**Introduction**

sberbank proposition bank management

Operations management is concerned with managing the resources that directly produce the organization’s service or product. The resources will usually consist of people, materials, technology and information but may go wider than this. These resources are brought together by a series of processes so that they are utilized to deliver the primary service or product of the organization.[[1]](#footnote-1)

The term operations management refers to the direction and control of the processes that transform inputs into products and services. Broadly interpreted, operations management underlies all functional areas, because processes are found in all business activities.[[2]](#footnote-2)

According to Professor **Jaume Ribera** Operations Management can be considering as the art and science of getting things done, i.e., the way organizations produce goods and deliver services. Everything a customer pays for is the outcome of the job of operations managers who organize its production. [[3]](#footnote-3) For example, a laptop purchased through internet, a new book, a financial service, a trip in a bus – all have been produced. People who are response for these different kinds of products and services really manage operations.

Operations and operation management are really important for the organizations.

For the operations manager, the range of products and services on offer has to be managed in order to satisfy the mix of volume and variety for customers. This is achieved by having appropriate process technology in place, which can deal with customer requirements of volume and variety.[[4]](#footnote-4)

Many organizations are involved in three fundamental activities:[[5]](#footnote-5)

* Identifying potential customers, seeking to understand their needs, and persuading them to use the product or service
* Providing the product or service efficiently and effectively
* Managing the organization’s finances to ensure continuing success.

We can refer to these activities as marketing and operations. Both, in general, should be taken seriously, whatever they are called. Classically, marketing looks to improve service and to offer a great number of product choice to the customer; while operations seeks to improve efficiency by longer runs of fewer products and by reducing inventories.

1. **Description of the company «The Savings Bank of the Russian Federation (Sberbank)».**

The Savings Bank of the Russian Federation, or Sberbank, is the largest bank in Russia. The Bank is a joint stock commercial bank established in 1841 and operated in various forms since then. Today Sberbank is an absolute leader in the Russian banking sector. Sberbank is several times larger than its immediate competitors by its market position, assets, capital, financial results and scale of infrastructure. The scale and stability of the Bank are particularly visible during periods of instability in financial markets The Savings Bank is the biggest taker of deposits in the country and the key lender to the national economy. According to The Banker magazine, as of July 1, 2009, Sberbank was ranked 38th in the world in terms of Tier 1 capital.

Sberbank has the largest countrywide branch network with 18 regional head offices and more than 19,050 retail outlets with about 265,100 employees.[[6]](#footnote-6)

Among the Bank’s clients are private individuals from all over Russia, companies and enterprises of various ownership structures and sectors of the economy, and government agencies.

The mission and core values of Sberbank are to make people’s live better, helping them to fulfill dreams and aspirations.

**Current ratings assigned to Sberbank by international rating agencies**[[7]](#footnote-7)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **01.01.2010** | | **01.01.2009** | |
| **Fitch** | **Moody’s** | **Fitch** | **Moody’s** |
| Long-term currency rating: |  |  |  |  |
| Sberbank | **BBB** | **Baa1** | **BBB+** | **Baa1** |
| Russian Federation | **BBB** | **Baa1** | **BBB+** | **Baa1** |
| Rating of international obligations |  |  |  |  |
| Borrowings under MTN Program | **BBB** | **A3** | **BBB+** | **A2** |
| Russian Eurobonds | **BBB** | **Baa1** | **BBB+** | **Baa1** |

Through the use of a balanced credit policy, the Bank helped many customers to survive the challenges of a crisis time and contributed to stabilization of Russia’s economy and financial markets. The Bank provided around RUB 4,000bn worth of loans to domestic corporate customers and over RUB 400bn to individuals.

Sberbank is continuously and systematically introducing new products and services to meet the needs of its commercial and retail customers. To enhance its domestic operations, Sberbank continued to develop its branch network throughout Russia. The bank has also continued to expand internationally. Sberbank has built one of the world’s most respected financial institutions based on its 165 years of rich history and deep-rooted tradition combined with world-class experience and expertise. The bank has grown from a network of cash savings offices to the largest full-service financial institution in Central and Eastern Europe.

The goal is to deliver customer service with maximum efficiency, and to streamline processes through greater standardization and skilful time management. As part of the reform program, the Bank pays particular attention to training highly professional and proactive staff.

