

A SHOTGUN WEDDING: CREATING A LEADING CZECH BANK

Professors Vladimir Pucik and Sona Ferencikova prepared this case with the help of Research Associate Inna Francis as a basis for class discussion rather than to illustrate either effective or ineffective handling of a business situation.

Although the Czech economy had started to show signs of improvement in 2000, credit quality woes continued to plague the banking sector. Privatization, foreign investment and consolidation were shaping and reshaping the banking industry in the Czech Republic. (Refer to **Exhibit 1** for leading Czech banks.)

On June 15, 2000 Investicni a Postovni Banka (IPB), the third largest bank (in terms of market share) in the Czech Republic, was unable to meet its regulatory obligations and was put under forced administration.

On Friday June 16, 2000 Petr Stanek, the government-appointed administrator, entered IPB's headquarters under the protection of a black-clad anti-terrorist squad. During the weekend negotiations with IPB's prospective buyer, he secured a promise of 3 billion koruna (CZK) (€83 million) for control of IPB's assets, which once totaled CZK 323 billion.

On Monday June 18, IPB was sold to one of its competitors--ČeskoSlovenska Obchodni Banka (ČSOB)--the fourth largest bank in the Czech Republic. The majority of shares and management control were held by KBC Bank and Insurance, a Belgian financial institution.

The sweeping speed of this takeover surprised many. It was complicated by the fact that IPB's audit had yet to be completed. Integrating IPB, which was riddled with bad loans and questionable deals, was a challenging.

The priority of ČSOB's top executives was to stabilize the bank, stop the run on deposits and dispose of questionable assets. At the same time they had to focus on **post-merger integration**, which had to occur at several levels: consolidating assets, product lines, business procedures and technologies; building a new organizational architecture; integrating personnel; and creating an organizational culture that would position the bank to accomplish its strategic goal of becoming the industry leader.

IPB

IPB's banking business was based on two distinct segments--the Industrial Development bank (originally a financing vehicle for state-owned enterprises) and the Post Office savings bank, a spin-off of the state-owned post office. It also controlled the fourth largest Czech insurance company, IPB Pojistovna. (*Refer to Exhibits 2a and 2b for IPB's ownership structure and subsidiaries.*)

IPB's structure was heavily decentralized and channel oriented. It had been controlled by Nomura since 1988 and expanded rapidly. By June 2000, it had one of the broadest distribution networks of the Czech banks and was the third largest in terms of assets. However, many of its new customers were at the lower end of the income spectrum.

Despite its foreign ownership, IPB's management was left essentially in local hands. Its top executives were admired for their focus on rapid growth. But they were also criticized for a relative lack of banking experience, lack of transparency of ownership in the various subsidiaries, questionable ties to politicians, and involvement in numerous shady transactions that resulted in mounting asset quality problems.

In January 2000 *Respekt*, a popular Prague magazine, revealed an internal document from the state banking regulators pointing out that IPB was in violation of several compliance standards and that its bad debt volume was alarmingly high. Pressure on the bank was further increased by the government announcement that it had no intention of bailing IPB out.

From February to June 2000 IPB deposits dropped by CZK 34 billion to CZK 166 billion. In one year IPB's share of the deposit market fell from 21.7% to 13.7%. The bank's liquidity deteriorated rapidly when clients withdrew an additional CZK 23 billion in the first week of June. Shareholders agreed that IPB needed a big strategic investor to save the bank from collapse. German Allianz, Italian UniCredito and Belgian-owned ČSOB were on the short list.

ČSOB

In contrast to IPB, ČSOB had a strong central organization. Its four business areas focused on Financial Institutions, Corporate Banking, SME (small and medium-sized enterprise) Banking and Retail Banking, offering a full range of products and services. ČSOB also provided a number of services through its subsidiaries, including factoring, leasing, investment banking and fund management. (*Refer to Exhibits 3a and 3b for ČSOB's ownership structure and subsidiaries.*) Across the group, management committees assisted in operational management, from risk control to technology and marketing.

Foreign trade finance (its core activity when it was state owned) and corporate banking were ČSOB's primary business segments. The bank enjoyed a strong international profile and had been successful in maintaining its leading market share among the Czech banks in both trade finance and international payments clearing.

On the corporate side, the bank continued to target blue chip corporate customers; it also started to expand into the SME market. The bank's retail banking business focused on higher-end customers. The long-term strategy was to achieve a leading position in the Czech market by expanding its retail and SME banking operations by adding up to 100 branches over three years.

