



IFB Instituto de Formação Bancária
IFB – *The Portuguese Bank Training Institute*

Associação Portuguesa de Bancos



Dissemination Conference

“Re-establishing Trust and Transparency: Competence-based accreditation system for the European Financial Services Sector”

The Portuguese Piloting Experience

• **Luís V. da Cunha**



Brussels, 12. December. 2008



N. B.

**This PRESENTATION is only complete
with the COMMENTS that were made.**



A step ahead in the certification of competences

The Portuguese Piloting Experience



Background Information

- **CERTIFIED aims at developing certificates on competences related to expert employees and middle managers working in the Financial Services Sector**
- **A survey tool collected information, from EBTN members, on certification needs; the areas of Compliance, CRM and Branch Management were the most needed**
- **The Portuguese Bank Training Institute (IFB) was responsible for piloting CRM, to verify and valorise the designed CERTIFIED model**



Key Points

- ➊ **Competence Profile: Customer Relationship Manager (CRM) – EQF 4**
- ➋ **Validation feedback from the Portuguese Focus Group:**
 - **Competence framework**
 - **Competence Assessment**
- ➌ **Stress on the importance of the usability of the framework**



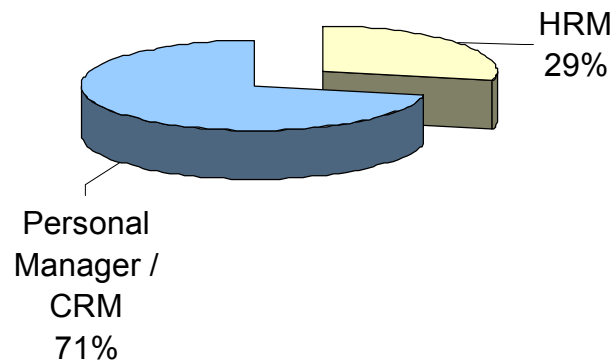
CRM Focus Group - Characterization

April 2008

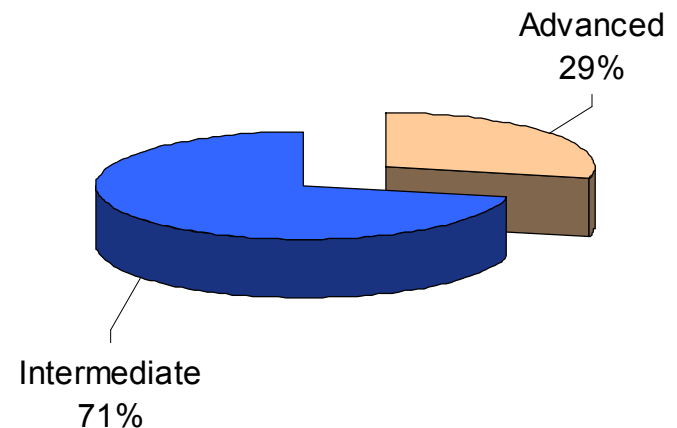
No. Participants — 14

Duration — 1h 30 m

Professionals from Banks

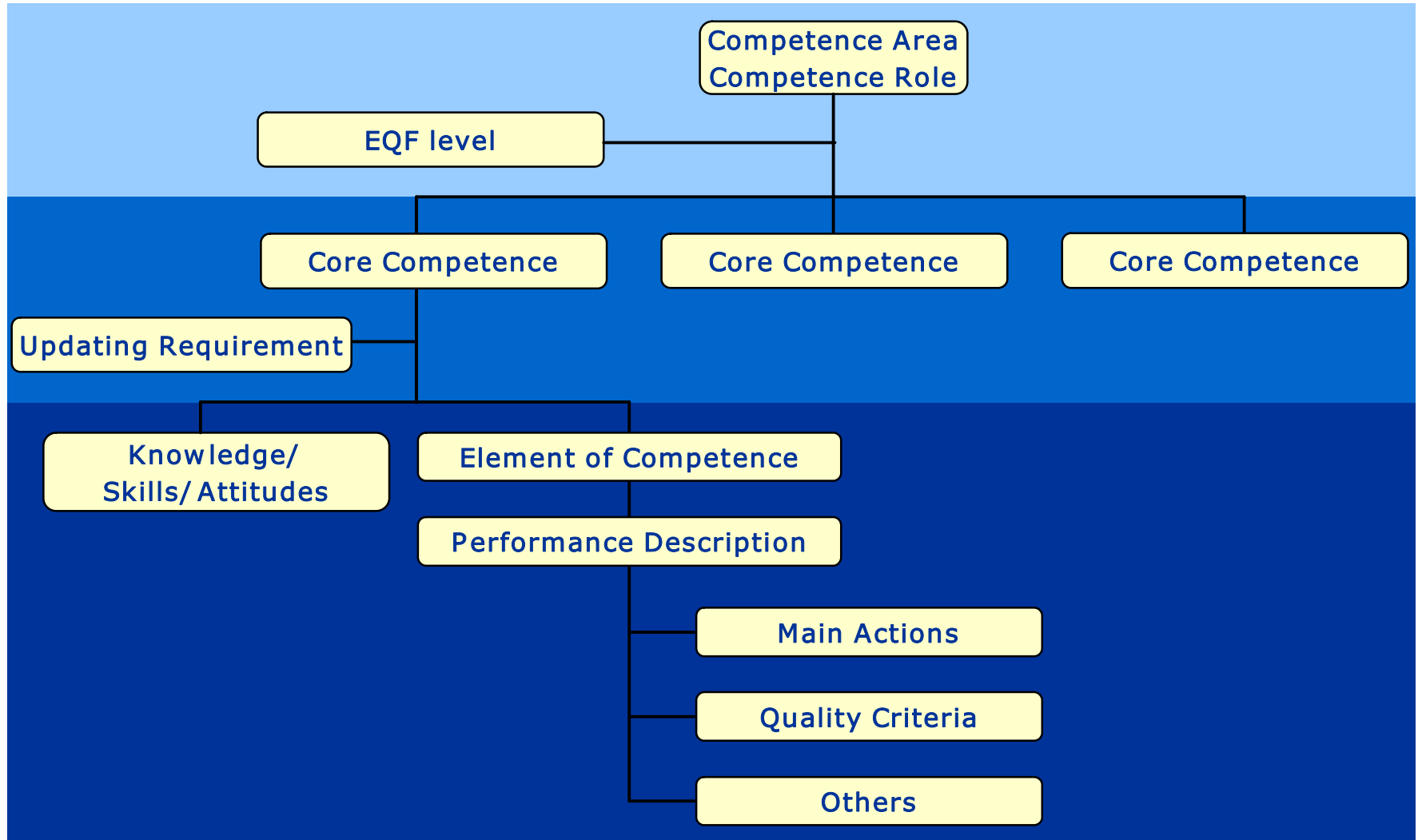


Experience in the Field



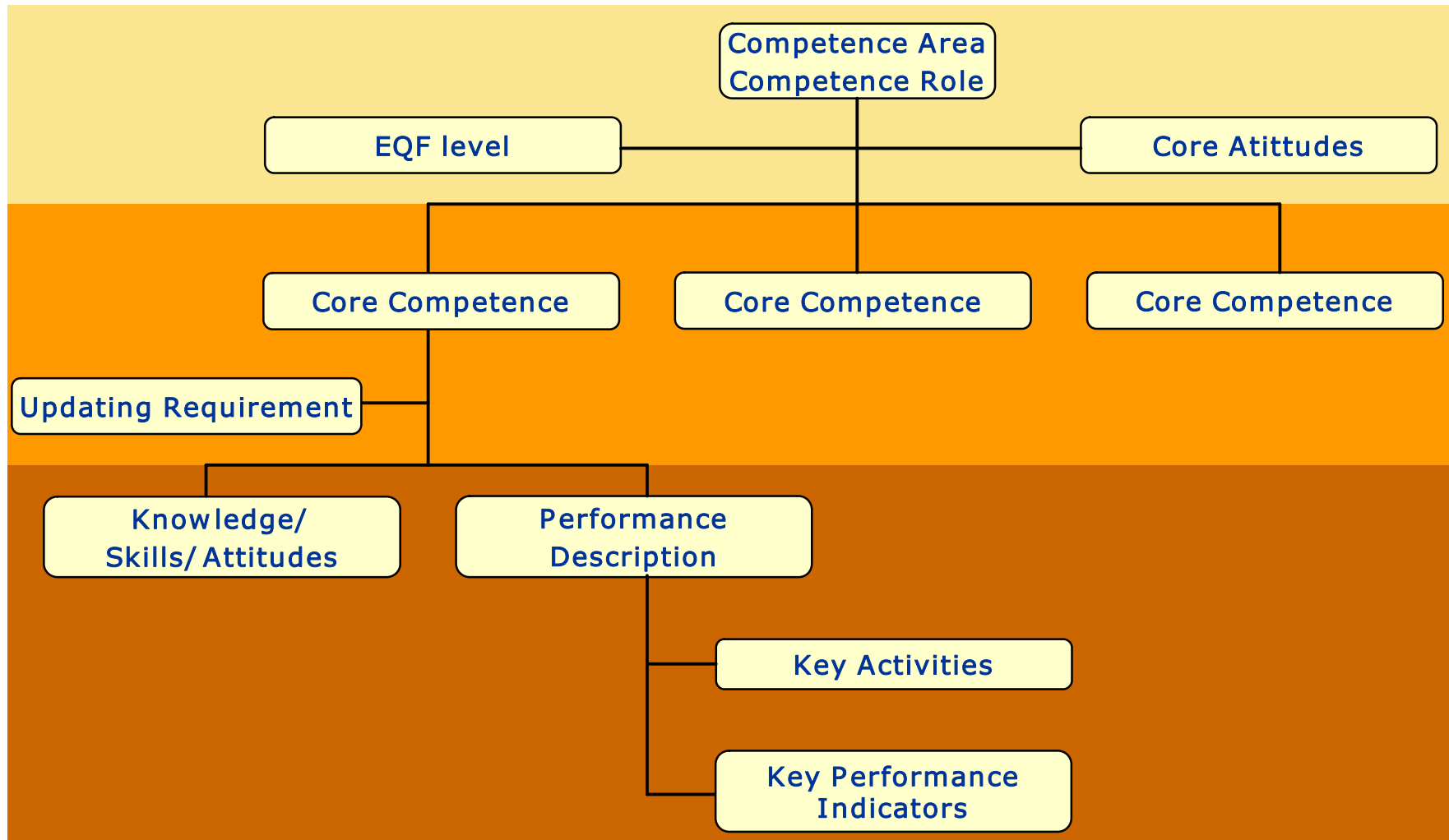


Competence Framework before Validation





Competence Framework after Validation





Competence Framework: Points of Discussion and Validation Results

- **Introduction of core attitudes at the level of the profile**
- **Performance description developed at the level of the core competences**
- **Performance described by key activities and key performance indicators instead of main actions, quality criteria or other**



Assessment Process: Key Recommendations

