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BNP paribas fortis: The “james” banking experience

Steve Muylle and Willem Standaert wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In early October 2015, three department heads met at the Brussels headquarters of BNP Paribas Fortis to discuss how to take “James,” a unique investment portfolio advice service, to the next level. James had demonstrated significant uptake since its launch in 2009. The service substituted web conferencing technology for face-to-face interaction for affluent banking customers; now these customers could interact with their personal advisor, “James,” to manage their investment portfolios. An important feature of the James banking experience was that each customer mainly interacted with the same advisor, and was able to do so from virtually any location, outside regular office hours.

The department heads at the meeting in Brussels were Michael Anseeuw (head of Retail Banking), Katrien Nachtergaele (head of James), and Leen Teunen (recently appointed head of the company’s Easy Banking Centre). Anseeuw opened the discussion: “The success of James demonstrates that customers are increasingly open to technology-mediated human interaction with a personal advisor specializing in investments at our Easy Banking Centre.” Teunen, who was excited to take on her new role, was particularly interested in how her predecessor, Danny Heynderickx, had successfully accommodated the James service in the Easy Banking Centre. According to Teunen, “James spearheaded the digital transformation of the Easy Banking Centre by equipping specialized investment portfolio advisors with digital tools to interact with their customers. Now we need to build on that and leap forward.”

Nachtergaele, who had replaced Edwin Baeyens as the head of James in early 2015, added, “To date, James is a unique service, in Belgium and beyond. While other banks offer platforms for managing investment portfolios online, our key differentiator is the technology-mediated personal investment portfolio advice provided on top of that.” Anseeuw saw the huge potential business opportunity and challenged his colleagues: “James is on a roll. How can we grow the current base of nearly 20,000 James customers to 100,000 in Belgium by the end of 2016?”

All three heads were eager to turn James into an exemplar high-tech, high-touch service for investment portfolio advice. To achieve that end, several strategic questions needed to be addressed. Did the Easy Banking Centre have the right structure and resource base for the scaling up of activities? How could BNP Paribas Fortis drive the adoption of the James service and grow the customer base? How could it stay ahead of the competition in this fast-paced environment? How could the firm expand the service beyond Belgium? Given the promising development of James, not only the senior management of BNP Paribas Fortis but also that of the BNP Paribas Group had expressed strong interest in its progress and potential.

BNP PARIBAS GROUP

BNP Paribas Group was the second largest bank in the world in terms of revenue, and the fourth largest in terms of total assets.[[1]](#footnote-1) It was a first-class global corporation with a presence in 75 countries, nearly 188,000 employees (including 147,300 in Europe and 18,540 in the United States), revenues of €39.2 billion,[[2]](#footnote-2) and a net income of €7 billion in 2014.[[3]](#footnote-3) The group had key positions in retail banking and corporate and investment banking, and offered a range of complementary services, including private banking, securities services, asset management, real estate services, and advisory and capital market services. It was a leading bank in Europe, focusing on four domestic markets: Belgium, France, Italy, and Luxembourg. In its domestic markets, BNP Paribas Group served its retail banking clientele through BNP Paribas Fortis in Belgium, French Retail Banking in France, BNL banca commerciale in Italy, and BGL BNP Paribas in Luxembourg.

BNP Paribas Group was also a leading digital bank and financial services company, and strongly committed to expanding its digital footprint. In France, L’Agence en ligne (launched in 2009 as La NET Agence) was positioned as a 100 per cent online banking branch that targeted retail customers active on personal computers, tablets, or smartphones, at home or abroad, enabling them to manage their accounts and get access to all of the bank’s retail products and services. This service also included the option to interact with a dedicated advisor via telephone, email, chat, or web cam from 8:00 a.m. until 8:00 p.m. on weekdays, and from 9:00 a.m. until 6:00 p.m. on Saturdays.

In Belgium, France, Germany, and Italy, BNP Paribas Group had launched “Hello bank!” in 2013.[[4]](#footnote-4) Hello bank! was introduced as the newest retail bank in Europe, offering a simple, smart, human, and safe approach to banking for mobile customers, without physical branches. The service was supported by a Hello team that offered human assistance and advice through email, social media platforms, and telephone service during extended working hours (8:00 a.m. until 10:00 p.m., six days a week).

