

The month of november 2001 was when I did further researches for a work experience in the mark of LEA studies programme and the month of the preparation for the changeover to the Euro within the banking sector. I found a magazine article on the project of french banks and Société Générale to call up trainees(1) and workers from temporary employment agencies in order to build up support teams able to face the increase in customers flow and to provide information to private customers of local bank agencies. I was both very interested in doing my work experience in a bank, as it is a very specialised sector, and to be in the very heart of the changeover organization because of the involvement of all European Economic and Monetary Union nationals in the operation. In view of my previous relations with a temporary employment agency, I naturally asked them if they got in touch with any bank for the Euro. Fortunately they were one of the two temporary employment agencies chosen by Société Générale to provide them additional staff.

I INTRODUCTION TO SOCIETE GENERALE:

A) FROM THE TRADING BANK TO THE GROUP:

Société Générale (2) is a french corporation registered at the Registre du Commerce et des Sociétés (register of trade and companies) under the single number 552120222 RCS Paris. It dates back to 1864, when Napoléon III signed the authorization decree. It adopted the form of a limited company, quite modern at that time. Its business object was to respond to the need for powerful banks capable of financing the new economy. The Industrial Revolution financed by the riches from colonialism, and the technological

(1)they are students from finance and insurance schools that have agreements with banks for student work experiences in the banking sector, so the only way for me to participate was to try being hired by a temporary employment agency

(2)previously called Société Générale Group until 2000, when the company decided to give a clearer image to the Group.

improvements of the period, allowed the development -between 1840 and 1860 in France- of Railway and the siderurgical sector. The creation of new banks like the Comptoir d'escompte de Paris in 1848 and Credit Lyonnais in 1863, for instance (the establishment of the Big Five in England) offered to companies the possibility to acquire equity stakes and have lines of credit. Société Générale (SG) assisted company creations and attracted deposits from the general public, mostly the increasing new urban population. The SG first Directors were mainly associated with the steel industry and railway companies. Private individual customers came from well-off backgrounds involved in these sectors.Société Générale is nowadays a public limited company, a group under self-regulation whose capital is divided into 431 538 522 actions of 1.25 euros as of 11th of January 2002.

The Group is the mere example of the concentration process of the banking sector. It has the strength of a colossal banking network and diversified activity fields. Its strategy allows the Group to be in agreement with the trend of the sector (there are three leading groups in France: BNP, Credit Lyonnais and Société Générale) by adapting itself to changing banking models and to the increasing similarities with the insurance sector. SG is the parent company of a big group with many subsidiaries. It has gone through technical concentration (which means a rise in the size of the production unit) by means of acquisition (Credit du Nord, for instance). This strategy provides them with a wider power in the market and a higher power of negotiation. Its financial logic is to diversify its activities in the sector through its principal fields or subsidiaries: Retail Banking, Asset Management and Corporate Investment Banking. By taking on the insurance sector, Société Générale can now be seen as a conglomerate, even if the word is not clearly expressed by the Group. Its growth strategy is supported by an internal growth strategy, materialized through the recent opening of subsidiaries in several countries, namely in Asia and South Africa, and the widening of the SG french network.

The Group's original profession is banking, which means that, like any banks, it matters in the participation in the fiduciary money-providing process and the circulation of bank money through the means of payment. (Today's merchant banks look much like deposit banks, also called commercial banks).

Société Générale banking activities are numerous, from very specialised financial products to simple savings books. It belongs to a government-controlled sector. This phenomenon started after the second world war. It previously used to be regulated by bankers themselves. The 1992-law and its implementing decrees –related to the fight against exclusion– are later examples of the sector's regulations. It made Société Générale create a Service Bancaire de Base, which is the right for anyone who lives in France to minimum banking services. The group is leading in students customers and number of product per customers (an average of seven).

B) ORGANIZATION CHART:

a) The Shareholders are the owners of the Group. They meet once a year during the *General Meeting*. They approve rules on the organization of the group. Management and the organization chart are ruled in a bureaucratic way.

b) The Board of Directors is composed of sixteen members, three of them represent employees and five are independant members. The average of directors is sixty. They are awarded for a four-years mandate –during the *General Meeting*- by the shareholders. The organization rules, proposed by the Board of directors, are approved by shareholders. The Board of Directors work out the rules and discuss the strategic and financial plans. The *Meeting of the Board* is scheduled at least five times a year (six in 1999 and fourteen in 1999). The first Meeting of the year reviews the budget. Additional Meetings are planned to examine the annual, interim, and quartely financial statements. The subjects discussed are: partnership, significant acquisitions, sales, internet and sales strategies, emerging market risk management, policy, investment

banking in the United States, the multi-channel Retail Banking strategy in France and financial plans.

Directors are today freer to give their own opinion. Each of them is supposed to keep the results secret until the publication of the press releases. The full-year result is published before the end of January, interim results by the beginning of August and quarterly results are published forty-five days after the end of the quarter (1).

c) Specialised Committees draw up the projects of the group. Each committee is composed of Directors appointed by the Board. In order to have information to work out plans, Committee members have discussions with company Managers. The Executive Committee in charge of executing the strategies is composed of nine Senior Managers (company Directors). The Compensation Committee, for instance, proposes Directors and Senior Officers fee amounts.

d) Société Générale Subsidiaries are headed by company Directors. The Credit du Nord is run by a Chairman and Société Générale multi-channel Retail Banking is run by a Chief-Executive Officer. Each company Director is responsible for the results of the company and belongs to the Executive Committee. The parent company possesses many direct subsidiaries(1) worldwide: SG Private Banking, Credit du Nord, Yamaichi AM, (Asset Management), Sogecap, Sogessur, Fidelity (insurance)...

C) THE HUMAN RESOURCES MANAGEMENT:

Société Générale has 86 000 employees in France and abroad, the hierarchy is functional. Every employee has a functional role and their responsibilities are clearly defined. The personnel management is based upon a responsibility for results. In order to ensure a better personal involvement, the Group encourages employees to hold shares, and 85% of them are shareholders.

