

Sales & Service

**Balance or link?
Correlation or coincidence?**



Banco Espírito Santo
Quality of Service Department
Paulo Jesus

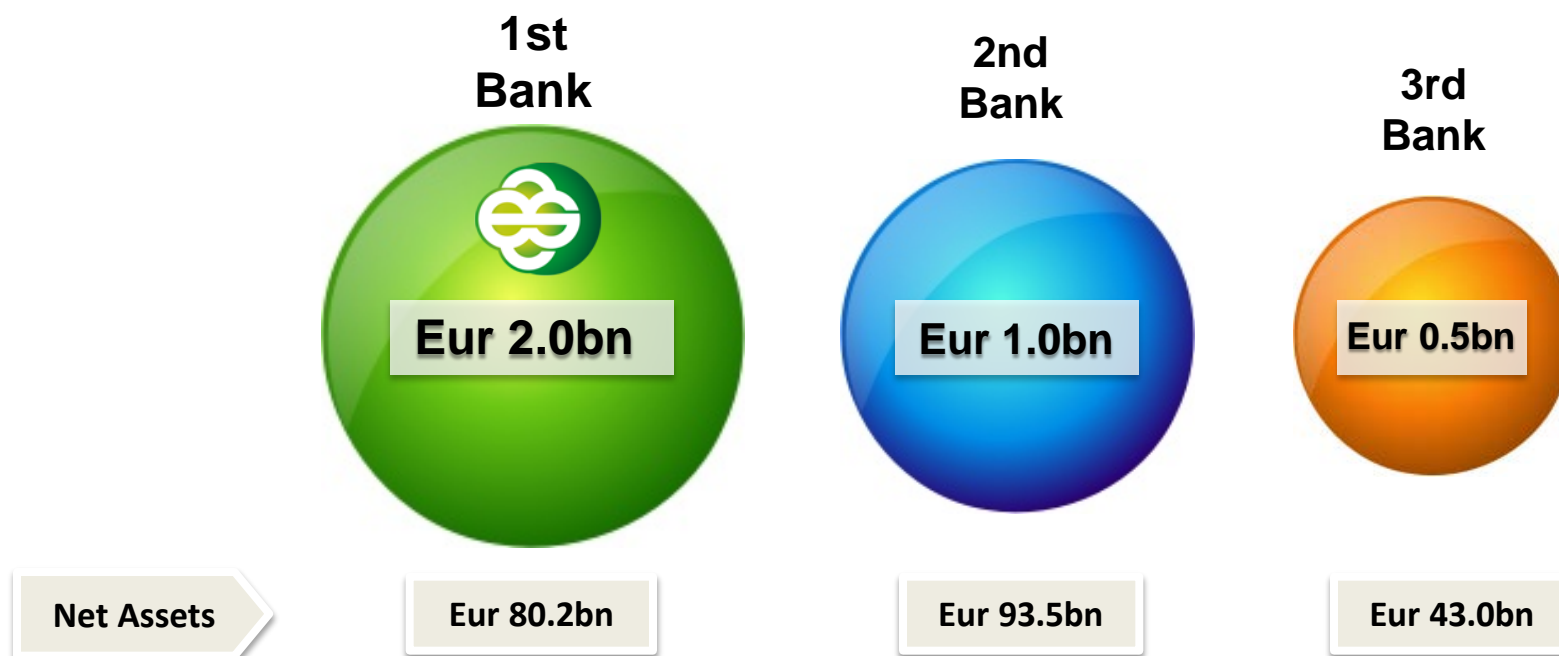


- **Banco Espírito Santo (BES) overview**
- **Impact on sales of a DNA customer culture**
- **Measuring and monitoring customer satisfaction**
- **Challenges**

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BES is largest listed Portuguese bank by market capitalization

Portuguese banks by market cap



Presence in 24 countries and 4 continents

BES International footprint - 24 countries in 4 continents



2nd largest bank in Portugal with ~20% market share...

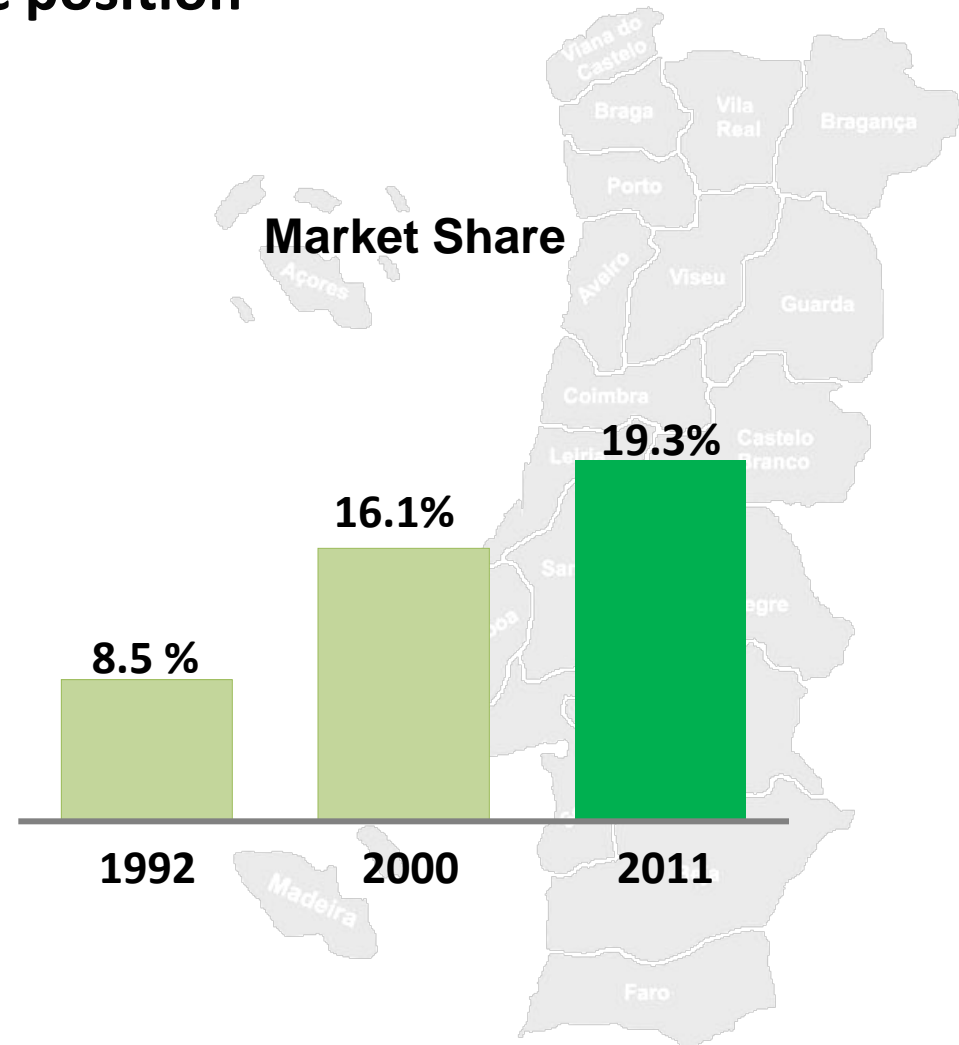
BES domestic position

2nd largest private financial institution in Portugal by net assets (EUR 80.2 billion at 31 Dec 11);

Strong market position with an **average market share of 19.3%** in the Portuguese banking market

