STANDARD BANK AND THE UCT GSB

BUILDING CLIENT-CENTRICITY FOR GROWTH IN AFRICA

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GSB Graduate School of BUSINESS UNIVERSITY OF CAPE TOWN

Standard Bank

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EXECUTIVE SUMMARY

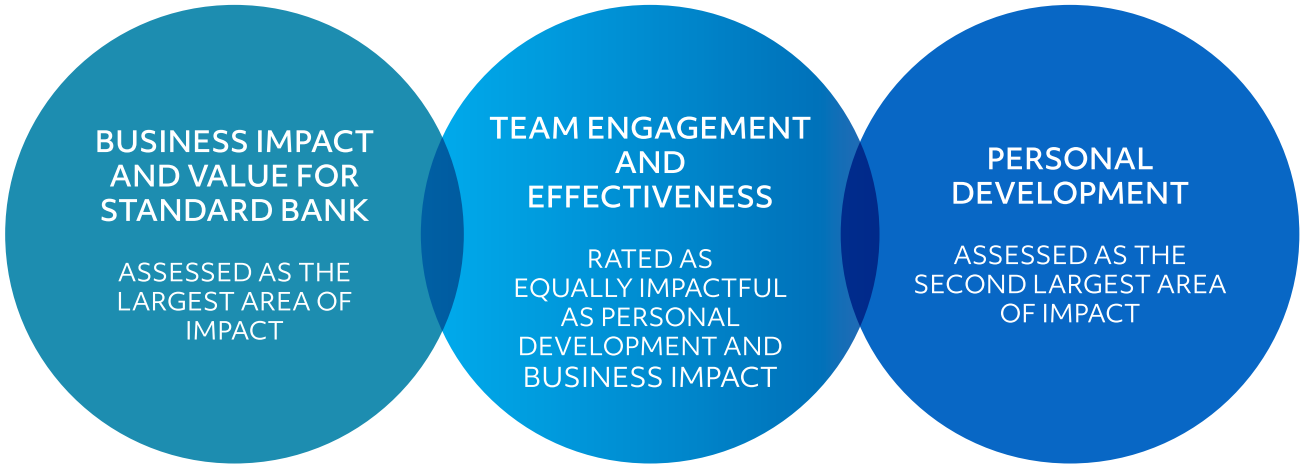
The Masterclass in Strategic Client Management Programme (MSCMP) is a customised executive education learning intervention co-designed by the University of Cape Town Graduate School of Business (UCT GSB) and the Standard Bank Group (SBG). It has been delivered since 2014.

This highly successful programme has evolved over time to meet the specific needs of Standard Bank with the overarching aim of enabling Corporate and Investment Banking (CIB) managers to enhance and improve their strategic client engagement, thus increasing value for clients as well as for Standard Bank. Customer-centricity is at the heart of the programme. Delegates gain a common language around customer-centricity as well as a toolkit and practice opportunities to effectively apply what they learn in the world of work .

The programme is designed and delivered in South Africa and has welcomed delegates from 17 African countries. To date, a total of 398 delegates have completed the MSCMP over 19 cohorts.

Feedback gained from a return on investment survey, conducted in 2017, indicates that Standard Bank has experienced significant benefits at multiple levels as a result of the programme, most notably in the overall business impact and value for their business.

FIGURE 1: MSCMP'S FOCUS AND IMPACT



INTRODUCTION

In a world characterised by increasing volatility, uncertainty, complexity and ambiguity (VUCA), customer-centricity has become a top priority for leading organisations as a key driver for growth. McKinsey reports that the uniquely cross-functional nature of an effective customer experience puts a premium on smart governance and that addressing the challenge of customer-centricity requires clearly-defined leadership, behaviours, and metrics.[1]

Standard Bank initially partnered with the UCT GSB in 2014 to address the challenge of customer-centricity by co-creating a programme for their Client Coverage Managers across their business landscape. The programme set out to provide them with the skills and tools to be more client-centric in their approach to signing up new clients and maintaining existing clients. This would inevitably create more value for the client and be a client retention strategy delivering higher profits.

This case study looks in detail at the Masterclass in Strategic Client Management Programme (MSCMP), which has been running since 2014 and continues to the present day.

1 Bhattacharjee, Hartvig Müller and Roggenhofer. "Leading and governing the customer-centric organisation"
McKinsey & Company, March 2016.

WHAT MAKES THE PROGRAMME UNIQUE, EFFECTIVE AND SUSTAINABLE IS THAT IT IS:

1. **Leader-led.** From the start, senior executives from Standard Bank have attended, sponsored and been involved as internal subject matter experts as part of the Panel Assessment process. On the UCT GSB side, the then dean of the school played a key role in the design and delivery of the programme and there continues to be a high level of engagement from leadership at the school.
2. **Evolving and agile**. The programme continues to evolve, incorporating feedback from each cohort to further refine future sessions and responding to current trends and challenges so that it is never stale. This aligns with UCT GSB's philosophy of 'better every single time' (B.E.S.T).
3. **A deep and ongoing partnership.** The UCT GSB and Standard Bank have collaborated closely and trusted each other deeply over several years to build a programme that is a unique combination of skills and topics and has delivered strong results.
4. **Africa-focused**. In line with the vision and mission of both Standard Bank and the UCT GSB, the programme takes culture and context into account, creating a learning experience that is relevant and applicable to successfully doing business in Africa. Delegates from across Africa have participated in the MSCMP, strengthening networks and company-wide collaboration.
5. **Measured**. A return on investment survey was commissioned to measure the effectiveness of the programme.

Standard Bank is a global organisation, headquartered in Johannesburg, South Africa with a footprint in 19 African countries including South Sudan and Côte d'Ivoire. It is one of the largest banks in South Africa and employs more than 40 000 people globally. It is also Africa's biggest lender by assets.

Our vision

"To be the leading financial services organisation in, for and across Africa, delivering exceptional client experiences and superior value."

Our purpose

"Africa is our home, we drive her growth" – and together with our organisational vision, this provides us with a set of primary goals and a standard of excellence that ensures we deliver on our purpose.

The UCT GSB is a top-ranked business school on the African continent with more than 50 years of experience in delivering high-impact learning solutions. Its customised programmes have been ranked for almost a decade in the Financial Times Global Top 100 and are co-created to help organisations meet their particular challenges and generate positive business outcomes.

The UCT GSB is one of only three business schools in Africa to have the prestigious triple-crown accreditation from leading accreditation bodies - AACSB, AMBA and EQUIS. The GSB's teaching, learning and research is directed towards building a more economically prosperous, more equitable, and more integrated continent.

THE MSCMP EXPERIENCE:

THE CHALLENGE

In 2014, Standard Bank restructured its sales model for CIB to specifically emphasise the role the relationship manager plays in client-centricity. This provided a critical opportunity to invest in the role of the Client Coverage Manager within CIB, empowering them to lead the client relationship, backed up by a client services team. The bank could then service its large clients with one relationship manager – one contact point – enabling them to develop a deep understanding of each client's needs and to meet these more effectively. CIB typically services large multi-nationals that contribute roughly 50% to the overall revenue of the bank.

