
STRATEGY SEMINARS FOR THE TOP TEAMS OF BANKS

*8 Short, Intensive Seminars About
The Strategies of Leading Banks for Improving Profitability*

**OVERVIEW OF THE SEMINAR SERIES
“Increasing Bank Profitability at Acceptable Risk”**



Batt-Consulting

MANAGEMENT CONSULTANTS & TOP TEAM TRAINERS
FOR THE LEADERS OF BANKS

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AN INTEGRATED SERIES OF 8 STRATEGY SEMINARS

This brochure describes a series of strategy seminars for the top team of banks.

The top teams of progressive banks are keen to understand the type of strategies and management approaches followed by world-class banks. Many ask Batt-Consulting to design and lead seminars about these important subjects.

As management consultants, we help banks to resolve their most important strategic issues. As a result, we know which seminar subjects are of greatest interest to top bankers in different types of bank and country.

We develop continuously seminars that are relevant, stimulating and fresh.

Because our consultants have held top positions in many leading banks, they have the experience and skills that are necessary to judge which approaches to strategy & management are practical and successful.

These judgements are shared at the seminars offered by our firm.

To assist banks that wish to be world-class, our firm has developed a series of 8 seminars which are described below. They focus on the issues that banks most frequently ask us to help resolve.

The first seminar is an overview. It examines all elements of bank strategy and shows how they can lead to greatly increased bank profitability and acceptable risks, if they are formulated well and coordinated tightly. This introductory seminar is followed by others that expand on key business strategies, crucial support strategies and best practice planning & control systems:

THE OVERVIEW SEMINAR

**Increasing Bank Profitability
at Acceptable Risk**

FOCUS ON BUSINESS STRATEGIES

**“World-Class”
Marketing & Selling**

**“World-Class”
Credit Risk Management**

**“World-Class”
Asset & Liability Management**

FOCUS ON SUPPORT STRATEGIES

**Reorganising & Reengineering
for Higher Profits**

**Extracting Maximum Value from
Information Technology**

**Managing & Motivating
the Workforce for Excellence**

FOCUS ON STRATEGIC PLANNING & ACTION PLANNING, BUDGETING & FINANCIAL CONTROL

**Best Practice Bank
Planning & Control Systems**

The seminars are integrated. They fit together and the series covers all key aspects of running banks successfully in competitive markets.

Because the seminars are linked, most banks ask us to lead all 8 seminars over a year or so but they can be commissioned independently.

Typically, they are 3 to 5 days long. They can be longer or shorter.

The seminars are often held over weekends.

The seminar contents are adjusted to meet the needs of individual banks.

Subjects of particular interest can be given more time or added.

Sometimes, banks ask us to combine seminars into a single programme.

The “tailor-making” of the seminars is handled by discussion before the seminar series begins.

BUSINESS STRATEGIES - INCREASING INCOME AT ACCEPTABLE RISK

The first seminar provides the overview and is followed by three that deal with strategies for increasing income at acceptable level of risk: the “business strategies”. Together, these cover marketing, selling, credit, asset & liability management (ALM) and related treasury activities:

Increasing Bank Profitability at Acceptable Risk

This first seminar covers the key aspects of overall bank strategy and how they can increase bank profitability at acceptable risk. The principal subjects are:

- The main elements of bank strategy and examples of “winning” and “losing” strategies
- Setting objectives, vision and mission
- Strategies for increasing income: focused marketing, intensive selling, and centralised-active ALM
- Strategies for strengthening risk management: credit, market and operating risk
- Strategies for improving cost-effectiveness: reorganisation and process reengineering
- Strategies for allocating resources optimally: personnel, capital and IT investment
- Foundations for successful implementation of strategy: corporate governance, ethics and culture
- Assessing a bank’s overall strategy against world-class standards to pinpoint improvement priorities - the STRAM methodology

“World-Class” Marketing & Selling

Focused marketing and intensive selling are key parts of bank strategy. They “drive” bank income. This seminar explains the approaches of leading banks:

