

The creation of sustainable competitive advantage through a learning organisation: A focus on Sanlam Broker Services North

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ABSTRACT

The insurance industry has been going through turbulent times in the last couple of years. The mature industry, vanilla products, small margins, legislation and fierce competition have taken its toll. Mergers, take-overs, joint ventures and partnerships are all strategic alliances to stay competitive in a market where only the strongest will survive. However, organisations also constantly need to take a critical look at the way they conduct their core business in a quest to gain competitive advantage. Sustainable competitive advantage may be achieved through innovation, value chain improvement, lower costs than rivals, or, as research would have it, through the establishing of a learning organisation.

One of the distribution channels within Sanlam namely Sanlam Broker Services has been selected as part of this research to achieve the objective of this script. A group of its external partners or clients, ABSA Private Bank wealth planners were also part of this study to gain an understanding of a learning organisation from an external perspective. This study will focus briefly on the 2007 strategy for Sanlam Broker Services North and its concentration on “business building”.

A literature review was conducted to provide an appropriate theoretical framework on which to base the practical considerations forming the basis of the study. This study revealed the success factors and elements critical in the creation of a learning organisation. This was followed by an empirical study of the state of competitive advantage and a learning organisation within Sanlam Broker Services North. The Sanlam Broker consultants in Sanlam Broker Services North as well as their clients, the ABSA wealth planners in the ABSA Private Bank Northern region were interviewed. The objective was to achieve both an external and an internal perspective on all the issues.

This was followed by an analysis of the findings of the empirical research compared to the findings of the literature research.

Logical conclusions were drawn from the research and literature in an effort to reach the objectives and ancillary objectives of the script.

The findings were summarised and a possible action plan for the implementation of a learning organisation was presented to the executive management of Sanlam Broker Services North.

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LIST OF ABBREVIATIONS

- FAIS** – Financial and Advisory Intermediary Services
- KM** – Knowledge Management
- MBTI** – Meyers-Briggs Type Indicator
- OL** – Organisational learning
- PPR** – Policy Protection Rules
- PD** – Performance development plan
- SBC** – Sanlam Broker Consultant
- SBS** – Sanlam Broker Services

CHAPTER 1

AN OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Sanlam Broker Services (hereinafter referred to as SBS) is part of the distribution channel within Sanlam that deals directly with brokers and financial planners. A broker is a duly accredited and licensed independent or corporate financial intermediary that may be contracted with various financial institutions and insurers and who will sell their products on the institution's behalf directly to clients. A broker may receive remuneration in the form of commission, management or consultation fees.

SBS is therefore in a third party sales relationship with the broker and totally reliant on the broker for placing business with Sanlam rather than with its competitors (Momentum, Liberty, Old Mutual, and others). The broker is therefore seen as the client in this relationship; the importance of the relationship as a success factor in building a sustainable business for SBS, cannot be over-emphasised. New and creative ways of business partnering with brokers are continuously investigated with the objective of tying the broker to Sanlam in such a way that it is simply impossible for him not to support Sanlam.

The driver of this relationship is the Sanlam broker consultant (hereinafter referred to as SBC). The SBC is the face of Sanlam in the broker's office and the SBC's actions and interactions with the broker will largely determine the amount of business that Sanlam will receive from a broker. This unique relationship between broker and broker consultant has been the focus of many a strategic change in focus areas within SBS.

1.2 PROBLEM STATEMENT

Various pressures and pending changes from the macro-environment, legislation, new motivation theories and consumer behaviour will determine the road ahead for SBS and the effectiveness of its current strategy to gain and sustain competitive advantage.

Recent changes in legislation led to additional pressures on the insurance industry and brokers. The advent of the Policy holder Protection Rules (hereinafter referred to as PPR) followed by the Financial and Intermediary Services Act (hereinafter referred to as the FAIS Act) has led to a significant reduction of brokers in the industry as it did in countries such as Australia and the United Kingdom, because of new stringent requirements in terms of minimum qualifications, experience and personal financial soundness of the individual. According to Lewis (2006: 30), the FAIS Act requires that the financial planner complies with the following requirements:

- ✚ to demonstrate that the planner understands the consumer's needs;
- ✚ to demonstrate the planner's ability to render professional advice through appropriate qualifications;
- ✚ to disclose reasons for recommending certain products and whether the planner is linked to the product house;
- ✚ to openly disclose costs in terms of the services provided;
- ✚ to provide advice to help the consumer meet his goals and objectives; and
- ✚ to match the level of service received by the consumer to the level of income received by the planner with the objective of demonstrating value.

An intensive focus on the costs of insurance products debated by the press, the media, the ombudsman and the pension fund adjudicator to name but a few, has also led to a large scale investigation into upfront commissions earned by financial intermediaries, followed by a white paper proposal which is due for implementation towards the end of 2007. It is anticipated that the implementation of a partly "as and when" commission structure as opposed to a fully "upfront" model will have a serious financial impact on the intermediary and will result in a further reduction of broker numbers in the industry. This gives all the

more reason to cement the broker relationship with Sanlam in an already unstable external environment.

The pressure on costs leads to another possible change in the way that SBS will conduct business in the future. On the continuum between being purely a product provider or a financial steward (becoming closer to the client together with the broker) SBS is currently somewhere in the middle. But today's educated clients demand more; they demand greater involvement, simplicity, ongoing advice and quality.

With pressures on margins being as low as 1% of premium and changing client expectations, SBS will have to look at where to position itself in the future. (Refer Appendix A – extract from SBS North's 2007 strategic document: *Converging market forces*)

If SBS were to become more client centric it will involve a change from just regarding the broker as the client, by also regarding the end client as SBS's client and building a relationship with him, obtaining certain useful information about the client, so that even if the broker is out of the picture, SBS will be able to maintain their relationship with the client. Tools will have to be developed to assist the broker to free up more of his time to focus on sales at the higher end of the market, with a possible electronic system for the lower end of the market.

Alternatively, SBS has a choice to move back in the value chain from distribution to being a sole product provider. To achieve this, Sanlam will either have to offer the lowest price or the most innovative product on a consistent basis. With this model, layers in the entire value chain (for instance the SBC and sales manager) will be eliminated to cut costs even further. The broker will be able to choose and issue basic products electronically. Sanlam will have no relationship with the client. Corporate groups may benefit with this model through white-labelled bulk products. Scale and volume would be the key consideration. A combination of these two distribution models is also possible.

Client-centric/financial steward  Sole Product Provider Focus

Another problem in the industry is that it has never been considered a very “sexy” industry where clients are demanding products and falling over each other to get to those products. The industry is fairly saturated and characterised by huge competition as well as replacements of business already on the books. Products are seen as a commodity and the broker must create and satisfy a client’s need to achieve a sale.

In an industry earmarked by brand indifference, Sanlam’s brand is recognised by many clients, but is not powerful enough on its own to achieve significant growth in business. Added to this factor is the notion that the SBC is the living brand of the company in the broker’s eyes. The SBC, in many instances, embodies the total Sanlam value proposition in the eyes of the broker. The broker often “buys” the consultant and not the company. If a broker is happy with his consultant, he perceives Sanlam to be a great company whilst the reverse also holds true. The difficulty with this living brand is that much of what is being said or done are outside the Sanlam office and cannot be monitored at all times. The SBC should therefore have a solid internal locus of control and highly ethical work standards to excel and uphold a professional image of the company.

The questions that follow then are: what makes a good or great SBC? Is there a typical profile of a successful SBC? How does Sanlam offer their brand value to brokers in a way that is compelling? How do they harvest the SBC’s potential? How do they retain and compensate their SBCs? Do they have the right footprint of SBCs in relation to their brokers? Do they have the right SBCs on the bus? Do they really know what their brokers want or are they assuming on the broker’s behalf? Is their total supply chain aligned to support their objective of growing their business and maximising their clients’ wealth? Do they have the right products, after sales service, systems and tools and is their marketing effort reaching their target market – the broker? How do they differentiate their service from that of their competitors? How do they rejuvenate their brand?

The 2007 Broker Services Strategic framework (Appendix B) has again brought about a change in focus with regard to the way that Sanlam conducts business with its brokers. Whereas in the past Sanlam has been very successful in relationship building and service towards the broker, the focus in 2007 is on “business building” with a smaller focus on relationship and service. The question that needs to be answered is the following: how

can SBS help their brokers to grow their business into one that is both more profitable and sustainable whilst creating a sustainable competitive advantage for SBS? However, “business building” for one broker could be something completely different to the next broker. This is one aspect that will be researched within this study to obtain greater clarity on the subject of “business building”.

As can be seen in the 2007 Broker Services Strategic shift document (Appendix C), the proposed shift in focus is from *service and support* (currently 50%) to a 20% focus in 2007. The *relationship building* focus (currently 35%) proposes to change to 30% in 2007 and the *business building* focus (currently 15%) to change to 50% in 2007.

Furthermore, the internal 2007 Broker Services Strategy entails a categorisation of broker consultants based on the Power Intelligence model of Dr. Brenda Hattingh. SBCs will be divided into three tiers, each according to certain criteria, each with its own development areas, training, recognition and performance management criteria (Refer to Appendix D.).

A “new” motivation theory based on Einstein’s relativity theory is also currently being investigated as part of the 2007 strategy. This is done with the help of Dr. Hattingh based on her book “Power Intelligence” (Refer Appendices E1 – E4.).

The theory states that a systematic decrease in motivation occurs by artificially adding (f) force. This results in an increase of (R) resistance and (N) negativity. Consequently, the total value of the relationship between E and MC2 skews. MC2 (motivation and success) gradually decreases even though effort and energy (E) remains the same. As a result, the relationship becomes artificial and unsustainable.

Motivation can be influenced on four levels, namely physical health, mental health, emotional health and spiritual health. Maladjustment in any of these levels will lead to unsustainable or artificial motivation and depleted success. Positive growth and development of these four levels lead to sustainable internal motivation and increased success. The theory distinguishes between the internal and external motivators with a focus on the importance of the internal motivators and therefore, the introduction of the three tiers categorisation of the SBC.

Over the years, Sanlam has invested heavily in similar tools ranging from customer evaluation surveys, emotional intelligence measurements, MBTI profiling, 360-degrees tools, left brain versus right brain thinking, creativity workshops and so forth in a quest to determine the ideal profile for a SBC or for a sales manager. Included in the 2007 strategy document (Appendix F) ideal profiling of the SBC and sales manager is outlined with the objective of attaining higher and sustainable productivity through personal development and training.

Sanlam also has its own testing centre where possible external candidates go through a whole battery of tests to determine the candidate's suitability. Often, results indicate that the candidate is the ideal SBC but a year later in practice, the opposite is found to be true.

1.3 STUDY OBJECTIVES

1.3.1 Primary objectives

The primary objectives are:

- To determine from an external (ABSA Financial Planner) and internal (SBC) perspective if SBS North has a sustainable competitive advantage to partner with the broker and to achieve long-term growth; and
- To evaluate whether SBS can be identified as a learning organisation and whether this is paramount to ensure sustainable competitive advantage.

1.3.2 Ancillary objectives

The ancillary objectives are to:

- identify from the findings possible areas for improvement;
- evaluate the strength of the living Sanlam brand (the SBC) in relation to competitors through the broker's eyes;
- evaluate the remuneration and incentive policy that SBS uses to motivate and reward the SBC;

- determine a specific profile of an SBC from an external point of view; and
- determine what the broker really views as “business building” and if the SBS strategy is on the correct path with the greater focus placed on “business building”.

1.4 RESEARCH METHODOLOGY

1.4.1 Literature review of relevant material

Relevant literature sources dealing with the subject of sustained competitive advantage and organisational learning will be studied to provide a theoretical background on which to base the practical findings of the study.

1.4.2 Empirical study of the state of sustained competitive advantage and/or organisational learning in SBS North

An empirical evaluation of the present state of sustainable competitive advantage and organisational learning will be undertaken by means of the descriptive survey method. An external client questionnaire will be distributed to the 17 ABSA Private Bank financial planners in Pretoria, Centurion and North West. An internal employee or broker consultant questionnaire will be distributed to the six SBCs servicing these ABSA Private Bank financial planners in Pretoria, Centurion and Rustenburg. The purpose of these questionnaires is to:

- ✚ obtain the client's view on business building and the effectiveness of the current strategy;
- ✚ obtain the broker consultant's view of the internal processes with regard to the current strategy and establish whether a learning organisation is indeed present; and
- ✚ assess if the current strategy is one that ensures sustained competitive advantage through organisational learning.

Permission was obtained from the head of broker services and the provincial manager of Broker Services North. Permission from the General Manager of ABSA Private Bank wealth management was obtained for interviewing the ABSA financial planners. Management will be assured that the results will be made available to them and will be kept confidential outside the company.

The statistical consulting services department at the North-West University assisted with the statistical processing, analysis, and interpretation.

1.5 LIMITATIONS OF THE STUDY

The study is limited to SBS North, servicing Gauteng North and North West Province, with its provincial office in Pretoria. Only broker consultants servicing ABSA Private Bank planners in Broker Services North will be interviewed; similarly, only ABSA Private Bank planners in the Northern region serviced by SBCs will be interviewed. ABSA Private Bank financial planners and SBCs in the Polokwane and Mpumalanga regions were not interviewed as they currently fall into a different region.

It is assumed in this study that the current distribution model via brokers/planners will remain unchanged and therefore, the focus of this study will only be on the partnering relationship between SBS and the broker. However, the possibility of a change in distribution and a movement closer or further from the end client remains a choice that SBS will have to consider in the near future.

1.6 FURTHER DEPLOYMENT OF THE STUDY

Chapter 1 is an introductory chapter that describes the nature and scope of the study. This includes the problem statement, a brief discussion of the purpose of the study, the framework of reference, the limitations of the study and the further deployment of the study.

Chapter 2 deals with the theoretical background relevant to the script. The focus is on the framework of normative reference of the study.

Chapter 3 addresses the state of competitive advantage and organisational learning in SBS North. An empirical study is carried out. This includes a brief description of Broker Services North and its regional structure. The reason for employing a questionnaire is discussed. The population of the empirical research is described in terms of who they are, the number of respondents and the positions that they occupy. The results are presented in terms of analysis of the responses, and conclusions are formulated from them.

Chapter 4 draws together the preceding sections in a determination of what is and what should be. The theory as studied in chapter 2 is compared to the findings of the empirical study. The findings are summarised and a logical conclusion of the interpretations, based on the objectives of the study, will be done.

Chapter 5 suggests an implementation plan. The objective of this plan is to achieve the objectives of the study as formulated, namely *a suggested model to obtain sustained competitive advantage through the incorporation of a learning organisation*. The logical conclusions and guidelines suggested by the literature, and the relevant aspects of the practical situation determined by the empirical study, form the basis of the formulation of actions to be taken to implement a learning organisation, through which sustained competitive advantage may be achieved for SBS North.

CHAPTER 2

SUSTAINED COMPETITIVE ADVANTAGE THROUGH A LEARNING ORGANISATION

2.1 INTRODUCTION

“In the long run, the only sustainable source of competitive advantage is your organisation’s ability to learn faster than its competition” (Senge et al., 1994:11).

The literature research starts with a definition and a discussion of the criteria necessary to achieve sustained competitive advantage. It follows with an analysis of the concepts of leadership, vision, motivating climate, aligned commitment, organisational culture, and strategic thinking, as these concepts are key success factors in establishing a learning organisation.