(1)see Appendix I: fourth quarter and full-year 2001 results.

Each Director should own 200 shares and 86% comply with this. The Group frequently organizes staff trainings and offers socio-economic advantages (bonuses, profit-sharing) with a view to improving competitiveness and skills. Incentive plans and supplementary payments are ways to enhance productivity.

D) CURRENT STRATEGY:

On November 2000, the *Board of Directors* implemented the financial and strategic plans and revised the Group's growth and profitability targets for 2000-2002 upwards. The strategy is based on conservative assumptions concerning the economical environment and increased competitive pressures. The 2004-plan, announced during the fourth quarter of 2001, confirms the commercial and financial targets of the current plan:

a) Targets:

Enhancement of the development of the activity (12%).

Operating income growth(19%)

Enhancement of profitability

b) Strategy:

Selectivity: Market segments are divided into categories of businesses, markets and customers that offer growth potential. This is a sectorial approach.

Development: By pursuing the organic growth (launch of SG AM in the UK). The acquisitions of Hambros in the UK, Barr Devlin and Cowen in the US, are recent examples of equity business and advisory activity developments. In 1997, they acquired Credit du Nord to strengthen the french Retail Banking network. In 1998, the Group made acquisitions in Romania, Madagascar and Bulgaria in Retail Banking. SG acquired, at the end of 2001, 60% of the Komerčni Banca in Czech Republic and the Banque de Martelaere in Belgium. They improved their presence in the insurance sector by acquiring companies

(1) a single account number which keep the agency code when the customer change of agency. A national customer number is created to avoid confusion.

that allowed for the opening of insurance subsidiaries (Fiditalia...).

:Innovation: By creating new products like the *one account number for life* (1), a product that makes them different from competitors.

The adjustment of the distribution channel and the project to develop the SG Internet network show their will to modernize the network and give new information access to customers.

Maintain a sustainable profitability: By enhancing the profitability with methods which motivate employees. By managing risks and reallocating resources.

E) ACTIVITIES AND BUSINESSES OF SG GROUP:

Société Générale serves various customers: non-profit organizations and local governments, SMEs, an international general public in 60 countries (in Retail Banking), industrial and service groups, and institution investors at a global levels. Its core activities are *Retail Banking, Asset Management and Private Banking* and *Corporate and Investment Banking*. In order to comply with this, the Group pursues, since 1997, a three core businesses strategy:

a) Retail Banking is composed of a multi-brand management policy (Crédit du Nord, Société Générale Retail Banking), a multi-channel distribution system set to be completed by the end of 2003 (Internet, voice server networks...) and developing specialised financial services. The activity is driven on geographical and customer segments. The full-year 2001 results announced a rise of the number of individual customers from 7.4 to 7.7 million. The sales technique was efficient, as net banking income went up by 6.5% in the fourth quarter of 2001 in relation to the same period of 2000 and by 5.6% over the full year (1). Retail Banking outside France represents 12% of the Group's net

income and stood at the same level than 2000. According to company Directors, this stagnating result lies with the Argentinian crisis. The organic

(1) see appendix II, fourth quarter and full-year 2001 Retail Banking results.

growth made possible a 31% increase in the number of individual customers, which reached 3.4 million in 2001. Specialised financial services had been developed, since 1997, through the acquisition of insurance subsidiaries (**Fimatex, Sogecap, Sogessur, Franfinance, Fidelity, the Compagnie Générale d'affacturage**) which allowed the Group to enforce its life and property and casualty insurance activities.

b) Asset Management and Private Banking are mainly materialized through **SG Asset Management** and has been strengthened since 1997 thanks to a new network in Japan with the acquisition of **Yamaichi** and, in the US, with the acquisition of **Cowen**. The strategy put in place has seen assets under management triple in volume since 1997, ranking the group in third place amongst euro-zone banks in fund management. The Group's Asset Management and Private Banking registered, in 2001, a net income of EUR 255 million. This was quite stable if compared with 2000 (-1%), despite unfavourable conditions in the global stock market (1). Société Générale Asset Management innovated in October 2001 with the launch of the first mutual employee savings scheme for SMEs in France.

c) Corporate and Investment Banking focuses on niche market segments in Europe, United States and Asia with Equity derivatives, project and export financing and convertible bonds activities in various sectors like technologies, media and telecommunications, Healthcare, utilities, transport and logistics, commodities and financial institutions.

F) COMPLYING WITH LOCAL NEEDS THROUGH A LARGE NETWORK:

SG Retail Banking is one of the principal activities of the Group. It fully belongs to the *parent company* as Société Générale has always played the

(1) see appendix II, SG Asset Management fourth quarter 2001 results

role of a commercial bank. It represents a total of 30 000 employees and is the leader in France (not counting mutual companies) in terms of sales, number of agencies and number of customers. 180 000 sight deposit accounts open every year. Its numerous assets like its experience, the image of seriousness promoted by the Group (1) and the opening offered by the general public, make of SG Retail Banking an activity of great interest for the Group. The 2 600 agencies of the french network are in charge of local implementations and the representation of the Retail Banking activities. SG's strategic objectives are to attract new customers (400,000 by the end of 2002) and to provide their 7,7 customers with marketing-tool-born products and specialised financial products that come from a field network (a target of seven products per current account). The products offered by SG are today more sophisticated and numerous than ever. The local network of SG is continuously expanded in order to create a proximity with individual customers.

a) ***Organization of the Network:***

- *The Management* is located at 29 Boulevard Haussman, 75 009, Paris-la-Défense, France
- *Local Agencies* are divided into geographical regions. Each area is considered as a local group (Agency) with a parent Agency and outlets. The Group of Aix-en-Provence's parent agency is located at the *Decisium*, Chemin de Beauvalle, 13 090 Aix-en-Provence, France.

The strategy worked out at the Management of SG Retail banking in Paris is pursued locally by the Management of local Groups, firstly within the parent Agency and then within agencies. This kind of organization is the most adapted to the size of the network for practical reasons. It complies with the specific needs of the area.

b) **Remote access:** Vocalia, a voice server that gives access to account statement, telephone consultants, Minitel and SG online banking.

