

German corporations do not shop around for financial services.

There is a very strong loyalty to one's bankers even at corporate level. This is partly due to the practice of banks having significant share ownership and directorship links and partly to a low receptiveness to new ideas. As a consequence, corporations will be less tempted to switch banks because of price consideration. They will be prepared to pay more with their usual bank in order to keep the relationship. It is only by offering a superior product or a different product that clients might be tempted and this only after careful and lengthy consideration. Because it is so difficult to take clients away from local banks the best entry route is to serve them abroad first. However, once a client has moved to you, he will stay for a long time. "A franchise in Germany takes longer to build, but it is worth a lot more."

Because of their loyalty to their financial services suppliers German corporations rarely shop around, so one has to constantly take the initiative. However, these are always received with great politeness and one can be very direct in the approach.

Quality equals reliability and continuity.

When German corporations talk about the quality of a financial service they mostly mean reliability. In technical aspects the German financial market is rather unsophisticated: standard conditions from banks are accepted without any bargaining, treasury management is very cautious and SWAPs are often forbidden by company boards.

Another factor influencing the rating a company gets in Germany is continuity. Continuity encompasses not only the time the company has been active on the market but also the ability to retain the same employees. High employee turnover is regarded with suspicion by customers.

German staff are less mobile.

Staffing for foreign banks in Germany is more difficult than in North America. Indeed, Germans will not consider it an advantage to work for a foreign bank, on the contrary they would prefer a German bank where the future is perceived as more predictable. The restructuring of North American (and other foreign) banks in Germany over the past 5-10 years have given employees some grounds for concern in this area. Travelling is not seen as an attraction of the job and the quality image of foreign financial services is not as high as their German equivalent.