According to Kotzé (2007:4), the business environment in which organisations of the future will operate will be characterised by specific features. One of these features will be the key to competitiveness, which is earmarked by the following:

- ✦ “Management and nurturing of core and distinctive competencies;
- ✦ Continuous renewal of products, services, business operations and organisational processes;
- ✦ Fast on your feet, responsiveness and agility; and
- ✦ Continuous individual and organisational learning.”

The literature research concludes with a discussion of the learning organisation. The importance of a detailed measurable plan, rapid sharing of information, inventiveness and the ability to implement is also discussed as being crucial to the execution of a strategy focused on competitive advantage through the creation of a learning organisation.

2.2 SUSTAINABLE COMPETITIVE ADVANTAGE

The concept of competitive advantage is rooted in the logic of value creation and distribution (Piccoli, 2005:749).

An organisation is said to enjoy competitive advantage when the value that is created in an economic exchange in which the organisation partakes, is greater than the value that could be created where the organisation do not to participate in the exchange.

Sustainability on the other hand, has garnered lesser consensus. According to Wade and Hulland (2004), it has traditionally been conceptualised as a condition where a firm's competitive advantage resists erosion by competitor behaviour. Sustainability therefore requires that an organisation possesses some barriers that make imitation of the strategy difficult (Porter, 1991:20). The ability to protect a position of competitive advantage is therefore predicated on the successful creation of impediments to replication of the strategy by competitors; also referred to as barriers to erosion.

Pfeffer (2005:95) describes companies that enjoy sustainable competitive advantage which enable them to earn tremendous economic returns as follows: "These are companies that distinguish themselves from their competitors, provides positive economic benefits, and are not readily duplicated."

To be competitive in the long run, a business needs to know what is changing and needs to know what, how and why the change is occurring. Often, a set of business rules or paradigms are set up over time to help an organisation make sense of the volume of information and changes that confront them every day. Over time, these paradigms also change to keep up with the new business competition. Currently, according to Kotzé (2007:12), the competitive business paradigms emphasise value of products and services, constant renewal of products and processes to enhance productivity and value, core competence where companies compete on the basis of a distinct skill, creative use of time and the building of external and internal networks, to create new products in conjunction with clients and even competitors in an effort to enhance performance.

But as business evolves, other considerations are also important such as agility and innovation, competence, the collective learning of an organisation also known as its core competency, distinctive competencies that sets the organisation apart from its competitors, a physical and spiritual climate conducive to effectiveness, and finally a learning climate conducive to competence building, which widens the domain of innovation and allows team members to make “new” mistakes.

According to Thompson *et al.* (2007:6), an organisation achieves sustainable competitive advantage when an attractive number of buyers prefer its products and services above the offerings of competitors and when the basis for this preference is durable.

2.3 LEADERSHIP

Because of the changed business environment the “new” successful manager-leader will have to focus substantially more on his effort of leading with a lesser focus on planning, organising, controlling and co-ordination. “New” successful manager-leaders will furthermore be characterised by the following:

- they should be change agents;
- they should have multi-cultural sensitivity;
- management and leading of professional knowledge workers should be part of their skills set;
- management of emotional intelligence and being emotionally intelligent are core traits;
- systemic learning and thinking – seeing not only the forest or the trees, but looking at the total picture, the forest and the trees are imperative; in other words the managing of polarities;
- they should emphasize both performance and job satisfaction;
- they should be value driven and have strong ethics;
- creating and maintaining opportunities for empowered team members to realise their full potential will stand them in good stead;
- the manager-leader will be a facilitator, listener, coach, mentor, change agent, lifelong learner and creator of a motivational climate;

- Performance management is a key responsibility of manager-leaders; and
- they will leverage an effective strategy-supportive culture throughout the organisation.

Heifetz and Laurie (2001:14) state that leadership requires a learning strategy. A leader has to engage people in confronting the challenge, adjusting their values, changing perspectives and learning new habits. According to them, the adaptive demands of our time require leaders who take responsibility without waiting for revelation or request. "One can lead with no more than a question in hand." A leader should empower team members by allowing them the freedom to decide how to do things, and by trusting them, but also by holding them responsible for their actions (Coetsee, 2003:178).

According to Kerfoot (2005:227), the leader of a learning organisation is seen as a person with an open mind who hears and really learns from everyone.

Kotter, as quoted by Johnson (2002:167), sees the leader of a learning organisation displaying the following characteristics:

- instil a sense of urgency in the workforce;
- create an entrepreneurial vision;
- pick the right team;
- be a good communicator and a systems thinker;
- remove obstacles; and
- embrace change quickly, keep on changing and make change stick.

Three themes from the various literature sources can be established concerning transformational leadership in the learning organisation: The transformational leader needs to be visionary, empowering and model continuous learning.

It is therefore evident that the climate to enable a true learning organisation starts at the top, with a visionary transformational leader who uses the culture to support strategy. He starts the change process towards organisational learning by presenting a compelling

vision of the future, and creating a motivating climate that results in aligned commitment (buy-in) from the whole organisation that is necessary to implement the required changes.

2.4 VISION

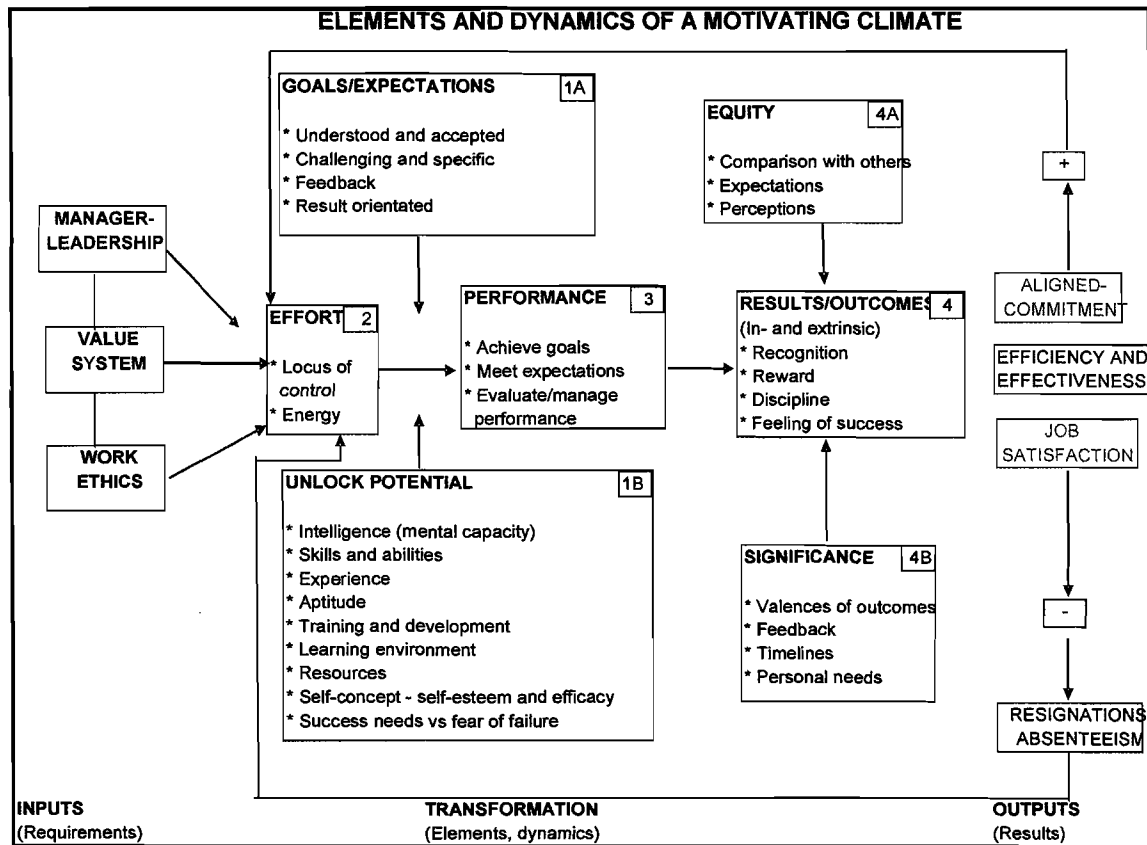
Thompson *et al.* (2007:20) describe the vision of an organisation as delineating management's aspirations for the business, providing a panoramic view of "where we are going" and a convincing rationale for why this makes good business sense for the company.

A strategic vision can be implemented successfully only if key managers can make the vision meaningful. Effective organisations and change efforts are driven by a clear and compelling vision. This vision is translated into effective actions and results by developing a cascading, internal consistency between the vision, the stakeholders' expectations, the mission, the organisational culture, the strategy, the teams, objectives, individuals and tasks of the organisation.

2.5 CLIMATE

Coetsee (2003:54) states that the most important prerequisites for the creation of a motivating climate are effective manager-leadership, a shared value system, and sound work ethics (Refer to figure 2.1: The elements of a motivating climate.).

FIGURE: 2.1



(Source: Coetsee 2003:97)

Coetsee (2003:175) further describes the characteristics of a motivating climate as the following:

- **Effort** : The amount of energy that people are willing to expend in their work and the responsibility that they take for their work.

- **Goals and expectations:** These must be clear, understood by all, challenging and specific. Employees should receive regular feedback on achievement.
- **Unlocking the potential of team members:** Effective leadership, a learning environment, mentorship and enough resources are crucial in unlocking potential. If a leader treats an employee as if he is a success, the chances are good that this will be the case; this is referred to as the “Pygmalion effect”.
- **Performance:** Management-leadership is focused on the enhancement of performance, satisfaction and aligned commitment of the workforce.
- **Results are outcomes:** Results are the outcomes of performance, and include intrinsic and extrinsic rewards.
- **The experienced equity of outcomes:** It is important that employees experience the rewards as fair and unbiased when compared to colleagues' rewards.
- **The perceived significance of the outcomes:** Is the reward/feedback given timely and is it perceived as valuable to the employee?

If all of the above elements exist in an organisation, the dynamics and interactions are bound to lead to aligned commitment, efficiency and effectiveness, and job satisfaction.

2.6 ALIGNED COMMITMENT

According to Meyer and Allen as quoted by Kotzé (2002:34), the most effective form of alignment/commitment is affective commitment, where employees have an emotional attachment to identify with and are involved in the organisation that they work for. This type of commitment is based on how far the values of the employee and that of the organisation overlap.

The formula for a learning organisation is described by Appelbaum and Goransson (1997:158) as the following: (Leader with a Vision) x (Plan/metric) x Information x inventiveness x implementation. By adding the elements of empowerment and recognition as per Coetsee's (2003:28) definition of aligned commitment a more complete formula is created.

2.7 ORGANISATIONAL CULTURE

The culture of an organisation should always be supportive to execute the organisation's strategic objectives. According to Chatman and Cha (2003: 32), organisations should use their culture to execute their strategy and to inspire innovation. Therefore a leader's primary role is to develop and maintain an effective culture. To achieve this, team member commitment is imperative.

Strategists continue to struggle with the implications of culture – and the constraints it places on strategy and implementation. Strategy is ultimately a decision about allocating resources, and people are critical resources in any firm. In theory, if strategy is incompatible with culture, strategy can be changed. But initiatives to align culture with new strategy often fail. As a result, many contemporary strategists appear to favour the approach popularised by Collins (2001:57) to change the organisation by “getting the right people on the bus”.

Chatman and Cha (2003:21) define culture as a system of shared values and norms. The values explain to employees what kind of behaviour is considered as important in the organisation, and the norms distinguish between correct and incorrect behaviour and attitudes. Culture improves performance by energising employees and by shaping and coordinating their behaviour.

Research done by Charan and Colvin (as quoted by Chatman & Cha, 2003:21) found that CEOs failed when they were unable to fully execute their strategy. This usually happens when the company's culture does not support the strategy. Culture is all about the effective execution of strategy.

2.8 STRATEGIC THINKING

Strategic thinking, according to Kotzé (2007[a]:5) is about understanding complex relationships and uncertain futures, and not about establishing right or optimal solutions.

Strategic thinking is closely linked to notions of organisational learning. In this sense, the idea is to develop, across the organisation, a capacity to work together to question, debate, and innovate. Continuous strategy development needs to involve managers widely, and cannot be left to a few individuals or small groups. Strategic change must be embraced as well as a workable strategy that can be implemented.

Fink *et al.* (2005:360) point out that to survive and grow in an era of continuous change, organisations must identify upcoming opportunities and threats early enough and address them in their strategic planning through strategic thinking. This equates to proactiveness in entrepreneurial thinking.

Kaufmann, as quoted by Bonn (2001:64), stated that strategic thinking is characterised by a switch from seeing the organisation as a splintered conglomerate of disassociated parts and employees competing for resources, to seeing and dealing with the business as a holistic system that integrates each part in relationship to the whole.

Bonn (2001:64) distinguishes between strategic thinking at the individual level and at the corporate level. She describes three elements at the individual level:

1. a holistic understanding of the organisation and its environment;
2. creativity; and
3. a vision for the future of the organisation.

She describes strategic thinking at the organisational level as creating structures, processes and systems that:

1. foster ongoing strategic dialogue among the top team; and
2. take advantage of the ingenuity and creativity of every individual employee.

Increasing global competition requires high levels of and constant change and improvement of organisational performance in four critical areas: Quality of goods and services, cost of producing goods and services, speed of bringing goods and services to the market, and innovation in the development of new goods and markets.

These requirements place fresh emphasis on new strategic ways of thinking. Scenario planning is a useful strategic tool that can be used by looking at the future as intrinsically unpredictable and realising that an organisation needs to prepare for the future by envisioning a range of different strategies (Allio, 2006:6). Starkey (1998:15) in his description of Rowan Gibson's book, *Rethinking the future*, claims that the book aims to stimulate critical reflection upon the current state of management knowledge. It sees learning as an integral feature of successful companies. *Rethinking the future* provides a timely overview of what the changing organisation looks like from the perspective of leading-edge management thinkers.

Dhliwayo and Van Vuuren (2007:130) describe the combination of "thinking" and "behaviour" as the strategic entrepreneurial mindset. This mindset is necessary for today's organisations to compete in a highly competitive environment where change is constant. The entrepreneurial mindset should therefore be cultivated in all organisations.

2.9 THE LEARNING ORGANISATION

Peter Senge *et. al* (1994:6), the "father" of the learning organisation theory describes the core of the learning organisation based on five "learning disciplines"

1. **Personal Mastery** – individuals must first learn before the organisation can learn. The learning must take place on a higher level, in other words, new ways of doing their jobs and mastering problems (continuous improvement) should be evident.
2. **Mental Models** – "reflecting upon, continually clarifying, and improving our internal pictures of the world, and seeing how they shape our actions and decision" (Senge *et. al*, 1994:6). According to Johnson (1996:48), it is sometimes necessary to let go of a personal view and to put some effort into seeing someone else's view, because an individual cannot control others' actions and choices but they can control their own actions and choices.
3. **Shared Vision** - everyone in the organisation should be working to one shared vision that everyone buys into.
4. **Team Learning** – learning should not take place in silos but individuals should learn from each other so that the aggregate of the team learning will be more than the

aggregate of the combined individual efforts. Jack Welch (Byrne and Welch, 2001:25) attributes differentiated teamwork as paramount to the success of General Electric; “Winning teams come from differentiation, rewarding the best and removing the weakest, always fighting to raise the bar”.

5. **Systems thinking** – “employees think of and see all organisational processes, activities, functions and interventions as linked with one another and also linked with the environment as part of the system of interrelationships” (Scholtz, 2007:7). Johnson (1996:vii) also prescribes to the fundamental belief that each individual and each organisation is always unique and always connected to the rest of the world. Byrne and Welch (2001:186) refers to this as “boundary less”; where an organisation such as General Electric would knock down external walls, making customers and suppliers a part of a single process, eliminating walls of race and gender and putting the team ahead of individual ego.

