Harland Clarke Webcast
Enhancing Account Holder Satisfaction during Digital Conversion and Enterprise Change Events

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Lou: Good afternoon. My name is Lou Carlozo, and I'm the Managing Editor at BAI. It's our goal at BAI to provide you with actionable insights that can help you make smart business decisions every day. We do this by providing financial services leaders with powerful tools, meaningful connections, and relevant content. Including the insights that will be shared on today's webinar, "Enhancing Account Holder Satisfaction during Digital Conversions and Enterprise Change Events."

Before I introduce today's speakers, I'd like to review a couple of housekeeping items. First, a recording of this webinar will be available shortly after today's session. Each person who is registered for this webinar will receive an email from BAI containing a link to the recording. Second, we'll conclude this webinar with a question and answer period. At any time during the presentation, please type your question in the Q&A box on your screen, and we will address your questions at the end of the presentation. Finally, at the end of today's webinar, you'll see an online evaluation on your screen. Your feedback is important at BAI as we strive to address the key issues impacting the industry in a way that helps you plan for tomorrow while performing better today. Please, take a few minutes to complete this survey.

This afternoon, we will explore insights into successfully managing the customer experience during enterprise level change initiatives such as online and mobile conversions and M&As. It's my please to introduce today's speakers, Stephen Nikitas, Terri Panhans, and Janet Sthele. As Senior Strategy Director at Harland Clarke, Stephen Nikitas provides consultative services to financial institutions. Helping them to craft marketing and retail strategies in campaigns aimed at helping them take advantage of existing marketing and financial conditions in order to grow targeted portfolios. Terri Panhans is the Vice President Contact Center Solutions for Harland Clarke. She manages all aspects of the Contact Center Solution programs that are supported by Harland Clarke. As Director of Client Strategy and Sales for Harland Clarke Contact Center Solutions, Janet Sthele is responsible for understanding client needs and sharing best practices in support of programs success and high customer satisfaction, and at this point, we're going to hand it over to Stephen. Take it away.

Stephen: Great. Thank you very much, Lou. Good afternoon, everybody, and welcome to our BAI webinar sponsored by Harland Clarke. Today our objective is we want to really leave you with these three key insights; first off, why a strong servicing strategy is such a pivotal component in our world. As we know in the banking and credit union world, our products are commoditized and often service can serve as a key differentiator to help us stand apart from the competition. We'll also talk about the elements that impact the customer or member experience, and then we'll focus on building and executing a successful servicing strategy primarily relying on, as you would I'm sure not guess, Contact Center Solutions. That's where Terri and Janet will be able to provide a lot of valuable insight.

I wanted to start today's presentation by giving you some general information about really what's going on out there in the financial services world, and this particular chart shows how account holders are accessing their accounts at financial institutions. No surprise. You can see at the very top of this bar chart online banking access. Two-thirds of the consumers out there say that they are regular users of online banking. Next, we're looking at still a lot of usage coming in through the branch, although that's changing. We'll talk a little bit more about that in a bit. Then after that, access to accounts through a smartphone, and that access is actually growing by leaps and bounds as we speak.

I think the big surprise though on this chart as I look at it is that bar at the very bottom. That consumers are still accessing their accounts by picking up the telephone and calling their financial institution for a variety of different reasons. We'll go through what those reasons are in a little bit. When we look at telephone access, however, again, let me focus your attention on the bottom bar of this particular chart. Access of accounts by consumers over the telephone is really pretty equally divided among age demographics. Regardless whether you're a Gen Z, or a baby boomer, or everything in between, we find that there is a pretty consistent use of the telephone relative to accessing accounts or getting information from a financial institution.

Now, when it comes to the contact center and why people happen to be calling up their financial institution, I love this slide because, to me, it really bears out the importance of the contact center in its role in impacting in a positive way customer or member service. When we look at account holder interaction, why are consumers calling the contact center? If we go to left to right, we see that a lot of people call simply to balance that checking account. We see people calling the contact center to put a stop payment on a check, or to transfer money from one account to another, or to inquire about fees. When it comes to issue resolution, we see that consumers really prefer picking up that phone and contacting somebody on the other end at that bank or credit union in order to discuss an issue that may be impacting their relationship with the financial institution, so it is the telephone. It is that focus on issue resolution that can help a financial institution to really drive and strengthen account holder satisfaction when done right. We'll hear more about that in a little bit.

In fact, at this point, let's set the stage for the role of the contact center. Let me bring in Terri at this point, and ask Terri to talk about, in general, what that role of the contact center is and how it can make a difference when it comes to customer or member satisfaction. Terri?

