



# **ABN AMRO in the Volvo Ocean Race**

## **A Bank Learning to Sail as One Team**

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*This teaching case is solely to provide material for class discussion rather than to illustrate either effective or ineffective handling of a management situation.*

## Synopsis

On 12 November 2005, two state-of-the-art sailing boats, ABN AMRO ONE and ABN AMRO TWO, left Vigo, Spain, for Cape Town, South Africa in the prestigious Volvo Ocean Race (VOR), finishing 216 days and 31,250 nautical miles later in Gothenburg, Sweden.

This was the first time that ABN AMRO (AA) had participated in a global sporting event, let alone one with a worldwide client hospitality programme, including a huge traveling pavilion that attracted over a million spectators in nine countries. Furthermore, the bank took the decision not just to sponsor an existing sailing team, but also to participate in the race. Through an embedded organisation called ABN AMRO Brand & Sail Company (AABS), the bank organised two new sailing teams in-house, designed and built its own boats, and developed an extensive branding and marketing campaign.

AA used the race to promote its ‘one bank philosophy’ to existing and potential customers as well as employees of all its international branches. When moving towards that goal, however, AA encountered many obstacles. Daily marketing operations in particular were under stress. One could not help but wonder whether VOR was the best way to promote the ‘one bank philosophy’. How and to what extent did the VOR contribute to promoting the philosophy? Was it worthwhile establishing a separate company – AABS – to achieve such results? What alternatives might AA have explored?

## The One Bank Strategy

### One Bank

AA was a leading international bank whose Dutch origins dated back to 1824. Based on total assets, amounting to EUR 999 billion<sup>1</sup>, AA ranked 8<sup>th</sup> in Europe and 13<sup>th</sup> in the world and employed staff of over 110,000 full-time equivalents.

AA’s acquisition strategy has been the major driver to it becoming the major global player it is today, with subsidiaries in over 60 countries. AA had, in most countries, opted for a ‘*laissez-faire*’ approach with regard to most of the activities of the acquired subsidiaries. This approach appeared to work well. However, around the year 2000, negative media coverage increased as a consequence of the disappointing growth of earnings per share. Investment analysts argued that even though the internal organisational structure of AA and its international subsidiaries had been relatively homogeneous over time, AA had failed to invest in a cohesive global entity and was not reaping the benefits of the corresponding synergy-advantages.

The lack of synergy resulted in suboptimal value creation and a lower valuation per share. Between 2000 and 2002, AA held extensive discussions about how to improve the internal alignment of activities as well as its transparency to external stakeholders. A structural reorganisation accompanying this ‘one bank strategy’ was directed top-down to the Business Units (BUs) globally (see **Exhibit 1**). International integration also aimed to

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<sup>1</sup> As of September 2006

align the business culture among employees of the bank globally, which was expected to enhance employee performance and commitment to the bank's overall objectives. Being able to cooperate as one team at the group level constituted the basic idea behind this so-called 'one bank philosophy', which became one of the core elements of AA's business culture<sup>2</sup>.

## One Brand

In line with the one bank strategy, AA's managing board decided that the bank should reconsider its global brand positioning. In 2005, the brand ABN AMRO was estimated to account for 18.9 % of the total market capitalisation of AA, which meant that its brand value was more than US\$9 billion, underscoring the importance of professional brand management (see **Exhibit 2 and 3**).

At AA, the '*laissez-faire* strategy' had also been applied to the branding: after acquisitions, the bank's international branches kept their original names (La Salle, Banco Real, etc.) and overall customer interface. 'Our practice in most markets where we acquired local banks was to keep them unchanged. The logos represented traditions and positive reputations, based on a strong history in their markets. Such brands are valuable assets', the Global Brand director Bob Van Gessel explained.

Meanwhile, communicating uniformity to all customer segments, shareholders, and employees was considered very important: 'AA needed to be seen as an entity rather than some sort of broad investment fund and the lack of visible unity was seen as an important obstacle to the external communication of the one bank image', Bob said.

Early in 2003, AA decided to opt for 'the best of both worlds' by means of an 'endorsement campaign' to re-brand the relationship banking businesses. While retaining their brand names, subsidiaries' logos were changed to the AA shield, followed by the original name and the AA endorsement (see **Figure 1**).

**Figure 1: Endorsed branding**



## One Global Tagline

Taglines, the memorable phrases summing up the tone and premise of a brand, have become widespread in the financial sector. Global players such as UBS, USBC, Citibank, Deutsche Bank and Bank of America have all adopted this marketing trend.

After rigorous marketing research in all of AA's markets, 'Making More Possible' was put forward as AA's worldwide motto and was promoted intensively through television advertisements in English, Dutch, French, German and Portuguese<sup>3</sup>. This tagline

<sup>2</sup> ABN AMRO Holding N.V., 2005

<sup>3</sup> ABN AMRO Holding N.V., 2005

encapsulates the way AA works in close partnership with its customers to tackle challenges and achieve goals together. It also emphasises that AA is one group with the same business methodology and the same high quality of service all over the world, while internally it unites its staff and helps them focus on their common vision.

### The VOR as a Marketing Platform

Together with IMG, a media company specialising in sports and entertainment, AA’s sponsoring department analysed several sponsorship opportunities. Several events within football, sailing, golf, Formula One and tennis, as well as stand-alone events such as the Olympics, were evaluated. Finally, the VOR was identified as a strong marketing platform offering the most opportunities. The story of sailing is comparable to daily life at work: your performance is affected by your strategy, tactics, commitment and communication. The VOR fitted perfectly with AA’s brand values of integrity, professionalism, teamwork and respect, as well as fitting its (top-) clients profile<sup>4</sup>.

Comparison with other potential sponsorship events also favoured the VOR: It is one of the few team sports with a global appeal (besides Formula One and football). Furthermore, it has a unique brand positioning if compared to the Olympic Games, football World Cup or a Formula One team, where there is the presence of other brands; here you have your own boat(s), the exposure of the 9-month race period and full commercial control. On top of that, with stopovers planned in Rio de Janeiro, New York, Baltimore and Rotterdam, the VOR offers a perfect opportunity to engage local BUs, employees and customers in AA’s three most important markets<sup>5</sup>.

### Calculated Risk or Risky Business?

Even though the VOR was expected to provide an effective platform for the bank, the risks were not to be overlooked. First, the media success of the campaign would strongly depend on the performance of the team: losing the VOR was obviously not what AA intended to

**Figure 2: AA’s objectives to participate in the VOR**

- |                               |   |
|-------------------------------|---|
| 1. Brand exposure:            | remove conglomerate discount and convey one bank philosophy |
| 2. Employee perception:       | increase employee cohesion, motivation and involvement      |
| 3. Business unit involvement: | develop organisational synergy                              |
| 4. Customer satisfaction:     | increase client recognition and enforce AA community        |
| 5. Business Tracking:         | new business generation and portfolio enlargement]          |

be known for. Furthermore, even though AA had a long experience with sports sponsorships (e.g. being head sponsor of the football club Ajax and the AA Tennis Tournament), participation in the VOR would be nothing like AA had done before. It was

<sup>4</sup> Internal documentation of AA

<sup>5</sup> Internal documentation of AA

decided that to achieve the ambitious goals of the campaign (see **Figure 2**)<sup>6</sup> – the bank would have to become the ‘owner’ of the team, rather than just a sponsor.

On 11 March 2004, AA publicly announced its participation in the round-the-world sailing race. Tom de Swaan, one of the board members managing the race project, said: ‘We are an international bank with subsidiaries located in all continents the VOR calls at. This is one of the reasons we enter this race. We are convinced that the worldwide publicity will make this investment worth every penny. Banking is about taking calculated risks. This [is] also counts for a sailing race around the world’<sup>7</sup>.

## **Organising the Business of Sailing**

### **Organisational Structure<sup>8</sup> and Staffing**

A separate administrative organisation was created to organise the race: AABS would operate as a fully-owned subsidiary of AA, with the freedom of an autonomous company. It was determined to make not only the race a success but also to create a business enterprise (see **Exhibit 4**).

AABS consisted of around 110 employees, of which only 10 members came from within the bank. As a financial institution AA clearly lacked the know-how of ocean racing, so the large share of externally-hired people within the nautical side of AABS is hardly surprising.

The marketing programme also proved to be beyond the bank’s existing capabilities and expert consultants were attracted. It was easier to hire professionals from outside AA for contracting reasons: ‘One of the goals was to outsource to the max for AABS, because we didn’t want to carry the responsibility to find 100 people new jobs within AA once the project was finished. Also, since most employees had no clear view of what they could expect from the VOR or simply were not interested in participating in a two-year project, there was a reluctance to join the team’, Jan Berent Heukensfeldt Jansen, the director of AA’s VRO project, explained.

