

QUESTION	INTERVIEW CONDUCTED WITH: Interview 6: Outcome of interview
<p>1. 1 Define the concept new economy /new generation leadership organisations</p>	<ul style="list-style-type: none"> • Where the management structures are flatter than in the past- not the old hierarchical top down decision making structures • Silo effect is eliminated • To eliminate empire building • Relationship managers are more empowered which enhances better and easier job fulfilment • Also involves giving employees more responsibility-everyone in the organisation is responsible for the performance of the organisation and his /her own job performance
<p>2. Has ABSA PFS made a leadership transformation</p>	<p>ABSA PFS has made a leadership transformation</p> <ul style="list-style-type: none"> • Empire building has been eliminated • Leaders are younger and more driven • Cultural diversity has been entrenched by PFS
<p>3.1 Has ABSA PFS made a cultural Transformation in order to entrench new generation/ new economy leaderships principles and mindsets.</p> <p>3.2 ABSA PFS use the Beehive model to entrench change and high performance in order to renew the organisation. The beehive theoretical model consists of Seven sets of critical workplace practices;</p> <ol style="list-style-type: none"> 1) Strategy 2) Structures 3) People capacity 4) Business processes 5) Stakeholder commitment 6) Pay and incentives 7) Change leadership <p>In your opinion does any of these sets of workplace practices impacts on relationship management and on the role of relationship managers.</p>	<p>3.1 Yes</p> <ul style="list-style-type: none"> • Cultural diversity; Leaders mindsets have changed. More black, coloured and Indian people are employed. Male employees do not dominate the workplace anymore. • This cultural change is beneficial to both the relationship manager and clients. Client view the organisation differently. Also the needs of cultural diverse clients differ. It is therefore important to have skilled and knowledgeable relationship managers to deal with the needs of these diverse clients <p>3.2 All seven impacts on the role of relationship managers</p> <ul style="list-style-type: none"> • Strategy: <ul style="list-style-type: none"> - Fits in with the cultural transformation process as the strategy is focused on the acquiring of more black affluent clients. - Mindsets however need to change as the focus is not anymore on the white affluent market but on the black affluent market. • Structures: <ul style="list-style-type: none"> - Structures are more flat. This is positive in the sense that work does not need to be referred to a lot of people before it can be done or finalised. • People capacity: <ul style="list-style-type: none"> - Back-up staff is very important. Free the hand of the relationship manager to focus on selling and maintaining the relationship • Business processes: <ul style="list-style-type: none"> - Must be clearly defined. - SLA's (Service Level Agreements) must be adhered to between the different divisions in order to deliver good service. This will improve turn-around time and will enhance relationship building. • Stakeholder commitment: <ul style="list-style-type: none"> - Barclays is committed to make PFS the best private bank in Africa. This vision and goal must be shared by the rest of ABSA and its employees. - • Pay and incentives: <ul style="list-style-type: none"> - If relationship managers are market related paid and they do receive incentives for high performance, relationship managers will not look out for other positions at other banking institutions or divisions. - Motivation can be linked to good pay and incentives. - Next year the relationship manager's performance will be measured on the growth of his balance sheet. • Change leadership: <ul style="list-style-type: none"> - The changed, creative and innovative leader will provide solutions and added value to the diverse client base. - The diverse cultures in PFS also make it easier to resolve and service diverse clients. - Knowledge and skills are shared with each other.

