

**Congratulations again** for making it this far. In this module, we are going to discuss about-

- How to do Strategic Planning for your business.
- Things to consider when you are making a strategic plan.
- How to make mission, vision & objectives etc.
- How to analyze your market position and so forth.

For clear understanding, A case study is given below. There are various models & tools to analysis and make an strategic planning for an organisation among which few of them were used for this case study. For security reasons, important & confidential information has been erased-

### **Case Study- Strategic Planning of National Credit & Commerce Bank Limited, Bangladesh**

#### **Company Introduction:**

National Credit and Commerce Bank Ltd. started its journey in the financial sector of the country as an investment company back in 1985 with an aim to mobilize resources from within and invest them to develop country's Industrial and Trade Sector and playing a catalyst role in the formation of capital market as well. In 1993 with the permission of the Central Bank converted into a full-fledged private commercial Bank with paid up capital of Tk. 39.00 crore to serve the nation from a broader platform. Since its Inception it has acquired commendable reputation by providing sincere personalized service to its customers in a technology based environment.

#### **The external factors affecting the organisation**

It has been proved that every business gets affected by various forces that can impact its performance. Among them some external forces have key influence on the business. NCCBL also have some external factors affecting the organizational performance continuously in several ways.

They are:

##### ➤ **Economic system:**

We know that Bangladesh is a developing country and the economic system of this country including the economic growth rate, Interest rates, exchange rates, inflation rates and so forth are affecting the overall activities (Foreign exchange, Loans & Advances etc.) of the NCCBL both positively as well as negatively.

➤ **Political situation:**

The present political situation of this country no longer unknown by anyone, has a major influence on not only the NCCBL but also every organisation within this country. Everyday its ensuring uncountable loss of potential profit for the organisation. Then comes the practice of employment law, Trade restrictions and tariff and other things causing an impact on the overall performance of the bank.

➤ **Social:**

Factors like location of the organisation, age distribution, work life balance of people, the area where the organisation is located, surroundings and so forth are having an influence on the bank.

➤ **Tax policy:**

The govt. policy for Bank, Insurance & Financial company (Except Merchant Bank) is 42.5% as well as other taxes (profit tax, excise tax, vat etc.) is affecting the overall financial performance of the bank.

➤ **Market standard:**

Bank has to be aware about the average market rate, rivals and competitors in order to have a strong ground and performance.

**Main stakeholders of the company**

Stakeholders are organizations and individuals which have an interest, expectation or need as well as gets affected directly or indirectly every time the organisation exercise/practice something.

Major stakeholders of NCCBL and their possible needs & expectations could be:

- **Employees:** They are one of the most important stakeholder who are directly related with everything the organisation practices.

<b>Needs</b>	<b>Expectations</b>
1. Job security.	1. Being recognized for good work and effort.
2. Good internal environment.	2. Be a part in the decision making process.
3. Salary & Compensation according to their designation.	3. Proper training.
4. Excel their job role & get promoted.	4. No discrimination

- **Clients:** They are directly related as well are the beneficiary or sufferer of every action and practices of the organisation.

Needs	Expectations
1. Safe transaction/deposit of their money.	1. Highest deposit rate & lowest interest rate for loan.
2. Good service.	2. Highest priority & friendly behavior.

- **Investors/Shareholders:** Shareholders are investing their money in the company and also a major stakeholder for the company.

Needs	Expectations
1. Buy shares.	1. Dividend with a higher rate.
2. Own a portion of the company.	2. High share price for selling.
	3. More profit.

- **Vendors:** They are the suppliers of necessary goods (furniture, check book, telephone etc.) within the organization as well as a stakeholder for the company.

Needs	Expectations
1. Introduce their business & products.	1. Receive order for goods frequently & receive payment properly with bonus occasionally.
2. Be a part of the company.	
3. Build a trustworthy image.	2. More profit.

- **Society:** One of the major stakeholder and get influenced by almost every action taken by the organization.

Needs	Expectations
1. Education & employment.	1. Help maintaining environmental balance.
2. Improvement of life style & economy.	

3. Secured transaction & safe deposit of pupil's money.	2. Maintain green services (tree plantation, road cleaning etc.)
	3. Proper implementation of Labor & Consumer law.

➤ **Government:** A major stakeholder for not only NCCBL but also every organisation within the country.

Needs	Expectations
1. Implementation of Labor, the company act as well as all the banking legislation.	1. Follow the issued govt. laws & regulations that are applicable for the company.
2. Tax & vat policy implementation.	
3. Transparency of & within the company.	2. Co-operate the govt. through maintaining sustainability, participating in CSR, sponsoring govt. project and so forth.

Those were the major stakeholders upon which NCCBL has major influence every time it takes an action.

### **Major changes in external environment that can affect the organizational strategies**

The external environment of an organization encompasses all the individuals & objects that exists outside its boundary, but have significant influence on its growth and survival. An organization has very little control over its external environmental issues but needs to monitor and adapt to these external changes relentlessly, a proactive or reactive response leads to significantly different outcome. Below is the PESTEL analysis to identify how major changes in the external environment can affect organizational strategies.