Hello bank! had introduced various pioneering services, such as the ability to check account balances through a smartwatch application (app) in France, and Hello crowd!, a crowdfunding platform in Belgium. Moreover, BNP Paribas Group was the first European bank to partner with Facebook, Google, LinkedIn, and Twitter to improve the digital banking experience on these platforms, and to co-develop tailored digital services.[[5]](#footnote-5)

BNP PARIBAS FORTIS

BNP Paribas Fortis had revenue of €7.01 billion, net income of €1.66 billion, and total assets of €275 billion in 2014.[[6]](#footnote-6) It positioned itself as a full-service bank providing a broad range of financial solutions to individuals, businesses, and public-sector organizations. The company was Belgium’s leader in retail banking, covering almost one-third of the market, with over 8,500 employees serving around 3.6 million customers at the end of 2014.

BNP Paribas Fortis’ core retail banking activities were split into four domains: daily banking for checking and savings accounts; savings and investments (i.e., bonds, funds, and stocks); loans and mortgages; and insurance. These activities were provided to customers through an omni-channel distribution strategy, involving a network of 816 BNP Paribas Fortis branches, supplemented by 302 branches under the “Fintro” brand, and 680 points of sale under the brand “bpost bank.”[[7]](#footnote-7) Customers could meet (physically or by telephone) with their relationship manager at their dedicated branch, but they could also interact with the bank through automated teller machines (BNP Paribas Fortis had 3,883), online Internet banking, interactive voice response telephone systems, and mobile apps for smartphones and tablets, including the company’s market-leading “Easy Banking” app, which had been downloaded more than one million times. In addition, retail customers could call or email customer service representatives at the Easy Banking Centre for assistance regarding retail banking activities across the four domains, and for technical assistance with online banking and the Easy Banking app.

RETAIL INVESTMENT SERVICES

To manage their investments, BNP Paribas Fortis’ retail customers could choose to open a complimentary investor account. Self-directed customers could then use this account to conduct transactions via online banking; they could also check their investor account balances using the Easy Banking mobile app, and ask for advice on specific investments by calling or meeting with their relationship managers in their local branches, or through telephone conversations with advisors at the Easy Banking Centre. While these services and channels were available to all BNP Paribas Fortis retail customers, the bank offered additional services to affluent individuals, which were partitioned into four groups based on their assets under management (AUM) with the bank: (1) priority banking customers (AUM above €85,000); (2) private banking customers (AUM above €250,000); (3) wealth management customers (AUM above €4 million); and (4) key clients (AUM above €25 million).

To its more than 385,000 priority banking customers, BNP Paribas Fortis offered a complimentary service for its saving and investing products, referred to as “Portfolio Advice.” This service was offered through a personal financial investment advisor, whom priority banking customers could either consult in a local branch, or through web conferencing technology or telephone (also known as “James”). In keeping with the European Markets in Financial Instruments Directive,[[8]](#footnote-8) the portfolio advice was based on the investment profile of the customer, including an assessment of the customer’s financial situation, objectives, experience, and knowledge. The Portfolio Advice service offered the following benefits: an annual report of the customer’s portfolio returns and risk exposure, and verification of the fit between the customer’s actual portfolio and investment profile; simulation of the impact of a particular investment or sale on the customer’s portfolio composition and risk exposure; notification of risk exposure exceeding a specific threshold level; and asset price tracking.

On top of these services, over 96,000 of BNP Paribas Fortis’ private banking customers were offered wealth structuring support. The relationship with the customer was governed by an asset management agreement that specified the bank’s commitments, the products and services offered, and the associated fees. Private banking customers could choose between investment advice and discretionary asset management. In the latter case, management of the customer’s investment portfolio was delegated to specialists at the bank, who made decisions that were compliant with the customer’s investment profile.

Customers were serviced by a private banker, who, in turn, was supported by a team of experts for specific domains (e.g., real estate and inheritance planning, taxation and legislation, and stock markets). Private bankers developed long-term relationships with their customers, and regularly met face-to-face at customers’ homes or at one of the bank’s 36 dedicated private banking centres, which were spread across Belgium. The experts joined some of these meetings in person or via web conferencing. In early 2015, a 37th private banking centre was launched as “Private Banking by James,” a place where private bankers used web conferencing technology/telephone services to interact with customers instead of serving them from a physical banking centre or at their homes. Private banking customers could also access a dedicated wealth structuring section on BNP Paribas Fortis’ website, which was not available to other customers.

To its 4,900 wealth management customers and key clients, BNP Paribas Fortis offered bespoke services for a fee—including wealth planning, financial management, investment, and diversification—through a wealth manager. Like private banking customers, wealth management customers could choose to delegate the management of their wealth, or stay involved in every decision. In Belgium, there were two exclusive wealth management centres (one in Brussels, and one in Antwerp) where customers could meet with their wealth manager and various specialists. At the same time, it was common for wealth management customers to meet with their bankers at the customers’ homes or offices.

