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Michael Holm Larsens

Niels Bjørn-Andersen

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# Future Strategies for a Click-and-Mortar Bank: A Case Study of the Nordea Group

Michael Holm Larsen  
Department of Informatics  
Copenhagen Business School  
Denmark  
mhl.inf@cbs.dk

Niels Bjørn-Andersen  
Department of Informatics  
Copenhagen Business School  
Denmark  
nba.inf@cbs.dk

## Abstract

The case study describes one of the most ambitious and successful attempts of creating a Nordic based large international financial service company, capable of spearheading the transition to the digital economy. Nordea is in the midst of various transformation processes across the organisation due to several years of multiple cross boarder mergers and acquisitions, new composition of the group executive management, increasing thrives towards automation of business processes to reduce costs, and different innovations involving a change of the roles of value network partners.

The focus of the study is on the future e-business challenges to the Nordea Group internally, in its collaboration with network partners, in its utilization of the largest number of on-line customers of any bank (3,1 million in 2002), and the implications for the value proposition of the Nordea Group customers.

## 1. Introduction

A networked world entails entirely new ways for the financial sector to generate and protect customer value. This is a case study of the largest financial services group, Nordea, in the region of the Baltic Sea with approximately EUR 251 billion in total assets. The case focuses on the changing role of business partners and the customer value proposition of the Nordea Group.

Nordea (short for Nordic Ideas) has a very large customer base containing 9,7 million private customers, 1 million corporate customers and 500 large corporate customers. The distribution network of Nordea is the most comprehensive in the region entailing 1,245 bank branch offices in 22 countries, and 40.000 employees.

## 2. The History – An Ongoing Process of Mergers and Acquisitions

A brief historic outline of the Nordea Group reveals an ongoing process of mergers and acquisitions. The Nordea Group was established in March 2000. The merger of the two groups MeritaNordbanken and Unidanmark (parent company of Unibank) resulted in the creation of the Nordea Group, which in 2002 was the leading financial services group in the Nordic and Baltic region. The group is listed on the stock exchange in Copenhagen, Helsinki and Stockholm, and had a market capitalisation of EUR

15.6bn at that time.

The MeritaNordbanken-Unidanmark merger and the acquisition of Norwegian Christiania Bank og Kreditkasse was expected by top-management to create annual synergies of EUR 360m when fully realised by the end of 2003. To ensure the further improved efficiency of the Group, a second wave of integration process had been initiated. This second wave was expected to create annual synergies of the same magnitude when fully realised by the end of 2004.

An overview of the many M&A's is shown in the following figure.

## Ten Years of Nordea's History

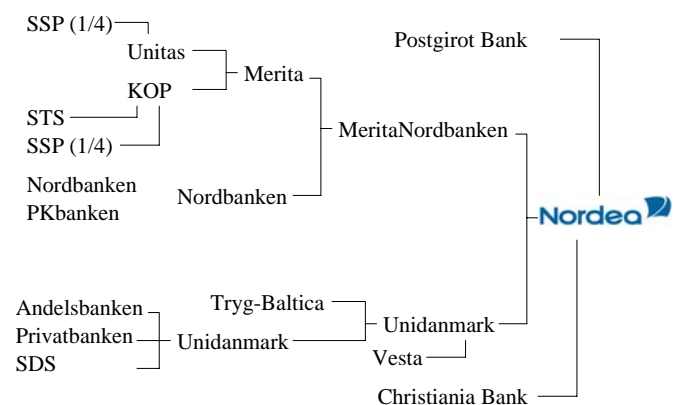


Figure 1: Ten Years of Nordea's history.

## 3. The Market and Strategic Focus

The Nordic countries (Denmark, Finland, Norway and Sweden) are the home market of Nordea. The three Baltic states of Estonia, Latvia, and Lithuania as well as Poland are seen as emerging markets for Nordea. The proportion of Nordea's loan portfolio provided to customers in the Nordic countries at the end of 2001 was 88% of the total loan portfolio.

Nordea has significant positions in Nordic banking markets, i.e. 40 per cent market share in Finland, 25 per cent in Denmark, 20 per cent in Sweden and 15 per cent in Norway. Also, in the Nordic insurance market Nordea has significant positions. In life insurance the figures are: Finland 35%, Denmark 10%, Norway 9% and Sweden 6%. Furthermore, Nordea is a leading asset manager in the Nordic financial market with EUR 100 billion (including

private banking) under management.

