
“WORLD-CLASS” BANK STRATEGIES

“Strategy Assessment Methodology”

“STRAM”



Batt-Consulting

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FOR THE LEADERS OF BANKS

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CONTENTS

PURPOSE OF THIS PAPER	2
THE NATURE OF “WINNING” STRATEGIES	3
OVERVIEW OF THE STRAM METHODOLOGY	4
ILLUSTRATIVE CASE HISTORY	6
Assessment of the Bank’s Overall Strategy	7
Assessment of the Bank’s Objectives, Vision & Mission	9
Assessment of the Bank’s Marketing Strategy	9
Assessment of the Bank’s Selling Intensity	10
Assessment of the Bank’s Organisation Structure	10
Results of the STRAM Changes	10
STEPS INVOLVED IN USING “STRAM”	11
1. Collecting Key Information About the Bank’s Strategy and Performance	12
2. Understanding and Adjusting the Assessment Framework	12
3. Agreeing the Definition of “World-Class” Standards of Strategy	12
4. Assessing the Bank’s Overall Strategy	12
5. Assessing Strategy in Selected Divisions and Countries	12
6. Setting Priorities for Reaching “World-Class” Levels	13
7. Gaining Agreement to Action	13
8. Implementation	13
9. Monitoring Implementation Progress	13
TEAM NEEDED TO DO THE WORK	13
1. STRAM Team Members from the Bank	13
2. Senior Managers of Local Units Being Assessed	13
3. STRAM Steering Committee	13
4. STRAM Team Members from Batt-Consulting	13
ABOUT BATT-CONSULTING	14
Our Services	14
Our Clients	14
Consulting Clients	14
Best Practice Clients	14
Education Clients	15

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PURPOSE OF THIS PAPER

This paper aims to help banks upgrade their strategies and strategic management approaches up to “world-class” levels. It describes a methodology developed, tested and proven by Batt-Consulting in conjunction with leading banks in over 50 countries across Europe, the USA, the Middle East, North and South Asia, South East Asia and Africa.

We refer to this methodology as “STRAM” - our **Strategy Assessment Methodology**.

Board members, chief executives and other top bankers particularly appreciate STRAM. It allows them to:

- *Assess their Bank’s overall strategy, and those of individual units, against best practice standards*
- *Pinpoint the improvements that are needed to make the Bank’s strategy “world-class”*
- *Ensure that strategy is translated into practical, correctly-focused action plans and budgets*
- *Upgrade the Bank’s strategic planning, action planning & budgeting processes*
- *Increase the probability that strategy will lead to higher profitability at acceptable risk*

STRAM is widely applicable and it works well in most types of bank:

- *Personal banks - big, mass-market retail banks, smaller premium and private banks*
- *Commercial banks - small company or SME banks, and corporate banks*
- *Banks in both advanced industrialised and emerging markets*
- *Banks of all sizes and most types, including domestic, international and global banks*
- *Other providers of financial services including mortgage and consumer finance companies*

STRAM is objective, quick and inexpensive to apply:

- *Objective - the standards used to assess strategy have been agreed with leading banks*
- *Quick - 2 to 3 weeks is normally sufficient*
- *Inexpensive - only a few consultants are involved for a short time*

Major contributions to resolving key issues are made by STRAM:

MAIN ISSUES	HOW STRAM HELPS
BUSINESS & SUPPORT STRATEGY ISSUES	<ul style="list-style-type: none"> Defines “world-class” (and lesser) standards of strategy Provides a clear framework for assessing the Bank’s existing strategy against “world-class” standards Assesses the Bank’s current capabilities in key areas of strategy Highlights strengths and weakness of the Bank’s current strategy Sets priorities for reaching “world-class” levels of strategy and key targets to be achieved Suggests an overall timetable for strengthening strategy
REORGANISATION ISSUES	<ul style="list-style-type: none"> Shows how the Bank could improve its top organisation structure in support of strategy implementation Indicates how the organisation of the Bank’s business divisions (profit centres) could be strengthened Provides guidelines for improving the organisation of support divisions (cost centres) Pinpoints opportunities to transfer best practice across the Bank, at home and abroad, and its subsidiary companies
STRATEGY FORMULATION AND IMPLEMENTATION ISSUES	<ul style="list-style-type: none"> Stimulates the use of modern methods for strategic planning, action planning, budgeting and financial control Provides a tool for monitoring progress during implementation and for detecting corrective action needed Defines strategy training needs and generates material for training

STRAM is particularly recommended to banks that are keen to grow market share, profitability and share price rapidly, yet safely, and/or are dissatisfied with current performance.

THE NATURE OF “WINNING” STRATEGIES

“Strategy” is a military word. It implies that there is a conflict with winners and losers. The best bank strategies are clear about how the banks are going to beat their competitors. They focus sharply on satisfying customers and achieving excellent results. They deal comprehensively with:

- **Objectives** - What the bank is trying to achieve over the longer term
- **Business Strategy** - How income is to be increased at acceptable levels of risk
- **Support Strategy** - How cost-effectiveness is to be achieved and sustained
- **Resource Allocation** - How resources will be allocated in support of business priorities
- **Corporate Governance, Ethics & Culture** - The values for maintaining good behaviour

These matters demand clear answer to important issues:

ILLUSTRATIVE STRATEGY ISSUES

Longer Term Objectives, Vision & Mission – “Objectives” Issues

1. **Objectives:** Which longer term objectives, if achieved, would satisfy those parties with an interest in the Bank’s success – shareholders, customers, management and staff, the regulators, and society in general?
2. **Vision & Mission:** Which vision and mission would attract preferred customers, shareholders and target personnel, and excite existing management and staff?

Strategies to Increase Income at Acceptable Risk – “Business Strategy” Issues

3. **Marketing Strategy:** How should the Bank focus marketing across different market segments, key customers, services, locations and delivery channels? What service quality, pricing and branding strategies to adopt?
4. **Selling Intensity:** What steps are needed to intensify selling in order to capture more new customers and to increase cross-selling, market share and profitability?
5. **Credit Risk Policies:** What changes are needed to credit policy and procedures so that they are consistent with other elements of strategy? What action is needed to advance credit management to “world-class” levels?
6. **Asset & Liability Structure Policies:** How can the cost of liabilities be reduced and the yield on assets increased? How much market risk should be taken? How should market risks and profits be governed by ALCO?

Strategies to Increase Cost-Effectiveness – “Support Strategy” Issues

7. **Organisation Structure:** How should the Bank’s top and divisional structure evolve to improve implementation of strategy? Should the Bank adopt a market segment, functional, product, territorial or combined structure?
8. **Management Processes:** How can strategic planning, action planning, budgeting, financial control, credit management and asset & liability management (ALM) be brought up to best practice levels?
9. **Operations Strategy:** How should the Bank reengineer operations to realise cost economies-of-scale? To what extent should operational activities be removed from branches and regionalised or centralised?
10. **Elimination of Wastage:** How should unnecessary activities and facilities, and thus costs, be cut?

