




Presentation materials and video replay will be provided within one week

Have questions? Use the chat panel  We'll field them as we go and during the Q&A recap at the end of the call

# Cashing In On Your Check Program

A Harland Clarke Webcast Series

April 21, 2016

Proprietary / Confidential

# Today's Presenters



**Gwen Cuffie**  
Vice President  
Payments Product Marketing



**Steve Nikitas**  
Senior Strategy Director



**Corbin Christensen**  
Executive Director  
Strategy and Planning



**Debra Corwin**  
Vice President  
Product Marketing

# Agenda

- Check writers: The Opportunity
- Maximizing your check program
- Q&A

## ***Check writers are critical to the profitability of your credit union***

- Better understand your check writers
- Gain maximum revenue from your check program
- Exploit untapped marketing opportunities

# Who Are Your Best Members?

Who has the greatest account loyalty?

Who carries higher account balances?

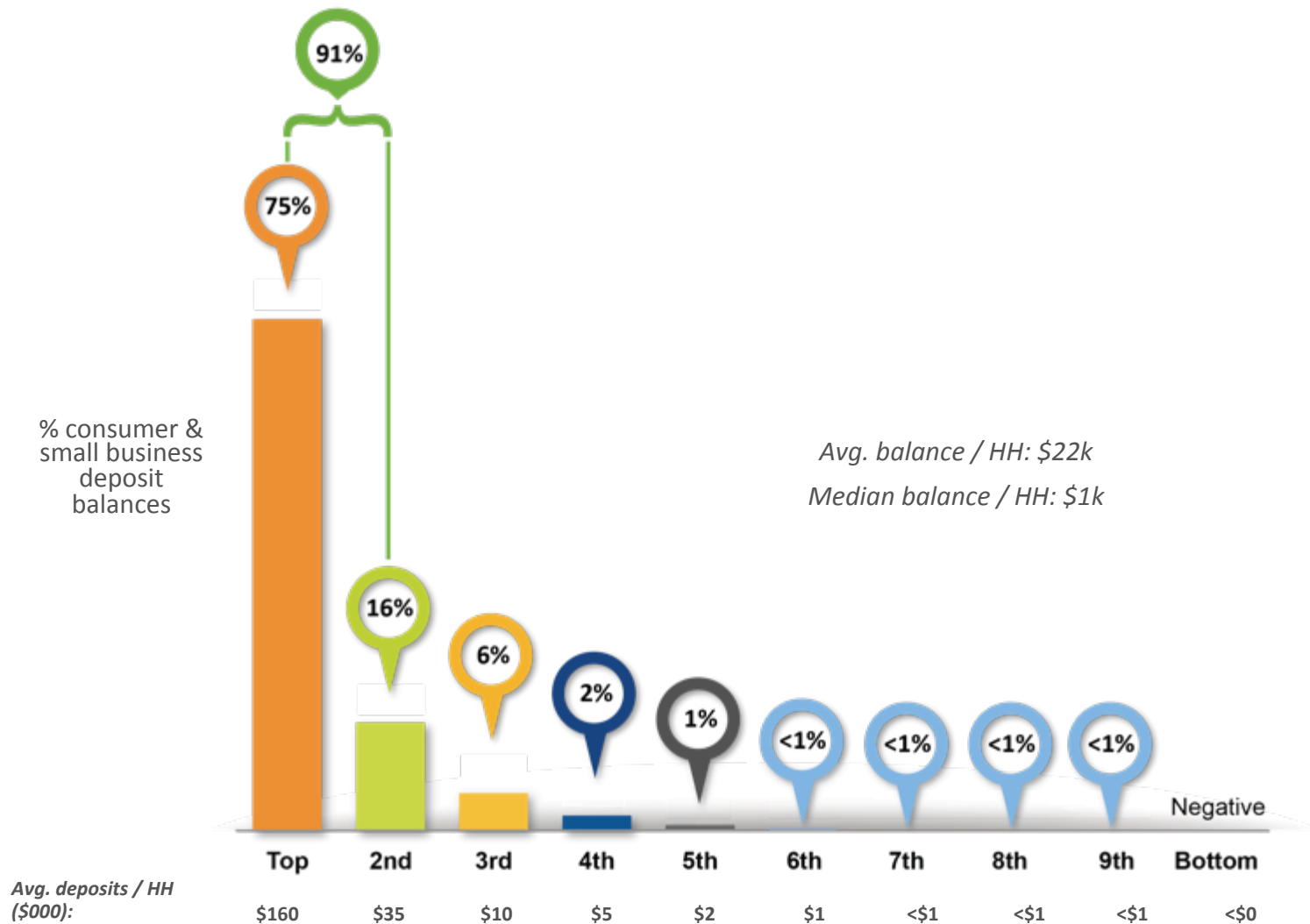
Who has greater cross-product penetration?

