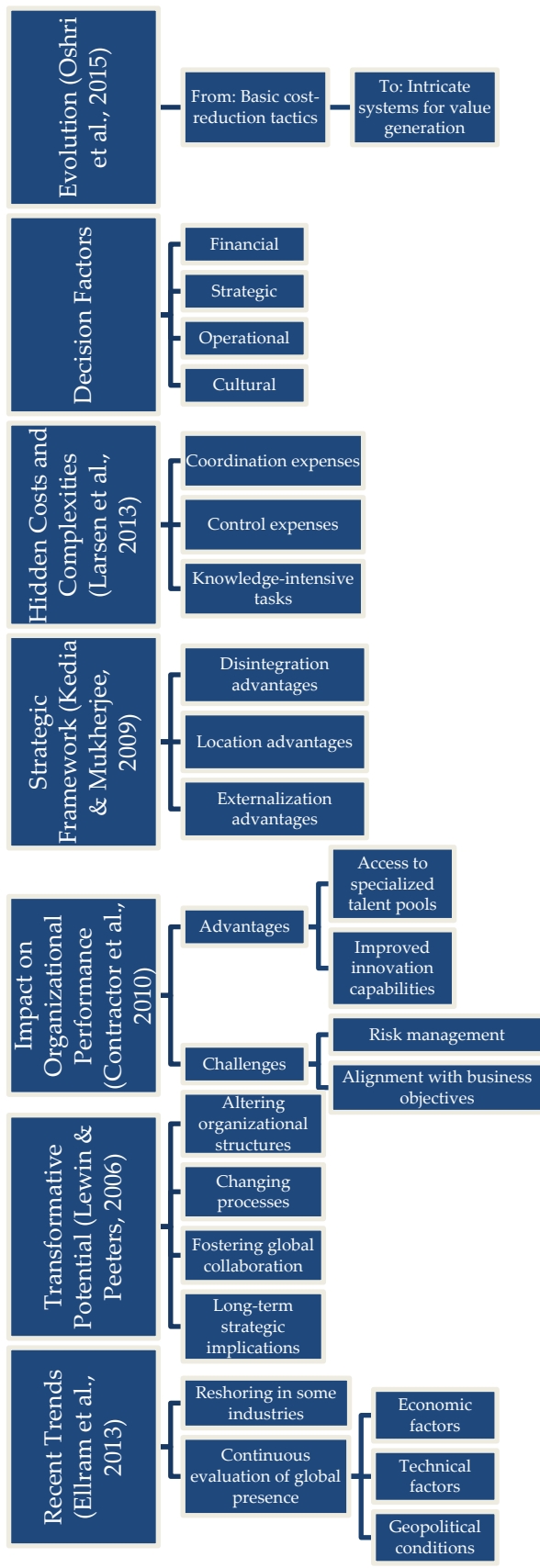


Figure 1: Framework of Nearshoring and Offshoring Strategies

3. International Performance Management

The globalization of company activities has presented considerable obstacles in performance management, especially for businesses functioning in many countries. Contractor et al. (2010) underscore the necessity to reframe organizations within the context of outsourcing and offshore, accentuating the intricacies of performance management across several geographical regions. These difficulties stem from differing cultural expectations, regulatory frameworks, and operational procedures that influence the measurement and management of performance.

Lewin & Peeters (2006) examine the cultural aspects of outsourcing, contending that cultural disparities may result in misunderstandings and misalignments regarding performance expectations. Organizations must address these cultural differences to ensure that performance management systems are successful and pertinent in various contexts. This necessitates a sophisticated comprehension of local cultures and traditions, along with the capacity to modify performance metrics accordingly.

Ellram et al. (2013) emphasize the significance of harmonizing global and local objectives in performance management. They contend that although organizations may possess overall strategic goals, local teams must be permitted to establish objectives that correspond to their distinct operational contexts. The dual alignment is essential for guaranteeing that performance measuring systems are pertinent and efficient in attaining intended objectives.

By comprehending these factors, firms may more effectively manoeuvre through the intricacies of international performance management, ensuring alignment between their goals and both global objectives and local realities. This alignment is essential for cultivating a unified organizational culture that promotes elevated performance across various teams and locations.

4. Innovation and Technology in Performance Measurement

The incorporation of technology into performance management processes has revolutionized the methods by which firms monitor and evaluate performance across global operations. Kumar et al. (2024) emphasize the significance of digital technologies in improving the efficacy of performance measurement systems. These technologies facilitate real-time data collecting and analysis, promoting informed decision-making and enhancing accountability across teams.

In accordance with this technological transition, Bourne et al. (2018) examine performance measurement as a system of systems, highlighting that modern performance measurement systems must incorporate diverse technical solutions to deliver a holistic perspective on organizational performance. This method enables firms to synchronize their performance measures with strategic goals, ensuring effective responsiveness to changes in the business environment.

The transition to digital economies presents both obstacles and opportunities. Nudurupati et al. (2016) underscore the necessity for ongoing enhancement of performance management practices, especially in changing global contexts. Organizations must maintain agility and responsiveness to fluctuations in market conditions, consumer requirements, and technological progress. This adaptability is crucial for sustaining competitiveness and guaranteeing that performance measurement systems consistently provide value over time.

In this context, automation has become a pivotal driver for enhancing efficiency in performance measurement. Jarrahi (2018) observes that Artificial Intelligence (AI) can enhance human intelligence in organizational decision-making, particularly in performance measuring processes. The automation of performance measurement processes is recognized as a means to enhance efficiency and accuracy. Organizations can utilize tools like data analytics and

artificial intelligence to improve their performance measurement efforts. AI-driven analytics empower firms to collect and analyse extensive data rapidly and precisely, resulting in more agile and responsive decision-making. The incorporation of AI into organizational processes promotes a culture of ongoing enhancement and flexibility, as it enables the identification of patterns and trends in data that may elude human observation

As organizations continue to evolve their performance measurement practices, the integration of strategic initiatives into SPMS frameworks represents an important area for future research and practical application. Bititci et al. (2012) argue that this integration is particularly relevant for understanding how organizations can effectively measure and manage performance across diverse operations while maintaining strategic alignment.

5. Human Resource Management and Organizational Performance

The correlation between human resource management strategies and corporate success has garnered heightened interest. Smith & Bititci (2017) examine the intricate link among performance assessment methods, employee engagement, and overall organizational performance. Their research underscores that effectively structured performance measurement procedures can enhance employee motivation and commitment, resulting in better organizational outcomes. They contend that when individuals comprehend how their individual contributions correlate with overarching organizational objectives, it cultivates a sense of purpose and engagement.

Establishing the relationship between engagement and performance evaluation, Bititci et al. (2016) examine the influence of visual performance

management systems on organizational practices. Their findings indicate that visual management technologies can markedly improve communication, transparency, and employee engagement in performance-related activities. By enhancing the accessibility and comprehensibility of performance data, these systems empower employees at all tiers to interact more effectively with organizational goals and contribute to ongoing improvement initiatives.

In international financial corporations, the execution of performance management methods gets increasingly intricate. Farndale et al. (2010) investigate performance management strategies inside multinational organizations, namely in the financial industry. Their research underscores the intricacies of establishing uniform performance management systems across varied cultural and regulatory contexts. They contend that multinational financial organizations encounter distinct obstacles in reconciling global uniformity with local responsiveness in their performance management practices. The authors underscore the necessity of creating adaptable performance management systems that may conform to various country circumstances while preserving overarching strategic coherence. This methodology is especially vital in the financial sector, since regulatory mandates and market circumstances can change markedly among several nations. The study highlights the importance of performance management in cultivating a unified organizational culture across geographically scattered activities, which is crucial for ensuring operational consistency and risk management in international financial institutions.

As enterprises progressively function within digital economies, Nudurupati et al. (2016) investigate the progression of performance assessment and management within the framework of digital economies. Their research underscores the necessity for firms to modify their performance management processes to utilize emerging technology and data sources. They contend that

digital transformation poses both problems and opportunities for performance measurement, necessitating firms to cultivate new competencies in data analytics and interpretation.

Furthermore, Bourne et al. (2018) emphasize the necessity of synchronizing human resource management methods with the overarching organizational strategy and performance evaluation systems. Their research indicates that strategically linked Human Resources (HR) strategies can substantially enhance corporate performance. This alignment guarantees that staff development, reward systems, and performance reviews collaboratively complement the organization's strategic objectives.

Lastly, Franco-Santos et al. (2012) examine the cultural dimensions of deploying performance assessment systems in various organizational environments. Their research underscores the necessity of including cultural considerations in the design and execution of performance management strategies, especially in multinational or multicultural contexts. They contend that cultural sensitivity in performance management can enhance acceptance and efficacy of these methods within diverse workforces.

6. Performance Measurement Systems in Multinational Financial Operations

The implementation of Performance Measurement Systems (PMS) in international financial institutions entails distinct problems and opportunities that markedly differ from those encountered by smaller organizations. Bititci et al. (2012) clarify the intricacies of performance measurement in large organizations, observing that although these entities typically have advanced performance management systems, they encounter specific difficulties in

ensuring consistency across varied geographical and cultural contexts. This discovery highlights the necessity for adaptable and responsive measurement approaches capable of accommodating diverse regulatory frameworks and market conditions.

The amalgamation of strategic and operational success metrics is especially vital in global financial operations. Dossi & Patelli (2010) underscore the necessity of reconciling everyday operations with long-term strategic objectives, a task that is exacerbated in intricate, international environments. This integration is crucial for ensuring that performance measurement systems both monitor current performance and inform future strategic decisions.

The implementation of PMS in global financial institutions necessitates meticulous attention to distinct regulatory frameworks, varying market dynamics, and the demand for real-time, actionable performance data across many time zones and operational divisions. Based on the research of Micheli & Mura (2017), we can deduce the significance of customizing PMS to these specific conditions. This tailoring procedure entails reconciling global uniformity with local responsiveness to guarantee strategy alignment and operational efficacy throughout all organizational units.

The significance of technology and innovation in PMS for global financial operations is paramount. Building upon Bourne et al. (2018) study of performance measurement as a system of systems, we may examine how multinational financial institutions utilize performance measurement to augment their inventive capacities and global competitiveness. This entails analysing how these firms utilize sophisticated technology and data analytics to enhance performance assessment across various operations, facilitating more agile and responsive decision-making processes.

Cultural factors significantly influence the implementation of performance assessment systems in multinational contexts. Franco-Santos et al. (2012)

emphasize the importance of integrating cultural sensitivity into the formulation and implementation of performance management systems. This research emphasizes the necessity of creating culturally adaptive performance management strategies to improve acceptance and effectiveness among varied global workforces in multinational financial operations.

The equilibrium between standardization and localization in global PMS is a vital factor for international financial organizations. Dossi & Patelli (2010) examine this balance, emphasizing the connection between headquarters and subsidiaries. Their findings indicate that effective performance management systems in multinational environments must achieve a careful harmony between upholding global norms and permitting local changes to ensure both strategic alignment and operational efficacy.

Ultimately, the integration of risk management with performance evaluation is essential for global financial institutions functioning in many regulatory and economic contexts. Eckles et al. (2014) investigate the integration of performance measuring tools inside enterprise risk management frameworks in global financial firms. This integration is crucial for creating PMS that can proficiently oversee and mitigate risk across diverse operational contexts, hence ensuring the robustness and sustainability of the organization's global operations.

In summary, the implementation of PMS in international financial operations necessitates a sophisticated methodology that accounts for the intricate interactions of global strategies, local market conditions, cultural diversity, technological improvements, and risk management. As these firms change and expand globally, it is essential to construct flexible, culturally sensitive, and technologically advanced PMS to sustain competitive advantage and ensure long-term success in the current dynamic global financial environment.

8. Future Trends and Final Considerations

As performance measurement evolves, future trends are increasingly shaped by technological breakthroughs and changing workplace dynamics. Schrage et al. (2019) analyse the influence of digital technologies, such as artificial intelligence and machine learning, on performance management. They contend that these tools are enabling a transition towards more data-centric, ongoing, and development-focused performance management techniques. The article does not expressly reference "AI-generated insights," however it underscores the significance of data and technology in facilitating evidence-based performance evaluations and discussions. The authors contend that this technology transition will render performance management more adaptable, development-focused, and congruent with the evolving dynamics of work in digital corporate contexts.

The emergence of remote work has introduced additional issues and perspectives regarding productivity and performance assessment. Gibbs et al. (2021) investigate the effects of remote work on productivity and performance assessment, utilizing data from more than 10,000 IT professionals at a major Asian Information Technology (IT) services firm during the COVID-19 pandemic. Their data reveal that despite extended working hours, productivity diminished during remote work due to increased time allocated to coordination and meetings, diminished undisturbed work periods, curtailed networking and coaching opportunities, and disproportionate effects on employees with children and women.

In conjunction with these alterations, digital transformation persistently redefines performance management. Sardi et al. (2023) review big data and performance measurement studies, identifying a significant increase in publications on the topic, while noting a shortage of research in business, management, and accounting areas, and a lack of studies on how big data can

improve performance measurement. The authors acknowledge big data as a digital transformation influencing all organizational operations and emphasize that effective incorporation of big data into PMS is essential for achieving a competitive edge. Nonetheless, this integration continues to pose a significant problem in the realm of performance measurement research.

A rising tendency is evident in the integration of sustainability and Environmental, Social, and Governance (ESG) measures into performance evaluation systems. Morioka & de Carvalho (2016) examine the integration of sustainability performance into business through a systematic literature review, proposing a conceptual framework and highlighting contributions and gaps in the field of corporate sustainability performance.

Lastly, the transition to more agile and adaptive performance management techniques has been expedited by recent global events and evolving workplace dynamics. Cappelli & Tavis (2018) analyse the progression of PMS, emphasizing a shift from conventional annual evaluations to more regular, forward-looking dialogues regarding performance and development. Research reveals that firms are progressively adopting agile techniques in performance management to better fit with the rapid and dynamic character of contemporary business settings. This movement signifies the necessity for more adaptive and agile performance measuring methodologies, especially in times of uncertainty and swift transformation. The authors contend that these agile methodologies can enhance employee engagement, provide prompt feedback, and promote alignment between individual performance and company objectives.

Organizations must be informed about the evolving trends and technologies in performance assessment systems. The amalgamation of AI, digital transformation, sustainability measures, and agile methodologies poses both problems and opportunities for enhancing the efficacy of performance measuring processes. Future research and practical implementations will likely

concentrate on leveraging these trends to develop more responsive, precise, and strategically aligned performance measuring systems.

9. Conclusion

This revision of the state-of-the-art has analysed the intricate field of SPMS and their application in international financial operations. The transition from exclusive reliance on financial measurements to more holistic techniques in performance measurement reflects the increasing complexity of the global financial environment. The amalgamation of technology and innovation in performance evaluation, together with the challenges and prospects linked to nearshoring and offshore, highlights the dynamic characteristics of contemporary international financial operations.

The review highlighted the importance of customizing these systems and techniques to the specific context of huge financial institutions functioning in varied geographical and cultural settings. The connection between human resource management and organizational performance is a vital factor in the successful implementation of initiatives, especially in overseeing worldwide teams and promoting a unified organizational culture.

As international financial organizations face the difficulties of globalization, digital transformation, and changing regulatory environments, the ability to effectively evaluate and oversee performance across diverse operations while maintaining strategic alignment is essential. The BNP Paribas Cardif case study offers significant insights into the practical deployment of SPMS within a global financial framework, emphasizing the challenges and potential associated with such implementations.

Future investigations and actual implementations in this field will likely concentrate on utilizing developing technology, tackling the intricacies of cross-border operations, and harmonizing global strategies with local market realities. The amalgamation of risk management and performance assessment systems inside multinational financial organizations is a significant domain for further investigation.

This comprehensive study of the existing evidence provides a solid basis for comprehending the complex relationships between strategic performance evaluation, nearshoring strategies, and organizational success in the swiftly changing global financial industry. This establishes a foundation for a comprehensive analysis of the BNP Paribas Cardif case study, providing potential insights relevant to other global financial organizations encountering analogous issues in performance measurement and management.

Chapter 2

Methodology

1. Research Design

This study employs a comprehensive methodological approach, intending to gather comprehensive data from a specific instance while also illustrating the application of the most suitable approaches for the investigation at hand.

2. Systematic Literature Review

The initial methodological step involved a systematic evaluation of the literature about SPMS in global financial operations. This method facilitated the establishment of a robust theoretical framework and the identification of deficiencies in current knowledge Tranfield et al. (2003).

3. Case Study

The case study approach was selected as the principal research strategy due to its appropriateness for in-depth analysis of a modern phenomenon within its actual environment Yin (2018). This approach facilitates a thorough understanding of the intricacies associated with the implementation and utilization of performance measuring systems in a multinational context.

The thesis includes a case analysis of BNP Paribas Cardif's GAMA Project, which involves the relocation of operations from BNP Paribas Cardif in France

to Cardif Support in Portugal. This case study offers significant insights into the application of SPMS within a nearshoring framework. The case study focuses on several key aspects. Firstly, it examines the decision-making process for nearshoring, exploring the strategic considerations and motivations behind the project. Secondly, it delves into the implementation of the GAMA Project, including the transfer of Data Administration and Unit-Linked Support functions, providing a detailed account of the operational challenges and solutions. Thirdly, the study investigates the performance monitoring mechanisms and strategic Key Performance Indicators (KPI) employed to ensure the project's success and alignment with organizational goals. Lastly, it addresses the cultural and operational integration challenges faced during the nearshoring process, offering insights into how these were managed and overcome.

This comprehensive approach allows for a holistic understanding of the GAMA Project, its implications for SPMS in a multinational financial context, and the broader lessons that can be drawn for similar initiatives in the industry.

4. Semi-structured Interviews

Semi-structured interviews were used as the principal strategy for data collection. This method facilitates direct interaction with interviewees, allowing the observation of non-verbal cues that may yield significant insights beyond spoken communication Kvale (2011). Yin (2018) contends that semi-structured interviews are especially advantageous in case studies, since they provide flexibility in investigating emerging themes while preserving a consistent emphasis on study objectives.

5. Action Research and Inside Research

This research was conducted in a company where the researcher has pertinent involvement, thereby categorizing it as action research (Coghlan & Brannick, 2024). This insider role provides exclusive access to information and viewpoints that would be challenging to acquire otherwise. As Mason (2002) notes, such insider research can offer unique insights into organizational dynamics and processes that might be inaccessible to external researchers.

Nonetheless, I recognize the possible bias issues inherent in internal research, including the likelihood of non-neutral responses stemming from familiarity with the interview subjects. Brewerton & Millward (2012) highlight the importance of acknowledging and addressing these potential biases in organizational research to ensure the validity and reliability of findings.

To alleviate these concerns, subsequent procedures were implemented:

Firstly, the majority of interviewees are senior executives. This choice aligns with Flick (2009) recommendation to select participants who can provide rich, relevant information about the research topic.

Secondly, the interviewees are individuals with whom I do not engage on a daily basis. This approach helps maintain a degree of objectivity, as suggested by Springer Verlag et al. (2013) in her guide for first-time researchers.

Thirdly, the interviews were conducted in settings that fostered participant comfort and encouraged open expression of thoughts. This strategy is consistent with Flick (2009) emphasis on creating an environment conducive to honest and detailed responses in qualitative research.

I firmly assert that these methods, along with my continual vigilance regarding potential biases, substantially reduced the risks linked to internal research. This approach aligns with Mason (2002) emphasis on reflexivity in

qualitative research, where the researcher's position and potential influence on the research process are critically examined and accounted for.

Furthermore, the use of multiple data sources and triangulation techniques, as advocated by Brewerton & Millward (2012), has been employed to enhance the credibility and trustworthiness of the findings. This multi-faceted approach to data collection and analysis helps mitigate the potential limitations of insider research while capitalizing on its unique advantages.

6. Data Collection

Primary Data: The case study involved interviews with pivotal personnel from BNP Paribas Cardif and Cardif Support. A table listing all participants interviewed, along with their roles and the format of the interview and duration, is included in the appendix.

Secondary Data: The literature review covered secondary data derived from previous research on SPMS, financial decision-making, and multinational financial operations.

7. Data Analysis

The data analysis employed a thematic methodology, discerning main themes and patterns within the literature and case study. This process involved several interconnected steps.

The data from the systematic literature review was systematically arranged and categorized to discern essential concepts, theories, and empirical findings

pertinent to SPMS in international financial operations. This classification facilitated the development of a theoretical foundation for the research.

