

# Corporate Treasury Blog by Magnus Lind

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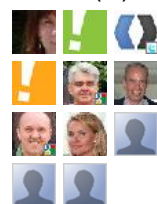
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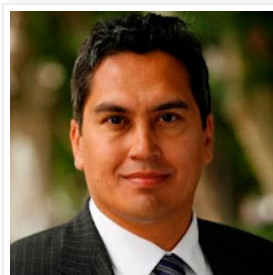
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## LABELS IN BLOG

- Accounts Payable (A/P) (10)
- Accounts Receivable (A/R) (14)
- AFP (3)
- balance sheet (19)
- bank default (26)
- Bank of International Settlement (BIS) (10)
- Basel Accord (19)
- Basel I (6)
- Basel II (30)
- Basel III (27)
- Bear Sterns (2)
- bottom-up liquidity forecasting (10)
- business leader (18)
- business model (16)
- business risk (10)
- career (6)
- cash allocation (16)
- cash conversion cycle (11)
- cashflow forecasting (18)
- central banks (18)
- collateral (5)
- corporate loans (32)
- corporate treasury (84)
- counterparties (27)
- credit risk management (39)
- creditworthiness (39)

WEDNESDAY, FEBRUARY 22, 2012

## Forward to Basics



Reggy de Feniks, co-author "Reinventing Financial Services"

Last week we had a great meeting with Reggy de Feniks, co-author of "Reinventing Financial Services". This book we highly recommend. It has a structure and conclusions in a league of its own. It covers what banks and financial institutions should consider when setting the strategy. The credit crisis, internet, social media, **financial service game changers** and other factors are imposing a paradigm shift on financial institutions forcing a customer centric view.

**Back to basics is not it. Forward to basics is.**

I can relate their findings to the changing conditions for financial institutions and their relations to the corporate client. This story from when I recently assisted a bank to define its corporate client's strategy describes the situation. The bank wanted to increase customer satisfaction and had most focus on how the client account executive interacts with the clients. A client executive has around 10-25 interactions per year with each client. When we checked how much contact the bank's electronic banking help desk had with each client it was many times more. **Then we realized the bank client executive staff is very senior and the IT help desk is much more junior jeopardizing the client relations.** Obviously we agreed that the first line help desk instead should consist of the senior staff to ensure improved client experience. Everyone agreed until realization struck. **Client executives are organized in the posh corporate banking division and the help desk is organized in the IT organization.** Suddenly this venue was closed. The bank will continue having junior staff at help desk keeping the lion share of the client interaction.

**Realizing the obvious is one thing, acting on it is another.**

I quote Reinventing Financial Services:



A very good read!

"Just as most mechanical engineers have a passion for dealing with engines, most bankers and insurers have a passion for dealing with money, which is quite understandable. Working in a bank or at an insurance company is logically the domain of people primarily interested and educated in economics and finance, and not primarily working with customers. In a number of banks wholesale and investment banking are considered superior to retail banking, because of the more complex and tailored services offered and the size of the deals involved. Consequently, there is a big difference in the vocabulary used by financial service providers and consumers. Financial professionals speak of capital adequacy, compensation, and risk appetite. Consumers speak of hope, greed and fear. The gap becomes unbridgeable when customers are treated as 'profit centres' without any consideration for the human dimension."

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### Euro Contingency Planning

With the kind permission from the UK ACT I here post a link to a very good structure for analyzing your effects of a possible EUR breakup...



### Second Engine Implosion

I hear from treasury peers that the credit market is returning gradually. That is comforting but we are still far from the credit expansion ...

### Basel II has shown its worth

As you will see on this blog, and in my 5 year old article " Regulation: Curbing Growth " among others, I am not a firm believer in the bas...

### Titles in Treasury

The other week I was asked by a treasurer what titles I come across in