(1) a 2001 **IPSOS** index shows Société Générale has the best image

c) **Role of the Group's parent Agency:** The parent agency is composed of several functional departments in charge of the connection and coherence between the strategies worked out in Paris and local implementations. They also have a fonction of adjustment of the same strategies with local needs and a role of representation of Société Générale in their area. The local group has a responsibility for results, Human Ressources Management implementations, customers services and account management and is to keep the SG Group informed on any adjustment of national projects. The local Group can be at the origins of local projects in certain area like Marketing for example, according to any event that can occur in the area (sponsoring of a festival for instance) or to adapt the decisions to customers particularisms (age and social activity). Certain operations are made within the parent Agency, like several banking transactions and organizational activities:

- Internal mail sorting
- Foreign transfers: The order of payment can be made within the local agency and the foreign paying-in slip is sent to the Foreign Department. Transactions are then operated through SWIFT a system which allows transfers between two banks located into different countries. A confirmation message is then sent to SG in Paris.
- etc..

Communication between agencies inside and outside the local group is made by SG intranet and internal mail. The principle of "group" allows a certain solidarity between agencies that all work in the name of the local group.

II ASSISTANCE AT THE AGENCY OF BERRE L'ETANG

A) ORGANIZATION OF LOCAL NETWORKS:

SOCIETE GENERALE, Agence de Berre l'Etang
12, avenue de la libération,
13130 Berre l'Etang, France

Local agencies have a function of customer reception, accounts financial and commercial management of agency customers, and face-to-face personal advisory. These functions comply with the need of proximity for formality matters, services to customers and ensure trustful relationship with customers. The description of the elements that make the activity of an agency possible, is essential because my role as Euro assistant made me play at any level so as to face the flow of customers and the increase in activities during the Euro period.

a) ***Agency Staff:***

- *The Bank Officer*, or Agency Director, is in charge of the good functioning of the agency and the respect of company targets. He is also financial adviser for non-profit organizations, self-employed professionals and shopkeepers.
- *The Assistant Officer*, or Director's Assistant substitutes the Director when necessary and advises him. He is also financial adviser for well-off individual customers.
- *Other Financial Advisers*: They have commercial skills, a perfect knowledge of SG products and rules and the same skills as cashiers. One is dedicated to patrimonial customers, two to general public, one to students and persons under 18.
- *Two Cashiers*: are in charge of the credit money, customer reception and telephone switchboard, banking operations, basic commercial operations and administrative tasks.
- *Other practical tasks* are shared out between all of the employees, like door opening and closure, equipment control.

Each financial adviser is in charge of a list of customers. They sign contracts and can be responsible for possible incidents (customer insolvency

for instance). They represent the company and are responsible in front of it for any problem.

b) ***Working Areas:***

□ *The wicket:* Is more accessible because located in the heart of the agency. Customers are received and order ordinary operations at the wicket. Cashiers are allowed to sell basic products at the wicket because any contact with customers can be used to sell any supplementary product. They make appointments with financial advisers.

□ *Financial advisers offices:* are located around the wicket. Transparent room-dividers allow light to enter and receptionists to see if advisers are available to receive someone or take phone calls. Financial advisers usually receive their customers by appointment. The system of lists of customers permits the growth of closer and more trustfull relationships. Advisers have 30 minutes to prepare customers files and purchase or order forms in view of the meeting. They analyse customer's profile in order to propose suitable products. Folders and hoardings inform about special offers.

□ An area similar to any adviser's office was temporarily installed for the *Euro assistant* post, dedicated to customer reception and agency assistance during the changeover to the Euro stage.

□ The space reserved for the queue is also surrounded with leaflet displays and hoardings. Cashiers are willing to give more information or make appointments with Financial Advisers.

□ *Additional Areas:* Archives room, strong room (not every agency have one at their disposal), the microfiche area, photocopier and Internet access room, resting room for employees, metal lockers for chequebooks and cards, customers files storage units.

c) ***Work Station:***

□ *Computing tools:*

- Microsoft Windows: Different versions are available according to the work station. Word processor and data processing program are available on all station.
- Communication Softwares: Videotex, Windows communication programs working with SG internal mailing network. Société Générale gives news and information to employees through "le Kiosque"(SG internal documents and press releases).
- Société Générale Softwares. They give access to SG banking network. They need personal user name and password. The access allows banking operations, stock controls, and customer information(1).
- Basic office stationery for administrative tasks. Banking operations slips and forms.
- Phone switchboard: There is a single number for general information, then each office has its own number. Calls are transferred to the switchboard if they do not succeed. Each phone can be connected to another by using a shortcut of the number.

d) ***Opening Hours:***

- Tuesday to Friday: from 8.30 am to 12.00 and from 1.30 pm to 5.30. Working hours from 8.20 am to 12.00 and from 1.15 to 5.40
- Saturday morning: from 8.45 am to 12.30. Working hours from 8.30 to 12.40.

B) CHANGEOVER TO THE EURO IN FRANCE:

a) ***Challenge at Société Générale***

The part played by Société Générale is crucial during that period in every field in which the Company operate and before the first of January 2002 and upwards:

- *Field of circulation of bank money*: Endow every customer with a cheque book in euro by January 2002.

- *Field of credit money providing*: Organize the logistic of fiduciary euros by 01/01/2002 and the withdrawal of the Franc.
- *Role of responsibility*: For money deposits and the management of economic agents' financial products.

(1)more operations are made through the network, I can not precise what they are as my position did not give me access to all program. Confidentiality rules do not allow me, despite it would be interesting in the mark of the report, to disclose the functioning of the programs.

b) ***The SG Euro Calendar***:

This calendar is in keeping with the Government's but still hold particularities because it follows the SG commercial strategic lines and practical organizational plans. Beyond the Euro-informing role of banks amongst customers, the group has to be prepared for the internal revolution of the banking activity.

