A Strategy to Stimulate the Acquisition Rate in Private Banking

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Bachelor Thesis – Industrial Engineering & Management

Title Page

Public Version

This document is the public report of this bachelor thesis. All names that relate to the company or its employees have been replaced by fictitious names. In addition, the calculations are based on fictional database. Parts of the attachments are therefore left out in this version.

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Executive Summary

This report provides a study, conducted at a well-known bank, providing methods which aim to stimulate the acquisition and retention rate in private banking. After a problem analysis, the challenge proved to be somewhat broader than the initial Planning & Scheduling issue. This research provides a solution for the following problem statement and research question.

> ***Problem Statement****: "Currently it is up to the office manager how the yearly targets, set by the ExCo, will be met by his or her team of bankers. The infrastructure, which should support the office director in proactively managing his or her team in achieving their goals, is missing."*
>
> ***Research Question****: "How can we translate the yearly objectives into a uniform plan of approach which enables the bankers to achieve these targets which results in an increase in the acquisition and retention rate?"*

To find solutions to the problem statement, a literature study was conducted according to (Heerkens & Van Winden [2012]). This enabled me to compare the measuring methods currently in use at the bank with the indicators found in relevant literature and create a framework for the desired situation. Subsequently, the current processes for achieving the annual targets were defined by in-depth conversations with relevant stakeholders. The following three discrepancies were identified.

- The yearly targets, determined by the ExCo, are not sufficiently concretized;
- The current Top 50 method is not functioning as it should, meaning that important potential clients may get neglected;
- Clients are served in a reactive manner, which can negatively influence the acquisition and retention.

To bridge these discrepancies, I suggest several improvements. These include:

- An adequate introduction of the Balanced Scorecard method;
- New KPIs to segment and prioritize the banker portfolios;
- A concept of an integrated account planning.

KPIs are meaningless without the context of the bank's strategy. The bank has a unique strategy that needs to serve the unique needs of its stakeholders. A standard list of recommended KPIs contains no alignment relative to the following question:

What is strategically important for the long-term success of the bank and its role in society?

Therefore, the bank needs a process that sets meaningful KPIs which align to new strategic goals about banker engagement, client centricity and social responsibility.
The given improvements provide such a process and have the aim of stimulating proactivity and acquisition activities, which will eventually ensure a better performance and achieving the annual targets. Furthermore, potential financial gain from the suggested improvements is examined in which three scenarios are compared. This shows that the average scenario could generate an 13% increase in revenues for the office in question. Similarly, if these circumstances are also present at other branches, it may yield to an even greater increase on revenues for the bank.

Finally, this report recommends further research which provides methods to gather the required data after implementing the suggested solutions that contribute in optimising the bank's acquisition and retention rate.

Table of Contents

Glossary

ExCo	*Executive Committee* The Executive Committee is responsible for the daily management of the business activities, including its subsidiaries, and makes an important contribution to the strategic direction. The Executive Committee strives for long-term value creation for the various stakeholders and focuses on the interests of the customer.
KPIs	*Key Performance Indicators* Key Performance Indicators are a set of quantifiable measures that the bank uses to determine the progress in achieving its strategic and operational goals.
Next Gen	*Next Gen clients* Next Gen consists of the adult children of the current Private Banking-customers with the age of 18 to 30 years. They are the next generation and therefore important to build a relationship with. Next Gen- clients are in a stage of life with countless life events that have personal and financial impact.
Masters	*Masters clients* This segment is for the young Private Clients up to 55 years. They are in the middle of the construction phase of their lives, which consists of working on a career and family. These clients are exploring their possibilities in business and personal matters. They determine the direction in their lives and increasingly have the urge to settle down. This segment also consists of Private clients in the age of 55 to 75 years. The phase of starting a family and building a career has passed. Both on personal and business areas the client lives a more ‘regulated’ life. New financial challenges are emerging. Here, the focus is to control and secure.
Prominent	*Prominent clients* The Prominent segment consists of clients aged 76 and older. They can boast years of experience and wisdom. Keywords are trust, safety and control. The need for simplicity and overview grows and new concerns, such as health and mobility, are popping up.
Entrepreneur	*Entrepreneur clients* Active entrepreneurs who own a business or are in control of an enterprise, belong to the Entrepreneurs-segment. Also, former entrepreneurs (< 55 years old) who have cashed out, are included in this segment. The same holds for potentials: Entrepreneurs with a minimum of €200.000, who will receive more than € 1 million of cash within the following three years. Finally, local influencers who play a relevant role in the entrepreneurial networks, are included in this segment.

Preface

A Bachelor's assignment is part of the final phase of the Bachelor's degree in Industrial Engineering and Management. After four years of studying and extracurricular activities, the final step is to gather all the skills and information into one final essay. A student of this program has the choice to carry out an assignment at a company or for the University of Twente. My preference was for an assignment at a large firm; therefore, I started the search process in May 2018. After a short period of searching, I was offered the opportunity to improve a Planning & Scheduling problem at a bank. In addition, I also had the opportunity to do an internship at this bank for six months. I immediately seized these opportunities. Thus, from September 2018 I first did an internship for six months. With all the knowledge and experience I gained from my Bachelor's program, I started the assignment at the end of January 2019.

Of course, this result would not have been possible without the help of others. Not only for offering the opportunity to do an internship and an assignment, I thank the office director and his associate, but also for the guidance and answering of my questions. Furthermore, I also thank all the bankers who helped me, in particular head office staff, for answering all my questions, thinking along and advising on my assignment. I also thank my guidance from the University of Twente, Reinoud Joosten and Berend Roorda for their time and valuable feedback. Finally, I thank all the others who helped me directly or indirectly.

1. Introduction

The bachelor assignment I acquired was at a financial institution. Its main products are financial services, asset management, commercial banking, investment banking, private banking and retail banking.

Section 1 contains the research approach (further explained in Appendix D), the basis for this research, and introduces the problem. Furthermore, this study is done for a Private Banking department. This section will also give a brief description on what Private Banking entails.

Section 2 gives a Problem Cluster after executing a problem analysis. Additionally, in this section I address the core problem. Thereafter a brief stakeholder analysis is described. These two analyses form the basis for formulating the core problem. To enable myself to find a solution, four research questions are formulated, which will be answered in Sections 3 to 6.

Section 3 provides the theoretical background for this study and answers the first research question: "What methods can be found in the literature on acquisition regarding to banks?" This section finishes with a combined framework of KPIs, which are in use at other companies in similar branches, for measuring progress.

Section 4 gives the description and analysis of the current situation at the bank. After describing the current strategy of measuring progress, I examine the performance of this current method. This provides an answer to the second research question: "How is the financial institution currently measuring the progress in meeting their yearly targets?" Then, a flowchart illustrates the desired situation. Several discrepancies between the current and the desired situation follow from this analysis.

Section 5 contains the improvements I propose for the discrepancies found in Section 4. These improvements are an answer to the third research question: "How can these measuring methods be improved in a way which enables the office director to meet the yearly objectives set by the ExCo?"

Section 6 gives an advice on the implementation of the improvements suggested in Section 5 and answers the last research question: "How should the implementation of the improvements take place?" In addition, this section provides an analysis of the estimated financial progress the proposed improvements may have.

I finalize this report with a general conclusion and recommendations for improvement and further research.

<u>The core of Private Banking</u>

The accumulation of wealth has prompted the development of Private Banking services for high net worth individuals, hereafter referred to as HNWI, offering special relationships and investment services. Private Banking is about much more than traditional banking services of deposits and loans, according to Joanna Lee (2011). It is about providing a proactive one-to-one service between a private banker and his/her clients with a certain level of wealth. The globalization of financial markets and data provided access of Private Banking clients to a broader array of products. Hereby rendering greater portfolio efficiency and optimization of return through diversification. These kinds of services include protecting and growing assets in the present, providing specialized financing solutions, planning retirement and passing wealth on the future generations.

“Always valuable contact”, that is the goal (Maude [2006]). The financial institution wants to be a contemporary private bank that makes the difference for its clients. The important roles of a private banker are advising clients who increasingly have their financials done digitally or from a distance. Simultaneously, the banker advices clients on asset management and can function as a sparring partner, financial advisor and/or counsellor (Joanna Lee [2011]).

The involvement of a private banker is crucial. The financial institution allows the clients to connect and grow, which results in higher satisfaction rates (Bloemer & Lemmink [1992]).

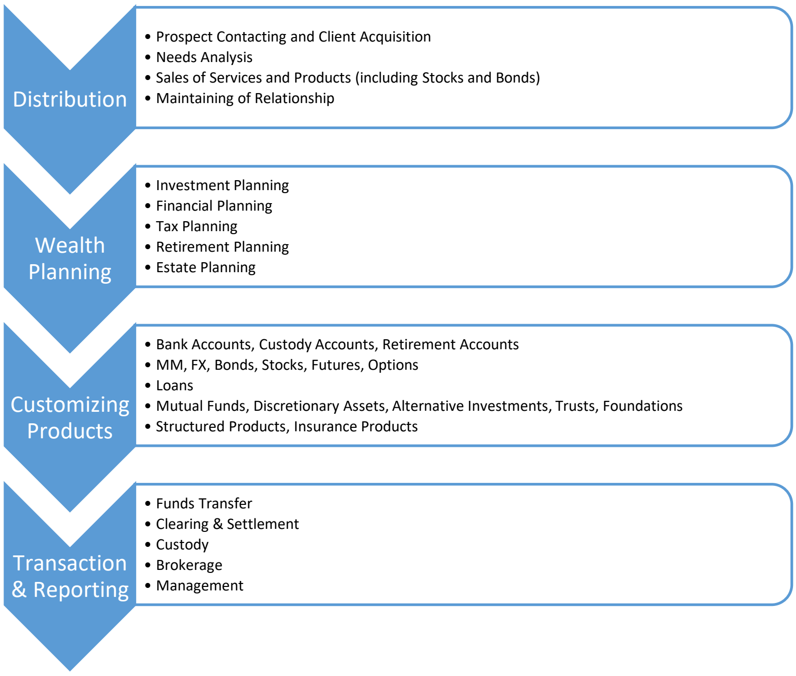

Figure 1: The Value Chain in Private Banking.

Mapping the Clients
Clients can be very diverse. Therefore, the bank should be capable to serve their clients based on their wishes (Weldon [1998]). This enables the bank to be the financial advisor the client can count on, in all phases of his/her life (Drigã et al. [2009]).

Segmentation is Crucial
The sophistication of demands from clients in the private banking sector has forced a change in the concept in which services are provided. Today the private banker is supported by an array of specialists, such as financial planners, investment specialists, etc., which he or she is meant to access to provide an optimal integrated service to clients. One of the key challenges for private banks today is to co-ordinate the bankers, whom operate more globally, in such a way that the different segment specific needs of clients can be optimally served. Private banking is about client recognition. Only when you as a bank know your clients well, you are able to segment the clients properly. Thus, segmentation is crucial to giving the clients the correct advice in an appropriate way (Omarini, et al. [2005]). The better the clients are segmented, the more relevant and proactive you can be towards your clients and the more valuable the client experiences the client contact. According to Aldlaigan & Buttle (2002), segmentation also enables the institution to organize the business more efficiently. The client is served by a, on his/her segment-oriented, private banker who knows everything about relevant themes, dilemmas and needs.

The segments that belonged within my research scope can be found in Table 1. The Glossary on page 4 describes what the segments below mean.

Name Segment	Description
Next Gen	Children of clients aged between 18-30 years.
Masters	Private clients aged between 20-55 years. Private clients aged between 56-75 years.
Prominent	Private clients aged > 76 years
Entrepreneurs	Active entrepreneurs who own an enterprise, lead or start a business.

Table 1: Segments regarding my Research Scope.

1.1 Brief Exposition of The Problem

The financial institution is coping with rising Planning & Scheduling issues. Similar to any other company, the bank expects growth every year. Most bankers at the office in question, already have relatively full portfolios. Every client in these portfolios has a different priority level. Currently, the strategy is to focus the attention on those who provide the bank with the most financial benefits, usually clients who are known to the office for years now. But is this the optimal approach? If most of the attention goes to the same selection of clients every year, would the remaining and new clients be neglected? The challenge therefore is to find an optimal strategy in prioritizing the clients in the portfolios so that the office can opt for growth without compromising the service of current clients.

1.2 Research Purpose

The purpose of this qualitative, descriptive research study is to explain how the top management at a financial institution can use three methods to improve banker proactivity in the workplace. These methods aim to improve client contact, and ultimately the acquisition and retention rate. Data is obtained through in-depth conversations with relevant stakeholders at multiple offices of the bank. In addition, the purpose of the quantitative part of this study is to determine the potential financial gain as result of implementing the three methods. For this a fictitious dataset of cash flows from fictional clients is obtained in consultation with the supervisor at the bank.
In Appendix D I will discuss the research approach explicitly.

1.3 Restrictions

My research scope is a clear restriction. Therefore, I will first define this scope. The focus of this research is solely on the one office in question, since I spent most of the time there. In addition, the solutions mainly tend to improve the impact of the office manager in question.
Study limitations can exist due to constraints on research design or methodology. These limitations may impact the findings of my study. Further decisions on research design or methodology can be found in Appendix D.

Sample bias or selection bias occurs when the sample does not reflect the general population or appropriate population concerned. This is the case, since I have limited ability to gain access to appropriate geographic scope of data. Due to the fact that this is a privacy sensitive company, I have determined, in consultation with my supervisor, which data are available in order for my findings to still be reliable and valid despite this limitation. Furthermore, the time available to investigate the research problem and to measure change over time is constrained by the 10 weeks of my assignment.
In addition, the solution must fit within the currently available software at the financial institution.

2. Problem Analysis

As a starting point for this research, I further analyse the problematic circumstances mentioned in Section 1.1. Section 2.1 examines the underlying causes and how they relate to each other. Section 2.2 then describes the analysis of the relevant stakeholders involved and the perspective choice for this study. The chapter concludes with the definition of the core problem and the research questions in Section 2.3.

2.1 The Problem Cluster

When a problem is identified within a company, there are often more causes involved than just the problem at hand. In order to prevent the chosen solution from being symptom-redressed instead of tackling the core problem, I have drawn up the following Problem Cluster on the basis of various discussions with the stakeholders involved. The Problem Cluster provides insight into the factors that influence the acquisition rate problem and their mutual relationship. This also makes it clear which factors can be influenced, which factors must be considered as given and in which scope this assignment is carried out.

Based on a list of problems, I designed a Problem Cluster. This is shown in Figure 2. In addition, an extensive explanation of the Problem Cluster is described in Table 2.

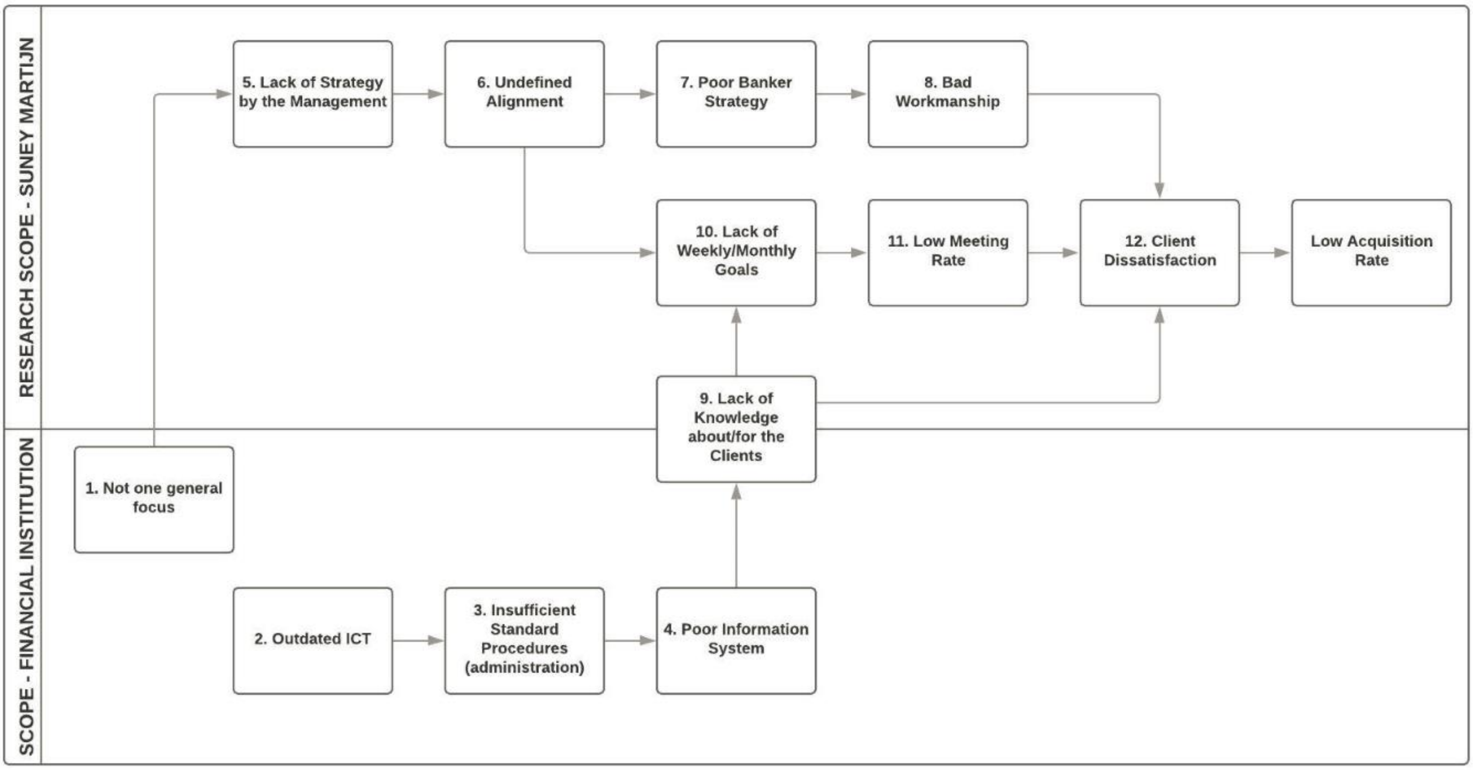

Figure 2: Problem Cluster.