Terri: Sure. Thank you, Steve. Certainly, we are all aware that digital and other self-service channels are growing in popularity and usage, but we see that the role of the contact center is still very critical for some of the reasons that Steve just walked us through. In fact, offering those channels of choice remains very important to driving a good customer experience, that your account holders feel like they can reach you and perform transactions in a way that is comfortable for them and convenient for them. In fact, we know that 90% of multi-channel centers say that voice is still the most important channel for them. Why is this? What we have found and what we see in the industry is that, while overall call volumes may be declining, the nature of the call has changed and, like Steve said, more around a service recovery or issue resolution. Where we've seen that calls were primarily transactional in nature, more and more are from customers who would maybe prefer to perform things through self-service, but due to an issue or concern, it's very important for them to reach a live agent to ensure that when they hang up their inquiry has been resolved efficiently and thoroughly. Again, while volumes may be declining, the conversations being had are more crucial in nature, if you will, and really, those again of a service recovery type nature.

We know that over a third of customers who are performing something through self-service will opt out to escalate to speak with a live agent. Those agents who are going to be relied upon to provide that expert and timely response do so in one call, so that first call resolution is so important. Again, that the account holders hang up satisfied and that they're comfortable. Four out of five organizations recognize that customer experience is a key competitive differentiator. We feel like this touchpoint can really help support that customer experience by having a highly qualified staff or contact center agents who understand and can reflect the culture of your business, and really treat every single call as an opportunity to do so is very, very important.

Stephen: Terri, I believe that that last point – 80% of companies and corporations and financial institutions in the U.S. really believe and recognize how important it is to employ the customer experience, customer or member satisfaction as a way to really differentiate themselves from all of those other firms or financial institutions, obviously, in this case, with whom they're competing. Lots of conversion going on out there in the world today and I'm going to take a quick break here and introduce a polling question that we'd like you on the phone today to answer. The question is what kind of change event is your financial institution planning for in 2017 or beyond? You've got a host of radio buttons there that you can click on. Let's see what's going on within your particular financial institution. What kind of conversion, what kind of change, entity-wide change is going on within your particular institution? We've got numbers still coming in. Let's give it a couple more seconds here to give you an opportunity to complete the survey. I think we're done. I don't see the numbers changing that much.

It looks like better than a third of you on the phone are going through some sort of merger or acquisition. We see a lot of online banking conversions. We see some branch closures and expansions. Then it looks like our next most prevalent answer is other. Certainly, you called in at the right place at the right time because we're going to touch on those three key points or those three answers that you brought up here. With that, let's go to our next slide, and here, Terri, I'd like you talk a little bit about the conversions that you see going on out there in the industry these days.

Terri: Sure, Steve. It was interesting to see your responses there. I can tell you just a reflection of what we see in working with the clients that we serve in the financial services industry these days. Actually, for probably the last 18 to 24 months, we've seen expanded activity, certainly around the digital, either going to a new online platform, mobile platform. Many of our clients see that as a competitive move. So many times, again, because of the growth in that area that it can be a decision factor. Decisions hinge on the ease and the access of those – either the online platform or the mobile that customers will look at in making a decision about where they want to bank and where they want to have their money managed. Certainly, merger and acquisition, we've seen a lot of that as well and then just upgrades as well to digital. Maybe not moving to a new platform all together or a mobile platform all together but doing upgrades to, again, keep it fresh, and keep it in a format that is helpful and accessible and responsive to their customers. I think that those are what we've seen the most of. Again, as I said, your response is a true reflection of what we're seeing, certainly around the merger and acquisition and also the core and the digital conversions.

Then this slide just really speaks to so we know digital is growing. We know mobile's growing. What has that meant? As you can see in this graph, it really shows that the foot traffic into the branch has declined, and I think we'd all probably agree with that and understand really why that's happening. What does that mean? It means, certainly, that it can be a loss of a touchpoint. It can be a loss of an opportunity to interact with your account holders, and really have that opportunity to perhaps talk about different ways to help grow with them. We see that the contact center can again be very vital in that. A lot of times, that can be the one touchpoint that you have if you're not going to have that foot traffic going forward.

As we've talked about, there may be any number of reasons that someone would want to reach out to a live agent, so it's really important that when they do that, that that call, that touchpoint, is handled so well. It's handled in a consultative manner. It's handled in a way that helps you to take advantage of that, and to help create the brand loyalty on each and every call.