Standard Bank approached the UCT GSB to design a programme for their Client Coverage Managers. This needed to be a targeted and high-impact learning intervention to provide the necessary skills and insights to help shift the organisational culture away from a focus on product sales and short-term benefit only to one that values client relationships and fosters long-term profitability.

The programme was to be rolled out across Africa and the international markets within which SBG operates to ensure consistency, build customer loyalty, and increase the "share of wallet" or services that the bank could provide to each client.

PROGRAMME CRITERIA:

Key business objectives – to give Client Coverage Managers the skills and capabilities to develop trusted relationships with key decision-makers (e.g. CFOs, Treasurers, CEOs) inside their target client, and inside the bank, with the aim of identifying opportunity for that client and for the bank.

Rationale – with a balance of practical, theoretical and technical skills, this action-learning-based programme needed to provide delegates from the corporate and investment banking sector with a unique combination of technical, financial, interpersonal, behavioural and attitudinal skills.

Technical skills were approached through a lens of balancing risk and return. Financial skills were focused on analysing client needs – identifying innovative on-strategy opportunities and exploring value-creating levers in corporate finance. Combined, these skills needed to increase competency and lead to superior performance.

Relevance – with a focus on client engagement and interaction, the programme needed to unlock the soft skills required to get results from others through influencing, being likeable, trusted and confident – in order to build deeper, respectful internal and external relationships.

Culture and context – the programme took cognisance of its context and included content on the challenges and practicalities of doing business in Africa as well as sessions on cultural appreciation. Delegates come from, and serve, countries with vastly different cultures, political environments, economic factors and drivers for GDP growth. The common goal is building leadership capability through client-centricity to ultimately grow business in Africa.

THE MSCMP NEEDED TO HAVE IMPACT ON THREE LEVELS:

1 Overall business impact and value for Standard bank

- Enhanced appreciation of client-centricity
- Better business outcomes through share of wallet growth and strategic client engagement
- Identifying new strategic opportunities for the bank
- Increased revenue generation and relevance
- Client impact

2 Team engagement and effectiveness

- Better cross-team collaboration based on engagement and support
- Stronger internal relationships, across geographies
- Working more effectively across product houses and sectors
- A deeper understanding of what the team can offer

3 Personal development

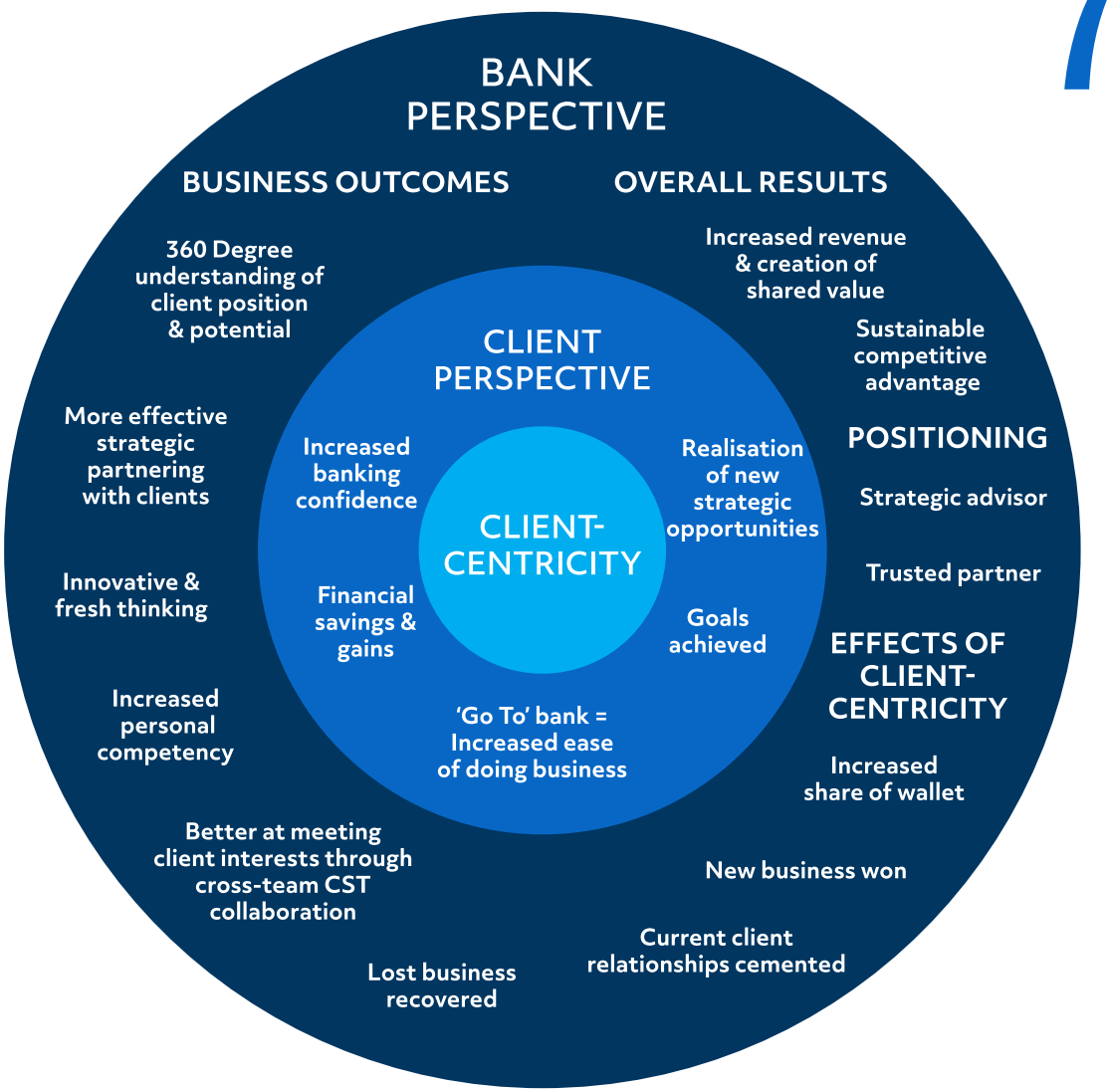
- Enhanced empathy, sensing and listening
- Increased ability to engage with others and establish rapport
- Strengthened leadership presence, composure and confidence
- Greater self-awareness
- Better appreciation for others' perspectives
- Improved persuasiveness and personal impact
- Improved technical skills
- Career impact

A deep understanding of client-centricity formed the basis of the learning intervention.

A key learning that was not anticipated at the outset, was that over the years the programme has run, there have, inevitably been changes in key people involved.

The challenge was to keep aligning the correct people to the project as it evolved. This took commitment, engagement, collaboration and ongoing strategic thinking from all stakeholders. A positive outcome was that this strengthened the collaborative relationship between the partners and the project remains jointly created, focused and aligned to bringing the best people to bear on achieving its aims.