The high rate of externally-hired people who were unfamiliar with the overall practices and values of AA raised the question of whether they would actually be able to communicate the ‘one bank philosophy’ throughout the bank and the outside world. More critically, how would AABS meet the conditions of being taken seriously by the rest of the bank, especially the international BUs? To address this point, AA staff were placed in key positions for checks, balances and coordination. ‘We created a strong organisational structure and stayed in tight control. Doing so we were able to give all team members a lot of responsibility and freedom’, Jan Berent added.

### **The Nautical Side of AABS: Off the Beaten Track**

<sup>6</sup> Internal documentation of AA

<sup>7</sup> Telegraaf, 2004

<sup>8</sup> See also Clark and Wheelwright (1992) for a discussion on different organizational structures, and specifically their discussion of ‘heavyweight’ development teams for effective product and process development

As soon as the decision to participate in the VOR was taken, AABS's nautical side jump-started preparations, starting from scratch. The goal was attractively simple: winning the race.

AABS decided to hire the young and relatively unknown Argentinean boat designer Juan Kouyoumdjian to design a wholly new type of boat, an innovative design that redefined the technical state-of-the-art in sailing. The choice of skipper was Mike Sanderson, also a highly talented yet young and little-known professional, and the implicit choice not to opt for a world-famous skipper with the best track record exemplified AA's off-the-beaten-track strategy.

During the process of building the boat, the idea arose to build a second boat that, after rigorous testing of the first design, was expected to offer important improvements in terms of speed, durability, etc.. This would substantially increase the chances of winning the race. The world-class team under skipper Mike Sanderson would compete with the second-built boat that was now called the ABN AMRO ONE and was presumed to be the faster of the two. AABS decided that ABN AMRO TWO (the boat first built) should function as a vehicle for gaining media exposure and receiving sympathy through being the young underdogs of the race: a 'likeability strategy'. Through an 'Idols'-like selection campaign young talented sailors of different nationalities, representing the home countries of AA, were selected to form the crew of ABN AMRO TWO. This would keep the media within these countries interested and strengthen the image of AA as a provider of opportunities for young professionals. For example, in The Netherlands ABN AMRO TWO was associated with the career opportunities and tailored products that AA offered with its Young Professional package.

### **The Marketing Side of AABS**

AABS' main goal was to use the VOR as a platform to promote the 'one bank philosophy' both to AA employees and the general public in the main markets of AA. The internal and external branding campaigns were built on three main pillars: 'PR and communications', 'branding and merchandising' and 'events and hospitality' (see **Exhibit 5**). Subsidiaries, especially in Brazil and the USA, that had recently been 're-branded' as part of the endorsement campaign still had to get used to visibly carrying the name and being part of the AA family.

The VOR appeared to be an effective platform to promote this employee commitment: the idea of being part of a winning team was appealing, created team spirit, and boosted 'company pride'. In turn, bank-wide employee engagement with the VOR was also crucial to communicate the 'one bank philosophy' to the customers: 'You can't afford a client of the bank inquiring about the latest leg in the VOR, while the desk clerk uninterestedly shrugs his shoulders', Jan Berent explained. Getting the employees involved in the VOR was therefore strongly promoted through an elaborate internal branding and media campaign before and during the race. Jan Berent commented: "Given the business purpose of the race and the intrinsic uncertainties of sailing, you can't let the success of the internal marketing campaign depend on the success of the race. Quite practically, AABS had

invested Euro 4 million in merchandise. This had to be sold within the bank, regardless of the outcome of the race, to stay out of trouble! Thus, the marketing race had to be successful before the sailing race had even started.’

To promote *and preserve* enthusiasm for the nine-month VOR among its worldwide employees, AABS organised various activities, utilising all available communication systems. For example, the crew selection and the christening of ABN AMRO ONE on 17 January 2005 (ten months before the start) were broadcast on the intranet. The intranet was also used to provide employees with more information about the race commentary of the legs, news of upcoming events, specials about the crew, and more insight into the stopovers. Also, an interactive sailing game was developed that could be accessed by all employees via the intranet.

### **Stopover Events and Hospitality**

Between 12 November 2005 and 17 June 2006, the race covered 9 legs and made 10 stops including Vigo, Cape Town, Melbourne, Wellington, Rio de Janeiro, Baltimore, New York, Portsmouth, Rotterdam, and Gothenburg (see **Exhibit 6**). Client entertainment and hospitality activities were organised at the stopover locations, where the race boats finished a leg and started a new leg. At a number of stop-over locations, including the ports of AA’s main markets, Rio, Rotterdam and Baltimore, in-port races were organised that were followed by large numbers of spectators on the dockside. The AA pavilion – a large branded tent – was always prominently present and a lot of effort was put into promoting the visibility of the bank.

### **Media Campaign**

Being able to control the content of the media coverage about ABN AMRO ONE and TWO to a large extent was important to be able to accentuate the ‘one team’ philosophy and the values of the bank. Although achieving full control would be very difficult, the bank decided to organise a professional media team in-house that would create footage of the teams of ABN AMRO ONE and TWO.

By actively stimulating the local media to pay attention to the race, often through providing them with high-quality material, AABS managed to obtain the positive media exposure it hoped for. The media team would not only supply footage to local and international media agencies and television stations, but it would provide material to be used within the bank, including for the company website, intranet, and also for management training sessions. ‘It strengthened internal communication, motivated and mobilised employees and promoted company pride’, said the production manager, Yvo Janssen.

## **All Hands on Deck: at the Operational Level**

### **The Start**

The decision to participate in the VOR was taken in November 2003, two years before the start of the race. Within one year from the public announcement, at the beginning of 2004, AABS was established: the business case was formulated, and around a hundred dedicated professionals joined AABS. The sailing team enjoyed an absolute advantage in terms of preparation time and financial resources as compared to the opposing sailing teams in the race.

On the marketing side, the starting phase was characterised by a great deal of creative ‘intrapreneurial’ activity. Countless ideas were generated and projects formulated, and the Team AA members developed several products for the internal and external branding campaigns and operational plans. This creative surge came at a cost. At times the organisation could best be described as chaotic and key elements of the campaign were lagging behind schedule. Communication was hardly organised: every day managers from different BUs from Brazil to Cape Town were calling the AABS head office, thousands of emails piled up, and many questions could not be answered since AABS’ employees had lost any oversight of what was happening within the organisation.

It had also become clear that different types of skills were needed at different stages of the organisation lifecycle of AABS. This posed another challenge to the management, since having the right people in the wrong places and vice versa made it even more difficult to control the processes and outcomes of the team. The fact that the marketing side was lagging behind schedule also caused coordination problems with the nautical side of AABS.

### **Getting Organised**

At the beginning of 2005, it had become clear to the management of AABS that a number of the main targets of the marketing campaign were at risk and that urgent action was needed. AA was running the risk that it would win the nautical battle, while losing the marketing war.

In February Pauline van Esterik took over the lead of the marketing side. Her strong reputation as a skilled project manager from within the bank and as a person who loves to create order out of chaos seemed to provide a perfect fit with the situation. A major weakness she encountered was that it was unclear to the employees on the marketing side of AABS when the race might be called a success. As opposed to the nautical side of AABS, where winning the race was the clear goal and the operational agenda was pretty much ‘set’ from the start, the marketing team lacked both strategic focus and, largely as a result, clarity about which activities should be organised to make a success of the media campaign, the brand management projects, and the employee and hospitality programmes.

The business plan of May 2004 included clear financial targets for all elements of the race, but only limited operational guidance, especially for the marketing campaign. Translating the generic quantitative goals into an operational activity agenda was an important step which Pauline undertook, which resulted in a structurally layered agenda in which the activities for the different disciplines during the different phases of the race were outlined

in detail, covering the period from March 2005 (8 months before the start of the race) to October 2006 (well after the final leg).

Uncertainties about responsibilities among employees were also discussed and eliminated, so everybody had a shared goal of where to go and a clear agenda of what to do. Importantly, Key Performance Indicators (KPIs) for every three months were attached to the different activities within the different disciplines. The KPIs also specified the expected value creation of each of the activities. This allowed the managers as well as all team members to keep track of the performance of the campaign and make timely adjustments (see **Exhibit 7**).

Another important step was to organise professional training sessions to make AABS's employees aware of how their own cultural backgrounds differed from those of AA's employees in the international BUs. These sessions were necessary, since prejudices and communication problems within the team at times impeded constructive and effective cooperation. Also, solutions were sought for the employees who were not doing what they liked or who were underperforming.

### **During the Race: Day-to-day Management**

At the start of the first leg in Vigo on 12 November 2005, Team AA had already been on location for about a month. Even though on paper a clear trajectory had been made explicit, the daily operations were quite messy. The main reasons for this were that hardly anyone had prior knowledge about how to organise such an event in a foreign country and the fact that the exact responsibilities of the employees within the different disciplines still had to be settled.