<p>4. Has ABSA PFS abandoned old economy hierarchical power?</p>	<ul style="list-style-type: none"> • Yes <ul style="list-style-type: none"> - Top down management and decision making has been changed to a great extent where employees can make decisions –obviously quicker decisions can be made - In some instances top management make decisions and the lower level employees are not involved. - In general the structures are not as hierarchical as in the past which means that relationship managers can make certain critical decisions themselves that can enhance the relationship building process with the client.
<p>5. Has ABSA PFS entrenched new economy democracy and principles?</p>	<ul style="list-style-type: none"> • Yes <ul style="list-style-type: none"> - Relationship managers manage their own client base and are responsible and accountable for the growth and profit of their portfolio. - Relationship managers have the personal authority to resolve their own daily work problems. - Talent management, team learning and shared knowledge are encouraged.
<p>6. How does the implementation of the five drivers of Leading the ABSA way affect the role of relationship managers?</p> <p>The five drivers of “Leading the ABSA way” are as follow:</p> <p>1. Personal mastery</p> <p>2. Self organising teams</p> <p>3. New economy leadership behaviour</p> <p>4. Change leadership behaviour</p> <p>5. Managing complexity and diversity</p>	<p>1. Personal mastery:</p> <ul style="list-style-type: none"> • Personal alignment with ABSA PFS • Having the personal authority to align processes to be able to master a smooth flow of work. <p>2. Self-organising high performance teams:</p> <ul style="list-style-type: none"> • Back-up teams are critical. When there is a delay in work processes the clients are unhappy. This puts more pressure on relationship managers as they get involved into doing the administration. <p>3. New economy leadership behaviour:</p> <ul style="list-style-type: none"> • Relationship managers are responsible for their own success. Relationship managers are empowered to make certain decision to create added value and build relationships with clients. <p>4. Change leadership development:</p> <ul style="list-style-type: none"> • Communication is emphasised by top management. • Information is communicated via road shows, intranet and communication interventions <p>5. Managing complexity and diversity</p> <ul style="list-style-type: none"> • Staff is cultural diversified. • Was difficult in beginning to understand each others cultures and work practices and ethics. Knowledge has been shared and the change has been adapted by PFS and its employees. • It benefits the organisation, as customers view the organisation differently. Client's different needs and problems can now be better understood and resolved.
<p>7. In your opinion what emerging leadership profiles should a relationship manager have in a new economy organisation.</p>	<ul style="list-style-type: none"> • Self confidence • Accountable and more responsible for own and total organisation performance
<p>8.1 Are there any contributing factors of new economy leadership principles that impact the role of relationship managers?</p> <p>8.2 Do you think it is a positive or negative impact?</p>	<p>8.1 Yes there are contributing factors such as:</p> <ul style="list-style-type: none"> • Employees master their own work. They think differently “out of the box”. • Learning as a team-learning organisation. <p>8.2 Positive</p>
<p>9. Define Customer relationship management(CRM).</p>	<ul style="list-style-type: none"> • CRM is a process where the relationship manager starts to build a relationship. Appropriate advice is given to client in order to add / create value for the client. The only way that a relationship can be build, is when the relationship manager get to know the client and understands his needs.

<p>10.1 Does ABSA PFS focus on acquisition or retention?</p> <p>10.2 Is retention important?</p> <p>10.3 Customer relationship management is a critical aspect in order to retain clients – comment on statement</p>	<p>10.1 Acquisition and retention</p> <ul style="list-style-type: none"> Acquisition is important to attract emerging affluent black clients. PFS also needs to grow the book. <p>10.2 Retention is very important because it is not so expensive to retain an existing client than it is to acquire a new one. It takes time to acquire a new client, and it is easier to cross-sell to a client that is already known.</p> <p>10.3. If you do not know the client you cannot give good advice. Relationship building is therefore critical. You need to know where the client is in his/her life-cycle stage. Relationship management is therefore of critical importance.</p>
<p>11.1 By implementing a CRM strategy are there any benefits to the relationship manager and its role?</p> <p>11.2 Are there any benefits for ABSA PFS to have a CRM strategy?</p>	<p>11.1 Yes there are benefits</p> <ul style="list-style-type: none"> The better you know your client, the more effective cross-selling .Relationship building therefore important. To integrate divisions to deliver the best possible service. Client will be satisfied with service and with the relationship and will be retained. <p>11.2. Yes there are benefits for ABSA PFS.</p> <ul style="list-style-type: none"> Importance of repeat business Existing clients will ensure larger profit margins.
<p>12. ABSA PFS relationship managers are the ideal people to maintain the relationship-discuss the statement.</p>	<ul style="list-style-type: none"> Yes they are the best people Clients want one central contact point
<p>13. 1 New economy leadership impacts on customer relationship management/managers-discuss statement.</p> <p>13.2 Is it a positive or negative impact?</p>	<p>13.1 Does impact on CRM and on relationship managers</p> <ul style="list-style-type: none"> New economy leadership behaviour enhances innovation, creativity, to think “out of the box”. Allows relationship managers to be more responsible and accountable for actions. This makes the job more professional and easier. Adopt your own best practices; making own decisions i.t.o what works for you and for the customer. <p>13.2 Positive</p>
<p>14. Define relationship marketing.</p>	<ul style="list-style-type: none"> Taking it away from the focus of the selling of products to the focus on relationships. It is important to know and understand the individual's needs.
<p>15. 1What is the difference between transaction and relationship marketing?</p> <p>15.2 Which approach does ABSA PFS takes, a transaction marketing or relationship marketing approach?</p> <p>15.3 Which approach do you think integrates with ABSA PFS vision and value proposition? Give reasons and examples to clarify answer.</p>	<p>15.1 Transaction marketing:</p> <ul style="list-style-type: none"> Looking at “one size fits all” <p>Relationship marketing:</p> <ul style="list-style-type: none"> Looking at individual's needs <p>5.2 Relationship marketing</p> <p>15.3 Relationship marketing.</p> <ul style="list-style-type: none"> Moved away from being products driven. Looking at satisfying client's individual needs. Value proposition is about building client relationships. Must focus on the total service offering to client. The focus in future will be to measure the relationship manager on the performance on his/her balance sheet. This means that the focus will move away from products only as the relationship manager will be managed on the growth of his assets. This entails the focus and emphasis on retention. Marketing is taking a new approach that is built on relationships.
<p>16.1 What is the main goal that ABSA PFS want to achieve with relationship marketing?</p> <p>16.2 Can relationship management (CRM) be seen as an integrated process of relationship marketing?</p>	<p>16.1</p> <ul style="list-style-type: none"> The better the relationship the more difficult it is for a client to move to another institution. Entrench the relationship in such a way that the client “overlooks” mistakes and still see the benefits of banking with ABSA PFS. <p>16.2 Yes</p> <ul style="list-style-type: none"> The two must be aligned in order to be successful.

