

Centres of Excellence Club Communities of Practice



Schedule for the event



09:30 Arrival and networking

10:00 A welcome from our hosts

10:30 Explaining 'Communities of Practice'

11:15 Coffee, connect and catch-up

11:45 Expert Q&A

12:45 Food for thought – grab some lunch!

1:45 Afternoon breakout sessions

3:00 Guest speaker

3:45 Round up of insights gathered

4:30 Finish and networking

Centres of Excellence Club
Welcome from our hosts



An introduction to Close Brothers

Andy McCallister
Banking Group Head of Change

Close Brothers Group - Who we are

1



History

Established in 1878, we provide financial support and advice to small businesses and individuals in the UK & ROI

2



Overview

A leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading

3



Ownership

A FTSE250 company, listed on the London Stock Exchange

4



People

Over 3700 employees spread across over 50 offices throughout the UK, Ireland and Germany

5



Products

Diverse company with a portfolio of specialist businesses covering a wide range of markets and industries

6



Our values

Service, expertise and relationships alongside teamwork, integrity and prudence, to help the people and business of Britain thrive over the long term

Our 2027 Vision

Our 2027 Vision

The first choice specialist banking group

What we do

Provide market-leading expertise in specialist areas

Use insights to provide a premium level of client service

Be prudent and conservative in our approach

Deliver disciplined growth and strong returns to our investors

Our purpose is central to all we do, it is our North Star

Our purpose

To help the people and businesses of Britain thrive over the long term

The founder's mindset will drive our ambition and reinforce our culture

People & culture

An employer of choice with a diverse and inclusive workforce

A growth-focused mindset

We learn from our successes and failures

Empowered to make informed decisions quickly and efficiently

Behaviours we encourage

Always do what is right for our customers and put them first

Focus on our priorities and cost effective delivery

Collaborate effectively across our businesses

Support a growth-orientated, proportionate attitude to risk

We will leverage the best tools, processes and systems

The tools we use

Common tools and services across the businesses

Modern data and technology capability

Our API led approach enables a seamless, frictionless journey for our customers

Data driven insight available on demand

All of which will lead towards positive outcomes

Optimal outcomes

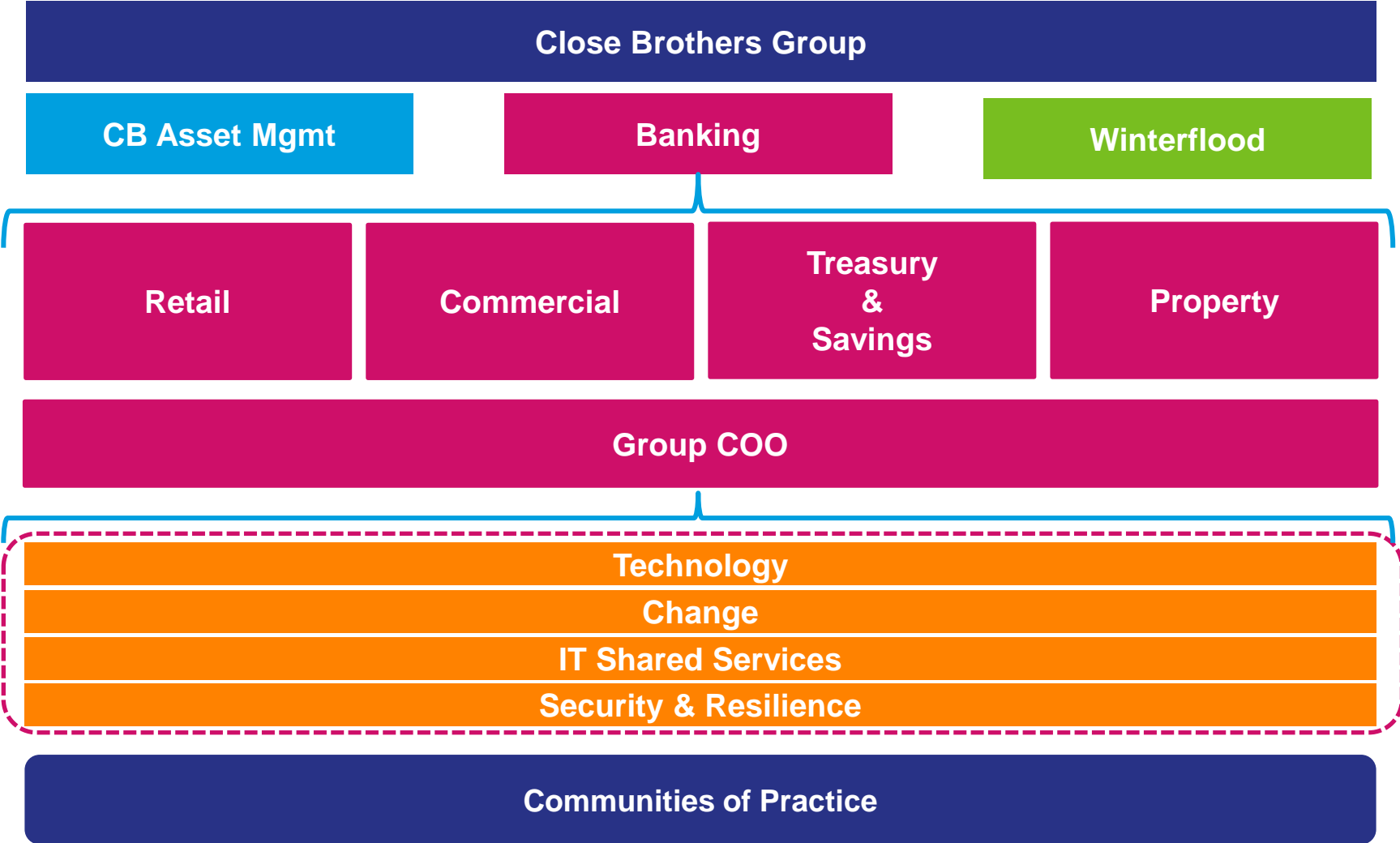
High quality service with a great end-to-end experience