FIGURE 2: UNDERSTANDING CLIENT-CENTRICITY



"We approached the GSB to co-design a flagship programme positioned to help our CIB Client Coverage Managers truly understand and implement client-centricity and to set the tone on how we engage with our clients. The programme needed to be aligned with our vision and in how we can grow the business in Africa. It needed to change peoples' ways of working with a strong focus on non-financial skills in order to impact on financial gain. It also needed to be practical and give delegates real, usable skills and incorporate real-world client strategies in the learning process."

Lenie de Waal, CIB Human Capital /Global Learning Partner: Client Coverage and CIB Risk – Learning and Development

THE COMMITMENT

Standard Bank and the UCT GSB forged a strong working relationship that has endured from the design phase of the project through to its execution and continues with the ongoing refinement and evolution of the programme. It remains a truly collaborative effort to this day.

Together, the UCT GSB Business Development Team and Standard Bank's CIB Learning Team set out to meet the overall objective of designing an aspirational programme to make a positive impact in terms of delegates' personal development, team functioning and overall business effectiveness for the bank.

THE PROGRAMME DESIGN TOOK THE FOLLOWING FACTORS INTO ACCOUNT:

A focus on self

Effective leadership starts with the ability to understand and manage oneself. A focus on personal mastery throughout the programme helped ground the learning process.

Practical, useable skills that can be implemented immediately

The entire programme was geared towards an in-depth understanding of client-centricity and what skills are needed to transform theory into a living practice.

Matching the right expertise to the programme

The UCT GSB pinpointed the latest management theory to be included in the curriculum and isolated critical skills to be taught and then sought the right mix of faculty and industry experts from the school's wide business network to deliver the content.

Time off work

The programme was structured around two teaching modules and a final Panel Assessment Week, taking into account the amount of time delegates could spend away from work. The inter-modular period allowed time for reflection and implementation of skills learned. Modules were held at the UCT GSB facilities in Cape Town and in Johannesburg at the Standard Bank Global Leadership Centre.

The right balance of hard and soft skills

Client-centricity in a banking environment required a learning intervention that offered the necessary soft skills such as negotiation, active listening, leadership capability, communication and presentation skills, as well as the financial skills to better understand and anticipate clients' needs. These skills also facilitate better internal relationships between teams as to what products the bank can design and offer to the client, based on solid financial acumen.

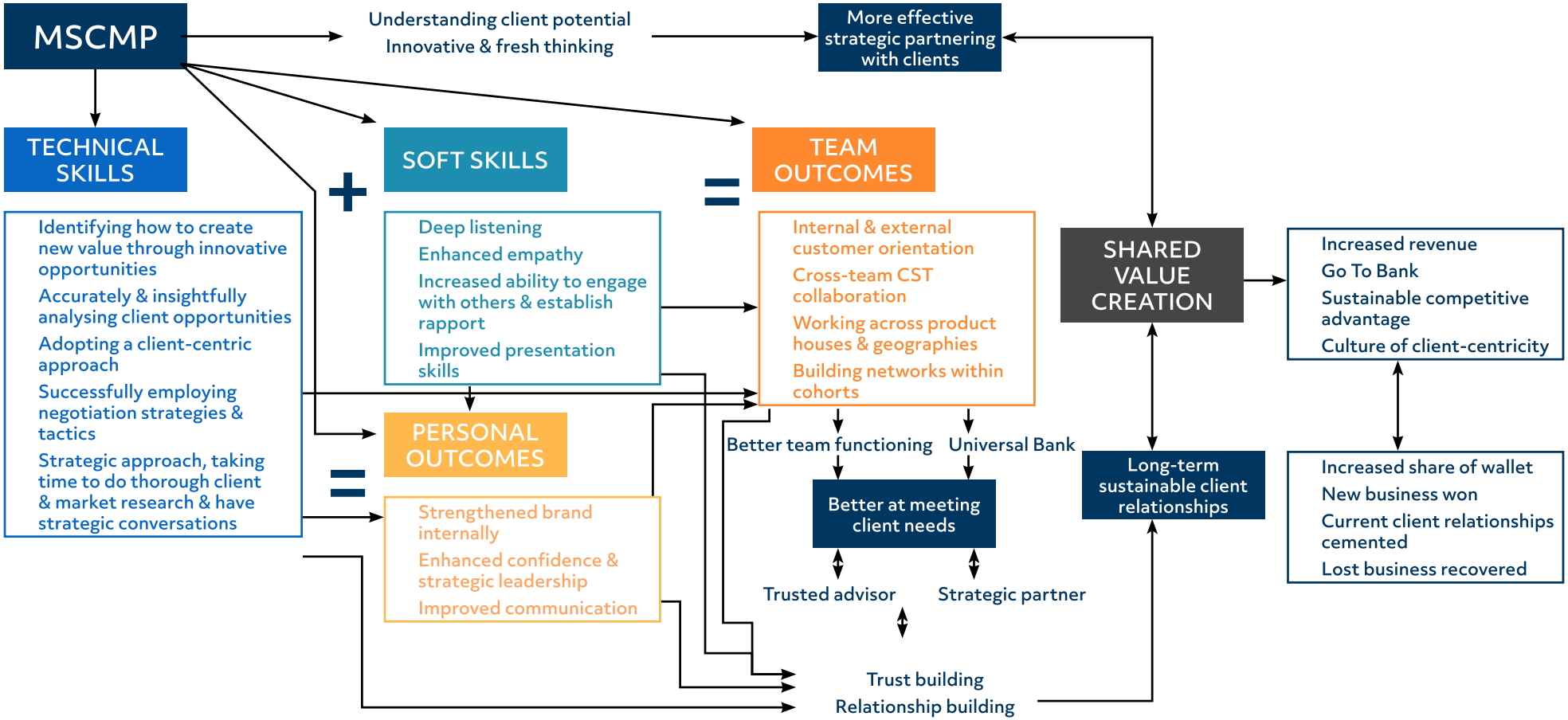
Real-world client challenges

The programme was designed to incorporate real client data for an applied learning experience. Each delegate arrived with a client in mind and worked on fresh thinking to approach and better engage the client based on a deeper understanding of their business strategy. This included analysing client financial statements and learning to have strategic conversations to provide thought leadership to a particular client.

Full buy-in and involvement of executives

The programme had full executive support from inception, with now CIB Head Kenny Fihla attending as a delegate in cohort 1. Each cohort included Standard Bank executives and a member of Standard Bank's CIB Learning and Human Capital team present in every session.

