

# CASE STUDY



# CASE STUDY: IMPROVING CUSTOMER SERVICE, SALES EFFECTIVENESS AND ORGANIC GROWTH

How a regional bank took on the big banks and won with stellar customer service and a culture that promotes diversity



## OBJECTIVE:

*To build competitive advantage through a strong focus on customers and customer service, and to reinforce a long-standing company culture that supports communities and creates a fulfilling workplace for employees through understanding and supporting diversity*

Bendigo Bank is a regional Australian bank, operating primarily in Victoria, Queensland, and New South Wales. With more than 200 bank branches and approximately 2,200 employees, Bendigo Bank has differentiated itself in Australia's financial services marketplace as an innovative service provider—both at the customer/bank branch level, and organizationally through its community bank program, which has provided local banking to remote Australian communities not serviced by Australia's "Big Four" banks.

A truly values-driven organization, Bendigo Bank's motto is: "Successful communities and successful customers create a successful bank." The bank's focus on communities and exceptional customer service has made it one of Australia's most respected and well-loved organizations.

The esteem in which Bendigo Bank is held has also translated into high customer satisfaction ratings and organic growth in deposits and accounts (two immediate measures that are affected by customer service) that far surpass industry standards.



## CHALLENGE:

*Stand out amidst the “Big Four” Australian banks and drive organic growth (customer numbers, deposits, and ultimately profitability and EPS) through differentiation on the basis of a uniquely satisfying customer service experience.*

In 1998, when it embarked on its first formal training programs, Bendigo Bank had about 70 branches and 900 employees. By the end of 2003, both those numbers had tripled.

The challenge was to create an operation that would change the paradigm of banking in Australia: that banking is controlled by big, multinational corporations. Bendigo Bank set out to prove that banking could also be controlled by local communities, and to further differentiate itself by delivering exceptional customer service. That challenge led Bendigo Bank to begin developing a training curriculum to help:

- Reinforce its strong company culture and history
- Deliver exceptionally high levels of customer service
- Create a fulfilling workplace for its employees
- Drive improved financial results

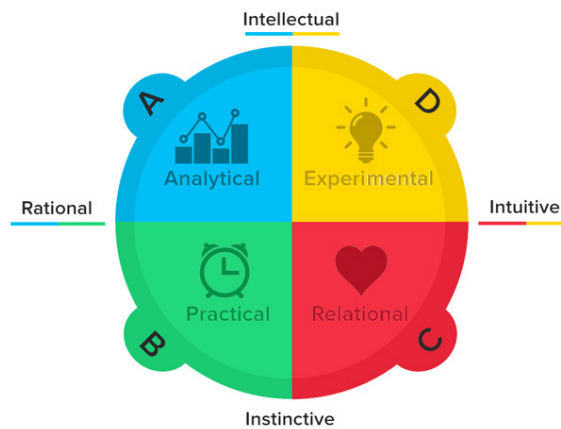


## SOLUTION:

*Strengthening colleague and customer relationships by understanding, appreciating and leveraging diversity of thought.*

“The Whole Brain® Model has become a tool to help manage interpersonal relationships.” – Andrew Stagg, Manager of Learning and Development, Bendigo Bank

Under the direction of Andrew Stagg, Bendigo Bank’s Manager of Learning and Development, Herrmann International’s Whole Brain® Thinking approach has become an integral part of the bank’s culture and helped it achieve its customer service objectives.



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The first training program run by Stagg, under the title “Building the Future,” was designed primarily for managers and executives to help identify and develop ways to build the business while, at the same time, reinforcing the business’s unique culture of understanding and supporting communities and organizational diversity.

Building the Future was based on the Whole Brain Model® and incorporated the use of the Herrmann Brain Dominance Instrument® (HBDI®) assessment.

According to Stagg, management was “so impressed with it and what we were trying to do that they decided to roll the program out to everyone in the organization.”

The Whole Brain® Model and HBDI® profiles have not only provided a conceptual model for people to discuss and understand diversity, but, more important, have become core components of the bank’s working culture.

Stagg says that staff throughout the bank and its networks have applied the program’s learnings to understand themselves and their workmates, and to find better ways to work together and with their customers.

“The model has moved beyond helping people manage diversity and has become a tool to help manage interpersonal relationships—to help individuals understand why they get along with certain people and, at times, to understand that the person next to them isn’t being impossible, but just thinks differently,” he says.

During the rollout of Building the Future, Stagg and his team also built various targeted curricula to train staff in core skills involved in lending, compliance management and customer service. Each was built around Whole Brain® Thinking and the HBDI® profile.

As Stagg puts it, the HBDI® profile builds awareness of self; self-awareness builds self-esteem; and self-esteem drives performance. Understanding one’s self, through the HBDI®, was therefore seen as an important link in creating higher levels of performance.”

As staff have become more aware of thinking preferences and have begun to understand themselves better, they’ve also become more aware of and open about their attributes and areas of lesser preference. For those who want to build up comfort in their less-preferred quadrants, the bank offers special curricula to provide that learning experience

The Whole Brain®/HBDI®-based training has now been introduced throughout the entire Bendigo Bank network. The bank has used industry-specific terminology in the program to show how the four quadrants of the Whole Brain® Model apply in the banking world. For instance, to describe the blue/upper left/A segment, they have used terms such as lending fundamentals, financial analysis, understanding securities and other “facts and figures” words. For the green/lower left/B quadrant, they have discussed things like time management, procedures, administrative processes and foreign exchange. Red/lower right/C-quadrant concepts have been discussed in terms of dealing with customers, customer service, understanding people and managing poor performance, while yellow/upper right/D-issues, are talked about in terms of the future and forward planning, as well as management issues such as staff selection.