Historically, because of its international orientation, ČSOB's local executive team enjoyed an "elite" reputation. With a strong background in corporate banking, management always maintained conservative credit policies and KBC's presence helped to further strengthen ČSOB's already sound risk management system.

Forced Administration

The deal with ČSOB was signed just 66 hours after a forced administrator was ushered into IPB's headquarters to seize control of the bank. Maurice Topiol, director at Rothschild, which advised ČSOB, commented:

It's not something that happens every day--a bank failure and acquisition over the weekend.

ČSOB was the only bank willing to manage the complete takeover with immediate effect, even in the absence of a clear valuation of IPB. As the administrator, Stanek, later recalled:

I received an offer from ČSOB on Friday, saying that they were interested in negotiating. I was surprised that nobody else reacted to the situation. UniCredito and Allianz did not get in touch with us. If they were serious I'm sure they would have done so.¹

One of his first actions as administrator was to relieve the board members of their responsibilities. He also suspended all statutory bodies, which were later dissolved. Three days later, on June 19, ČSOB entered IPB and immediately terminated the contracts of 11 out of 15 top managers on suspicion of fraud, close connections with fired board members, or other doubts about their integrity. Pavel Kavanek, ČSOB's CEO, noted:

We had to chop off the top quickly and completely.²

It took another six months (until January 2001) for the appraisal of IPB's value to be completed. The bank's obligations exceeded the value of its assets by CZK 67.8 billion. ČSOB agreed to pay CZK 3 billion, and the government agreed to buy back non-performing loans at book value.

According to Kavanek:

IPB's assets were in a terrible shape: When we began going through IPB's books, we could not believe our eyes. IPB's managers had given loans to buy already privatised enterprises. Often these companies were then asset-stripped, leaving the bank holding underpaid loans and worthless collateral.³

¹ *Prague Business Journal*, July 24, 2002

² Anderson, Robert. "A Shotgun Wedding in the Czech Republic." *Financial Times*, October 29, 2001

³ Anderson, Robert. "A Shotgun Wedding in the Czech Republic." *Financial Times*, October 29, 2001

Revamping IPB's obscure ownership structure and disposing of non-performing assets became a major project for four consulting firms, government officials and ČSOB's top management team.

Step One: Stabilization--Key Task after the Takeover

Strategically, the fit between ČSOB and IPB was close to perfect. The merged bank combined ČSOB's reputation in corporate banking, financial markets operations and risk management with IPB's strong retail network, large customer base and powerful non-banking subsidiaries (insurance, mortgage, construction savings bank, real estate development, IT service company, post office savings bank, etc.). However, the synergies could only be exploited if IPB could be saved, so the first steps after the takeover were focused not on integration but on stabilizing IPB.

Josef Tauber, ČSOB's vice-chairman, was appointed as interim chief operating officer (COO) of IPB. He was supported by 15 senior managers, who were assigned operational responsibilities for specific IPB business areas and functions--in addition to their existing leadership positions in ČSOB. Most of them did not have any previous experience with M&A integration. Immediately they took full control of the 11 business areas of the IPB senior managers who had been fired. In the remaining areas (such as postal savings bank, retail banking, payments, correspondent banking, organization, controlling, strategy and planning), IPB managers were left in charge and were shadowed by ČSOB executives who played a coaching role.

The two banks were to be managed in parallel for three months until September 2000, but a number of critical ČSOB control processes were being introduced with immediate effect. The benefits came quickly. Because of a new sense of public confidence in ČSOB's capabilities to turn things around, reinforced by the links with KBC and a focused PR campaign in the Czech media, the decline in IPB deposits was halted by mid-summer 2000.

Step Two: The Merger Office

At the end of June 2000, the merger office was set up to define the principles for the newly created organization, and to coordinate and monitor the integration process and reorganization. After several weeks of preparation, it began its work in September 2000. Facing a critical shortage of professionals experienced in change management and mergers, the bank had to rely heavily on KBC's guidance. ČSOB board member Carl Rossey, who was responsible for the merger process between CERA Bank and Krediťbank to form KBC in 1998, was given overall responsibility for the integration. Evert Vandenbussche, who was also active in the KBC merger, headed the merger office. His team consisted of seven merger directors--two from KBC, three from IPB and two from ČSOB--all with sufficient seniority and consulting and project management experience. Each director guided merger activities in a cluster of business areas. Twenty-eight task force managers reporting to the merger directors were assigned to implement integration of over 100 processes. The task force managers were responsible not only for the integration process--definition, implementation and migration towards the new structure--but also--as line managers--for the ongoing business of their particular

area. All integration activities were coordinated by a steering committee chaired by two members of the board, and several integration task forces (*refer to Exhibits 4a and 4b for integration team structure and responsibilities*). Every task force manager had a mentor on the board.

