



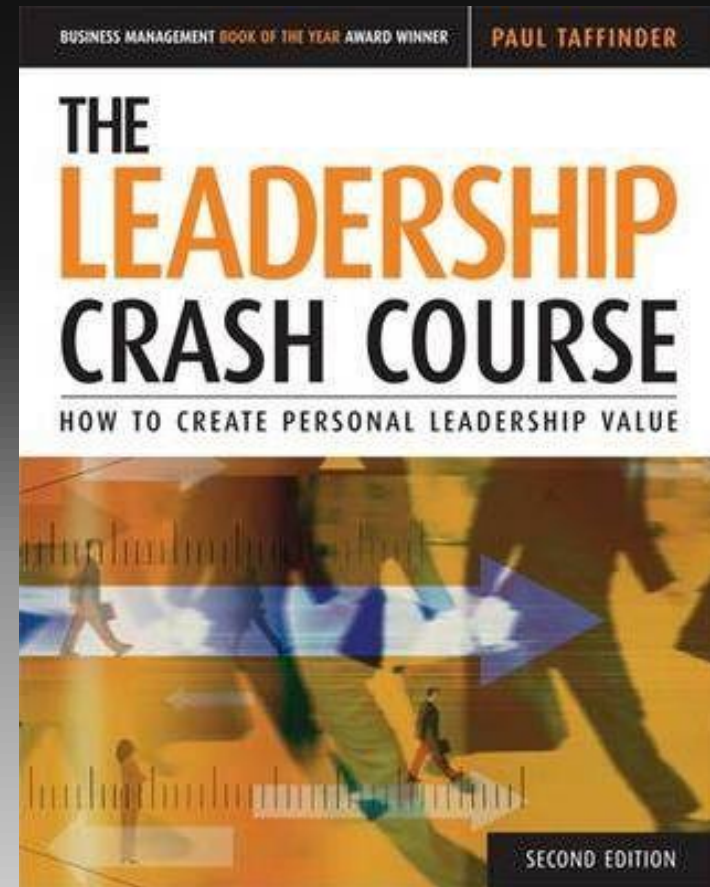
FS Club

News Events Partnerships

Purpose Lost, Purpose Regained: Leadership in Financial Services Post- Covid-19

Webinar

Monday 08 June 2020



A Word From Our Chairman



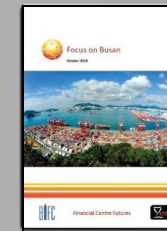
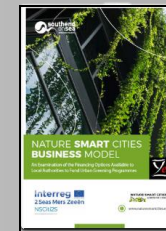
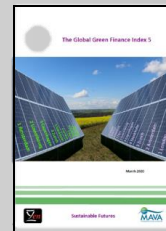
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Professor Michael Mainelli
Executive Chairman
Z/Yen Group



Recent Publications



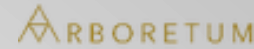


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Agenda



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- 15:30 – 15:35 Chairman's Introduction
- 15:35 – 16:00 Keynote Address
- 16:00 – 16:15 Questions & Answers



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Purpose Lost, Purpose
Regained: Leadership in
Financial Services Post-
Covid-19