The case study data was analysed to identify practical uses of SPMS in BNP Paribas Cardif's operations. This analysis concentrated on the company's implementation and adaptation of its performance measuring systems within the framework of its nearshoring project in Portugal.

Following this, a comparison analysis was performed, contrasting the theoretical insights from the literature with the practical findings from the case study. This comparison facilitated the discovery of places where theory and practice converged, differed, or provided novel insights.

Ultimately, the analysis concentrated on discerning reoccurring themes and patterns pertinent to multinational financial operations and strategic performance assessment. This thematic analysis facilitated the synthesis of findings and the derivation of significant conclusions on the importance of SPMS in multinational financial institutions, especially for nearshoring strategies.

During this approach, focus was directed on the distinct problems and opportunities arising from the multinational setting of BNP Paribas Cardif's activities, ensuring the analysis was pertinent to the specific research questions and objectives of the study.

8. Ethical Considerations and Validation

In accordance with ethical considerations, all replies utilized in the thesis were corroborated with the respondents to ensure the accuracy and integrity of the acquired data. The study adhered to ethical norms, protecting the confidentiality of sensitive information and obtaining necessary approvals for the use of case study data.

This comprehensive analytical approach facilitates a thorough examination of the phenomena, yielding significant insights into the application and utilization of strategic performance assessment systems in international financial operations.

Chapter 3

Case Study

1. Initial Decision to Pursue Nearshoring (2013 Onwards)

In 2013, BNP Paribas Cardif, an international insurance company, acknowledged the necessity to enhance its back-office operations in France. The corporation was not experiencing immediate financial challenges; yet there was a definitive directive to enhance operational efficiency and curtail expenses. This strategic choice was implemented to guarantee that BNP Paribas Cardif could maintain the provision of high-quality services while improving its financial and operational performance in a competitive landscape.

Pascal Thiercelin, the founder and subsequent Chief Executive Officer (CEO) of Cardif Support in Portugal, spearheaded the drive to create the company's nearshoring operations in Portugal. Pascal was instrumental in establishing Cardif Support, managing the transfer of essential operations from BNP Paribas Cardif in Nanterre to the new organization in Porto. Pascal stated that the choice of near-shore operations was driven by the necessity to enhance efficiency in various aspects.

"Nearshoring isn't just about reducing costs; it's also about adding value to the company. If it were solely a financial decision, Portugal wouldn't have been the destination of choice." - Pascal Thiercelin.

The relocation to Portugal aimed to capitalize on the nation's competitive advantages, such as a highly skilled and multilingual labour force, geographical proximity to France, and a favourable cost structure. The transfer enabled BNP Paribas Cardif to streamline operations, decrease operational expenses, and enhance overall efficiency, while upholding the service quality anticipated by its clients.

Damien Garcia, Chief Operating Officer (COO) of Cardif Support, articulated that although cost reduction was a principal objective, nearshoring also presented an opportunity to augment the efficiency and efficacy of the company's operations.

"As a Nearshoring entity, one of our main objectives, aside from delivering high-quality service, is improving efficiency and reducing costs." – Damien Garcia.

The emphasis on cost minimization and operational efficiency established the groundwork for the subsequent GAMA Project, which would subsequently entail the relocation of essential business services, including Data Administration and Unit-Linked Support, from BNP Paribas Cardif in Nanterre to Cardif Support in Portugal.

2. Choosing Portugal as the Nearshoring Destination

BNP Paribas Cardif performed a comprehensive assessment of various European nations while considering prospective nearshoring destinations. Although Poland initially seemed to be the most economical choice, a thorough assessment revealed that Portugal provided a more equitable array of benefits.

Portugal's proficient and multilingual labour population, geographical closeness to France, and established infrastructure rendered it the optimal location for the relocation of back-office operations.

Pascal Thiercelin recounted the internal evaluation that resulted in the choice of Portugal:

“We conducted a study to determine the best country for Nearshoring. Our first decision was to focus on Europe, ruling out Asia or South America.

Portugal wasn't initially our top choice—Poland came first.”

The presence of BNP Paribas Securities Services (BP2S), which had previously established a nearshoring business in Portugal, was a pivotal element in the decision to select the nation. This enabled Cardif Support to rapidly utilize the pre-existing infrastructure, encompassing office facilities and technical assistance. Pascal Thiercelin characterized this arrangement as “nursing,” in which BP2S supplied the essential infrastructure for Cardif Support:

“BP2S had already established a presence, and they sublet us office space equipped with computers and access to the BNP Paribas network.”

This collaboration substantially alleviated the logistical difficulties of initiating a new operation, allowing Cardif Support to swiftly establish itself in Portugal. Moreover, Portugal's educational framework and competitive labour market provided BNP Paribas Cardif with access to a highly skilled workforce capable of bolstering its international operations.

Notwithstanding the evident benefits, Pascal Thiercelin also observed that there were long-term implications about the durability of cost reductions in Portugal:

"What concerns us now is that if salary costs in Portugal continue to rise, the cost advantage will shrink to just 15-20%, and that will prompt some difficult questions."

This thought highlighted the necessity of consistently evaluating the financial and operational advantages of nearshoring as market conditions change.

3. Implementation of the GAMA Project: Data Administration and Unit-Linked Support Transfers

The GAMA Project was a strategic project aimed at transferring two essential operations from BNP Paribas Cardif in Nanterre to Cardif Support in Portugal: Data Administration and Unit-Linked Support. The project's success depended on achieving a smooth transition of these functions while preserving the high service quality anticipated by clients.

Olivier Héreil, Deputy Director at BNP Paribas Cardif, articulated that the decision to transfer these particular functions was intricately associated with extensive internal modifications within the organization. In a span of five years, BNP Paribas Cardif experienced substantial changes in the tools and processes utilized by these business units. This transition compelled the organization to reevaluate the management of these activities for enhanced efficacy.

"If we hadn't transformed the tools, we probably wouldn't have made this decision because in a way, changing tools prompted us to question our processes." – Olivier Héreil.

The decision to move these functions was motivated by an emphasis on risk management. Distributing these operations across various sites, instead of centralizing them in Nanterre, enabled BNP Paribas Cardif to reduce operational risks and enhance continuity in the event of disruptions.

"We also needed to reduce our operational risk by spreading activities across different sites, ensuring continuity in case of unexpected events." – Olivier Héreil.

The relocation of the Data Administration team was partial, with some functions remaining in Nanterre. This engendered operational difficulties, especially in overseeing personnel and processes between the two sites and two Team Leaders. João Paulo Macedo, Team Leader for the Business Unit Asset Management in Porto, identified the difficulties in sustaining alignment between the teams in Nanterre and Porto.

"The main challenge lies in managing personnel in Nanterre. Selfishly, I would say it's not our biggest problem here in Porto. Our focus is on meeting the milestones for resuming activity." – João Paulo Macedo.

The milestones were regulated by Service Level Agreements (SLAs) that specified the primary performance requirements for the teams in both locations. João Paulo underscored that these agreements were underpinned by a series of

KPIs that needed to be adhered to in order to fulfil the quality and timing criteria established by BNP Paribas Cardif:

"We have an agreement that lays out all the KPIs we need to follow, which allows us to meet the quality and timing expectations set by the headquarters in Nanterre."

The SLAs and KPIs mandated uniform performance requirements for both teams, accompanied by consistent monitoring to assess progress and resolve any difficulties.

The relocation of the Unit-Linked Support staff was more uncomplicated, as the entire operation was transferred to Porto. The comprehensive transfer enabled the Porto team to assume total responsibility of the activity, leading to enhanced accountability and more efficient management. João Paulo Macedo articulated that assuming complete responsibility for the operations in Porto afforded the team enhanced clarity and direction.

"When you know that you have to take over 100% of the activity, we've set a clear schedule that everyone has respected, which gives a much clearer vision." – João Paulo Macedo.

This explicit framework enabled the team in Porto to sustain elevated service quality and achieve the operational standards established by the headquarters in Nanterre.

4. Performance Monitoring and Strategic KPIs in the GAMA Project

In the GAMA Project, the implementation of KPIs and SPMS was essential for guaranteeing the effective transition of operations from BNP Paribas Cardif to Cardif Support. The establishment of KPIs enabled the management teams in Nanterre and Porto to assess the performance of the delegated responsibilities and guarantee the maintenance of service levels.

João Paulo Macedo observed that the SLAs regulating the transfer comprised a series of KPIs that both teams were required to comply with. These KPIs were employed to monitor the advancement of critical milestones and to guarantee that the quality and timing standards established by BNP Paribas Cardif were fulfilled.

Furthermore, Cardif Support was required to implement supplementary KPIs in Portugal to closely oversee local operations and verify conformity with the company's worldwide standards. The KPIs encompassed indicators pertaining to process efficiency, service delivery timeliness, and data accuracy, ensuring that the performance of the teams in Porto aligned with the criteria established by the headquarters in Nanterre.

The SPMS utilized by BNP Paribas Cardif enabled the leadership teams at both sites to obtain real-time insights about the performance of the transferred processes. This approach proved vital for early identification of issues and facilitating data-driven decisions for their resolution.

5. Cultural and Operational Integration Challenges

A primary issue of the GAMA Project was achieving both operational integration and cultural alignment between the teams at BNP Paribas Cardif (Nanterre) and Cardif Support (Porto). Despite the expectation for the teams in Portugal to operate as an important component of the organization, geographical distance and divergent work cultures posed certain challenges.

Catherine Duris, in charge of Middle Office Actifs Cardif (MOAC) in Nanterre, underscored the necessity of sustained, robust engagement from all parties to guarantee that the processes assigned to Portugal were administered with equivalent accountability as if they remained in Nanterre.

"It's crucial that in Nanterre we remain involved and responsible for the processes we delegate, and that the team in Portugal feels fully integrated as if they were working in Nanterre." – Catherine Duris.

The perception of shared responsibility was essential in preventing a "client-supplier" dynamic, wherein the Porto team could be regarded merely as an external service provider. Consistent communication, explicit expectations, and periodic follow-ups were required for ensuring that the teams in both locations shared equal accountability for the success of the operations.

Cultural integration was a significant emphasis alongside operational alignment. Fernanda Ribeiro, Head of Human Resources at Cardif Support in Portugal, noted that the workforce was diverse, comprising employees from various generations and cultural backgrounds, each possessing unique expectations concerning work-life balance, communication preferences, and career advancement opportunities.

"We must understand that within the company there are different generations with varying expectations from different countries, cultures, and with different outlooks on what the company should provide." – Fernanda Ribeiro.

Effectively addressing these varied expectations necessitated meticulous HR methods to guarantee that all employees, irrespective of their background, experienced inclusion and engagement. This was particularly critical for sustaining elevated productivity and employee satisfaction during the changeover process.

For the Porto team, internal mobility and professional development opportunities were valuable in keeping people and fostering long-term engagement. Maxime Chapin, a member of the Unit-Linked Support team, articulated the significance of internal mobility within the organization for sustaining employee enthusiasm.

"It's a huge advantage because you can stay in an environment where you feel comfortable. You make friends and it's nice to see the same people day after day while also having the opportunity to grow and try new things." – Maxime Chapin.

Cardif Support effectively addressed the cultural integration problems associated with nearshoring by fostering a work environment in which employees felt appreciated and recognized chances for career progression. The emphasis on communication, professional growth, and cultural comprehension was essential in making the Porto team feel like an integral part of the Nanterre operations, rather than a remote satellite office.

Chapter 4

Discussion

Building upon the main areas explored in the literature review, we now turn to confront these approaches with the findings from the BNP Paribas Cardif's GAMA Project. This analysis allows us to assess where theories corroborate, diverge from, or extend beyond practical findings, offering a unique perspective on the implementation of SPMS in a nearshoring context within the financial sector.

As depicted in the Framework of Nearshoring and Offshoring Strategies Framework, the evolution of SPMS, as described by Kaplan & Norton (1992) and Neely et al. (2005), is evidenced in the GAMA Project through the adoption of KPIs and SLAs to ensure consistency between operations in Nanterre and Porto. This approach reflects the transition from purely financial metrics to a more holistic view of organizational performance, aligning with Ittner & Larcker (1998) observations on the importance of non-financial measures in predicting future performance.

However, the GAMA Project case reveals important nuances that go beyond theory. Catherine Duris, MOAC Manager at BNP Paribas Cardif, emphasizes that "The process is what is being evaluated, not the location," indicating an approach that transcends mere metric transfer. This perspective suggests a practical evolution of SPMS not fully captured by existing literature, highlighting the importance of adaptability and process focus on nearshoring contexts, as shown in our framework.

The literature on nearshoring, exemplified by Larsen et al. (2013), warns of hidden costs and operational complexity. The GAMA Project corroborates these concerns but also expands upon them. The challenges faced in managing teams

distributed between Portugal and France go beyond operational issues, touching on deep aspects of cultural integration and strategic alignment. Damien Garcia, COO at Cardif Support, emphasizes the importance of "People Care" and creating a positive work environment, aspects often underestimated in nearshoring literature but proving crucial to the project's success.

Risk management and organizational performance, central themes in the works of Contractor et al. (2010) and Lewin & Peeters (2006), gain a new dimension in the context of the GAMA Project. The transfer of processes to Portugal is not just a cost-reduction strategy but a sophisticated approach to mitigating operational risks and ensuring business continuity. This perspective broadens the theoretical understanding of nearshoring benefits, demonstrating how it can be a strategic tool for organizational resilience.

Cultural and operational alignment, highlighted by Farndale et al. (2010) and Franco-Santos et al. (2012), emerges as a significant challenge in the GAMA Project. Practical experience reveals that cultural integration goes beyond simply adapting performance management practices. Catherine Duris and Fernanda Ribeiro, emphasize the need for continuous engagement to avoid a "client-supplier" dynamic, an aspect often underestimated in the literature but fundamental to nearshoring success.

The incorporation of emerging technologies in SPMS, as discussed by Bourne et al. (2018) and Jarrahi (2018), presents itself as an area of potential expansion in the GAMA Project. Although the project has adopted sophisticated KPIs and SLAs, the use of advanced technologies such as AI is still in development. This gap between theory and practice suggests a significant opportunity for future innovations in performance measurement in nearshoring contexts.

The final considerations of the GAMA Project largely reflect the emerging trends identified in the literature, such as the need for more agile measurement methods aligned with long-term strategic objectives. However, the project's

practical experience also reveals areas where reality surpasses theory. The continuous adaptation of measurement systems to market and technological changes, for example, emerges as a more complex and dynamic challenge than anticipated in the literature.

In summary, the confrontation between the GAMA Project findings and existing literature reveals significant convergence in several areas, but also exposes specific nuances and challenges that the practical case illuminates more deeply. This analysis not only validates many theoretical concepts about SPMS and nearshoring but also expands them, offering valuable insights into the complexity of practical implementation of these strategies in the global financial sector.

The GAMA Project demonstrates that, while theoretical foundations are crucial, the reality of implementing SPMS in a nearshoring context is more nuanced and dynamic than the literature suggests. The need to balance operational efficiency with cultural sensitivity, the importance of "People Care" in talent retention, and the critical role of continuous adaptability of measurement systems are aspects that emerge strongly in the practical case, offering valuable directions for future research and practical implementations in the field of SPMS and nearshoring in the financial sector.

Chapter 5

Conclusion

This research has analysed the function of SPMS in international financial operations, with particular emphasis on the BNP Paribas Cardif case study in Portugal. The study has yielded significant insights into the execution and effects of SPMS in a nearshoring scenario within the financial industry.

1. Conclusions

This study enhances the understanding of SPMS in multinational financial operations, especially with nearshoring. It highlights the complex interplay of strategic objectives, operational circumstances, and cultural factors in the execution of effective performance evaluation systems. As enterprises evolve within the global financial arena, the results of this research provide critical advice for practitioners and establish a foundation for further academic exploration.

Several significant conclusions emerge from the discourse. The effectiveness of SPMS in nearshoring initiatives is largely dependent on aligning global standards with local adaption. This equilibrium is essential for guaranteeing that performance metrics are universally coherent and contextually pertinent.

The integration of culture and the fostering of a unified team spirit are crucial for the effective implementation of SPMS across diverse geographical areas. This cultural element is important for sustaining a cohesive organizational strategy despite geographical separations.

While nearshoring offers significant cost benefits, it requires careful management of hidden costs and operational complexities. Organizations must remain attentive in recognizing and addressing these concealed expenses to fully capitalize on the advantages of nearshoring.

The continuous adaptation of SPMS to changing market conditions and technology advancements is essential for maintaining their relevance and effectiveness. This adaptability guarantees that performance assessment systems stay aligned with the organization's strategic objectives in a swiftly evolving commercial landscape.

Ultimately, the human factor, which includes "People Care" and talent retention, is essential for the success of nearshoring initiatives and SPMS implementation. The emphasis on employee well-being and development is essential for sustaining a stable and productive staff in nearshored businesses.

Revisiting our conceptual framework (Figure 1), we can see how the BNP Paribas Cardif case study has provided empirical support for many of the relationships proposed in our model. The GAMA Project demonstrates the complex interplay between SPMS, nearshoring strategies, and contextual factors such as cultural integration and technological advancements.

These insights underscore the intricate aspect of executing SPMS in international financial operations, especially with nearshoring. They offer essential insights for firms aiming to enhance their performance measuring procedures in international contexts.

2. Key Findings

The examination of the BNP Paribas Cardif case study uncovered several significant insights into the implementation of SPMS in a multinational financial

context. The GAMA Project illustrated a distinct progression in performance measurement, shifting from exclusive reliance on financial metrics to a comprehensive framework that integrates both financial and non-financial factors. This transition corresponds with the theoretical advancements proposed by Kaplan & Norton (1992) and Neely et al. (2005), emphasizing the pragmatic implementation of these scholarly ideas in a real-world setting.

Cultural assimilation became a vital component in the execution of SPMS in diverse geographical contexts. The case study highlighted the difficulties and tactics employed to foster a unified team spirit between the operations in Nanterre and Porto, emphasizing the significance of cultural awareness in global operations. This discovery substantiates the theoretical frameworks on cultural integration in performance management systems, as articulated by Farndale et al. (2010) and Franco-Santos et al. (2012).

The research also offered significant insights into the benefits and drawbacks of nearshoring. Although it illustrated that nearshoring can yield significant cost savings and access to skilled multilingual professionals, it also revealed concealed costs and difficulties, especially in the recruiting and retention of employees. This comprehensive comprehension of nearshoring results enhances the current research on global outsourcing techniques, including the studies by Oshri et al. (2015) and Larsen et al. (2013).

The flexibility of SPMS proved to be an essential factor in the success of the GAMA Project. The case study emphasized the imperative for SPMS to be adaptable and sensitive to evolving market conditions and organizational requirements, a concept corroborated by the research of Bourne et al. (2018). This discovery highlights the fluid characteristics of performance monitoring systems in swiftly changing business contexts.

The analysis indicated that although the GAMA Project has implemented improved KPIs and SLAs, the incorporation of modern technologies like AI in

SPMS is still a prospective area for improvement. This conclusion corresponds with the expanding literature regarding technology's role in performance measurement, as articulated by Bourne et al. (2018) and Jarrahi (2018), and suggests possible directions for future innovation in SPMS implementation.

The BNP Paribas Cardif case study offers persuasive data to address the research question: "How do Strategic Performance Measurement Systems contribute to the success of nearshoring initiatives in multinational financial operations?" The SPMS utilized in the GAMA Project was crucial in assuring operational consistency, promoting cultural integration, and sustaining strategy alignment between the nearshored activities in Portugal and the headquarters in France. SPMS offered a thorough framework for performance evaluation that transcended financial metrics, allowing BNP Paribas Cardif to adeptly navigate the intricacies of nearshoring, harmonize global standards with local flexibility, and foster ongoing enhancement in their multinational operations.

3. Limitations

This study, although providing significant insights, is subject to several limitations that should be considered when interpreting its findings. The emphasis on a singular case study of BNP Paribas Cardif limits the applicability of findings to other financial organizations or sectors. The distinctive features of BNP Paribas Cardif's organizational structure, culture, and operating environment may not reflect the wider financial sector, hence constraining the direct relevance of the findings to other entities.

Moreover, the study encompasses a certain timeframe in the GAMA Project's execution, thus overlooking long-term effects and advancements. This temporal constraint implies that the research may not adequately consider the dynamic

characteristics of SPMS over a prolonged period, nor does it encompass any potential long-term advantages or difficulties that may arise as the project develops.

