

# Key recommendations



## GETTING GROWTH BACK ON TOP OF THE STRATEGIC AGENDA

- Swiss private banks have to ask themselves difficult questions:
  - Can we afford the status quo?
  - Should we exit the market?
  - Alternatively, how can we transform to grow?
- Whilst regulatory-driven changes remain very important, private banking C-level executives who decide to stay have to continue to increase their focus on commercial development to reignite growth, as some large competitors are already moving fast on these topics.
- Senior management has to allocate significant efforts to commercially-driven transformation. In turn, this will require banks to develop or acquire specific expertise, while reinforcing their client-centric stance.

## GIVING CLIENTS WHAT REALLY MATTERS TO THEM

- Whilst many Swiss private banks have historically delivered the full array of services themselves, it is time to re-concentrate on what brings tangible value to the client. We recommend board members and executives conduct a thorough analysis to identify the real USPs of their organization. They have to determine what differentiates them in the competitive arena and, most importantly, what clearly matters to their clients.
- Banks should then reinforce and develop further these strengths or core assets to maximize client value-add and satisfaction.
- For those non-core activities identified when assessing the end-to-end value chain, private banks should objectively evaluate tactical ("THEM") or strategic ("US") collaboration alternatives to have these services delivered more effectively and/or efficiently.



## DEVELOPING AN ECOSYSTEM FOR SUCCESS

- Since cooperation generally entails a high level of complexity, board members and executives can typically face uncertainties and doubts. To overcome such psychological challenges, they have to use a structured and fact-based framework to support the sourcing decision-making process.
- Banking management should holistically assess each building block of the business and operating models to identify partnering opportunities.
- Sourcing, partnerships and the like carry particular risks of their own (e.g. strategy, selection, implementation, people, or management risks). Banks need to develop careful mitigation strategies.
- Achieving the expected ROI of cooperation requires specific transformation expertise in order to properly manage implementation as well as new managerial skills to sustain the effectiveness of partnerships in the long run.
- Private banks should aim at progressively developing multiple cooperative interactions, hereby building true ecosystems, which in turn will typically generate more value to partners and clients than the sum of their parts.



## BUILDING A SUSTAINABLE COMPETITIVE ADVANTAGE

- Senior executives have to be aware that multiple partnerships based on trust, reinforced by contracts, as well as possible operational links are particularly difficult to replicate, thereby generating a true competitive advantage.
- In order to maintain the competitive advantage gained by developing an ecosystem, private banks should aim at continuously broadening and deepening the extent and quality of the collaboration with partners.