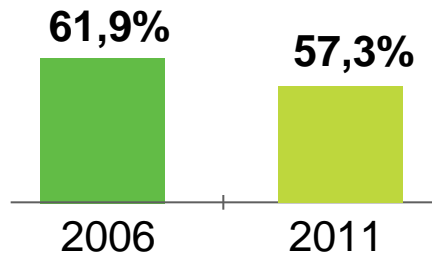
2.2mn Customers worldwide

643 Branches in Portugal

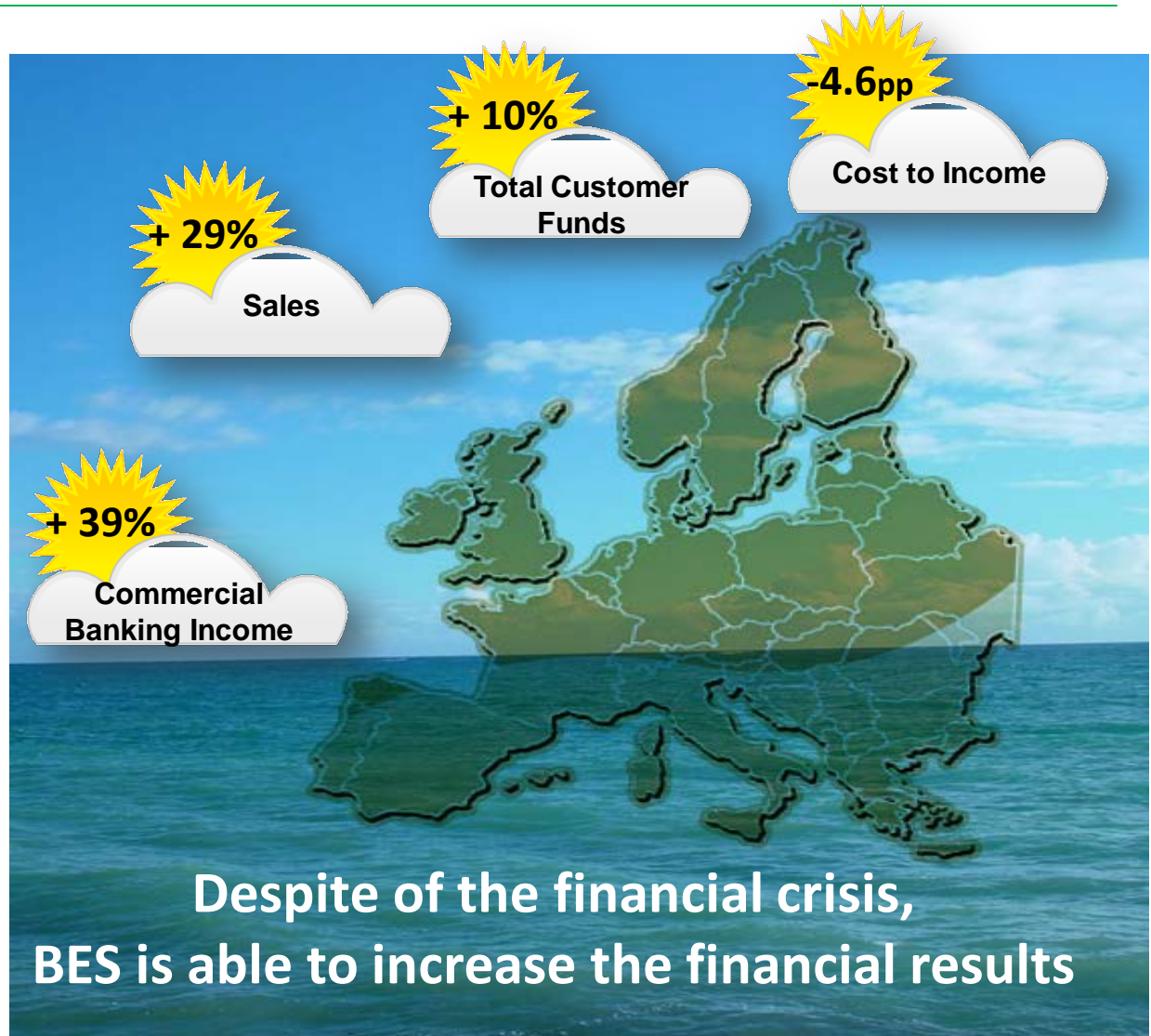
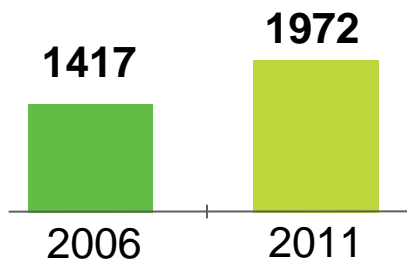


... is able to increase the financial results

Cost to income
(without markets)



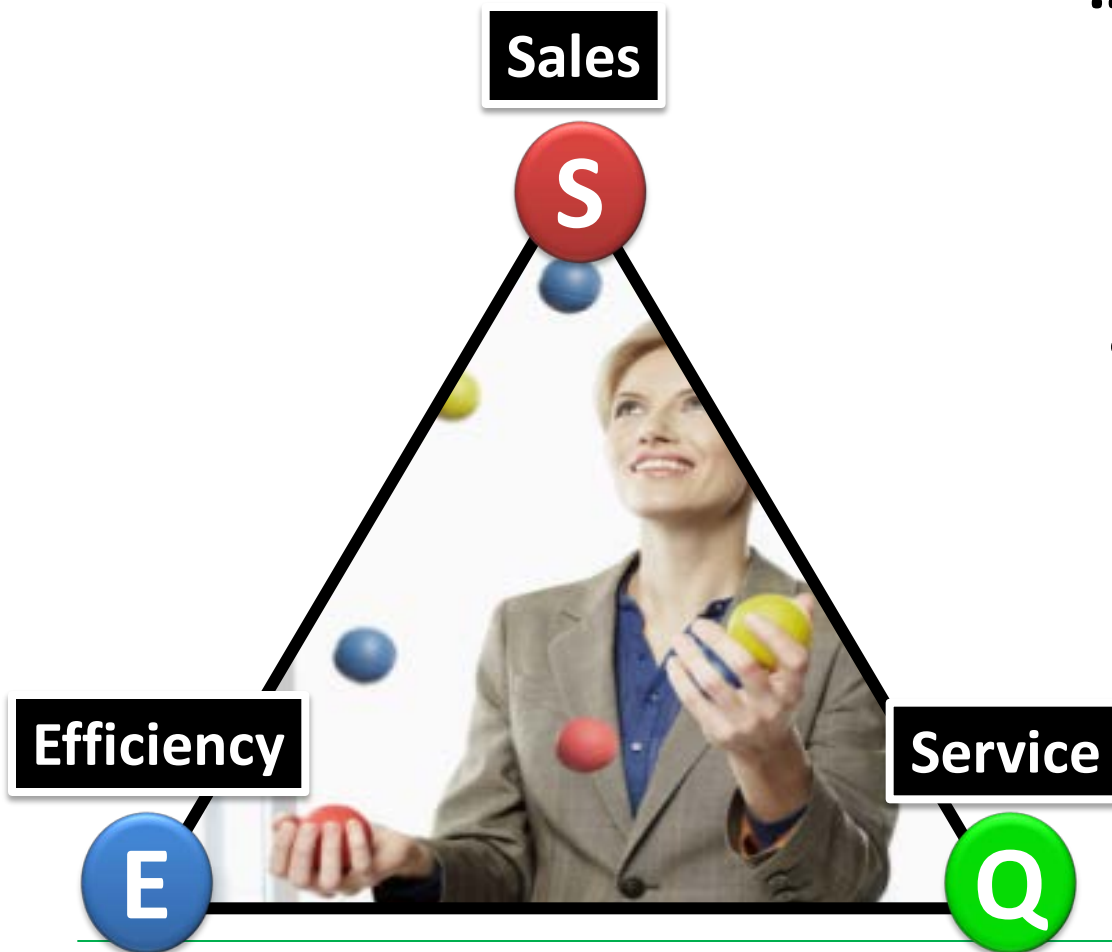
Commercial Banking Income
(Eur mn)



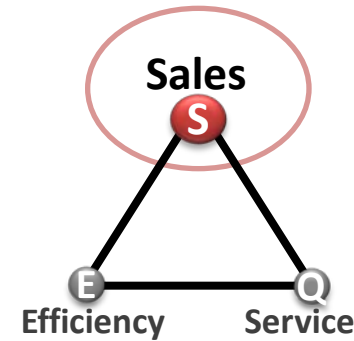
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What should be the strategy? Sales or Service? Balance?

Balance between sales, efficiency and service...

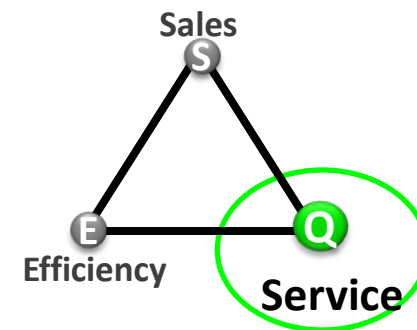


... or



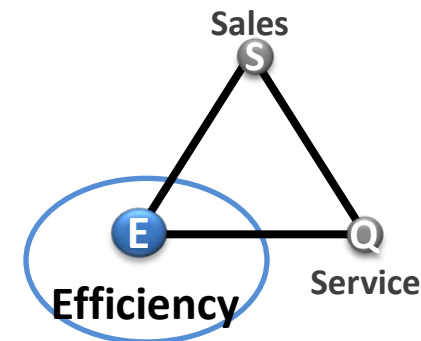
The best in sales?

... or



The best in service?

... or



The best in efficiency?

Bias...

