

## Reflection 12. Learn Better

Today, it is more important than ever for a financial service provider to be constantly and consistently learning. The competitive environment is evolving, increasingly products are developed in partnerships, the capacities we need are evolving. So, this begs the question is our institution a learning organisation?

This blog explores this question of “How are we becoming a learning organisation?” To do this it uses the concept of “Signposts” an idea espoused by an American Economist James Galbraith. The concept is that as institutions we are focused on close day-to-day monitoring, and on monitoring progress against longer-term strategic objectives. However, there is limited focus on the mid-term. Galbraith argued that organisations needed a focus that was medium term that would answer the question – “Are we still on the right road?” He suggested focusing on the question “If we are more like the organisation we need to be – what would we see changing?”

So, in this context the question would become - if we are a learning organisation what should we see happening?

We invest in listening: We have mechanisms to listen to our customers, the market – this would be through relationship officers, loan officers, CRM systems, through carefully trained staff members who are experienced in sales, through a dedicated research team, through dedicated staff who are focused on following market dynamics, through a CEO, the Board of Directors, and executive team that all have roles in their areas of responsibility to listen.

To help our ability to listen, there would also be investments in learning so key staff keep up to date with trends, with the latest developments in financial services, how can be delivered, in the partnerships that we need for the future.

One feature of major change in the Kenyan market has been CEOs who have spent time listening to customers and staff. During the growth phase of Equity Building Society and Bank, the CEO James Mwangi spent time in branches every month talking to staff and customers. Similarly, before launching the Mwananchi Account in Family Bank the Chairman of the Board of Directors, TK Muya, spent time in branches talking to staff and customers. Being grounded matters in taking better, more informed decisions.

We understand: Products and services, processes and procedures are built based on listening and reflecting. Copying products and services without this process of learning, often leads to missed opportunities to improve and finetune the product or means the externals of the product are copied and not the operational aspects.

We analyse: We ask questions of the data we have. Institutional curiosity must be cultured and encouraged. Many times, I’ve worked on consulting assignments where basic analytics has shown the institution to be different than perceived internally. This level of analysis feeds into decisions, strategies, products, and services.

We communicate: What is the point of listening, understanding, analysing unless we communicate the outcome of our understanding, and the products and services so derived. Communication based on learning, offers huge potential for building the brand of the institution.

So, are we a learning organisation? It depends on whether you can answer yes to the following questions:

- a) Have we and do we continue to invest in listening?
- b) Are we understanding our market, our customers, are we developing opportunities?
- c) Are we curious? Are we analysing?
- d) Are we communicating? Are we building our brand?

And finally

- e) Are we evolving and changing, are we offering more to our customers?

Now I hope you can see how “Signposts” are supposed to work.

First Principles Consulting can help you become an institution which is investing in being a learning organisation, in thinking through how the Signposts approach can help in monitoring strategic objectives.

*If this reflection speaks to you... speak to me so that we can inspire change, together.*

David Cracknell

Additional reflections in this series can be downloaded from [www.firstprinciplesinfinance.com](http://www.firstprinciplesinfinance.com)