Strategies for Optimal Allocation of Resources – “Resource Allocation” Issues

11. **Personnel Assignment:** How should personnel be reassigned into income-generating and risk management jobs and out of cost-creating jobs? How many people should be moved, when and after which retraining?
12. **Capital Allocation:** How should the Bank’s capital be allocated in support of different businesses in order to maximise return on capital? Should regulatory (Basel II) or economic capital be the basis for capital allocation?
13. **IT Strategy & Investment:** How much money should be invested in IT? How should the investment be distributed across applications that support increased income, tighter risk management and lower costs?

Strategies for Upgrading Corporate Governance, Ethics & Culture – “Values” Issues

14. **Corporate Governance:** What changes at Board and top management level are needed to bring the Bank in line with best practice corporate governance codes that are now demanded by shareholders and regulators?
15. **Ethics:** Which subjects should be covered in the Bank’s Code of Ethics with aim of improving behaviour towards shareholders, customers, regulators, subordinates and colleagues? How should ethical standards be enforced?
16. **Culture:** What steps are needed to focus management on to profitability, stimulate innovation, foster the use of modern technology and build a more meritocratic culture that provides the best rewards to the best performers?

STRAM provides valuable help in answering these and other important questions.

OVERVIEW OF THE STRAM METHODOLOGY

“World-class” banks ensure that their strategies lead to significant and sustainable competitive advantage in many ways:

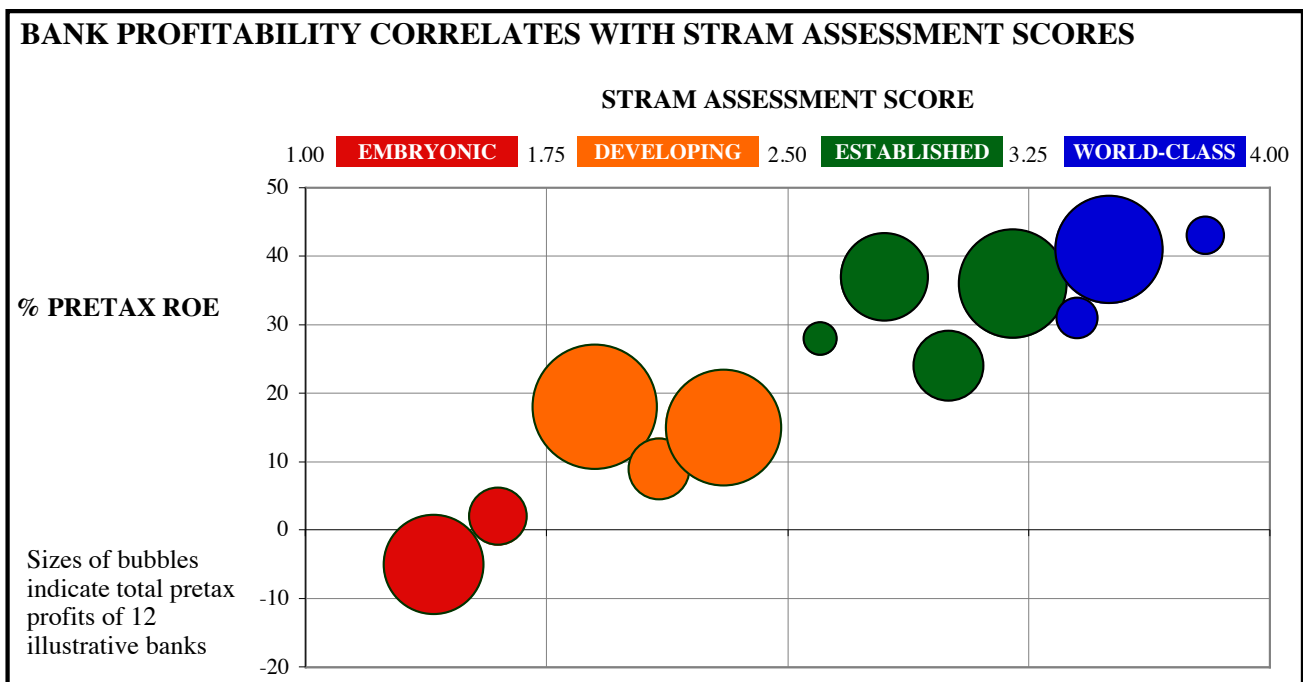
- *Strategies show clearly how, when and by how much the Bank will beat its competitors*
- *The various elements of strategy are consistent and mutually supportive*
- *Support strategies underpin business strategies and they do not contradict each other*
- *All strategies are well understood and actively supported by the Board and senior executives*

These banks nearly always enjoy high profitability and rapid growth. Their share prices grow faster and this increases the opportunities to acquire other banks.

STRAM helps banks ensure that their strategies will result in success:

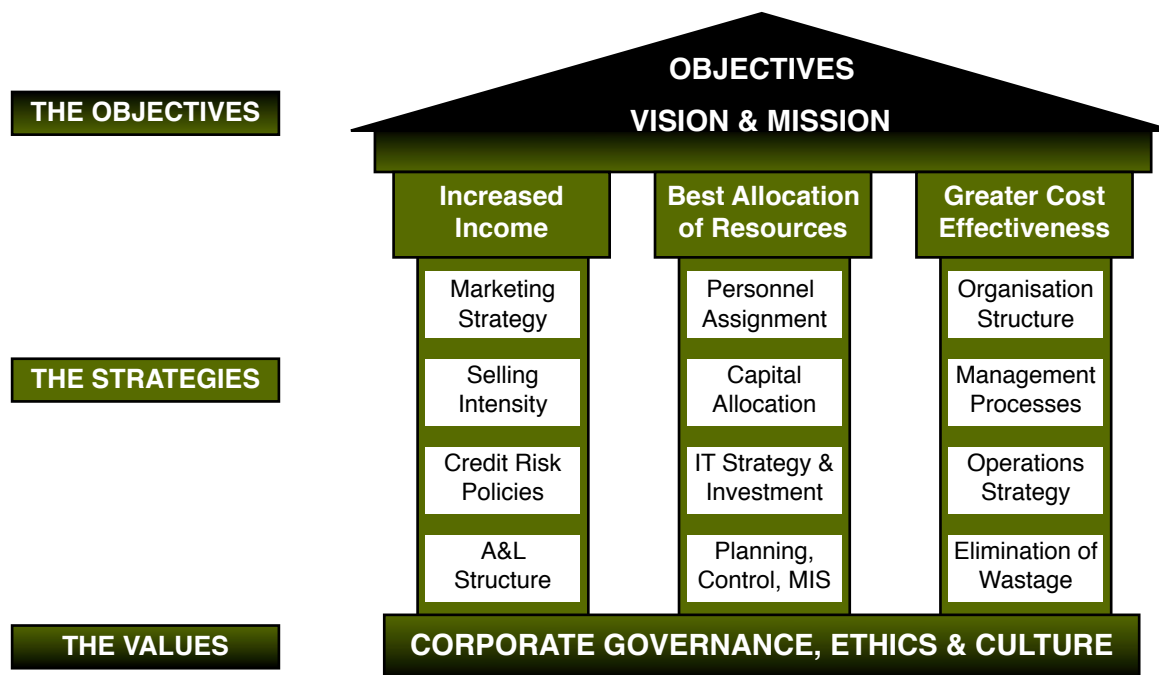
1. Before STRAM starts, the Bank collects key information that is specified by Batt-Consulting in the STRAM Data Collection Pack. This information is used later in the STRAM exercise
2. A STRAM Team of senior Bank executives is formed to work with our consultants at the 3-day STRAM Workshop which is the “heart” of the STRAM exercise
3. Before the STRAM Workshop, Batt-Consulting explains “world-class” standards of strategy to the STRAM Team at the STRAM Seminar which normally last 1, 2 or 3 days
4. At the 3-day STRAM Workshop, the STRAM Team assess all the main elements of the Bank’s strategy, and over 200 sub-elements, against the standards applied in leading banks
5. During discussions at the STRAM Workshop, the STRAM Team gives each sub-element of strategy a score that reflects its stage of development
6. After all sub-elements have been scored, scores for the main elements of strategy, and the overall strategy, are produced and the action needed to reach “world-class” standards agreed
7. After the STRAM Workshop, Batt-Consulting drafts the STRAM Report for agreement with the STRAM Team and then recommendations are made to top management