Who has higher investable assets?

Who considers your credit union their PFI?

# Check Writers!

# 20% of Account Holders Hold 90% of Deposit Balances



# Check Writers: Your Key to Profitability

Check writers are more loyal<sup>1</sup>

Check writers carry higher balances<sup>2</sup>

Check writers have more products<sup>3</sup>

Check writers have more investable assets<sup>4</sup>

*1 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011.*

*2 Nielsen/HC check behavior study, 2014*

*3 Harland Clarke/Nielsen, Why You Shouldn't Write Off Check Writers, 2015*

*4 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011*



# Check Writers Are More Loyal

87%

87% write checks on their primary account <sup>1</sup>

41%

41% have been with their PFI for 10 years or more<sup>2</sup>

<sup>1</sup> Nielsen/HC check behavior study, 2014

<sup>2</sup> State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011

# Check Writers Are More Affluent



**Flourishing Families**

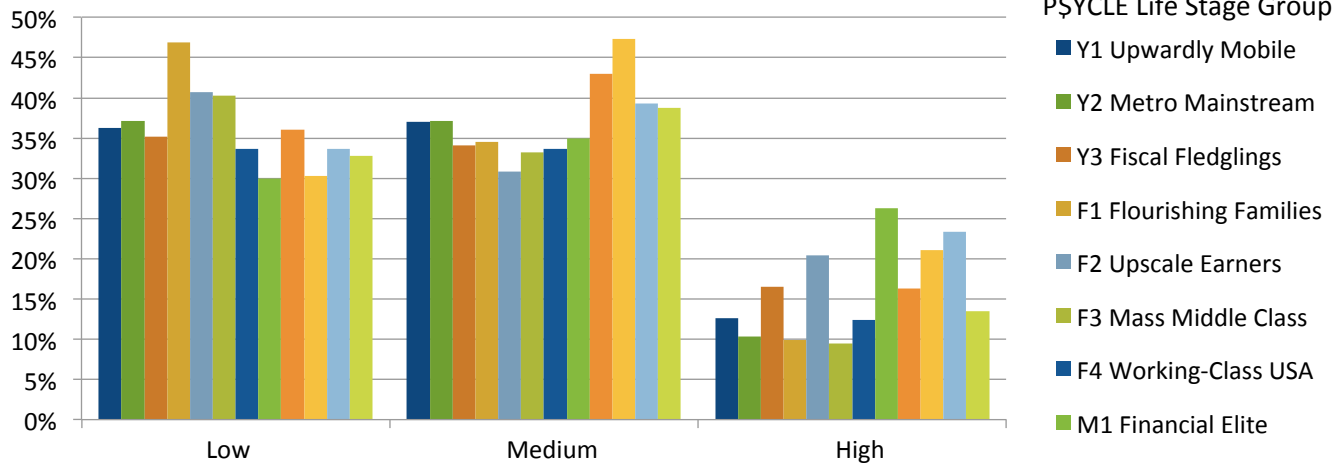


**Upscale Earners**



**Financial Elite**

**Check Writing Behavior by Life Stages**



# Check Writers Own More Products



Frequent check writers acquire nearly five financial products and services from their PFI – approximately two more services than non-check users<sup>1</sup>