The new operational strategy closely resembled a military approach. Pauline introduced daily morning meetings, to be punctually attended by all managers of the different disciplines. A daily agenda and tasks were delegated to the various disciplines. Apart from the activities that had to be carried out that day or that week, the morning sessions were utilised to prepare the stopover of the next destination.

Still, the organisation and coordination of the stopover events was a daunting task – the scheduling of activities was almost always last-minute and many purchasing decisions had to be taken ad hoc, sidestepping the regular procurement procedures of the bank, and resulting in hundreds of thousands of Euros of unnecessary costs.

The achievements of Team AA should not be played down, however. To organise successful stopovers at all ports, including top-class hospitality and visitor events for thousands of people, to maximise exposure through intensive management of the media, branding and merchandise, to handle the logistical and technical affairs, as well as to develop an impressive portfolio of employee engagement activities, all within two years time, can be seen as an impressive example of project management.

In retrospect, it is possible to distinguish an organisational life cycle with at least four different stages in the race, each with very different management challenges and characteristics (see **Figure 3**).

**Figure 3: AABS’s life-cycle**

	2003		2004				2005				2006					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	3 Nov ‘03: internal decision to participate in VOR				11 Nov ‘05: Start				17 June ‘06: Finish							
<b>AABS’s Marketing- Side</b>	<i>Phase 1:</i> Preparation; creative process				<i>Phase 2:</i> Getting organized				<i>Phase 3:</i> Day-to-day management				<i>Phase 4:</i> Evaluation			
<b>AABS’s Nautical- side</b>	<i>Phase 1:</i> Getting organized				<i>Phase 2:</i> Winning the race				<i>Phase 3:</i> Entering other racing competitions							

### The Final Leg

ABN AMRO ONE achieved overall race victory when it arrived in Gothenburg on 17 June 2006, with six offshore leg-wins out of nine, and five out of seven in-port race victories. It was one of the most outstanding performances in the history of the Volvo Ocean Race. ABN AMRO TWO finished in fourth place overall, and broke the world 24-hour speed record during the event. **Exhibit 8** contains a section of AA’s evaluation of the VOR.

On 18 October 2006, however, AA announced it would not participate in the next VOR of 2008 – a decision taken by the managing board. Apart from communicating that the main objectives had been met, the bank provided little detail about the reasons not to race in the VOR 2008. A Dutch newspaper<sup>9</sup> speculated that the departure of managing board member Dolf Collee – one of the driving forces behind the event - or the tragic accident in the race of Hans Horrevoets, a young sailor, as well as resistance among international subsidiaries, could be behind the decision. Whatever the reasons, as illustrated by shore director Tom Touber, lack of enthusiasm by the sailing team was clearly not a factor: ‘We’re obviously very disappointed. We had the best boat and a strong lead to the rest’<sup>10</sup>.

**Figure 4: Final Results**

Position	Team	Total points
1.	ABN AMRO ONE	96.0
2.	Pirates of the Caribbean	73.0
3.	Brazil 1	67.0
4.	ABN AMRO TWO	58.5
5.	Ericsson Racing Team	55.0
6.	Movistar	48.0
7.	Brunel	27.0

<sup>9</sup> De Telegraaf, January 16 2007

<sup>10</sup> NRC, October 19 2006.

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## Exhibit 1: The Renewal Journey of AA

### A Strategic Reflection

In 2001, AA changed its strategic focus from wholesale to the mid-market segment in both the private and business markets. This decision was taken at the corporate level. However, even though it was recognised by the board that AA would not be able to compete in the wholesale segment, the bank only gradually reduced its investments in this division, which, according to analysts, had depressed the performance of the bank.

To date, large-scale operations in the wholesale segment continued, despite the strategic intent disseminated by the bank to focus on the ‘sweet spot’. This had led to fierce criticism from investors and analysts, arguing that the bank left (too) much strategic decision authority to the separate BUs. AA had also opted for a ‘*laissez-faire* strategy’ towards the acquired international BUs. This loose governance structure enabled the BUs to be highly responsive to their own markets. Market-driven changes were made on an ad hoc and emergent basis without either top management or frontline managers actively and fundamentally altering the organisation’s processes. Even though the international BUs were performing well, shareholders demanded the synergies resulting from ‘parenting advantages’<sup>11</sup>.









Strategic renewal actions aimed at improving communication and cooperation between BUs and achieving learning effects and economies of scale, without compromising the local responsiveness of the BUs, were needed. However, these did not prove easy to achieve, especially in the short run. For example, as a result of institutional, cultural, demographic and legal factors, the demand for financial products is very country-specific, especially in the retail market. As a result, scale advantages at the product portfolio are difficult to achieve. Branding and cultural alignment were identified as areas where synergies could potentially create value and projects in these areas were initiated.

Large-scale organisational restructuring to improve efficiency constituted the bulk of the work, however. An important element was the implementation of a large offshoring programme in India, consolidating the supporting units of the bank and cutting service costs. Yet most of these reorganisations, like other large investments such as the take-over of Antonveneta, imposed high initial costs and took time to release value. As a result of these and other factors, AA’s performance had been lagging behind the industry average, and year after year the bank had failed to reach its goal to be among the top five of a group of 20 selected competitors. In February 2007, shareholder pressure mounted with a direct letter from hedge fund TCI to AA’s board, urging the company to split up: a unique event in financial business history. The fact that value creation was expected to be generated by splitting up (in other words: the sum of the parts is expected to be worth more than the whole) can be seen as a worrisome indication of the conglomerate discount continuing up to today.

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<sup>11</sup> See Goold *et al.* 1994.

## Exhibit 2: Brand Architecture<sup>12</sup>

	Monolithic	Endorsed	Pluralistic
<b>Definition</b>	One name and visual identity	Different brands are endorsed with a group name and visual identity	Different brands live side by side, unrelated to either each other or the group name and visual identity
<b>Example</b>		   	  
<b>Advantages</b>	<ul style="list-style-type: none"> <li>Clear and consistent</li> <li>Strong and memorable</li> <li>Equity transfer</li> <li>Economies of scale</li> </ul>	<ul style="list-style-type: none"> <li>Cohesive</li> <li>Mutually supportive</li> <li>Flexible</li> <li>Best of both worlds</li> </ul>	<ul style="list-style-type: none"> <li>Simple Consumer proposition</li> <li>Clear Individual Identity</li> <li>Defined Areas of Competence</li> <li>Creative Flexibility</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>Repetitive</li> <li>Unsubtle</li> <li>Inflexible</li> <li>Hard to segment</li> </ul>	<ul style="list-style-type: none"> <li>Potential confusion</li> <li>Requires strong parent equity</li> <li>Possible 'guilt by association'</li> <li>Duplicated cost</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerable to me-too's</li> <li>Lacks 'family' security</li> <li>Limits brand extension</li> <li>Fragmented cost</li> </ul>

Brand Architecture is the hierarchy within which corporate and sub-brands in a company's portfolio are related to each other, differentiated from each other and supported by each other. The characteristics shared by strong brands today are as follows:

- Clarity** The brands are each a single entity with a common vision, mission and set of values, which are distinctive and relevant, and which are recognised and understood by staff, the trade, the financial community, the media and the customers.
- Consistency** The brand adopts, embeds and manifests its values wherever it appears and in whatever form (from the visual identity and advertising to the way the phone is answered).
- Leadership** To achieve a truly global leadership status, the brand must lead and exceed expectations and take people into new territories and new areas of product and service.

<sup>12</sup> Source: Adapted from Brand-Finance, 2006: 12-13

**Exhibit 3: The Global Banking Brand Index (1-30)<sup>13</sup>**

Rank	Companies	Country	Brand value <sup>14</sup>	Market Cap <sup>15</sup>	Brand Value/Market Cap	Brand Rating <sup>16</sup>
1	Citi	US	35,148	245,512	14,3%	AAA-
2	HSBC	GB	33,495	181,703	18,4%	AAA
3	Bank of America	US	31,426	185,342	17,0%	AAA-
4	American Express	US	18,109	63,897	28,3%	AAA-
5	Santander Central Hispano	ES	17,063	N.A.	N.A.	AA-
6	UBS	SW	15,137	103,522	14,6%	AA-
7	Wells Fargo & CO	US	14,277	105,067	13,6%	AA
8	BNP Paribas	FR	12,278	67,796	18,1%	A
9	Barclays	GB	12,182	67,955	17,9%	A
10	Chase	US	12,083	N.A.	N.A.	AA-
11	Credit Suisse	US	11,519	61,851	18,6%	A-
12	ABN AMRO	NL	9,434	49,919	18,9%	AA-
13	Wachovia Corp	US	9,430	82,116	11,5%	AA-
14	Merrill Lynch	US	8,835	62,116	14,2%	A+
15	Morgan Stanley	US	8,732	60,012	14,6%	A
16	Goldman Sachs	US	8,712	59,263	14,7%	A+
17	Deutsche Bank	DE	8,240	53,605	15,4%	A-
18	Societe Generale	FR	7,856	53,300	14,7%	A-
19	BBVA	ES	7,553	60,507	12,5%	A+
20	JP Morgan	US	6,383	N.A.	N.A.	A
21	Lloyds TSB	GB	6,169	N.A.	N.A.	A+
22	Mizuho Financial	JP	6,090	95,242	6,4%	AA
23	Credit Agricole	FR	5,820	47,147	12,3%	A-
24	Natwest	GB	5,705	N.A.	N.A.	A
25	Capital One	US	5,701	25,877	22,0%	AA+
26	ING	NL	5,354	N.A.	N.A.	A+
27	National Australia Bank	AU	5,274	37,959	13,9%	BBB
28	Royal Bank of Scotland	GB	4,997	N.A.	N.A.	A
29	Halifax	GB	4,918	N.A.	N.A.	A+
30	Lehman Bros	US	4,424	34,785	12,7%	A+

