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JOHANN WOLFGANG GOETHE
UNIVERSITÄT
FRANKFURT AM MAIN



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Prof. Dr. Wolfgang König
Vorstandsvorsitzender des E-Finance Lab
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Herausgeber

Prof. Dr. Wolfgang König

Kontakt

info@efinancelab.com
www.efinancelab.com

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Neue Geschäftsgrundlage für den Wertpapierhandel in Europa



Rainer Riess
Managing Director
Deutsche Börse AG and
Board Member, E-Finance Lab

Im November 2007 wird in der europäischen Wertpapierindustrie ein neues Kapitel aufgeschlagen: Die EU-Richtlinie MiFID ("Markets in Financial Instruments Directive") ist ab diesem Datum von den Marktteilnehmern anzuwenden und schafft in den 25 EU-Mitgliedsstaaten eine einheitliche, paneuropäisch gültige Geschäftsgrundlage für den Wertpapierhandel. Sie wird Geschäftsmodelle, Prozesse und IT-Systeme sowohl von Wertpapierfirmen als auch von Börsen und den Wettbewerb im Wertpapierhandel deutlich beeinflussen.

Als Herzstück des Financial Services Action Plan (FSAP), der auf einen integrierten und harmonisierten europäischen Markt für Fi-



Prof. Peter Gomber
Head of Cluster 5
Chair of Business Administration,
especially e-Finance

nanzdienstleistungen und -produkte zielt, löst MiFID die Wertpapierdienstleistungsrichtlinie (ISD) aus 1993 ab. Damit wird auf regulatorischer Ebene u. a. den veränderten Marktstrukturen der letzten (fast) 15 Jahre, einer deutlichen Ausweitung des elektronischen Wertpapierhandels und neuen Handelstechnologien Rechnung getragen. Mittels der insgesamt 73 Artikel der MiFID sollen die Kernziele Anlegerschutz und Sicherung der Markteffizienz und -integrität erreicht werden.

Die MiFID wird im Rahmen des beschleunigten vierstufigen Gesetzgebungsverfahrens (Lamfalussy-Prozess) umgesetzt: Nachdem

Stufe 1 mit der Veröffentlichung der Richtlinie als europäische Direktive am 30.04.2004 abgeschlossen wurde, befindet sich das Verfahren derzeit in Stufe 2, die im Sommer 2006 mit Verabschiedung der technischen Durchführungsbestimmungen beendet werden soll. Parallel hierzu erfolgt die Umsetzung der Richtlinienbestimmungen in den Mitgliedsstaaten bis Ende Januar 2007 mit dem Ziel der Anwendbarkeit durch Marktteilnehmer im November 2007. Die Tatsache, dass sowohl die Umsetzungsfrist für die Mitgliedsstaaten als auch das tatsächliche Anwendungsdatum bereits zweimal verschoben wurden, ist ein deutliches Zeichen für den Umfang dieser Veränderungen.

Das Regelwerk erweitert die Liste erfasster Wertpapierdienstleistungen und einbezogener Finanzinstrumente und regelt die grenzüberschreitende Erbringung von Wertpapierdienstleistungen durch Wertpapierfirmen sowie die Organisation von Wertpapierhandelssystemen: Neben den geregelten Märkten, also den Börsen, werden auch außerbörsliche Mechanismen definiert und reguliert. Diese gliedern sich in multilaterale Systeme („Multilateral Trading Facilities“, MTFs) – vergleichbar mit dem US-Begriff der Electronic Trading Networks (ECNs) – und systematische Internalisierer, also bilaterale Systeme im Kontext bankinterner Orderausführung.

Den Mitgliedsstaaten wird es nicht mehr möglich sein, einen Börsenzwang, wie er heute zum Beispiel in Frankreich oder Spanien noch

existiert, zu definieren. Vielmehr sollen über umfassende Transparenzanforderungen sowie eine erstmals europaweit festgelegte Verpflichtung zur besten Orderausführung (best execution) sowohl Markteffizienz und Marktintegrität als auch Wettbewerb zwischen den Ausführungsplattformen gewährleistet werden. Dieser Wettbewerb fördert Innovationen im Hinblick auf Geschäfts- und Marktmodelle, Technik und Services – in Ländern wie Großbritannien oder Deutschland ist dieser Wettbewerb zwischen den Ausführungsplattformen bereits heute Realität.

Aus Sicht der Verbraucher/Anleger wird MiFID deutlich erhöhte Markttransparenz und Informationsrechte mit sich bringen – umfassende Informationen, aber auch Ausbildung sind Voraussetzungen, um diese Rechte nutzen zu können. Für Anbieter von Wertpapierdienstleistungen bringt MiFID relevante Umstellungskosten mit sich, aber auch die Chance, sich im paneuropäischen Wettbewerb funktional und/oder geographisch neu zu positionieren.

