Bank Mergers and Acquisitions in Nigeria
The Lens of Psychology and Learning

Scenarios
Executive Leadership
Values and Core Agreements
Hidden Messes

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Design of this Workshop: From Entertaining Ideas, to Learning, to Best Practice

<table>
<thead>
<tr>
<th>Birth an Idea</th>
<th>Learn About the Idea</th>
<th>Make the Idea a Practice in Phases</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Entertain Ideas</td>
<td>• Who else has played with/done something with this idea?</td>
<td>• Pilot a Practice</td>
</tr>
<tr>
<td>• “Play” with the idea so it captures your imagination</td>
<td>• Who has know-how to enrich this idea?</td>
<td>• Emerging Practice</td>
</tr>
<tr>
<td>• Avoid the normal call to action—let the idea incubate</td>
<td>• Use action learning to learn—by doing</td>
<td>• Better Practice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Best Practice</td>
</tr>
</tbody>
</table>

Urgency and results matter, but in learning, slowness also matters more than raw speed. Premature action kills the idea before its time and stops learning. Going slow allows reflection and deeper understanding.

Caution: Borrow practice from other places carefully; practice is best developed and grounded in local context. In this way there is ownership to implement.
Design of this Workshop Uses Action Learning

1. Ask a Question/Imagine
   - Observing
   - Inquiry
   - Curiosity
   - An image of potential
   - Hypothesis - a prototype to test

2. Take Action
   - Test your hunch
   - Stick with the image
   - Do it
   - Experience action
   - Probe for doubts and concern

3. Reflect
   - Slow it all down, personally and publicly
   - Ask yourself: What do I now know I didn’t know before?
   - Cull lessons and practices

4. Reframe
   - New inquiry
   - Plan next steps
   - Emerging theory for use
   - Take new action
Design of this Workshop: A Merger Occurs at 3 Levels of Experience and Action

<table>
<thead>
<tr>
<th>Level of Experience and Action</th>
<th>Characteristics</th>
<th>Merger and Acquisition Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>Factual</td>
<td>Valuation – the numbers</td>
</tr>
<tr>
<td></td>
<td>Singular</td>
<td>Regulatory</td>
</tr>
<tr>
<td>Psychological</td>
<td>Conversation</td>
<td>Negotiation</td>
</tr>
<tr>
<td></td>
<td>Messy</td>
<td>Executive Leadership</td>
</tr>
<tr>
<td>Mythological</td>
<td>Story</td>
<td>Scenarios</td>
</tr>
<tr>
<td></td>
<td>Multiplicity</td>
<td>Core Values</td>
</tr>
<tr>
<td></td>
<td>Complexity</td>
<td></td>
</tr>
</tbody>
</table>
Scenarios: Several Future Possible Stories Could be True