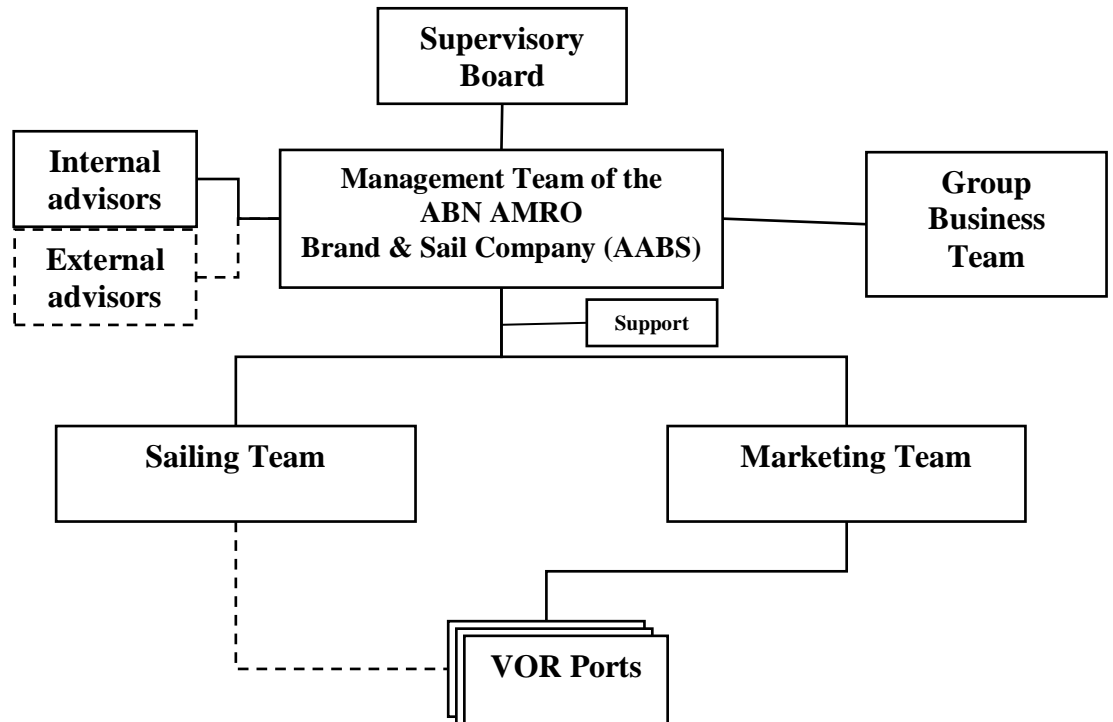
**Exhibit 4: Organisational Chart AABS<sup>17</sup>**

<sup>13</sup> Source: Source: Adapted from Brand-Finance, 2006: 7

<sup>14</sup> In million US Dollars, in 2005

<sup>15</sup> In Million US Dollars as at 31/12/05

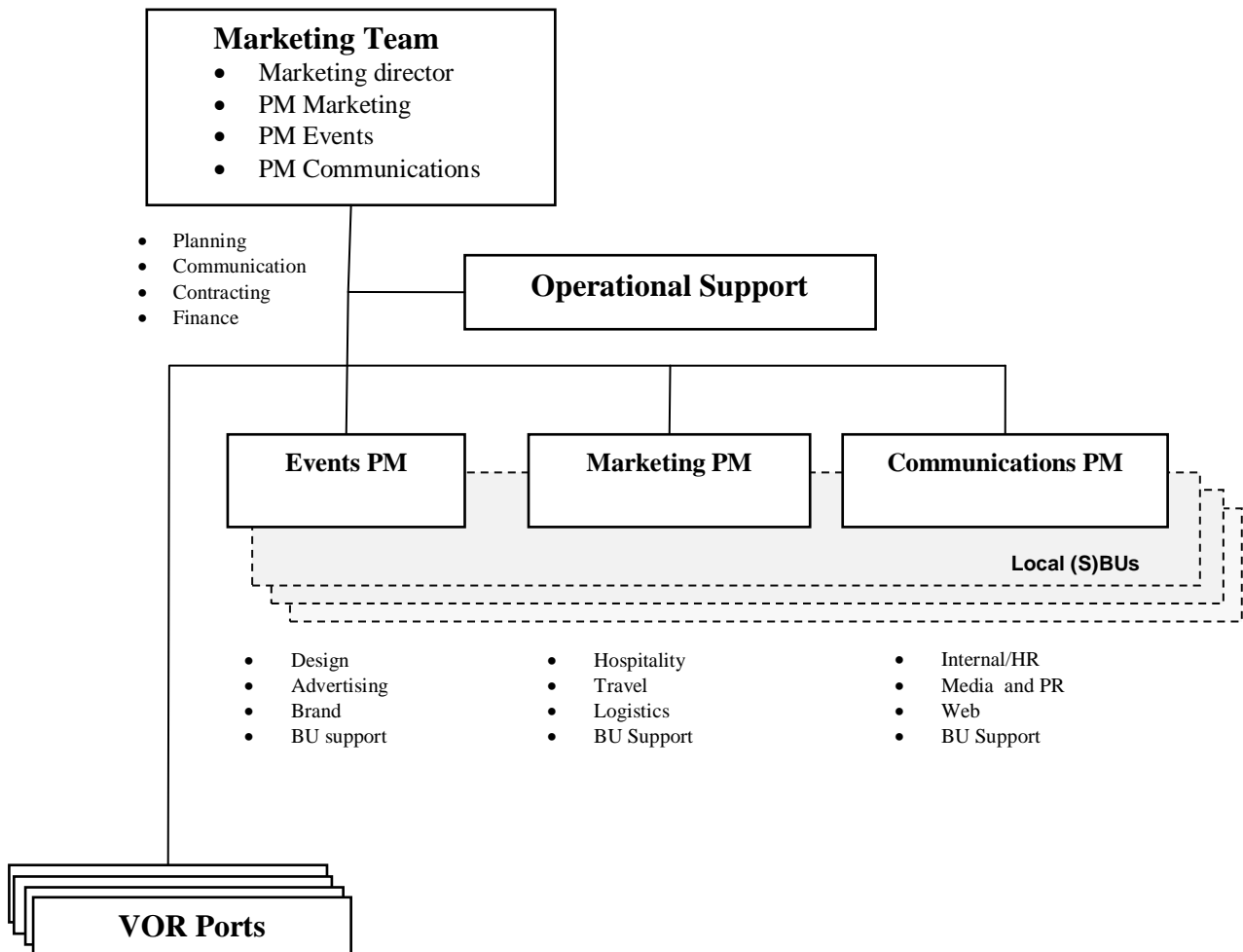
<sup>16</sup> Based on BrandBeta analysis; AAA = Extremely Strong; AA; Very Strong; A = Strong; BBB Average



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<sup>17</sup> Internal documentation

### Exhibit 5: Organisational Chart Marketing Team<sup>18</sup>



<sup>18</sup> Internal documentation

**Exhibit 6: Race Overview<sup>19</sup>**

	<b>LEG</b>	<b>DATE</b>	<b>DISTANCE</b>
	In-port race	05-Nov-05	
<b>VIGO</b>	Leg 1 START	12-Nov-05	Distance 6,400 nm
<b>CAPE TOWN</b>	Leg 1 FINISH	04-Dec-05	
	In-port race	26-Dec-05	
	Leg 2 START	02-Jan-06	Distance 6,100 nm
<b>MELBOURNE</b>	Leg 2 FINISH	19-Jan-06	
	In-port race	04-Feb-06	
	Leg 3 START	12-Feb-06	Distance 1,450 nm
<b>WELLINGTON (Pitstop)</b>	Leg 3 FINISH	17-Feb-06	
	Leg 4 START	19-Feb-06	Distance 6,700 nm
<b>RIO DE JANEIRO</b>	Leg 4 FINISH	13-Mar-06	
	In-port race	25-Mar-06	
	Leg 5 START	02-Apr-06	Distance 5,000 nm
<b>BALTIMORE/ANNAPOLIS</b>	Leg 5 FINISH	20-Apr-06	
	In-port race	29-Apr-06	
	Leg 6 START	07-May-06	Distance 400 nm
<b>NEW YORK (Pitstop)</b>	Leg 6 FINISH	09-May-06	
	Leg 7 START	11-May-06	Distance 3,200 nm
<b>PORTSMOUTH</b>	Leg 7 FINISH	23-May-06	
	In-port race	29-May-06	
	Leg 8 START	03-Jun-06	Distance 1,500 nm
<b>ROTTERDAM</b>	Leg 8 FINISH	09-Jun-06	
	In-port race	11-Jun-06	
	Leg 9 START	15-Jun-06	Distance 500 nm
<b>GOTHENBURG</b>	Leg 9 FINISH	17-Jun-06	