**Competition**

BNP Paribas Fortis’ main competitors, ranked by total assets (above €100 billion) in 2014, were KBC Bank NV (with total assets of €211 billion), Belfius Bank NV (€194 billion), and ING Belgium NV (€131 billion).[[9]](#footnote-9) Like BNP Paribas Fortis, these banks offered investment accounts for self-directed customers, as well as financial investment advice in their branches or by telephone. Affluent customers were offered a dedicated relationship manager, as well as investment portfolio advice through the traditional face-to-face channel. However, unlike BNP Paribas Fortis, none of these banks offered personal investment portfolio advice over the web to their affluent customers.[[10]](#footnote-10)

Banks in other geographical markets had successfully launched video-based initiatives for investment portfolio advice. ANZ Private Bank in Australia had deployed “telepresence” technology, which provided an immersive lifelike experience to enable interaction between affluent customers, their relationship managers, and a set of subject-matter experts (referred to as “Wealth Presence”).[[11]](#footnote-11) Coutts, the private bank of Royal Bank of Scotland, and MeesPierson, the private bank of ABN AMRO, had both launched video-conferencing banking in 2014, targeted toward affluent customers abroad.[[12]](#footnote-12) Moreover, Barclays had launched a mobile video banking application for premier customers (with AUM above £100,000[[13]](#footnote-13)), through which investment portfolio advice was available. Barclays also announced plans to offer video-conferencing on a mobile application to mass retail customers by the end of 2015, available 24 hours a day, seven days a week (24/7).[[14]](#footnote-14) A leading example of the use of video technology in financial services was ICICI Bank in India, which began offering 24/7 customer care to its 1.5 million non-resident Indian customers through video on a mobile application in February 2015.[[15]](#footnote-15)

Since 2000, online brokers had entered the Belgian market, targeting self-directed investors. These new entrants, including BinckBank, Bolero (part of KBC Group NV), Evi (part of Van Lanschot), Fortuneo, Keytrade Bank, and MeDirect, exploited online platforms where customers could trade stocks and subscribe to investment newsletters. However, none of these companies provided personal advice. According to Nachtergaele, “These brokers are trade oriented, and offer digital investment management at a low fee, without any human interaction.”

Moreover, financial technology (or “fintech”) companies started to appear, aimed at disrupting the financial services industry by leveraging digital technology.[[16]](#footnote-16) For example, Addepar provided cloud software that enabled affluent individuals (or their advisors) to add alternative assets—such as hedge funds, private equity, and venture capital—to their investment portfolios. Another recent development, especially in the United States, was the use of so-called “robo-advisors,” which offered automated investment advice based on algorithms that took into account the investment profile of the customer. Two of the most popular robo-advisors in the United States were Betterment and Wealthfront. Robo-advisors started to gain popularity in Europe too. Anseeuw observed, “These days, innovation happens very fast, and the ‘adoption’ curves are very steep. As an established company, you can catch up very quickly with the competition as long as you keep your eyes and ears open. It is therefore sometimes better to not be the first mover, but rather, an early entrant.”

Finally, technology behemoths that started outside the financial services industry, such as Amazon, Apple, and Google, were considered significant threats to traditional banking and financial services companies.[[17]](#footnote-17) Millennials (loosely defined as individuals born between 1981 and 1997) with AUM above US$100,000[[18]](#footnote-18) were more receptive than previous generations to services provided by such technology vendors. In addition, these affluent millennials were more likely to turn to social networks for reviews about financial products and services. Their expectations of providers were shifting from obtaining advice to validating their own investigations.[[19]](#footnote-19) Anseeuw commented, “Banking services are one of the last industries not to be digitally disrupted; we are the mammoths of this world. But don’t be mistaken, the barbarians are at the gates!”

JAMES

James was the brainchild of Peter Vandekerckhove, chief executive officer of Retail & Private Banking at BNP Paribas Fortis, who stressed its importance: “The future of banking will be high tech, but more importantly, it will be high touch. While processes and channels are increasingly being digitized, human interaction will remain at the heart of banking. Therefore, James is set to become the banking model of the future.” James was rolled out in early 2008. According to Edwin Baeyens, former head of James,

We wanted to leverage technology-mediated interaction channels to remotely provide personal investment portfolio advice and build strong customer relationships. The name ‘James’ was coined to refer to a butler who services the customer with a personal touch, and to James Bond, the distinguished special agent that harnesses the power of high tech to accomplish important missions.