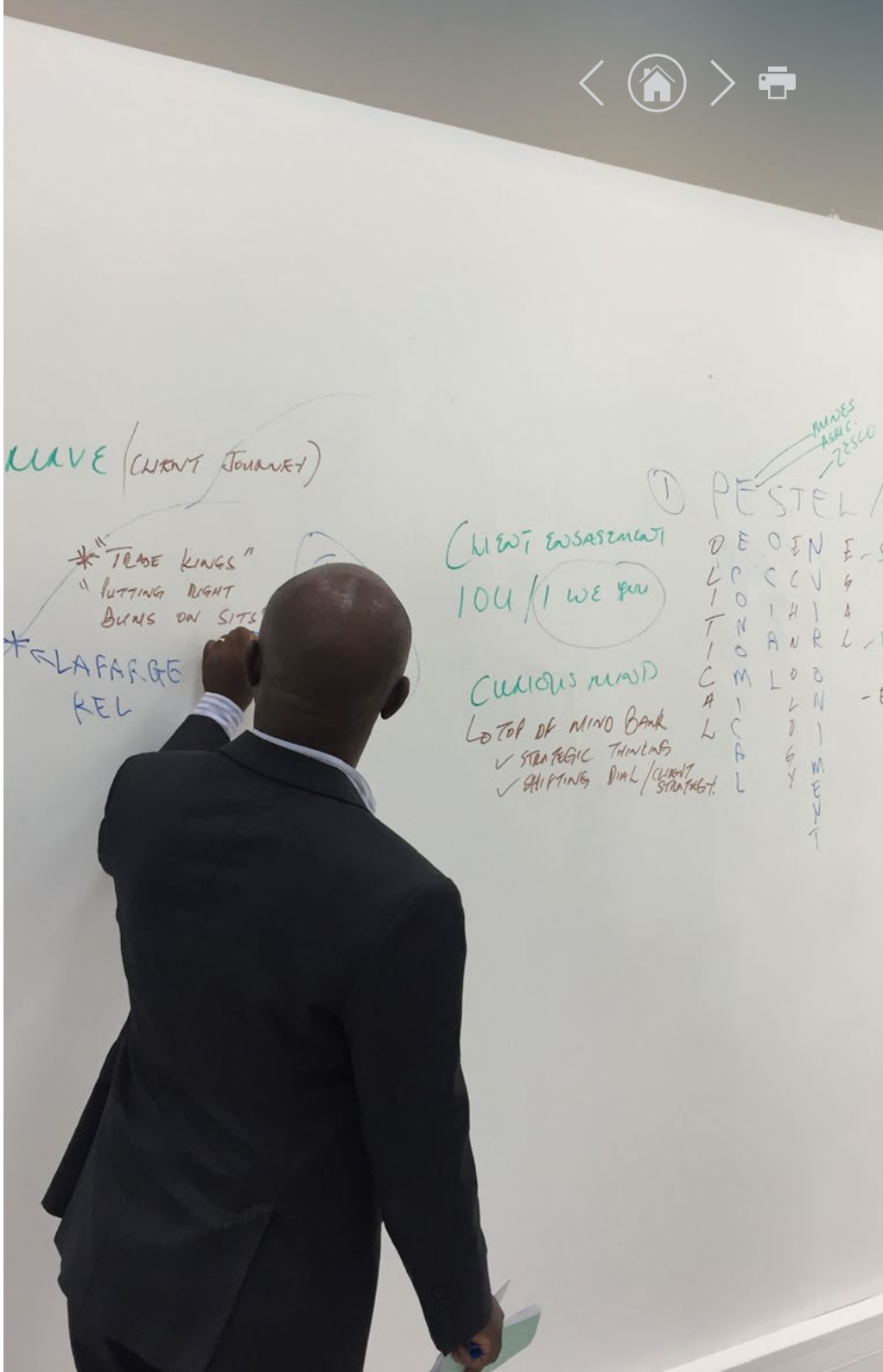
FIGURE 3: HOW THE MSCMP WAS DESIGNED TO MEET ITS OBJECTIVES



THE L&D INITIATIVE

The MSCMP is a living programme. It is agile and responsive and has evolved over time. Critical to its success has been that feedback from each phase has informed and shaped successive sessions. The programme was piloted with senior executives from across the geographies in which Standard Bank operates, and their invaluable feedback shaped the experience for cohort 2.

Each cohort had an executive sponsor, present for the duration of the programme, who would articulate the value of the programme for the individual, the organisation and the client, and set the tone for the course. They would also host a dinner during the first cohort which would encourage networking amongst the delegates.



STRUCTURE

The programme was designed to be delivered over two learning modules of five days each, with a maximum of 25 delegates per cohort. Modules were spaced four to six weeks apart to allow for reflection and application of what was learned. A dedicated UCT GSB team consisting of a programme manager and programme administrator worked to ensure seamless logistics and delivery.

THE CURRICULUM INCLUDED:

Doing business in Africa

Client-centric culture

Client strategy

Client value proposition

Client engagement

Cultural appreciation

Personal mastery
(Nancy Kline's Time to Think model)

Presentation skills

The neuroscience of engagement (SCARF -Status, Certainty, Autonomy, Relatedness, Fairness - model)

Negotiation

Innovation and fresh thinking

Finance / financial analysis

Digitisation

After completion of both modules, each delegate was required to do a final presentation to a panel of internal and external experts to demonstrate a credible, on-strategy client engagement plan utilising the tools, frameworks and skills gained on the course.

THE FINAL PRESENTATION WAS ASSESSED ACCORDING TO:

The business opportunity identified.

How much value would be created for the client and the bank.

The effectiveness of the client engagement plan.

The effectiveness of internal stakeholder communication.

The level of proficiency in the delegate's communication and presentation skills.

> The first module received an 85% fit-to-purpose rating from the pilot team and they were very complimentary and excited about what the first module did towards their client coverage strategy.

Jodie Martin,
Programme Manager,
Executive Education UCT GSB

PROGRAMME EVOLUTION

The pilot programme in June 2014 was positively received:

Cohorts 2 – 11 completed the programme during 2014 – 2016, with the same structure and included incremental refinements to course content. As the programme gained traction and credibility it was rolled out more broadly. In 2017, it was opened up to other business units beyond Client Coverage including Investment Banking, Risk and Compliance. It also became available to Finance Heads and Country Heads. It is worth noting that some of the new delegates came from roles that are not client-facing but are critical to the overall client value chain due to the support function they perform. This speaks to the strength of the programme and how far client-centricity had filtered through the organisation.

Secondly, the second module would now be run with two cohorts together to increase cost- and time-effectiveness for Standard Bank.

To meet the needs of the new varied cohorts, electives were introduced into the second module, taking cognisance of the new target audience with different levels of skill and different learning requirements in certain subjects.

Business simulation training was added to allow delegates to immerse themselves in the world of the client and to offer an integrated banking solution by applying the skills learned within a client services team construct.

Electives included:

- Finance or advanced finance.
- Negotiation or advanced negotiation.
- Time to Think methodology.
- Understanding Risk and Return within SBG.
- Business simulation training.