Betrachtet man den engen verbleibenden Umsetzungszeitrahmen bis November 2007, wird MiFID sicher ein zentrales Thema für die Marktteilnehmer in den kommenden Monaten werden. EU-Binnenmarktkommissar Charlie McCreevy bringt dies auf den Punkt: „Die Wertpapierfirmen sollten sich bereits jetzt auf die Umsetzung der MiFID vorbereiten, denn es gibt sicherlich einen Vorteil für diejenigen, die zuerst kommen.“

A Closer Look on Online Banking Customers

ONLINE BANKING IS WIDE SPREAD AMONG GERMAN BANKING CUSTOMERS. BUT WHAT REALLY MAKES THEM TICK? CLUSTER 3 GETS INTO DETAILS, USING DATA FROM A NATION-WIDE SURVEY OF ABOUT 20.000 RETAIL BANKING CUSTOMERS.

SVEN C. BERGER

Introduction

The introduction of online banking was one of the major actions taken to cut costs in the bank-customer-interaction within the last twenty years and the trend to migrate customers is still unbroken (Jung 2005).

Whereas technical challenges and solutions had been the topic of many authors in existing literature, research now focuses on the profitability of customers using the different channels for sales and transactions (e. g. Gensler, Böhm, Leeflang, and Skiera 2006; Böhm, Gensler 2006). But a sound knowledge of cost and profitability of the channels is not enough for success in retail banking. The development of a customer-centric strategy, taken all relevant information into account, is urgently necessary. Naturally, a sound understanding of the customer is part of it.

In the following, we would like to support the understanding of online banking customers by having a closer look on demographics, attitudes and financial products usage.

BERND SKIERA

The study

The survey is based on 20.095 interviews with German-speaking interviewees from the age of 14 belonging to private households in Germany (Skiera 2006). Addresses were selected at random to create a representative picture. The survey was organized by Burda Advertising Center and carried out by market research companies IFAK, Marplan, MMA and TNS Infratest in 2005.

Demographics

Not surprisingly, online-banking users seem to be different from the average banking customer. Online-banking users tend to be younger, with an average age of 37 years compared to 47 years. Moreover, online-banking customers are better trained than the average. Degrees of secondary education are most common with 75% of the German population above 14 years. 60% of online-banking customers have a secondary degree and 31% have a degree comparable to A-levels, whereas only 17% of the average population has a degree comparable to A-levels.

Reflecting the level of education, the occupational status show a shift to white collar jobs with less craftsmen (11% compared to 17%) and a higher share of students (35% compared to 19%). This results in a higher net household income among online banking customers (29% compared to 18%). Online-banking customers therefore seem to be more affluent than the average population.

Online-banking usage is a clear indicator for higher telecommunication usage, since 30% of all online-banking customers are using a flat-rate tariff for their Internet connection. This might be an indication that online-banking customers are used to the Internet and assess the convenience of this channel.

Product interest and usage

It is not only the economic situation but also the intrinsic interest that results in a slightly higher interest in banking products (2.8 instead of 2.5 on a scale from 1 [very low interest] to 6 [very high interest]).

Especially riskier products like mutual funds or stocks are of greater interest for online-banking customers: they score an average of 2.4 instead of the whole population's 1.9. Consequently, this is reflected in the product usage, since 24% of the online-banking customers hold mutual funds, compared to only 15%. It is nearly the same picture for stocks: 11% of the online-banking customers hold them in their securities account, but not even 7% of the average banking customers.

This comes along with the interest in retirement arrangements and derived banking pro-

ducts with a score of 3.3 for the online-banking customers against a score of 2.9.

Online-banking customers are using payment products to a higher extent, among others due to the fact that credit cards are still one of