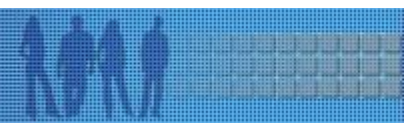
- ➊ **Assessment tools considered adequate:**
 - **written exam** (knowledge)
 - +
 - **simulation / role play** (attitudes / behaviours / skills)
- ➋ **Portfolio of evidence may arise some subjectivity in portfolio material analysis**
- ➌ **Real performance should be able to be “measured” to allow certification**



CRM profile

Core Competences

- ➊ **Developing relationship with retail clients**
- ➋ **Developing relationship with private clients**
- ➌ **General data and information management**
- ➍ **Provision of solutions to match consumer needs/proposal**
- ➎ **Relationship management**
- ➏ **Analysis of return and cost of financial operation**



CRM profile

Core Attitudes

- ⊕ **Client orientation**
- ⊕ **Self direction**
- ⊕ **Result orientation**
- ⊕ **Receptivity**
- ⊕ **Pro-activeness**
- ⊕ **Creativity**
- ⊕ **Initiative**
- ⊕ **Adaptability to constant change**
- ⊕ **Team work**
- ⊕ **Fit into different social and professional settings**
- ⊕ **Deal with stress**
- ⊕ **Empathy**