PFI's win approximately 50% of new product sales<sup>2</sup>

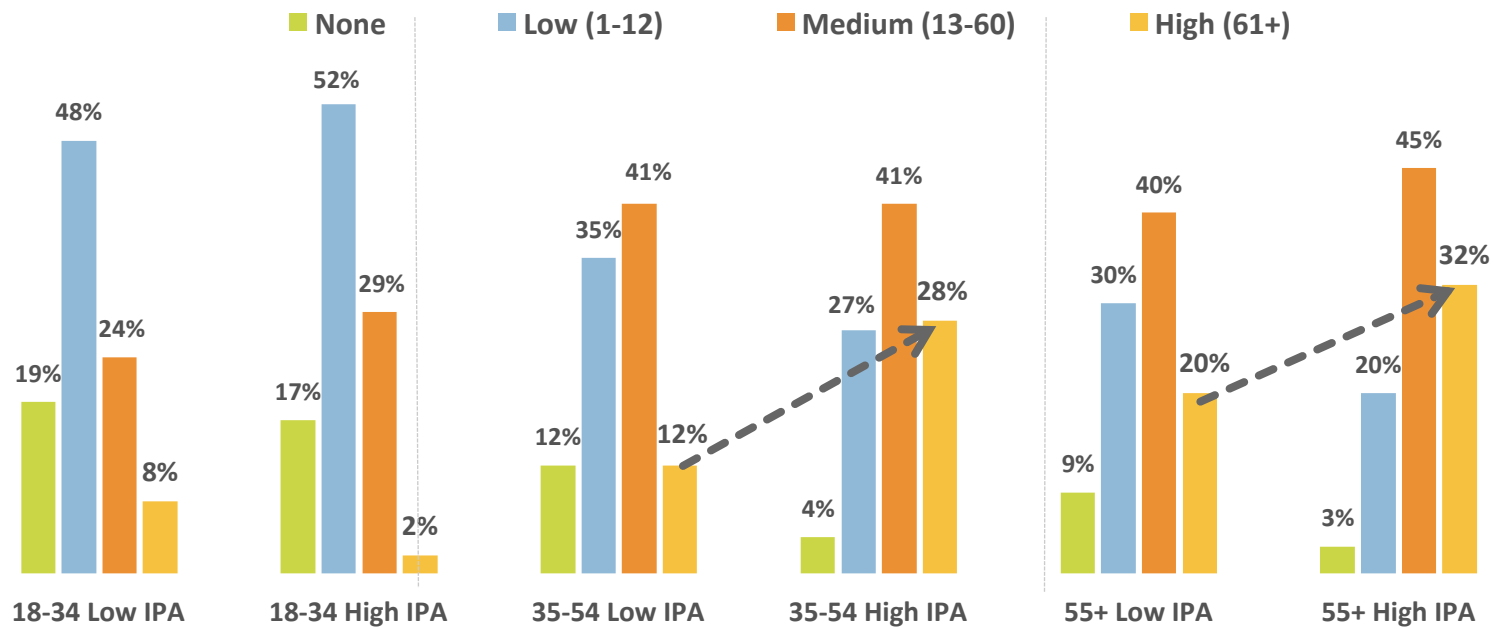
<sup>1</sup> Harland Clarke/Nielsen, *Why You Shouldn't Write Off Check Writers*, 2015

<sup>2</sup> *ibid*

# The More Affluent You Are, the More Checks You Write



How many total checks have you written from your primary checking account in the past 12 months?



IPA=Income Producing Assets Base: All respondents (1,504) \*Low IPA <250,000 High IPA >250,000

