

The changing image of Goldman Sachs

1 Warmer

Which company do you think of first when you consider each of these products?
Why do you think these companies have a high profile?

- air travel
- coffee
- fast food
- financial services
- soft drinks
- sports shoes

2 Key words and expressions

Find the words or phrases in the article that match the definitions below. The paragraph numbers are given to help you.

1. to start selling a new product or service to the public (para 1) _____
2. relating to the business of selling large quantities of goods, especially to people who are going to sell them (para 2) _____
3. changing the corporate image of a company (para 4) _____
4. the disadvantage or negative aspect of something (para 5) _____
5. the business of offering financial services to the general public (two words, para 6)

6. an abbreviation that means Chief Executive Officer (para 7) _____
7. a new member of a company or organisation (para 8) _____
8. a reduction in the use of middlemen between producers and consumers (para 9)

9. executive level managers in a company (two words, para 10) _____
10. an official statement or report that an organisation gives to journalists (two words, para 11)

11. a belief or attitude that many people have (para 12) _____
12. a strong, negative and often angry reaction to something that has happened (para 12)

The new bankers: cuddly, cool, with a passion for dance music

Wall Street's grandees are keen to project a friendlier face in the age of social media

BY GILLIAN TETT

- 1 This week David Solomon, head of Goldman Sachs, flew to Palo Alto and revealed, during a hip ceremony featuring Oprah Winfrey, that the Wall Street giant is partnering with Apple to launch a digital credit card.
- 2 It was a departure from the usual Goldman image and strategy: the investment bank became formidably powerful by discreetly serving wholesale clients. Furthermore, after the event, Goldman staff rushed to post shots of Solomon, wearing a trendy black suit for the occasion, on to his official Instagram feed – which carries the bio: “Dad. DJ. Day job@goldmansachs” (yes, really). “Cool venue. Awesome team. Exciting announcement,” the post declared, generating a string of replies bursting with emojis.
- 3 Solomon’s Instagram presence is not restricted to business. Another account, DJDSolmusic, showcases his favourite hobby – DJing for electronic dance music parties. Cue carefully curated shots of Solomon behind a turntable, next to rappers, with posts such as “My first original song, Feel Alive feat. @kattrockell is out now on @paybackrecords”.
- 4 What to make of this? The first, obvious point is that it is a striking case of what anthropologists might call structural opposition of symbols – or, in plain English, “rebranding”. Until recently, Goldman was a pathologically private place that shunned glitz and discouraged prying eyes – I can say from personal experience that it was a tough institution to cover as a journalist.
- 5 But the financial crisis of 2008 revealed the downside of this policy of secrecy: bankers were so faceless and defensive that they were easy to demonise. A notable Rolling Stone article at the time likened Goldman to a “vampire squid wrapped around the face of humanity”.
- 6 So as the crisis ebbed and the bank moved to embrace retail finance, its grandees tried to appear a fraction more cuddly or, at least, less arrogantly aloof (or squid-like). Lloyd Blankfein, Solomon’s predecessor, started this shift when he unexpectedly opened a Twitter account a couple of years ago.
- 7 The tweets of CEOs tend to be carefully (and boringly) crafted by their PR teams. But Blankfein loved the medium. “It forces you to commit,” he recently told me. And he displayed a dry, slightly subversive wit. “Just left Frankfurt. Great meetings, great weather, really enjoyed it. Good, because I’ll be spending a lot more time there. #Brexit.”
- 8 Solomon has not embraced Twitter, partly because he wants to differentiate himself from Blankfein. In any case, Instagram is a better place to reach the millennials that Goldman is now eager to court, not just as customers but as recruits. “My mindset was, how do I communicate with our employees?” Solomon explained. “Instagram enables modernised connectivity with our 40,000 employees.”
- 9 Cynics might scoff that this scenario risks looking irritatingly fake. It is hard to believe that someone who has clawed their way up the greasy pole of Wall Street ranks being a DJ above their “day job”. But having recently witnessed Solomon enter into a kind of meditative trance behind his turntable at a party, there’s no doubting his passion for dance music. The more interesting thing about this game of signalling is what it reveals about the growing power of disintermediation.
- 10 Over the past few years, Donald Trump has shown the potency of using a social media megaphone rather than relying on the traditional media. Now this trend of cutting out the middleman seems to be spreading into the C-suite. “Disintermediation is huge, and we still don’t know where the consequences go,” observes Blankfein, who currently describes himself on Twitter as a “former CEO, on a gap year”.

