

**Harland Clarke / Forrester Research Webinar Q&A 2/20/2013****Best Practices for an Effective Onboarding Strategy****TRANSCRIPT: Q&A Only**

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(See also: Full presentation transcript.)

**Stephen:** Tiffani, thank you very much. We don't have the opportunity to have you with us all that often, certainly not as much as we would like to. If it's ok with you, I'd like to stop here if I could for a moment and I'd like to ask Kayla to come back in and Tiffani – is it ok if we take some questions right now? Kayla, can you come back in and tell our participants how they can ask a question if they'd like to at this point?

**Kayla:** If you'd like to ask a question, please press \*1 on your telephone keypad. If you are on a speaker phone, please make sure that your mute function is turned off to allow your signal to reach our equipment. We'll take our first question from Matt at Liberty Bank.

**Matt:** Sorry I hit the wrong number.

**Tiffani:** Were you just teasing me Matt? Hopefully you'll come up with a question by the end I hope.

**Matt:** I'm sorry. I'm in Florida, Tiffani. The thing I chuckled about is we track our closed accounts and being in Florida, I looked at the reasons for why people close their accounts – people move. We've had about a third of accounts closed due to death.

**Tiffani:** There's not much you can do about that one, right?

**Matt:** A lot of people are moving and relocating to other cities.

**Tiffani:** The moving thing is quite interesting; it's not necessarily a topic for the onboarding part of it, but I think that there are some interesting opportunities if you think about it from a digital-banking standpoint. If you know that someone's changing address, that's a perfect opportunity for you to get in front of them and find out what their intentions are, so definitely very interesting. Thank you Matt, at least you didn't tease me and we had a little conversation there – I appreciate that.

**Matt:** We're looking forward to working with Harland Clarke and FiServe. We don't have an official onboarding process right now, we have an unofficial one, but as part of, I think it's called 'activities', we're probably looking at rolling that out in the next two or three months fully automated.

**Tiffani:** That sounds like an excellent opportunity for you. I'd love to at some point, when you get started on that, to chat to you about what you're looking at doing. Thank you for the question.

**Stephen:** And as a reminder, Tiffani, if I could, for everyone on the phone, you can also ask questions via the chat function or via twitter at #HCONboarding. Kayla, any other questions over the telephone?

**Kayla:** Yes, we'll take our next question from Robert Cavarelli with McGraw Hill Credit Union.

**Robert:** We're in the process of implementing an onboarding program here at the credit union. We're developing a checklist, a road map if you will, for prospective new members, and I notice that the onset you had – the ninety day time period – I was also curious, we have different areas of the business, we have sales folks, we have aftercare folks in our call centers and we have our tellers who have distinct responsibility to selling our products to the membership. What are your thoughts on setting goals for each one of those business units with respect to, let's say it's a figure, selling those things that they are not used to selling or are not part of the business – it doesn't require them to sell? Do you think it could get kind of muddy going down to that kind of level detail or do you think that there is a strategy that we could employ to sort of help them along so to speak?

**Tiffani:** This is Tiffani – hello. When I was listening to you talk, I think one of the things that really occurred to me is that I think you are thinking about the different products that you could offer a customer that might be outside of the normal standard set of package that you would traditionally cross-sell is good. It is good in the respect that it is the next logical product that would expand a customer's relationship. So I think that if you start to think and you start to get your sales teams in the habit of thinking about looking at a customer and not only just offering part of the canned set of products, but getting them to really think about what's the next logical product offer that you should make to that customer, not only based on their existing account relationships but any sort of life stage information that you actually know about them. That's really where the power of cross-sell comes into play: that you're making sure, that based on what you know about them now, meaning their account ownership, you may know about them depending on what life stage they're in, makes that product not only relevant and not only contextual but it's going to be offering them the right

product at the right time and even perhaps in the right place, depending on who's actually making that product offer. I think that if you actually get them to think about it in those terms and help them understand it and you do offer the right product at the right time and in the right place, it's actually only going to increase the amount of accounts that you actually close versus just offering them something that may or may not be relevant.

**Stephen:** This is Steve. My experience, and I was on the retail side for many years prior to coming to Harland Clarke, my experience is that selling can be difficult for people, and the more training the better, particularly if this is a product that I'm not accustomed to, dealing with on a day-in, day-out basis, that's always better, and I'm a firm believer in setting goals for people. My experience in the past has always been when you set that goal in front of people, and maybe at the same time dangle some sort of carrot out there, if we're going to hit our goals, this is what the incentive benefit is for you, I've always found that to be an effective approach to take.

**Tiffani:** Just to tag on to that really quickly, I found that working directly with sales teams, so to extend that thought a little bit, sitting down and actually showing them the numbers in terms of how one little activity of one little change in the process can mean incremental bonuses for them, is really the way to get their attention.

