

## SWEDBANK DRIVES COMPETENCE TO BUSINESS WITH SUPPORT OF SABA'S COMPREHENSIVE COMPETENCY MANAGEMENT SOLUTION

### OVERVIEW

#### INDUSTRY

Financial Services

#### BUSINESS CHALLENGE

- Speed up competence-to-business by implementing a powerful and targeted competency management strategy
- Achieve greater levels of compliance with recently introduced financial legislation and improve the level of readiness of Swedbank's financial advisors
- Align learning and competency initiatives to Swedbank's business imperatives

“SABA ALLOWED US TO TRAIN MORE PEOPLE FASTER. WE MOVED FROM 22,000 TRAINING DAYS DELIVERED IN 2001 TO 40,000 TRAINING DAYS WITHOUT INCREASING OUR OPERATIONAL AND STRUCTURAL COSTS”

— STAFFAN IVARSSON , DEPUTY DIRECTOR OF SWEDBANK HUMAN RESOURCES

Swedbank is one of the largest banking groups in the Nordic area, with approximately 16,000 employees and over 11 million private customers and 576,000 corporate customers. It operates mostly in Sweden and in the Baltic states. Swedbank has a network of 785 branches and operates in a highly decentralized structure. With 241 bank services points of sales located in shops and 3 million Internet banking customers, Swedbank is also Sweden's largest Internet and telephone bank.

#### ALIGNING COMPETENCES TO SERVE CUSTOMER LOYALTY

Swedbank's competency strategy began in 2001 when the bank realized it would need to align specific employee skills to the demands of particular customer segments in order to improve customer retention and loyalty. “This initiative was created to support Swedbank's fundamental belief that the skills, motivation and satisfaction of its employees are instrumental drivers of value for customers,” says Staffan Ivarsson, deputy director of Swedbank human resources. With a growing number of customers using the Internet to handle day-to-day transactions, Swedbank decided to improve the service skills of its customer-facing staff, to ensure that the company remained the number one financial institution for customer satisfaction.

Swedbank believed that shifting from a transaction-oriented skills model to a relationship-oriented skills model would improve the way its branch-based staff interacted with customers during face-to-face meetings. This shift could happen only by having a better grip on competencies. The company needed a process to categorize skills and competencies, identify gaps and put in place comprehensive development and training plans in order to increase the staff's readiness to sell new financial offerings and provide true financial advice to demanding customers. It also needed a blended training



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### RESULTS

- Doubled the number of training days within the same cost structure to improve cost efficiency
- Allowed alignment and measurement of staff competence with customer retention and satisfaction
- Turned compliance into a competitive advantage by certifying 6,000 financial advisors in 8 weeks

### SABA SOLUTION

- Saba Enterprise Learning
- Competency Management
- Certification Management

model that allowed managers to select the right channels to train staff according to the type of competency to be acquired. Finally, the whole effort required a comprehensive learning management platform that could support a systematic and holistic approach toward learning and competency management, while reducing risks of increased costs generated by the need to train more people and deliver more training days.

### SABA SUPPORTS SWEDBANK'S VISION OF INTEGRATING COMPETENCE AND LEARNING

Swedbank decided to acquire a learning management platform that would become the backbone of their competence strategy. "Swedbank's key goal was to align competencies with its business imperatives in a changing environment. Learning was considered one of the key enablers of the overall competence initiative," says Ivarsson.

After evaluating a number of solutions, Swedbank identified Saba as best suited to meet its strategic requirements for tightly integrating competence-related and learning-related processes. Swedbank chose Saba® Learning Suite to create, categorize and manage competencies as well as to align development plans and deliver learning via a blended model. "Beyond the breadth of functionalities offered, we liked the fact that Saba also shared our vision of Human Capital Management. Because Saba did not limit Human Capital Management to the learning element only, we felt that Saba could support Swedbank's strategy of using learning to serve the requirements of the business first," comments Ivarsson.

### ALIGNING COMPETENCE TO BUSINESS: AN ITERATIVE PROCESS

Swedbank's approach to competence and learning management is a continuous and iterative process composed of several steps, all supported by Saba.

Human resources department and business managers closely worked together to set the competence acquisition and development strategy. Understanding the business demand to create success for Swedbank was the starting point. Regular internal and external surveys, carried out by Swedbank since 1992, showed that competencies had the biggest impact on customer satisfaction – the better the skills, the higher customer loyalty.