The various integration teams worked on standardizing work processes and systems, a task complicated not only by its scope but also by the shortage of qualified managers. Competitors quickly poached a number of highly skilled IPB professionals, while some of ČSOB's top talents were sidelined with responsibility for sorting out the maze of IPB's assets. External consultants were used sparingly, mainly for the organizational redesign of some operational departments.

Vandenbussche pushed the integration work. "Fast acting and discipline" was his motto:

The merger office had to watch for "common interests" and coherence because task force managers were usually very good in their specific areas but often did not take into account the situation in the other departments. The main issue the merger office faced was: Do we go for speed or the best bank? Speed became a priority. The main principle recommended by merger directors to task force managers was: "Do not redesign, pick one or the other" [i.e. the process of ČSOB or IPB]. We wanted to be fast. Too much attention towards redesign and restructuring could lead to cumbersome discussions and could finally slow down the pace of integration.

Implementing the Integration

A fully integrated head office was created in less than five months. Management faced tough decisions concerning business architecture, IT/IS system integration, human resource management (HRM) and, ultimately, how to align the cultures of the banks.

Business Architecture

The purpose of the merger was to achieve the leading position in the market by finding new growth opportunities in retail and SME business. The business architecture for the merged organization had to support this broad strategy.

IPB had more than 3 million customers and operated 183 branches and 3,331 post office outlets. IPB's customers used its savings products and conducted limited transaction operations, generating low returns for the bank. Only a few clients took up IPB's home banking and GSM (mobile phone) banking services.

As a classical corporate bank, ČSOB was highly centralized and oriented toward the corporate segment. In the Czech Republic, ČSOB provided banking services through 54 branches reporting to 8 regional offices, which became more powerful as the branch network grew. ČSOB's retail banking, which was only a fraction of the size of IPB's, targeted high-end customers, providing them with a high standard of service.

IPB's retail banking management team was one of the few to survive after the takeover. The challenge was to transfer the expertise and the knowledge of

ČSOB's small but profitable retail banking operation to IPB to improve efficiency, cost control and service levels. Streamlining back-office processes was key to this strategy; management established a platform for cost reduction, as well as process and organizational change.

The main issue was how to proceed with retail and SME business architecture (*refer to **Exhibit 5** for an overview of the principal components*). Should the new structure be decentralized and distribution-oriented--the legacy of IPB? Or should it be substantially centralized and product division-oriented, as in the old ČSOB, and supported by a flexible multi-channel distribution. (*Refer to **Exhibit 6** for the pro and cons of the regional structure, and to **Exhibit 7** for those of the divisional structure.*) Another alternative was to use the merger as an opportunity to move directly to an entirely new customer-segment-based model (split retail and SME), which would require a complete overhaul of both organizations. Under this model, segments would be responsible for client ownership, definition of the product mix, pricing and the selection of the appropriate channels for product distribution; sales channels would be in charge of distribution; and product units would control the quality of the product processing.

IT Integration

Without a common technology platform, the bank would not be able to offer an integrated level of service. The main questions facing ČSOB management were which of the existing systems to choose as a foundation for the new platform, and how quickly to proceed with the change, which would necessarily be disruptive to customers. Having investigated the IT architecture of both ČSOB and IPB, the IT task force came up with a list of differences, overlaps, gaps, complements and possible solutions.

ČSOB used the IBIS platform, which was seen as ideal for corporate business. Developed in-house, it was well positioned to support sophisticated financial products and had built-in flexibility for tailor-made solutions. Because the system was in-sourced, ČSOB's large IT staff had accumulated a lot of process development and operational know-how. Most of the technology efforts at the time of the merger were focused on supporting telephone and Internet banking.

IBIS allowed only a limited number of accounts per database. Migrating 2 million IPB customers would require the installation of about 30 new IBIS servers at a considerable cost. The system did not allow any packages or conditional pricing. The main risk associated with IBIS was its software design--changing an originally non-retail system into a full retail system could lead to problems with coding. Moreover, there were serious questions about the stability of a cluster of 40 IBIS servers and concern over how accessible the servers would be to the branch network (i.e. how to allow branches to serve customers from other branches).