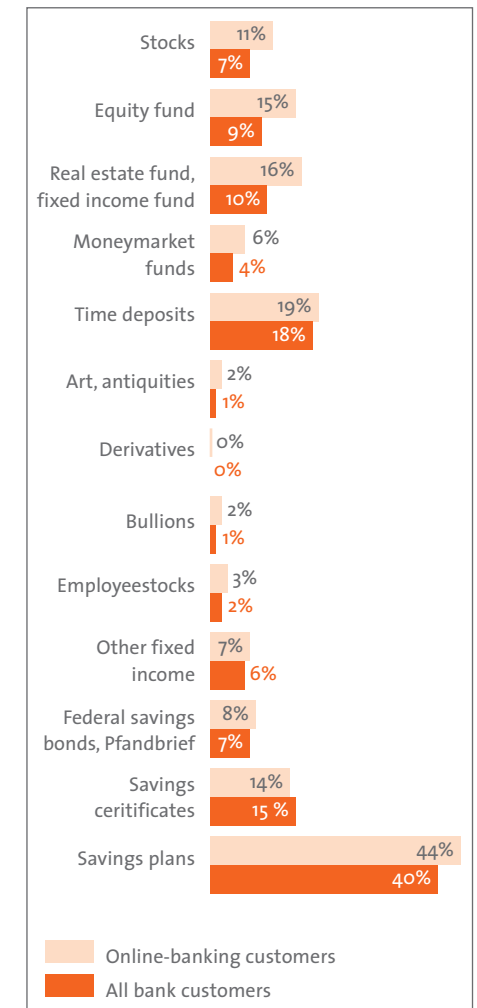


Figure 1: Product usage in comparison

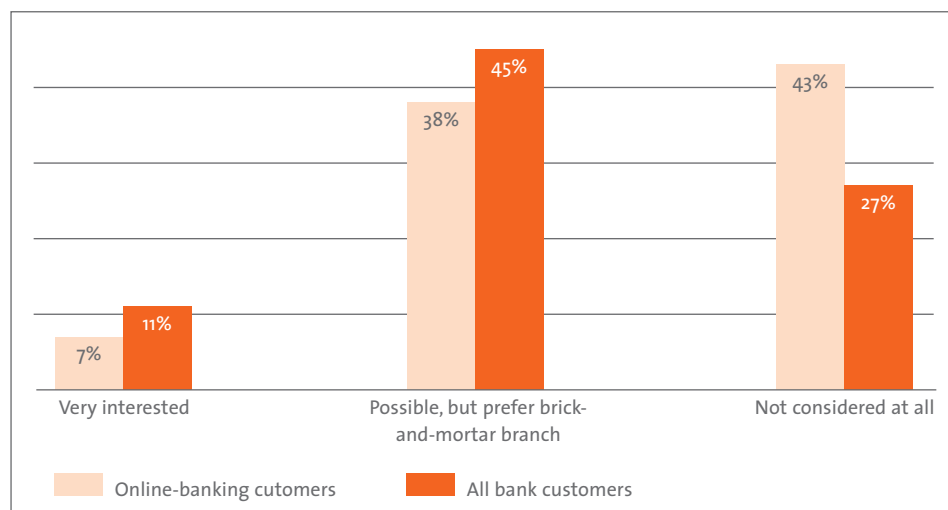


Figure 2: Attitude towards direct banking

the most common methods of payment on the Internet. Therefore, 43% of the online-banking customers have a credit card in contrast to only 31% of the whole population.

Risk aversion

The affinity for risk itself shows similar results: Online-banking customers are more willing to accept certain risks in exchange for higher interest rates. The willingness of respondents using online banking averages to 2.6 compared to 2.3 of the population (on a scale from 1–6). This is supported on the one hand by their willingness to raise a credit, which has an average score of 3.3 for online banking customers in contrast to 2.9. On the other hand, online-banking customers feel to a higher extent that contracting as much insurance as possible will increase their personal risk coverage. These

characteristics have a positive effect on the sales potential for the quantity of products saleable as well as the complexity of products. But in contrast to the assumption that online-banking customers are well-informed, independently-deciding risk-takers, they express a strong interest in personal consultancy from a bank officer, might it be via telephone or in a traditional brick-and-mortar branch.

Direct banking affinity

The affinity for direct banking is also differing: 42% of the respondents are not willing to take direct banks into their considerations, whereas only 27% of the online-banking customers are totally reluctant. All major retail banks offer an online channel for transaction processing as well as product sales to a certain extent. Still, the most advanced channels are often

provided by direct banks, but by far not all direct banking customers are online users as well. A lot still prefers traditional telephone banking or ATMs and service terminals.

Of those, who are using online banking, 11% show a strong interest in direct banks, compared to only 6% of all interviewees.

Bank usage

As a result, and not surprisingly, direct banks are more popular within online-banking customers, but also the larger private retail banks have slightly higher market shares within the online-banking segment. For the cooperative banks there is not a significant difference between online- and offline-banking customers, but especially savings banks (with the largest market share of 56% in general for current accounts) show a much lower market share of only 51% for online-banking customers. This might be caused from a less online-affine customer base or the savings banks failing to migrate their customers to the online channel successfully.

Management implications

For a retail bank, online banking customers are of high interest – their economic situation is well above the average, they have a higher interest in and a higher demand for banking products and they are open to more complex and even riskier products. Most of them are using the online channel regularly and for some of them there is no need for regular personal contacts with the bank's sales personnel.

Banks are challenged to identify those customers and make sure that they are paid attention to and their full sales potential will be tapped.

Especially the savings banks have a significant lower market share within online-banking customers. For them, it is necessary to identify, whether this is a result from self-selection effects, from insufficient marketing or inadequacy of their online banking facilities which might result in a poaching of their customers by direct banks with a more advanced online channel.

Many retail banks may follow a multi channel strategy, but at the end of the day, profitable online banking customers are among the most promising customer segments. Taking care of them and the online sales channels should be given top priority by the management.

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Extending the Strategic Sourcing Decision

IN THIS ARTICLE A FRAMEWORK FOR DERIVING SOURCING DECISIONS IS PRESENTED. THE CLASSICAL MAKE OR BUY DECISION IS EXTENDED BY THREE ADDITIONAL STRATEGIC SOURCING OPTIONS.