Dr Paul Taffinder

Founder & Managing
Partner

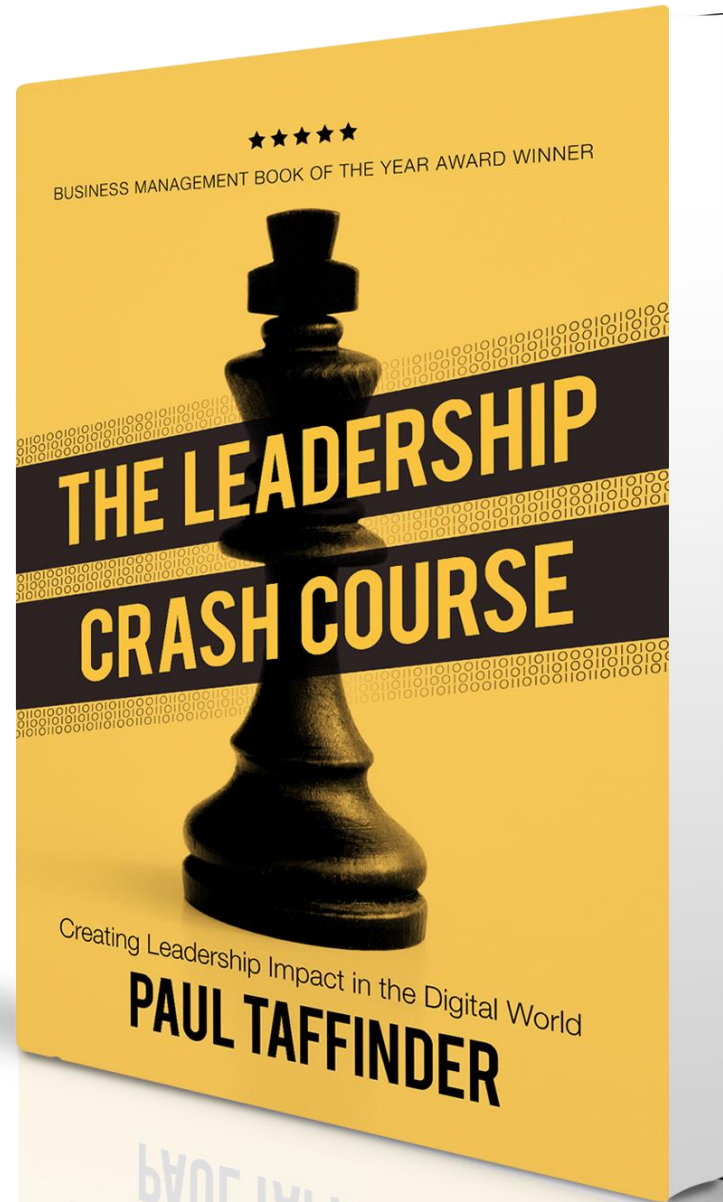
Taffinder Consulting

Purpose Lost, Purpose
Regained: Leadership in
Financial Services
Post COVID-19



FS Club Webinar

Dr Paul Taffinder



The Problems FS Leaders Have

No-one gets out of bed to create Shareholder Value

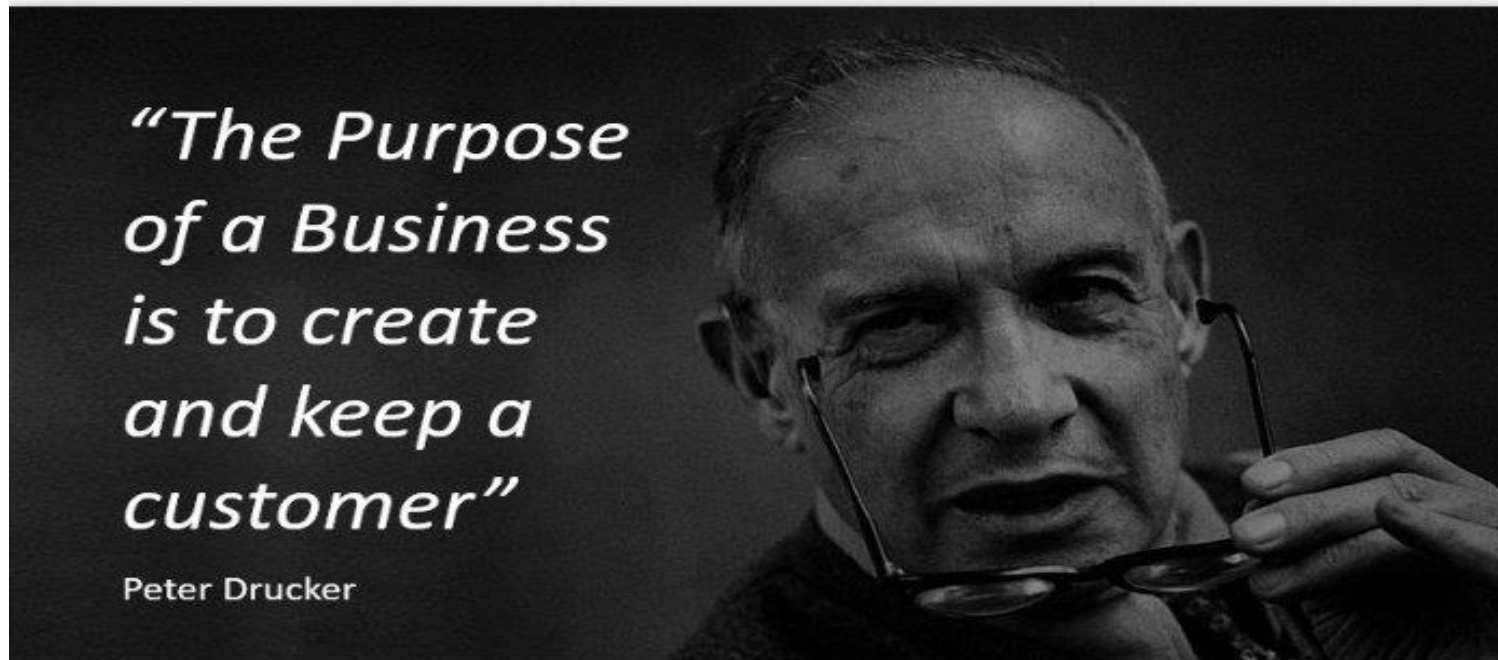
The public seems to have the perception that the financial services sector is more unethical than other sectors of business