- The meaning of “marketing” and “selling” in world-class banks
- The practical use of market segmentation
- Methodologies for formulating marketing strategy
- Case history examples of successful bank marketing strategies and their impact on profitability
- Impact on profitability of increasing selling time and cross-selling ratios
- Case history examples of measuring and increasing selling time
- New selling channels: point-of-sale (POS) offices, mobile sales forces, outbound call centres, websites
- Organising marketing and selling personnel
- Assessing a bank’s marketing and selling efforts against world-class standards to identify development priorities - the MAM, SAM and PAM methodologies

“World-Class” Credit Risk Management

The best bank’s have transformed credit management into a “science”. They have made sure that it delivers target profitability, is well organised and cost-effective:

- Definition of world-class standards credit management and the requirements of Basel II
- Upgrading credit policy, development & planning: contents of best practice credit policies
- Modernising origination and processing: scoring systems, risk pricing, online applications processing
- Strengthening early warning systems, credit audit, remedial management and recoveries
- Upgrading portfolio monitoring and management
- Organising credit committees and setting authorities for all aspects of credit management
- Exploiting credit-related IT systems and cutting the operating cost credit management
- Assessing a bank’s credit management against world-class standards to pinpoint improvement priorities - the CRAM methodology

“World-Class” Asset & Liability Management

ALM is increasingly key to banks. They want the extra profits from market risk taking, partly to offset declining credit margins, but they do not want nasty shocks:

- Objectives of ALM: increased but less volatile profits
 - The growing importance of ALM: declining customer margins, opportunities to increase ALM margins, securitisation and asset distribution
 - Phases in the evolution of ALM and the focus of ALM in world-class banks
 - Measuring ALM profits and risks: the mark-to-market, pool rate, cost-of-funds, and value-at-risk methods
 - Organising banks for centralised-active ALM
 - The role and responsibilities of asset & liability committees (ALCO’s) and treasury committee, providing the analytical support needed by ALCO’s
 - Case history examples of leading domestic and international banks’ ALM and treasury strategies
 - Assessing a bank’s ALM and related treasury activities against world-class standards to pinpoint improvement priorities - the PALM methodology
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SUPPORT STRATEGIES - ENSURING SUCCESSFUL IMPLEMENTATION

For the successful implementation of business strategies, a bank's "support strategies" must be designed to underpin its business development and management priorities. The next four seminars deal with organisation structure, process reengineering, IT, HR and planning & control systems:

Reorganising & Reengineering for Higher Profits

There are many ways to organise banks, their processes and procedures. The choice has an enormous effect on income, risks, operating costs and overall profitability:

- Organisational design principles: leadership principles, business principles and management principles
- Organisational options and their implications for bank performance: territorial, product, segment, functional and matrix structures
- Establishing Board committees required by Basel II
- Increasing the effectiveness top management and top committees responsible for strategy, marketing, selling, credit, ALM, other risks, operations, IT and HR
- Organising business divisions for personal, premium, private, SME and corporate banking, and treasury
- Organising support divisions: strategy, finance, marketing & sales support, risk, operations, IT and HR
- Segmenting banks, networks and branches in practice
- Assessing a bank's organisation against world-class models to select the best - the ORGAM methodology

Extracting Maximum Value from Information Technology

Banks are increasingly dependent on IT systems. Huge investments are being made. The payoffs can be great but there are serious risks. IT decisions must be correct:

- Overview of modern IT systems and strategies: Internet banking, new systems architectures, data-warehousing, CRM and decision support systems
- Formulating an IT strategy that supports business requirements and fixing the money to be invested
- Distributing IT investment across applications that support increased income, strong risk management and greater cost-effectiveness
- Core banking systems: deciding if a new core system is needed, procuring and implementing a new system
- Outsourcing: deciding if, when and how to outsource
- The leadership and organisation of IT divisions
- Best practice IT management processes: project identification, evaluation, ownership, management
- Assessing a bank's IT strategy and methods against world-class standards to identify improvements - the Technology Value Added (TVA) methodology