Nordea also operates on an international basis. The Group has a network of international branches and representative offices to support its Nordic and international customers.

Nordea wants to be the preferred partner of Nordic and international medium-sized companies, large corporate customers and institutional customers in this region. Outside the Nordic and Baltic Sea region, Nordea operates to support core customers and competencies through its own units or partners. Nordea is also a leading international shipping bank. Nordic and selected European asset management products and services are offered to international institutional customers, and private banking products are offered to high net worth individuals in selected European countries.

The strategic direction of Nordea is market leadership and growth, which are closely linked. Nordea has a clear strategy for growth. Nordea will work to further deepen the customer relationship and increase customer loyalty and thereby business volumes with existing home market customers. In the Baltic Sea region, Nordea will grow through increasing market shares achieved by organic growth as well as acquisitions. Being a universal bank and bancassurer, Nordea offers a broad range of financial solutions and advisory services, focusing on opportunities for cross-selling and up-selling. The role of branch offices is changing into focused service, advisory centres and sales offices along with the intensified use of the Internet, call centres and mobile banking. Nordea is and aims to remain a world e-leader in e-based financial solutions.

#### 4. New Composition of Group Executive Management and the Organisation in Nordea

Following the appointment in summer of 2002 of Lars G Nordström as new Group CEO, the composition of and the responsibilities within Nordea's Group Executive Management was changed from 1 October 2002.

A new organisational unit, Group Processing and Technology, was established with the responsibility of central production and processing as well as coordination of Group-wide integration projects. According to the news release, "The new unit will speed up consolidation and integration and free up resources in business areas, thus enabling an even stronger customer and business focus". The new unit will consist of Group IT, Electronic Banking, Global Operations Services and Production & Productivity. The focus on Group Processing and Technology chaired by the deputy group CEO underlines that information technology continuously maintained its key role as the most important business enabler.

The new Group Executive Management team announced a plan to speed up and complete the transformation of Nordea into a fully integrated Nordic financial services group. "We will act as a team and each of us will take on Group responsibility for implementation of our Nordic strategy. We will concentrate on our strengths, compete and continuously improve

performance to create value for shareholders and customers", says Lars G Nordström, Group CEO of Nordea.

Nordea operates in three business areas: Retail Banking, Corporate & Institutional Banking, and Asset Management & Life. Each business area is responsible for financial results, customer relations, distribution, products and business development and support. In 2001 the revenue split between the different business areas was approximately: Retail Banking 71%, CIB 21%, Asset Management 4.1%, Life 1.3% and General Insurance 6.4%.

Nordea has three vital support functions, i.e.

- *Group Processing and Technology* includes Group IT, Electronic Banking, Global Operations Services and Production and Productivity.
- *Group Corporate Centre* includes Group Credit and Risk Control, Group Treasury, Group Planning and Control, Group Finance, Investor Relations and Group Corporate Development.
- *Group Staffs* includes Group Support and Procurement, Group Human Resources, Group Identity and Communications, Group Legal and Group Compliance.

The organisational chart of the Nordea Group is shown in figure 2.

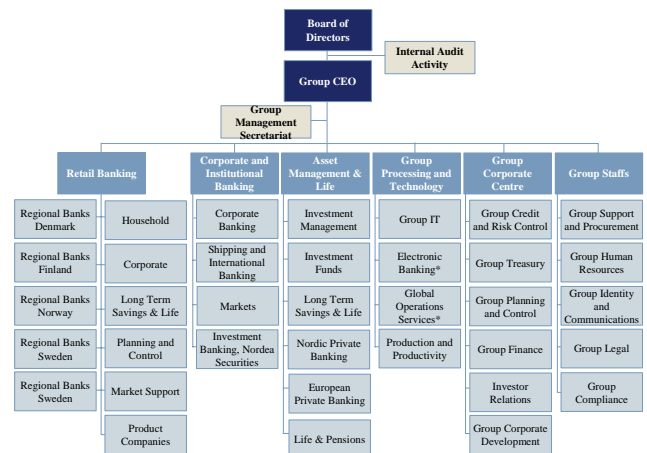


Figure 2: The organisational chart of the Nordea Group.

