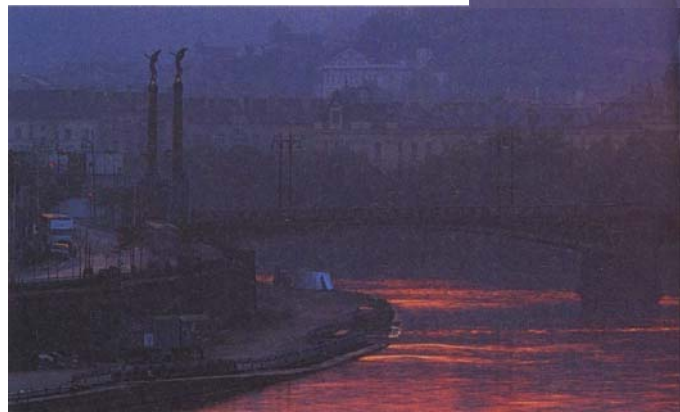


HOW TO WIN CUSTOMERS AND INFLUENCE PEOPLE

Marco Berini looks at how active senior management commitment proved the key to delivering successful behaviour change at Živnostenska Banká



When we, the Milan-based Unicredito Italiano banking group acquired majority shareholdings in seven Eastern European banks three years ago, it soon became clear to us that something more than straightforward sales training was needed if we were to take full advantage of the fast-growing economic environment in which these new subsidiaries operated.

We had a great deal of best practice to offer our New Europe Division (NED) in terms of processes and products. However, we recognised that this had to be supported by an upgrade in people's softer skills - and that we had to achieve this in a multi-cultural environment. As timing was critical, we also needed to realise a rapid and measurable return on our investment - something that is not closely tracked and monitored in many sales and management development programmes.

We appointed an external behavioural change specialist (Huthwaite) in mid-2004 to help us to design and embed a common, customer-centric sales approach that was both effective and acceptable in the New European market.

What the bank needed was a credible programme of cultural and behaviour change that would be both consistent across national boundaries and link directly with other change projects already underway. We recognised that it was not just a matter of changing behaviour - it was about changing to the 'right' behaviour.

It was agreed that the ambitious programme - the first time our organisation had attempted to integrate training and coaching with behavioural and cultural change - would be trialled initially at our Czech subsidiary, Živnostenská Banka (Živno), one of the smaller and more recent NED acquisitions, before being rolled

out across the rest of Eastern Europe.

SENIOR WORKSHOP

We identified a number of key issues that would need to be addressed from the outset.

First, to drive major change successfully within any organisation, a senior level 'champion' is necessary. So, in my new position as Živno's head of HR management and development, I took on the key role of 'project champion'.

Senior management involvement is usually high in the early stages of a project but, despite good intentions, this often peters out during the critical later stages. This is often interpreted negatively by those who have to make the change.

One of the key differences between a training project and a programme designed to change behaviour, is the recognition by management of the level of involvement required of them, and their buy-in to continuing that involvement. As a minimum, they need to understand the methodologies involved and be able to provide effective on-going support. In part, this can be achieved by speaking a common language, but also by ensuring that their people are appropriately supported while they try to make the required behaviour change.

As a first step, our advisers - senior consultant and European specialist, Paul Loxley, and Vit Koudelka, head of the 'local' Huthwaite office, undertook a field assessment of the three lines of business: corporate, private and retail banking. This was designed to give us a 'reality check' on where Živno was in terms of customer understanding and awareness.

The findings were presented at a 'Top Team' event to launch the project. The one-day workshop,

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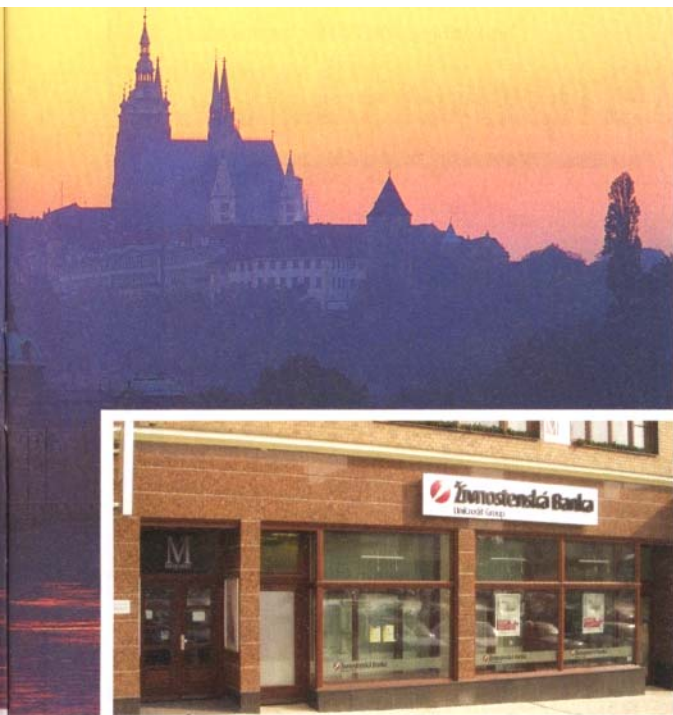
attended by senior members of both Živno and Unicredito proved to be a pivotal point in the development process.

