



Edward Jones: Managing Individual Behavior



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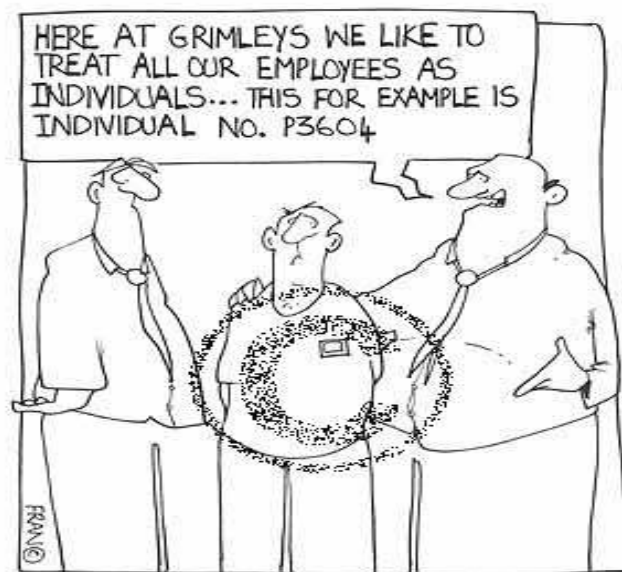
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Ex.1 – Motivation (CartoonStock.com)

“This company was named the best company in America to work for in large part because everyone is focused around a single mission -- serving the serious, long-term individual investor,” said managing partner John Bachmann in St. Louis..” (Wolfe)

A motivated and content workforce is a secondary benefit of the Edward Jones business model which centers on building long-term one-to-one relationships based on trust with its conservative risk averse financial service customers. Although this business model and the long term success it has generated was overlooked and possibly ignored between 1996-2001 when tech startups dazzled investors and brokerage houses alike with the promise of quick riches, the recent market slowdown has prompted a rediscovery of the Edward Jones methodology not only as an effective way to generate a profit but also as a vehicle towards developing a fulfilled and professional work force.



Ex.2 – Individual P3604 (CartoonStock.com)



Edward Jones began over forty years ago as a financial services firm that wanted to focus on what it perceived to be an under serviced market. They strove to build a customer base within the rural mid-west as well as other areas in the US not considered part of large metropolitan investor oriented areas. They quickly catered to the segment of those markets that wanted to focus on a conservative investment approach over long periods of time. In order to have the best chance to succeed the company would need employees that would commit to customers over many years and put a high priority in settling into a stable long-term working environment. The culture needed to reinforce this mindset would need to be based on the following core values:

- **We are focused on one client, the long-term investor. All aspects of our business - from the location of our offices to the investments and services we offer - are aligned to help us better understand and meet our clients' unique needs.**
- **We are committed to a long-term philosophy that emphasizes quality and diversification. We make every effort to avoid investments that are likely to confuse or disappoint clients.**
- **Relationships are key, and in our view, meeting face to face builds strong relationships. Our offices are welcoming, accessible and located in the communities where our clients live and work.**

Ex.3 – Core Values (EdwardJones.com)



"You were 3 minutes late for work today, Jennings. Bruno here, my new office manager, doesn't like it when employees are late for work."

Ex. 4 – Bruno (CartoonStock.com)

"All we do is help people to attain family, business and individual goals, through investments," said Santa Rosa branch administrator Sue Barnes, another 14-year Edward Jones veteran, who counts one of the perks of her job as reading client "thank you" notes, penned when children go to college, or when retirements are launched a little bit early." (Wolfe)

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Trust is one of the most important things required before a financial services customer is willing to entrust significant portions of their net worth let alone their entire nest egg to firms like Edward Jones. It takes many years of personal care to reinforce that bond. Recently many companies such as Morgan Stanley, American Express Financial Advisors, and TIAA Creff to name a few have advertised their long term reputations deserving of trust in their marketing. Apparently, the long-term slow approach of investing money and financial consulting is back in vogue.



Ex. 5 – Work Smart (CartoonStock.com)

From an Edward Jones employee perspective belief in the core values and an almost evangelical corporate culture devoted to delivering the right product at the right time are not the only reasons that motivate them to stay **(Kawasaki)**. Sometimes it is the reassurance of job stability and security that comes with commitment to such core values. Alternatively, it can be the lack of the fast paced hard edged high-pressure environment characteristic of many financial services firms that induces employees to seek employment with Edward Jones. Like any employer-employee relationship within a free-market economy future success ideally is based on a win-win interaction where both parties satisfy each other's needs on multiple levels. Individual needs strongly influence the incentive opportunities that each party can bring to the relationship.

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