
THE BEST-PRACTICE MANAGEMENT OF BANKS

*An Intensive 3, 4 or 5-Day Seminar About Best-Practices
in Key Banking Businesses and Management Functions*

“Increasing Bank Profitability at Acceptable Risk”



Batt-Consulting

MANAGEMENT CONSULTANTS & TOP TEAM TRAINERS
FOR THE LEADERS OF BANKS

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OBJECTIVES OF THE SEMINAR

This seminar explores the best-practice business strategies and management methods adopted by leading banks and how participants' banks could upgrade their approaches to these high standards:

1. To provide a comprehensive understanding of the main areas of banking in which best-practices are essential for success in today's highly competitive markets
2. To examine best-practices in retail, premium, SME and corporate banking, asset & liability management (ALM) and related treasury activities
3. To explore the best-practices that relate to marketing, selling, credit risk policy and processes, organisational structure, and planning & control systems
4. To assess ways that participants' banks could upgrade their own strategies and management methods to the "world-class" standards found in leading banks

The seminar supports Batt-Consulting's series of 8 seminars designed to cover all important elements of bank strategy.

SEMINAR THEMES AND SUBJECTS

This is a general management level seminar. It examines the many best-practices that are needed to run a modern bank successfully. It covers the following themes and subjects:



THEME 1: Overview of Best-Practices in Leading Banks

Best-practices apply to both key businesses and important management methods of banks. Key businesses include retail, premium, SME and corporate banking, ALM and associated treasury activities. Management methods embrace strategic planning, marketing, selling, credit management, organisation structure, operations, information technology, human resources, planning & control, and corporate governance. In all these areas, ambitious banks strive to be among the very best banks because this leads to superior performance.

- *Best-practices give consistently superior profitability and they help to avoid "nasty shocks". Leading banks apply them to all key businesses and management functions*
- *By contrast, banks that tolerate lesser standards often suffer from poor profit and share price performance. This can lead to being taken over or even to bank failure*

THEME 2: Best-Practice Retail, Premium and SME Banking

The challenge in retail banking is to make good profits from many customers each giving only a very small profit to the bank. Everything must be managed well: marketing, selling, credit and operations. Many best practices are essential. Premium banking is generally more profitable so there is scope for the required higher quality service. In SME banking lending is often the main business so best-practice credit management is vital. Leading banks know that SME's also need a wide range of non-credit services. To them, marketing and cross-selling are also crucial.

- *The average retail customer in many banks generates profit of only US\$ 50, or less, per year. There is no room for mistakes if the whole business is to be profitable*
- *Many banks only offer SME customers a few services which are not packaged or branded specially for the SME segment. Some banks sell 100 products to SME's*

THEME 3: Best-Practice ALM, Treasury and Corporate Banking

Best-practice ALM & treasury can produce 50% or more of total profits in leading banks in an average year. These banks also have less volatile, smoother, profits. Less advanced banks miss profit improvement opportunities and often incur too much market risk, sometimes with disastrous consequences. In corporate and investment banking some banks achieve very high profitability while others lose a fortune. Excellent relationship management and intensive selling are keys to success. Corporate banking also demands "world-class" credit management.

- *For successful ALM, a bank needs a top ALCO that has enough time, strong analytical support, good information flows, powerful IT systems ... and understands ALM!*
 - *Some banks are motivated by lending volume, others by loan profitability, The difference is crucial to ROE. Loan prices must be set rationally to ensure good returns*
-

THEME 4: Best-Practice Marketing, Sales & Credit Management

Accurate market segmentation and intensive selling are both necessary for fast growth and high profitability. Leading banks target the best segments, sell the right mix of “packaged” products, and exploit modern delivery channels. For sales, they increase the time spent selling and deploy many new sales channels. They make sure that bad loans are not sold by enforcing segmented credit policies and using advanced credit processes and IT systems that relate to appraisal; pricing; early warning; and remedial, recoveries and portfolio management.

- *25%+ of time in best-practice banks is spent on selling. The Euro-average is 10% to 11%. “Bureaucratic” banks devote under 5%. They lose market share. Some die*
- *Credit risk management is a “science” in the best banks. They enjoy high income, controlled bad debts and high profitability. They are envied by less successful banks*

THEME 5: Best-Practice Organisation, Planning & Control

Banks can be organised territorially (areas, countries, regions), by product line, around market segments or key functions such as selling, credit and operations. Combinations are possible. The choice is critical. It affects a bank’s ability to focus on target customers, selling intensity, risk management, operating costs and profitability. For any structure to be manageable easily, a bank’s planning, budgeting and financial control systems must reflect closely the chosen organisation structure. Without this, confusion and bad decision-making is inevitable.