We gained a thorough assessment of Živno's starting point with regard to the way our people interacted with our customers. The consultants, along with the senior management team, then explored how this interaction could be improved by a change in the behaviour of our people, and how this must be viewed as a long-term process of fundamental cultural change across the business, rather than simply a series of one-off, essentially department-based, skills training events. This was to be a behaviour change project, not simply a training project.

To put an implementation plan together where all senior managers could play an active support role, it was essential to flush out potential barriers to change, and deal with them early on. For example, line managers are under constant pressure to achieve sales targets. This raised issues around prioritisation that would have to be addressed to ensure that sufficient time was dedicated to the effective delivery of both the training and the coaching that followed.

COMMUNICATION

To create the right environment for such radical change, it was important that the programme was not seen as just another HR initiative, but as a business-driven strategy designed to deliver hard commercial results by investing heavily in the development of our people. This was achieved, in part, by



developing a co-ordinated communications programme, which included high-profile articles written by senior managers in the company magazine on the need for the behaviour change.

As the training progressed, 'quick wins' soon appeared, reflecting early successes. The communications strategy capitalised on these by dedicating part of Živno's intranet to a Change Behaviour, Change Results programme - including interviews with internal trainers and the positive experiences of early participants. This achieved the desired effect of generating a high level of interest and receptivity in advance for those attending the courses, with an overwhelming 97% of staff accessing the website within just one week of it going live.

COACHING

In addition to training Živno's own staff to deliver the training, the external consultants worked with branch management to enable them to provide the necessary follow-up coaching to ensure the lessons learned by staff were put into practice back in the workplace.

Without on-going reinforcement, much of the good practice learned in the training room can be forgotten, and the corresponding investment wasted. Coaching support was designed to ensure that the behaviour change became ingrained as part of the employee's natural way of working.

Once again, visible support from senior management helped to under-pin the message that behaviour change

Živnostenská Banká (above) based in Prague, recognised a need to upgrade the soft skills of its workforce

TOP TIPS FOR SUCCESSFUL BEHAVIOUR CHANGE

By Paul Loxley, senior consultant at Huthwaite International

- Ensure full understanding and buy-in from senior management
- Appoint a senior manager as project 'champion' to drive change
- Create the right environment to increase receptivity and the chances of the behaviour change happening
- If people are going to change their behaviour, they look around to see who else is changing their behaviour, and it's important to provide good examples
- Maintain active senior management involvement throughout implementation by creating an early expectation of what will be required of them and for how long
- Have a clear starting point and goals to map the journey clearly and accurately
- Be flexible and allow the programme to evolve in the light of experience
- Reinforcement through follow-up coaching is just as important as the training
- Measure results to prove return on training investment and provide encouragement for staff by demonstrating that their efforts are delivering results.

For more information, go to www.huthwaite.co.uk

is an important part of the company's business strategy. In Živno's case, the chief operating officer (COO), Sandro Bianco, personally endorsed the importance of this follow-up by having weekly briefings using detailed data analysis to ensure that branch managers were maintaining a high level of coaching activity to sustain performance improvement.

Coaching became a way of managing performance improvement, and as a branch manager, knowing you could get a call from the COO at any time to check on coaching activity was just the stimulus needed to make it happen.

The first phase of the programme has now been completed, with approximately 300 staff across the three business units undergoing training. During the process, an important element of the programme has been its flexibility in responding to the differing needs and levels of experience of the groups involved.

The three-day course format proved ideal for our corporate and private bankers who typically have a significant level of selling experience but, for personal bankers more used to providing services to clients, this proved too intense. So we adopted a two-stage modular design.

The first module was designed to help our people understand how to create the essential need for change in some customers, and the value that making a change can create for them. The second concentrated on fine-tuning the behaviours they would have to adopt to do this in a customer-focused way.

RESULTS

Training individual branches across the three business lines and recording results from the coaching enabled performance to be closely measured against a control group. The results speak for themselves - for example, in the three months following the initial trial, the coached group recorded an improvement in the level of 'selling up' and new business of some 38% more than the control group.

So why has it worked? Critically, Unicredito recognised that investing in its staff through training was an essential and integral part of a broader long-term strategy - and not, as is often the case, simply an afterthought. And developing a communication strategy that helped to create the right environment for the training to succeed ensured that people both understood the need for change, and were motivated to make the change.

Including coaching and measurement as key aspects of the behaviour change programme have undoubtedly played a major role in its success. However, I have no doubt that it has been the whole-hearted and highly visible commitment of Živno's directors and managers that has contributed directly to an outstanding level of sustained improvement across the bank's operations.

