



# FEDERICO ISENBURG

## Career Journey

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## 1. EXECUTIVE SUMMARY

The key objective of this document is to present both my personal and professional profile in order to highlight the achievements of the first part of my professional life and my goals for what's coming next.

After the sale of Easy Welfare, a company I founded and run as a CEO since 2007, I'm now looking for new entrepreneurial challenges that need a unique drive for sustainable growth and profitability and that could use myself in many different capacities, from advisor to shareholder (either majority or minority, where deemed interesting).

The Easy Welfare experience has not only been a personal, professional and economic success but it has also allowed me to face many different challenges:

1. Building a group from scratch employing more than 150 people with offices in Milan, Rome and Albania and with 5 different legal entities including an insurance broker (IVASS registered) and a "Cassa Sanitaria" (registered at the Ministry of Health) with more than 10,000 subscribers and almost €10 million of premium.
2. Planning and management of corporate reorganization (including at least three pivot in the business model) to transform the company from a Mobility Management consulting business to Flexible Benefits provider and ultimately a software driven product company constantly growing more than 20% year on year, achieving sales of €11.4 million with an EBITDA margin higher than 36% and more than €300 million of transactions on the platform;
3. Management of a highly complex corporate governance and sales processes, going through many different shareholding discussion handling the course of actions from the buy out of my co-founder through a club deal to the competitive auction road show which in the last phase included three blue-chip companies (Axa insurance, Sodexo and Edenred) and a large UK private equity.

My mandate at Easy Welfare will terminate on the 31st March 2020. However my focus is already on the second phase of my professional life.

## 2. THE EASY WELFARE JOURNEY

*We can divide the history of Muoversi (later Easy Welfare) in two chapters, both telling two very different stories about the business model, the corporate structure and the management approach. At the end of the chapter, I have included a recap of the main lessons learnt throughout these last 12 years.*

### **PART I: From founding to fundraising (2007-2014)**

I met Federico Bianchi back in 2005. He was truly passionate about sustainable mobility (e.g. how to optimize the house-to-work commute) while I was eager to start my entrepreneurial adventure, whatever it might be.

We spent 12 months studying and discussing how to merge our two drivers and we decided to start a consulting business focused on Mobility Management. We incorporated Muoversi S.r.l. on December 19<sup>th</sup>, 2006.

There were some competitors providing similar services, yet we understood two key things which later became our reason to success:

- We had to be focused exclusively on Mobility Management. Other companies were approaching the market rather as a collateral business while we wanted to maintain a vertical and dedicated approach.
- We had to project a modern image, highly professional that could easily recall the largest consultancy firms in order to differentiate ourselves from a competition that was still very early and low key. We surely had our share of competence thanks to Federico Bianchi's passion but we also wanted to be successful and we were looking to grow aggressively.

After we had some good results as consultants (we were able to ink some interesting deals with blue chip customers) we quickly realized that we needed to move toward Mobility Management services, starting from selling urban transport subscriptions, so we began building a dedicated, in-house IT platform.

We pioneered car-pooling in Italy and not only our platform was the first to provide such services, we were also the first to sell urban transport tickets.

In the meantime, we started studying the legal framework of employees' remuneration, which became the source for the list of services that will become Flexible Benefit and later Corporate Welfare. In 2011 we started working on the platform to prepare for the imminent shift in business model.

My working relationship with Federico Bianchi have worked well until mid-2013, when things got complicated for many different reasons and in particular:

- We had to hire someone that could handle the growth of the business and the platform, which would have basically required a big step back for him (which he deemed not acceptable);
- I wanted to grow the business quickly and aggressively but in order to do so we needed to radically improve our decision making and hire talents, invest in IT's infrastructure and make deep changes in some areas, and I realized he couldn't.

At the end of 2013 we both understood that the 50-50 partnership we had was over and we started thinking about a solution, so we looked for financial investors that could:

- Guarantee a fair cash-in for him and his job;
- Allow me to take the lead and support our growth.

In October 2014 we finally closed the deal with a club deal made by two different entities which included the buyout of Federico Bianchi's shares, an increase of my shares to 51% and control of the company, and a capital increase of 500.000 €.

## PARTE II: From fundraising to exit (2014-2019)

2014 was the first fiscal year approved by the new shareholders (including the two club deals) and the first with less than 30% growth and a slow down of changing legislation.