Additionally, based on alumni feedback, two initiatives were put in place to keep the learning alive in the organisation and to add value to the alumni. An online portal was developed for alumni, providing monthly updates from UCT GSB faculty on topics of interest including the latest research, articles and TedTalks. Also, a one-day Alumni Refresher Course was designed and implemented in Kenya, Mozambique and Zambia in 2018, with four more planned for 2019 in Nigeria, South Africa, Ghana and Botswana.

Another, creative intervention was the development of a pocket-sized deck of cards for delegates that referred to all the tools and methodologies learned, and the practical steps taken to implement them.

> **"The MSCMP programme is something that lives and breathes and evolves. It was never a static programme that repeated the same information with each cohort. It has also been gratifying to witness the way delegates have been able to take and apply what they have learned. The request for a refresher course, for example, speaks to the strength of MSCMP – three years after completing the programme, graduates still use the tools and techniques and want updates as they spread their learnings throughout the organisation."**
>
> **Kumeshnee West, Director, GSB Executive Education**

THE IMPACT

A research project was jointly undertaken by Standard Bank and the UCT GSB in 2017 to evaluate the return on investment and positive impact of the MSCMP. It aimed to gain a balanced, extensive and in-depth assessment of the value of the programme over time.

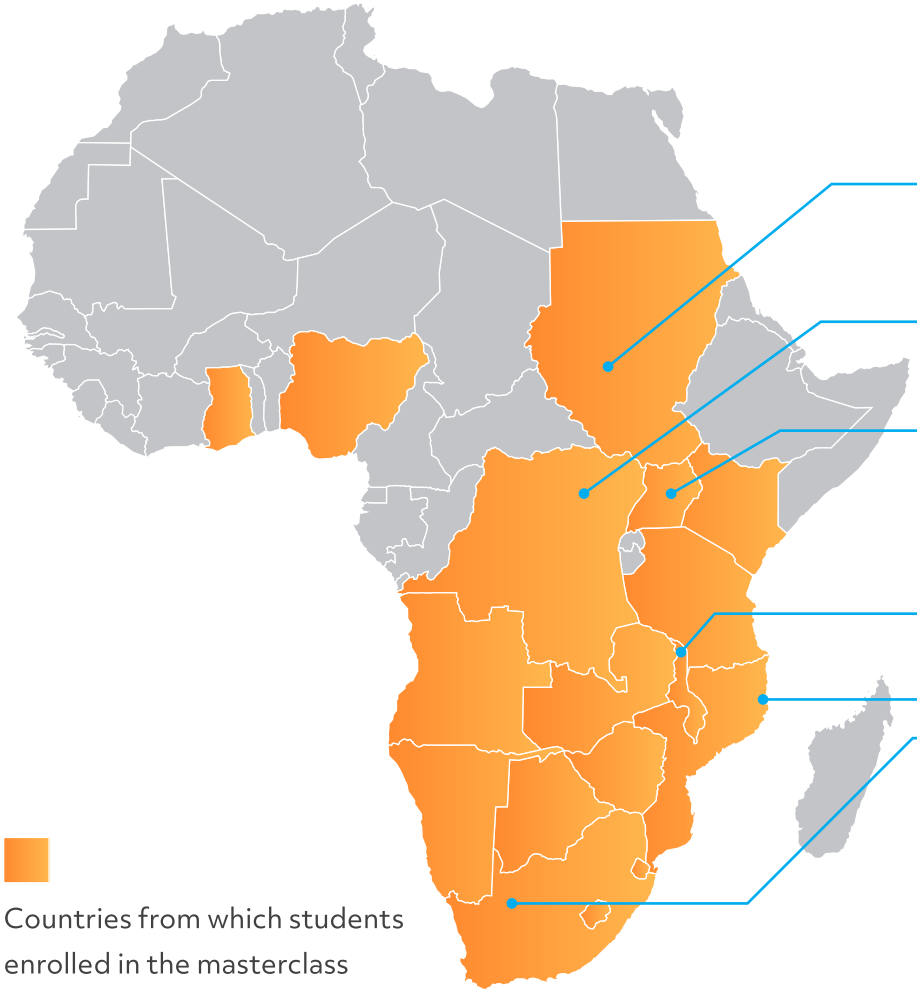
The return on investment survey was conducted through three phases – a survey of all delegates who attended the MSCMP between 2014 - 2016; telephone interviews with selected delegates based on survey responses; and face-to-face interviews with key executives.

In keeping with the high-level objectives of the programme, its impact was assessed on three levels:

1. Overall business impact and value for Standard Bank
2. Team engagement and effectiveness
3. Personal development

FROM TOP: COHORTS 2, 10 AND 13

FIGURE 4: AFRICA-WIDE IMPACT



Countries from which students enrolled in the masterclass

"The programme learnings put into practice enabled us to win a major new financial services client."
Lual Dennis

"We have better client discussions on difficult topics such as pricing. Clients are valuing the relationship more and focusing less on the pricing."
Serge Bilambo

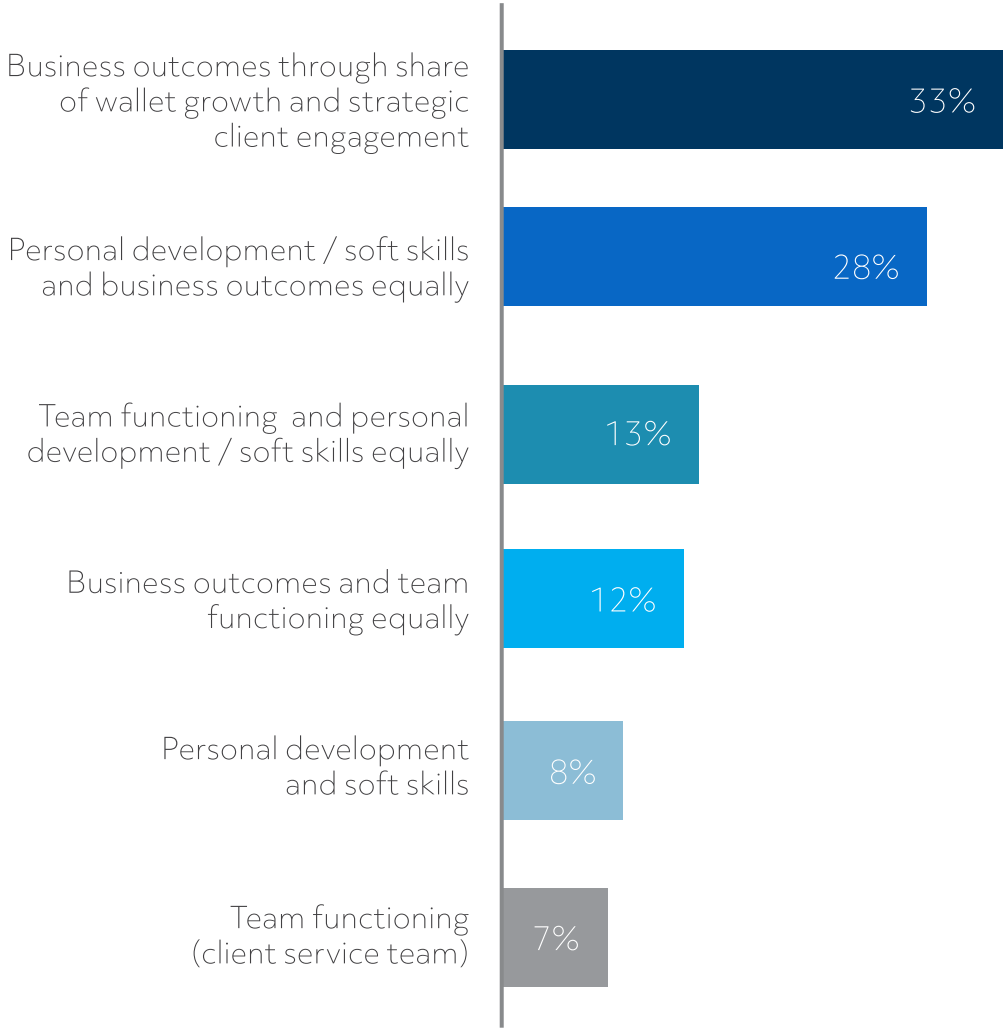
"Conversations with clients have been more partnership-driven and value creation has been enhanced."
Catherine Asinde

