

# 01. Continuous Learning as Sustainable Competitive Advantage



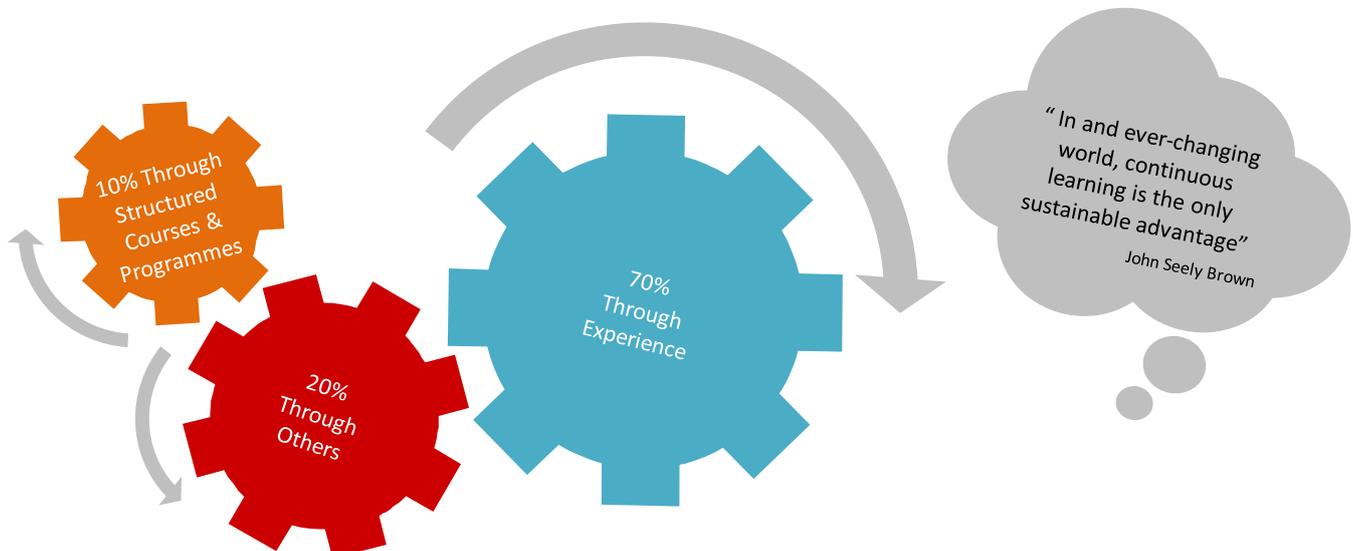
*Adrian Grant (Managing Director, BG Credit Limited) discusses the need for a blended approach to learning in the credit environment:*

It has been said that the only sustainable competitive advantage is derived from continuous learning. Accepting this, the organisation that stands still in learning terms is likely to quickly (and perhaps dangerously) fall behind the competition. Innovation stops happening and the competition races ahead. This underlines the L&D manager's critically important role in his organisation's strategic development. The purpose of this article is to consider how to configure

learning in the world of credit in order to deliver the desired outcomes.

