

Enterprise-Wide Strategy

Vision

To be the bank that defines great customer experience.

Our Enterprise-Wide Strategy in Context

BMO's strategies are built on three core elements of our business – customers, rapid pace of execution and sustained growth.

Our Perspective	Our Strategic Priorities and Progress in 2008
<p>Competition in the Canadian personal banking market continues to intensify, from both traditional bank competitors and niche product and service providers. This increased competition underscores the strategic importance of a strong personal banking business operating through a focused sales and distribution network that can provide Canadians with a differentiated customer experience and the clarity they need to make their finances less complex.</p>	<p>Build a superior Canadian personal banking business to ensure that we can meet all of our customers' financial needs:</p> <ul style="list-style-type: none"> Enhanced our branch network by opening 16 new branches in high-growth areas, redeveloping 19 branches and renovating 15 others. Grew personal loans by 18.7% year over year, and increased market share by 89 basis points. Strengthened performance management by introducing integrated branch and individual employee performance scorecards across Canada, which resulted in improvements in our customer loyalty measure, the Net Promoter Score, in all divisions.
<p>Commercial banking is attractive and growing, particularly in the small business segment of the market. A financial institution that provides a differentiated customer experience, an experienced sales force and leading credit and risk management can achieve a leadership position on both sides of the border.</p>	<p>Further strengthen our commercial banking businesses to continue to be a leading player everywhere we compete:</p> <ul style="list-style-type: none"> In Canada, commercial loan growth was 9.5% and national Net Promoter Score exceeded our target, driven by improvements in 90% of commercial districts. In the United States, closed loans increased 62% year over year and client count grew by 6% in our commercial mid-market segment. We also took advantage of market disruptions to increase our business banking sales force.
<p>As demographics and wealth distribution shift and demand for advisory services grows, wealth management provides a number of attractive opportunities for growth. A strong brand, a focus on customer experience, deep capabilities and a full range of offerings provide a unique opportunity to grow and outperform the market.</p>	<p>Grow our wealth management businesses, capturing an increasing share of this high-growth market:</p> <ul style="list-style-type: none"> Private Client Group earned \$395 million, matching record 2007 results in a difficult market and increasing market share in most businesses. Invested for growth in our sales forces and businesses, including an industry-leading financial planning tool and acquisitions that expand our asset management capabilities, such as our acquisition of Pyrford International plc and our recent announcement concerning our strategic investment in Virtus Investment Partners, Inc.
<p>Delivering strong, stable returns in today's capital markets requires a focus on core clients and areas of competitive advantage, supported by a strong risk management framework.</p>	<p>Drive strong returns and disciplined growth in our North American capital markets business:</p> <ul style="list-style-type: none"> Increased our focus on core clients by emphasizing our areas of strength in niche North American and global markets. Continued to optimize our businesses to generate appropriate risk-adjusted returns. Invested in businesses where we can be competitively differentiated, including the acquisition of Griffin, Kubik, Stephens & Thompson to double our U.S. municipal bonds capability.
<p>Financial institutions in the United States with strong customer loyalty and financial fundamentals as well as a differentiated business model have an excellent base from which to capture profitable growth opportunities resulting from the structure of the U.S. financial services industry and recent market and industry events.</p>	<p>Improve our U.S. performance and expand our network to become the leading personal and commercial bank in the U.S. Midwest:</p> <ul style="list-style-type: none"> Further improved the customer experience and sales force productivity, raising our Net Promoter Score to meet our target while our competitors' scores fell, and increasing referrals per sales representative 21% year over year. Completed acquisitions of Ozaukee Bank and Merchants and Manufacturers Bancorporation, contributing to the 44% growth of our branch network over the past three years.
<p>Great customer experience must be supported by efficient processes, effective technologies and leading risk management capabilities. Fundamentally committing to customers requires excellent performance management and strong, results-focused leadership.</p>	<p>Build a high-performing, customer-focused organization supported by a world-class foundation of productive technologies, efficient processes, disciplined performance management, and sound risk management and governance:</p> <ul style="list-style-type: none"> Aligned internal and external communications with BMO's customer commitment, presenting our vision, values and brand positioning with greater clarity. Strengthened our risk management capabilities, including enhanced risk transparency and reporting.