# Check Writers Are Your Most Important Members



**Greater loyalty<sup>1</sup> • Higher balances<sup>2</sup>**

**More products<sup>3</sup> • More investable assets<sup>4</sup>**

And their affluence is more highly correlated to check writing than age

*1 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011.*

*2 Nielsen/HC check behavior study, 2014*

*3 Harland Clarke/Nielsen, Why You Shouldn't Write Off Check Writers, 2015*

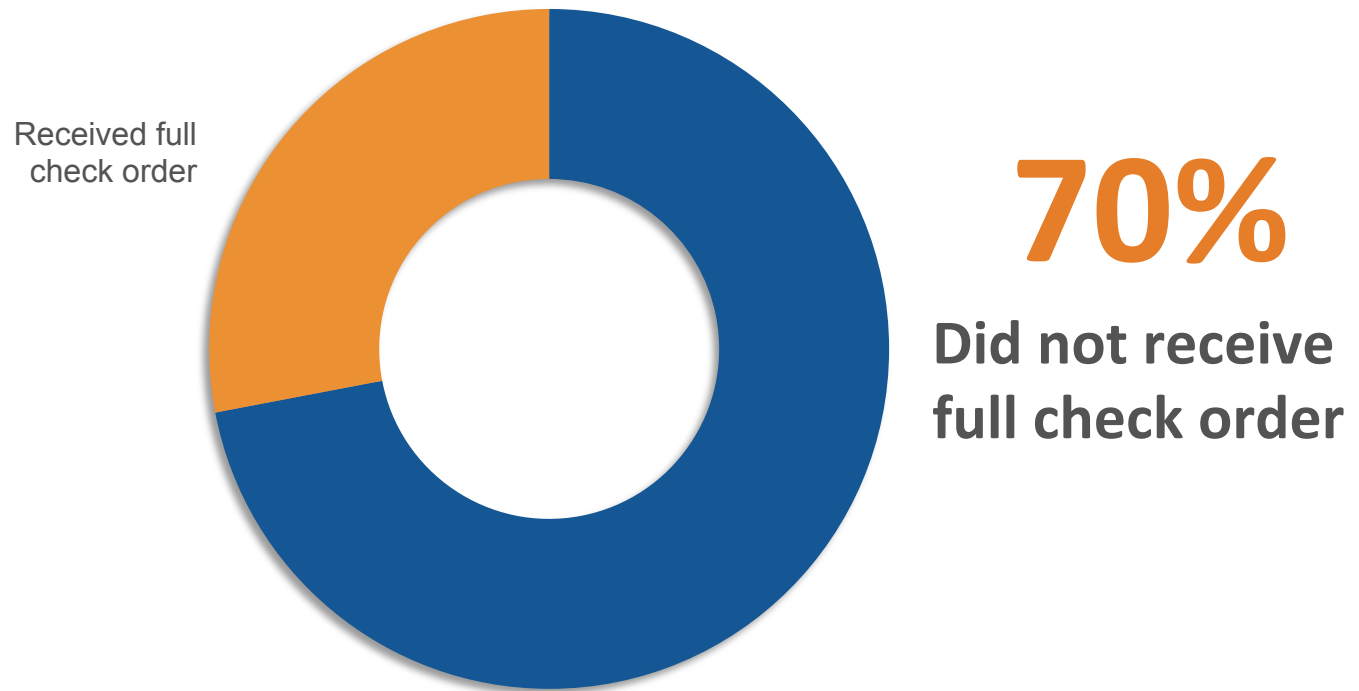
*4 State of the Check: Consumers Quantitative Report, Javelin Strategy & Research, August 2011*