MARKUS LAMMERS

HEIKO GEWALD

Introduction

Methodological support is needed for the ongoing strategic assessment of the firm to gain an answer to the question how to source an activity. This paper develops a theoretical model based on the resourcebased view (RBV) and Porter's strategic positioning framework (SPF) to guide decision makers whether internal or external production is preferable.

It is shown that future market expectations should be considered in sourcing decisions and that besides the classical "make or buy" alternative, there are three additional sourcing options which should be incorporated. We name these options OFFER, SHARE and SELL and show under which premises the usage of each option is preferable.

We choose the German banking industry as subject for analysis, as this market is currently undergoing severe changes with major players re-focusing their business on core processes and outsourcing non-core areas. Nevertheless, the framework is certainly applicable to other industries as well.

Theoretical foundation

The RBV is predominantly used to explain what functions a company should keep internally or externally. However, the RBV is criticized for not conceptualising the competitive advantage of resources but only the sustainability of competitive advantage. To fill this gap we state in accordance with Porter (1985) that competitive advantage results from cost leadership or differentiation. In the following we develop a framework that integrates Porter's external market view and the internal view of the RBV to explain sustainable competitive advantage.

Barney (1991) introduced the RBV as a framework to evaluate whether the resources of a firm are a source of sustainable competitive advantage. Superior resources are described as being valuable, rare, imperfectly imitable and non-substitutable. Resources are (1) valuable if they lead to increased efficiency or effectiveness, (2) rare if they are not employed by other firms or only by a few firms, (3) not substitutable if there are no alternative resour-

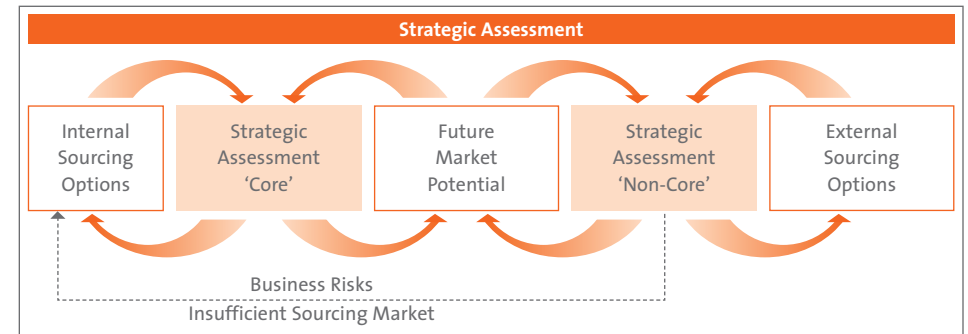


Figure 1: Strategic assessment

ces available in the market that provide the same value as the deployed resource, and (4) imperfectly imitable if competitors are not able to rebuild these resources in a short to medium time period. As stated by Priem and Butler (2001) and agreed by Barney (2001), the fundamental strategy concept of "value" remains outside the resource based view. Only if it is possible to have an advantage in comparison to competitors the word "competitive advantage" can be used and the resources are considered valuable. Porter's view can be utilized to fill this gap. Porter defines two basic types of competitive advantage being differentiation and cost leadership. Competitive advantage through differentiation can be achieved if a company is able to serve specific needs of customers that are not provided by other companies within the industry and for which the customer is willing to pay a premium on the market price. Cost leadership is given if a company has the lowest cost structure to produce a specific business output while achieving at least the same quality

than its competitors. These theoretical concepts are now integrated in a common framework to evaluate sourcing options.

The framework

We employ attributes of the RBV as fundamental theoretical basis to identify the company's core. To overcome the deficiencies of the RBV in explaining the attribute "valuable", Porter's SPF is utilized. Therefore the identification of core should be conducted through an assessment of the corporate processes applying the attributes of the combined theories, which leads to a classification of core and non-core processes. A process, which is rare, imperfectly imitable, non-substitutable and provides a cost leadership or differentiates from competitors will be classified as core process. All other processes are preliminary non-core processes.

Starting with this static classification a thorough strategic assessment of the process with regard to the future development (mainly

of external factors like the market) has to be executed.

Based on the outcome of the strategic assessment there may be arguments to also consider a non-core process as valuable. This may be the case if there are potential business opportunities in the near future or the possibility to reconfigure the resources deployed in the non-core activity into a driver towards a cost leadership or differentiator position. Following the strategic assessment, further detailed operational analyses have to be performed, including calculation of business cases, market assessments, etc. This is necessary to gain a thorough understanding

of the specific implications of alternative sourcing options.