Legal behaviour is not always moral behaviour




Have FS Leaders Answered These Questions?

1. *Why are we in business?*
2. *Whom do we serve and why should they come to us?*
3. *How is our purpose fit for purpose?*
4. *Does our strategy align with our purpose?*
5. *Do our executives and employees live our purpose?*



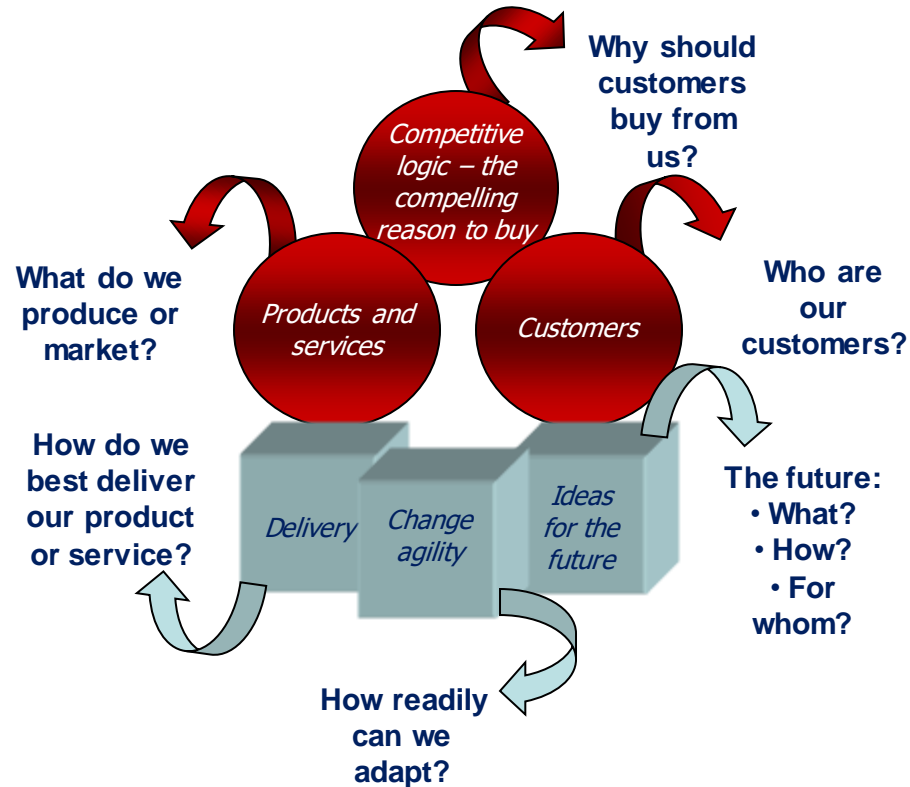
Purpose, Vision, Values (PVV)

What do Purpose, Vision and Values Mean?

Terms	Definitions	Good Examples
Purpose	<ul style="list-style-type: none"> Consistent identity that transcends product or market life cycles, technological breakthroughs, management fads and individual leaders 	 <p><i>We organise the world's information</i></p> <p><i>To improve the lives of the world's consumers</i></p> <p><i>We deliver heat, light and mobility products and services to people all around the world in ways that will help to drive the transition to a lower carbon future</i></p> <p><i>To make people happy</i></p> <p><i>To solve unsolved problems innovatively</i></p> <p><i>To preserve and improve human life</i></p> <p><i>To help Britain prosper</i></p>
Vision	<ul style="list-style-type: none"> A description of what it would look like to achieve a medium-term audacious goal 	 <p><i>Tesco has a long term strategy for growth, based on four key parts: Growth in the Core UK, to expand by growing internationally, to be as strong in non-food as in food and to follow customers into new retailing services</i></p>
Values	<ul style="list-style-type: none"> The essential tenets that a company and its employees hold core and that guide (and perhaps restrict) their behaviours, choices and decisions 	 <ul style="list-style-type: none"> <i>Dedication to every client's success</i> <i>Innovation that matters, for our company and for the world</i> <i>Trust and personal responsibility in all relationships</i> <i>Value our people and treat them with fairness</i> <i>Strive to exceed the needs of our customers</i> <i>Demonstrate integrity in all our actions.</i> <i>Take responsibility for the quality of our work</i> <i>Display leadership in all we do</i>

Have FS Leaders Got Their Business Model Right?

