

How Citizens Bank Experiences Great:

Using Business Simulations to Drive Strategy Execution and Leadership Development



When Citizens Bank, a leading North American regional bank, began to implement a new strategy, they realized that having buy-in from the right leaders with the right skills would be crucial in bringing the strategy to life. In recognition of these needs, Citizens partnered with [BTS](#) to design an experience that built executive leadership group awareness, business leadership, people leadership and alignment around the bank's strategy. This unique solution utilized [BTS' Great Framework](#) and combined elements from [BTS' Assessment](#), [Leadership Development](#), and [Strategy Execution Practices](#). The program used team-based experiential exercises to engage 120 senior leaders in first-hand practice, allowing them to learn key business-leadership and people-leadership behaviors for strategy success.

This experience centered on a [business simulation](#) in which participants managed a fictional financial institution customized to represent Citizens' industry and organization. Over the course of the two-day simulation, teams of four to six of Citizens' senior leaders got hands-on experience implementing the multifaceted and long-term elements of Citizens' new strategy by running the company for a three-year timeframe.

First, each team discussed how they would run their organization and came up with a strategic plan, using materials such as a case study and market reports to guide their thought process. Participants were then introduced to the customized computer-based simulation for their strategy implementation, which replicated the elements of Citizens' business model and strategy.

Within this dynamic simulation environment, participants vied with their colleagues as they learned about the competitive landscape and key levers for business success. All teams began with identical companies, but as they began to make strategic decisions and implement initiatives, they started to differ on the measured levels of their firm's performance, such as market share, capital and talent.

The simulation required participants to make strategic decisions about their business and financial model, how they dealt with current and new customers, and running business operations. Teams also had to consider the implementation of strategic initiatives, recruitment and retention of talent, responses to random-but-pivotal events, and investments to support performance in both the short- and long-term.

The People Side of Strategy

During the simulation, assessor/coaches observed the participants “in the act of being themselves” as they discussed and evaluated the key strategic issues. The business simulation mirrored the real world closely, so it provided the opportunity to assess these leaders in a realistic context as they displayed the same behaviors that typically they would show on the job. Participants received real-time, real-world expert feedback both during and after each of the three simulation periods.

In addition, the teams received thorough analyses of how their strategic decisions impacted their company’s financial results. They were benchmarked against their competitors within the simulated market—the other teams. The winning metric was ROTCE (Return on Average Tangible Common Shareholders’ Equity). However, to make sure teams were building viable companies for the future and not just managing for the short-term, they had to cross three additional hurdles: overall customer satisfaction, accumulated revenue growth and a minimum capital adequacy ratio. In addition to their business results, teams were also provided with feedback on key leadership behaviors, such as decision-making, innovation, customer focus, team work and strategic talent management.

At the conclusion of the program, participants joined together in facilitator-led discussions and had an opportunity to use their key simulation takeaways to reflect on what it would take for Citizens to successfully execute its corporate strategy in the near and long term. The business simulation created a realistic platform for the participants to reflect on their individual and group behaviors, decisions and resulting outcomes. Each participant then used these reflections to develop a personal action plan that incorporated insights from the program. This action plan contained commitments to on-the-job behavior changes that could be implemented upon return to the workplace.

Outcomes

The results of this experience highlighted the power of its impact in gaining alignment and developing mindset within Citizens’ 120-person Executive Leadership Group. As testament to the effectiveness of this program, Citizens is now using the same approach to cascade the strategy to the next levels of the organization. Some demonstrated benefits included:

- Providing a safe opportunity to experience Citizens’ strategy and desired future state
- Deepening understanding of how Citizens creates value for key stakeholders
- Promoting recognition of the drivers of a differentiated customer experience
- Heightening appreciation of the “what” and “how” of risk management
- Connecting specific leadership behaviors to business performance
- Providing insights relative to Citizens’ values, leadership standards and capabilities that inspire and drive strategy execution

As this program highlights, successful strategic alignment and execution depends on developing the right leadership potential within the specific context of your organization. As part of the approach under the BTS Great Framework, a complex, digital, high validity and highly interactive simulation experience drives understanding of an organization's unique business strategy by tasking leaders with the actual execution of the strategy in a highly competitive environment.

As Citizens Bank acknowledges through their continued use of this program model, when you Define and Assess Great for your organization, you can create more effective experiences by benchmarking what behaviors great leaders engage in, and giving participants specific, targeted feedback to help them achieve superior performance.

About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

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