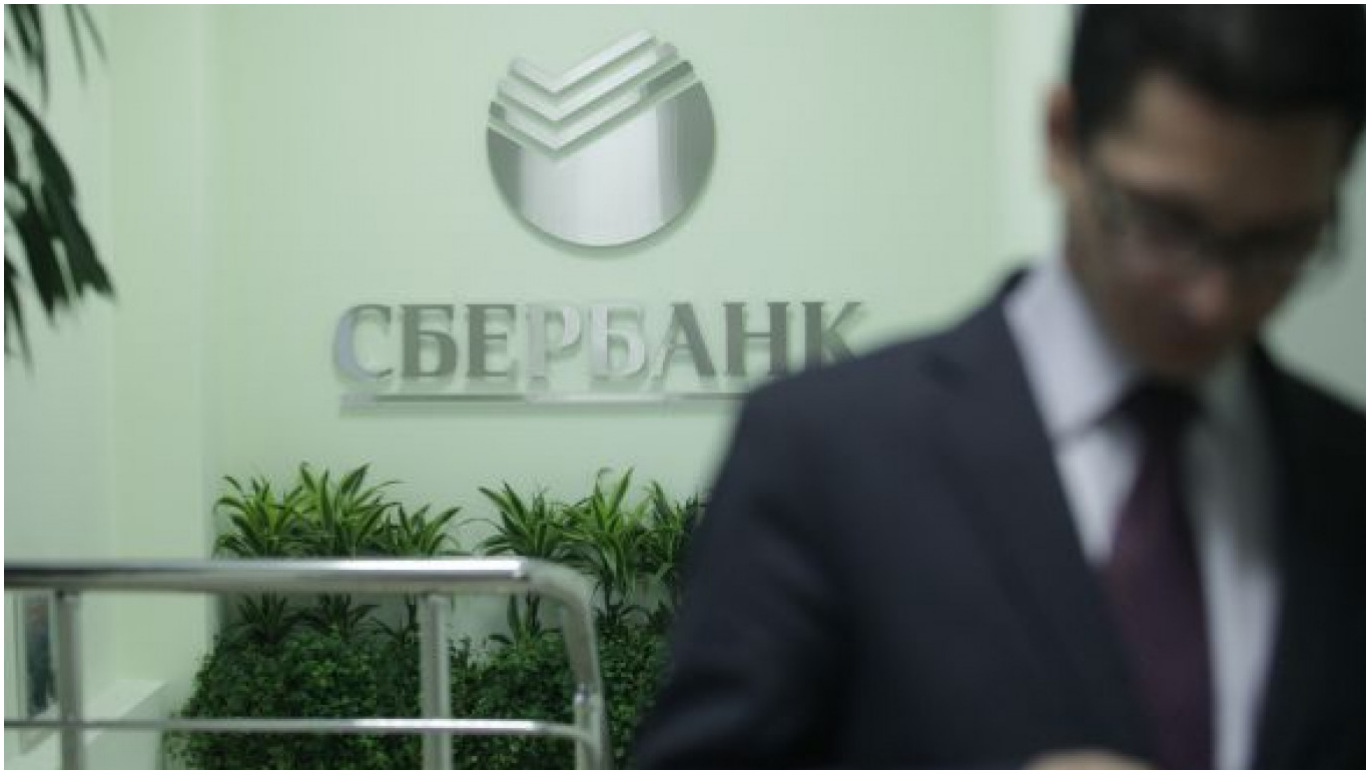
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Bank's Top Managers Go for Extra Training

By Tatyana Martyanova

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The Sberbank program will train more than 85 percent of its managers. **Maxim Stulov**

In June, 500 of Sberbank's top managers will complete an advanced training course developed by INSEAD and the New Economic School. When they finish, another 500 will take their places. The bank foresees that no less than 85 percent of its management will participate in the program.

Sberbank is developing rapidly, but changes are impossible if people still think the old way and don't develop themselves, said Natalya Zhuravlyova, deputy head of the Sberbank Banking Center for Personnel Training.

"The program's goal is to create a critical mass of people who will develop the bank using the techniques they learn," Zhuravlyova said.

After the first two classes graduate, "a thousand directors will have an excellent, uniform

education, which will lead to systematic management and congruity of actions of all units in the realization of the bank's development strategy," she said.

"Even if only one in five participants of the program begins to actively apply the knowledge received, the rest of the graduates will easily understand the rationale and support it, and things will begin to move forward," she added.

Skills Sans Diploma

The training course, titled Sberbank 500 — Program for Leaders, was created by the international business school INSEAD and the Moscow-based New Economic School. It contains a number of the disciplines needed for a master of business administration degree.

"Despite recently completing a two-year MBA program at the State University of Management [Moscow] in 2009, I surprisingly discovered a lot of new things in disciplines that I had seemingly already studied," said Sergei Kotelnikov, director of management of the production system and processes at Sberbank's Volga district headquarters.

For training-course student Sergei Kolbasa, who is managing the implementation of Sberbank's production system at the central division, the surprise was that the course is a special program created especially for Sberbank, and not a full-fledged MBA program with a diploma handed out at the end.

"As such, colleagues from other companies don't understand the overall value of this program," he said.