The main customers for Sberbank we can divide for several groups:

Individuals

Small and medium business

Corporate clients

Credit institutions

### The key elements of the Marketing Strategy include:

1. Retail customers

* An integrated offer, based on cash & payment services
* Intensive development of all service channels
* A new SPS-based operational model for retail branches.
* To improve customer service
* Building systematic sales skills within all of the Bank’s service channels and building ‘industrial’ skills to manage customer relationships and cross-sales as part of targeted campaigns.
* develop and strengthen its brand to change customer perception

1. **Corporate Customers**

* Building the best country-wide corporate customer sales service organization system.
* Differentiating the operations model and value proposition for the three key segments: large, medium and small.
* The product range will be developed to ensure offering a comprehensive product line matching segment specific requirements
* Internal processes will be streamlined through simplification, standardisation and IT development.

The analysis of implementation of the marketing strategy:

Retail Business

* launched a new product (multi-functional current account) introduced in Moscow and St. Petersburg
* Credit insurance product introduced.
* Full functionality of Mobile and Internet bank implemented in Moscow, preferential pricing implemented for remote channel services. First stage of the country-wide contact-center launched.
* Setting-up a federal call center for contacts
* Launching a line of innovative products (e.g. ‘Grant life’)
* Launching a new Internet bank and website. Currently actively developing ATM and payment terminal network
* VIP customer service pilot

Corporate Business

* First version of Customer Relationship Management and major

corporate customer model

* Product development program for corporate customers
* Model for working with small businesses
* Specialized products for small business segment

Other Work Streams

* New organizational structure introduced, IT and operational function consolidated
* Upgraded credit monitoring and work out functions
* SPS implemented in several thousand branches
* First wave of headcount optimization

Sberbank has made the right choice and correctly identified areas for improvement. Most of the strategic goals are being met in line with the scheduled completion timing. The network of ATMs and payment terminals was greatly expanded, and the «Sberbank Online» service is rapidly gaining ground. Sberbank has changed its style and methods of work. Implementing new philosophy of meeting customers’ needs the bank are changing all aspects of the Bank. Sberbank are driven by the desire to help their customers realize their aspirations and dreams.

1. **Description of the company «Computacenter Plc»**

Computacenter plc is the parent company of a group of European companies which provide computer services to public and private sector customers. Despite the spelling of the word «center», it is a UK company based in Hatfield, Hertfordshire.[[8]](#footnote-8)

The company is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index.

Set up by British Harvard graduates Philip Hulme and Peter Ogden in 1981, who are both still involved in the group's management.

Computacenter today has over 10,000 employees across Europe and Group revenues of over Ј2.5 billion.[[9]](#footnote-9)

The mission of the company

«To deliver IT services and solutions that enables our customers to achieve their goals».[[10]](#footnote-10)

The strategy of the company

«Our strategy is to achieve long-term earnings growth. To help measure our success, we have five key strategic initiatives against which to benchmark our performance».[[11]](#footnote-11)

The main activity falls into the broad categories:

# Outsourcing:

* Infrastructure management
* Application management
* Service desk
* IT Security
* Managed Hosting
* Dusaster recovery
* Asset management
* Support and Maintenance:
* IMAC
* Resources on Demand
* Datacenter maintenance
* Datacentre Technology Optimisation:
* Datacentre Current State Assessment
* Infrastructure Discovery and Analysis
* Data Classification and Tiering
* Server and Storage Virtualisation
* Server and Storage Consolidation
* Software Optimisation
* Commercial Solutions:
* Supplier Management and Rationalisation
* Web shop and e-Commerce Integration
* Advanced Order Management
* Leasing and Technology Finance
* Capacity on Demand and Utility Infrastructure

Computacenter is ISO 9001:2000 certified by the British Standards Institution. The ISO standard provides the framework that underpins the 'Service Excellence' commitment and ethos of the organization.[[12]](#footnote-12)

Computacenter has subsidiaries in several countries: United Kingdom, France, Germany, Belgium, Luxembourg and Netherlands, and its partner network extending its coverage to over 120 countries worldwide.

Key metrics 2009:

Group revenue Ј2.50 billion (2008: Ј2.56 billion)

Profit before tax Ј54.2 million (2008: Ј43.1 million)

Earnings per share 27.7 pence (2008: 21.0 pence)

Group annual services contract base grew to Ј503.6 million, at constant currency

There were two successful acquisitions during the year: Thesaurus Computer Services in UK and become in Germany.

The main customers

The main customers include:

* Financial organizations – Aegon Asset Management, BGC Partners, Threadneedle, Deutsche Bank.
* Public companies – Charity Commission, Liverpool Direct, Hinchingbrooke Health Care NHS Trust.
* Telecommunication companies – British Telecom, Virgin Media.
* Retail companies – Harvey Nichols, Speedy, Marks & Spencer.
* Industry – Severn Trent, Gist, Crest Nicholson, BMW Group
* Services – Carestream Health, Eversheds, Michael Page International.