<sup>19</sup> Internal documentation

**Exhibit 6: Race Overview<sup>20</sup> (continued)**

<b>IN-PORT RACES</b>	<b>DATE</b>
SANXENXO (GALICIA)	5-Nov-05
CAPE TOWN (SOUTH AFRICA)	26-Dec-05
MELBOURNE (AUSTRALIA)	4-Feb-06
RIO DE JANEIRO (BRAZIL)	25-Mar-06
BALITMORE/ANNAPOLIS (USA)	29-Apr-06
PORTSMOUTH (UK)	29-May-06
ROTTERDAM (NED)	11-Jun-06
<b>SCORING GATES</b>	
Archipelago of Fernando de Noroña	LEG 1
Kerguelen and Eclipse Islands	LEG 2
Cape Horn	LEG 4
Archipelago of Fernando de Noronha	LEG 5
Lizard Point	LEG 7

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<sup>20</sup> Internal documentation

**Exhibit 7: Project plans top sheet<sup>21</sup>**

Objectives	<u><b>A. Win the race</b></u>	<u><b>B. Build equity of the ABN AMRO brand internationally in association with the corporate centre</b></u>	<u><b>C. Create effective marketing platforms to enable BUs to hit business and brand targets</b></u>	<u><b>D. Involve, inspire and influence the behavior of employees</b></u>	<u><b>E. Create a cohesive marketing team – focused and efficient delivering results on budget and on time</b></u>	
<b>Core Projects</b>	<p><b>A1. Sailing preparation</b></p> <ul style="list-style-type: none"> <li>· Maintain momentum, focus and progress of sailing team</li> </ul>	<p><b>B1. Develop corporate brand personality</b></p> <ul style="list-style-type: none"> <li>- brand theme</li> <li>- brand characteristics</li> <li>- tone-of-voice</li> </ul> <p>Develop corporate brand campaign to unify the bank behind one shield</p> <ul style="list-style-type: none"> <li>- corporate branding initiatives (guidelines, merchandise, signage)</li> <li>- corporate above-the-line campaign</li> </ul> <p>Ongoing communications/ servicing of corporate centre</p>	<p><b>C1. Secure total BU involvement and activation</b></p> <ul style="list-style-type: none"> <li>· Internal marketing plan</li> <li>· Develop campaign planner tool-kit built on base campaign and 8 campaign modules (below-the-line campaigns and product development)</li> <li>· Develop BU activation plans/management of campaign modules</li> <li>· Ongoing communications/ servicing of BUs</li> </ul>	<p><b>D1. Employee communications</b></p> <ul style="list-style-type: none"> <li>· Mapping network and channels</li> <li>· Develop corporate initiative</li> <li>· Producing and selling in BU initiatives as part of toolkit</li> <li>· Servicing content needs, push and pull</li> </ul>	<p><b>E1. Personal/ team development</b></p> <ul style="list-style-type: none"> <li>· Setting goals</li> <li>· Creating environment</li> <li>· Develop office signing toolkit</li> <li>· Building the team spirit</li> </ul>	
	<p><b>A2. Adding value to the sailing team</b></p> <ul style="list-style-type: none"> <li>· Create a high performance environment; train the team to new levels; teach new skills</li> <li>· Create a team-ship philosophy and rules</li> </ul>	<p><b>B2. Centralised media plan</b></p> <ul style="list-style-type: none"> <li>· Create efficient content team and distribution network</li> <li>· Create and execute corporate PR plan</li> <li>· Develop AABS website as an instrument of information and distribution to several levels (general public, employees and press)</li> <li>· Cooperate closely with Volvo media service (TV, radio, web, print) as a source and as supplier</li> </ul>	<p><b>C2. Local market media</b></p> <ul style="list-style-type: none"> <li>· Integration of central and local teams, closely cooperating; facilitating, directing the local teams in concordance with the central goals</li> <li>· Identifying and establishing key partners/ developing a BU media plan for inclusion within campaign planner tool-kit</li> <li>· Developing and delivering content, in white label and in specialised form</li> </ul>	<p><b>D2. Corporate Lessons</b></p> <ul style="list-style-type: none"> <li>· Identifying AABS legacy and briefing team</li> <li>· Producing specific content</li> </ul>	<p><b>E2. Operational management</b></p> <ul style="list-style-type: none"> <li>· Management, communication logistics across all internal and external specialist groups and partners i.e. tax, legal.</li> </ul>	

<sup>21</sup> Internal documentation

	<p><b>A3. Partner programmes</b></p> <ul style="list-style-type: none"> <li>· Build strong working relationships with all key internal and external partners</li> </ul>	<p><b>B.3. Corporate events plan</b></p> <ul style="list-style-type: none"> <li>· Develop VVIP events calendar for key stakeholders pre, during and post race</li> </ul>	<p><b>C3. Port activation</b></p> <p>Hospitality: creation and delivery of gold, silver and bronze packages for inclusion within campaign planner tool-kit</p> <ul style="list-style-type: none"> <li>· AA branding and presence marketing</li> </ul>		<p><b>E3. Budget</b></p> <ul style="list-style-type: none"> <li>· Budget management, process and control</li> </ul>	
	<p><b>A4. Secure co-sponsorship</b></p> <ul style="list-style-type: none"> <li>· Delivery of value and building relationships with partners/ sponsors</li> </ul>		<p><b>C4. Lead Generation</b></p> <ul style="list-style-type: none"> <li>· Identifying sales targets from within sailing community</li> </ul>		<p><b>E4. Measurement and Evaluation</b></p> <ul style="list-style-type: none"> <li>· Develop research plan and implement it</li> <li>· Assist BUs in development of their own research needs</li> </ul>	
					<p><b>E5. Project planning and process</b></p> <ul style="list-style-type: none"> <li>· Planning &amp; traffic</li> <li>· Activities alignment with wet/dry/shore/marketing</li> <li>· Central receiving/filing point for all documentation</li> <li>· Manager team space</li> </ul>	
<p><b><u>Jan Berent Heukensfeldt Jansen</u></b></p>	<p><b><u>Pauline van Esterik (Base campaign 4)</u></b></p>	<p><b><u>Philippe (Base campaign 2)</u></b></p>	<p><b><u>Chantal van Sparrentak (Overall campaign)</u></b></p>	<p><b><u>Frank During (Base campaign 3)</u></b></p>	<p><b><u>Sijmen de Hoogh (Base campaign 1)</u></b></p>	<p><b><u>Sandor Brouwer</u></b></p>
<p>A1. Sailing preparation A2. Adding value to the sailing team A3. Partner programmes C4. Lead Generation</p>	<p>C1 Secure total BU Involvement and Activation D1 Employee Communications D2 Corporate lessons E1 Personal/ Team Development E4 Measurement and evaluation</p>	<p>B2 Centralised media Plan C2 Local market media D2. (part) Servicing content needs D2. (part) Producing specific content for corporate lessons</p>	<p>E5 Project planning and process e.g. Project office</p>	<p>B1 Create a brand campaign C1 (part) Produce campaign planner Toolkit; Ongoing communications/ Servicing; C3 (part) AA branding and presence marketing D1 (part) Producing and selling in BU initiatives as part of toolkit</p>	<p>B1 Create a brand campaign C1 (part) Produce campaign planner Toolkit; Ongoing communications/ Servicing; C3 (part) AA branding and presence marketing D1 (part) Producing and selling in BU initiatives as part of toolkit</p>	<p>A4. Secure co-sponsorship E2 Operations E3 Budget</p>

### Exhibit 8.1: Media exposure<sup>22</sup>

Before the start of the 2005/2006 Volvo Ocean Race a target of €60.6 million of media exposure was set for TEAM ABN AMRO's participation. This target was based upon the media returns generated by the winning boat from the last race, Illbruck, and to reflect the fact that ABN AMRO had entered two boats.