I believe that these two events influenced the whole second chapter.

My role was being questioned because in my first year after the big shareholding change the results were not in line with our business plan and never mind the 15% net profit on revenue, I simply did not hit the target.

The lethal mix of almost no corporate experience (until that moment I only had one shareholder at 50% who was a co-founder and a friend) and management struggle was very tough to handle. We received a first, unsolicited offer to acquire 100% of the company that we turned down not with a lot of discussions.

In H2 2015 things started to go much better, the financial bill passed in June included the legal framework of Corporate Welfare and we had some very interesting results.

Easy Welfare became market leader (though still a small market), with interesting growth expectations.

It was clear to me that we needed to push so we put in place some big changes:

- First thing we changed name to Easy Welfare, and all efforts focused mainly on Flexible Benefit services, dropping some commercial deals that were not in line with the new strategy;
- We incorporated RWA Consulting to simplify our consultancy services proposition (both in terms of organization and market perception);
- We founded the first "Cassa Sanitaria" fully dedicated to Corporate Welfare;
- We re-built most of the top management – actually until the end of 2017 we changed the whole board of directors and let go more than 50 people that were no longer needed for the new business that was growing;
- We started Easy Welfare Innovation, our product company based in Albania, hinging on the spinoff of a business unit (20 FTEs) of Xerox Europe (our supplier at the time);
- We positioned Easy Welfare as the leader in Italy and we started a tour of all European countries to start relationships with other companies. In a few months we

were opening channels with all the European leaders in the Corporate Welfare space, sharing ideas and initiatives.

In June 2016 we received a new unsolicited offer from Sodexo (less than half the final EV, yet a pretty considerable amount back in the days). I managed to turn it down but at a very high cost: we almost broke relationships between shareholders, I had to waste a considerable amount of energy finding alternative solutions and I agreed to distribute more than 2 million euro as dividends.

After I was able to connect with almost every CEO in the industry (both in Italy and Europe), I actively started discussing business model and market changes and I realized that we couldn't be a mere services company. It was simply too expensive on both an IT and HR standpoint to imagine providing diversified services at scale, so I decided to make what turned out to be my last company transformation before selling the business (at the time selling the business was not an option): Easy Welfare had to become a product company selling software dedicated to Corporate Welfare.

In order to do that and be as quick as possible I identified and prioritized a number of actions:

- All marketing functions had to become core for the sales business and had to be handled directly by a skilled professional;
- The whole offering had to be revisited, basically changing from a B2B corporate sale to a SaaS business;
- Sales, that up to that point was the key BU of the company, had to change approach and sell on marketing hints, thus reducing its importance;
- We had to strongly invest in IT (both people and infrastructure);
- We focused on Albania with the aim to standardize all internal processes and prepare to teleselling.

One and a half year later (September 2018) we had almost completed our process, we hired new managers and the market was responding to the new business model.

However, while we were growing double digit, our competitors became more aggressive in trying to pursue an M&A deal and buy Easy Welfare, which resulted in more shareholders conflicts which eventually convinced me that it was time to change my financial partners.

We started our roadshow with very high expectations, targeting mainly financial sponsors (mainly in Milan and London). Nevertheless, the changes in business model and a bit of slowdown in the market resulted in lower results, so I could not meet the business plan agreed in 2016 (amid the Sodexo offer). Yes, we were growing at 25% YoY rate and we were still able to agree 2 million euros of dividends, but I could not handle any longer my board.

My partners decided to invite industrial players to the bidding process and come December 2018 (when the non-binding offers were due), all financial players were conservative in their approach while industrial behemoth like Edenred, Sodexo and AxA had a clearer view on market and regulation and they all came out with very high offers.

In March 2019, after a very long and harsh negotiation with both my shareholders and the bidders, we signed a binding offer that resulted in the sale completed on the 28th of May 2019.



### 3. Lessons Learned

In the following pages, I have made a list of some of the things I learnt during these years. As already said, there are two different chapters in the history of Easy Welfare, and surely, the second part taught me a lot more than the first, yet I believe that the whole process has been unique and I have tried to include some of those lessons I learnt some time ago.

I have divided my lessons learned in two main areas, corporate management and shareholders management, two matters that might look similar or at least part of the same category but are, in reality, so distinct. I have tried to include both things I did correctly and things I could and should have done differently.