- *A bank’s organisational structure has a major impact on growth and profit performance. Leading banks organise around segments and functions, not territories or products*
- *The best planning & control systems are segmented and focus on the correct KPI’s. They are far ahead of the old-fashioned systems still used by many banks*

THEME 6: Priorities for Progress in Participants’ Banks

The seminar provides an opportunity for participants to clarify the issues that their banks face and to assess priorities for implementing best-practices. The priorities might include some or many of the following: how to upgrade retail and/or SME banking; steps needed to increase corporate banking profitability; how to progress ALM & treasury activities; how to focus marketing and intensify selling; action needed to make credit management “world-class”, best way to reorganise their banks; and how to restructure planning, budgeting & control systems.

- *The most profitable banks accept nothing less than best-practices in all key businesses and management functions. They know this is the foundation for success*
- *They use special methodologies to assess themselves against “world-class” standards to identify improvement priorities and ensure successful, fast implementation*

TARGET PARTICIPANTS

This seminar is for board members and top executives of banks, senior managers who are expected to reach this level soon, and those who support directly the top management teams of their banks:

- Owners, board directors, chief executives and members of top executive committees
- General managers, executive vice presidents, executive directors responsible for "profit centre" divisions and subsidiary companies involved in:
 - Personal (“retail”, “premium” and “private”) banking and branch banking
 - SME, commercial and corporate banking
 - ALM, treasury and other financial services such as investment and insurance
- Senior executives responsible for support divisions, including those involved in:
 - Strategic planning, marketing, sales support, budgeting and financial control
 - Credit and other types of risk management
 - Operations, information technology and human resource management
 - Internal audit and compliance

The programme is particularly relevant to senior bankers who are ambitious to ensure that their banks are adopting the correct business strategies and implementing modern management methods.

SEMINAR STYLE

The seminar is intensive and participative. Various methods are used:

- Formal presentations, including many real case histories, with discussions
- Case studies and “question and answer” plenary discussion sessions
- Syndicate discussion group sessions followed by presentations developed by participants

Presentations are delivered in English with simultaneous translation, if required.

SEMINAR TIMETABLE

The seminar is normally 3, 4 or 5 days long but it can be longer or shorter. Timetables for the 5-day and 3-day versions are shown below. Subjects given less time in the 3-day version are marked with stars **:

DAY	SESSION	SUBJECT
1	am	1 Presentation Seminar Introduction: "The Best-Practice Management of Banks" Theme 1: Overview of Best-Practices in Leading Banks Key Areas Where Best-Practices Are Crucial to Banks Today Setting Priorities for Reaching Best-Practice Standards
	pm	2 Presentation Theme 2: Best-Practices for Retail, Premium and SME Banking Boosting Personal Banking Profitability
		3 Case Study Strengthening Personal Banking in Participants' Banks **
		4 Presentation Best Practices in SME Banking
		5 Group Work Setting SME Product Development Priorities
2	am	6 Presentation Establishing Best-Practice SME Banking in Participants' Banks ** Theme 3: Best-Practices for ALM, Treasury and Corporate Banking Measuring the Profits from Asset & Liability Management Decisions
	pm	7 Case Study "World-Class" ALM & Treasury Management
		8 Group Work Moving Participants' Banks to Centralised-Active ALM ** "World-Class" Corporate Banking
		9 Case Study Upgrading Relationship Management in Participants' Banks ** Theme 4: Best-Practice Marketing, Sales & Credit Management Intensifying Selling & Cross-Selling
3	am	11 Group Work Reengineering a Bank to Intensify Selling
	pm	12 Presentation Focusing Marketing on to the Best Businesses "World-Class" Credit Risk Management
		13 Group Work Best-Practice Pricing of Loans Advancing Credit Risk Management in Participants' Banks ** Theme 5: Best-Practice Organisation, Planning & Control Reorganising Banks to Boost Growth and Profitability
		14 Presentation Priorities for Reorganising Participants' Banks ** Best-Practice Bank Planning & Control Systems
		15 Case Study Choosing the Best Key Performance Indicators ("KPI's") ** Theme 6: Priorities for Progress in Participants' Banks Priorities for Achieving Best-Practice in Participants' Banks
4	am	16 Presentation Seminar Summary: "The Best-Practice Management of Banks"
	pm	17 Presentation Best-Practice Bank Planning & Control Systems
		18 Case Study Choosing the Best Key Performance Indicators ("KPI's") ** Theme 6: Priorities for Progress in Participants' Banks Priorities for Achieving Best-Practice in Participants' Banks
		19 Group Work Seminar Summary: "The Best-Practice Management of Banks"
		20 Presentation
5	am	21 Group Work Priorities for Reorganising Participants' Banks ** Best-Practice Bank Planning & Control Systems
	pm	22 Presentation Choosing the Best Key Performance Indicators ("KPI's") ** Theme 6: Priorities for Progress in Participants' Banks Priorities for Achieving Best-Practice in Participants' Banks
		23 Group Work Seminar Summary: "The Best-Practice Management of Banks"
		24 Group Work
		25 Plenary Session