The investigation also depended on accessible interviews and records, which may not cover every aspect of the SPMS deployment. The restriction in data access may lead to analytical deficiencies, since certain nuances or vital elements of the implementation process might not be reflected in the accessible data sources. The collected perspectives, however significant, may not encompass the complete range of experiences and insights from all organizational levels participating in the SPMS implementation.

These limitations emphasize the necessity for prudence in extrapolating the findings and reveal prospects for future study to mitigate these constraints through extensive, longitudinal investigations across many firms in the financial sector.

4. Future Research Directions

This study reveals multiple prospects for future investigation in the field of SPMS in multinational financial operations. The forthcoming acquisition of AXA Asset Management by BNP Paribas Cardif offers a distinctive chance to examine how SPMS adjust to integrate new business units within the framework of nearshoring. This study may yield significant insights into the adaptability and scalability of SPMS within changing organizational contexts.

Secondly, a longitudinal study could elucidate the long-term impacts of nearshoring on SPMS and overall organizational efficacy. This research would be crucial for comprehending the enduring effects of nearshoring methods and the evolution of SPMS over time to address shifting organizational requirements.

Thirdly, a thorough analysis of the incorporation of innovative technologies, including artificial intelligence and sophisticated analytics, in SPMS inside international financial operations may provide valuable insights. This research avenue may investigate how these technologies improve the precision, efficacy, and strategic coherence of performance measuring systems.

Moreover, comprehensive research on the cultural dimensions of SPMS implementation across many nations and regions could improve our comprehension of optimal practices in multinational settings. This cross-cultural viewpoint is essential for creating SPMS that are globally uniform yet locally adaptable.

Finally, comparative analyses of SPMS deployment across diverse financial institutions or industries may yield a more comprehensive understanding of nearshoring initiatives. This research may uncover industry-specific issues and possibilities, enhancing the understanding of SPMS across various organizational contexts.

Our framework (Figure 1) highlights several areas that warrant further research. For instance, the integration of AI and advanced analytics in SPMS within multinational financial operations, as indicated in our model, remains an area ripe for exploration. Future studies could investigate how these technologies can be effectively incorporated to enhance the adaptability and predictive power of SPMS in nearshoring contexts.

These study avenues present intriguing opportunities for enhancing our understanding of SPMS in multinational financial operations, especially for nearshoring activities.

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Appendices

Appendix I – Overview of Interview Details

Name	Role	Company	Online / Face-to- face	Duration	Date
Pascal Thiercelin	Founder and CEO	Cardif Support	Online	1:00:35	08/12/2023
Olivier Héreil	Deputy Director	BNP Paribas Cardif	Face-to- face	19:35	17/09/2024
Damien Garcia	COO	Cardif Support	Online	54:36	23/05/2024
Fernanda Ribeiro	Head of HR	Cardif Support	Online	46:51	12/08/2024
Catherine Duris	MOAC Manager	BNP Paribas Cardif	Face-to- face	36:50	17/09/2024
João-Paulo Macedo	Asset Management BU Team Leader	Cardif Support	Face-to- face	32:31	12/08/2024
Maxime Chapin	Member of Unit-Linked Support team	Cardif Support	Face-to- face	36:52	12/08/2024

Appendix II – Script and Interview with Pascal Thiercelin

Topic	Interview Question	Key Points
Pre-implementation Context	Before Cardif's arrival in Portugal in 2013, what were the main considerations and motivations that led to the choice of Portugal as a destination?	Cultural reasons; Economic reasons; Strategic reasons for choosing Portugal
Strategic Decision	What were the decisive factors that influenced the decision to establish Cardif in Portugal rather than in another country?	Strategic criteria; Comparisons with other countries
Preparation and Planning	How did you prepare and plan Cardif's entry into the Portuguese market? Were there any specific challenges in this initial phase?	Market entry strategies; Logistical and regulatory challenges
Cultural and Operational Challenges	What cultural and operational challenges did you encounter when establishing Cardif in Portugal, and how did you overcome them?	Cultural adaptation; Team integration
Initial Strategy and Vision	What was Cardif's initial strategic vision in Portugal, and how has that vision evolved over the first few years?	Long-term vision; Changes in the initial strategy

Performance Measurement and Key Indicators	After the Cardif Services European Center was established, how was its performance measured? What were the main indicators for you and the headquarters?	Success indicators; Feedback from headquarters
Innovations and Significant Changes	Could you share any significant innovations or changes you introduced during your management?	Technological innovations; Organizational changes
Billing and Transfer Pricing	How was the billing model structured between Cardif Portugal and headquarters? Could you discuss transfer pricing and its influence on the company's operational and financial strategy?	Billing structure; Dynamics of transfer pricing; Impact on Operational and Financial Strategy; Adaptation to the Portuguese Context
Leadership Lessons	What leadership lessons did you learn from your experience leading Cardif in Portugal?	Leadership challenges; Personal growth
Strategic Advice for the Future	What strategic advice would you give to current and future managers of Cardif in Portugal?	Sustainability strategies; Market trends
Perspectives on Cardif's Future in Portugal	How do you see the future of Cardif in Portugal, based on your experience and market vision?	Future projections; Growth opportunities

LR: Before Cardif arrived here in Portugal in 2013, what were the main considerations and motivations that led to the selection of Portugal as a destination?

PT: The first thing to understand is why Nearshoring was considered in the first place. The primary driver was cost reduction. That was the underlying thread. But if we were only focusing on that factor, we wouldn't have chosen Portugal—we would have gone to places like India, Pakistan, or even Morocco and Tunisia. However, Nearshoring isn't just about reducing costs; it's also about adding value to the company. If it were solely a financial decision, Portugal wouldn't have been the destination of choice. But if you're looking for a balance between cost, value, and operational effectiveness, Portugal makes more sense.

To evaluate this decision, we had to consider multiple criteria, each carrying different weight. There's no point in having the best infrastructure in the world if you can't find skilled resources. It's a combination of factors—around ten key criteria that are important to consider.

We conducted a study to determine the best country for Nearshoring. Our first decision was to focus on Europe, ruling out Asia or South America. After that, we examined factors like being in the eurozone, the quality of education and resources, multilingual capabilities, infrastructure quality, the corporate real estate market, and so on. In the end, Portugal wasn't initially our top choice—Poland came first. I don't recall which country was second, but Portugal ranked third.

These studies are subjective and often depend on the company conducting them. I've seen similar studies where Portugal ranked last, even though the criteria were more or less the same. It all depends on the consultant involved. We didn't use an external consultant because consultants often have their own agendas, influenced by where their offices are located. Some studies even

reported that Portugal had a major language problem, which made me question how much they really knew about the country.

Ultimately, we conducted our own analysis based on our specific needs. So, why did we choose Portugal? It came down to a combination of pragmatic factors. BNP Paribas Securities Services (BP2S) had already begun Nearshoring activities in Portugal around 2008. I'm not sure why they initially chose Portugal, but when the group decided to pursue Nearshoring further, we thought it made sense to ask BP2S if they could help us with what we called "Nursing." Starting operations in a new country is complex—you need accountants, notaries, office space, etc. The advantage of Portugal was that BP2S had already established a presence, and they sublet us office space equipped with computers and access to the BNP Paribas network, which helped us get up and running quickly.

We called this the "Nursing" concept—a company within the group helps set up a new operation, handling the basics so the next phase can build on that foundation. BP2S essentially helped us get started by providing initial resources and infrastructure.

But Nearshoring has to be seen holistically. If the goal is solely financial, it doesn't make sense. There has to be a balance between cost, quality, and productivity. If you go to a country where resources are three or four times cheaper than in France but you need three full-time employees (FTEs) to do the same work, then the cost advantage disappears. BP2S quickly confirmed that the quality of resources in Portugal was very good.

Another factor was my own involvement at the outset. I've worked in various countries over more than 20 years and speak Portuguese, English, and French. My background is in IT operations, which was important because Nearshoring still functions like a factory—even in a financial environment, these are back-office operations, and the leader needs an operational mindset. Now that the

operation is stable, that role has evolved, but in the early days, having an operational background was essential.

Over time, all our initial assumptions proved to be correct. The main reason we chose Portugal was that it remains cheaper than some other countries, although this is shrinking as salaries in Portugal have increased quickly. This could become a real risk in the future. If you lose the cost advantage, Nearshoring no longer makes sense. It's a delicate balance—cost, quality, and productivity all need to be aligned. If one of these pillars weakens, the model falls apart.

What concerns us now is that if salary costs in Portugal continue to rise, the cost advantage will shrink to just 15-20%, and that will prompt some difficult questions. We're already seeing some behaviors that concern us, especially post-pandemic, where people are demanding 100% remote work or reduced hours. It's part of a democracy that people can ask for these things, but there are economic realities to consider. Some employees might say, "Why am I not paid the same as someone in France for doing the same job?" If we reach that point, we'd have to reconsider the entire operation, and we wouldn't be alone—other companies would likely do the same.

I've seen these trends in other countries too. In Latin America, for example, the situation is worse than in Portugal. But within Europe, I've worked with 11 different countries, including Spain, and I would place Portugal at the same level. In terms of value for money, Poland still offers the best ratio, although the Portuguese are stronger linguistically.

In terms of infrastructure, Portugal owes a lot to its relationship with the European Union. I remember what Spain was like in 1986, and I know Portugal was in a similar position before joining the EU—it was a mix of poverty and underinvestment. The EU helped Portugal make huge strides in infrastructure, which has been beneficial for the country. However, in the last decade, there hasn't been much new development. There's been little investment in new metro

lines in Lisbon, the second airport that was promised still hasn't been built, and the high-speed rail between Porto and Lisbon hasn't even started yet. It feels like the country has grown and then stagnated.

Portugal is still considered the "good student" of Europe, hosting international summits and events that no one would have thought possible 20 years ago. But the government needs to be proactive in continuing to develop the country's infrastructure and competitiveness. The quality of the workforce is there, but it needs the support of the entire ecosystem—cost, quality, and productivity need to work together.

LR: So, you said that there was the Nursering with BP2S, so can we say that a large part of the initial work was facilitated by BP2S?

PT: Not necessarily by creating the business itself, but mainly on the logistical side. BP2S didn't handle the financial or business creation aspects; it was more like we were renting offices. We had rented the equivalent of 100 workstations, and when we arrived, they had already made the necessary purchases. We paid for the equipment, and our IT team set up the workstations directly within the BNP Paribas environment. So, in terms of logistics and facilities, they helped us a lot.

Additionally, BP2S assisted us with Human Resources, including recruitment, although we paid for those services—it wasn't a free arrangement. Finance was managed by Cardif. The insurance company CEO at the time agreed to lend us 0.2 FTE for financial oversight, which wasn't complicated initially since we only had two invoices to handle. The current financial director was actually someone I recruited from Cardif. By 2014, we had become more autonomous, especially with HR. Initially, BP2S was responsible for recruitment, but as demand from our parent company grew, we couldn't rely on them to supply us with resources

at their convenience, so we took over much of the operations and facilities management.

LR: How did you plan Cardif's entry into the Portuguese market, even though you work for France? What was the initial strategy, and how was it implemented?

PT: One important thing to understand about Nearshoring is that the main driver behind it is cost savings. But in reality, Nearshoring can offer much more than just savings. For example, let's say you're based in Nanterre (France) with about 3,000 employees, and you want to launch new products. For that, you'd need a new back office, new systems, and new processes. In a large entity, starting something like this can be quite complex. However, when you have a Nearshoring platform, you have access to additional resources. So instead of trying to launch those new products in Nanterre, you might decide, "Let's launch this new succession process directly in Portugal—it'll be easier."

Nearshoring can add flexibility to the parent company, and that's especially valuable for large companies. Think of it as a big ship that sometimes needs smaller boats to reach places the big ship can't go because it's too large or the waters are too shallow. Initially, we used the Nearshoring platform in Portugal to provide this kind of flexibility for the parent company.

Once we had that concept in place, we had someone in Nanterre conduct what we call a "process assessment" to determine if certain processes were transferable. Essentially, it's a checklist in Excel where we analyze whether a process can be transferred. For instance, we consider whether we're transferring the equivalent of 10 full-time employees (FTEs), and we evaluate what systems we're using, whether there's a need for physical paperwork, if we need printers, and so on. We also consider whether it will be a 100% transfer of responsibilities or if it's a

shared or extended team handling the process. Finally, there's the social aspect—what will happen to the 10 people currently handling the process in Nanterre?

The strategy was to focus on transferring processes that were simple, straightforward, and clean. A common mistake that companies make is to transfer messy or broken processes. The truth is, if the process is messy in the original location, it will remain messy in the new location because you're essentially transferring the same know-how. So, if things aren't clear in Nanterre, they won't be clear in Portugal either.

The person conducting the process assessment only focused on the French operations, which at that time involved around 800 to 900 people. They reviewed all the company's processes based on the criteria I mentioned—system compatibility, paperwork, digitalization, clarity of processes, quality of documentation, and the social impact of the transfer. Once that analysis was complete, we identified around 100 FTEs whose work could be transferred across three to five different processes.

From there, we had to consider our capacity to absorb that growth. Nearshoring always involves growth, and I've never seen a Nearshoring platform start with 50 people and stay at 50. It's always the same story: you start small, and then it grows. Before you know it, you have 200 or 300 employees. That growth can be tricky for any company to manage, so understanding our absorption capacity was crucial.

Absorption capacity involves more than just hiring; it also means integrating the new employees successfully into the company. For us, we calculated that we could absorb around 20 new people per month. Now, because we're more structured, we can handle more—around 30 people. But, whether it's IT or operations, these are different circuits, and they need to be managed in parallel. That's why understanding our growth capacity is so important.

Once we understood our capacity, we could plan the transfer in batches. For example, if we had 100 FTEs to transfer, we knew we could manage 20 per month, which meant we could complete the transfer in about five months. These calculations can get more complex if you're dealing with multiple activities, as each new activity brings with it a new system, new connections, new processes, new documentation, and even new team leaders.

Back in 2013, when we started, we had a mindset of "we'll figure it out as we go." By 2014, we had around 50 or 60 people in place, and we were starting to make more detailed plans. From then on, we grew at a rate of about 60 to 70 new hires annually. It's important to note that when you have growth like this, you also have to account for employee turnover. For instance, if you have 500 employees and a turnover rate of 10%, you'll need to hire 50 new people each year just to maintain your workforce at the same level. On top of that, you'll need to hire additional people to support new activities, so that number easily rises to 100 new hires annually.

In the beginning, turnover was minimal, almost zero, so our growth was entirely focused on bringing in new people for new activities. However, managing growth also means balancing both the team transferring the processes and the team receiving them. This brings me to one of the key factors in the success of Nearshoring: integration. We were always mindful of not taking on too much too quickly. At one point, there was a suggestion to bring in 200 new hires in a single year, but I pushed back because, in my view and the center's philosophy, it's better to grow slowly and do things well rather than expand too quickly and risk failure.

LR: Since we are talking about team integration, were there any cultural and operational challenges when establishing Cardif in Portugal during the first years? And if so, how did you overcome them?

PT: Yes, there were some significant cultural and operational challenges during those initial years. One of the key issues, which isn't often discussed but is crucial, is the tension created when Portuguese teams are essentially taking over work that was previously done by the French teams. So, you have this underlying dynamic where one side feels like its job is being "stolen" by the other. That's one cultural challenge.

Another challenge was related to the perception of the Portuguese workforce in France. Historically, the image of the Portuguese in France was shaped by the roles many Portuguese immigrants held decades ago—often as janitors, construction workers, or masons. That image, even 30 or 40 years later, lingered in some people's minds. So, we had to deal with comments like, "Why are we going to Portugal? Do these people even know how to handle this work?".

Given these perceptions, we knew that the cost/quality/productivity ratio had to be impeccable—there was no room for error. We had to prove that we could not only do the work but do it better. The second critical factor was humility. In the beginning, our approach was simply to do the job we were asked to do and to do it well, without questioning the tasks or trying to change too much. This strategy worked very well.

Today, the situation is very different. Over the past decade, attitudes have shifted, and the parent company's view of Portugal has changed significantly. Now, there is a recognition that we are not just cheaper labor; we are providing quality, professional work. There are now new activities being transferred to Portugal, and initially, there was some hesitation and panic. For example, when Catherine Duris took over as a manager, there was nervousness about whether we could handle the responsibilities, especially when it came to managing billions of euros. But just recently, I spoke with Olivier Héreil, a senior leader, and he told me he's very happy with the results. Six months ago, there were

doubts, but now there is satisfaction and even surprise at how well things are going. The quality of the Portuguese resources has exceeded their expectations.

One additional and crucial factor was the Trust Relationship. Building and maintaining trust was absolutely essential. It was necessary to be clear, precise, and transparent at all times. Mistakes happen—we all make them—but the key was to not hide them or sweep them under the rug. Trust and transparency became the foundation of our working relationship.

LR: You are talking about the satisfaction of the parent company, which for us is the customer. But then, how were the performances measured? What were the success indicators both for Cardif, here in Portugal, and for the parent company?

PT: There were two main studies conducted to measure performance, though the focus was primarily on the financial aspect. The first study was designed to answer the question: Is this really profitable? This analysis confirmed that yes, it truly is profitable. The study, spanning about ten pages, took into account all costs—both those incurred in Portugal and those in France—ensuring an apples-to-apples comparison (or "bananas-to-bananas," as opposed to "apples to cabbages"). And the conclusion was that there is a 30% cost advantage in favor of Portugal.

However, there wasn't a formal study specifically assessing the quality of work or products because everyone knows that things are running smoothly. There hasn't been any need to question the quality. If, today, someone were to send work to Portugal and it didn't go well, and they claimed, "Oh, Portugal is rubbish, it doesn't work," the response would likely be, "No, the problem is with you, not Portugal." This wasn't always the case at the beginning, though.

As I mentioned earlier, we had to prove ourselves by demonstrating that we work well, being humble, and being transparent. After all, people are 2,000 miles

away, and they can't simply chat about things casually over a coffee machine. The pandemic made this kind of informal communication even harder. But now, people trust that when they send work to Portugal, if we have the capacity in terms of Full-Time Equivalents (FTEs), the work will be done—and done well.

It's also important to keep in mind that Portugal has only been part of this for ten years, whereas we're comparing it to a company in France that's been around for 50 years. So, naturally, there's what we call legacy. In France, you have senior employees, civil servants, people close to retirement, etc., who carry higher costs. On the other hand, Portugal's average age is around 32, which creates a different dynamic. When you compare the age pyramid of Portugal to France, it's reversed: in Portugal, it's young and rising, while in France, it's top-heavy with older employees nearing retirement.

Because of this, you have people in France who arrive leisurely at 9:30, earn double or triple the minimum wage, have 45 days of vacation, spend two hours in the canteen, and so on. That's the legacy. We can't change that, and the only radical way to address it would be to lay off thousands of people and hire new ones. But we can't do that because, quite frankly, we're making 1.4 billion euros annually. You can't justify massive layoffs when you're making that kind of money. However, that doesn't stop us from pursuing Nearshoring as a way to improve competitiveness.

LR: Since we are talking about performance, I recently had a conversation with Laura Torres (Nearshoring Projects Manager), who mentioned that here at Cardif, the invoicing essentially reflects our costs without any margin. For management control, we focus heavily on transfer pricing. So, my question is: how exactly was this invoicing model structured? And does that mean there is no transfer pricing involved?

PT: To clarify, yes, there is a form of transfer pricing, but we have to understand where it originates. We began with a GIEE, a Groupement d'Intérêt Économique Européen (European Economic Interest Group). Essentially, this means that one company within the group provides a service to another company in the same group without any VAT being applied. So, for example, if we spend €50 in Portugal, I simply invoice the parent company for €50. That's it. This structure is important because it reflects why we initially set up this invoicing model in such a straightforward manner.

When we were structuring the invoicing, we had to establish a rule for how to charge for services. Here's how we approached it: There are certain costs that are very easy to attribute directly to an individual, and others that are more common and shared across the team.

Let me make it more concrete. Let's say we have a department in Paris and we decide to transfer some processes to Portugal. We estimate that the work will require 10 FTEs (Full-Time Equivalents) – nine for the production work and one as the supervisor. Now, out of these ten employees, we can clearly identify certain individual costs. For example, we know the salary of each employee, the taxes we pay on that salary, the benefits they receive (like meal vouchers), and any other identifiable expenses. So, all of these individual costs are placed into a database.