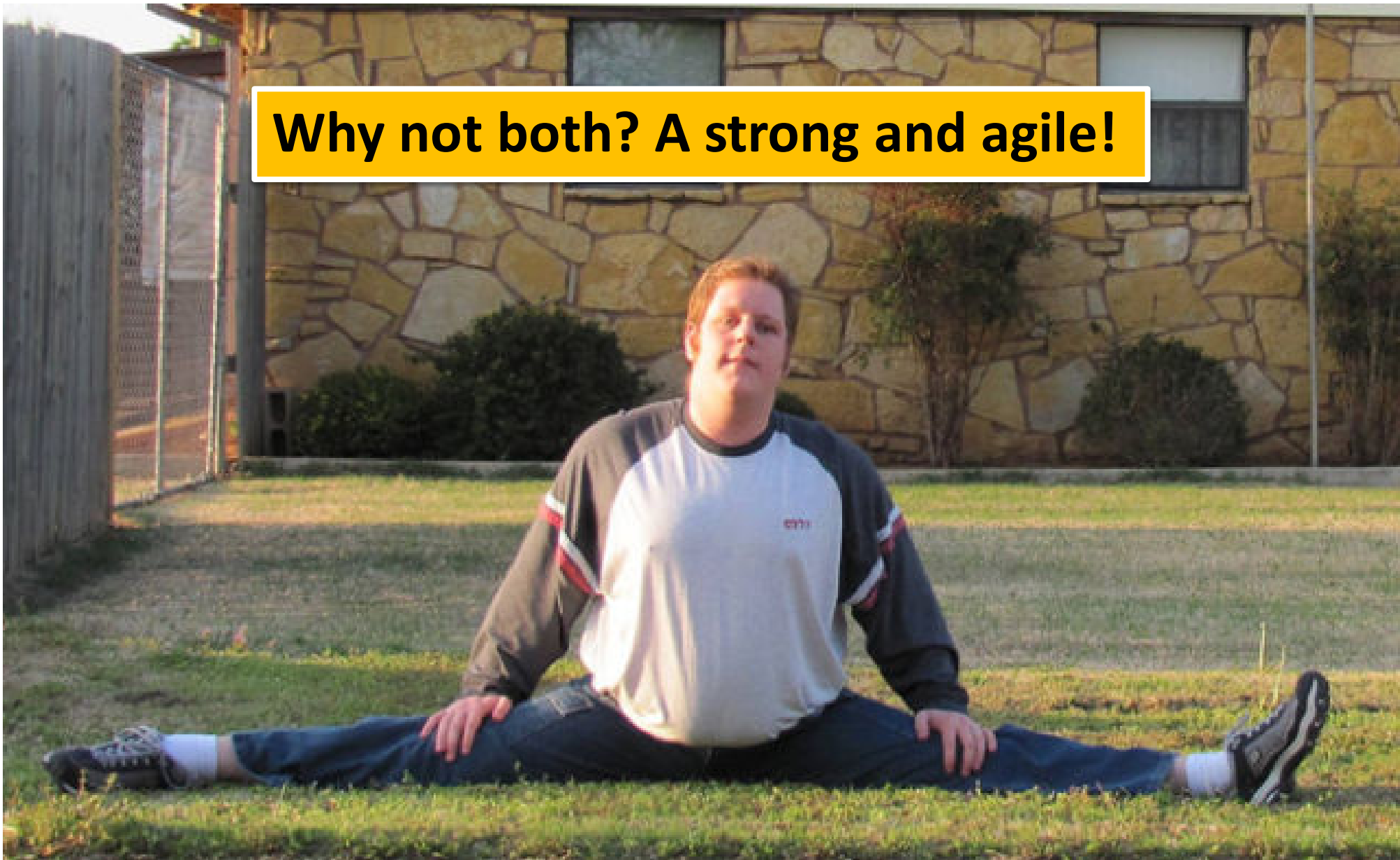
Fat means strong?



Agility means small and thin?



Why not both? A strong and agile!



**We want to be
the best as a whole**



in sales



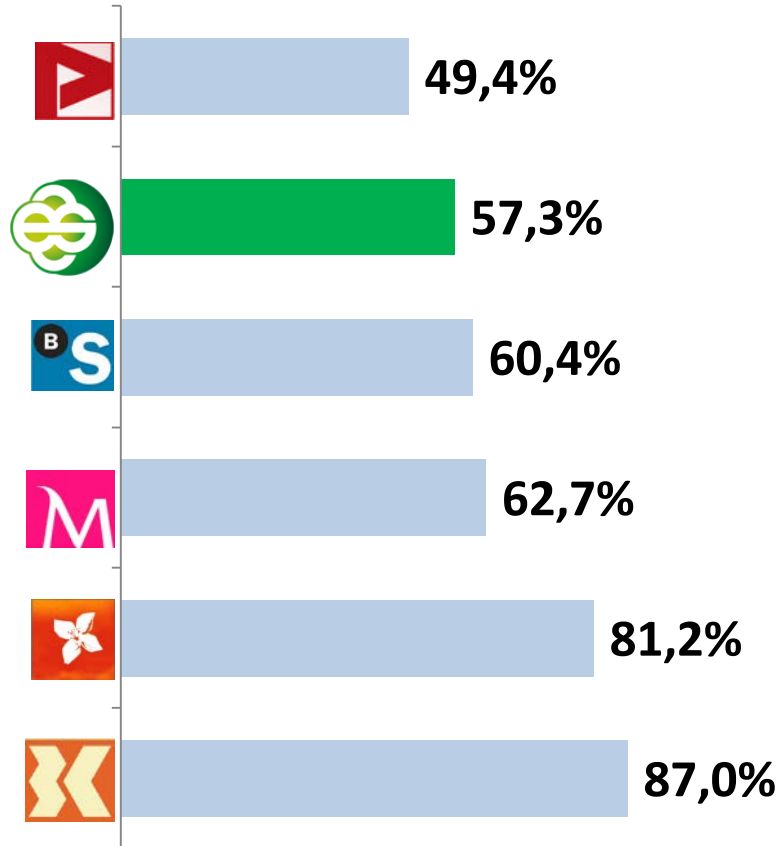
in efficiency



in quality

BES is one of the best Iberian banks in efficiency...

Cost to income 2011 * (without markets)