Stephen: Terri, this is a slide that I like. I like this slide because, in my role as a strategy director with Harland Clarke, I meet with dozens and dozens of financial institutions around the country in order to help them plan for initiatives, whether it be acquired checking accounts, grow their credit portfolio, attract new account holders, whatever, whatever. Often times I'm asked by senior management at both banks and credit unions around the country to talk a little bit about how consumers are really gravitating towards that online or that digital channel. I like to show this slide because to me it really bears out the importance of thinking about account holder access through multiple channels. Let me set this up for those of you on the phone looking at this. The X axis on this particular slide represents the average number of weekly transactions that someone does online. You can see you go zero to ten.

What's interesting about this slide, however, are the blue bars and the yellow or the gold bars. The blue bar represents the consumers who are still utilizing a branch. The gold or the yellow bar represents consumers who are still picking up the phone and calling that financial institution's contact center. Maybe this is a little bit counterintuitive. As you look at the number of online transactions, again, looking at the X axis going from zero to ten and more, what I find to be most interesting about this is the more that consumer is engaged online, the more likely they are to utilize other channels, continuing to utilize the branch, continuing to utilize the phone or the contact center. Now, they may be doing different things when they utilize the branch or they contact the institution through the telephone.

We know, for example, that increasingly consumers are looking for advice and consultation, and often times the branch visit is more of an attempt to get that advice and consultation from a platform person or maybe a teller. When they pick up the phone, when that account holder picks up the phone to contact the branch or to contact the contact center at the financial institution, it's to resolve an issue, but it is also to potentially get advice and consultation information from the financial institution. What we know is that customers who use mobile and online banking more than once a week are more than 60% more likely to be active branch users and contact center users. Is there a shift going on in the way consumers are accessing their accounts (absolutely)? However, although that shift is taking place, consumers still go to the branch. Consumers still get with their contact center.

One of the responses that I saw relative to conversions that are taking place within financial institutions or those of you who are on the phone attending today's webinar revolved around mergers and acquisitions. This slide represents the number of banks in the blue bar and the number of credit unions in the yellow or gold bar in the United States. If you go all the way to the left-hand side, what I did on this particular slide is I'm showing the number of banks and credit unions in the U.S. back in 2007. You can see for both types of charters there were better than 8,000 banks, 8,000 credit unions, but look what's happened since 2007. The number for both bank and credit union go down and to the right. At the end of the third quarter of last year, we had less than 6,000 banks and less than 6,000 credit unions in the United States.

We're losing about one bank and one credit union every business day. Now, banks and credit unions are not disappearing because of any financial issues or because of any shaky issues that are causing fiduciary concerns within the institutions that might lead to failures. In fact, the case can be made that both banks and credit unions have never been more financially solid than they are today. As we know, there's lots of rules and regulations that are coming at us fast and furious these days, and smaller financial institutions from an economy of scale perspective just cannot afford to continue to compete. There are lots of mergers going on in the credit union world, and there are lots of mergers going on as well as acquisitions going on in the banking world. Now, that presents an opportunity for everyone on the phone today because we know that with a merger and an acquisition there can be **[00:19:08]** results among our account holders.

For example, J.D. Power says that the likelihood of an account holder switching banks or credit unions during an M&A exercise can increase by up to three times. Gallup says that, typically, during a merger or an acquisition attrition can jump to as high as 20% if the account holders are dissatisfied with the information that they may or may not be getting from their financial institution. In fact, a recent Deloitte study says that 31% of account holders say that they are likely to switch at least one account within the first year of a merger or an acquisition taking place. An M&A event, which many of you obviously are going through based on your responses to our prior polling question, an M&A event can cause a lot of opportunity for our financial institutions. I'd like to invite Janet at this point to come in and talk a little bit about the contact center's role in a merger or an acquisition. Janet?

Janet: Yeah. One of the things too I want to mention, Steve, just when we talk about merger and acquisition and you touched on it a little bit, about the importance of communication. That certainly is a key. I think we've seen from our perspective, those that do so successfully, it's multiple communications over multiple channels, just really hitting them in a variety of ways that they're interacting with you today, whether that's through their emails, through direct mail pieces, information on your online banking site, on your homepage. Again, put that message out there. Begin to touch them very early on.

Change makes people uneasy. They immediately have questions. They're concerned. Trying to address those, again, through your communication channels is key. Particularly that first communication channel, the first communication piece, that's a huge one. That's a perfect way to be able to demonstrate the extension of that brand that you're trying to build with them, the awareness about your organization, as well as help answer their questions upfront. Again, I think that would be the key as you work through those transition periods.

Stephen: Janet, I think, for me anyway, the key takeaway from what you're saying is account holders left in the dark are going to assume the worst. Financial institutions should do everything they can to make sure those account holders are as abreast of what goes on with that merger and acquisition as possible. Again, that's where the contact center can play the key role.