Organisational learning is defined as “the capacity or processes within an organisation to maintain or improve performance based on experience” (Nevis as quoted by Appelbaum & Goransson, 1997:15). The dynamic capabilities research tradition suggests that an organisation can develop superior capabilities through *learning mechanisms*, including repetition, experimentation, and even the analysis of small mistakes. Learning tends to be a localised process; therefore the organisation’s history and its current set of available resources both enable and constrain the learning process (Piccoli, 2005:750). The learning future for an organisation is a function of its past experiences, current position and the paths ahead.

Organisational learning depends on the motivation of the agents (individuals, teams, departments) of the system. It also supposes that the outcome of the learning process (information and knowledge) has been shared among the agents to stimulate the flow of information and increase change. The level of information flow depends on the level of knowledge production and the degree of connectivity within the relations structure and communication culture of the system. Motivation, connectivity and opportunities to learn are essential for organisational learning (Coppieters, 2005:134).

Learning organisations need teachers. In real learning organisations, one cannot distinguish between the learner and the teacher, because everyone throughout the organisation is expected to teach each other and learn from each other. (Kerfoot, 2005:227). In other words, the leader of the organisation is a teacher as well as a pupil because he has to learn from everyone in the organisation.

2.9.1 COMPETENCIES AND THE LEARNING ORGANISATION

Leaders are judged on their ability to identify, nurture and exploit the core competencies in the organisation that nurtures growth and development.

A competence is an activity that a company has learned to do well (Thompson *et al.*, 2007:100). A core competence is an internal activity that is central to the company's strategy and competitiveness, something that the organisation does better than anything else. "Most often, a core competence is knowledge-based, residing in people and in a company's intellectual capital and not in its assets on the balance sheet" (Thompson *et al.*, 2007:101). According to Collins's (2001:100) Hedgehog Concept, great organisations have to transcend the curse of competence. It is not just enough to be good at something and to make money in the process; a focus on what you can do better than any other organisation is the only path to greatness. This is what Thompson *et al.* (2007:102) refers to as the distinctive competence.

The distinctive competence is a competitively potent resource strength because of the following reasons: "It gives a company competitive capabilities that rivals cannot match, it has potential of being the cornerstone of the organisation's strategy, and lastly it can produce a competitive edge in the marketplace since it represents a level of proficiency that is superior to rivals" (Thompson *et al.*, 2007:102).

According to Scholtz (2007:7), "continuous learning and development of the people in the organisation lead to the creation of one of the more lasting bases for sustainable competitive advantage; namely, continuous improvement." Organisational learning can

therefore often be the distinctive competence of a company that rivals cannot match or imitate.

2. 9.2 TOOLS TO USE IN ORGANISATION LEARNING

These are some of the tools that may be used in the transformation to a learning organisation (Senge *et al.*, 1994):

- Scenario planning
- Strategic thinking audit
- Environmental scanning
- Strategic conversation
- Story telling
- Sharing of best practices
- The wheel of learning
- The five why's

2.9.3 ORGANISATIONAL LEARNING AND KNOWLEDGE MANAGEMENT

“Learning organisations are continually seeking data from the environment, are fluid and adaptable, and learn from their previous experiences. They share knowledge and contain systems and processes for sharing knowledge and information” (Johnson, 2002:164).

Starkey (1998:17) on Nancy Dixon’s book “The organisational cycle” discusses the following four cycles of organisational learning:

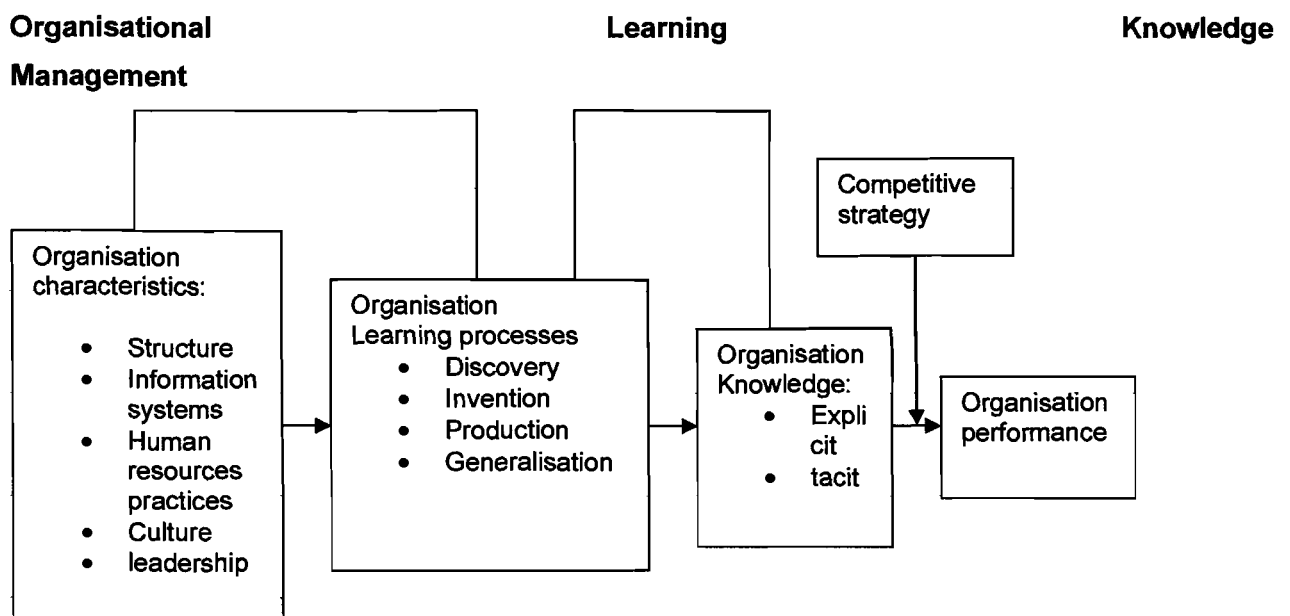
1. The widespread generation of learning - encompasses both the collection of external data and the internal development of new ideas.
2. Integrating new/local information into the organisational context involves the dissemination of information through out the organisation.
3. Collectively interpreting shared information – here organisational dialogue takes place that is interactive and leads to mutual learning.

4. Overview of current trends and future possibilities in organisational learning.

The process of organisational learning may also be viewed as an organisational transformation intervention (process of change) consisting of organisational learning (hereinafter referred to as OL) and knowledge management (hereinafter referred to as KM). OL has to do with the processes and interventions of learning to increase an organisation's potential to acquire and develop new knowledge, where KM has to do with the methods to organise and share knowledge to improve effectiveness (Scholtz, 2007:7).

The following figure taken from Cummings and Worley (2005:499) provides an integrative framework for understanding the process of OL and KM interventions.

FIGURE 2.2 How organisation learning affects organisation performance



(Source: Cummings & Worley, 2001:499)

According to Cummings and Worley (2005:500), there are several organisation features that can promote effective learning processes including structure, information systems, human resource practices, culture and leadership.

- **Structure:** A structure that promotes teamwork and strong lateral relationships and networking across organisational boundaries. This structure will promote shared decision making, information sharing and empowerment.
- **Information systems:** The information system of a learning organisation provides an infrastructure for OL. The system should provide rapid sharing, processing and management of information.
- **Human resource practices:** The appraisals, rewards and training should encourage long-term performance and knowledge development.
- **Organisational culture:** The culture should support innovation, openness, creativity and experimentation.
- **Leadership:** The leaders of the learning organisation actively model the openness, risk taking, and reflection necessary for learning. They provide empathy and support and communicate a compelling vision of the learning organisation.

2.9.3 (a) ORGANISATIONAL LEARNING

The organisational characteristics are supporting the effectiveness of the learning processes. These processes, according to Cummings and Worley (2005:500), consist of four interrelated activities: discovery, invention, production and generalisation.

Discovery involves identifying the gaps between desired and actual conditions or outcomes. Invention aims at devising solutions to close the gap between actual and desired conditions. "Production processes involve implementing solutions, and generalisation includes drawing conclusions about the effects of the solutions and extending that knowledge to other relevant situations"(Cummings & Worley, 2005:501).

According to Cummings and Worley (2005:501), learning takes place in three forms: Single-loop learning, double-loop learning and deuteron learning. According to Mohr (2004:2), detecting and correcting errors in a reactive mode is known as single-loop learning - a stage at which many organisations find themselves in their journey to improve themselves. The ability to assess the environment and make changes is single-loop, or

passive learning. According to Du Toit (2000:187), single-loop learning increases knowledge and skills in an organisation without changing its underlying culture. This type of learning is only concerned with improving efficiency.

In contrast, double-loop learning builds on single-loop learning by detecting and correcting the error and then proactively changing the organisation's underlying paradigms, policies, and objectives. Leadership depends on this active or double-loop learning, where errors and near-misses are viewed as opportunities to advance the organisational learning and change. This type of learning is perceived to be a higher-level learning that attempts to change the culture of the organisation (Du Toit, 2000:187). Steyn (2003:221) views effective double-loop learning as a function of how people think and feel in order to design and implement their actions.

Cummings and Worley (2005:501) describe the final stage of organisation learning as deutero-learning, which involves learning how to learn with the aim of improving single and double-loop learning in an organisation.

2.9.3 (b) KNOWLEDGE MANAGEMENT

According to Probst *et al.* in Coppieters (2005:134), learning processes are nurtured by knowledge. Not only is the internal available knowledge important, but so is the external available knowledge. In his essay about turning a school into a learning organisation Coppieters makes the statement that schools need systems to capture vital external knowledge which is essential for their core business. The core process of knowledge management consists of six mutually related actions: knowledge identification, retention, utilisation, communication, development and acquisition.

Knowledge management requires the transformation of personal knowledge into an institutional knowledge that can be disseminated throughout the institution and appropriately applied (Bryans & Smith 2000: 229).

Steyn (2003:212) describes KM as an integrated approach aimed at identifying, sharing and capitalising on the know-how, experience and intellectual capital of staff in an

organisation. The goal of KM is to capture, codify and distribute organisational knowledge usually found in the organisation's computer databases into such a format so that it may be shared by all of the organisation's knowledge workers. This enabling of tacit knowledge into explicit knowledge is the main function of KM. Chuncharas (2006:652), describes knowledge that is derived from experience and trusted sources as "tacit knowledge" as opposed to "explicit" knowledge which comes from documented sources or learned theory.

According to Bassi *et al.* (1998: 54), KM has the benefit of increasing the amount of learning taking place; making work less frustrating; making the learning organisation a reality, and creating the knowledge, insight and understanding that can assist people in their daily lives outside work. These benefits of KM have been succinctly summarised by Toddas, quoted by Steyn (2003:209) in the following chain:

Greater and easier access to knowledge → knowledgeable people → motivated to use knowledge → value-added decisions and value added learning at the personal level → enhanced organisation

"Organisational knowledge contributes to organisational performance to the extent that it is relevant and applied effectively to the organisation's competitive strategy. Organisational knowledge is particularly valuable when it is unique and cannot easily be obtained by competitors" (Cummings & Worley, 2005:505). This leads to competitive advantage that distinctly adds value for customers and can be leveraged across products, functions, business units or geographical regions.

2.9.4 EXAMPLES OF TWO SUCCESSFUL LEARNING ORGANISATIONS

In these organisations the value of intellectual assets far exceeds the value of the physical and financial assets; intellectual assets are usually worth three to four times the tangible book value.

- **BP:** BP is one of the most profitable oil companies today. It has changed in the past decade from a large bureaucracy with mediocre performance to a smaller, flexible organisation with surging oil reserves, production outputs, and profits. To accomplish this transformation, BP restructured itself into a learning organisation where people, teams, and informal networks generate and share knowledge to add value to what they do. Led by a visionary CEO, BP started a team charged with improving performance by sharing best practices, reusing knowledge, and accelerating learning. Projects were sponsored by business units and the outcomes linked to performance contracts. KM tools that they used included “peer assist” (helping one another), “after action reviews” (answering questions after taking actions), “retrospect” (discussing what happened after the fact to gain insight and learning) and IT tools “connect” and the “virtual team network.” The outcomes of these learnings were used to develop a Web-based folder of information and knowledge including email hyperlinks to people with expertise to share. The IT tools enabled people in different areas to work together collaboratively on projects on the Internet and to tap into others’ expertise electronically (Cummings & Worley, 2005:508).
- **General Electric (GE):** The transformational leader Jack Welch was one of the first to leverage GE as a learning organisation for competitive advantage. Jack Welch is perhaps the greatest corporate leader of the twentieth century. A CEO of GE for 20 years, he has turned it into the most valuable company in the world and his championing of initiatives like Six Sigma quality, globalisation and e-business have helped define the modern corporation. He has revolutionised GE’s culture with his groundbreaking management philosophy. He also started the Crotonville management training centre that played a huge part in GE’s success. Jack coined

the “boundary less” concept. He created a boundary less company that would knock down external walls, making suppliers and customers a part of a single process, eliminating the less visible walls of race and gender, and putting the team ahead of the individual ego (Byrne and Welch, 2001:187).

2.10 CONCLUSION

An organisation is a dynamic complex system. According to Coppieters (2005:137), complex systems change constantly and move from a more stable state to more chaotic situations and back again. The evolution of such a system cannot be predicted. It cannot be managed and controlled only through strategic planning, as supposed in classical management theory. At best it can influence change through developing its learning capacity. This idea led to the concept of the learning organisation.

Senge *et al.* (1994:11) stated: “*We keep trying to drive change, when what we need to do is cultivate change*”. The approach of organisations as learning organisations offers more possibilities for guiding and stimulating its development by increasing its learning capacity. The latter determines its ability to cope with change.

Senge *et al.* (1994:9) advocates the following outcomes of a learning organisation: superior economic and customer service performance, improved quality, competitive advantage, an energised and committed workforce and a change adept organisation. Organisational learning is necessary so that all the voices in the organisation may be heard and because the times and the people demand it.

People in organisations, at work and in life are all recognising their interdependence. If organisations are to address changing conditions in any significant way, it will have to do this at both the individual and collective level of thinking and understanding, at the level of organisations, communities and society.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Primary overt data was collected for this study by means of questionnaires.

Categorical data (where questions are asked in categories rather than on a sliding scale) were measured and the response to the categorical data was defined as a nominal-scaled response (Struwig & Stead, 2001: 154). According to Struwig and Stead (2001:155), the only appropriate statistic when using response categories from a nominal scale is the mode. The mode is defined as the category with the most responses.

The survey method was chosen to conduct the empirical study. According to Struwig and Stead (2001:41), this method requires the application of questionnaires for data gathering. It also requires that the population being studied should be accurately described and that the sample should be representative of the population, and that the scientific character should not be influenced by bias or imbalance. Lastly, this method also requires that data can be organised in a reliable format to enable valid interpretations.

The survey method was appropriate to the research undertaken because of the following criteria:

- The total population of planners (17) and broker consultants (6) in the Pretoria and North West regions were studied; therefore the findings will be 100% representative.
- The study should not be biased because all males and females were interviewed and findings will represent the total group.
- Data will be organised and summarised using frequency and percentage distribution summary tables.

The questionnaires consist of two types of questionnaires: The first being the external questionnaire containing 17 multiple-choice and 8 open-ended questions, and the second internal questionnaire contains 26 multiple-choice and 13 open-ended questions.