**Robert:** We're really big fans of incentivizing them. I think you spoke of it when you mentioned things that they're not used to selling and I guess that's more of a cultural / education / giving-them-the-tools-to-succeed type discussion but I appreciate the response, thank you.

**Tiffani:** I think you had another question about the survey data, Robert?

**Robert:** I just threw that out there. I noticed that the timing was 2008. I was just curious, has that changed in light of the 'give me everything now' mentality of how people are in 2013? Short attention spans for example. Do you think that window is closed? I'll be honest with you, depending on who you talk to, some will say it's 30, some will say it's 60, some will say it's 90, so I was just trying to get an understanding there of the rationale there, if you had any and also do we think that 30 - 45 days is more of a realistic timeframe?

**Tiffani:** My sense is that they found what I hear from clients has not changed a whole lot and even though it is 2008, the most effective onboarding strategies really are within that ninety day period. But I will pause for a second and allow Stephen, as being one of the experts here in the industry, to be able to tell you his thoughts on it. My opinion is that it really hasn't changed all that much. Will

it change in the future? Perhaps. But as of now, I don't think that there's been much of a shift so that's why.

**Stephen:** I'm in line with you also, Tiffani; that's also been my experience as well, it's pretty much stayed true to that.

**Robert:** Fantastic, thank you.

**Tiffani:** Thank you for the questions.

**Stephen:** Tiffani, we've got a couple more questions before I can jump back in and share best practices from what we see. If I could, we have a question from George Daly. George is stating that he does not have an automated onboarding process but manually inputs information into outlook and flags the information for follow-up. George is asking if there are programs out there that we could implement that are not very expensive? Tiffani, I'll let you weigh in on this, but George, all I can say is boy, did you come to right webinar! George, we're going to follow-up with you with that very inexpensive and if I could say, respective way to onboard, because the manual process as Tiffani mentioned early on, that can be very difficult. Tiffani, anything you want to add to that?

**Tiffani:** I am speechless at this point. I would say that it's definitely very difficult, there are plenty of options out there for you to pursue to get you out of having to manually intervene and manage your onboarding program. I think that simple system in terms of to manage your contact events is probably definitely one area that you could explore. But here's what I'll say to you George: maybe if you could spend some time listening to what Stephen has to say in the next fifteen to twenty minutes as he goes through his portion to talk about some of the best practices. I would also be happy to have more of an informal conversation with you offline if you want to talk about what some of your needs are. I think that Harland Clarke is definitely going to have some things for you to hear and that you're going to want to absorb, I think, before you and I have that conversation. Short answer is that there are plenty of opportunities out there for you to change that manual processing to something that is more automated.

**Stephen:** Heidi Campbell is also asking a question along the same lines. She's asking: what CRM systems do you recommend to track customer activity and manage follow-up? Heidi, I would say, I'll be happy to give you call after this as there'll certainly be solutions from Harland Clarke. In my former life before I came here, I had implemented a Harland Clarke onboarding program and it was automated; it took all of the manual tracking off of my shoulders and made the program run as

smoothly and efficiently as it possibly could. Tiffani, anything you want to add? I know that there's lots of stuff out there as well.

**Tiffani:** Yes, there's certainly lots of stuff out there. I'm certainly happy to have a conversation with you offline. There are various CRM systems that I deployed in my time before I joined Forrester, specifically that were sort of multi-channel cross-CRM systems that tracked activity and communicated follow-up to customers for many things including application status, all the way through the initial steps of onboarding, so also happy to have a conversation with you as well.

**Stephen:** Excellent. Thank you Tiffani.

With that, we've got about three minutes left. Kayla, if you could, I'd like you to open up the phone lines and while you're doing that, I believe that we've got a couple of questions here. Let's see: one question that actually came in through twitter and it's asking 'what percentage of financial service companies have someone dedicated to onboarding?' Tiffani, I'll let you weigh in if you like, but I'll share this with you. In my former life at a financial institution in New York State, I conducted an onboarding program and as I mentioned earlier, I relied on Harland Clarke to do all of this facilitation for me. I had a staff of about eleven people, and I had to go to one person to handle not only the onboarding program, but also an array of other direct marketing programs that we were doing: shopper alert, for example, recap-loan, recapture programs, cross-sell programs to existing members, auto-maturity programs and seeding maturity programs and the one person that I had devoted to handling all of this probably devoted about five to ten hours a week to all of those programs. The rest of his time, I was able to devote to other functions, supporting other constituents within the financial institution and knowing that the million or so pieces of mail that I was sending out on an annual basis were indeed getting sent out. Tiffani, anything else you'd like to add to that?