Managing and Motivating the Workforce for Excellence

Banking is still a "people business". Leading banks have human resources policies and processes that ensure their people are well managed and strongly motivated:

- HR strategy and manpower planning: defining the HR needs of bank strategy and fixing HR budgets
- Recruitment: attracting new personnel from the best sources and in the numbers required
- Performance appraisal: ensuring that appraisal is objective, positive, relevant, useful and fair
- Training and accreditation: defining training needs, procuring the training needed, accrediting trainees
- Career development: identifying "hi-flyers", providing individual coaching and mentoring
- Reward systems: bonuses, profit sharing, share options and phantom equity schemes
- Building a "meritocratic" culture that stimulates people to perform outstandingly well
- Assessing a bank's HR management against world-class standards - the HURAM methodology

Best Practice Bank Planning & Control Systems

Ensuring that a bank's various strategies are complete, and well co-ordinated, and that they will lead to success, demands the use of modern planning & control methods:

- Strategic planning; setting objectives, creating an exciting vision, framing a mission statement
 - Action planning: translating strategies into action plans, setting priorities among action plans
 - Budgeting: determining key performance indicators, developing and integrating budgets for segments, key customers, products, branches, divisions and the bank
 - Capital investment planning: portfolio planning to match strategic priorities, risk simulation and other CAPEX investment appraisal methods
 - Financial control: tracking actual performance against budgets for segments, key customers, products, branches, divisions and the whole bank
 - Organising and phasing planning & control activities at the overall bank and divisional levels
 - Assessing a bank's planning & control methods against world-class standards to pinpoint development priorities - the PACAM methodology
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INTERNATIONALLY-EXPERIENCED SEMINAR LEADERS

Each of the seminars from Batt-Consulting is designed and led by one or more of the firm's senior consultants. These professionals have:

- Held top positions in 15 banks based in Europe, the USA, Latin America, the Middle East and Asia Pacific
- Worked for other leading management consulting firms
- Led hundreds of workshops & seminars for individual banks

They have also spoken regularly for banking institutes, central banks, universities and other providers of bank training.

SOME OF OUR INTERNATIONAL SEMINAR LEADERS AND SENIOR BANK CONSULTANTS

Christopher Batt

Profile: Acknowledged top adviser to the owners, leaders and senior managers of banks about strategy, reorganisation and best practices. An experienced banker, strategist and credit card expert. Consulting to over 140 banks in more than 50 countries. Designer and leader of workshops and seminars for the boards and top executive teams of banks around the world.



Top Banking Positions:

- Jordan Ahli Bank in Jordan - Chief Operating Officer = CEO, reporting to the Chairman of the Board
- Visa International in the USA - Member of Visa's top Executive Committee, Head of Global Strategy
- Grindlays Bank in the UK - GM of Specialised Finance
- NatWest Bank in the UK - Group Planning Manager

Consulting Experience: McKinsey & Company, Booz Allen & Hamilton, A.T. Kearney and Spicers Consultants.

Specialisations: Strategy formulation, strategy implementation, reorganisation, marketing, selling, credit management and ALM.

Qualifications: University of Cambridge, University of London, Fellow of the UK's Chartered Institute of Bankers in recognition of status in UK banking and training services to senior bankers.

Michael Green

Profile: A top international banker. An internationally-renowned leader in enterprise risk management in banking. Accomplished expert in the design and implementation of fundamental strategic change and in corporate governance and risk management by the main boards and top executive teams of banks. Extensive experience across Asia-Pacific, Europe and the Americas.



Top Banking Positions:

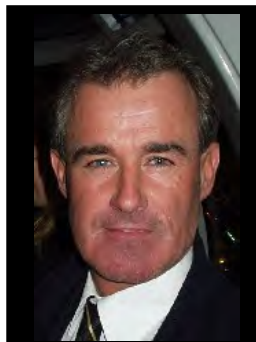
- Barclays Bank - Chief Operating Officer, Group Risk (worldwide role)
- Standard Chartered Bank - Main Board Director, Risk, Operations & Technology (worldwide roles)
- National Australia Bank Europe, covering Clydesdale Bank and Yorkshire Bank - Head of Risk
- ANZ Banking Group in Australia - GM of Retail Risk
- Lloyds Bank: UK Chief Lending Officer, Brazil, Japan, Singapore, Spain

Specialisations: Strategy formulation, strategy implementation, corporate governance, risk management and reorganisation.

