

# 30 years of Network Planning

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Santander UK



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## Today...

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- What the world was like in 1980
- Milestones in Location Planning
- What does a modern Network Planners toolbox look like

But first the commercial...



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## Who is Santander...

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- Banking Group with a strong presence in the retail banking sectors of Spain, Portugal, the UK, Germany, Brazil, Mexico, Chile, Argentina and the USA
- Ranks 9<sup>th</sup> in the world in stock market capitalisation.  
8.9 billion euros in net profits.  
75% of our net profit comes from retail banking.  
90 million customers, over 14,000 branches, over 170,000 employees and over 3 million shareholders.
- In the UK combination of Abbey, Bradford & Bingley and Alliance & Leicester



25.2M customers  
1,303 branches  
24,379 employees  
1.25Bn Euro net profit (2009)

	Total	Share
FASCIA	1843	13%
LLOYDS TSB	1736	13%
BARCLAYS	1622	12%
NATWEST	1415	10%
HSBC-Main	1321	10%
SANTANDER	1207	9%
HBOS (Halifax)	920	7%
NATIONWIDE	651	5%
ROYAL BANK	314	2%
HBOS (Bank of Scotland)	13715	

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## Santander Share

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### SANTANDER AND OTHER LEADING BANKS

Share price in main market converted to sterling	31/03/2010	26/02/2010	Change			Performance 2009 (%)	Market Capital. Emillion
			Month (%)	YTD (%)	Interannual		
Ind & Comm Bank of China	0.48	0.47	2.55	-2.68	19.10	38.67	162,200
China Construction Bank	0.54	0.50	8.62	1.21	35.80	41.59	126,074
Bank of America Corp	11.75	10.93	7.46	25.99	146.36	-3.46	117,880
JPMorgan Chase & Co	29.46	27.55	6.94	14.16	58.47	19.29	117,038
HSBC Holdings Plc	6.68	7.20	-7.17	-5.76	69.11	22.87	116,404
Wells Fargo & Company	20.49	17.94	14.16	22.57	105.71	-17.36	106,131
Bank of China Ltd	0.35	0.32	10.09	4.63	51.35	78.74	100,251
Citigroup Inc	2.67	2.23	19.47	30.06	50.68	-55.48	76,140
<b>9<sup>th</sup> Banco Santander</b>	<b>8.77</b>	<b>8.52</b>	<b>2.83</b>	<b>-14.98</b>	<b>82.56</b>	<b>55.96</b>	<b>72,134</b>
Goldman Sachs	112.32	102.62	9.46	7.43	51.49	80.58	60,958
BNP Paribas	50.65	47.43	6.79	2.10	81.02	76.26	60,046
ITAU Unibanco	11.17	10.51	6.27	4.19	88.45	84.64	58,509
Royal Bank of Canada	38.53	35.36	8.98	15.37	89.08	64.14	54,770
Commonwealth Bank of Australia	34.01	31.64	7.52	11.53	102.16	118.24	52,185
Westpac Banking	16.82	15.33	9.73	19.59	81.90	71.44	50,071

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## The dark ages...

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- The world I had come from in the 70s



and on to the 80s and Location Planning...

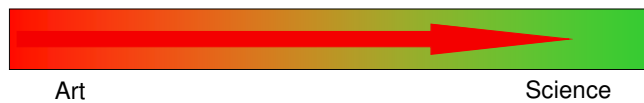
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## The dark ages...

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### The Alchemy of Location Planning



- But network planning was just coming to life



- >600 Employees
- 13 Offices
- 3 Production Centres
- 180 Licensed Clients
- 49 Countries



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Survey Form

Input

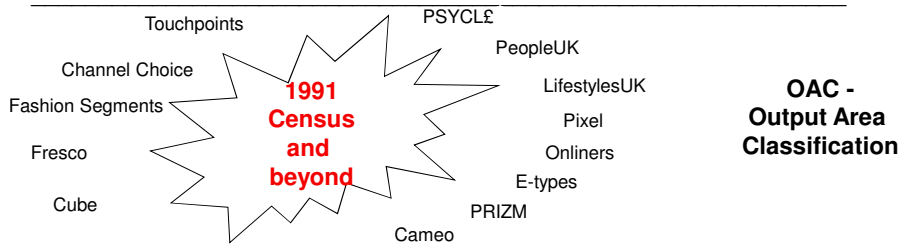
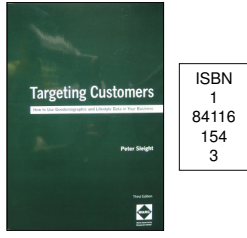
FORM	NO	TYPE	STRATEGY	ROAD	ADDRESS	UPON	ORIGINAL	ROAD	TYPE	FACILITY	STATION
0000	01	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000

Output

BRAND	NAME	TYPE	STRATEGY	ROAD	ADDRESS	UPON	ORIGINAL	ROAD	TYPE	FACILITY	STATION
0000	01	0000	0000	0000	0000	0000	0000	0000	0000	0000	0000

On the retail front things were moving...

