

Straight to Management Board

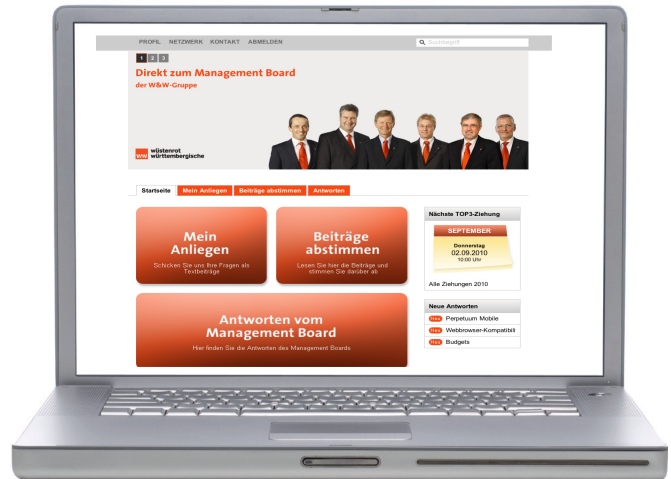
Accelerating Integration in the Financial Services Sector

In 2008 Frank Weber, Director of Communication and Corporate Development for Stuttgart-based W&W, faced a dilemma. A merger was supposed to create an integrated leader in the German financial services market, but had failed to produce much in the way of commercial synergy.

The market dynamics of the German financial services industry were increasingly affected by major structural changes taking place across the German economy. Customers had once depended on the state for their financial security, but now they were looking to players in the financial services industry who could work best with them to support and insure their financial goals over time. But as the W&W Group shifted its brand to being ‘the specialist for financial foresight’ in 2008, it needed to make itself better prepared to deliver on this kind of promise.

W&W was the combined name of Wüstenrot (a national savings and home-loan bank) and Württembergische (a national insurer). Although combined in name, the businesses continued to be run separately, and very little was happening to change that. Frank Weber explained: “We had invested a lot in a combined brand and we’d invested a lot of senior leadership time in cascading things like vision, values, and strategy, but for the most part, people had continued to go about their business as if little had changed. Our cross-selling rate in 2008 was 5%. For a business that combines home loans and insurance, that’s shocking – cross selling should be several times that. But the traditional communication tools had stopped working, and it didn’t make sense for us to simply tighten the screws harder.”

“At the senior level, there was a realisation that we were not involving and engaging employees to the extent required even to understand what the real issues were, much less in coming up with tangible solutions”. Weber saw the need for W&W to move beyond a traditional, top-down approach to internal communication. “We needed to involve staff in these conversations. For 2009, we set specific goals to convey our mission as ‘the preparation specialist’, and ingrain this mission into people’s daily business and experience. We first initiated a series of workshops to elicit staff ideas and participation on how to bring our mission to life, additionally fueled by one-hour visits by board members to each work group throughout 2009. However, we also needed to create a sustained flow of ideas and interaction, and take it beyond the work group level, so as to connect employees across departmental boundaries and the organisation’s ‘white space.’”



Straight to the Management Board of W&W Group

Key figures by the end of June 2010:

- 10,000 platform users registered
- 120,000 votes cast
- 68 feedbacks answered by senior leadership
- Trust in senior leadership and its decisions went up from 34 % in 2008 to 43 % in 2009

This gap was filled by **direktzu**[®], an integrated feedback management package originally developed for German Chancellor Angela Merkel, who used it to channel and aggregate citizen feedback to her performance, and to facilitate her agenda-setting process. W&W made the call to relevantec GmbH early in 2009. “What **direktzu**[®] gave us was a fully integrated platform that initially did three things: 1) it allowed both leaders and staff to submit feedback to the management board; 2) it bundled and prioritised the feedback that employees submitted; and 3) it made sure that the three feedbacks the management board responded to every three weeks would address the most important issues on the common agenda.”

Weber continues: “It didn’t revolutionise the entire culture instantaneously, and it wasn’t just the technology itself but also **direktzu**’s expertise in ensuring that the process moved smoothly.” It did mean some immediate changes, though. For the first time, senior leadership was receiving feedback that came directly from employees and was verified to reflect broad trends in employee attitudes, and for the first time, there was a real sharing of our agenda-setting process.

“Some of the results were surprising – this is not something to do if you simply want to validate your perception of what staff think and what’s important to them. A good example was a staff feedback about the cost of the Christmas Trees at our head office. That may sound like an irrelevant issue, but it was very important symbolically and it generated very high rating scores through the system.”

Still, the system itself required continued and intensified support from senior management. “Initially, we thought it would more or less drive itself, and as it happened by focusing on the response to three feedbacks every three weeks, we didn’t find that senior leaders felt overtaxed at all.” The use of limited feedback sets over fixed time periods is a common feature of **direktzu** installations as it allows for periodic stimulation of the process, encouragement of broad use of the system’s rating feature, and an efficient use of management input. But delegating feedback submission mainly to W&W’s 9000 office staff often made for very tactical conversations.

W&W made four modifications to their approach. First, W&W’s 6000 agents in the field were given access to the system. “The involvement of agents made a huge difference – their feedback was totally different, and indeed, it appeared to be the first time the agents had interacted with the office staff in anything more than the most basic transactional way. They became aware of the operational issues that had frustrated them – such as the process of delivering quotes and why quotes couldn’t simply be delivered instantaneously, for instance.”

Second, senior leadership worked with middle management to better involve them as partners in the airing of issues through the system. “We kept getting reports that some middle managers were cool towards the use of the system, particularly in the office environment. We needed to make clear to them that this is now a fundamental part of how we do business, and that we needed them on our team to encourage the surfacing of even more feedback. It remains an issue, but we have seen significant improvement, and we work on this all the time.”

Third, senior leadership increased its commitment to sharing the agenda-setting rhythm enabled by the system, using it to initiate conversations about issues like business and corporate strategy – issues where they sought involvement but which were not initially front-burner concerns among staff users. “We expected staff to be feeding back to us about this, but by taking the initiative, we’ve had a much richer and more powerful conversation about these core concerns.

Fourth, to provide more participation opportunities between the submission of feedbacks and the rating of their importance, W&W added a comment function on submitted feedback in early 2010. “Adding the comments feature has had a huge impact – not only is it providing much more context and background to issues, it is actually allowing for people to come together to suggest potential resolutions, or to go off-line and resolve issues before they even require senior leadership attention. In doing so, it has taken our communication approach from one to many (cascade) to Many-to-One® (feedback and ratings) to many to many (comments breeding mini-networks of people with common interests across the business). Indeed, the ideas and problem-solving coming through the comments process has further deepened leadership commitment and helped involve managers more tangibly, as they submit some of our better ideas.

As for business performance, according to Weber, “we think more as one company. There’s broader awareness of the breadth of what we do, and that’s paying dividends well in excess of what we are investing in money and time. Indeed, we find the use of **direktzu** extremely efficient and effective.”

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