IPB's online PROFILE platform was ideal for retail products--it was user-friendly and efficient in supporting standard products for IPB's retail customers. It was acquired from California-based Sanchez Associates. Several of the leading banks in the region also used the same platform, which was seen to fit well into the Czech banking environment. PROFILE allowed an unlimited number of accounts per centralized database portal. It was able to handle consumer loans as well as packages with conditional pricing. Migrating 300,000 ČSOB customers would

require an upgrade of the system to allow an increase in the number of accounts. In addition, the proponents of moving SME⁴ to PROFILE argued that SME would use the same physical distribution channels as retail to make the branch configuration simpler and increase branch flexibility.

The main risk associated with PROFILE was that IPB had no internal IT capability. It was fully outsourced under a long-term contract with PVT-- nominally an IPB affiliate, but with the ownership structure unclear at the time of the merger (IPB owned 37%, the rest was owned by offshore funds). There were also questions about the feasibility of upgrading the PROFILE system to a higher version, a necessary condition for migrating clients from the CSOB platform (IBIS) to PROFILE. IPB had already tried to upgrade PROFILE twice, but the attempts had failed. The main problems related to the numerous customizations added to the base version of PROFILE and the vendor's capability to provide the necessary support for the upgrade. The upgrade of PROFILE was on the critical path for the whole integration of the branch network of the two banks.

Choosing the IPB platform would also have an impact on the customers from CSOB who were to be migrated to PROFILE. The account numbers of about 300,000 CSOB customers would have to be changed. Some customers would lose product functionalities (e.g. transfer by fax or electronic channels) and they would also lose individual pricing because standard pricing would have to be introduced. This might damage CSOB's reputation for individual treatment of its high-end customers.

The complexity of migrating from one system to another was considerable, and the short-term cost of training CSOB personnel in IPB procedures or vice versa would be significant. In addition to choosing which system to use, top management had to resolve a tradeoff between the timing of the client data migration and the impact on the client. It was estimated that the newly formed bank could either migrate the client data within 6 months with significant risk to the quality of customer service, or within 18 months but keeping the client impact to a minimum.

HR Integration Process

The HRM function proved to be one of the most challenging areas. IPB's HR management team was fired immediately after the takeover and Jiri Sramek, a former CSOB HR director, was put in charge.

The first immediate challenge was selecting people to fill senior management positions. The departure of many IPB employees, especially in key executive roles, resulted in a void that had to be filled urgently. It was decided that no employee would be guaranteed a job just because he or she had been working at one of the existing banks. The plan was to reselect the best employees for the new organization. External consultants assessed over 40 managers (half from CSOB, half from IPB) for 28 top management positions (so-called board minus one, or B-1, positions). All but three of those finally appointed were former CSOB managers.

⁴ According to the CSOB definition, SME were enterprises with a turnover of CZK 10 to CZK 300 million, meaning that 80% to 90% of corporate and financial institution product processing would fall into the SME category.

The second post-merger HR challenge was to reduce the number of employees quickly from about 9,000 to 7,500. Two weeks after the merger the bank announced a voluntary severance scheme. The retention strategy focused on IPB professionals. If employees opted for the severance payout, the bank had the discretion to decide whether to grant this right with immediate effect, or at a later date if the employees were still needed during the integration process. In some instances, people wanted to leave anyway, especially those based in Prague where opportunities for capable financial professionals to join other financial institutions were abundant. Still, it was obvious that under a “voluntary” scheme it would take some time to reach the desired efficiencies, and the prevailing uncertainty was creating a lot of friction among employees. Should the bank act more forcefully, as some ČSOB executives advocated?

Another problem emerged on the remuneration side. The two banks used different pay structures: IPB’s management pay was one-half fixed, one-half variable; ČSOB managers had two-thirds of total cash pay fixed, one-third variable. For over 20 months before the takeover, IPB employees had had to forgo the variable component of their remuneration because of the bank’s poor performance. They were promised that within a month they would be transferred to the ČSOB payroll structure. In reality, assessing IPB’s compensation packages against ČSOB’s and improving the packages as needed took over six months, creating discontent among the former IPB employees.

On the HR side, at least with respect to senior management and professionals, the integration was quickly turning into assimilation. Should steps to be taken to reverse the trend, or should this be seen as an inevitable consequence of the circumstances surrounding the takeover?

Merging the Cultures

The key to integration was seen in a manager’s ability to grasp what had to be done and translate that into action. However, before the merger, both banks rewarded focus and reliable execution and resisted doing things differently, particularly if it appeared to threaten the organization’s stability and future. In such an atmosphere, not many people emerged as change agents ready to lead the integration process, so the role fell by default to KBC’s representatives. Therefore, another near-term challenge for the bank was to inspire employees to accept the need for transition to a “culture of change,” one that recognized and rewarded those who took advantage of change and even drove and shaped change.