- *Previous changes*: On 01/04/99, financial markets turned to the Euro and between January 1999 and December 2001, bank euros could be used into the European Economic and Monetary Union countries. Until January 2002, the use of the currency follows the "neither...nor" principle: neither obligation nor banning of the use of euros. In December 2000, less than 1% of customers accounts were converted to the Euro.

□ *SG calendar*:

	bank money	credit money	internal events	external events
April 2001 to november 2002	automatic order of cheque books in euro with one in Franc	order of euros for the advance provisioning, including the whole month of January		information inserts in bank statements about account conversions
July to September	automatic conversion of accounts and products	3 rd of September : first advance feedings of banks in coins	27 th of September: setting up of new and temporary transactions in euro	
October	ultimate conversions of accounts and other products	provisioning of banknotes in euros	<ul style="list-style-type: none"> • internal documents on commercial offers in euro • Euro kit orders and commercial product offers 	<ul style="list-style-type: none"> • endowment of practical guides about the Euro. • orders of Euro kits for professional.
November	cheque book in franc orders are forbidden	15 th : delivery of 5 and 10-euro banknotes	employee training about Euro	<ul style="list-style-type: none"> • delivery of Euro converters for shops. • orders of "First euros" bags

December	cheque books in Franc are gradually destroyed	<ul style="list-style-type: none"> • 1st : preliminary provisioning in banknotes and coins of shops • 14th: sales to individual customers of "First Euros" bags. • Euro sales to professionals 		the "First Euros" bags are the only procurement way for individual customers. Professionals can have access to special Société Générale kits and official standard kits (€222)
January 2002	all operation is in euros	<ul style="list-style-type: none"> • 1st: circulation of the Euro. • exchange of banknotes and coins • shopkeepers give change in euros. • providing of cash dispensers in euros 	during more than one month, cashiers have double cash funds	customers make all operation in euros
February		<ul style="list-style-type: none"> • removal of the Franc on day 17. • free exchange of Francs until the 30th of June at banks. 	17 th : only Euro cash desks.	

c) **Barriers:** One year before the circulation of the Euro, Société Générale still had to face significant barriers:

□ *Customer barriers:*

- Customers are not familiarized with the new currency
- They are passive in front of any information
- There is no demand for payments in euros
- They are worried about the changeover
- They face problems of conversion, loss of references, risks related to banknotes and coin handling, are afraid of the probable increase in prices.

□ *Organizational barriers:*

- On December 31st, if the general closing of the network was supposed not to have any impact on the organization of the ultimate swings to the Euro of agency accounts, the January 2nd national strike of bank clerks and security guards did cause customer discontent and organizational malfunction during the very first days of the circulation.
- Opening hours have not been extended, and employees would normally not have day off so as to ensure customer service. Extra hours are allowed if in

accordance with the regulations of the french Ministry of Work and Employment. The agreement in date of June 19th 2001, as regards the changeover, is applicable to concerned employees. The agreement announced extra hours and compensation measures for extra work.

d) ***Organization Means:***

□ *Workforce support:* had been implemented between decembre 2001 and february 2002. 5600 assistants (1) backed up network teams in order to strenghten the quality of services during this period of crowds. Temporary employees and student employees were hired to carry through any kind of tasks, according to their skills and local needs, that appeared to be necessary to an appropriate functioning of the agency. Tasks are simple, they consist in queue management, assistance to the wicket and possibly to advisers, in credit money counting and more operations. The Aix-en-Provence Group had 130 temporary employees and 20 student employees to help to face extra work.

□ *Training:* was compulsory for every employee, from cashier and support employees to bank Officers. The objectives were to authenticate notes in euro and in franc, apply Société Générale security procedures (2) and TRACFIN rules (against laundering), and explain fiduciary commercial offers to customers (like automatic refund of "First Euros" bags in exchange of a savings account opening).

C) AGENCY ASSISTANCE:

*T*he assistance consists in making tasks usually shared by agency employees. Theoretically, the wicket should have been the busiest post because of the crowds (customers willing to change franc or just panicked) during the Euro period and I should have helped them most. But the whole activity was increased, no additional cash desk was installed and my flexibility was very much tested. This was added to the fact that, on the contrary of what employees expected, temporary workers could not have cash desk

(1)7400 in the whole Retail Banking activity, including Credit du Nord and Fimatex, see appendix IV.

(2) note about security procedures and confidentiality rules:

- banking confidentiality is a legal obligation. It is valid in any situation.
- confidentiality is valid inside and outside agency premises. No information shall be disclosed neither by telephone nor virtual networks.(for unknown customers).
- desks must be kept tidied so that no one can have access to documents.
- customers can not walk around freely in the agency
- operation forms are signed and stamped by the operator for later responsibility tracing
- customers informations can not be disclosed to outsiders inside or outside agency premises.

because of a lack of material. Having a provisional cash desk was impossible for reasons of security, lack of experience in the network and the weak link that temporary employees have with the company. In other word, my occasional presence at the wicket in substitution of a cashier was problematic as I could not receive or dispense money in the time of the changeover, despite needs for people who can handle money.

a) ***Wicket Assistance:***

In order to ensure a satisfactory service and ease the work at the wicket, I was in charge of daily tasks that frequently move away one of the two cashiers from the cash desk. In this case, the queue sometimes exceeded fifteen customers.

1. Daily practical tasks:

- ❑ *Roller blind:* opening and closing.
- ❑ *Fulfil leaflet display* and check they match with offers on hoardings. Fulfil cheque deposit slips.
- ❑ *Mail management*
 - Go and get the mail and sort it
 - Storage of cheques after having checked slips had correctly been filled in.
 - Network data input of transfer orders after validity checking.
 - Distribution of mail between advisers.

2. Cards and cheque books stock management:

Stocks are subjected to SG procedure rules in order to respect customer confidentiality and allow the tracing of items movements.