#### 4.1 The Nordea Group Mission and Vision

The **mission** of the Nordea group is: "Making it possible. By providing a broad set of seamless and easily accessible financial solutions and competitive advisory services, Nordea helps customers where we operate to reach their objectives".

The **vision** of the Nordea group is: "We will be valued as the leading financial services group in the Nordic and Baltic financial markets with a substantial growth potential. We will be number one or number two or show superior profitable growth in every market and product

area in which we choose to compete. We will have the leading multi-channel distribution with a top world ranking in e-based financial solutions.”

#### 4.2 The Nordea Group Values and Performance

The **values** of Nordea are:

- “We create value. We thoroughly understand our customers and anticipate their financial needs and we always try to generate added value for each customer. We learn from our colleagues and share Nordic ideas.
- We are innovative. We explore our competencies and try out new ideas to improve existing services, create new solutions or meet new needs. We embrace new technology and are committed to excel through continuous improvement.
- We are empowering. We respect our customers and proactively offer financial solutions and services making their lives and business activities easier. We make decisions close to our customers and exercise leadership through clear guidelines, objectives and follow-up and transparent information.
- In our operations, we are committed to a Nordic heritage of freedom, equal opportunities, care for the environment and good citizenship including ethics, honesty and sincerity.

The Nordea Group considers **performance** as:

- “We will create value for our shareholders measured by total shareholder return in the top five of our peer group of European listed financial services companies.
- We will enhance value through concentration on core business, stable and broadly based growth of revenue, operational excellence and an optimal use of capital combined with balanced risk-taking.
- We will rank among the best financial services companies in measurements of customer satisfaction and brand loyalty.
- We will attract, develop and retain highly motivated, competent and empowered employees. Measurements of Nordea employee expertise and motivation are to show continuous high levels of employee satisfaction.
- We are committed to always improve but never claim to be perfect.”

#### 5. Financial Status and Changes in Market Capitalisation

On August 22, 2002, Nordea released their Interim Report for the Second Quarter 2002 concluding: "Stable development in our core earnings and a satisfactory credit quality form a strong basis for our business. The divestment of the General Insurance activities will further increase our earnings stability. While maintaining a sharp

focus on cost control we are investing in future growth and increased efficiency", says Thorleif Krarup, (the former Group CEO of Nordea). Furthermore, the interim report explained:

“Operating profit before investment earnings is EUR 409m, and unchanged compared to first quarter. Total income is EUR 1,513m, which is up 1% on first quarter, supported by growth in loans and deposits, net interest income is up 2%, and strong commission income is up 4%. Total expenses are EUR 1,065m, and are up 3% on first quarter, reflecting investments in the second wave of integration. Satisfactory credit quality is maintained. Loan losses are down to EUR 56m (EUR 63m) corresponding to 0.16% of loans, annualised. Operating profit is EUR 315m.

Weak equity markets resulting in investment earnings of EUR -50m. The financial buffers in Life operations were satisfactory. Pension fund allocation is EUR 152m, which reduced pre-tax profit correspondingly. Integration and focus on core areas were stressed. Sale of General Insurance was concluded by the end of September 2002. Finally, the second wave programme consolidated into 15 main projects”.

Figure 3 presents the share performance and the value creation in Nordea compared with Nordic peers until week 39 of 2002.

	Absolute performance since YE 2001, %	Absolute performance last 12 months, %	Absolute performance 5 days, %	Total shareholder return <sup>(1)</sup> since YE 2001, %	Total shareholder return <sup>(1)</sup> last 12 months, %	Market capitalisation, EUR million
Danske Bank	-11.6	-0.4	-2.1	-8.2	3.3	11,677
DnB	-17.6	-2.6	0.6	-13.1	2.7	3,539
Sampo	-25.6	-21.0	-0.2	-19.3	-14.3	3,616
SEB	-10.5	21.3	4.3	-6.9	26.2	6,557
SHB	-19.8	-9.2	-0.4	-17.4	-6.5	9,600
Swedbank	-23.8	-8.3	-0.5	-20.4	-4.1	5,705
<b>Nordea</b>	<b>-29.7</b>	<b>-24.3</b>	<b>-1.5</b>	<b>-27.0</b>	<b>-21.4</b>	<b>12,707</b>
<b>BEBANKS Index<sup>(2)</sup></b>	<b>-30.0</b>	<b>-17.1</b>	<b>-0.9</b>	<b>N.A</b>	<b>N.A</b>	<b>N.A</b>