Recomendation for
diferentiation of core
attitudes at the level
of core competences



Competence 1 – Performance Description

Competence 1: Developing Relationship With Retail Clients

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key Activities</i>	<i>Key Performance Indicators</i>
<ul style="list-style-type: none"> • Diagnose a customer financial situation 	<ul style="list-style-type: none"> • Analyse all the details in order to maximise customer profitability
<ul style="list-style-type: none"> • Advise customers on banks products and services 	<ul style="list-style-type: none"> • Share of wallet • Product market share • New retail customers
<ul style="list-style-type: none"> • Identify the products that fit in each segment 	<ul style="list-style-type: none"> • Deep familiarity with banks products and services
<ul style="list-style-type: none"> • Identify different types of clients/ segments 	<ul style="list-style-type: none"> • Define an effective segmentation criteria • Customer segment profitability emphasis
<ul style="list-style-type: none"> • Identify the causes that led to the complaints and overtake them. 	<ul style="list-style-type: none"> • Customer satisfaction index • Conduct complaints to the proper department and make sure that they won't happen again



Competence 1 (cont.)– knowledge, skills and attitudes

Competence 1: Developing Relationship With Retail Clients

Updating requirements for the competence descriptions:		Needs to be reviewed every 3 years
Knowledge	Skills	Attitudes
Knowledge of the products and services sold by the bank	Ability to recognise value/ potential value of a customer	Deontology and professional ethics
Knowledge of consumer behaviour and buying processes	Ability to cross-sell products/ services (“share of Wallet”)	Customer oriented
Knowledge of how to identify customer needs	Ability to use sales and negotiation techniques	Proactive
Deep knowledge of what segmentation is	Ability to articulate your thoughts in a convincing way	Ability to feel empathy for a person, without taking the situation personally
knowledge of the taxation on bank’s products and services	Ability to deal with complaints	Ability to express your ideas and proposals
Deep knowledge of CRM instruments/tools	Active listening	Using appropriate terminology
Knowledge of the difference between transactional selling and selling to build a relationship	Communication skills	Respecting times and assignments
Basic knowledge of the key drivers of the national and international market	Ability to use the results of measurement and monitoring processes so to setup a suitable solution	Focusing on objectives
	Using IT tools	To be assertive, to focus on facts instead of emotions



Competence 2 – Performance Description

Competence 2: Developing Relationship With Private Clients

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key activities</i>	<i>Key Performance Indicators</i>
<ul style="list-style-type: none"> • Provide personalised service to customers 	<ul style="list-style-type: none"> • Customer satisfaction index • Recognise clients preferences
<ul style="list-style-type: none"> • Match the available institutional solutions with clients needs 	<ul style="list-style-type: none"> • Effort on deeply knowing each client and their expectations
<ul style="list-style-type: none"> • Advise customers on how to manage their assets 	<ul style="list-style-type: none"> • Show competence, knowledge and skills • Identify customer needs • Total clients assets
<ul style="list-style-type: none"> • Analyse economic and financial diagnoses 	<ul style="list-style-type: none"> • Look up for reliable information sources • Follow ethical principals and honesty
<ul style="list-style-type: none"> • Build a commercial strategy • Manage and develop his/her commercial activity 	<ul style="list-style-type: none"> • Focus on results • New Private customers
<ul style="list-style-type: none"> • Develop strong and complete contacts list 	<ul style="list-style-type: none"> • Classify the clients according to institutional criteria • Networking oriented



Competence 2 (cont.)– knowledge, skills and attitudes

Competence 2: Developing Relationship With Private Clients

Updating requirements for the competence descriptions:		Needs to be reviewed every 3 years
Knowledge	Skills	Attitudes
Knowledge of the key drivers of the national and international financial markets	Ability to use proper language with different interlocutors	Attention to the consumer
Knowledge of the products and services sold by the bank	Ability to deal with complaints	Receptivity
Knowledge of taxes matters	Ability to set up meetings with clients (private e corporate)	Proactiveness
Knowledge of the taxation on bank's products and services	Flexibility to deal with different kinds of clients	Creativity
Knowledge of analysing economic and financial diagnoses	Ability to use sales and negotiation techniques	Initiative
Knowledge of CRM instruments/tools	Use of different delivery channels available to build consumers relationship	Availability
Knowledge of consumer behaviour and buying processes	Ability in what concerns time managing and the identification of priorities	Team spirit
Knowledge to satisfy customer needs in a profitable manner		