Respondents on both the forced-choice questionnaires were expected to tick one of the following response alternatives depending on the question:

- Poor / Average / Excellent
- Worse / On Par / The best
- Yes / No / Unsure
- Never / Seldom / Often
- Yes / No

The questions were designed to realise the objectives of the study as discussed under the objectives heading. The questionnaires are attached as Appendix G.

3.2 PROCEDURES

The internal and external questionnaires were personally distributed to the total population of planners and broker consultants by the regional manager of ABSA Private Bank. An introductory letter accompanied the questionnaires and the respondents were personally briefed on the objectives of the study by the regional manager. Respondents completed the questionnaires in the presence of the regional manager and they were able to ask for clarification if they did not understand certain questions. Completed questionnaires were personally returned for further analysis and research.

3.3 REPORTING FORMAT

The findings of the study are organised into descriptive data. This entails calculating how many respondents picked particular responses, and these were organised by percentages and frequency. It is from the frequency that measures of central tendency or averages

were determined. The mode, which is a statistic index of central tendency, was used because it was the only statistic suitable to use with a nominal-scaled response. The mode refers to the number or numbers that occur most in a set of data.

3.4 POPULATION OF EMPIRICAL RESEARCH

SBS North employs six broker consultants in Pretoria and North West who look after the 17 ABSA Private Bank wealth planners in these two regions.

The questionnaire was distributed to all of the above broker consultants and ABSA Private Bank wealth planners. The respondents were contacted via the regional manager of ABSA Private Bank.

3.5 RESULTS : EXTERNAL QUESTIONNAIRES

The personal survey method used with the entire population in these two regions resulted in a 100% response rate. A total of 17 external questionnaires were distributed and received.

3.5.1 SUPPORT

- **Question 1: How would you describe your support in terms of business to SBS?**

The highest number of respondents indicated that their support in terms of business to Sanlam were excellent. The second highest number indicated that their support to Sanlam was average and only one respondent felt that his/her support to Sanlam was poor. A total of 65% rated their support as excellent, 29% rated their support as average and only 6% rated their support as poor. The mode in this case is the "excellent" response, because it was the response most often selected. This indicates that in general the opinions of planners are that their support to Sanlam is excellent.

- **Question 2: How would you rate your SBCs overall support to you?**

The highest number of respondents (14) rated their Sanlam consultants' support to them as excellent, whilst only two rated the support as average and one as poor. Therefore 94% of the total respondents rated their Sanlam consultants' support as between average and excellent with only 6% rating the support as poor. The consensus rating in this case (the mode) is the "excellent" response because 82% rated the support as excellent. This indicates that in general the support of the SBC to the planner is perceived to be excellent with only one exception to the norm.

- **Question 3: Your SBC in relation to competitor consultants is?**

The frequency distribution shows that nine respondents rated their SBC as the best in relation to competitor consultants, whilst five respondents rated their broker consultant as on par with the rest. A total of three of the respondents rated their SBC as worse than the competitor consultants. Therefore, although 53% of respondents rated their consultants as the best, 47% rated their consultant as either on par or worse than the competition.

This indicates a mixed response with regard to competitor consultants, whilst more than half of the consultants are perceived as the best, and nearly half of the consultants are seen as on par or worse than the competition.

3.5.2 MANAGEMENT

- **Question 4: How often do you see Sanlam regional management?**

The frequency distribution indicates that most of the planners (9) seldom see regional management, whilst six planners stated that they never see regional management. Only two planners indicated that they see management on a regular basis. This indicates that 88% of all the planners never or seldom see regional management.

This indicates that there is a problem with regional management visibility.

- **Question 5: How often do you see Sanlam provincial management?**

The highest number of respondents as seen from the frequency distribution (10) stated that they never see provincial management. The second highest number (7) stated that they seldom see provincial management. No respondents indicated that they see provincial management on a regular basis.

Therefore 100% of all respondents either never or seldom see provincial management with the most frequent response being that 59% of all respondents never see provincial management. It is therefore evident that provincial management visibility is poor.

- **Question 6: Is it important to see them?**

The highest number of respondents (12) stated that it is not important to see either provincial or regional management. Only four respondents indicated that it is important to see management, whilst one respondent was unsure. Percentage wise 71% of all respondents did not feel that management visibility was important to them, but 29 % indicated that it was either important or that they were not certain of the importance.

Although the general response indicated that management visibility was not important, the 29% that felt differently cannot be ignored.

- **Question 7: Does your Sanlam consultant ask you what your needs are?**

The highest number of respondents (10) stated that their consultant ask them what their needs are. The second highest number (5) indicated that their consultant do not ask them what their needs are, whilst two respondents were uncertain.

Therefore 59% of respondents stated that their consultant ask them what their needs are, while 41% indicated that their consultant did not ask them about their needs or that they were uncertain. Therefore, although the consensus was that the Sanlam consultants ask about the planner's needs, there is still a high percentage that does not ask about their planner's needs.

- **Question 8: How would you describe your SBC's contribution to building your practice?**

The frequency distribution shows that nine respondents, representing 53%, rated the SBC's contribution to building their practice as excellent. More than a third, i.e. six respondents, representing 35%, rated this contribution as average and two respondents, representing 12%, rated this contribution as poor.

Although the most planners rated the contribution as excellent, a total of 47% of respondents rated the contribution as either average or poor.

- **Question 9: How would you describe your SBC's technical knowledge?**

The frequency distribution shows that no respondents rated their SBC's technical knowledge as poor. Most of the respondents (12) rated the consultant's technical knowledge as excellent, representing 71% of the total. Only five respondents, representing 29%, rated the consultant's technical knowledge as average.

This indicates that 100% of respondents rated their consultant's technical knowledge as either excellent or average with a tendency to being excellent, whilst 0% of respondents rated the consultant's knowledge as poor. This indicates that the level of knowledge of the SBC is of a high standard.

- **Question 10: How would you rate your SBC in terms of his/her service?**

The frequency distribution shows that 11 respondents (65%) rated their SBC as excellent in terms of his/her service. Only five respondents (29%) rated their consultant as average in terms of service, whilst only one respondent (6 %) rated the consultant's service as poor in terms of his/her service.

This indicated that overall the SBC is rated as excellent in terms of service, with only one exception. As much as 94% of responses were either excellent or average with a tendency towards excellence.

3.5.4 RELATIONSHIP

- **Question 11: How would you describe your relationship with your SBC?**

A total of ten respondents (59%) described their relationship with their SBC as excellent; six respondents (35 %) described this relationship as average whilst only one respondent (6%) described this relationship as being poor.

Therefore the majority of respondents (94%) rated the relationship with their consultant as excellent or average with a strong tendency to being excellent, with only one exception of being poor.

3.5.5

COMPETITIVE ADVANTAGE

- **Question 12: What is the most important factor determining the placement of your business with Sanlam?**

The frequency distribution shows that five respondents, representing 29%, rated support and service from their SBC as the most important factor in terms of competitive advantage; four respondents, representing 23%, rated the relationship with their consultant as the most important factor, three respondents, representing 18%, rated other factors such as the company's products, market perception and affordability of risk premiums of being most important. Only two respondents, representing 12 %, rated support and relationship as being most important, whilst one respondent, representing 6 %, rated relationship, service and support, and knowledge as being most important. Lastly, one respondent (6%) rated ease of doing business as most important, and another respondent (6%) rated pressure from ABSA management to support Sanlam as being most important.

The most important factors determining placement of business is therefore support and service, followed by relationship, representing a combined total of 52% of total responses. Knowledge, except when combined with relationship, and service and support, was not rated important at all, representing 0%. The third most important factor was the image of the company, the products and affordability of risk premiums (18%).

3.5.6

MARKETSHARE

- **Question 13: Which of the following companies gets the biggest share of your business?**

An equal amount of respondents (6), representing 35 % each, indicated that they mostly supported Sanlam and Momentum. Mutual was mostly supported by three

respondents, representing 18 %, with Liberty in the last place with only two respondents, representing 12%, placing most of their business with them.

Therefore 70% of the ABSA Wealth planners divide their business equally between Sanlam and Momentum with Mutual and Liberty as the last choice.

This indicates that Sanlam's biggest competition is Momentum.

3.5.7 RECOGNITION

- **Question 14: Is recognition for business placed with an insurer important to you?**

Although most respondents (9) indicated that recognition for business placed with an insurer is important to them, representing 53%, nearly as many respondents (8), representing 47% stated that recognition for business places is not important to them.

- **Question 15: How would you rate your Sanlam sales manager's recognition in terms of your support?**

The frequency distribution shows that ten respondents, representing 59%, rated the sales manager's recognition as average, with four respondents, representing 24%, rated it as poor. Only two respondents, representing 11%, rated the recognition as excellent with one respondent, representing 6%, feeling that recognition by the sales manager is not relevant.

This indicates that 83% of respondents see the sales manager's recognition as either average or poor with a tendency of being average.

- **Question 16: How would you rate your SBC's recognition in terms of your support?**

The frequency distribution shows that most respondents (10), representing 59%, rated their SBC's recognition as excellent. Only four respondents, representing 23%, rated recognition as average, with two respondents representing 12 %, rating recognition from their consultant as poor. Only one respondent, representing 6%, felt that recognition from the consultant was not relevant.

Therefore the general feeling is that recognition from the consultant is excellent with 82% of respondents either rating it as excellent or average with a tendency of being excellent.

3.5.8 BUSINESS BUILDING

- **Question 17: Did Sanlam ask your opinion about business building?**

The frequency distribution shows that most of the respondents (11), representing 65%, were not asked for their opinion about business building. A total of six respondents, representing 35%, were asked for their input about business building.

This indicates that the majority of planners were not asked for their input regarding business building.

3.5.9 OPEN ENDED QUESTIONS

SUPPORT FROM/TO PLANNER

- **Question 1: If your support to Sanlam in terms of business is poor, please supply reasons why?**

1. Due to a potential better competitor

- **Question 2: If your consultant's overall support to you is poor, please supply reasons why you say it is poor:** No response

MANAGEMENT

- **Question 3: Why is it important to see Sanlam management?**
 1. It is **not** important to see management as they only become important when/if the relationship with the consultant is not going well.
 2. It is important to see regional management for presentation sessions.
 3. It is **not** important to see management because they do not make a difference. The planner has seen them twice in three years.
 4. It is important to see management because they should also be part of the planner's business.
 5. It is important to see management because they should also be in direct contact with the salesforce.

BUILDING YOUR PRACTICE

- **Question 4: If your Sanlam consultant's contribution to building your practice is poor what can he/she do to achieve improved contribution?**
 1. The consultant started some actions, but follow up was poor; therefore, follow up is important.

RELATIONSHIP

- **Question 5: If your relationship with your SBC is poor, please supply reasons for this:** No response

COMPETITIVE ADVANTAGE

- **Question 6: Please list other factors determining placement of business with Sanlam.**

1. Benefits of products relative to the competitors, what best suits the client's needs, which company can provide the appropriate cover/exposure.
2. The company's market perception.
3. Ease of doing business with the company.
4. Premiums for risk cover play a role.
5. ABSA management drives 30% Sanlam market share.

MARKET SHARE

- **Question 7: Please give reasons for placing business with companies other than Sanlam.**
1. Prefers Old Mutual because of its product features, and because of history with Old Mutual.
 2. Prefers Old Mutual because older clients feel discontented with the performance of older products, then the planner agrees by disassociation.
 3. Shares business between Momentum and Sanlam because of best advice.
 4. Supports Momentum because of their support, service and knowledge of the consultant.
 5. Prefers Liberty because of better relationship with consultant.
 6. Prefers Old Mutual because of product availability.
 7. Prefers Momentum because of perceived better rates in terms of risk products.
 8. Prefers Momentum because the planner views the company as a leader in innovation and also values their excellent products.

BUSINESS BUILDING

- **Question 8: How would you define business building?**
1. Business building includes on-going training (learning, communication on business opportunities), new product launches, etc.
 2. Overcoming preconceived perceptions, relationship (service, advice and performance).
 3. Practice management: analysis of my client base.
 4. Partnership in practice building.

5. Pro-active participation in generating business, e.g. Draw quotes on existing clients and present to planner for follow up.
6. A solid relationship and practice building.
7. Team work, consultant must be part of my business.
8. Procurement of new clients and maintaining relationships with existing clients to ensure that they perceive you as first choice for financial planning.
9. To build relationships with the planner's clients.
10. To identify business opportunities in partnership with the planner. To provide training to the planner's office staff in conjunction with the broker. The planner/consultant relationship creates opportunities for business building.
11. Establishing an effective working relationship and contributing to offer clients objective benefits and products.
12. To generate business - look for opportunities in terms of existing clients.
13. To care about the planner and his/her business.
14. Communication, trust and commitment.

3.6 RESULTS: INTERNAL QUESTIONNAIRES

The personal survey method used with the entire population in these two regions resulted in a 100% response rate. A total of six internal questionnaires were distributed and received.

3.6.1 LEARNING CULTURE

- **Question 1: Is learning encouraged in SBS North?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants, indicated that learning is encouraged within SBS North.

- **Question 2: Is best practices shared within SBS North?**

The frequency distribution shows that all six respondents, representing 100%, of the broker consultants indicated that best practices are shared within SBS North.

- **Question 3: Does SBS provide you with the tools, knowledge and information required to excel at what you do?**

The frequency distribution shows that the highest number of respondents (5), representing 83%, are of the opinion that SBS supply them with the tools, knowledge and information required to excel at what they do. Only one respondent, representing 17%, was unsure. This indicates that SBS does indeed provide the consultants with the necessary tools, knowledge and information to excel at what the consultants do.

- **Question 4: Are you actively encouraged to give your input and ideas in SBS?**

The frequency distribution shows that all six respondents, representing 100%, of the broker consultants indicated that they are actively encouraged to give their input and ideas within SBS North.

The answer to the first four questions indicates the existence of a healthy learning culture in SBS North.

3.6.2 CLIMATE

- **Question 5: Is the work that you do meaningful?**

The frequency distribution shows that all six respondents, representing 100%, of the broker consultants feel that their work is meaningful.

- **Question 6: Does your work really make a difference in the bigger scheme of things?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants feel that they make a difference in the bigger scheme of thing.

The answers to the last two questions indicate a healthy climate in SBS North.

3.6.3 LEADERSHIP

- **Question 7: How would you describe your direct manager's style?**

The frequency distribution shows that four respondents (67%) rated their manager's style as supportive. Two respondents (33%) were unsure of the managers' management style but no one rated the management style as autocratic. The consensus feeling regarding the management style is therefore one of a supportive management style.

- **Question 8: Do you trust regional leadership?**

The greatest number (4) and percentage (67%) of respondents indicate that they can trust regional leadership. Two respondents, representing 33%, are unsure on whether they can trust leadership. This indicates an overall trusting relationship with regional leadership, but also a possible break of trust with regard to two respondents.

- **Question 9: Do you trust provincial leadership?**

The frequency distribution shows that most of the respondents (4), representing 67% trust provincial leadership. Only one respondent, representing 16,5%, does not trust provincial leadership, and one respondent, representing 16,5 % is unsure of whether to trust provincial leadership. Although this indicates an overall trust in provincial leadership, 33% of respondents either do not trust provincial leadership or is unsure of whether to trust provincial leadership.

- **Question 10: Does SBS management victimise you for speaking your mind?**

5 Respondents, representing 83% feel that they are not victimised by management for speaking their minds. Only one respondent, representing 17%, is unsure whether consultants are victimised for speaking their minds. This indicates that almost all the consultants feel that they are able to speak their minds without fear of victimisation by management.