Trust in us to deliver certainty through uncertain times

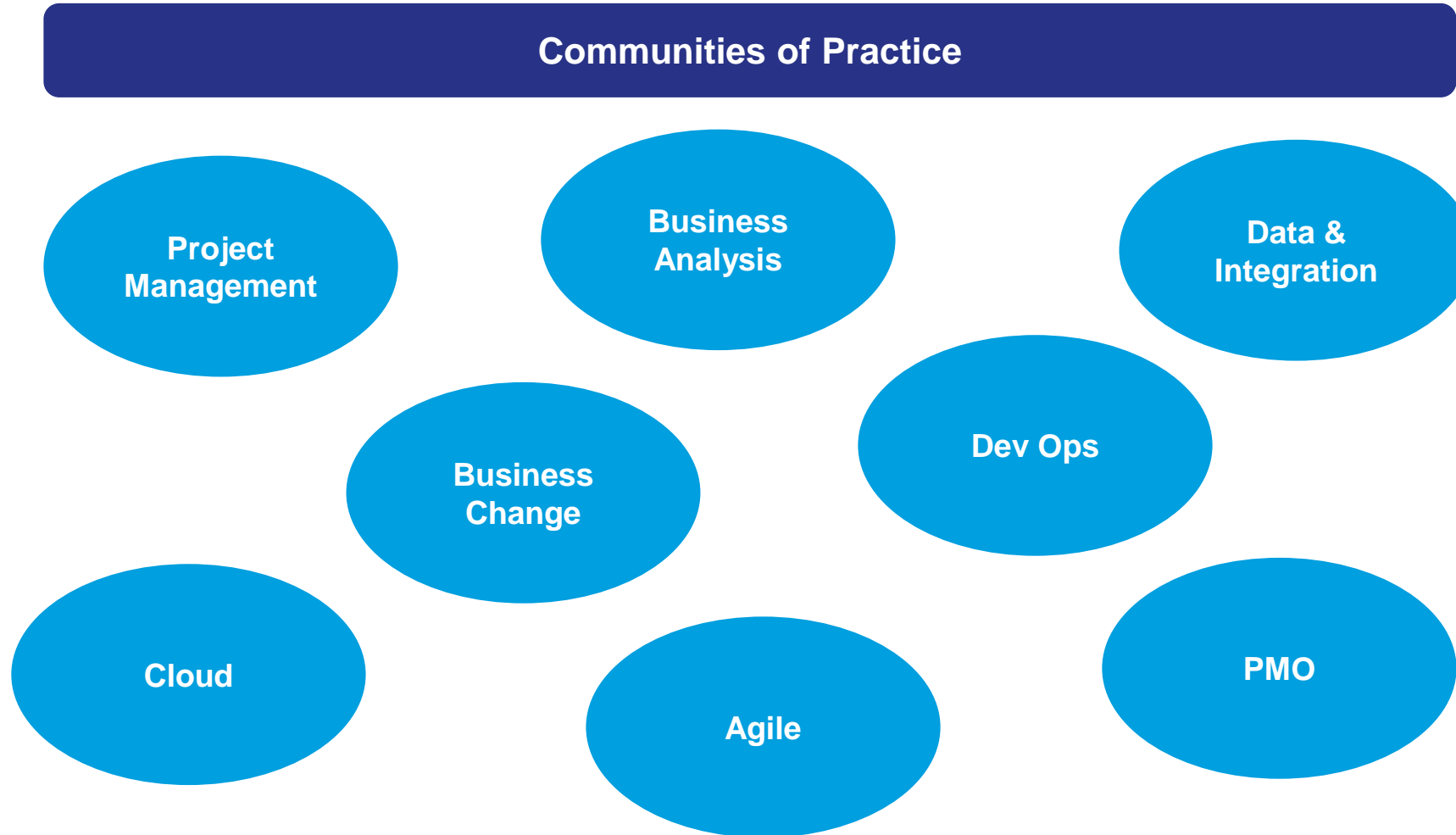
Long-lasting face-to-face relationships, enhanced by technology

