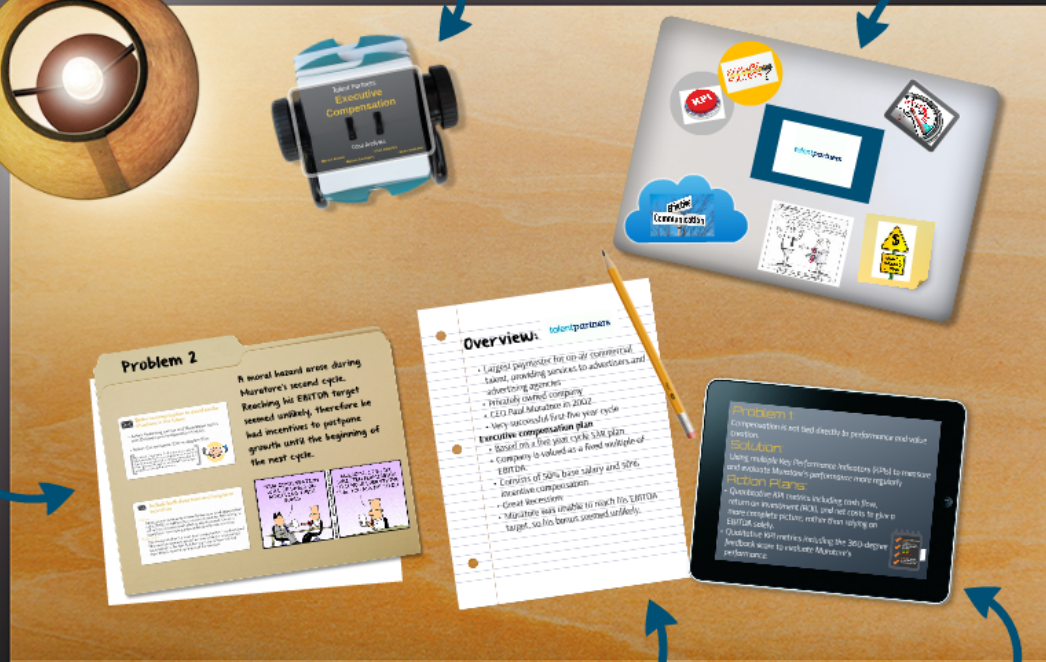


Talent Partners

Analysis

Takeaways

Problem



TheCasesolutions.com

Overview

Problem

Problem 2

A moral hazard arose during Muratore's second cycle. Reaching his EBITDA target seemed unlikely, therefore he had incentives to postpone growth until the beginning of the next cycle.



Overview: talentpartners

- Largest payment for on-air commercial, based on award services to advertising agencies
- Initially started company
- CEO Paul Muratore in 2012
- Very successful first the year cycle
- Executive compensation plan
 - Based on a five year cycle with plans
 - Company is valued as a fixed multiple of EBITDA
 - Expiration of 50% base salary and 50% incentive compensation
 - Great incentives
 - Muratore was unable to reach his EBITDA target, so he began secondarily

Problem 1

Compensation is not tied directly to performance and valuation

Using multiple Key Performance Indicators (KPIs) to measure and evaluate Muratore's performance more regularly

Additional Information

Question 1

Question 2

Question 3

Question 4

Question 5

Question 6

Question 7

Question 8

Question 9

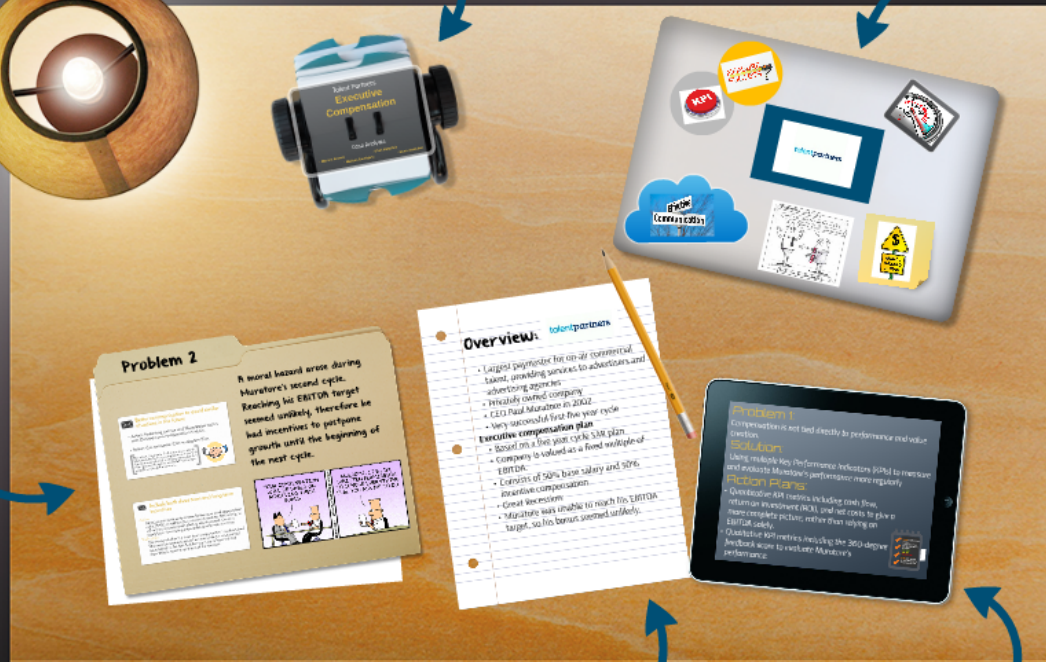
Question 10

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Analysis

Takeaways

Problem



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Overview

Problem

Problem 2

A moral hazard arose during Muratore's second cycle. Reaching his EBITDA target seemed unlikely, therefore he had incentives to postpone growth until the beginning of the next cycle.



Overview: talentpartners

- Largest payment for on-air commercial based, awarding services to advertising agencies
- Involuntarily carried company
- CEO Paul Muratore in 2012
- Very successful first the year cycle
- Executive compensation plan
 - Based on a five year cycle with plans
 - Company is valued as a fixed multiple of EBITDA
 - Extrinsic of 20% base salary and 50% incentive compensation
 - Great incentives
 - Muratore was unable to reach his EBITDA target, so he began secondarily.

Problem 1

Compensation is not tied directly to performance and valuation.

Insights

Using multiple Key Performance Indicators (KPIs) to measure and evaluate Muratore's performance more regularly.

Recommendations

• Diversify the metrics including cash flow, return on investment (ROI), and net costs to plan a more complete picture, rather than relying on EBITDA solely.

• Qualitative KPI metrics including the CEO's degree and work to evaluate Muratore's performance.

Talent Partners
**Executive
Compensation**



Case Analysis

• **Mariam Alamiri**

• **Shari Kendrick**

• **Melissa Rodriguez**

• **Zayra Gonzalez**

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Overview:

- Largest paymaster for on-air commercial talent, providing services to advertisers and advertising agencies
- Privately owned company
- CEO Paul Muratore in 2002
- Very successful first five year cycle

Executive compensation plan

- Based on a five year cycle SAR plan
- Company is valued as a fixed multiple of EBITDA.
- Consists of 50% base salary and 50% incentive compensation.
- Great Recession:
- Muratore was unable to reach his EBITDA target, so his bonus seemed unlikely.