Competence 3 – Performance Description

Competence 3: General Data and Information Management

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key Activities</i>	<i>Key Performance Indicators</i>
<ul style="list-style-type: none">• Operations & Process management	<ul style="list-style-type: none">• Prepare customer files on current operations in their activity
<ul style="list-style-type: none">• Deal with management information, namely build personalised commercial proposals	<ul style="list-style-type: none">• Use properly CRM tools• Deal with customer expectations
<ul style="list-style-type: none">• Identify the customer value to the institution	<ul style="list-style-type: none">• Coverage of all relevant (objective and subjective) aspects• Customer LTV (Life Time Value)
<ul style="list-style-type: none">• Monitor the competition in order to prepare best offers to the clients	<ul style="list-style-type: none">• Identify the key advantages of the institution with higher impact among the clients• Using Industry reports



Competence 3 (cont.)– knowledge, skills and attitudes

Competence 3: General Data and Information Management

Updating requirements for the competence descriptions:		Needs to be reviewed every year
Knowledge	Skills	Attitudes
Knowledge of techniques for information processing Knowledge of techniques for information analysis Knowledge of information management solutions (e.g. business and financial information) Knowledge of IT developments Knowledge of financial markets	Ability to use the web to perform targeted search engines Ability to use data mining tools and related statistical tools to extract data which is coherent with the search actions Ability to use taxonomies and other kinds of classifications Ability to use information management solutions in a way consistent with one's needs Ability to identify one's needs and ask for specific applications Ability to identify the specific reporting options available in the data system Ability to identify the most suitable system functionalities for performing the assigned tasks Ability to present the collected/ processed data and information in an appropriate way Ability to make descriptive statements and comments on the collected/processed data and information	Diligent Deontology care and mind for professional ethics Customer focus Efficiency/ accuracy Results-driven Professionalism Honesty Accountability Holistic approach Be open to on-going training and updating Be proactive



Competence 4 – Performance Description

Competence 4: Provision of solutions to match consumer needs/proposal

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key Activities</i>	<i>Key Performance Indicators</i>
<ul style="list-style-type: none"> Understand what clients desire from a financial institution/ proposal/ product and adopt the adequate strategy towards clients fidelity 	<ul style="list-style-type: none"> Understand clients life-cycle Customer profitability Use adequate language for each client
<ul style="list-style-type: none"> Gather relevant information to set up an effective negotiation 	<ul style="list-style-type: none"> Using properly CRM tools Using Industry reports
<ul style="list-style-type: none"> Guarantee effective profitable relationship and Obtain a win-win approach in every negotiation 	<ul style="list-style-type: none"> Respecting all phases of a negotiation New customers



Competence 4 (cont.)– knowledge, skills and attitudes

Competence 4: Provision of solutions to match consumer needs/proposal

Updating requirements for the competence descriptions:		Needs to be reviewed every 3 years
Knowledge	Skills	Attitudes
Knowledge of institutional products	Ability to understand customers needs	Flexibility
Knowledge of products offered by competitors	Ability to spot opportunities	Capacity to think independently, and to apply the innovation within the organisations rules and regulations
Knowledge of procedures related to products selling	Ability to assess the possible consequences resulting from a decision	Customer focus
Knowledge of procedures related to post selling support	Ability to set a professional relationship with other people	Manage time properly
Knowledge of marketing techniques	Ability to use a professional/ technical vocabulary	Focusing on objectives
Knowledge of consumers behaviour patterns	The inputs/ requests/ needs expressed by colleagues and customers	Respecting tasks and assignments
Knowledge of how the bank should satisfy customer needs in a profitable manner		Ability to anticipate requests and needs from colleagues and customers
Knowledge of internal rules and regulations		
Knowledge of market rules and regulations		
Knowledge of professional deontology		