The STRAM Scores give a reliable measure of how developed a bank’s strategy is, as measured against the strategies of “world-class” banks. They correlate closely with the profit performance of banks as illustrated by a sample of 12 banks for which Batt-Consulting has led STRAM:



Most importantly, STRAM shows where the Bank’s strategy is weak and the action needed for it to be made “world-class”.

STRAM examines the following main elements of strategy:



These elements are broken down into important sub-elements – over 200 in total. Examples are:

1. **Objectives, Vision & Mission** assesses the level of ambition, feasibility and credibility, clarity, and consistency of the Bank's longer term objectives
2. **Marketing Strategy** examines marketing priorities in terms of market segments and key customers, services and products, quality, pricing, locations, delivery channels and branding
3. **Selling Intensity** measures the proportion of personnel across the bank who sell, the time they devote to selling, selling channels and selling success in terms of cross-selling ratios
4. **Credit Risk Policies** explores how well the bank's credit policies and processes compare to those found in "world-class" banks, and the steps needed to reach these high standards
5. **Asset & Liability Structure** assesses the Bank's overall balance sheet structure, the profits & risks arising therefrom, and what needs doing for the Bank to have centralised-active ALM
6. **Organisation Structure** ascertains how well the Bank's current organisation structure reflects business and management priorities and proposes how the structure could be improved
7. **Management Processes** finds way to modernise and make more cost-effective the Bank's processes that relate to credit management, planning, control, HR and IT and internal audit
8. **Operations Strategy** assesses the degree of centralisation of operations, and the extent to which the Bank knows its operating costs and is achieving cost-economies-of-scale
9. **Elimination of Waste** challenges the Bank to cut out unnecessary costs
10. **Personnel Assignment** proposes how staff should be moved into income-producing jobs and out of cost-creating jobs so that the Bank's cost/income ratio can be cut
11. **Capital Allocation** tests how well the Bank can measure capital allocation and, if it can, how suitably the capital is being allocated to key businesses
12. **IT Investment** examines IT strategy, how much money is being invested in IT, and how this investment is being distributed across the wide range of IT applications used by leading banks
13. **Planning, Control and MIS** pinpoints how the Bank should strengthen its approaches to strategic planning, action planning, budgeting and financial control
14. **Corporate Governance, Ethics and Culture** assesses governance committees and policies, the Bank's Code of Conduct, and the integrity and behaviour of the workforce

For each element and sub-element of strategy, STRAM defines 4 phases of development:

PHASE OF DEVELOPMENT	DESCRIPTION OF PHASE	IMPLICATIONS FOR PERFORMANCE
Phase 4: "World-Class"	The excellent level reached by the world's best banks	Profitability, after bad debts, and growth are likely to be superior
Phase 3: "Established"	An acceptable and common level of development but not "world-class"	Profitability and growth may not be high but large losses are unlikely
Phase 2: "Developing"	An unacceptable level at which to operate except for short periods	The chance of poor growth and/or significant losses is high
Phase 1: "Embryonic"	An unacceptable, dangerous, even primitive level at which to operate	The probability of large losses, even failure, is very high

Using the STRAM framework and definitions, a joint STRAM Team of senior executives of the Bank and our consultants assesses the Bank's capabilities in each of the 200 sub-elements of strategy. Each sub-element and element is scored 1 to 4 to indicate its phase of development:

- Score 1 = "Embryonic"
- Score 2 = "Developing"
- Score 3 = "Established"
- Score 4 = "World-Class"

Typically, the Bank discovers that in some areas it is already "world-class" but in others it has scope to improve. Sometimes, urgent improvements are needed without which the Bank would remain in peril. STRAM readily reveals these priorities.

- After the assessments have been made, the results are fed into the STRAM Model that summarises the Bank's current capabilities vis-à-vis "world-class" standards
- Summaries are provided for the Bank's overall strategy and all the elements and sub-elements therein. These are provided for the whole Bank and those individual units examined, i.e. individual divisions, regions, countries and subsidiary companies
- The results are presented pictorially as illustrated in the next section
- Armed with the STRAM assessments, the STRAM Team defines development priorities, and develops action plans and targets
- The STRAM Team then presents its assessments and recommendations to top management
- After agreement with top management, implementation begins

Some banks then reapply STRAM every 6 or 12 months to check implementation progress and initiate corrective action. This practice we encourage.

ILLUSTRATIVE CASE HISTORY

This case relates to a medium-sized bank with an average market share in its home country and small operations in several other countries. The bank was active in personal, commercial, corporate and investment banking. Its treasury was active. Profitability was inadequate and competition fierce.