Number	Problem	Description
1.	Not one general focus	This was one of the core problems. When I started at the financial institution, one clear strategic path was absent. The company was lacking purpose. This lack of purpose may demotivate employees, which can negatively affect work ethics. This goes beyond the scope of my research. Fortunately, this strategic path was eventually chosen by the ExCo during my bachelor assignment.
2.	Outdated ICT	Most IT-related processes and products are built on outdated IT-systems which can cause delays.
3.	Insufficient Standard Procedures (administration)	As a result of (2), some of the administrative processes are superfluous, delayed or absent. This causes an unnecessary workload for the bankers and assistants. Some of these processes can be automated or removed.
4.	Poor Information System	Insufficient Standard(administrative) Procedures (3) are a major cause of insufficiently filling the Information Systems. This missing information could be relevant for marketing and sales purposes.
5.	Lack of Strategy by the Management	Problem (1) causes the targets to be nothing more but targets. These purposeless goals lack a plan in achieving them. Management, in turn, cannot design a strategy to achieve these goals.
6.	Undefined Alignment	The issue of (5) ensures that there is an undefined alignment. This undefined alignment is between the targets set by the ExCo and the plan of action the office managers attempt to apply to their teams of bankers.
7.	Poor Banker Strategy	If a concrete plan of action by the office manager is lacking (6), all the bankers are going to work according to their own plans and there will be no coherence in approach.
8.	Bad Workmanship	The factors described in (7) can lead to an inconsistent performance of the team of bankers. Eventually this can lead to no one willing to make a sacrifice for another in order to be better off as a team. Furthermore, it can influence the service delivered to a client.
9.	Lack of Knowledge about/for the Clients	This company concerns a service-based business model. When a problem as (4) exists, it will negatively affect the Knowledge about/for the Clients (9). This is considered a major issue concerning a service-based business model.
10.	Lack of Weekly/Monthly Goals	Customer Relation Management (CRM) plays a significant role when a company handles a large amount and diverse group of clients. A CRM-system should function as input for the weekly and monthly goals. Here (6) and (9) are the key factors. When the plan of action by the office manager is unclear and the client information is insufficient, determining your weekly and monthly goals or achieving these goals can be difficult.
11.	Low Meeting Rate	(10) as the cause of a low meeting rate is plausible. (6) and (9), in turn, lead to (10) which causes the bankers and the office as a whole to work in a reactive way. Reactive behaviour is the opposite of proactive behaviour and can cause problems because it hampers the productivity and

		prevents you from achieving your goals. You are guided by your environment and do not have control over your daily schedule. When you get a reactive attitude, it means that you do not take the initiative yourself, but only take action if your environment requires it. Others determine what your day looks like. You postpone things and leave things until the last moment which causes stress and failure to meet deadlines. You lose the overview through a reactive attitude [Julien et al. (1997)]. This negatively affects the meeting rate of the office.
12.	Client Dissatisfaction	In addition to this reactive behaviour (11), Problems (8) and (9) can also influence the way the banker serves his or her portfolio. The banker only plans meetings with the client to get the information the system demands. A banker with a large portfolio can feel the pressure from the demanding system. This pressure also stimulates reactive behaviour. The client can notice this by for example, only being asked "standard" questions. If this happens too often, the client can experience some dissatisfaction. These dissatisfied clients, who may also happen to be an influencer in a network of high-profile clients, can influence other clients, which eventually negatively affects the acquisition rate.

Table 2: Clarification of the Problem Cluster.

In the Problem Cluster the causal relations between the problems are shown. According to Heerkens & Van Winden, (2012), to find the core problem you must go backwards in the cluster until there are no arrows going in. This method gives two possible core problems which are Problem (1): No general focus, and Problem (2): Outdated ICT.

At the start of my research, the Head of Digitalization at the financial institution was already tackling Problem (2) of the outdated ICT. For this reason, I opted to focus on the strategic factors that influence the acquisition rate, which are mainly related to (core) Problem (1). This focus is in Figure 2 defined as my research scope. For clarification, my research scope consists of the Problems (5) to (12). The way these problems are exactly related to each other is described in Table 2.

2.2 Stakeholder Analysis

Several stakeholders are involved in the Problem Cluster described in Section 2.1. To clarify who is involved and how these stakeholders look at the problem, a brief stakeholder analysis is made. At the end of this section I will make a choice in stakeholder perspective for this research.

- **The financial institution (ExCo)**
  I will carry out my bachelor assignment at the bank. Naturally, they desire an overall increase of the profits for every department. To achieve their goals the ExCo determines targets for every department.

- **<u>The office director</u>**
  At the moment it is up to the office manager how these objectives set by the ExCo, will be achieved with his or her team of bankers. However, in practice the translation of these objectives into a uniform plan of approach by the office director to his bankers, is absent and proves to be more difficult than expected. This means that insufficient thought is given as to how these objectives will be achieved. Instead, the yearly targets determined by the ExCo are simply divided by the number of months and after each month, it is checked whether the goals have been achieved or not. We are dealing with top-down management here, since the goals, projects, and tasks are determined among the organization's top leaders. These objectives and tasks are then communicated to their teams. When these targets are based on the yearly growth expected by the ExCo, without taking into consideration the different conditions at the different branches, the office managers may feel disconnected from the bank's mission and values, since they are not involved in aligning goals to the bank. Problem (11) in Table 2 shows that this demonstrates reactive behaviour.

- **<u>Bankers</u>**
  The bankers must deal with many clients. According to the ExCo, the portfolios must consist of a minimum of 175 clients as shown in Table 3. Yet, growth is expected each year. Which is logical, since every year clients also leave the bank. However, the portfolio sizes must be maintained at approximately 175 clients. The bank currently stimulates to focus the attention on the banker's top clients. This amounts to an average of 20 clients per banker. Some of these clients require most of the attention, while others do not. But what about the rest of the portfolios and let alone new clients? Problems (2) to (4) in Table 2, which explains that the financial institution struggles with the issue of outdated ICT. This leads to multiple systems that daily require the banker to fill in information concerning their clients. In addition, the number of standard procedures that should be automated is high. As a result, the bulk of the workload consists of administrative work. In addition to this administrative work, the different systems that tell the banker each day what to do, ensure that the bankers do not take initiative, but only take action when the environment (the systems) requires it. Again, similar to the office manager, Problem (11) in Table 2 explains that this demonstrates reactive behaviour.

- **<u>Clients</u>**
  Clients expect an excellent client-banker relationship. This means that every client contact must be experienced as a unique and personal service by the client. In addition, clients want to feel appreciated by the banker. All these factors require proactive behaviour from the bankers as well as from the office director. If these expectations are met, this will ensure a high client satisfaction score.

To define the research, I made a choice in perspective. For this research I opt for the perspective of the office director, taking into account the perspectives of the ExCo, bankers and clients in order to provide an integrated solution.

2.3 Problem Definition and Research Questions

The choice in perspective in Section 2.2 and the identification of the core problems via the Problem Cluster in Section 2.1 makes it possible to formulate a problem statement. Combining the perspective with the core problem leads to the following Problem Statement and Research Question:

Problem Statement: "Currently it is up to the office manager how the yearly targets, set by the ExCo, will be met by his or her team of bankers. The infrastructure, which should support the office director in proactively managing his or her team in achieving their goals, is missing."

Research Question: "How can we translate the yearly objectives into a uniform plan of approach which enables the bankers to achieve these targets which results in an increase in the acquisition and retention rate?"

In order to find a solution for the issues formulated above, I have composed four Sub-Research Questions. Under each Sub-Research Question is a brief explanation which explains how answering them contributes to finding a possible solution.

Question 1: What methods can be found in the literature on acquisition regarding to banks?

In order to be able to start the research, I first want to gain knowledge about the literature concerning the factors that influence the acquisition rate. With the answer to this question I can create a framework of the many factors that can possibly influence the acquisition rate, with which I can analyse the situation at the bank.

Question 2: How is the financial institution currently measuring the progress in meeting their yearly targets?

Before a proposal for improvement can be formulated, knowledge of the current situation is required. In answer to this question, I describe the measuring methods applied at the financial institution. I then position the current situation in a framework, so the discrepancies between the current situation and the desired situation become clear.

Question 3: How can these measuring methods be improved, so the office director is able to meet the yearly objectives set by the ExCo?

The improvements that I propose are based on the discrepancies of the current and the desired situation. I also include improvements that come to light in discussions with the bankers.

Question 4: How should the implementation of the improvements take place?

Finally, I examine how the improvements in the planning process should be implemented. This will not be an all-encompassing implementation plan, but an advice on key issues, considering the limited timeframe in which this research takes place.

3. Theoretical Background

Literature Review

In order to execute my research optimally, I first gain knowledge on existing theories regarding the factors that influence the acquisition rate. This will be done by a literature review. I attempt to identify empirical evidence that meets pre-specified criteria to answer my research questions. The purpose of this chapter is to briefly describe the method and summarize the literature on these theories to then create an imaginary framework with which the current situation at the financial institution can be analysed.

The system behind my literature review is based on the managerial problem-solving method from (Heerkens & Van Winden [2012]). This method allows me to identify the current literature, its limitations, quality and potential. In addition, the gained knowledge will give guidance to the planning and suggestion of the value of my research.

3.1 Approach

I selected an appropriate theoretical perspective to define the main constructs, and develop a theoretical/conceptual framework, related to my knowledge problem. The following key theoretical concepts were used to create relevant search strings.

- Acquisition Rate;
- Financial Institutions;
- Banks;
- KPIs;
- Retention Strategy.

On the basis of these search strings the total number of articles came down to 268 scientific articles. Afterwards, this total number of articles was reduced by means of inclusion and exclusion criteria. Finally, a concept matrix with the content of the selected articles was set up.

3.2 Results of the Systematic Literature Review

According to the selected academic articles, among which [Vashishtha et al. (2017)], there are seven aspects in managing the balance between acquisition and retention. These aspects are: Customer value, Branding, Creating loyalty, Maximizing information, Managing channels, Pricing & Products, and Satisfying customers. These aspects are suitable to apply as KPIs at the financial institutions. When these KPIs score poorly, a low acquisition rate is a logical consequence.

The bank as a service organization needs to focus more on location, its products, the processes followed, and its employees. A new customer considers the bank products and online banking to be the most important while selecting a bank. As for any service organization, the bank needs to define its processes in a way to ensure the customer easily benefits from the services it has to offer. A new customer is attracted by the faster response to service in a bank, since the client experiences this as proactive service. The interest rates offered by the bank have also been found to attract a new customer. Finally, the relationship between service quality and the customer satisfaction was significant.

These results are relevant to the bank at which I am doing my research. I intend to make use of the findings during my investigation, with the aim of improving the strategy and account planning for the company.

4. The Current Situation

In this chapter the current situation, regarding the variables with which progress and quality are measured, is described and analysed.

This leads to several discrepancies between the current situation and the (theoretically) desired situation. Chapter 4 answers the second research question: “How is the financial institution currently measuring (the progress in meeting) their yearly targets?”

Theoretical Background Regarding a Commercial Plan

The purpose of a sales plan
A sales plan is a document developed by top management and sales professionals. The yearly objectives determined by the top leaders, function as input for the sales department to implement steps necessary to align with company strategy and goals. A major purpose of the sales plan is to set the company on a specific course in the market.

The Purpose of Sales Targets
Commercial goals and sales targets are guiding for employees in sales functions. The employees then know what is expected from them. As an organization you create clarity for your employees. All in all, you can set the following conditions for these targets: Sales targets must be realistic and manageable; Sales targets need time to show results; There is a big difference between setting the targets or involving your employees in this process (I opt for the latter); and Sales targets require an acquisition plan for your sales department or representatives.

Commercial objectives: Turnover and Targets
In many commercial companies, sales goals and targets are formulated so the sales department realises these targets. Sales are the sum of a number of efforts that lead to success. It therefore requires effort to achieve a good result. This commitment requires good planning, so that the effort is rewarded with results. Meeting a sales target is desirable, if you manage to get it without costing you much effort. But if, for whatever reason, you do not achieve your goals, you will soon fall behind on schedule. This is a reason for tension, stress and fatigue, which negatively affect your performance [Marshall et al. (1999)]. Then, as a banker, you have to ask yourself the following: How will this target-oriented setting influence my client? Do I still have the right kind and amount of attention for my client? Or is my objective more important?

A plan-based approach to sales activities is important
Many sales departments focus on the objectives, but insufficiently on sales activities which are the core of this department. It costs 9 times more effort to attract than to retain a client. Therefore, focusing on the retention is crucial and efficient. What do you know about your client for which you can give him or her attention? Such as, birth of a baby, marriage, birthday or a moving. The possibilities are endless.

Recapitulatory
From this section can be concluded that a commercial plan functions as a connection between the ExCo and the network of offices. Thus, from the point of view of my chosen perspective described in Sections 2.1 and 2.2, the commercial plan is an essential tool for the office director to connect the objectives, set by the ExCo, with a plan of action for the bankers.

4.1 Current KPIs given by the ExCo

This section describes how we are currently dealing with the translation of the yearly objectives drawn up by the ExCo, to the network of offices.

Figure 3 shows a simplified flowchart of the Strategy Transfer via the district- and office directors to the bankers. This figure implies that we are dealing with a top-down method. Top-down management is the most common management style. The top management or the chief executive officer reaches independent conclusions that change or improve the banker's workplace or internal business systems. These conclusions are then handed down to the bankers via the district and branch managers. These lower-level managers may have input into how to accomplish the end goal with their team of bankers, but they may not have much authority to change policies (that may be more adequate for their region or office) without approval from the highest level of management.

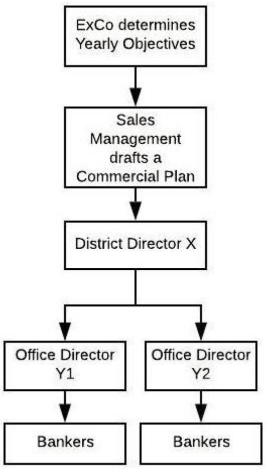

Figure 3: Simplified Current Strategy Transfer.

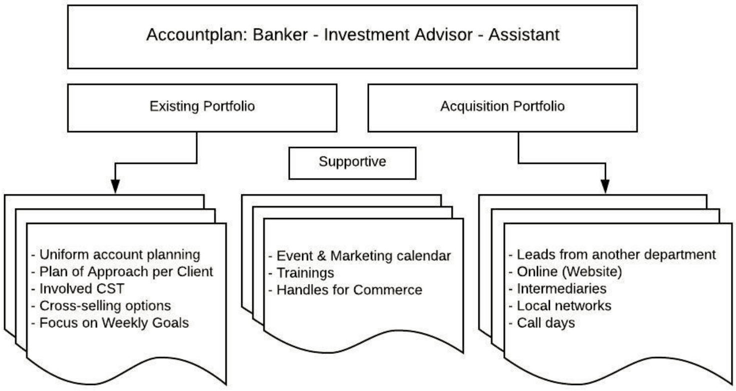

Figure 4: Approach given by Sales Management.

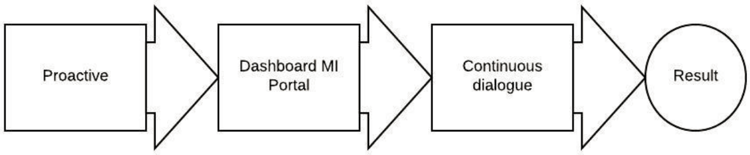

Figure 5: Roadmap to Results.