**PESTEL/ STEEP/PEST Analysis of NCCBL**

<b>POLITICAL</b>	<b>ECONOMICAL</b>
<p><b>Political activities</b> Improvement in political situation within the country would result improvement in the overall organizational performance especially foreign exchange.</p> <p><b>Tax policy</b> Bank is giving 42.5% tax to the govt. decrease in tax rate would cause more profit for the bank.</p> <p><b>Labor act</b> Positive changes in the labor act (salary, compensation, workplace behavior etc.) would bring employee satisfaction.</p>	<p><b>Inflation rate</b> Decreased inflation rate would consequence lower CLR, SLR rate (current rate 13%) and more liquidity for the bank.</p> <p><b>Interest rate</b> Lower interest rate for Savings account, FDR, DPS and so forth would outcome less expense for the bank.</p> <p><b>Exchange rate</b> Higher exchange rate would cause more deposit for the bank and vice versa.</p>
<b>SOCIAL</b>	<b>TECHNOLOGICAL</b>
<p><b>Location</b> Change of organizational location would result change of client group.</p> <p><b>Sustainable development</b> Contribution in sustainable development would cause more participation CSR activities thus creating a good image within the society and vice versa.</p>	<p><b>Automation</b> Less automated service (Check scanning, identifying) can consequence fraud, mistake in transaction, record keeping therefore employee &amp; customer dissatisfaction and vice versa.</p> <p><b>Online banking</b> No online service means loss of valuable &amp; international clients.</p>
<b>ENVIRONMENTAL</b>	<b>LEGAL</b>
<p><b>Price level</b> Increase in market price level of banking products &amp; services results more interest rate, inflation rate etc. and vice versa.</p> <p><b>Overall industry</b> Improvement in present banking industry situation would cause improvement in overall banking systems.</p>	<p><b>Labor act</b> Positive changes in the labor act (salary, compensation, workplace behavior etc.) would bring employee satisfaction and vice versa.</p> <p><b>Discrimination act</b> Violating the discrimination law can cause penalty &amp; conviction for the bank.</p>

## Competitor Analysis

Current Deposit	NCC Bank	Market Standard (avg)	XXX	XXX	XXX	Remarks
Opening balance	Tk.2000	Tk.2000	Tk.2000	Tk.2000	Tk.2000	Average
Opening time limit	25 mins.	45 mins	25 mins	30 mins	40 mins.	Above average
Transaction Profile	3 Criterias	3 Criterias	3 Criterias	3 Criterias	3 Criterias	Average
Transaction limit	Up to 1 crore	Unlimited	Unlimited	Unlimited	Up to 90 lac	Below Average
Signature card	1 card	1card	1 card	1 card	1 card	Average
Thanks letter	Within 2.5 days	Within 2 days	Within 2 days	Within 2days	Within 3 days	Below Average
Check book issuance	4-6 days	Within 1 week	Within 6 days	Within 5 days	Within 6 days	Above average
Online banking	Within 1.5-2 weeks	Within 2 weeks	Within 1-2 weeks	Within 1.5 weeks	Within 1-2 weeks	Average
SMS banking	Within 3 weeks	Within 4 weeks	Within 3 weeks	Within 3 weeks	Within 3 weeks	Average
OD limit	80%	90%	90%	90%	90%	Below average
OD rate	FDR+3	FDR+3	FDR+3	FDR+3	FDR+3	Average
<b>Cards</b>						
Card issuance time	Within 7 days	Within 7 days	4-5 days	Immediately	Within 7 days	Average
Fast accessibility	Slow accessibility	Medium accessibility	Medium accessibility	Fast accessibility	Medium accessibility	Below average
Network	Slow	Fast	Medium	Fast	Medium	Below average