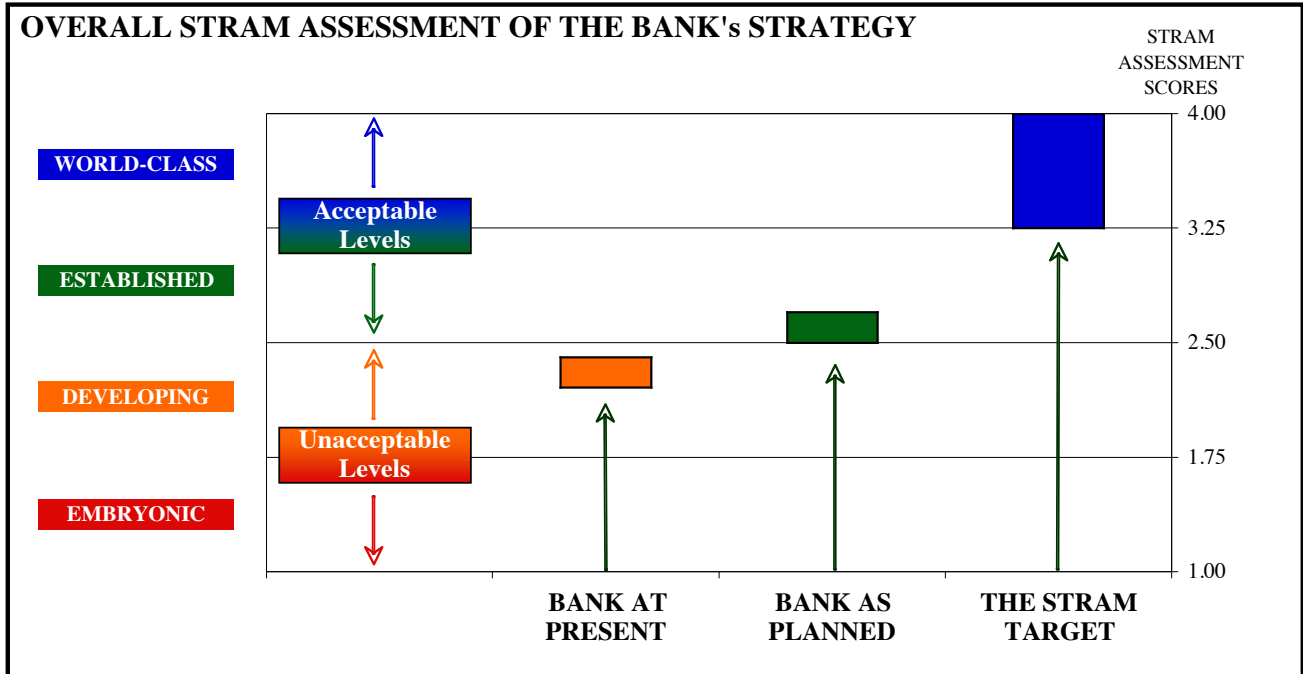
The Board, the Chairman, the Chief Executive and most of their colleagues were ambitious to increase the Bank's market share, profits, profitability and share price. They also wished to acquire another bank. To achieve these aims they were determined to ensure the Bank's strategy was "world-class".

To assess the adequacy of the Bank's existing strategy, and to identify improvement priorities, the Bank applied STRAM with the assistance of our consultants. The whole exercise took 3 weeks and involved 15 of the Bank's most senior executives working together at a the 3-day STRAM Workshop.

Assessment of the Bank's Overall Strategy

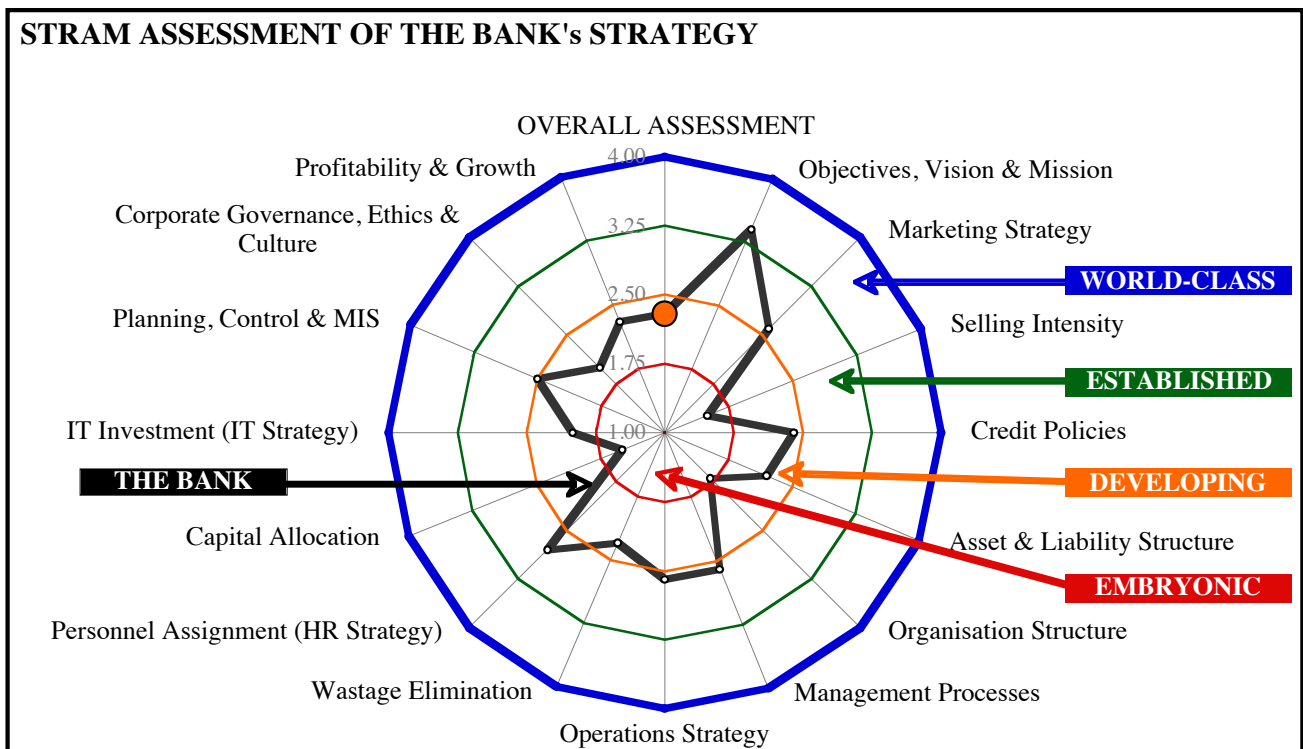
STRAM showed that, overall, the existing strategy was only in the "Developing" phase. However, it was close to becoming "Established".

The Bank was refining its strategy but STRAM revealed that the improvements being made would only result in the strategy becoming just "Established". This was not acceptable to the Board, the Chairman and the CEO who had ambitions for the Bank's strategy to be "world-class":



The STRAM Team assessed all the elements of the existing strategy against the "world-class" standards found in leading banks.

It discovered that some elements of existing strategy were fairly strong while others were seriously weak and needed major improvements for the Bank to achieve its challenging objectives:



The preceding exhibit shows that some elements of the Bank's existing strategy were already "World-Class" or "Established":

- **Objectives, Vision & Mission** - "World-Class". The Bank knew clearly what it was trying to achieve and its ambitions were well understood across the organisation – see later.
- **Marketing Strategy** - "Established". The Bank had a marketing plan that was clear about several marketing priorities but needed strengthening in other areas – see later.
- **Management Processes** - "Established". Most of the Bank's main management processes were adequate although there was scope for improvement, particularly to selling and credit risk management.
- **Operations Strategy** - "Established". Operational activities were being removed from the branches and centralised. There was more to do but progress had been steady.
- **Personnel Assignment** - "Established". The Bank's HR strategy had resulted in a good quality and motivated workforce.

