

case study

Swedbank (FöreningsSparbanken)

Swedbank Drives Competence to Business With Support of Saba®'s Comprehensive Competency Management Solution

Solution Overview

Industry — Financial Services

Challenge

- Speed up competence-to-business by implementing a powerful and targeted competency management strategy
- Achieve greater levels of compliance with recently introduced financial legislation and improve the level of readiness of Swedbank's financial advisors
- Align learning and competency initiatives to Swedbank's business imperatives

Benefits

- Doubled the number of training days within the same cost structure
- Enabled alignment and measurement of staff competence with customer retention and satisfaction
- Turned compliance into a competitive advantage by certifying 8,500 financial advisors in eight weeks

Solution

Saba® Learning Suite
 Competency Management
 Certification Management

Swedbank (FöreningsSparbanken) is a leading Nordic-Baltic banking group with 8.4 million retail customers and 396,000 corporate customers in Sweden, Estonia, Lithuania and Latvia. Together with the cooperating savings banks, the group has more than 1,000 branches in Sweden and the Baltic countries. As of December 2004, the group had total assets of SEK 1,020 billion and approximately 15,000 employees.

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Staffan Ivarsson, Deputy Director of Human Resources
 Swedbank (FöreningsSparbanken)

Aligning Competencies to Serve Customer Loyalty

Swedbank's competency strategy began in 2001, when the bank realized it would need to align specific employee skills to the demands of particular customer segments in order to improve customer retention and loyalty. "This initiative was created to support Swedbank's fundamental belief that the skills, motivation and satisfaction of its employees are instrumental drivers of value for customers," said Staffan Ivarsson, deputy director human resources at Swedbank. With a growing number of customers using the Internet to handle day-to-day transactions, Swedbank decided to improve the service skills of its customer-facing staff, to ensure that the company remained the number one financial institution for customer satisfaction.

Swedbank believed that shifting from a transaction-oriented skills model to a relationship-oriented skills model would improve the way its branch-based staff interacted with customers during face-to-face meetings. This shift could happen only by having a better grip on competencies. The company needed a process to categorize skills and competencies, identify gaps and put into place comprehensive development and training plans to increase staff readiness to sell

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new financial offerings and provide true financial advice to demanding customers. It also needed a blended training model, providing managers the flexibility to select the right channels to train staff according to the type of competency to be acquired. Finally, the whole effort required a comprehensive learning management platform that could support a systematic and holistic approach toward learning and competency management, while reducing risks of increased costs generated by the need to train more people and deliver more training days.

Saba Supports Swedbank's Vision of Integrating Competence and Learning

Swedbank decided to acquire a learning management platform that would become the backbone of its competence strategy. "Swedbank's key goal was to align competencies with its business imperatives in a changing environment. Learning was considered one of the key enablers of the overall competence initiative," said Ivarsson.

After evaluating a number of solutions, Swedbank identified Saba as best suited to meet its strategic requirements for tightly integrating competency-related and learning-related processes. Swedbank chose Saba Learning Suite to create, categorize and manage competencies as well as to align development plans and deliver learning via a blended model. "Beyond the breadth of functionalities offered, we liked the fact that Saba also shared our vision of Human Capital Management. Because Saba did not limit Human Capital Management to the learning element only, we felt that Saba could support Swedbank's strategy of using learning to serve the requirements of the business first," commented Ivarsson.

Aligning Competence to Business: An Iterative Process

Swedbank's approach to competence and learning management is a continuous and iterative process composed of several steps, all supported by Saba.

Human resources department and business managers closely worked together to set the competence acquisition and development strategy. Understanding the business demand to create success for Swedbank was the starting point. Regular internal and external surveys, carried out

by Swedbank since 1992, showed that competencies had the biggest impact on customer satisfaction — the better the skills, the higher customer loyalty. Swedbank found that 50% of the customer satisfaction index value is directly connected to what customers think of the bank's competence.

By working with line-of-business managers, the HR department used Saba to record job types associated to each business demand. Twenty-eight job types were created, spanning management positions, customer-facing positions and business-support positions. Additionally, the set of competencies and levels associated with each job type was also stored in Saba. One hundred competencies are categorized in Saba's competency library, which is available for employee self-assessments, enabling employees to measure existing competencies against those required for a specific job profile.

Seventy-five percent of Swedbank staff is using job types and competence gap analysis, delivered via Saba. Competencies have become the basis for dialogue between employees and managers to determine goals and agree on individual development plans. Development plans are delivered using Saba, and reflect a mix of training channels — classroom-based, e-learning, virtual networking, co-listening tutoring and simulations — depending on the channel that best fits the set of competencies to be acquired or developed. Because developing "knowledge" doesn't require the same learning channels as developing "attitude" or "skills," **only a blended learning approach** allows employees to segment competencies and choose the channel that best fits.

Finally, Saba supports follow-up on the execution. Development plans are reviewed on a regular basis and serve as a foundation for future enhancements and adjustments of competency plans aligned with business plans.

Saba Contributes to the Development Plans of 13,000 Employees

Saba provides the infrastructure and repository that supports each step of this iterative and continuous process.

Two years after rollout, 13,000 employees are using Saba Learning, of which 75% are frequent users. Swedbank makes extensive use of the Saba Learning catalog of close to 250 courses, including job profiles and competence modules.

User adoption of the system and process could not have been achieved without having the implementation project team's focus on user acceptance. Because of the cultural change, it was essential to facilitate the shift to this new approach toward learning, getting employees familiar with a brand new user interface and spending time on internal education. "User acceptance was instrumental to the success of the project. We are proud not to have underestimated its impact," said Pia Oderud, head of the competency management initiative at Swedbank.

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Transforming External Regulation Into Competitive Advantage

Since 2004, Saba has also become instrumental to all certification initiatives and has allowed Swedbank to address regulatory requirements in a fast and effective way. With the introduction of a new financial law, for example, it was imperative to quickly certify all financial advisors on the impact of this new law. Time was of the essence. Saba enabled Swedbank to carry out all diagnostics tests to a population of 8,500 users in less than eight weeks. This certification process resulted in detailed documented authorizations delivered to the financial advisors. Since then,

certification has also become a key driver for the Swedbank competency and learning management initiative.

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Doubled Number of Training Days and Increased Customer Satisfaction

Using Saba, Swedbank managed to double the number of training days within the same cost structure, achieving greater cost efficiency. “Saba allowed us to train more people faster. We moved from 22,000 training days to 40,000 training days without increasing our operational and structural costs,” said Ivarsson.

Saba also addressed Swedbank's need to train more people in a much more rational and accurate way. One of the key achievements was the ability to align specific customer segments and requirements with the appropriate set of employee skills, which improved Swedbank's readiness to serve demanding customers. Customer satisfaction rates improved, as revealed by both external and internal surveys measuring customer satisfaction. Swedbank further used those measurements to improve organizational competencies based on job roles.

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Market recognition speaks for itself. Swedbank was awarded the “Competency Management Company of the Year 2004” by the Swedish Competency Development Group. The award recognizes Swedbank’s excellence in human capital vision and its accomplishments in developing the more than 13,000 employees throughout the entire Swedbank organization. By driving improvements in its human capital assets, Swedbank was able to improve profitability and its overall organizational performance.