Source: Bloomberg  
 Note: Last closing prices as of September 26, 2002  
 (1) Total shareholder return is defined as growth in the value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional units of equity at the closing price applicable on the ex-dividend date.  
 (2) BEBANKS Index = The Bloomberg Europe Banks and Financial Services Index is a capitalisation-weighted index of all companies involved in the bank and financial sector of the Bloomberg Europe 500 Index. The index contains of total 73 shares. The index was developed with a base of 100 as of December 31, 1998.

Figure 3: Share performance and the value creation in Nordea compared with Nordic peers.

In his comments on the financial performance, Nordea Group CEO Lars G Nordström says in an interview with the Danish paper Jyllands-Posten: “Not only must Nordea employees run faster and face tough cost-cutting measures, they must also learn to hate to lose to their competitors”, “Our asset management must be better than that of Den Norske Bank, and our payment service must be better than Danske Bank's”. And he went on, “As a branch manager in Nordea I must hate that you as a branch manager in Danske Bank is better than me!”.

#### 6. The IT Situation of Nordea

Nordea increases efficiency and integration through consolidation of IT production. The current IT operations in all four Nordic countries will be merged into a common IT platform to support increased productivity and higher cost efficiency. Consolidation of IT production is a major initiative in the ongoing second wave of integration

programme. The aim of the programme is to simplify, unify, speed up and re-engineer internal processes and to consolidate and share group infrastructure across borders and business areas in order to benefit from the scale of Nordea.

The IT production comprised some 1050 employees and had a cost base in 2002 of around EUR 330m mid 2002. According to the plan this would have to be consolidated and incorporated with contractual obligations for delivery, quality etc to the customers in the business areas and group functions. However, due to the many mergers, and a very business oriented IT-strategy, the architecture was extraordinary complex. Nordea had any type of software and operating system found in any bank in the Nordic region. It was believed that a policy of reducing the number of technological platforms each of which was to be consolidated into one single location, standardised network and desktops would have a significant impact on the Group's future cost development.

The committed cost saving potential is approximately 20 per cent of the future overall production costs without executing the planned consolidation process. The effect will be gradually increasing with full-year sustainable effect after 4 years estimated at EUR 70m. The largest cost reductions emerge from centralised and standardised hardware and software and reduced costs for licences. Expected investments of EUR 60m will be accounted for in 2002-2004 resulting in a positive cash flow from 2004, among other things resulting in downsizing by around 250 employees over the period

The in-house solution was expected to create large cost savings while maintaining control and future flexibility. This has been chosen after thorough analyses of several possible solutions including outsourcing.

## 7. e-Business Achievements

Nordea pursues a Multi-Channel strategy, where customers can combine their use of channels and select the most convenient channel at any given moment. With high accessibility, integration and efficient business processes in all channels, Nordea wants to ensure the highest customer satisfaction and services that meet customer's expectations. Knowledge about the customers is seen as the focal point for the development of integrated e-solutions. Accordingly, Nordea aims to develop similar system for customers and employees in order to provide consistent customer experiences and support the Multi-Channel strategy.

Customer satisfaction and retention will be further improved with the integration of e-solutions throughout all business processes of Nordea. Increased internal and external use of electronic channels/e-solutions/internet technologies shall further improve the supporting of the relationship between Nordea customers and employees.

Nordea offers a variety of eBusiness solutions to their B2C as well as their B2B customers. Some of the most important examples are presented below:

**E-payment and Solo Market.** Net customers can make secure online purchases using e-payment. In 2002 Nordea had over 1,800 e-payment agreements with vendors who accept e-payment and more than 600 are represented at the electronic marketplace Solo Market, accessible from the national web site in Denmark, Finland, Norway and Sweden. Online buyers thus have convenient access to a wide range of goods and services - including customers using WAP and GPRS phones.

For e-commerce vendors, net customers are an ideal target group, sufficiently large in number, with modern attitudes and purchasing power, familiar with online operations. By accepting e-payments, vendors eliminate invoicing and credit risks. This is particularly important with a large number of small transactions.