In this stage valid decisions are MAKE, OFFER, BUY or SELL and additionally SHARE, which are described in the following

Sourcing options

Feeny and Willcocks (1998) state, that it is not possible for a corporation to remain competitive if it dissipates managers attention across diverse markets and activities. They argue for business focus on a small number of core activities, while other activities should be outsourced. In conclusion they argue for two sourcing options (1) in-house production (MAKE) or (2) production by an external sup-

plier (BUY). In addition to these basic options we propose to add the options OFFER, SHARE and SELL. In the following all options will be described and illustrated by examples from the German banking industry.

MAKE represents the option to internally produce a process which will be utilized within the company only. Thus it represents a process that results into cost leadership or differentiation and the underlying resources are also rare, imperfectly imitable and non-substitutable. Further arguments are needed to explain why the process output shall only be utilized internally and not provided externally: (1) the process generates value which enables the company to significantly differentiate from its competitors. If such a process would be provided to competitors, the potential for differentiation would erode quickly.

Example: Deutsche Börse AG (DBAG) is able to differentiate from its competitors by offering supreme applications that determine prices and quantities for buying and selling financial products. For stock traders it is essential to react quickly to changing markets, subsequently DBAG is able to attract traders by providing excellent software which is developed by superior resources in the process of application development. If DBAG would offer these resources to competitors like London Stock Exchange or other stock exchanges, the source of differentiation would erode quickly. Therefore DBAG produces its trading applications autonomously.

The option to OFFER a process means the process will be produced within the company but also offered to the market, e.g. other banks. This option is chosen if the company is cost leader but the process output is regarded to be a commodity, i.e. has no significant differentiation potential. Thus the process has to fulfil the attributes (a) valuable with the characteristic of cost leadership; (b) rare; (c) imperfectly imitable and (4) non-substitutable.

Example: Deutsche Postbank AG (DPAG) developed a highly standardized and efficient payment transaction system, jointly with SAP. DPAG is Germany's largest retail bank (by number of accounts) with a clear focus on providing efficient services to its 13 million customers. To further utilize their systems, DPAG processes payments for competitors like Deutsche Bank and Dresdner Bank thus achieving economies of scale. As end customers do not regard payments as a process with potential for differentiation, DPAG is able to attract business from other banks without jeopardizing their market position. DPAG itself uses the additional transaction volume to strengthen its position as cost leader in payments services.

The production of a process together with one or more external parties is described as the SHARE option. This sourcing alternative should be applied, when (1) the process does not carry a sustainable competitive advantage, (2) there is no efficient and reliable market to source from and (3) scale economies are a

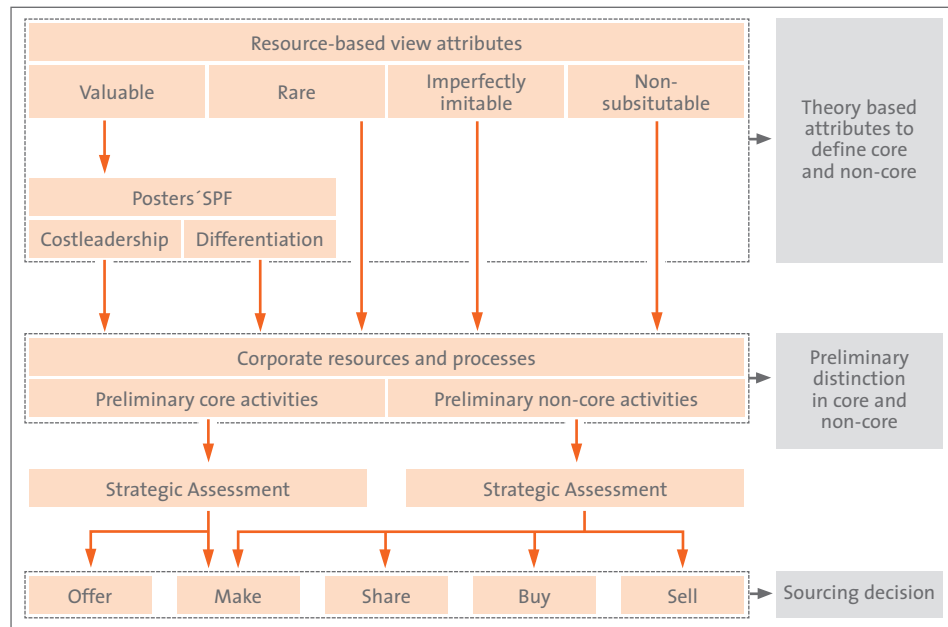


Figure 2: Framework to derive the strategic sourcing decision

major cost driver. Additional negative impacts on costs have to be taken into account, as sourcing via the market accumulates additional costs for coordination with other partners. Thus the option to share is only valuable if there are economies of scale available which allow the company to pass on increased costs when sourcing via the market (Lammers, 2004).

Example: In the late 1970s German banks decided to issue credit cards as a new service for their customers. As this offering requires extensive upfront investments and all major banks were devoted to offer this service (thus eroding any potential for differentiation), an agreement was reached to jointly produce the credit card process. This led to the formation of the GZS which processes VISA and Mastercard payments and associated services. GZS offers its services generally to all banks in Germany; currently they serve more than 2.300 financial institutions.