Support the transition to a green and sustainable future

Close Brothers Group – Our Organisation



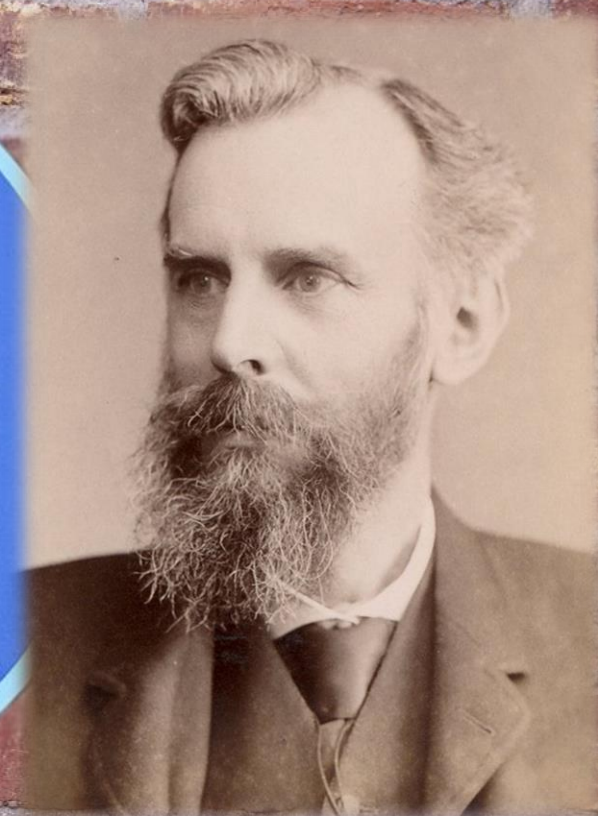
Close Brothers Group – Communities of Practice



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Explaining 'Communities of Practice'







Communities of Practice

Value sought from improving individual capability and process efficiency.

Centres of Excellence

Value sought from improving individual capability and process efficiency.

Professions

Value sought from improving individual capability and process efficiency.

Centres of Excellence

Small, defined remit
Formal and mandated
Boundary spanning
Depend on org. mandate
Rigid governance
Value delivery demanded
Need to impose control
About 'efficiency' agenda

Communities of Practice

Small specialism focused
Informal and voluntary
Boundary fluidity
Doesn't need org. sanction
Limited (if any) governance
Value delivery, arbitrary
Uncontrollable
About 'personal' agenda

Professions

Larger/more generalised
Formal and 'imposed'
Boundary rigidity
Needs org. legitimisation
Defined governance
Value delivery, commissioned
Benefit from tighter control
About 'commercial' agenda

Structure

Personnel

Organisational

Community

Invisible (private)

Virtual and fluid

Informal

Integral to 'target'

Profession

Invisible (public)

Designed and semi-fluid

Formal

Embedded among 'target'

Centre

Highly visible

Prescribed and rigid

Formally recognised

Remote from 'target'

