We Don’t Know What We Don’t Know  
(The MUSTs of Gaining a COMPETITIVE Advantage)

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We Don’t Know What We Don’t Know

_____ True _____ False

What are the things we don’t know but MUST know?

Six Ways A Bank Makes Money

1. Increase Interest Income
2. Increase Non-Interest Income
3. Reduce Interest Expense
4. Reduce Non-Interest Expense
5. Gain Through One-Time Sell
6. Tax Strategies
In the Competitive Advantage CULTURE we MUST focus on Segmentation of our Existing Client Base and Potential Opportunities in each market for Attracting New Clients. The primary focus, by all business line-teams, has three goals...

**Goal 1**
Retaining-Expanding Relationships with our Best/Most Valued Households.

**Goal 2**
Expanding Profitable Relationships with other existing clients by selected segment(s).

**Goal 3**
Attracting new clients who mirror our Best/Most Valued Households.

**WHY?**

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**Profitable Revenue Generation**
(Two ways to increase revenues: 1) more from current clients or, 2) more clients

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**Is your organization a Highly Competitive Environment?**

a) Today  
_____ Yes  _____ No

b) Future (next 3-5 years)  
_____ Yes  _____ No

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We Don’t Know the SWOT, what our competitors, especially non banks, consider to be their Competitive Advantage, over our organization
In Your Organization, All Customers Are Equal

____ Yes  ____ No  ____ I Don’t Know

Why?

In our organization is it Critical to Retain-Expand Relationships with your Best/Most Valued HOUSEHOLDS (BMVHH)?

- Yes
- No
- I Don’t Know

IDENTIFYING BEST MOST VALUED HOUSEHOLDS

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Is there a clear description or Profile, in writing, of the organization’s Best/Most Valued HOUSEHOLDS (BMVHH)?

Is there a list of names of Best/Most Valued HOUSEHOLDS (BMVHH) who mirror the description of the Profile with each name on the list being assigned to at least three (3) people?

Have the three (3) people collaborated to develop a written plan of Retention and Expansion for each name on the Best/Most Valued HOUSEHOLDS (BMVHH) list?

New / 1st Time Clients

In the Competitive Advantage CULTURE we must provide a Consistent Positive Differentiating Experience by initiating planned contacts with our NEW/1ST TIME Clients by All Business Lines in All Markets

_____ Business Days (Letters of Welcome from CEO plus…)

_____ Days (Making sure everything promised has been received, working, etc. plus…)

_____ Months (Needs-Expectations & Satisfaction Survey; Ask for Introductions; plus…)

_____ Months (Marketing of potential solutions; Bank and/or Community Board plus…)

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_____ Months (Celebrate 1st Anniversary with HBOS; Needs-Expectations & Satisfaction Survey; plus…)

What is the primary method your customers use to contact your organization? List in Priority order… (Highest 1 2 3 4 5 6 7 8 9 Lowest)

_____ Come Inside the Lobby

_____ Email

_____ Drive Up / Through

_____ Electronic / On-Line Banking

_____ Fax

_____ Night Depository

_____ Telephone

_____ U S Mail

_____ Texting
ALL Banks Provide Customer Service...

____ True  ____ False  ____ I Don’t Know

Is Your Organization Committed To & Providing ________ Customer Service?

Four Clarifying Questions:
1. A common definition of ________ Customer Service that ALL employees know and understand?
2. Are there quality standards established bank-wide and for each department in the organization?
3. Is there planned, on-going measurement of the performance of the quality standards and timely feedback to the employees of the results of the measurement?
4. Is the performance of the quality standards directly linked to the pay of each individual employee through the performance appraisal process?
Conversational (Consultative) Selling

is simply...

All employees ACTIVELY finding ways to help consumers (all business lines) buy what they NEED at fair profit to the organization.

Objectives (WHY?):
- It is the RIGHT Thing to do
- Clients Expect their banker to HELP them with their Needs
- Retain & Expand Relationships with Existing Clients
- It is a Common ADVANTAGE Accountability for All employees

Three PLUS (+) Components of CONVERSATIONAL (Consultative) Selling

1. Organization-wide Employee Introductions & Referrals
2. Business Development Contacting-Calling Processes
3. Profitable Cross-Selling
   + Best/Most Valued Households Introductions & Referrals

Highly Effective TEAM

Team - a group of people working together in a planned and coordinated effort to achieve common goals

Using the scale below rate the current Team Effectiveness of your organization.