The BUY option, the classic outsourcing engagement, should be exercised when (1) external production is more cost effective than internal execution and (2) there is a mature market of service providers for this process. In addition to the strategic assessment, changes in the cost structure of the company have to be considered when sourcing via the market. Especially transaction costs like monitoring, coordination and one-time migration costs have a significant impact on buying a process externally (Poppo and Zenger 1998).

Example: Deutsche Bank decided that the procurement process is not core and therefore should be produced externally. After a market assessment and selection process including several service providers, Accenture was awarded responsibility for the global procurement process.

The option to divest, i.e. to SELL the resources associated to a process and seize production should be taken, whenever the process does (1) generate no sufficient profit and (2) has no strategic and no or just marginal operational value to the company. Furthermore the process may not be valuable with regard to cost leadership or differentiation. Thus if the process is not operationally necessary and does not provide any value the other attributes of the RBV do not have to be checked and the process should be divested.

Example: In its constant assessment of core and non-core processes, Deutsche Bank decided to divest its global custody business as it was not expected to gain a satisfying market position in the foreseeable future. This process was of minor strategic importance and the profits did not meet corporate requirements, so the decision to seize production has been made. Other business units that still need custody services to provide their own services buy these from the outsourcing service provider now.

Conclusion

From a theoretical point of view, we have shown that “valuable” within the RBV can be

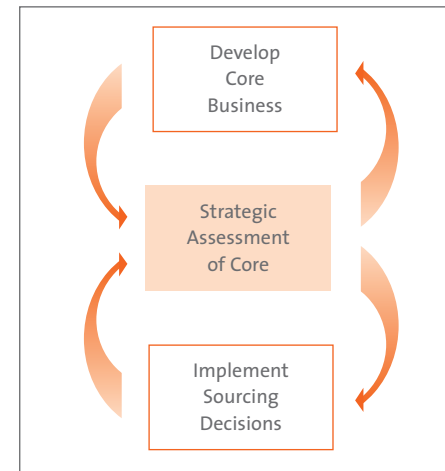


Figure 3: Dynamics of strategic sourcing

more precisely described by utilizing Porters SPF, indicating the demand for a process and the underlying resources to result into cost leadership or the ability to differentiate the company from its competitors. By integrating both theories it is possible to identify core processes, i.e. processes which provide a lasting competitive advantage and non-core processes. Furthermore we extended the classical MAKE or BUY decision by introducing and defining when the additional sourcing options SHARE, OFFER and SELL should be taken. For practitioners' we provide guidance for clustering the corporate processes towards preferred sourcing modes, to improve the efficiency of corporate value generation.

However, the strategic assessment needs to be regarded as an ongoing activity and be treated as the most important selection mechanism to assess the strategic sourcing decision.

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Bilanz der beiden ersten Doktoren des E-Finance Lab

Wie kamen Sie zum E-Finance Lab, Herr Gellrich?

Gellrich: Ich habe ursprünglich als Unternehmensberater im Bereich Financial Services gearbeitet und bin Anfang 2003 auf das neu gegründete E-Finance Lab aufmerksam geworden. Ich habe mich auf normalem Weg beworben und mit allen verantwortlichen Professoren Gespräche geführt und mich dann für den Einstieg im Cluster 4 „Reshaping the Banking Business“ entschieden.

Bei Ihnen, Herr Lammers, war dies etwas anders. Wie kamen Sie zu dem E-Finance Lab?

Lammers: Ich habe ein Exposé zu einem Forschungsvorhaben verfasst, mit dem ich mich am E-Finance Lab als externer Doktorand beworben habe. Zuvor und teilweise auch parallel zur Promotion habe ich als Berater bei der KPMG Consulting und für die Deutsche Börse gearbeitet.

Sie haben beide intensiv mit den Mitgliedern des Kooperativen Promotionsprogramms des E-Finance Lab zusammen gearbeitet. Was ist dieses Programm und wie sieht die Zusammenarbeit aus?

Lammers: Tier-1-Partner haben die Möglichkeit, pro Jahr eine/n geeignete/n Mitarbeiter/in

ihres Unternehmens am E-Finance Lab für eine externe Promotion vorzuschlagen – die Entscheidung zur Aufnahme in dieses Programm trifft der Vorstand, in dem auch die betreuenden Professoren Sitz und Stimme haben. Eine solche externe Promotion hat zum Vorteil, dass diese Mitarbeiter ihre praktische Tätigkeit auf ein methodisch sauberes Fundament stellen können, und die Forschung erhält Zugang zu Unternehmensdaten und Fallstudien. In diesem Zusammenspiel entstehen, so die ersten Erfahrungen, erstklassige Forschungsergebnisse – sowohl für die Praxis als auch für die Theorie.