Exposure		Value	
<b>Television</b>	Pre-race	€ 31,172	€ 37,355,660
	During-race	€ 37,324,488	
<b>Press</b>	Pre-race	€ 643,222	€ 12,242,771
	During-race	€ 11,599,549	
	US Web value	€ 9,425,050	
<b>Web</b>	Volvoceanrace.com	€ 1,339,391	€ 10,963,586
	Teamabnamro.com	€ 199,145	
	Database value	€ 16,802	
<b>Various</b>	Ambient value	€ 82,254	€ 1,420,874
	Mobile	€ 143,656	
	Radio	€ 1,178,162	
<b>Total TEAM ABN AMRO Media Value</b>			<b>€ 61,982,891</b>

<sup>22</sup> Source: Internal documentation

## Exhibit 8.2: Brand Equity Analysis<sup>23</sup>

Brand research was conducted in two waves in two markets – Brazil and Chicago – and in four waves in the Netherlands. The first wave in each market was conducted prior to each stopover and set a benchmark. The full effect of the impact on the brand was determined when the boats had visited the markets.

### Sample

#### Netherlands:

Fieldwork: continuously week 1 – week 52, Online from capi@home panel TNS Nipo.

The Analysis in Holland took over four waves on a quarterly basis.

Three waves were complete. Results were compared with Q1, 2006. Significant changes were mentioned.

n=1,187, representative of Dutch population.

Among these:

n=344 customers

n=207 primary customers (those who considered ABN AMRO their most important bank)

n=313 primary target group (20-49 years, social class A/B1)

#### Brazil:

1600 CATI Interviews (telephone) targeting banking customers, of which 20% were Banco Real clients belonging to classes AB, from between ages 18 and 70 years old; Male and Female; Class: A1, A2, B1 and B2 with (individual) income higher than R\$2.500,00.

The study was divided in two waves as follows:

1st wave sample = 800 (December 2005)

2nd Wave Sample = 800 (March 2006)

#### Chicago:

Online interviews were conducted in two waves among consumers in the Chicago metropolitan area:

Wave One: Between 15 December – 22 December 2005 (post- 1st Leg)

A total of 507 interviews were completed

113 respondents reported LaSalle is their primary bank

Wave Two: Between 27 May – 12 June 2006 (post- 6th Leg to US)

A total of 501 interviews were completed

113 respondents reported LaSalle is their primary bank

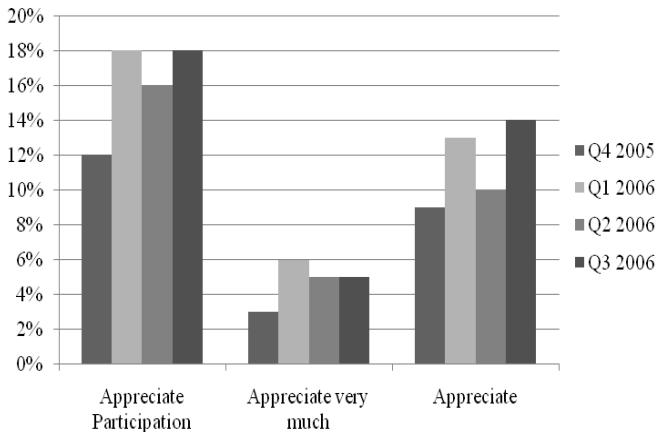
Consumers selected: Adults; P18+; Household income \$50,000+

### Results Netherlands and Brazil

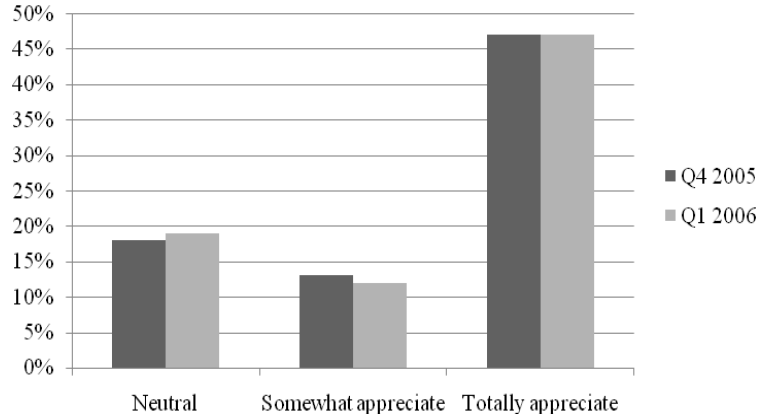


<sup>23</sup> Source: Internal documentation

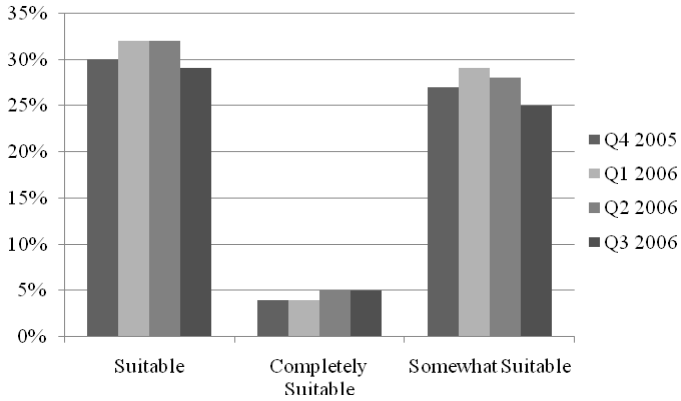
Netherlands: Appreciation AA's participation in VOR



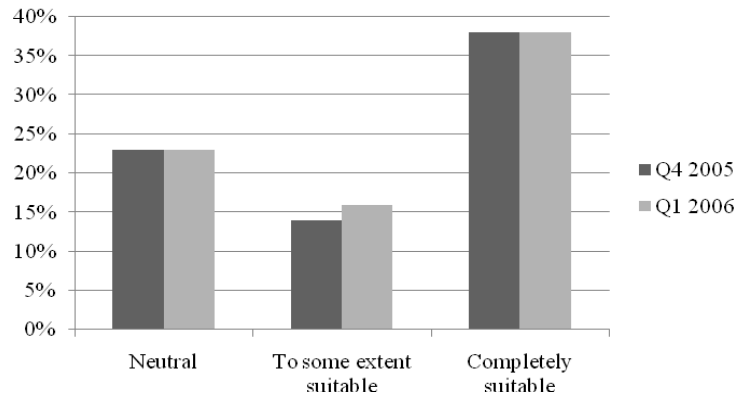
Brazil: Appreciation AA's participation in VOR



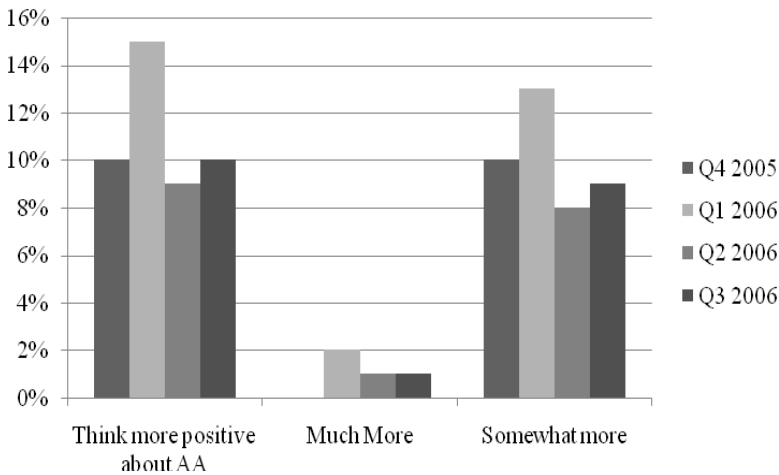
Netherlands: Sponsorship Suitability



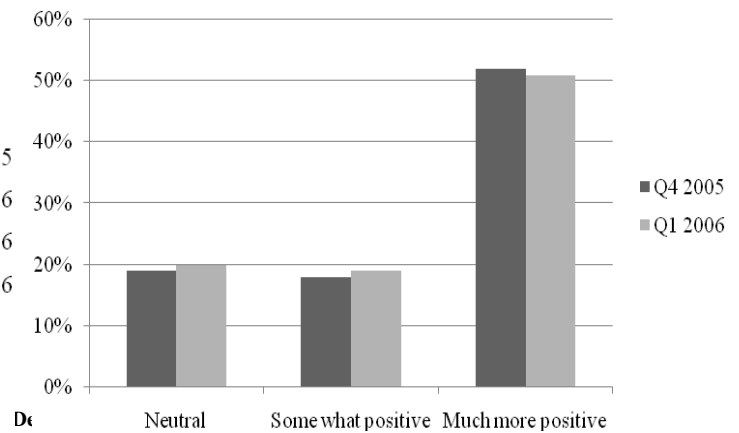
Brazil: Sponsorship Suitability



Netherlands: Effect of Sponsorship



Brazil: Effects of sponsorship



### **Results Chicago**

- Awareness of the Volvo Ocean Race (VOR) in Chicago declined between December '05 and May 06 survey waves among sailing fans, for whom the race was 'vaguely known' (25% vs 12%) rather than among fans for whom race was 'well known' (9% vs 6%).
- Among respondents aware of the race, the percent following it 'often' also declined from December '05 to May '06 (9% vs 1%).
- The VOR appeal was unchanged between December and May, with continued greater appeal among LaSalle customers and sailing fans than among the total sample.
- While aided awareness of ABN AMRO's participation in the VOR remained relatively low in Chicago (3%), LaSalle customers and sailing fans continued to have a positive view toward ABN AMRO's involvement in the VOR.
- In Chicago, awareness of LaSalle sponsorships continued to be much higher than awareness of ABN AMRO sponsorships.
- Awareness of ABN AMRO's participation in the Volvo Ocean Race in the Chicago area was comparatively low due to the fact that the route took the race mainly outside the US and when in the US, it was along the East Coast – Baltimore and New York, which are outside the LaSalle Bank customer base.