Furthermore, via Solo Market, vendors get access to buyers in market places in Denmark, Finland, Norway and Sweden. Nordea's local home pages ([www.nordea.dk](http://www.nordea.dk), [www.nordea.fi](http://www.nordea.fi), [www.nordea.no](http://www.nordea.no) and [www.nordea.se](http://www.nordea.se)) have become important portals, as online customer typically visits the e-banking services 4 to 5 times on average a month via these portals.

**E-invoice.** E-invoice is a kind of semi-direct debit - an e-invoice sent to the customer's or buyer's computer rather than printed on paper. A company that uses online invoicing saves on postage costs and can provide better service in an interactive online customer relationship. A customer using e-invoice can receive an invoice directly to his computer, and approve payment without having to retype the details. Via this online invoice, the customer can also link to the online service of the vendor in order to obtain more information. The main emphasis has been put on consumer invoicing. B-2-B invoicing is going to be the next step.

**E-identification and E-signature.** Many enterprises and public sector institutions need to be able to identify their online customers/clients. As early as 1992 the insurance companies in Finland began to use bank delivered e-identification. In dealing with authorities, this service can be used for example to send information to the corporate register maintained by the National Board of Patents and Registration of Trademarks. Net customers can also sign agreements with third parties using their electronic IDs as a signature. There is also significant potential for an electronic signature of contracts.

**E-salary.** E-salary is a service designed to enable employees to browse through their monthly salary data electronically via e-Banking services. Thus, the sending of a pay slip on paper will no longer be necessary. A substantial benefit is also that the pay slip details are saved in files thereby providing the user access to earlier salary data.

**CoinClick** ([www.coinclick.dk](http://www.coinclick.dk)) is a micro-payment system allowing service providers to charge for small amounts in a very easy, secure way. It was developed and launched in August 2002 by the two largest banks in Denmark, i.e. Danske Bank and Nordea, in corporation with the association of regional banks, the electronic payment processing company PBS, and the largest Danish

telecom operator TDC (Tele Denmark Communication). Among them these organisations have 1,5 million Internet bank customers and 1,9 million users of mobile services.

CoinClick is an Internet account - a type of 'web wallet' - for the payment of small sums ranging from approximately 8 cents to 8 Euro. Users can establish an account on Coin Click's home page or via their net bank. By using CoinClick customers can easily pay for digital services (music files, invoices, financial advice and sports news, etc. using Internet and mobile phones.

CoinClick offers two types of accounts: Payment in advance and payment in arrears. While the former is free, payment in arrears accounts cost only one DKK per month for the buyer. For vendors, fees depends on sales volume, but will typically be around 10%.

**Identrus™ LLC and SWIFT on TrustAct.** Identrus is a provider of global e-commerce trust systems that delivers validation and warranty protection for B2B eCommerce.

SWIFT ([www.swift.com](http://www.swift.com)) and Identrus™ LLC ([www.identrus.com](http://www.identrus.com)) have entered into an alliance to offer a joint solution to facilitate business-to-business (B2B) trusted communication and give financial institutions. Based on Identrus' identity trust services and Swift's messaging capability, financial institutions all over the world can help their corporate customers identify trading partners, trust their communications implicitly and protect themselves in the event of a dispute.

Swift's internet-based messaging service, TrustAct, enables banks to provide secure delivery and receipt of messages that businesses exchange on the Internet. In addition, TrustAct keeps a log of business-to-corporate business messages and provides full non-repudiation. This non-repudiable evidence, together with the Identrus system non-repudiation of digital signatures, is essential for audit trails or dispute resolution.

In June 2002, Nordea agreed with the e-market place for the forest industry, PapiNet ([www.papinet.org](http://www.papinet.org)), to use TrustAct. Hereby, Nordea integrates banking into e-business flows of the global forest industry. PapiNet was initiated by the forest industry to facilitate standards of communication and commerce.

PapiNet is the global initiative to develop, maintain and promote the implementation of global electronic transaction standards for the paper industry. The purpose is to facilitate the flow of information and facilitate computer-to-computer communications among all parties engaged in the buying, selling, and distribution of forest, paper and wood products. The set of standards is referred to as the PapiNet standard. The standards include common terminology and standard business documents (e.g. purchase orders, shipping notices, and invoices).

