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## BANKING STRATEGIC PLANNING, IMPLEMENTATION AND SIMULATION

(DESIGNED EXCLUSIVELY FOR BANKERS)  
**DATE TO BE CONFIRMED**

- Awarded **TWENTY SIX (26) CPD HOURS** by ICATT -

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Due to the speed of change in the international financial markets, structured training and development tends to be purely instrument-based and stops at the executive/middle management level, leaving senior managers and directors to concentrate on extracting material issues from internal reports, newspapers and anecdotal information. Rarely do they have the opportunity to explore in-depth the problems and possible solutions encountered by their counterparts in other financial institutions around the world. How can you best identify the key strategic drivers for your markets and how do you account for these in the strategic planning process?

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- What are the current trends in bank structure?
  - Which cost control and measurement techniques should be implemented to determine the profitability of units, products, clients and segments?
  - The importance of **Strategic Implementation** and the use of the Balanced Score Card.
  - Evaluating customer focus and developing systems, products, staff and delivery channels to match customer needs.
  - How can risk management techniques be used to control exposure as well as identify strategic business opportunities?

**Objective - From The Big Picture To Micro Issues**

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The aim of this 4-day programme is to give senior management the opportunity to focus on the crucial managerial, organizational and operational issues that are so particular to the world of finance.

### **Added Value**

Delegates who attend this programme will be intellectually challenged by means of first class highly topical case studies, plenary discussions, formal lectures, syndicate group work and simulations. The programme is taught by a highly respected and experienced facilitator who will closely guide delegates in objectively exploring and experimenting with systems and structures to enhance performance.

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### **Who Should Attend This Programme?**

All senior management and their advisors from banks and financial institutions who are looking to distance themselves from their daily managerial responsibilities in order to focus on a more objective assessment of their own performance to date, whilst recharging their thought processes to drive towards future change.

- Chief Executive Officers
- Managing Directors & General Managers
- Human Resource and Training Directors
- Finance Directors
- Heads of Business Units & Senior Departmental Managers
- Strategic Planning Directors in Banks and other Financial Institutions
- Senior Research Directors responsible for the in-depth monitoring of market opportunities
- Senior Operations Executives responsible for the technical implementation of change.

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## Day 1

Course starts at 8.00 a.m.

AM

### Why must there be an increased emphasis on Strategic Management in Banks?

- Industry transformation – rapid change
- Changing regulatory requirements
- Turbulent economic environment
- Dynamic-competitive environment
- Increased complexity of organisations

### The New Basel Accord

- Structure
- Capital adequacy measurement
- Credit risk
- Operational risk
- Other issues

### Strategic Management

- Strategic plan linked to operational decision-making
- Strategic planning framework
- Strategic thinking capability
- Negotiating objectives
- Review system

### Values of Strategic Management

- Develops short and long term objectives
- Increases competitive awareness
- **Improves understanding of environmental factors**
- Explores more alternative courses of action
  - Allows decisions to be made faster and better
  - Allows proactive behaviour instead of reactive
- Ensures actions are consistent with resources and external constraints
- Measures long-run progress

- Ensures rewards based on long-term performance

PM

### Where are you today?

- **Situation Analysis**
- **External Analysis**
- Internal Analysis
- Competitive Analysis

### Where do you want to be?

- Vision
- Mission statement
- Corporate direction
- Long-term objectives
- Business unit direction
- Short-term measurable objectives

### Millennium Strategic Bank Simulation

In groups, delegates run a sizeable banking institution over a period of several years, under realistic economic conditions.

This involves the development of corporate policy and the resulting business strategy, culminating in strategic and tactical decisions on every aspect of the business. Included are product mix, pricing, credit standards, operations, expansion of capacity, research and development, short and long-term treasury activity and dividend policy.

The effect of policy, strategy and activity is highly realistic, influenced by economic reality and the effect of one decision on other areas of the bank or on competitor banks.

**Evening:** Delegates continue work on simulation

## Day 2

### AM

#### Strategic Implementation

- Organisational structures
- Transformation
- Managing change
- Implementation

#### The Balanced Scorecard

- Making strategy work
- Enabling control
- Assisting change
- Implementation strategies

**Simulation** - Year one strategic planning

### PM

#### **Building A Customer Centric Culture**

- Customer focus
- Cross-sales
- Internal change
- External change

**Simulation - Year one strategic implementation**

**Evening:** Reading – Channel Delivery Strategies

## Day 3

### AM

#### **Competitive Analysis versus Benchmarking**

Understanding how others perform and what can be learnt from the “best”.

#### **Benchmarking Competitive Position**

- Market Share
- Perceived Quality Image
- Product Life Cycle
- Product Replacement Cycle
- Customer Loyalty

- Competitors Capacity Utilisation
- Technological Know How
- Staff Turnover
- New Product Introductions
- Relative Training Budget
- Location
- Management Skills

#### **Benchmarking Financial Performance**

- Return On Investment
- Liquidity
- Capital Adequacy
- Contingent Liabilities
- Ease Of Exit From Market
- Risk Involved In Business
- Dividend Policy
- Rating Agency Evaluation

### **Simulation**

Competitive analysis and benchmarking  
Year two strategic implementation

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#### **Current Trends in Banking**

- Globalisation
- Disintermediation
- Diversification
- Mega-mergers
- New entrants

#### **Delivery Channels**

- Current focus
- Global trends
- Cost benefit
- Future direction

#### **Guest Speaker**

- Mobile phones and the future of banking

**Evening:** Reading – Accounts of a major international bank.

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## Day 4

### AM

#### Strategic Position And Action Evaluation

Understanding the key drivers of strategy

- Competitive Advantage
- Industry Attractiveness
- Environmental Stability
- Financial Strength