Continued on next page

- 11 Yes, a bank such as Goldman Sachs still dispatches tedious press releases and still wants to control quotes to journalists. But it knows it also needs to communicate in a peer-to-peer manner. “[Today] all CEOs have to find ways to be approachable and acceptable to people who want to work for them. These social media platforms make yourself a little more vulnerable and that helps to humanise us,” says Solomon.
- 12 However, this approach also carries dangers: in a world of disintermediation, sentiment can shift on a dime. Indeed, some of Solomon’s own colleagues worry about a future backlash. “Is this too much sharing? Too glitzy? We don’t know,” one says.
- 13 But it will not be easy to put the genie back in the bottle. The Goldman founders might spin in their graves at the idea, but Solomon seems determined to keep spinning his music – and his story – online.
- 14 Who would have imagined this a decade ago, during the financial meltdown? History can move in mysterious ways.

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3 Understanding the article

A Answer the questions with as much information as possible from the article.

1. What is Goldman Sachs planning to do in partnership with Apple?

2. How did Goldman Sachs become powerful?

3. How does the author of the article describe Goldman Sachs before the arrival of David Solomon?

4. What did Goldman Sachs do after the financial crisis of 2008?

5. What did Solomon's predecessor, Lloyd Blankfein, do to appear less arrogant and aloof?

6. Why has David Solomon decided not to use Twitter (2 reasons)?

7. According to the article, what do all CEOs now have to do?

4 Business language

A Complete the phrases from the text using prepositions.

1. not restricted _____ business
2. what to make _____ this
3. _____ personal experience
4. to differentiate oneself _____ someone else
5. to communicate _____ a peer-to-peer manner
6. approachable and acceptable _____ people

B Match the idioms with their meanings.

1. shift on a dime
 2. to claw one's way up the greasy pole
 3. the day job
 4. to put the genie back in the bottle
 5. to spin in his/her grave
 6. to cut out the middleman
- a. the main job of someone who is also trying to succeed in another career
 - b. imagining someone being very surprised about something that is happening now if it were possible for that person to see it

- c. to change very quickly and suddenly
- d. to deal with someone directly instead of talking to their representatives
- e. to gradually get to the top in a very difficult business
- f. to try to go back to an earlier state of affairs, almost certainly without success

5 Discussion

1. Is it a good idea for companies that have always been rather old-fashioned and distant to suddenly change their image to appeal to younger people? Give reasons why or why not.
2. The article suggests that using social media is more effective than using the traditional media. Do you agree? Give reasons why or why not.
3. The article also suggests that using social media can be an effective way to communicate with staff. In what ways and for which reasons could a company do this?
4. In paragraph 12, the author quotes one Goldman Sachs employee as wondering whether there is too much sharing. What do you think the employee means by this?

6 Wider business theme – rebranding

A You work for a company that provides financial services for companies and large institutions. The company has recently decided to change its image and rebrand itself to be more customer-friendly. You are in charge of the rebranding process. Think about the following:

- who your rebranding will target
- how you will also cater for your more traditional customers
- where and how you will rebrand the company
- how you will present the rebranding to the board of directors of the company, many of whom are very traditional in their views

To get ideas for this task, use a search engine to get information about companies that have rebranded successfully and those whose rebranding has been less successful.

B Present your ideas to the class.

C Work as a class. Decide on the most important considerations when rebranding. Use the information from the presentations to help you.