**Tiffani:** I guess the only thing that I'd add is that I don't necessarily know if I have a formal number percentage to be able to say what percentage of financial services have a dedicated person. I can tell you it's pretty low based on the conversations that we've had even if you look at the banks that have one person responsible for multi-channel, based on a survey that I did with the CDA, it's less than 30%. I think that it's few and far between, but with that being said, in order to have an effective onboarding program, you have to have someone who is going to be responsible for coordinating a program across business lines and also across channels. So, I don't really have percentage, all I can do is promote the fact that you have to have one person that's solely responsible in order for an onboarding program to be effective.

**Stephen:** Thank you. Tiffani, we have a question from Nancy Whitehead-Snepp. She's asking if onboarding solutions are lacking in the human element; are they cookie-cutter like?

**Tiffani:** My short answer, I know we don't have a lot of time, is I think it's what you make of it. I think that if you pick the right solution, a solution that's allowed you to be able to customize your communication points, it's part of that onboarding program in that you use different types of touchpoints, meaning you choose to use 'human' to make that thank you call and maybe use digital channels to communicate other methods, then I think you can definitely inject the human element in to your onboarding program and make it not cookie-cutter like. So again, I think it's really about selecting a solution that allows you to customize the program based on, as we talked about earlier if you look at the post-methodology, based on the actual people that you're developing the onboarding program for.

**Stephen:** Great, and I would also add to that Tiffani, certainly through variable data, the letters are much more personalized than you think they can be and at the same time, utilizing the business intelligence that we have, provides you with the ability to make sure that you look for promoting a particular product to that account holder for which they show a propensity. So, we're not simply sending out a checking account offer to everybody; we're utilizing our business analytics to make sure that, for example, Tiffani might get a checking account offer as she doesn't have one and on the other hand, I might get an auto loan offer because I show a propensity, based on the business analytics, for being in the market for an auto loan. So I believe that takes a lot of the cookie-cutter approach out of it.

We've got one more question that has come in through chat. This has come in through Bev Casper. Bev writes 'for the best practices illustrated here, what channels are being used to attract new customers? Would social media be effective as a delivery channel?' Bev, the channels in all three of these cases were simply mail. What I recommend these days is mail with an e-mail follow-up. Infotrends tell us that an e-mail follow-up to a postal mail letter carries about a 28% lift on the call to action and certainly social media can be an effective way to deliver these messages out to new account holders as well. Tiffani, anything you'd like to add?

**Tiffani:** No, I think you pretty much summed it up.

**Stephen:** Ok. Kayla, we are beyond our appointed hour here, but we probably have time for one question over the phone. Has anyone asked anything? Or would anyone like to ask anything?

**Kayla:** Yes, we'll take our next question from Cheryl Weaver with CU Hawaii Credit Union.

**Stephen:** Cheryl, Good Afternoon.

**Cheryl:** My question is, and looking back to when Tiffani was going over her numbers to reasons why people close accounts, and we always know that one of the big ones has been because we're moving. Is that number shifting due to a lot of cyber-banks and online usage and people using mobile banks? And is that number shifting by age to more the young people who might be staying with the financial institutions that have those kinds of services that they don't have to go into brick and mortar?

**Tiffani:** This is Tiffani. That number seems to be for the most part pretty consistent year over year. I'm sure that there are definitely differences in terms of demographics. I don't have them off the top of my head, but I'm certainly willing to have an offline conversation with you to be able to address those types of questions if that's something that you're interested in. I would say that definitely yes, that people as they become more and more reliant on the digital channels. As I mentioned to you earlier, customers are using mobile more frequently than any other channels, and some banks report to us that they have more transactions coming over the mobile channel than they do in any of the other channels. And now with the willingness and ability for customers to be able to deposit checks using their mobile phone, there is going to be less of a reliance on a traditional branch system in the future and I would expect that that reason for leaving in the future based on them moving is probably going to shift at some point.

**Cheryl:** Thank you.

**Stephen:** And I'm going to respond to two more questions here before we wrap up. This one's from Kyle Moore: Kyle is asking if there's any way to share the matrix or the map of some of the examples that we went through, and Kyle, I'll be happy to do that. I'll get that out to you shortly after this ends. And then we have another question that came in through twitter and this one is asking 'what did the west coast credit union do to be so successful?' What I see the west coast credit union doing is relying a little bit more on the business analysis, a little more relying on the intelligence and making sure that they are getting the right offer to the right account holder and this is, by the way, a financial institution that is operating in an area that was hit pretty hard by the recession, so their members really have a need for financial service product assistance and in many ways their onboarding program was really in the right place at the right time. So it's that as well as

a heavy reliance on the business intelligence and making sure that they were able to get the information out to those account holders.

So with that, why don't we wrap it up as we've gone well passed the hour. Tiffani, I want to thank you very much for doing a great job today: lots of questions, lots of interest in onboarding. Thank you for being part of our panel. Everybody on the phone, thank you for attending our Harland Clarke webinar and stay on the lookout for more programs such as this in the future. With that, Kayla, back to you.

**Kayla:** This concludes our conference. Thank you for your participation.