

## Global Account Management Helps Bank Position for Growth

### Executive Summary

#### CUSTOMER

Top-tier global bank

#### INDUSTRY

Financial Services

#### CHALLENGES

- Exploit strong position in private and select investment banking to grow profits and market share during financial crisis
- Integrate bank's corporate divisions into a cohesive whole
- Offer unique customer experience for bank's elite clients through superior needs-based solutions and advisory processes and tools

#### SOLUTIONS

Developed a tailored global account management model based on company goals and strengths. Based on this model, the bank:

- Invested in client information and collaboration tools
- Instituted a 360-degree customer view for relationship, profitability, and lifecycle offerings across the enterprise
- Developed customer-centric, quick-cycle product innovations
- Promoted and enabled a collaborative culture to encourage cross-functional working

#### RESULTS

- Better than 90 percent customer satisfaction
- Best-in-class offerings for individual and corporate clients, delivered jointly from the bank's divisions
- More than \$1 billion in additional revenue per fiscal year

### Background

The customer, a leading player in global banking, faced declining profits due to the worldwide recession and an inefficient corporate structure. The bank understood that remaining a leader would require decisive action, especially in the areas of sensing market needs and creating a superior customer experience.

The bank's leaders had developed a vision to move from three individually operating businesses to a fully integrated enterprise that would better deliver the firm's complete capabilities to clients, capture revenue growth opportunities, and realize cost-saving synergies.

To make the integrated bank a reality for its major customers—other top banks, multinational corporations with global salesforces, and “ultra-high-net-worth individuals (UHNWI),” defined as those with US\$30 million or more in investable assets—the bank's chief executive officer knew it was essential to develop a different approach for dealing with these valued customers. The bank reached out to the [Cisco® Internet Business Solutions Group \(IBSG\)](#) for ideas and market insights, both because of IBSG's expertise as a strategic consultancy, and because Cisco was a customer of the bank, with firsthand experience with its services.

After discussions about how to produce new revenue opportunities, create competitive differentiation, increase efficiencies, and reduce costs, the bank asked Cisco IBSG to design a business model based on global account management (GAM), a process that gives clients a single point of access for all of the bank's processes and services.

Rather than dealing with many people, services, and pricing models, customers would work with one or two highly skilled individuals or a small team of experts with in-depth understanding of the customers' businesses and how each service can support them.

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## Challenges

As a starting point, Cisco IBSG conducted market research to identify the wants and needs of the bank's institutional clients. It also did benchmarking studies with other first-tier banks and corporations to discover how other global companies handle their top accounts and to establish GAM best practices. The research found the bank was falling short of client expectations in several key areas:

- Clients felt the need for coordination. For example, one customer said representatives from different divisions of the bank, competing with each other, would approach his company with nearly the same product.
- The bank's sales approach was seen as opportunity-driven rather than being based on client needs. Clients wanted a bank that was always available and that could execute innovative solutions for their particular financial concerns.
- Clients felt they weren't getting the best prices or services because no one within the bank was aware of the complete relationship. In addition, if something went wrong, they wanted a clear understanding of who was responsible for service delivery.

In the bank's favor, however, was the finding that no competing institutions had fully cross-divisional global account management, though some were doing a better job than the bank in coordinating services. Cisco IBSG estimated that an institutionalized GAM program could increase the bank's gross profit by \$460 million over five years and differentiate it from its competition.

## Recommendations

Cisco IBSG developed a tailored GAM model based on client goals and the bank's strategic objectives and strengths, taking into account lessons learned from the market.

Cisco IBSG recommended that the bank institute a best-in-class GAM model for its elite customers—less than 1 percent of its total client base. The key to success was to focus not on product features and price, but rather on extending the bank's value: earning and retaining the "right" to deeper relationships with top customers by providing advisory services beyond just the "buying moment."

Giving these customers the service they required would make it more likely that they would remain clients and expand their relationships with the bank. This also would result in higher revenue because of the bank's increased focus on its best clients.

Cisco IBSG also suggested developing methodologies for customer-centric, quick-cycle product innovations so the bank could become an "outside-in, sense-and-respond" organization. The new approach promoted a collaborative culture characterized by "silo-busting" to encourage cross-functional working.

Among Cisco IBSG's other recommendations:

- Institute a 360-degree customer view for relationship, profitability, and life-cycle offerings across the enterprise, with clear accountability for products and resolution of customer service issues.
- Provide a team for each client, with the team based near client headquarters. The team should work proactively on financial initiatives, be available around the clock, and have a fast-track process to address critical problems.
- Select team leaders carefully. They should possess “gravitas,” as well as respect both within the bank and with the client.
- Align incentive schemes more effectively with long-term customer satisfaction and impact.
- Ask the head of a GAM team to act as a coordinator who applies bank resources to client concerns in the best possible way. This overcomes the problem of having too many services for one person to master.
- Eliminate regulatory hurdles that prohibit certain communications between the trading and M&A divisions by having two global account managers: one to manage strategic deal-making activity, and one to manage transactional banking.
- Implement a strong global networking platform as an enabler for working in real time across internal and external borders to speed up solution and service delivery to customers.
- Invest in client information and collaboration tools such as Cisco Unified MeetingPlace™ and video conferencing for internal collaboration, Cisco WebEx™ for external collaboration, and client-information applications on mobile phones for advisers on the road.

These findings and recommendations were presented to the bank's CEO, who allocated the budget to implement the GAM concept as one of the cornerstones of the integrated bank plan.

## Results

The integrated bank approach and the implementation of global account management have yielded big returns. The bank today reports better than 90 percent customer satisfaction with its comprehensive advice from clients served by a global account manager. The UHNWI segment is strong and growing, and the bank has earned an increased share of wallet through cross-organizational referrals.

Today the bank is a leader in offering best-in-class solutions to its largest clients, such as high-quality, alternative-investment products for UHNWI clients from the institutional asset management division, or tailored special products

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for corporate customers delivered jointly by investment banking and private banking specialists.

All in all, the bank realizes more than \$1 billion in additional revenue per fiscal year.

Managing customer relations is fundamental to any business, and it is vital for an integrated global bank that serves the most demanding clients. The results of the bank's move to global account management are proof that bold transformational decisions can lead to breakaway returns if cultural, regulatory, and technical hurdles are overcome.

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#### More Information

Cisco Internet Business Solutions Group (IBSG), the company's global consultancy, helps CXOs from the world's largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>

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