Janet: Absolutely.

Stephen: Okay. Let's talk about best practices relative to strengthening customer or member satisfaction during a conversion, but before we do, let's bring in our second of two poll questions today. Again, let's go through the same exercise that we went through a few slides back, and here's the question for you on the phone. How prepared is your contact center for a conversion? Again, on the left-hand side, you've got a host of answers that you can respond to here. Let's give everybody a few seconds to click the response that they feel best portrays how their contact center – how prepared their contact center is for a conversion, whether it be an online digital conversion, or maybe it's a merger or an acquisition. We can see, let's see, that almost half of you say that you're somewhat prepared. About a quarter of you believe you're fully prepared. About three out of four of you on the phone feel that you are in relatively good shape, but then there's roughly one out of every four of you on the phone feel that or believe that maybe you're not quite as prepared or your contact center is not quite prepared as it possibly could be for an entity or an enterprise-wide conversion of some sort. Okay. Good stuff.

Let's go to our next slide. On our next slide, I'm going to ask Janet to come back in again, Janet, since you did such a great job talking about mergers and acquisitions. Janet, if you could, challenges and opportunities relative to conversions.

Janet: Yeah. Going back to some of your comments, Steve, previously about merger and acquisition or conversion related activity, it does present both challenges and opportunities, and a greater opportunity here is to create a very positive experience for your account holder. Again, change, people don't like it, so there's a little bit of a negative perception any time you introduce something different to that account holder. Again, taking those communication pieces, those opportunities to enhance your brand, build a relationship with your account holders, whether they're new because you're newly acquiring them or existing but you are still introducing a change via it your online banking platform, their mobile platform, etc. Use that as the opportunity to really drive that home. Demonstrate their importance and your commitment that you have to them.

Often I think that the end consumers don't understand what's the benefit to me? I think they get stuck on why are they changing this? I don't need the system. I don't like the system. I can't find anything. Those, I think, are their typical concerns. Again, where they're sitting, they don't understand the benefits to them, so, again, using those communication channels, again, all forms of them to be able to help communicate that to them so they don't feel in the dark. As Steve had said, trying to address those and help connect those dots for your account holders. Again, those are some of the challenges. If you look at the opportunities, make it positive. Use communication as a way to build the loyalty there, and show your commitment that you're in there with them and available.

Stephen: Great. Thank you very much, Janet. Okay. Let's talk a little bit more here about ensuring that consumers, customers, members are not left in the dark when a conversion occurs. I recall there was a politician a few years back who made the comment that we should never let a crisis go by without taking advantage of it, and so the same I believe holds true for financial institutions. With a conversion taking place within our financial institution, it is really a great time, again, to differentiate our bank or our credit union from competitors within our geographic footprint. When that conversion takes place, again, whether it's a digital banking conversion, or a merger, or an acquisition, whatever the conversion happens to be, there's opportunity to turn what could be a negative into a positive in order to put our financial institution in the best light possible so some things to consider when you're going through a conversion.

On this particular slide, let's consider a merger or an acquisition. Just like we would with any marketing program or any marketing initiative which we're conducting, think of a merger or an acquisition the same way you would treat any sort of a loan or a deposit promotion within your financial institution. Utilize direct mail, for example, to talk to those new account holders who are going to come from the institution with whom you're merging or acquiring. Talk to them about the timeline that's going to take place, the key dates that those account holders really need to be aware of in order to make sure that any confusion or any concern is laid to rest. Utilize advertising, right? Tell the world about what you're doing, and tell the fact that you're merging and getting bigger, stronger, and able to provide more products and services to more consumers. Utilize public relations, right? Talk to your local newspaper editors, your local radio reporters, or TV reporters, and utilize that PR channel because it is free.

It is very effective, and PR does come with a high level of testament much more so, for example, than advertising. You on the news at night, or you on the local radio talk show or TV talk show talking about your M&A activity can go a long way toward putting your financial institution in a great light, and again, generate awareness among perspective account holders who may not have a relationship with you. Create that level of awareness so that when your need for a product or a service does arise, they're thinking about you and that wide branch network that you're now creating and that deep and broad product and service line that the merger and/or acquisition is going to provide to your financial institution. Let's not forget existing account holders. Make sure we've got collateral in the branch talking about the M&A, again, with those key milestones so that everyone is aware of what is happening and what is taking place at the financial institution. Again, we've talked about the contact center, the inbound and the outbound opportunities to tell our existing account holders as well as those account holders coming from the merged financial institution. Let's not forget digital channels, whether it's online, mobile, or social, to talk about all of the benefits that an M&A action in this particular case is going to provide for consumers.