To give you an example: if someone's net salary is €1,500 a month, the actual cost to the company may be closer to €3,000 when you account for taxes, social security contributions, and other related expenses. All of these identifiable costs are then used as the basis for the invoicing.

However, there are other costs that we can't attribute to a single individual. For example, my salary, as I work for the entire center and not just for one specific project or team. In this case, my salary gets divided across the entire workforce, whether that's 500 people or however many there are. Then, you have shared

costs like electricity, office equipment, computers, etc. These are the "common" costs.

At the end of each month, we go through what's called a closing of accounts. We tally up the individual FTE costs, including their salaries, taxes, and direct benefits. Then we take all the shared expenses — electricity, IT infrastructure, and so on. Let's say, for example, the shared expenses for the month amount to €300,000. If we have 500 people in the company, we simply divide that €300,000 by 500 to allocate the shared cost per FTE.

This way, both the individualized costs and the common costs are accounted for in a transparent and equitable manner.

LR: So we have on one side the direct costs, and then we add the indirect costs divided by all the FTEs?

PT: Exactly, that's the idea. Everything that can be directly attributed to an individual—like their salary, taxes, and benefits—gets calculated and accounted for in that portion. For the costs that can't be attributed to a single individual, we sum them all up and divide by the total number of FTEs (Full-Time Equivalents) at the end of the month. This method smooths out fluctuations because, for example, electricity has to be paid every month. Sure, we might use more electricity in winter and more water in summer, but overall, these expenses are consistent.

We calculate a cost per position per working day, which, for instance, might be around €65 per person. So, if we're billing for January, we'll look at two things: first, the direct salary costs for the FTEs. Let's say you have 10 FTEs, each costing €2,500 when you include salary, taxes, and benefits. That's €25,000 in total for salaries.

Then we look at the shared costs. Let's say there were 20 working days in January. You multiply 20 days by €65 (the cost per position per day), which gives you €1,300 per FTE. Multiply that by the 10 FTEs, and you get €13,000 in shared costs.

So, for January, you would bill €25,000 (for direct salary costs) plus €13,000 (for shared costs), which totals €38,000 for that month.

To simplify things further, we make projections at the beginning of the year. For example, in November of the previous year, we would provide an estimate for the coming year. This estimate includes the projected average cost per day per FTE, which might be €65 for the entire year. This allows the client to make their budget projections based on that average cost.

As the year progresses, by the second quarter, we usually have more accurate figures, and the cost might adjust slightly—perhaps down to €62 per day. Then, at the end of the year, in December, we finalize and regularize all the costs to ensure that everything is accurate for the entire year.

LR: During the recent annual feedback meeting, I found it challenging to grasp how our financial objectives are set, especially since we're not a commercial entity, yet billing expectations were discussed. Could you explain how these projections are made?

PT: It's important to understand that we're not a commercial activity; we're a cost center designed to generate savings. For instance, this year, we are projected to bill a total of 30 million euros to all the entities, including Cardif France, Cardif Italy, and others. However, the key is that while we bill 30 million euros, we will still generate 10 million euros in savings for the company.

LR: So, is the focus primarily on the financial savings?

PT: Yes, the focus is on the savings. We highlight turnover because it's a significant figure—30 million euros, which would be impressive for a small SME. But what truly matters in the long term are the savings generated. If we were to bill 100 million but save them 50 million, that's what they care about. It's not about saying, "I made 100 million in turnover," but rather, "How much did you actually save or earn?" If billing continues to increase, it means there are more people, and theoretically, we generate more savings. The goal is to be efficient, especially with structural costs. We aim for what is known as the "scissor effect." For example, if you have 100 people and your structure costs you 1 million, the goal is that when you reach 1,000 people, your structure doesn't cost 10 million, but perhaps 8 million, which means you've optimized the structure significantly.

Appendix III - Script and Interview with Olivier Héreil

Topic	Interview Question	Key Points
Beginning of the Nearshoring Project	How did the decision to initiate a nearshoring project with the MOAC unit come about, and why was Portugal chosen as the location?	Initial reasons for nearshoring; Choice of Portugal for the project
Initial Hopes and Objectives	What were the initial expectations and objectives when establishing the MOAC in Portugal, and how did these align with the company's global strategy?	Alignment with global strategy; Specific objectives for Portugal
Long-Term Expectations	What are your long-term expectations for the relationship between MOAC in France and the unit in Portugal, and how do you plan to achieve these expectations?	Future expectations; Planning to achieve long-term goals

PT: How did the decision come about to launch a Nearshoring project at MOAC and why was Portugal chosen as the location?

OH: The decision to launch a Nearshoring operation came about as a result of a combination of different factors. The first factor was related to the availability of skills in the market where we are located, which in this case is Nanterre, Paris. We realized that, at certain times, it was difficult to find the necessary skills

because the market is very demanding. There is availability, but it's not infinite. We found it very challenging to find the talent we needed. As a result, we found ourselves facing significant operational risk due to a lack of a normal workforce to handle the tasks at hand. We were constantly understaffed, which created ongoing tension and operational risk. This was the first issue.

The second important factor was that we made this decision at a time when we had completely transformed our work tools, which I believe was crucial. If we hadn't transformed the tools, we probably wouldn't have made this decision because, in a way, changing tools prompted us to question our processes. People tend to stick with their habits, and if we had kept the same tools, we wouldn't have moved forward. People trained in the old tools would have stayed in place. However, with the MOAC undertaking a profound transformation, most of the main tools used by the MOAC had changed within five years. This transformation presented the perfect opportunity to ask ourselves, "Now that we're changing tools, can we consider something else that could reduce the risks of our operations?" Reducing risks means, in particular, ensuring we have the skills to support our activities. So, the timing was a key contributing factor.

Additionally, we also considered cost comparison. It's not just about looking at the cost of labor in France versus elsewhere; there are more comprehensive costs to consider. For example, having a team that should consist of 10 people but only has 8 creates operational risk, which is a cost in itself. It's not just about the price difference of labor. Although there are differences, they aren't that significant today. It's more about the ability to consistently find the necessary skills, which helps reduce the overall cost of operations, including the significant cost of operational risks. There's also the cost of long recruitment processes, where HR spends a lot of time searching for candidates who aren't always suitable. This takes time and adds to costs. So, optimizing costs was also a concern, but the tool transformation was a key element in this decision.

To summarize the key points, the first is the issue of talent pools—it's better to operate in two pools rather than just one. The second is that having access to multiple talent pools allows us to properly staff our teams and ultimately reduce overall costs.

That said, managing a dual-location system does introduce complexity. While it offers a backup and added security by operating on both sides, it also requires effective remote management of the operations. However, we determined that this complexity wasn't prohibitive compared to the benefits we could gain.

As for why we chose Portugal, I think there is a strong historical connection between France and Portugal. Many Portuguese people speak French, and I believe that's an important factor. Language is still a crucial consideration, especially when managing teams across different countries.

Secondly, Portugal has a very high level of education, and the Portuguese education system consistently produces skilled professionals. This is not true for all countries, so it's an important point to consider.

Additionally, when we made the decision, Cardif and the BNP Paribas Group were already present in Portugal. This meant that we were entering an established structure—a system that was already "institutional." There was a framework in place, with existing teams from BNPP SS and CIB working in Portugal, as well as a country manager. So, we didn't have to invest in building that infrastructure from scratch, which was another important factor in the decision.

Finally, proximity was also a factor. While some financial companies engage in Nearshoring or Outsourcing to far-off locations like India, it's too distant for us. We need to be able to see the teams in person occasionally. Our vision is to have one unified team, even if they are based at two different sites. But if you're working across time zones and never see each other, it becomes very complicated.

PT: What were the initial expectations and objectives when establishing MOAC in Portugal, and how did these align with the company's overall strategy?

OH: The objectives were indeed to, through this major phase of tool renovation, better manage operational risk by spreading our risks a bit. To support this, we built a business plan because we needed to find profitability for these operations, which are essentially investment operations. We constructed the business plan by taking into account both the direct costs—since they are easier to calculate—and the indirect costs, avoided costs, and risk costs, among others. The goal was to convince ourselves that there was profitability in this investment. In this case, we found that there was indeed profitability, which became the decisive factor, alongside the change in tools.

As for the underlying idea, it started with one vision and is now transforming. About 10 or 15 years ago, the first idea was to create a shared platform that could serve countries with similar, if not identical, needs. In this case, we had three countries: France, Luxembourg, and Italy. These countries operate in roughly the same way. First of all, they share the euro market, and their regulations are quite similar—there are differences, but overall, they are relatively alike. The products are also not that different: General Funds and Unit-Linked products (UCs). Luxembourg is a bit more sophisticated, but the core concepts are consistent. We realized that it didn't make sense to have three Middle Office teams in each country if they were doing roughly the same tasks. So, we decided to consolidate the teams into one based in Nanterre. Indeed, MOAC is a platform team that works across France, Italy, and Luxembourg, at least in the area of General Funds, though not necessarily for everything.

We extended this concept because we also have activities in Portugal, Spain, and Germany. Instead of having specific management teams in each country, we decided to pool the management into one portfolio. This was possible because we were dealing with branches—doing so with subsidiaries is a bit more complicated. But pooling allowed us to integrate the Portuguese General Fund, for example, into the Nanterre platform, even though we do not focus on savings products in Portugal. So, this platform we created serves nearly all the European countries in the eurozone that operate through branches. Today, I believe very few still operate as subsidiaries. The Netherlands, for instance, recently switched to branches, so we are repatriating them to the platform as well. Italy's BCC Vita remains a subsidiary, but otherwise, most operate as branches.

This means we now have a platform in Nanterre that covers all the European countries in the eurozone. Once we reached this point, we began questioning whether it made sense to have everyone in one location. Not necessarily.

Thus, we started considering the idea of having the platform spread across different locations. This consideration stems from both the reflection on employment pools, which I mentioned earlier, and the need for backup. For example, tomorrow, there could be an issue with the building—perhaps a cyberattack or some other disruption—that prevents operations in Nanterre. Having a second site that can handle operations becomes crucial. In our industry, when we consider the risks associated with operational disruptions, missing a day of work due to issues with General Funds is inconvenient but not catastrophic. We're not like an investment bank where traders rely on daily positions. An investment bank trader starts the day with zero positions, takes positions throughout the day, and closes with zero by the end of the day. If their activity is interrupted during the day, they can't unwind their positions, which creates a significant problem. We don't face that issue. We might miss some operations, and it could cost us some money, but it won't be fatal to our business.

However, on the Middle Office side, especially with UCs, it can be highly problematic. Customers constantly place orders for fund switches and other adjustments, and we are contractually obligated to execute them, even if we are closed. We saw this during major crises. I remember the September 2001 crisis in the United States. The American markets were closed for nearly a week, and we had numerous orders for UCs tied to American assets. But without an open market, we couldn't process them. When the markets reopened, the crisis had passed, but we incurred losses because we couldn't execute the orders on time.

We can't account for every possible scenario—systemic risks like the 2001 crisis are difficult to address—but having another site that can compensate for disruptions in one location adds significant security. So, while we maintain the idea of mutualization, we recognize that mutualization doesn't necessarily mean centralizing everything in one place. It can be beneficial to distribute activities across different sites.

PT: What are your long-term expectations regarding the relationship between MOAC in France and the unit in Portugal, and how do you plan to achieve these expectations?

OH: The basic idea we have is that it's the same team. From the moment it's the same team, the business is naturally part of a growth logic. This year will be a year of growth. Generally, we experience years of growth, though some years are more challenging. Growth implies an increase in volumes, and it also entails a constant reflection on our tools. For example, while we've recently changed them, in three or four years, we may need to start thinking about the next generation of tools, and so on. The idea is that this reflection should be fueled by ideas from all our sites, in this case, both France and Portugal.

Why? Because we should always draw inspiration from best practices. Just because we are primarily a French company and initially developed the role of the activity in France doesn't mean that's where the best ideas come from. The market in Portugal is now a "broad market" in terms of investment, financial services, and other related fields. Perhaps today, the best ideas are coming from Portugal. So, we envision mutual enrichment over the long term.

The long-term objectives are to ensure the growth of volumes and to do so with a good level of security and cost-efficiency. This aligns with the principles emphasized through Cardif Fit, where we focus on reducing the cost-to-serve. As volumes grow, the cost-to-serve must decrease. That's crucial. Therefore, our focus will be on growth, cost-to-serve reduction, and innovation. For me, those are the key points—the important ones.

Appendix IV – Script and Interview with Damien Garcia

Topic	Interview Question	Key Points
Strategic Alignment with France	How are the operations in Portugal aligned with Cardif's overall strategies and objectives in France?	Shared operational strategies; Coordination between Portugal and France
Operational Success Factors	What do you consider to be the main factors contributing to the success of Cardif's operations in Portugal?	Operational efficiency; Adaptation to market needs
Operational and Cultural Challenges	Can you describe some of the operational and cultural challenges faced since establishing Cardif in Portugal, and how they were overcome?	Overcoming cultural barriers; Managing operational challenges
Evolution of Operational Strategy	How has the operational strategy evolved since Cardif arrived in Portugal, and how is it kept relevant and effective?	Changes in operational strategy; Continuous process updates
Operational Performance Measurement	What are the key operational performance indicators used to measure success in Portugal, and how do they align with global indicators?	Performance indicators specific to the Portuguese context; Alignment with global metrics
Incentives and Productivity	How have the incentive systems in Portugal been structured to	Impact of incentives on productivity;

	maximize productivity and align with operational objectives?	Incentive structure aligned with goals
Impact of Nearshoring on Operations	What has been the impact of nearshoring on Cardif's operations in Portugal, and how is it managed to ensure operational effectiveness?	Assessment of nearshoring impact; Effective nearshoring management
Competitiveness and Sustainability	How do the operations in Portugal contribute to Cardif's long-term competitiveness and sustainability?	Contributions to competitive advantage; Sustainability strategies; Structure established in Portugal
Vision for the Future	Based on your experience, how do you see the future of Cardif's operations in Portugal, and what are the plans to adapt to market trends?	Future projections; Adaptation to emerging trends
Strategic Advice for Future Managers	What strategic advice would you give to future managers overseeing operations in Portugal to ensure continuity and growth?	Recommended strategies for future managers; Preparation for future challenges

LR: How do operations in Portugal align with Cardif's overall strategies and objectives in France?

DG: Cardif Support was created 10 years ago to serve as an alternative to the headquarters. The idea was to bring greater flexibility in executing activities while also providing certain technical and linguistic skills that weren't readily available in France. Our goal was to develop new services here in Portugal, rather than starting them in France and then transferring them over. Of course, there's an underlying factor that's always present: cost savings. As a Nearshoring entity, one of our main objectives, aside from delivering high-quality service, is improving efficiency and reducing costs. For a company like Cardif or BNP Paribas, like many other banking companies, the majority of costs—up to 80%—comes from payroll. Nearshoring allows us to target activities that are resource-intensive but can be carried out at a lower cost, thereby reducing the overall production expenses.

Initially, Cardif Services in Portugal started by taking over back-office operations from the headquarters. These activities, historically performed in France, were gradually transferred to us, often partially, rarely in full. We often worked in a "dual" system, where activities were executed both in France and Portugal simultaneously. In some cases, we operated as an extended team, meaning the manager was based in France and managed both teams in France and Portugal, acting as a single unit spread across two countries. Other times, we operated as two teams in a mirrored setup, each handling its own part of the workload.

As we continued developing, there were also cases where we took full ownership of entire activities. For IT-related functions, we often worked as an extended office, while for operations, whether for France or Italy, we took on more of the customer management functions.

How do we align with Cardif's strategy? In essence, we serve as a lever for cost savings. The idea is to deliver the same level of service and quality, but at a lower cost. The savings we generate are significant, especially because labor costs in France are much higher than in Portugal. This gap is especially noticeable for Finance or IT roles, where salaries in Portugal can be up to 50% lower than in France. Therefore, our contribution to Cardif's strategy is clear: we help them achieve the same high-quality service but at a reduced cost, making Cardif more efficient overall.

Additionally, some activities were created directly in Portugal, bypassing France entirely. We have demonstrated the ability to launch new activities from scratch here, particularly when specialized linguistic skills are required. It's easier to find and develop these skills in Portugal than it would be in Nanterre. For example, with ICARE's Extension of Automobile Warranties (EWM), the entire European platform for this activity was built directly in Portugal, never passing through France. ICARE's European growth relies on this technical platform based in Portugal, with our multilingual technicians (who speak German, Italian, Czech, etc.) serving customers across Europe. The activity didn't transfer from France; it started here.

Portugal, therefore, adds significant value with its well-educated, multilingual population. It's relatively easy to find French-speaking employees, as well as those proficient in English, German, Italian, and more—something that's harder to do in France. This linguistic advantage is a crucial element for us.

Another critical factor is Portugal's position within the Eurozone, its stable political and economic environment, and its strong infrastructure. This stability made Portugal an attractive choice, especially when compared to other options like the Czech Republic or Poland, which were also considered 10 years ago. Ultimately, the decision to choose Portugal was logical.

Cardif's operations in Portugal reflect a broader strategy pursued by the BNP Paribas group, which has over 11,000 employees here. However, Cardif's decision to establish in Portugal was independent of the group's presence. Still, the group's established platform and mature processes made our entry into Portugal easier and smoother.

LR: What were the main factors contributing to the success of the operations here in Portugal?

DG: Several key factors have contributed to our success in Portugal. First, the linguistic skills and the academic education of our employees have been significant advantages. Additionally, there is a cultural aspect in Portugal where people tend to be highly willing and hard-working, which makes managing operations easier. When clients visit, they are often pleasantly surprised by the level of involvement and commitment from the teams here, especially when compared to some areas in Nanterre. This high level of commitment is something we take pride in.

That said, another essential factor is the structured way the company operates. Processes are clear, rules are well established, and they are respected by everyone. There is no special treatment or numerous exceptions to the rules. This might sometimes feel rigid, but it's actually one of our key success factors. This organizational clarity and shared understanding help ensure that things run smoothly.

Another aspect that contributes to our success is the low turnover rate within the company. Even though we are engaged in Nearshoring—a field where turnover rates often hover around 15-20%—we manage to keep our turnover at around 8%, year after year. This is a strong indicator of our employee retention,

showing that our employees are committed, enjoy working here, or at least find it worthwhile to stay.

We place a lot of emphasis on "People Care"—ensuring our workplace is a good environment, a "Good Place to Work." We aim to be fair and provide our employees with a professional experience that is both demanding and rewarding. This focus on employee care and retention has allowed us to develop seniority and expertise within most of our activities. As a result, our success is not reliant on one or two individuals.

Thanks to this stability and the seniority of our teams, we've built a solid structure—a backbone, both managerial and operational—that helps us deal with any departures we might experience, which are natural over the course of a professional career. This stability ensures that we can continue producing and maintaining operations effectively, regardless of personnel changes.

LR: Were there any operational and cultural challenges when implementing Cardif in Portugal?

DG: Yes, absolutely. Over the past 11 years, we've learned a lot through experience—there were things that went well, but also mistakes that were made along the way. These pitfalls served as lessons for us, and the idea has always been to learn from them and apply those learnings to avoid repeating the same mistakes, and to stick to best practices.

When Pascal Thiercelin established the center, he brought with him significant Nearshoring experience. He had already gone through the process of setting up similar centers and came with a clear understanding of what worked and what didn't. Pascal was firm about establishing certain practices and rules for how Cardif Services would operate, including eligibility criteria for hosting new activities in Portugal, how the transfer process from Nanterre or Italy to Cardif

Services would be managed, and how the activities would be governed and operated.

Interestingly, most of the mistakes we made were often due to our clients pushing back against these established rules because they believed their business was unique and required different treatment. In trying to accommodate them, we sometimes deviated from our process—and it didn't always work out.

To give you an example, when starting an activity, we always aim for a critical mass. Having just one or two people in a team is too fragile. If one person is on vacation or they both leave, you're starting over from scratch. So, we need teams of a critical size and we always insist on starting with a team leader in place. Initially, many clients were overly demanding in terms of recruitment, often overqualifying the profiles needed for the roles. We had situations where we hired highly qualified people who ended up leaving after a few months because the job was too operational for their skillset. You don't need a master's degree to copy and paste, and these overqualified hires weren't fulfilled by the work. We learned from this experience, as did our clients, who eventually realized that they needed to match the level of the role to the right qualifications, maybe hiring someone with a bachelor's degree instead of a master's.

