

Q3 Targets - PBMs, PBCs & PBIFAs

Target setting in Wealth Management over the last few years has often been a tortuous process. Our negotiations have often been characterised by targets not being in place before the target period commences or the Bank attempting to set targets for new roles and processes that are untried and untested.

Whilst latterly significant effort has gone into improving the situation we have not been able to agree targets for PBMs, PBCs and PBIFA's for the second half of the year. Although the Bank will no doubt talk about sufficient opportunity to hit target being generated, the impact of the segmentation changes and their inconsistent speed of introduction, together with the piecemeal introduction of PBCs will alter the dynamics of generating new business massively.

The Bank's proposals include the following:

PBMs

Target PBM

- **48% increase in Quarterly FUM Referrals compared with Q2 PBM targets. A 20% increase in Additions and a 16% decrease in insurance Targets.**

The Bank believes these increases are justified because of the increased potential and higher

average ticket values (ATV's) associated with Target Clients.

The Insurance Target is lower because of the nature of the role and the general reduction in Insurance Targets of 30% to take account of de-polarisation.

- **There would be no change to existing Fiduciary Services Targets.**

Traditional PBM

- **1.4% reduction in Quarterly FUM Referrals, a 20% reduction in Additions and a 44% reduction in Insurance Targets. Again there would be no change to the existing Fiduciary Services Targets.**

PBCs

Targets for new PBC roles will vary depending on background with former PBCs being considered to be fully competent compared to former PBMs.

PBM Heritage

- **Quarterly FUM New Business Target will be reduced by 42.% compared with an existing Level 3 PBIFA.**
- **Quarterly FUM Additions Target reduced by 48% compared to an existing PBM.**

- **Quarterly Insurance Targets reduced by 11% compared to an existing PBM. This will be less than half of the comparable PBIFA Target.**

PBC Heritage

- **Quarterly FUM New Business Target reduced by 17% compared to an existing Level 3 PBIFA in Q3.**
- **Quarterly FUM Additions Target reduced by 83% compared to an existing PBM.**
- **Quarterly insurance Targets increased by 14.5% compared to an existing PBM. This will be just over half of the comparable PBIFA Target.**

PBIFAs

- **No change in Investment Targets but Insurance Targets reduced by 30%.**

The Bank's position is that it has re-calculated targets based on the undertakings it has received from UKRB for new business leads. Using an 80% conversion rate to first appointment and 12%

sign ups this has ensured that area, office and individual targets all now correlate.

According to the Bank leads from UKRB are now virtually on target, first appointments are virtually on target and IPS numbers and new FUM are virtually on target. What it cannot explain however is why, if that is the case, so many staff are not on target.

As we have said many times the adequacy of any bonus or reward scheme cannot be considered in isolation from the target setting process. It is the target setting process that dictates to what extent staff can achieve and be paid any bonuses. A bonus scheme could promise to pay out £1M for hitting target but that is of little use if the target cannot be achieved. The Bank believes there is sufficient opportunity for all existing salesforce staff and new PBCs to hit new business targets. We remain to be convinced.

We now want to hear members' views on Q3 Targets. Members can contact me at the Union's office in Bedford on 01234 262868 or email me at Nick.Holt@ltu.co.uk

NICK HOLT
Assistant General Secretary

PAY BALLOT - DON'T DELAY VOTE NOW*

LTU is currently undertaking the most important ballot it has held for a long time.

The Bank's current pay system will be in place for many years and if members want to change it for the better, then they must take a stand against it together now and make clear what they want.

It is important, on this most vital issue, to ensure that we get the views of all members. **We need your views and we need you to vote NOW.**

Voting in the industrial action ballot will close at midnight on the 30th June 2005.

*This excludes PBIFAs who are currently on a different pay structure.