

University of Lugano Teaching Cases on Knowledge Communication, Case #10, 16/02/2005

Against Better Knowledge:

The Difficult Communication of Best Practices at BankCorp

This case was written by Anna Linda Mussacchio Adoriso and Martin J. Eppler. It is based on interviews in two financial services companies. These results have been combined in the current case study. The aim of the study is to inspire class discussion rather than to illustrate the effective or ineffective handling of an administrative situation.

Roger Miller, an experienced and enthusiastic manager at BankCorp's private banking unit, didn't know what to think anymore. On the one hand his project team had been highly successful in identifying and documenting the key mechanisms that made their bank's private banking sales champions who they were – the most successful sales team heads in the bank. On the other hand, it looked like no one seemed to care about these results - except for his boss, who expected a presentation on the project's (supposedly) last phase within one week.

Much to Miller's surprise, the majority of the (often less successful) sales team heads had not embraced his team's suggestions (based on almost eighty interviews with mostly top performers); in fact the opposite was the case. Although his team had made an enormous effort to make the so-called 'best practice package' attractive, it had met with scepticism or indifference. This was alarming, especially since the best practice initiative was directly tied to the new strategy of BankCorp to improve its client acquisition process. The initiative had also cost the bank too much money to let it end without a noticeable impact.

Having been the leader of the "Financial Sales Best Practices" project for over year, Miller thought that the recent launch of the best practice portal would be the final milestone in this ambitious initiative. Now, however, he realized that he had underestimated the communication aspect of this project.

He leaned back in the chair of his corner office and flipped through the Powerpoint presentation on the project's results that he had prepared for his boss. Would he be impressed? Would he appreciate all the work that had gone into the best practice package? His boss would probably be pleased with the analytical work that his team had done over the last ten months, but the actual impact on the daily sales routines would not be convincing, Miller feared. "At the very least", he thought, "I must be able to give him new suggestions on how to tackle this major communication problem. But haven't we tried everything, from brochure, to intranet portal, to training, to convince the sales heads to adopt the successful practices?" Miller

realized that he had to go over the project's history again to really come up with new, sensible ways of communicating the best practice knowledge to the other sales heads.

* * * *

If Miller remembered correctly, the new client management process had been the trigger for the "Financial Sales Best Practices" project. Based on a prior analysis conducted by a consulting firm, BankCorp had introduced a new client acquisition and management process. The best practice initiative had the objective to "fill" this process with effective tasks and activities.

As a first step in the project, the project team had to define the scope of the project and decided to limit the initial efforts to the International Private Banking Division. This could serve as a pilot that could be extended later on (this was the optimistic thinking at the time). The division was made up of six business units divided on a regional basis. Each of these business units comprised a number of 'desks' (which is the smallest sales unit, with a desk head and a number of client advisors ranging from two to twelve).

The project team also decided on the selection criteria to be used in order to identify the best performing desk heads (who would be the source of the best practices). This phase was completed together with external consultants. It was also the result of internal discussions with business unit managers in each division. For the selection of sales champions, quantitative aspects were taken into consideration, such as the criterion of net new money (e.g., new client money that was won) and return on assets (or profitability). The selection criteria also included qualitative performance issues, such as the opinions of market representatives. The third step of the best practice identification phase was that of interviewing sales heads. The interviews were semi-structured. The desk head was asked to answer questions on the key processes in his or her sales organisation. These processes are acquisition, client development and retention and the management of the entire sales process. In terms of challenges at this stage of the project, Miller remembered one interviewer telling him that "the difficult part of the interview was that sales managers are not really conceptual thinkers, so they often give us everyday examples and anecdotes instead of concise key success factors and neatly documented methods. It is difficult for us to grasp the essence of such examples."

The last part of the identification phase was that of the validation of the results. Two one-day workshops were held to consolidate the results. Miller laughed as he remembered the lively debates and controversial discussions in those workshops. Forty percent of the interviewed staff and a number of senior managers were present at these validation workshops. The senior managers who attended were chosen because they were critical, but at the same time innovative and conceptual thinkers. External consultants integrated their own personal knowledge and expertise based on other contexts they had analyzed previously. There were three areas of crucial knowledge identified: the first one dealt with personal and social skills (i.e., being open and proactive when talking to people, or being able to listen to a client long enough before coming up with a solution), the second area related to technical knowledge on the financial offerings of the bank, and the third one related to the organisation of the work as a client advisor. It was decided that only this last area would be the object of the codification and communication phase.