This issue was particularly noticeable in Finance, where we initially recruited top-tier talent for very operational roles, leading to high turnover as these employees quickly left. So, we had to find the right balance between the job requirements and the qualifications of the candidates we hired.

On the IT side, the challenges were different. The IT business unit was managed more like "body shopping," where we would replace external consultants in Nanterre with people from Portugal. This often led to having just one person in Portugal who wasn't part of a local team but rather integrated into a Nanterre team. Over time, this piecemeal approach led to a patchwork system

in the IT unit, which is very different from the more structured operations in France's operations unit.

The body shopping approach in IT has proven difficult to sustain, especially in a highly competitive job market like Portugal's IT sector. This structure doesn't allow for retaining knowledge and expertise because when a consultant leaves, the new hire essentially starts from zero. This necessitates extra training efforts from Nanterre for every new person brought in, with the risk that they may leave after a year or so.

Despite these challenges, Pascal's experience allowed him to surround himself with the right people from the start. While I wasn't here during the early days—I've only been here for three years—I can tell that the team was structured well, making Cardif Services in Portugal a strong organization. In fact, it has become a reference point within Cardif and even within BNP Paribas in Portugal.

One of the key factors to our success has been our cross-functional capabilities. We have our own HR department, which handles Compensation and Benefits, Recruitment, Legal, and Payroll. We also have our own local IT team and finance department. Having these resources in-house means we can be agile and responsive, tailoring solutions to our clients' needs. For recruitment, for instance, we have teams that speak Portuguese, French, English, and German, which are the key languages we hire for. This is in contrast to BNP Paribas Portugal, which handles recruitment for all BNP Paribas entities here but doesn't have recruitment managers who speak French—a crucial language for us since 50% of our workforce is French-speaking.

In addition, our local IT team isn't just limited to Helpdesk support; they play a critical role in integrating new activities, working closely with the IT teams in Nanterre and Italy to ensure smooth operations. This capability has been vital, particularly for integrating activities in the Asset Management BU, despite some early challenges with the tools.

Our agility is what sets us apart, especially when it comes to onboarding new activities. If we had to rely on external resources from BNP Paribas Portugal, we wouldn't be as responsive. Agility is essential for us, especially to meet the varied requirements of our clients. Today, we're not just handling operational tasks; we're also involved in Asset Management, IT, Corporate Finance, Compliance, and a wide range of other activities, many of which were previously managed in Nanterre.

LR: Over the past 11 years, the operational strategy has surely evolved in response to the various challenges encountered. How has this strategy changed and how has it managed to remain effective or even improve its effectiveness over time?

DG: The stability of management helped a lot. Pascal stayed for 10 years, now he left because he retired. But he was replaced by Filipa Gaspar who has also been there since the beginning. We had stability in management and in the vision of what the center should be since the beginning and that we keep today. So Filipa is in the continuity somewhere of this state of mind, of this vision that had been established from the beginning.

So after, talking about strategy, there are three-year strategic plans that have been established since the beginning and several times a year we follow up on these plans, these multi-year plans, knowing that each plan had different objectives. Depending on the issues that existed, year after year, we have readjusted the strategic plans. And here, typically, we are at the end of the strategic plan. We will establish the new one to start in 2025. So there, at the end of June, with the COMEX, we meet to start drafting the broad outlines of this strategic plan based on the issues, the issues that are established by Nanterre in

relation to the objectives that are set for us and also the issues that we perceive locally with the team.

Because well, strategic plans are generally, well, everyone actually does them, but no one follows them. So here we have 4 pillars that are stable over time. So we have the customers who are what makes us live, it's our reason for being, in any case it's to serve the customers. The processes, our transverse processes in particular. Our finance to guarantee satisfactory prices. And then the people, we are a resource company, Cardif Services is nothing more than that, we provide labor so it's a key asset of our business model.

So there have been 4 strategic plans that have been established since the beginning. So 2013 was the creation, the first three-year strategic plan was on the validation of the model, so ensuring that the business model that had been established was sustainable or not. And then focus on the customer and finance. The customers to show that it works and deliver a very good quality of service. And then finance to ensure that we are indeed still a Nearshoring company and therefore to lock in, that means being at the right price, at the right cost.

Then, after these 3 years and this growth, there was a 2nd phase which was consolidation, so between 2016 and 2018, there were more and more activities and we had to succeed in plugging them in and in particular more variety in the activities that were hosted by Cardif Support. So we were more than an entity, we were not just an operating entity and we had other activities that came, so we had to succeed in achieving consistency throughout. And then work on retention, people oriented. So what can we do to do people-care, to do retention, et cetera.

For 2019 to 2021, so that's also when we fell, when COVID arrived, so it was to really become a skills center but a reference within the Cardif world because there are other nearshoring centers that exist, there are some in the Czech Republic, there are some in Taiwan I think there are some in Colombia. So the goal was really to become a reference. So ensure retention, always the same,

always people-care. And then start to optimize the services because somewhere, when we created the Center, it required a lot of investment. Real estate, equipment, IT, et cetera. So at a certain point, we had to make sure that the costs, what we call environmental costs, that is to say costs other than staff, were controlled. So that's the focus.

And there is the strategic plan in progress but which expires at the end of the year. So it was indeed an adaptation to the new world and in particular, it seems silly like that but previously, before COVID, teleworking did not exist at Cardif Services. So we also had to adapt to that, adapt the operating methods to this new environment, so that's what we did. Still ensure that the fundamentals are always respected and not get lost along the way. Because with the growth of the center, we always have the potential for losses. Finally, somewhere, what was a little difficult for Pascal from the beginning was to start with 3 or 5 employees in 2013 and leave when we were 500 or so. And to succeed in following this evolution of the company, this change in the size of the company, you do not manage a VSE of 10 people, as you manage an SME of 500. Especially with the variety that can be there both in terms of activities and the linguistic aspect. So, it was necessary to ensure that the initial state of mind persists over time.

And then also work on our attractiveness, our commitment to a very competitive market, since we are not the only Nearshoring company in Portugal. Ultimately, I would say that our main competition is BNP Paribas, because they are much bigger than us and their brand is much stronger. But in any case, work on attractiveness in different aspects, we have defined different levers. And so behind each of these items, we have an action plan with referents and so once a quarter, finally, we bring together the people concerned and we look at the progress of each of the actions and we feed this multi-year strategy annually with new actions that may come up. Because we readjust, we are not rigid over 3 years, we are obliged to adapt according to current events.

Then we have the completion rate of each of the strategic plans. So we really measure what we have done in an honest and transparent manner. So the first action plan was established at 78%, the current one is already at 86.5%. So it is really the completion rate of these multi-year strategic plans. And so there, at the end of June, with Filipa Gaspar, Inès Germe and Laurent Latorre, we will do an offside all 4 of us to start thinking about the next strategic plan. What could be the issues, the objectives assigned by Nanterre, what needs to be improved. So lay these foundations there to then work on them with the senior management of the company, certainly at the beginning of Q4, finally in October, November. Share all these issues there to make them adhere to the future strategy since behind it must cascade to the teams so that everyone is informed in any case and then potentially share this company strategy.

Concerning the golden rules for Nearshoring, as I told you previously there are several. First of all it is a long term investment and not a short term one, you should not expect everything to be perfect after 6 months. You have to maintain regular contact with the teams, make possible site visits. You also have to have face-to-face meetings, or at least have meetings. You also have to ensure transparency and fairness in the distribution of work. There was a time for the French Operations in particular where Nanterre, the Nanterre teams transferred the most complex or least interesting files to the teams in Portugal and then they compared the KPIs and they saw that Portugal was lagging behind. So you have to ensure a certain fairness. You need to have a team leader who is appointed from the beginning, who can build his team and who is the point of contact for the client and the local teams. That is key for me. When I see in Finance, when I don't have a Team leader on an activity, it's often problematic. That's where I spend the most time because there are problems of misunderstanding with the client, tension, that kind of thing. Well, train them, feed them. As I was telling you earlier, properly assess the level of expertise or level of competence of the

position to recruit the right candidate and then, the hardest part is to keep them. And then recognize the performance. So that's typically a kind of rule that we share with our clients when we meet them because they mean nearshore activities with us.

LR: What are the main KPIs used to measure performance and success in Portugal? How are these KPIs aligned with those of Nanterre, at the group level?

DG: A key factor in the success of our operational strategy has been the stability of management. Pascal led the company for 10 years before retiring, and his successor, Filipa Gaspar, has been with us since the beginning. This continuity in leadership and vision for the center has helped maintain a consistent approach from the start, which we still follow today. Filipa's leadership carries forward the mindset and vision established by Pascal.

In terms of strategy, we have consistently worked within three-year strategic plans. These plans have been revisited and updated multiple times each year to ensure that we stay aligned with the changing needs and challenges. Currently, we are at the end of a strategic plan, and in June, the COMEX will meet to outline the next one, which will take effect in 2025. We'll focus on key issues defined by Nanterre and also consider challenges and opportunities we identify locally with our team.

Our strategic planning has always been serious business for us. We rely on four pillars that remain stable over time: customers, processes, finance, and people.

- Customers are our reason for being; we exist to serve them.
- Processes ensure we maintain efficient and consistent operations.
- Finance guarantees we stay at the right price while achieving cost savings.

- People are central to everything we do, as we are fundamentally a labor-based company.

There have been four strategic plans since 2013. The first plan was all about validating the business model to ensure its sustainability, focusing primarily on customer satisfaction and financial soundness—making sure we locked in cost efficiencies right from the start.

Then, between 2016 and 2018, as we grew, the focus shifted to consolidation. We started taking on more and more activities, broadening the scope of services hosted by Cardif Support. We needed to ensure we maintained cohesion as the entity evolved beyond just operations. During this phase, we also emphasized retention and employee care, implementing programs to ensure staff well-being and reduce turnover.

From 2019 to 2021, which coincided with the onset of COVID-19, the goal became to position ourselves as a center of excellence within the Cardif world. We wanted to become the reference among Cardif's various nearshoring centers, which include locations like the Czech Republic, Taiwan, and Colombia. We focused on staff retention, service optimization, and managing our environmental costs—those costs outside of staff, like real estate, equipment, and IT.

The current strategic plan, which ends this year, has focused on adapting to the new normal, particularly the shift to remote work, which didn't exist at Cardif Services before COVID-19. We've had to adapt our operations to this new environment while ensuring that we maintain our core principles. Growth has always presented challenges, and managing a company that grew from 3-5 employees in 2013 to over 500 has required constant evolution. Managing a small team of 10 is not the same as managing a company of 500, especially when that company is linguistically and operationally diverse. One of our core objectives

has been to ensure that the original company ethos has been preserved as we grew.

We've also worked on our attractiveness and engagement, particularly in a highly competitive market. We're not the only nearshoring company in Portugal, and our main competition is, ironically, BNP Paribas itself, which is much bigger and has a more recognized brand. To stay competitive, we've defined several levers for attracting talent and maintaining employee engagement. We regularly measure progress against these levers, review them quarterly, and ensure that our multi-year strategy is updated to stay relevant to the latest developments.

To maintain accountability, we track the completion rate of each strategic plan. The first plan reached a completion rate of 78%, and the current one is already at 86.5%. At the end of June, Filipa Gaspar, Inès Germe, Laurent Latorre, and I will hold a strategy session to lay the groundwork for our next plan, which will be shared with senior management at the start of Q4. This ensures that the entire team is aligned with the strategy moving forward.

Regarding Nearshoring, there are several golden rules. First, it's a long-term investment, not a short-term one. We can't expect everything to be perfect in just six months. Regular contact with the teams is essential—site visits, face-to-face meetings, and ensuring transparency in workload distribution are all key to success. In some cases, Nanterre was sending Portugal the most complex or least desirable tasks and then comparing KPIs without considering the fairness of the distribution. This was a lesson learned: fairness is crucial.

Another key is having a team leader in place from the start. The team leader is essential for building the team, managing the local workforce, and serving as the main point of contact for the client. Whenever we've lacked a team leader, especially in Finance, it has led to misunderstandings and tensions with the client. It's also important to properly assess the required level of expertise for the

job, ensuring that we recruit the right person — and then, just as importantly, keep them engaged and motivated. Performance recognition is crucial as well.

These are some of the rules we share with our clients when they engage with us for nearshoring activities.

LR: How have incentive systems in Portugal been structured to maximize productivity and align with operational objectives?

DG: When it comes to retention and workforce stability, we focus on several key areas. The first step is offering salaries that are aligned with market standards. We use benchmarks provided by firms like Michael Page to ensure that each role's compensation is competitive. This helps us remain attractive in the market and retain our talent.

We also provide a comprehensive benefits package that goes beyond the basics. This includes health and life insurance for employees and their families, meal vouchers, transport allowances, and other perks that may not always be immediately visible but form an essential part of the overall compensation. On top of that, we have an array of events and initiatives—annual parties, small gestures of appreciation during key moments—that contribute to a positive working atmosphere.

One major factor that sets us apart from other nearshoring companies in Portugal, particularly in Porto, is our approach to employee management. People who have worked at other companies often notice a significant difference in how we treat our employees. We focus on a benevolent and respectful management style, especially when compared to some of the more standard call centers or similar operations. This approach enhances our retention and overall employee satisfaction.

In addition to the compensation and benefits, we offer clear career prospects internally. With the wide range of business units we operate, employees have opportunities for both horizontal and vertical mobility, whether that means moving across departments or rising to management positions. This is a significant draw for people who want to build long-term careers with us.

Another key element is training. We invest significantly in the ongoing development of our employees, offering not just operational training but also technical, linguistic, and soft skills training. This continuous learning helps our employees stay competitive and employable, both within and outside the company.

Finally, we have a transparent system for career planning, promotions, salary reviews, and bonuses. While these structures are present in many large companies, our system stands out for its clarity and transparency. Having worked with other BNP Paribas entities and in different environments, I find that the system we've implemented here in Portugal is particularly well-structured.

LR: What has been the impact of nearshoring on Cardif's operations in Portugal, and how is it managed to ensure operational efficiency?

DG: There have certainly been social impacts from nearshoring, particularly in France. Any nearshoring activity transferred to Portugal has been carefully discussed with the social partners in France. Cardif, as part of its responsibilities, must inform or consult with these social partners before making decisions that affect jobs in France.

It's true that some positions have been eliminated in France and transferred to Portugal—this is the nature of the nearshoring process. However, the impact has been gradual and managed in phases. For instance, when we look at the numbers, Cardif has approximately 3,000 employees in Nanterre, whereas we now have

about 400 employees dedicated to French operations in Portugal. So, while we represent about 13% of Nanterre's workforce in equivalent positions, it has been a steady transition over the years.

By the end of 2023, we had around 400 employees focused on French operations out of a total of 566 in Portugal, which is a significant number but represents a steady and measured progression. From starting with just 23 employees at the end of 2013 to reaching over 550 by the end of 2023, this growth has been gradual and sustainable.

Additionally, Portugal has served as a facilitator for France in areas where they have struggled to fill certain positions. Sometimes roles in France have been left unfilled for long periods, in which case recruiting in Portugal has become a viable option. This was one of the driving factors behind headquarters deciding to transfer activities to Portugal.

In terms of managing these transitions, there have never been any social plans directly related to nearshoring activities. Everything has been handled thoughtfully, taking into account open positions and potential employee mobility in France. The focus has always been on intelligent, cooperative management between the two countries, ensuring that these transitions benefit both sides and maintain operational efficiency.

LR: How have operations in Portugal contributed to Cardif's long-term competitiveness and sustainability?

DG: The operations in Portugal have significantly contributed to Cardif's ability to manage costs effectively. While I don't have specific figures to share, I can say that nearshoring to Portugal has helped contain the evolution of costs that would have been much higher if all services were provided from France.

This containment of costs has allowed Cardif to maintain its financial health while continuing to offer the same quality of services.

The primary goal, of course, has been financial savings, but it's not just about cutting costs. It's about finding the right balance between cost and quality. If we only focused on reducing expenses, we would likely be in a much cheaper location than Portugal. But Portugal strikes an ideal balance between cost-efficiency and service quality. This balance is key because if you sacrifice too much on quality, it harms the company's reputation and brand. That's why we emphasize that the savings generated through our operations in Portugal should never come at the expense of service quality.

In short, while the cost savings are vital, they cannot overshadow the need for high-quality service. This dual focus is what helps maintain Cardif's competitiveness and sustainability in the long term.

LR: Based on your experience, how do you see the future of Cardif's operations in Portugal and what are the plans to adapt to market trends?

DG: The future of Cardif's operations in Portugal, like in many other countries, will inevitably be shaped by trends in digitalization and artificial intelligence (AI). This is not unique to Portugal but a global shift in the service industry. AI and digital tools will have a significant impact on operations, especially in areas like automation. However, it's not just the basic, repetitive tasks that will be affected. Even high-added-value work could be impacted as AI continues to improve month by month.

For instance, think of tools like Microsoft's Copilot, which can generate a PowerPoint presentation in seconds—what once took hours of work now takes mere moments. This evolution presents both a challenge and an opportunity. Yes, some tasks will be replaced by technology, but it also allows us to redirect

our time and effort toward more complex, value-driven activities that cannot yet be automated by AI.

The key is to approach this change proactively, viewing it as an opportunity rather than something to fear. It will be essential for employees to stay adaptable and continuously upgrade their skills, especially in leveraging new technologies. Tools like ChatGPT and others will become essential in the workplace, and it's vital that employees learn to use them effectively. Maintaining employability will require ongoing learning, and ensuring that employees can still add value in a rapidly changing job market is crucial.

LR: What strategic advice would you give to managers who will take charge of future operations in Portugal in order to ensure continuity and growth?

DG: For managers, adaptability is key. You need to listen closely to the needs of your clients, be agile in your approach, and ensure that you are demanding yet fair with your teams. It's essential to maintain a balance: be close enough to your teams to build trust and legitimacy, but also keep a certain distance so you can make tough decisions when necessary—whether those are disciplinary actions or decisions regarding compensation and promotions.

A manager should be seen as a stable and trustworthy leader, someone who the team naturally turns to for guidance. You earn that trust by being consistent, honest, and transparent with your team. Even when delivering difficult news, it's better to be upfront. Transparency and fairness in management are critical for building long-term trust.

In terms of your team, always make sure to be clear on strategy and goals, both for the company and for the client. Everyone should understand the objectives and the challenges ahead, and fair treatment for all is paramount. You also need to be flexible, as different situations will require different approaches.

Sometimes, you'll need to be directive; at other times, you'll need to be diplomatic or seek consensus. Knowing when to adopt each style is crucial.

Above all, focus on developing your soft skills. Too often in the past, people were promoted purely based on their technical abilities, but being a manager today requires much more than that. It's about collaborating, asking for expertise when needed, and balancing leadership styles depending on the situation.

Lastly, remember that learning is a continuous process. Whether a situation ends in success or failure, take the time to reflect and grow from it. No one is a finished product; there's always room for improvement. This mindset of constant learning and adaptation is essential for personal growth and the continued success of the company.

Appendix V – Script and Interview with Fernanda Ribeiro

Topic	Interview Question	Key Points
Pre-implementation Context	What were the main considerations and motivations for choosing Portugal as the destination for Cardif in 2013?	Cultural reasons; Economic reasons; Strategic reasons for choosing Portugal
Current Strategic Alignment	Given Cardif's strategic objectives in Portugal, how do HR initiatives align to support these goals?	Synergy with the company's mission and vision; HR initiatives reflecting strategic objectives
Distinctive HR Factors	What distinguishes Cardif's HR practices from other companies in the market? Could you give examples of initiatives or policies unique to Cardif?	Unique characteristics of Cardif's HR policies; Specific examples of pioneering initiatives
Attraction to Portugal	From an HR perspective, what are the main attractions for a French-based company establishing operations in Portugal? How do these impact HR strategies?	Cultural, economic, and strategic attractions; Influence of these factors on HR policies
Cultural Integration	Could you describe Cardif's approach to cultural integration between French and Portuguese teams? What measures have been	Successful cultural integration strategies; Cross-cultural

	successful, and what challenges remain?	challenges addressed and overcome
HR Contributions to Competitive Advantage	With rising salaries, maintaining a competitive advantage is challenging. How do HR contribute to this, and what is the role of incentive strategies?	Strategies for maintaining competitiveness amid rising salaries; Role of incentive systems in talent retention
Performance Measurement	How does HR measure performance in a way that aligns with the company's strategic vision? Can you provide examples of key performance indicators?	Key performance indicators used; Correlation between performance measurement and strategic objectives
Incentive Strategy	Can you explain the current incentive system at Cardif? How does it support the company's strategic and operational goals?	Structure and effectiveness of the incentive system; Alignment of incentives with operational and strategic goals
Nearshoring Perspectives	What is your view on the company's nearshoring strategy, and what implications does it have for HR policies and practices?	Impact of nearshoring on HR practices; Adaptation of HR policies to the nearshoring context
Future HR Challenges	What do you consider to be the main challenges for HR in	Forecast of future HR challenges; Strategies

	supporting Cardif's growth and strategic goals in Portugal?	for tackling emerging challenges
Strategic Advice for the Future	What strategic advice would you offer future HR managers at Cardif in Portugal to sustain success?	Advice for sustainability and long-term growth; Anticipation of market trends and their impact on HR
Expectations and Hopes	What are your expectations for the future of Cardif in Portugal, and how do you plan to shape HR initiatives to support this evolution?	Expectations for future growth and success; Planning HR initiatives in alignment with the future vision

LR: In your opinion, what were the main considerations and motivations that led to the choice of Portugal as Cardif's destination in 2013?