Quick Poll > > >

30%

# A 70% Opportunity

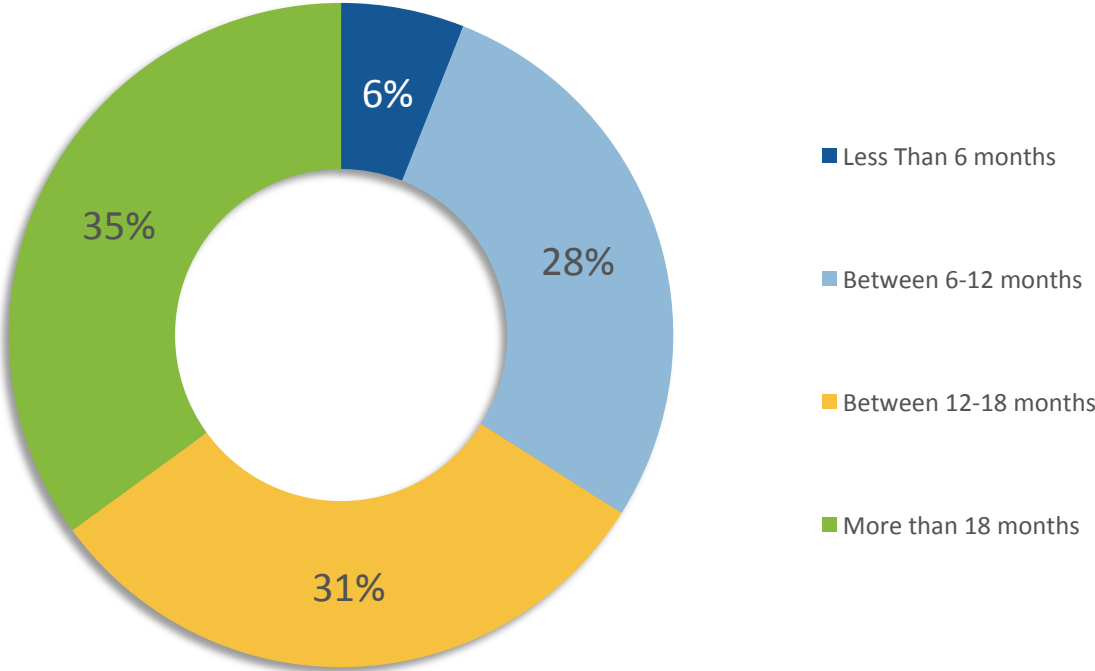
## Check Purchase at Account Opening





# And Opportunity at Each Reorder

Consumer Reported Reorder Cycles

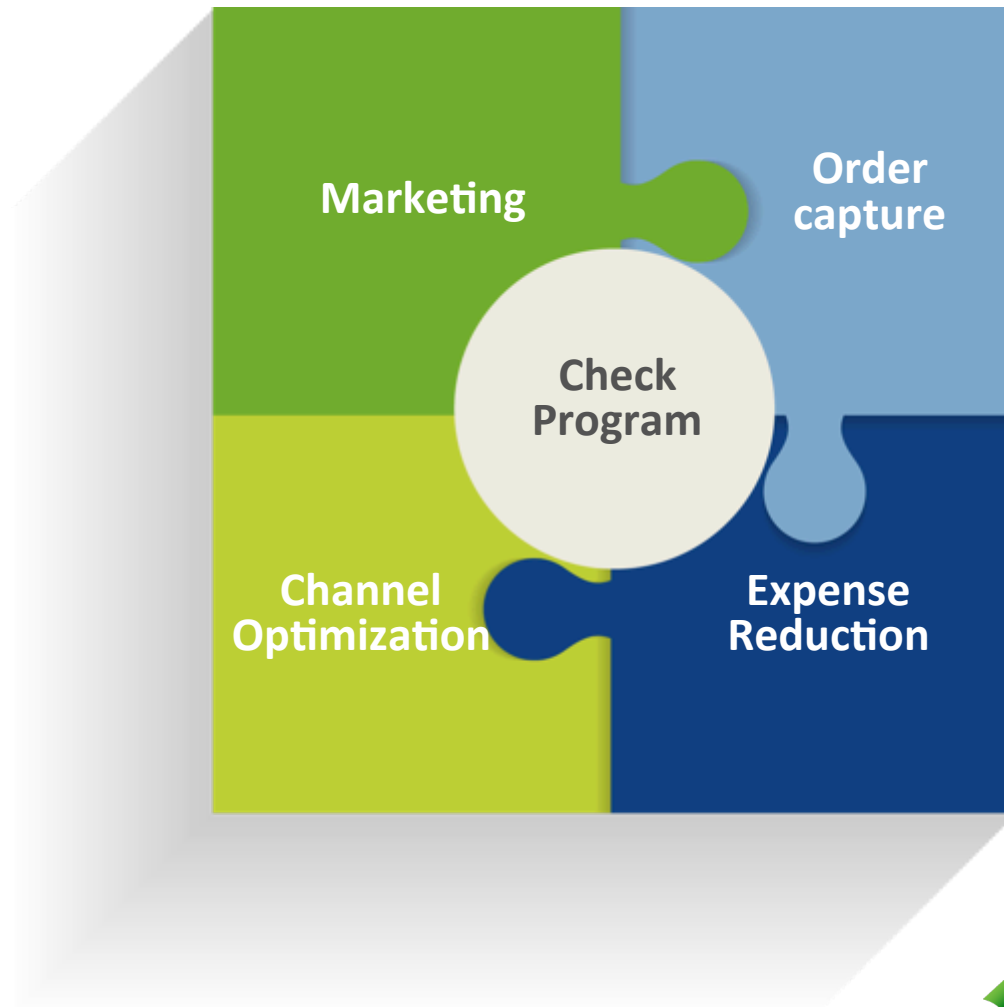


Quick Poll > > >



# How Can You Achieve Maximum Value From Your Check Program? > > >

# Your Check Program Performance



# Increase New Order Capture Rates

Order  
capture

**TRAINING:** emphasize the importance of check writing in defining primary financial relationships and how critical it is to capture the check order at new account opening

