



Channels

- Sport
- Arts & Entertainment
- Travel
- Heritage
- Money
- Careers & Education
- Property
- Motors
- Business

Latest News
Markets
Business 250

Business > Home > Banking and Insurance

Menu

- Top Stories
- Agriculture
- Banking and Insurance
- Construction
- E-Business
- Economics
- Electronics
- Engineering
- Food and Drink
- Management
- Manufacturing
- Markets
- Media
- Oil and Energy
- Retail
- Technology
- Telecoms
- Transport
- Utilities
- News Archive



Clydedale on giant's shoulders

YOU had better shake hands gingerly with Stuart Grimshaw, the new chief executive of the Clydesdale and Yorkshire banks, should you meet him.

At just 39 years old, the energetic New Zealander with a ready smile and trim appearance is far from a delicate southern hemisphere flower who needs to be handled gently. It is just that the former Olympic athlete has been patched up so many times that his hands still bears the traces of countless fractures from his days as one of the world's top hockey players.

"My thumb was broken in 10 places when I started one of my jobs in banking. I was the most highly qualified guy in the place but I couldn't even sign a letter for weeks," he smiles.

After the rigours of the 1984 Olympics in Los Angeles at which his team acquitted themselves bravely but had to return home without any gongs, Grimshaw hung up his hockey boots to concentrate on a flourishing banking career which began in 1983 as a graduate trainee with Australia and New Zealand Banking Group.

He worked his way up from junior bank teller to a succession of senior roles, switching to the National Australia Bank (NAB) in 1991 where he rose to become manager of global business financial services. He also found time to complete an MBA and had an 18-month secondment to Morgan Stanley in New York to hone his expertise in debt, capital markets and derivatives.

He says the offer from group managing director Frank Cicutto to move to Scotland to take over the running of NAB's wholly-owned subsidiaries Clydesdale and Yorkshire banks, its biggest operations in Europe, came totally out of the blue. But he recognised "a fantastic opportunity".

Cicutto, who also had a stint in the post before ascending to the number one job in National Australia Bank, clearly hand-picked his man.

Looking at the fortunes of previous incumbents, Cicutto

write a novel with AL Kennedy

the Edinburgh Festivals get it all here

olympics the build up

is this the day for the big deal? check your horoscope

looking for something specific? use the news archive to search by business sector

FEUTERS SCOTSMAN 50

for personal finance rather than corporate finance, you need the money channel.

nimseir and Fred Goodwin who left the Clydesdale job to join the Royal and now heads Britain's 11th biggest company, it seems a job in which a star performance can unlock the door to even greater opportunities.

Grimshaw scrupulously avoids idle speculation of what the future might hold to concentrate on the serious task which he has barely begun.

So far, he still constitutes something of a secret weapon in NAB's armoury, but banking veterans say they would not be surprised to see him introduce substantial changes in the UK, giving the operation a sharper edge and playing the international card strongly.

His competitive spirit and tactical skills are set for a bully-off with Scotland's top banks in a bid to raise the game of the Clydesdale and to extend the reach of both it and the Yorkshire Bank beyond their traditional heartlands.

Just three weeks into his post and still settling into his new home in Glasgow, Grimshaw is eyeing up the territory and reluctant to make any bold predictions about whether he will propel the Clydesdale beyond the number three slot it currently enjoys in the Scottish market, with a 22% share of the retail market and 24% share of the business market.

Grimshaw says market share is not everything and it does not make sense to pursue it for its own sake. Instead, his tactics will be to identify profitable and promising seams where the Clydesdale can use innovative products and enhanced service standards to woo customers from rivals.

Top priorities are attacking the market for high net worth individuals, and capturing more Scottish corporate business. The latter is a task which will be led by David Peebles, Clydesdale's head of treasury who is establishing a new Edinburgh-based team to focus on the top 300 quoted UK companies.

"We plan to build a team to attack the top end of the market. We're saying we are here to play and this is a long-term commitment," Grimshaw says.

As far as wealth management goes, Grimshaw sees clear potential to capitalise on the group's existing 'Premium' client customer base in the UK.

Grimshaw is determined that staff, customers and rivals of both the UK banks are in no doubt that the Clydesdale and Yorkshire are backed by the might of a parent company which ranks not only as Australia's biggest financial services organisation but the hub of a major global operation with a presence in four continents and 50,000 staff.

A giant at home, NAB is equally powerful abroad and for those who appreciate diverting trivia, the group's website tells us that the amount of money sent back to Australia each year from the group's operation in Europe, New Zealand, Asia and the United States is equivalent to the annual export income of Australia's sugar industry. And yes, they do grow rather a lot of sugar down under. The assault on the high net worth individual market is a global imperative, as is the concentration on more corporate business, technological innovation and higher service standards. Significantly, two months ago NAB completed the acquisition of the MLC fund management business in Australia which Cicutto hailed as opening up significant new growth opportunities in wealth management in the UK as part of a bigger plan to build a major global wealth management operation. Work is already under way to exploit these opportunities in Scotland and Yorkshire.

Thanks to the legacy of Fred Goodwin and his successor John Wright, the Clydesdale in particular is a lean operation with a cost-to-income ratio of around 48. This allows Grimshaw to concentrate attention on developing staff.

enhancing products and trialling new concepts.

The dominance of Scotland's two biggest banks sometimes means that the achievements of the next biggest players are overlooked. Grimshaw is keen to highlight the brand strengths of both the banks he runs and proud of the legacy of the Clydesdale which dates back to 1838. In that time it has scored a number of firsts in terms of industry innovation, from becoming the first Scottish bank to introduce personal loans in 1958 to introducing the country's first personal cheque guarantee cards in 1966.

NAB, whose own history spans more than 140 years, is determined to be ahead in the innovation race and set up a new business called O2e in Melbourne last month designed to accelerate new economy capabilities, businesses and infrastructure and roll them out on a global scale. Rather than being seen as a remote think tank, the importance the group places on O2e is clear as NAB has predicted that by 2005 a significant portion of the group's core earnings will stem from O2e's creations.

From a whistle-stop tour of his new domain, Grimshaw observes that staff commitment to customers in both Scotland and Yorkshire is even higher than in Australia and he praised the strong community links both banks have established.

Something of a curiosity in the neighbourhood as a new and exotic expat arrival, Grimshaw says with a grin that he heard a rumour at his son's nursery school that the Grimshaw household had already installed a secret tunnel for security under their rented home.

Conspiracy theorists may imagine it would be the perfect den from which NAB could plot oft-rumoured European takeovers, Grimshaw just smiles at the notion.

He has had an amiable chat with Fred Goodwin since he touched down on Scottish soil, but has not yet met the other Scottish banking chiefs. But as the new chair of the Scottish Committee of Clearing Banks, Grimshaw will soon be hosting the tea and biscuit sessions with his opposite numbers.

Whether or not the chink of tea cups will mask any concerns about this new and unknown player in their midst remains to be seen. In the meantime, Grimshaw is enjoying what has so far been a warm welcome to his new Scottish home, or Kia Ora as they say back home.

VALERIE DARROCH

Stuart Grimshaw
Sunday, 27th August 2000
Scotland on Sunday

Clydesdale sets its sights on rich Scots

Profit warning denial fails to halt Zurich slide

Inflation jump sparks banker call for rise in Euro rate

Customer consent is the key if they want to gain the right references

[back to top](#)

[Business main](#)

[home](#)