"Three banks competed for an opportunity and we successfully won 75% of the requirements due to the TAT that was achieved as a result of using the client services team effectively."
Bubile Kayuni

"We have driven tremendous growth in revenue for a key client. The Masterclass tools were very important in maintaining and driving this relationship."
Ntlai Mosiah

"Increased client-centricity, trust, confidence, and the ability to cross-sell in key businesses of the client has resulted in more effective discussions and better client service."
Sheetal Kumar

FIGURE 5: AREAS WHERE PROGRAMME HAS MADE THE MOST SIGNIFICANT IMPACT



OVERALL OUTCOMES

Survey results indicated that the area of most significant impact was gauged to have been overall business impact and value for Standard Bank. Thirty-three per cent of respondents indicated that this was the largest area of impact assessed through overall business results and effectiveness, specifically in terms of share of wallet growth and strategic client engagement.

Twenty-eight per cent of respondents rated personal development, soft skills and business outcomes as equal areas of impact.

Thirteen per cent of respondents rated team functioning, personal development and soft skills as equally impactful; and 12% rated business outcomes and team functioning as equally impactful.

Of the three areas, team engagement and effectiveness alone came third in terms of impact.

Additionally, most delegates reported that the programme had increased revenue generation for the bank.

Respondents also spoke highly of the networking opportunities provided by the programme. Having a known contact in another part of the business and in other countries allowed delegates to be more effective, more agile and to respond quicker and in a more informed way to client's needs.

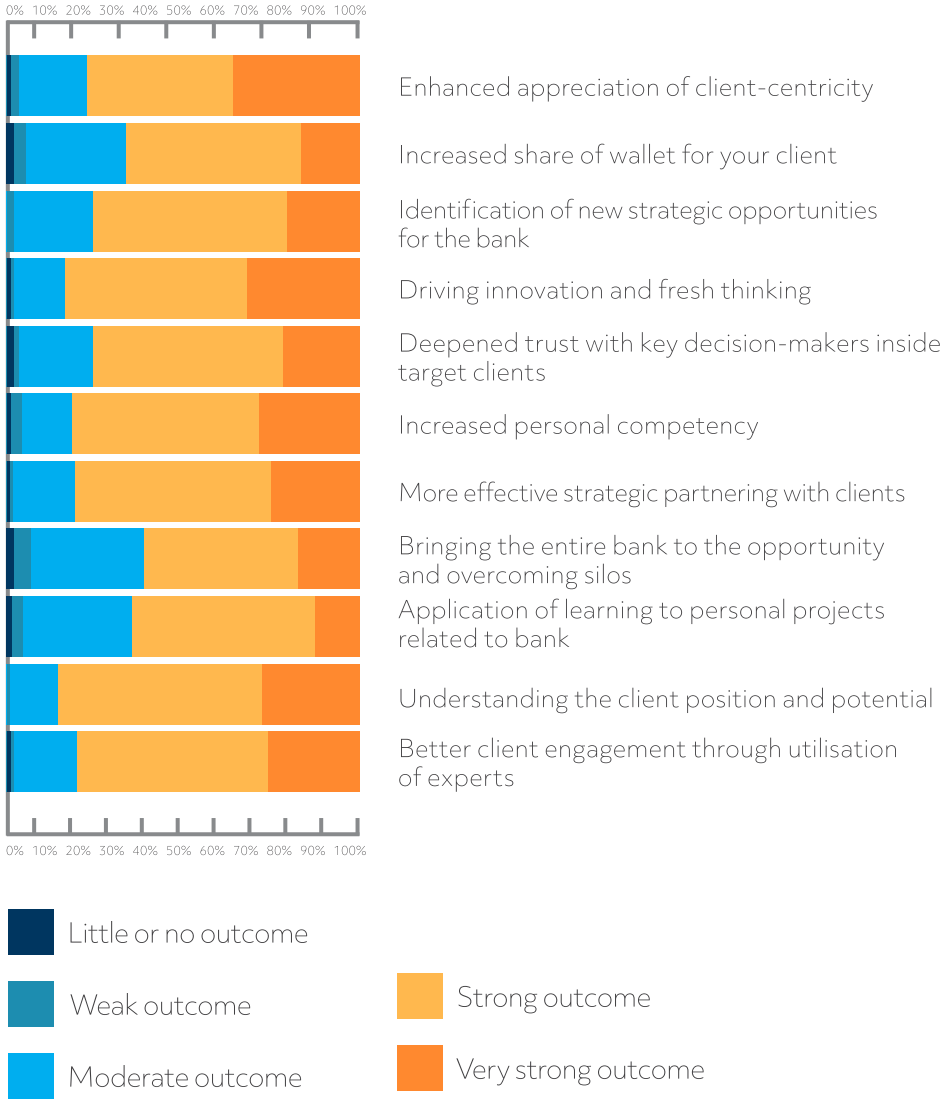
1. OVERALL BUSINESS IMPACT AND VALUE FOR STANDARD BANK

In terms of business outcomes "understanding the client position and potential through multiple lenses: financial, strategic, interpersonal, organisational" was reported to have had the largest impact.

Specifically, in terms of client impact, respondents spoke about building relationships both internally and externally through deep listening and dialogue with teams and with clients, in order to enhance client engagement with the following outcomes:

1. Winning new business that the bank would otherwise not have won
2. Winning back clients that the bank had lost
3. Keeping clients that the bank was on the verge of losing

FIGURE 6: EFFECTIVENESS OF THE PROGRAMME - BUSINESS OUTCOMES



2. TEAM ENGAGEMENT AND EFFECTIVENESS OUTCOMES

The element measured with greatest effectiveness in terms of team engagement was "better at meeting client interests through cross-team collaboration" with 81% of respondents giving it a strong or very strong impact assessment.