Figure 4 and Figure 5 shows the method on how the translation of the objectives is currently done. First, a general plan of action intended for the bankers is given. This includes the investment advisor and the assistant banker. The work is then divided into an existing portfolio and an acquisition portfolio. Then action points are mentioned for each portfolio. In addition, certain activities are given that are considered as supporting tasks. Finally, a set of goals is set out concerning how these tasks should be executed. What is striking is that this resembles a plan of action which will lead to better results. However, the points mentioned in Figure 4 and 5 almost only consist of goals. Goals without concrete plans are solely considered as desires. In Figure 5 the term proactive is even mentioned, but unfortunately there is no description of how that will be applied or achieved.

Framework of current KPIs

Figure 6 shows the framework of KPIs which are currently in use to measure the progress and quality. These indicators are divided into License to Operate KPIs and Sales KPIs. The mandatory duties of the banker fall under License to Operate. With these Sales KPIs the sales department expects to achieve the annual objectives determined by the ExCo.

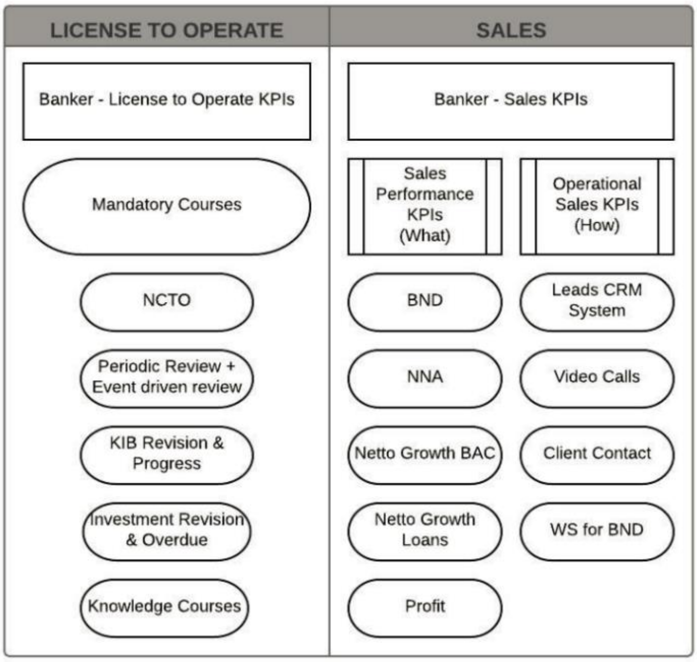

Figure 6: Framework of Current KPIs (Internal Document).

Account Planning Banker: Guideline for Activities

The ExCo has also set targets for the activities of the bankers. These activities include weekly contact with the clients and the methods to reach them. The targets can be found in Table 3. What is striking here is that for the Prominent banker who has the largest portfolio at the office in question, an assistant is apparently unnecessary. The activities of the private bankers will also be investigated during my research. The results of this study can be found in Section 4.2. This section will show whether an assistant for the Prominent banker is necessary.

Type of client	Entrepreneurs	Masters	Prominent	Next Gen
Assistant	1:1	1:2	None	None
Portfolio Size	175	175	275	450
Assets Structurer or Fin. Scan at BND (%)	80	80	20	10
Guidelines Weekly Planning				
# F2F Weekly Contacts	6	8	8	8
# Proactive Weekly Contacts by Phone	6	8	8	8
Acquisition (%)	15	15	5	5
Video Calls (%)	20	20	20	90

Table 3: Targets concerning the Banker Activities.

Corresponding Strategy for Account Planning: Definition Top 50

In the classical way of private banking, clients were segmented according to two main criteria:

- Risk appetite, as this determined the asset allocation and the products the client would use;
- The amount of investable assets, as the requirements were seen to vary for different wealth levels.

For a growing number of segments such as those described above this approach is increasingly inadequate. Instead, the current objective of a good segmentation is to cluster clients with similar behavioural needs. Banks are determining specific segments, which they need to approach and service differently, more frequently.

The same holds for the bank in question. They apply a segmentation strategy at portfolio level per banker, with the aim of providing optimal service to clients in the banker's portfolio.

I have spoken to and interviewed several relevant stakeholders on this topic. On the basis of these conversations I intended to answer the following three questions:

1) What is the purpose of the Top 50?
2) How would you like the Top 50 to function?
3) How is it currently functioning?

In short, it can be concluded from the discussions held that the purpose of the Top 50 is to be able to provide these customers with a customized service. This means that these clients are genuinely cherished.
Furthermore, the aim of the Top 50 is to stimulate the bank's growth.
How the Top 50 actually works depends on the person in question. The director of the market region determines the focus of the Top 50 and it is the responsibility of the office manager to wonder why this method is not functioning the way it is supposed to.

Table 4 shows the KPIs which consider the definition of the Top 50 clients per banker. Based on these KPIs the banker determines which clients will receive the most attention for that year. The KPIs include the Combined Assets & Liquidity ([CAL], which is the summation of the AUM and the Credit per client) , Assets Under Management ([AUM], which is the total market value of the investments that the bank manages on behalf of its clients), Revenues (which is the amount of money that the bank actually earns per client), and Credit (which is the money given to a client in exchange for future repayment of the loan value amount, along with interest). The Top 50 method is applied by just selecting the Top 15 or Top 5 clients for each corresponding KPI. This should form a top 50 in the banker's portfolio.
This is a generic strategy that is spread throughout all the offices. Thence, can be concluded that these KPIs set by the ExCo, can have major impact on the performance of the many offices throughout the Netherlands.

KPI	**# CLIENTS**
CAL	Top 15
AUM	Top 15
REVENUES	Top 15
CREDIT	Top 5
TOTAL	**Top 50**

Table 4: KPIs Top 50 Clients.

4.2 The Current Performance

The current KPIs, described in Section 4.1 and Figure 6 in particular, function in a certain way. Therefore, we want to find out how this method and KPIs are performing. For this, the bankers' activities and profits per banker were examined. Especially the latter, is the purpose of this paragraph.

<u>Activity Performance</u>

In order to examine the performance of the current approach, it is important to investigate which activities this approach is leading to. In this study, the activities are subdivided into the following main activities: (1) Directing the Services, (2) Client Relation Management and Maintenance, (3) Exploitation of Client Relations, (4) Advice, (5) Risk Management, (6) Events, (7) Acquisition, and (8) Additional. The results can be found in Table 5. These results are based on the average times from all bankers and are measured in minutes and the number of times per week the activity is performed. A larger version of this table can be found in Appendix A.

In addition, these activities are plotted in percentages relative to the total amount of time-use by the bankers, shown in Figure 7. This way, you create a clear visualization of activities of the bankers. Based on this figure, it can be concluded that most the bankers spend most of their time on the following activities: Client Relation Management and Maintenance, Risk Management, and Additional. Generally, the same pattern applies to all segments, which are Prominent, Entrepreneurs, and Masters. The time spent on the other activities can be considered as nil. Since they do not exceed 5%. What is also striking is the fact that the Prominent Bankers pay little attention to risk management activities in comparison to other banker types. Furthermore Table 5 shows that, compared to other bankers, the Entrepreneurs bankers need the most hours to get the work done. Masters bankers need the fewest working hours.

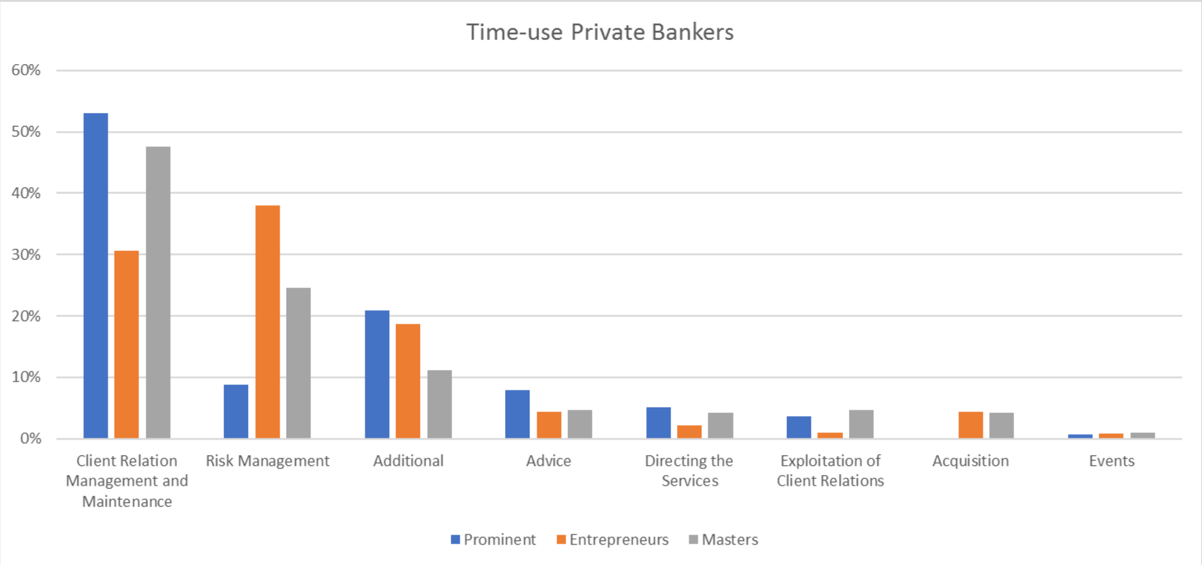

Figure 7: Time-use Private Bankers.

		Prominent		Entrepreneurs		Masters			
		min	# per week	min	# per week	min	# per week	Total	
1. Directing the Services	1.1 Request for administrative help	5	15			120	0,25		Request to assistant for administrative tasks, among other things.
	1.2 Consultation with Assistent			60	1	60	1		Repeat consultations with assistant fro, among other things, discussing Client Contacts and Client planning.
	1.3 Update Contactplanning	10	5						Update Contact Planning.
	Total		**125**		**60**		**90**	**275**	
2. Client Relation Management and Maintanance	2.1 Cient Meetings	90	6	75	6	60	6		Face-to-face Client Contact (in response to revision, regular client contact, etc.)
	2.2 Contact Client via Mail	15	10	15	6	10	20		Respond to client requests by email.
	2.3 Contact Client via Mobile	15	10	15	10	10	20		Client phonecalls.
	2.4 Contact Client via Whatsapp	5	5						Client by message apps (Whatsapp).
	2.5 Capture Client Information in Siebel	10	15	10	10	10	20		Capture client contact notes + archive documents.
	2.6 Mutate Client Data	45	5						Changing client data.
	2.7 Mutate Product Data			5	10	5	10		Formulate client request towards APB.
	2.8 Decease/Notarial proxies	60	1			60	0,25		Death of client/ notarial authorized.
	Total		**1300**		**840**		**1025**	**3165**	
3. Exploitation of Client Relations	3.1 Enact new product via Assistent			5	5	5	5		Transfer product requests to assistant (task/mail).
	3.2 Enact new product via Banker	45	2			5	6		Request / process/ mutate products in response to client contacts.
	Total		**90**		**25**		**55**	**170**	
4. Advice	4.1 Preparation Client Contact	20	6	15	6	15	6		Preperation general client contact.
	4.2 Lead to Colleague	20	3	30	1	10	1		Leads to specialists and colleagues.
	4.3 Meeting Preperation Client Transfer	30	0,5						Preperation client transfer from colleague / collect documents.
	Total		**195**		**120**		**100**	**415**	
5. Risk Management	5.1 Audit Work	10	5	10	5	10	5		Checking list work: NNA, C-track, KMD, TF.
	5.2 NCTO Revision	60	0,25	180	4	60	4		NCTO revision administration.
	5.3 NCTO new			240	0,5	180	0,5		RAF NCTO: new client
	5.4 Read Information	30	5	30	5	30	5		Keep track and read information, internal AAB mail (various sources).
	Total		**215**		**1040**		**530**	**1785**	
6. Events	6.1 Events	60	0,25	90	0,25	90	0,25		Invite clients to events + visit events.
	Total		**15**		**22,5**		**22,5**	**60**	
7. Acquisition	7.1 Prospect Meeting			120	1	90	1		Client contact face-to-face (prospect)
	Total		**0**		**120**		**90**	**210**	
8. Additional	8.1 Education	120	1	120	1	120	1		Sharp, PE, DSI, WFT, all courses
	8.2 Internal Consultation	90	1	90	1	90	1		Repeatable internal meetings (day start, week start, acquisition meeting).
	8.3 Travel Time	60	5	60	5	30	1		Travel time during the day to clients.
	Total		**510**		**510**		**240**	**1260**	
	Total (minutes)		**2450**		**2737,5**		**2152,5**	**7340**	
	Total (hours/per week)		**40,8**		**45,6**		**35,9**	**122,3**	

Table 5: Activities - Private Banker.

Current Financial Performance – Top 50 Clients

In addition to the activities of the bankers, the financial performance as a result from these activities and the current Top 50 strategy is just as relevant to examine. Therefore, I studied the banker's portfolios at the office in question. The Top 50 method from Section 4.1 is applied on each banker's portfolio. This reflects the financial performance of the current Top 50 clients per banker, shown in Figure 8 to 11. It is difficult to compare the portfolios among eachother, since the performance depends on the banker. Therefore, I deliberately choose to analyse the portfolios separately, which makes it possible to optimise the performance per portfolio. The averages are therefore calculated per banker.

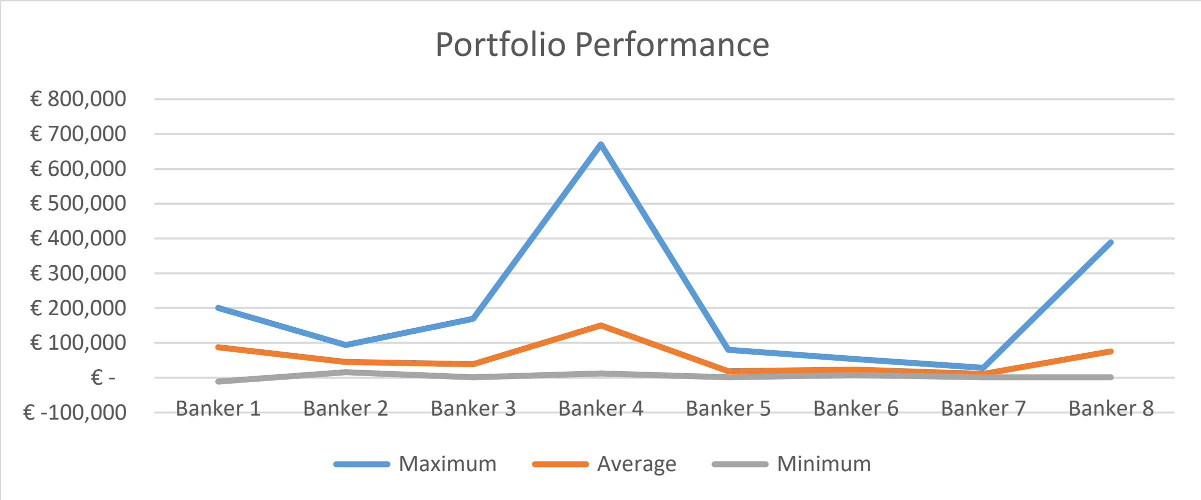

Figure 8: Top 50-Clients - Portfolio Financial Performance per Banker.

Figure 8 and 9 provide insight into the portfolios per banker. What is striking is that the top 4 revenues are only produced by the Entrepreneurs segment. This can be deduced from Figure 10 and 11. What you can further derive from these figures is that 50% of the revenues are produced by Banker 1 and Banker 4, both of which are also Entrepreneurs bankers. In addition, it stands out that Banker 4, which has the most revenue, has the least number of clients above the average within his portfolio. This is also shown in Figure 9 and 11. Furthermore, Banker 1 has the greatest number of clients above his portfolio average, while he performs second best in revenues. This leads to the conclusion that Banker 4 has an unbalanced composition of clients in his portfolio, as three clients ensure that he receives around 31% of the total Top 50 revenues. Banker 1 has the most balanced composition since he delivers 26% of the Top 50 revenues with 50% above average clients. Furthermore, it is clear that the Entrepreneurs segment is the most lucrative. The least lucrative is the Prominent segment, while having the largest portfolio.

