Five Essentials for a ~~Good~~ Great Onboarding Program

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Attrition during the first year of a new account relationship ranges from approximately 35 to 45 percent — twice the rate of attrition among established account holders.[1] You know that a good onboarding program helps stem attrition by building a foundation of early and meaningful dialogue with new account holders. But do you know what makes a good onboarding program great? **Below are five essentials for an onboarding program that will deliver loyal, long-term, profitable account holders for your financial institution.**

1 Focus on engagement with *related* products first.

Understand that onboarding new account holders early in their relationships with your financial institution is not about immediately cross-selling *unrelated* products. It's about solidifying the new relationship to reduce attrition. Onboarding communications are designed to quickly engage new account holders in the short-term while forming the foundation that will make your bank or credit union not only the most convenient source for their future financial needs, but also the most logical.

When an account holder is **new to the institution**, onboarding is largely about **engaging** the individual.

Many financial institutions use an onboarding mail matrix to immediately try to acquire a loan product from a new account holder who just opened a checking account or, conversely, to convince a new loan account holder to open a checking account. However, the new relationship might be better served by ensuring *engagement* with the current product in the first 45 days *before* moving to an *acquisition* message for another product. For example, if a new account holder opens a checking account with online banking, communications should focus on boosting debit card activation/use and bill pay set up. Similarly, if the account holder opens a credit card or line of credit, early mailings should concentrate on encouraging utilization.

2 Onboard *all* new checking accounts — even those from existing account holders.

When an account holder is new to the institution, onboarding is largely about engaging the individual. For a longer-standing account holder opening a checking account, the main goal is to onboard the *account*, rather than the *individual*.

New checking accounts from existing account holders are usually triggered by a recent life event or newfound desire to broaden relationships with the financial institution to meet changing needs. Make sure these account holders are fully engaged with the checking account and utilizing its related services to gain support for this life change. Additional cross-sell opportunities will become evident.

3 Determine tracking metrics *before* designing an onboarding program.

This is a perfect example of the need to start with the end in mind. Too often financial institutions set realistic goals such as decreasing attrition, but then only track cross-sell ratios to calculate program ROI. Two of the most useful, but often untracked, metrics for onboarding programs include (1) account holder retention over a pre-determined period and (2) accounts/services per account holder/household.

[1]*Harland Clarke National Banking Industry Databaase*

Other questions to ask include:

- Does the financial institution have the ability to track the metric?
- Is there a baseline from which to measure improvement?
- Do all individuals at the financial institution agree on those metrics?

It's not uncommon for Marketing, Lending and Finance all to have different expectations about what an onboarding program can deliver.

Only *after* the desired results are determined can the program be structured to meet those precise goals.

4 Incorporate emails as an essential channel.

Financial institutions often think of emails as an ancillary channel to be added at some undetermined point in the future. In actuality, it should be included from the onset, similar to direct mail communications. Many banks and credit unions have a decent percentage of email addresses for their current account holders (and can implement initiatives to gather more). Yet, they don't take full advantage of that channel to inexpensively and efficiently supplement their onboarding efforts. Using email as a complement to — not a replacement for — your existing onboarding program is an extremely cost-effective method to further amp up results.

A robust **onboarding process enables** financial institutions to proactively **take control** of the account holder experience during the **critical** first ninety days.

Email is a particularly effective channel for communications that require online follow-through, such as surveys, online enrollments, notifications, newsletters, product promotions, announcements and others. In addition, new account holders respond more favorably than existing ones to email and are more likely to open communications from their financial institution that could be regarding their new account. [2]

5 Don't stop talking to your account holders.

A robust onboarding process enables financial institutions to proactively take control of the account holder experience during the critical first 90 days. By offering the products and services consumers actually need, financial institutions not only satisfy account holders' desires, but also reduce attrition while improving sales and marketing campaign effectiveness. Of course, good account service doesn't stop at onboarding. Continue interacting with your account holders so that you are always attuned and ready to meet their ever-changing needs.

For more information about how Harland Clarke Marketing Services can help you strengthen account holder relationships through onboarding, contact your account executive, email us at **ContactHC@harlandclarke.com**, or visit **harlandclarke.com/Onboarding**.

[2] *Harland Clarke campaign data*