### Exhibit 9.3: Employees' perception<sup>24</sup>

An online questionnaire was sent in 7 waves to a selection (1/7 per unit) of email addresses of employees of the ABN AMRO Group, in which each employee participated only once.

Wave 1	July 2004
Wave 2	October 2004
Wave 3	February 2005
Wave 4	July 2005
Wave 5	December 2005
Wave 6	April 2005
Wave 7	July 2005

#### Interest

- 74% (up slightly from 72% in Wave 6) wished to be informed about future developments regarding the participation in the Volvo Ocean Race, which was still much more than previous wave results of around 55% of all employees, and 43% of employees (up from 37% last wave) actively followed news on the race.
- Since the Volvo Ocean Race started, more employees had followed the news: in wave 6 37% of the employees followed 'somewhat' to 'intensively' the news about the Volvo Ocean Race since being aware of ABN AMRO's participation, now this was 43% (only 33% in wave 5 and 18% in wave 4).
- BU Latin America (58%) and BU Global Clients (44%) wanted to be informed more than other units. In the previous wave BU Asia had a high percentage that wanted to be informed about the race. However, this decreased dramatically to 37%, the second lowest percentage recorded.
- As in all other waves, Intranet (rather than the website) was the most important source of information about ABN AMRO's participation in the Volvo Ocean Race (78%), followed by the internal magazine (58%). However, as in wave 6, an exception must be made for BU Netherlands, whose main source of information was television (79%), with Intranet mentioned 2<sup>nd</sup> most important (75%).
- The number of employees that had been approached or had been asked questions by people outside the bank regarding ABN AMRO's participation in the Volvo Ocean Race was still increasing. In July 2005 (before the race started) 12% of employees were approached by people outside the bank, in December 2005 (after the race had started) this was 32% and in wave 6 this increased to 40%. Now this increased to 46%, an excellent result versus last July.

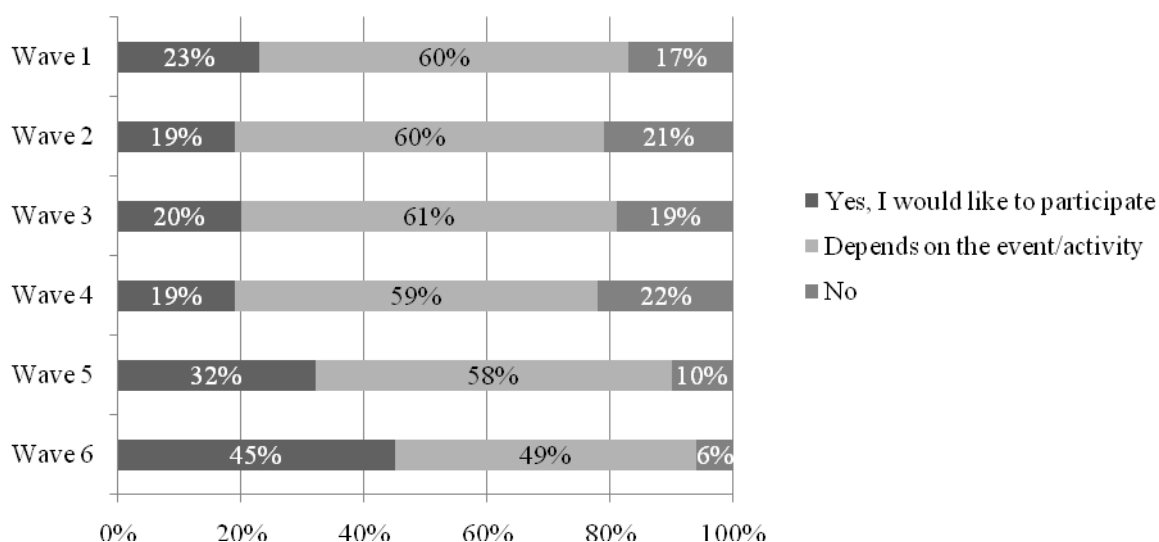
#### Employees' involvement

- 52% of all employees (who were aware of the Volvo Ocean Race) were aware of events or activities related to the Volvo Ocean Race (compared to 43% in April), whilst only 46% of them had actually participated in these events or activities. This was a bit less than in wave 6, in which 52% actually participated in events or activities.
- Compared to other BU's, awareness of activities was rather low in BU North America (38%) and BU Latin America (40%). In BU Netherlands, participation in events or activities was lower than in other BU's, with only 29% of those aware of activities admitting they had participated in any events or activities.
- One of the activities ABN AMRO organised was Sail2Win, a game launched in November 2005 which could be played throughout the Volvo Ocean Race. 30% of all employees who were aware of the race said they had never heard of this game before and only 5% played the game in every leg. 51% of all employees that played the game rated it good/very good, whilst 15% rated it bad/very bad.
- Most employees were very proud of working for ABN AMRO. Employees of BU Latin America were by far the proudest (93%), as in wave 6. As in April, the majority of BU Latin America thought that ABN AMRO was a united group (59%), although this was less than in wave 6. BU Asia was also rather positive (58%).

<sup>24</sup> Internal documentation; research conducted by Motivaction, an company specialized in research and strategy

- Since the Volvo Ocean Race started, more and more employees had become interested in participating (again) in activities related to the race. However, compared to wave 6, less were now interested in participating (again) and the figure decreased significantly to 30%, compared to 45% in wave 6 and 32% in wave 5.
- Employees in BU Latin America were more positive about participating in events or activities than employees in other BU's (44% indicate they want to participate), however, they were far less positive than they were in April of this year (when this was 70%).
- 11% of all employees was involved in a project related to the Volvo Ocean Race as part of a day job (this was about the same as in the previous waves, rising by 2% since wave 6).

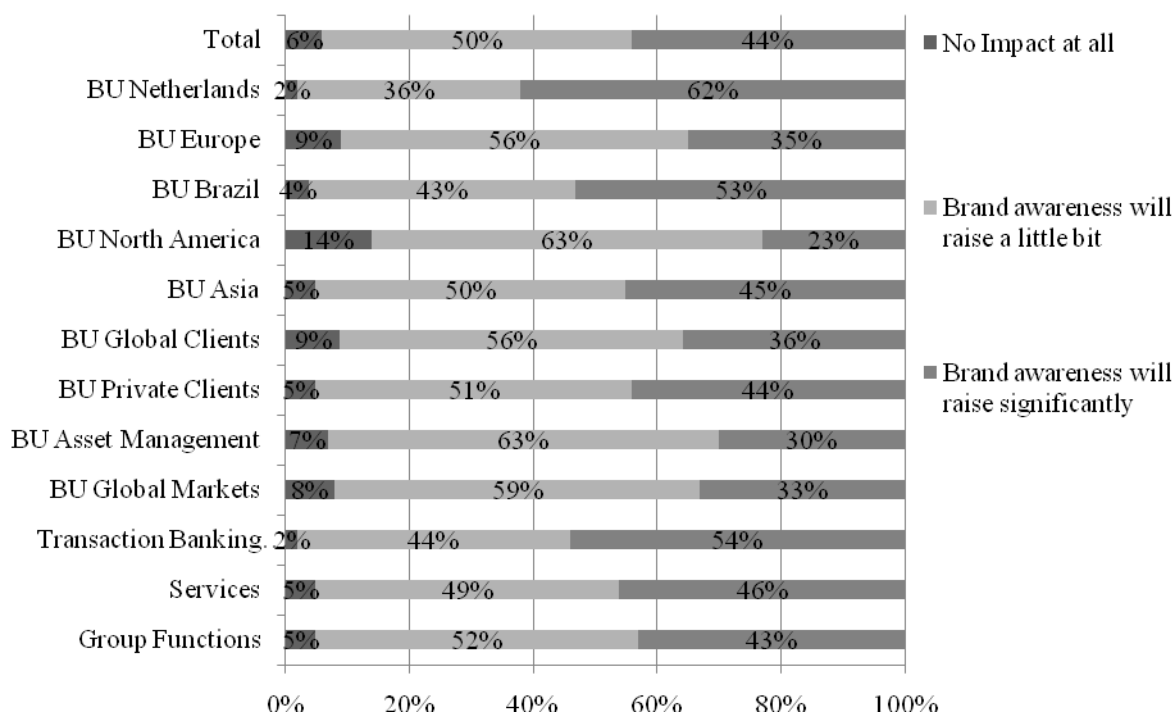
### Participation in future VOR-related activities



### Impact on the brand

46% of employees believed the race would significantly raise brand awareness. This increased from 43% in April, 35% in December 2005 and 20% in July 2005 before the race started. BU Netherlands were most confident that the race would significantly raise brand awareness (62%). As in wave 6, 63% (up from 55% in Wave 5) believed the race accurately reflected 'teamwork' and 49% (up from 46%) professionalism. Targets were set at 90% and these would not be reached but there had been a continual positive trend throughout the race.