## **70:20:10 PRINCIPLE**

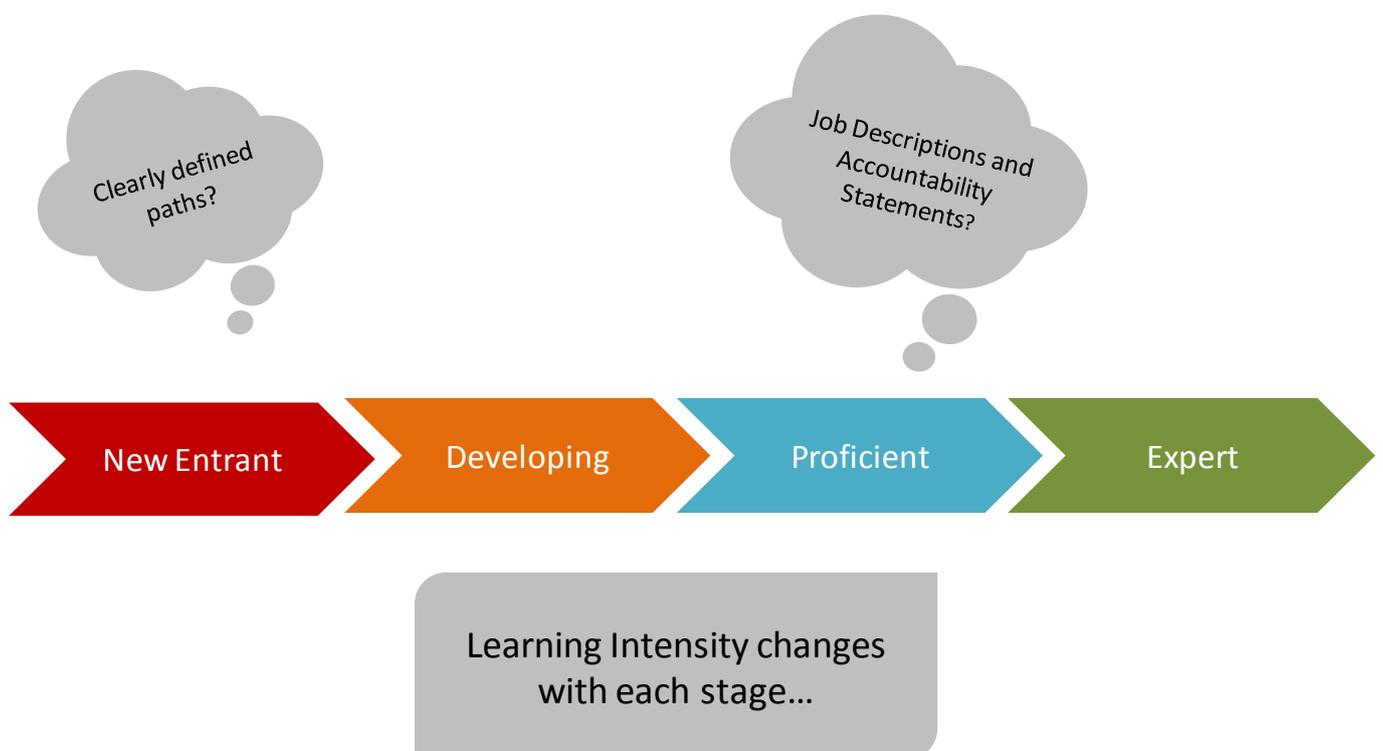
The 70:20:10 principle suggests that we learn mainly from experience, with learning from others (such as line managers) and structured courses and programme playing important supporting roles:



## Changing Intensity and Type of Learning

The intensity of the learning need and the relevance of the type of intervention change in line with the member of staff's career stages. A new entrant to the credit environment (e.g. credit/ risk departments, and relationship managers within retail, SME and corporate banking) almost by definition has little or no experience. So, he needs to kick-start his development with structured courses and programmes, often

needing to achieve a certain level of competence thereby positioning him to learn through experience and from others. This is seen for example with corporate and investment banking interns who build on their financial educations by committing long hours to number-crunching and presentation preparation, then receiving feedback from their mentors on the permanent staff.