Structure

Personnel

Organisational

Community

Self-identified

Coordinator and changing leadership

Core, active, and peripheral members

Interest in specific topics

Profession

Internally nominated

Temporary role occupancy

Hierarchy of roles

Interest in promulgating profession

Centre

Organisationally appointed

Permanent formal positions

Interest in achieving COE objectives

Structure

Personnel

Organisational

Community

None necessary

Profession

Endorse

Recognise

Support financially

Accommodate in
organisational design

Centre

Mandate

Investment

Formally appointed

Alters organisational
governance and design

01

Conscious distinction between the three entities and different endeavours in their implementation, leads to more targeted investment

02

Higher chances of success
(in both outcomes and longevity)

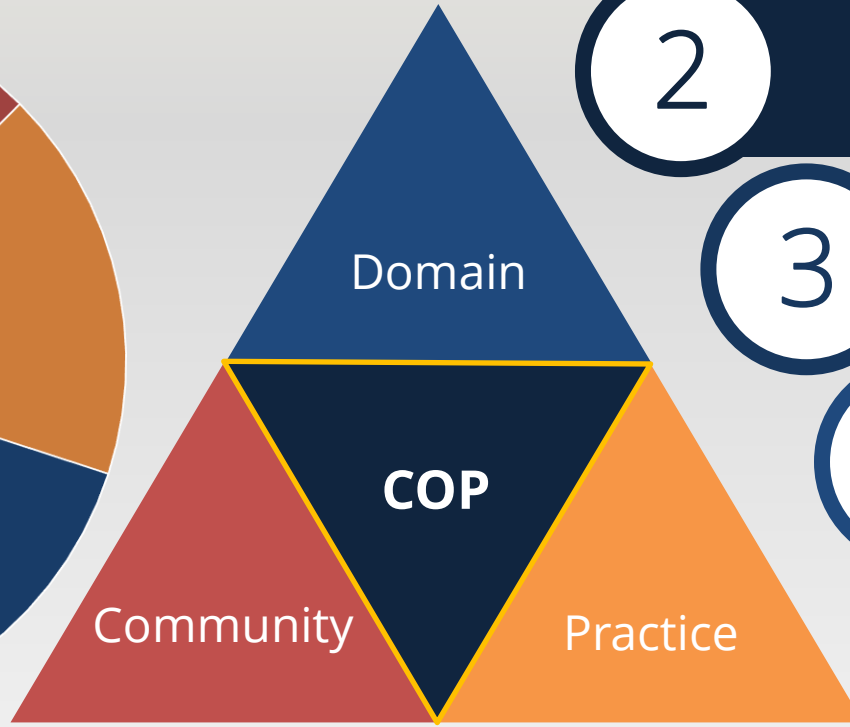
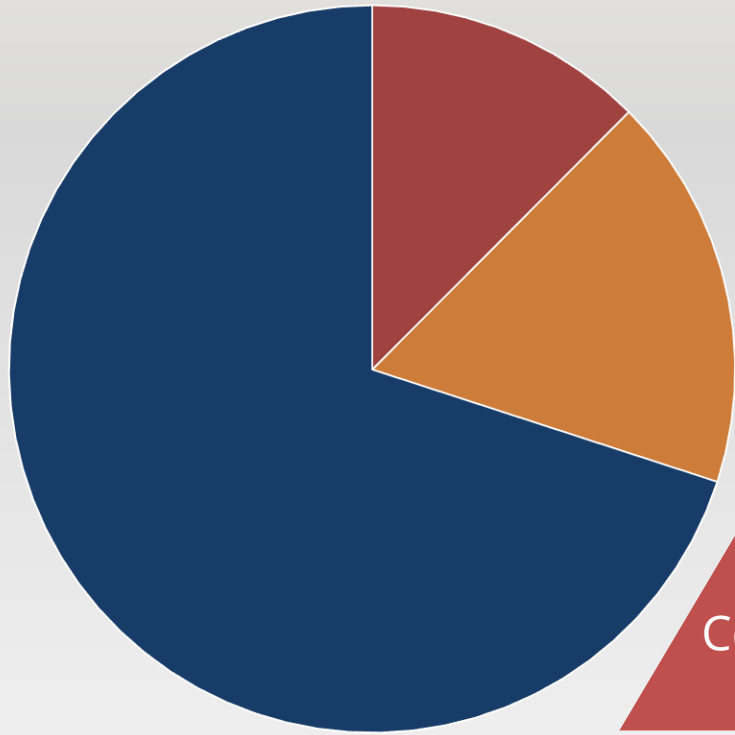
Early assumptions