FR: I believe that, in some way, there was a boom in the implementation of shared service centers or Nearshoring, driven by the fact that Portugal, in terms of stability and quality of life, offers a relatively peaceful environment. A factor that is often undervalued is the milder climate, with low propensity for natural disasters, which also aids in decision-making. However, the key factor remains access to a relatively stable and competent workforce, depending on the skills we are looking for, to perform functions that are much more expensive in other countries. This cost includes not only salaries but also everything surrounding the maintenance of headcount. Often, in corporate terms, we think that the cost

of an employee is just their salary. Or rather, we begin with the assumption that the cost of that person is the salary they receive. But the truth is that for the company, the salary comes with a series of other financial responsibilities that, when calculated, are more burdensome. However, when compared to other countries, Portugal remains a more attractive option. Additionally, the Portuguese workforce tends to have a certain ease in acquiring language skills, which might not be as common elsewhere. Having a diaspora spread across France, Germany, and Switzerland fosters these language skills across generations, and many of these individuals eventually return to their country of origin. I believe all of this plays a role in management's decision-making when considering "Does this make sense or not?" But the focus, I believe, always has been and will continue to be—despite some recent contrary trends—on having access to capable, competent labor that is more cost-effective than in other countries. By centralizing certain activities in a specific country, companies still gain these economies of scale that keep costs lower.

LR: From an HR perspective, what are the main attractions for a French-based company to establish operations in Portugal? What impact do they have on HR strategies?

FR: From the customer's point of view, it's what I just mentioned. In our case, it largely revolves around the ability to follow the trend of becoming increasingly multicultural companies that have different needs in terms of what well-being really means and how lifestyle, needs, and culture are perceived by different people. Despite efforts to mitigate these differences, there will always be distinct cultures, and the company must be capable of developing practices, strategies, and policies within such a multicultural melting pot, where people differ significantly, starting with language. Therefore, we often have to consider

communication. What language will communication be in? English? Typically, everyone speaks English, but perhaps some people don't speak English very well because they come from a niche market where they've only worked with Italy, for example, and are more fluent in Italian.

These considerations, from an HR strategy perspective, lead us to recognize that we increasingly have different internal customers with diverse perceptions of strategy and implementation. We often realize that we have less and less time to respond to people's needs, which is also influenced by generational differences. Nowadays, the concept of a "lifetime company" is difficult to grasp. We must understand that within the company, there are different generations with varying expectations, from different countries, cultures, and with different outlooks on what the company should provide. Often, when managing employees from other countries, we need to consider the impact they might have in 5 or 6 years, as staying in Portugal for the duration of their career may not be part of their long-term plan.

All of this anticipation of movements and needs impacts HR strategy, leading us to define practices that, while not always offering a tailored solution for every individual (which is impossible), provide a foundation that ensures everyone understands the strategy, can grow within the company, and contributes to trends in retention. In the context of nearshoring, it has become increasingly difficult to maintain employees, given the rising cost of living in Portugal and the growing competition from other nearshoring providers who are becoming more aggressive in recruiting talent. This is where we focus heavily on the Employee Value Proposition, which is not just about what a person earns at the end of the month but encompasses everything related to well-being, career opportunities, international prospects, and a culture that respects and accommodates different multicultural needs.

HR challenges differ from managing a platform consisting of only one nationality, whether Portuguese or otherwise, because, in this case, you are dealing with a more uniform set of expectations. In terms of human resources, the key is often anticipating these movements, which are not always straightforward. As I mentioned, there are two main aspects: multiculturalism and the generational factor, both of which have a significant impact on the company. The goal is to ensure that these two dimensions coexist as harmoniously as possible.

LR: Can you describe Cardif's approach to cultural integration of teams of different nationalities? What measures have been successful and what challenges remain?

FR: One thing is, "Okay, I speak French, but I also speak English." I don't know if you speak English well or not, but if HR needs to communicate something, I send it in English or Portuguese and you understand it. I don't need to use French. However, the fact is that some people don't have this basic skill. They may be native speakers who are not yet comfortable mastering HR topics on their own, which are often complex in themselves. We have to make an effort to explain things in a way that they can understand. Often, the best way to ensure understanding is by communicating in their native language, because some topics are so complicated that using another language only makes things worse. This is one of our challenges—ensuring that we achieve something very basic.

Therefore, we don't just focus on the overall strategies, but also on operational aspects. This is always in our thoughts: how can we fit everything together? Another HR challenge, which is very much part of Cardif's approach, is the proximity of management. You need someone physically present in Porto, someone who is close to the people, anticipating day-to-day issues and being

highly responsive to the matters they bring to us, rather than sitting elsewhere, detached from the daily reality. Then, of course, there are deeper, more complex issues. I'll give you an example: when we think about benefits beyond salary, part of the Employee Value Proposition, we need to consider what is relevant for a population that may not be resident in Portugal for their entire working life. A basic example is pension funds. Pension funds are designed for retirement. However, many of our people won't retire in Portugal. They may stay here for a certain number of years and then leave. They can't take that money with them. It probably doesn't make much sense for us to invest heavily in developing these types of benefits here. Therefore, integrating people who may not have long-term continuity in Portugal presents a different challenge, especially when addressing our local HR concerns.

LR: Given the company's mission, vision and strategic objectives, how do HR initiatives contribute to supporting these objectives? How are these initiatives structured and implemented to ensure their effectiveness?

FR: The foundation of a company's mission must be aligned with HR practices. How does HR strategy make this happen? For example, we have a mission here that involves ensuring that, in a multicultural environment, everyone feels respected. This includes sustainability in terms of diversity and inclusion. One of our core themes is not just the inclusion of minorities, but of all the areas we've mentioned. It's still a challenge for us to include someone who may be excluded simply because they have a health issue, reduced mobility, or speak a different language. It's not an additional difficulty, but it requires a different type of strategy. This is very much in the spirit of Cardif, and our own spirit, ensuring that, through various initiatives, each person feels heard.

Another important element is ensuring that people, through tools such as the Suggestion Box, Feedback Meetings, and a series of events organized by management, increasingly feel that their voices are heard. For example, with the Stay Connected initiative, we have just conducted a survey and are now analyzing the results. We're listening to what French operations say, what Italian operations say, and what transversal teams say, so that we can adapt. I think this connection between materialization and employee input is fundamental. I can have a mission that says, "Let's ensure all employees feel comfortable in a multicultural environment." But how do you achieve this? We do it by listening to the employees' voices.

You might ask, "So you do everything?". No, we don't do everything. People often have expectations that are impossible to fully balance. For instance, I don't know if you are aware, but as far as I know, BNP once allowed employees to work remotely from abroad, but then stopped allowing it based on group recommendations. This wasn't a decision by Cardif; it was a group decision. And as we are part of a group like BNP, our strategies are often shaped by the group's recommendations.

It's not just Cardif France; it's BNP Group. This creates an additional challenge, as we often need to implement benefits, communication, or well-being strategies that are specific to our needs as a company within the group, but we are still bound by the group's HR policies. This alignment can be difficult at times. However, for me, the results of these efforts need to be visible. For instance, we say, "Let's listen." But how do we listen? Through Stay Connected. When people express their concerns, what do we do? If we can't act on a specific issue, it's important to explain clearly why that is. This proximity to people is key to realizing the company's mission and ensuring that it is fulfilled.

LR: What distinguishes Cardif's HR practices from other companies in the market? Can you give examples of initiatives or policies that are unique to Cardif?

FR: I haven't seen anything at Cardif that I haven't encountered in other companies. What we have here is a more immediate focus on satisfaction, which brings the additional challenge of dealing with a variety of people with different expectations, forcing us to respond in diverse ways. But in terms of a Nearshoring platform, for example, you have—or should have—a vision of what career management is. I respect the person's evolution within the structure, not just what the person wants to achieve in terms of typical growth. For instance, someone may be an expert and progress through a technical career, or they may be a manager and evolve through a managerial role. Here, we often face constraints in implementation because we need to respect the integrity of the client's structure.

Therefore, we have satellites that often mean our practices and policies must be articulated with what makes sense for the client. It's like you said, you report to someone here, but then you have the client who, if you're lucky, is aligned. If you're not lucky, they're not aligned. This shouldn't happen, but sometimes it makes the "HR machine" a bit less well-oiled or less responsive because there are multiple levels of validation involved, which don't always pass directly through you. This is something I didn't encounter in other companies I worked for, where decisions were validated internally by the COMEX. You had a career plan, you presented it to your executive committee, they approved it, and it was ready to be implemented. Here, it's different. You have to understand how to align it with broader group implementations, such as the current Cardif Fit initiative.

We might have extraordinary initiatives, but some advance while others don't because I can't be in France addressing cost issues while here I'm committing to

spending money that I might not have. There needs to be a critical balance. For example, if I start implementing salary increases due to internal competition from other structures attracting my people, but I can't keep up with the competition in terms of the Employee Value Proposition, it ultimately doesn't make sense, because I will lose people. On the other hand, if I tell them, "Look, I'm going to make us a much more expensive company," they might say, "What do you mean by more expensive? I'll need to reconsider the activity." It's not quite like that, but just to give an example. This framework can sometimes be complicated.

I don't think it's so much about the practices themselves, because I've worked in many companies and I've spent 15 years in HR. There's nothing here that I haven't seen before. The question is, how do you implement it? Now, in terms of current human resources trends, there's a strong focus on the Employee Value Proposition, where salary is not just about salary. It's about everything that surrounds it, contributing to the overall package. Even things like smart working policies, which carry certain costs. If those policies change, new costs emerge. So, it's not just about an HR strategy; it's part of the company's mission and the need to retain people.

LR: With rising salaries, maintaining a competitive edge becomes a challenge. How does HR contribute to this and what role do incentive strategies play?

FR: We are now much more focused, or increasingly focused, on what the Employee Value Proposition is. At one point—this may not apply to your generation, but it does to mine—I had to work in the office every day; there was no teleworking. When the pandemic came, we were all forced to adopt this mechanism, but until then, there had already been various trends. Some companies are bringing more people back to the office, which is important

because I believe that spending more time together makes the whole process easier. I often comment to my HR team that, in the past, it was completely unthinkable, like what happens now with back-to-back meetings. You leave one meeting and jump straight into another. Back then, even if all the meetings were in the same room, you had at least five or ten minutes to move from one room to another. Now, you're always in a meeting, constantly followed. New working methods were created, which made people view work differently, with new expectations.

Incentives now align with these changing expectations. Today, when people consider an opportunity, whether to join a company or stay with one, they evaluate many factors that they didn't before. Imagine if someone offered you an extra 1,000 euros—you might not even consider it if your needs aren't being met. One of the first questions people ask now is, "What is the teleworking policy?" If the company doesn't offer teleworking, many candidates won't even be interested, no matter how much you pay them. There might not be any amount of money that would convince someone to accept a role without a teleworking policy, for instance.

This shift opens up opportunities for other types of incentives, often called flexible benefits. We are now trying to understand what additional benefits we can offer beyond those that already exist or how we can further leverage the incentives already in place. In terms of nominal salary increases, we face the growing challenge of not being able to keep up with inflation, the rising cost of living, or the competitive offers that people receive from other companies.

This is where the broader analysis of benefits comes into play: extra vacation days, comprehensive health insurance for the whole family, and more. It's about taking a holistic view of the compensation package, rather than focusing solely on the figure. At the same time, while we are not undervaluing the importance of salary—because, no matter how many flexible benefits you offer, if a person

doesn't have a salary that allows them to live comfortably, they won't appreciate the rest—there are parallel paths. We aim to help employees realize the value of training, career opportunities, and mobility within Cardif or across the group. There is a significant effort being made to reshape people's perceptions, and this is being carefully considered.

LR: How does HR measure performance in a way that aligns with the company's strategic vision? Can you provide examples of key performance indicators?

FR: We all have cross-cutting objectives, and we are evaluated based on them. This includes areas like people management, codes of conduct, etc. These objectives often involve aspects that are not as tangible in terms of performance. However, we must also respect the differences in the activities across various teams. For example, here in HR, my team doesn't have daily productivity metrics. If you go to the call center, they do; other areas might have them as well. Therefore, we have allowed managers some freedom to define what kind of objectives they set for their teams so that employees feel they are being evaluated in a fair and coherent manner, based on their job performance and the value they bring to the company.

That said, we do have KPIs that we track, but they are more focused on whether objectives are being met. These are often linked to expectations, such as having a normal distribution curve in performance reviews. For instance, if I start seeing a lot of employees receiving low scores, I begin to worry about what might be happening. When it comes to meeting objectives, for example, our employees may not always realize it, but the bonus value we offer is much higher than what other companies typically provide. However, because this may not be fully

understood, it can go underappreciated, with people assuming it is completely normal.

Performance is closely tied to team management, HR alignment, and we run several controls—some imposed by the Group and others that we report to the Group, as well as those we manage on a day-to-day basis. But there is a strong connection between the FTE or Headcount structure and the fulfillment of objectives and company results, as they should typically be aligned. We also share a series of KPIs with Head Office to gain a better understanding of where each individual stands.

LR: What do you consider to be the main challenges for HR in supporting Cardif's growth and strategic objectives in Portugal?

FR: Retention is key, for all the reasons we have already discussed. Maintaining ourselves as a competitive company in this increasingly aggressive market—both within the group and externally—is crucial. We need to view mobility not as a negative but create conditions where people don't feel the need to pursue mobility because they are engaged with the career challenges here. Of course, we won't be able to retain everyone, but we will do our best.

Attractiveness, whether in the foreign market or within the group, is another challenge. Compared to 10 years ago, when the company was at a different level of maturity, we now have a more mature organization. After 10 years, this also implies the growth of individuals who are starting to have different expectations. I'm beginning to realize that, suddenly, in terms of career management, we need to offer different types of responses to people who are no longer all juniors. Some are seniors, some have moved into management roles. Some may not want to or may not have the profile for management, and I need to be able to provide them with solutions.

We must increasingly strengthen the management layer, not neglecting staff but ensuring that we have closer, more involved, and more capable leaders. This proximity has a significant impact on training because supporting people's growth requires leadership and development programs. We also need to cross-check with the management layer, asking, "Hey, I do it this way, how do you do it?" We need Middle Management to be strong so that people feel supported.

There is a lot at play here involving retention: salary, career opportunities, and development in a country and structure that, as we've said, cannot rely solely on salary recognition. We need to foster a vision where people see a path for themselves here and recognize that they can continue evolving, as they have been since 2013.

LR: Building on something Damien Garcia mentioned, he said that Cardif's biggest competitor in Portugal, in terms of recruitment, is BNP. Could you briefly explain the challenge of competing internally within the group, especially considering that the conditions offered by other BNP entities may be different from Cardif? How is this challenge managed from a human resources perspective?"

FR: It's about understanding that mobility is always a tool employees should have access to because, sometimes, within your own activity, you may not have the right answer for that person. And if you don't, you don't. I often tell my HR team that I would rather "lose" a good person to another entity within the group than have them leave the group entirely. So, mobility is not seen negatively in this regard.

Just for context, we have been seeing greater mobility to other entities within the group, which also correlates with the company's growth. As the company grows, people tend to move more. However, we still experience far more internal

mobility within Cardif itself, which indicates that people genuinely enjoy being here. For example, we recently launched two HR roles and received several internal applications. This shows that people want new challenges within Cardif, they like the company, and they want to stay. This isn't so much about benefits or salary; it's about maintaining the Employee Value Proposition. If people are given the right challenges, they will stay.

Mobility is now viewed as a normal tool for employee development. We want people to stay at Cardif because there are opportunities here. However, if we reach a point where someone truly wants to pursue something else that doesn't exist here, there's not much we can do.

On the subject of benefits, it's important to note that many people at Cardif don't realize that we are not a bank, we are in insurance. Therefore, our collective labor agreements are entirely different from those of the banks, which impacts the benefits available to employees. Sometimes, people may think the benefits elsewhere are spectacular, but when you really compare, some of what we offer may actually be better than what they have. But as with everything, when we look elsewhere, we tend to think the grass is greener on the other side.

LR: What are your expectations for the future of Cardif in Portugal, and how do you plan to shape HR initiatives to support this evolution?

FR: We anticipate significant growth here, so there is an HR framework being aligned and reinforced to ensure that we can respond to the needs of a company with 500 employees, not just 100. There is an entire structure of processes that is very important, starting with recruitment, where differentiated recruitment strategies play a key role. We remain focused on being innovative and unique in how we reach people, and in the Employee Value Proposition that we communicate from the first contact with candidates. Once they join, we ensure

that they experience the focus on training, development, and career management, which are core elements for us. Reviewing benefits is also crucial to ensure that employees feel valued as the company grows. We now need to define new types of projects that will sustain this growth.

LR: What strategic advice would you give to future HR managers at Cardif in Portugal to continue driving success?

FR: I'm a strong advocate for the idea that HR serves as a kind of "confessional." We occupy a complex position: while we are the company's guarantor, looking out for its best interests, we are also—or should be—the guarantor of the employees' best interests. Rarely do these align perfectly. For example, employees often want one thing, while the company typically has different goals. Take salary, for instance: as an individual, the more I earn, the better for me. But as the Head of HR, I have to look at the salary and benefits structure as a whole. I can't just give everyone the maximum possible salary to make them happy.

For me, the biggest challenge in HR is creating a balance between what top management sees in terms of the company's growth and mission, and ensuring that employees still have a voice and are seen as individuals, not just numbers among 500. Employees are an essential part of the company's success and growth. It's a two-way street. Sometimes, for example, when COMEX makes purely management-focused decisions, if you provide them with the HR perspective on how these decisions will impact people, they might see things differently. Without that input, they may take decisions that don't fully consider the workforce.

This balance between well-being and operational strategy is essential in HR. We need to ensure that our HR operations support both the business and the

employees. In our case, as a company that relies entirely on its workforce, we don't have a product; everything depends on our people. If the workforce weakens, whether in terms of delivery or engagement, the company suffers. Therefore, it's crucial to maintain a balance between the company's needs and strategies, and the day-to-day lives of the employees and how those are managed.

Appendix VI – Script and Interview with Catherine

Duris

Topic	Interview Question	Key Points
Beginning of the Nearshoring Project	How did the decision to initiate a nearshoring project with the MOAC unit come about, and why was Portugal chosen as the location?	Initial reasons for nearshoring; Choice of Portugal for the project
Initial Hopes and Objectives	What were the initial expectations and objectives when establishing the MOAC in Portugal, and how did these align with the company's global strategy?	Alignment with global strategy; Specific objectives for Portugal
Implementation Challenges	During the implementation of the project in Portugal, what operational and strategic challenges were encountered, and how were they addressed?	Overcoming operational challenges; Implementation strategies adopted
Project Evolution	How has the project evolved since its inception, and what adjustments have been made to ensure ongoing success?	Adjustments and adaptations; Project evolution
Measuring Success	What are the key indicators used to measure the success of the GAMA project in Portugal, and	Success indicators for nearshoring; Alignment with

	how do they align with headquarters' expectations in France?	headquarters' expectations
Team and Cultural Integration	How has team integration and cultural adaptation been managed between French and Portuguese employees in the context of this project?	Team integration; Managing cultural adaptation
Impact of Nearshoring on Operations in France	What has been the impact of the nearshoring project on MOAC operations in France?	Impact on French operations; Feedback for the project
Strategic Vision for Nearshoring	What is your vision for the role of nearshoring in the future MOAC strategy, and are there plans to expand or adjust this operational model?	Future of nearshoring at MOAC; Plans for the operational model
Strategic Advice for Continuity	What strategic advice would you offer to ensure the continuity and successful development of the nearshoring project in Portugal?	Recommended strategies for continuity; Guidance for future development
Long-Term Expectations	What are your long-term expectations for the relationship between MOAC in France and the unit in Portugal, and how do you plan to achieve these expectations?	Future expectations; Planning to achieve long-term goals

LR: How did the decision to launch a nearshoring project in the MOAC come about, and why was Portugal chosen as the location?