With any change event taking place within your organization, consider external communications to, again, turn what could be perceived as a negative into a positive, and help create that level of awareness for your financial institution during this perceived time of, let's say, crisis. At the same time, let's not forget our internal audience. Let's not forget our own employees because our employees can be our best, if you will, word of mouth army. Make sure our employees and other internal stakeholders like our board of directors, like our key suppliers, for example, are aware of what's going on with the change event taking place within the organization. Let's look at training programs. Let's look at training where we're providing FAQs to employees, where we're providing online tutorials. Where we're role playing, for example, to help employees put whatever event is going on within the organization into as positive a light as possible.

This reminds me once years ago. In my role as a strategist, I am in the air every week, and I recall a few years ago. I was in the Dallas/Fort Worth Airport waiting for a flight to a branch I was managing at the time in Sacramento, and the flight was significantly delayed. Significantly delayed to the point where some of the folks sitting at the check-in counter were getting a little bit irate and understandably irate because they weren't being kept aware of what was going on with the flight. One of the people who was at the gate approached the counter and voiced a concern, and the pilot happened to be standing there. I watched the interaction between the gate agent, the pilot, and the passenger during this little episode.

When the passenger expressed concern about the delay – when are we going to take off? When am I going to get to Sacramento? I've got family waiting for me at the airport. The pilot shrugged his shoulders. Threw his hands up in the air as if to say I don't know and then walked away. When I looked at that, having been on the retail side of the house for so many years, I thought what a lost opportunity. There was an opportunity for that airline pilot to respond to that passenger, and say I am the pilot of this plane. It is not going to take off until I am confident that the plane is safe and the mechanical issue has been resolved. My commitment is to get you to Sacramento safely, and we are not going to take off until I feel that we can do that. That, to me, was an example of turning what was a negative into a positive, and the pilot, unfortunately, dropped the ball on that one.

At the same time, as we look at our internal stakeholders, employees, board members, suppliers, let's not forget to get taught down by and from our senior management team. Again, in my role as a strategist, I'm involved in a multitude of different initiatives helping financial institutions to strengthen their balance sheet. Those initiatives that I see that they may have been able to do even better than they did often times stem from when senior management is not fully bought into or informed about the initiative that the marketing department or the resale department might be undertaking. Those initiatives where I see senior management buy-in in involvement, in engagement always turn out to be the best initiatives. Whatever the event taking place within your organization happens to be, please make sure that your senior management team is in engaged in all of the activities. Your employees, your suppliers, your board members are going to look to the senior management team for any indication on how positive this event is going to be and the benefits that it's going to provide to the financial institution, to your account holders, and to every stakeholder within the organization.

Okay, so with that, enough anecdotes on my part. At this point, I'd like to – if I could, I'd like to bring Janet back in. Janet, if you wouldn't mind talking about, again, a little bit of the contact center's role during conversions.

Janet: Yes, absolutely. The screen that we're looking on here, so this speaks a little more specifically to the online banking conversion. They're typically composed of your regular online banking as well as mobile applications. Some key things to be cognizant of or prepared for is that 30% of those users will call. That's probably going to – those 30% were likely to be calling in in your first two weeks of conversion related activity. Obviously, the impact to call volume are tremendous, sometimes doubling the call volume. That's one aspect.

The second very important aspect to that is the length of those calls. A typical customer service related call, probably somewhere in that three minute timeframe. Calls related to conversion related activity, again, it's that first time log on. Trying to help those customers through that. Those are upwards on average of 6½ minutes, so they can be two to three times as long. Take those two elements. Put them together. That's what's going to create a tremendous surge and something that really needs to be brought through in terms of how you would recon that and minimize any impact to that end customer experience.

Stephen: Janet?

Janet: Yes?

Stephen: Janet, before we could – just as an aside, we saw that based on the last polling question it looked like roughly 25% of the folks on the phone today thought that their contact center might not be as prepared as they could be for whatever conversion activity is going to take place at that institution. Could you walk everyone through some of these tips that you've put together on what a contact center could do to make sure they are prepared?

Janet: Yes, absolutely. I do want to say too, touching back on that previous slide, while those numbers spoke to really an online banking conversion, if your merger and acquisition also encompasses a change to that online banking platform, I think that that amount of call, that's still going to be relevant information for you. I do want to note that as well for that audience. Happy to, here's just some activity if you're going through that process. Again, for those of you maybe I think we're prepared, or I'm not quite sure that we're prepared. Here would be some really key internal items that I would recommend that you take a moment and think through. Again, what we talked about on the first one is those spikes in the inbound call lines and longer handle times.