Nordea and PapiNet have modelled a solution to integrate security and banking services into the business-process messaging of the global paper industry. The joint solution provides cost reduction potential for PapiNet members due to integrated financial and business-process messaging, simplified dispute resolution and global Internet-initiated payments provided by the

banks of their choice. The solution builds on Identrus PKI security and Swift's TrustAct messaging infrastructure. It covers the entire value chain from order to settlement.

The various e-business initiatives are a proven success as illustrated in the following numbers:

- 3.100.000 e-customers of the 9,7 million private customers
- 110 million Internet log-on per year
- 125 million Internet payments per year
- 5+ million calls per month - and 85% of the calls stay in the IVR

Also, the numbers show that Nordea is well ahead in the transformation from a traditional bank to a click-and-mortar bank.

## 8. The Role of Banks in Mobile Payment Systems

Mobey Forum is a global, financial industry-driven forum with over 30 members. Mobey Forum's mission is to encourage the use of mobile technology in financial services. Nordea is one of the founders of Mobey Forum. The common denominator for all Mobey Forum members is their commitment to accelerating the take-off of user-friendly mobile financial services by promoting open, non-proprietary technology standards for services like payment, remote banking and brokerage.

Nordea believes that mobile net-terminals will play an increasing role because it is personal and trusted. Everyone will have one, it is always near and it is always on. It will eventually be connected to the Internet - all the time. It can be a card reader for one-hand operated e-bank-logons and card payments. Blue tooth and similar technology make it ideal for machine-to-machine interaction.

There is divergence of opinions on Telco's future interest in, and ability to provide efficient payment services in competition with banks. Never the less, it is an increasing threat for banks that value network partners as Telco's previously only providing all types of communication access, etc. now are engaging in providing payment solutions to customers - a threat that is not only prevailing on the B2C market, but also on the B2B market.

Payment methods related to mobile phones can broadly be classified into two categories: e-money (pre-paid cards as well as network-based electronic money) and "conventional" electronic payment systems (e.g. bank accounts transfers) through wireless access, where new electronic access to otherwise conventional payment mechanisms is provided. Payments by mobile phone further contribute to blurring the distinctions between the participants in payment systems (banks, non-bank financial institutions, telephone companies, internet access providers), cf. Arbussá (2000).

To conclude, although nowadays banks continue to be at the centre of the retail payments system in Europe, the role of financial intermediaries in the provision of

payments systems is changing. Since electronic payment technologies require large fixed investments and often networks that exhibit significant economies of scale, we are witnessing a process of alliances among firms that intervene in payment systems. These alliances are not confined to banks or other financial institutions, but include technology vendors and telecom operators as major participants.

## 9. Redefining the Value Proposition?

The head of E-banking in Denmark Jens Galatius was looking through his office window at the water in Copenhagen Harbour and the skyline of Copenhagen city on the other side of the water.

“It is clear that the overall strategy of moving the banking business from traditional cash and asset management to a net-centric click-and-mortar financial institution was going to increase the need for new e-business systems. But it is not quite clear what would be the most urgent agenda”.

Furthermore, he was wondering how Nordea better could leverage upon its large customer base in the Nordic and Baltic countries. But the water reflecting the skyline did not provide an answer.

Moreover, he considered the future role of banks in the relationship with customers and partners. He started sketching a “diamond” (see the figure below) in order to better focus on the individual relationships between the actors. The worrying scenario was that telecom companies could be providers of network services as well as transaction payment services. This clearly represented a challenge that banks in general and The Nordea Group in particular should be aware of.

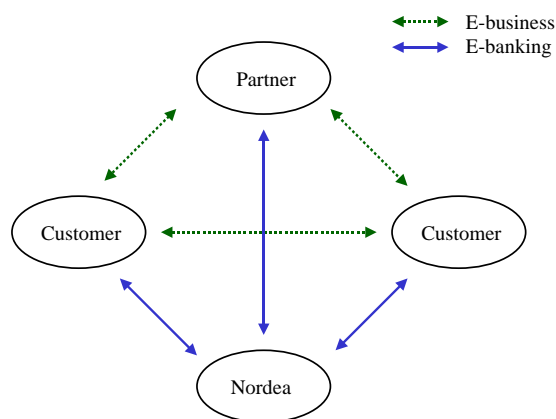


Figure 4: Nordea’s relationships with customers and partners.

