



# FINANCE OPERATIONS RESEARCH EVENT

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April 24, 2016

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## I. EXECUTIVE SUMMARY

### BUSINESS OVERVIEW

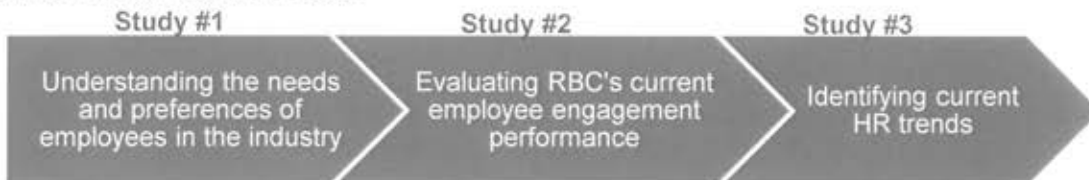
A globally recognized leader in financial services, The Royal Bank of Canada is by market capitalization the largest financial institution in Canada. It has bases in 40 different countries providing services to over 16 million clients with over 81,000 employees. RBC provides a variety of financial services in 5 distinct business segments: personal and commercial banking, insurance, wealth management, capital markets, and investor and treasury services.

### PROBLEM

Historically, financial capital has been the most important indicator of a company's success or limitations; now, human capital is becoming a largely competitive factor especially in the finance industry. Having a strong employee base directly leads to quality, productivity, and an improved brand image. However, RBC's current engagement methods such as *RBC Connect*, although partially effective, fail to engage the entire employee base. To retain its position as a leader in the human resource sector and to maximize employee talent, RBC must find innovative approaches to strengthen the engagement level of current and future employees.

### RESEARCH METHODS

After considering a multitude of potential research methods, it was concluded that the following four would be most effective to gather the necessary qualitative and quantitative data: **surveys, focus groups, corporate interviews, and secondary research**. Using this research methodology, a series of 3 studies was conducted:



### RESEARCH FINDINGS AND CONCLUSIONS

RBC's current employee engagement initiatives are effective to some extent; however, they fail to meet a number of specific needs of their employees. Fortunately, RBC has the necessary financial and intellectual resources to establish an effective engagement program with clear objectives to address these issues.



## PROPOSED PLAN AND TIMELINE

The **RBC GOLD Initiative** will be implemented in all Canadian RBC branches and offices beginning in 2017. This program comprises of:

- ❖ **INSPIRE Leadership Summit:** A 3-day annual leadership and employee engagement training conference held in Toronto and Vancouver for RBC branch managers as well as director-level and higher office employees
- ❖ **Discussion Table:** Bi-monthly discussion meetings between employees and their manager to build connections, establish clear goals, and encourage leadership and creativity
- ❖ **CareerVision:** An individual professional development program consisting of semi-annual meetings between employees and a manager or Human Resources; and
- ❖ **Employee Appreciation:** A recognition program designed to reach a wide range of employees with small-scale awards



RBC GOLD logo

The GOLD Initiative will run on an annual basis, and will be managed by RBC's Human Resources department at select head offices throughout Canada. Every year, the program will be re-evaluated and re-budgeted to accommodate for feedback. The planning stages will begin in September 2016, and the first leadership conference will take place February 2017.

## PROPOSED METRICS

In order to accurately describe the success of this employee engagement program, both quantitative and qualitative measures will be taken. This will be completed through the Integrated Operational Feedback System (IOFS):

INTEGRATED OPERATIONAL FEEDBACK SYSTEM			
Quarterly pulse surveys	Focus groups	Annual employee reports	Day-to-day observation

In addition to IOFS, the success of RBC GOLD will be measured by three key performance indicators: **employee performance reviews** for qualitative analysis, as well as **employee turnover rate** and **annual revenue increase** for quantitative data.

## PROPOSED BUDGET

This plan will cost RBC an estimated \$53,819,790.00 USD annually, with a start-up expense of \$12,641,890.00 USD. A three-tier budget was created to forecast low, mid, and high costs to run the GOLD Initiative for 2017. This plan will generate a forecasted \$106 million each year, which is a 0.3% increase in revenue in Canada. Therefore, the anticipated ROI will be 96%.

## II. INTRODUCTION

### A. DESCRIPTION OF THE BUSINESS

RBC, formally known as The Royal Bank of Canada, is among the largest among banks across the world and largest in Canada by assets and market capitalization, earning \$8.4 billion in 2013.<sup>1</sup>

RBC was originally founded in Halifax, Nova Scotia in 1864 as the Merchants Bank of Halifax, and is now based in Toronto, Canada.<sup>2</sup>

RBC is among the five largest financial institutions in Canada, commonly known in the industry as the "Big Five", including: The Bank of Montreal (BMO), the Toronto-Dominion Bank (TD Canada Trust), The Bank of Nova Scotia (Scotiabank), and the Canadian Imperial Bank of Commerce (CIBC). As of 2013, RBC has a 22% share of the banking industry in Canada. These are the services provided by RBC:

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#### PERSONAL AND COMMERCIAL BANKING

As the largest source of revenue, and generating 51% of total earnings, RBC serves many of its customers through various personal and commercial banking services. For instance, corporate banking and personal banking operations, retail investment businesses, etc.

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#### WEALTH MANAGEMENT

Catering to clients of high net worth, wealth management offers asset management products and services, which includes but is not limited to invest and trust. These services make up 12% of RBC's total earnings, and ranks RBC number one nationally in wealth management.<sup>3</sup>

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<sup>1</sup> "RBC at a glance." *Royal Bank of Canada: Annual report 2013*. 22 Nov 2014 <[http://www.rbc.com/investorrelations/pdf/ar\\_2013\\_e.pdf](http://www.rbc.com/investorrelations/pdf/ar_2013_e.pdf)>.

<sup>2</sup> "Royal Bank of Canada." *Wikipedia*. Wikimedia Foundation. 20 Nov 2014. <[http://en.wikipedia.org/wiki/Royal\\_Bank\\_of\\_Canada](http://en.wikipedia.org/wiki/Royal_Bank_of_Canada)>.

<sup>3</sup> N.p., 2016. Web. 23 Apr. 2016.