

## **Not Just a Referral Plan, But *OneTeam!***

*Commonwealth Bank of Australia Seeks Enterprise Repeat of ASB Success Model*

### **The Client**

Commonwealth Bank of Australia, the country's largest bank in terms of customers and distribution footprint, has \$425 billion in assets, more than 35,000 employees, and more than 1,000 branches.

### **The Winning Management Team**

Fred Pollock is CBA's Executive General Manager, Group Sales and Service. Roni Rutland is CBA's Executive Manager, Performance Strategy. Pollock had previously led a similar success at Auckland Savings Bank (ASB), the New Zealand sister bank of CBA. Both emphasize that CBA's entire executive management group, including CEO Ralph Norris, were visibly involved in the CBA success.

### **The Challenge**

The challenge, according to Pollock, was, "How do we make sure that we put our customer in front of the right product specialist at the right time? How do we get better at making and converting referrals in the best interests of our customers?"

It is a challenge faced by most large banks, but for CBA it was exacerbated by the company's huge geographical spread with local market differences, many employees acquired from other institutions, and a history of independent operations of its three main business groups. Compounding the challenge was Australia's extremely competitive banking arena, where growth must come from taking competitors' customers or else providing more to your own customers.

### **The Approach**

CBA chose Cohen Brown's *OneBankism* program, which the bank quickly made its own by rebranding it as *OneTeam* and putting CBA's top executive management team, including the CEO, visibly at the forefront of the effort. They staged a rapid and wide rollout they called a "Cascade Plan" that moved quickly down and out through the ranks, gathering energy and sweeping the entire organization into its reach. All sessions were led by the Group Sales and Service leaders, not by trainers.

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## Early Results

Pollock is at pains to stress that *OneTeam* is still in the rollout stages — about 80% through the training in the third quarter of 2007. But his confidence is bolstered by his previous ASB experience with the program, where he saw it produce success rates of “tremendous lift — 95% year after year.”

Now, he says, “The early signs of solid progress are there: In the pilot area for *OneTeam*, the referral rate has increased 50%. Better yet, the conversion rate for cross-business referrals has doubled — from 30% to 60%.” The value of those referrals can be substantial. Rutland reports that a single transaction amounted to hundreds of millions of dollars, when someone in the credit management group learned of an opportunity for the wealth management group.

Pollock cites another reliable early indicator, management receptivity, saying, “Success requires management buy-in. *OneTeam* has been well received by top managers in every unit beyond our highest expectations.” Regarding employee receptivity, Rutland says, “Now our business units understand and are developing a renewed trust in one another. Without that, there’s not enough incentive money in the world to make *OneTeam* happen.”

## How They Did It

One of the first things CBA did was to take Cohen Brown’s “leader-led” philosophy to a new level. Rutland recalls, “We said, let’s make sure our employees are fully aware that *OneTeam* is not just another training initiative, but instead a profound strategic change led from the top. So we took the essence of the Cohen Brown videos and re-shot them with our own executive management team. That means that in every *OneTeam* session, it is our own leaders who are voicing the principles of *OneTeam*.”

CBA sent another clear message to all employees via the *OneTeam* video. A key component of the Cohen Brown program is the Mutual Charter Agreement (MCA). Separate business lines formally enter into signed agreements about how they will provide quality referrals to the proper specialists and how they will handle referrals they receive so as to reflect well on the referring party. At CBA, employees were treated to video footage of the top executives of the separate business lines actually negotiating their MCAs.

Then:

- In Phase 1 CEO Ralph Norris led his team of Group Executives in developing their MCAs.
- Phase 2 involved full-day Roadshow sessions for the Executive General Managers of all lines of business.
- Phase 3 brought Executive Managers from Support functions (e.g., Human Resources, Legal, Finance, Technology) into half-day Roadshows to help the participants build networks.



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*Morgan Stanley report*

- Phase 4 involved about 70 full-day Roadshows across Australia, bringing together, Area Managers and front-line managers such as managers of branches, business bankers, and financial planners to receive the full *OneTeam* training in how to identify and refer *OneTeam* opportunities. All groups — Retail, Business, Wealth Management, International Financial Services, and Support Functions — agreed to and signed an MCA with all the others.
- In Phase 5 the rollout widens to the front-line itself and to the Support function teams, led by their own leaders trained in Phase 4.

All *OneTeam* training is followed by Embedding Activities tightly linked with CBA’s Needs Analysis Mastery to ensure that front-line people have the right skills for identifying customer needs and probing for opportunities outside their own lines of business. Besides the MCA, perhaps the most powerful component of *OneTeam* is the FiNAP<sup>®</sup>, a Cohen Brown customer needs analysis profiling process long used by CBA and other banks around the world. CBA incorporated key elements of the FiNAP (asking probing questions to uncover customer needs) to serve the very specific purpose of *OneTeam* — the ability to uncover and assess the needs of customers that could be satisfied by business units other than the one performing the FiNAP.

### **Rewarding Shareholders**

While Pollock and Rutland point out that they are still early in the *OneTeam* process, they know the model works.

Coverage of CBA’s August 2007 earnings announcement supports their view. CEO Ralph Norris attributed CBA’s success in stopping the decline in retail and business bank market share in part to *OneTeam* training of 4,000 front-line staff. The announcement also pointed out that CBA has added another 1,100 customer-facing roles. Clearly, the bank is betting that the ASB model for success can likewise transform the much larger CBA and indeed make it “a great company to bank with, work in, and invest in.”

A recent Morgan Stanley report seems to concur. Citing the sales and service training the report says, “In our view, these specific actions are evidence of change at CBA and remind us of success factors at ASB Bank in New Zealand.”

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