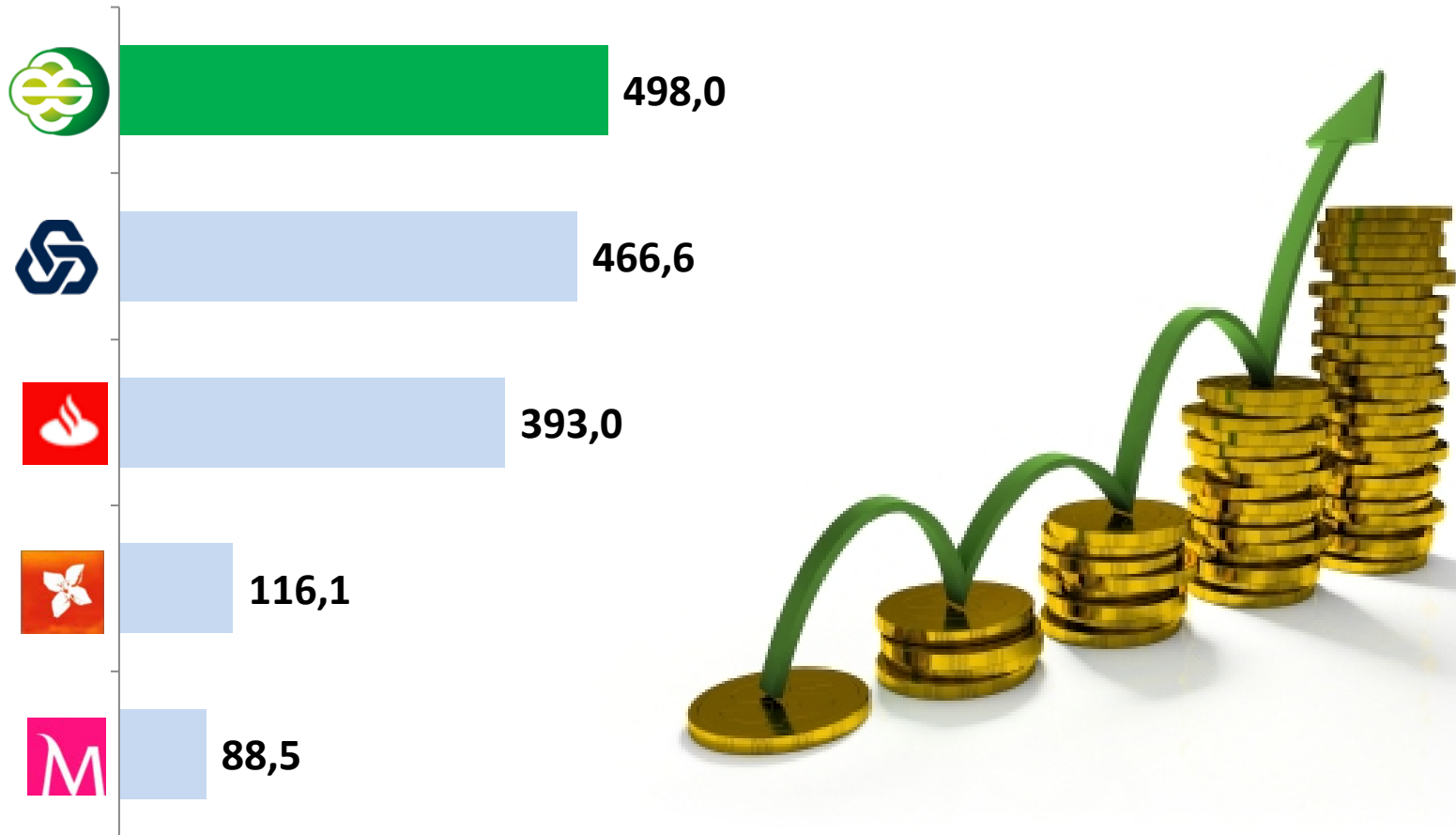


* Comparable Banks



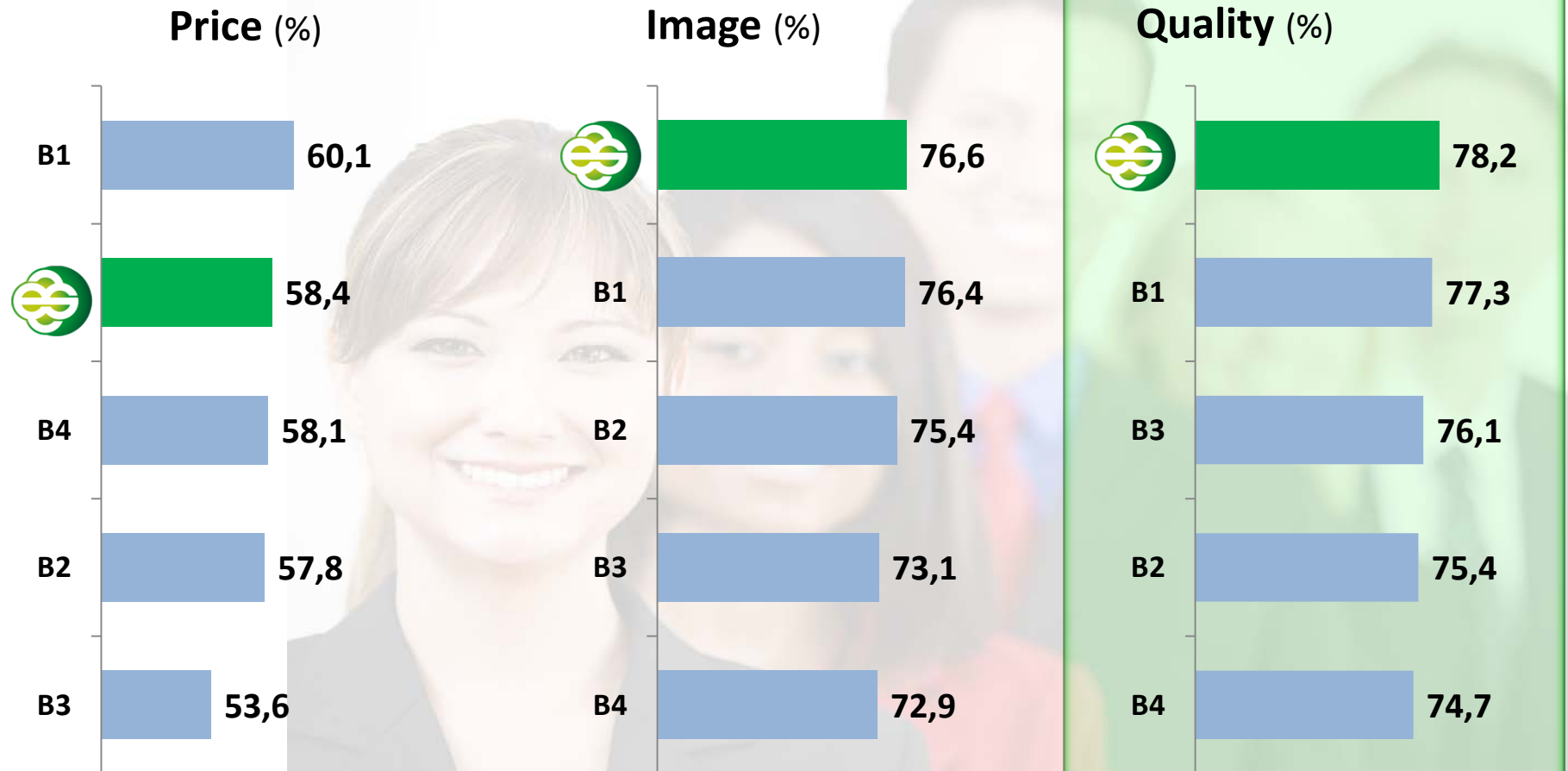
... best in Portugal in financial results...

Average Net Income Eur mn (last 5 Years)



... and best in service...

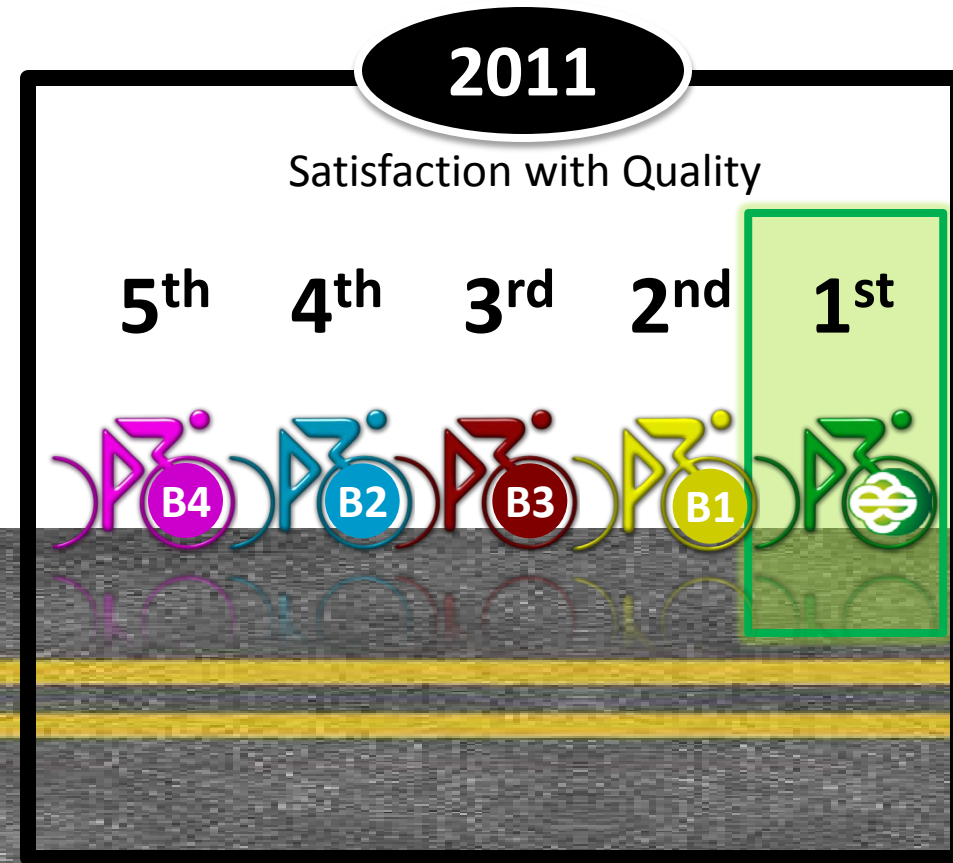
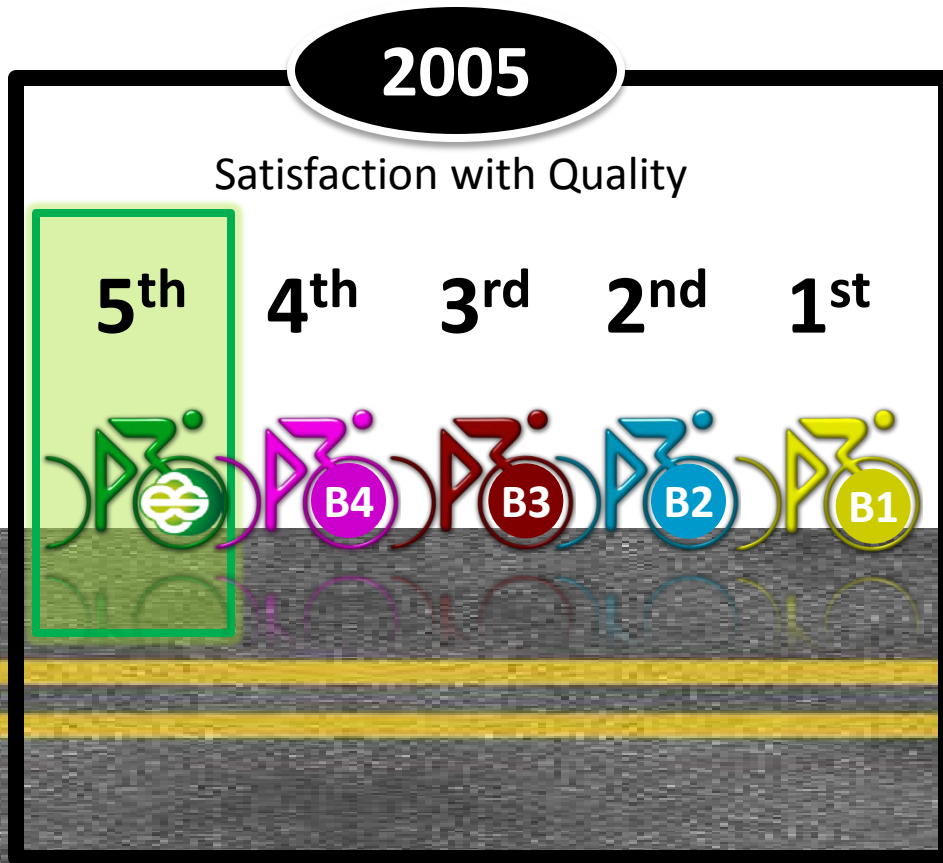
Satisfaction 2011