**EDUCATION:** educate employees on the benefit of members purchasing checks through your financial institution

**MEMBER EXPERIENCE:** examine your entire account opening process (training, education, experience, welcome kit), including the check ordering process

**INCENTIVES:** incent to reinforce training and ensure new account representatives are motivated to offer and sell checks

# Reduce Expenses

Unnecessary waivers = lost revenue  
Reducing waivers improves check program profits  
**Best-in-class check programs < 5% waivers**



Expense  
Reduction

**ACCOUNT TYPE** ensure members are in the correct account type (would they qualify for an account plan with a check benefit?)

**DIRECT CONTACT** facilitate direct contact with Harland Clarke (online and phone/VRU), where waivers are not allowed

**PERFORMANCE** track performance at the branch level

**TRAINING** conduct additional training at bottom-performing branches/regions

**PERIODIC ASSESSMENTS** conduct reviews with your branches to understand why waivers are happening and identify opportunities to improve

# Online Channel Optimization for Reorders



Channel  
Optimization

- > > Improves branch efficiency
- > > Outperforms branch channels by \$8.00<sup>1</sup> in average order value
- > > Open 24/7
- > > Consumer-placed orders are more accurate (fewer errors on check imprint information)



# Migrate Reorders to Online

Marketing

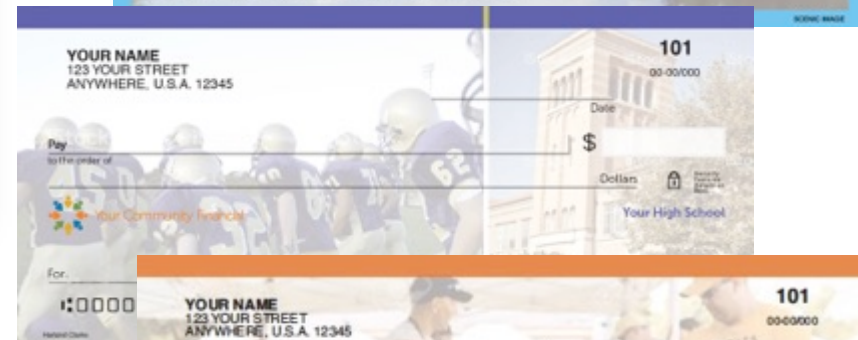
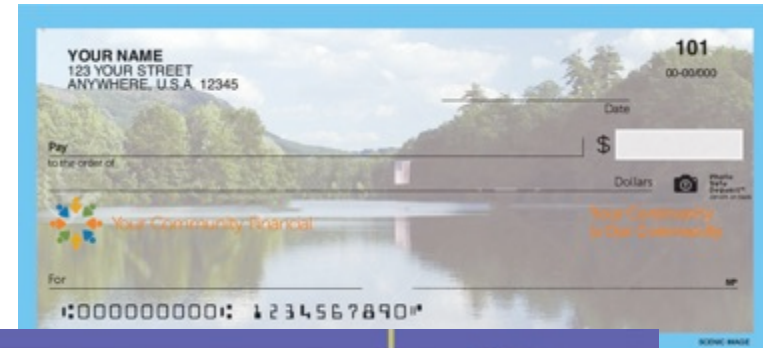
## How do we move members online for reorders?

- Fully integrate your online banking system with Harland Clarke's check order site
- Promote online order capability on your web site
- Utilize available banner space within online banking
- Use statement messages to promote alternate channels
- Revise wording on teller receipt to include online options
- Create shortcut URL for check ordering - [www.yourfi.com/orderchecks](http://www.yourfi.com/orderchecks)
- Train your branch staff to sell online ordering as a benefit
- Use in-branch merchandising and other methods to promote online reorders