Gellrich: Ich habe intensiv mit Accenture und IBM zusammengearbeitet. Und diese Zusammenarbeit ist für beide Seiten ein Gewinn. Als Wissenschaftler verliert man nicht den Praxisbezug und bekommt ein exzellentes Netzwerk in die beteiligten Unternehmen; die Firmen erhalten im Gegenzug Zugang zu „leading edge“ Forschungsergebnissen.

Sie haben beide im letzten halben Jahr die Promotion abgeschlossen. Welchen Nutzen sehen Sie für ihre jetzige Tätigkeit?

Lammers: Seit Anfang 2005 arbeite ich im strategischen Stab des Privatkundengeschäfts der Commerzbank. Da sich das E-Finance Lab



Dr. Markus Lammers
Abteilungsleiter
Business Development
Commerzbank AG

mit möglichen Evolutionspfaden der Banklandschaft beschäftigt, passt dies natürlich sehr gut in meinen strategischen Kontext. Zudem kann ich mein erworbenes Methodwissen bei der ökonomischen Bewertung von Projekten, Kooperationen und Unternehmenskäufen einsetzen.

Und wie ist dies bei Ihnen, Herr Gellrich?

Gellrich: Ich bin nach Abgabe der Dissertation Anfang 2006 als Leiter Business Management im Stab Bilanz und Steuern der Commerzbank eingestiegen. Schwerpunkte meiner Arbeit sind Projekte und strategische Fragestellungen wie z. B. die künftige Ausrichtung und Ausgestaltung einer modernen Tax & Accounting-Abteilung. Hier profitiere ich von inhaltlichem



Dr. Tom Gellrich
Leiter Business Management
Zentraler Stab Bilanz und Steuern
Commerzbank AG

Wissen zum Thema Wertschöpfungsstrukturen in Banken und von der am E-Finance Lab angeeigneten Methodenkompetenz.

Welche Anregungen möchten Sie dem E-Finance Lab für seine weitere Entwicklung geben? Allgemein wie auch dem Kooperativen Promotionsprogramm?

Gellrich: Das E-Finance Lab ist auf dem besten Wege zum führenden Think Tank dieser Art in Europa zu werden. Ich würde mich freuen, wenn noch weitere Banken zum Sponsorenkreis hinzu stoßen würden – und analog zu anderen Industrien – hier der Weg der „angewandten Grundlagenforschung“ weiter beschritten wird.

news

Research of Cluster 2 Presented in German Television

In January 2006, Cluster 2 was able to present parts of its research on various German TV stations. Cluster 2's online banking solution based on digital handwritten signatures was subject to the news on Pro7, Sat1, RTL, and Hessischer Rundfunk. The prototype was also presented on the CeBIT 2006 in Hannover.



Markus Holzhäuser Awarded CFA-Designation

The CFA Institute has awarded the right to use the Chartered Financial Analyst (CFA) designation to Markus Holzhäuser. A successful candidate must have at least three years of experience related to investments and pass three six-hours examinations. The CFA designation is recognized around the world and ensures the highest standards in the investment industry consistently throughout the world.

Nomination of Best Paper Award

Stefan Blumenberg and Daniel Hinz of Cluster 1 have been nominated for best paper for their publication "Enhancing the Prognostic Power of IT Balanced Scorecards with Bayesian Belief Networks" at the 39th Hawaii International Conference on System Science.

International Guests at Cluster 3

Prof. Peter Fader (Wharton) and Prof. Bruce Hardie (London Business School) visited the E-Finance Lab from March 7 to 10, 2006. They taught a seminar on "Customer Base Analysis" that focused on several aspects of customer management in a multi-channel environment like modeling customer lifetime with a service provider. 54 participants from all over the world attended the seminar. The seminar was organized by Cluster 3 of the E-Finance Lab.

International Cooperation with Prof. Villanueva

Prof. Dr. Bernd Skiera and Thorsten Wiesel (Cluster 3) work together with Prof. Julian Villanueva (IESE Business School, Barcelona) on a project that links financial metrics and customer metrics. They are going to present their work at the Marketing Science Conference in Pittsburgh (USA) in June 2006.

selected efinance lab publications

Berbner, R.; Heckmann, O.; Steinmetz, R.:

An Architecture for a QoS driven composition of Web Service based Workflows. Networking and Electronic Commerce Research Conference (NAEC). Lake Garda, Italy, 2005.

Berger, S.; Gensler, S.:

Ostdeutsche sind risikobewusster, bankmagazin, February 2006.

Blumenberg, S.; Hinz, D.:

Enhancing the Prognostic Power of IT Balanced Scorecards. In: Proceedings of the 39th Hawaiian International Conference on System Sciences (HICSS 39). Kauai, USA, 2006.

Gellrich, T.; Holzhäuser, M.:

Lean Banking – Myth or Success Formula, Midwest Finance Association's 55th Annual Meeting, <http://www.mfa-2006.com/>. Chicago, USA, 2006.