- ❑ *Batches receipt:*

- Delivered items are ticked off of ordered bundles lists daily printed from the SG banking network. Items are then stored into metal lockers. There are separate bundles divided into categories (cheque book or credit card).
- The network management operation automatically displays orders of home deliveries (for customers living far away from the agency or just travelling). In this case, items are sent by registered post. Postage and packing display in euro was on since septembre 2001, when la Poste (french post office) introduced posting rates in euro. Customers attached to the agency but who wish to have their item at their disposal at another agency will have their items sent by internal mail to the agency of delivery.
- Cheque books are classified by date of order only because bundles are items ordered at the same date and then stored accordingly to account numbers. The size (wallet or ordinary) is not a criteria for classification.
- Cards are stored according to their category and then by their serial number:
 - national credit card
 - Visa credit card
 - Premium Visa credit card
 - card "Kit" (young people cash card)
 - Visa credit card for professionals
 - Visa credit card "Alterna" (Alterna is an account with credit money in reserve)
 - card "Eclair" (cash card only)
 - other cards: Eurocard, Mastercard are seldom ordered
- *Outgoing stock control*: Acknowledgment of receipt are sections included into the card bag or cheque book. They are removed to be signed by customers and then carefully stored by each employee for later ticking off. Dispatched items receipts are kept by the agency and the reception is attested by postmark. The procedure for destroyed items receipts is similar. Every day I gather every receipt in order to to tick them off of the outgoing stock printed form. Forms are then stamped, signed, and stapled with receipts to be stored into the archives. This stage is significant to prevent any card or cheque fraud or to constitute an evidence in case of disagreement with a customer.
- Missing items: Most of the time, it can be explained by delivery delay. If not, the Director's Assistant is informed and he places a new item or bundle order.

- Each material control is input on the SG network for each stock statement updating. The presence of items is signaled when consulting personal customer's cheque book or credit card stock statement. The system eases dispense procedures.

- *Bimonthly card stock control*: cards are counted and those in stock for more than two months are put aside. The stock statement is compared with the SG network statement by ticking off of a printed form.

- Missing cards: Obligation to check if it has not already been handed, by tracing the card number on the account story in order to find out if the customer uses it. If there is no operation with the card, I must contact the customer's adviser for more information. It eventually happened that a customer was contacted to know if he owned the missing card.

- Additional cards might not have been put into the network or may have been physically destroyed without having updated the operation in the network stock statement. The adviser is informed of the situation and orders the destruction or the updating of the card in the network stock statement.

- Customers whose card is in stock for more than two months are informed by mail or by phone call. Cards are frequently destroyed. Remaining cards are often refused ones or might come from duplicated orders. In any case, advisers are a good source of information. Destructions are followed by network updates.

- *Cheque book stock control* is similar. Items are destroyed after four months in stock. Any regularization must be applied both into the network and physically.

2. Equipment control:

- *Office stationery*: Any lack must be indicated to the person normally in charge of the stocks or can directly order with the suppliers. Banking operation forms are ordered from the parent Agency and delivered within a couple of days. If there are no remaining form in stock at all, other agencies might send a few bundles by internal mail (the sending usually lasts a half-day).

- ❑ In order to vacate premises, full archiving boxes are sorted and stored into the archives room.
- ❑ *Storage*: Cheque book lockers and customers files storage units must be frequently set in order for an easier use.

b) *Advisers Assistance*:

1. Basic tasks:

- photocopying.
- mail writing.
- phoning
- editing information leaves for hoardings
- money-carrying assistance.
- search for customers information.

I am not supposed to substitute advisers on formal matters in any case. Those competences are very specific and each adviser is responsible for their customers.

2. Translation and interpreting assistance:

My ability to speak Spanish and English was quite unusual among the agency team but in fact not useless at all.

❑ *Informing foreign nationals resident in France*: Advisers or cashiers refer foreign customers to me for simple information in my competences, otherwise I strictly have an interpreting role. I made appointments and translated leaflets or any information about products.

❑ *Exchange operation assistance*: Agents are mostly non-Société Générale customers and are often carriers, as Berre l'Etang is an industrial city. They usually speak English even if it is not their mother tongue. The currencies most frequently exchanged are the Pesetas, the Mark or the Dollar. Exchange operations have to comply with a few conditions, like being customer of the company or, if not, have little money to change. The cashier is responsible for the acceptance of banknotes. Unknown banknotes, in other words banknotes which can not be authenticated, were refused in order to contribute to the fight against illegal money. After having explained the reason of a refusal I sent the person to another bank.

✓ *the language is simple, direct and not technical. Little detail description is necessary. This kind of conversation is not problematic even if customers speak little English or Spanish.*

□ *Foreign customer account opening*

Those customers are in France for work reasons. They belong to agricultural, industrial and high technology sectors (industrial attraction of the area). As they have a job, they offer a great potential for SG.

The Director's Assistant is in charge of opening accounts for foreign customers. My role was to allow a suitable discussion between the future customer and the adviser.

✓ *the language is to be clear and precise to ensure a perfect understanding of each agent. Beyond the language, I have a role of mediator between them and am to put both person at ease in order to allow the development of trustfull relationship by not talking at lenght with one of them into a language they can not understand.*

□ *International contacts:*

- It consists in phone calls and fax and mail editing. Phone calls are made if the customers are bothered and the situation is urgent (for instance at closing hours). Documents can be sent by fax within a few minutes if the bank requires it. Société Générale layout is necessary for the edition of letters.

✓ *The language is formal and specialised but clear and direct. The content must be quickly understood. Any SG product has to be described since the foreign bank might not know them*

- Customers temporarily abroad: Customers temporarily abroad who make use of their credit card inform the agency if a card is retained into a cash dispensing machine. The agency has to contact the foreign one to help out customers. The adviser checks card validity and account balance. I pass the information on to the foreign agency.

- Foreign financial transaction on behalf of a customer. Ordinary operation are made at the Foreign Department of the parent agency. Transfers are ordered from the local agency at the wicket or with an adviser. The transaction slip is then sent to the Foreign Department where transfers are made through the SWIFT system (the order is send simultaneously at the foreign bank and at SG

in Paris). Foreign banks sometimes contact the agency in case of incident (insolvency...).