- **Question 11: How would you rate your Sanlam sales manager in terms of his/her support to you?**

The frequency distribution shows that four respondents, representing 67 %, rated their sales manager's support to them as excellent. Two respondents, representing 33%, rated support as average, and no respondents rated support as poor. This indicates the existence of average to excellent support to the consultant by the sales manager with a tendency towards excellence, although there is still room for improvement.

- **Question 12: How would you rate your Sanlam sales manager in terms of his/her support to ABSA wealth planners?**

The frequency distribution shows that 50% of respondents rated the sales managers' support to the ABSA wealth planner as excellent, whilst the other 50% rated this support as average. No respondent rated this support as poor.

3.6.4 SUPPORT TO PLANNER

- **Question 13: Do you ask your ABSA wealth planner what his/her needs are?**

The frequency distribution shows that all six respondents, representing 100%, of the broker consultants, ask their ABSA wealth planner what his/her needs are.

- **Question 14: How would you describe your contribution to building your planners' practice?**

The frequency distribution shows that four respondents, representing 67%, rated their contribution to building the planner's practice as excellent, whilst two respondents, representing the other 33%, rated their contribution as average. No one rated their contribution as poor. This indicates that all of the broker consultants see themselves as contributing to the planner's practice to some extent with a greater emphasis on an excellent contribution.

3.6.5 KNOWLEDGE

- **Question 15: How would you describe your technical knowledge?**

The frequency distribution shows that the highest number of respondents (4), representing 67%, rate their technical knowledge as average, whilst the other two respondents (33%) rate their technical knowledge as excellent. No one rated their technical knowledge as poor. This indicates that in general the consultants perceive their own technical knowledge as average, with only two consultants who believe that their technical knowledge is excellent.

- **Question 16: Are you continually improving your knowledge?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants are continually improving their knowledge.

3.6.6 REMUNERATION AND INCENTIVES

- **Question 17: How do you rate your incentives linked to performance against the rest of the market?**

The frequency distribution shows that the highest number of respondents (5), representing 83%, rate their incentives and remuneration linked to performance versus the rest of the market as excellent. Only one respondent, representing 17%, rated the incentives as average. No one rated the incentives as poor. This indicates that the general feeling regarding incentives and remuneration are very positive, with most consultants viewing incentives as excellent and only one consultant viewing the incentives as average.

3.6.7 CHANGE MANAGEMENT

- **Question 18: Does SBS embrace change with ease?**

The frequency distribution shows that five of the six respondents, representing 83%, felt that Sanlam embraced change with ease. Only one respondent, representing 17%, felt unsure about the change process. This indicates that the general consensus is that SBS embrace change with ease.

3.6.8 VISION

- **Question 19: Do you have a shared vision in SBS North?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants feel that they have a shared vision within SBS North.

3.6.9 TEAMWORK

- **Question 20: Is team work actively encouraged in SBS North?**

The frequency distribution shows that three respondents, representing 50 %, indicate that team work is actively encouraged in SBS North. Two respondents, representing 33% feel that teamwork is not encouraged, whilst one respondent, representing 17%, is unsure of whether teamwork is encouraged or not. This indicates that half of the broker consultants believe that teamwork is actively

encouraged, while the other half believe that it is either not encouraged or they are unsure of it.

3.6.10 BOUNDARY LESS

- **Question 21: Do you work and learn across departments and reporting lines in Sanlam in an effort to reach your goals?**

The frequency distribution shows that all six respondents, representing 100%, of the broker consultants feel that they are working and learning across departments and reporting lines in Sanlam in an effort to reach their goals.

- **Question 22: Do you view your function as linked to other functions in Sanlam and interrelated with the higher vision of the organisation?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants view their function as being interlinked with other functions in Sanlam and as interrelated with the higher vision of the organisation.

3.6.11 COMPETITIVE ADVANTAGE

- **Question 23: What is the most important factor determining the placement of the ABSA wealth planner's business with Sanlam?**

The frequency distribution shows two respondents, representing 33%, rated support and service as the most important factor determining the placement of the ABSA wealth planner's business. One respondent, 17%, felt that relationship, and support and service were the determining factors. Another respondent, 17%, rated relationship as the most important factor. Yet another (17%) rated support and knowledge as the most important whilst the last respondent (17%) rated the best premium or product as the most important factor determining the placement of the planner's business. No one rated knowledge as the most important factor.

This indicates that most of the consultants view support and service as the most important factor determining placement of business. This is followed by relationship and knowledge combined with support as well as the best premium/product on offer.

3.6.12 SELF ASSESSMENT

- **Question 24: How would you rate yourself in relation to competitor consultants?**

The frequency distribution shows that four respondents, representing 67%, rated themselves as on par with competitor consultants. The other two respondents, representing 33%, rated themselves as the best in comparison to competitor consultants. No consultants rated themselves as worse than competitor consultants. This indicates that most of the consultants viewed themselves as on par with competitor consultants with 33% viewing themselves as better than competitor consultants.

3.6.13 LEARNING ORGANISATION

- **Question 25: In light of the above would you describe SBS as a learning organisation?**

The frequency distribution shows that all six respondents, representing 100% of the broker consultants rated SBS as a learning organisation.

3.6.14 BUSINESS BUILDING

- **Question 26: Did Sanlam ask your opinion about business building?**

The frequency distribution shows that five of the six respondents' opinions were not asked about business building. Only one, representing 17%, were asked about his opinion regarding business building. This indicates that none of the broker consultants except for one was asked for their opinion regarding business building.

3.6.15 OPEN ENDED QUESTIONS

LEARNING CULTURE

- **Question 1:** If learning is not encouraged in SBS North please supply reasons why you feel this way. No response
- **Question 2:** If best practices are not shared within SBS North please suggest ways of sharing best practices. No response
- **Question 3:** If SBS does not provide you with the tools, knowledge and information required to excel at what you do please elaborate. No response

SUPPORT TO PLANNER

- **Question 4:** What is generally important to your ABSA wealth planner in terms of support to him/her?
 1. The consultant's availability and support.
 2. Regular updates.
- **Question 5:** If you describe your contribution to building your planner's practice as poor what else can you do, or how can Sanlam assist you in this?
 1. It is impossible to contribute to a planner's practice if the consultant services too many brokers. With a smaller portfolio the consultant will be able to do more for the planner.
- **Question 6:** If you describe your contributions to building your planner's practice as excellent, why do you feel this way, and what do you do that makes the difference?

1. Give leads to the planner, and make plans to create new business.
2. The consultant rated her contribution as excellent with one or two exceptions. The consultant knows the planner's practice, constantly generates leads, assists the planner with his business plan and financial needs preparation, helps in the practice on all other issues, for instance with queries.
3. Spotlight made a big difference, the consultant feels as if she/he makes a difference to the planner in their practice. The consultant helps the planners to keep up to date with all information as well as comparisons between different companies. The consultant also helps the planners with their studies and provides them with relevant information.

KNOWLEDGE OF CONSULTANT

- **Question 7: If you rate your technical knowledge as poor, what can be done to improve it? No response**

REMUNERATION AND INCENTIVES

- **Question 8: If you rate your incentives and remuneration as poor compared to the market please elaborate. No response**

CHANGE MANAGEMENT

- **Question 9: If you feel that SBS does not embrace change with ease please elaborate on this statement.**

1. Sometimes things take a long time to happen (time span for change).

VISION

- **Question 10: What is SBS North's vision?**

1. To be the planner's preferred business partner.

2. Wealth creation, and to be the preferred partner of the planner.
3. To be the preferred service provider in wealth creation and financial planning.
4. To focus on practice building and to be the planner's preferred business partner.

TEAMWORK

- **Question 11: If teamwork is not actively encouraged within SBS can you give suggestions on how to improve it?**
 1. Targets are set on an individual basis and remuneration is based on target; this makes teamwork harder to achieve and leads to "working for yourself".
 2. Although most broker consultants try to take the same approach, a greater focus on teamwork will be of value.
 3. There is still too much rivalry between the two previous regions that has become one region. This is not supporting effective teamwork.

COMPETITIVE ADVANTAGE

- **Question 12: Are there any other factors other than support and service, relationship with consultant, and knowledge of the consultant that will ensure competitive advantage?**
 1. A combination of support and service, and relationship with the consultant.
 2. A combination of support and service, and knowledge.
 3. The best premium and best product features.

BUSINESS BUILDING

- **Question 13: How would you define business building?**

1. To be part of the planner's practice, to know his business, to create new opportunities for the planner within his/her existing client base.
2. To help the planner to do the right type of business for his clients.
3. All actions necessary to generate and sustain business. From the first appointment and planning through to after sales service. Keeping in mind that there are "A", "B" and "C" priorities – first make money and then do the rest.
4. To bring something to the planner to add value and to give support. To make the planner's life easier.
5. To help build the business of the planner, to satisfy the needs of existing clients with the correct solutions. To identify needs of existing clients. To move the planner's business to a higher level. To do effective time planning to spend more time on marketing with the planner.

3.7 CONCLUSION: EXTERNAL QUESTIONNAIRES

Summary of findings:

- **SUPPORT**

Most of the planners support Sanlam and value the support that they receive from their SBC. However, in relation to competitor consultants the Sanlam consultants still have room for improvement, because nearly half of them are perceived to be on par or even worse than competitor consultants. However, more than half are perceived to be better than competitor consultants.

- **MANAGEMENT**

Most of the planners never or seldom see Sanlam regional and provincial management. However, most of the planners do not place a high value on this, because the primary relationship is with the broker consultant.

- **BUILDING YOUR PRACTICE**

Just more than half of the planners rate the broker consultant's contribution to building their practice as excellent. However, there is still much room for

improvement because nearly half of the planners rated the consultant's contribution as either average or even poor. The SBC is also viewed as someone that offers excellent service and whose technical knowledge is sound and in most cases even excellent. In most cases the SBC asks the planner what their needs are.

- **RELATIONSHIP**

The relationship with the SBC is in most cases excellent with a couple of exceptions. Because relationship is viewed by the planners as the second most important factor determining placement of his/her business, the broker consultant should constantly focus on improving this relationship.

- **COMPETITIVE ADVANTAGE**

The most important factor when determining placement of business, or the Sanlam brokers services competitive advantage is the service and support from the broker consultant, followed by the relationship with the consultant as well as the pricing and products of the insurers. Knowledge of the consultant was not rated as a competitive advantage.

- **MARKETSHARE**

ABSA Private Bank planners prefer to divide their business on an equal basis between Sanlam and Momentum. This is followed by Mutual and Liberty as a last choice.

It is evident that Momentum is Sanlam's biggest competitor in this region.

- **RECOGNITION**

Although just more than half of the ABSA planners value recognition for business placed by them, the rest of the planners do not attach huge importance to recognition. Recognition received from the Sanlam regional management is viewed as mediocre, even poor. Recognition received from the SBC is viewed more positively although it appears that there may be room for improvement.

- **BUSINESS BUILDING**

In general planners were not consulted or asked for their views by Sanlam regarding business building.

Open-ended questions asked regarding business building revealed that most planners relate this to practice management, the identifying of business opportunities, new clients and ongoing training. The relationship/partnership between the planner and consultant creates the platform for these opportunities, and teamwork, trust; caring and commitment between both parties and their offices are of utmost importance.

CONCLUSION: INTERNAL QUESTIONNAIRES

- **LEARNING CULTURE**

A healthy culture conducive to learning exists in SBS North. Consultants share best practices, learning is encouraged, employees feel that they have all the tools necessary to do their jobs and that they are encouraged to give their input and ideas.

- **CLIMATE**

Broker consultants feel that the work that they do make a difference in the company and they also find the work meaningful.

- **LEADERSHIP**

There is evidence of a supportive regional management style, although no consensus. Although not a 100% consensus, most consultants trust their regional leadership. There is also evidence of trust in provincial leadership although not a 100% consensus. Most consultants value the regional sales manager's support to them. However, support from the manager towards the ABSA wealth planner received mixed responses.

In general consultants feel that they can speak their mind without fear of victimisation.

- **SUPPORT TO PLANNER**

According to their feedback all of the consultants ask the planner what their needs are. Two thirds of the consultants rate their contribution to building the planners' practices as excellent while a third rates their contribution as average.

Consultants feel that their portfolio size determines the type of support that they can give to a planner. With a smaller portfolio they can give quality support.

- **KNOWLEGDE**

Two thirds of consultants perceive their knowledge as average, and a third as excellent. However, all the consultants are constantly engaging in ongoing training.

- **REMUNERATION AND INCENTIVES**

The perception regarding remuneration and incentives in relation to competitors is very positive.

- **CHANGE MANAGEMENT**

Sanlam is generally viewed as an organisation that can adapt to change.

- **VISION**

Most of the consultants are familiar with SBS's vision and have a shared understanding of the vision.

- **TEAMWORK**

Although teamwork takes place it is not actively encouraged via the incentive and reward system. Rewards are focused on individual performance.

- **BOUNDARY LESS**

Consultants perceive Sanlam to be boundary less, in that work and learning across departments and reporting lines take place. They also view their functions as interlinked to other functions and supportive of Sanlam's vision.

- **COMPETITIVE ADVANTAGE**

Most of the consultants view support and service to the planner as the most important factors determining placement of business. This is followed by relationship and knowledge combined with support as well as the best premium/product on offer. Knowledge on its own is not considered as an important factor.

- **SELF ASSESSMENT**

Most of the consultants viewed themselves as on par with the competition. Only a third viewed themselves as superior to the competition's consultant.

- **LEARNING ORGANISATION**

The general consensus is that SBS North can be described as a learning organisation.

- **BUSINESS BUILDING**

Most of the consultants were not consulted regarding their view on business building.

Open ended questions regarding business building revealed the following: Consultants view business building as a process to become part of the planner's practice, to know his business, to create new opportunities for the planner within his/her existing client base and to sustain and retain clients.

CHAPTER 4

DISCUSSION OF FINDINGS

4.1 INTRODUCTION

In the insurance industry it is often difficult for one company to distinguish itself from another. Products and prices are similar, new products are copied quickly, margins are smaller and therefore companies must have something else to offer clients to ensure sustainability in the long run. Empirical studies suggest that a learning organisation could be the answer to sustained competitive advantage.

External views from clients (financial planners) and internal views from employees (broker consultants) were obtained to establish if SBS may indeed be described as a learning organisation. The views of the ABSA financial planners in conjunction with the views from the SBCs will be discussed to obtain correlation, and will be compared to the theory.

The findings will be summarised and a logical conclusion of the interpretation based on the ancillary and main objectives of the script will be done.

4.2 DISCUSSION

4.2.1 SUPPORT AND RECOGNITION

(a) Support of ABSA financial planner to SBS

The majority of respondents rated their support to SBS as excellent. The only respondent who rated his support as poor stated that this was due to another insurer being a possible better competitor, implying that this was not because of his consultant.

(b) Support and recognition to ABSA financial planner from SBC

The majority of external respondents rated the support that they receive from their SBC as excellent. Only one planner rated support as poor and two planners rated support as average. They also rated the recognition received from the SBC as overall excellent except for a few respondents who rated the recognition as average to poor.

The majority of internal respondents (consultants) rated their support to the planner as excellent with only two respondents rating their support as average and none as poor. There seems to be an overlap between the internal and external responses. This suggests emotional intelligence on the part of the consultant to realise when he/she is or isn't doing a good job.