Gewald, H.; Helbig, K.:

A Governance Model for Managing Outsourcing Partnerships. In: Proceedings of 39th Hawaii International Conference on Systems Sciences. Kauai, USA, 2006.

Güttler, A.:

Using a Bootstrap Approach to Rate the Raters. In: Financial Markets and Portfolio Management 19, 2005

Repp, N.; Berbner, R.; Perez, A. et al.:

Digitalisierte eigenhändige Unterschrift im Online-Banking. Forthcoming in: Proceedings

of the D-A-CH Security 2006. Düsseldorf, Germany, 2006.

Skiera, B.; Pfaff, D.; Keller, G.:

Markterfolg durch integriertes Multi-Channel Management. In: InformationWeek, URL: <http://www.informationweek.de/cms/12993.o.html>

Son, S.; König, W.; Weitzel, T.:

Examining the Value of Management Control in IT Organizations. Forthcoming in: Proceedings of the 17th Information Resources Management Association International Conference (IRMA 2006). Washington, D.C., USA, 2006.

Wagner, H.; Weitzel, T.:

Towards an IT production function: understanding routines as fundament of IT value creation. Forthcoming in: Journal of Enterprise Information Management (JEIM), 2006.

Weitzel, T.; Beimborn, D.; König, W.:

A Unified Economic Model of Standard Diffusion: The Impact of Standardization Cost, Network Effects and Network Topology. Forthcoming in: Management Information Systems Quarterly (MISQ), 2006.

For a comprehensive list of all E-Finance Lab publications see

www.efinancelab.com/pubs/pubs.php

research outside the efinance lab

RESEARCH PAPER: MAKING CUSTOMER RELATIONSHIP MANAGEMENT WORK: THE MEASUREMENT AND PROFITABLE MANAGEMENT OF CUSTOMER RELATIONSHIPS

This paper emphasizes relationship banking as a prime source of the banks' comparative advantage. The proliferation of transaction-oriented banking does however seriously challenge relationship banking. The authors argue that, contrary to what many believe, banks may optimally respond by increasing relationship-specific investments. These observations echo the insights generated by fundamental research in the area of financial intermediation, and seem consistent with banks' recent strategic choices.

Boot, Arnoud W. A. and Schmeits, Anjolein B.
Amsterdam Center for Law & Economics
Working Paper No. 2005-08.

RESEARCH PAPER: MANAGEMENT OF SECURITY RISKS - A CONTROLLING MODEL FOR BANKING COMPANIES

Increasing importance of information and communication technologies (ICT), new regulatory obligations (e.g. Basel II) and growing external risks (e.g. hacker attacks) put security risks in the management focus of banking companies.

The management has to decide whether to carry security risks or to invest into technical security mechanisms in order to decrease the frequency of events or to invest in insurance policies in order to lower the severity of events. Based on a presentation of the state-of-the-art in the management of security risks, this contribution develops an optimization model to determine the optimal amount to be invested in technical security mechanisms and insurance policies. Furthermore the model considers budget and risk limits as constraints. This article is particularly supposed to help practitioners in controlling security risks.

Faisst, Ulrich and Prokein, Oliver
Forthcoming in: Schlottmann, F., Seese, D., Weinhardt, C., Handbook on Information Technology in Finance, Springer, Berlin, 2006.

RESEARCH PAPER: THE COMPETITIVE CHALLENGE IN BANKING

The article by Ryals demonstrates that the implementation of customer relationship management (CRM) activities increases profits. The author addresses the problem that in practice CRM is perceived to be failing. On the basis of two case studies in the financial services industry Ryals shows how the additional information on the value of the customer leads to changes in CRM strategies, e.g. a different handling of customer acquisition and retention. These changes furthermore lead to an improved firm performance.

Ryals, Lynette
Journal of Marketing, Vol. 69 (October 2005), 252-261.

electronic newsletter

Das E-Finance Lab betreibt zwei Typen von Newslettern, die beide quartalsweise erscheinen, sodass alle sechs Wochen die jeweils andere Art herauskommt. Bei dem hier vorliegenden gedruckten Newsletter steht die Beschreibung der Ergebnisse zweier Forschungsprojekte des E-Finance Lab im Zentrum – ergänzt durch ein Interview und weitere Kurzinformationen. Zur Subskription senden Sie bitte eine E-Mail an: eflquarterly@efinancelab.com oder ihre Visitenkarte mit der Notiz „bitte gedruckten Newsletter zusenden“ an:

Prof. Dr. Wolfgang König
E-Finance Lab, Universität Frankfurt
Mertonstr. 17, 60054 Frankfurt

Der elektronische Newsletter hingegen setzt mehr auf kurze Anmoderationen und den Einsatz von Hyperlinks zu weiterführenden Ressourcen. Zur Subskription senden Sie bitte eine E-Mail an: newsletter@efinancelab.com

Viele weitere Informationen finden Sie unter www.efinancelab.com.