3. Commercial tasks:

□ *Canvassing*: Search for customers and non-customers information to contact them about offers. First of all, a targeted list of customers to whom the offers can be applied is done. For customers, a research on the network with the account number or customer number permits to know the name of customer's adviser. In fact, I am supposed to call on behalf of advisers, who usually themselves call customers to introduce new product offers, and give a personal touch to the phone call. Canvassing missions are ordered by the marketing departments either in Paris (national offer or product launch) or in Aix-en-Provence (local mission). A network input of information is necessary for later contact. Prospective customers are called by telephone or contacted by mail. I shortly describe the product and propose the customer to discuss it with the adviser. A successful contact results in an appointment with the customer's adviser.

D) TASKS RELATED TO THE FIDUCIARY EURO:

The fiduciary Euro was introduced on January 1st 2002. By that time, the agency had to be prepared and reassure customers.

a) *Changes in Ordinary Operations*: Accounts and products were previously converted into euros during the summer 2001, and customers got used to operations in Euro during a transition period of operations that were made in francs or in euros:

□ *Money transfers*: Customers choose the currency of the operation. It must be indicated during SG network input. Transfers in francs come to an end on January 4th 2002.

- *Creation of cheque books in euro*: to avoid mistakes. Cheque books wear a different colours and a supplementary number which determinate the currency of the payment.
- *Cheque deposit*: Since January 1999, it is allowed to pay in cheques in euro into their account. Different slips make reference to each currency to avoid confusion. Euro cheque books wear the Euro symbol and are grey. At agency closing, cheques are sorted out according to the currency of the payment, but both bundle are put together into the same bag for later sorting by subcontractors. Each currency has its own label, any error would cause customer expenses. Cheques in francs and in euros are sent to the French Clearing House for exchange (1). Cheques in francs done before the first of January can still be payed in during the validity period of the cheque (one year and seven days).

✓ Euro cheques will soon be paid through the SIT system: they will be kept by Société Générale and paid through the "cheque image exchange" system. Information will be sent through SIT or "système interbancaire de télécompensation" (interbank remote clearing system).

- *Credit cards* can either be used for payments in francs or in euros. The customer has to choose the currency when paying. On January 1st, customers can use the same card for cash dispensing and payments in euros.

b) ***Removal of All Cheque Book in Francs***: In order to familiarize customers with the Euro, a cheque book in euro was automatically ordered with an order in franc. Cheque books in euro could not be destroyed even if in stock for more than four months. Between April and November 2001, all cheque books in euros went with a practical guide about the Euro provided by SG. At the end of 2001, customers were encouraged to finish their cheque book in franc or destroy it before the first day of January. In the agency, cheque books in francs still in stock had to be destroyed before that date. Until the mid-December, customers were asked if they wanted to take their cheque book in franc or if it could be destroyed, in that case cheque books could physically be destroyed.

On the 2nd of January, cheque books in franc are automatically removed from network stock. Remaining cheque books are removed from lockers and

physically destroyed. The operation needs tidying up the locker as about one out of four cheque books was in franc despite previous destructions. Acknowledgement of receipt sections are kept for archiving.

c) ***Individual Customers Euro Assistance:***

1. Targets:

(1)see appendix III, circuit of cheque cashing

- ❑ Familiarize customers with the Euro by encouraging any form of use.
- ❑ Promote new productions in euro (cheque books for instance).
- ❑ Reassure customers about automatic swings of accounts.
- ❑ Inform customers of euro-related risks and explain what to do to avoid confusions.
- ❑ Manage crowds flow.

1. Action fields, Customer reception at special Euro Assistance post:

✓ *information sources: The euro guide contains information about when to use euro before january the 1st, about account conversions. It contains descriptions of the different means of payment and the advantages of the remote banking access. Internal mails and magazines are interesting sources of information to keep informed of government's decisions and SG euro-news. Personal searches are essential to understand the mechanisms.*

- ❑ *Simple operations: Only, as I have no cash desk.*
- ❑ *Customer information about: conversion problems, date reminding, and practical advice.*
- ❑ *Account statement access for customers: Account statement value currency can either be in euros or in francs. The double display can cause confusion for inexperienced employees. Customers can go home thinking they have a sum in franc while it is in euro. To avoid mistakes, the exchange value has to be checked by doing F10 on the keyboard. Since January, the Euro is displayed as main value in all account statements.*
- ❑ *Cheque book and card handing: is an opportunity to explain the use of cheques in euro and to encourage customers to use them while they are signing the receipt. I dispensed the SG euro-Guide if the customer meets difficulties in remembering dates. Customers are encouraged to use their credit card to avoid confusion and agency queues.*

□ *January 1st banking sector strike:* Customer flow is to be managed with a reduced team. I took a post at the counter and received customers for any operation but cash operations. As no euro was available because the employee in charge of the strongroom keys was not present, remaining agency team had to manage customer dissatisfaction and encourage the use of the cash dispenser.

d) ***Preliminary Euro Supply: Provisioning of "First Euros" Bags:***

Since November 2001, customers can order "First Euros" kits. Each bag weighs 200 g (0,44lbs) and contains 40 coins for 15,25 euros sold for 100 francs. Kits must be ordered so that the adviser can put forward commercial offers and because kits are subject to Banque de France quotas. Agencies previously expressed their needs for the preliminary provisioning period and for the whole month of January. The reservation system is supposed to avoid incidents during the dispensing period (customer who would come twice...). Kits were sold from December the fourteenth. This system was the only way for individuals to get bank euros. The company wished to tap the opportunity with a commercial strategy which lies in presenting to the customers ordinary products that they might have refused before.

1. General approach of the operation:

- *Target:* Serve Société Générale customers first and then non-customers if there are commercial opportunities or remaining stock.
- *Objectives:* Sell the stock as soon as possible. Reduce the coin money changing from banknotes in shops.
- *Terms of payment:* If kits are paid in cash, it would preferably be with banknotes to ease countings (constraint: ensure franc liquidity for payments). It was planned to accept debit to customer account but this solution eventually failed for practical reasons.

2. Practical organization:

- The agency holds 3500 bags for about the same number of customers.
- Security guards supplied the agency with euros since November 2001
- Euros are kept into safety boxes with two locks.