I talk to a lot of clients who get caught with that, oh, we thought – we knew we were going to get more call volume. We didn't anticipate how long those calls were going to last. I'm not exaggerating. Some of these calls could last upwards of an hour. If it's an elderly person and you're really – they don't even know what a browser is. If you have to work them through their upgrading that just to get onto your new platform, they will run the gamut there. That is sometimes one of the little aha or the gotcha moment so to make sure that you're planning for not just the volume but the handle time.

Again, not just from a staffing perspective but also from your telephone capability. If you're going through a conversion that calls for 40, 60, 80 additional people to help support, there's obviously a whole plan around that but then also ensuring that your telephone line capacity is able to manage the amount of call volume that comes in. Think of it not just from the incoming call. That if you're utilizing other areas within your organization or externally you're working with a supplier, making sure you understand what that means. As those calls are routing to those different touchpoints, how long lines might be tied up, etc. These are elements I would look at very early on in your preparedness planning. If you're needing to work with the telephone company, if you had experience doing that, they're not necessarily organizations that turn on a dime. Those would be key ones to really look at out of the gate.

Again, look at your staffing and servicing planning based upon your demographic and your customer behavior. I would say that call volume, the times that they call – so if you get peak calls between 9 and noon, then it drops off, and then it picks back up later in the day. That pattern will probably stay the same. Again, it's just more calls coming through at those periods. This will be an indicator that will drive you towards an anticipation of how many people to expect to call, so it's really taking a look at your customer base, the demographics. Are they an older population? Do you have concerns that, gosh, their browsers are probably going to be older, and they'll need to upgrade to get onto my new application?

You may say our customer base is very needy. They're very cautious. They call us anytime we make any kind of change, or you might say it's a younger generation. They've very adept. They figure things out. All of those things are going to play into what to anticipate from a behavior and what to anticipate from anticipated call volume. If you have the ability, any of your – sorry. I'm just moving along.

Stephen: Sorry about that.

Janet: Oh, no, go back. I still have a couple points there that I want to -

Stephen: I'm sorry.

Janet: No worries. To think about incorporating best practices, FAQ documents if you're building those, if that's part of your internal training, make them external-facing. Place them out there on your home page or if it's online banking-related, put it on your online banking page. Put tutorials out there so customers, they also have the ability to self-serve if they choose to go through that process. Also, if they're calling into your contact center, you can say, “Are you at your computer? Let's pull up this tutorial. Let's pull this up and look at it together,” but it also makes it easily accessible and available to them.

From a messaging perspective, again, if you utilize an RDR system or maybe if you don't, it might be one to consider at least putting some messaging up up front. I call it uninterruptable. There might be a better word for that. It's just a message to catch their attention to say hey, you're calling about XYZ, whatever that is. Please make sure and press one. The key there is you're trying to drive the behavior and get them to the team that's best trained to assist them. A lot of customers, they call the number they're used to. If I always call in and I always press zero, that's what I'm inclined to do, and that may not be the behavior you want when you're going through conversion-related activity. Trying to put that up there, again, to keep them heading down the path that you want.

As well as updating your hold messaging, again, that's a great communication vehicle. Again, if they're calling in for assistance and they're told hold times, which that's going to happen, particularly in Week Number 1. If you've got this tool available online, put that in the message so that they realize they have other resources available to them. Always, always be sure to incorporate testing into your conversion timelines, not just the system, not just the application but phone. A lot of times, folks are doing different call routing, maybe different messaging. Maybe there's different treatments based on how long queues are or how many calls are in queue. Make sure that that's part of your all-inclusive testing plan to make sure that everything does work and operate the way that you had intended.

Stephen: Lots of good stuff there, Janet. Thank you very, very much. What I'd like to do, if I could right now, is ask Terri to come back in for a moment. Terri, tell us what a successful conversion looks like.

Terri: Sure, thank you, Steve. I think that certainly as you consider all of the steps that Janet just went through and tasks that we've seen really drive to successful conversion and everything that Steve talked about, too, what does that look like? Obviously that first bullet there seems pretty simple and straightforward. We want it to be seamless for the account holder I would encourage you to think not just about those account holders that could be going through whatever change event you're managing but those that aren't. We've talked about if you expect an influx of volume, how does that impact someone who's calling about something else? You just want to make sure and remain cognizant of delivering that seamless experience across to all of the account holders, even those that, again, may not be involved are being directly impacted by the change.

I think, too, that account holders need to feel confident and comfortable throughout with the service they receive, that it's responsive, that you are accessible, and again, across any channel, that there's really no disruption, that they feel like the way they did business and transacted with you the day before things started is the same as it was the day and throughout the conversion itself.

