

## Civic Banking

An Interview with Enrique Goñi,  
Chief Executive Officer, Caja Navarra Business Corporation (CAN)



**EDITORS' NOTE** Enrique Goñi joined CAN in 2000, and brought the model of civic banking to the company in 2002. Goñi previously worked at Barclays Bank, and was Vice Chairman and Managing Director of the group of assurance company MutuAvenir. In 1996, he joined Agrupación Mutua as Deputy Director. In 1998, he was appointed as Deputy General Manager of the Group. He is also now CEO of Caja de Ahorros de Navarra. Recently, Goñi has been lecturer at George Mason University (Virginia) and speaker at the Inter-American Dialogue in Washington, D.C. He also has many awards as the Gold Master from the Forum de Alta Dirección. Goñi earned his law degree from the University of Navarra and PADE by the IESE Business School. He completed studies in Management and Administration for Financial Institutions by the IPE and the London Business School.



Enrique Goñi

**COMPANY BRIEF** Caja Navarra (CAN; [www.cajanavarra.es/en](http://www.cajanavarra.es/en)), is one of the fastest growing financial institution in Spain. CAN is the pioneer of civic banking that empowers customers with rights and responsibilities, giving them a sense of personal ownership and duty to help the bank grow and excel. Civic Banking was developed by CEO Enrique Goñi. The determination at the start was to contribute 30 percent of the bank's profits to charitable causes, and rather than bank executives dictating the allocation, customers would be allowed to decide their individual portions. Through the civic banking model, 580,000 CAN clients have given to more than 3,300 non-profit projects resulting in over \$80 million in contributions. Additionally, Caja Navarra is working with more than 2,000 NGOs. And last quarter, in the midst of the economic downturn, CAN showed a profit of 11 percent. From the implementation of the civic banking model, CAN has seen a record 300 percent growth. The five rights of CAN include: the right to choose, the right to know, the right to accountability, the right to participate, and the right of traceability.

**Will you give a brief overview of Caja Navarra's business, and your outlook for growth for the brand?**

We are a savings bank, but six years ago, we began to define and promote our new structure

called civic banking. It's a very profitable way of working in the financial sector, consisting of giving real rights to customers. We send every customer in our bank a certified letter outlining how much Caja Navarra earned with his money, and reminding him that he has the right to choose where he wants to allocate the 30 percent of those earnings we donate to charity. For example, if we earn \$100 on money a customer places with us, he can allocate \$30 to a social cause and choose among four different social projects worldwide.

Nobody else – no company, no entity – throughout the world does anything like this. This model has proven to be good for our figures. We have improved a lot in our return on equity and in profit. But it is also very good because customers are treated like citizens.

**How much of an impact has the worldwide economic crisis had on the business?**

It's not just a financial crisis; it's also a values crisis. So we think this is a particularly good moment for the civic banking message and activities, because we are committed to making the banking industry consider its customers. We are focused on our new and profitable way to make money, not by working against the customers, but by working with them. So the crisis is, for us, a big opportunity, because when things run well, nobody pays attention to what is different. Now, civic banking is like fresh water. It's the solution; it's not part of the trouble.

**Is the banking experience still comparable to other banks, or have you also changed the way you actually do banking?**

When you give a new right to your customer, and your customer becomes a citizen, your attitude has to change. So the big change is a cultural change. In Spain and throughout Europe, there is a high budget for training our employees. This training is not focused on technical skills; it's focused on how to manage banking for our real citizens. This causes our branch experience to be completely different. It's much more like being in a Starbucks or a Whole Foods than it is in being in a bank. We have office space in our branch for our citizens to use, and you don't have to be a client of the bank to use it. You can conduct a meeting in one of their offices whenever you want, with whomever you want, and have free coffee, tea,

and wireless Internet, and nobody will ever ask you if you want to join the bank. We also have Apple computers to use, and Nintendo Wii's for the kids to play while their parents are banking. There is definitely a very community-oriented feel to our branches.

**Do you foresee opportunities to expand into new geographic markets?**

We are focused in Spain and Central Europe, and we want to set up in the near future in the U.S. because the attributes and characteristics of civic banking – such as empowering people, transparency, participation, and freedom – are the values of American people.

**Have you been happy with the awareness you've been able to create for the brand and for what the model represents?**

The U.S. subsidiary was just created in January of this year, so from a brand awareness perspective, it's a very new concept. It's gained much momentum. However, on an average day in Spain, there are 70 articles, news stories, or TV hits on Caja Navarra within the country, so there's definitely an awareness there. Now the goal is to spread it worldwide.

Additionally, in the U.S., the universities were calling us first because they wanted to study the model and know more about it. The institutions, universities, and big NGOs we would like to be in alliance with think this is the right moment and that we are an expression of the future. We think that, in the future, whether banks follow the civic model or not, they will still have to recognize the rights of their customers. They will have to promote a feeling that customers are real citizens in order to have a future.

**If I were talking to some of those who have worked with you over the years and asked what it was like to work with Enrique Goñi, what do you think they'd say?**

I think they'd say I'm intense with quick focus, as well as an entrepreneurial spirit. But I hope they'd say they enjoy working with me.

**With the ability to be reached 24/7 to-day, how challenging is it to find some type of balance, and do you have the ability to ever turn off the business?**

I have balance. I like to lecture. I like to cook. I go jogging every day. I'm not consumed by the work. Besides work, I have a lot of things to do. ●

*A branch of CAN showing the services they make available, such as library services, free Internet access, and free use of office space.*