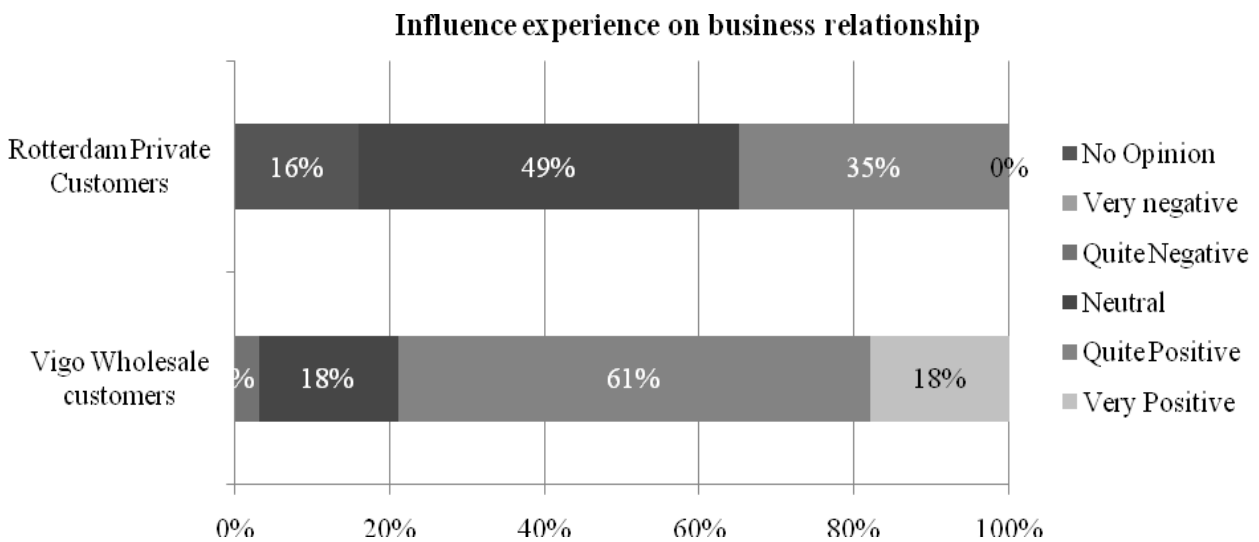
### Impact on the brand



### Exhibit 8.4: Hospitality Evaluation<sup>25</sup>

Research was undertaken among the customers attending the hospitality events held in Vigo (wholesale customers) and Rotterdam (private customers).

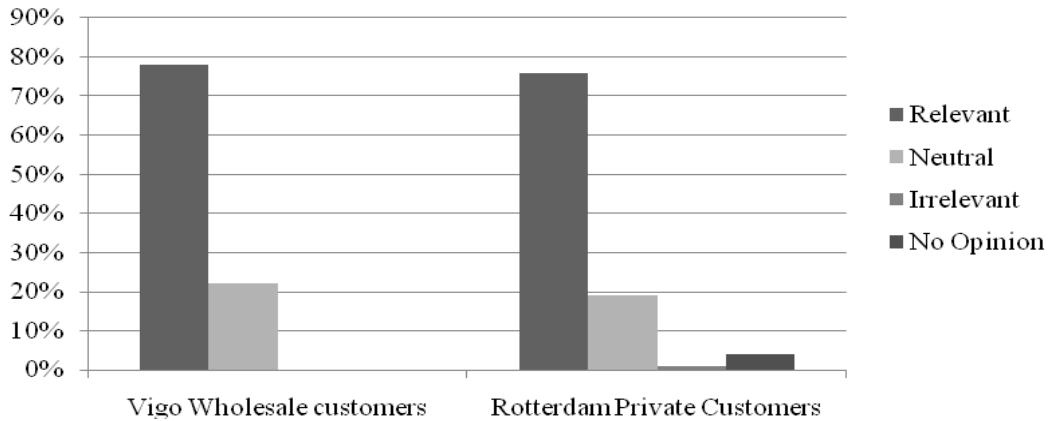
#### Results



<sup>25</sup> Internal documentation

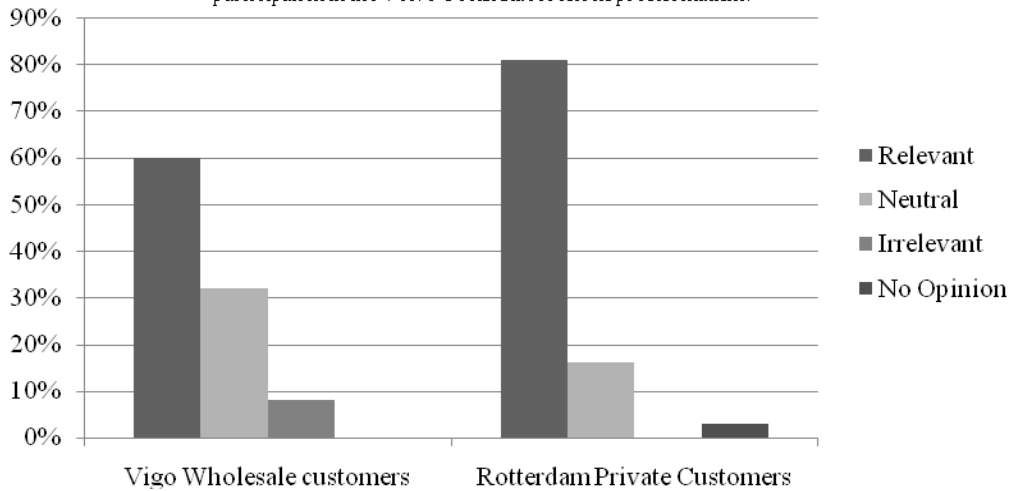
### Reflection teamwork in VOR participation

'From what you have experienced, to what extent do you believe that ABN AMRO's participation in the Volvo Ocean Race reflects Teamwork?'



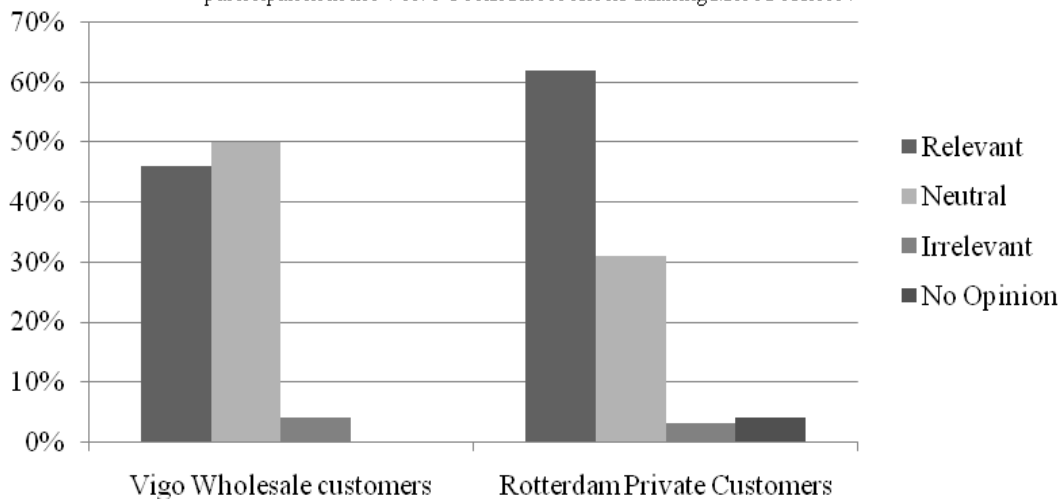
### Reflection professionalism in VOR participation

'From what you have experienced, to what extent do you believe that ABN AMRO's participation in the Volvo Ocean Race reflects professionalism?'



### Reflection 'Making More Possible' in VOR participation

'From what you have experienced, to what extent do you believe that ABN AMRO's participation in the Volvo Ocean Race reflects 'Making More Possible'?'



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**About Rotterdam School of Management (RSM)**

A top international business school, RSM has an innovative, interdisciplinary, global research program aimed at real-world application.