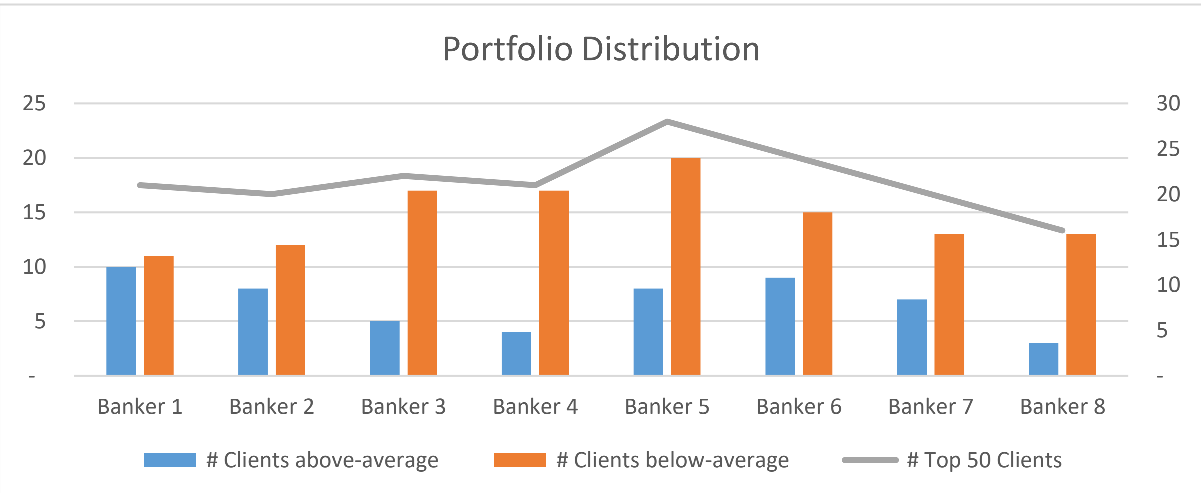

Figure 9: Top 50-Clients - Portfolio Distributions per Banker.

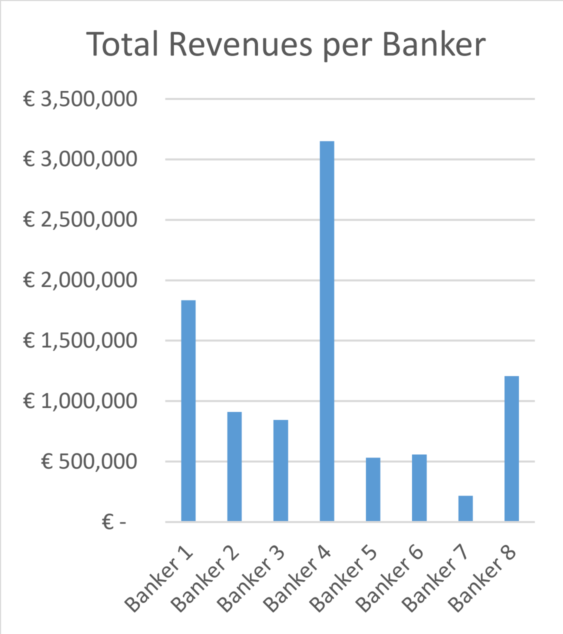

Figure 10: Top 50-Clients - Total Revenues per Banker.

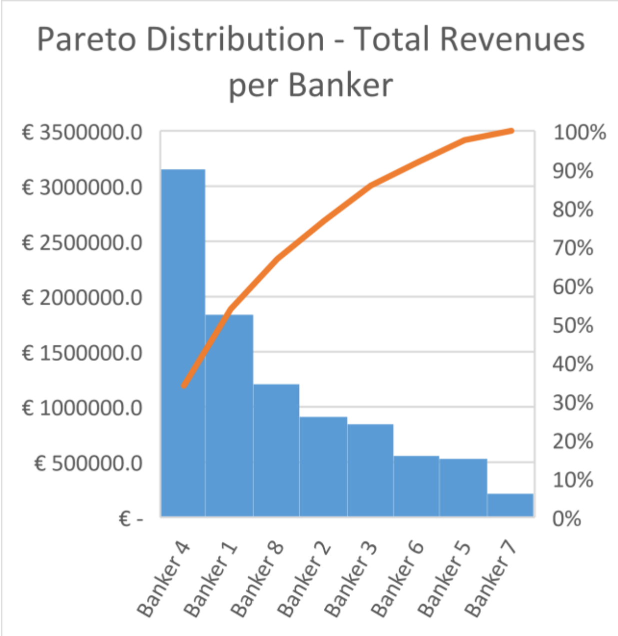

Figure 11: Top 50-Clients - Pareto Distribution of the Revenues per Banker.

4.3 Desired Situation

Figure 12 (Enlarged in Appendix B) shows a flowchart of the desired situation. In Steps 1 through 3 it becomes clear that the collaboration between the Exco, Sales Management and the Office Directors will play a significant role. In the desired situation, the annual objectives from the ExCo are translated at the office level before the office director presents the annual plan to the bankers. This means that the responsibility of a uniform portfolio strategy no longer lies with the bankers, but with the Office Manager. The director will be supported by the Sales Management department. The loop consisting of steps 1 to 3 is left when the ExCo approves the uniform portfolio strategy. Steps 4 to 24 are among the tasks of the bankers. These tasks include the activities described in Section 4.2 and particularly in Table 5.

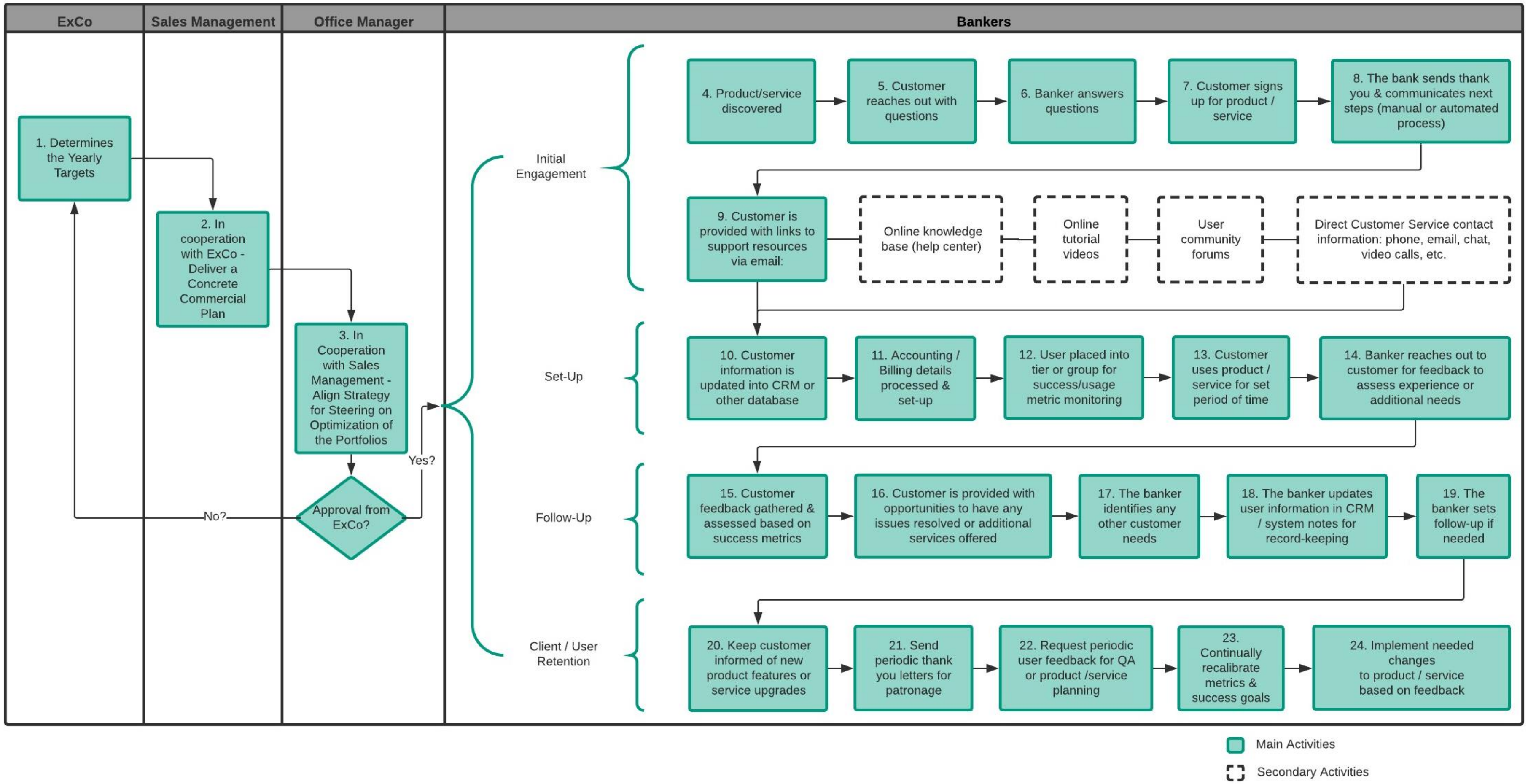

Figure 12: Flowchart of the Desired Situation.

4.4 Discrepancies
By comparing the current situation with the desired situation, I want to map where the problems lie and where exactly the translation of the yearly objectives goes wrong and what must be done to improve this. Then it becomes clear to the problem owner what my solutions will affect and where you can expect an impact on performance. Therefore, I will use the information described in Sections 4.1 to 4.3.

Concretizing the targets determined by the ExCo
Managers recognize the impact that measurements can have on the performance of their company. However, they rarely think of measurement as an essential part of their strategy. As an example, executives may introduce new strategies and innovative operating processes intended to achieve breakthrough performance, and then continue to use the same short-term financial indicators they have used for decades; measurements like return-on investment, sales growth, and operating income [Wu et al. (2010)]. These managers fail not only to introduce new measurements to monitor new goals and processes, but also fail to question whether their old measurements are relevant to the new initiatives.

Efficient and complex measurement systems are crucial to successfully stimulate innovation within a company. In order to obtain information needed for managing the success of your innovative new strategy, you must put careful thought in choosing suitable measurements. A situation where competent managers are overwhelmed by the analysis of the results that they do not use in their daily activities or that they use in an inefficient manner, is time-consuming, draining productivity, and negatively affects proactivity within the company. It can also lead to inconsistent analyses and incorrect measures [Wu et al. (2010)].

When comparing Figure 3 and Figure 12, it becomes clear how the current strategy transfer differs from the desired situation. In the current situation, a classical and especially hierarchical method, also known as top-down method, is used for knowledge transfer. In this hierarchical approach, the ExCo determines the annual objectives. The Sales Management then designs a suitable sales plan for this. Next, this plan is distributed to the bankers in the branch network via the regional and office directors. This method does not stimulate the thought of how the yearly objectives will be achieved and the portfolio strategy remains vague. However, by shifting the responsibility from the bankers to the office managers as shown in Figure 12, uniformity in the portfolio strategies will be stimulated. This ensures that the portfolio strategy will become concrete and applicable for bankers with similar clients.

Top 50 Clients
From the bank's perspective, segmentation is all about maximizing value of every client, so clients will pay more if they feel the product offers them something desirable (Bloemer & Lemmink [1992]). This is particularly important in the context of private banking, as essentially the business models are based on the premise of high value clients and tailored services.

Clients and the wealth management proposition are heterogenous in nature. Despite this fact, clients of a private bank are often lumped together as one client group and do not always receive the tailored service they are promised at the outset of the relationship [Joanna Lee (2011)]. Even though they receive more individual attention, their private banker has to be able to focus on a number of clients (however small) with very different needs and lifestyles. This can result in homogenization of the product and service delivery mechanism that has the effect of not meeting clients' needs.

In the current commercial plan, the Top 50 is mentioned as a segmentation tool to tackle your portfolio as a banker. In Section 4.2 the definition and function of the Top 50 is described. According to this part the purpose of the Top 50 at my bank is to be able to provide these customers with a tailored service, just as the theory describes. This means that these clients are genuinely cherished. Furthermore, one would like the Top 50 to stimulate the bank's growth. How the Top 50 actually works depends on the office managers themselves, according to a representative of the Sales Management. The director of the market region determines the focus of the Top 50 and it is the responsibility of the office manager to question it is not functioning the it should.

Figure 10 and Figure 11 show the results of the bank's current Top 50 method. What is striking about the results is the fact that this method does not actually produce a Top 50. Figure 9 illustrates that in practice the method only yields an average of only 21 clients. This means that on average only 21 clients per banker receive the comprehensive and tailored service that is promised to private banking clients. This is a major discrepancy from the desired situation shown in Figure 12. Besides, as shown in Table 3, the portfolios all consist of at least 175 clients. How the remaining 125 clients per portfolio should be dealt with is unclear to most bankers. This results in clients being serviced in a reactive manner.

Reactive Behaviour

According to Julien et al., (1997), reactive behaviour is the opposite of proactive behaviour and can cause problems because it hampers productivity and prevents you from achieving your goals. You are guided by your environment and do not have control over your daily schedule. When you get a reactive attitude, it means that you do not take the initiative, but only take action if your environment requires to do so. Others determine your daily schedule. This leads to procrastination, which causes stress and failure to meet deadlines. In turn, this negatively affects the meeting rate of the office. Reactive behaviour can influence the way the banker serves his or her portfolio. The banker only plans meetings with the client to get the information the system demands. A banker with a large portfolio can feel pressure from the demanding system. This pressure also stimulates reactive behaviour. The client can notice this by for example, only being asked “standard” questions. If this happens too often, the client can experience some dissatisfaction. These dissatisfied clients, who may also happen to be influencers in a network of high-profile clients, can influence other clients, which eventually negatively affects the acquisition and retention rate.

In Table 2, which functions to support the Problem Cluster in Figure 2, the reasons for the reactive behaviour are also predicted. Because of my qualitative and quantitative analyses, with the focus on the activities and financial performance of the bankers, I may be able to determine whether this reactive behaviour can also be seen in these results. Table 5 and Figure 7 show the results regarding the bankers' activities. They show that bankers generally spend most of their time on Client Management and Maintenance, Risk Management, and Additional activities. Which means that the activities concerning Advice, Directing Services, Exploitation of Client Relations, Acquisition, and Events get the least attention in comparison to the other activities. Now it must also be realised that the three largest activities are mainly administration. Which is striking, since these activities are largely automated and therefore are not supposed to take much time. The poorly performed activities are precisely the proactive activities where the focus of a banker should be. Based on these activities, it becomes possible for the banker to provide a comprehensive and tailored service to his/her clients. If this is compared with the desired situation, the discrepancies are immediately clear. Steps 4 to 14 are the activities that the banker is most involved in according to the results in Figure 7. Steps 15 up to 24 are executed to a limited extent. The flowchart in Figure 12 of the desired situation also shows that it is precisely in steps 15 to 24 that there are opportunities to add real value to a client.

5. Solution Design

In this Section I propose several improvements to be able to solve the discrepancies I found in Section 4. Additionally, this section provides an answer to the third research question: "*How can these measuring methods be improved, so the office director is able to meet the yearly objectives set by the ExCo?".*

5.1 Introduction of the Balanced Scorecard

Wealth managers or private bankers do not always make good use of the information they have on their clients. [Wyman (2005)] did a survey on European Wealth Management. He noted that clients were more interested in service level, brand, privacy and "peace of mind" than in superior investment performance. However, many wealth managers and private bankers continue to sell themselves on their investment offering and performance rather than other valued characteristics of service. Thus, their current marketing is failing to exploit existing insight into client preferences. While the knowledge is present, the same holds for the private bankers at the office in question.

Furthermore, [Wyman (2005)] notes that all approaches implemented in designing client propositions were largely unscientific. Around a sixth of the survey respondents only use informal procedures to improve their client offerings. A further two-thirds focuses on propositions designed around segments, but the segmentation strategy used is usually very simply based on wealth; and therefore, the resulting client propositions appear to be more than weakly differentiated**,** [Joanna Lee (2011)]. Similar problems are also reflected in the bank's current Top 50 method. The KPIs used to determine a selection of clients to focus on, are al wealth related KPIs. Sections 4.2 and 4.4 describe them explicitly.

