

One more step closer to the top

Postbank is on its way to becoming a registered bank of choice for the broader South Africa, offering high-quality services to communities

Founded in 1822, Postbank began collecting household savings for public finance deficits. Postbank services were offered through post offices from 1894; in 1910 it became a division of the Post Office; in 2010 Postbank and the Post Office will be celebrating their 100-year partnership.

Totsie Memela-Khambula, managing director of Postbank, was appointed to the position two years ago. She says Postbank is ready to get a banking licence and do more than it has previously done.

"We have been fortunate in South Africa to have a good banking system, but this system has not been accessible to all. Despite the Mzansi offering through Postbank and commercial banks, a number of our people are still underserved and unserved.

"Postbank competes with the other banks in South Africa, but our niche is the enablement we offer to people whom other banks view as risks. Often, these customers also find banks intimidating, but it is easier to walk into a Post Office to do your banking."

Since she joined Postbank, the bank has introduced the Bakgotsi group savings account for savings clubs. "This product has grown tremendously and gives real value to our customers.

We want to treat our Bakgotsi customers as VIP customers; they are the most important customers to us even though they are seen by others as 'providers of cheap source of funds'. Postbank has also introduced a product development team.

Memela-Khambula implemented a new culture in the company to ensure that whatever plan is implemented, is inclusive to everyone in the bank. "It is always important that your team, not just you and

your executive, understand what the strategy drivers are and what you are trying to achieve. Every employee should feel that they have contributed not only to the outcome, but also to setting the objectives.

Another strategy that she has implemented ensures that every employee feels valued and is involved. "We constantly try to align the leadership team to this strategy; it is everyone's responsibility to deliver. This means that every employee knows that Postbank can only succeed as a collective and not as individuals," she explains.

Most of the people who are traditional savers with the bank have been doing so from a very early age and continue to bank with Postbank. "Interestingly, our customers are aged between 25 and 60," adds Memela-Khambula.

"We need to find ways to attract the younger generation; they don't find us as attractive. They are looking for more innovative electronic product to transact. We need to increase the number of people who are banking with Postbank by increasing brand awareness and positioning.

"Postbank has realised there is a need to educate people about saving for the future and about the different ways of savings. People need to be educated that it will take long, but it is for their benefit." For her, it is important to bring the underserved population into mainstream banking so that they, too, can access these services. It is vital to ensure that rural communities also have access and learn how to make investments for themselves and their children.

"I grew up very poor and was one of nine children, but my mother always told us that the only thing that can take people out of poverty is education. I tell that to my children as well and we need to tell that to all our people," she says.

It is vital to teach communities the importance of saving and not abusing credit, and assist them in making the correct investments decisions. Postbank has done much to educate young children about banking and saving. Three years ago, it initiated a programme aimed at educating school children about savings and how channels like ATMs work. It also collaborated with the SABC to encourage children to be entrepreneurs.

"It is better if you start with children at an early age to imbed a culture of saving," says Memela-Khambula. Last year, Postbank launched Internet banking internally and is looking to expand the project to enable all its customers to do banking via the Internet. Postbank is further looking to roll out mobile banking as an additional value-added service to customers, most of whom have access to cell phones.

What does the future hold for Postbank?

Firstly, the intention is to corporatise Postbank, which entails acquiring a banking licence. This does not mean, however, that it will be simply another bank. We will continue to focus on giving the unbanked access to state-of-the-art banking services.

"Postbank operates under the Post Office, enabled through an exemption, and it cannot offer a full range of banking services as it is not registered as a commercial bank. Upon acquiring its licence, Postbank will be able to broaden its product offering. "The intention is to have our banking licence by 2010. Postbank will then become a subsidiary of the Post Office and so, complete the journey of 1910 when we became part of the Post Office." **BBQ**

Tanya de Vente



*Totsie Memela,
managing director of Postbank*

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