A key element of the service was the broad availability and accessibility of investment information and expertise to customers. In particular, customers could interact through email, telephone (including short messaging service/texting), or a web conferencing system with their personal advisor on weekdays between 7:00 a.m. and 10:00 p.m., and on Saturdays between 9:00 a.m. and 5:00 p.m., even on bank holidays. According to Teunen, “We offer our customers premium value by facilitating human interaction and support, remotely and at the moment it suits the customer best. Thus, although the service focuses on investment advice, the James advisor becomes the customer’s first point of entry into the bank for each of the four domains.” Nachtergaele added, “The ‘icing on the cake’ is that through James, customers have on-the-spot access to exclusive information, retrieved from Reuters and Bloomberg terminals (see Exhibit 1).”

The key capabilities of the James web conferencing system[[20]](#footnote-20) were the transmission of audio and visual cues (appearance, body language, facial expressions, and gestures), as well as the sharing of computer screens. Anseeuw stated, “[Video] is the key feature, because it allows human interaction from a distance. Screen sharing is useful if you want to look at things in detail, or if there is a problem to be dealt with.” For voice transmission, a secured telephone line was used in order to comply with regulations and data protection directives. According to one customer, “Because it is a secured line, I feel comfortable sharing confidential and private information.” To access the web conferencing technology, customers were required to install specific client software on their computer. A customer–advisor interaction could be initiated by clicking a dedicated, unique URL that the advisor shared by email. Since the beginning of 2014, James customers could also establish a web conferencing connection with their advisors by opening a link on a mobile app for smartphones and tablets, provided by Cisco Systems, a web conferencing system vendor.

James was initially launched for BNP Paribas Fortis’ priority banking customers. In order to identify potential users, the bank’s database of priority banking customers was queried on specific digital banking activities and on the annual number and volume of stock trades. Target users were then contacted by their branch relationship managers, who informed them about James. Teunen explained: “These customers were offered the option to join James. It was important to have them make a deliberate choice between having a relationship through James rather than with an advisor in a local branch.”

The target users that opted for James were each assigned to a specific portfolio advisor, based on location and language/dialect.[[21]](#footnote-21) In addition to Dutch- and French-speaking customers, English- and German-speaking customers were also served in their own languages. Nachtergaele asserted, “For the customer it does not really matter where the advisor is located physically. The advisor could be in a different country, as long as he or she speaks the customers’ tongue. The proximity created by using the same language is important.”

In the beginning of 2015, the James service was initiated for private banking customers too. Teunen described this development:

We sensed that many private banking customers also wanted the convenience offered by the James service. Therefore, launching the James concept for private banking customers was a natural next step. At the same time, this provided an opportunity to lower the cost to serve these customers. The extra benefit for private banking customers is that through the use of web conferencing technology, it becomes very convenient and efficient to include relatives and domain experts in the virtual meeting.

Unlike with the priority James service, face-to-face contact between private bankers and customers was still possible. One reason for maintaining this in-person contact was that private banking customers were required to sign a large number of documents (such as the asset management agreement); it was far easier and more efficient for advisors to walk customers through these documents, rather than have the documents sent back and forth via postal mail. Anseeuw noted, “Today, customer signatures are still a legal requirement. This is something that must be eliminated from the process [if we are going to] offer a solution that is truly digital. If we can tackle this challenge, we clear a crucial hurdle to invigorate our value proposition.”

**Advisor–Customer Interactions**

After choosing James, a customer’s first experience with the service was an “acquaintance conversation” with the assigned advisor. The advisor shared instructions on how to install the client software beforehand so that the web conferencing technology could be used for the initial acquaintance conversation. As one James advisor observed, “It is important to show from the start that James involves more than just telephone interaction. I always activate video to give customers the personal experience they grew used to in the branch.” This conversation typically took about an hour, and covered the functioning of the service, as well as the customer’s financial situation, investment profile, knowledge of and experience with different investment products, and preferences for being contacted (when and how).

The acquaintance conversation could include more sensitive matters, such as assets at other banks, and the customer’s family and job situation. One advisor believed that technology helped with discussions of this nature: “The use of technology decreases the inhibition to inquire about more sensitive matters. I am sure that face-to-face, I would not dare to ask such direct questions to customers. As a result, I know more about the customers in my portfolio than the advisors at the branches do, and I can serve them better.” The advisor and customer agreed on the frequency with which they would have planned interactions (or so-called “portfolio discussions”)—typically on a quarterly basis.

