

The BPER Banca Model to Compete and Grow on Foreign Markets. Information, Strategies and Resources for Italian SMEs

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(Keynote Speaker)

The aim of the BPER Group founded in 1994 under the aegis of BPER Banca, was to create a federal system whereby its branches would be able to exploit the synergies of a large group while at the same time, remaining independent and rooted in the local territory.

BPER Banca, part of the BPER Group, comprises 4 independent banks well-established within the various territories. Besides the Credit Institutions, the Group also includes a number of companies dealing with financial products and tools.

BPER Banca's main goal is to respond to the challenges of increasingly competitive markets by combining the virtues of a national bank with effective knowledge of the territories in which its clients live and work. A bank with a focus on households and on small to medium-sized companies (SMEs), fully meets its established objectives to actively support new and ongoing projects and to comply with the needs of the socio-economic community of the territory in which it is based.

BPER Banca's ongoing relations with the territory and commitment to its clients underpin the Group's success. Based on the creation of value for its stakeholders and on targeted governance, the Group's concerns are related not only to the impact of economic and financial elements but also to the socio-environmental spillover via risk assessment and opportunity analyses involving the territory of reference.

BPER Banca defines its strategies and objectives taking into account the needs, expectations and requirements of its stakeholders. On the one hand, BPER Banca plays an active role in their daily lives and decisions and, on the other, is in turn influenced by them. An easy concept to grasp if applied to the Bank's clients or shareholders; and no less true if attention is shifted towards employees, suppliers and the local community.

The Bank analyses and structurally classifies its stakeholders, relative to the company functions. They may have many interests (economic, social, environmental) in common, a stakeholder for example, may belong to more than one category at the same time (i.e. an employee who is also a client of the Bank).

Over the years, therefore, relevant channels have been put in place to deal with the various parties, BPER Banca via a number of tools and channels establishes a two-way dialogue with its stakeholders to listen to their needs and to gratify their expectations with respect to the company's operations, at the same time taking into account the common good of the Bank.

In particular, in 2016, a structured process of commitment was launched, with the aim of gradually involving all the Bank's stakeholders.

The main activities carried out during the year concerned: clients; clients - territory/community; territory/community and investors.

Clients were asked to assess the importance (on a Likert scale of 1 - 10) of the tangible aspects indicated in the 2016 Sustainability Report, referred to 2015, as part of the annual Customer Satisfaction survey which in 2016 involved 1,000 customers of the Bank,

Clients - territory/community, 4 Focus Groups² (Milan, Modena, Lanciano and Crotone) were set up, addressed to representatives of the Services Sector relative to their expectations with respect to the Bank, in terms of Corporate Social Responsibility. The result of this initiative was a specific report that highlighted the expectations of the non-profit organisations not only with respect to the Bank as a whole, but also in terms of the services and products dedicated to them.

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² The focus groups involved a total of 35 non-profit organisations, clients of BPER Banca and active in various fields.

Territory/community: an analysis was carried out of the daily press releases from the External Relations and CSR Office, with a focus on the issues considered of major interest during 2016.

The Investor Relations (IR) Office, the “reference point” for external stakeholders facilitates access to information on company functions and on corporate life. In particular, IR Office Management deals with relations involving the financial community, Rating Agencies, investors, intermediaries and other stakeholders, disclosing the Group’s decisions and strategies in order to promote its values and increase market and investor confidence.

In 2016, therefore, the IR Office prepared the press releases and market presentations on the financial results and Business Plan of the Parent Company and Group, handled periodic reporting with regard to identification of shareholders and organised corporate events with analysts and investors (presentations, seminars, etc.).

The Bank in order to fully satisfy the requirements of its stakeholders and to generate and distribute value also conducted initiatives to define strategic objectives of the 2015-2017 Business Plan, at that stage, still in the implementation phase.

Specifically, the following aspects emerging from discussions with internal stakeholders were considered. Processes triggered included: the review of the network of branches, the development and putting in place of a digital strategy and streamlining and rendering efficacious sales and credit processes, particularly as concerns granting and management of loans.

In the perspective of financial inclusion, BPER Banca has stipulated an Agreement with the Italian *Ente Nazionale per il Microcredito* to provide SME clients with Microcredit guaranteed by the Central Guarantee Fund for SMEs and auxiliary services sanctioned by law.