50 percent of the value in the customer satisfaction index is directly connected to what customers think of the bank's competence. By working with line of business managers, the HR department used Saba to record job types associated to each business demand. 28 job types were created, spanning management positions, customer-facing positions and business support positions. Additionally, the set of competencies and levels associated with each job type was also stored in Saba. 100 competencies are categorized in Saba's competency library, which employees can refer to when doing their self-assessment. This allows employees to measure existing competences in comparison with the ideal set of competence required for a specific job profile.

75 percent of the staff now is using job types and competence gap analysis, which are delivered via Saba. It has become the basis to engage dialogue between employees and managers to determine goals and agree on an individual development plan. The development plan is delivered, using Saba, via a mix of training channels – classroom-based, e-learning, virtual networking, co-listening tutoring and simulations, depending on the channel that best fits the set of competencies to be acquired or developed. Because developing "knowledge" doesn't require the same learning channels as developing "attitude" or "skills", only a blended learning approach allows employees to segment competences and choose the channel that best fits. Finally, Saba supports follow-up on the execution. Results of the development plans are reviewed on a regular basis and serve as a foundation for future enhancements and adjustments of competency plans aligned with business plans.

## SABA CONTRIBUTES TO THE DEVELOPMENT PLANS OF 13,000 EMPLOYEES

Saba provides the infrastructure and repository that supports each step of this iterative and continuous process. Two years after rollout, 13,000 employees are using Saba Learning, of which 75 percent are frequent users. Swedbank makes extensive use of the Saba learning catalogue of close to 250 courses, including job profiles and competence modules. This could not have been achieved without having the implementation project team focus a great deal of effort on user acceptance. Because of the cultural change, it was essential to facilitate the shift to this new approach

toward learning, get employees familiar with a brand new user interface and spend time on internal education. “User acceptance was instrumental to the success of the project. We are proud not to have underestimated its impact,” says Pia Oderud, head of the competency management initiative at Swedbank.

## TRANSFORMING EXTERNAL REGULATION INTO COMPETITIVE ADVANTAGE

Since 2004, Saba has also become instrumental to all certification initiatives and has allowed Swedbank to address regulatory requirements in a fast and effective way. With the introduction of a new financial law, it was imperative to quickly certify all financial advisors on the impact of this new law. Time was of the essence. Saba allowed Swedbank to carry out all diagnostics tests to a population of 8,500 users in less than 8 weeks. This certification process resulted in detailed documented authorizations delivered to the financial advisors. Since then, certification has also become a key driver for the Swedbank’ competency and learning management initiative. “The fact that Saba was already in place when the new financial law was announced dramatically simplified and accelerated the certification process. We already had the infrastructure, the competency library, and the appropriate training channels to certify our financial advisors in time,” comments Pia Oderud.

## DOUBLED NUMBER OF TRAINING DAYS AND INCREASED CUSTOMER SATISFACTION

Using Saba, Swedbank managed to double the number of training days within the same cost structure, achieving greater cost efficiency. “Saba allowed us to train more people faster. We moved from 22,000 training days delivered in 2001 to 40,000 training days without increasing our operational and structural costs,” says Ivarsson.

Saba also addressed Swedbank’s needs to train more people in a much more rational and accurate way. One of the key achievements was the ability to align specific customer segments and requirements with the appropriate set of employee skills, which overall improved Swedbank’s readiness to serve demanding customers. This resulted in increased

customer satisfaction rates, as unveiled by external and internal surveys measuring customer satisfaction. Swedbank further used those measurements to improve organizational competency based on job roles.

Market recognition speaks for itself. Swedbank was awarded the “Competency Management Company of the Year 2004” by the Swedish Competency Development Group. The award recognizes Swedbank’s excellence in human capital vision and its accomplishments in developing the more than 13,000 employees throughout the entire Swedbank organization. By driving improvements in its human capital assets, Swedbank was able to improve profitability and its overall organizational performance.

#### ABOUT SABA

Saba (NASDAQ: SABA) is a leading provider of integrated Human Capital Management (HCM) solutions. Saba enables The Aligned Enterprise™ by aligning goals, developing and motivating people, and measuring results – driving greater organizational performance.

More than 10 million current users in over 30 countries use Saba today. Customers include ABN AMRO, Alcatel, Bank of Tokyo-Mitsubishi, BMW, CEMEX, Cisco Systems, Citigroup, DaimlerChrysler, Dell, Deloitte Touche Tohmatsu, FedEx Kinko’s, Insurance Australia Group, Lockheed Martin, Medtronic, National Australia Bank, Novartis, Petrobras, Procter & Gamble, Scotiabank, Sprint, Standard Chartered Bank, Swedbank and the U.S. Army and U.S. Navy.

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