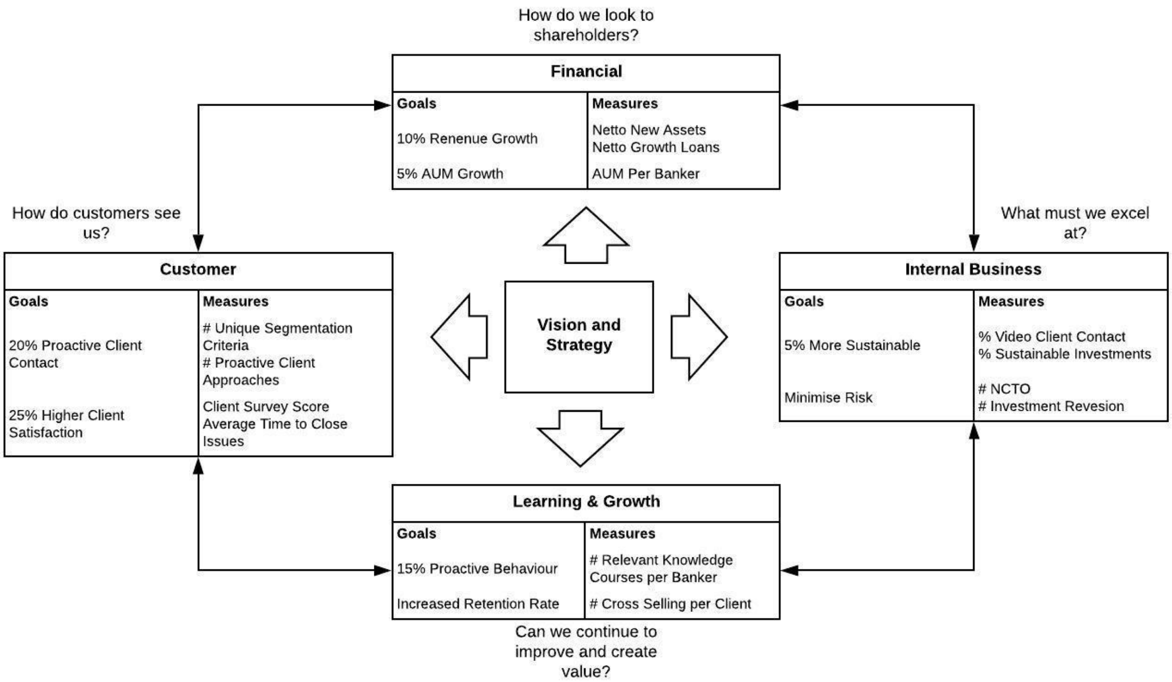

Figure 13: A Balanced Scorecard example.

By means of the Balanced Scorecard I want to facilitate the introduction of new/alternative KPIs. This will also contribute in solving Problems (5) to (7) from Table 2.
The Balanced Scorecard is a management system that can motivate breakthrough improvements in such critical areas as product process, customer, and market development. A scorecard suitable for a bank, offers managers four different perspectives. It amplifies traditional financial indicators with measures of performance for customers, internal processes, and innovation & improvement activities as shown in Figure 13.
There are five basic principles for a strategy-focused organization using the Balanced Scorecard, which can be summarized as follows, [Kaplan et al. (1993)]:

- Translate the strategy into operational terms using the Balanced Scorecards and strategy maps.
- Align the organization to the strategy by spreading the highest-level scorecard through strategic business units, support departments, and external partners.
- Make strategy everyone's job with initiatives to create strategic awareness and by using personal scorecards with related incentives.
- Make strategy a continual process by linking budgets to strategy, implementing a process for learning and adapting firm strategy.
- Mobilize leadership for change to a strategic management system.

The current client segmentation method on the banker portfolios pursued at the bank are simplistic and do not appear to map accurately into client needs. This is surprising given that private bankers all know that an essential starting point of any financial services provider targeting high net worth individuals is to recognize their diversity and the important influences this has on their product/service demands and behaviour.
As with any individual, background and client circumstance have a significant impact on attitudes and objectives. According to Heiger et al., (2003), many clients' requirements are not always born of practical choice, many are also based on individual interests and understanding. Furthermore, the complexity of service demands from individuals is often unique and increases with time. Factors affecting the complexity of high net worth client demands include:

1) Life choices. These relate to employment and lifestyle preferences or the undertaking of key life events such as marriage, retirement or divorce. One notable example would be the decision to have a second home and to live abroad, which often adds several complexities to a client's financial situation in terms of tax and legal status issues.
2) Investment/product choices. The greater the range of different asset classes and product categories into which clients place funds, the more complicated their management will become.
3) Provider choices. These include quality, type and number of providers selected by the clients in arranging and managing their financial affairs. Similarly, the stronger the element of self-direction and control over finances the greater the complexity in handling their financial situation.

Fortunately, these factors are generally known, and well organized by the bank. Table 1 clearly shows how the segmentation is executed. However, in practice these factors mainly focus on the financial aspects of client demand while there are other relevant dimensions that need to be taken into consideration. As a result, more can probably be gained from the current portfolios.

5.2 New/Alternative KPIs for (Re)Segmenting the Banker Portfolios

Effective measurement must be an integral part of the management process. The Balanced Scorecard provides executives with a comprehensive framework that translates a company's strategic objectives into a coherent set of performances.

The bank for which I carry out this assignment is a strong and large company. Concerning the Balanced Scorecard, they are well developed in the field of Learning & Growth. The same holds to the financial aspects. For this reason, the focus of my solutions is on customers. The head of digitalization is responsible for making the internal business more efficient now.

As indicated earlier, this concerns a large organization. The general segmentations that are currently in use are well advanced, this is also shown in Table 1. However, the size of the portfolios is so large, shown in Table 3, that there is a chance that bankers will lose sight of their clients. Therefore, I introduce KPIs that potentially stimulate the optimization of the portfolios. Table 6 gives the description and advantages of the criteria on the new KPIs. These KPIs can be used to gain potential from the Top 50 method. In addition to stimulating portfolio optimization, these KPIs are based on stimulating proactivity from the private bankers towards their clients. The introduction of these KPIs will be relevant for solving Problem (9) indicated in Table 2.

Criteria	Description	Advantages
Source of Wealth	The different segments are identified in terms of different sources of wealth.	This identifies similarities more effectively and is relatively easy information to obtain.
Needs and sophistication	The different segments are identified in terms of services to "non-professional" client segments.	They have different requirements, so they should need different business models.
Inherent advantages of lifestyle issues	Subsegments are identified in terms of value for customers such as trust, access, information…	Lifestyle issues must leverage on the existing segmentation strategies of the private bank to increase customer insight by monitoring the client's use of lifestyle services to gain knowledge of the client's behaviours and commitments in their lives.
Customer value	The subsegments are based on assessing the difference among a set of key indicators of value per client (value of assets, value of liabilities, revenues, number of footings, duration of relationship…)	Identifying how value is distributed across the client base can allow private banks to pinpoint the most attractive segments in targeting prospective clients and help to plan an approach to existing accounts by highlighting the priority areas/means by which it can extract additional value from its current clients.
Home bank	Investigate whether there are cross- or upscale possibilities in the different existing segments and find out if clients only bank with us or if the assets are spread over several banks.	When a client has the assets spread over several banks, ensure that the biggest part is at our bank. Clients who consider us as their home bank, may require less attention. Since they have most of their assets with us through cross selling.

Table 6: New Portfolio Segmentation KPIs.

Concretizing the targets determined by the ExCo

Bases on the approach described in Section 4.3, I want to make the annual objectives from the ExCo as concrete as possible before the method is transferred to the bankers. This allows the bankers to focus on their priority, their clients. The following section explains how this will be achieved.

The desired situation, shown in Figure 12, considers the theory described in the theoretical part at the beginning of Section 4. From this theoretical part, I can conclude that the sales plan can play a significant role in directing and guiding the strategy in the office network. For this reason, I chose to make drafting the sales plan an agile collaboration between the ExCo, Sales Management and office directors in the desired situation. In this way, the responsibility for drawing up a portfolio approach shifts from the bankers to the office managers. This ensures that the portfolio strategy becomes uniform for all bankers. In Section 2.2 the stakeholder analysis is given. Here you can read that uniformity regarding the portfolio strategy is a recognized problem. This can also be deduced from the Problem Cluster in Figure 2 and Table 2. So, through this adjustment I intend to solve Problem (5) and (6) from Table 2.

5.3 Introduction of a Local Account Planning

Currently a tool, known to the bankers as KMD, is available for the bankers. This tool indicates when the banker should have the KIB or NCTO Revision with the client. These two terms can also be found in Figure 6 as KPIs. KIB is intended to get the client involved with investing. This includes, among other things, the client’s risk profile and freely disposable capital. Furthermore, these processes are part of the risk management activity from Figure 7. This figure also shows that this is one of the activities that is performed most among the bankers. Depending on the risk profile of the client, the banker receives a signal from the tool when a specific client must be spoken to. The tool in itself contains a lot of information regarding when certain appointments should be made with clients.

The problem with that current tool, however, is that it involves so much information that it becomes unclear to the banker. For example, when the banker has a client on the phone and the client asks when they last spoke, it is almost impossible for the banker to answer that question. In addition, the tool induces reactive behaviour. Imagine a banker with a portfolio that consist of 150+ clients. These 150 clients are seen as the leading contact person in a client complex. This means, that a portfolio consists of 150+ client complexes and these complexes can consist of multiple clients per complex. As an example, I have studied the top 20 complexes for Banker 1 and it appears that these top 20 complexes already consist of more than 150 clients, this is also shown in Appendix C. Therefore, bankers will daily receive multiple notifications from the KMD-tool, and this provokes reactive behaviour as described in Section 4.4.

For these reasons, further segmentation will be key. I intend to integrate an alternative Top 50 in a new visualization of the account planning. This will be done using the KPIs mentioned in Section 5.1 to optimize the segmentation in the portfolios. In addition, the KMD tool will also function as data input for this new account planning. Because with the new KPIs the banker gains an insight into where opportunities lie for a client, this ensures a proactive attitude from the banker towards the client. For example, multiple clients of different bankers have a second home in France or Spain. Suppose there are new tax rules that are favourable for this group of clients. With the help of this new account planning concept, the bankers are able to select and inform this specific group of clients quickly and efficiently with this positive news. When this is done efficiently and regularly by the banker, the client experiences that as proactive behaviour by the banker. This will lead to a positive word of mouth and will eventually increase the chance of acquisition for the office. Just as described in, Shihab, et al., (2014), knowledge for customers shows the highest benefits to companies, and all knowledge benefits are proven to be significantly related.

6 Implementation & Analysis of Possible Solutions

In Section 5 I proposed improvements that could have a positive impact on the acquisition rate which ultimately leads to better financial results for the office by meeting the annual financial objectives. For this I will first briefly explain what it takes to implement the solutions. This is important because it shows which steps need to be taken and which additional costs may be incurred. Moreover, the fourth Research Question is answered in this way: *"How should the implementation of the improvements take place?"* I will then explain which indicators I used to measure the outcome of the solutions.

6.1 Implementation Advice

Short-term

Before the proposed solutions from Section 5 can be implemented, the acquisition and retention processes must first be better defined. A clear definition of these processes enables the approach to be more uniform. The flowchart of the desired situation shown in Figure 12 can be used to visualise where these defined processes will be implemented. This makes managing the office more agile and structured for the office director. It also becomes easier to set milestones, to identify major disruptions of the planning and to steer in time to achieve intermediate goals.

In addition to further defining the acquisition process, a uniform portfolio approach must be made. A selection must be made of KPIs that are in line with the bank's new vision, instead of the result oriented KPIs mentioned in the current Sales Plan which have been used before. Therefore, sessions must be scheduled between the ExCo, Sales Management, and office directors. The result-oriented indicators are important for a company to be profitable. However, you should see these result oriented KPIs as the output of the efforts you make to stand out from the rest by providing excellent service towards your clients. Just as Peter F. Drucker once said: "You cannot manage what you do not measure." To illustrate, my vision of adding value, is visualized in Figure 14. As shown here, the financial KPIs are a result of the driven indicators.

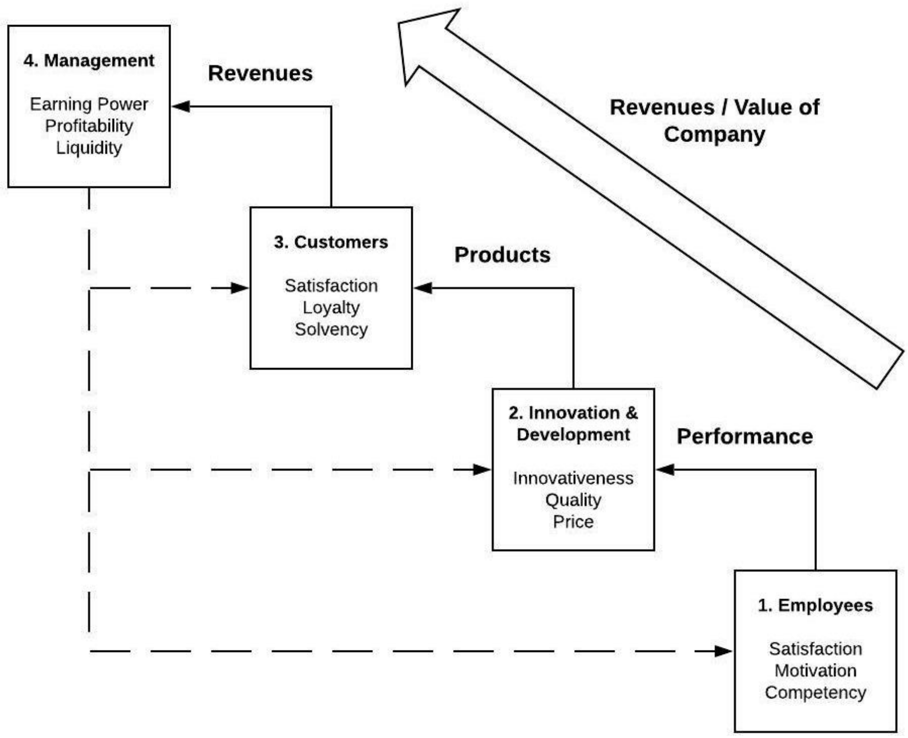

Figure 14: Adding Value via Balanced Scorecard [Aureli (2010)].

Long-term

Balance is the equilibrium between operative and strategic (short-term and long-term) goals, required inputs and outputs, internal and external performance factors, delayed and driving indicators, and the already mentioned financial and non-financial indicators [Chiesa & Frattini (2009)]. The Balanced Scorecard is a management system designed to link and align the company with its strategy at all levels.

After the Balanced Scorecard is formulated at corporate level, it is cascaded downward to the Sales Management and the office directors. How this will be done, is shown in Figure 12. These units develop scorecards to implement the strategy communicated by the corporate scorecard. Full implementation of the Balanced Scorecard requires cascading down to the individual level [Aureli (2009)]. Therefore, each individual has a perspective on his or her role in strategy implementation. For each measure in the personal scorecard, strategy implementation goals are set.

The bank already had sessions at the beginning of this year regarding the newly chosen vision and to pass this vision on to all employees. I recommend organizing similar sessions in the coming year. First at corporate level, consisting of the ExCo, Sales Management, and office directors. A uniform definition of the acquisition process and portfolio approach will then be elaborated. This includes a new Top 50 method described in Section 5.1 and a subsequent account planning with the integration of the selected KPIs. Table 6 and Table 7 can be used in the process of making this selection of indicators and aligning new KPIs suitable to the new strategy. Table 7 shows how the indicators listed in Table 6 can be applied to the acquisition and retention of clients. Thereafter, this uniform approach is cascaded towards the bankers through the office managers.

Solutions aligning with the purpose of this study

To determine whether the proposed solutions actually contribute to fulfilling the purpose of this report, a brief definition of proactivity is given.

Research on ‘active’ behaviour focuses on how employees change the characteristics of their job and situation [Frese et al. (2007)]. For example, employees sometimes redefine the goals they are provided with by the organization to come up with more challenging goals, and actively influence socialisation processes in order to improve the quality of their experiences at work [Ashford et al. (1996)]. These active behaviours have come to be referred to as examples of proactivity. Proactive behaviour is defined as self-directed and future-focused action in an organization in which the individual aims to bring about change (e.g., introducing new work methods, influencing organizational strategy) and/or change within oneself [Grant et al. (2008)].
Oxford English Dictionary (2008), gives a similar definition: “creating or controlling a situation by taking the initiative and anticipating events or problems, rather than just reacting to them after they have occurred.”

In Section 7 I will further discuss whether the suggested improvements align with the purpose of this study and draw my conclusion.

Acquisition	**Aspects Managing the Balance**	**Retention**
Aims at a mass market where customer value may be hard to predict.	**1.Customer Value**	Segmentation based on customer value, existing and potential. Levels of service matched to value of customer.
Being ‘big’, well known and respected in the industry, and a consumer champion.	**2.Branding**	Honesty and openness with customers. Softer brand and community-type approach. Branding to selected markets/segments.
New customers influenced by positive word-of-mouth from existing customers.	**3.Creating Loyalty**	Identify those customers who are interested in a relationship. Encourage positive word-of-mouth.
Use data on retention to set acquisition targets.	**4.Maximizing Information**	Single customer view, tracking customers touches. Identifying customers to reduce level of marketing/ communication. Continuous research on attitudes, satisfaction, and life stage.
Customer has relationship with ‘introducer’ not with the bank. Attracts new customers who may not be loyal.	**5.Managing Channels**	Creating ‘stickiness’, multiple barriers to exit. Means of a satisfying customer experience either across channels or with a particular channel.
Emphasis on price as a way of attracting customers in. Attractive rates to gain current account customers. Problems with differentiating products.	**6.Pricing and Products**	Cheque account is a platform for cross-selling and increase bank’s share of customer. Aim to increase number of customer ‘holdings’, offer flexible pricing, differentiated or customised products.
Organisational commitment to customer satisfaction. Service excellence. Individual incidences of customer satisfaction.	**7.Satisfying Customers**	Aim to create cumulative customer satisfaction. Measure and study how interactions contribute to satisfaction and then to loyalty, factoring in product satisfaction. Combining satisfaction with other retention ‘tools’.