All of the consultants stated that they ask the planner what his/her needs are. The external questionnaire however revealed that even though most of the respondents stated that their consultant ask about their needs, seven respondents still said that they were not asked or were unsure. This suggests a disparity between the client and the organisation. Even though it might be true that all the consultants asked their planners what they needed, the perceptions of nearly half of the planners are that they were not asked about their needs.

One of the attributes of a learning organisation is that the organisation engages with its clients and the environment, and is in tune with their needs.

(c) Support of consultant compared to competitors and self-assessment of consultant

The SBC in relation to competitor consultants were also rated as excellent by the majority of planners, but a substantial amount were rated as average and three were even rated worse than competitor consultants. The internal respondents rated themselves generally as on par with competitor consultants with only two rating themselves as excellent. No one rated themselves as worse than the competition. The fact that three external respondents rated the consultants as worse than competitor consultants and the internal respondents

did not rate themselves as such, suggests a disparity between the client and broker services. In other words, the consultants generally feel that they are doing a reasonable job and in some cases even an excellent one. But if the planner is not experiencing the consultant as such, something needs to be done. It could be useful if the consultant finds out from the planner what the competitor consultant does for him in respect of the company that gets most of his business.

According to Senge *et. al* (1994:9), one of the outcomes of a learning organisation is the ability to deliver superior service to customers through an integrated effort of all the separate departments of the organisation. Customer gratitude and word of mouth serve as an excellent advertising tool.

If the SBC is considered to be a distinctive resource it will be imperative for all the SBCs to up their game in an effort to be seen overall as the best consultants in the industry. It should be unacceptable to Sanlam to have some of their SBCs rated as worse than the competitors, even if it reflects only a minority.

4.2.2 MANAGEMENT/LEADERSHIP AND RECOGNITION

There seems to be consensus from an internal point of view that Sanlam's leadership can be trusted, and that employees are not victimised for speaking their minds. Broker consultants rated the support from their sales manager to themselves as average to good, half of the SBCs rated the support from their sales manager to their ABSA financial planner as average and the other half rated the support as excellent. However, the fact that there are two out of six SBCs who are unsure of whether they can trust regional and provincial leadership should be investigated as it could lead to dissatisfaction and lower productivity.

From an external point of view there is consensus that Sanlam leadership is not visible. The fact that 88% of respondents never or seldom see regional management, and 100% of respondents seldom or never see provincial management should be cause for concern. This is also enhanced by the feeling that recognition from regional management is rated as mostly average to poor. The fact that 71% of external respondents indicated that it is not important to see leadership, should be evaluated against some of the open ended

questions asked to the planners. This revealed a range of responses. The fact that leadership does not make a difference and it is therefore not important to see them should be cause for concern. This response was from a planner with Sanlam market share in excess of 30% and total business in excess of R800 000 per annum. Planners who responded that it was important to see leadership generally rated the consultant's support as average. This suggests that it becomes important only to see management if the support from the SBC is not what it should be. Management will not know this unless they visit their planners on a more regular basis. The fact that ABSA Private Bank's Sanlam market share in the Northern region is currently close to 30%, shows that Sanlam gets a big chunk of their business. Recognition in whatever form stays important.

Literature suggests that management/leadership plays a huge role in the establishing of a learning organisation. One of the attributes of transformational leadership is systems thinking that allows one to see all organisation processes as linked to each other instead of separate units. The aligned commitment equation (Coetsee, 2003:30) also stresses the importance of recognition to align all role players in the learning organisation. Leadership in Sanlam currently displays pockets of transformational leadership on an internal basis, but this has not yet been extended to the external customer. Proactive steps to address the external leadership issues should be taken by SBS.

4.2.3 VISION, CLIMATE, INCENTIVES AND CULTURE

Literature research shows that an effective strategy starts with a vision. A vision shows the way forward. It is the leadership's responsibility to translate the vision to employees and to create a motivating climate that will result in aligned commitment of all working together to reach the organisation's unified goals. Incentives/rewards that are just, fair and perceived as valuable are also important to establish a motivating climate and a learning organisation. Culture has to be strategy supportive; it must be embedded in the way the organisation does things. Employees should know the difference between acceptable and unacceptable behaviour based on the organisation's values and norms.

Feedback regarding **vision, climate, incentives and culture** was only done on an internal basis.

All of the SBCs agreed that they have a shared vision in Sanlam. Some were also able to verbalise the vision as: "To be the broker's preferred business partner through practice building". Others verbalised it as: "To be the preferred service provider in wealth creation and financial planning". They also all agreed that they found their work meaningful and that the work that they do makes a difference in the bigger scheme of things. The majority of SBCs rated their incentives as excellent as compared to the market. All of the SBCs responded that SBS encouraged learning and that best practices are shared. They also felt that they are actively encouraged to give input and ideas. The majority of SBCs felt that they are provided with adequate tools, knowledge and information to excel at what they do.

It is clear from the empirical research that SBS's vision is to be the broker's preferred partner, although the method to achieve this was not as clear. Ample evidence of a healthy internal climate, shared vision, equitable incentives and a learning supportive culture were found in SBS. Management are to be complimented because the creation of vision, climate and ultimately culture is largely the outcome of effective leadership.

4.2.4 BOUNDARY LESS, TEAMWORK, CHANGE MANAGEMENT

Senge *et al.* (1994:6) sees teamwork, systems thinking and change as some of the elements of a learning organisation. It is important for employees in the learning organisation to work collaboratively and share information, to learn from each other and to create learning on a higher level. If this does not happen knowledge will always remain tacit (only in the employee's mind); it will never be shared and will be a lost resource to the organisation.

Teamwork, boundary less and change management were only researched from an internal perspective. It was found that all of the internal respondents rated SBS as boundary less. All of the SBCs agreed that they are able to work and learn across departments and reporting lines in an effort to reach their goals. They also viewed their function as interlinked to Sanlam's vision and to other functions in Sanlam.

The majority of SBCs also responded that SBS embraced **change** with ease. The only negative feedback was that the time span for change was sometimes too long.

Teamwork is the only area where mixed responses were received with only half of the respondents who agreed that teamwork is actively encouraged. This is partly due to two former regions joining sides and people are still getting to know each other. However, from the responses received there seem to be a need for effective teamwork. The biggest problem seems to be the remuneration model where SBCs are only remunerated on their personal input. This creates a culture of everyone for himself. Management should look at the remuneration process to encourage teamwork; otherwise this could in the long run prove detrimental to the current positive learning culture. With the exception of teamwork, it was found that SBS possesses some of the elements of a learning organisation.

4.2.5 KNOWLEDGE

The knowledge element was tested from an internal and an external perspective. The majority of SBCs rated their knowledge as average. However, they all agreed that they are continuously upgrading their knowledge. From an external point of view the ABSA financial planners rated their SBC's technical knowledge as ranging from excellent (majority) to average.

Literature research on the learning organisation revealed that personal mastery was crucial and that knowledge workers needed to improve their knowledge and skills on a continuous basis. The research revealed that the SBCs are perceived as knowledgeable, but the consultants realise that they can do even more to improve their knowledge and skills.

4.2.6 RELATIONSHIP, SERVICE, AND CONTRIBUTION TO PRACTICE

The relationship, contribution to practice and service from and between the planner and the SBC were evaluated from an external perspective. This was done as a prelude to assessing the competitive advantage. Most of the planners rated their relationship with their SBC as excellent, a third as average and one respondent as poor. The SBCs' contribution to their practice received a mixed rating with just over half as excellent while

the other half ranged from average to poor. Service from the SBC was generally perceived as excellent, with only one exception being poor and nearly a third as average.

4.2.7 COMPETITIVE ADVANTAGE

The issue regarding competitive advantage was researched from an internal and external perspective.

According to Thompson *et al.* (2007:6), an organisation achieves **sustainable competitive advantage** when an attractive number of buyers prefer its products and services over the offerings of competitors and when the basis for this preference is durable.

External respondents rated service and support, followed by relationship, and thirdly Sanlam's image and products as the most important factors determining the placement of their business with Sanlam. Except for one response no importance was placed on the SBC's technical knowledge.

The internal response was very similar, also rating service and support as the determining factor. No one rated knowledge as the most important factor.

The finding of this study could be problematic to Sanlam. Service and support is very much expected everywhere in the insurance industry; in fact, it is viewed as a commodity. The answer will be in how to differentiate service and support in such a way that Sanlam will be the first choice in the mind of the ABSA financial planner.

4.2.8 MARKETSHARE

The empirical research on market share revealed that Sanlam and Momentum receive the same amount of business from the ABSA financial planners. Although Sanlam's market share in the Private Bank Northern region has grown from 17% to nearly 30%, Momentum is still their biggest competitor.

This calls for a proactive strategy on Sanlam's side to maintain momentum and gain market share. Momentum will be fully aware that they have lost market share to Sanlam and they are sure to retaliate with an offensive strategy.

4.2.9 BUSINESS BUILDING

Business building was the cornerstone of the SBS strategy in 2007. The objective was that SBCs should focus more of their time on business building (50%) and a smaller percentage on service and support (20%), and relationship building (30%).

It was evident from the external and internal questionnaires that neither the consultants nor the planners were asked or consulted on their views regarding business building. As the concept is difficult to define it was therefore asked as an open ended question and received a variety of external and internal responses.

On the business side the following themes emerged: Practice management, business opportunities, becoming part of the planner's business, help to retain and gain new and existing clients and ongoing training. Soft skills such as teamwork, trust, caring and commitment were also identified as important.

Although service and support were already identified as the most important factor determining the placement of the planner's business, business building in the future could very well be the distinctive competence that will set Sanlam apart from its rivals. However, it will be imperative that Sanlam's management studies the various definitions of business building and formulate a combined definition of the concept. This should be shared and communicated to the SBCs to clear up any misconceptions.

4.2.10 SBS NORTH – A LEARNING ORGANISATION?

This was tested from an internal perspective, and all of the internal respondents stated that they view Sanlam as a learning organisation.

When compared to Senge's elements of a learning organisation, it was found that some but not all of the elements exist within SBS North:

- ⬇ Shared vision - the "how" should be more clearly defined by the leadership
- ⬇ Boundary less - in terms of internal environment. But work needs to be done to include the external environment as part of the whole.
- ⬇ Personal mastery

Elements that were lacking or needed improvement were:

- ⬇ Teamwork - not evident, employees work in silos and although learning is encouraged and it takes place, it is not generally shared by all and put to a higher use.
- ⬇ Mental models – Senge *et al.* (1994:235) defines this as the images, assumptions, and stories that we carry in our minds of ourselves, others, organisations, and every aspect of the world. It is about how humans see their world, and this view in some way is bound to be flawed. Management should be careful not to make assumptions about what planners need, but rather involve them in the process. This requires a new mental model - a new way of thinking as it were.

4.3 CONCLUSION

SBS do currently have a competitive advantage to partner with its ABSA Private Bank financial planners. This is evident from growth in market share as well as in the feedback received from the financial planners.

The competitive advantage is currently firmly linked to the broker consultant and how this consultant's service and support, and their relationship with the planner are perceived by the financial planner. The empirical research revealed that the planners valued service and support more than any of the other value propositions. The fact that SBS' strategy for the year 2007 required a shift from service and support to a mere 20% should be adjusted. However, the sustainability is doubtful; service and support is expected everywhere.

Sanlam is therefore possibly correct in their business building strategy as this could provide the distinctive competence to sustain them in the future.

SBS display some of the elements of a learning organisation, and should build on this as part of their future strategy to be the broker's preferred business partner. However, they need to adopt a greater external focus and also ask the planner what their needs are, and what they view as important to them in the future. Sanlam should investigate a new remuneration model to encourage team learning and collaboration.

The SBC is definitely viewed as the living brand of Sanlam in the planner's office. If the SBC is perceived as excellent, business flows to Sanlam in spite of products and price. The SBC is so important in the eyes of the planner that the presence of management is hardly ever required. However, management should avoid the trap of not being visible; valuable environment scanning possibilities will be lost, and leadership will be none the wiser regarding the SBC's performance.

The SBC views their remuneration and incentives as attractive, fair and valuable as compared to those of competitors.

A specific profile of the ideal SBC can be drawn from this research and will be presented in the last chapter. Various internal and external suggestions were received for business building with a few important themes and relationship skills emerging. SBS should however in future do proper market research to find out what their client really wants and needs.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

SBS will face many challenges in the years to come. Markets are changing rapidly, consumers are increasingly more informed and cost and value driven, competitors are setting a gruelling pace with the launch of new and innovative products, margins are increasingly smaller, and the race for leading market share in this mature market will only be won by the fittest.

It is therefore imperative for SBS to keep up with these changes, to be proactive and to prepare its workforce for this race for survival.

5.2 COMPARISON BETWEEN NORMATIVE MODEL AND EMPIRICAL RESEARCH

A comparison between the empirical and literature research was undertaken, and certain conclusion were drawn.

Areas for definite improvement were identified and include the following:

- Financial planners should be asked about their needs and requirements to ensure their continued and growing support in the future – SBS should not make assumptions on their behalf.
- Leadership should be active and visible in the field; otherwise, they will not be able to proactively respond to challenges.
- The seamless or boundary less internal operations should be extended to the external environment. The planner should be treated as an extension or a partner in the value chain.

- Internal teamwork should be actively encouraged, possibly via a changed remuneration model. This will drastically improve knowledge and learning transfer, and prevent operating in silos.
- The “service and support” value proposition to planners should be differentiated, although effective currently, it will not be a source of sustainability in the long run.

Areas of concern where mixed responses were received: These areas should be treated with the same importance as the negative areas, because if left unattended these issues will become progressively worse:

- The relationship between planner and consultant
- Consultants’ responses regarding their technical knowledge
- Service and support to the planner
- The contribution of the consultant to the planner’s practice
- Comparison to competitor consultants
- Internal trust issues with leadership
- Recognition to planner for business placed from consultant and leadership
- Although a shared vision exists, SBS’ vision should be verbalised by management and direction should be given on the “how”.

Areas where credit is due and no immediate reaction required:

- SBCs’ overall support is rated as excellent.
- SBS is a change adept organisation and has a boundary less internal environment.
- Consultants are perceived as having excellent technical knowledge.
- SBS has a supportive and energising climate.
- SBS has a learning supportive culture with all the required tools.
- SBS is supportive in terms of internal leadership.
- SBS offers excellent incentives and rewards.
- Business support of the ABSA financial planner as seen in the Sanlam market share

5.3 RECOMMENDATIONS

5.3.1 Suggested action plans

The suggested action plans do not involve transformational change but rather incremental changes. Therefore the proposed changes do not constitute a total change in strategy but rather a “fine tuning” of some of the elements of the current strategy. It is the author’s view that many of the elements required for a learning organisation already exist within SBS North. The action plans therefore consist of building on the current elements as to obtain sustainable competitive advantage in the long run.

5.3.1.1 Key success factors in creating a learning organisation in SBS North

Empirical research provides enough evidence to conclude that the key success factors to enable a learning climate in SBS North already exist. These success factors include a shared vision, a motivating climate, a learning-supportive culture with adequate knowledge-sharing systems and tools, satisfied and empowered employees, performance linked equitable and valuable incentives, supportive internal leadership, change adaptive environment and a boundary less internal environment. SBS also currently enjoy a competitive advantage, as seen in growth in business and market share from the ABSA financial planners. Planners rated their SBC’s general support and technical knowledge as excellent.