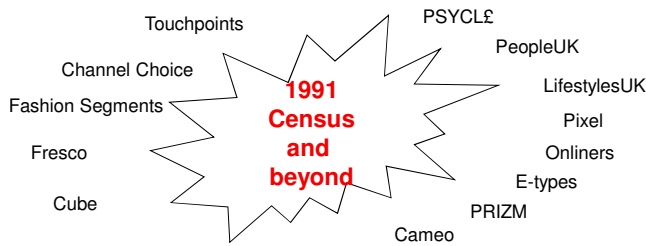
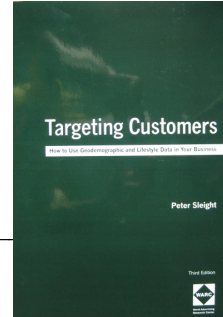
- It started with segmentation...
- Richard Webber developed the concept and in 1979 ACORN was born
  - Peter Sleight was one of its first users
- Good ideas spread fast
  - PinPoint – FinPin; GeoPin
  - SPA (Sales Performance Analysis)
  - Mosaic – CCN – Experian



## It all started with segmentation...

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**OAC  
Output Area  
Classification**

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## The next milestone...

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- Common use of the PC – now we could create models on the hoof.



- And software became much more user-friendly

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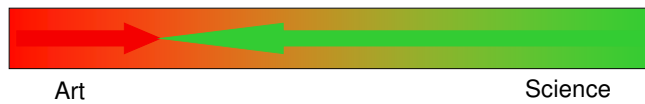


## And more latterly...

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### The Alchemy of Location Planning



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## What makes a branch work...

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### DNA of a branch



Retail Footprint	Traffic	Number of each	Branding	Range	Management model
Demographics	Neighbours	Branch design	Posters	Price	Workbaskets
Branch Share	Size / Width		Leaflets	Quality	Targets
Competition (FF)					FTE budgets
Market Share					Workflow and Scheduling
Brand					

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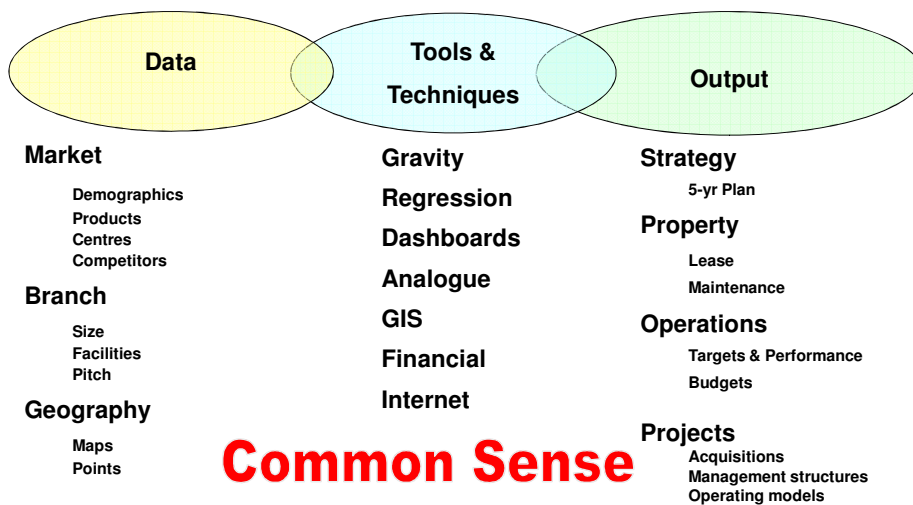


## To achieve that we need to know a lot about...

- Products
- Market / consumer demand / customer segmentation at micro-market level
- Customer requirements – lifestage/lifestyle – where do they shop and for what
- Competitors, where are they, what are they up to
- Property market and its regulations
- Shop design, IT, security, DDA...
- Branch operations
- Productivity optimisation
- Company Governance
- Financials – business cases, margins, DCFs,.....

## We bring this together in a structured way...

### The Network Planner's toolkit



And so to the future...

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Thank you!



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