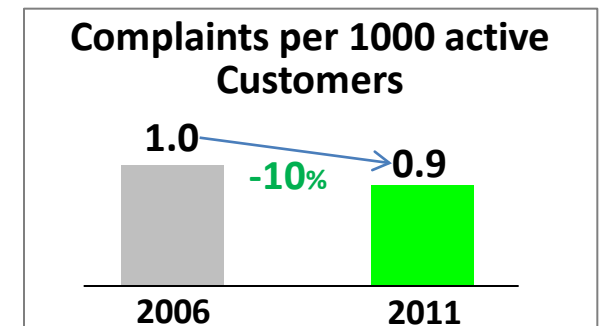
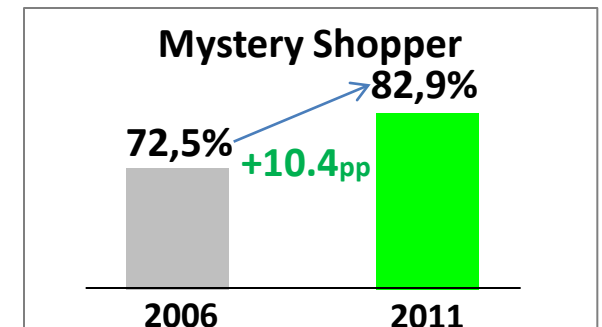
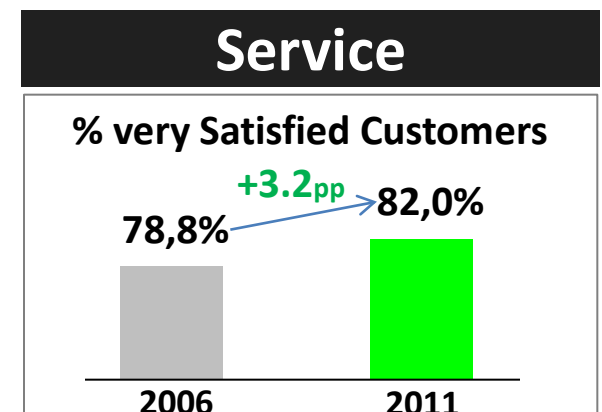
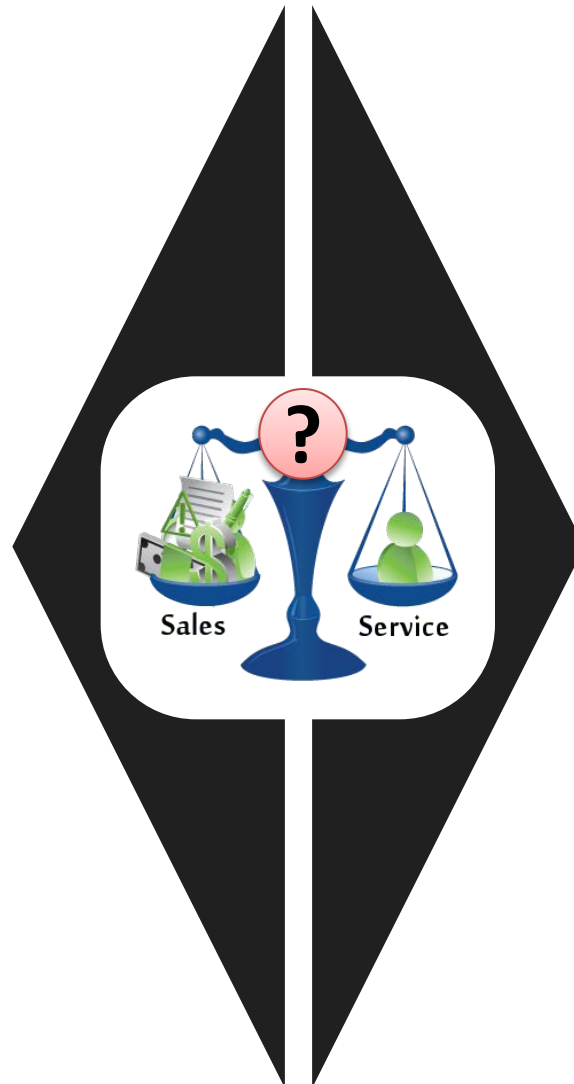
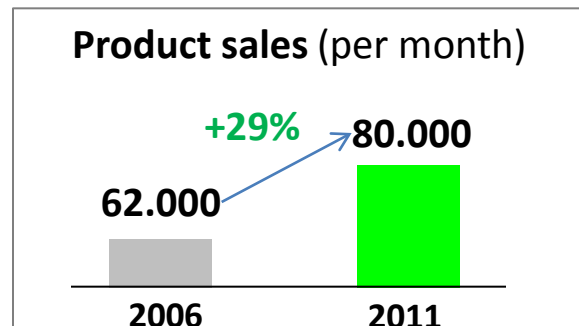
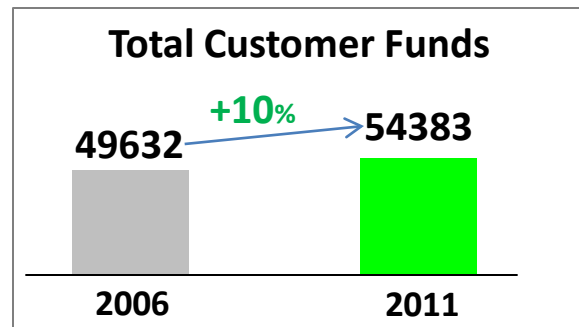
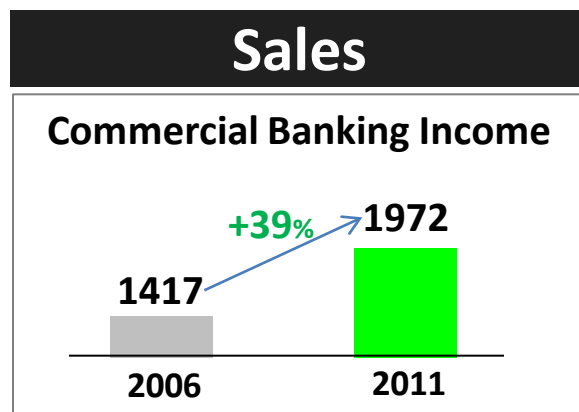
BES case study: a journey of success in Quality of Service...

In 2005 BES was in the last position in Portugal in Quality of Service among its direct competitors...

... in 2011 it achieved the first position...

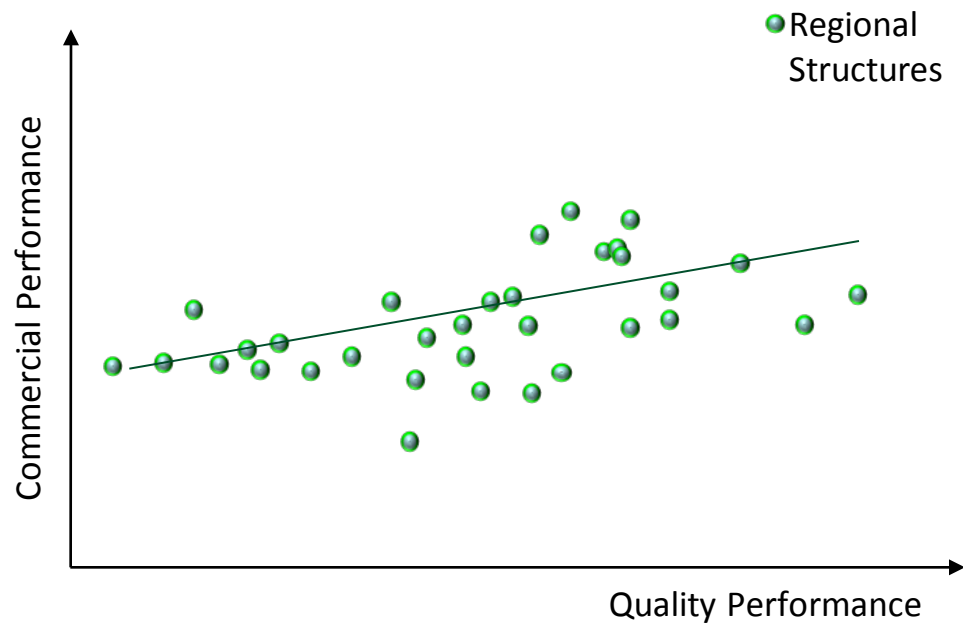


Sales and Service – There is a link: sales increased because service improved



Since 2004 we calculate the return on quality, and we know there's a clear link between sales and service

**More Quality,
better financial results**



**More satisfaction,
better financial involvement**

Evolution of Customer Founds in 2011
(evolution of resources 1 year)