However, more people needed to be moved into selling and other income-generating jobs.

- **Planning, Control & MIS** – "Established". Strategic planning and budgeting were in operation but not segmented.

Strategic plans were not being translated into clear action plans that highlighted exactly who was responsible for delivering what and by when.

By contrast, some elements of existing strategy were only "Developing" and required improvement:

- **Credit Policies** - "Developing". The Bank had an overall credit policy manual but it was too subjective. It had not been segmented to reflect the risks in different market segments.
- **Asset & Liability Structure** - "Developing". Opportunities to decrease funding costs, increase asset yields, and exploit maturity mismatching opportunities were being missed.
- **Elimination of Wastage** - "Developing". The head office was still excessively bureaucratic, large and expensive.
- **IT Investment** - "Developing". Too little money was being invested in IT, overall.

A new core banking system was needed and more attention given to IT applications that support income-generation and risk management.

- **Corporate Governance, Ethics & Culture** - "Developing". Some best practice Board governance committees had not been established. No Code of Conduct had been agreed.

The Bank's culture gave inadequate emphasis to profitability, innovation and technology.

Critically important, STRAM showed that the existing strategy was seriously deficient in some areas:

- **Selling Intensity** - "Embryonic". Without correction, the Bank was almost certain to fall far short of its market share, growth and profitability targets – see later.
- **Organisation Structure** - "Embryonic". The structure had major deficiencies that were frustrating successful strategy implementation – see later.
- **Capital Allocation** - "Embryonic". Too little capital was being allocated to more attractive market segments and services. These were being "starved" by excessive capital allocation to less profitable businesses.

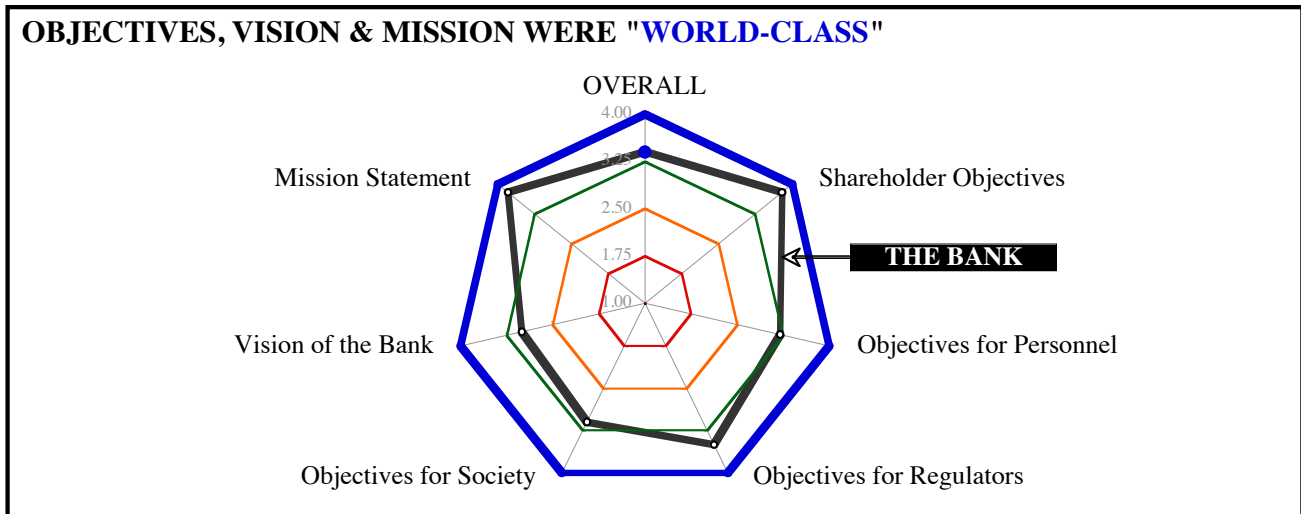
The Bank's ROE objective was unattainable without adjustments.

STRAM revealed the detailed strengths and weaknesses within each of the above sub-elements of strategy. To illustrate, four examples of these detailed assessments are summarised in the following pages:

- Assessment of the Bank's Objectives, Vision & Mission - "World-Class"
- Assessment of the Bank's Marketing Strategy - "Established"
- Assessment of the Bank's Selling Intensity - "Embryonic"
- Assessment of the Bank's Organisation Structure - "Embryonic"

Assessment of the Bank's Objectives, Vision & Mission

As noted earlier, the Bank's Objectives, Vision & Mission were "world-class".



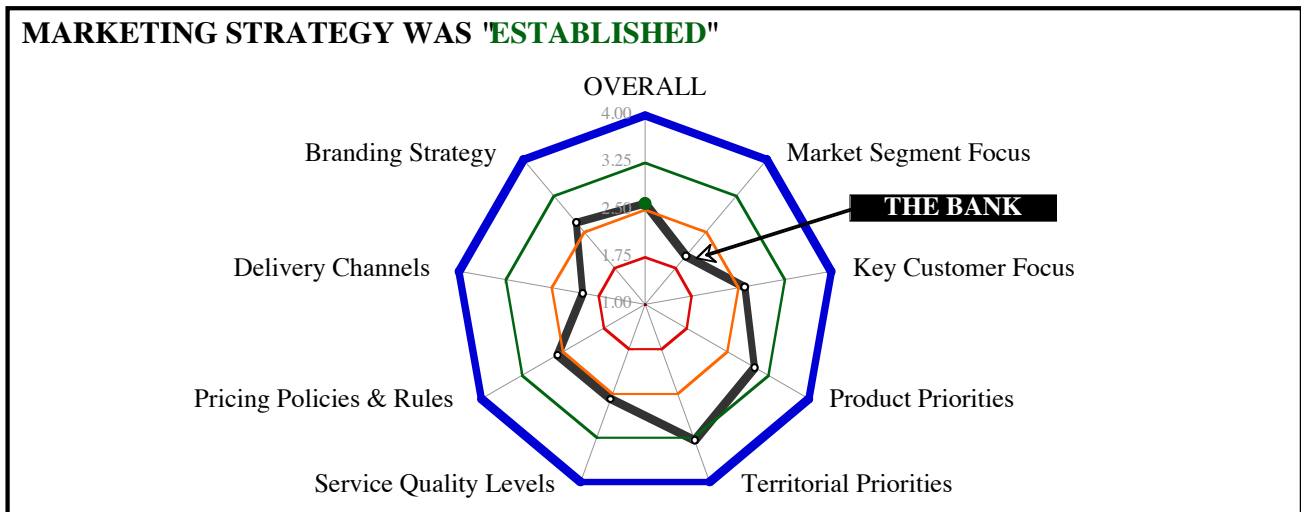
For shareholders, the Bank had set a challenging return on equity (ROE) objective. Objectives relevant to personnel, regulators and society, in general, had been agreed and published in an attractive mission statement.