- ❑ One employee is responsible for the euro informatical cash desk and stock management.
- ❑ My office was converted into a *euro-stand* during that period. I was in charge of kits sales and hold little stock of euros per day and a cash box to store francs . At the end of the working day, I handed remaining kits and the content of the box to the person in charge of euros (for counting).

3. Commercial strategy:

- ❑ The contract of kit order proposes to subscribe to certain products, and the adviser is there to explain the different offers during a scheduled meeting.
- ❑ Customers are encouraged to make an appointment with their adviser to order the kit.
- ❑ When coming for the kit, customers are proposed special offers (refund of the kit when open an account for children and young people). I am allowed to fulfil the contract slip for that kind of account opening. Cashiers would input later the account opening into the network.
- ❑ As certain customers seldom come to the agency, some information about them are obsolete. The increase in mobile phone sales giving new possibilities to contact customers, kit sales were good opportunity to meet them, update information and ask for mobile phone number. A card is done before the 14th of December with customer's last name, account number and the number of kits they ordered. New elements were then captured to be put into the network to complete or update customer profiles.

4. Progresses:

About 2 250 000 bags were dispensed in France on January 10th (1). In Berre l'Etang, 3 500 bags were available and only half of the stock had been sold. During the first days of distribution, many customers were denied more than two or three bags and non-customers were refused any sale. After a few days, agency frequenting gradually slowed down and the customers were allowed to buy 10 kits. During the second week, most of the customers had preferred to wait until they could obtain banknotes from cash dispensers. Non-customers were allowed to buy kits and customers were allowed to buy an unlimited number of kits. Sales weakness might be put down to sales constraint but also

to the competition of open sales at post offices. After January only three bags had been sold.

e) ***Franc withdrawal:***

1. General approach:

(1) See appendix n°IV, extract of an internal declaration about the changeover to the Euro

□ *Targets:* All customers. Exchanges with non-customers are limited to 2 000 francs

□ *Objectives:*

- Organize exchange security and confidentiality
- Limit queues
- Make appointments with the adviser for operations above 8 000 francs.
- Inform customers that exchanges are free until February 17th, and banks exchange banknotes until June 30th 2002.
- Encourage customers to deposit cash into their accounts.

2. Security rules:

- Mark FF 500, 200, 100 and 50 notes with a tool called "trouilloteuse" ("hole maker"). 20-franc notes are not marked.
- Encourage customers to use "Express paying-in" bags.
- Respect money laundering instructions (every pay-in above EUR 8 000 is to be registered at the TRACFIN register (occasional customers and operations register)).
- Authenticate values.

3. Wicket assistance:

Notes should normally be handed to and marked by cashiers. In view of the huge flow of customers, I assisted them in that task.

- Note marking: A desk has been installed for banknote marking. I marked bundles of notes about five times a day. About ten banknotes could be marked together.

□ Patrons of the agency could hand me "Express paying-in" bags. They kept a paying-in slip and I passed a copy to a cashier for a network input of the operation. Bags are put into a automatic paying-in box. "Express paying-in" bags can contain notes and coins which are not marked. Bags are directly delivered to the Banque de France as they are.

III THE COMPLEXITY OF THE REGULATIONS AND ITS CONSEQUENCES TO QUEUE CONTROL:

Beyond the extra load of work resulting from increased flows of customers during the changeover period, I noticed that the organization of customers reception could be improved by simply applying techniques some of which are already being used into other Companies. SG had already been working on the development of a new organization in customer reception and services like Videotext access and remote banking. But several barriers still impede the implementation of a more efficient management of queues, like formality obligations, lacks of modern equipment, remote access network flaws, and customers' reluctances to certain changes.

A) MALFUNCTION ASSESSMENT:

Any malfunction has consequences on customer's satisfaction and cause problems in ensuring the loyalty of customers. Substantial flows of customers were frequent during the transitional stage of the changeover but problems remained on a few occasions: on Tuesday morning because the agency was closed during the week end, on Saturday morning when individual customers do not work and have time to go to the bank, and at certain hours of the day when frequenting is at top levels. If, through decades of experience in queue management, SG had made colossal efforts to improve the situation, still many

agencies and other banks with wickets meet with the everlasting problems of customer wait.

a) ***Customer Dissatisfaction:***

It is impossible most of the time for the person in charge of the management of queue to foresee the number of customers who are to come at the agency during the day, except from Tuesday morning and Saturday morning. In any case, the number of counter available for customers reception is supposed to ensure a suitable service.

□ *Appointments with advisers:* Customers are very often proposed to make an appointment with their adviser in order to reduce the queue and tap the advantage of a meeting to sale SG products. The advantages of the system can often block it, as no other counter opens to ensure an adequate service and customers have to queue up to make an appointment, unless they would go home to call and make an appointment. Any way, they might wait a long time and it may not comply with the purpose of their visit. They frequently have to come back another day if the situation is not urgent. Customers willing to meet their adviser, if they do not want to come back or in case of emergency, can be received between two appointments. The system of appointments obviously restrains spontaneous visits. A visit can become such a burden and so unpleasant as a few customers knock to any adviser's door to be received.

□ *Phone calls* can be a solution, but customers on hold sometimes wait much time and anyway no confidential information can be disclosed by phone unless the person is known, and no employee can recognise all the voices. Employees are suggested to make appointments.

b) ***Consequences for Work Organization:***

Cashiers are in charge of certain daily tasks that need to spend time on them and which can not be done when there are important flows of customers. The lack of time causes a risk in security procedures and increases the risk of operation mistakes:

□ *At the wicket:* Cashiers are in charge of customers services at several levels:

- managing queues: they must operate on a very rapid way for customers not to wait too long.
 - They make ordinary banking operations
 - They are in charge of money dispensing but also cash funds management (orders, deliveries, countings).
 - Administrative tasks.
 - Cash desk daily closing. It consists of counting physical cash sums and compare them to the informatical cash funds. The operation lasts about fifteen minutes.
 - Cheque books and card stock management.
 - Cheque deposit management.
 - Additional commercial tasks: in order to improve the production of the Group, cashiers are allowed to propose offers and are even encouraged to do so by the system of socio-economic advantages and bonuses;
 - Telephone switchboard.
 - Account opening when trained to become advisers.
 - Security of the bank. Important flows of customers do not allow a correct surveillance of the activity.
- Advisers receiving many customers between appointments are not able to prepare correctly customers files and to record updating operations.