Added value to what BPER Banca offers: Specific services tailored to meet client needs

NON-BANKING PROFESSIONAL SERVICES

INDIVIDUALIZED SEARCH FOR AND RATING OF MATCHING COUNTERPARTS

BANKS WITH A GOOD REPUTATION FOR TRADE FINANCE OR FOR DELIVERING IN LOCO BANKING SERVICES

BUSINESS NETWORKS

BPER Banca continues to invest in support for enterprises that intend to exploit the potential of foreign markets. The Bank envisages such support as a model whose strengths can be found in the new website *bperestero.it* and in their Foreign Specialists, local professional profiles who provide high level consultancy and indicate profitable international business opportunities. The website, a core element of the model, offers solutions, information and consultancy to support enterprises in defining which products to export, which countries to privilege and how to carry out benchmarking and scouting of supply markets. In short, a full set of consultancy services to underpin the many

processes that Companies intend to start abroad and have to govern such as strategic planning and the defining budget control, foreign sales and purchases .

In addition, on the website *bperestero.it* corporate buyers can avail themselves of a specific section dedicated entirely to services of supply.

The BPER Banca Model

FLANKING BUSINESSES RIGHT FROM THE START IN DEFINING PLANS FOR EXPANSION ONTO FOREIGN MARKETS :

- THE DEDICATED WEBSITE **BPERESTERO.IT**
- THE BANK'S FOREIGN SPECIALIST STAFF

PROMOTING A STRUCTURED APPROACH.



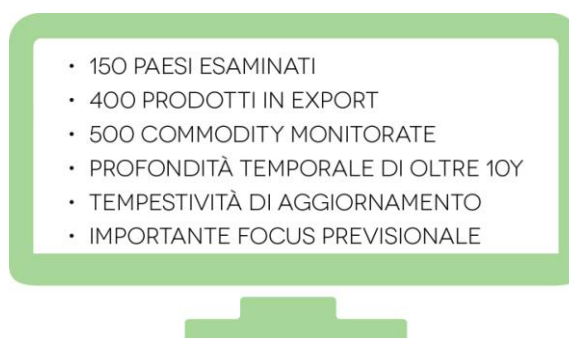
The BPER Banca model: a focus on integration between the web and traditional channels

BPERestero.it:

INNOVATIVE I.E. DEDICATED, OPEN, UNIQUE, BY VIRTUE OF THE WEALTH AND BREADTH OF INFORMATION PRESENTED

SPECIALIST FOREIGN STAFF OF BPER BANCA:

RESOURCES DEDICATED TO ASSISTING BUSINESSES IN THEIR PROJECTS OF EXPANSION ONTO FOREIGN MARKETS



In particular, once strategies of penetration and growth on foreign markets have been defined, Companies can count on BPER Banca's quality financial products and services at transnational scale. Services include specific loans, international guarantees for payments and receipts as well as tailor-made financial packages linked to specific export contracts (e.g. Forfeiting and Post-financing).

Non-banking professional services



bperestero. enables a methodical approach to the opportunity analysis phase, at the same time, the **BPER Banca Foreign Specialist is a crucial professional figure who accompanies firms in their definition of penetration strategy of selected markets**. Flanking the Specialist is a network of foreign consultants and - inhouse at the Marketing Directional Headquarters of BPER Banca Group - a team of consultants preside over the target markets.

The team of BPER Banca Specialists also organises Courses of Assessment and Evaluation at no expense for Companies during which foreign market consultants selected on the basis of the issues discussed, take part in B2B Meetings. The events focus on specific issues pertinent to diverse topics and countries which include: China, Russia, Turkey, India, Brazil, Asia, USA, the Emirates, Oman, Uzbekistan, Canada, Poland and Germany.

Thanks to the network and to a consolidated partnership with foreign Banking Groups, Institutions and renowned Consultancy Practices, BPER Banca records numerous activities relative to indicating profitable foreign business opportunities for enterprises³.

Since the early days of its launch, access to the *bperestero.it* website has reached thousands of users, illustrating to Companies clear and timely data on the international flows of any given sector or product. This has enabled the carrying out of a targeted analysis in order to identify the best export markets and to verify both strategies to put in place and those imposed by competitor markets. *

³ From the Emirates fashion entrepreneur seeking Italian firms to place in the prestigious Dubai Mall, to the American investor interested in acquiring minority shares in Italian firms. From the Canadian Pasta Manufacturer willing to invest in the agri-foods sector to the Chinese importer interested in foods & beverages up to the business missions arranged in order to meet with economic operators and buyers and to verify opportunities for investment in the Chinese Industrial Park of Gaochun (Nanjing). Some of these success stories are uploaded on the BPER institutional website (www.bper.it).