### **Analysis:**

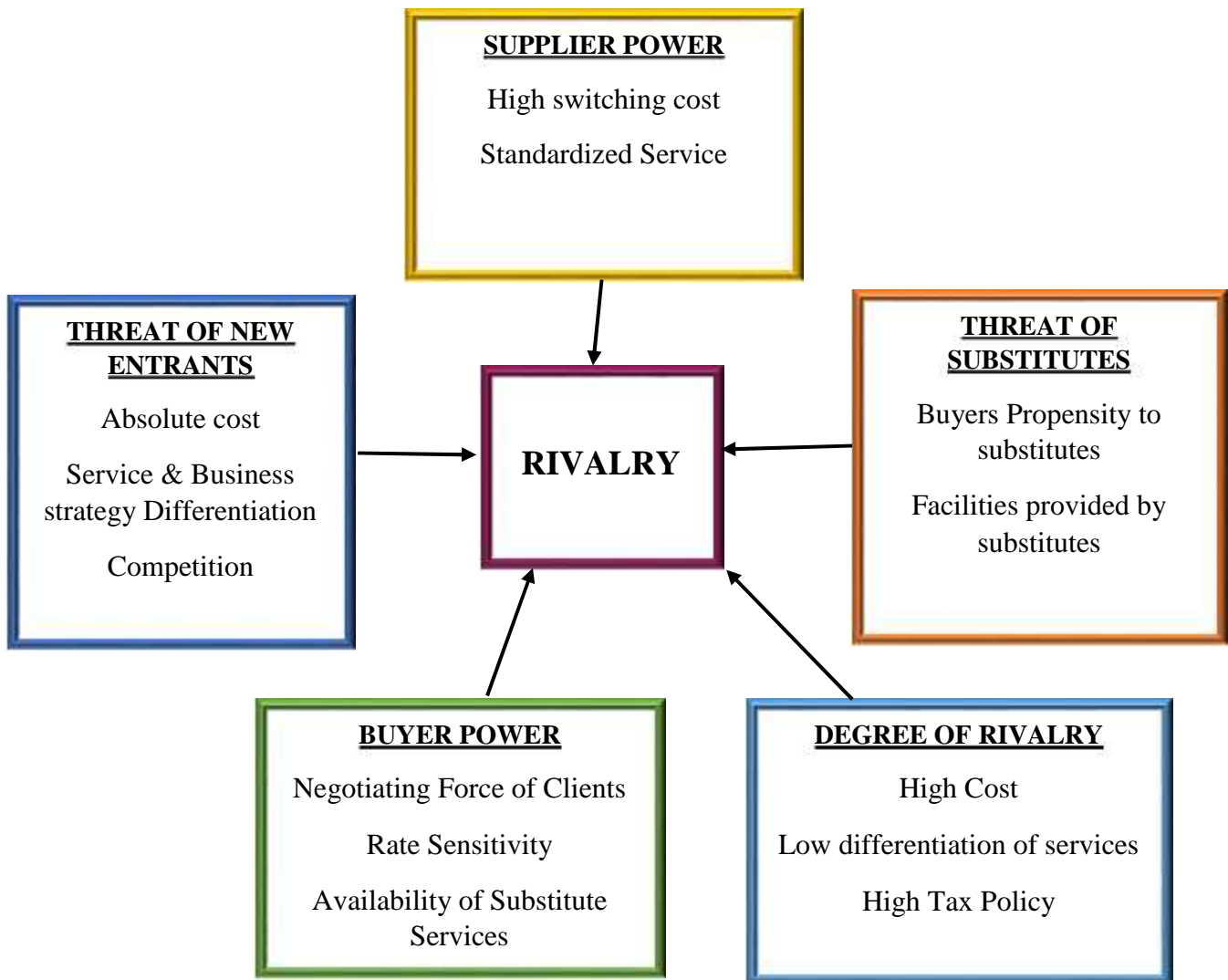
As we can see from the chart, NCC bank could use some activities like- Improving the online banking facility, Improve and Increase their transaction profile criteria to prevent fraud, Add new

feature like Biometric registration of every single account holder, Reduce the account opening balance that would leave a great impact on the number of account getting registered everyday.

**Effects of NCCBL’s current business plans**

NCCBL’s business strategy, at the core, is based on inclusive approach to the business, one that takes indispensable steps in order to be at pace with the changes to have the competitive edge and contribute in national growth. A detailed scrutiny is given below:

**PORTERS FIVE FORCES analysis of NCCBL**



*Chart 2: PORTERS FIVE FORCES Model*

**Supplier Power:**

NCCBL is committed to working with a set of reliable suppliers throughout Bangladesh with a goal of offering quality services to its employees and client as well to build a long term relationship & improve supplier's responsiveness.

**Threat of Substitutes:**

Substitutes are coming in the form of new automation technologies, low/ unique interest rates for loans and advances, high rates for deposits. The threat of substitution in the industry affects the competitive environment for the NCCBL and it is likely to influence its ability to achieve profitability since the clients may choose to utilize the alternative sources for banking.

**Degree of Rivalry:**

This degree of competition is high in the banking industry, as there are so many private, public, commercial banks in the industry 4 Govt. banks, 31 Private banks, 9 Foreign banks and 9 Specialized developed banks. The competitors for NCCBL in this industry include Dutch Bangla Bank Limited, Mercantile Bank, Standard Chartered Bank, and HSBC. This threat is also regarded as very high as the industry is characterized by high costs, low differentiation of product and high tax policy.

**Buyer Power:**

The buyer or clients of banking service can be grouped into various categories: the credit clients, the deposit clients and other banking companies. NCCBL is successfully able to aggregate the buying power of their channel partners and fulfill the needs of people.