# Custom Checks Strengthen Your Branding

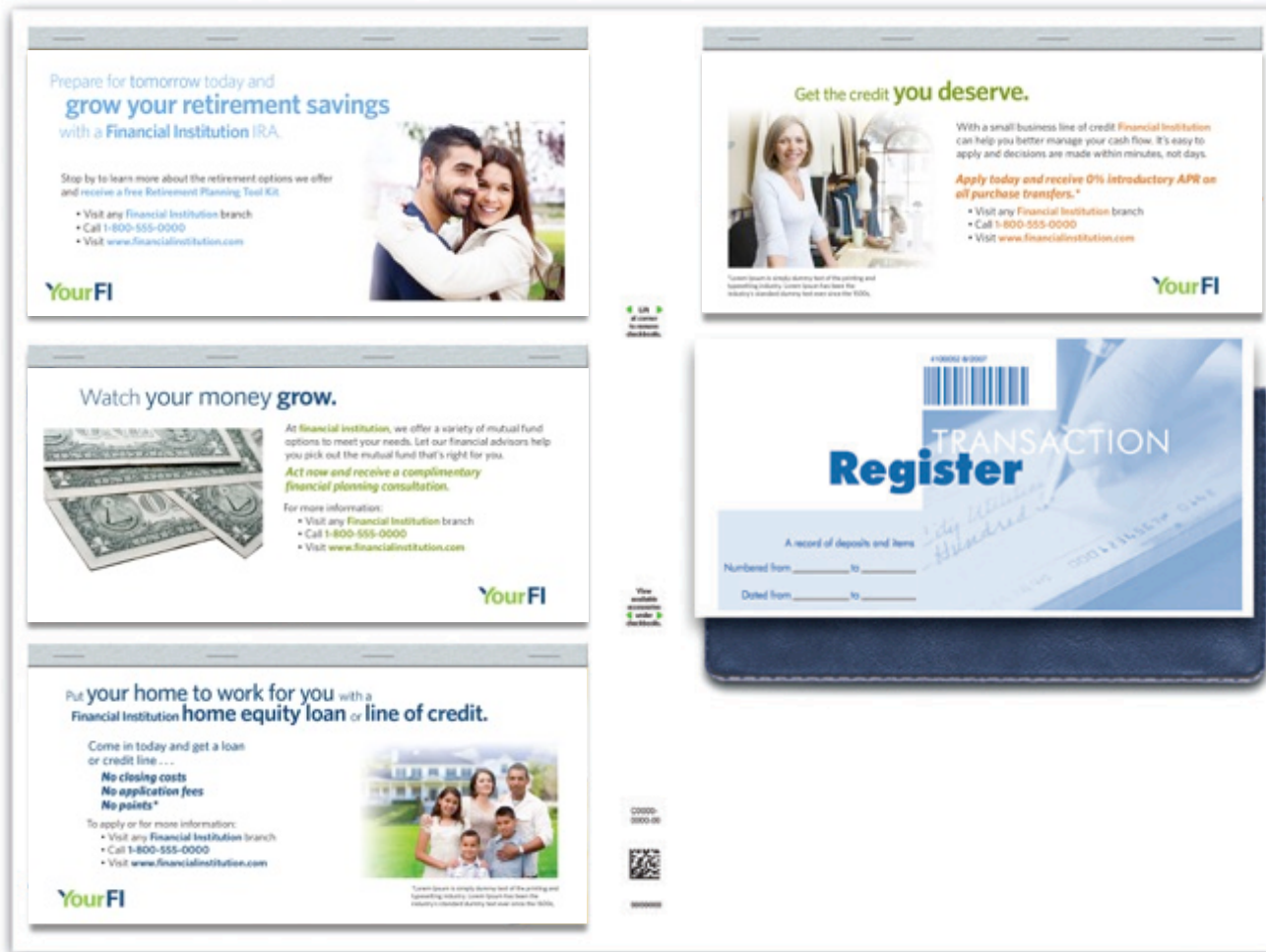


*Boost the impact with color branded logo*



*Express your community connection with custom scenic designs*

# CheckFolio Is Now a Marketing Vehicle



**CheckFolio gives you high message visibility**  
 Frequency: every time a check is written/new check pad accessed  
 Longevity: for the life of the check order

# The Bottom Line

**20%** of account holders **drive profitability**<sup>1</sup>

**These high value members write checks**

**Embrace the importance of check writers** at every level of your organization

**Include checks in every account opening**

*1 FMCG case study analysis over the last three years of multiple BHC's household-level customer databases*

# Q&A Wrap Up

Type your question in the chat panel 

## **Gwen Cuffie**

Vice President, Payments Product Marketing

## **Corbin Christensen**

Executive Director, Strategy & Planning

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Senior Strategy Director

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Thank You!