Lastly what we've seen as we worked with clients, those that have prepared and followed the steps that have been outlined today, you can actually utilize these as an opportunity to create customer loyalty. If you show your account holders that through the conversion you are still interested in taking steps to make sure that you take good care of them throughout and you care enough to do that, you can actually further strengthen your retention efforts and utilize this opportunity to do so.

Stephen: Great. Terri, Janet, lots of good stuff. Thank you very much. Before we get to our Q&A portion of today's presentation, I'd like to wrap things up this way. All of us on the phone today are really focused on retaining our account holders. There's a lot of competition out there. Banks are competing with banks. Banks are competing with banks and credit unions. Credit unions are competing with credit unions and banks. That competition has been going on for years and years but increasingly, we see alternative lenders, Syntex, whatever you want to call them, starting to enter into our space. We see the Apples of the world. We see the Amazons of the world make intimations about they're going to get involved in our business.

It's critically important for us to make sure that customer or member service is as high and as strong as it can be. The point I'd like to leave everyone here with is this bullet point on this particular slide. Just a 5% increase in account holder retention, doing those things right to make sure that an account holder is fully satisfied with the service they're getting from our bank or our credit union can lead to a 25 to 95% gain in profitability. A little work on the service side can go a long way on the profitability side. As we know, an increase in profitability is going to make our senior management team, and it's going to make our board of directors happy, and if we're a publicly held financial institution, it's going to make our stockholders happy.

With that, we're going to open up the channels here for some questions that you all have asked. Just a reminder again, you can type your question in the question and answer box or pod that you see on your screen. Before we do that, I'm going to ask Lou to come back. Lou, any announcements you'd like to make at this point?

Lou: Yes, thank you, and I should add, when we make all those people happy, we make customers happy, too, right? Fantastic observations. Before we head into the Q&A, I'd like to encourage you to take a few moments to fill out the survey that is live on your screen. As you do that, we are going to head back to Stephen and into the Q&A section, so away we go.

Stephen: Excellent, great, thank you very much, Lou. Terri, Janet, I'm going to – I've got a handful of questions here that look like they've come in. I will leave it up to you relative to who would like to answer. The first question is what's the ideal timeline for conversion planning?

Terri: Hi, Steve, this is Terri. I think it really is going to depend on the number of customers or account holders that are going to be impacted. Let's say for an online conversion, how many active users do you have? You can start there as a starting point. We like to – when we work with clients around that, we like to begin as far ahead as we can to get ahead of things. Sometimes while it may seem incredibly far off, even starting six months in advance, just to start getting – nailing down from a project perspective the task, the ownership, that type of thing, putting calendars together to work through and plan up to the targeted date of deployment is really what we've seen has been helpful Certainly for some that are smaller, you have a smaller lead time, but we really see that by and far that timing is going to be driven by the size or the anticipated scope of the program and project itself

Stephen: Super. Janet, Terri, what if my financial institution has lots of online users? Will I still expect that the contact center will be a point of contact for those folks who are accessing my account, either digitally or mobily?

Janet: This is Janet. I would say yes, absolutely, and there's lots of ways to architect staffing. There is very much a relationship of how many folks you should anticipate. I would say that's over and above what's in your contact center today for those of you that have contact centers. To me, I view them – they run the business. They handle the call volume you get together. They still need to be addressing that, so this is over and above what you're getting in. This is definitely a relationship between how many people – how many users are converting to how many folks you're going to need to help support.

Stephen: Janet or Terri, when a financial institution that might be going through a mobile banking conversion, typically would you expect the same impact on the contact center as you would with other types of conversions?

Janet: This is Janet, Steve. I'll take that again. That is a great question. We talked about conversions from the perspective of it was all-encompassing. Mobile is slightly different, and I'll answer the assumption that is it just mobile banking. Not sure if you converted the PC in advance or doing so later. Yeah, I would say they're less – typically your mobile users are a little bit more savvy and not as apt to call. They can figure that out. I think what drives calls from a mobile might be if you're replacing that app, and it's the timing of that app. A lot of times, they just don't download the new app, or you might be converting and that new app may not quite be available, so first couple of hours they're trying to download it, and it's still not working. Those types of things are generally what drives some call volume when you're looking at mobile. I would say it's going to be a little less than that 30%.

Stephen: Okay. Do any of you have any metrics for how many contact service representatives a financial institution should have per the number of accounts? In other words, should there be 1 CSR per every 10,000 accounts or something like that? Is there a metric out there that you find is helpful?

