



Bank Merger: Exercise Description

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Bank Merger

Background

This exercise has been designed to investigate how participants deal with a group discussion around strategic issues involved in the merger between two financial organizations - a bank and a building society recently converted from mutual status. It is suitable for middle to senior managers. This is a 'non-assigned role' group exercise where participants are asked to consider potential opportunities and difficulties based on the information provided to all, and to make specific and detailed recommendations for going forward. The exercise tests the capacity of candidates to quickly get to grips with a brief, construct and communicate good arguments and work cooperatively with others to achieve an agreed consensus. The exercise is set in a financial industry context, but the issues are relevant to any organization.

The competencies that are relevant to this exercise and can be used as rating dimensions are as follows:

Change Orientation

Strategic Perspective

Team Orientation

Communication Skills

Users may substitute versions of the competencies above from their own existing competency framework as desired.

A five minute briefing is required in which candidates are provided with their materials. This is followed by a 50 minute discussion within which participants must agree and make recommendations with a focus on how to integrate successfully and achieve the desired synergy to grow the business going forward. We recommend that the exercise is run with between 4 and 6 participants.

Exercise Content

The 7-page participant brief provides background information including company profiles for each financial organisation, trading history, key trading statistics, principles and values and their respective entries in 'Hackers financial directory' that details organisational strengths and weaknesses. The instructions to participants outline the scenario as follows:

"You are to take the role of Regional Directors of Castlefield and Debdale Building Society plc. After a lengthy period of secret talks, it has just been announced that the Castlefield and Debdale is to merge with the ASK Bank plc, the UK banking arm of ASK (Allied Scottish Kowloon), an international banking group. The National Manager of ASK

Group (UK) has requested you to consider the opportunities and difficulties facing the two partners in the merger. Specifically, she has asked for your ideas and proposals on how the two companies can and achieve..... This will require consideration of as well as matters..... It is important that you make specific and detailed recommendations as far as possible, with due consideration of the impact and consequences of each recommendation and how these might be handled.....”

The company profile information for each organisation provides basic financial details including turnover and profit, employee statistics, etc. Business principles and values vary across the organisations. A comparison table of branch data and write ups from ‘Hackers financial directory’ provide useful information about both organisations.

Assessor Brief

The Assessor Brief provides background information (i.e. an Overview, Relevant Competencies, Timing, Exercise Materials and Key Issues). A separate full set of Administration Instructions is provided. General advice is provided on observing and rating the exercises, along with rating guidelines that provide example behaviours against the competencies, and details of how to conduct a Post Exercise Review.

Whilst there is no right or wrong overall response to this brief, a series of 6 major issues are listed that participants should cover in their discussions. These are based on matters such as:

- Differences in culture between the merging organisations and the implications of these
- The marketing and presentation of the new organisation.

In addition, there are other company specific issues for both organisations. These are also described in the assessor brief as topics that could potentially be covered during the discussion.

Quantities

The Administration Pack contains the following items:

- 12 Participant Briefs
- 2 sets of Admin Instructions
- 12 Observation Sheets
- 12 Rating Forms
- 4 Assessor Briefs

After initial purchase of the Admin Pack, a Refill Pack may be purchased which contains the following consumable items:

- 12 Participant Briefs
- 12 Observation Sheets
- 12 Rating Forms

Current pricing can be determined by reference to <http://www.sr-associates.com/pricing.html>

If desired, further queries as to the exercise demands and content can be made to:

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