The portfolio discussions focused on aligning customers’ investment profiles with their actual portfolios. For these sessions, the screen-sharing capability of the web conferencing system proved to be very useful because advisors could share detailed information on each customer’s investment portfolio status and offer product recommendations to improve the portfolio composition. One James advisor explained: “While I can re-balance the customer’s portfolio all at once, by the push of a button, I prefer going step by step, such that the customer can evaluate the change in portfolio. [Further], I send the information by email after the session, so that the customer can think it through before deciding.”

Between planned sessions, James advisors reached out to the customers in their portfolios (usually over the telephone) when an investment opportunity arose. In addition, 20- to 30-minute webinars on the state of the economy were organized on a quarterly basis. During these webinars, participating customers could pose questions to a BNP Paribas Fortis strategist in real time. The webinars were recorded so that customers who could not attend “live” were able to watch the video and follow up with questions. Customers could also reach out to their advisors when money became available for investment, when they had questions on economic markets or specific products, or when they had a technical issue. The customers’ choice of channel depended on the urgency of the matter. Most customers seemed to use the telephone in urgent situations, even though their assigned James advisor might not be available at that time. In non-urgent situations, customers turned to email and would receive a reply from their assigned James advisor.

At their meeting in October 2015, Anseeuw, Nachtergaele, and Teunen agreed that open and trust-based relationships had to form the heart of James. Anseeuw said,

Relative to priority banking customers that have an advisor at one of the branches, James is at a much higher relationship level because of the frequency of interactions with the same advisor. As a consequence, these customers are better equipped with products, show a higher level of customer satisfaction, and bring in more revenue for the bank.

Nachtergaele added, “In a bank relationship, trust has to be developed over time. As a banker, you gain trust by giving a few good tips and by not pushing products to the customer.” Teunen observed, “My sense is that building a relationship through technology can be as warm as a relationship that developed face-to-face. Both advisors and customers are very much at ease during the conversations, because the advisors are in their office and the customers are at home, in their own comfort zone.”

Teunen referred to customer feedback and quoted two James customers. According to one customer, “Trust in my James advisor was built over time, through our smooth cooperation. I have the feeling we can openly discuss everything related to my financial situation. In addition, I am 100 per cent confident that if something important were to happen, my advisor would proactively get in touch.” According to another customer:

James is much more convenient, efficient, and flexible than going to a branch. I do not waste time in traffic and do not need to worry about a parking spot.Yet what I appreciate most is that I have had the same advisor for two years now, whereas in the branch, the advisor changed every three months, and I don’t like to explain my whole life every three months. I think that a relationship with a bank advisor is like a relationship with a doctor, as it really concerns personal matters and you only change the relationship if there is no other option.

Customer Base

In 2008, 1,000 BNP Paribas Fortis priority customers signed up for James. In 2009, at the formal start of the service, the customer base had expanded to 5,000 priority banking customers. It grew steadily, reaching slightly over 18,000 customers at the end of 2014. To celebrate the fifth anniversary of James, a series of nine live events was organized. Baeyens commented, “The festive events were a tremendous success, with more than 2,000 James customers attending. Following a presentation on the state of the economy by one of our strategists, the customers could informally interact and enjoy tasty appetizers and drinks, but to top it all, they could meet their designated “James” advisor in person, for the first time in five years!” In October 2015, there were close to 19,000 Priority James customers (see Exhibit 2).

Private Banking by James was initially targeted at a small set of Priority James customers whose needs had evolved to include wealth structuring, and who preferred to stay in a technology-mediated relationship. In particular, Priority James customers whose AUM exceeded €500,000 were invited to become Private Banking by James customers. Yet there was one key challenge, as Nachtergaele described: “Private Banking by James is not free of charge, while the Priority James service is. Hence, priority customers needed to be convinced about the additional value of wealth structuring.”

Another target group consisted of current private banking customers who were serviced at one of the 36 physical private banking centres, but who did not want to visit a centre or did not have the time to go there during regular banking hours. This group consisted mostly of busy professionals and expatriates (i.e., Belgians living abroad). A number of potential Private Banking by James customers were contacted through the private banking centres, and two-thirds of them became James customers. After a couple months of such efforts, the number of Private Banking by James customers rose to 333.