Nonetheless, Kolbasa believes that the training will prove well worth the time and effort. He is already applying in his work knowledge from the program that covers a variety of disciplines, including statistics, management of human resources and operations management.

"The training has expanded my strategic thinking," Kolbasa said. "Now I'm looking at my professional and personal goals slightly differently, and I'm reconsidering approaches to their realization."

He is already planning his next educational step ⊠ to get an MBA.

Emphasis on the Regions

Sberbank 500 is designed for managers ranging from department directors up to the deputy heads of Sberbank's territorial headquarters and will include 100 division heads in the next class, Zhuravlyova said. There is an emphasis on employees of territorial banks rather than those at the central office, she added.

The training takes place practically without a break from work. Only for the field trips, which last six days and happen three times a year, do program participants leave for Moscow. The rest of the days participants need to carve out time at work and home.

"The most difficult thing was finding a balance between working and studying, as the whole training process is designed very systematically and requires almost daily work: learning new material, doing homework, working on projects, etc." said Taras Skvortsov, a Sberbank

financial director.

Participants in Sberbank 500 are divided into eight groups of 50 to 60 people. In addition to full-time sessions, the directors regularly take part in off-site interactive models and take tests.

"The workload placed on the bank's managers is enormous, and it's impossible to find a schedule to satisfy everyone. ... Probably no one has the opportunity to make the amount of time that we demand," INSEAD professor Serguei Netessine said.

A Strenuous Pace

"It wasn't easy to find a balance between work, family life and studying," said Kotelnikov, the production system management director. "You need to do weekly assignments, many of which are very demanding, while at the same time your workload increases."

Not all participants keep up with the pace that's given. By April, some of the participants had stopped showing up to classes, said Zhuravlyova, the center's deputy director.

In addition, some declined to sign the training agreement that was given immediately following the start of the studies. This states that if the student gets fired from his job within two years after finishing the training course, he must compensate the bank for the cost of the program.

Currently, Sberbank 500 costs slightly more than 10,000 euros ($13,000) per person, but in the future that cost is to be reduced. For the first few years, the cost is covering investments in the development of materials and the adaptation of the program.

Others are worried that the program would negatively affect their reputation, Zhuravlyova said, as the president and other heads of management will find out about poor academic performance. For the second intake of pupils, a preliminary session was held explaining the training program, the process of taking tests and exams, and the necessity of investing time and energy. Furthermore, the second class's participants were presented with more serious entry requirements.

Teaching Globally

For the program, INSEAD provides six professors as well as dozens of other employees, if you take into account the administrative, IT support, translation and copywriting staff. The New Economic School also provides six professors and several assistants.

"The teaching itself takes no less than 20 full days for each subject," NES dean Sergei Guriev said. "But the preparation, answering questions and checking homework takes much more."

INSEAD professors teach all subjects except economics and finance, which are taught by Russian professors from NES.

"These spheres are closely connected with the laws and reality of Russia," Zhuravlyova said. "The New Economic School has excellent professors in these capacities who understand the Russian context. INSEAD, on the other hand, teaches strategy, leadership, HR, marketing

and other areas that can be more readily negotiated not within a domestic context but with the best global practices."

"The most complicated thing about preparing the course was to understand the bank's needs and adjust the program accordingly, taking into account our capabilities," INSEAD's Netessine said. "I met with dozens of Sberbank executives and heard an enormous number of opinions before starting the program. ... Using the results of the first year, we are changing many details in the material and the methods by which it is taught."

Many participants would like to do more case studies drawn from Sberbank's experience, but the program will continue to use examples from other companies, Zhuravlyova said.

The system for choosing students has also changed. For the second Sberbank 500 (admissions concluded on April 15; classes start on July 30), a requirement was introduced for a specialized economic or financial education. In the first class, several managers with diplomas in humanities had to make significantly more effort because much of the course was based on numbers and formulas.

This time around it was much harder for marketing, legal and HR personnel to get into the program, as the preference was for the bank's core business units. For other roles, specialized programs are being prepared.

Sberbank University

"The skills acquired through the program have often come in handy already," Skvortsov said.

The financial director said the program has provided him with statistical approaches to analyzing data and models for assessing the effectiveness of a project, as well as helped him improve teamwork.

The program allowed him to move from deputy director to management director, Skvortsov added. "Considering the swiftness with which changes are occurring within Sberbank, I think that for future changes in my career I won't need more than a year."

But Zhuravlyova warns that participation in the program does not automatically lead to a promotion.

"Yes, high-potential employees take part in the program, but we don't teach employees because they are superstars and are being groomed for a promotion," she said. "We teach them because their positions are presenting new requirements, and managers need new skills to perform in accordance with the current position and the ambitions of the bank."

Meanwhile, the autonomous noncommercial organization Sberbank Corporate University was registered in March with the aim of further improving HR development. It will begin training employees in September, Zhuravlyova hopes.

The new university will develop programs together with business schools, she said. Sberbank is currently negotiating with Stanford University, the University of Berkeley and Wharton Business School, Zhuravlyova said. In the future, it's possible that the corporate university will have its own teaching staff and self-designed educational materials.

"We plan that every year 20,000 of the bank's managers will take part in various types of training programs, including short-term ones," Zhuravlyova said.

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