This could be the result of various organisational development tools already applied within SBS. These include regular internal climate surveys with resulting action plans, the Meyers-Briggs Type Indicator (MBTI) profiling, measuring and improvement of emotional intelligence of the workforce, leadership training, left and right brain thinking, profiling of the ideal broker consultant and creativity workshops. Senior management should be commended for actions in this regard.

5.3.1.2 Proposed changes to vest a learning organisation in SBS North

It is recommended that the following changes are actioned:

- **Vision and core/distinctive competence:** Management should define and verbalise the vision clearly and cascade through the rest of the workforce. The current vision: "To be the broker's preferred business partner" is clear; however, the method to achieve the vision is not as clear. The "how" can be identified by defining the core or distinctive competency in broker services that will lead to sustainable competitive advantage. This should be done in conjunction with the financial planners, to find out what they view as important for sustainable growth and business in the future.
- **Teamwork:** Teamwork should be encouraged as this will lead to a higher form of learning in the organisation.
- **Leadership:** Sanlam's supportive leadership should be extended to the external environment. Sanlam's leadership is not visible and the recognition received from leadership is perceived as poor. In comparison, Momentum's leadership is more visible and involved with the planner. As Momentum is Sanlam's main competitor in Pretoria, Sanlam's management should be more proactive in their behaviour. Because of low visibility, leaders are not in a position to pro-actively pre-empt market conditions and behaviour. Regional management will most probably be the last to find out about a possible threat and then it is much too late to act. The fact that three planners rated their SBC as worse than competitors supports this statement.
- **MENTAL MODELS:** A new type of thinking is required from management and employees in SBS North to ensure competitive advantage in the future. What has worked today, may not work tomorrow. What is true of today could be false and misleading tomorrow. Leadership should not assume and see the world as it ought to be, but rather as it is. It was accepted that the SBC's relationship with his financial planner was one of the strongest factors in the business relationship and

that it required less focus than for instance business building for 2007. It was also assumed that service and support (a under the line activity) should take up less time from the broker consultant so that the consultant can focus more on business building. However, feedback regarding contribution to practice, service and support and relationship was mixed and even mediocre. It was also assumed that the knowledge of the broker consultant was crucial, but this research proved that even though SBCs were rated high in terms of knowledge it was not considered to be a matter of high importance. What is important is the application of that knowledge. It could be time for SBS to focus energy where it matters the most, to find their "hedge hog", their distinctive competence that they do better than any rival to lead to sustainable competitive advantage.

ACTION PLANS

WHAT	HOW	TARGET DATE	RESPONSIBLE PERSON	RETURN
1. Consult with planners & consultants to clarify "how" of vision, also brainstorm concept of business building	By means of a facilitated "think-tank" on a quarterly basis	Prior to 2009 strategic planning session	SBS General Manager Provincial Managers & Regional Managers	Build up of goodwill with planner & strengthen perception as valued partner
2. Revise remuneration & PD plans of BCs to encourage team learning.	A BC can only get a bonus if the region is on target	01 April 2008	SBS General Manager & Financial Manager	Team learning & greater productivity
3. Provincial & Regional leadership should be more visible & give recognition	Manage by wondering around. Include feedback from planner in Manager's PD	Immediate & continuous	Provincial & Regional Managers	Pro-active Managing of workforce

4. Change existing mental models – don't assume on the planners behalf	Enlist help of experienced OD consultant	July 2008	General Manager SBS	Know how to satisfy you client's needs
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5.3.1.3 A profile of an ideal SBC from an ABSA Private Bank planner perspective

Various inputs were received from ABSA financial planners. It is the author's view that an ideal picture from their perspective may be construed from this feedback.

The ideal SBC should:

1. be excellent in terms of service and support.
2. have an excellent relationship with the planner.
3. make a difference in his business.
4. be trustworthy.
5. be caring.
6. be committed.
7. be part of the team in the planner's office.
8. help him to identify and action new clients, and identify new opportunities from existing clients.

5.4 CONCLUSION

Appelbaum and Gorason's (1997:158) formula for the learning organisations requires: A leader with a clearly defined vision, committed to learning, a detailed measurable action plan with specific action steps, the rapid and honest sharing of information, inventiveness, suppleness and responsiveness to change and the ability to successfully implement the plan by means of an urgency to act and excellence in their execution of their learning.

As already discussed, the proposed changes do not involve radical or transformational change, but rather incremental or smaller type changes. The basic building blocks towards the building of the learning organisation already exist. It will now be a management

decision of whether to seize the opportunity, assess their mental models and execute an appropriate strategy going forward in the creation of sustained competitive advantage through a learning organisation.

5.5 FURTHER RESEARCH

This study was conducted using only two SBS regions in Pretoria. Further research should be conducted to ascertain the level of differences and similarities between the different regions in the province and in the country, so as to ascertain the degree of generalisation of the research findings.

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SANLAM BROKER SERVICES STRATEGY 2007

APPENDIX A: CONVERGING MARKET FORCES

The World in which we sell
The Converging Forces of the Market

MARGINS


Increasing Complexity

Technology
Processes
Globalization
Consolidation
Regulations

Commodity

Products
Services
Knowledge
Solutions

"The excess economy is ruthless ... only the best will do, and no-one can excel at everything. Global competition ... kills"



APPENDIX B:

SANLAM BROKER SERVICES STRATEGIC FRAMEWORK 2007

BS NORTH STRATEGIC FRAMEWORK 2007

VISION
➢ The LEADER in Wealth Creation

to be the broker preferred business partner

FOCUS AREAS

- People Focus (Productivity)
- Practise Building (Q Theme's)
- Grow # active Brokers

MARKET

- ABSA
- Independents & Broker Groups
- Other banks

RESULTS

- Successful active brokers
- Attraction/Retention of business
- Committed personnel
- Exceed Targets

CORE VALUES

- Serious
- Innovative
- Assertive

CORE BELIEFS

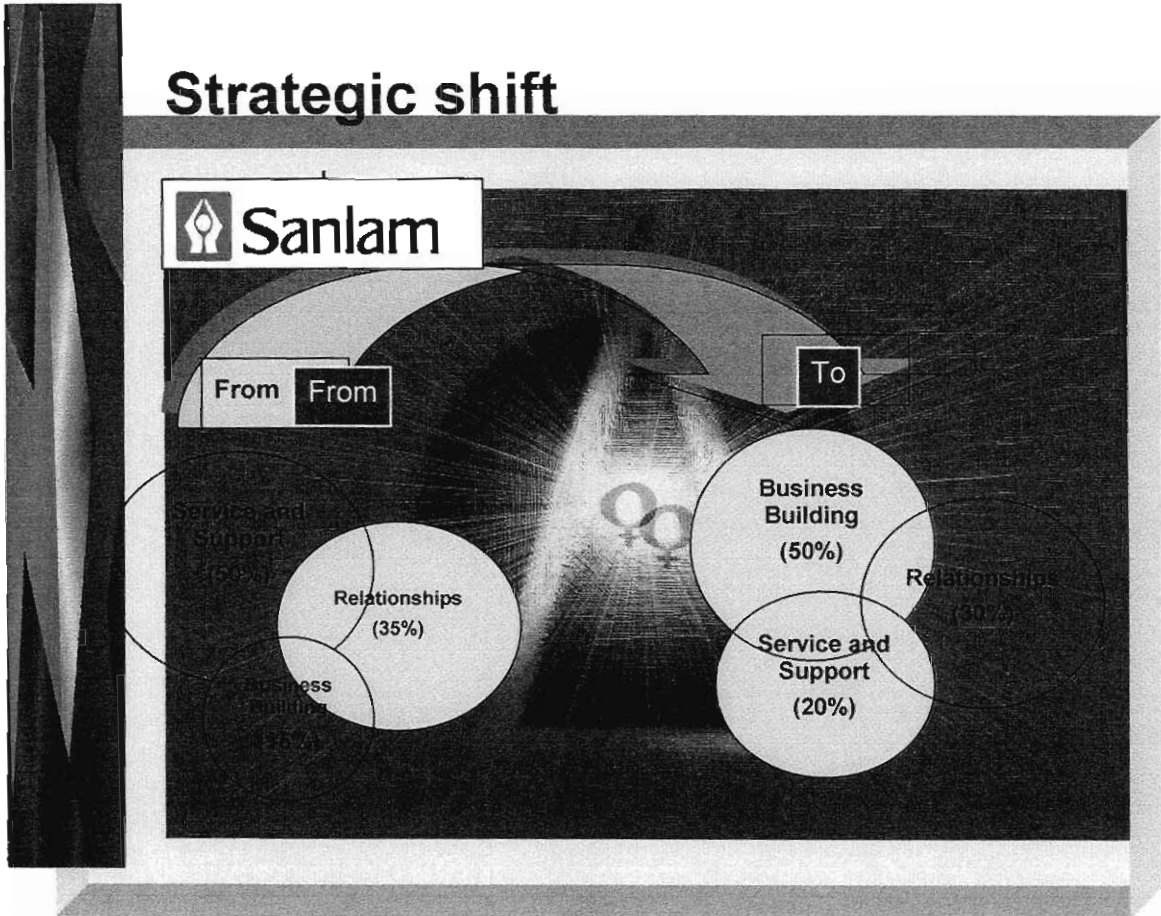
- Lead with courage
- Serve with pride
- Respect others
- Act with integrity & accountability

TRIBE
FIRE
ICE

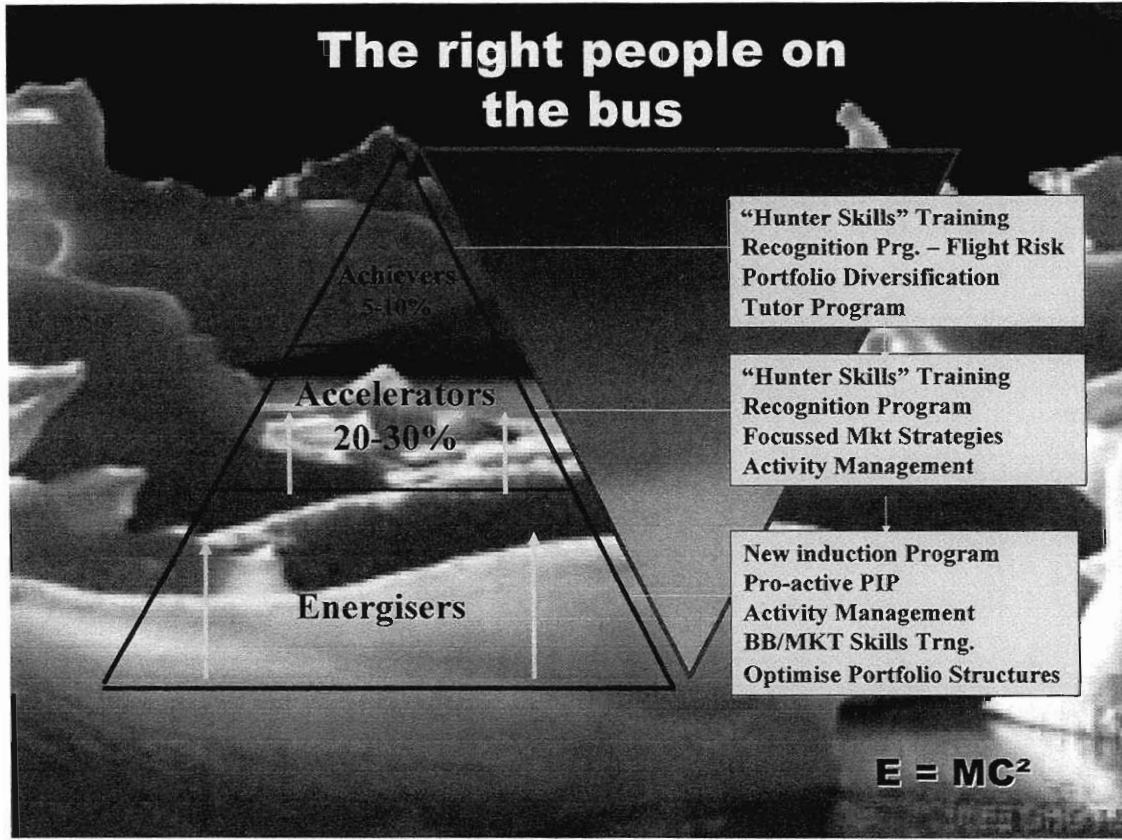
E = MC²

APPENDIX C: SANLAM BROKER SERVICES STRATEGIC SHIFT 2007

Strategic shift



APPENDIX D: THE RIGHT PEOPLE ON THE BUS



APPENDIX E1: MOTIVATIONAL THEORY

Development: $E = MC^2$

Eisnstein's theory of relativity is applied to systems that accelerate with reference to each other.

Applying this equation to human science:

E = Effort and Energy

M = Motivation = f (R)esistance + (N)egativity)

C² = Speed of light = Level of Success

Which is different for different colours:
from infra-red (slowest) to ultraviolet
(fastest)

Research proved:

- A systematic decrease in **M**, i.e. Motivation
- By artificially adding *f* the result is an increase in **(R + N)**, i.e. Resistance and Negativity ,
- Consequently the total value of the relationship between E and MC^2 skews:
 - MC^2 (Motivation and Success) gradually decreases even though Effort and Energy initially remains the same
 - In other words the relationship becomes artificial and unsustainable

APPENDIX E3 & E4

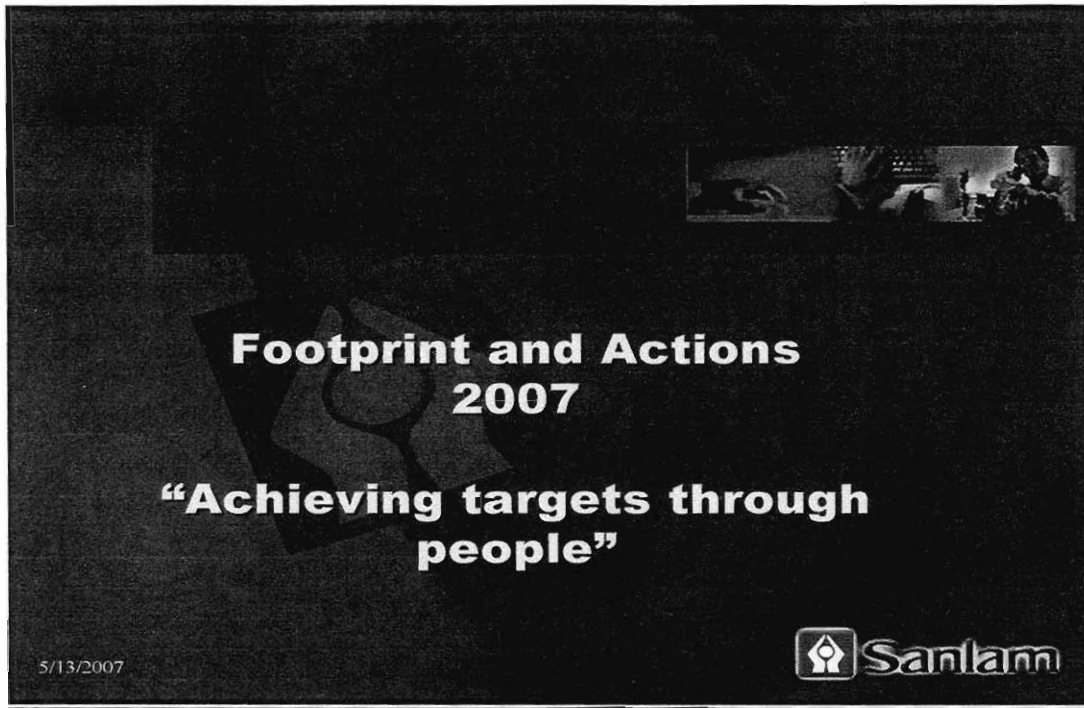
Motivation:

- Motivation levels are influenced on four levels: The individual's:
 - **Physical health,**
 - **Mental health,**
 - **Emotional health, and**
 - **Spiritual health**
- Maladjustment on any of these levels leads to unsustainable (or artificial) motivation and depletes success
- Positive growth and development of these four levels leads to a sustainable INTERNAL motivation and increased success

Internal/ External Motivation:

- High levels of **Internal** motivation translates into a personal drive to achieve, a personal reason for being and personalised goals to which the individual is strongly committed
- **External** motivated individuals are motivated by this month's pay check or bonus or reward:
 - a) **Internal** motivation is
 - b) Motivation quickly dwindles as the memory of the pay check or bonus or reward fades
- **Internal** motivation and "**Internal** goals" go hand-in-hand
- **External** goals include goals in which the individual do not participate or which he/she did not "buy into"

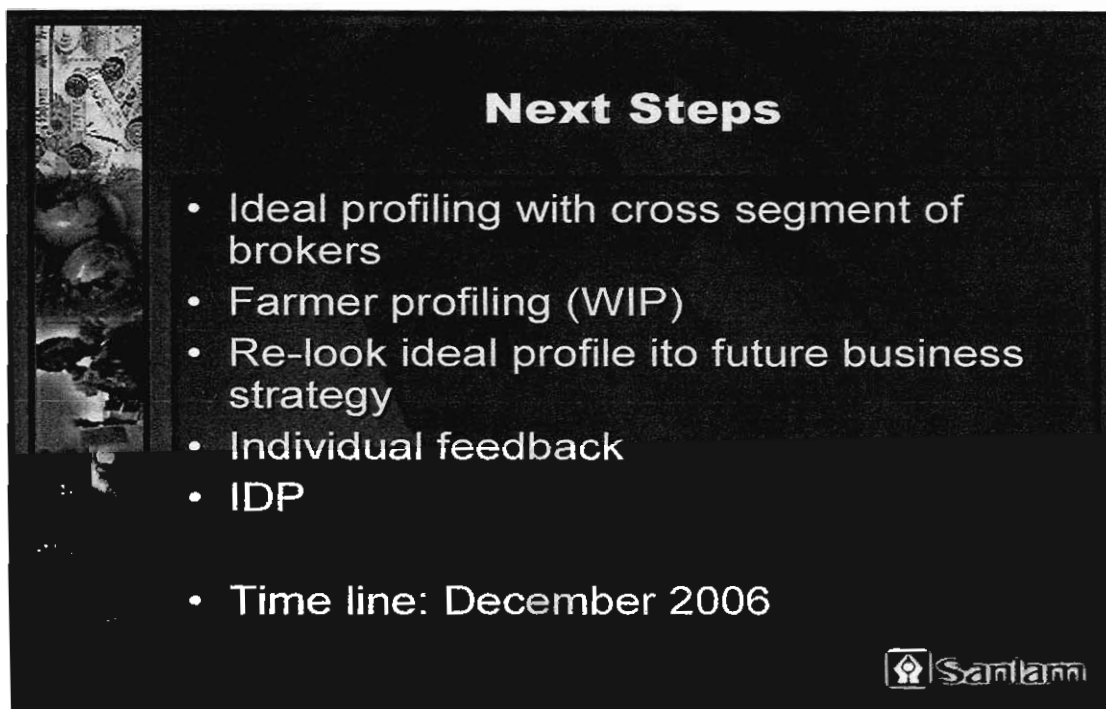

APPENDIX F: ACHIEVING TARGETS THROUGH PEOPLE



**Footprint and Actions
2007**

**“Achieving targets through
people”**


5/13/2007



Next Steps

- Ideal profiling with cross segment of brokers
- Farmer profiling (WIP)
- Re-look ideal profile into future business strategy
- Individual feedback
- IDP

- Time line: December 2006



The right people on the bus

- Objective: Total Alignment with Strategy thru activity management not only volume focus
- Remuneration: (PM) 60% fixed, 40% variable
(SM) 55% fixed, 45% variable
(BC) 50% fixed, 50% variable
- Aggressive REM. link to target attainment for BC's
- Align KPA's with specific strategies/ tactics



BC profile : Length of service

Province	0-12 months		13-36 mnths		37-60 mnths		>60 mnths	
	Nr BC's	%Total	Nr BC's	%Total	Nr BC's	%Total	Nr BC's	%Total
Cape	6	14%	8	18%	2	5%	28	64%
C-Gauteng	5	25%	7	35%	2	10%	6	30%
KZN		0%	5	24%	2	10%	14	67%
RandFS	8	23%	8	23%		0%	19	54%
North	5	13%	7	18%	1	3%	27	68%
Grand Total	24	15%	35	22%	7	4%	94	59%



Objective

“Training and personal development must lead to higher levels of production both in the short and long term”

Assessment variables:

- Biographical data
- Personality profiles
- Mngt Competency Ratings
- Performance Indicators

“Recruitment and selection program must be aligned with the ideal profile”



Competency Ranking/Ratings

Ideal Profile

- Entrepreneurship
- Decisionmaking
- Initiative
- Planning and Organizing
- Gaining commitment
- Client focus

Best Corrolation

- Entrepreneurship
- Planning and Organising
- Initiative
- Decisionmaking
- Gaining Commitment
- Client focus
- Communication



APPENDIX G:

QUESTIONNAIRE TO ESTABLISH OPINIONS FROM SELECTED SBCS AND ABSA FINANCIAL PLANNERS ABOUT SELECTED ISSUES CONCERNING SBS

Thank you for taking time to complete this questionnaire.

The results will be used to complete a research report to assist in evaluating SBS as a learning organisation and whether its current strategy and partnering model with financial planners will provide sustained competitive advantage.

A learning organisation may be described as an organisation where:

- ✚ Circumstances, climates or conditions are created by leadership that encourage, provide support and reward the development and learning of its people
- ✚ Every1 has a shared vision and are working together to achieve the vision
- ✚ Teamwork takes place
- ✚ Change is embraced and new ways of doing things are constantly sought
- ✚ People can freely speak their minds
- ✚ There are no boundaries between different departments, people do not work in silos but rather across vertical and horizontal boundaries

Your response will be kept confidential and no person will be identified in the report to be compiled.

Yours faithfully

Carin M de Robillard

Regional Manager Wealth Planning: ABSA Private Bank

EXTERNAL QUESTIONNAIRE 1

SBS: A LEARNING ORGANISATION?

CUSTOMER QUESTIONNAIRE

ABSA Private Bank Wealth Planners questionnaire:

Age:

Sanlam market share > 30%?: Y / N

Sex: M F

Total commission p/y > 800 000?: Y / N

SUPPORT:

How would you describe your support in terms of business to SBS?	Poor	Average	Excellent
If poor please supply reasons why:			
How would you rate your SBCs overall support to you?	Poor	Average	Excellent
If poor please supply reasons why :			
Your SBC in relation to Competitor consultants is:	Worse	On Par	The best

MANAGEMENT:

How often do you see Sanlam Regional Management?	Never	Seldom	Often
How often do you see Sanlam Provincial Management?	Never	Seldom	Often
Is it important to see them ?	Yes	No	Unsure
If yes why?			

BUILDING YOUR PRACTICE:

Does your Sanlam consultant ask you what your needs are?	Yes	No	Unsure
How would you describe your Sanlam Broker consultant's contribution to building your practice?	Poor	Average	Excellent
If poor what can he/she do to achieve improved contribution?			
How would you describe your SBCs Technical Knowledge	Poor	Average	Excellent
How would you rate your SBC in terms of his/her service	Poor	Average	Excellent

RELATIONSHIP:

How would you describe your relationship with your SBC ?	Poor	Average	Excellent
If poor please supply reasons why:			

COMPETITIVE ADVANTAGE:

What is the most important factor determining the placement of your business with Sanlam?	Support & Service	Relationship with Consultant	Knowledge
If n1 of the above please list other factors :			

MARKETSHARE:

Which of the following companies gets the biggest share of your business?	Sanlam	Momentum	Liberty
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If not Sanlam, why the other company?

RECOGNITION:

Is recognition for business placed with an insurer important to you?

How would you rate your Sanlam Sales managers recognition in terms of your support

How would you rate your SBC recognition in terms of your support

Yes	No	Unsure
Poor	Average	Excellent
Poor	Average	Excellent

How would you define business building?

Did Sanlam ask your opinion about business building?

Yes	No
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INTERNAL QUESTIONNAIRE 2

SBS: A LEARNING ORGANISATION?

SBCs (only servicing ABSA planners) questionnaire:

Age:

Area:

Sex:

Number of ABSA Planners :

LEARNING CULTURE:

Is learning encouraged in SBS North?

If no, please supply reasons why you feel this way:

Is best practices shared within SBS North?

If no, please suggest ways of sharing best practices in Sanlam Brokers Services North :

Does SBS provide you with the tools, knowledge and information required to excel at what you do?

If no, please elaborate: Are you actively encouraged to give your input and ideas in SBS?

CLIMATE:

Is the work that you do meaningful?

Does your work really make a difference in the bigger scheme of things?

LEADERSHIP:

How would you describe your direct Manager's style?

Do you trust Regional Leadership?

Do you trust Provincial Leadership?

Does SBS Management victimise you for speaking your mind?

How would you rate your Sanlam Sales manager in terms of his support to you?

How would you rate your Sanlam Sales manager in terms of his support to your ABSA Wealth Planners?

SUPPORT TO PLANNER:

Do you ask your ABSA Wealth Planner what his/her needs are?	Yes	No	Unsure
If yes, what is generally important to them?			

How would you describe your contribution to building your planners practice?	Poor	Average	Excellent
If poor, what else can you do, or how can Sanlam assist you in this?			
If excellent, why do you say this, what do you do that makes the difference?			

KNOWLEDGE:

How would you describe your technical Knowledge	Poor	Average	Excellent
If poor, what can be d1 to improve it :			

Are you continually improving your knowledge?	Yes	No
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REMUNERATION & INCENTIVES:

How do you rate your incentives linked to performance versus rest of market?	Poor	Average	Excellent
If poor, please elaborate:			

CHANGE MANAGEMENT:

Does SBS embrace change with ease?	No	Yes	Unsure
If no, please elaborate:			

VISION:

Do you have a shared vision in SBS North?	Yes	No	Unsure
If yes, what is this vision?			

TEAMWORK:

Is team work actively encouraged in SBS North?	Yes	No	Unsure
Suggestions?			

BOUNDARY LESS:

Do you work and learn across departments and reporting lines in Sanlam in an effort to reach your goals?	Yes	No	Unsure
Do you view your function as linked to other functions in Sanlam and interrelated with the higher vision of the organisation?	Yes	No	Unsure

COMPETITIVE ADVANTAGE:

What is the most important factor determining the placement of the ABSA Wealth planner's business with Sanlam?	Support & Service	Relationship with Consultant	Knowledge
If n1 of the above, please list other factors :			

SELF ASSESMENT:

How would you rate yourself in relation to Competitor consultants:	Worse	On Par	The best
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LEARNING ORGANISATION:

In the light of the above, would you describe SBS as a learning organisation?	Yes	No	Unsure
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How would you define business building?

Did Sanlam ask your opinion about business building?

Yes	No
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APPENDIX H : ANALYSIS OF RESULTS

Frequency and percentage summary tables pertaining to questions in external questionnaires:

SUPPORT

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	1	6	1	6
Average	5	29	6	35
Excellent	11	65	17	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	1	6	1	6
Average	2	12	3	18
Excellent	14	82	17	100

Q3	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Worse	3	18	3	18
On Par	5	29	8	47
The best	9	53	17	100

MANAGEMENT

Q4	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Never	6	35	6	35
Seldom	9	53	15	88
Often	2	12	17	100

Q5	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Never	10	59	10	59
Seldom	7	41	17	100
Often	0			

Q6	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	4	24	4	24
No	12	71	16	95
Unsure	1	5	17	5

BUILDING YOUR PRACTICE

Q7	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	10	59	10	59
No	5	29	15	88
Unsure	2	12	17	100

Q8	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	2	12	2	12
Average	6	35	8	47
Excellent	9	53	17	100

Q8	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	5	29	5	29
Excellent	12	71	17	100

Q10	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	1	6	1	6
Average	5	29	6	35
Excellent	11	65	17	100

RELATIONSHIP

Q11	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	1	6	1	6
Average	6	35	7	41
Excellent	10	59	17	100

COMPETITIVE ADVANTAGE

Q12	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Support & Service	5	29	5	29
Relationship with consultant	4	23	9	52
Knowledge	0	0	9	52
All of the above	1	6	10	58
Support & relationship	2	12	12	70
Products, market perception, risk premiums	3	18	15	88
Ease of doing buss	1	6	16	94
Forced to place 30%	1	6	17	100

MARKETSHARE

Q13	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Sanlam	6	35	6	35
Momentum	6	35	12	70
Liberty	2	12	14	82
Mutual	3	18	17	100

RECOGNITION

Q14	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	9	53	9	53
No	8	47	17	100
Unsure	0	0	17	100

Q15	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	4	24	4	24
Average	10	59	14	83
Excellent	2	11	16	94
Not relevant	1	6	17	100

Q16	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	2	12	2	12
Average	4	23	6	35
Excellent	10	59	16	94
Not relevant	1	6	17	100

BUSINESSBUILDING

Q17	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	35	6	35
No	11	65	17	100

Frequency and percentage summary tables pertaining to questions from the internal questionnaires

LEARNING CULTURE

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

Q3	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	5	83	5	83
No	0	0	5	83
Unsure	1	17	6	100

Q4	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

CLIMATE

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

LEADERSHIP

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Autocratic	0	0	0	0
Supportive	4	67	4	67
Not 1 or the other	2	33	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	4	67	4	67
No	0	0	4	67
Unsure	2	33	6	100

Q3	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	4	67	4	67
No	1	16.5	5	83.50
Unsure	1	16.5	6	100

Q4	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	0	0	0	0
No	5	83	5	83
Unsure	1	17	6	100

Q5	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	2	33	2	33
Excellent	4	67	6	100

Q6	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	3	50	3	50
Excellent	3	50	6	100

SUPPORT TO PLANNER

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	2	33	2	33
Excellent	4	67	6	100

KNOWLEDGE

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	4	67	4	67
Excellent	2	33	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100

REMUNERATION & INCENTIVES

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Poor	0	0	0	0
Average	1	17	1	17
Excellent	5	83	6	100

CHANGE MANAGEMENT

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	5	83	5	83
No	0	0	5	83
Unsure	1	17	6	100

VISION

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

TEAMWORK

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	3	50	3	50
No	2	33	5	83
Unsure	1	17	6	100

BOUNDARY LESS

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

Q2	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

COMPETITIVE ADVANTAGE

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Support & Service	2	33	2	33
Relationship	1	17	3	50
Both of the above	1	17	4	67
Knowledge	0	0	4	67
Support & knowledge	1	17	5	84
Best premium/product	1	17	6	100

SELF ASSESSMENT

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Worse	0	0	0	0
On par	4	67	4	67
The best	2	33	6	100

LEARNING ORGANISATION

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	6	100	6	100
No	0	0	6	100
Unsure	0	0	6	100

BUSINESS BUILDING

Q1	Number of respondents	Percentage	Cumulative frequency	Cumulative percentage
Yes	1	17	1	17
No	5	83	6	100