**Threat of New Entrance:**

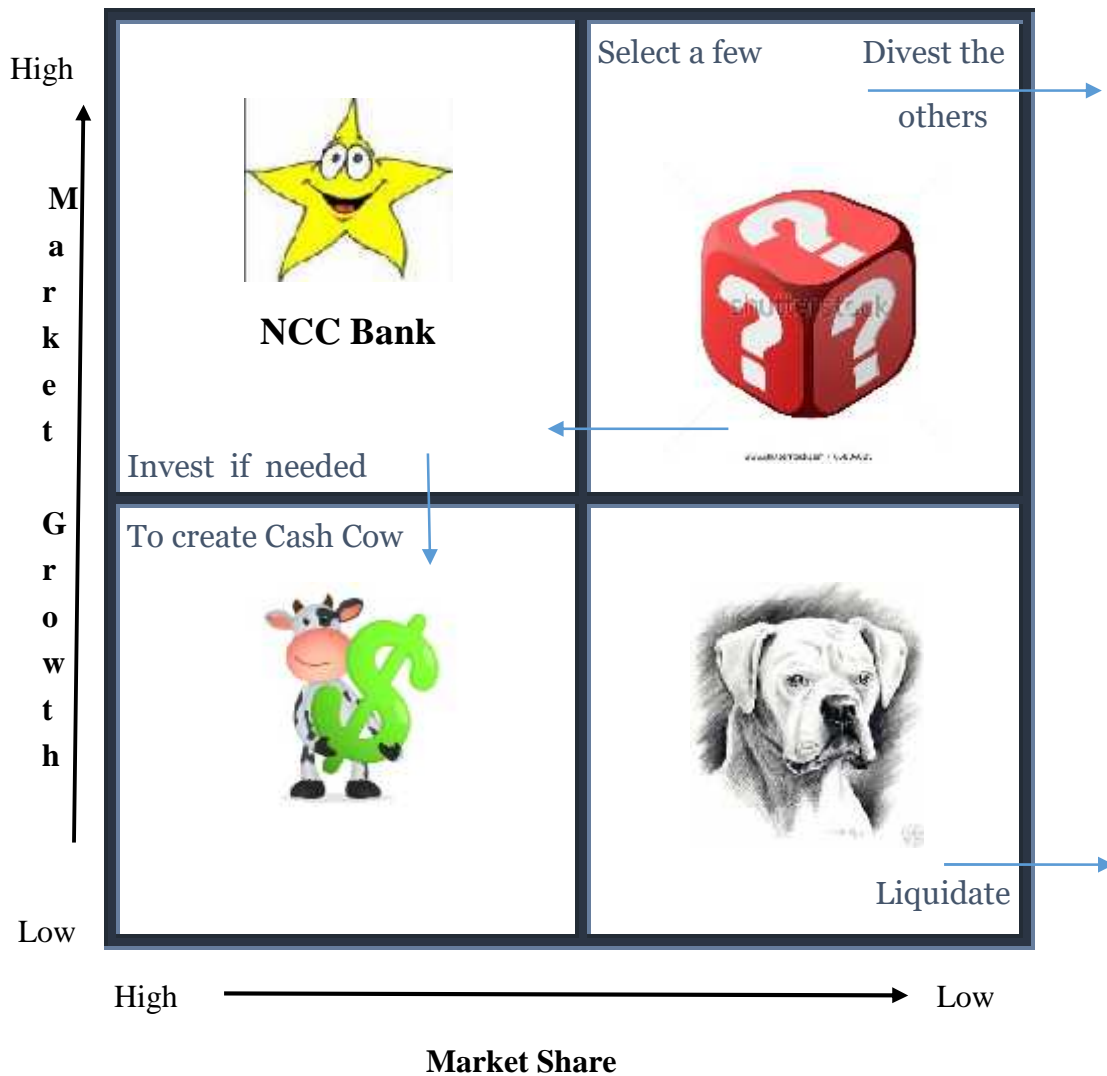
With rapid technological advancements, it is inherent that NCCBL will may face the threat of new entrants to a certain degree. However, since setting up a banking company requires access to financial capabilities, capital, technical and operational expertise. So, the possibility of new entrants is relatively high.



## Position of NCCBL within market

The degree of competition is high in the banking industry, as there are so many private, public, commercial banks in the industry. In order to excel in their service and to go beyond the limit an organization need to have a stable position within the market. Below is the Boston Consultancy Group Matrix for NCCBL to analyze its current position within the market:

### THE BCG MATRIX



## **Analysis:**

### **Market growth:**

In the BCG matrix, it has been showed that NCCBL is a Star. In 2014, NCCBL's asset has an increasing trend up to 2012 then it slightly decreased in 2013 and again increased in 2014 up to as well as their operational profit has a decreasing trend up to 2013 and has slightly increased. On the other hand they have spent 8,029.25 million for their capital program, their deposit increased to 105,704 million, including increase in retained profit which indicates growth and helps improve their portfolio

### **Market Share:**

National Credit and Commerce Bank, one of the strong financial institution based on credit and banking services operating with 104 branches and market share of 802, 925,458 indicates a high growth of market share.

### **Strategy for NCCBL:**

Being a Star NCCBL should follow Fast Milking strategy where a company aims to minimize the expenditures, maximize the short-term cash flow accepting the risk of fast exit, even if that causes a reduction in market share. A minimized expenditure would impact the profit for distribution, retained profit for forwarding, net income and so forth. of the company.

### **Evaluation of Competitive strengths & weaknesses of NCCBL**

NCCBL's business model is based on a detailed analysis of its key strengths, weaknesses, opportunities and threats –a SWOT analysis. Their competitive strengths and business opportunities clearly distinguish the Bank from other market participants. It is this competitive edge that allows the bank to successfully deal with the challenges of cyclical markets, and to act in the best interests of their discerning clients.