Shortly after the merger, the due diligence team looked at a host of culture-related matters to arrive at a realistic assessment of the likelihood of culture clash: How are people compensated? How do leaders emerge? What business practices create value for the bank? What is the tolerance for risk taking? What constitutes “proof” or “evidence” in each organization? And what is the relationship they foster with their clients and other stakeholders? Not surprisingly, over the years each bank had cultivated its own vision and strong corporate culture. While there were certain similarities, they were also many contradictions (*refer to Exhibit 8*).

ČSOB was considered to be “the bank for large trade deals,” with a strong sense of sophistication and formality. Its attitude toward customers was described as customized and flexible. There was a “people approach” to management, focused on skilled employees who were self-driven and goal-oriented. Employees were

paid and promoted for performance, and departments were managed by objectives. IPB's employees saw ČSOB as a bank with aggressive managers, a conservative business approach, and a low level of internal politics.

IPB's retail focus did not allow for customization, therefore its approach to customers was standardized and easier for less-trained employees to handle. With the strong focus on standard procedures, "we" dominated "I," which was typical of ČSOB. ČSOB's perception of IPB was that it had less educated staff and was highly political, with managers pursuing their personal interests. Responsibility was seen as being concentrated at the top. Still, IPB was perceived as having a sophisticated IS/IT system and a well-functioning retail business.

The greatest cultural challenge came from integrating the banks' approach to dealing with customers, where the cultures of the two organizations clashed:

You cannot simply call a meeting of all 7,500 employees of the bank for 16:00 one day, announce that "the culture will change effective immediately," and expect to get the results you want.

The results of the analysis were presented to the board. While no one doubted the benefit of a common culture, the question the board faced was whether, given all the other priorities, now was the right time to focus on culture and, if so, what direction the cultural change should take. Should the bank attempt to build on the "best of both," essentially creating a new hybrid culture, or--by design or default--let the ČSOB culture dominate?

Next Steps

As the dramatic year drew to a close, Vandebussche and his team were expected to provide top management with clear recommendations on how to move forward. Six months after the merger, it was decision time.

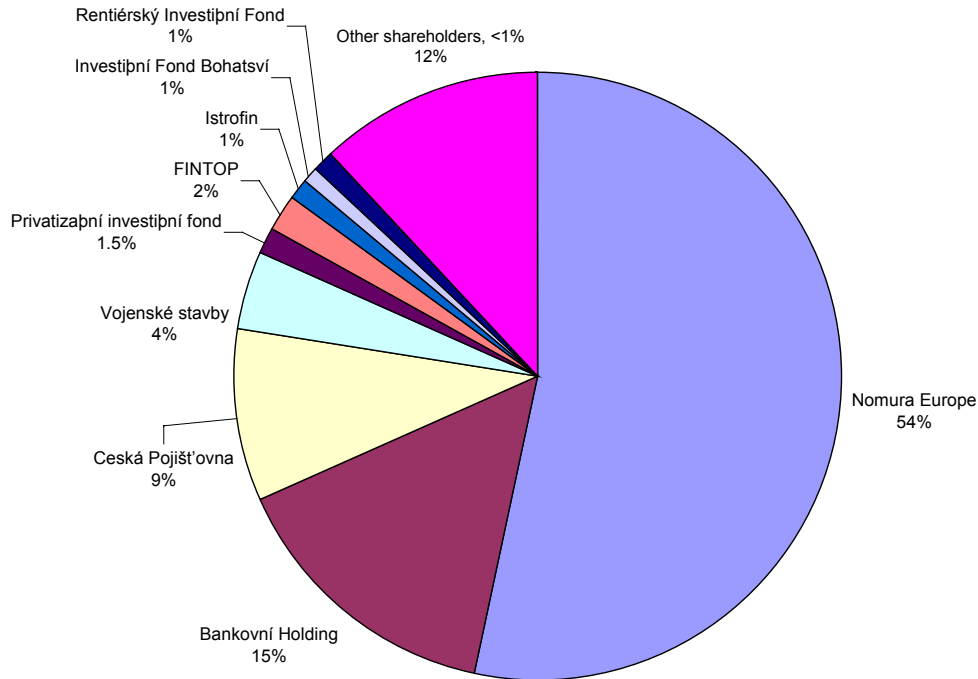
Exhibit 1
Leading Czech Banks in 1999

Bank	Assets*	Clients Deposits*	Loans to Clients*	Net profit*
Komerční banka	402	259	182	-6
Česká spořitelna	378	317	124	3
IPB	323	212	180	1
ČSOB	258	126	97	-10
HVB CR	114	54	54	1
Citibank	54	33	2	2
GE Capital Bank	54	14	15	0
Živnostenská banka	38	27	10	0
Dresdner Bank CZ	36	3	1	0
Raiffeisenbank	30	25	23	0
eBanka	3	1	0	0

