



*Artists fascinate me, because they go for the unpredictable. They are not afraid to act in the unknown. And this is exactly what one has to do as a leader, because the world is so changeable. A leader must have the courage to take chances and run risks, says Member of Nordea's Executive Board, Peter Lybecker.*



*The Power to Know.*

## Management is having the courage to believe

A few years ago, Nordea implemented a sweeping new strategy for its cooperation with its customers. In the following, Member of the bank's Executive Board, Peter Lybecker, tells us about the run-up to the decision and about his experiences with the implementation of the strategy.

"No funny business!" Nordea said to the Danish people a couple of years ago in an advertising campaign, which took place in the old Roman Empire. This message to the public was based on a strategic decision about openness and firmness on prices and an extensive advantage programme for the bank's customers. One of the evangelists behind this strategy was - and is - Peter Lybecker, Member of Nordea's Executive Board.

In the end, we made the decision to reduce prices for all good customers, and gave all of them the same big discount in one sweep. It was quite a challenge saying goodbye to well over DKK 100 million, but what it really comes down to is whether or not you believe in a new strategy. Of course, we examined the situation very carefully before we made the decision. We analysed the market, prices, the advantage programme and the preconditions. But in the end, we just looked at each other and said "let's go for it", says Member of Nordea's Executive Board, Peter Lybecker.

Analysing things is nice and easy, but it's tempting to spend too much time analysing. You fail when you do not have the strength and the courage to carry out the actions that are natural consequences of your analysis. In our

case, the analysis was the basis of a huge management task: Making thousands of employees believe in our message and take it to hundreds of thousands of customers. The latter being the crucial point, of course.

### Psychology is vital

Peter Lybecker warms easily to the subject and swiftly takes the conversation further to talk about the bank, its employees and his management task. He tells us about a very important meeting with 22 regional Executives at a time, when the project had passed the point-of-no-return, but alterations were still possible. The absolutely crucial - and difficult - question was: "Is it right to always refuse to negotiate on price?"

Naturally, we talked with our employees before we went to market with our message. We were open to objections and initiated a dialogue at all levels. The bank's employees gave their commitment, even though everyone realised that standing firm on the new strategy would lose us some customers. This is where psychology becomes vital - both in the management's communication to the employees and in the employees' communication to our customers. You have to believe in what you are doing to be able to implement a whole new strategy with complete consistency.

The strategic decision gave the entire bank a new and improved communication platform.

In Peter Lybecker's view, Nordea now has the image of an open, fair and competitive bank, which can compete on the quality of its advisory



services as well as on price. Behind the scene, the decision made it clearer than ever that the bank needed to improve its efficiency in order to maintain its competitiveness.

#### **Praise or blame**

The decision that brought Nordea's Executive Board on the border between certainty and chaos turned out to be the right one. And there is no question that this decision is one of the reasons why Peter Lybecker now has come to the very top of Nordea after a career of 26 years in the bank.

Often the management are praised for success or blamed for failure, and that is not completely fair. I do not wish to detract from the significance of management. On the contrary, very often management is what makes the difference. If you take a look at our branches, management is definitely the crucial point. But we also attach great importance to teamwork and for everybody to assume responsibility for the quality

of our decisions, says Peter Lybecker.

Personally I would hate being alone in the leadership role. It's much more fun working with others, and it's boring and unhealthy to be alone. The complexity of an organisation like Nordea makes it necessary for the management to work as a team. We cannot afford anything else. For the individual manager this means that he or she must be able to admit to being wrong sometimes, to change a decision and then get on with it. This is the trick.

#### **Flexibility**

Peter Lybecker's long road to where he is now started when he came fresh from university with a Master of Science in Economics to Privatbanken (one of the three partner banks that eventually became Nordea). Now he works at Nordea in the beautiful surroundings of the Board's offices with views of the Port of Copenhagen. In between, he has had

a large number of different management positions:

I have met many different people and seen many parts of the organisation. I look at my past as consisting of 4-5 career changes with quite a lot of apprenticeship along the way. From the very beginning, I was met with great flexibility and room for diversity and so I stayed on, even though I never dreamt I was going to be a Member of the Executive Board one day, says Peter Lybecker.

Today, maintaining this flexibility in the organisation is high on my list as a leader. Everything is tougher and more pressurised; we arm ourselves with technology and are becoming increasingly efficient. This makes flexibility and room for diversity even more important and helps secure the dynamics in the organisation, thinks Peter Lybecker.

#### **Necessary to focus**

Nordea employs a balanced score-



## Intelligence is strategy at Nordea

At Nordea, challenges in terms of providing employees with information and knowledge are considered a strategic matter. A knowledge circuit secures depth in the advisory services to customers, credit scoring is part of customer relations, a balanced scorecard provides transparent information about four management dimensions at all levels in the organisation, and the strategy is being implemented continuously in a management process with the injection of updated knowledge.

Nordea has chosen SAS Institute as Preferred Vendor and Trusted Advisor to support their value chain from data to intelligence. The bank's employees all use information from SAS® solutions.

card, which gives Peter Lybecker knowledge about processes, finances, employees and customers. The management information "gets all the way around the compass", which according to Lybecker is extremely important, since it is very tempting to optimise a bank solely in the financial dimension. But that's no way near enough.

We have access to every imaginable piece of information and we have the optimum infrastructure for collecting information. But that in itself means that we are at risk of missing the essential bits. Where precisely is the knowledge that will make a difference? I think that the art of limitation is important, says Peter Lybecker. The ideal combination is that of a strong technology and mental presence. Human attention is such a rarity in modern society. Of course, we must develop and use the possibilities offered to us by technology and various systems. But that done, we need to ask our fellow human beings

about their focus and how they are feeling. That's what makes the whole difference.

### Acting in the unknown

Peter Lybecker is on the Board of the Copenhagen Institute for Futures Studies and takes a keen interest in gastronomy and painting. In this way, he keeps himself open to more perspectives on life:

Nordea must reflect the society we live in, which makes it dead important to have breadth. To have time for your personal life and for reflection. I like to say that I have no respect for people who won't take a holiday. Personally I can happily work 60-70 hours a week. The problem is not the time, but the fact that people become introvert and single-minded, if they don't have more than one interest in life, says Peter Lybecker.

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