Competence 5 – Performance Description

Competence 5: Relationship Management

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key Activities</i>	<i>Key performance Indicators</i>
<ul style="list-style-type: none"> Develop and maintain a solid relationship with clients 	<ul style="list-style-type: none"> Be always available Periodical management of the contacts Customer satisfaction index Customer Retention Customer LTV (Life Time Value)
<ul style="list-style-type: none"> Prepare customers proposals 	<ul style="list-style-type: none"> All the information concerning products/ services regulations should be presented
<ul style="list-style-type: none"> Identify and suggest the adequate product for each client 	<ul style="list-style-type: none"> Share of wallet / cross selling / up selling Deep familiarity with banks products and services
<ul style="list-style-type: none"> Understand the needs/expectations of different kinds of customers, managing effective communication 	<ul style="list-style-type: none"> The empathy as a key to the success
<ul style="list-style-type: none"> Analyse client satisfaction: conceive and pass satisfaction inquiries to clients 	<ul style="list-style-type: none"> Respect the building rules of a questionnaire



Competence 5 (cont.)– knowledge, skills and attitudes

Competence 5: Relationship Management

Updating requirements for the competence descriptions:		Needs to be reviewed every 3 years
Knowledge	Skills	Attitudes
<p>Knowledge of consumer behaviour and processes</p> <p>Knowledge that different customers/consumers groups have different value to the organisation</p> <p>Knowledge of the importance of relationship management in attaining customers value</p> <p>Knowledge of the difference between transactional selling and selling to build a relationship</p> <p>Knowledge of the importance of making customers recognise they are valued by the organisation</p> <p>Sound knowledge of consumer behaviour</p> <p>Sound knowledge of the stages in the consumer buying processes</p>	<p>Ability to conduct sales interviews</p> <p>Ability to cross-sell and up-sell</p> <p>Ability to use proper language with different interlocutors</p> <p>Ability to cross-sell products/ services to strengthen customer relationships</p> <p>Ability to deal with complaints</p> <p>Ability to recognise value/potential value of consumer</p> <p>Ability to identify significant changes of a consumer during different life stages</p> <p>Ability to make clear agreements</p> <p>Communication skills</p>	<p>Customer oriented</p> <p>Managing time according to priorities</p> <p>Using appropriate professional behaviour</p> <p>Respecting tasks and assignments</p> <p>Be proactive</p>



Competence 6 – Performance Description

Competence 6: Analysis of Return and Cost of Financial Operation

Sectorial Competence

PERFORMANCE DESCRIPTION

The candidate is able to:

<i>Key Activities</i>	<i>Key performance Indicators</i>
<ul style="list-style-type: none"> Calculate the return of cost of financial operations, using computer software - Analyse the risk of credit operations (up to some amount) 	<ul style="list-style-type: none"> Pay attention to details Gather effective information Total segment / Client expenses Total Process cost
<ul style="list-style-type: none"> Diagnose a customer asset situation and advise customers on how to manage their portfolio 	<ul style="list-style-type: none"> Use properly CRM tools Total clients assets
<ul style="list-style-type: none"> Plan future actions concerning commercial activity 	<ul style="list-style-type: none"> Reach a Win-win result – both client and institution are satisfied
<ul style="list-style-type: none"> Draw up reports on activities 	<ul style="list-style-type: none"> Industry reports / benchmarks Build simple but effective reports



Competence 6 (cont.)– knowledge, skills and attitudes

Competence 6: Analysis of Return and Cost of Financial Operation

Updating requirements for the competence descriptions:		Needs to be reviewed every year
Knowledge	Skills	Attitudes
Knowledge of general banking operations Knowledge of the products/ services sold by the bank Knowledge of techniques for information processing Basic knowledge of techniques for information analysis Knowledge of internal rules and regulations	Ability to interpret relevant information Ability to assess the possible consequences resulting from a decision Ability to use a professional/ technical vocabulary Ability to be inventive about options	Understanding and applying specific action lines as defined by the existing regulations Focusing on objectives Ability to identify problems possibly emerging from a task Mind the details Be proactive



Thank You.

Luís Vilhena da Cunha

LVC@IFB.PT

Brussels, 12.December.2008

 **Instituto de Formação Bancária**
IFB – The Portuguese Bank Training Institute

Associação Portuguesa de Bancos