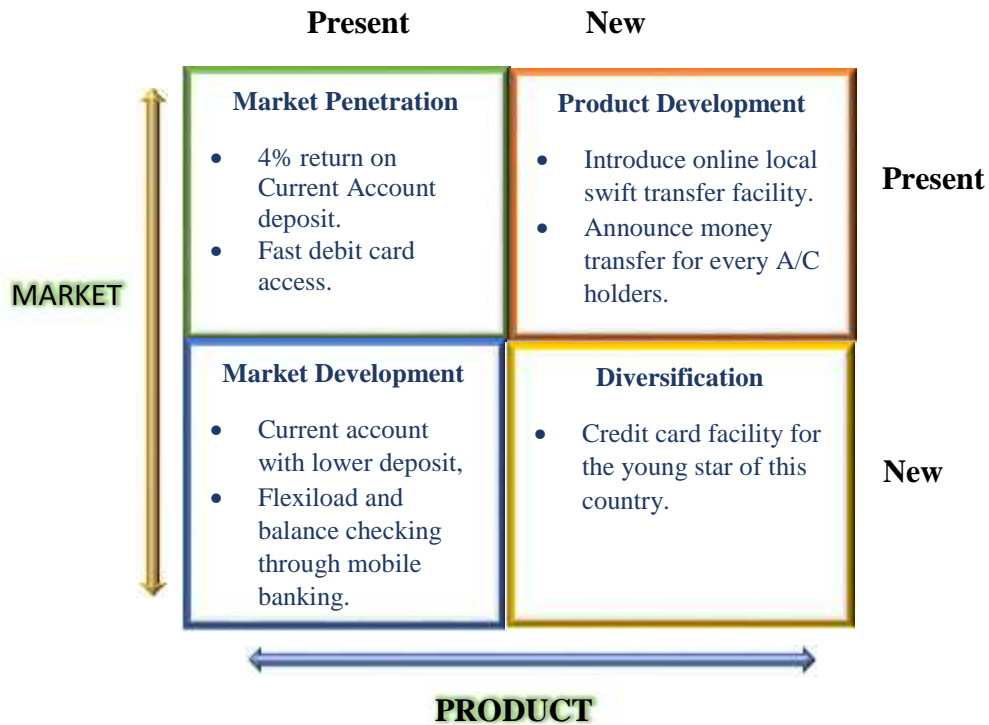
## NCCBL SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"><li>1. Being a second generation bank NCCBL has increasing goodwill and a unique strategy for client satisfaction.</li><li>2. Centralized HR department, that helps maintain employee expertise who are well aware about their duties and tasks and good internal environment as well.</li></ol>	<ol style="list-style-type: none"><li>1. Increased cost, tax and borrowings are resulting increased expense &amp; liabilities.</li><li>2. Lack of proper implementation of Debit card facilities is guaranteeing consideration of substitute choice for clients.</li></ol>
<b>Opportunities</b>	<b>Threats</b>
<ol style="list-style-type: none"><li>1. Starting the journey of Green Banking &amp; participation in new CSR activities are confirming sustainable growth.</li><li>2. An improved Debit card facility can take customer satisfaction level higher than before.</li></ol>	<ol style="list-style-type: none"><li>1. Unprecedented political situation can cause a near shutdown of country economy and fall in demand of credit requirements of clients.</li><li>2. Threat of huge number of competitors and new entrants in the economy.</li></ol>

## Strategic options for NCCBL

There are various models that offer strategic alternatives for an organization's growth trajectory. One of these basic models is the Ansoff Matrix which is a strategic planning tool that provides a framework to help devise strategies for future growth of a company it is named after Russian American Igor Ansoff, who came up with the concept. Below is the possible growth strategy for NCCBL. You can use it too.

### ANSOFF Matrix



*Chart 3: Ansoff Matrix for NCCBL*

### Analysis:

#### Strategies for Market Penetration:

- ❖ Give clients reasons to come back by increasing service facilities:

- 4% simple interest in current deposit for every clients who can refer others for account opening. Service holders, Homemakers and Students or for Lenders (Limit should be set on Current Account deposit amount).

### **Strategies for Product Development:**

- ❖ Introduce new service/ additional service with existing services:
  - Introduce local swift transfer facility in online banking for local business persons/ industries, where account holder can swift transfer money by operating their account(The account holders who desire to do such transactions will be given a code & transaction will be authorized by Head office).

### **Strategies for Market Development:**

- ❖ If NCCBL is to open a branch in St. Martin and introduce current account to the local fishermen, as it is the only way of living for them so far.

### **Strategies for Diversification:**

- ❖ Youngster credit card with no monthly charge would be good option to attract new clients as well as ensure completion of needs of the present young generation in this country.

### **Comparative understanding of other organization's activities in the banking industry**

Other organisations are coordinating the different stages of an industry chain through vertical integration which is a risky arrangement in which the supply chain of a company is owned by that company.

### **How it can impact NCCBL:**

1. Company will have more control over the way the service will be given to the clients.
2. Initially the cost will be high but in the long run the company will have significant control over its cost of distribution process (securities, credit rating etc.).
3. It will have unique competitive advantage over the competitors.
4. Company will be able to distinguish itself from competitors through increased control over suppliers and buyers and effective marketing.

### **In this case, it's your company you'll have to consider**

## Benchmarking for NCCBL

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests or best practices from other companies. Dimensions typically measured are quality, time and cost. In the process of best practice benchmarking, management identifies the best firms in their industry. In this case if NCCBL tries to apply market penetration strategy then a study on its deposit product & card facility is necessary.

### NCCBL Deposit & Card Benchmarking

Current Deposit	NCC Bank	Market Standard (avg)	United Commercial Bank	Dutch Bangla Bank	Mercantile Bank	Remarks
Opening balance	Tk.2000	Tk.2000	Tk.2000	Tk.2000	Tk.2000	Average
Opening time limit	25 mins.	45 mins	25 mins	30 mins	40 mins.	Above average
Transaction Profile	3 Criterias	3 Criterias	3 Criterias	3 Criterias	3 Criterias	Average
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*Table 1: Benchmarking of NCCBL deposit & card division*

Suggestions on what can be improved-

**Remarks:**

- Account opening balance can be reduced so that more people become customers.
- A/C opening time is above average nevertheless a little more expertise from the employees would make it more efficient.
- Transaction Profile criteria can be increased in order to prevent fraud transaction.
- Biometric system can be added with signature card facility.

