ALEXCEL GROUP

From Parallel Function to Collaboration: The Impact of Business Coaching On The Chase Manhattan Bank

A Success Story From the Worldwide Association of Business Coaches, 2007

The Business / The Organization

Recognizing a potentially lucrative market, Chase Manhattan Bank of North America chose to develop a new business segment, Personal Financial Services (PFS), within the larger retail bank. This new segment was to target clients with investment assets of $500,000-$10,000,000.

The Partnership

Responsible for managing 550 Bankers, Senior Vice President Rick Jones assumed a leadership role in the development of this new segment. To support his efforts, Rick engaged the services of Jim Oher, an executive coach and team development facilitator with an established reputation in the retail banking industry.

The Challenge

The first-year goals of the new segment included acquisition of significant numbers of customers and associated balances, and the integration of a highly skilled staff. This staff integration was Jim's primary coaching challenge. To achieve the ambitious financial goals, two separate professional groups of bank employees, the Bankers and the Financial Advisors (FAs), had to make the transition from their previous standalone functions to active partnerships.

The Bankers, whose primary function was maintaining personal financial relationships with individual clients, had to join forces with the FAs, who were licensed to and charged with selling actual investment products (e.g., stocks, bonds, options, annuities, etc.). While the Bankers had specific individual clients, the FAs were focused on handling sales transactions. The two groups had separate management structures. Approximately 550 Bankers reported to Rick, and about 300 FAs reported to Rick's counterpart in the FA group. They now had a mandate to partner with each other—a move which required a philosophical shift. They had to work together to develop financial plans based on client needs, and sell financial products that met those needs.

The Approach

Jim approached both leaders with the dual goals of strategizing for financial goal achievement and providing a personally satisfying working atmosphere for the employees. Jim's 360-degree interviews identified the issues of conflict, mistrust, and suspicion between the Bankers and FAs as problem areas. Both groups' leaders recognized the strains in the relationship between the Bankers, who had been focused strictly on servicing clients' banking needs, and FAs, who were accustomed to dealing almost exclusively in investment 'transactions.' These conflicting philosophies translated into differences between Rick and his counterpart in the FA group, since the goals and metrics prevalent in the FAs' transaction-based climate had not caught up with the 'relationship way' the Bankers thought about clients and client needs.

The FAs frequently failed to refer business back to the Bankers, and the Bankers were often reluctant to make referrals to the FAs, who were generally interested only in the transaction, rather than in fostering the client relationship. The Bankers feared their personal clients would become part of an 'investment contract,' as opposed to being served with an open discourse regarding financial needs. The Bankers were also concerned that the FAs would monopolize the client, selling their products to the exclusion of the basic banking opportunities the Bankers provided. Restricted sharing of information, frustration about decision making, reluctance to be open about back office and technology procedures, and dissatisfaction with the compensation structure were issues as well.

In this working culture, conflict was seldom addressed directly. Each manager hoped that, over time, things would improve on their own. Jim kept reiterating the fact that, in order to banish the staff's perception of a dysfunctional partnership, it was their responsibility as leaders to address the differences and difficulties in their own relationship.

Jim mobilized a team of Bankers and FAs to work with internal training and leadership staff to develop a two-day off-site training program to address the pivotal issue of partnership. The top one hundred regional and divisional leaders, as well as staff members of both the banking and the FA units, attended the inservice. Jim's guiding principles in designing the program were transparency, openness in discussing issues which had been suppressed (conflict, mistrust, disagreement about policies and procedures, etc.), and the conviction that both groups could learn from each other and develop a plan to make this new venture successful.

Entitled 'Partnerships,' the program's objectives were to:

- Establish, enhance and promote effective, productive partnerships;
- Share ideas for creating and maintaining good relationships within the teams;
- Understand and deal with breakdowns in relationships;
- Learn from examples of effective partnerships; and
- Utilize newly learned relationship skills on an ongoing basis.

At Jim's insistence, Rick and his FA counterpart opened the off-site with a discussion of their own partnership—what they did and didn't like about it. While grueling at times, Jim had prepared both leaders to be transparent about their differences and conflicts, as well as about their desire to develop mutually satisfying ways of working together. They then invited attendees' questions regarding their joint leadership, and solicited suggestions about changes to make in future.

The event was riveting. Rick states, “One of the most important outcomes of Jim’s coaching was my realization that dealing with the issues directly, yet professionally, was far better than succumbing to corporate double-speak and evasion.”

Following their leaders’ candor, a team of Bankers’ and FAs’ best practitioners, selected for their ability to live and sell the value proposition of PFS, addressed the following questions:

- How is partnership defined, and what are the critical elements of an effective partnership?
- What changes are needed, and how do we make them?
- What urgent or compelling issue do you want addressed?
- What key factors have made your partnership work effectively?
- What obstacles negatively impacted the partnership? How did you discover them, and how, specifically, did you overcome them?
- What have you, as a team, found to be the best way to partner with other bank personnel, and especially with the clients?

The Value Delivered

Throughout the preparation process, Jim coached each presenter. Once the leaders found ways of collaborating and managing their conflicts (which they did, in front of 100 members of their senior staffs), an unprecedented level of commitment and focus was generated. An action plan was outlined. A new vision for the PFS unit was created, and a strategy, ‘Drive Revenue Daily,’ was defined: “Every activity and behavior in which we engage will be focused on achieving our vision.”

What was the major impact of Jim’s coaching? Two business teams with different focuses finally realized that unless they coalesced on a common theme–growing customers’ wealth–they were hurting the business as a whole, and that business failure would equate to individuals’ failures. Jim addressed the brass tacks business issues of collaboration and partnership, and forged an alliance defined by similar values, goals, objectives and rewards.

Jim Oher is a management consultant and coach specializing in leadership and organization development, executive coaching, transformative mediation, team effectiveness and organizational change and transition services. He has been involved in the design and delivery of several executive leadership competency models as well as customized feedback services. He has provided 360-degree feedback and assisted in the recreation and implementation of development plans and coaching for hundreds of executives. Contact Jim at JOher@AlexcelGroup.com.