Terri: We're going to look at it really on a per-call and then from the per-call, the handle time basis to determine the number of agents or specialists that we need. That's the way that we look at it in planning, just looking at, again, anticipated call volume and then the anticipated handle time for those calls, time of day, day of week, hours of operation, all of that really goes into planning for the support of the clients. Again, this is the take that we have on it and the planning that we utilize in our own centers from a workforce perspective.

Stephen: Super. I've got another question here that's come in. How can we justify to our board members and our owners the price of investing into our contact center before we go to a conversion or any sort of a change.

Terri: This is Terri, and I'll let Janet chime in here, too. I think that talking about some of the things we've touched on today, outside of any conversion, outside of any activity whereby you may need, let's say, additional or augmented support from your contact center, I think to have a center in my opinion is a reflection of your brand; it's a reflection of your culture. As we've talked about, a lot of times that it may be just looked at as a cost center. There can be various benefits and actually are ROI-driven through the contact center, not just the soft touch-points but how you utilize that and how you have agents that understand and can write market to your customers, and speak to them effectively in that way can certainly drive that.

I understand that question. I know that there has to be commitment. Where I've seen it, it really is going to work. There has to be commitment from the very top that that contact center is going to be viewed as a center that's going to drive that collaboration, that's going to drive the consultative conversations that can be had to drive share wallet, to drive – maybe driving some additional opportunities there. Again, understand the question because I think if you don't have that buy-in, at least from my experience, if you don't have that support, then it can be difficult. Janet, I don't know if you have anything else to add.

Janet: Yeah, I actually do have some thoughts on that because I think there is, from the perspective of your end customers, it's that customer satisfaction. We're talking about what the cost is to acquire new ones, what the benefits are to retaining the ones that you have. I think there's definite value in that. I think secondarily to that is taking care of the folks in that contact center. When you go to a conversion, if you don't have the support needed, that's a very difficult time period for them. The less staff and the less prepared I think up front, the longer that tailwind is going to be out there and the longer you're going to feel the impacts of that. If I'm a customer service agent day in, day out, bombarded, call after call, long hold times, everybody's upset that I speak with, you could also be faced with, “I'm not going to work tomorrow because that was really, really hard, and it's been going on like that for week. I'm over it.” You're going to have people who – you might have hire attrition. You might have folks who just not call in, which just amplifies the situation that you're in. I think to think about it from that perspective, as well.

Oh, the other thing I think of, too, is social media. The second that you have high hold times or things are going awry, you guys know it as well as I do; folks are not shy to go and hit up and make their comments on social media so it becomes very – it's broadcast out there, and then you're needing to manage that, as well.

Lou: To add to everything that you guys are saying, I would go back and really bring up a couple points Studies tell us that the financial institution spends, in marketing dollars only, between 250 and $442 to acquire a new account holder. There's a lot of dollars invested in customer or member acquisition. At the same time, I threw out some statistics earlier from Gallup relative to what happens when a merger might not be conducted or an acquisition might not be conducted as appropriately as it could be. Customers or members are left in the dark. Gallup says as many as 20% of account holders could attrite from the institution. Not doing it right can really put a crimp on a financial institution's balance sheet.

Stephen: I've got one more question before we wrap up, if we could, and I know we've only got a couple minutes here. Here's a question that came in: if I choose a third-party contact center, what factors should I take into consideration, such as data security, support integration, scheduling, staffing, etcetera?

Terri: Steve, it's Terri. I think all of those are important. I think aligning with a supplier that aligns with you is vital. By that, I mean if they're going to be answering the phone or making outbound calls on your behalf that you would be proud to have them do that and that they are going to be consistent with the practices and the way that you would have your own agents make or take those calls is vital. You can do that certainly through alignment, making sure from the training materials to just, again, making sure that culture is shared throughout the training, making sure they have a succinct and thorough quality assurance program, listening to calls on a regular basis, make sure that they're recording. I think 100% call recording is vital in the industry that we all serve. I think that just making sure, of course, the physical, the info-security is there. Again, that it is as stringent, if not more, than what you would expect is very, very important

Stephen: Super. Thank you very much. Janet, Terri, thank you. This has been great. Lou, I'm going to kick it back to you to wrap us up. We've hit the top of the hour.

Lou: Great, thank you so much, Steve, and Terri, and Janet. Your expertise and insights have been valuable. There were many, many takeaways today. One that particularly grabbed me is the idea of digital channels. They may be growing, but physical interactions – it seems they're growing in terms of value. The customers have higher expectations, which by the way, is true even among Millennials. They want the convenience of mobile and omnichannel options, but they also want those human interactions; they're crucial.

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