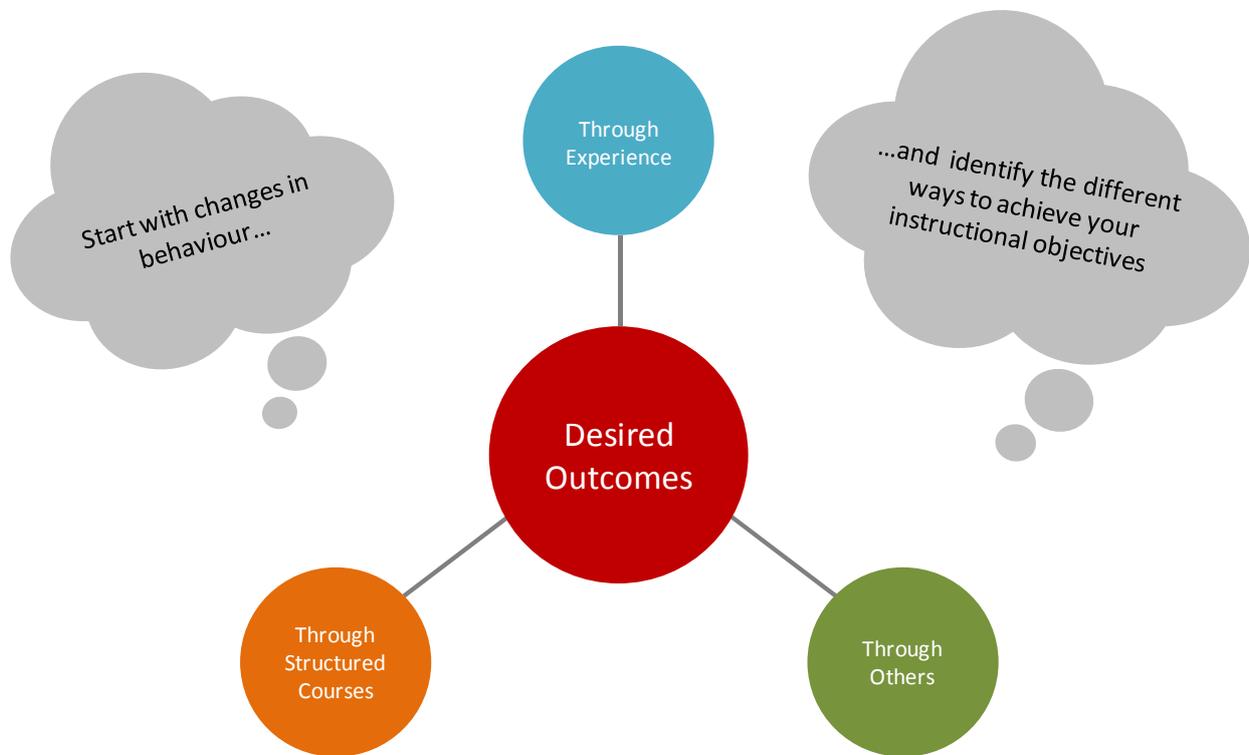
## Malcolm Gladwell's 10,000 hours works... up to a point

When the New Entrant commences upon his credit career, he should be shown a clearly defined path leading to his attainment of proficiency and/ or expert status. Crunching of the aforesaid numbers might fit well with Malcolm Gladwell's concept of 10,000 hours' practice making perfect\*( the 70% through Experience of 70:20:10) but critical insight into the counterparty's

qualitative factors (products, strategy, management etc.) almost certainly requires investment in Structured Courses & Programmes. Some of this can be attained upfront, for example, detailed case studies at business school when studying for an MBA. But this often requires reinforcement.

## Reinforcement of Experience Through Structured Programmes and Courses

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The task of the L&D manager is to work together with the individual and his line manager to identify the changes in behaviour that are required to demonstrate individual development and contribute to attainment of the organisation's strategic goals. These are the "Desired Outcomes".

Desired Outcomes have a key role to play in the design of learning programmes, because once we have identified them we can analyse the best path to their attainment – through Experience, through Others and through Structured Programmes and Courses.

At BG Credit Limited, we ensure that our programmes succeed through an intense focus on the client's Desired Outcomes. We use an Experiential approach, enabling delegates to learn from case studies and

exercises reflecting their reality but in an environment where issues can be thought through carefully. We often use the client's own case studies (subject to Non-Disclosure Agreements), enabling the training to feedback into the workplace, thereby ensuring maximum relevance to delegates. We encourage delegates to remain in touch with our trainers, who are always happy to provide informal support and guidance as careers develop.

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\* "Outliers – The Story of Success" by Malcolm Gladwell