Each scenario uses a retail store experience to define the service provided by this organization as a service center:

```
<table>
<thead>
<tr>
<th></th>
<th>“Research &amp; Economic Development”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon.com</td>
<td>“IT is a commodity”</td>
</tr>
<tr>
<td>Nordstrom’s</td>
<td>“IT is strategic”</td>
</tr>
<tr>
<td>Wallmart</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>“No Research”</td>
</tr>
</tbody>
</table>
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Scenarios: **Handling a Creative Tension in Building Nigeria’s Future**

- Profitability
- Efficiency
- Increasing shareholder value
- Building a vibrant local economy
- Fostering entrepreneurship and innovation
- Serving the common good
Scenarios: Different Ways to Structure the Merged Bank

- Serving distinct local economies ↔ Serving Country or International Interests
- Collection of bank brands like a holding company ↔ One Bank brand with distinct products
- Integrate only back room functions and treasury ↔ Total Integration for efficiency
Executive Leadership: **Leaders Think and do Differently: Is There a Match?**

<table>
<thead>
<tr>
<th>Sensing</th>
<th>Intuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete and facts</td>
<td>Ideas and possibilities</td>
</tr>
<tr>
<td>“If it is not broke, don’t fix it”</td>
<td>“There has to be a better way”</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Mastery</td>
</tr>
<tr>
<td>Feeling</td>
<td>Thinking</td>
</tr>
<tr>
<td>Attached from the heart</td>
<td>Distant and in the mind</td>
</tr>
<tr>
<td>“Do I really value this? If so let’s do it!”</td>
<td>“Is it logical? If so let’s do it!”</td>
</tr>
<tr>
<td>Growth and mostly organic</td>
<td>Order</td>
</tr>
</tbody>
</table>

12/15/04 presented by The Roundtable

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**Executive Leadership: What’s the Guiding Principle: Corporate Mind? Entrepreneur’s Mind?**

<table>
<thead>
<tr>
<th></th>
<th>Corporate Mind</th>
<th>Entrepreneur’s Mind</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orientation to change</strong></td>
<td>Change is too often a threat, not necessarily your friend</td>
<td>Change fuels your business</td>
</tr>
<tr>
<td><strong>Mindset for risk</strong></td>
<td>Mitigate or limit liabilities; too often unable to step into an opportunity unless all resources are lined up first</td>
<td>Pursue the opportunity, leverage assets; accept liabilities or downsides as givens and do not fret much</td>
</tr>
<tr>
<td><strong>Use of organizational structure</strong></td>
<td>Functional “stove pipes” with command and control from the top</td>
<td>Agile for continuous innovation – a federation of entrepreneurs</td>
</tr>
<tr>
<td><strong>Your character matters</strong></td>
<td>Expressing character is not that important and often not encouraged</td>
<td>Being true to your essence matters</td>
</tr>
<tr>
<td><strong>Expressing creativity</strong></td>
<td>Prefer to work a proven model</td>
<td>Build something from nothing – business is a creative act; you do adopt proven practices that fit</td>
</tr>
</tbody>
</table>
Core Values and Agreements: **Declared Values**

**Foster Alignment or Separation**

*Abide by Moral Imperative: the Technology Must Be Used*

*Why:* What drives us is the technology must serve humanity reasons.

*A Deeper Human Purpose Drives Business Success*

*Why:* We hold a sincere and caring commitment for people to achieve their higher purpose.

**Foster a Culture of Individual Accountability and Community**

*Why:* We apply the creative tension of hierarchy and circle in the organizational structure – both drive business results. We drive to excel in service, to the betterment of everyone inside and outside of the business family. Surface unconscious and unconscious beliefs about organization so we know better the full business ethic and thinking of each stakeholder.

**Innovation in Financial Practices Yields Higher Performance**

*Why:* We operate transparently with open books to produce both effective business people among us and yield deeper loyalty.

**The Aesthetics of Our Place of Work Matters**

*Why:* We recognize the “look and feel” of our work environment impacts individuals and team performance, either positively or negatively.
Core Values and Agreements: **Continuously Apply Best Practices as Core Agreements**

Capture Market Share and Presence with One Brand Totally Committed to Customers  
*Why:* Efficiencies of marketing are maximized.

Maximize the Medical Technology Platform  
*Why:* Our technology is deep and wide enough to generate many companies.

One Technology Platform Yields Many Venture Partners Operating as a Network of Entrepreneurial Companies  
*Why:* Venture partners operate as subsidiaries and strategic alliances collaborating to create multi-industry impact driven by all partner companies. Each benefits from the discoveries and learning of the others, both technically and organizationally.

Practice Collaboration and Learning and not Competition among Venture Partners  
*Why:* Fully exchange learning and practices among all associates and venture partners because the future of medicine is about convergence of medical disciplines and new combinations among them.
Hidden Messes: “Look Carefully or One of These Could Bite You”

• You are building a new organization not a clone of either one.
• Long-term value comes from healthy culture, carefully built from the inside out.
• Mergers require 12 to 15 years of continuous integration and relationship building. It is like a marriage which demands careful attention and responsiveness to change.
• If the money is great and the values at odds, walk away.
• Distinguish and declare what changes and what remains changeless as a non-negotiable given.
Hidden Messes **Continued Bites**

- Moving from endings to new beginnings is not a linear shot. People drop into, and meander through, “a neutral zone” to process their letting go of the old ways. People embrace new beginnings at varying times and degrees of acceptance.
- Processes that don’t match are killers. Make a list of all the processes required for the new entity and agree upfront:
  1.) Whose got the best of what and thus adapt it;
  2.) Integrate them;
  3.) Scrap them and buy new.
- Collaboration more than commanding ego makes the merger and new culture building process less painful and messy. Deep resentment seldom goes away.
Hidden Messes: Continued Bites

• Larger organizations tend to factor out or forget the local.
• Be clear: Is it governance for the bottom line or governance for the health and well being of Nigerian citizens and the economy?
• There are people with “bad seeds” -- nothing you can do alters their badness so walk away.