#### Simulation

- Competitor analysis
- SPACE
- Strategic adjustment
- Year three decisions

#### Case Study

Analysis of major international banks

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#### Leadership

- Core skills
- Values
- Assets
- Versus management

#### Shareholder Value

- Measurement
- Market share versus returns
- Changing a culture
- Rationalisation or expansion
- Leadership and vision

#### Managing Credit Quality

- Measurement
- Credit scoring
- Expert systems
- Grading systems
- Controls

#### Simulation

- Competitor analysis
- SPACE
- Strategic adjustment

- Year four decisions

Course learning presentation. The presentation will be structured around a discussion of the following:

#### Position

- **Past**
- Present
- Future

#### Viewpoint

- Competitive position —

Course review and summary

**Course ends at approximately 15.00 hours**

## **Millennium Banking Simulation**

This interactive, computer-based banking simulation is designed for:

- High potential managers
- Managers who manage others, or who wish to gain an improved insight into their understanding of the full range of financial operations
- Managers who wish to improve, or consolidate, their strategic awareness.

### **Content**

- Comprehensive involvement in the total bank operation (head office, branches, retail, commercial, corporate and treasury)
- Human resource aspects (including team working, and the effects of remuneration packages, downsizing, investment in training, substitution of technology for people, etc.)
- Transaction risk, or the need for audit and control
- Strategic initiative, aimed at increasing market share; the consequences across the board of such strategies.

### **Method and summary of activity**

The simulation is run in teams of four to six people. Each team runs a 5-billion, retail-oriented bank, with national activity. Under realistic economic conditions, each team must run their bank for a number of simulated years.

This involves the development of corporate policy and the resulting business strategy, culminating in strategic and tactical decisions on every aspect of the business. Included are product mix, pricing, advertising, credit standards, operations scheduling, expansion of capacity, research and development, short and long-term treasury activity, and dividend policy.



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The effect of policy, strategy and activity is highly realistic, influenced as it is by economic reality, competition strategy, and the 'value' of internal decisions. Of particular learning value is the effect of one decision on other areas of the bank, or competitors' banks. As in the real world, decisions made in one area of the bank will have repercussions, not only in other divisions, but also in future years.

Banks have legal, regulatory and operational limits based on the Basle Agreement, but prudent management will select strategies and tactics designed to use existing capacity optimally, while building future growth requirements without undue risk.

All banks face multi-year risks for decisions. Millennium contains all risks, which must be considered as the potential consequences of managerial action; credit, interest rate, portfolio and personnel. With many new business opportunities, participants will experience new types of risk associated with non-traditional financial services and activities. These provide chances to develop a sense of the kinds of exposure strategically appropriate for the circumstances.

Whereas Millennium does not replicate any specific bank, it is designed to provide an environment within which imminent business issues can be studied.

Millennium is an enjoyable and challenging experience, combining time pressures, risk taking, and competition within a simulated work environment through optimal use of the latest in simulation technology. Participants have an opportunity to improve skills in planning, problem-analysis and solution. The ability to analyze the competition to optimize competitive advantage, to react to market segment changes, environmental issues, is key. There are opportunities to develop corporate policy and strategies, put theory into practice, and gain a clearer understanding of the impact that management decisions have on financial and non-financial performance.



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## THE FACILITATOR:

### **TOM LAWTON** **ACIB**

Tom Lawton is a highly experienced programme director and trainer who specializes in running credit risk workshops. The majority of his career was spent with Barclays and Standard Chartered Bank between 1974 and 1989 working predominantly in lending, marketing and training both at branch and head office.

He is a visiting fellow at the Manchester business school and his client list extends over Asia, Europe, Africa and the United Kingdom providing lending courses to major banks in these areas – Bank of Ireland, Bank of Scotland, ING bank, Citibank Sri Lanka, National Bank of Kenya, National Bank of Dubai etc.

He established his own business in 1989, specializing in providing practical solutions to Strategic and Credit issues for financial institutions globally. Tom has designed and run training courses in Credit Analysis, Business Strategy, Strategic Planning and Implementation, Bank Analysis, Relationship Management and Negotiation Skills. In 1998 in conjunction with PW Computing Ltd he assisted in the design and creation of a financial analysis expert system. By using associates with over a hundred years banking experience the design team developed FinAleS which as well as being an expert system is also a training aid and assists with enhancing customer relationships. The FinAleS system is currently being used or under pilot in banks in UK, Ireland, UAE, Sri Lanka and Africa.

Tom has run programmes all over the world, tutoring more than seven thousand participants, from over one hundred different nationalities on four continents. In May of this year they completed their one hundredth course in Africa.



## **BANKING STRATEGIC PLANNING, IMPLEMENTATION & SIMULATION**

**(DATE TO BE CONFIRMED)**  
**8:00am-4:00pm**

### REGISTRATION FORM

NAME:

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JOB TITLE:

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COMPANY NAME:

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COMPANY ADDRESS:

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PHONE:

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FAX NO:

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E-MAIL ADDRESS:

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SIGNATURE:

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COURSE PRICE: US\$1530.44 + 15% VAT or US\$1,760.00 VAT Inclusive

This covers the cost of tuition, course materials, lunch and refreshments.

**In order to ensure that you have a booked place, you must complete and sign the registration form signifying your confirmed attendance at the above seminar and payment in full. A 15% down-payment is due upon registration.**

#### CANCELLATION POLICY

A participant's cancellation is in effect immediately upon notice to CDN without penalty on or before **7 WORKING DAYS PRIOR TO THE START**. A cancellation fee of 50% is applicable after this date.

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