> **"No-one operates on their own. The programme underscores the power of the team and the right people with the right attitude. It broadened perspectives in overcoming silos to really understand the client's needs. Being client-centric and delivering effectively is completely dependent on team effectiveness – so we work not only with our own team in SA but also with other countries in order to best serve the client."**

Doug Hutchinson, Senior Manager, South Africa

3. PERSONAL DEVELOPMENT OUTCOMES

Enhanced empathy, sensing and listening; increased ability to engage with others; strengthened leadership presence and better appreciation for others' perspectives scored highly in terms of personal development impact.

In terms of technical skills, the skill most often cited as being developed over the programme was the ability to accurately and insightfully analyse client opportunities.

The programme was also shown to impact respondents' careers, with 77% indicating that the programme "strengthened my brand internally".

Another finding, which speaks to the client-centricity and effectiveness of the programme in terms of its learning implementation is that 55% of respondents said they use the tools and frameworks from MSCMP often or frequently for a positive result in better client engagement.

FIGURE 7: TEAM EFFECTIVENESS OUTCOMES

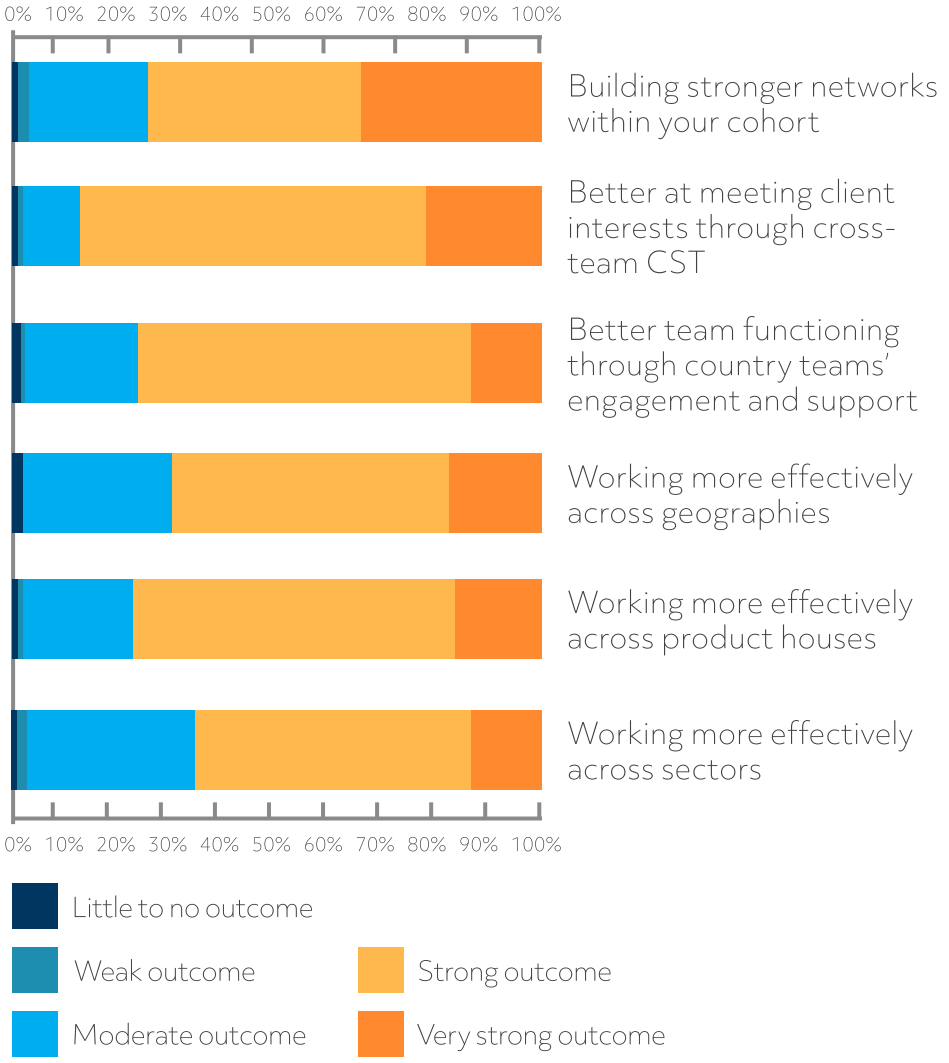


FIGURE 8: AREAS WHERE MSCM IMPACTED TECHNICAL SKILLS

FIGURE 9: AREAS WHERE MSCM IMPACTED PERSONAL DEVELOPMENT

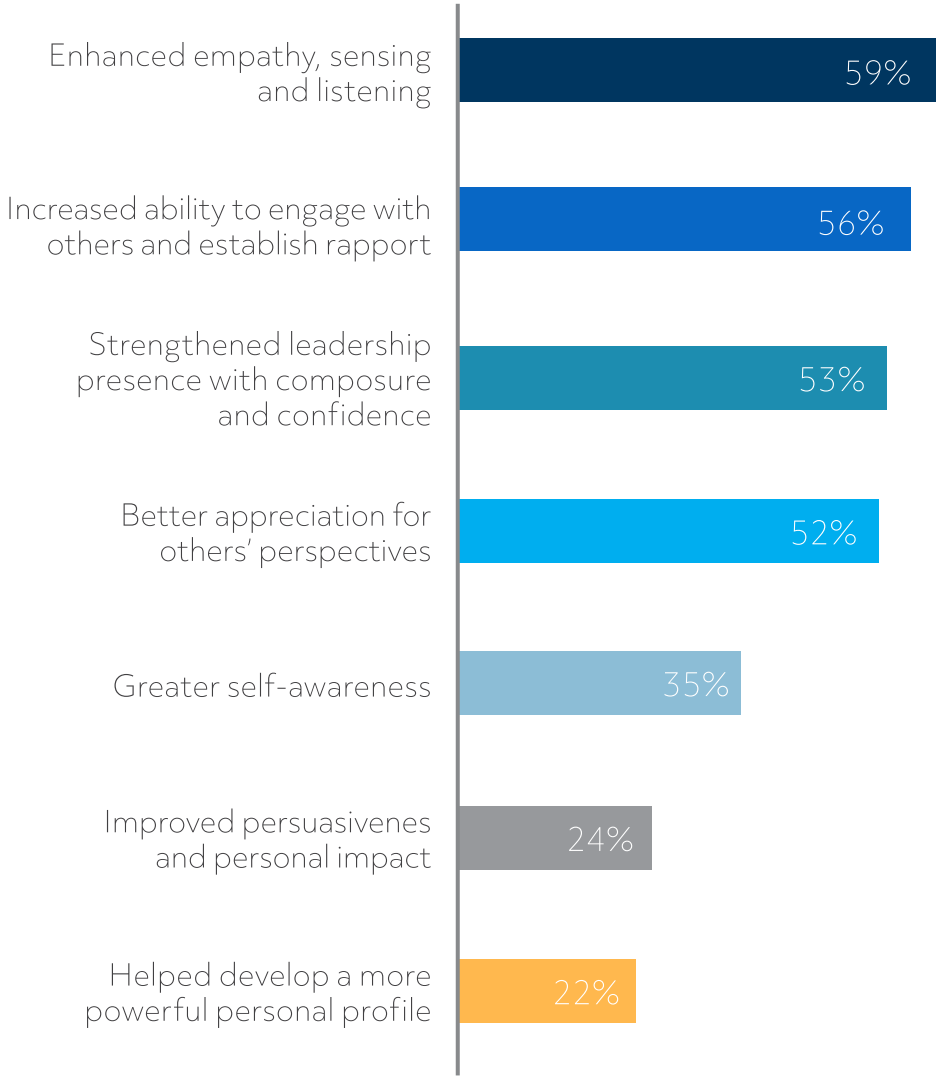
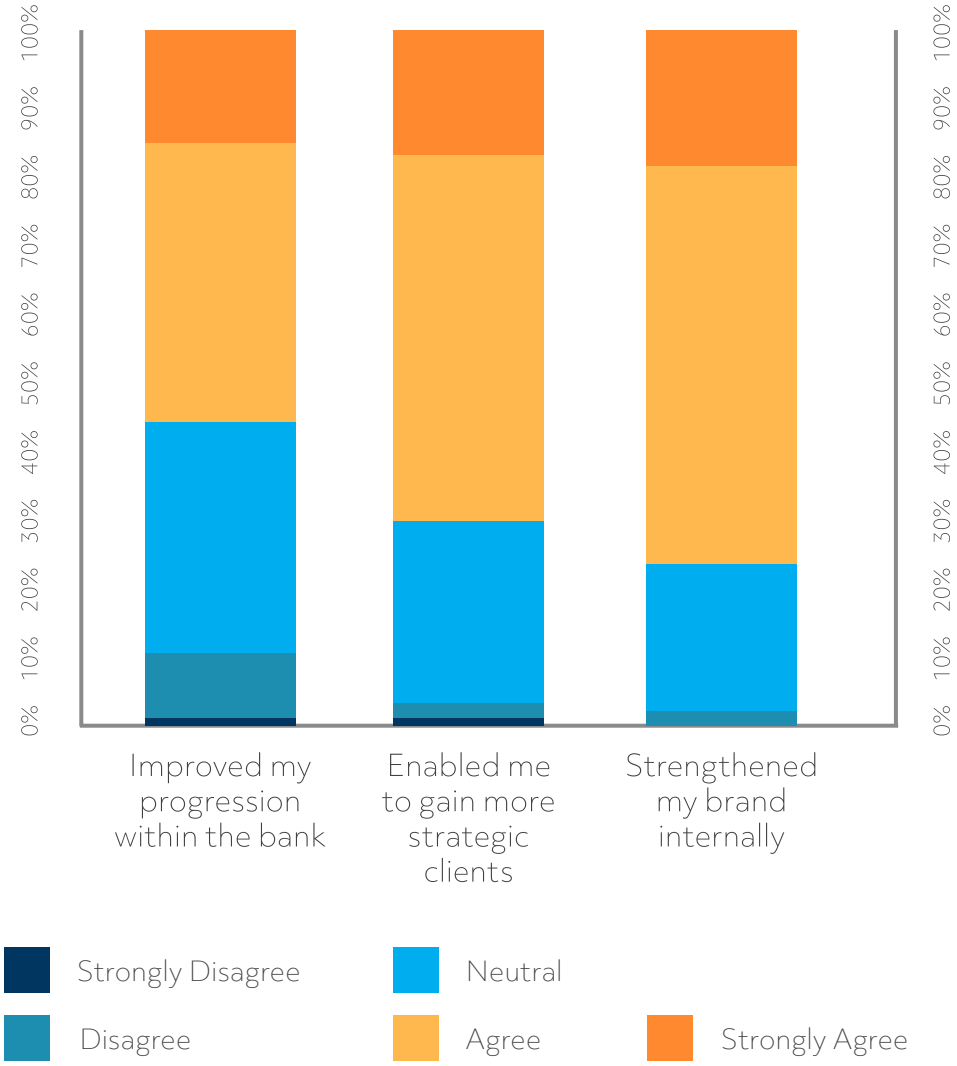


FIGURE 10 CAREER IMPACT



> "It's all come to be a deliberate thing that's conscious in my day-to-day life and is in my lingo permanently. I'm always referring to the Masterclass learnings with other people."

Lloyd Onaghinon, Telecommunications, Media & Technology, CIB Nigeria

AND FINALLY, ON CLIENT-CENTRICITY, THE HEART OF THE PROGRAMME, DELEGATES OFFERED THESE REFLECTIONS

"When your client is able to trust you and they understand that you understand their business, they see you as the preferred banker and reward business to you versus the other banks."

Motsei Modise, Oil and Gas Business Developer, Client Coverage, SA

