Merger Strategy of Standard Chartered Bank Groups’ CEO Peter Sands
Peter Sands

- Born in 1962
- MS. in Public Policy, Harvard U.
- Director, McKinsey Consulting Co.
- CFO, Standard Chartered Bank
- CEO, Standard Chartered Group
Problems

- 150 years old organization
- There were problems with clients, channels, and employees.
- Profit is falling
Strategies

- 2002 – 2003
  - Cost control
  - Risk management
  - Operations procedures management

- 2004 – present
  - Scale expansion
  - Capabilities expansion
Expansion through M/A

- 7th largest bank in Indonesia in 2004
  - Multinational clients vs. SME clients
- A bank in China in 2004
- 8th largest bank in Korea in 2005
  - Increased from 2 to 400 branches
- A Bank in Vietnam in 2005
- 7th largest bank, 新竹商銀, in Taiwan in 2007
  - Increased from 3 to 86 branches
  - Providing global banking services to satisfy international trading needs of SMEs in central Taiwan
- 8th largest bank in Pakistan in 2007
  - Increased from 50 to 100 branches
- Total assets, rev. and profits have increased sharply
Synergy through Merger

• International connections vs. local presences
• Banking techniques and practices of developed countries vs. emerging needs to do international trade by local enterprises in developing countries.
• Internationally recognized brand name vs. closeness in providing local services
KSFs of M/A

- Expanded into Africa, Middle East, and Asia markets earlier than other financial institutions.
- Disciplined standard procedures in doing merger feasibility study.
  - Financial perspective
  - Strategic perspective
    - $1 + 1 > 2$
- Merger operations performed by the same team who has accumulated precious experiences.
- Smooth migration depends on listening, communicating, and accommodating multi-cultures.