- Strategies are means to ends.
- The business model is a description of the 'ends'.



PVV Tests and Criteria for Leaders

Criteria and tests for evaluating PVV by understanding what is most important to the business

	Desired Characteristics	Simple Evaluation Tests
A Great Purpose Will Be...	<ol style="list-style-type: none">1. A reflection of XYZ's contribution across multiple internal and external stakeholders2. A timeless description of our Purpose and not a current description of our activities3. Emotionally engaging across all levels	<ul style="list-style-type: none">□ The 'Five Whys' test<ul style="list-style-type: none">• You can't get a different answer by asking 'why are we in business?' an additional time□ The '50 year' test<ul style="list-style-type: none">• Would this have applied 50 years ago? Can you see why this would not apply in 50 years?
A Great Vision Will Be...	<ol style="list-style-type: none">1. More than a measurable target but will be a vivid description of success2. Challenging, create opportunity even be audacious but attainable by 20253. Growth focussed, have commercial edge and explicit on <i>how</i> to sustain industry leadership	<ul style="list-style-type: none">□ The 'Made it' test<ul style="list-style-type: none">• Does it describe what progress would look like? Would attainment or falling short of progress be obvious?
A Great Set of Values Will Be...	<ol style="list-style-type: none">1. A guide to what people should do and should not do with clear calls to action2. Culturally and historically sensitive3. Specific to our business, avoid platitudes and driven on competitive success	<ul style="list-style-type: none">□ The 'I must and must not' test<ul style="list-style-type: none">• You could use the Values to determine a course of action you would or would not pursue□ The 'Not' test<ul style="list-style-type: none">• Can you imagine a company or a business area that would <i>not</i> want these values?
A Great PVV as a Whole Will Be...	<ol style="list-style-type: none">1. Emotionally engaging both to the collective and to the individual2. Bold, exciting, concise and easy to remember3. Compelling to attract good people4. Able to show the deeply held passions and character of the company	<ul style="list-style-type: none">□ The 'Elevator' test<ul style="list-style-type: none">• Can you understand the key messages in a matter of minutes?□ The 'Universal' test<ul style="list-style-type: none">• Can you imagine any reason why anyone in the company could not identify with the PVV?

Do FS Leaders Pass the Purpose Test?

Starling Bank: Built to give people a fairer, smarter and more human alternative to the banks of the past

Monzo: Monzo makes money work for everyone

RBS: To champion potential, helping people, families and businesses to thrive [**Building a purpose-led bank**]

Allianz: We secure your future (to secure people's lives and to give courage to our customers for what's ahead)

Bank of America: Help make financial lives better through the power of every connection



Industry & Institutional Purpose

Purpose of Financial Services:

“I would hope that people in finance could explain to people outside why finance is socially useful – facilitating trade & commerce, providing social protection, promoting financial stability.”

Prof. Michael Mainelli

From Paul Taffinder’s pamphlet: *Post COVID-19 Calcs – Has Financial Services Lost Purpose & Plot?*



Industry & Institutional Purpose: Questions

1. To what extent have individual FS institutions focused sufficiently on their purpose?
 - Have leaders got it right?
 - Will FS firms be seen post-COVID-19 as more ethical and more interested in social protection and promoting financial stability?
 - How far does formal organizational purpose cascade? Or is it ignored in favour of informal purpose?
 - To what extent are self-interest, greed, legalistic behaviour and lack of individual responsibility uniquely problematic in FS?
2. To what extent would an industry-led initiative to reinvigorate purpose, vision and values be (a) desirable and (b) workable?



Questions, Comments & Answer(s)?



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Forthcoming Webinars

09 June 2020 (10:30) [Global Trends & City Effects - What This Means For You](#)

10 June 2020 (09:30) [Green Finance In Nur-Sultan](#)

11 June 2020 (15:00) [Fireside Chat With Ripple - Exploring Payments Innovation](#)

12 June 2020 (12:00) [Online Care Solutions: Complementing The Frontline?](#)

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More added every day..