B) AT THE ROOT OF THE PROBLEM: SG REGULATIONS:

Société Générale is ruled in a bureaucratic way like most of french companies. First of all, the system is most adapted to the size of the network and is justified by the object of the company that provide revenues and is delicate to handle: money and customers' money. I am not going to judge the system but only analyse how it restraint services to customers (that it also serves) and how the company counteracts its drawbacks.

a) *The complexity of the regulations* (1) :

- ❑ Rules are abstract and impersonal.
- ❑ Positions are strictly defined and functional.
- ❑ There is a hierarchy of functions.
- ❑ The system allows objective executions, according to gauged rules

(1) definition by german sociologist Max Weber (1864-1920), extract of the Dictionnaire d'économie et de sciences sociales by C-D Echaudemaison, 1993, Nathan

b) ***The functional Role of Employees:***

- ❑ the Management works out regulation and strategy decisions. They have a the power to make optimization decisions. It means that they give themselves the means to make up and apply strategies.
- ❑ Work is shared between employees who have a functional role and take executional decisions. The system of functions in the Human Resources Management allows little flexibility. The agency Work Management divides the payroll into categories of employees who have an exact function. They are responsible for results in the domain defined by their function. The only way for an employee to make different tasks is to be promoted or by competitive examination. Customer advisers are responsible for a list of customers. Cashiers are responsible for very exact tasks, large queues do not allow them to implement the commercial strategy.
- ❑ Rules in prevision of problems: Agency employees work in pairs. If it occurs that an employee was not, the partner employee would temporarily be in charge of the tasks of both posts. The amount of work and customer reception is doubled. The two cashiers also work in pairs. The amount of work for one of them in case of absence at work is of significant importance. An adviser might substitute absent cashiers, for example on Tuesday or Saturday morning when customers inflow is at top levels. But this situation is not appropriate, firstly because occasional work can result on mistakes, and then because the usual position of the adviser is unoccupied.

c) ***Banking Operations Procedures:***

- *Banking operations procedures* are today more simplified than ever, but the physical tracing of operations is still necessary for any task. Fax sending, photocopies, copies of contract and documents, signatures and stamps are tasks that are simple but, when increased by the number of customers, it becomes complex both in the mark of employees' amount of work, and for customers service quality. Many boxes of archiving are made each year. It is necessary to be able to trace movements and to prove the operation in case of network failure (the banking sector is one of the main targets of computer jackers). The company strongly wonders about the need of physical tracing of every operation but the system reassures customers and secures the network.
- *Physical customers files*: are added to the complexity of the procedures. Photocopies and copies of contract and operations are said to be necessary for implementation of account openings, and subscription to contracts. It allows to carry out checks on customers information. All the files are stored into storage units. As many operations have to be put into files, employees spend much time in taking out and putting back files from storage units, slowing down the service and giving more work to employees.
- *Task delegation to the parent Agency*: The system allows less responsibility and a sharing of tasks between different departements. It also simplifies the equipment of the agency. But transfers of files slow down the service to customers.

C) IMPLEMENTATION OF NEW PRACTICAL SYSTEMS TO COUNTERACT THE COMPLEXITY OF THE PROCEDURES:

a) *Technical Developement of the Network:*

In the 1990's, the computer systems have been improved and the SG network is nowadays quite sophisticated. The system is effiscient and less employees are needed to do the same tasks at the counter. The increase of the number of posts as adviser has opened new commercial activities and embettered the effiscieny in customer services. Customers information and product access is easier. In the future, we could easily imagine a network that

would allow a combination of the Banking operations, customers information and virtual movements of informations about customers into the network to avoid post mail and physical files. The limits of the organization of a network which has completely become computerized consists in network failure. If all information disappeared -despite security measures- the consequences in the running of the whole SG network would be disastrous.

b) ***Practical Equipment:***

- *Express paying-in boxes:* is already a kind of revolution. The system shortens the length of the operation and avoids counting errors. As customers still have to queue up, it would be useful to put automatic paying-in boxes outside the counter, something like a multi-function cash dispenser.
- *Cheque deposit boxes:* the system is also very useful for customers who only queue up to deposit a cheque.

c) ***Multi-channel Distribution:***

- *Vocalia:* the voice server gives access to services, information about special offers and SG consultants. A platform that would substitute agency switchboard is in project.
- *Messalia:* SMSs about account balance and special offers are regularly sent to customers' mobile phone.
- *SG Online Banking and Videotext:* allow customers to get news about their account balance at any time. The SG web site should allow customers to make an appointment with their adviser.

d) ***More Flexibility:***

May-be employees should have more open lists of customers (customers often do not even know the name of their advisor).The systems of work in pairs both unsettle customers, as most of the time absent advisors delay appointments, and the partner-employee who is in charge of almost a double amount of tasks. Other banks, for example are runned with a position rota system: advisers can be cashiers, or receptionists etc.... Société Générale hire

cashiers who are supposed to be trained to become adviser after about two years. This system does not allow a change of posts because there are different skills for different positions. The agency could also have a reception desk and additional counters for banking operations.

As a conclusion, I particularly appreciated to drive people to a better understanding of the phenomenon of the changeover. I felt personally involved in the organization and cannot deny that it motivated me in searching information about government's implementation and Société Générale efforts to ensure a *pleasant* changeover. Lastly, this experience brought me essential knowledges and a consolidation of what is taught in the mark of L.E.A studies: the application of Business languages, marketing tools and their commercial implementations, computer basic knowledge. On the whole, the economics and trade knowledge and their compulsory adjustment, when used in a practical situation, would certainly achieve my preparation to enter the working population after my study period