Table 7: Mapping of Aspects of Client Acquisition and Retention.

6.2 Expected impact of Solution Designs

With the suggested improvements described in Sections 5.1 to 5.3, my aim is, among others, to increase proactivity and the acquisition rate, which eventually may lead to an increased profitability at the office in question.

Proactivity

As shown in Figure 14, and according to Rigby (2007), business development is initiated by increasing work performance of the bankers, caused by their higher satisfaction with their own work, higher level of their expert skill and more efficient motivation. Which is reflected in increasing productivity, proactive behaviour and innovation development in the firm's internal environment. The result of this development is an offer of products and services that bring higher value to the clients in a proactive way. Increased demand for quality, user-friendly, easily accessible and reasonably priced products and services offered by the bank leads to increased sales revenues. Higher revenues increase profit and therefore also the earning power and value of the firm. At the same time, they create resources to finance investment and operating capital for efficient financial management of the bank.

This will be achieved, in addition to determining the strategy at corporate level (ExCo), by involving the banker in thinking along to introduce driven indicators, which will contribute in achieving the yearly results-oriented objectives. The Balanced Scorecard and the account planning integrated with the selected driven indicators will play an important role in this process.

Current Financial Performance

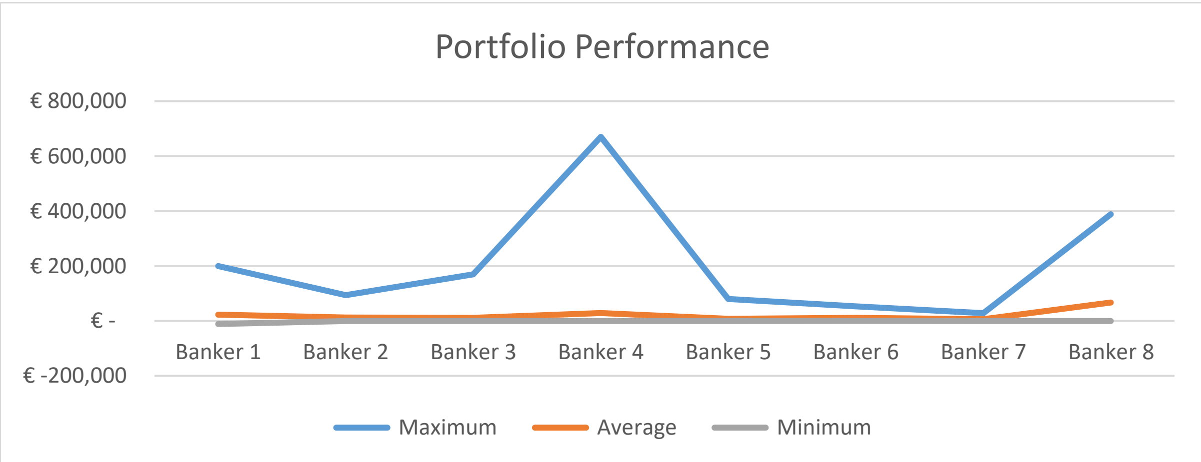

Figure 15: Total Portfolio Performance per Banker.

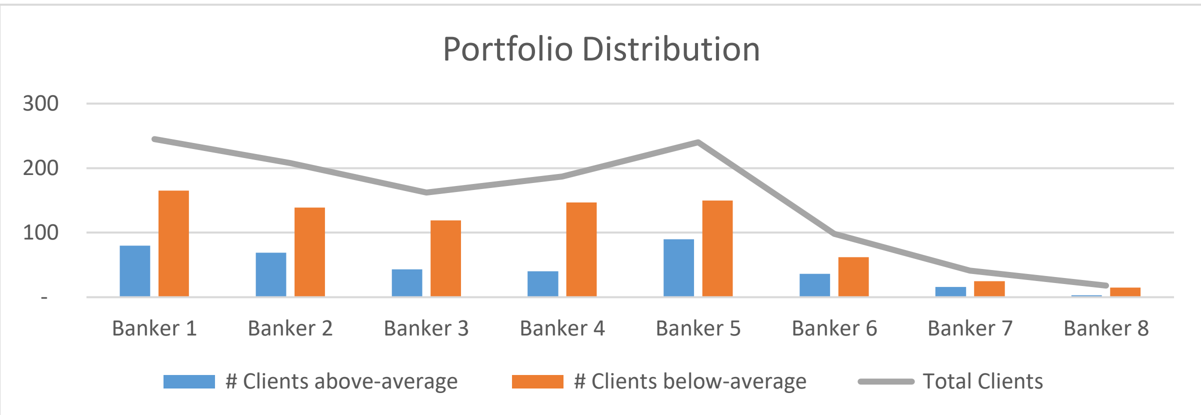

Figure 16: Total Portfolio Distributions per Banker.

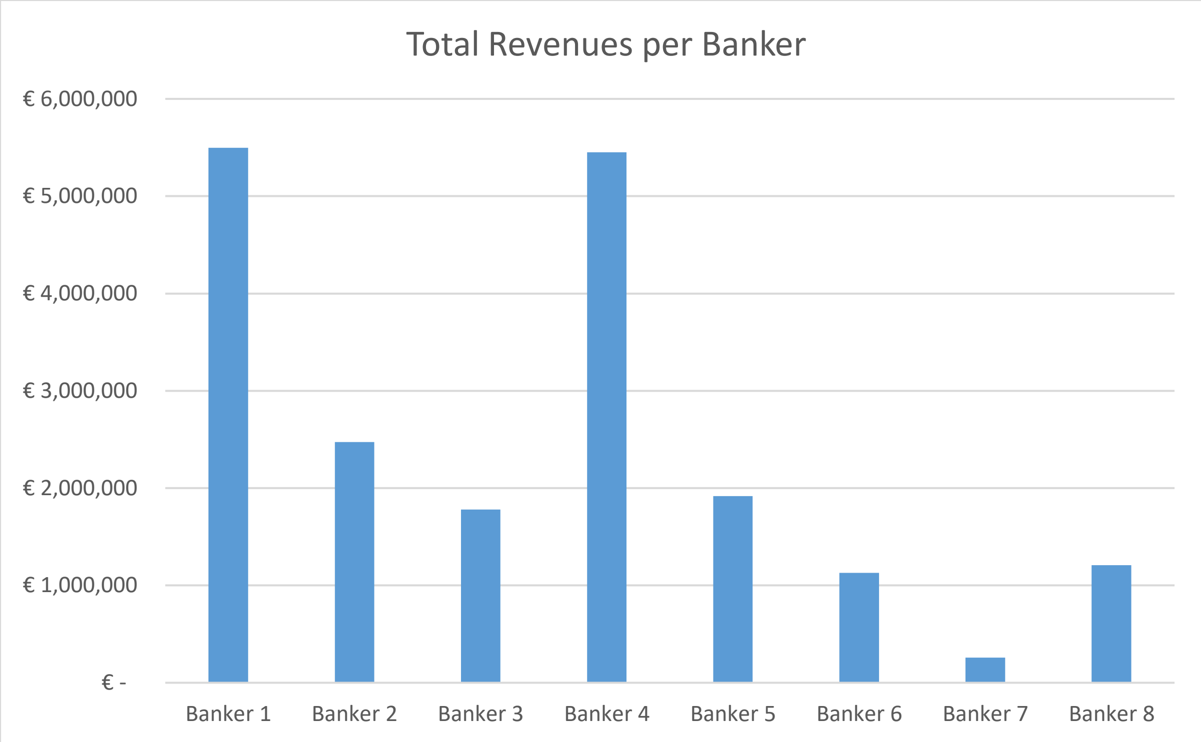

Figure 17: Total Revenues per Banker.

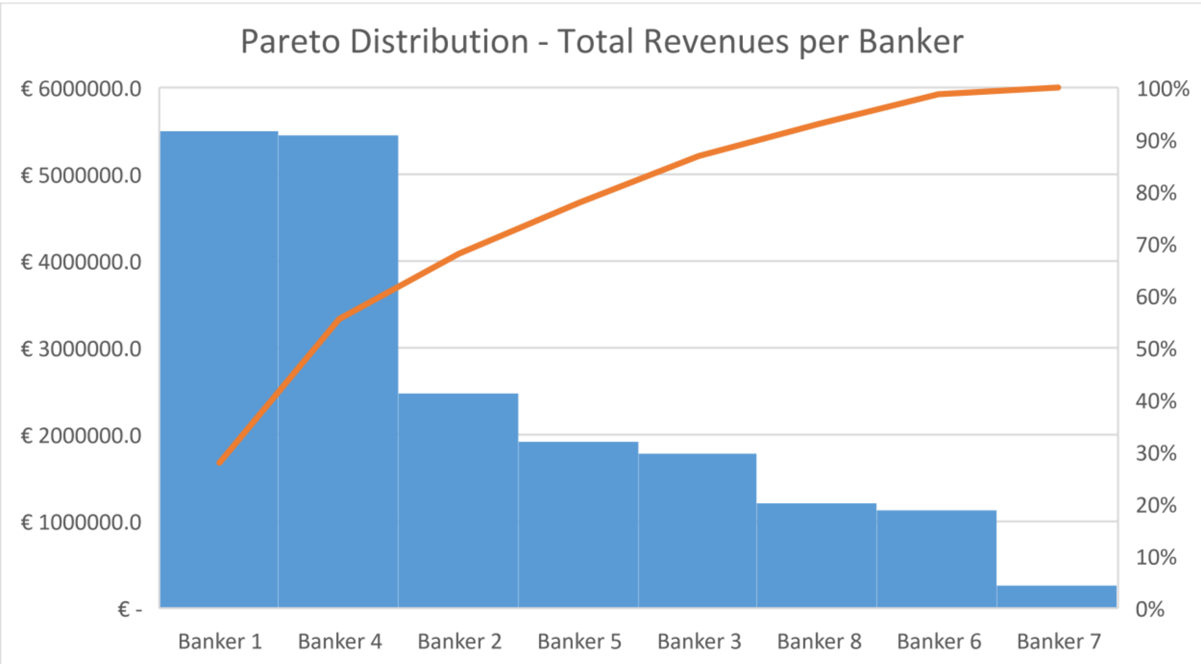

Figure 18: Pareto Distribution of the Total Revenues per Banker.

To be able to estimate the expected financial impact of the proposed improvements, I have studied the current performance of the complete portfolios per banker. Only then, can I estimate how an alternative strategy will perform compared to the current method.

Again Figure 17 and 18 show that the Entrepreneurs segment dominates the revenue charts and the fact that Bankers 1 and 4 still produce more than 50% of the total revenues. Furthermore, the notable matters, such as the unbalanced distribution of the number of above-average clients mentioned in Section 4.2, also apply to the analysis of the total portfolios.

Financial Performance Opportunities

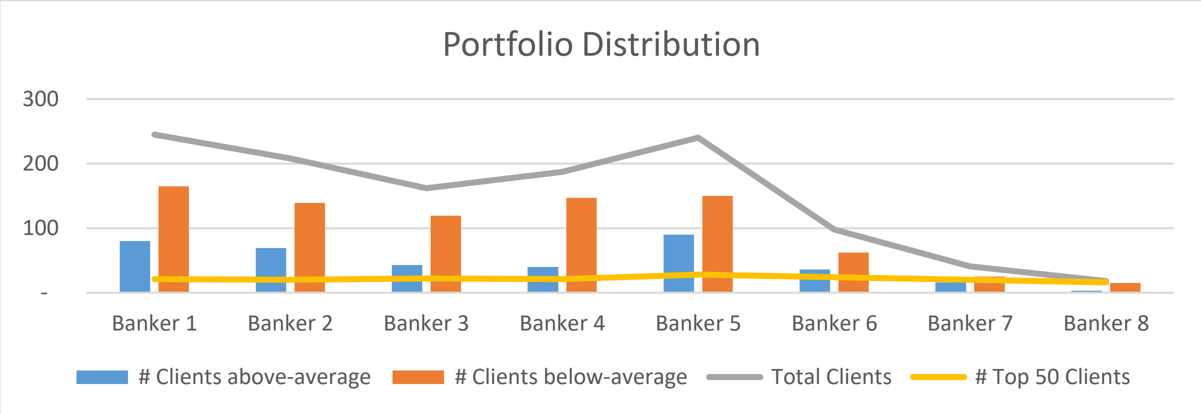

Figure 19: Total Portfolio Distribution in Comparison with Current Top 50 Strategy.

Figure 19 shows the total portfolio distribution in comparison with the current number of Top 50 clients. The orange line reflects the current number of Top 50 clients and the grey line the total number of clients per portfolio, which immediately shows how skewed the portfolio allocation is. I then started to investigate what this result means.

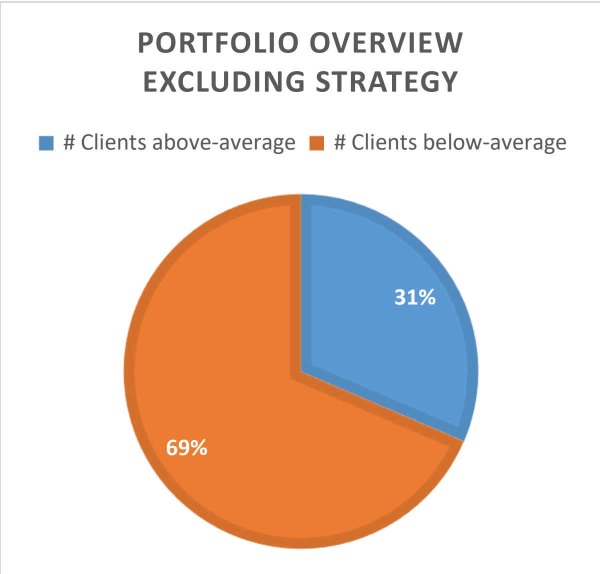

Figure 20: Total Portfolio Distribution Excluding Strategy.

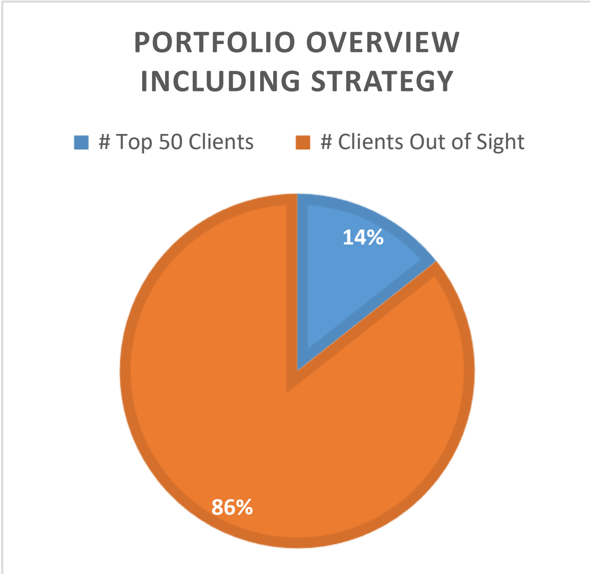

Figure 21: Total Portfolio Distribution Including Current Top 50 Method.

Next, I examined the impact of the current method on the client distribution. Therefore, I compared the total portfolio distributions without applying any strategy, to a scenario which includes the current Top 50 method. This is visualised in Figure 20 and Figure 21. Figure 21 shows that the Top 50 method ensures that the attention of bankers is focused on 14% of all clients, while Figure 20 demonstrates that 31% of the clients provide above-average revenues to the bank. Now recall that, as described in Section 4.1, the purpose of the Top 50 is to be able to provide these clients with a tailored service. This means that they are genuinely cherished. Also keep in mind that, as formulated in 5.3, a single Top 50 complex can consist of multiple clients. In other words, it is possible that a banker is busy full time maintaining the Top 50 complexes and focuses the attention on these specific clients. In various conversations with the bankers, it was stated that this is usually the case. Which is logical with such large portfolios. All in all, from Figures 20 and 21 in combination with the function and purpose of the current Top 50, I can conclude that 86% of the clients might be neglected, of which 17% are above-average clients. This indicates a financial opportunity for the bank. What this means from a financial point of view is shown in Figures 22 and 23.

