

Employees and self-employed client consultants

As MLP is a knowledge-based service provider, qualified and motivated employees and consultants represent the most important foundation for sustainable company success. Continuous development and refinement of personnel work for employees, establishing the availability of a comprehensive range of training courses for consultants and winning new consultants were therefore also key focuses in 2016.

The number of employees in the MLP Group declined slightly in the reporting year 2016. On the reporting date, December 31, 2016, a total of 1,768 employees worked for MLP. This development can be attributed to two key factors. The first focuses on the effects of the efficiency programme (please refer to the section entitled → “Performance” for further details), while the second revolves around a reduction in the number of temporary staff in the financial services segment. The sale of FERI EuroRating with effect from August 1, 2016, had an impact on staff numbers in the FERI segment. At 6.3%, employee turnover at the company HQ increased slightly in 2016 due to the aforementioned measures (2015: 5.5%). The average age of employees at MLP AG, MLP Finanzdienstleistungen AG, FERI AG and DOMCURA is currently 41.

Low staff turnover rate

The following table shows the development of average employee numbers in the individual business units over the last few years:

Development of the average number of employees by segment (excluding MLP consultants)

Segment	2016	2015	2014	2013	2012
Financial services*	1,275	1,300	1,303	1,306	1,265
FERI	223	235	232	244	251
DOMCURA	264	261	–	–	–
Holding	7	7	7	9	8
Total	1,768	1,802	1,542	1,559	1,524

Date: December 31, 2016
*incl. TPC, ZSH and MLPdialog

To offer our employees even better development opportunities, we launched a modular “management programme” for team leaders in 2015, which was further optimised and successfully continued in the reporting year. The objective here is to train existing managers in relevant topics and support them in their role with personnel responsibility. We welcomed a new group of participants to our “Top Talents” programme for junior staff in the reporting year 2016. This programme has been established since 2013. The goal is to systematically identify talented junior staff from within the company and then provide these with targeted and sustainable development opportunities for future specialist and management duties.

Development programmes for managers and junior staff

In the course of developing and refining our personnel work, a new works agreement was reached in 2016 that precisely defines the obligations for advertising internal positions and stipulates selection guidelines for posts to be filled. In addition to this, the focus in the reporting year was on the practical implementation of the works agreements reached in 2015 regarding introduction of a new remuneration system, as well as holding appraisal meetings. The objective here is to establish a fair, transparent and motivating remuneration system that rewards personal experience, expertise and achievements on the part of employees, while at the same time remaining in line with market conditions.

New works agreements implemented and established

One focus in 2016 was the digitalisation of personnel work. In the last financial year, software for a new digital personnel file was introduced for all employees. Work on transferring the data to the digital personnel files has already begun and will continue in 2017. The next step will be the implementation of talent management software. MLP is also planning to perform its payroll accounting in-house again from 2017, having outsourced this process to external service providers in the past. This will allow adjustments to be made to salary statements and personnel files more quickly and efficiently.

Digitalisation of personnel work now underway

As of December 31, 2016, MLP operated 146 representative offices with a total of 1,940 consultants (2015: 1,943), who work as self-employed commercial agents. The average age of consultants is currently 44. The loyalty displayed by existing consultants remains very pleasing, as underlined by our employee turnover rate. This figure was 7.9% in 2016 – and thereby significantly below the target variable of around 10%.

Consultant turnover at a low level

As in the previous year, acquiring new consultants continued to be a key topic in the reporting year. The further training allowance introduced in 2015 for new client consultants has established itself as an important concept within our recruiting initiative. To give our activities in this field a boost, we further intensified internal collaborations between the University Management and Recruiting departments in 2016. The objective here is to increase our presence at universities. In this connection, we have opened a new office in the university city of Bielefeld and are preparing to open further branch offices.

Progress in the process for recruiting new consultants

Following a significant increase in applications in the field of financial consulting in the previous year, this figure remained largely stable at the increased level in the financial year 2016. The recruiting offensive launched in 2015 is therefore starting to display positive effects, which we are keen to build on in 2017. You can find further information on recruiting planning in the section entitled → [“Anticipated business development”](#).

The internship programme, launched in 2014, has established itself. In the reporting year, some 144 school-leavers and students took the opportunity to get a better idea of what it is like working as an MLP consultant. The “Sales” dual study course, which we launched in 2013 to help students prepare for a career as a consultant at the offices, represents another successful recruiting instrument. Some 21 dual study course students and 28 trainees are currently working at the various offices (previous year: 24 and 22), while 23 dual study course students and 20 trainees are working at the company HQ (previous year: 25 and 23).

Internship programme and dual study programme established

MLP operates in a complex and constantly changing market and competitive environment and aims to be a long-term dialogue partner for all financial matters of its discerning clientele.

Comprehensive range of training offers are the key to success

A high-quality range of training courses represent an indispensable prerequisite in achieving this. At the heart of the development of the training programme lies the MLP Corporate University (CU) which is based in Wiesloch. Since 2012 the CU has been accredited by the Financial Planning Standards Board Deutschland e.V. (FPSB Deutschland) for the Certified Financial Planner (CFP) qualification. Since this time, more than 140 consultants have successfully gained their Financial Planner qualification and further consultants are already preparing for this. Following an extensive certification process, in 2013 the CU was the first corporate university to be awarded the “Certified Corporate University” international seal of approval from the Foundation for International Business Administration Accreditation (FIBAA). The training programme offered by the CU therefore complies with the international requirements of the European Credit Transfer and Accumulation System (ECTS), which simplifies cooperation with state universities.

A new cooperative degree course was launched in autumn 2016: The Corporate University has been collaborating with the School of Management and Innovation at the Steinbeis University in Berlin since September to offer an MSc course in “Financial Planning and Management”. The extra-occupational master’s course is aimed both at experienced MLP consultants and those who are working for MLP after completing their bachelor’s degree. The degree course therefore offers our consultants an additional opportunity to gain further qualifications – which also makes it a valuable instrument within the scope of our recruiting initiative.

Master’s programme launched

Numerous seminars and events serve to underline the scope of our training offer. In 2016, around 21,700 individual events (including online seminars) were held at the CU. Alongside numerous training courses addressing specialist and consulting topics, one focus was on offering training in the brokerage of real estate. In addition to this, we helped our consultants familiarise themselves with the new application for product selection with a comprehensive eLearning package. Within the scope of four "consultant power days", all consultants had the opportunity to learn about the latest specialist and consulting topics in a total of 21 modules. In addition to this, a comprehensive range of training courses was prepared in the last financial year to accompany the further roll-out of the new "Budget guide" consulting application in 2017. You can find further information on this in the section entitled → ["Anticipated business development"](#).

Comprehensive training programme

Total expenditure on qualifications and further training in the last financial year was around € 7.6 million, which is roughly the same as in the previous year.

The Executive Board would like to take this opportunity to express its sincere thanks to all employees and consultants for the trust, cooperation and excellent commitment they showed in the past financial year. We would also like to thank the members of the works council for its constructive collaboration which, among other things, is documented by the signing of four works agreements. The key now is to maintain this open and responsible dialogue as effectively as possible in future for the benefit of all employees.

A big thank you to our employees