In order to persuade more customers to join James, BNP Paribas Fortis launched a series of marketing communication campaigns between June and September 2015 (see Exhibit 3). Through a direct email campaign and organized events, the company raised awareness for two products—Priority James and Private Banking by James—among both current customers and advisors at the branches and private banking centres. In addition, an above-the-line campaign promoted James on the radio, the Internet (using banners), and on suitcases on the luggage conveyor belts at Brussels Airport. Anseeuw explained:

The goal is to build awareness, especially towards non-BNP Paribas Fortis customers. The idea is not to generate immediate customer leads. This type of campaign is something we have to tweak time and again. Fortunately, we can learn from similar campaigns in other divisions of the bank, for example at Hello bank!

EASY BANKING CENTRE

All James advisors were part of the Easy Banking Centres, and organized by type of customer (private or priority) and region (see Exhibit 4). In line with the increase in the number of James customers, the number of James advisors had expanded over the years (see Exhibit 2). In October 2015, there were 52 James advisors, spread across five Easy Banking Centres. Two Easy Banking Centres (in Brussels and Namur) served French-speaking customers, and three served Dutch-speaking customers (in Brussels, Ghent, and Leuven). Each Easy Banking Centre housed a team of about 10 James advisors, headed by a team manager. Every advisor was equipped with web conferencing software installed on a desktop computer with an external webcam, and was assigned to a specific team. Different teams worked different shifts, at different centres, with the starting time of each team alternating weekly. Furthermore, 20 investment specialists supported the James advisors across the Easy Banking Centres by scheduling meetings into the James advisors’ calendars at a customer’s request and executing trade orders, among other activities.

Anseeuw stressed the key benefits of co-locating the James advisors as a team:

When a customer’s personal James advisor is not available, someone with the same level of expertise can be of assistance. In addition, it is easier to manage and direct a centrally located team than a dispersed team; for example, if we would want to extend the teams with specialists in insurance, that is relatively easy to organize.

Nachtergaele also recognized these benefits: “Our James advisors work in an open space, in which they can instantly exchange information and share knowledge among one another. This continuous cross-fertilization is an important basis for constantly raising their level of expertise in savings and investments.”

Although no financial targets were specified for the Easy Banking Centre,[[22]](#footnote-22) James was run as a profit centre, with specific targets aligned with—yet slightly higher than—those for priority customers in traditional retail banking. Teunen explained:

Because James advisors are more specialized than advisors in a branch and use technology-mediated communications instead of face-to-face interaction, they can manage a larger customer portfolio. For each James advisor, specific, measurable targets are set, taking into account the composition of [that advisor’s] customer portfolio. The advisors are accountable for selling products and bringing in fees.

Nachtergaele added, “That is why we set the minimum AUM at the bank at €85,000, because it is hard to make this free service profitable below this cut-off.”

James management constantly kept track of different indicators such as customer satisfaction, customers’ cash reserves, and the number of web conferencing sessions. Moreover, the use of technology enabled the logging of advisor–customer interactions beyond the contact reports produced by the advisors. According to one James advisor, “Every conversation is recorded, and two per month are verified for content, politeness, security, and service quality.”

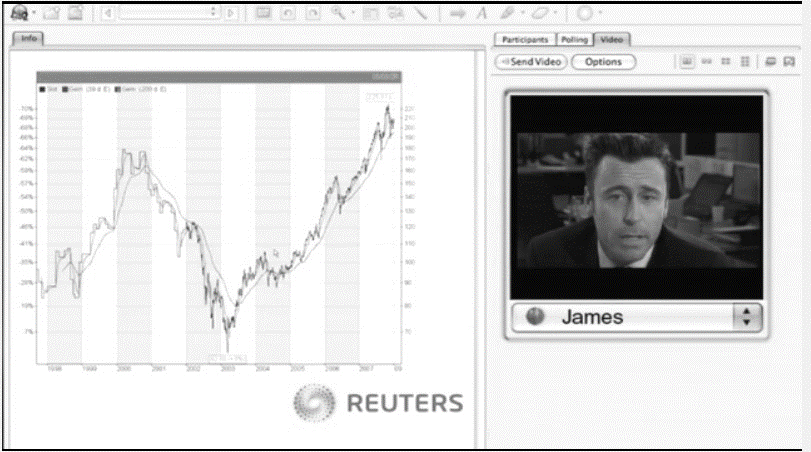
For Private Banking by James, seven advisors and two assistants worked from the Easy Banking Centre in Brussels, serving both Dutch- and French-speaking customers. These private bankers were recruited from the pool of Priority James advisors. In order to become private bankers, they were trained in-house for 18 full days on topics such as wealth structuring, estate planning, and regulation. Advisors that passed an internal examination were granted a certificate for private banking. Nachtergaele admitted that recruiting James advisors was not an easy task: “First and foremost, most private bankers prefer face-to-face over technology-mediated interaction. Second, it is hard to find employees that want to work the alternating shifts, which includes working late and weekend hours. Not everyone is up to this working schedule.” In addition, there were experts in specific domains (e.g., estate planners, patrimonial lending services, and investment specialists) that supported these private bankers, who were physically located at the private banking centre in Mons (French-speaking), or the centre in Antwerp (Dutch-speaking). These experts joined meetings with customers through the web conferencing technology.