Well this might, later in the day, be 'blown out of the water' but here are some basic assumptions we are proceeding with at this point:

03

Less wasted and
misdirected effort

■ Core ■ Active ■ Peripheral



Communities of Practice



1

Design for evolution

2

Open a dialogue between inside and outside perspectives

3

Invite different levels of participation

4

Develop both public and private community spaces

5

Focus on value

6

Combine familiarity and excitement

7

Create a rhythm for the community



Improved individual and project
performance
Efficiency gains
Risk reduction
Positive ethos
Strategic opportunity
External & internal recognition



Redundant systems
Sunk cost
Management effort
Management credibility
Disenfranchised community
Entrenching 'typical' mindset

Corporate ambitions

When someone decides 'we need one of those'

Are they clear what they want and what they are sponsoring; do they know:

- a) What problem they are trying to address?
- b) What their pay back is?

It has a bearing on the probability of success

COP less suggestable / manageable / predictable than a profession (potential for greater reward) at lower cost base

Profession greater suggestibility and more predictable (but lower) rewards at greater 'cost'

CoE require dynamic and rigorous leadership and management not to gravitate towards LCD of process.

Conclusions



Whilst COP may/will spontaneously arise, if the organisation wants to 'channel' them there needs to be an understanding of cultivation rather than construction

The same is not true of Professions or Centres of Excellence, these must be formally constructed

The lessons learned from COP, however, likely have pertinence to successful professions and CoE's

All have potential value but there is real risk in confusing them as they require different management actions, different resourcing, and different investment profiles.

What type of entity is your organisation trying to achieve?



Community of practice

73.91%

Profession

26.08%

Centre of Excellence

0%

None of these or nothing

0%

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Expert Q&A



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Food for thought – grab some lunch!



Topics for consideration



- 1. Is the starting point material?**
- 2. Who owns the entity**
- 3. Membership of the entity**
- 4. Types and roles of the resources required**
- 5. Recognition and endorsement / sponsorship**
- 6. Governance, ownership, and structuring**
- 7. Physical infrastructure**

What level of adjustment do you think your organisation's approach requires?



None

4.76%

Low levels of adjustment required

38.09%

Medium levels of adjustment needed

23.8%

High levels of

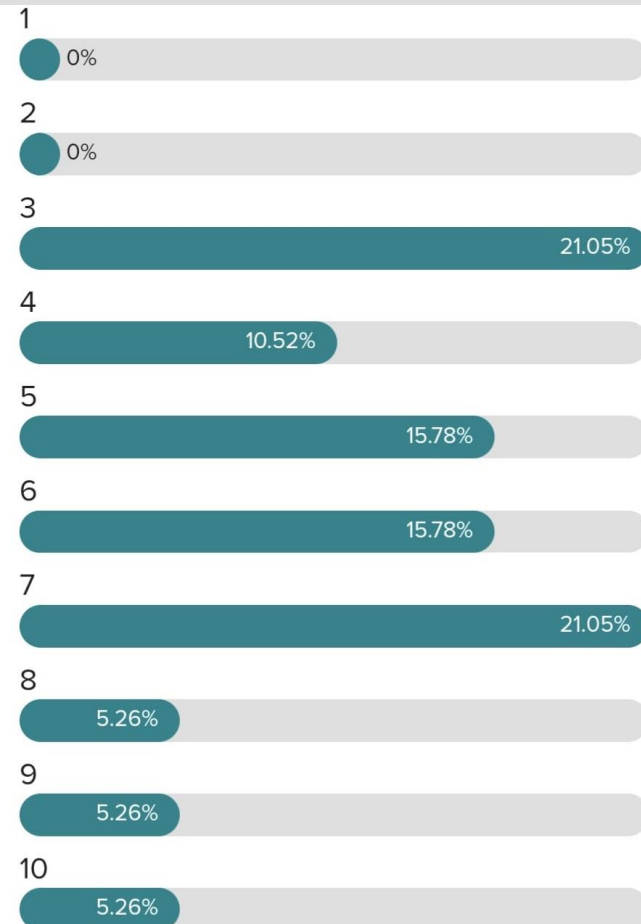
33.33%

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Afternoon breakout sessions



How appropriate would you rate your organisation's approach to developing or nurturing their chosen entity?



Needs to be formulated or requires significant adjustment

Couldn't be better focused

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Round up of insights gathered



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Finish and networking