#### Corporate management

Changing is healthy, it is good for the company and will only grow it stronger:

- Business model: we had the courage to change at least three times our entire business model, switching from consulting, to services and eventually to a product driven company. They have all been very complicated pivot, not easy to explain and to accept but they all made us a solid reality, dynamic and untied to people personalities, only to their competences;
- People: you cannot be afraid of changing people. This is true at all levels, from interns to top management, and even if it requires spending money to dismiss FTEs. Every time you won't make a change it will cost you at least three times more, I've regretted each and every single time I didn't take actions in this sense (luckily it only happened a few times);
- Top Management: it must be strong, experienced but most importantly entitled so that the CEO will only be required to make decisions focusing on the future and without having to micro-manage. This has always allowed me to look beyond the present and prepare for the following 12 months;
- Technology: it is expensive, but fundamental. It is a constant driver to changing for all the company and where you can bring in technology you will be able to reach efficiency and margins.

- HR investments: every penny spent on people for things as teaching, team building, and group preparation has yielded results, and this has always been a key element to success through the years.
- Order: order, processes and delegate are all key factors for the balance of the company, and it is the only way I know to set quality and quantity standard and know whether they are met. However this requires discipline and time, because nothing happens at the speed you had wish and you have to give it time. In the past months I had this constant feeling of being slow. I really thought that my company was losing ground to its competitors but then I realized that I had to give time to new hires while changing some people that I hadn't yet changed (and which cost us a lot more because I had to do it later anyway).

## Shareholders management

Managing the board of directors of Easy Welfare while trying to make it become a great company has been quite an experience, definitely not an easy one. For the purpose of this document, I am only highlighting what I deem more interesting, although I could probably write a whole book about it.

- My greatest lack was that I was not able to transfer clearly to my board the work we were doing at Easy Welfare, communicating all the positive changes, our milestones, our vision and the results leaving too much space for numbers and financials. We kept focusing on our year-end results but we were not discussing at all how we were leading the change in the market and the great potential we had. I understand how important numbers are, but changes costs (either direct or for lower growth or margins) and require time and the CEO must explain the cost-benefit of his actions to continue working in the right direction. If you cannot do that, there is no point in moving forward so you either change your CEO or your shareholders.
- BoD must be made of the least possible number of people. Within the BoD you need to have people that can make decisions quickly and support corporate management, even and especially outside formal meetings that should be anyway reduced to a minimum.
- Shareholders relationships have to be kept to the minimum viable possible. It was a mistake to ask for support to members of the club deals, which resulted only in further complications. Today it is quite clear to me that the moment for confrontation is the BoD and again, if that does not work you either need to change it or open discussions with your shareholders.

## RESUME

Born in Genova in 1978 and moved to Milan during primary school, I graduated at Università Bocconi in Economics with a major in Finance (101/110 grade) with a thesis on the STAR segment of the Milan Stock Exchange.

Married with two kids (7 and 10 years old), I am based in Milan. I am an active traveller, skier, tennis and paddle player. I speak fluently English and French

In 2002 I joined Telecom Italia Audit Scarl, (internal audit reporting to the Group Chairman) where I focused mainly on auditing group companies abroad (in 2002 Telecom Italia now TIM was selling both Seat yellow pages and Olivetti).

After 18 months I was promoted to marketing and sales.

In 2004 I left Telecom to join Samsung as assistant to the Head of Sales (mobile phones division). My role included two main responsibilities:

- Samsung Fan Club Manager, one of the first worldwide initiatives on gaming and entertaining which allowed me to develop skills in marketing and subscriptions;
- Supporting the large contracts in Italy for open market and carriers, liaising directly with South Korea HQ

In January 2006 I decided to start up "Muoversi" and in December 2006 we incorporated Muoversi s.r.l. (later Easy Welfare), right on time to sign our first agreement with FCA group on December 19th, 2006.

During my tenure at Muoversi - Easy Welfare and until May 28th, 2019 I have been Chairman, CEO and majority shareholder.

I have reached a good wealth and personal life balance and at 40 I still have the drive to look for a new adventure, preferably with an international angle that could hinge on my experience.

My professional growth has been shaped by the difficulties of starting a business from scratch and, while growing our activities, I've developed the ability to manage and lead large groups of people of different seniorities and profile (from salesman to professionals and external consultant) and to keep a clear and quick decision making process.