**CHALLENGES AHEAD**

Ahead of the meeting, Vandekerckhove had shared his vision with Anseeuw: “In five years’ time, the customer experience will be 10 times better than it is today, whether it is provided by today’s banks or not. Technology will be far more easy to use and there will be full adoption. With James, we have the opportunity to develop the crucial capabilities for the future.”

Taking up the challenge, Anseeuw’s main goal was to reach 100,000 James customers (including 2,000 Private Banking by James customers) by the end of 2016. However, he considered that number to be a “tipping point” in terms of the company’s impact, both within and outside the bank, in the next five years. He saw it as the team’s duty to keep the momentum going and make James the uncontested market leader in the increasingly digital financial services arena. Teunen and Nachtergaele concurred, but also felt challenged, Teunen commented: “There is definitely potential in the market for 100,000 James customers, but the key question is how to scale the service to this level.”

**EXHIBIT 1: JAMES ADVISOR SCREENSHOT**

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Source: “Fortis—James Your Personal Banker—Promo [French],” YouTube video, 3:21, posted by “VideoLabsEU,” June 9, 2011, accessed August 10, 2015, https://youtu.be/Yq7HcdMjVd8.

EXHIBIT 2: NUMBER OF Priority JAMES CUSTOMERS AND ADVISORS (2008–2015)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 (as of October) |
| Number of Individual Customers | 1,000 | 4,852 | 10,190 | 12,717 | 15,674 | 17,957 | 18,217 | 18,856 |
| Number of Relationships | 694 | 3,234 | 7,020 | 8,199 | 11,128 | 12,455 | 12,630 | 13,282 |
| Number of Advisors | 20.0 | 27.4 | 32.5 | 49.2 | 52.5 | 51.5 | 58.6 | 52.4 |

Note: In each relationship there can be multiple customers (e.g., a husband and wife could be classified as two customers in one relationship). The number of advisors are expressed in full-time equivalent units.

Source: Company materials.

**EXHIBIT 3: JAMES PROMOTIONAL FLYERS (ENGLISH, FRENCH, DUTCH)**

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Source: Company materials.

**EXHIBIT 4: EASY BANKING CENTRE AS PART OF RETAIL BANKING AT BNP PARIBAS FORTIS**

Source: Company materials.