**Options for future:**

- Privilege in transaction limit for specific clients can improve client satisfaction.
- Faster courier system should be adopted to ensure thanks letter arrival within two days.
- OD limit should be increased.
- Fast accessibility of debit cards from ATM booths should be ensured.

**Strategic plan including participation from stakeholders**

Considering all the analysis, current ranking of National Credit & Commerce Bank Ltd. is 35, in order to acquire place within the top 20 banks in Bangladesh within 5 years, an appropriate strategic plan for the bank could be, **improving certain operating areas:**

**Reduce Expenses**

There seems to be endless challenges affecting the banking industry of Bangladesh. It would be unfair to say expenses do not get any attention and reducing expense is a challenge for an organisation. Even though, reducing a portion of the expense can make a big difference on the operational profit, PBT (profit before tax), statutory reserve etc. this needs participation of vendors, employees & investors. For example: Introducing recycling system within the organisation can reduce the short term expenses.

**Increase Loans & Advance**

Loans and advances plays an importance role for an organisation specially a bank. It has a major contribution on NCCBL's cash flow activities. An increase in loans indicates increase in cash flow of operating activities, investments. Besides the more performing loan the better for a bank.

Improve in foreign exchange will also increase chances of market growth & share. This needs participation of employees, valuable clients, society & government. Such as: Industrial loans to for clients with big names & goodwill.

### **Increase Deposit**

An increase in deposit designates increased clients, increased investment, growth of market & market share. Partaking of clients, society, investors are necessary for this plan. For example: increased rate of interest for deposit has the potential to increase clients.

### **Improve Card Division**

Improved card facility guarantees increased satisfaction of clients and a virtuous source of income as it will contribute in increasing deposits & in cash flow. This plan requires contribution from employee, clients, society & vendors.

### **Potential strategic options in support of the plan**

Activities that you need to undertake in order to implicate the strategies within the organisation.

In this case what the bank needs to do is-

**Reducing Expense:** In order to reduce expenses, short-term expenses like utility bills, consultancy fee, vendor's fee, and daily expense can be modified:

- Use of energy saving products can reduce utility bills for long term.
- Forward & Backward integration can be done to reduce consultancy fees & vendor's fees for the long run.

**Increase Loans & Advances:** It plays a big role in organisational income. To increase organisational loans & advances:

- Reduce both non-performing loans & industrial loans as well as increase facilities for lenders of house building, car loans etc.
- Interest rate can be compromised in to single digit for special clients.

**Increase Deposit:** Deposit is one of the main operation of a bank as well as has a major contribution in fund management, investment and so forth. To increase deposit:



- A 4% simple interest in current deposit for every clients who can refer others for account opening.
- SSS (special savings scheme) interest rate can be increased for special clients and those who come by their reference.

**Improve Card Division:** Both credit & debit card allows clients to use money or complete necessary transaction in the most safe & flexible way whenever they need it. It has a great contribution in building the organisational image. About improving the efficiency and take the bank image to the next level requires modification in few things:

- Improve the debit card automation software to get better network from anywhere in Bangladesh.
- Introduce online shopping facility with the debit card from anywhere in Bangladesh.
- Open a complain desk especially for clients.

### **Resource implications in this plan**

In order to implicate those strategies some resources need to be utilized. Below is the list for required, available resources in order to implicate the strategies successfully-

#### **For expense reduction**

<b>Required resources</b>	<b>Available</b>	<b>Surplus</b>	<b>Deficit</b>
Human resources	2777	--	--
Cash in Hand (BDT)	XX	--	--

**Implication:** After execution of the strategy all employees will need to contribute for reducing expense. For example: stop unnecessary usage of electronic products (AC, light, computer etc.). A team of 10-15 people shall be made from the existing pool of employees and named as “**Expense Reduction Unit**” to monitor these activities. At the end of the month branch manager will report them the monthly expenditure of the branch. A portion of fund money should be allocated to every branch for replacing the old products with energy saving products. After implementation every branch manager shall report to the department. Later all information about vendors & service

providers shall be analyzed and specific vendor / service provider should be selected for integration. Branch managers shall be responsible for providing this information.

**For loans & advances:**

Required resources	Available	Surplus	Deficit
Employees of loans & advances dept.	XX	--	--
Training expense/fund (BDT)	XX	--	--

**Implication:** Fund money shall be used for training of the employees from Loans & Advances dept. about how to better manage non- performing loans and reduce industrial loans – quantity of industrial loans should be reduced branch wise, how to encourage customers to take house building loans or car loans. Branch managers shall be responsible for informing head office about the monthly statement of loans & advances given.

**For deposit:**

Required resources	Available (BDT)	Surplus	Deficit
Training expense/fund	XX	--	--
Marketing fund	XX	--	--

**Implication:** Fund money shall be used for training about customer care & how to market the deposit schemes. Proper marketing approach should be selected along with other employees for the marketing training in order to make people & existing clients aware about the schemes. Employees in the account opening desk should be selected for the training because word of mouth can make a huge difference. Branch manager shall be responsible for providing the monthly report on the number of deposit account, SSS created.