"I take time to do proper research to really find out about the client. In the past I would have gone with assumptions and solutions in mind without really taking the time to understand the business in depth, what they do, what environment they're operating in, what challenges they're facing. So they listen to me because they feel I understand them and I bring value without taking the approach of going to sell a product."

Stella Abola, Relationship Manager
Stanbic Uganda

"On the financial side the key thing is shared value creation. Being able to find a win-win solution has been one of the most important outcomes. On the non-financial side, which is really a step towards the financial side, the impact lies in being able to understand clients and project oneself better to be more convincing and give confidence to the client that you can deliver."

Ntlai Mosiah, Head: Power, Infrastructure & TMT, SA

"The programme has been instrumental in driving a client-centric and a truly effective team approach in terms of how we engage with our clients and this has resulted in significant growth in the revenue contribution of our business over the last three years."

Shannon Gernetzky, Executive Head: Diversified Industries and Public Sector, Client Coverage SA

THE MSCMP DESIGN TEAM

FROM THE GSB

RAYNER CANNING

KUMESHNEE WEST

GRANT SIEFF

JODIE MARTIN

PAUL MAUGHAN

FROM SBG

LENIE DE WAAL

KIM VAN DER MERWE

> "The MSCMP has transcended expectations. Due to the focus and commitment of all associated parties and leaders in ensuring that the programme is continuously supported and aligned to business and client engagement strategy we have seen this programme grow to benefit a far broader audience than originally anticipated. It has been a privilege to be involved in the co-creation and 'learn, unlearn, relearn' process of such a meaningful development initiative."

Kim van der Merwe, Senior Learning Partner, Standard Bank

> "The design and delivery of the MSCMP is a fantastic team effort. The UCT GSB Business Development team follows a distinctive 5-stage process – Discovery; Diagnoses; Design & Development; Delivery and Evaluation – working with the client to create effective interventions that cater to specific learning and development needs. Thank you to everyone who participated in this initiative!"

Rayner Canning, Business Development Director at the UCT GSB