

# Change in an elitist world

WHEN Robert Taylor became chief executive of Kleinwort Benson Private Bank (KBPB) in 2004, he was put in command of an institution with a strong culture and a powerful name. But culture was not enough to maintain the bank's dominant position.

The business was changing. Rivals were merging and growing rapidly. Competition was getting tougher. KBPB needed to retain its market share and improve its growth.

Over the past two years Taylor has restructured the bank, transforming it from one that relied on titles and hierarchy to motivate its people to one that focused on output and the rewards that accompany it. Achieving this meant exposing the blue-blooded merchant bank to a degree of change almost unheard of in its elite world.

Not everyone shared Taylor's view of what needed to be done. Inevitably there were people who saw no need to change the way they had been doing business for years. But Taylor's view prevailed. With the help of the latest in psychometric-assessment techniques and business psychologists from Getfeedback, a talent-management consultancy, KBPB has been transformed into a fast-growing operation. It has opened three new offices this year and plans to add two more in 2008.

The danger during this restructuring was that experienced, hard-to-replace staff might leave.

Taylor said: "If we were going to take a lot of people from a business with a reward structure based on hierarchy into a business based on outcome, then it was vital that we could predict whether they would be motivated in that new environment."

He recruited a new human-resources director, Diane King. She had worked on previous projects with Ali Gill, man-

Blue-blooded private bank Kleinwort Benson was a hierarchical type of place — but all that had to change, reports **Roger Eglin**

aging director of Getfeedback and an energetic former Olympic oarswoman. There was a series of discussions while this group worked out what KBPB needed to do.

One of the first things they recognised was that the bank needed a new approach and the right sort of people to promote it, particularly those who knew how to build personal relationships.

Gill's remit was to uncover what sort of people would be good at working in this sort of business. KBPB was looking at making a radical change, particularly for managers in client-facing roles.

"The new breed of manager had to be interested above all else in getting to know people," said Taylor.

**“The workers were very individualistic in their approach. Their independence of thought was something we had to challenge”**

Gill had worked on several projects in the financial-services industry but had no experience of investment banking. She said: "Instead of going down the traditional route of working with headhunters who knew the banking community, it was much easier for us to take a blank sheet of paper and map out precisely what an investment banker looked like."

She said they had to take a very sensitive approach. "These were people who were very successful. We found them quite a challenging group in view of what had worked in the past. They were very individualistic in their approach. Their independence of thought was something we needed to challenge."

What was valuable for Taylor was the help he got from Getfeedback in assessing the extent to which he was on top of managing the change.

His concern initially was evaluating the quality of the top management and making sure he had the best people working with him.

As part of the process of making sure round pegs were going in the right holes, there was a thorough examination of the client-relation managers, and more recently, a conference was held with the more junior people.

"The issue was: who could I rely on if we were going to move forward," he said. "I had to be sure I had the appropriate people in the organisation."

By spring 2005, KBPB had a new strategy and a growth plan. The 40 most senior executives could be assessed against the "ideal KBPB behavioural model".

Every existing and potential relationship manager had attended a one-day course at an assessment centre. This drew on a new psychometric tool, Intrinsic. Most tools measure what



Robert Taylor: cutting out the proliferation of meaningless titles

people can do, but Intrinsic looks at what captures their imagination.

One of the most important moves was focusing on the motivation of the relationship managers who deal with the customers and would be at the leading edge of building up the bank's revenues.

The complicated structure of KBPB has been simplified by splitting it into two "silos" — one for private customers and the other for investment business. According to Taylor, role-levelling "has helped cut out the proliferation of mean-

ingless titles that had done little more than flatter egos without contributing to the business".

Using assessment-centre results, the talent pool of KBPB relationship managers has been divided into green, yellow and red. Green managers are fit for the job, yellow ones need development work and red ones need to be replaced.

The assessment-centre results were so thorough that even people who failed accepted the outcome.

roger.eglin@onwight.net