However, STRAM led to agreement that more work was needed to make the Bank's vision statement more appealing to target customers and potential new recruits.

These enhancements were made at a "Vision Conference" held after STRAM.

Assessment of the Bank's Marketing Strategy

The Bank's marketing strategy was "Established" (just). Good choices had been made about territorial and product priorities. These were "World-Class" and "Established", respectively. Also "Established" were the Bank's key customer focus, service quality levels, pricing policies & rules, and branding:



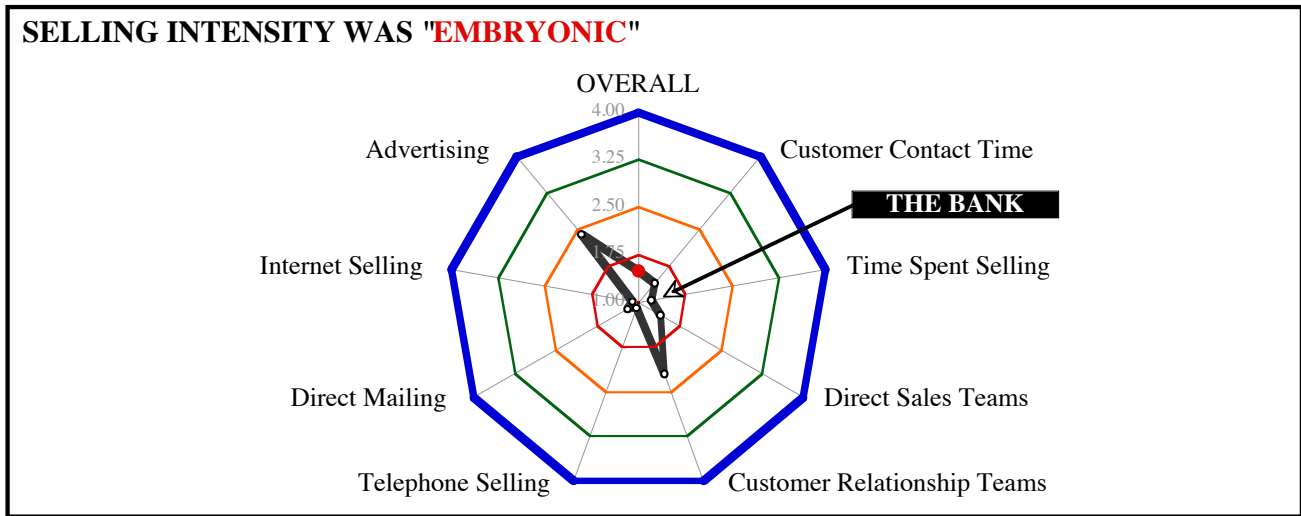
The main improvements needed to marketing strategy concerned market segment focus and delivery channels.

From analysis of market segment profitability, the Bank knew it should increase business with personal, private and SME customers whilst reducing its corporate and institutional business. This change of focus had not been implemented, mainly because of internal "political" opposition.

Similarly, implementation of the Bank's delivery channels strategy was behind schedule. It was still over-dependent on large, traditional branches and needed more segmented branches for premium and SME customers and small point-of-sale (POS) offices for the personal segment.

Assessment of the Bank's Selling Intensity

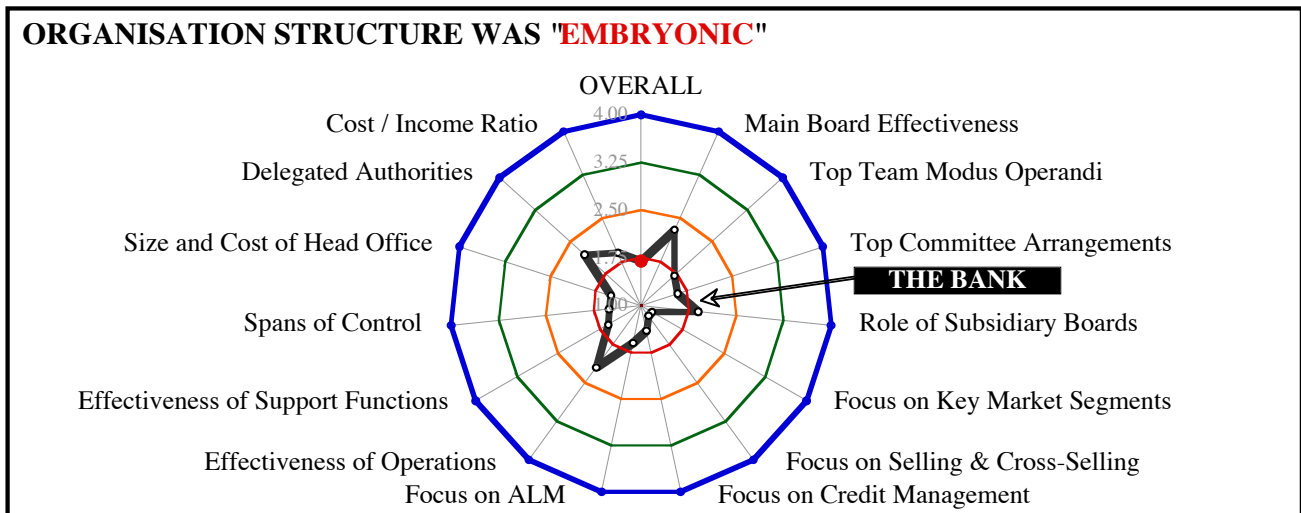
A serious shortcoming revealed by STRAM was the Bank's low selling intensity. Less than 5% of total time across the Bank was being spent on selling – less than one fifth the time devoted by "world-class" banks. As a result, the Bank was failing to win new customers and gain market share. Its cross-selling was poor and this was a major contributor to unimpressive profitability:



To correct the position, the Bank launched several direct (mobile) sales teams, expanded relationship management teams, established telephone selling via an outbound call-centre, and boosted its selling via direct mailing and websites on the Internet.

Assessment of the Bank's Organisation Structure

Another barrier to successful implementation of strategy was the Bank's organisation structure which was only "Embryonic". The structure was weak in most respects: a dysfunctional top management team, not focused on to key segments or selling, over-concentrated on credit, low spans-of-control, over-sized support functions and an excessively expensive head office:



Based on the STRAM recommendations, the Bank was reorganised around priority market segments. Responsibilities for sales, credit and operations were separated. Selling staff were increased and a modern Risk Management Division was set up. The average span-of-control was increased from 3.5 to 6 with the result that support functions and head office were reduced in size.