*in (CZK billion)

Source: Special mesicniku Bankovnictvi a tydenniku Ekonom, Top Finance 2003, p. 12

Exhibit 2a
IPB Shareholding Structure, September 1998



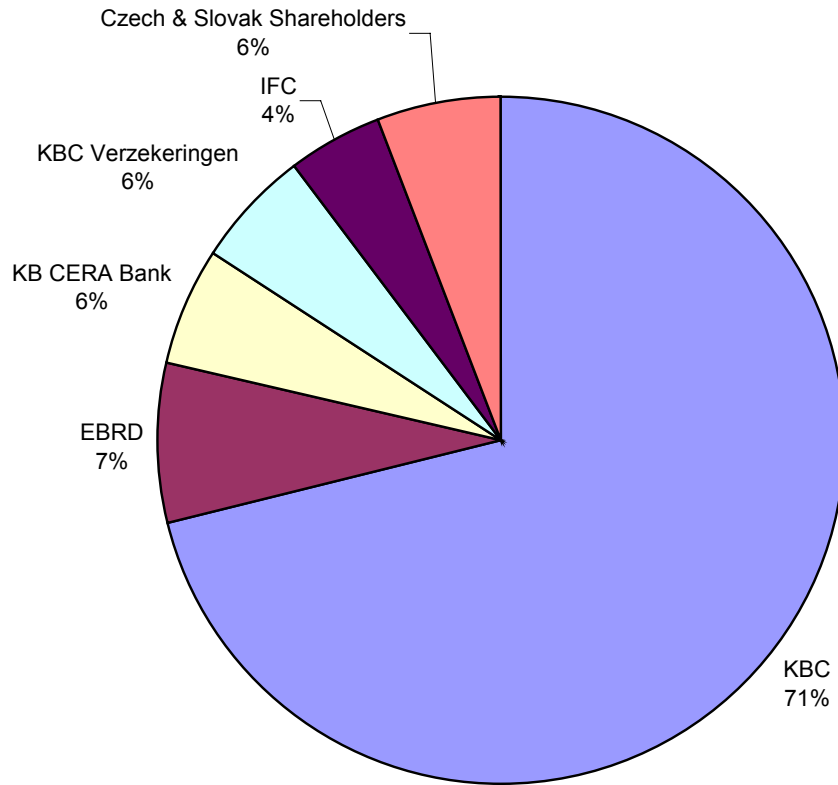
Source: Thomson Financial

Exhibit 2b
Main Subsidiaries of IPB, September 1998

Subsidiaries	Activity	% Held
Pojišťovna IB, a.s.	Insurance	100.0
Českomoravský penzijní fond, a.s.	Pension fund	100.0
Domeana, s.r.o.	Shares Management	100.0
IPB Leasing	Leasing	100.0
První investiční, a.s. (PIAS)	Investment Co.	81.3
Českomoravská hypoteční banka a.s.	Mortgage Bank	81.1
Tradeinvest, a.s.	Trading Company	72.3
Českomoravská stavební spořitelna	Building Society	55.0
IPB Real, a.s.	Property Service	51.0
První česko-ruská bank, s.r.o.	Banking (Russia)	51.0

Source: Company reports

Exhibit 3a
CSOB Shareholding Structure, September 1998



Source: Thomson Financial

Exhibit 3b
Financial Subsidiaries of CSOB, as of March 31, 2000

Subsidiary	Ownership	Activity
PHB, AG	100%	Banking
OB Leasing	100%	Leasing
O.B. Invest	100%	Fund Management
Finop Holding	84%	
Consilium, s.r.o	60%	Consulting
O.B. Heller, a.s.	50%	Factoring

