

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?



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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**



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

In the Competitive Advantage CULTURE we MUST focus on Segmentation of our Existing Client Base and Potential Opportunities in each markets 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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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?



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

- Yes
- No
- I Don't Know



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IDENTIFYING BEST MOST VALUED HOUSEHOLDS

	20% =	154%
	8 - 13% =	100%
	50% =	-0




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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?



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New / 1st Time Clients

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

___ Business Days (Letters of Welcome from CEO plus...)

___ Weeks (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 Event plus...)

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



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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



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**AFTER NORMAL BUSINESS HOURS
SERVICE-SUPPORT**




Can I Help?






Do You Want
to CHAT?




TEXT



ALL Banks Provide Customer Service...


☐ True
 ☐ False
 ☐ I Don't Know


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**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?


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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




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**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



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Highly Effective TEAM

Effective

-the production of a planned, desired effect or result in a decisive manner

Team

-a group of people working together in a planned and coordinated effort to achieve common goal(s)


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

Ineffective

Highly Effective

1 2 3 4 5 6 7 8 9 10

Your Rationale:



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[illegible]

Competitive Advantage CULTURE COMMUNITY EVENT PLAN				
Event, Date, Purpose	List by Name Potential Attendees (Existing Clients, Prospects, Centers of Influence)	Contacts Made	Employee(s) Attending Assigned	Bank Goals

FOLLOW-UP PLAN(S)			
WHAT ACTION(S)	EXPECTED RESULTS	WHO	WHEN

Competitive Advantage CULTURE	
   	
<p>Each of these organizations are known and studied by graduate schools, their competitors, WHY?</p> <p>It is all about their _____</p>	

<p>DEFINITION OF CULTURE:</p> <p>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.</p> <p>"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."</p>
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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



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LEADERSHIP QUESTIONS

As we strive to be leaders we should ask ourselves and our Team some critical questions that includes or defines Vision, Goals, Plans, Actions, Tracking Results, Follow-up and Feedback.

Why was this company started? What vision did the founder have? What did he/she think we could do better than anyone else? Are we achieving this vision? This is critical to the continuing existence of the company and the business. It defines 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 answer to these questions will 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, share our vision and commit to delivering on it every day and with every client? These answers should give you an idea whether you have buy in from your employees and have a sustainable model. You should be able to see a 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.

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QUESTIONS?

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