**Very Satisfied
with Service**



10%

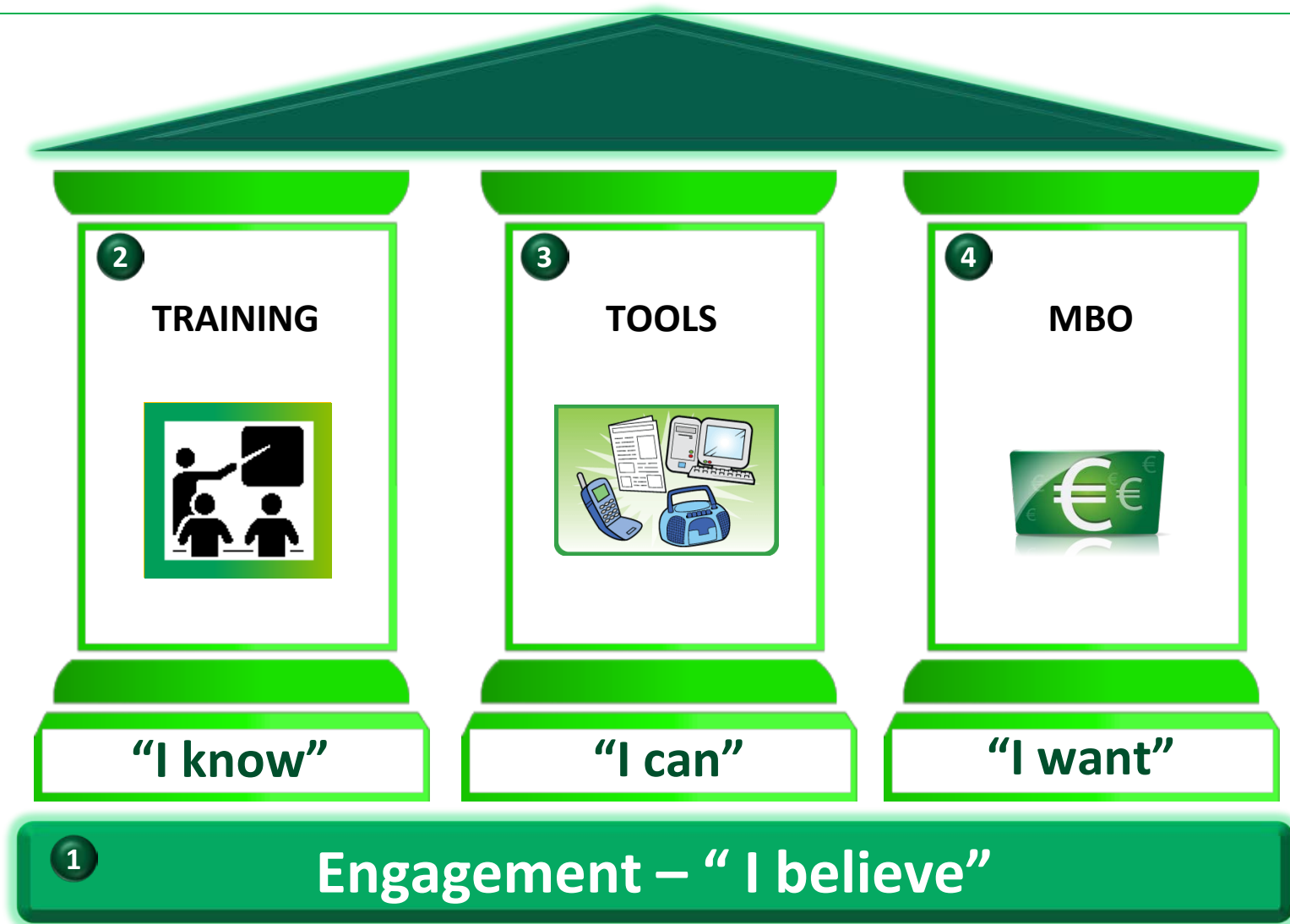


-12%

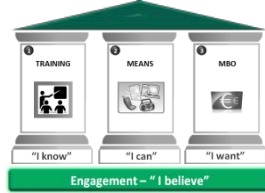


**Insatisfied
with Service**

How to create a Customer Culture?



I believe service is not an option!



1

ENGAGEMENT



I believe!

- **Top level leadership has to be the driver of change**
- **Middle Management Coaching**
- **Leadership by example**

For this we need:

- **Regular information on:**
 - **Results / evolution**
 - **Link between sales and service**
 - **Individual performance**

2

TRAINING



I know!

- **Types of training in BES:**
 - Attitude / behavior (quality gaps)
 - Product and Processes
 - Specific Training
- **e-Learning, Branch School per Region, Corporate University**

For this we need:

- **Regular information on:**
 - Employees with less commercial profile
 - Service gaps identification

3

TOOLS



I can!

- Internal procedures
- IT platforms (workflows, etc.)
- Continuous process improvement

For this we need:

- Regular information on:
 - SLAs
 - Product / process complaints
 - Internal satisfaction

4

INCENTIVES



I want!

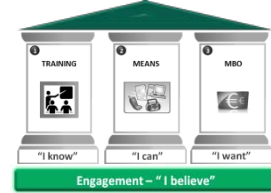
- (Monetary) incentives motivate employees to do better every minute:
 - **MBO System** (significant impact of Quality)
 - **Excellence annual award** (distinguishes BES top 5 performers on Quality)
 - **Quality annual award** (distinguishes the best branch in every regional structure)

For this we need:

- **Regular information on:**
 - Service indicators / structure

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Measure is the key word



We need regular information...