**For card division:**

<b>Resource required</b>	<b>Available</b>	<b>Surplus</b>	<b>Deficit</b>
<b>Fixed asset (land)</b>	XX	--	--
<b>Reserved money</b>	XX	--	--
<b>Training fund</b>	XX	--	--
<b>IT employees</b>	XX	--	--
<b>800 stuff</b>	Need to hire	--	--
<b>Vendors</b>	Yes		

**Implication:** In order to place ATM booths land & location should be allocated & required fund money shall be used for building ATM booths. After receiving necessary assistance from required vendors ATM booths shall be placed and a security guard shall be recruited for every ATM booths as well. Necessary trainings shall be provided for IT & Account opening employees to improve the automation software as well as ensure better network in the ATM booths and to persuade customers for using Debit & Credit card schemes

**Comparing organisational core values**

The core values (ethical, cultural, environmental, social and business) of NCC bank are:

1. **Professionalism:** Passionately driving customer delight by exceeding their needs by bringing timely solution and initiatives.
2. **Integrity:** Show honesty, truthfulness, accuracy, high moral principles and professional standard.
3. **Accountability:** Accountable for every actions.
4. **Confidentiality:** Upholding the confidentiality of customer and personal banking information throughout its lifecycle.
5. **Commitment:** Responsible, loyal and committed for continuous improvement.
6. **Respect for individual:** Treat customers and colleagues with respect and dignity.
7. **Respect for nature:** Care for nature and practice green banking.

## **Actual Scenario:**

What actually happening inside the organisation

Professionalism: It is being maintained committedly by the employees and management of NCC bank. **For example**- Often employees are staying late even after the office hour (10 am-6 pm) to accomplish clients required transection related works.

Integrity: Employees are taught via code of conduct to obey & maintain organisation's ethics, rules etc. **For illustration**-No biasness in the transection portfolio for even employees who are having NCC bank account. If anything does not matches with the given transection portfolio, immediately all types of transections for the account stops.

Accountability: Employees are accountable for their every action taken & transection they are making on behalf of the clients. **Such as**- Employees are given a code/password for accessing the ERP system and every account/transaction authorized & completed has the signature of that employee /code that indicates the particular employee appointed for that duty.

Confidentiality: Unique code generation system for every account ensures privacy of client's personal information.

Commitment: Bank's services has improved over the years. It has expanded its business throughout Bangladesh. Opened 104 new branches. It is trying to keep the commitment for continuous growth and fulfil its responsibility towards the nation.

Respect for individual: The organisational environment is friendly to an extent that, employees are respecting & celebrating each other's birthday or special occasion or talking to each other whenever they have free time. As well as they are providing very good client service via friendly behavior to make clients feel secured.

Respect for nature: Contributing in Sustainable growth is one of the main activity for the organisation. Considering this factor NCC bank has introduced green banking – online banking for less usage of paper to save trees, creating awareness among people via advertising.

## **Developing new Vision & Mission statement**

### **Vision**

#### **“Securing your transaction and protecting nature”**

**Justification:** A bank is a financial intermediary as well as a money creator that creates money by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet as well as act as a payment gateway locally & internationally. NCC bank maintains no dissimilarity than this concept. Secured transaction & goodwill among clients is a must for a bank to survive

### **Mission statement**

**We are committed to provide excellent financial services and long term solution to our clients end ensure a friendly environment where all our clients and employees can excel as well as maintain sustainable development.**

**Justification:** Client satisfaction is the most important thing for NCC bank. As well as they are trying to create a platform where credit & commerce gets integrated and they can contribute to the society through CSR and help maintaining sustainable development.

### **Management objectives in order to make a successful implication of the plan**

The short term, medium term & long term management activities can be-

**Short term objectives:** Objectives for the first 3-12 months can be

- Collect information about the required amount of energy savings product, in every branch.
- Short-term expenses that can be transformed into Forward/Backward integration.

**Medium term objectives:** objectives for year 1- year 3 can be-

- Confirm the resource allocation & adding.
- Start implication of the plan for replacing ordinary products with energy saving products branch by branch.
- Find the short-term expense services that can be integrated & thorough a feasibility study.
- Identify trainings needs & provide necessary training to the employee

**Long term objectives:** Objectives for year 3-year 5 can be-

- Arrange ATM booth location & ATM machines and build ATM booths.
- Improve automation software for better utilization of debit card.

### **Measures for evaluating the strategic plans**

- **Survey report:** A survey report is a formal piece of writing based on research. In this case, a market analysis on the banking industry will be conducted that will include the services given to the clients, vendors involved in the services, required fees, cost related & included in the services.
- **Branch performance report:** This report will have the summary of the banking activities of every single branch which includes- monthly deposits & loans given, amount needed for deposit & loan, interest rate given for deposits like FDR, Savings etc. & for loans like House building, Car loans and so forth.
- **Branch expenses & bills:** The monthly statements of every single branch's other expenses (utility bills, miscellaneous etc.)
- **Client records:** This includes monthly record of clients ordering Credit or Debit card, how many times they have access the card, how fast the ATM machines are being refilled etc.
- **Deposit record:** Statement of monthly deposit record of every single branch which involves total deposit amount, number of deposit, types of deposits etc.

**And many more...**

## Schedule for the proposed strategic plan

A schedule plan is necessary in order to keep record of what tasks are undertaken, expected and actual timing to complete the task and so forth.

