

SPIN[®] — off

A by-product of change

The by-product. It's that beautiful thing that happens when you're making one thing and you end up with an equally useful additional product. Call it serendipity, fate or just plain good luck, entire industries have been built and fortunes created thanks to accidental produce. But it's not just in manufacturing that useful by-products occur. They even crop up during behavioural change programmes, as Mandatum Private Bank will testify.

Finland's Mandatum Private Bank specialises in providing services to high net worth individuals and institutions that demand more from their wealth management. Traditionally, 40 asset managers, or Private Bankers as they're known at Mandatum, assisted their clients on all aspects of their financial management, including traditional investment and banking services, taxation, family law and inheritance matters.

At the beginning of 2001, Mandatum was acquired by Sampo Bank, one of Finland's largest financial institutions. Becoming a part of this bigger organisation meant many organisational changes, one of which provided Mandatum's private bankers with an excellent opportunity.

While they were independent, the bank provided a non-discretionary, advisory-based investment service to their customers, which was very time consuming and labour intensive. After the merger, Mandatum was able to change its approach into a discretionary service. This changed the role of the private bankers from


portfolio managers to customer relationship managers. An important implication of this change was that they required new skills.

Mandatum also noted that while they had many existing customers, not all of them fitted into the Sampo Bank's ideal customer profile. Some filtering was needed, but the organisation lacked the tools to measure individual opportunities.

In discussion about training needs with Rubinstein Consulting Oy, a company the bank had used many times in the past, Mandatum were made aware of Huthwaite Finland. Soon afterwards Karri Haaparinne, the Senior Vice President of Mandatum Private Bank, decided that SPIN[®] would provide the strategic selling tools that he felt he needed to enhance the company's effectiveness.

A tailored programme was soon introduced and implemented to a test group of private bankers and it wasn't long until Haaparinne, who had been involved in sales training in the past, began to recognise SPIN[®] as something of extraordinary value. In summarising what he was seeing in the test group, Haaparinne prefers to quote one of the bank's better private bankers, "This person is very experienced in our business and he has been one of our best people for many years. He knows how to make deals and he made it very clear that he didn't want any more training because he knew how to conduct his business." Despite the banker's cynicism, he





asked to give the programme a go. Haaparinne continues, "But after SPIN® he told me that he had been wrong, and that the training had given him lots of new ideas, and that it had made a big difference."

Using SPIN® questioning to assess whether or not their existing customers fitted the bank's ideal customer profile in terms of net worth, many revealed themselves to be more valuable than previously thought. "To give you an example," Haaparinne explains, "lets say a private banker thought a certain customer was worth €100,000. When asked, the banker would be adamant that he knew the worth of his client for certain. However, after using SPIN® questioning in consultations with that particular customer, it wasn't unusual for the private banker to discover that the customer had assets worth several times that amount with other banks and in other countries."

The behaviour change that Huthwaite have been able to apply to this test group has impressed the bank sufficiently for them to now be rolling the programme out to all Mandatum's private bankers. But it wasn't just the predictable benefits that have encouraged the bank to continue with the programme. Another, rather unexpected, advantage had emerged.

One of the challenges facing the financial sector, and private banking in particular, is that asset managers resist compromising the confidentiality of their customer relationships.

They feel that allowing anyone else but themselves into client meetings damages the customer's trust. Although it's generally agreed that confidentiality is very important to private banking, the closed nature of customer relationships results in a number of problems:

- Management are unable to get qualitative data on the performance of asset managers
- The asset managers never receive feedback on their performance
- When an asset manager leaves the bank, the client relationship also walks out of the door
- It is very difficult to provide good service to a client when their asset manager is absent

But Karri Haaparinne believes that Mandatum Private Bank have inadvertently found a solution to these problems through Huthwaite's behavioural change programme. "Thanks to SPIN® we have managed to get the private bankers' approval to allow coaches into the meetings. Feedback from the private bankers, coaches and customers has been very positive and the atmosphere is better now that things are opening up."

So in addition to improving Mandatum's sales effectiveness, which was the initial desired outcome of the Huthwaite behaviour change programme, SPIN® has had a more fundamental effect on the bank's ability to become more customer orientated.