Qualifications: Oxford University, INSEAD. Diploma in Company Direction (governance) from the UK's Institute of Directors.

Paul McInerney

Profile: Extensive executive-level consulting and training for banks in Europe and Middle East. Focus on personal, premium, private & SME banking & management of modern branch networks. An experienced banker and authority on innovation management in banking.



Top Banking Positions:

- Lloyds Bank
- TSB Bank
- Bradford & Bingley

Consulting Experience:

- Henley-Incubator at the Henley Management College
- NML Consulting

Specialisations: Strategy, marketing and organisation for retail, premium & SME banks; management of branches, sales & credit.

Qualifications: Henley Management College, Cranfield Business School, Associate of the UK's Chartered Institute of Bankers.

Chris Churchill-Coleman

Profile: Leading adviser about IT to the leaders of banks across the UK, USA, Europe, Middle East and Africa. Expert at internet & mobile banking. Wide experience of major IT systems changes, including core IT systems replacements. Years of experience as a practical banker.



Top Banking Positions:

- Abbey National Bank
- Cahoot (internet bank)
- Nationwide (mortgage bank)

Consulting Experience:

- Open Text
- The Prism Group

Specialisations: Bank strategy, IT strategy, internet banking, mobile banking, core IT systems replacement.

Qualifications: University of Leicester, Associate of the UK's Chartered Institute of Bankers, a UK Chartered Treasurer.

ABOUT BATT-CONSULTING

Batt-Consulting is a specialised, top level management consulting and training firm that works, world-wide, with banks and other organisations active in the financial world.

The firm is based in the United Kingdom with consultants in the UK and Czech Republic. It was established in 1990 to provide top level consulting and training to banks with an emphasis on profit improvement, business and support strategy, risk management and reorganisation work.

The firm's senior consultants have all held senior positions in banks. The majority have worked for other prominent management consulting companies. Over their careers as both bankers and consultants they have served more than 150 banks in over 50 countries.

Services Provided

Batt-Consulting's main mission is to help banks increase profitability at acceptable levels of risk. This means resolving complex issues that relate to:

*Overall Bank Strategy
Domestic & International Strategy
Marketing Strategy
Product & Delivery Channels Development
Credit Risk Policies & Processes
Management Process Reengineering
Information Technology & Internet Banking
Planning & Control Systems*

*Organisation Structure Design & Implementation
Corporate Governance at Main Board Level
Selling Intensity & Methods
Asset & Liability Management
Treasury Strategy & Organisation
Operations Strategy & Reengineering
Human Resources Management
Management Information Systems*

The firm provides three types of service:

Management Consulting
Best Practices
Education

*Designing and Leading Strategic Projects
Helping Banks to Reach "World-Class" Standards
Leading Top Management Workshops & Seminars*

Consulting & Best Practices Clients

Our consulting and best practices clients are the owners and leaders of banks and other financial institutions, both small and large. Some are famous internationally. Others are leaders in their own local markets. Most importantly, we serve:

*Commercial Banks
Savings Banks
Mortgage Banks
Co-operative Banks
Private & Premium Banks
Financial Services Groups*

*Investment Banks
Merchant Banks
Asset Management Firms
Stock Brokers
Central Banks & Regulators
Insurance Companies*

Education Clients

Batt-Consulting serves four types of education client:

***Individual Banks.** We help banks' top teams keep up-to-date with bank strategies and methods by designing and leading short, intensive, in-house workshops & seminars.*

***Banking Academies & Institutes.** For these we design and lead public training meetings for senior bankers.*

***Sponsors of Bank Education,** including banking schools, central banks, bankers' associations and universities.*

***Providers of IT to Banks.** These companies ask us to brief them about banking strategies to help ensure their own services are correctly focused.*

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