As an example of adopting a more “yellow” approach to management, trainers used the issue of filling staff vacancies. Management taking a D-quadrant approach would tend to look more at the future, talk to everybody on their team and build case scenarios for the ideal person for the future, rather than just rushing out and putting an ad in the paper.

The Whole Brain® Model is now fundamental to all the bank’s training workshops,

whatever the subject or issue, and has become the framework for learning within the entire bank.

## **Customer Service: The Key to Success**

“You can’t succeed if you don’t understand yourself. Understanding yourself is the first step. And it’s all done using the Whole Brain® Model.” – Andrew Stagg, Manager of Learning and Development, Bendigo Bank

Whole Brain® Thinking is having its greatest impact on customer service. Indeed, the bank’s entire customer service approach is grounded in Whole Brain® Thinking.

By way of example, trainers have introduced a group activity that challenges individuals to look at how their thinking preferences may fit with a customer’s thinking preferences.

“We start out by developing an understanding of ourselves and how relationships work before we get them to think about dealing with different types of people—people with dominant thinking preferences in each of the four thinking quadrants,” Stagg says.

The group is then divided into sub-groups, each of which is required to consider dealing with customers with dominant blue (A), green (B), red (C) or yellow (D) thinking preferences. The sub-groups are asked to work out what each kind of customer needs, wants, demands or expects. They are also asked how bank team members can and should best meet those needs, wants, demands and expectations.

Stagg says that, through the process of understanding the expectations of customers with different thinking preferences and how they view different issues and scenarios, the sub-groups have been able to identify more effective ways to approach and value all customers and make stronger connections with them.

One of the most important applications for the Whole Brain Model® within Bendigo Bank is teaching effective communication. The training team provides employees with tools to enable them to “get through to” and link up with customers and colleagues who are both similar to and different from them in terms of thinking preferences.

The team also trains staff to keep in mind that most people don’t have a single preference but often have preferences for two or even three quadrants; therefore, listening skills are very important.

As part of its training, Bendigo Bank builds questions into its sales and service processes that provide clues about people’s thinking preferences. In one training scenario, staff are asked to consider a customer sitting down to talk about a new home loan. Staff are trained to ask questions about the person’s home to ascertain his or her thinking preferences.

“Without having that understanding, you’ll naturally stick with the communication style that you’re comfortable with—and that may not be the most effective,” Andrew Stagg said.

Integral to Bendigo Bank’s delivery of its brand of service are:

- the recognition that customers (and staff) have feelings
- the need to develop ways to engender warmth and understanding
- talking to people to find out how they’re thinking and what they need

This contrasts with some of the larger banks, which like to have a matrix of accounts that customers have to “fit” into.

Bendigo Bank shies away from using the word sales within the organization. Rather, team members talk about developing great buying experiences. And rather than

talking about selling product, they tend to see themselves as being part of a service industry that helps customers get what they need. A key point of differentiation is that Bendigo Bank works at helping its customers choose what to buy by understanding them, building relationships and helping them choose products that suit their lifestyle. The Whole Brain® approach dovetails perfectly with this philosophy and helps staff put it into practice.

“That’s why we put so much effort into our training courses, so staff can develop an understanding of other people and themselves. Because you can’t succeed if you don’t understand yourself,” Stagg says. “Understanding yourself is the first step. And it’s all done using the Whole Brain® Model.”

## RESULTS:

*13% growth in customers, 20% growth in deposits, 21% increase in after-tax profits and a #1 customer satisfaction ranking*

Bendigo Bank strongly believes its innovative, Whole Brain®-based training program has helped drive its success.

Rather than attempting to position itself as the fifth huge national bank in Australia, which is something of an anathema to its culture and business goals, Bendigo Bank is more focused on being seen as be the most successful bank in Australia.

“That means staying true to a willingness to work with communities to create a better, stronger future and a continued focus on our customers and providing exceptional customer service,” Stagg says.

Its commitment to its culture and goals is clearly paying off. In an Australian Financial Review survey conducted in the year following the initial rollout of the program, Bendigo Bank rated number one in a customer satisfaction poll of more than 57,000 bank customers throughout Australia.

In that survey, Bendigo Bank’s customer satisfaction rating of 86% far surpassed the average for Australia’s big four banks, which garnered 59% customer satisfaction.

A more recent AFR survey again showed Bendigo Bank well in front of its rivals by an even greater margin. Moreover, key financial metrics for the bank, all of which are directly related to customer satisfaction, continued to show dramatic growth throughout the financial year:

- ◆ Net growth in customers of 13%
- ◆ Net growth in retail deposits of 20%
- ◆ Growth in customers and deposits, along with lending approvals, translating into a 21% increase in after-tax profits for the financial year

Bendigo Bank also ranked fourth in Harris Interactive’s corporate reputation quotient consumer survey, prompting the Sydney Morning Herald to note, “Growing regional Bendigo Bank bucked the trend of banks lurking at the bottom of the top 20 to come in at number four, enjoying a period of goodwill among consumers as it opens yet more community banks in bank-free towns and suburbs.”

Better thinking at Bendigo Bank is clearly making a difference, not just in the company but in communities across Australia.

## UNLEASH THINKING POTENTIAL

Herrmann International combines powerful psychometric tools with learning programs to prepare your workforce for a complex and volatile environment. Learn more about our assessment tools, explore our learning programs, or talk to a Whole Brain® Specialist today.

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