Effectiveness
Ineffective 1 2 3 4 5 6 7 8 9 10
Highly Effective

Your Rationale:
Clear Measurable ACCOUNTABILITIES for the ALL Employees...

1.  
2.  
3.  
4.  
5.  
6.  
7.  
8.  
9.  
10.  
11.  
12.  

Management & Leadership Team
(Managers and Officers)

Using the scale below Rate the Effectiveness of your organization’s Management-Leadership Team.

Ineffective Highly Effective
1  2  3  4  5  6  7  8  9  10

Executive-Senior Management Rating _____
Managers Rating _____
Officers Rating _____

DAILY Advantage Team Huddles
- Individual Teams, across the organization, meet together just prior to “Client Hours” each morning for 9-13 minutes.
- Focus on What Happened Yesterday
- Focus on What is to Happen Today
- Focus on Why we are Here

WEEKLY Advantage Team Meetings
- Individual Teams, across the organization, meet together on a selected Day and Time Each Week for up to 29 - 39 minutes
- All Teams are focused on the same Agenda, Information, Results
  * Advantage Client Service
  * Sales Results and Opportunities
  * Community Event Plan(s)
  * Recognition
  * Success
### Competitive Advantage CULTURE

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<th>Event, Date, Purpose</th>
<th>List of Business Potential/Office Etc.</th>
<th>Contacts Made Contact(s)</th>
<th>Employee(s) Attending Assigned</th>
<th>Bank Goals</th>
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**FOLLOW-UP PLAN(S)**

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<th>WHAT ACTION(S)</th>
<th>EXPECTED RESULTS</th>
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### Competitive Advantage CULTURE

Each of these organizations are known and studied by graduate schools, their competitors, WHY?

It is all about their ____ ____ ____ _____ _____ ______

### DEFINITION OF CULTURE:

This definition is a compilation of consensus words taken from the definitions of a number of this small percent of community banks, as well as several nationally known non-banking organizations, that have determined that CULTURE must be their Strategic Focus to Gain a Clear Competitive Advantage over their competitors.

"The set of Attitudes, Beliefs, Values, Goals, Policies, Best Practices of Routines, Standards, Processes and Technologies that characterizes a company and determines a common consistent way of behaving and acting to continuously maximize and grow profitable revenues."
GOAL OF THE CULTURE:
Gain a Clear Competitive Advantage over all local competitors in each of the markets served by the bank.

PURPOSE OF CULTURE:
Consistently provide a Positive Differentiating Experience with stakeholders to:
- Retain & Expand Relationships with Best/Most Valued Households (BMVHH)
- Attract & Retain Profitable Relationships
- Become an Employer of Choice for RIGHT Employees
- Maintain a Positive Image of the Bank in each Market Served

LEADERSHIP QUESTIONS
As we strive to be leaders, we should ask ourselves and our team some critical questions that include or define Vision, Goals, Plans, Actions, Tracking Results, Follow-up and Feedback.

Why was this company started? What do people think it should be doing? What is the purpose of our business? This is critical to the continuing existence of the company. Define who we are, what we do and why we are successful. If the answers don’t apply to our current business, we need to redefine our mission, or we will become obsolete.

Related to these questions, we could also ask ourselves: what do clients see in our brand? What do they think of when they hear our name? Why do they buy from us and not from our competitors? What do they feel when they do business with us? The answers to these questions help you define your public image, your marketing message and your competitive advantage.

Now ask, how do my employees feel about the company? How do they feel about me? What do they think of our products? Do they understand our mission, where our vision is and commit to delivering it every day? Do they believe it’s possible to be successful? Do they feel valued, based on their work? Do they have a sustainable model? We should all be able to see change in behavior.

How often do you ask these questions? Do you like the answers? Are you working on making them more positive? Are you willing to do the things that the unsuccessful will not do?

Professionals act as they MUST, not as they FEEL.

QUESTIONS?
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