



## *A Conversation with James*

# TRANSCRIPT: Michael Tomalin Tells James Berkeley Safe Is The New Cool In Banking

Today in *A Conversation with James*, James Berkeley talked to [Michael Tomalin](#) Chief Executive Officer, National Bank of Abu Dhabi. He is driving the business to new levels of performance while being a strong advocate for enhanced investment in his people. We talked over the telephone late afternoon in Abu Dhabi. We talk about THE NEED FOR CONTINUED INVESTMENT IN A VOLATILE AND RISKY ECONOMY.

Published: Friday, 1 Apr 2011 | 11:00 AM GMT



**JAMES BERKELEY, HOST:** Thank you for joining me today.

**What is NBAD doing to exploit a regional upsurge?**

**MICHAEL TOMALIN, CEO NATIONAL BANK OF ABU DHABI:**

We are investing in our brand, people, systems and international network. New operations opened in Hong Kong, and Jordan and Malaysia is next. Re-vamping IT infrastructure. Adjusting the brokerage business to

the new environment, a new sell-side “research platform” will be launched later this year. Unlike some other banks in the region, we have not stopped building the bank. This year we are growing costs by 15%. Our goal remains to be the pre-eminent Middle Eastern bank.

**BERKELEY: Michael, hiring retaining, nurturing people, where does this fit as a priority for you personally and professionally?**

**TOMALIN:** Our number one asset at NBAD is our people. There has been no change in our priorities or strategy during the financial crisis.

Going forward, I cannot stress enough the importance of getting the *right* people. It requires a long-term vision, an ability to quickly acclimatise new talent, motivate and develop them, and create a fun place to work.

Our compensation philosophy is straightforward: we ask our people to take a long-term view of their contribution to the bank and their career. We offer a structured rewards system that aligns the interests of the shareholder and the individual. That is not new, it has been our approach throughout my tenure. For example, 40% of senior executives' bonuses are deferred for 3 years.

**BERKELEY: What is your best advice on investments directed towards enhancing customer service in regional financial services organisations?**

**TOMALIN:** Competition in this region is undoubtedly causing major shifts in service standards. Indeed we have brought in experts from the hospitality industry to our NBAD Academy and applied their knowledge to our training and development programmes.

In my experience there is a need to inculcate a sense of excellent customer service. My advice to others is

- In effecting changes in employee behaviour or attitudes within your organisation, whatever you do, you have to do it very carefully.
- Spend more money earlier in the change process.

**BERKELEY: Competition for the brightest and best people is fierce, what visibly are you doing to attract and hold on to them?**

**TOMALIN:** Safe is the new cool in banking. Top talent will gravitate to banks with strong balance sheets, diverse learning opportunities and talented teams. In our market, we already offer a differentiated proposition. NBAD is known for its consistent delivery of high quality tailor made financial solutions while maintaining a strong rating.

**BERKELEY: What are you doing now to accelerate repeat business with your existing customers? Where do you need to invest further?**

**TOMALIN:** Exploiting cross-selling opportunities with our existing customers is absolutely essential for our bank's success. Our goal is to drive a 50% increase in our revenue base from current clients, by selling three rather than on average two NBAD products or services per client. To achieve that we must attract good people, who can identify customers' needs. Training and development can help but excellent hiring skills are of paramount importance.

To attract new clients we have four initiatives:

1. Expansion of NBAD's network both in the UAE and abroad
2. Expansion of our internet, telephone banking and direct sales teams

3. Expansion of our services to Ultra High Net Worth clients including hiring highly qualified private bankers
4. Strengthening our Corporate Banking proposition with trained investment bankers.

Then the virtuous cycle starts to work: happy customers introduce their family and friends.

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