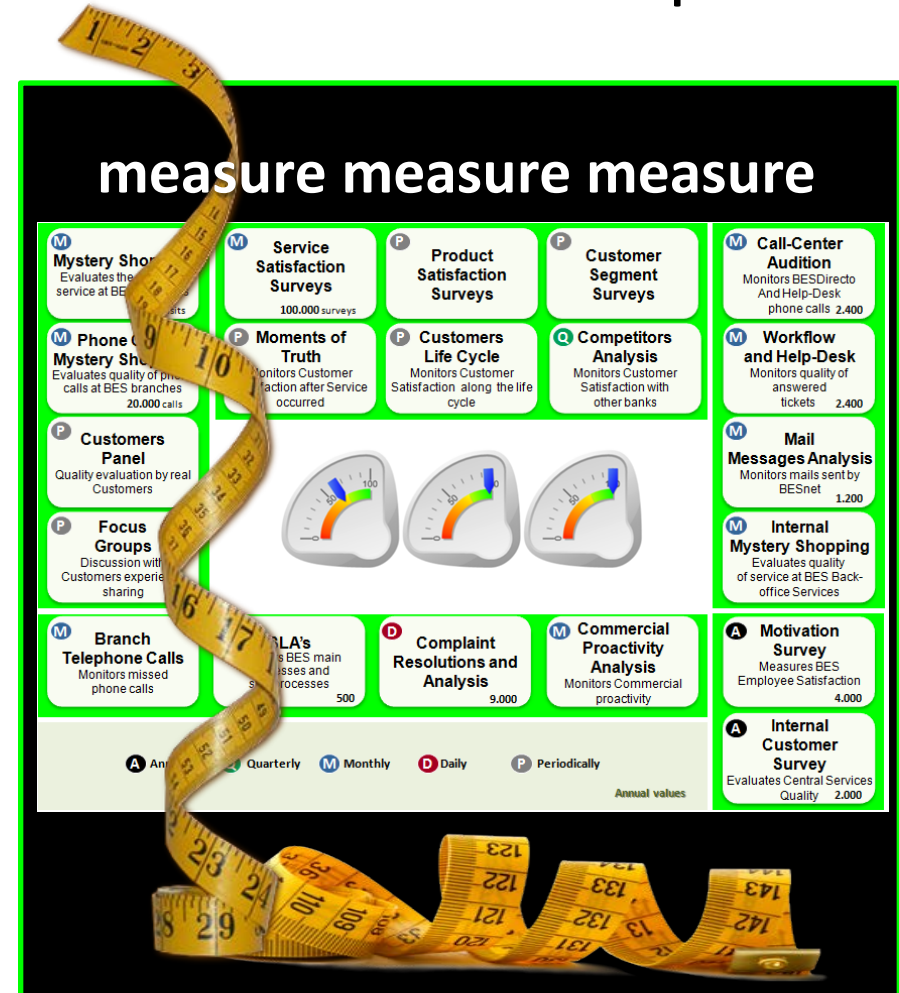
Engagement

Training

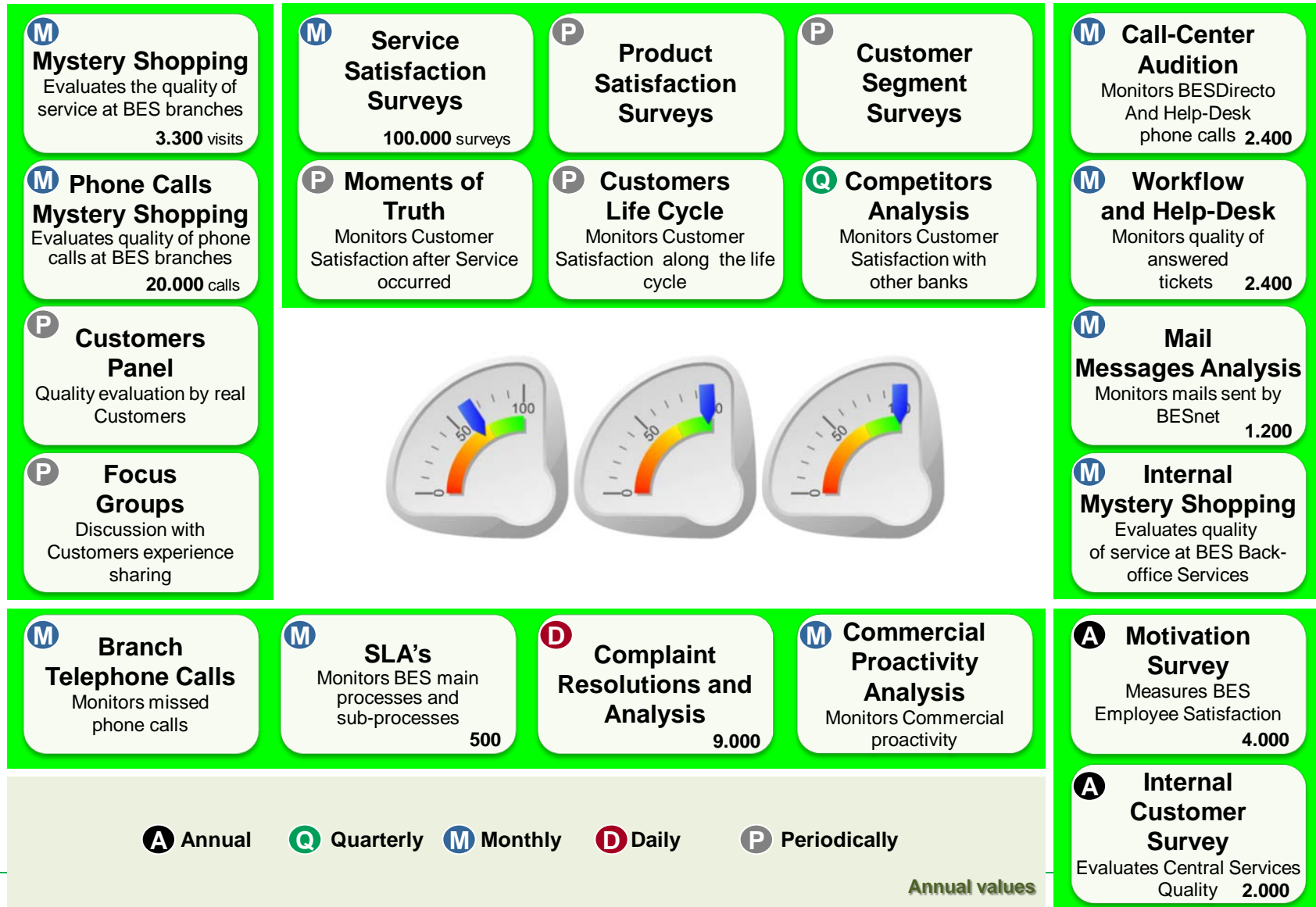
Tools

Incentives

... measurement is the 1st step



Measuring and Monitoring Customer Satisfaction in BES



Satisfaction surveys about Service



What matters having representative data per branch on satisfaction with the price or the offer, if there is no ability or interest, nor availability, nor feasibility to customize the offer and the price per branch / region?



We measure only where we are able to act, because of:

- Financial cost
- Customer's opportunity cost

Characteristics of our satisfaction surveys with service :



Representative data
/ commercial structure



5 minutes each
(customer's time)



Low cost



100.000 inquiries / year

Survey about Service:



WAITING TIME



**ACCOUNT MANAGER
AVAILABILITY**



ADVICE



**CLARITY OF
INFORMATION**



PROBLEM RESOLUTION



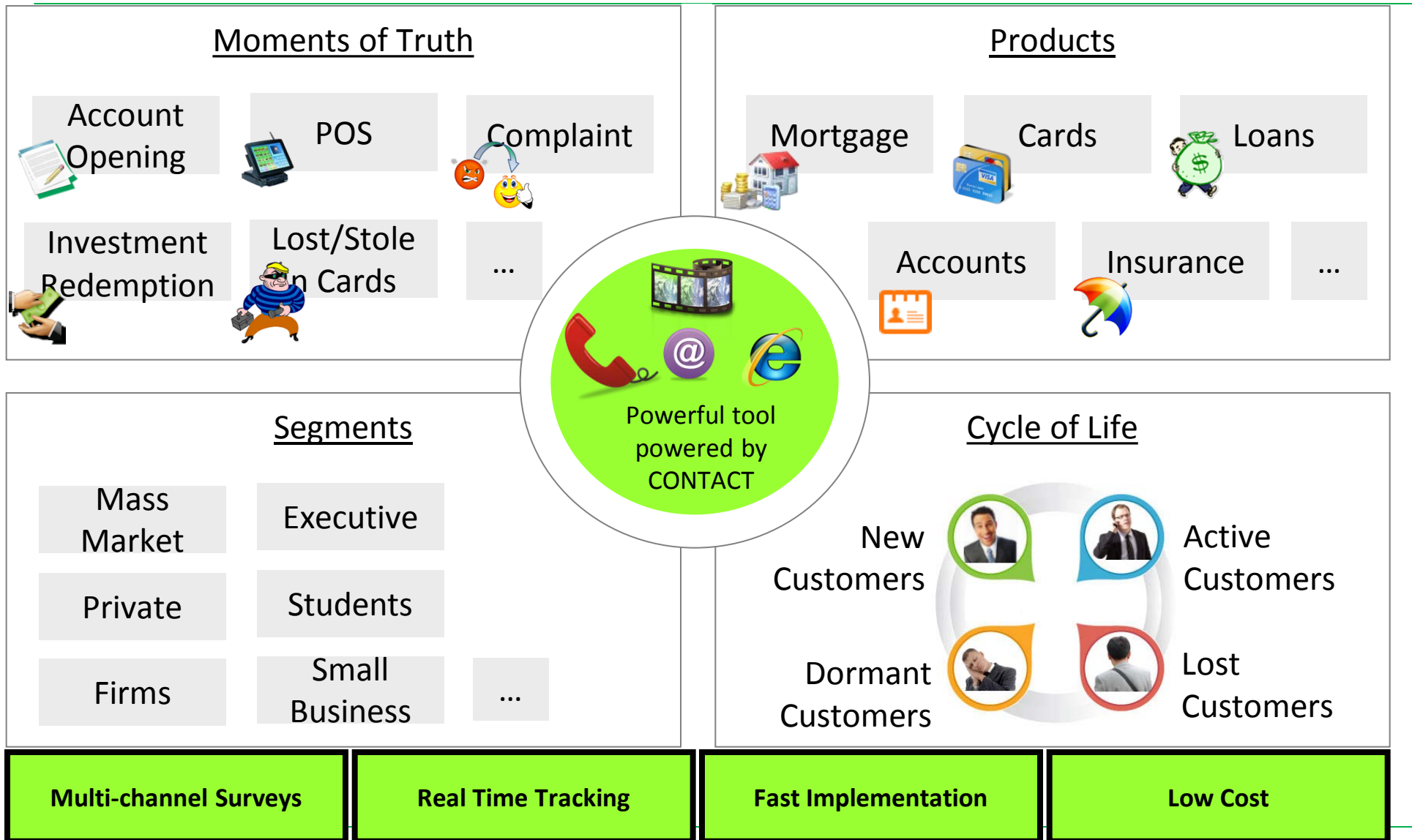
COURTESY



PROACTIVITY



Other deep satisfaction surveys



Other deep satisfaction surveys



In presence
5 visits per
year per
branch



- Traditional Mystery Client
External companies evaluate the quality of service in the sale (and follow up) of specific products



- Mystery Client Panel
...real Clients play the role of... real Clients!
Real Customers evaluate the quality of service when visiting the branch they have an account

Examples of evaluated products and related service

Home insurance	Health Insurance
BES Plan	Service Accounts
Direct Channels	Life insurance
Account Opening	Individual Loan
Complaints	Auto Insurance
Mortgage	Phone Calls
Credit Cards	...

illustrative

Internal Customer Survey – Continuous improvement

To please our customers it is not enough listening to them, nor it is enough to evaluate business performance. It is crucial to evaluate also internal suppliers

We have a permanently online Satisfaction Survey about Central Services

Operations

Marketing

Helpdesk

Organization

Quality

Product

...

BES employees evaluate the quality of service of their direct and indirect suppliers, responding to generic and specific questions related to each department.



**Inquiry
online
all over
the year**

Complaint resolution management

Quickly recover the relationship with the unhappy customer...



... and prevent the arise of similar situations



Fruit of a good management of complaints, BES is the Portuguese Bank with fewer complaint entries in the regulatory / supervisory institutions

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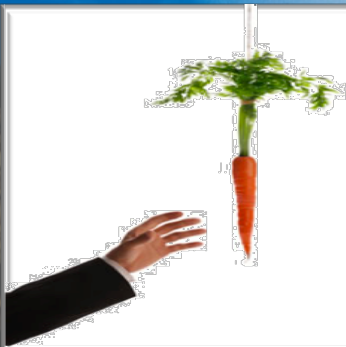
New challenges



Regular Report



Monitoring



Incentives



Training

If commercial staff have sales number everyday, they deal with that every day. If the information on quality is monthly, quality issues are addressed only once a month



Past

Scattered information



Present

Integrated quality report

BANCO ESPÍRITO SANTO Departamento Qualidade de Serviço	
Bem vindo ao Relatório Integrado da Qualidade	
Selecione a estrutura que pretende visualizar:	
Total Retalho	<input type="checkbox"/> BES
Particulares Retalho	<input type="checkbox"/> BES
BES 360º	<input type="checkbox"/> BES
Negócios	<input type="checkbox"/> BES
Médias Empresas	<input type="checkbox"/> BES

Future

Real time report

(if information on sales is updated daily, information on quality has to follow the same rhythm)