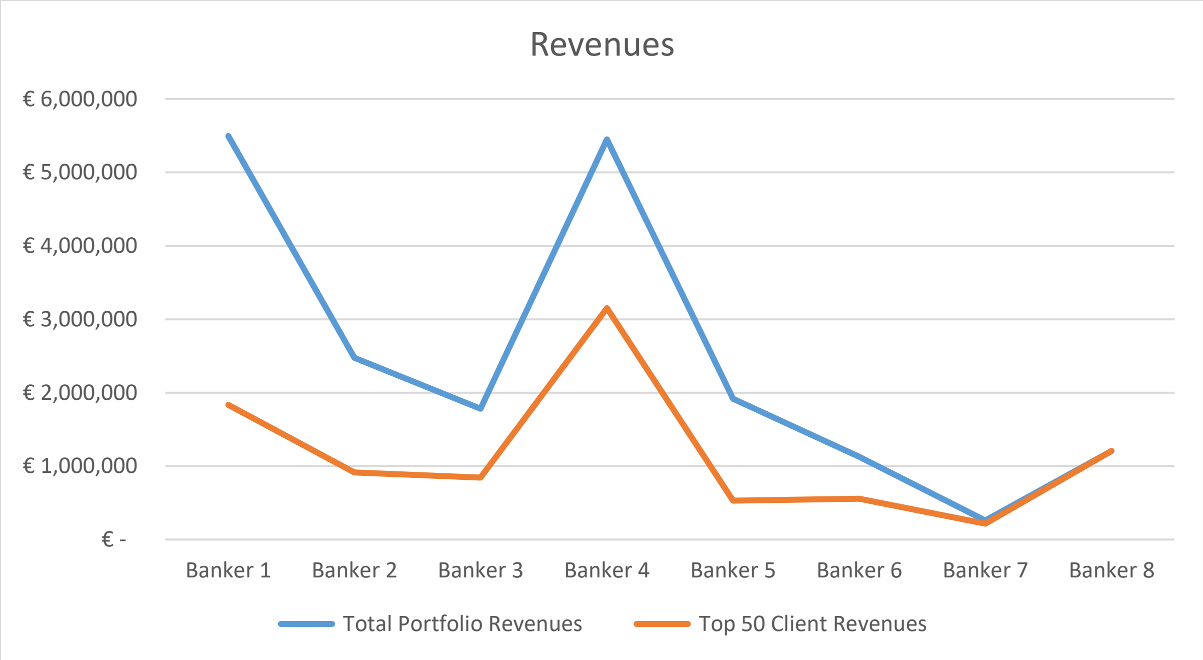

Figure 22: The Revenue Comparison between the Total Portfolios and Top 50 Clients.

From the Figures 20 to 23 it can be concluded that 14% of the clients are responsible for 47% of the total revenues. This group of clients has been in the picture with the bankers for years now. This means that there is not much potential left within this group. However, they are very profitable and thus, should remain cherished by the bankers in order to retain them. The other 86% of the clients might be neglected by the bankers and are being serviced in a reactive manner, even though they generate 53% of the total revenue. Since the bankers do not know these clients as explicitly as they know the Top 50, there lie opportunities here. Therefore, more value can be created by better segmenting those other 1027 clients.

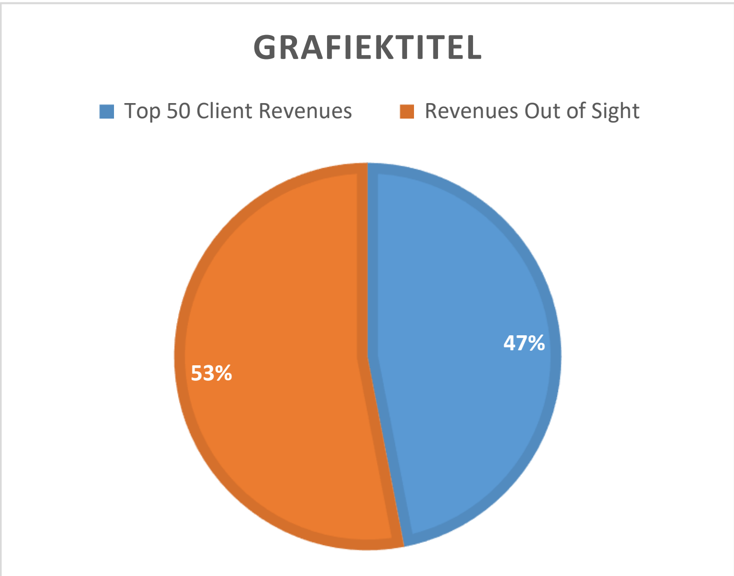

Figure 23: Revenue Distribution.

<u>Estimating Possible Financial Gain</u>

Now it is known that 86% of the clients are not completely known to bankers because they are excluded from the current Top 50 segment. I intend to estimate the impact of the proposed improvements to this by examining a best-, average- and worst-case scenario. To estimate this, the financial performance of the current Top 50 and the clients outside the Top 50 were studied.

The impact is calculated by changing the portfolio distribution per scenario as shown in Figure 24. By adjusting the 'new portfolio strategy' line (dotted orange line), I intend to simulate the different scenarios.

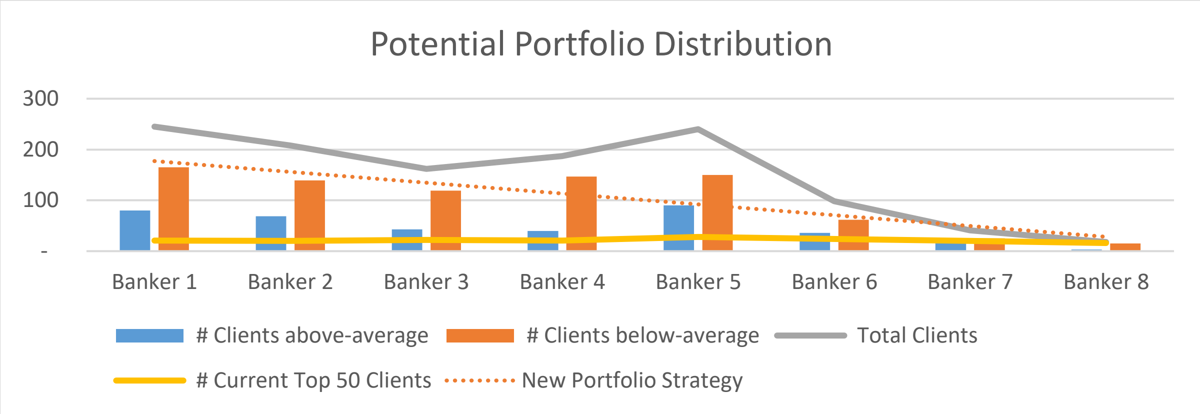

Figure 24: Alternative Portfolio Distribution.

Table 8 shows the scenarios that were simulated. Here is examined how an increase of Top 50 clients would affect revenues per banker, and this in a worst-, average-, and best-case scenario. For example, in the worst-case scenario the number of Top 50 clients only increase by 5%. Consequently, it is examined whether this 5% increase provides the bank 1,5, 2, or 2,5 times more revenues per new Top 50 client. The same holds for the other scenarios. As described in the section on *Financial Performance Opportunities*, with the current Top 50 strategy, only 14% of the clients are well known by the bankers and receive a tailored service as promised. Therefore circa 86% may get neglected by the bankers. The scenarios provide insights on the potential financial gain as a result of an increase in Top 50 clients if the new Top 50 strategy would be applied. This new Top 50 method includes my suggested improvements from Section 5. To estimate the potential performance, the average revenues of the current Top 50 clients are compared to the average revenues of the clients who are currently 'neglected'. To visualise the potential increase in revenues with the new Top 50 strategy, the different scenarios from Table 8 are applied to the 86% of the clients which are currently less focused on.

	Number of Top 50 Clients	Revenues
Worst Scenario	+ 5%	x 1,5
Average Scenario	+ 20%	x 2
Best Scenario	+ 35%	x 2,5

Table 8: The Different Scenarios.

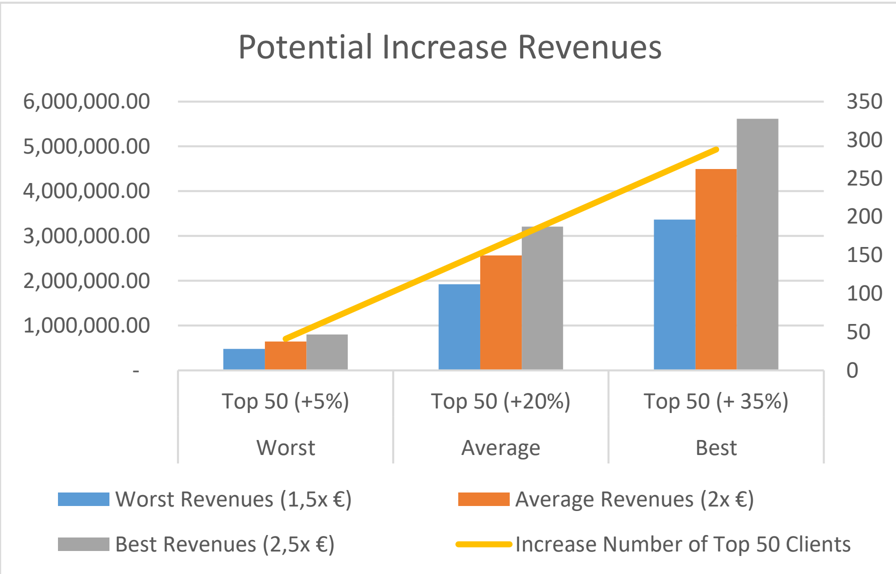

Figure 25: Potential Revenue Increase.

7 Conclusion and Recommendations

Here, I look back at the initial problem and the influence that the proposed solutions have on this. Next, I give several recommendations for the bank and further research.

CONCLUSION

My research study initially focuses on a Planning & Scheduling problem at the bank. The number of clients is growing, yet the number of bankers is limited. The bankers had little idea on how to prioritize clients in their portfolios. However, the problem resulted to be somewhat broader than a Planning & Scheduling issue. This enabled me to formulate the problem statement below. The solutions must essentially lead to an improvement of the initial Problem Statement and answer the main Research Question.

> *"**Problem Statement**: Currently it is up to the office manager how the yearly targets, set by the ExCo, will be met by his or her team of bankers. The infrastructure, which should support the office director in proactively managing his or her team in achieving their goals, is missing."*
>
> ***Research Question**: "How can we translate the yearly objectives into a uniform plan of approach which enables the bankers to achieve these targets which results in an increase in the acquisition and retention rate?"*

After defining the current process in achieving the yearly objectives, I identified the discrepancies between the current situation and the (theoretically) desired situation. Here, three discrepancies came forward:

- The yearly targets, determined by the ExCo, are not concretized;
- The Top 50 method is not functioning as it should;
- Clients are serviced in a reactive manner.

To bridge these discrepancies, I have proposed several improvements. To determine whether the proposed solutions actually contribute to fulfilling the purpose of this report, a brief definition of proactivity is given in Section 6.1. This study finds that the introduction of the Balanced Scorecard may let the office managers feel more connected the bank's mission and values, since they are now involved in aligning their staff's goals to the bank's. They gain more control of their daily schedule. Higher levels of work engagement also result in higher frequencies of taking charge because the branch managers now have suitable resources to initiatively bring changes to current circumstances [Sonnentag (2003)]. The Balanced Scorecard allows each office to align self-determined measures and targets, more suitable to their own region office, with the yearly objectives of the ExCo. Since this is a uniform method for all offices, from bankers to top management, bankers may be more engaged and behave more proactive. The new KPIs facilitate the office manager to steer proactively towards achieving the self-set objectives and ensure that the bankers are better capable to segment and prioritize their portfolios. With the help of an account planning integrated with the new KPIs, I intend to improve the way bankers approach their portfolios since the new KPIs also include driven indicators and are not solely result oriented. This with the aim to stimulate proactivity, since they have better insights on their clients, which eventually result in positively influencing acquisition and retention at the bank.

Additionally, I examined the financial impact the suggested improvements can potentially have. This is described in Section 6.2 and in particularly shown in Figure 25. In the average-case scenario, an 13% increase in revenues can be realised at the office in question. If similar circumstances are also going on at other branches, it may yield to an even greater increase on revenues for the bank.

All in all, the proposed improvements contribute in delivering a uniform approach to increase acquisition and achieving annual targets. So, in conclusion the problem definition has been addressed and thus the initial problem has also been mitigated.

Recommendations

During this investigation I observed a few cases that are beyond the scope of my research, but that are interesting for follow-up research. In this part I explain these issues and make recommendations for further research.

The Bank

Once the client information has been collected in a proactive way, after implementing the suggested improvements according to the implementation plan in Section 6.1, I recommend switching the focus to customer loyalty. Customer loyalty is an important construct for all marketers and defines a means to develop relationship with clients and hence increased business and client retention. Customer loyalty programs provide means to communicate to the clients that “we recognize and value you as a client.” The rewards associated with loyalty programs provide a means to establish interaction between the client and the bank. That is, rewards may generate a feeling of obligatory response from the client in the form of more business which in turn may lead to more rewards offered from the bank and so on. The challenge here lies in managing the process of these sequential and cyclical events in a way that is profitable and effective in a competitive market. This requires further research. The next section gives methods to gather the required data to support customer loyalty.

Further Research

Because this study was carried out in a relatively short period, it was demarcated by various points. If a wider period had been available, more processes could have been considered within the company. Besides the financial impact the proposed improvements can have, is a general estimate. Further research is required to determine the precise increase in revenues, such as the amount of effort bankers invest in clients, and what they receive in return. Then, it can be determined whether the increase in revenues will result in an actual increase in profit for the bank.

Next, I will present and discuss the kinds of additional research suggested by my study. When the suggested improvements are implemented, this additional research might be needed.

Optimal Learning
Making decisions under uncertainty and learn from it: a universal human activity, something we have all done our entire lives, and generally something we do every day. Optimal learning is a discipline that deals with the application of advanced analytical methods to help make better decisions and distinguishes two scenarios: exploitation and exploration. Some simple examples:

Deciding where to eat:
- Exploitation: Go to your favourite restaurant;
- Exploration: Try a new restaurant.

Playing a game:
- Exploitation: Play the move you believe is best;
- Exploration: Play an experimental move.

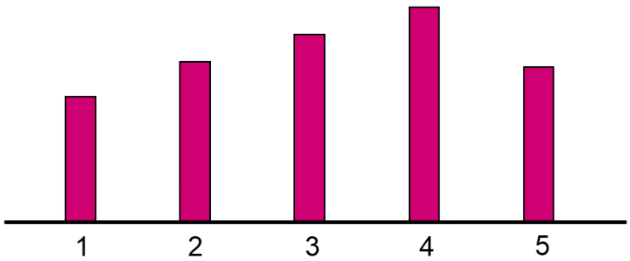

Figure 26: Profit per Client last year.

To make this concrete for the bank, we analyse Figure 26. Assume that number 1 to 5 are clients in a banker's portfolio. The bars illustrate the profit per client last year. Based on Figure 26, the banker determines which client will receive the most attention this year. What choice would the banker make to maximise the expected value of the implementation decision? The banker almost always opts for client 4. The current Top 50 method also aligns with this choice. This is exploitation as shown in the examples above. If you do not measure the impact of the decisions made, the bank cannot determine whether these decisions actually lead to maximum results. The decision is based on what the bankers believe is best. However, when the bankers make experimental decisions(exploration) and the results of their decisions are measured, Figure 27 shows that Client 5 would have given the maximum result. After learning from an experimental decision, it shows that the increase in Client 4's profit does not have much leeway in the following year, while if the same attention had gone to Client 5, Client 5's profit gain would have been greater than Client 4's expected profit. This way, Optimal Learning can contribute in optimising the banker's portfolio strategy.

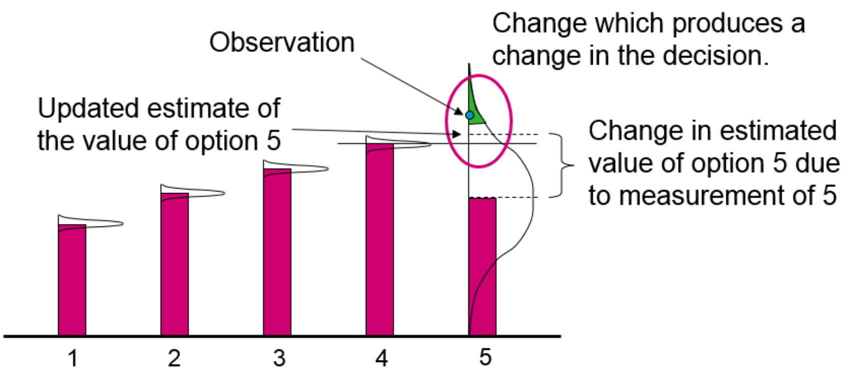

Figure 27: Potential Profit Increase per Client.

Big Data
As I stated several times during my internship, data will be the future of the bank. Big Data is about new use of business cases and new insights, not so much the data itself. Big Data Analytics is the process of studying very large, granular data sets to expose hidden patterns, unknown correlations, market trends, client preferences, and new business insights.