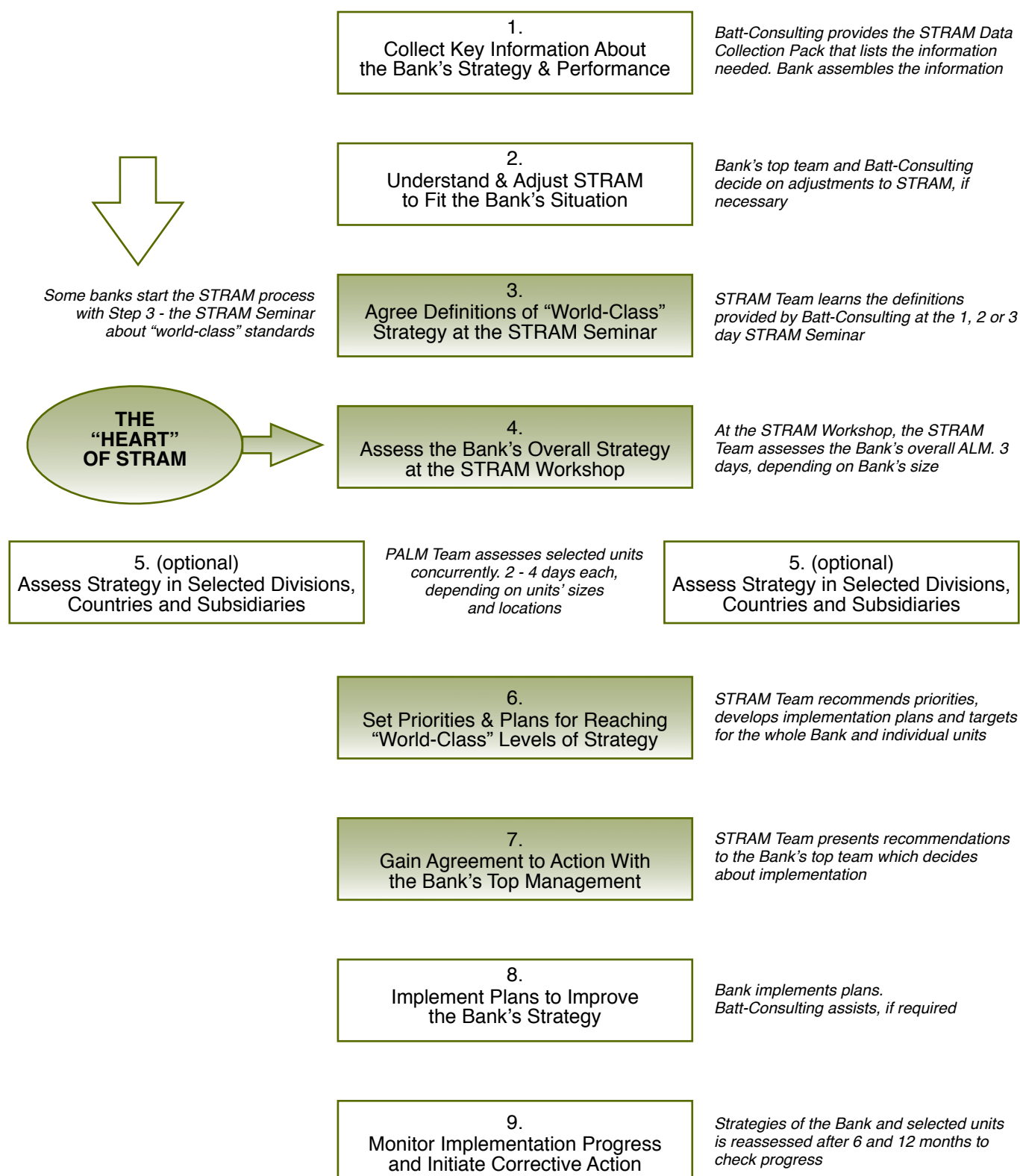
Results of the STRAM Changes

As a result of the changes, performance improved markedly. The Bank's market share, profitability and share price all rose in line with the Bank's objectives.

STEPS INVOLVED IN USING “STRAM”

Use of STRAM requires a short but intensive collaboration between the Bank and Batt-Consulting. Usually, 2 or 3 weeks are necessary. Nine steps are involved:

MAIN STEPS IN STRAM



These steps are explained more fully in the following pages.

1. Collecting Key Information About the Bank's Strategy and Performance

Before STRAM is applied, information about the Bank's existing strategy is collected. This covers objectives, vision & mission statements; strategic and marketing plans; sales forces, sales plans and selling methods; ALM and treasury strategies; credit portfolios; organisational charts; HR, IT and other plans; budgets and management accounts.

Batt-Consulting specifies the information needed in the STRAM Data Collection Pack. A manager is appointed by the Bank to be STRAM Coordinator who collects the information required

Some banks can collect this information quickly and comprehensively. For others, it is more difficult. The time required starts to indicate the Bank's stage of strategic development

2. Understanding and Adjusting the Assessment Framework

STRAM is applied by Bank executives and our consultants working together – the STRAM Team. The methodology is first explained to the executives. Thereafter, it may need to be adjusted to match the Bank's situation. Most banks have unique aspects to their strategies and these may need to be reflected in STRAM. As examples:

Some retail banks may want more emphasis given to their credit card, mortgage, car finance or internet businesses

International corporate banks may want STRAM to give more attention to cross-border lending or international expansion

We usually find that only minor adjustments are needed because STRAM has been developed over the years in conjunction with leading banks of different types in a range of countries.

3. Agreeing the Definition of "World-Class" Standards of Strategy

In this step Batt-Consulting describes, at the STRAM Seminar, "world-class" and lesser standards of strategy to the Bank executives who are to participate in the assessment process.

The STRAM Seminar takes 1, 2 or 3 days and is held in the Bank or a hotel

Usually, other executives who wish to learn about these standards also attend the seminar

The STRAM Seminar defines in detail all the main elements, and 200 sub-elements, of strategy:

Phase 1: "Embryonic" (unacceptable in any unit of a bank, at any time)

Phase 3: "Established" (an acceptable standard at which to operate but not "world-class")

Phase 2: "Developing" (possibly acceptable, for a short period, in some units but sub-standard for a whole bank)

Phase 4: "World-Class" (the level of excellence achieved by the best banks)

Gaining common agreement to these definitions is a crucial step in the application of STRAM. It permits consistent standards to be used in assessing the Bank's current strategy and creates consensus about how far and fast the Bank should progress towards "world-class" levels.

Some banks start the STRAM process by holding the STRAM Seminar before other work starts.

4. Assessing the Bank's Overall Strategy

This is the "heart" of STRAM and the first key assessment step that is conducted at the STRAM Workshop by the STRAM Team.

STRAM starts at Head Office and reviews all 200 sub-elements of strategy and agrees which phase of development each one is in

The assessments of the main elements of strategy, are, in turn, combined to give an assessment of the Bank's overall strategy

These 200 assessments are then combined into an overall assessment of each of the main elements

Development priorities are identified and described for recommendation to top management

This step usually takes 3 days, depending on the size of the Bank.