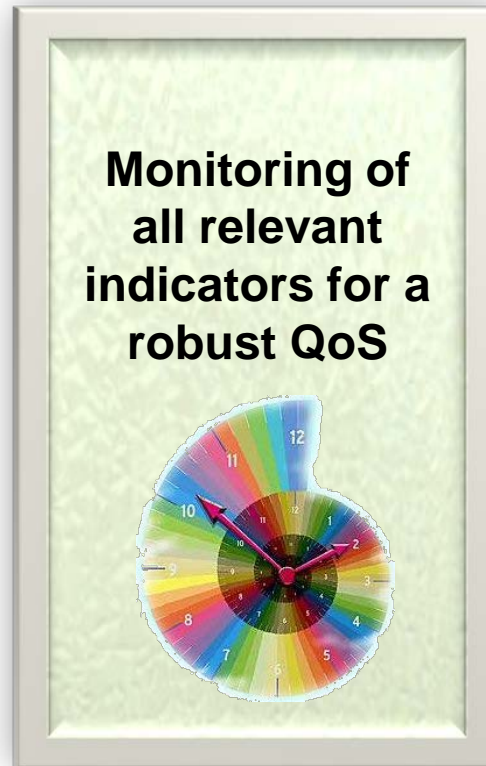
To be more actionable, we need to have information about quality performance of each employee



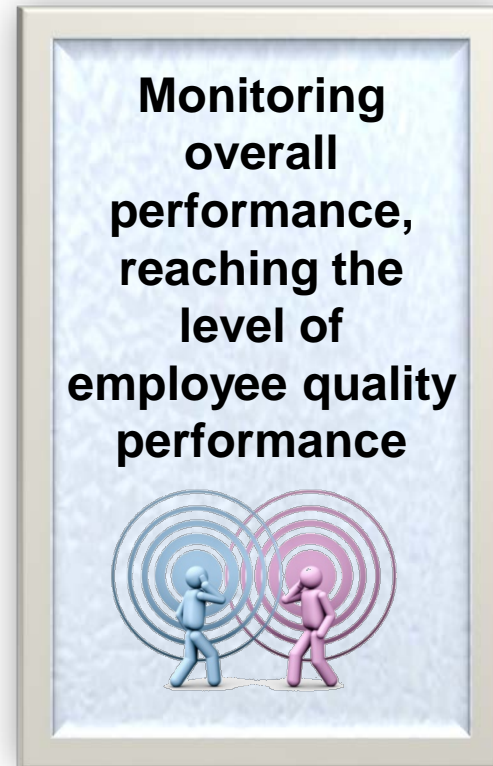
Past



Present



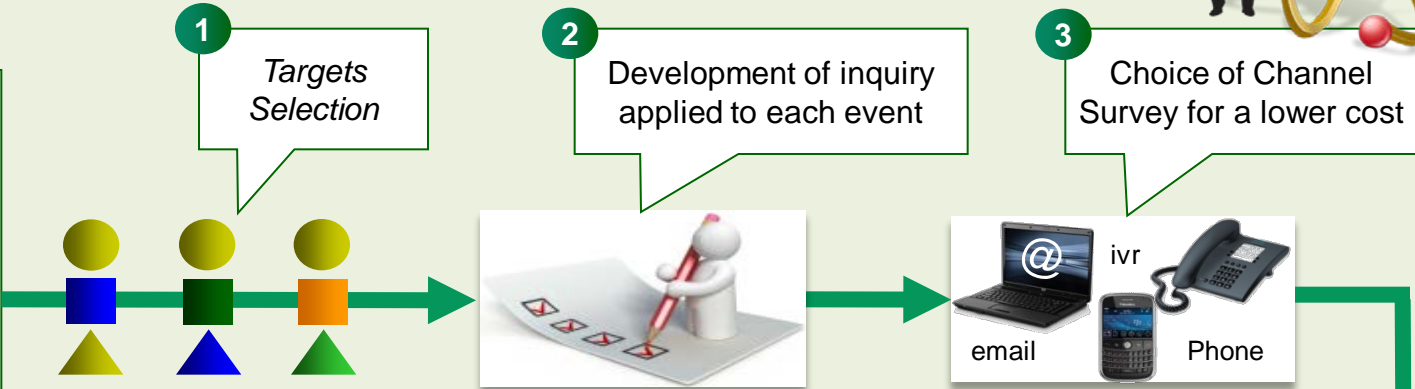
Future



CEM Model

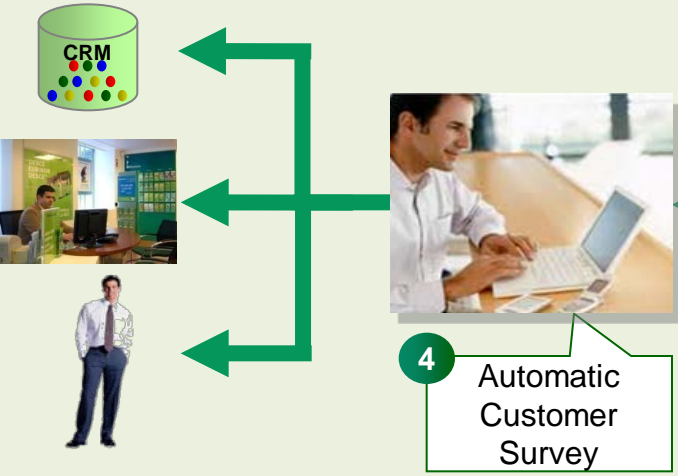


CRM Data Base information		
Event	Customer	Employee



3 outputs . . .

- 1. Result feeds CRM Database
- 2. Immediate alert to quality dept. and Branch with dissatisfied Customer information
- 3. Existence of quality information per employee



. . . numerous advantages

- Cost Reduction
- More parallel surveys
- Survey after Customer Experience
- Results Monitored by Sponsors

- Account opening
- Buying Financial Products
- Financial Products Redemption

Training should be provided directly by the hierarchy (from branch manager to branch CEO); we need to invest on training branch CEO



Past

**Training
indoors**



Present

- E-Learning
- School Branch per Region
- UBES (Corporate Univ.)
- Behavior Programs



Future

**Bet on soft-skill
for middle
management
branch CEO
He is the trainer
& coach**



In a crisis context, monetary incentives are not relevant (10% or 40% of 0€ = 0€)



Past

**Incentive
system
included only
incentives
linked to
business**



Present

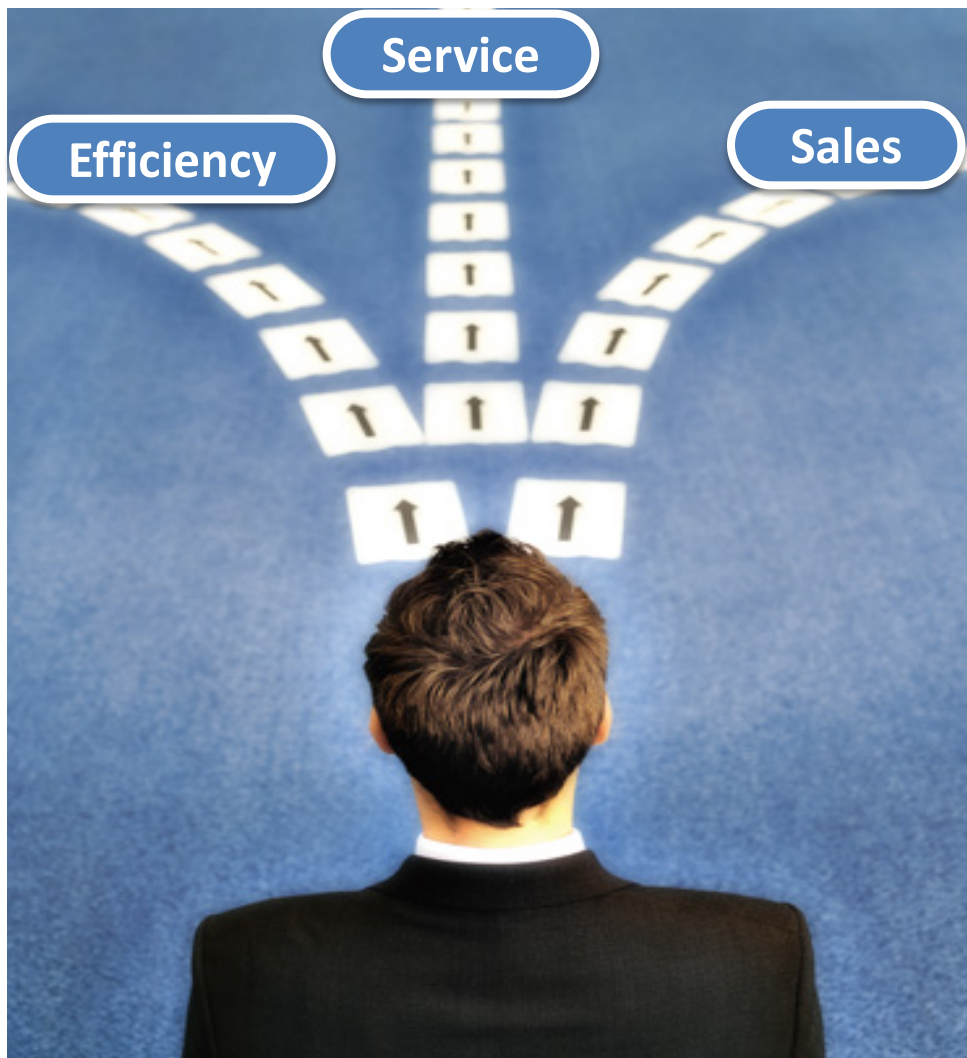
**Monetary
incentive to all
employees**



Future

Recognition





There's no choice, it's only one way and we all known what to do!

Paulo Jesus

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