Source: Thomson Financial

Exhibit 4a The Integration Team

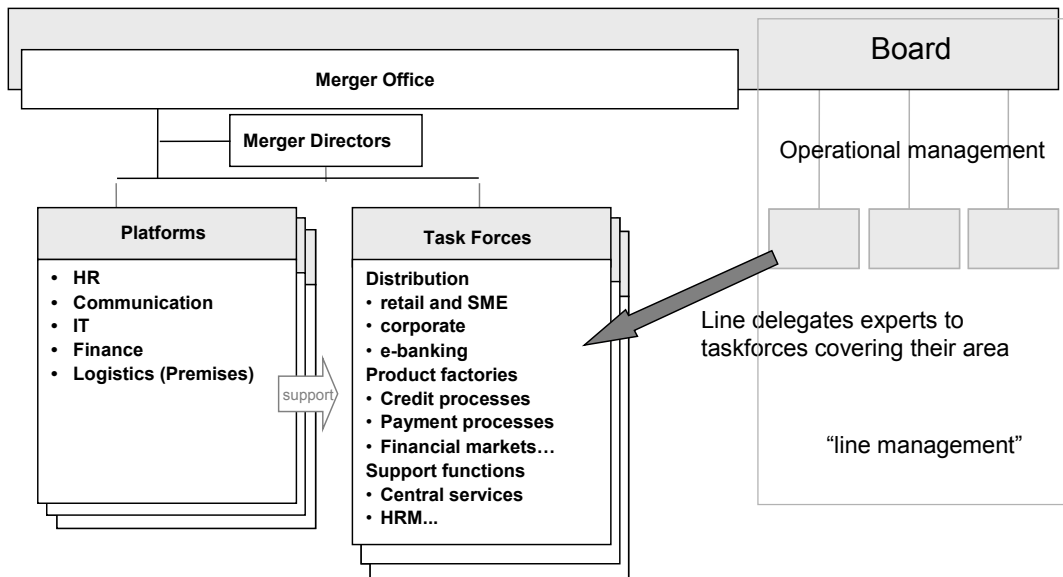
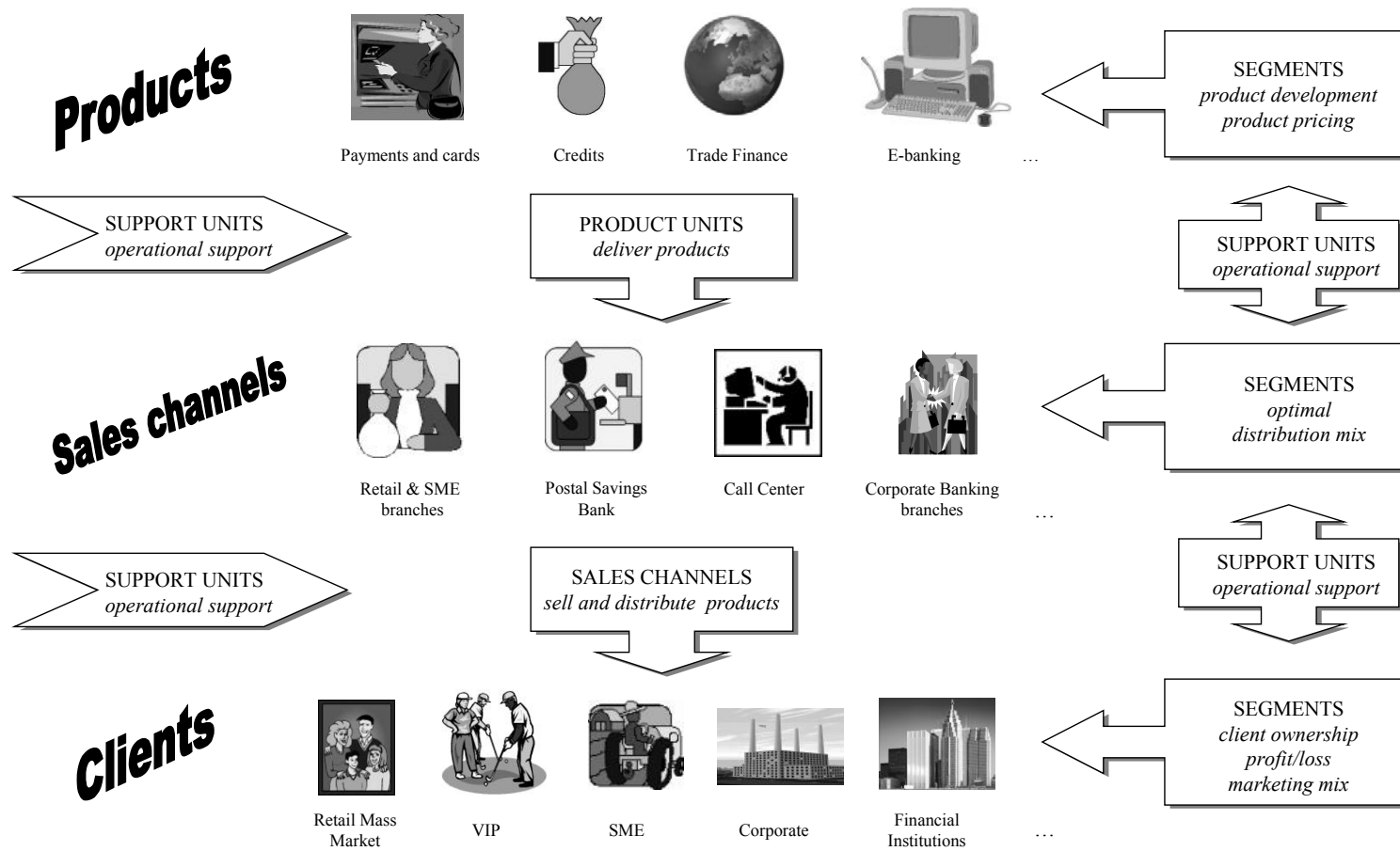