CD: The decision came about, I think, much like in other cases, due to budgetary constraints. In the group's budgetary processes, there is what we call budget notifications. So, every year, for instance, right now, we are in the process of building the 2025 budget. There is also what we call a budget forecast, where the group and Cardif set budgetary objectives in terms of expenditure, with a fixed maximum limit. The logic of the company pushes us to try to be increasingly efficient while carrying out more or less the same missions.

Since the Middle Office was created in 2017, we have had reduction and efficiency targets for several years. These reductions involve stopping activities that are no longer necessary, automating tasks through tools, and reorganizing to find synergies. However, there comes a point when further efforts are required, and certain activities, such as contract valuation and placing unit-linked orders—critical tasks for the insurance business—need to be done more cost-effectively. There is an operational reality, meaning there is a critical size in terms of FTEs (Full-time Equivalents) needed to perform a mission or process, below which we cannot reduce staffing.

My concern was that for several activities, I needed to maintain the same number of people for business continuity. But, at the same time, I was being asked to do things more cheaply. So, the question became: Should I relocate these activities? There are two ways to relocate: either we outsource to a service provider, or we engage in Nearshoring or Offshoring, which means using an internal service provider within the group. That was the choice we made, based on several criteria, such as process maturity and activity maturity. The main concern was maintaining the same headcount while reducing the associated budget.

Why Portugal? In the scope of our activities, we might only have 12 employees carrying out these tasks, which seems like a lot at first glance, but at the scale of the group, it is actually quite small. So, it was out of the question to venture into a country we didn't know, where Cardif wasn't established. It just so happened that Cardif Services had already been established in Portugal for 8 or 9 years, with certain practices already in place. Naturally, we chose to go where Cardif already had a presence and expertise in this type of activity transfer. Today, Cardif remains focused on Portugal and doesn't want to scatter operations to places like India or Poland, as other businesses in the group have done. For us, it's about supporting 12 employees in the end, and the idea was to build on a broader base where there is an established corporate culture capable of promoting good conditions for the activity transfer.

LR: What were the initial expectations and objectives when establishing MOAC in Portugal, and how did these align with the company's overall strategy?

CD: The objectives were primarily financial. There was another concern, though not part of the initial decision-making process, which was ensuring business continuity—especially in light of the COVID crisis—since we handle critical activities. We realized, particularly in Nanterre, that I had employees who were among the 30 staff members of all of Cardif Nanterre who remained on-site to operate the processes. We noticed, especially by looking at other businesses within the group, such as BNPP SS, that having dual locations to operate certain processes also helped mitigate business continuity risks tied to a single site. However, this was not the primary criterion.

The primary objective was financial, selecting activities that were mature and sustainable within the Cardif ecosystem. At the time, there was also a strategic

plan at the group level that emphasized unit-linked products as a development priority. Thus, we decided to focus on unit-linked processes by establishing a minimal system to operate these processes while keeping financial objectives in mind. If the activity increased significantly, and we needed to hire more staff, it made more financial sense to do so in Portugal, where costs are lower.

So, the objectives were both financial and process-oriented, ensuring alignment with Cardif's development strategy. In fact, this development strategy remains relevant in 2024. By the end of 2024, there will be a significant acquisition in France involving Neuflyze Vie, focused on unit-linked products. This reinforces unit-linked products as a major growth area for Cardif, ensuring that our strategic goals are aligned with Cardif's long-term savings strategy.

LR: When implementing the project in Portugal, what operational and strategic challenges were encountered and how were they addressed?

CD: The first challenge was that for Nanterre and Cardif, this was the first activity transfer project where permanent French employees were directly impacted. Until then, all Nearshoring projects carried out with Cardif Services had replaced service providers or temporary workers—essentially external roles—with permanent workers in Portugal. So, from a social impact perspective, it wasn't quite the same situation, as we were replacing external services with permanent positions, but not in France.

This was one of the first challenges: working with HR in France to anticipate the issues that would arise with employees. We had to announce to the employees that their roles would no longer exist in France, their positions would be eliminated, and they would need to enter the mobility process. This was a significant challenge because it was relatively new for us, and on a personal level, it isn't easy to carry out this type of project.

Another challenge was ensuring business continuity since we handle these processes on a daily basis. For me, and still today, it's extremely important to create a unified spirit where we are a single team rather than having a customer/supplier relationship where we delegate part of the activities and then disengage. It's crucial that in Nanterre, we remain involved and responsible for the processes we delegate and that the team in Portugal feels fully integrated, as if they were working in Nanterre. For me, the teams in Portugal are part of my team. This is a major challenge because the physical distance makes daily collaboration more difficult. But it's essential for success—it's a key factor.

Another challenge is ensuring that the chosen processes are suitable because while they may be mature enough, there's still room for improvement. We need to develop talent in Portugal that can bring enhancements, such as those made with Alteryx, and help evolve the processes. Above all, like any employee, those in Portugal should be active participants in their processes, understanding that nothing is set in stone. This is another important challenge, which aligns with Cardif's broader strategy of constantly evolving and staying adaptable.

LR: How has the project evolved since its launch, and what adjustments have been made to ensure its continued success?

CD: We have made very few adjustments compared to the initial plan. The project is not yet fully completed but is almost finished for the Unit-linked team, as the work in Portugal on the Unit-linked Support Team is now well-established. Today, the main challenge regarding staff on this team is more about managing turnover rather than transferring skills. So, I would consider the Unit-linked Support Team part of the project almost finished.

On the Data Administration side, however, we are still progressing, as there are parts of the activities and processes that have yet to be fully transferred, and

we do not yet have complete local expertise. In terms of scope, nothing has changed significantly. What has evolved is the cadence, the timing, and, more so, the organization in Nanterre, which has made some adjustments—although, ultimately, not that many. So, I would say the main adjustments have been in the timing and in managing the surprises that have arisen during the project. But overall, we are very close to what was outlined in February 2023 when I presented to the personnel bodies.

LR: What was the impact of the nearshoring project on MOAC operations in France?

CD: From a managerial point of view, the main difficulty for the impacted French employees was having to train the employees who were going to take over their jobs. The impacts on operations were more related to issues of motivation and engagement among the employees in France, so these were more managerial challenges—both at the time of the announcements, during the training phase, and once the activity had been transferred.

For employees in France who did not find an alternative position, we still had to continue supporting them and ensuring they had missions to work on. In terms of operational impact, everyone had to adapt to working and interacting with employees who weren't physically present. This challenge was not so much within MOAC itself but more with others in the surrounding ecosystem, such as IT and the Liabilities team. We had to build confidence in the same way I had confidence in the new team. That trust needed to be shared across the company.

At first, the reaction is often, "Oh no, it's not France doing it anymore." But once you demonstrate that we are all part of the same team, our usual contacts start to trust the new structure, and things move forward from there. It's the

surrounding ecosystem that can sometimes make this transition a bit complicated.

LR: So, is the impact more on human resources than on production itself?

CD: Yes, it's more about the people—the way they react, whether it's rejection or, on the contrary, enthusiasm. I've experienced both types of reactions. Regarding the operations themselves, I am very positive about the outcome of the Nearshoring project as it stands today. Beyond the purely financial and accounting aspects, we've seen a real contribution from this initiative. In fact, I believe that certain process improvements wouldn't have been possible if we hadn't moved to Portugal. Changing an established ecosystem is not something that happens easily.

So, I would say that overall, it's been more of a gain, and there haven't been any additional incidents or issues of that sort. I actively work against the narrative that says, "There are incidents because it's in Portugal." When an incident occurs, it's just a part of real life. We analyze it by asking, "What went wrong in the process?" And I often ask, "Did we miss something in the training?" That's possible. But the key question is: would we have done any better elsewhere? In 99% of cases, the answer is no. There's a learning curve, which is completely normal, but we don't experience more incidents. The processes are well-managed, and we have indicators that demonstrate this—particularly on certain processes, where we've seen that there has been no deterioration, and in some cases, even improvement, once the training phase was completed.

So, for me, the impact has been overwhelmingly positive.

LR: What are the key indicators used to measure the success of the GAMA project in Portugal, and how do they align with the expectations of the headquarters in France?

CD: When I created the Middle Office in 2017, the objective was to establish a Middle Office that would serve several departments, management teams, and processes across the company, not just the DGA. In terms of governance, prior to the GAMA project and before expanding to Portugal, I already had a number of regular quarterly meetings with my main clients—Liabilities, the DGA, Compliance, Actuarial—where I would report on the processes. These meetings included reviewing key indicators such as data quality, deadlines, the number of rejections, the number of incidents, and so on. Portugal is simply an additional service provider within this structure. We have a process, it's monitored by KPIs, and ultimately, I, as MOAC, remain responsible for my processes.

We have retained the same indicators as we had before; there are no different indicators in place. Portugal has proposed some new ones in specific areas, but especially for the Unit-linked Support Team, the KPIs remain exactly the same. The process is what is being evaluated, not the location. In the same way that the teams in Nanterre are evaluated, the management as a whole is evaluated through these indicators. The key metrics we follow for the process include, on the Unit-linked Support Team, the number of orders executed on time, or conversely, those that are not executed on time, the number of rejections, and unprocessed backing discrepancies from a certain date.

On the Data Administration side, the primary indicator for unit-linked processes is delivery times. Additionally, we track the number of manual Net Asset Values as a measure of efficiency. These are process-related indicators, not team-related. This is important because, once again, I don't view this as working with a service provider. I work with people, and we are collectively and jointly

responsible for the outcomes. Even if, contractually, the relationship may be defined as client/service provider, I truly believe it only works if we function as a single team. I consider the team in Portugal as if they were teleworking in Porto.

LR: How do you see the role of nearshoring in MOAC's future strategy, and what are the plans to expand or adjust this operational model? How do you hope to address recent recruitment difficulties?

CD: In terms of outlook, the DGA is going to undergo significant changes. So, today it's difficult to provide a definitive answer or forecast. At the Middle Office level, we are reflecting on the situation because we have the Data team operating in a dual model and the Unit-linked Support team operating in a full delegation model. I find that the dual model may be more efficient, not to say that things aren't going well on the Unit-linked Support side, but indeed, in terms of integration, the dual model is simpler. At the time, it was complicated to think in terms of dual operations for the Unit-linked Support side. But if we were to reconsider the structure, I would definitely contemplate returning to the dual model—not to change the size of the team in Porto but rather to assign new activities while possibly repatriating part of the current workload to strike a balance.

So, at the Middle Office level, the initial projections included other activities that could have been Nearshored. We didn't pursue them right away because we wanted to ensure success with the first two activities. But if we decide to Nearshore additional activities, we're not looking at major expansions. It would involve perhaps two or three more people, but not much beyond that. That said, new activities may arise due to growth in demand or the integration of new needs that I'm not aware of yet. And very clearly, I think we should always consider

whether an activity should be located in Portugal from the outset rather than defaulting to France.

Once again, it will depend on the maturity of the activity. For example, we have a new activity related to ESG—responsible investment reporting. I considered Nearshoring it, but ultimately, the answer was no because it's not yet mature. The process is still under development, and we don't know yet with whom we'll be working or what tools we'll be using. But if an activity becomes well-established and relatively simple, then we might as well set it up in Portugal from the start if it makes sense.

As for what's going to happen within the framework of the Alysée project, I'm not entirely sure. Regarding the rest of the DGA, I have some ideas, but I'm not the manager for the broader DGA. We should remain confident that we're not going to scale back, and in any case, for the scopes of activity for which I'm responsible, we will always consider all options.

For example, with the acquisition of Neuflyze Vie, we expect a surge in activity. We will need to create a lot of securities in the CARAT tool, among other tasks. Rather than hiring someone in France, I think it could be more appropriate to staff in Portugal. It involves the team in an integration project and is ultimately more beneficial.

Regarding the recent recruitment difficulties, with some hindsight, we've had trial periods that we chose not to renew—this was a conscious decision. We also had one person who didn't show up and another on the Unit-linked side who faced geographical mobility issues—these are personal circumstances. I think we need to work closely with Jean-Paul Macedo and Laurent Latorre, the BU manager, and ask ourselves: is this an intrinsic problem with the Nearshoring model? Are we not interacting well, or are there external factors at play? We will continue to monitor the recruitment challenges; this is the first time we've encountered them. We'll see if there are suitable candidates. But one thing is

certain: given the current situation in France, from a managerial point of view, with the initial employees still present, the solution needs to be found in Portugal. We can't seek it in France, at least temporarily. I may not give the same answer in six months, but right now, I'm not too worried. If necessary, I'll adjust the organization in France to lend a hand or ease constraints if difficulties persist. But for now, we'll see over the next 15 days, three weeks, or a month if CVs come in. If not, we'll reassess accordingly.

LR: What strategic advice would you give to ensure the continuity and successful development of the nearshoring project in Portugal?

CD: Before launching the project, there were many ideas suggesting that we should delegate only the troublesome tasks. I disagree with that. I believe it's crucial to ensure that we transfer mature processes—ones that are stable but also capable of evolving. The advice is not to offload tasks simply because they are poorly structured, unstable, or difficult. That's extremely important. I think we need to be humble. Yes, it's not always easy, and yes, incidents may occur, but they happen everywhere, all the time—that's just life. We need to ask ourselves: Would we have done it better? Were we doing it better before? Often, the answer is no—we were simply doing it differently.

Beyond financial objectives, we should also consider what value nearshoring can bring—whether in terms of innovation, expertise, or cultural contributions, as different perspectives can lead to new insights. It's also important to remain open to this. In France, many managers might feel they lose hierarchical control with nearshoring because they have fewer direct reports. But that doesn't really matter. The key issue is that we are responsible for processes, not the ownership of people. We must stay agile in our approach.

LR: What are your long-term expectations regarding the relationship between MOAC in France and the unit in Portugal, and how do you plan to achieve these expectations?

CD: My expectations, which also relate to strategy, center around ensuring that we maintain a motivated workforce in both France and Porto—employees who want to stay with Cardif Services for the long term. I’m not just referring to the BU but to Cardif Services as a whole. In financial assets, we are fortunate because the day-to-day processes provide meaningful work. Additionally, this field demands increasingly detailed reporting, whether to regulators or the group. Understanding financial assets is central—whether it involves order execution or reporting, the focus is the same: the financial assets and the portfolio, though their application may differ.

We are currently collaborating with Finance, particularly with Frédéric Pires, who has joined from Nanterre and is now working between the COMEX and the Finance Team Leaders in Porto. The goal is to create an operational model that fosters employee development in Porto and establishes bridges between Finance and the Asset Management BU—or vice versa—so we can map out career trajectories. My ambition, which is shared by the new accounting director on the Finance side, is to have a joint effort to build potential. Finance has about 7-8 people involved in financial asset reporting, and we have 12—maybe 15 at most—so the teams remain small but specialized. It’s important to retain expertise, and the idea is to create development paths for employees.

This is a strategic ambition for 2025/2026. We are working on a system in Nanterre, and the plan is to duplicate it in Porto with Frédéric Pires leading this initiative.

Appendix VII – Script and Interview with João Paulo Macedo

Topic	Interview Question	Key Points
<p>Managing Teams with Different Nearshoring Destinations</p>	<p>How have you managed the different nearshoring processes between the Data Administration team (partial transfer) and the POA team (full transfer)? What are the main differences in the implementation methods you've noticed?</p>	<p>Different approaches for each team; Unique challenges faced by each transfer method</p>
<p>Impact of Different Transfer Strategies</p>	<p>Can you compare the impact of different transfer strategies on the Data Administration and POA teams, both operationally and emotionally?</p>	<p>Operational effects of transfer strategies; Emotional reactions of teams to changes</p>
<p>Communication of Changes and Transparency</p>	<p>What communication methods have you used to ensure transparency and keep both teams informed during this transition period?</p>	<p>Effective communication strategies; Ensuring transparency in the process</p>
<p>Performance Measurement During Transition</p>	<p>What key performance indicators (KPIs) are used to track the success of the transfer? Are there differences in KPIs between the two teams?</p>	<p>KPIs used during the transition; Adapting KPIs to</p>

		specific needs of each team
Maintaining Morale and Productivity	How have you worked to maintain high morale and productivity within both teams, given the varying degrees of uncertainty and change?	Strategies for maintaining morale; Keeping productivity high amidst change
Feedback, Learnings, and Improvements	What lessons have been learned so far in this nearshoring process, and how has team feedback been used to drive improvements?	Key learnings from the process; Using feedback for adjustments and improvements
Future Planning and Team Development	How do you envision the future of both teams once the nearshoring process is complete? Are there specific plans to promote continuous team development?	Future vision for the teams; Continuous development strategies
Long-Term Expectations for Teams	Based on your experience, what are your expectations for the long-term impact of nearshoring on your teams?	Long-term projections; Expected impact on team dynamics

LR: How did you manage the different nearshoring processes between the Data Administration team, with a partial transfer, and the Unit-Linked Support team, with a total transfer? What are the main differences in the implementation modalities that you noticed?

JPM: To be completely transparent with you, I wasn't really involved in the Nearshoring project from the beginning because, by the time I arrived, the train was already in motion. I'm involved in the project as the Team Leader of the team, but the project had already been launched well before I joined. I've also discovered a lot of it on the job since September 2023. Previously, I was working in BPO—Business Processor Outsourcing in Switzerland—which is a bit like banking outsourcing. We were a subsidiary, the private banking back office, of the Suez subsidiary, the Wealth Bank of the Crédit Agricole group in Switzerland and Asia. So, we didn't deal with France, but the principles are somewhat similar. It's still a form of banking outsourcing.

Here in Portugal, BNP does a lot of subcontracting for France, so there are quite a few similarities. I was able to find my bearings because of these parallels. The project itself had already been set in motion, so I've been learning on the job, adapting as I go along. The main difficulty I encountered was finding my place between the wishes of the client, based in Nanterre, and the requirements of Cardif Support in Porto, which are not always aligned. I try to act as a buffer between management in Portugal and the client's demands in Nanterre.

LR: But have you noticed any differences between the Data Administration team where the transfer is partial and the Unit-linked Support team where the transfer is total?

JPM: So, it's actually two different aspects. From a Portuguese point of view, it's easier to manage when you know that the activity is coming at 100%. In the Unit-Linked Support team, they have almost no one left in Nanterre, and for the collaborators, I think it's easier to manage because most of them have already found a way out. When you know that you have to take over 100% of the activity, we've set a clear schedule that everyone has respected, which gives a much clearer vision.

On the other hand, with the Data Administration team, it's a bit more uncertain. Since the beginning, the scope hasn't been entirely clear. We still don't know exactly what parts of the activity will transfer. In Nanterre, there are many collaborators on assignment, who are temporary and don't yet have a long-term solution. This makes it more delicate, but I would say the main challenge lies in managing personnel in Nanterre. Selfishly, I would say it's not our biggest problem here in Porto. Our focus is on meeting the milestones for resuming activity on the Market Data and CARAC side, even though CARAC is still in its early stages, or even delayed, due to staffing issues. So, it's a completely different approach, but I would say the main difficulty is more on the client side, with personnel management.

LR: Can you compare the impact of different transfer strategies on Data Administration and Unit-linked Support teams, both in operational and emotional terms?

JPM: I think the impact is more anxiety-provoking and significant when you know that you are fully taking over the activity. For the Unit-linked Support team, where we knew we had to resume full activity, we had partial Go-live and full Go-live dates set, which created a sense of responsibility. The employees are working towards these deadlines, and indeed, some who are more anxious feel

the pressure on an emotional level. This situation certainly causes stress, especially since the vagaries of staffing—having people come and go—add to the tension. The fact that there are deadlines increases the stress levels for the employees involved, particularly if there are critical activities where a mistake could have an immediate and significant financial impact.

