

Banking on GROWTH

With a young and energetic CEO, a new strategy, and a commitment to the member experience, BankVic is ready for any challenges thrown its way.

Images courtesy of BankVic

For Stephen Capello, becoming the CEO of BankVic at the age of only 41 is more than a dream come true—it's something he never imagined was possible so soon after returning to Australia. Starting his career in finance, Stephen worked for AMP before deciding to move to the United Kingdom so he could broaden his horizons. After securing a position with one of the then top five global banks—Banco Santander—Stephen worked his way up to become CFO for Santander Asset Management UK. He was then headhunted by the global insurance company Aviva, working for it in Madrid, Spain, before spending three years leading the Central Europe finance function based in Budapest, Hungary. In 2012, Stephen was included in the inaugural CPA Top 40 Under 40 Young Executives, and also took the opportunity to

return to Australia, moving to Melbourne where he worked for ANZ before moving to BankVic. It's an impressive resume, with some of the biggest names in financial services, but it hasn't all just fallen in Stephen's lap. Hard work and resilience got Stephen to where he is today, and he is very aware of the value of a good work ethic.

"I am a strong believer that hard work brings reward and there are no shortcuts, and that has certainly been extremely prominent in how I have got to where I am today," Stephen says. "I have worked with some very talented CEOs in my time in Europe, whom I have flourished under, and they were the first people I called when I became CEO myself. I wanted to ensure that I approached those early months as a new CEO with the head of an experienced one, and I have used their advice from

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day one. I am a very resilient person, and work can be a very rewarding place, but it can also be very difficult. Having the ability to bounce back and keep going in the face of repeated challenges is critical. I am also very authentic. I believe in being genuine, honest, transparent, and not being caught up in the amount of political spin that is all too common. I like to challenge myself to be the best I can be, and I am always raising my personal bar. I think that is certainly evident in my having the confidence to be the CEO of an organisation less than a year after joining"

This belief in hard work and authenticity is also evident in Stephen's leadership style. He wants to inspire his staff and show them that with dedication they can achieve their goals. "I lead by example, so the expectation of me, my executive team, and all of my >



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staff is that everyone is responsible for their work. We all need to find meaning in our work, and the best work happens when you know it's not just work but something that is going to improve the lives of our members. This is the opportunity that drives each of the staff at BankVic to be responsible for their work and be recognised for the successes that they achieve. I want to empower my staff and uplift

their personal capabilities. I expect that everyone seeks to continuously improve themselves and challenges the status quo. I want staff to 'make waves', and anyone can start them. BankVic needs ideas, innovation, and creativity to fulfil our strategy. Successful companies generate contributions from many individuals who make immeasurable impacts, and I ask staff to embrace this way of working. At BankVic, our motto is 'Members matter', and that is something I want to bring to life. I want to promote a culture where the member experience is first in every discussion. We need all staff to be proactive in identifying opportunities that add value and being innovative in ways that enable them to put members first.

"In my early days as CEO, I communicated my personal values and what my expectation of the bank is. One of my values that I am extremely passionate about is taking the moment when it's there.

I recall when I was working in Europe one of the first English phrases that I used to teach staff was 'Life is not a rehearsal'. I know it is not always easy to live life at full pace, but passion fuels excitement, excitement creates confidence, confidence creates value, and it's contagious. I hope that I can excite all of my staff in creating value and lifting each and every one of them to achieve their own personal success."

Not only did Stephen bring his own personal brand of inspiration and encouragement to his role as CEO, but while in this position he has helped reform the strategy of the bank, starting with understanding and then reconnecting with the bank's heritage and underlying values. It is the bank's values that have stood the test of time and remain stable in times of turbulence. While BankVic was created in 1974 due to police being classified as itinerants and getting a raw deal on financing, the underlying

reason why we are here as an entity is because we believe that our members need to realise their dreams. We believe in thinking differently. That difference in thinking is how we differentiate ourselves, and how we do that is we design our products to meet our members' needs at every stage of life. They are simple to use and they put more money in our members' pockets than if they went to other banks. We practise human banking. It is that human banking that brings out compassion when dealing with members' financial needs, and is at the core of our family focus. Investment in technology and automation can never be at the expense of our member experience. The bank is just a vehicle in which we operate, and I am undertaking a journey to reconnect staff with an understanding of why we are here.

"In developing our new five-year strategic plan, a major focus is to ensure that the bank's original purpose remains while ensuring the bank is equipped to deal with the challenges of a changing financial services environment. I have five strategic shifts that the organisation is going through in terms of a strategy. One of them is advocacy and that everyone needs to be an ambassador of this bank and become a living representative of our brand. This, along with getting to know and serve our members better, is aimed at unlocking member lifetime value and securing them as advocates. We can only achieve this by embedding a member-centric operating model and performing this better than our competitors. No-one should know our members better than we do, and we need to take advantage of this by firstly capturing information and then applying it to tailor our products and services to meet our members' needs when, where, and how they want. A further shift looks at harnessing the potential of digitisation. I realise that some parts of digitisation will take opportunities and revenue away from BankVic, but I believe digitisation is expanding at a rapid

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pace and there are ample areas where we can benefit, with investment, from a member engagement and operational efficiency perspective."

All of the work that Stephen has done has prepared BankVic well for what he sees will be a difficult environment in the coming years. "I think the banking industry is going to undergo a lot of change. The economy will create challenges of low credit growth, sustained low interest rates, and pockets of high unemployment that will decrease the level of disposable income of some members. The impact of that is that banks will become more competitive and that regulatory

oversight will increase. If you are not positioned correctly to differentiate yourself, then you are not going to be able to operate a sustainable bank. BankVic is not immune to the impacts of these expected challenges, and our strategy is to invest in capabilities that tackle these immediately and equip the bank to be successful for the next 40 years."

Ultimately, though, what Stephen believes will ensure BankVic's success is to leverage off the foundation laid over the past 40 years while investing for the future. "We will undergo a period of modernisation and capability uplift but still retain our core values and strengths." •



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