Thus, the practices that were to be codified were proven methods regarding the work processes of the sales managers. During those workshops Miller himself had come up with the following definition of best practices – that all his colleagues accepted:

“Best practices consist of activities which you can carry out in a sequence and can be repeated: they are all about an order of how things are done, and done best”.

The workshop results made it very clear that the role of the sales head was changing. A desk head should transform from a sales guru into an effective team leader who pro-actively manages the sales process. Miller had no idea how tough this was going to be at the time of that results workshop.

The subsequent codification phase was mainly completed internally and the main outcome was a list of ten best practices reflecting the four-step advisory process that had been defined in an earlier project. These ten best practices addressed how to manage a sales team, how to manage clients and how to manage the sales processes. A set of 15-20 slides was produced explaining what these practices were, why they were useful for the clients, why they were useful internally for the client advisors, and what the possible approaches would be to implement them. The slides did not contain a very strict set of rules, but rather an open framework that allowed

for variations. Miller clearly remembered this phase of the project: “There was not much effort to codify insights in a very elaborate way. Most of these practices are so obvious that you immediately see what they are about. Everybody already knows it and says ‘uh uh’, and then it’s all about actually doing it. One of the problems of codifying such best practices is to make the intuitive explicit, to make it simple and yet relevant, something that can be applicable to almost every situation”. At that point of the project, Miller’s team divided the sales best practices into three categories, namely managing your team, managing your client, and managing the sales process. The best practices described how to hold sales meetings, how to track leading indicators, how to prioritize, profile and contact clients, and how to optimize product campaigns.

The two main outcomes of this codification phase were a printed binder containing reference guides and an online intranet portal called Best Practices Portal, where the client advisors could log on in order to access training and information material.

The last official phase of the project was the communication phase. It was not conducted by the project team, but rather by the marketing organisation which supported the central communication development and the development of tools in coordination with implementation plans provided by the project team. Communication specialists designed a highly structured process of communication: part of this plan was mailing the desk heads an information package containing an introduction letter from the CEO of the private banking division, Rapid Reference Guides; a memo on the use of the Best Practice news on the bank intranet; and the comprehensive ‘Applying Best Practice Folder’ (with a distinction between desk heads and client advisors who didn’t receive the practices regarding managing a team). As well as this, meetings, conference calls and on-site visits were organised to promote the ideas laid out in the best practices.

This communication phase took place on two different levels: the central and the local levels, with staff and management at the local level in charge of organising local events. The project team thus emphasized information delivery. Direct interaction among sales managers did not play a vital role in this phase. The same was the case for the website, that focused on providing reference material, and not really on enabling interaction.

It was at this point that Miller had proposed a monitoring system to check whether the new methods were actually being used. The results were rather discouraging in spite of the fact that his team had also developed practical tools to make it easier for sales heads to use the methods on a daily basis. Miller's team had also segmented the sales team leaders according to their willingness and ability to use the new methods. Based on this segmentation, further communication measures were devised to motivate hesitant sales team heads to experiment with the best practices. Still, the communication process of the best practices was very much a one-way street. And this street got narrower and narrower as the attention of sales team heads had become a scarce resource.

* * * * *

Roger Miller was still confused about the project, but at least on a higher level. He could see that not everything had gone as smoothly as it could have. After all, his team had to learn the art of gathering best practices from scratch. Maybe they were trying to preach the 'sales gospel' too much, instead of involving the other sales heads early on. But how could they make the entire process of communicating best practices more interactive? How could the sales heads, especially the underperforming ones, be more actively involved in actually using the best practices? Why did they not embrace the new methods and see their potential to improve their own results? What were the reasons for their reservations? Would the project team have had an easier time communicating the best practices, if the identification and codification phase had been done differently? Or was the *not-invented-here syndrome* a fact of life that they just had to live with? Miller had already answered this question for himself. He would not let the gathered best practices go to waste. He would include a request for additional funding in the presentation to his boss. Now, if he could only figure out what measures to include in that new proposal...

Case Questions:

1. How would you cluster the desk-heads in terms of their potential reaction to the best practices? Which kind of communication activity should be tailored to each group?
2. Analyze the three phases and suggest ways in which the involvement of the team heads could be improved early on.
3. Where do you see the main problem in the way the best practices were collected? What could have been done differently?
4. Which selection criteria would you apply to make a method a 'best practice'? Do you agree with the two quantitative performance indicators and the opinions of market representatives?
5. Where do you see the main problem in the way the best practices were codified? What could have been done differently to ease the subsequent communication challenges?
6. Where do you see the main problem in the way the best practices were communicated?
7. How far can software be used to codify and communicate best practices? What are its limitations?
8. Where do you see the potential of direct, inter-personal communication for the transfer of best practices?

DOWN