	<ul style="list-style-type: none"> Marketing must promote relationship building. Currently PFS is aligning the two very successfully, i.e. marketing is advertising and promoting relationship building quite aggressively. The latest advertisement on television is a good example ;" My bank is my passion, My comfort, My friend "
<p>17.1 Comment on how ABSA PFS aligns the following components in its relationship marketing strategy</p> <ul style="list-style-type: none"> • Organisation culture • Values and attitudes • Leadership • Structure • People • Process 	<ul style="list-style-type: none"> • Organisation culture: <ul style="list-style-type: none"> - ABSA has made a huge change in organisational culture over the past five years. - The organisation was perceived as a very "Afrikaans" orientated bank. - ABSA has changed this perception. We see it in our acquisition of new black affluent clients. - Our cultural diverse employees are also proof of the success of this change. • Values and attitudes: <ul style="list-style-type: none"> - PFS has entrenched values such as personal fulfilment of employees and taking responsibility for the whole organisation. - PFS emphasis integrity. Clients want to deal with someone that they can trust and rely on. Relationships are build on the basis of mutual trust. The relationship marketing strategy emphasised this aspect. • Leadership: <ul style="list-style-type: none"> - More flatter structures that allows room for more personal responsibility to add value to the whole organisation • Structure: <ul style="list-style-type: none"> - New structures will soon be introduced. Each relationship manager will have his/her own assistant. This will enable the relationship manager to be more available to see clients and to maintain the relationship. • People: <ul style="list-style-type: none"> - Must have the right people for the job and keep them as happy as possible. - Motivated employees have a positive impact on clients. - Having relationship manager with the necessary skills and knowledge will create value for the client and will enhance the relationship. • Process <ul style="list-style-type: none"> - Everyone/ All divisions must have the same goal - Current processes support the relations marketing strategy. - Processes have been changed to adapt to the marketing strategy. Processes are not as fast as it should be however changes to processes will be made as and how products are developed.
<p>18. The objective of the new economy leadership organisation is also to create value for the customer. New economy or also called new generation organisations eradicate those activities, processes, procedures and people that do not create value for the customer. This implies that organisations that entrench new economy leadership principles are able to effect major changes in customer relationship management (CRM) and relationship marketing as are required to make it a leader in its field.</p>	<p>18.1 Yes</p> <ul style="list-style-type: none"> • One of the biggest goals is to satisfy clients' needs. • Create an unique bundle of products to satisfy clients needs • We need to adapt what is happening in the market • New economy leadership principles must be combined with relationship marketing to add value for the client. We need the new economy principles to assist in how we are going to do things differently. The focus on relationship marketing is therefore the promoting of relationship building instead of the old way of marketing i.e. products, price. <p>18.2</p> <ul style="list-style-type: none"> • Positive impact • Having flatter structures, the more one can create his/her own business strategy and make your own decisions. Business decisions can then be made that will impact on profitability of the organisation. • Thinking out of the box, sharing knowledge and skills are new economy leadership principles that need to be entrenched to successfully implement the relationship marketing strategy. • Must have a close relationship with the marketing division, they are more creative and together we can create more value and entrench close relationships with clients.

<p>18.1 Does ABSA PFS integrate new economy leadership principles with its relationship marketing strategies?</p> <p>18.2 What impact does new economy leadership have on relationship marketing?</p>	
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