DAY	SESSION	SUBJECT
1	am	1 Presentation Seminar Introduction: "The Best-Practice Management of Banks" Theme 1: Overview of Best-Practices in Leading Banks Key Areas Where Best-Practices Are Crucial to Banks Today Setting Priorities for Reaching Best-Practice Standards
	pm	2 Presentation Theme 2: Best-Practices for Retail, Premium and SME Banking Boosting Personal Banking Profitability
		3 Case Study Best Practices in SME Banking
		4 Presentation Setting SME Product Development Priorities
		5 Presentation Theme 3: Best-Practices for ALM, Treasury and Corporate Banking Measuring the Profits from Asset & Liability Management Decisions
		6 Case Study "World-Class" ALM & Treasury Management
2	am	7 Case Study "World-Class" Corporate Banking Theme 4: Best-Practice Marketing, Sales & Credit Management Intensifying Selling & Cross-Selling
	pm	8 Presentation Reengineering a Bank to Intensify Selling
		9 Presentation Focusing Marketing on to the Best Businesses "World-Class" Credit Risk Management
		10 Presentation Best-Practice Pricing of Loans Advancing Credit Risk Management in Participants' Banks ** Theme 5: Best-Practice Organisation, Planning & Control Reorganising Banks to Boost Growth and Profitability
		11 Case Study Best-Practice Bank Planning & Control Systems
3	am	12 Presentation Priorities for Reorganising Participants' Banks ** Best-Practice Bank Planning & Control Systems
	pm	13 Presentation Choosing the Best Key Performance Indicators ("KPI's") ** Theme 6: Priorities for Progress in Participants' Banks Priorities for Achieving Best-Practice in Participants' Banks
		14 Case Study Seminar Summary: "The Best-Practice Management of Banks"
		15 Presentation
		16 Presentation
		17 Group Work
		18 Plenary Session

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

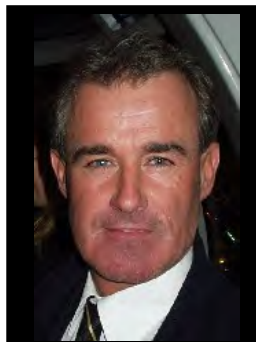
Consulting Experience: McKinsey & Company, Booz Allen & Hamilton, A.T. Kearney and Spicers Consultants.

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.

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.

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.

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.

A SERIES OF 8 LINKED SEMINARS

The seminar described in this brochure supports a series of 8 linked seminars developed for the top teams of banks around the world. The series covers all key aspects of running banks successfully in competitive markets.

Progressive banks are keen to understand the type of strategies and best practices followed by “world-class” banks. To assist, our firm has developed the seminar series shown below.

The seminars:

- Focus on issues that banks most frequently ask us to help resolve, both as consultants and seminar leaders
- Are integrated and fit together well
- Concentrate on practical implementation

Many banks ask us to lead all 8 seminars over a year or so. Other banks choose a selection of seminars that focus on areas of particular interest:

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 first seminar is the introductory programme which:

- Examines all elements of bank strategy
- Shows how they can lead to greatly increased bank profitability and acceptable risks, if they are formulated carefully, coordinated tightly and implemented well

This introductory seminar is followed by the others that go into more detail about key business strategies, crucial support strategies and best practice planning & control systems.

Separate brochures describe each seminar. The content of the seminars is adjusted to meet the needs of individual banks. This “tailor-making” of the seminars is handled by discussion before the seminar series begins.

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 seminars that are relevant, stimulating and fresh.

Because our consultants have held top positions in leading banks around the world, they have the experience necessary to judge which approaches to strategy and management are practical and will be successful. These judgements are built into the seminars offered by our firm.

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

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

*Overall Bank Strategy
Domestic Strategy
Marketing, Product & Delivery Channels Strategy
Credit Risk Policies & Processes
Organisation Structure Design & Implementation
Management Process Reengineering
Information Technology & Internet Banking
Planning & Control Systems*

*Corporate Governance
International Strategy
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 Practice Clients

Our consulting and best practice 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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