Current marketing strategy

The Comptacenter's success is the direct result of a strategy of sustained high investment in the development of the services capability. The state-of-the-art facility is intended to be the source of significant competitive advantage.

Computacenter commercial success depends on the quality of the service and that, in turn, depends on the quality, training, and motivation of the staff.

Computacenter continue to invest across all of its businesses, consolidating its position as the leading supplier of distributed IT and related services to the European corporate and public sector marketplace. Computacenter wins a number of different contracts with major players if IT industry in Europe.

I want to point out that there were a big number of different acquisitions due to Computacenter become the most significant provider of IT infrastructure products and services in the United Kingdom and in Europe. The focus clearly is and remains on investing for growth in Computacenter existing businesses. Much of Computacenter’s growth is due to expanding relationships with existing long-term corporate customers. The quality of service that they deliver to both new and existing customers is the overriding factor in the success of the business.

Computacenter’s ability to deliver value through its entire range of services, combined with e-commerce capability, constitutes a significant competitive advantage.

1. **The framework of managing operations**

The first aspect to point out is that «The Savings Bank of the Russian Federation (Sberbank)» and «Computacenter Plc» completely different company and from different industries. However, some of the approaches to managing operations for both of these companies are the same – Total quality management, Process management and Projects Processes. Total quality management is about continuous performance improvement of individuals, of groups and organizations. (Gopal K. Kanji. 1995 Total quality management: proceedings of the first world congress.p. 3) There are three principals that companies follow: customer satisfaction, employee involvement and continues improvement in quality. If we consider Sberbank’s we can see Poor service quality in terms of decision-making time, process and procedure complexity, communication and bank-to-client interaction levels, as well as general convenience and functionality of the branches. There is a low level of automation and too much manual labour. Operations and support functions are decentralised. As a result, many bank systems and processes are poorly scalable and growing business volumes do not lead to efficiency growth. According to Herman Gref CEO and Chairman of the Management Board, in 2009, Sberbank accelerated its efforts to resolve one of its main issues – the transformation of operations. 2009 was the first year of the new Sberbank Development Strategy’s implementation. The strategy was designed to make Sberbank a leading world financial institution, not only in terms of transaction volumes, but more importantly in terms of service levels. The mission of the bank is ambitious: «We want to be one of the best financial services companies in the world.» At the present time the bank chooses a «modernization» scenario in order to improve process management. Process management is the selection of the inputs, operations, work flows, and methods that transform inputs into outputs. KRAJEWSKI, LEE J. RITZMAN LARRY, P. 2002.). According to «First year review strategy» (document avalaible at http://www.sbrf.ru/common/\_en/img/uploaded/ir/docs/Sberbank % 20Strategy % 20-%20First-Year % 20Review.pdf) there are a lot of new services and product introduced, for example Credit insurance product; new organizational structure introduced, IT and operational function consolidated; customers started to use interactive banking center.

Let’s consider Computacenter. The goal of company’s activities is to provide services to customers that save them money and help them be more productive. In other words, satisfy their needs. To do such job the company involves all capacity, such as high skill workers (staff hold more than 200 vendor and industry accreditations and certifications), and over 25 years’ of practical IT ‘know how’. It is very important for customers to be ensure that they rely on professionals That is why Computacenter is continuing to invest to invest across all of its businesses in order to extend their performance capabilities. I want mention that employee achievements are recognized through a service excellence award scheme known as Excellence in Action (EIA).[[13]](#footnote-13) Computacenter is ISO 9001:2000 certified by the British Standards Institution. ISO 9001 is a standard that focuses on 20 aspects of quality program for companies that design, produce, install, and serve products. These aspects include management responsibility, quality system documentation, purchasing, product design, inspection, training, and corrective action.[[14]](#footnote-14) In fact it is one of the most exhaustive and hard standard to achieve.

1. **The mix of managing operations concepts**

In previous chapters we consider two different companies: One from bank industry and another one from IT – industry. Despite the fact that they are absolutely different they have the same mix of managing operations concepts: Total Quality Management and Process Management, mainly because both of them are introduce service operations. It is fact that every organization has processes that must be designed and managed effectively and more over have high quality of performance. Quality is an attitude or the meaning of excellence. Sberbank places prime importance on achieving a maximum customer focus and becoming a service-orientated company. As was mention in chapter 3 Total quality management is a system for a customer focused company that involves all employee in continual improvement of all aspects of the organization. Computacenter concerns about satisfaction of the each customer. Senior Management monitors training requirements that required standards are maintained. Computacenter remains committed to involving all employees in significant business issues.

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