5. Assessing Strategy in Selected Divisions and Countries

After assessment of overall Bank strategy at Head Office, some banks ask for the assessment process to be repeated in local units. This is optional. The units might include:

*Domestic branch networks
Foreign branch networks
Subsidiary companies*

*Regional offices
Individual countries
Major branches*

6. Setting Priorities for Reaching “World-Class” Levels

Combining local unit and Head Office assessments to give an overview for the whole Bank usually requires only a few days. The STRAM Model makes this possible.

Together, the assessments reveal the most important development priorities for top management to focus on as it builds the Bank’s business

These priorities are documented in a proposed strategy and action plan for advancing the Bank to “world-class” levels over the next few years

From experience, Batt-Consulting has found that the strategy and action plan usually call for significant changes to be made to some, or all, of the main elements of strategy.

Most often, the biggest changes involve refining marketing strategy, intensifying selling, and advancing credit management

Sometimes, reorganisation, fundamental A&L structure changes and a new core banking IT system are needed together with improved data warehousing capabilities

7. Gaining Agreement to Action

Because the development priorities identified by STRAM raise complex and sensitive issues, top management wishes to understand, challenge and decide about the action being proposed.

STRAM facilitates good decision-making because it is based on both detailed assessments of individual local units and Bank-wide perspectives

Top management can interrogate, and get informed answers from, the STRAM Team about matters of both broad policy and detailed technical issues

8. Implementation

The Bank carries out implementation. Batt-Consulting may assist, if required.

Some banks ask Batt-Consulting to train some of their senior managers so that they can carry out these reassessments and make recommendations

We may be involved in some of the reassessments to maintain an independent perspective and to brief the

9. Monitoring Implementation Progress

During implementation, STRAM provides a tool for monitoring progress and identifying corrective action needed. Strategy implementation at Head Office and in local units is reassessed after 6 and 12 months, and annually thereafter.

TEAM NEEDED TO DO THE WORK

STRAM works well and fast because it combines, in a joint team, the knowledge and judgement of the Bank’s best executives with the experience and methods of Batt-Consulting:

1. STRAM Team Members from the Bank

Some of the Bank’s most experienced executives need to be involved.

Representation from the customer, treasury, strategy, marketing, finance, risk and operations divisions is key

It is also highly desirable that other key support divisions be represented: IT, human resources and internal audit

A joint team like this ensures that the overall needs of the Bank are kept in mind. It also prepares managers who will guide implementation. Team members work full-time at the STRAM Workshop for 3 days.

2. Senior Managers of Local Units Being Assessed

Their involvement only lasts a few days but they need to contribute to the local unit assessments, learn about “world-class” standards of strategy, and build commitment to necessary changes.

3. STRAM Steering Committee

Top management must take important decisions about strategy. A STRAM Steering Committee is needed. This committee meets the STRAM Team two or three times during the STRAM process.

4. STRAM Team Members from Batt-Consulting

If the Bank’s team members are well qualified, it is normally sufficient for 1, 2 or 3 of our consultants to be involved. Some may only be needed for very specialised parts of the work.

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. Established in 1990, it provides top level consulting and training to banks with emphasis on profit improvement, business and support strategy, risk management and reorganisation work.

The firm's senior consultants have all held top 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.

Our Services

Batt-Consulting's main mission is to help banks increase profitability at acceptable levels of risk. This means resolving complex issues, and providing top level education & training, that relate to:

Overall Bank Strategy

Domestic Strategy

Marketing, Product & Delivery Channels Strategy

Organisation Structure Design & Implementation

Management Process Reengineering

Information Technology & Internet Banking

Planning & Control Systems

Corporate Governance

International Strategy

Selling Intensity & Methods

Asset & Liability Management

Operations Strategy & Reengineering

Human Resources Management

Management Information Systems

Our Clients

The firm serves three types of client: Consulting, Best Practice and Education Clients.

Consulting Clients

Our consulting clients are the owners and leaders of banks and other financial institutions, small and large. Some are famous internationally. Others are leaders in their own local markets. Typically, they are banks that are facing major strategic, organisational or management process change:

Personal or Retail Banks

SME and Corporate Banks

Savings, Mortgage and Co-operative Banks

Private & Premium Banks

Financial Services Groups

Investment Banks

Merchant Banks

Asset Management and Stockbroking Firms

Central Banks & Regulators

Insurance Companies

Best Practice Clients

These are banks that wish to have "world-class" standards of strategy, organisation and process. Working with leading banks, we have developed well-proven methodologies for assessing - objectively, quickly and inexpensively - how well banks compare to the best banks in the world. STRAM is one example. These comparisons allow improvement priorities to be set objectively, quickly and inexpensively:

ASSESSMENT METHODOLOGIES

Business Strategy Focus

STRAM	Strategy Assessment Methodology
REAM	Retail Banking Assessment Methodology
PRAM	Private Banking Assessment Methodology
SMEAM	SME Assessment Methodology
CORBAM	Corporate Banking Assessment Method
GAM	Corporate Governance Assessment Method
MAM	Marketing Assessment Methodology
PAM	Product Assessment Methodology
SAM	Selling Assessment Methodology
CRAM	Credit Risk Assessment Methodology
PALM	Progressive Asset & Liability Management
RAM	Risk Assessment Methodology

Support Strategy Focus

ORGAM	Organisation Assessment Methodology
ROMP	Reengineering Operations & Mgt. Processes
HURAM	Human Resources Assessment Method
TVA	Technology Value Added Methodology

FOCUS OF ASSESSMENTS

Business Strategy Focus

Overall Bank and Divisional Strategies
Strategy & Organisation for Retail Banking
Strategy & Organisation for Private Banking
Strategy & Organisation for SME Banking
Strategy & Organisation for Corporate Banking
Governance by the Main Board and Top Team
Marketing Strategy, Organisation & Methods
Product Management & Product Selling
Selling Intensity, Organisation & Methods
Credit Policies, Processes & Organisation
Strategies & Organisation for ALM & Treasury
Credit, Market & Operating Risk Management

Support Strategy Focus

Overall & Divisional Organisation Structure
Reengineering to Free People for Selling
HR Strategy, Organisation & Processes
IT Strategy, Organisation & Processes

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 and seminars that last 2 to 5 days*

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

Sponsors of Bank Education, *including banking schools and academies, 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*

Our educational and training support is mainly provided by designing and leading short, intensive workshops & seminars which are typically 2 to 5 days long. These cover the subjects described in this brochure. Separate brochures describe each of these programmes. We usually "tailor-make" programmes to meet the specific needs of individual clients.

Our workshops & seminars are chaired by one of our senior consultants or associates, supported by other consultants, as required. All are accomplished speakers, a fact that is shown by many invitations to speak all over the world.

Because they spend most of their time working as consultants on important and difficult issues, they have state-of-the-art knowledge about strategy and management approaches in banking. As a result, it is relatively easy for them to prepare new, stimulating and practical presentation materials.

Quite often, we invite distinguished bankers to be key-note speakers. Our wide network in the banking world means we can call on these leaders and specialists.

More information about our clients, services and firm is available on request or from:

www.batt-consulting.com

Batt-Consulting

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