The possibilities of managing and utilizing data operations are endless. Here are a few options on how organizations can be transformed within an organization with the influence of Big Data:

- Business intelligence – Is a key weapon in the fight for the modern clients. By charting and predicting activity and challenge points, business intelligence puts an organization's Big Data to work on behalf of its products.
- Innovation – Big Data is used to drive new, creative products and tools to market. A concrete example: Company X reviews its Big Data picture and discovers that in warmer weather, Product B sells at a rate of nearly double of Product A in Region R, while sales remain equal in Region S and Region T. Company X could develop a marketing tool that pushes social media campaigns that target Region R markets with unique advertising highlighting the popularity and instant availability of Product B. This way, Company X can put its Big Data to work with new or customized products and ads that maximise profit potential.
- Lowered cost of ownership – The insights produced from Big Data operations can quickly centralize where resources are being underutilized and what areas need more attention. Together this information empowers managers to keep budget flexible enough to operate in a modern environment.

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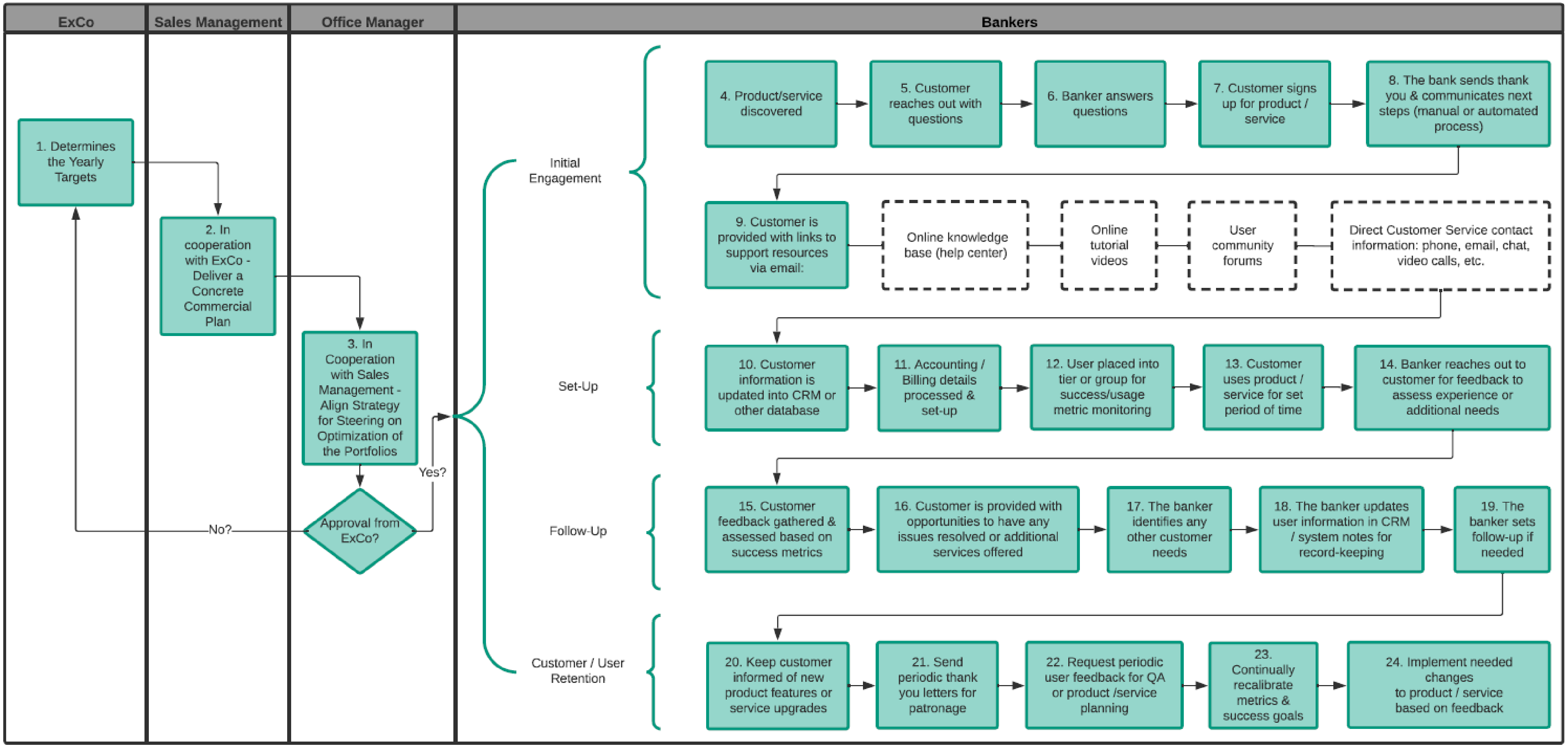
Appendix

A. Activities – Private Banker

		Eminent		O&O		M&E			
		min	# per week	min	# per week	min	# per week	Total	
1. Directing the Services	1.1 Request for administrative help	5	15			120	0,25		Verzoek aan assistent voor onder andere administratieve taken
	1.2 Consultation with Assistent			60	1	60	1		Repeterend overleg met assistent t.b.v. o.a. gesprekken bespreken, klantplanning bespreken
	1.3 Update Contactplanning	10	5						Bijwerken contactplanning
	Total		**125**		**60**		**90**	**275**	
2. Client Relation Management and Maintanance	2.1 Cient Meetings	90	6	75	6	60	6		Gesprek klant face to face (N.a.v. revisie, regulier gesprek, etc)
	2.2 Contact Client via Mail	15	10	15	6	10	20		Reageren op vragen van klanten per mail
	2.3 Contact Client via Mobile	15	10	15	10	10	20		Telefonisch klantgesprek
	2.4 Contact Client via Whatsapp	5	5						App klant, telefonische opvolging
	2.5 Capture Client Information in Siebel	10	15	10	10	10	20		Vastleggen gespreksnotities + archiveren documenten
	2.6 Mutate Client Data	45	5						Wijzigen cliëntgegevens
	2.7 Mutate Product Data			5	10	5	10		Opdracht klant formuleren richting APB
	2.8 Decease/Notarial proxies	60	1			60	0,25		Overlijden cliënt / notarieel gemachtigd
	Total		**1300**		**840**		**1025**	**3165**	
3. Exploitation of Client Relations	3.1 Enact new product via Assistent			5	5	5	5		Producten aanvragen doorzetten naar assistent (taak/mail)
	3.2 Enact new product via Banker	45	2			5	6		Producten aanvragen/verwerken/muteren n.a.v. gesprek
	Total		**90**		**25**		**55**	**170**	
4. Advice	4.1 Gesprek voorbereiden	20	6	15	6	15	6		Voorbereiding algemeen klantgesprek
	4.2 Lead to Colleague	20	3	30	1	10	1		Leads naar specialisten en collega's
	4.3 Meeting Preperation Client Transfer	30	0,5						Voorbereiding overdracht klant vanaf collega | verzamelen stukken
	Total		**195**		**120**		**100**	**415**	
5. Risk Management	5.1 Audit Work	10	5	10	5	10	5		Controleren lijstwerk: NNA, C-track, KMD, TF
	5.2 NCTO Revision	60	0,25	180	4	60	4		NCTO revisie administratie
	5.3 NCTO new			240	0,5	180	0,5		RAF NCTO: nieuwe klant
	5.4 Read Information	30	5	30	5	30	5		Bijhouden en lezen informatie, interne mail AAB (diverse bronnen)
	Total		**215**		**1040**		**530**	**1785**	
6. Events	6.1 Events	60	0,25	90	0,25	90	0,25		Klanten uitnodigen voor events + events bezoeken
	Total		**15**		**22,5**		**22,5**	**60**	
7. Acquisition	7.1 Prospect Meeting			120	1	90	1		Klantgesprek face to face (prospect)
	Total		**0**		**120**		**90**	**210**	
8. Additional	8.1 Education	120	1	120	1	120	1		Sharp, PE, DSI, WFT, alle opleidingen
	8.2 Internal Consultation	90	1	90	1	90	1		Repeterende interne overleggen (dagstart, weekstart, acquisitieoverleg)
	8.3 Travel Time	60	5	60	5	30	1		Reistijd gedurende de dag naar klant
	Total		**510**		**510**		**240**	**1260**	
	Total (minutes)		**2450**		**2737,5**		**2152,5**	**7340**	
	Total (hours/per week)		**40,8**		**45,6**		**35,9**	**122,3**	

B. Flowchart of the Desired Situation



C. New Account Planning visualization

LBC-Nummer	LBC-Naam	Banker	BeleggingsAdviseur	AdviseurVermogensbeheer	Clientgroep	Email
12935840	**Client 198**	**Banker 1**	**Geen**	**Geen**	**Entrepreneur**	
850020	Client 198-A	Banker 1	Geen	Geen	Entrepreneur	
17811414	**Client 323**	**Banker 1**	**Asset Advisor 4**	**Geen**	**Entrepreneur**	
131665154	Client 323-A	Banker 1	Asset Advisor 4	Geen	Prominent	
60896957	Client 323-B	Banker 1	Asset Advisor 4	Geen	Masters	
14168774	Client 323-C	Banker 1	Asset Advisor 4	Geen	Entrepreneur	
106777661	Client 323-D	Banker 1	Geen	Geen	SME Banking	
206627297	Client 323-E	Banker 1	Geen	Geen	SME Banking	
2006340794	Client 323-F	Banker 1	Asset Advisor 4	Geen	Next Gen	
14938138	Client 323-G	Banker 1	Asset Advisor 4	Geen	Entrepreneur	
2006349864	Client 323-H	Banker 1	Asset Advisor 4	Geen	Next Gen	
61535621	Client 323-I	Banker 1	Asset Advisor 4	Geen	Prominent	
95950990	**Client 1182**	**Banker 1**	**Geen**	**Geen**	**Entrepreneur**	
22233288	Client 1182-A	Banker 1	Geen	Geen	Entrepreneur	
95951229	Client 1182-B	Banker 1	Geen	Geen	Entrepreneur	
2001891474	Client 1182-C	Banker 1	Geen	Asset Manager 1	Entrepreneur	
2021003280	Client 1182-D	Banker 1	Geen	Geen	Entrepreneur	
2002032629	Client 1182-E	Banker 1	Geen	Geen	Entrepreneur	

LBC-Nummer	LBC-Naam	# Afspraken Norm	Opmerkingen	# Afspraken Realiteit	Januari	Februari	Maart	April	Mei	Juni	Juli	Augustus	September	Oktober	November	December
12935840	**Client 198**	5		6	**Mail**	F2F									Gepland	
850020	Client 198-A					Geannule	Tel				Gepland					
17811414	**Client 323**	6		6			F2F									
131665154	Client 323-A															
60896957	Client 323-B															
14168774	Client 323-C				Tel											
106777661	Client 323-D						F2F									
206627297	Client 323-E															
2006340794	Client 323-F					Mail										
14938138	Client 323-G								Gepland							
2006349864	Client 323-H															
61535621	Client 323-I											Gepland				
95950990	**Client 1182**	6		3			**Geannule**	**Tel**								
22233288	Client 1182-A															
95951229	Client 1182-B															
2001891474	Client 1182-C							Beeld								
2021003280	Client 1182-D															
2002032629	Client 1182-E															

LBC-Nummer	LBC-Naam	Juli	Augustus	September	Oktober	November	December	Beleggen	Vermogenstructurering	Estate Planning	Filantropie	Specialist Verzekeren	Informal Investment	Huis Buitenland	Kredieten	Interesses
12935840	**Client 198**					Gepland		**Yes**	No	No	No	Yes	No	Yes	Yes	
850020	Client 198-A	Gepland						**Yes**								
17811414	**Client 323**															
131665154	Client 323-A									No						
60896957	Client 323-B															
14168774	Client 323-C															
106777661	Client 323-D															
206627297	Client 323-E															
2006340794	Client 323-F															
14938138	Client 323-G															
2006349864	Client 323-H															
61535621	Client 323-I		Gepland													
95950990	**Client 1182**															
22233288	Client 1182-A															
95951229	Client 1182-B															
2001891474	Client 1182-C															
2021003280	Client 1182-D															
2002032629	Client 1182-E															

Cross Selling
Heeft uw klant dit Product?

D. Plan of Approach

D1. The Research Design

My research on how the current KPIs perform was explanatory, since they might have different influences on the performance of the department. Besides that, the vision of the manager may have significant impact on the performance, which means his vision also belongs to the explanatory research.

I needed to do research to acquire knowledge on which KPIs, both successful and unsuccessful, companies apply for their acquisition rate. The research on the bankers, however, will be descriptive. The knowledge I need concerns the strategy each banker currently follows and how that influences the performance at the department I am at.

The research population consisted of the office manager and the individual bankers. I must gain information about how the manager makes decisions to take the department forward. Furthermore, it is relevant for me to know how the bankers make decisions to determine which clients to visit. This will help me to design an optimal account planning. The subjects are the clients of the individual bankers.

Research Strategy

I had contact with my research population and subjects. I conducted interviews with the manager and bankers. A stimulus was not applied, since that is very difficult to do. The research on the subject will be done by means of surveys. Furthermore, I attended some meetings of the bankers with their clients to check how the bankers apply their strategies in practice. Thus, the other choice I made, was to conduct the research in the field instead of the laboratory. Therefore, I did an in-depth research on the bankers and office manager. This way, I was able to track down how the bankers operate and how this influences performance.

D2. The Methods

Gathering Data

The process of gathering my data was partly done by literature study, communicative approach and observation. To gain knowledge about the KPIs that successful companies use for measuring their acquisition rate, I performed a literature study. Besides that, I wanted to know the vision of the office manager on the performance of the acquisition rate. For this, I applied a communicative approach. Finally, observation sessions were held during meetings of bankers with their clients.

Data Processing

To process the data gathered, a quantitative as well as qualitative approach is applied. As an example, for the qualitative approach, the different personal strategies of the bankers and manager are described following the qualitative approach. The performance of each banker, as a result of their strategies, however, is shown in graphs, which means that part is presented in a quantitative way.

D3. Assessment of Validity and Reliability of Measurement

The purpose of this Section is to provide myself, as a researcher, with an understanding of the general problem of validity in social science research and to acquaint them with approaches to developing strong support for the validity of my research. Furthermore, this Section introduces concepts of reliability and validity in this social science, and major methods to assess reliability and validity reviewed with examples from the literature (Healy, 1998).

Internal Validity
Internal validity is the degree to which a study establishes the cause-and-effect relationship between the treatment and the observed outcome (Drost, 2011). Establishing the internal validity of a research is based on a logical process. For a study report, the logical framework is provided by the report's structure (Slack & Draugalis, 2001). After studying (Slack & Draugalis, 2001), I can say, with quite some certainty, that I will encounter internal threats during my research. Relative deprivation, hereinafter referred to as RD, is defined as a judgement that one or one's group is disadvantaged compared to a relevant referent, and that this judgement invokes feelings of anger, resentment, and entitlement (Smith, Pettigrew, Pippin, & Bialosiewicz, 2012). In addition to the fundamental feature that the concept refers to individuals and their reference groups, note that there are four basic components of this definition (Pettigrew, et al., 2008). Individuals who experience RD act as follows:

1) First, make cognitive comparisons;
2) Make cognitive appraisals that they or their group are disadvantaged;
3) Perceive these disadvantages as unfair;
4) Finally, resent these unfair and undeserved disadvantages.

Deprivation is a threat that could play a role. When I start interviewing the first banker, the others might get concerned that I am doing an investigation on them. This may influence their behaviour. Once the bankers get aware of the fact that I am studying how they are performing using their personal strategies, rivalry is another threat that could arise. This increases the chances that bankers might have taken some extreme measures to show better results in comparison to others.

Construct Validity
The construct is the initial concept, question or hypothesis that determines which data are to be gathered and how it is to be gathered (Wainer & Braun, 1988). (Kirk & Miller, 1986) also asserts that quantitative researchers actively cause or affect the interplay between construct and data in order to validate their investigation, usually by the application of a test or other process. In this sense, the involvement of the researchers in the investigation process would greatly reduce the validity of a test. A threat, regarding the construct validity, during my research could have been the use of incorrect literature. It could happen that I used outdated literature. However, this threat can easily be prevented since I can just simply check the date of publication. This means, it didn't play a significant role. Another threat that could have been significant, is the fact that I delivered an optimal account planning to increase the acquisition rate. Of course, there are other measures that could have increased the acquisition rate. However, due to the limitation of time, my focus was the account planning.

External Validity
External validity is defined as the extent to which the results of a study can be generalized to and across populations, settings, and times (Onwuegbuzie, 2000). The fact that the population is unique, was a threat concerning the external validity. The research population only concerned the bankers of my department. Each banker may have had his own way of acquiring new clients. Not every banker is obligated to have the same strategy. Furthermore, the time was also unique. The economy was performing well at that time. This will not always be exactly the same. It most definitely had an influence on the acquisition rate. Thus, this counts as a threat to the external validity.