Exhibit 4b Roles and Responsibilities

Merger Office	Merger Directors	Task Forces/Project Teams	Platforms
<i>Leads the integration process</i>	<i>Drives the integration process. Staff to Integration Committee</i>	<i>Carry out the integration</i>	<i>Provide functional advice and support to Task Forces</i>
<p>Articulate the integration goals and principles</p> <p>Set boundaries, shape vision</p> <p>Approve integration process, team charters and targets</p> <p>Validate trade-offs, make compromises, enforce objectives, and review strategic choices as they emerge</p> <p>Discussion forum for tough decisions</p> <p>Monitor progress against plans and targets</p>	<p>Plan overall integration and develop targets</p> <p>Establish integration team structures and processes</p> <p>Draft charters for Task Forces/platforms</p> <p>Coordinate, track and monitor Task Force and Platform progress</p> <p>Provide guidance and support task forces</p> <p>Review Task Force and Platform output for consistency</p> <p>Set agendas for Integration Committee attention/decisions</p>	<p>Analyse integration issues applicable to the Task Force</p> <p>Set up individual project teams to design the integration at the operational level; prepare bottom up targets</p> <p>Develop options and determine preferred route</p> <p>Take decisions within authority. Seek Integration Committee approval for other decisions</p> <p>Plan and manage integration implementation</p>	<p>Develop guidelines and support for use by Task Forces</p> <ul style="list-style-type: none"> eg appointments process <p>Ensure consistency in recommendations of Task Forces where necessary</p> <p>Design and implement the functional integration</p>

Source: Company information

Exhibit 5 Business Architecture Map



Source: Company report

**Exhibit 6
Regional Structure**

PROS	CONS
Strategic and operational divisions are separate At the company level--interests of the organization, rather than individual division At the division level--interests of the regional business rather than product division	Economies of scale suffer due to duplication of support functions and product divisions
Transparency, divisions operate naturally as a profit/loss center	Risk is difficult to manage because profit/loss often occurs at reg. level
Business strategies are tailored based on regional differences	Knowledge sharing across regions between product divisions
Facilitates top management succession	Consistency of marketing campaign/brand image Consistency of product emphasis/strengths across regions

Source: Company information

**Exhibit 7
Divisional Structure**

PROS	CONS
Strikes balance between strategic and operational issues Each division can operate as profit/loss center	Transparency, difficult to allocate cost centers to product profit/loss
Facilitates a consistent approach across customers segments	Difficult to manage risk across geographic regions
Enables efficient learning and knowledge sharing	Low knowledge sharing across geographic regions
Effective control by top management	Cross-functional integration
Coordination of similar activities	Lack of cooperation among division heads leads to in-fighting
Enables economies of scale	Limited scope for decentralization

Source: Company information

**Exhibit 8
IPB and CSOB Culture Comparisons**

CSO's Culture	IP's Culture
Aggressive, dominant and authoritative	Less educated and less experienced
Function oriented	Process oriented
Conservative business approach	Personal interest pursuit
Rewards and promotions by achievement	Rewards and promotions on the basis of "knowing the right people"
Management by objectives	Management by procedures
Trust in People to do it right	Trust in Procedures
More responsibilities are given to front line managers	Important decisions are taken by top managers
Younger, more self driven managers, but high turn over	The employee long term career mentality prevail
Comply with international standards in know how, culture and language	Lacking speed
Good ideas	Too many standards imposed and procedure to follow
Stable Safe Sophisticated Modern, Sales driven	Aggressive and innovative
Formal Dress Code	Informal Dress code
Open Office Structure	Closed Door office structure
Well skilled employees, lots of training "I"	Less skilled employees, no training "We"
More competition between the departments	"Like a family, no problems"

Source: Company information