1. Forbes Media LLC, “The World’s Biggest Public Companies,” *Forbes Global 2000 List 2015*, accessed August 10, 2015, www.forbes.com/global2000/list. [↑](#footnote-ref-1)
2. € = EUR = euro; all currency amounts are in € unless otherwise specified; €1 = US$1.21 on October 3, 2015. [↑](#footnote-ref-2)
3. *BNP Paribas 2014 Annual Report*; net income excluded one-off items, e.g., costs related to the settlement with the United States authorities (€6 billion). [↑](#footnote-ref-3)
4. Steve Muylle and Stijn Viaene, *Hello bank! The Birth of a Mobile Bank* (Beds: The Case Centre, 2015). [↑](#footnote-ref-4)
5. “BNP Paribas: First European Bank to Partner with Facebook, Google, LinkedIn and Twitter,” BNP Paribas Fortis, July 16, 2015, accessed August 10, 2015, https://newsroom.bnpparibasfortis.com/library/press\_release/bnp-paribas-first-european-bank-to-partner-with-facebook-google-linkedin-an. [↑](#footnote-ref-5)
6. *BNP Paribas Fortis 2014 Annual Report*, op. cit. [↑](#footnote-ref-6)
7. BNP Paribas Fortis also operated its retail banking activities in Belgium through Fintro, a bank and insurer serving individuals, entrepreneurs, and small companies, and “bpost bank,” the bank of the national post operator in Belgium. [↑](#footnote-ref-7)
8. “Markets in Financial Instruments Directive (MiFID),” accessed March 17, 2017, https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-markets/securities-markets/investment-services-and-regulated-markets-markets-financial-instruments-directive-mifid\_en. [↑](#footnote-ref-8)
9. *KBC Bank NV 2014 Annual Report,* accessed March 17, 2017, https://www.kbc.com/system/files/doc/investor-relations/3-Reports/IRO\_Reports\_Annual\_2014\_en.pdf; *Belfius Bank NV Annual Report 2014*, accessed March 17, 2017, https://www.belfius.com/EN/Media/DEF\_240415\_bel\_RA2014\_eng\_tcm\_77-101339.pdf; *ING Bank Annual Report 2014,* accessed March 17, 2017, https://about.ing.be/web/file?uuid=7d999820-3ff7-4257-bcf0-058766b27b83&owner=b43fd46d-ff37-4d80-b258-079ee99b3d86. [↑](#footnote-ref-9)
10. These banks had recently started to experiment with other video-based retail banking services. KBC Bank opened its first “Bamboo” branch in June 2013, in the city of Ghent, where customers could have video-conferencing meetings with remote experts, together with a local branch employee. In May 2015, KBC Bank launched a 100 per cent virtual branch in the city of Namur, where video was used to replace the physical bank staff. Moreover, as of May 2015, KBC Bank customers could discuss a personal loan (maximum €40,000), via web-based video-chat. Belfius Bank launched its “Open Branch” concept in 2008. One of its key features was a separate and discrete advice area, where customers could interact with experts in different domains, both face-to-face and via video conferencing, together with a local branch employee. While ING Belgium had not implemented video technology for retail customers yet, it had started to organize webinars. [↑](#footnote-ref-10)
11. “ANZ Private & ANZ Trustees Enhances the Private Banking Experience with the Launch of Wealth Presence in Five States,” Cisco: The Network, March 21, 2012, accessed August 10, 2015, http://newsroom.cisco.com/press-release-content?type=webcontent&articleId=736280&sid=BAC-JsSynd. [↑](#footnote-ref-11)
12. Lauren Slattery, “The Royal Bank of Scotland Introduces Video Banking,” TokBox Blog, March 12, 2015, accessed August 10, 2015, www.tokbox.com/blog/the-royal-bank-of-scotland-introduces-video-banking/. [↑](#footnote-ref-12)
13. £ = GBP = British pound sterling; £1 = €1.15 on October 3, 2015. [↑](#footnote-ref-13)
14. “Barclays to Launch Video Banking Service,” *Financial Times*, November 30, 2014, accessed August 10, 2015, www.ft.com/intl/cms/s/0/afaa4c52-7731-11e4-a082-00144feabdc0.html#axzz3wHTyV254. [↑](#footnote-ref-14)
15. “ICICI Bank Ltd Launches ‘Video Banking’ for NRIs,” ICICI Bank, February 23, 2015, accessed August 10, 2015, www.icicibank.com/aboutus/article.page?identifier=news-icici-bank-ltd-launches-video-banking-for-nris-20152402181131078. [↑](#footnote-ref-15)
16. “Forbes FinTech 50,” *Forbes*, accessed August 10, 2015, www.forbes.com/fintech/2015/. [↑](#footnote-ref-16)
17. Tom Groenfeldt, “Banking vs. Google, Apple and Amazon,” *Forbes*, September 17, 2014, accessed August 10, 2015, www.forbes.com/sites/tomgroenfeldt/2014/09/17/banking-vs-google-apple-and-amazon. [↑](#footnote-ref-17)
18. US$1 = €0.89 on October 3, 2015. [↑](#footnote-ref-18)
19. Laura Shin, “How Millennials’ Money Habits Could Shake up the Financial Services Industry,” *Forbes*, May 7, 2015, accessed August 10, 2015, www.forbes.com/sites/laurashin/2015/05/07/how-millennials-money-habits-could-shake-up-the-financial-services-industry. [↑](#footnote-ref-19)
20. More specifically, Cisco WebEx was used (www.webex.com); see also Cisco Systems, Inc., *Innovative Remote Adviser Service Redefines Customer Experience and Drives Growth for BNP Paribas Fortis*, 2011, accessed August 10, 2015, https://www.cisco.com/web/about/ac79/docs/fs/BNP-Paribas-Fortis\_SS.pdf. [↑](#footnote-ref-20)
21. Belgium had three official languages (Dutch, French, and German), as well as a wide variety of local dialects. English commonly served as the preferred language of business. [↑](#footnote-ref-21)
22. While no financial targets were specified for the Easy Banking Centre, employees at the centre strived to meet targets in terms of the percentage of inbound calls processed (90 per cent service level), as well as in terms of the conversion of customers in outbound calls. [↑](#footnote-ref-22)