Sl no.	Particulars	Activities	Expected date of starting	Expected time of completion	Actual time of completion	Remarks
	<b>Reducing Expense</b>					
1.	Energy savings product	Identifying requirements	10-06-2015	6 months	--	--
2.	Buying new products	Invitation for tender	10-01-2016	1.5 months	--	--
3.	Selling old products	Invitation for tender	05-02-2016	2 months	--	--
4.	Performing product replacement	Branch wise Implementation	01-03-2016	7-8 months	--	--
5.	Forward/Backward integration	Identifying potential service	01-06-2016	2 months	--	--
6.	Invitation of tender	Ascertaining potential service provider	20-07-2016	1.5 months	--	--
	<b>Increasing deposit</b>					
7.	Introducing scheme	Proposing scheme to the board	01-11-2016	2 months	--	--
8.	Determining rates to be given	Increase rate	20-12-2016	1 month	--	--
9.	Preparing funds & Implementing schemes	Branch wise implication	20-01-2017	5 months	--	--
	<b>Increasing Loans &amp; Advances</b>					
10.	Reduce non performing & industrial loans	Arrange training & implication	20-06-2017	7-8 months	--	--
11.	Increase home loan, car loan	Advertising	16-11-2017	7-8 months	--	--
13.	Facility for special clients	Single digit rate	16-01-2018	2.5 months	--	--
	<b>Improve Card Division</b>					
14.	Invitation of tender for buying ATM machines & land	Recognizing potential sellers	16-02-2018	3 months	--	--
15.	Placing 300 ATM booths	Utilize land	20-04-2018	2 years	--	--
16.	Automation software modification	Debit card software replace	20-04-2019	1 year	--	--
17.	Online payment & complain desk	Introduce online shopping services	25-09-2019	1 year	--	--

**Table 2: Schedule for planning**

## **Dissemination process for stakeholders**

A proper dissemination is necessary in order to ensure the commitment of co-operation when necessary from the stakeholders during the change process. To confirm the commitment following dissemination process should be followed:

**Employees:** Notice board & Organisational e-mail would be a good choice here. Every employees shall be asked to give their opinion & reply through their organisational e-mail within a given date & over a given e-mail address.

**Vendors:** For them Newspaper & Professional e-mail shall be the first choice. They shall be asked to co-operate about integration/providing assistance regarding services or products as well as to confirm that they have received the message or news via e-mail or letter.

**Investors:** Usually Newspaper & Letter are the common form of communication with investors. That is why there should be no alteration for this purpose as well as they need to contribute in the development of the organisation via investment when it is necessary.

**Clients:** Without them there is no business and no changes. So, there is no better option for informing the clients about the upcoming organisational changes than the Newspaper & Letter.

**Society:** Newspaper is the best option here as society is a major external factor for the organisation.

**Government:** Organisation can get legal & right assistance from govt. when needed. Informing them via Letter & Voice calls are the best way.

## **Monitoring & Evaluation system for the implementation of strategy**

Monitoring is necessary especially when a new strategy is implemented within a company. In order to evaluate the activities undertaken for the implementation of the strategy, the process can be categorized into in to two categories. They are:

### **Category A:**

It involves the reports or documents like- Survey report & Audit report that contains information about all most every activities going on inside of the whole organisation combining all the branches, every strategies that has been taken and so forth.



- **Survey report:** Includes summary of information about present situation of the services, vendors, required fees and costs etc. a survey every 2 months can provide a regular update about the implementation of the strategy.
  - Services given: Nature of services taken from service providers. Like: Legal services for loans & advances, credit rating services etc. How and when it was taken?
  - Vendors: What type of vendor? For basic elements (furniture, machineries etc.) or service providers (outsourcing firms, Lawyers etc.).
  - Required fees: fees required for every services given to the clients or taken from service providers or vendors.
  - Cost: Costs included for every services given to the clients or taken from service providers or vendors.
  
- **Audit (internal & external):** Annual audit comprise all transactional information of the organisation including the branches.
  - Income & Expenses: Yearly income & expenses, cash flows of the branches.
  - Reserves: Savings, Reserves from each branch.
  - Other issues: Ethical, Legal, Disciplinary issues of the branches.

### **Category B:**

This category involves documents like Branch performance report monthly or annually to get all the information about a particular branch.

- **Branch performance report:** Monthly record of deposits & loans given, charges, interest rates etc.
  - Monthly deposits: Total number of deposits created, type of deposit created (current account/FDR/SSS etc.).
  - Monthly loans & advances: Total number of loans given, type of loan, percentage of margin etc.
  - Interest rate: Rate given for based on type of loan, Type of deposit, type of client etc.
  - Required cash: Required amount of money for creating different types of deposit accounts
  - Charges: Required charges for opening deposit/loans & advances/credit or debit cards.

- **Branch expenses & bills:** Monthly report of other expenses, miscellaneous etc.
- **Client records:** Monthly record of clients taking Credit or Debit card, how many times they have access the card, how fast the ATM machines are being refilled etc.
- **Deposit & Loan record:** Monthly total deposit & loan money branch wise.

**How you would like to monitor implementation of strategy inside of your company.**

### **Conclusion**

Finally, it can be said that, NCCBL already has its own strategies, advantages & drawbacks but if the strategies are followed consequently then there is a hope that the organisation will excel more flawlessly in the upcoming future.

### **Recommendations:**

Based on this report, few recommendations can be provided for the organisation-

- Implementing the proposed strategy has the potentiality to improve bank's performance at an identifying level.
- Whether NCC Bank management decides to implicate this strategy or not, they should improve some segment like- Card division.
- Should decrease some costs, tax to slow the increase rate of expense etc.

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