As other players were likely to enter the competitive arena, a re-examination of the value proposition might be relevant. The race is set on keeping and moving products (and customer segments) from business partners as Telco’s in a profitable way. Hence, a question that needs to be addressed from the Nordea Group is: “What kind of

services will be demanded from the customers - and to what extent may Nordea have the possibility of being the preferred business partner?”

More considerations went through the mind of the e-banking director and he started listing different challenges, focus areas and initiatives. The list contained the following (non-prioritised) items:

1. Further develop multi channel distribution - online, offline and interfaces. Attractiveness and difficulties.
2. Increased emphasis on business process automation, like straight through processing (STP) between the ERP-system and the customers.
3. What would customer orientation entail in the future?.
4. Data mining for increased customer intimacy.
5. Increased digitalisation of customer service introducing more self-service and making it more attractive.
6. Integration of systems with those of corporate customers - such as development and deployment of Identrus and TrustAct to other industries than the forest industry
7. Establish collaboration with key corporate customers on R&D
8. How can Nordea create an enhanced value proposition to its corporate customers from being present in all Nordic and Baltic countries?
9. ...

You are a consultant trying to facilitate the Nordea Group pursuing their goals – what do you recommend – and why?

## 10. Discussion

In this section, the questions for the students are presented. Also, possible models applicable for analysis of the case are presented. Finally, some reflections upon the first teaching experiences are presented.

### 10.1 Questions to the Nordea Case

The list of questions to be addressed is:

- [Q1] How would you assess the e-business status of Nordea compared to other banks, in the B2B area as well as in the B2C area?
- [Q2] To what extent does the financial situation and market capitalisation of Nordea compared to Nordic peers constitute a “burning platform”?
- [Q3] What do you regard as the major value proposition of Solo Market?
- [Q4] How would you assess the key strategic options of the Nordea Group?
- [Q5] (Please refer to the list in the last section of the case for a list of possible strategic initiatives. Which of these do you find most appropriate? Would you

suggest others? Formulate a vision for the chosen ones, and argue why).

- [Q6] Nordea holds the largest customer base among the Nordic Banks, but the market shares is not the same in the different countries.. When developing new e-services, Nordea wants to exploit the large customer base and the fact, that the bank covers all the Nordic and Baltic countries. What advice could you provide the top management?

The questions are aimed at students studying for a Masters of Science in business administration related to information technology and/or e-business. Moreover, the questions should be appropriate irrespectively of whether the students are in the beginning of a MBA-program or in the end of a strategy course.

## 10.2 Models Applicable for Analysis

The case study invites to discuss an array of challenges at the financial institution Nordea. Several strategy-related models may be applied to the analysis of the case study, e.g. Hax & Wilde (1999), Hamel (2000), Hackbarth & Kettinger (2000) and Porter (2001).

The attractiveness of the industry may be analysed based on Hackbarth & Kettinger (2000) and Porter (2001) highlighting the e-business imperative of the industry analysis, and in particular stressing the e-banking bargaining power of multi channels, offline and online, and end users (B2B as well as B2C).

Hamel (2000) framework for business concept innovation building upon the resource-based view and the core competences tradition, is especially relevant in evaluating the development and deployment opportunities of Identrus and TrustAct in other industries than the forest industry, emphasising customer interfaces and the value network.

The Delta model proposed by Hax & Wilde (1999) provides several possibilities for analysis including product strategy, data mining for increased customer intimacy, collaboration with key corporate customers on R&D, and "System Lock-In" through partnership and standardised relations with selected actors in the business value network.

## 10.3 Reflections from First Test-Run

The Nordea teaching case has successfully been used at an introductory seminar of the 18 month part-time EMBA Global e-Management [www.gem.cbs.dk](http://www.gem.cbs.dk) offered at Copenhagen Business School. The learning goals were partly to introduce the students to strategic analysis and decision-making in a complex business world, partly to emphasise e-business challenges and solutions in a particular industry. The students had two hours to analyse the case in groups after having read it. Further, they had to present the answers to the questions before the e-banking director of Nordea Denmark at their domicile. After the presentation, the questions and answers were discussed facilitated by the e-strategy professor and program

director. Although the students had only just started at the MBA-program, their analysis pin-pointed the key-strategic issues.

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