So, there was a lot of stress and anxiety around these activities. However, that's part of what we were tasked with: managing this as best we can and not letting anxiety negatively affect performance. At each Go-live, and there were quite a few on the Unit-linked Support side, we supported the employees involved. There were partial Go-lives on Order Execution e and now on Hedging (both parts of the Unit-linked Support team). Since these two activities are very sensitive, we provided support to the employees involved. Clients and trainers came regularly to Porto to assist them as much as possible and to ensure the success of the project.

This contrasts with the Data Administration team, where there is still a large unit in Nanterre that provides a bit of a safety net. Today, on the Data side, there are only three of us left (involuntarily), and when we are short-staffed, we can always ask Nanterre for help. Unlike Unit-linked Support, where no one is left in Nanterre, so we can no longer rely on them. This makes the situation less impactful on an emotional level and also operationally, because we still have this backup from Nanterre for Data Administration, which reduces the pressure compared to Unit-linked Support.

LR: What means of communication have you used to ensure transparency and keep both teams informed during this transition period?

JPM: First of all, it's about support. We try to communicate as much as possible with the teams on a daily basis, in various ways. That said, we hold regular

meetings, including the BU Weekly every Monday, and then we have a specific Weekly for each team every Friday. When we have Go-live dates, we communicate them to the teams. We aim to be as transparent as possible, and we also offer additional individual support to employees who seem to be experiencing some apprehension or stress regarding the transfer of activity.

LR: Let's go back a bit, you talked about Go live for the Unit-linked Support team but what about the Data Administration team? Are there any differences since it's a partial transfer?

JPM: The Go-live for Data Administration was given not long ago. The official date was validated recently. In fact, the team had already been managing the run at the Data Administration level. What needs to happen now is the official validation that the activity has been fully transferred to Porto, as resources will no longer be allocated to this production and will be redirected to other positions. However, the team was already performing this work, and it has been validated— Data Administration is now in full Go-live. After that, we face a small variation, as I mentioned earlier, in terms of staffing. We are a bit short-handed for it to function smoothly, but hopefully, we will be able to recruit soon.

LR: What key performance indicators are used to track the success of the transfer? Are there any differences in KPIs between the two teams?

JPM: Indeed, since these are two different areas of expertise, the KPIs are necessarily different. When I arrived here, I was given a copy of the Application Contract, which is the contract signed between the client and Cardif Support for our services. In it, the client's requirements are outlined, specifying what we must provide in terms of quality, and so on. The contract contains a detailed list of

KPIs, whether for Unit-linked Support or Data Administration — there are many of them.

One of my tasks has been to set up and regularly monitor these KPIs in order to present them monthly at the Run Committee. There are 10 Run Committees per year, and these meetings allow us to assess and track the performance of our BU, which we report to both the client and the management of Cardif Support. During these meetings, we also present the KPIs and evaluate the performance of the teams. So this happens on a monthly basis.

Setting up these KPIs took several months because, although they were all listed in the application contract, identifying them clearly was a challenge. I took advantage of the visits from Jérémy Domingues and Salim Ouahabi — who were the Managers of those activities in France — to sit down with them and ask them to clearly and concretely explain what they expected from us for each KPI listed in the contract. Some of these KPIs are very technical. I spent an hour with Jérémy discussing what each KPI corresponded to, and we identified each one on the Unit-linked Support side. I did the same exercise with Salim for Data Administration.

Once we had a clear understanding of what each KPI represented, we found that the KPIs for Unit-linked Support more or less aligned with what they were already using. However, on the Data Administration side, I asked for new KPIs to be set up because I found the existing ones insufficient. The client also realized that these KPIs were not very relevant, so I asked you, Luís Ribeiro, to help us evolve them into something more relevant and representative of the activity.

We follow these KPIs regularly, update them as needed, and use them to measure our performance. I present them monthly to the client so they can follow our activity and measure the quality of our services.

LR: How did you work to maintain high morale and productivity across both teams, given the varying degrees of uncertainty and change?

JPM: While we sensed a fair amount of apprehension and stress regarding the resumption of activity, I had the opportunity to regularly communicate with Damien Garcia, a member of the COMEX, who is very supportive—much like the company culture here in Portugal. We also communicated with the client to address some of these concerns.

Concretely, how did this materialize? During various exchanges, both formal and informal, the client reassured certain colleagues by expressing their satisfaction with the work we had done so far and their full confidence in what we were currently doing and would continue to do. The same message was conveyed by the management in Porto: that everyone had confidence in us, that everyone was satisfied, and that as long as we continued in this way, there was no reason for things to go wrong.

LR: What lessons have been learned so far in this nearshoring process and how has feedback from the teams been used to drive improvements?

JPM: From my perspective as a Team Leader, if I take stock after almost a year since I joined the Business Unit, the main challenge, as I mentioned at the beginning, has been finding my place in terms of balancing the expectations of both the client and Cardif Support. Initially, I thought they were exactly the same, but they are not. We have to smooth out some of the differences to satisfy the client while also meeting the requirements of Cardif Support. Our goal is to fully integrate into Cardif Support as a true Business Unit, delivering quality while fitting into the framework of the Asset Management Department (DGA), because even though we are part of Cardif Support, we are still part of the DGA. It's a bit

of a hybrid position. Unlike other BUs that don't have this direct link with the client, we are in a unique situation.

I've also realized that, rather than a typical client/service provider relationship, we are more like colleagues and partners with Nanterre. Although, in theory, we also operate in a client/service provider dynamic, in practice we function more like partners, and I think that's a good thing. The challenge, though, has been finding my place and fitting everything together.

Another major challenge is staffing. We are well aware of how difficult it is to find candidates who meet both the client's and the team's expectations, and to keep them in their roles. We've had two trial periods that didn't succeed, one case of job abandonment, and some employees who didn't even start onboarding. So, finding the right employees according to the client's requirements is extremely challenging, given the local market, and retaining them is equally difficult. This challenge is directly related to securing and retaining those who are already here and rewarding them as much as possible.

These are some of the lessons I've learned and already communicated to the client and the management of Cardif Support to ensure they are fully aware of the situation. Feedback from employees has also played a key role in shaping these lessons. They've given their all, but we remain understaffed. Even with full staffing, such as in Unit-linked Support, which is in a transition phase, the team is not overstaffed. There are five people on the Unit-linked Support team, and that's really the bare minimum to keep operations running.

LR: Since the GAMA project activities were transferred to Portugal, has the size of the teams decreased compared to that of the teams in France before the transfer?

JPM: Yes, the workforce was larger in France, and it also relied on temporary contracts. Here, the project set a target—not understaffing, because I don't think their goal was to understaff—but rather to optimize the team size to the tightest possible level. For instance, the target for the Data Administration team was set at six employees, with a lot of versatility, something that wasn't done in France. I believe they considered these six employees to be sufficient. On the Unit-linked Support side, they staffed five people, believing that would also be enough for the target they had in mind.

Without patting ourselves on the back, we have to be much more versatile and efficient here. A concrete example: we have to strictly adhere to our 8-hour workdays, whereas in Nanterre, there was more flexibility with schedules. Here, we have to ensure overtime is pre-approved, so the work framework is much more rigid than in Nanterre. Despite these variables, we still manage to keep production running.

LR: How do you see the future of both teams once the proximity process is complete? Are there any specific plans to promote the continued development of the teams?

JPM: As of today, I know that cross-team mobility between the two teams is entirely feasible. After all, we only started a year ago, so it's still a bit early. However, I would like to see colleagues moving from one team to the other, as it would be beneficial for both the employees and the teams. When someone already knows the tools and the colleagues, it would be great to have that internal mobility. It's also something the client would appreciate—not necessarily employees moving across Cardif, but building bridges between the teams would be ideal. So I hope to see that happen.

Regarding development plans, I don't know the exact plans for the BU. What I've been told is that it's possible we might eventually have three teams in the BU. This is something that has been mentioned as a possibility – whether it will happen or not, I'm not sure. But it's entirely feasible since we're essentially the equivalent of the DGA here in Porto, and the DGA has many teams. So if one day another team is created, it's certainly possible.

LR: Based on your experience, what are your expectations regarding the long-term impact of nearshoring on your teams?

JPM: Nearshoring is not just a strategy; it is at the heart of Cardif Support's business. If we are here today, it's because Cardif and BNP are strongly established in Portugal, especially in the insurance sector. BNP in Portugal has almost 11,000 employees, which is massive for the Portuguese market, with nearly 3,000 in Porto alone. Nearshoring is a core aspect of the business for many BNP subsidiaries in Portugal, and it's what allows us to operate today.

For the teams and employees, nearshoring offers a lot of opportunities because these are highly specialized roles. If this continues to develop, employees will naturally develop along with it, opening up new opportunities. Cardif, BNP in Portugal, and even BNP Group as a whole, are large entities that provide many possibilities for employees.

LR: What impact do you think the GAMA project will have in the long term, particularly in Nanterre? Do you think this project could pave the way for other similar initiatives in the future?

JPM: I think, as I mentioned earlier, they are very satisfied. Initially, there was some anxiety because, although BNP Cardif has been in Portugal for 10 years,

this was the DGA's first experience with nearshoring. The DGA is a critical part of Cardif's operations, managing around 200 billion euros in assets, if I'm not mistaken.

What surprised me is that, when we think of nearshoring or outsourcing, we tend to assume that they'll outsource the tedious, manual activities with little added value. However, when you look at the two activities transferred to Portugal as part of the GAMA project—Data administration and order execution and hedging —these are critical, sensitive activities with significant financial impacts. So, you might ask, "Why these two activities?" because they are so crucial.

They took the risk, trusted us, and it has been a success so far. If they are satisfied with the results, I believe the DGA could continue to follow this path. Even though it's not fully complete yet, in two or three years, if the activities are stabilized and running smoothly, it could open the door for other activities to be transferred. If this is successful, others may very well follow suit.

Appendix VIII – Script and Interview with Maxime Chapin

Topic	Interview Question	Key Points
Previous Experience at Cardif	Before joining the POA team, what was your position at Cardif, and how was that experience?	Previous roles; Job satisfaction; Perspective on internal mobility
Initial Contact and Transition	How did the transition to the POA team unfold, from your initial contact with this opportunity to adapting to your new role?	Discovering the position; Role of internal mobility and "Vis ma Vie" program; Motivation for change; Initial challenges
Experience in the New Role	Can you describe your experience in this new role so far? What major achievements would you highlight?	Key achievements; Overcoming difficulties; Impact on job satisfaction
Performance Evaluation and Goals	How was your performance evaluated in your previous position, and how has the evaluation process changed since you took on this new role?	Differences in evaluation criteria; Clarity of goals; Impact on performance
Perception of Benefits	How do you assess the additional benefits provided by Cardif in the	Impact of incentives on

	context of your new role in the POA team?	motivation and productivity; Satisfaction with offered benefits
Application of Skills and Contributions	How do you think your previous skills and experiences have contributed to the success of the new team?	Application of past skills; Personal impact on team performance
Future Vision	What are your expectations and ambitions for the future within the POA team and at Cardif?	Long-term goals; Growth perspectives; Future opportunities
Recommendations for Other Employees	What advice would you give to colleagues considering a job change or wanting to follow a similar path to yours?	Practical advice; Preparing for challenges; Personal reflections

LR: Before joining the Unit-Linked Support team, what was your position at Cardif and how did you experience this?

MC: My first experience at Cardif was with ICARE, at CVI, the center for irreparable vehicles. We had to manage vehicles that had been damaged. So, either we took care of the repairs, or the vehicle was sent for destruction. It involved all the administrative work related to the transfer of the vehicle, whether it was coordinating with the garage or handling the replacement of parts, etc.

At the beginning, I was an agent. I was an agent for about two years, or maybe a year and a half, and then I was offered the position of functional relay for this team. It was a very interesting opportunity because it was a project that had been transferred here to Portugal. The operation moved to Cardif Portugal in 2019 after being in Le Mans, France, for almost 20 years. We had to update the procedures, and the applications were also new, as there had been significant investment to modernize them.

LR: Was it a full or partial transfer?

MC: It was a complete transfer. So, I had the role of functional relay for about a year and a half. After that, I wanted to move on to something different, and I was offered the position of team leader at EWM, which also belongs to ICARE. However, I didn't feel quite ready or mature enough at the time to take on that role, so I chose to transition to the successions department. I became a succession manager, which involves handling life insurance policies when the insured person passes away and ensuring the heirs indicated in the will receive the benefits. That's what I did for about a year and three months. Then, in March 2024, I joined the Unit-linked Support team.

LR: What were your first reasons for wanting to change jobs?

MC: I tend to get bored quickly with repetitive tasks. At one point, when I was an agent, I started to feel a bit bored, so they gave me a few additional missions, and I took on a bit more responsibility in certain activities. I became somewhat of a specialist in certain areas, which led to me being offered the role of functional relay. However, even as a functional relay, I began to feel bored with what I was doing. They had explained certain aspects of the role to me, but in the end, it

wasn't exactly what had been applied in practice. This happened while I was at CVI, so I asked if my responsibilities would evolve, and when it became clear they wouldn't, I decided I preferred to try something else.

LR: And for you, is the fact that internal mobility exists an advantage?

MC: It's a huge advantage because you can stay in an environment where you feel comfortable. You make friends, and it's nice to see the same people day after day while also having the opportunity to grow and try new things. So yes, it's definitely an advantage.

LR: If the internal mobility program didn't exist, would you have left after 3 years?

MC: Absolutely, without a doubt. For me, when I felt the need for change, my first instinct in another company would have been to look for opportunities elsewhere. But here, I wanted to try something different while staying in the same company, knowing that this opportunity exists. Also, the pay raises that occurred in previous years have been a nice benefit, ensuring that my salary remains competitive. That's another positive aspect.

LR: How was the transition to the Unit-linked Support team, from your first contact with this opportunity to your adaptation to the new position?

MC: The opportunity came mainly through discussion because I had already opened my mobility by explaining that I was getting bored in my department and that it wasn't really a good fit for me. So, I had opened the possibility of mobility, but there wasn't anything that appealed to me at the time. There were

many positions opening up, but I didn't want to go back to taking calls or doing similar tasks because I felt like I had already done that and knew I was capable of more. It was during a conversation with Damien Garcia, over lunch, that he mentioned he was looking for someone for the Unit-linked Support team. He explained the principles of the service, and I found it interesting.

This was the first time I did a "Vis ma vie" (job shadowing), unlike my previous mobility experience when I moved to successions without having done it. One of the benefits of the mobility process is being able to do this "Vis ma vie" before making a decision. It's a quick experience, but it gives you an initial taste of the job, and you can form a preliminary opinion. Clearly, my first impression was positive because I'm here now. I had a great impression of both the team and Jean-Paul Macedo.

LR: Could you describe what "Vis ma vie" is?

MC: "Vis ma vie" is a process that happens when you've opened up mobility and informed HR that there's a position or department you're interested in. HR then contacts the Team Leader, and you have the opportunity to spend 1.5 to 2 hours in the department to see more or less how things work.

LR: Regarding your arrival in this new team, what were the initial challenges? How would you classify your experience with the internal recruitment process?

MC: My previous mobility didn't go too well, so I was really focused on finding something that aligned with my goals and who I wanted to become. I'm not the type to just sit in front of a screen without interacting with others. I really wanted to join a team that was open-minded, with varied tasks to do throughout

the day. I realized that some services here might have an overload of work, but it's not constant from Monday to Friday. I wanted a service where I could set daily objectives, take on challenges, put a little pressure on myself to finish the day strong, and feel proud of what I accomplished. That's what I was looking for with this new mobility. Also, I wanted to experience a different BU because the work in car insurance, life insurance successions, and what I do today is completely different—and that variety is what I enjoy.

LR: Could you describe your experience so far in this new role?

MC: It's going very well. I feel supported. The work is super interesting because you learn something new every day. You might think you know everything, but in reality, there's always something more to learn. There's always a challenge to tackle, and the unexpected keeps things exciting—that's what I love about this role.

LR: And did you have any particular difficulties?

MC: At the very beginning, it wasn't easy because this was a field I didn't know at all. I come from a background in literature and philosophy, so finance isn't really my area. But that challenge also motivated me to push myself. I knew I could learn quickly and assimilate the information fast, but at the same time, I recognized that this mission was far removed from who I am. That's what drove me to double my efforts, and I ended up learning quickly.

LR: How do you think your previous skills and experiences contributed to joining this new team?

MC: The fact that I already felt comfortable in the company helped a lot. When you're new, there's a lot to figure out. You have to manage a certain level of stress because you're entering a new company with unfamiliar faces. Since I already felt comfortable here—whether it was with people in general, with HR, or with colleagues—that made a difference. If I contributed something, it's definitely the experience I've gained. Ultimately, the activities are somewhat similar in terms of their organization and operations. So, with my experience, I naturally approach things differently.

LR: How was your performance evaluated in your previous role and how has the evaluation changed since you took on this new role?

MC: The objectives are more or less the same, though of course, there are differences based on the nature of the service—like taking calls, which comes with different requirements. But in general, the objectives are quite broad. What I can say is that what changes your perception of the objectives is primarily the manager you have. For example, I've had three different Team Leaders, and each one had a completely different approach, which influenced how the objectives were perceived and pursued.

If you have a Team Leader who isn't fully invested in ensuring you achieve your objectives in the best way possible, who simply focuses on the fact that you hit the targets without much guidance, then your motivation will be different. In my first experience, objectives were more valued and you were rewarded for achieving them. But in my second experience, the objectives were more general, and the Team Leader didn't push us to surpass ourselves. The goals were basic and general. It's up to the Team Leader to ensure that these general objectives are adapted to who you are and what you want to achieve.

LR: What are your expectations and ambitions for the future within the Unit-linked Support team and at Cardif?

MC: So far, there are still some areas where I don't feel completely comfortable. I'm working professionally on these areas to eliminate the doubts I may have on a daily basis. That's my main focus for now. After that, I know that I have a leadership spirit within me, and at some point, I'll likely want to take the lead on the activity or a specific subject.

LR: Do you have any growth prospects within the team or elsewhere?

MC: I'm not entirely sure. But in the long term, yes, within the company. About three and a half years ago, I received offers, but I knew I wasn't mature enough at the time. However, I know that inevitably, in the months and years to come, I'll want to explore different experiences and continue evolving.

LR: Do you think that Cardif contributes to the growth of its employees?

MC: Yes, I think so. If you do a good job and demonstrate that you are capable of more than what's expected of you, or if you go beyond what is required, I feel that you are rewarded. They make sure that you receive job offers for higher positions or more interesting roles. That's been my experience over the last few years.

LR: How do you assess the flexible benefits at Cardif in the context of your new position?

MC: The social benefits themselves — such as the meal allowance — are similar to what you'd find in other companies. However, a meal allowance of 12€ is quite generous, and that's a clear advantage. Another significant benefit is the annual bonus (CRP). Depending on your contributions over the year, you can earn a substantial bonus, which really sets Cardif apart. Additionally, at Christmas, besides the usual Christmas bonus, we also received a 300€ shopping voucher, which is fantastic.

If I had a friend looking for French-speaking work and they showed me various offers at companies like Armatis, Fujitsu, or Bouygues, and there was also a position here at Cardif, I would definitely tell them to come here. The benefits are much better, and that's what makes Cardif stand out from other companies.

LR: What advice would you give to other colleagues who are considering a change of position or who want to follow a similar path to yours?

MC: I would say to think carefully. My journey so far has been impeccable, but it's important to consider things thoroughly because, when you pursue mobility, you're often leaving a comfort zone. It's wise to gather as much information as possible beforehand. I had made some assumptions based on things I'd heard or observed over the years, but in the end, my first mobility wasn't the department where I felt the best. So, for those who want to change departments, I'd recommend doing what I did. First, learn about the available offers. HR has now set up a platform where you can make an appointment to discuss mobility options based on your profile, your history, and the company's needs. And of course, if there's an interesting position, be sure to do a "Vis ma vie" (job shadowing).

If you're looking to advance within your BU, it might be worth waiting a bit for opportunities to arise. Sometimes BUs grow quickly—from a team of 10 to a team of 50 or 60—and that growth can create opportunities in three or six years to become a Team Leader or even a manager of a new department. But of course, it all depends on each person's goals and aspirations.

LR: Would you recommend Cardif to other people?

MC: Yes, absolutely. I was here when the pandemic hit, and it's a company where we knew we wouldn't face any issues. That's one of the great advantages of working for a multinational company—you feel secure.